

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	The Group		The Bank	
		30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Assets					
Cash and short term funds	A6	40,217,359	34,641,588	24,223,434	22,003,264
Reverse repurchase agreements		6,052,733	5,414,051	4,759,768	4,962,362
Deposits and placements with banks and other financial institutions	A6	2,252,803	3,556,817	3,038,397	3,434,775
Investment account placement		-	-	3,616,098	3,919,753
Financial investments at fair value through profit or loss	A7	28,471,115	38,419,622	22,266,347	29,259,195
Debt instruments at fair value through other comprehensive income	A8	46,385,483	46,474,157	34,241,377	35,081,261
Equity instruments at fair value through other comprehensive income	A9	274,607	288,587	267,762	274,727
Debt instruments at amortised cost	A10	56,894,401	50,479,403	45,480,819	41,047,382
Derivative financial instruments	A25	30,194,704	11,827,855	15,401,242	6,181,857
Loans, advances and financing	A11	335,027,518	313,978,579	200,391,129	192,712,187
Other assets	A12	14,097,992	7,204,439	9,297,618	4,808,753
Amounts due from holding company and ultimate holding company		19,998	15,909	19,998	15,909
Amount due from subsidiaries		-	-	16,385	9,282
Amount due from related companies		2,689,665	2,145,385	2,685,431	2,142,164
Tax recoverable		99,775	419,394	77,740	405,976
Deferred taxation		1,478,850	1,269,525	926,018	891,970
Statutory deposits with central banks		2,288,251	1,960,005	1,560,400	1,467,797
Investment in subsidiaries		-	-	6,812,397	6,823,365
Investment in joint venture		163,797	151,157	125,000	125,000
Property, plant and equipment		858,272	843,318	581,164	557,611
Right-of-use assets		492,903	507,723	402,110	440,055
Goodwill		3,929,730	3,934,802	3,555,075	3,555,075
Intangible assets		1,105,058	1,218,478	943,502	1,040,962
		<u>572,995,014</u>	<u>524,750,794</u>	<u>380,689,211</u>	<u>361,160,682</u>
Non-current assets held for sale		7,471	19,595	7,471	19,595
Total Assets		573,002,485	524,770,389	380,696,682	361,180,277
Liabilities					
Deposits from customers	A13	366,863,587	357,504,040	231,922,483	235,782,310
Investment accounts of customers	A14	11,317,755	10,427,167	-	-
Deposits and placements of banks and other financial institutions	A15	33,217,765	30,003,495	29,860,997	26,030,036
Repurchase agreements/Collateralised Commodity Murabahah		35,240,285	28,815,159	30,878,131	25,199,077
Financial liabilities designated at fair value through profit or loss	A16	5,691,922	3,285,777	1,118,388	261,682
Derivative financial instruments	A25	27,141,388	10,807,410	13,202,956	5,597,918
Bills and acceptances payable		1,207,324	1,273,871	423,208	529,007
Other liabilities	A17	20,918,449	11,475,294	14,471,331	8,172,414
Lease liabilities		524,593	535,971	429,408	466,217
Recourse obligation on loans and financing sold to Cagamas		978,889	998,246	978,889	998,246
Amounts due to ultimate holding company		3	-	-	-
Amount due to subsidiaries		-	-	737,695	273,949
Amount due to related companies		18,127	6,972	9,632	2,679
Provision for taxation and zakat		230,924	117,912	-	-
Bonds, Sukuk and debentures		11,706,951	11,800,169	9,153,499	9,849,786
Other borrowings		899,916	2,822,811	855,414	2,713,798
Subordinated obligations		10,467,834	9,082,448	10,008,756	8,616,795
Total Liabilities		526,425,712	478,956,742	344,050,787	324,493,914
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		22,177,810	21,855,078	22,177,810	21,855,078
Reserves		23,883,974	23,443,428	14,238,345	14,601,545
		46,061,784	45,298,506	36,416,155	36,456,623
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		285,249	285,401	-	-
Total Equity		46,576,773	45,813,647	36,645,895	36,686,363
Total Equity and Liabilities		573,002,485	524,770,389	380,696,682	361,180,277
Commitments and contingencies	A26	1,391,672,892	1,173,982,279	713,772,820	646,715,842
Net assets per ordinary share attributable to owners of the Parent (RM)		7.26	7.20	5.74	5.80

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 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

The Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Interest income	A18	3,405,284	2,768,787	9,046,117	8,308,643
Interest income from financial assets at fair value through profit or loss	A19	159,973	103,585	417,091	318,477
Interest expense	A20, A32	(1,448,008)	(903,894)	(3,417,226)	(2,812,968)
Net interest income (before modification loss)		2,117,249	1,968,478	6,045,982	5,814,152
Modification gain/(loss)	A21	66	(43,805)	6,860	(50,704)
Net interest income (after modification loss)		2,117,315	1,924,673	6,052,842	5,763,448
Income from Islamic Banking operations	A30(b)	879,116	659,322	2,392,611	2,129,043
Net non-interest income	A22	699,753	604,993	2,135,344	2,113,434
Net income		3,696,184	3,188,988	10,580,797	10,005,925
Overheads	A23, A32	(1,714,245)	(1,609,572)	(4,888,543)	(5,000,713)
Profit before expected credit losses		1,981,939	1,579,416	5,692,254	5,005,212
Expected credit losses on loans, advances and financing	A24(a)	(386,547)	(294,015)	(732,779)	(1,064,080)
Expected credit losses for commitments and contingencies written back/(made)		25,553	(38,818)	12,253	(48,325)
Other expected credit losses and impairment allowances	A24(b)	(20,162)	(11,377)	(90,946)	(120,545)
Impairment of goodwill	A24(c)	-	(1,215,197)	-	(1,215,197)
		1,600,783	20,009	4,880,782	2,557,065
Share of results of joint venture		2,497	(551)	17,640	9,593
Profit before taxation and zakat		1,603,280	19,458	4,898,422	2,566,658
Taxation and zakat		(607,866)	(320,442)	(1,698,233)	(926,456)
Profit/(loss) for the financial period		995,414	(300,984)	3,200,189	1,640,202
Profit/(loss) for the financial period attributable to:					
Owners of the Parent		990,827	(305,626)	3,181,175	1,629,191
Non-controlling interests		4,587	4,642	19,014	11,011
		995,414	(300,984)	3,200,189	1,640,202
Earnings/(losses) per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	15.61	(4.93)	50.41	26.29

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 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

The Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the financial period	995,414	(300,984)	3,200,189	1,640,202
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	186	1,685	221	3,016
- Currency translation difference	186	1,685	221	3,016
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(4,052)	(6,564)	(7,446)	(46,307)
- Net loss from change in fair value	(5,170)	(9,811)	(8,795)	(49,941)
- Currency translation difference	1,118	3,247	1,349	3,634
Equity instruments at fair value through other comprehensive income	(4,566)	9,694	(17,344)	24,749
- Net (loss)/gain from change in fair value	(507)	9,483	(8,811)	29,647
- Income tax effects	(82)	(72)	(27)	(3,157)
- Currency translation difference	(3,977)	283	(8,506)	(1,741)
	(8,432)	4,815	(24,569)	(18,542)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	7,693	(153,983)	(1,033,743)	(722,974)
- Net gain/(loss) from change in fair value	20,013	(71,249)	(1,367,813)	(638,409)
- Realised (gain)/loss transferred to statement of income on disposal	(5,184)	(110,103)	125,759	(278,551)
- Changes in expected credit losses	(4,268)	1,764	(37,919)	25,142
- Income tax effects	(3,239)	25,940	245,431	168,138
- Currency translation difference	371	(335)	799	706
Net investment hedge	(221,338)	(26,981)	(460,162)	(193,695)
Cash flow hedge	(9,661)	(15,590)	(18,591)	(15,887)
- Net loss from change in fair value	(12,310)	(18,736)	(21,948)	(18,792)
- Income tax effects	2,649	3,146	3,357	2,905
Exchange fluctuation reserve	250,348	(291,313)	625,105	(241,397)
Deferred hedging cost	2,989	47,422	35,200	68,036
- Net gain from change in fair value	2,917	50,383	33,123	72,771
- Income tax effects	72	(2,961)	2,077	(4,735)
	30,031	(440,445)	(852,191)	(1,105,917)
Other comprehensive income/(expense) for the financial period, net of tax	21,599	(435,630)	(876,760)	(1,124,459)
Total comprehensive income/(expense) for the financial period	1,017,013	(736,614)	2,323,429	515,743
Total comprehensive income/(expense) for the financial period attributable to:				
Owners of the Parent	1,017,909	(726,447)	2,321,271	533,776
Non-controlling interests	(896)	(10,167)	2,158	(18,033)
	1,017,013	(736,614)	2,323,429	515,743

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

<u>The Bank</u>	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	2,971,962	2,356,803	7,817,431	7,006,640
Interest income for financial assets at fair value through profit or loss	A19	136,371	79,538	342,939	248,438
Interest expense	A20	(1,331,196)	(807,696)	(3,116,263)	(2,495,661)
Net interest income (before modification loss)		1,777,137	1,628,645	5,044,107	4,759,417
Modification loss	A21	-	(28,754)	(1,260)	(28,754)
Net interest income (after modification loss)		1,777,137	1,599,891	5,042,847	4,730,663
Income from Islamic Banking operations	A30(b)	43,398	27,714	85,668	77,362
Net non-interest income	A22	798,364	788,182	2,582,752	2,580,288
Net income		2,618,899	2,415,787	7,711,267	7,388,313
Overheads	A23	(1,437,778)	(1,318,717)	(3,989,625)	(4,110,894)
Profit before expected credit losses		1,181,121	1,097,070	3,721,642	3,277,419
Expected credit losses on loans, advances and financing	A24(a)	(228,421)	(111,943)	(315,958)	(523,811)
Expected credit losses for commitments and contingencies written back/(made)		24,436	(18,602)	(44,207)	(14,790)
Other expected credit losses and impairment allowances (made)/written back	A24(b)	(3,013)	5,675	(22,042)	(23,838)
Profit before taxation		974,123	972,200	3,339,435	2,714,980
Taxation		(426,486)	(252,645)	(1,223,302)	(666,043)
Profit for the financial period		547,637	719,555	2,116,133	2,048,937
Earnings per share - basic (sen)	B3	8.63	11.61	33.53	33.06

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Individual Quarter		Cumulative Quarters	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
<u>The Bank</u>	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	547,637	719,555	2,116,133	2,048,937
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 gain/(loss) from change in fair value	84	1	79	(3)
Equity instruments at fair value through other comprehensive income	(4,629)	5,711	(16,813)	18,785
- Net (loss)/gain from change in fair value	(181)	6,500	(7,753)	25,556
- Income tax effects	(39)	-	(31)	(2,946)
- Currency translation difference	(4,409)	(789)	(9,029)	(3,825)
	(4,545)	5,712	(16,734)	18,782
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(4,784)	(104,648)	(807,141)	(543,697)
- Net gain/(loss) from change in fair value	4,341	(38,146)	(933,990)	(499,001)
- Realised loss/(gain) transferred to statement of income on disposal	107	(87,629)	4,772	(190,316)
- Changes in expected credit losses	(4,233)	4,028	(36,044)	23,552
- Income tax effects	(5,370)	17,434	157,322	121,362
- Currency translation difference	371	(335)	799	706
Net investment hedge	(183,240)	(22,046)	(382,811)	(170,428)
Cash flow hedge	1,595	(13,673)	(2,508)	(12,815)
- Net gain/(loss) from change in fair value	1,790	(16,542)	(1,829)	(15,318)
- Income tax effects	(195)	2,869	(679)	2,503
Exchange fluctuation reserve	272,081	25,160	584,796	271,629
Deferred hedging cost	1,887	44,300	31,225	65,064
- Net gain from change in fair value	1,814	47,261	29,148	69,800
- Income tax effects	73	(2,961)	2,077	(4,736)
	87,539	(70,907)	(576,439)	(390,247)
Other comprehensive income/(expense) for the financial period, net of tax	82,994	(65,195)	(593,173)	(371,465)
Total comprehensive income for the financial period	630,631	654,360	1,522,960	1,677,472

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

The Group	Attributable to owners of the Parent																			
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Fair value reserve		Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total Equity RM'000
					debt instruments at fair value through other comprehensive income RM'000	equity instruments at fair value through other comprehensive income RM'000														
At 1 January 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,181,175	3,181,175	-	19,014	3,200,189
Other comprehensive income/ (expenses) (net of tax)	-	-	-	635,488	(1,028,524)	(17,513)	-	-	(478,133)	35,200	-	(7,054)	119	303	210	-	(859,904)	-	(16,856)	(876,760)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(1,028,524)	-	-	-	-	-	-	-	-	-	-	-	(1,028,524)	-	(5,219)	(1,033,743)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(17,513)	-	-	-	-	-	-	-	-	-	-	(17,513)	-	169	(17,344)
- net investment hedge	-	-	-	-	-	-	-	-	(460,162)	-	-	-	-	-	-	-	(460,162)	-	-	(460,162)
- cash flow hedge	-	-	-	-	-	-	-	-	(17,971)	-	-	-	-	-	-	-	(17,971)	-	(620)	(18,591)
- currency translation difference - remeasurement of post employment benefits obligations	-	-	-	635,488	-	-	-	-	-	-	-	-	119	303	-	-	635,910	-	(10,805)	625,105
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	(7,054)	-	-	-	-	(7,054)	-	(392)	(7,446)
- deferred hedging cost	-	-	-	-	-	-	-	-	-	35,200	-	-	-	-	-	-	35,200	-	-	35,200
Total comprehensive income/ (expenses) for the financial period	-	-	-	635,488	(1,028,524)	(17,513)	-	-	(478,133)	35,200	-	(7,054)	119	303	210	3,181,175	2,321,271	-	2,158	2,323,429
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	(651,012)	-	-	(651,012)
First interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,253,258)	(1,253,258)	-	-	(1,253,258)
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	-	-	-	-	-	-	-	-	-	-	-	-	10,277	32,835	-	-	43,112	-	-	43,112
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(19,567)	-	-	-	(19,567)	-	(28)	(19,595)
Total transactions with owners recognised directly in equity	322,732	-	-	-	-	-	-	-	-	-	-	-	(9,290)	32,835	-	(1,904,270)	(1,557,993)	-	(2,310)	(1,560,303)
Transfer to statutory reserve	-	-	13,826	-	-	-	-	-	-	-	-	-	-	-	-	(13,826)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	393,200	-	-	-	-	(393,200)	-	-	-	-
Transfer to capital reserve	-	-	-	-	-	-	-	34,757	-	-	-	-	-	-	-	(34,757)	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	(280)	-	-	-	-	-	-	-	-	-	280	-	-	-	-
At 30 September 2022	22,177,810	29,740	87,131	2,624,214	(1,729,377)	(1,901)	(1,085,928)	840,529	(1,790,178)	199,828	522,396	(59,545)	23,082	60,274	(9,883)	24,203,332	46,091,524	200,000	285,249	46,576,773

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

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

The Group	Attributable to owners of the Parent																			
	Ordinary share capital	Redeemable Preference Shares	Statutory reserve	Exchange fluctuation reserve	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	Perpetual preference shares	Non-controlling interests	Total Equity
					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	RM'000	RM'000
At 1 January 2021	21,323,364	29,740	68,400	2,161,645	172,513	(15,109)	(1,085,928)	805,772	(1,115,253)	105,028	233,441	(10,849)	52,230	-	(37,367)	21,525,312	44,212,939	200,000	311,841	44,724,780
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,629,191	1,629,191	-	11,011	1,640,202
Other comprehensive income/ (expenses) (net of tax)	-	-	-	(218,630)	(718,924)	24,446	-	-	(209,012)	68,036	-	(43,913)	(189)	(89)	2,860	-	(1,095,415)	-	(29,044)	(1,124,459)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(718,924)	-	-	-	-	-	-	-	-	-	-	-	(718,924)	-	(4,050)	(722,974)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	24,446	-	-	-	-	-	-	-	-	-	-	24,446	-	303	24,749
- net investment hedge	-	-	-	-	-	-	-	-	(193,695)	-	-	-	-	-	-	-	(193,695)	-	-	(193,695)
- cash flow hedge	-	-	-	-	-	-	-	-	(15,317)	-	-	-	-	-	-	-	(15,317)	-	(570)	(15,887)
- currency translation difference	-	-	-	(218,630)	-	-	-	-	-	-	-	-	(189)	(89)	-	-	(218,908)	-	(22,489)	(241,397)
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,860	-	2,860	-	156	3,016
- fair value changes on financial liabilities designated at fair value relating to own credit risk - deferred hedging cost	-	-	-	-	-	-	-	-	-	68,036	-	(43,913)	-	-	-	-	(43,913)	-	(2,394)	(46,307)
Total comprehensive income/ (expenses) for the financial period	-	-	-	(218,630)	(718,924)	24,446	-	-	(209,012)	68,036	-	(43,913)	(189)	(89)	2,860	1,629,191	533,776	-	(18,033)	515,743
First interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(531,745)	(531,745)	-	-	(531,745)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,906)	(7,906)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	30,310	15,556	-	-	45,866	-	-	45,866
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(46,138)	-	-	-	(46,138)	-	(54)	(46,192)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(15,828)	15,556	-	(531,745)	(532,017)	-	(7,960)	(539,977)
Transfer to statutory reserve	-	-	4,959	-	-	-	-	-	-	-	-	-	-	-	-	(4,959)	-	-	-	-
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(215,958)	-	-	-	-	215,958	-	-	-	-
At 30 September 2021	21,323,364	29,740	73,359	1,943,015	(546,411)	9,337	(1,085,928)	805,772	(1,324,265)	173,064	17,483	(54,762)	36,213	15,467	(34,507)	22,833,757	44,214,698	200,000	285,848	44,700,546

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

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 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

The Bank	Non-distributable											Distributable			Total Equity RM'000	
	Fair value reserve										Capital contribution by ultimate			Perpetual preference shares RM'000		Retained earnings RM'000
	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* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	holding company 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	-	-	-	-	-	-	-	-	-	-	-	-	-	2,116,133	-	2,116,133
Other comprehensive income/ (expenses) (net of tax)	-	-	584,371	(807,141)	(16,813)	-	(385,319)	31,225	-	79	161	264	-	-	-	(593,173)
- debt instruments at fair value through other comprehensive income	-	-	-	(807,141)	-	-	-	-	-	-	-	-	-	-	-	(807,141)
- equity instruments at fair value through other comprehensive income	-	-	-	-	(16,813)	-	-	-	-	-	-	-	-	-	-	(16,813)
- net investment hedge	-	-	-	-	-	-	(382,811)	-	-	-	-	-	-	-	-	(382,811)
- cash flow hedge	-	-	-	-	-	-	(2,508)	-	-	-	-	-	-	-	-	(2,508)
- currency translation difference	-	-	584,371	-	-	-	-	-	-	-	161	264	-	-	-	584,796
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	79	-	-	-	-	-	79
- deferred hedging cost	-	-	-	-	-	-	-	31,225	-	-	-	-	-	-	-	31,225
Total comprehensive income/ (expenses) for the financial period	-	-	584,371	(807,141)	(16,813)	-	(385,319)	31,225	-	79	161	264	2,116,133	-	-	1,522,960
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	-	(651,012)
First interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,253,258)	-	(1,253,258)
Issue of shares from rights issue	322,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322,732
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	8,923	26,687	-	-	-	35,610
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(17,500)	-	-	-	-	(17,500)
Total transactions with owners recognised directly in equity	322,732	-	-	-	-	-	-	-	-	-	(8,577)	26,687	(1,904,270)	-	-	(1,563,428)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	329,192	-	-	-	(329,192)	-	-	-
At 30 September 2022	22,177,810	29,740	1,450,723	(1,394,125)	21,415	(1,047,872)	746,852	(1,226,492)	187,187	458,388	78	20,839	49,352	14,972,000	200,000	36,645,895

*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 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Fair value reserve					Non-distributable					Distributable					
	Ordinary share capital	Redeemable Preference Shares	Exchange fluctuation reserve	debt instruments at fair value through other comprehensive income	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
The Bank	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 2021	21,323,364	29,740	603,041	84,638	13,201	(1,047,872)	746,852	(670,437)	98,479	20,409	3	46,764	-	13,421,113	200,000	34,869,295
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	2,048,937	-	2,048,937
Other comprehensive income/ (expenses) (net of tax)	-	-	271,525	(543,697)	18,785	-	-	(183,243)	65,064	-	(3)	108	(4)	-	-	(371,465)
- debt instruments at fair value through other comprehensive income	-	-	-	(543,697)	-	-	-	-	-	-	-	-	-	-	-	(543,697)
- equity instruments at fair value through other comprehensive income	-	-	-	-	18,785	-	-	-	-	-	-	-	-	-	-	18,785
- net investment hedge	-	-	-	-	-	-	-	(170,428)	-	-	-	-	-	-	-	(170,428)
- cash flow hedge	-	-	-	-	-	-	-	(12,815)	-	-	-	-	-	-	-	(12,815)
- currency translation difference	-	-	271,525	-	-	-	-	-	-	-	-	108	(4)	-	-	271,629
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	(3)	-	-	-	-	-	(3)
- deferred hedging cost	-	-	-	-	-	-	-	-	65,064	-	-	-	-	-	-	65,064
Total comprehensive income/ (expenses) for the financial period	-	-	271,525	(543,697)	18,785	-	-	(183,243)	65,064	-	(3)	108	(4)	2,048,937	-	1,677,472
First interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(531,745)	-	(531,745)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	27,965	12,799	-	-	-	40,764
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(42,766)	-	-	-	-	(42,766)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	(14,801)	12,799	(531,745)	-	-	(533,747)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	(2,926)	-	-	-	2,926	-	-	-
At 30 September 2021	21,323,364	29,740	874,566	(459,059)	31,986	(1,047,872)	746,852	(853,680)	163,543	17,483	-	32,071	12,795	14,941,231	200,000	36,013,020

*The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision

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 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Profit before taxation and zakat	4,898,422	2,566,658	3,339,435	2,714,980
Adjustments for non-operating and non-cash items	(806,837)	1,464,255	(1,027,880)	(516,328)
Operating profit before changes in working capital	4,091,585	4,030,913	2,311,555	2,198,652
Net changes in operating assets	(23,723,411)	(11,914,909)	(8,635,209)	(8,406,511)
Net changes in operating liabilities	35,734,798	23,074,443	16,557,826	19,924,238
	12,011,387	11,159,534	7,922,617	11,517,727
Cash flows generated from operations	16,102,972	15,190,447	10,234,172	13,716,379
Taxation paid	(1,230,597)	(571,122)	(757,553)	(308,744)
Net cash flows generated from operating activities	14,872,375	14,619,325	9,476,619	13,407,635
Cash flows from investing activities				
Dividend income	41,681	49,600	166,608	73,323
Investment in subsidiary	-	-	27,377	(41,674)
Interest income received from financial investments	2,332,717	2,234,599	1,788,843	1,735,463
Net purchase of financial investments	(8,006,824)	(8,683,233)	(4,381,193)	(6,605,782)
Net purchase of property, plant and equipment	(117,410)	(270,391)	(105,973)	(247,659)
Net purchase from disposal of intangible assets	(238,627)	(287,139)	(203,066)	(256,799)
Other investing activities	(6,553)	140,791	(4,666)	11,159
Net cash flows used in investing activities	(5,995,016)	(6,815,773)	(2,712,070)	(5,331,969)
Cash flows from financing activities				
Dividend paid	(1,906,552)	(539,651)	(1,904,270)	(531,745)
Interest expense paid on bonds and debentures	(137,354)	(104,062)	(143,760)	(117,386)
Interest expense paid on other borrowings	(22,247)	(39,268)	(21,686)	(48,454)
Interest expense paid on subordinated obligations	(227,876)	(261,181)	(189,847)	(286,700)
Proceeds from issuance of bonds and debentures	5,553,614	3,236,341	2,099,572	906,386
Proceeds from issuance of other borrowings	32,832	152,841	-	-
Proceeds from issuance of subordinated obligations	1,500,000	440,000	1,500,000	-
Repayment of bonds and debentures	(5,992,746)	(1,011,588)	(3,166,628)	(462,359)
Repayment of other borrowings	(2,263,112)	(2,921,050)	(2,162,852)	(2,921,050)
Repayment of subordinated obligations	-	(2,970,000)	-	(2,500,000)
Issuance of shares due to rights issue	322,732	-	322,732	-
Other financing activities	(134,682)	(443,128)	(113,673)	(422,607)
Net cash flows used in financing activities	(3,275,391)	(4,460,746)	(3,780,412)	(6,383,915)
Net increase in cash and cash equivalents	5,601,968	3,342,806	2,984,137	1,691,751
Effects of exchange rate changes	818,273	93,865	780,530	479,133
Cash and cash equivalents at the beginning of financial period	34,198,752	34,406,356	25,179,356	26,771,403
Cash and cash equivalents at end of financial period	40,618,993	37,843,027	28,944,023	28,942,287
Cash and cash equivalents comprise:				
Cash and short-term funds	40,217,359	37,108,368	24,223,434	24,287,606
Deposits and placements with banks and other	2,252,803	3,811,570	3,038,397	3,484,762
Investment account placement	-	-	3,616,098	4,449,939
	42,470,162	40,919,938	30,877,929	32,222,307
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(1,851,169)	(3,076,911)	(1,933,906)	(3,280,020)
Cash and cash equivalents at end of financial period	40,618,993	37,843,027	28,944,023	28,942,287

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 2021.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 30 September 2022 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group’s and the Bank’s audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2021.

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 2021, and modified for the adoption of the following accounting standards applicable for financial periods beginning on/after 1 January 2022:

- Amendment to MFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021”
- Amendments to MFRS 116 “Proceeds before intended use”
- Amendments to MFRS 3 “Reference to Conceptual Framework”
- Amendments to MFRS 137 “Onerous Contracts –Cost of Fulfilling a Contract”
- Annual improvements to MFRS 9 “Fees in the 10% test for derecognition of financial liabilities”
- Annual Improvements to MFRS 1 “Subsidiary as First-time Adopter”
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives

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 Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

(b) The easing of Covid-19 concerns has contributed to the normalisation of economic activity, higher consumer spending and an improvement in global travel activities. Nonetheless, the recovery momentum continues to face headwinds from the still prevalent threat of Covid-19 variants, geopolitical tensions and the possibility of a global recession. Governments are expected to continue tightening fiscal and monetary policies to curb inflationary pressures.

The Group had supported customers impacted by the pandemic by providing targeted assistance programs. Most customers have since migrated out of these programs. Various prevailing uncertainties will continue to be monitored and the Group will continue to keep track of asset quality.

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 other than those disclosed under the basis of preparation.

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 RM55.8 million.
- b) On 14 January 2022, CIMB Islamic redeemed its RM70 million Basel II Additional Tier 1 Perpetual Preference Shares from CIMB Bank.
- (c) On 20 January 2022, the Bank issued USD500 million 5-year fixed rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of 2.125% per annum payable semi-annually, will mature on 20 July 2027.
- d) On 8 March 2022, the Bank redeemed its USD15 million 5-year senior floating rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- e) On 15 March 2022, the Bank redeemed its USD500 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- f) On 18 May 2022, the Bank redeemed its RM1 billion 5-year senior medium term notes issued under its RM20 billion Senior Medium Term Note Programme.
- g) On 20 June 2022, the Bank issued 55.6 million Rights Issue at RM5.80 for each Rights Share. The issuance has resulted in an increase in ordinary shares of RM322.7 million.
- h) On 18 July 2022, the Bank completed the capital injection of VND225 billion into new ordinary shares of CIMB Bank (Vietnam) Limited.
- i) On 8 September 2022, the Bank issued RM1.5 billion 10 years non-callable 5 years Tier 2 Sukuk Wakalah to CIMB Group bearing a periodic distribution rate of 4.40% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.
- j) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB6.1 billion 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 THB7.0 billion.
- k) During the financial period, CIMB Thai Bank issued various unsecured short term debentures amounted to THB21.6 billion with tenures ranges between 3 to 8 months from respective issuance dates. The short term debentures carry fixed interest rates ranges from 0.65% - 1.15%, payable at respective maturity dates.
- During the financial period, CIMB Thai Bank has redeemed unsecured short term debentures amounted to THB15.1 billion.
- l) On 28 November 2022, CIMB Islamic issued RM300 million Tier 2 Junior Sukuk under its RM5.0 billion Tier 2 Junior Sukuk Programme. The Sukuk, which was fully subscribed by the Bank, bears a coupon rate of 4.90% per annum payable semi-annually, will mature on 26 November 2032, with first call date on 29 November 2027.
- m) On 30 November 2022, the Bank redeemed its existing RM1.5 billion Tier 2 Subordinated Debt issued under Basel III Subordinated Debt Programme on the first call date.

A4. DIVIDENDS PAID

A single-tier second interim dividend of approximately 10.35 sen per ordinary share, on 6,289,967,774 ordinary shares amounting to RM651 million in respect of the financial year ended 31 December 2021 which was approved by the Board of Directors on 28 January 2022, was paid on 15 March 2022.

A single-tier first interim dividend of 19.75 sen per ordinary share, on 6,345,611,315 ordinary shares amounting to RM1,253 million in respect of the financial year ending 31 December 2022 which was approved by the Board of Directors on 28 July 2022, was paid on 29 September 2022.

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

In January 2022, the Group identified errors that was related to a specific third party financial remittance service, which led to a limited number of customers receiving duplicate credits in their accounts. The Group has since addressed and remedied these processing errors. After careful assessment of the incident, the Group has also implemented additional controls to prevent similar errors from occurring in the future. At the same time, the Group has embarked on a holistic review of preventive and detective controls and policies and procedures, surrounding its transaction processing infrastructure. In addition, the Group is committed to ensure and to enhance operational resilience.

The Group will take all necessary measures available to it to recover the duplicate payments, and these have commenced in 1Q FY2022. The Group had provided for the majority of the exposure, amounting to an ECL of RM280.9 million during the financial year ended 31 December 2021 and a full and final provision has been made in 1Q FY2022. This provision does not impair the Group's ability to pursue recovery measures. The financial impact are disclosed in A12 and A24(b).

There is no significant events that had occurred between 30 September 2022 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 September 2022, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM165,000 and RM2,102,000 (2021: RM107,000 and RM1,963,000) for the Group respectively and RMNil and RM617,000 (2021: RMNil and RM1,957,000) for the Bank respectively. The 12-month expected credit losses made/(written back) in the income statements of the Group and the Bank during the financial period amounting to RM12,000 and (RM1,509,000) respectively (30 September 2021: RM2,119,000 and (RM311,000) respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	2,179,032	2,063,110	2,179,032	2,063,110
Cagamas bonds	859,829	865,744	646,951	760,796
Khazanah bonds	-	58,964	-	58,964
Malaysian Government treasury bills	859,876	151,173	673,613	88,214
Bank Negara Malaysia Monetary Notes	693,874	2,290,759	693,874	2,290,759
Negotiable instruments of deposit	3,124,109	3,909,653	731,457	1,465,243
Other Government securities	2,884,350	5,405,014	820,631	2,226,026
Government Investment Issues	2,077,762	2,611,716	1,932,712	2,027,290
Other Government treasury bills	7,783,963	9,884,399	7,783,963	9,884,399
Promissory Notes	380,038	398,711	380,038	398,711
Commercial papers	372,525	1,479,300	73,121	179,499
	<u>21,215,358</u>	<u>29,118,543</u>	<u>15,915,392</u>	<u>21,443,011</u>
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,076,999	1,115,967	1,076,999	1,115,967
	<u>1,076,999</u>	<u>1,115,967</u>	<u>1,076,999</u>	<u>1,115,967</u>
<u>Outside Malaysia</u>				
Shares	349,912	290,468	349,912	290,468
	<u>1,426,911</u>	<u>1,406,435</u>	<u>1,426,911</u>	<u>1,406,435</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	983,951	957,468	970,421	944,221
Corporate bond and Sukuk	2,682,415	3,030,809	2,424,351	2,327,263
	<u>3,666,366</u>	<u>3,988,277</u>	<u>3,394,772</u>	<u>3,271,484</u>
<u>Outside Malaysia</u>				
Corporate bond	2,007,868	3,730,718	1,374,660	2,962,616
Private equity funds	154,612	175,649	154,612	175,649
	<u>2,162,480</u>	<u>3,906,367</u>	<u>1,529,272</u>	<u>3,138,265</u>
	<u>28,471,115</u>	<u>38,419,622</u>	<u>22,266,347</u>	<u>29,259,195</u>

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	4,818,493	4,832,000	4,818,493	4,832,000
Cagamas bonds	291,575	270,955	251,533	265,836
Other government securities	6,083,049	5,114,067	1,272,615	1,049,334
Negotiable instruments of deposit	244,684	470,384	244,684	470,384
Government investment issues	6,033,846	5,712,395	4,548,378	4,465,108
Commercial papers	4,977	-	-	-
	<u>17,476,624</u>	<u>16,399,801</u>	<u>11,135,703</u>	<u>11,082,662</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	20,406,113	21,951,483	16,957,851	18,170,575
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	8,502,746	8,122,873	6,147,823	5,828,024
	<u>46,385,483</u>	<u>46,474,157</u>	<u>34,241,377</u>	<u>35,081,261</u>

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 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:	(16,925)	(145)	(20,849)	(37,919)
New financial assets purchased	26,727	-	-	26,727
Financial assets that have been derecognised	(5,445)	(7)	-	(5,452)
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)
Change in credit risk	(38,207)	(138)	-	(38,345)
Exchange fluctuation	1,259	1	-	1,260
At 30 September 2022	25,381	1,658	-	27,039

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 2021	33,077	320	20,849	54,246
Changes in expected credit losses due to transferred within stages:	(527)	527	-	-
Transferred to Stage 2	(527)	527	-	-
Total charge to Statement of Income:	8,118	1,089	-	9,207
New financial assets purchased	105,543	-	-	105,543
Financial assets that have been derecognised	(8,452)	(126)	-	(8,578)
Change in credit risk	(88,973)	1,215	-	(87,758)
Exchange fluctuation	433	(188)	-	245
At 31 December 2021	41,101	1,748	20,849	63,698

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 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:	(15,050)	(145)	(20,849)	(36,044)
New financial assets purchased	25,045	-	-	25,045
Financial assets that have been derecognised	(5,295)	(7)	-	(5,302)
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)
Change in credit risk	(34,800)	(138)	-	(34,938)
Exchange fluctuation	1,270	-	-	1,270
At 30 September 2022	23,899	1,656	-	25,555

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	31,119	305	20,849	52,273
Changes in expected credit losses due to transferred within stages:	(527)	527	-	-
Transferred to Stage 2	(527)	527	-	-
Total charge to Statement of Income:	6,696	1,105	-	7,801
New financial assets purchased	88,292	-	-	88,292
Financial assets that have been derecognised	(7,099)	(110)	-	(7,209)
Change in credit risk	(74,497)	1,215	-	(73,282)
Exchange fluctuation	445	(190)	-	255
At 31 December 2021	37,733	1,747	20,849	60,329

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)	Total
	RM'000	RM'000
At 1 January 2022	20,849	20,849
Amount recovered	(20,849)	(20,849)
At 30 September 2022	-	-

The Group and The Bank	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January/31 December 2021	20,849	20,849

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	1,863	1,981	72	83
Unit trusts	-	5,492	-	-
	<u>1,863</u>	<u>7,473</u>	<u>72</u>	<u>83</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	265,579	265,418	265,229	265,034
	<u>265,579</u>	<u>265,418</u>	<u>265,229</u>	<u>265,034</u>
<u>Outside Malaysia</u>				
Shares	7,087	8,469	2,383	2,383
Private equity funds	78	7,227	78	7,227
	<u>7,165</u>	<u>15,696</u>	<u>2,461</u>	<u>9,610</u>
	<u>274,607</u>	<u>288,587</u>	<u>267,762</u>	<u>274,727</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	8,898,889	7,086,208	8,798,654	6,984,867
Cagamas bonds	453,898	245,668	423,535	215,551
Other Government treasury bills	4,870,191	3,834,187	4,870,191	3,834,187
Other Government's securities	3,500,078	2,022,944	735,605	516,581
Negotiable instruments of deposit	-	127,679	-	127,679
Malaysian Government Investment Issue	16,566,415	15,614,661	13,117,780	12,291,391
Khazanah bonds	202,027	235,345	112,980	146,298
	<u>34,491,498</u>	<u>29,166,692</u>	<u>28,058,745</u>	<u>24,116,554</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	19,232,083	18,195,695	14,708,862	13,988,117
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	3,752,094	3,739,323	3,308,738	3,578,674
	<u>22,984,177</u>	<u>21,935,018</u>	<u>18,017,600</u>	<u>17,566,791</u>
Amortisation of premium net of accretion of discount	(10,984)	20,268	(18,042)	25,519
Less : Expected credit losses	(570,290)	(642,575)	(577,484)	(661,482)
	<u>56,894,401</u>	<u>50,479,403</u>	<u>45,480,819</u>	<u>41,047,382</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 2022	1,592	31,266	609,717	642,575
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:	14,973	(40,624)	(78,158)	(103,809)
New financial assets purchased	7,852	-	-	7,852
Financial assets that have been derecognised	(1,213)	(7)	-	(1,220)
Change in credit risk	8,334	(40,617)	(78,158)	(110,441)
Exchange fluctuation	335	-	(3)	332
Other movements	-	-	31,192	31,192
At 30 September 2022	17,941	(10,399)	562,748	570,290

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 2021	8,704	735,922	7,182	751,808
Changes in expected credit losses due to transferred within stages:	84	(453,608)	453,524	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(144)	144	-	-
Transferred to Stage 3	-	(453,524)	453,524	-
Total charge to Statement of Income:	(7,250)	39,211	156,042	188,003
New financial assets purchased	12,797	-	-	12,797
Financial assets that have been derecognised	(527)	-	-	(527)
Change in credit risk	(19,520)	39,211	156,042	175,733
Write-offs	-	-	(7,020)	(7,020)
Exchange fluctuation	54	-	(11)	43
Other movements	-	(290,259)	-	(290,259)
At 31 December 2021	1,592	31,266	609,717	642,575

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 2022	1,226,759	1,226,759
Other changes in debts instruments	9,076	9,076
Exchange fluctuation	50,817	50,817
At 30 September 2022	1,286,652	1,286,652

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	7,182	7,182
Transfer within stages	1,226,546	1,226,546
Other changes in debts instruments	5,578	5,578
Write-offs	(7,020)	(7,020)
Exchange fluctuation	(5,527)	(5,527)
At 31 December 2021	1,226,759	1,226,759

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 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:	(4,670)	(25,677)	(78,158)	(108,505)
New financial assets purchased	5,954	-	-	5,954
Financial assets that have been derecognised	(1,213)	(7)	-	(1,220)
Change in credit risk	(9,411)	(25,670)	(78,158)	(113,239)
Exchange fluctuation	334	-	-	334
Other movements	-	-	24,173	24,173
At 30 September 2022	17,355	4,548	555,581	577,484

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	21,442	735,922	-	757,364
Changes in expected credit losses due to transfer within stages:	84	(453,608)	453,524	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(144)	144	-	-
Transferred to Stage 3	-	(453,524)	453,524	-
Total charge to Statement of Income:	(930)	39,211	156,042	194,323
New financial assets purchased	11,794	-	-	11,794
Financial assets that have been derecognised	(527)	-	-	(527)
Change in credit risk	(12,197)	39,211	156,042	183,056
Exchange fluctuation	54	-	-	54
Other movements	-	(290,259)	-	(290,259)
At 31 December 2021	20,650	31,266	609,566	661,482

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 2022	764,210	764,210
Other changes in debts instruments	(3,165)	(3,165)
At 30 September 2022	761,045	761,045

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	-	-
Transfer within stages	761,017	761,017
Other changes in debts instruments	3,193	3,193
At 31 December 2021	764,210	764,210

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	4,884,136	4,684,141	2,603,591	2,585,991
Term loans/financing				
- Housing loan/financing	116,862,756	110,309,886	66,813,580	66,254,666
- Syndicated term loan	21,919,160	17,205,940	19,911,946	15,617,149
- Other term loans/financing	119,791,544	119,070,280	67,583,471	69,668,380
- Factoring receivables	697	4,488	-	-
- Lease receivables	1,316	2,021	-	-
- Hire purchase receivables	22,431,510	21,553,570	3,025,678	4,051,156
Bills receivable	7,834,910	6,829,498	5,426,125	4,955,236
Trust receipts	2,577,522	2,699,442	1,431,203	1,689,896
Claim on customers under acceptance credit	3,307,962	2,702,203	2,387,776	1,938,096
Staff loans *	1,420,606	1,366,474	1,029,003	1,002,765
Credit card receivables	6,270,293	5,861,355	6,086,897	5,709,390
Revolving credit	36,574,457	29,939,310	30,667,399	25,393,032
Share margin financing	52,851	63,946	52,851	63,946
Gross loans, advances and financing, at amortised cost	343,929,720	322,292,554	207,019,520	198,929,703
Fair value changes arising from fair value hedges	(136,478)	(24,781)	(134,475)	(26,345)
	<u>343,793,242</u>	<u>322,267,773</u>	<u>206,885,045</u>	<u>198,903,358</u>
Less: Expected credit losses	(9,013,836)	(8,647,047)	(6,742,028)	(6,549,024)
Net loans, advances and financing at amortised cost	<u>334,779,406</u>	<u>313,620,726</u>	<u>200,143,017</u>	<u>192,354,334</u>
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	248,112	357,853	248,112	357,853
	248,112	357,853	248,112	357,853
Total net loans, advances and financing	<u>335,027,518</u>	<u>313,978,579</u>	<u>200,391,129</u>	<u>192,712,187</u>
Total gross loans, advances and financing				
- At amortised cost	343,929,720	322,292,554	207,019,520	198,929,703
- At fair value through profit or loss	248,112	357,853	248,112	357,853
	<u>344,177,832</u>	<u>322,650,407</u>	<u>207,267,632</u>	<u>199,287,556</u>

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM2,877,159 (2021: RM2,992,941) and RM591,275 (2021: RM680,370) 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 RM22,062,000 (2021: RM23,684,000) 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 RM456,507,000 (2021: RM1,353,719,000) and RM396,811,000 (2021: RM1,287,783,000) 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 September 2022, the gross exposure and expected credit losses relating to RPSIA financing are RM3,617,272,000 (2021: RM3,952,201,000) and RM836,000 (2021: RM1,506,000) 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 Sept 2022	31 Dec 2021	30 Sept 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Syndicated term loan	1,515,499	-	1,515,499	-
Other term loan	9,104,939	9,046,821	9,104,939	9,046,821
Revolving credit	2,207,836	1,201,933	2,207,836	1,201,933
	12,828,274	10,248,754	12,828,274	10,248,754

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 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
(ii) By type of customers				
Domestic banking institutions	364,153	296,136	154,778	184,139
Domestic non-bank financial institutions				
- stockbroking companies	153,040	8,005	153,040	8,005
- others	5,082,064	5,267,629	2,136,326	2,540,347
Domestic business enterprises				
- small medium enterprises	37,835,925	36,142,135	20,884,566	21,519,667
- others	47,958,643	44,468,479	29,843,236	26,953,399
Government and statutory bodies	11,904,898	10,043,045	10,107,753	8,636,472
Individuals	198,395,063	187,672,859	104,302,636	102,452,469
Other domestic entities	2,301,617	1,233,527	76,599	34,048
Foreign entities	40,182,429	37,518,592	39,608,698	36,959,010
Gross loans, advances and financing	<u>344,177,832</u>	<u>322,650,407</u>	<u>207,267,632</u>	<u>199,287,556</u>
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	6,542,050	5,189,950	3,764,380	2,776,324
- Hire purchase receivables	19,751,337	18,920,957	1,898,611	2,383,601
- Other fixed rate loans	38,562,890	33,377,673	27,917,362	24,055,774
Variable rate				
- BLR plus/BFR plus	78,106,765	80,638,136	54,537,252	59,081,607
- Cost-plus	56,805,230	49,707,733	42,955,366	37,949,588
- Other variable rates	144,409,560	134,815,958	76,194,661	73,040,662
Gross loans, advances and financing	<u>344,177,832</u>	<u>322,650,407</u>	<u>207,267,632</u>	<u>199,287,556</u>
(iv) By economic purpose				
Personal use	18,676,823	16,896,609	14,851,430	12,904,579
Credit cards	6,270,293	5,861,355	6,086,897	5,709,390
Purchase of consumer durables	558,565	241,765	43,229	42,729
Construction	11,109,682	10,889,388	7,955,008	7,386,230
Residential property (housing)	118,187,000	111,624,692	66,455,837	66,089,286
Non-residential property	32,999,468	31,955,357	22,892,848	23,325,774
Purchase of fixed assets other than land and buildings	3,619,986	3,412,161	2,908,593	2,695,204
Mergers and acquisitions	1,868,248	2,869,254	1,544,028	2,517,088
Purchase of securities	22,690,592	23,610,624	7,361,168	8,699,060
Purchase of transport vehicles	22,621,192	21,539,969	3,084,182	4,103,681
Working capital	75,352,383	64,119,486	53,852,125	46,512,851
Other purposes	30,223,600	29,629,747	20,232,287	19,301,684
Gross loans, advances and financing	<u>344,177,832</u>	<u>322,650,407</u>	<u>207,267,632</u>	<u>199,287,556</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
(v) By geographical distribution				
Malaysia	252,312,791	237,974,816	148,713,361	145,804,366
Indonesia	2,227,418	1,739,440	2,227,418	1,737,486
Thailand	29,727,859	30,481,063	1,725,639	3,402,964
Singapore	37,310,578	32,996,441	37,310,578	32,996,441
United Kingdom	5,188,419	3,799,620	5,188,419	3,799,620
Hong Kong	1,656,394	1,298,810	1,656,394	1,298,810
China	3,202,038	3,273,520	3,202,038	3,273,520
Other countries	12,552,335	11,086,697	7,243,785	6,974,349
Gross loans, advances and financing	<u>344,177,832</u>	<u>322,650,407</u>	<u>207,267,632</u>	<u>199,287,556</u>
(vi) By economic sector				
Primary agriculture	8,352,805	6,828,897	4,424,324	3,929,341
Mining and quarrying	3,943,008	4,121,797	2,748,761	2,833,606
Manufacturing	18,112,405	16,792,754	11,604,365	10,763,558
Electricity, gas and water supply	6,037,254	4,994,656	3,904,218	2,988,675
Construction	9,923,400	9,641,713	7,458,988	7,593,684
Transport, storage and communications	9,222,756	7,896,318	6,578,011	5,599,431
Education, health and others	19,401,650	17,766,289	16,066,845	14,827,708
Wholesale and retail trade, and restaurants and hotels	25,311,038	24,404,972	15,750,465	16,290,902
Finance, insurance/takaful, real estate and business activities	44,557,673	41,193,621	31,687,957	29,366,878
Household	195,510,955	185,656,237	103,311,535	102,083,876
Others	3,804,888	3,353,153	3,732,163	3,009,897
	<u>344,177,832</u>	<u>322,650,407</u>	<u>207,267,632</u>	<u>199,287,556</u>
(vii) By residual contractual maturity				
Within one year	68,652,684	65,964,658	53,401,995	53,557,469
One year to less than three years	20,863,880	17,779,101	15,732,698	12,529,032
Three years to less than five years	31,662,499	28,644,969	20,976,384	18,203,894
Five years and more	222,998,769	210,261,679	117,156,555	114,997,161
Gross loans, advances and financing	<u>344,177,832</u>	<u>322,650,407</u>	<u>207,267,632</u>	<u>199,287,556</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	299,826	238,672	203,091	159,189
Credit cards	121,059	110,140	118,749	108,298
Purchase of consumer durables	1,535	2,400	579	753
Construction	1,339,860	1,311,302	1,177,652	1,176,524
Residential property (housing)	2,153,091	1,435,245	1,133,887	807,028
Non-residential property	693,255	578,836	524,996	473,168
Purchase of fixed assets other than land and buildings	50,188	44,888	23,279	25,008
Purchase of securities	202,696	185,663	189,570	180,154
Purchase of transport vehicles	234,552	281,282	58,466	105,291
Working capital	3,600,270	3,781,209	3,412,225	3,535,066
Merger and acquisition	-	12,845	-	12,845
Other purposes	658,401	570,446	365,509	209,082
Gross credit impaired loans, advances and financing	<u>9,354,733</u>	<u>8,552,928</u>	<u>7,208,003</u>	<u>6,792,406</u>
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	5,652,573	5,052,000	4,558,142	4,392,165
Indonesia	168,081	154,190	168,081	154,190
Thailand	1,017,766	1,055,536	-	42
Singapore	1,501,990	1,515,551	1,501,990	1,515,551
United Kingdom	6,385	7,658	6,385	7,658
Hong Kong	137,335	9	137,335	9
China	5,885	5,429	5,885	5,429
Other countries	864,718	762,555	830,185	717,362
Gross credit impaired loans, advances and financing	<u>9,354,733</u>	<u>8,552,928</u>	<u>7,208,003</u>	<u>6,792,406</u>
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	105,161	77,291	49,272	51,776
Mining and quarrying	993,224	1,240,579	991,883	1,238,003
Manufacturing	277,700	392,919	204,134	203,598
Electricity, gas and water supply	259,273	250,530	259,273	250,530
Construction	185,492	147,571	88,090	101,055
Transport, storage and communications	1,337,810	1,211,188	1,326,400	1,206,694
Education, health and others	196,996	186,352	121,264	109,369
Wholesale and retail trade, and restaurants and hotels	1,512,378	1,669,400	1,271,955	1,381,076
Finance, insurance/takaful, real estate and business activities	706,773	532,309	475,029	338,385
Household	3,016,599	2,188,845	1,658,577	1,256,929
Others	763,327	655,944	762,126	654,991
Gross credit impaired loans, advances and financing	<u>9,354,733</u>	<u>8,552,928</u>	<u>7,208,003</u>	<u>6,792,406</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 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:	386,938	(696,381)	309,443	-	-
Transferred to Stage 1	673,054	(608,288)	(64,766)	-	-
Transferred to Stage 2	(280,548)	495,687	(215,139)	-	-
Transferred to Stage 3	(5,568)	(583,780)	589,348	-	-
Total charge to Statement of Income:	(473,167)	794,072	735,570	-	1,056,475
New financial assets originated	541,029	63,098	52,224	-	656,351
Financial assets that have been derecognised	(290,332)	(184,443)	-	-	(474,775)
Writeback in respect of full recoveries	-	-	(130,527)	-	(130,527)
Change in credit risk	(723,864)	915,417	813,873	-	1,005,426
Write-offs	(900)	(3,564)	(863,274)	(295)	(868,033)
Disposal of loans, advances and financing	-	-	(108,392)	-	(108,392)
Exchange fluctuation	6,540	(4,042)	158,303	(63)	160,738
Other movements	1,210	599	124,192	-	126,001
At 30 September 2022	1,187,757	2,693,553	5,129,838	2,688	9,013,836

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 2021	1,414,924	1,780,975	4,148,626	3,259	7,347,784
Changes in expected credit losses due to transferred within stages:	1,011,196	(1,388,994)	377,798	-	-
Transferred to Stage 1	1,765,687	(1,634,782)	(130,905)	-	-
Transferred to Stage 2	(752,137)	1,690,090	(937,953)	-	-
Transferred to Stage 3	(2,354)	(1,444,302)	1,446,656	-	-
Total charge to Statement of Income:	(1,153,463)	1,868,615	1,338,224	-	2,053,376
New financial assets originated	713,627	482,582	93,164	-	1,289,373
Financial assets that have been derecognised	(440,011)	(622,062)	-	-	(1,062,073)
Writeback in respect of full recoveries	-	-	(165,547)	-	(165,547)
Change in credit risk	(1,427,079)	2,008,095	1,410,607	-	1,991,623
Write-offs	(1,181)	(1,223)	(1,006,922)	-	(1,009,326)
Disposal of loans, advances and financing	(540)	(390)	(185,218)	-	(186,148)
Exchange fluctuation	(9,949)	(12,090)	1,241	(213)	(21,011)
Other movements	6,149	355,976	100,247	-	462,372
At 31 December 2021	1,267,136	2,602,869	4,773,996	3,046	8,647,047

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 2022	817,845	1,636,641	4,094,538	6,549,024
Changes in expected credit losses due to transferred within stages:	258,929	(456,902)	197,973	-
Transferred to Stage 1	418,372	(377,322)	(41,050)	-
Transferred to Stage 2	(156,334)	259,185	(102,851)	-
Transferred to Stage 3	(3,109)	(338,765)	341,874	-
Total charge to Statement of Income:	(326,251)	413,517	405,368	492,634
New financial assets originated	420,215	55,887	28,001	504,103
Financial assets that have been derecognised	(247,267)	(127,955)	-	(375,222)
Writeback in respect of full recoveries	-	-	(68,622)	(68,622)
Change in credit risk	(499,199)	485,585	445,989	432,375
Write-offs	(888)	(3,100)	(592,100)	(596,088)
Exchange fluctuation	8,530	2,801	169,294	180,625
Other movements	1,177	819	113,837	115,833
At 30 September 2022	759,342	1,593,776	4,388,910	6,742,028

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	857,601	1,200,071	3,331,702	5,389,374
Changes in expected credit losses due to transferred within stages:	598,685	(1,088,607)	489,922	-
Transferred to Stage 1	1,054,425	(975,549)	(78,876)	-
Transferred to Stage 2	(454,656)	1,028,846	(574,190)	-
Transferred to Stage 3	(1,084)	(1,141,904)	1,142,988	-
Total charge to Statement of Income:	(642,188)	1,163,712	720,732	1,242,256
New financial assets originated	586,605	472,429	17,810	1,076,844
Financial assets that have been derecognised	(372,949)	(544,398)	-	(917,347)
Writeback in respect of full recoveries	-	-	(57,324)	(57,324)
Change in credit risk	(855,844)	1,235,681	760,246	1,140,083
Write-offs	(902)	(928)	(567,925)	(569,755)
Exchange fluctuation	3,079	6,487	44,103	53,669
Other movements	1,570	355,906	76,004	433,480
At 31 December 2021	817,845	1,636,641	4,094,538	6,549,024

For the financial year ended 31 December 2021, the overlays and post-model adjustments have been applied to determine a sufficient overall level of ECL. These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults arising from the escalation of credit risk on certain segments of the targeted repayment assistance loans.

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	Purchased credit impaired	Total
	- Credit impaired (Stage 3) RM'000	RM'000	RM'000
At 1 January 2022	8,545,671	7,257	8,552,928
Transfer within stages	2,233,403	-	2,233,403
New financial assets originated	99,958	-	99,958
Write-offs	(865,962)	(295)	(866,257)
Amount fully recovered	(390,201)	-	(390,201)
Other changes in loans, advances and financing	(294,801)	(56)	(294,857)
Disposal of loans, advances and financing	(156,986)	-	(156,986)
Exchange fluctuation	176,896	(151)	176,745
At 30 September 2022	9,347,978	6,755	9,354,733

	The Group		
	Lifetime expected credit losses	Purchased credit impaired	Total
	- Credit impaired (Stage 3) RM'000	RM'000	RM'000
At 1 January 2021	8,689,004	7,816	8,696,820
Transfer within stages	2,068,064	-	2,068,064
New financial assets originated	266,247	-	266,247
Write-offs	(1,009,795)	-	(1,009,795)
Amount fully recovered	(682,931)	-	(682,931)
Other changes in loans, advances and financing	(354,597)	(49)	(354,646)
Disposal of loans, advances and financing	(390,214)	-	(390,214)
Exchange fluctuation	(40,107)	(510)	(40,617)
At 31 December 2021	8,545,671	7,257	8,552,928

	The Group	
	30 Sept 2022	31 Dec 2021
Ratio of credit impaired loans to total loans, advances and financing	2.72%	2.65%

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 - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	6,792,406	6,792,406
Transfer within stages	1,185,562	1,185,562
New financial assets originated	82,113	82,113
Write-offs	(594,788)	(594,788)
Amount fully recovered	(264,208)	(264,208)
Other changes in loans, advances and financing	(186,914)	(186,914)
Exchange fluctuation	193,832	193,832
At 30 September 2022	7,208,003	7,208,003

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	5,676,423	5,676,423
Transfer within stages	2,100,806	2,100,806
New financial assets originated	52,712	52,712
Write-offs	(570,417)	(570,417)
Amount fully recovered	(283,275)	(283,275)
Other changes in loans, advances and financing	(228,129)	(228,129)
Exchange fluctuation	44,286	44,286
At 31 December 2021	6,792,406	6,792,406

	The Bank	
	30 Sept 2022	31 Dec 2021
Ratio of credit impaired loans to total loans, advances and financing	3.48%	3.41%

PART A - EXPLANATORY NOTES (CONTINUED)**A12. OTHER ASSETS**

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Foreclosed assets net of allowance for impairment losses of RM20,409,000 (2021: RM18,252,000)	139,055	119,753	-	-
Due from brokers	31,942	146,389	31,942	146,389
Structured financing	548,223	601,812	548,223	601,812
Collateral pledged for derivative transactions	8,376,702	2,897,982	4,172,320	1,201,829
Treasury related receivables	2,101,739	1,315,260	1,738,563	943,540
Other debtors net of expected credit losses *, deposits and prepayments	2,900,331	2,123,243	2,806,570	1,915,183
	14,097,992	7,204,439	9,297,618	4,808,753

* net of expected credit losses of RM584,746,000 (2021: RM417,745,000) for the Group and RM558,889,000 (2021: RM408,594,000) for the Bank.

Included in other debtors net of expected credit losses, deposits and prepayments are amounts related to receivables of settlement debit card balances. See A5.

A13. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
(i) By type of deposit				
Demand deposits	90,601,455	91,821,777	70,527,410	72,247,462
Saving deposits	52,465,881	51,107,662	31,138,603	32,614,422
Fixed deposits	131,280,636	128,963,844	87,786,399	90,094,948
Negotiable instruments of deposit	163,619	517,515	-	-
Others	92,351,996	85,093,242	42,470,071	40,825,478
	366,863,587	357,504,040	231,922,483	235,782,310

(ii) By type of customer

Government and statutory bodies	13,954,912	12,225,838	6,668,026	7,328,649
Business enterprises	149,085,709	141,294,351	99,242,506	98,041,383
Individuals	134,206,335	132,273,633	85,768,388	87,747,869
Others	69,616,631	71,710,218	40,243,563	42,664,409
	366,863,587	357,504,040	231,922,483	235,782,310

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

Due within six months	102,545,745	103,603,792	71,830,535	73,795,193
Six months to less than one year	25,420,671	24,533,354	14,545,552	15,290,665
One year to less than three years	3,417,756	1,255,476	1,362,191	925,827
Three years to less than five years	60,083	88,737	48,121	83,263
	131,444,255	129,481,359	87,786,399	90,094,948

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Unrestricted investment accounts	11,317,755	10,427,167	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Licensed banks	26,211,147	23,494,742	26,574,385	22,696,577
Licensed finance companies	2,725,468	2,387,433	112,981	312,359
Licensed investment banks	518,483	634,369	396,004	246,488
Bank Negara Malaysia	1,262,644	1,452,698	1,257,644	1,447,698
Other financial institutions	2,500,023	2,034,253	1,519,983	1,326,914
	33,217,765	30,003,495	29,860,997	26,030,036

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

	The Group		The Bank	
	30 Sept 2022	31 Dec 2021	30 Sept 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Due within six months	31,391,833	26,363,287	28,245,917	22,629,971
Six months to less than one year	322,401	1,616,618	258,512	1,541,569
One year to less than three years	270,382	423,250	107,069	416,443
Three years to less than five years	590,982	158,287	607,332	-
Five years and more	642,167	1,442,053	642,167	1,442,053
	33,217,765	30,003,495	29,860,997	26,030,036

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

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Deposits from customers - structured investments	3,814,820	1,061,368	1,118,388	261,682
Bills payable	1,877,102	2,224,409	-	-
	5,691,922	3,285,777	1,118,388	261,682

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 September 2022 were RM299,168,000 (2021: RM56,390,000) and RM20,041,000 (2021: RM16,401,000) lower respectively than the contractual amount at maturity for the structured investments and RM195,993,000 (2021: RM366,350,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

	Note	The Group		The Bank	
		30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Due to brokers and clients		16,690	24,579	16,690	24,579
Accrued employee benefits		-	5,503	-	5,456
Post employment benefit obligations		248,316	246,496	41,003	41,157
Sundry creditors		615,237	582,892	476,772	493,736
Expenditure payable		1,705,236	1,806,896	1,460,184	1,592,745
Expected credit losses for loan commitments and financial guarantee contracts	A17(a)	639,349	641,049	469,802	413,470
Provision for legal claims		50,363	51,384	35,454	36,033
Credit card expenditure payable		50,051	90,663	49,511	89,359
Collateral received for derivative transactions		9,495,208	3,028,037	4,354,361	1,206,120
Structured deposits		5,086,761	3,221,604	5,062,069	3,192,771
Treasury related payables		1,974,725	1,171,325	1,619,898	762,206
Others		1,036,513	604,866	885,587	314,782
		20,918,449	11,475,294	14,471,331	8,172,414

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 2022	308,877	144,995	187,177	641,049
Changes in expected credit losses due to transferred within stages:	66,173	(83,216)	17,043	-
Transferred to Stage 1	80,422	(75,892)	(4,530)	-
Transferred to Stage 2	(14,067)	22,618	(8,551)	-
Transferred to Stage 3	(182)	(29,942)	30,124	-
Total charge to Statement of Income:	(148,917)	53,426	83,238	(12,253)
New exposures	180,010	3,769	2,075	185,854
Exposures derecognised or matured	(92,705)	(20,434)	(34,130)	(147,269)
Change in credit risk	(236,222)	70,091	115,293	(50,838)
Exchange fluctuation	2,649	245	(1,518)	1,376
Other movements	49	2,528	6,600	9,177
At 30 September 2022	228,831	117,978	292,540	639,349

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 2021	279,950	120,942	160,195	561,087
Changes in expected credit losses due to transferred within stages:	124,061	(132,179)	8,118	-
Transferred to Stage 1	169,366	(149,523)	(19,843)	-
Transferred to Stage 2	(44,925)	74,659	(29,734)	-
Transferred to Stage 3	(380)	(57,315)	57,695	-
Total charge to Statement of Income:	(104,578)	155,550	25,577	76,549
New exposures	213,117	3,603	931	217,651
Exposures derecognised or matured	(132,956)	(22,799)	(6,957)	(162,712)
Change in credit risk	(184,739)	174,746	31,603	21,610
Exchange fluctuation	(151)	(43)	(6,546)	(6,740)
Other movements	9,595	725	(167)	10,153
At 31 December 2021	308,877	144,995	187,177	641,049

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)

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	229,474	102,855	81,141	413,470
Changes in expected credit losses due to transferred within stages:	52,280	(66,350)	14,070	-
Transferred to Stage 1	64,636	(60,674)	(3,962)	-
Transferred to Stage 2	(12,233)	19,857	(7,624)	-
Transferred to Stage 3	(123)	(25,533)	25,656	-
Total charge to Statement of Income:	(125,121)	59,219	110,109	44,207
New exposures	112,524	3,653	-	116,177
Exposures derecognised or matured	(61,729)	(12,043)	-	(73,772)
Change in credit risk	(175,916)	67,609	110,109	1,802
Exchange fluctuation	2,877	171	-	3,048
Other movements	101	2,388	6,588	9,077
At 30 September 2022	159,611	98,283	211,908	469,802

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	210,701	97,031	62,416	370,148
Changes in expected credit losses due to transferred within stages:	91,774	(104,879)	13,105	-
Transferred to Stage 1	131,617	(115,775)	(15,842)	-
Transferred to Stage 2	(39,595)	64,331	(24,736)	-
Transferred to Stage 3	(248)	(53,435)	53,683	-
Total charge to Statement of Income:	(82,999)	109,937	5,798	32,736
New exposures	141,207	3,250	127	144,584
Exposures derecognised or matured	(93,813)	(14,350)	-	(108,163)
Change in credit risk	(130,393)	121,037	5,671	(3,685)
Exchange fluctuation	948	69	-	1,017
Other movements	9,050	697	(178)	9,569
At 31 December 2021	229,474	102,855	81,141	413,470

As at 30 September 2022, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM478,274,000 (2021: RM460,496,000) and RM417,153,000 (2021: RM401,713,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18. INTEREST INCOME

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
The Group				
Loans and advances				
- interest income	2,486,775	2,076,745	6,701,058	6,281,083
- unwinding income [^]	43,985	25,977	95,471	69,656
Money at call and deposits with financial institutions	137,087	55,428	264,979	181,341
Reverse repurchase agreements	31,066	7,174	59,859	31,447
Debt instruments at fair value through other comprehensive income	342,977	297,009	971,027	844,500
Debt instruments at amortised cost	378,798	349,647	1,062,959	1,046,847
Others	14,408	15,976	34,296	24,096
	<u>3,435,096</u>	<u>2,827,956</u>	<u>9,189,649</u>	<u>8,478,970</u>
Net accretion of discount less amortisation of premium	(29,812)	(59,169)	(143,532)	(170,327)
	<u>3,405,284</u>	<u>2,768,787</u>	<u>9,046,117</u>	<u>8,308,643</u>
The Bank				
Loans and advances				
- interest income	2,077,382	1,658,348	5,508,967	4,947,020
- unwinding income [^]	40,449	19,234	84,275	58,821
Money at call and deposits with financial institutions	148,002	75,399	310,823	246,542
Reverse repurchase agreements	29,206	6,797	56,078	30,653
Debt instruments at fair value through other comprehensive income	310,588	271,778	869,059	766,019
Debt instruments at amortised cost	378,849	359,030	1,074,350	1,078,599
Others	14,407	15,975	34,294	24,095
	<u>2,998,883</u>	<u>2,406,561</u>	<u>7,937,846</u>	<u>7,151,749</u>
Net accretion of discount less amortisation of premium	(26,921)	(49,758)	(120,415)	(145,109)
	<u>2,971,962</u>	<u>2,356,803</u>	<u>7,817,431</u>	<u>7,006,640</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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
The Group				
Loans and advances at fair value through profit or loss	2,445	3,819	6,894	11,485
Financial investments at fair value through profit or loss	121,885	112,531	364,824	342,105
	<u>124,330</u>	<u>116,350</u>	<u>371,718</u>	<u>353,590</u>
Net accretion of discount less amortisation of premium	35,643	(12,765)	45,373	(35,113)
	<u>159,973</u>	<u>103,585</u>	<u>417,091</u>	<u>318,477</u>
The Bank				
Loans and advances at fair value through profit or loss	2,445	3,819	6,894	11,485
Financial investments at fair value through profit or loss	97,450	83,222	283,853	253,917
	<u>99,895</u>	<u>87,041</u>	<u>290,747</u>	<u>265,402</u>
Net accretion of discount less amortisation of premium	36,476	(7,503)	52,192	(16,964)
	<u>136,371</u>	<u>79,538</u>	<u>342,939</u>	<u>248,438</u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
The Group				
Deposits and placements of banks and other financial institutions	146,694	43,354	278,512	126,783
Deposits from other customers	902,304	602,436	2,206,917	1,872,725
Repurchase agreements	172,504	73,742	356,945	212,971
Financial liabilities designated at fair value through profit or loss	10,000	5,927	24,520	20,681
Negotiable certificates of deposits	4,305	1,773	19,565	7,009
Recourse obligation on loan and financing sold to Cagamas	7,057	11,171	19,228	36,217
Bonds, Sukuk and debentures	82,321	50,303	194,657	149,668
Subordinated obligations	88,543	93,156	242,863	305,959
Other borrowings	8,058	9,088	21,015	40,961
Structured deposits	19,551	6,919	34,578	20,786
Lease liabilities	4,104	4,137	11,898	13,473
Others	2,567	1,888	6,528	5,735
	1,448,008	903,894	3,417,226	2,812,968
The Bank				
Deposits and placements of banks and other financial institutions	130,072	37,707	248,207	111,672
Deposits from other customers	820,695	528,929	1,986,760	1,625,326
Repurchase agreements	167,599	70,938	345,790	204,165
Financial liabilities designated at fair value through profit or loss	5,851	168	11,285	564
Negotiable certificates of deposits	4,047	1,589	18,878	6,453
Recourse obligation on loan and financing sold to Cagamas	7,057	11,171	19,228	36,217
Bonds and debentures	73,495	43,986	169,535	130,676
Subordinated obligations	87,044	91,441	237,988	301,112
Other borrowings	12,404	11,170	33,934	46,589
Structured deposits	19,551	6,919	34,578	20,786
Lease liabilities	3,312	3,669	9,993	12,075
Others	69	9	87	26
	1,331,196	807,696	3,116,263	2,495,661

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 customer/ 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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
The Group				
Net fee and commission income				
Commissions	154,162	177,312	525,416	629,613
Fee on loans and advances	114,954	99,481	385,153	266,636
Service charges and fees	146,409	126,629	429,957	346,863
Guarantee fees	16,312	15,704	53,864	50,956
Other fee income	61,163	34,198	147,634	115,619
Fee and commission income	493,000	453,324	1,542,024	1,409,687
Fee and commission expense	(112,420)	(107,476)	(294,252)	(300,000)
Net fee and commission income	380,580	345,848	1,247,772	1,109,687
Gross dividend income from:				
Financial investments at fair value through profit or loss	9,600	14,758	39,446	47,290
Equity instruments at fair value through other comprehensive income	8	179	2,236	2,310
	9,608	14,937	41,682	49,600
Net loss arising from financial investments at fair value through profit or loss				
- realised	(330,528)	(59,004)	(855,195)	(276,682)
- unrealised	41,831	(127,251)	(581,695)	(680,251)
	(288,697)	(186,255)	(1,436,890)	(956,933)
Net gain arising from derivative financial instrument				
- realised	1,857,428	774,364	4,108,591	1,419,106
- unrealised	7,221	30,858	1,789,403	1,513,630
	1,864,649	805,222	5,897,994	2,932,736
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(104)	1,635	(1,154)	2,282
	(104)	1,635	(1,154)	2,282
Net gain arising from financial liabilities designated at fair value through profit or loss				
- realised	(7,539)	(3,550)	(35,059)	(114,671)
- unrealised	21,099	27,620	178,895	183,342
	13,560	24,070	143,836	68,671
Net (loss)/gain arising from hedging activities	(10,151)	3,364	38,641	5,240
Net gain/(loss) from sale of investment in debt instruments at fair value through other comprehensive income	5,133	100,751	(110,166)	232,808
Net gain from redemption of debt instruments at amortised cost	-	-	12,740	7,020
Other non-interest income				
Foreign exchange loss	(1,295,217)	(521,588)	(3,770,393)	(1,380,763)
Rental income	5,279	5,948	8,955	9,671
Gain on disposal of property, plant and equipment/ assets held for sale	5,830	3,686	23,416	9,752
(Loss)/gain on disposal of foreclosed assets	(21)	2,527	7,095	4,544
Gain/(loss) on disposal of loans, advances and financing	198	(1,483)	(1,541)	(1,483)
Others	9,106	6,331	33,357	20,602
	(1,274,825)	(504,579)	(3,699,111)	(1,337,677)
	699,753	604,993	2,135,344	2,113,434

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
The Bank				
Net fee and commission income				
Commissions	102,202	124,872	334,515	461,870
Fee on loans and advances	111,161	95,351	373,553	256,458
Service charges and fees	389,352	412,274	1,189,242	1,132,926
Guarantee fees	14,347	13,253	47,277	44,298
Other fee income	59,370	30,600	142,091	107,724
Fee and commission income	676,432	676,350	2,086,678	2,003,276
Fee and commission expense	(109,905)	(105,671)	(287,028)	(294,801)
Net fee and commission income	566,527	570,679	1,799,650	1,708,475
Gross dividend income from:				
Financial investments at fair value through profit or loss	9,578	14,736	39,356	47,200
Equity instruments at fair value through other comprehensive income	-	-	1,000	1,000
Subsidiary	-	3,360	121,252	25,123
Joint venture	-	-	5,000	-
	9,578	18,096	166,608	73,323
Net loss arising from financial investments at fair value through profit or loss				
- realised	(331,204)	(84,137)	(766,667)	(216,059)
- unrealised	37,018	(55,292)	(231,389)	(383,008)
	(294,186)	(139,429)	(998,056)	(599,067)
Net gain arising from derivative financial instrument				
- realised	1,559,223	938,357	3,710,429	1,508,744
- unrealised	78,347	(206,450)	1,270,972	1,015,389
	1,637,570	731,907	4,981,401	2,524,133
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(104)	1,635	(1,154)	2,282
	(104)	1,635	(1,154)	2,282
Net (loss)/gain arising from financial liabilities designated at fair value through profit or loss				
- realised	(2,241)	(106)	(3,078)	(643)
- unrealised	924	1,357	3,561	3,278
	(1,317)	1,251	483	2,635
Net gain arising from hedging activities	14,338	3,240	49,290	4,385
Net (loss)/gain from sale of investment in debt instruments at fair value through other comprehensive income	(107)	87,629	(4,772)	190,316
Net gain from redemption of debt instruments at amortised cost	-	-	12,740	7,020
Other non-interest income				
Foreign exchange loss	(1,146,313)	(498,968)	(3,451,767)	(1,364,027)
Rental income	5,069	5,263	8,238	8,593
Gain on disposal of property, plant and equipment/ assets held for sale	141	3,300	6,959	8,523
Loss on disposal of loans, advances and financing	(73)	(622)	(4,421)	(622)
Others	7,241	4,201	17,553	14,319
	(1,133,935)	(486,826)	(3,423,438)	(1,333,214)
	798,364	788,182	2,582,752	2,580,288

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	886,695	746,310	2,417,272	2,305,411
- Pension cost	90,402	89,997	267,797	271,414
- Share-based expense ¹	11,769	11,639	32,835	15,556
- Overtime	3,327	1,915	8,991	6,412
- Staff incentives and other staff payments	56,419	55,186	139,669	239,985
- Medical expenses	16,715	15,435	52,071	50,070
- Others	23,218	9,515	66,524	61,977
	1,088,545	929,997	2,985,159	2,950,825
Establishment costs				
- Depreciation of property, plant and equipment	41,025	32,106	124,377	108,415
- Depreciation of right-of-use assets	46,767	48,627	136,374	145,883
- Rental	24,707	20,187	66,261	64,843
- Amortisation of intangible assets	84,240	155,162	357,543	441,249
- Repair and maintenance	130,337	107,059	388,978	371,058
- Outsourced services	16,461	17,166	45,836	55,254
- Security expenses	13,568	20,862	52,717	65,502
- Intangible assets written off	244	11,968	1,511	38,753
- Others	29,736	31,479	91,217	88,335
	387,085	444,616	1,264,814	1,379,292
Marketing expenses				
- Advertisement	26,851	23,302	58,987	50,124
- Others	11,775	8,243	33,321	15,668
	38,626	31,545	92,308	65,792
Administration and general expenses				
- Communication	21,845	16,247	57,434	50,481
- Consultancy and professional fees	26,877	15,305	104,639	82,519
- Legal expenses	5,063	12,249	37,102	39,804
- Stationery	3,345	5,558	11,021	16,025
- Postages	6,038	5,417	17,377	19,683
- Administrative travelling and vehicle expenses	4,664	3,085	10,949	10,317
- Incidental expenses on banking operations	11,211	9,098	31,801	30,036
- Others	120,946	136,455	275,939	355,939
	199,989	203,414	546,262	604,804
	1,714,245	1,609,572	4,888,543	5,000,713

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	741,455	601,133	1,944,606	1,853,583
- Pension cost	78,339	77,892	231,073	232,129
- Share-based expense ¹	9,611	9,581	26,687	12,799
- Overtime	1,708	992	4,618	3,438
- Staff incentives and other staff payments	45,289	41,890	55,257	204,039
- Medical expenses	15,225	14,246	47,168	46,044
- Others	18,243	5,848	51,881	47,747
	909,870	751,582	2,361,290	2,399,779
Establishment costs				
- Depreciation of property, plant and equipment	30,546	21,583	92,702	76,021
- Depreciation of right-of-use assets	38,152	41,584	113,076	124,420
- Rental	13,361	14,791	39,578	41,500
- Amortisation of intangible assets	71,066	134,905	301,598	377,460
- Repair and maintenance	118,562	96,749	356,296	336,999
- Outsourced services	10,152	15,752	28,895	40,987
- Security expenses	12,596	19,756	49,469	62,248
- Intangible assets written off	244	-	1,464	26,785
- Others	25,111	27,906	76,948	75,992
	319,790	373,026	1,060,026	1,162,412
Marketing expenses				
- Advertisement	19,688	18,336	41,410	39,644
- Others	9,880	8,010	28,452	14,862
	29,568	26,346	69,862	54,506
Administration and general expenses				
- Communication	20,331	14,833	53,474	46,377
- Consultancy and professional fees	22,759	11,262	94,974	72,919
- Legal expenses	927	3,725	28,332	9,946
- Stationery	1,969	3,557	7,551	11,408
- Postages	4,146	4,099	12,772	15,199
- Administrative travelling and vehicle expenses	2,633	1,359	5,845	4,557
- Incidental expenses on banking operations	5,841	4,033	16,214	14,783
- Others	119,944	124,895	279,285	319,008
	178,550	167,763	498,447	494,197
	1,437,778	1,318,717	3,989,625	4,110,894

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	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	477,045	379,610	1,056,475	1,418,722
Credit impaired:				
- recovered	(95,474)	(86,936)	(336,006)	(360,979)
- written off	4,976	1,341	12,310	6,337
	<u>386,547</u>	<u>294,015</u>	<u>732,779</u>	<u>1,064,080</u>
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	273,458	151,890	492,634	723,326
Credit impaired:				
- recovered	(49,315)	(41,258)	(187,421)	(204,937)
- written off	4,278	1,311	10,745	5,422
	<u>228,421</u>	<u>111,943</u>	<u>315,958</u>	<u>523,811</u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	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	(4,268)	1,764	(37,919)	25,142
- Debt instrument at amortised cost	(1,785)	16,685	(103,809)	68,602
- Money at call and deposits and placements with banks and other financial institutions	99	324	12	(2,060)
- Other assets	26,122	3,509	233,385	28,861
- Intangible assets	-	(10,905)	-	-
- Right-of-use assets	(6)	-	(723)	-
	<u>20,162</u>	<u>11,377</u>	<u>90,946</u>	<u>120,545</u>
The Bank				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	(4,233)	4,028	(36,044)	23,552
- Debt instrument at amortised cost	5,631	20,058	(108,505)	72,979
- Money at call and deposits and placements with banks and other financial institutions	(396)	339	(1,509)	311
- Other assets	2,017	(30,100)	150,338	(73,004)
- Right-of-use assets	(6)	-	(723)	-
- Subsidiaries	-	-	18,485	-
	<u>3,013</u>	<u>(5,675)</u>	<u>22,042</u>	<u>23,838</u>

Included in the other impairment allowance made for other assets during the financial year is ECL related to settlement of debit card balances. See A5.

PART A - EXPLANATORY NOTES (CONTINUED)

A24(c). IMPAIRMENT OF GOODWILL

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. The pervasive macroeconomic deterioration in 2021 caused by the Covid-19 pandemic, and the consequent effects on the operations and earnings of CIMB Thai (“the CGU”) is mainly arising from the implementation of a more focused strategy by reshaping its portfolio. Therefore this has then triggered testing of the carrying amount of the related goodwill for impairment during the financial period ended 30 September 2021. The interim impairment test was performed by comparing the estimated recoverable amount of CIMB Thai CGU carrying goodwill, determined by a Value-In-Use (“VIU”) calculation, with its carrying amount. The impairment test resulted in a goodwill impairment of RM1,215 million. No asset other than goodwill was impaired.

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

The recoverable amount of CIMB Thai was based on its VIU, calculated based on the cash flow projections derived from the financial budgets and business plans prepared by management that was updated to reflect the most recent developments as at the interim reporting date. In view of the uncertainty in the economic outlook as a result of Covid-19, the VIU estimated during the financial period ended 30 September 2021 was based on the discounted cash flow (“DCF”) method with multiple cash flow projections taking into consideration assumed probabilities of different future events and/or scenarios. In the interim impairment testing, management has considered using 3 scenarios to reflect the presentative sample of possible outcomes, namely the best case scenario, base case scenario and worst case scenario.

The best case scenario reflects the budgeted earnings without any hair-cut to the cash flow projections, base case scenario with 10% hair-cut and worst case scenario with 20% hair-cut.

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

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.

	The Group			The Bank		
	Principal	Fair values		Principal	Fair values	
At 30 September 2022	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	49,621,046	1,255,055	(749,347)	35,765,996	937,845	(322,978)
- less than one year	45,210,808	1,170,750	(590,279)	32,967,562	865,149	(252,540)
- one year to three years	3,474,537	76,144	(100,377)	2,469,397	66,918	(20,371)
- more than three years	935,701	8,161	(58,691)	329,037	5,778	(50,067)
Currency swaps	529,193,525	15,451,415	(14,237,526)	308,229,743	8,592,630	(7,932,218)
- less than one year	521,994,524	15,355,143	(14,114,558)	306,533,329	8,548,028	(7,923,905)
- one year to three years	4,487,031	67,504	(117,425)	1,158,430	39,295	(8,153)
- more than three years	2,711,970	28,768	(5,543)	537,984	5,307	(160)
Currency spots	8,353,757	27,681	(25,200)	7,164,974	26,298	(20,858)
- less than one year	8,353,757	27,681	(25,200)	7,164,974	26,298	(20,858)
Currency options	9,966,872	116,970	(113,657)	9,928,975	116,452	(113,379)
- less than one year	7,200,686	70,317	(49,640)	7,162,789	69,799	(49,362)
- one year to three years	2,030,223	33,990	(51,354)	2,030,223	33,990	(51,354)
- more than three years	735,963	12,663	(12,663)	735,963	12,663	(12,663)
Cross currency interest rate swaps	93,834,850	5,129,434	(5,988,604)	30,752,421	1,405,589	(1,668,458)
- less than one year	26,162,240	1,246,665	(1,532,276)	8,761,965	221,414	(477,761)
- one year to three years	34,430,835	1,960,662	(2,313,796)	11,741,639	650,918	(668,589)
- more than three years	33,241,775	1,922,107	(2,142,532)	10,248,817	533,257	(522,108)
	690,970,050	21,980,555	(21,114,334)	391,842,109	11,078,814	(10,057,891)
<u>Interest rate derivatives</u>						
Interest rate swaps	509,648,284	5,564,116	(4,866,281)	172,191,848	2,603,837	(2,040,514)
- less than one year	240,320,692	485,521	(419,153)	60,048,930	178,809	(159,137)
- one year to three years	141,775,130	1,347,989	(1,116,010)	56,542,277	649,987	(543,508)
- more than three years	127,552,462	3,730,606	(3,331,118)	55,600,641	1,775,041	(1,337,869)
Interest rate futures	1,500,892	28,943	(3,504)	1,500,892	28,943	(3,504)
- less than one year	1,500,892	28,943	(3,504)	1,500,892	28,943	(3,504)
Interest rate options	170,687	-	-	170,687	-	-
- less than one year	170,687	-	-	170,687	-	-
	511,319,863	5,593,059	(4,869,785)	173,863,427	2,632,780	(2,044,018)
<u>Equity related derivatives</u>						
Equity swaps	430,970	21,677	(5,612)	430,970	21,671	(5,612)
- less than one year	119,059	6,821	(889)	119,059	6,815	(889)
- one year to three years	311,911	14,856	(4,723)	311,911	14,856	(4,723)
Equity options	3,226,334	229,304	(163,004)	2,753,409	227,851	(161,643)
- less than one year	2,790,749	209,463	(157,636)	2,525,414	209,106	(157,371)
- one year to three years	328,155	19,160	(4,687)	227,995	18,745	(4,272)
- more than three years	107,430	681	(681)	-	-	-
Equity futures	6,584	7	(42)	6,584	7	(42)
- less than one year	6,584	7	(42)	6,584	7	(42)
	3,663,888	250,988	(168,658)	3,190,963	249,529	(167,297)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 30 September 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	1,393,547	142,396	(137,755)	1,393,547	142,396	(137,755)
- less than one year	1,393,547	142,396	(137,755)	1,393,547	142,396	(137,755)
Commodity futures	108,309	4,082	(6,971)	108,309	4,082	(6,971)
- less than one year	108,309	4,082	(6,971)	108,309	4,082	(6,971)
Commodity options	1,749,071	8,988	(4,335)	1,749,071	8,988	(4,335)
- less than one year	1,749,071	8,988	(4,335)	1,749,071	8,988	(4,335)
	3,250,927	155,466	(149,061)	3,250,927	155,466	(149,061)
<u>Credit related derivatives</u>						
Credit default swaps	4,649,054	27,833	(27,149)	4,645,036	28,053	(26,657)
- one year to three years	674,672	6,171	(695)	674,672	6,168	(588)
- more than three years	3,974,382	21,662	(26,454)	3,970,364	21,885	(26,069)
Total return swaps	20,200	-	(228)	20,200	-	(228)
- more than three years	20,200	-	(228)	20,200	-	(228)
	4,669,254	27,833	(27,377)	4,665,236	28,053	(26,885)
<u>Bond contract</u>						
Bond forward	2,716,294	454,325	(1,974)	-	-	-
- less than one year	955,269	118,663	(1,082)	-	-	-
- one year to three years	1,370,791	283,245	(37)	-	-	-
- more than three years	390,234	52,417	(855)	-	-	-
<u>Hedging derivatives</u>						
Currency swaps	7,670,038	197,668	(222,104)	7,243,641	197,668	(203,368)
- less than one year	7,670,038	197,668	(222,104)	7,243,641	197,668	(203,368)
Cross currency interest rate swaps	3,553,393	372,516	(145,070)	931,692	-	(90,996)
- less than one year	481,608	82,500	(2,222)	-	-	-
- one year to three years	1,460,248	138,714	(64,624)	478,245	-	(32,260)
- more than three years	1,611,537	151,302	(78,224)	453,447	-	(58,736)
Interest rate swaps	38,479,432	1,162,294	(443,025)	34,994,580	1,058,932	(463,440)
- less than one year	4,868,976	31,092	(10,521)	3,684,403	28,327	(10,521)
- one year to three years	8,843,483	112,739	(65,497)	7,613,252	111,795	(63,386)
- more than three years	24,766,973	1,018,463	(367,007)	23,696,925	918,810	(389,533)
	49,702,863	1,732,478	(810,199)	43,169,913	1,256,600	(757,804)
Total derivatives assets/(liabilities)	1,266,293,139	30,194,704	(27,141,388)	619,982,575	15,401,242	(13,202,956)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2021	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	44,766,187	270,028	(479,064)	31,153,672	134,493	(308,736)
- less than one year	41,902,683	253,286	(352,410)	29,152,801	117,635	(222,312)
- one year to three years	2,221,020	11,106	(72,000)	1,557,676	11,360	(33,636)
- more than three years	642,484	5,636	(54,654)	443,195	5,498	(52,788)
Currency swaps	457,414,546	5,094,015	(4,361,365)	290,068,958	3,021,607	(2,777,721)
- less than one year	455,645,805	5,059,869	(4,327,132)	288,700,185	2,999,678	(2,758,652)
- one year to three years	1,674,049	33,320	(33,138)	1,277,977	21,267	(17,974)
- more than three years	94,692	826	(1,095)	90,796	662	(1,095)
Currency spots	3,248,469	2,391	(2,631)	2,713,213	1,843	(1,976)
- less than one year	3,248,469	2,391	(2,631)	2,713,213	1,843	(1,976)
Currency options	4,922,893	62,503	(85,539)	4,918,213	62,427	(85,194)
- less than one year	2,064,408	18,499	(37,564)	2,059,728	18,423	(37,219)
- one year to three years	1,689,425	21,140	(17,240)	1,689,425	21,140	(17,240)
- more than three years	1,169,060	22,864	(30,735)	1,169,060	22,864	(30,735)
Cross currency interest rate swaps	96,136,516	2,118,007	(2,432,341)	35,525,862	841,600	(678,350)
- less than one year	27,606,696	414,025	(814,206)	13,149,346	208,805	(225,250)
- one year to three years	32,011,819	861,967	(674,695)	10,870,378	379,249	(228,450)
- more than three years	36,518,001	842,015	(943,440)	11,506,138	253,546	(224,650)
	606,488,611	7,546,944	(7,360,940)	364,379,918	4,061,970	(3,851,977)
<u>Interest rate derivatives</u>						
Interest rate swaps	389,608,245	3,157,332	(2,668,142)	140,258,211	1,252,732	(1,111,791)
- less than one year	135,366,307	242,433	(234,571)	45,087,867	148,893	(128,749)
- one year to three years	128,145,697	789,968	(788,136)	49,704,295	409,680	(425,060)
- more than three years	126,096,241	2,124,931	(1,645,435)	45,466,049	694,159	(557,982)
Interest rate futures	3,006,210	3,700	(10,764)	3,006,210	3,700	(10,764)
- less than one year	3,006,210	3,700	(10,764)	3,006,210	3,700	(10,764)
Interest rate options	573,385	-	(4)	573,385	-	(4)
- less than one year	573,385	-	(4)	573,385	-	(4)
	393,187,840	3,161,032	(2,678,910)	143,837,806	1,256,432	(1,122,559)
<u>Equity related derivatives</u>						
Equity swaps	318,757	4,168	(37,814)	318,757	4,168	(37,824)
- less than one year	11,742	-	(228)	11,742	-	(238)
- one year to three years	214,663	4,029	(37,586)	214,663	4,029	(37,586)
- more than three years	92,352	139	-	92,352	139	-
Equity options	3,321,847	239,628	(91,142)	2,937,014	234,643	(85,863)
- less than one year	3,090,271	234,979	(82,224)	2,795,440	232,198	(79,149)
- one year to three years	141,574	2,445	(6,714)	141,574	2,445	(6,714)
- more than three years	90,002	2,204	(2,204)	-	-	-
Equity futures	6,635	25	(1)	6,635	25	(1)
- less than one year	6,635	25	(1)	6,635	25	(1)
Index futures	86,994	949	(344)	86,994	949	(344)
- less than one year	86,994	949	(344)	86,994	949	(344)
	3,734,233	244,770	(129,301)	3,349,400	239,785	(124,032)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2021	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	845,600	46,861	(52,785)	845,756	46,706	(52,785)
- less than one year	818,501	45,692	(51,124)	818,656	45,537	(51,124)
- one year to three years	27,099	1,169	(1,661)	27,100	1,169	(1,661)
Commodity futures	379,825	15,422	(6,619)	379,825	15,422	(6,619)
- less than one year	379,825	15,422	(6,619)	379,825	15,422	(6,619)
Commodity options	8,351,321	146,506	(153,068)	8,351,321	146,506	(153,068)
- less than one year	8,351,321	146,506	(153,068)	8,351,321	146,506	(153,068)
	9,576,746	208,789	(212,472)	9,576,902	208,634	(212,472)
<u>Credit related derivatives</u>						
Credit default swaps	3,564,557	47,678	(35,529)	3,559,372	47,670	(35,564)
- less than one year	338,534	799	(12)	254,340	796	(12)
- one year to three years	143,061	1,969	(503)	143,061	1,969	(503)
- more than three years	3,082,962	44,910	(35,014)	3,161,971	44,905	(35,049)
Total return swaps	20,500	-	(1,248)	20,500	-	(1,248)
- more than three years	20,500	-	(1,248)	20,500	-	(1,248)
	3,585,057	47,678	(36,777)	3,579,872	47,670	(36,812)
<u>Bond Forward</u>						
Bond Forward	3,033,180	164,834	(115,204)	30,000	-	(3,909)
- Up to 1 year	1,178,155	23,382	(92,431)	-	-	-
- More than 1 year to 3 years	1,262,148	99,231	(18,664)	-	-	-
- More than 3 years	592,877	42,221	(4,109)	30,000	-	(3,909)
<u>Hedging derivatives</u>						
Currency swaps	4,543,474	43,058	(8,797)	4,289,134	43,058	(8,652)
- less than one year	4,543,474	43,058	(8,797)	4,289,134	43,058	(8,652)
Cross currency interest rate swaps	3,375,973	77,433	(33,817)	843,885	2,295	(13,264)
- less than one year	104,740	6,583	(894)	-	-	-
- one year to three years	1,416,719	55,693	(4,033)	433,173	2,295	(3,874)
- more than three years	1,854,514	15,157	(28,890)	410,712	-	(9,390)
Interest rate swaps	29,667,170	333,317	(231,192)	27,329,573	322,013	(224,241)
- less than one year	7,295,353	72,435	(19,828)	6,831,734	68,386	(19,906)
- one year to three years	6,089,019	60,052	(37,071)	6,144,019	60,052	(37,478)
- more than three years	16,282,798	200,830	(174,293)	14,353,820	193,575	(166,857)
	37,586,617	453,808	(273,806)	32,462,592	367,366	(246,157)
Total derivatives assets/(liabilities)	1,057,192,284	11,827,855	(10,807,410)	557,216,490	6,181,857	(5,597,918)

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 September 2022, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM30,194,704,000 and RM15,401,242,000 respectively (2021: RM11,827,855,000 and RM6,181,857,000 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 September 2022, the Group and the Bank has posted cash collateral of RM8,376,702,000 and RM4,172,320,000 respectively (2021: RM2,897,982,000 and RM1,201,829,000 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 2021.

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES

The Group	30 Sept 2022	31 Dec 2021
<u>Credit-related</u>	Principal RM'000	Principal RM'000
Direct credit substitutes	3,641,261	3,544,384
Transaction-related contingent items	5,474,287	5,361,331
Short-term self-liquidating trade-related contingencies	4,542,177	3,315,027
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	69,376,241	68,570,606
- maturity exceeding one year	40,808,854	33,989,202
Miscellaneous commitments and contingencies	1,536,933	2,009,445
Total credit-related commitments and contingencies	125,379,753	116,789,995
 <u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	617,073,661	535,116,275
- one year to five years	68,587,953	61,278,792
- more than five years	16,531,867	18,012,991
	702,193,481	614,408,058
Interest rate related contracts :		
- less than one year	246,861,247	146,241,255
- one year to five years	243,764,361	214,840,487
- more than five years	59,173,687	61,773,268
	549,799,295	422,855,010
Equity related contracts:		
- less than one year	2,916,392	3,195,642
- one year to five years	648,084	448,589
- more than five years	99,412	90,002
	3,663,888	3,734,233
Credit related contracts:		
- less than one year	-	338,534
- one year to five years	3,486,168	3,170,347
- more than five years	1,183,086	76,176
	4,669,254	3,585,057
Commodity related contracts:		
- less than one year	3,250,927	9,549,647
- one year to five years	-	27,099
	3,250,927	9,576,746
Bond contracts:		
- less than one year	955,269	1,178,155
- one year to five years	1,761,025	1,825,025
- more than five years	-	30,000
	2,716,294	3,033,180
Total treasury-related commitments and contingencies	1,266,293,139	1,057,192,284
	1,391,672,892	1,173,982,279

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	30 Sept 2022 Principal RM'000	31 Dec 2021 Principal RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,309,925	3,260,899
Transaction-related contingent items	3,562,329	3,505,373
Short-term self-liquidating trade-related contingencies	3,045,689	2,024,195
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	54,879,506	54,341,124
- maturity exceeding one year	27,499,735	24,386,828
Miscellaneous commitments and contingencies	1,493,061	1,980,933
Total credit-related commitments and contingencies	<u>93,790,245</u>	<u>89,499,352</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	369,834,260	340,064,407
- one year to five years	26,297,081	25,296,955
- more than five years	3,886,101	4,151,575
	<u>400,017,442</u>	<u>369,512,937</u>
Interest rate related contracts :		
- less than one year	65,404,912	55,499,196
- one year to five years	120,118,322	90,640,395
- more than five years	23,334,773	25,027,788
	<u>208,858,007</u>	<u>171,167,379</u>
Equity related contracts:		
- less than one year	2,651,057	2,900,811
- one year to five years	539,906	448,589
	<u>3,190,963</u>	<u>3,349,400</u>
Credit related contracts:		
- less than one year	-	254,340
- one year to five years	3,483,183	3,167,091
- more than five years	1,182,053	158,441
	<u>4,665,236</u>	<u>3,579,872</u>
Commodity related contracts:		
- less than one year	3,250,927	9,549,802
- one year to five years	-	27,100
	<u>3,250,927</u>	<u>9,576,902</u>
Bond contracts:		
- more than five years	-	30,000
	<u>-</u>	<u>30,000</u>
Total treasury-related commitments and contingencies	<u>619,982,575</u>	<u>557,216,490</u>
	<u>713,772,820</u>	<u>646,715,842</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 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	1,500,000	2,500,000	1,500,000	2,500,000
	<u>1,500,000</u>	<u>2,500,000</u>	<u>1,500,000</u>	<u>2,500,000</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 is 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 September 2022 - Basel III

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

	The Group	The Bank*
Common equity tier 1 ratio	14.101%	13.736%
Tier 1 ratio	14.754%	14.530%
Total capital ratio	<u>18.544%</u>	<u>18.442%</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⁾	233,505,947	147,920,280
Market risk	14,078,729	9,061,015
Large exposure risk requirements	1,273,839	1,273,839
Operational risk	24,386,398	18,042,584
Total risk-weighted assets	<u>273,244,913</u>	<u>176,297,718</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	1,096,472	1,096,472
	<u>1,096,472</u>	<u>1,096,472</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

30 September 2022 - 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	22,177,810	22,177,810
Other reserves	23,161,884	13,927,099
Qualifying non-controlling interests	163,717	-
Common Equity Tier 1 capital before regulatory adjustments	<u>45,503,411</u>	<u>36,104,909</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,929,730)	(3,555,075)
Intangible assets	(1,103,516)	(943,502)
Deferred tax assets	(1,480,392)	(926,018)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(6,009,592)
Regulatory reserve	(522,396)	(458,388)
Others	63,789	4,167
Common Equity Tier 1 capital after regulatory adjustments	<u>38,531,166</u>	<u>24,216,501</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	32,389	-
	<u>1,782,389</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>1,782,389</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>40,313,555</u>	<u>25,616,501</u>
Tier 2 capital		
Subordinated notes	8,300,000	8,300,000
Qualifying capital instruments held by third parties	267,201	-
Surplus eligible provisions over expected loss	1,041,643	723,954
General provisions ^	748,735	340,767
Tier 2 capital before regulatory adjustments	<u>10,357,579</u>	<u>9,364,721</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,467,833)
Total Tier 2 capital	<u>10,357,579</u>	<u>6,896,888</u>
Total capital	<u>50,671,134</u>	<u>32,513,389</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	13.039%	13.907%	N/A	N/A
Tier 1 ratio	13.662%	13.907%	N/A	N/A
Total capital ratio	<u>15.999%</u>	<u>19.433%</u>	<u>17.986%</u>	<u>65.409%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2021 - 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	15.443%	14.919%
Tier 1 ratio	16.228%	15.834%
Total capital ratio	<u>19.690%</u>	<u>19.051%</u>
After deducting proposed dividend		
Common equity tier 1 ratio	15.185%	14.530%
Tier I ratio	15.970%	15.445%
Total capital ratio	<u>19.432%</u>	<u>18.662%</u>

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

	The Group RM'000	The Bank* RM'000
Credit risk ⁽¹⁾	211,573,137	138,584,833
Market risk	16,357,473	10,800,858
Large exposure risk requirements	891,987	891,987
Operational risk	23,371,960	17,031,328
Total risk-weighted assets	<u>252,194,557</u>	<u>167,309,006</u>

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

	The Group RM'000	The Bank* RM'000
Under Restricted Agency Investment Account arrangement	1,227,746	1,227,746
	<u>1,227,746</u>	<u>1,227,746</u>

(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	21,855,078	21,855,078
Other reserves	23,443,428	14,672,012
Qualifying non-controlling interests	147,833	-
Less: Proposed dividends	(651,012)	(651,012)
Common Equity Tier 1 capital before regulatory adjustments	<u>44,795,327</u>	<u>35,876,078</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,934,802)	(3,555,075)
Intangible assets	(1,205,099)	(1,029,540)
Deferred tax assets	(1,282,904)	(903,392)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,948,651)
Regulatory reserve	(129,196)	(129,196)
Others	52,342	(147)
Common Equity Tier 1 capital after regulatory adjustments	<u>38,295,668</u>	<u>24,310,077</u>
Additional Tier 1 capital		
Perpetual preference shares	200,000	200,000
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	29,851	-
Additional Tier 1 capital before and after regulatory adjustments	<u>1,979,851</u>	<u>1,950,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(420,000)
Additional Tier 1 capital after regulatory adjustments	<u>1,979,851</u>	<u>1,530,000</u>
Total Tier 1 capital	<u>40,275,519</u>	<u>25,840,077</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2021 - Basel III (Continued)

	The Group	The Bank*
	RM'000	RM'000
Tier 2 capital		
Subordinated notes	6,800,000	6,800,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	239,953	-
Surplus eligible provisions over expected loss	907,105	676,117
General provisions ^	754,863	323,734
Tier 2 capital before regulatory adjustments	<u>8,731,661</u>	<u>7,829,591</u>
Less: Regulatory adjustments		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,445,967)
Total Tier 2 capital	<u>8,731,661</u>	<u>5,383,624</u>
Total capital	<u>49,007,180</u>	<u>31,223,701</u>

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

	CIMB Islamic		CIMB Thai Bank	CIMB Bank PLC	CIMB Bank
	Bank				(Vietnam) Ltd
Common equity tier 1 ratio	15.109%		15.701%	N/A	N/A
Tier 1 ratio	15.875%		15.701%	N/A	N/A
Total capital ratio	<u>18.853%</u>		<u>21.797%</u>	<u>17.491%</u>	<u>112.477%</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 RM372 million (2021: RM398 million) and RM216 million (2021: RM176 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 (previously known as Group Ventures & Partnerships and Funding)

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

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

The Group
30 September 2022

	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	3,056,739	677,611	1,204,564	1,113,928	6,052,842
- inter-segment	(305,011)	446,096	304,795	(445,880)	-
	<u>2,751,728</u>	<u>1,123,707</u>	<u>1,509,359</u>	<u>668,048</u>	<u>6,052,842</u>
Income from Islamic Banking operations	1,238,344	552,220	402,356	199,691	2,392,611
Net non-interest income	<u>960,828</u>	<u>354,681</u>	<u>613,545</u>	<u>206,290</u>	<u>2,135,344</u>
Net income	4,950,900	2,030,608	2,525,260	1,074,029	10,580,797
Overheads	(2,350,199)	(802,503)	(1,125,996)	(609,845)	(4,888,543)
of which:					
Depreciation of property, plant and equipment	(46,962)	(2,177)	(8,384)	(66,854)	(124,377)
Amortisation of intangible assets	(70,252)	(6,103)	(40,557)	(240,631)	(357,543)
Profit before expected credit losses	<u>2,600,701</u>	<u>1,228,105</u>	<u>1,399,264</u>	<u>464,184</u>	<u>5,692,254</u>
Expected credit losses on loans, advances and financing	(476,712)	(130,668)	(41,776)	(83,623)	(732,779)
Expected credit losses for commitments and contingencies written back/(made)	106,314	(2,615)	(91,453)	7	12,253
Other expected credit losses and impairment allowances (made)/written back	<u>(313,685)</u>	<u>(2,000)</u>	<u>226,869</u>	<u>(2,130)</u>	<u>(90,946)</u>
Segment results	<u>1,916,618</u>	<u>1,092,822</u>	<u>1,492,904</u>	<u>378,438</u>	<u>4,880,782</u>
Share of results of joint venture	17,640	-	-	-	17,640
Taxation					<u>(1,698,233)</u>
Profit for the financial period					<u><u>3,200,189</u></u>

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

The Group
30 September 2021

	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	2,889,628	665,418	1,306,643	901,759	5,763,448
- inter-segment	(157,571)	374,055	348,617	(565,101)	-
	<u>2,732,057</u>	<u>1,039,473</u>	<u>1,655,260</u>	<u>336,658</u>	<u>5,763,448</u>
Income from Islamic Banking operations	977,458	461,135	350,548	339,902	2,129,043
Net non-interest income	888,910	293,687	774,065	156,772	2,113,434
Net income	<u>4,598,425</u>	<u>1,794,295</u>	<u>2,779,873</u>	<u>833,332</u>	<u>10,005,925</u>
Overheads	(2,339,915)	(821,103)	(1,172,970)	(666,725)	(5,000,713)
of which:					
Depreciation of property, plant and equipment	(47,244)	(2,066)	(9,543)	(49,562)	(108,415)
Amortisation of intangible assets	(63,833)	(3,448)	(31,979)	(341,989)	(441,249)
Profit before expected credit losses	<u>2,258,510</u>	<u>973,192</u>	<u>1,606,903</u>	<u>166,607</u>	<u>5,005,212</u>
Expected credit losses on loans, advances and financing	(577,895)	(271,323)	(179,139)	(35,723)	(1,064,080)
Expected credit losses for commitments and contingencies	(43,670)	(4,160)	(141)	(354)	(48,325)
Other expected credit losses and impairment allowances	(94,621)	(2,885)	(11,921)	(11,118)	(120,545)
Impairment of goodwill	<u>(397,339)</u>	<u>(259,652)</u>	<u>(462,737)</u>	<u>(95,469)</u>	<u>(1,215,197)</u>
Segment results	<u>1,144,985</u>	<u>435,172</u>	<u>952,965</u>	<u>23,943</u>	<u>2,557,065</u>
Share of results of joint venture	9,593	-	-	-	9,593
Taxation					<u>(926,456)</u>
Profit for the financial period					<u><u>1,640,202</u></u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
30 September 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	189,511,169	48,226,983	238,339,199	76,908,360	552,985,711
Unallocated assets					20,016,774
Total assets					573,002,485
Segment liabilities	135,571,617	64,208,719	268,916,105	36,268,100	504,964,541
Unallocated liabilities					21,461,171
Total liabilities					526,425,712
Other segment items					
Capital expenditure	106,752	6,435	36,328	246,583	396,098
Investment in joint venture	163,797	-	-	-	163,797

The Group
31 December 2021

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	179,786,162	45,229,263	216,481,082	69,903,802	511,400,309
Unallocated assets					13,370,080
Total assets					524,770,389
Segment liabilities	134,234,352	61,538,473	237,139,996	32,938,692	465,851,513
Unallocated liabilities					13,105,229
Total liabilities					478,956,742
Other segment items					
Capital expenditure	161,965	7,551	52,056	429,529	651,101
Investment in joint venture	151,157	-	-	-	151,157

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 Sept 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	-	20,835,320	380,038	21,215,358
-Quoted securities	1,426,911	-	-	1,426,911
-Unquoted securities	-	4,690,283	1,138,563	5,828,846
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	17,476,624	-	17,476,624
-Unquoted securities	-	28,908,859	-	28,908,859
Equity instruments at fair value through other comprehensive income				
-Quoted securities	1,863	-	-	1,863
-Unquoted securities	-	-	272,744	272,744
Derivative financial instruments				
-Trading derivatives	41,856	28,187,671	232,699	28,462,226
-Hedging derivatives	-	1,732,478	-	1,732,478
Loans, advances and financing at fair value through profit or loss	-	248,112	-	248,112
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	7,471	-	7,471
Total	1,470,630	102,086,818	2,024,044	105,581,492
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	52,514	26,159,029	119,646	26,331,189
- Hedging derivatives	-	810,199	-	810,199
Financial liabilities designated at fair values through profit or loss	-	5,691,922	-	5,691,922
Total	52,514	32,661,150	119,646	32,833,310

The Group	Fair Value 31 Dec 2021			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	-	28,719,832	398,711	29,118,543
-Quoted securities	1,406,435	-	-	1,406,435
-Unquoted securities	-	6,761,527	1,133,117	7,894,644
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	16,399,801	-	16,399,801
-Unquoted securities	-	30,074,356	-	30,074,356
Equity instruments at fair value through other comprehensive income				
-Quoted securities	7,473	-	-	7,473
-Unquoted securities	-	-	281,114	281,114
Derivative financial instruments				
-Trading derivatives	146,868	10,992,784	234,395	11,374,047
-Hedging derivatives	-	453,808	-	453,808
Loans, advances and financing at fair value through profit or loss	-	357,853	-	357,853
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	19,595	-	19,595
Total	1,560,776	93,779,556	2,047,337	97,387,669
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	91,701	10,402,144	39,759	10,533,604
- Hedging derivatives	-	273,806	-	273,806
Financial liabilities designated at fair values through profit or loss	-	3,285,777	-	3,285,777
Total	91,701	13,961,727	39,759	14,093,187

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			Total
	Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000
Fair Value				
30 Sept 2022				
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	15,535,354	380,038	15,915,392
-Quoted securities	1,426,911	-	-	1,426,911
-Unquoted securities	-	3,799,011	1,125,033	4,924,044
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,135,703	-	11,135,703
-Unquoted securities	-	23,105,674	-	23,105,674
Equity instruments at fair value through other comprehensive income				
-Quoted securities	72	-	-	72
-Unquoted securities	-	-	267,690	267,690
Derivative financial instruments				
-Trading derivatives	41,856	13,869,844	232,942	14,144,642
-Hedging derivatives	-	1,256,600	-	1,256,600
Loans, advances and financing at fair value through profit or loss	-	248,112	-	248,112
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets/disposal groups held for sale	-	7,471	-	7,471
Total	1,468,839	68,957,769	2,005,703	72,432,311
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	52,514	12,272,442	120,196	12,445,152
-Hedging derivatives	-	757,804	-	757,804
Financial liabilities designated at fair values through profit or loss	-	1,118,388	-	1,118,388
Total	52,514	14,148,634	120,196	14,321,344
Fair Value				
31 Dec 2021				
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	21,044,300	398,711	21,443,011
-Quoted securities	1,406,435	-	-	1,406,435
-Unquoted securities	-	5,289,879	1,119,870	6,409,749
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,082,662	-	11,082,662
-Unquoted securities	-	23,998,599	-	23,998,599
Equity instruments at fair value through other comprehensive income				
-Quoted securities	83	-	-	83
-Unquoted securities	-	-	274,644	274,644
Derivative financial instruments				
-Trading derivatives	146,868	5,433,228	234,395	5,814,491
-Hedging derivatives	-	367,366	-	367,366
Loans, advances and financing at fair value through profit or loss	-	357,853	-	357,853
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	19,595	-	19,595
Total	1,553,386	67,593,482	2,027,620	71,174,488
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	91,701	5,200,180	59,880	5,351,761
-Hedging derivatives	-	246,157	-	246,157
Financial liabilities designated at fair values through profit or loss	-	261,682	-	261,682
Total	91,701	5,708,019	59,880	5,859,600

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING

A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	The Group		The Bank	
		30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Assets					
Cash and short-term funds		16,973,542	12,839,888	2,152,478	1,708,743
Reverse Collateralised Commodity Murabahah		199,314	-	-	-
Deposits and placements with banks and other financial institutions		1,581,099	1,263,401	1,581,099	1,084,070
Financial assets at fair value through profit or loss		3,528,344	5,254,902	34,031	32,512
Debt instruments at fair value through other comprehensive income		5,277,014	5,334,555	301,794	269,173
Debt instruments at amortised cost		9,336,153	8,890,843	41,827	38,340
Islamic derivative financial instruments		591,552	264,327	46,620	23,040
Financing, advances and other financing/loans	A30c	104,528,943	93,211,323	2,657,827	2,601,908
Other assets		1,177,718	1,082,651	335,899	759,310
Deferred taxation		223,904	173,233	-	-
Tax recoverable		1,761	1,761	-	-
Amount due from conventional operations		2,016,775	1,561,923	-	-
Amount due from related companies		8,761,176	7,372,803	8,761,026	7,372,483
Goodwill		136,000	136,000	-	-
Intangible assets		1,456	19,768	123	295
Property, plant and equipment		782	1,093	13	82
Right-of-use assets		1,417	1,613	270	-
Total assets		154,336,950	137,410,084	15,913,007	13,889,956
Liabilities					
Deposits from customers	A30d	108,988,867	100,282,059	3,893,348	4,280,323
Investment accounts of customers	A30e	11,317,756	10,427,167	-	-
Deposits and placements of banks and other financial institutions		2,655,936	1,649,416	370,517	503,212
Collateralised Commodity Murabahah		1,486,821	328,821	-	-
Investment accounts due to designated financial institutions	A30f	3,616,098	3,919,753	-	-
Financial liabilities designated at fair value through profit or loss	A30g	2,696,432	799,686	-	-
Islamic derivative financial instruments		713,932	292,760	6,291	20,806
Amount due to related company		582,048	693,870	472,231	594,710
Other liabilities		10,666,965	8,188,262	10,359,386	7,788,829
Lease liabilities		1,769	1,866	430	91
Provision for taxation		191,365	51,387	-	-
Subordinated Sukuk		1,104,081	1,108,045	-	-
Total liabilities		144,022,070	127,743,092	15,102,203	13,187,971
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		350,000	420,000	-	-
Reserves		8,964,880	8,246,992	810,804	701,985
Total equity		10,314,880	9,666,992	810,804	701,985
Total equity and liabilities		154,336,950	137,410,084	15,913,007	13,889,956
Restricted Agency Investment Account(*)		14,328,274	12,748,755	-	-
Total Islamic Banking Assets		168,665,224	150,158,839	15,913,007	13,889,956

* 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 SEPTEMBER 2022**

Note	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,045,772	892,940	2,720,095	2,767,588
Income derived from investment of investment accounts	192,278	106,856	543,762	257,789
Net income derived from investment of shareholders' funds	261,100	153,025	688,220	467,448
Modification loss	A21 (1)	(73,191)	(2,844)	(73,191)
Expected credit losses made on financing, advances and other financing/loans	(90,500)	(113,688)	(258,434)	(241,721)
Expected credit losses for commitments and contingencies (made)/written back	(372)	(19,221)	30,776	(33,668)
Other expected credit losses and impairment allowances written back/(made)	420	2,798	(18,805)	(1,237)
Total distributable income	1,408,697	949,519	3,702,770	3,143,008
Income attributable to depositors and others	(554,668)	(397,877)	(1,383,551)	(1,260,536)
Profit distributed to investment account holder	(98,659)	(56,727)	(270,679)	(136,307)
Total net income	755,370	494,915	2,048,540	1,746,165
Other operating expenses	(269,351)	(321,049)	(852,712)	(888,357)
Profit before taxation and zakat	486,019	173,866	1,195,828	857,808
Taxation and zakat	(142,195)	(44,223)	(370,878)	(182,625)
Profit for the financial period	343,824	129,643	824,950	675,183

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	343,824	129,643	824,950	675,183
Other comprehensive (expense)/income:				
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	63	31	56	31
	63	31	56	31
Items that may be reclassified to profit or loss				
Debt instruments at fair value through other comprehensive income	3,340	(20,696)	(124,357)	(108,934)
- Net gain/(loss) from change in fair value	4,344	(14,014)	(175,038)	(96,741)
- Realised (gain)/loss transferred to statement of income on disposal	(50)	(9,353)	15,593	(45,744)
- Changes in expected credit losses	(207)	(2,643)	(2,108)	1,274
- Income tax effects	(747)	5,314	37,196	32,277
Exchange fluctuation reserve	9,302	(4,362)	16,722	5,139
	12,642	(25,058)	(107,635)	(103,795)
Other comprehensive income/(expense) for the financial period, net of tax	12,705	(25,027)	(107,579)	(103,764)
Total comprehensive income for the period	356,529	104,616	717,371	571,419
Total net income	755,370	494,915	2,048,540	1,746,165
Add:				
Expected credit losses made on financing, advances and other financing/loans	90,500	113,688	258,434	241,721
Expected credit losses for commitments and contingencies made/(written back)	372	19,221	(30,776)	33,668
Other expected credit losses and impairment allowances (written back)/made	(420)	(2,798)	18,805	1,237
	845,822	625,026	2,295,003	2,022,791
Elimination for transactions with conventional operations	33,294	34,296	97,608	106,252
Income from Islamic operations (per page 2)	879,116	659,322	2,392,611	2,129,043

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Income derived from investment of depositors' funds and others	39,240	19,439	52,675	58,731
Net income derived from investment of shareholders' funds	8,875	9,548	40,108	24,160
Expected credit losses (made)/written back on financing, advances and other financing/loans	(289)	(424)	4,829	18,142
Expected credit losses for commitments and contingencies written back/(made)	93	(51)	147	(37)
Other expected credit losses and impairment allowances written back/(made)	15	207	17	(20)
	<u>47,934</u>	<u>28,719</u>	<u>97,776</u>	<u>100,976</u>
Total distributable income	47,934	28,719	97,776	100,976
Income attributable to depositors and others	(4,783)	(1,297)	(7,407)	(5,840)
	<u>43,151</u>	<u>27,422</u>	<u>90,369</u>	<u>95,136</u>
Total net income	43,151	27,422	90,369	95,136
Other operating expenses	(1,300)	(772)	(3,977)	(2,568)
	<u>41,851</u>	<u>26,650</u>	<u>86,392</u>	<u>92,568</u>
Profit for the financial period	41,851	26,650	86,392	92,568

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022 RM'000	30 Sept 2021 RM'000	30 Sept 2022 RM'000	30 Sept 2021 RM'000
Profit for the financial period	41,851	26,650	86,392	92,568
Other comprehensive income/(expense):				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	1,173	(1,432)	(4,453)	(7,995)
- Net gain/(loss) from change in fair value	1,181	(1,224)	(4,460)	(7,998)
- Changes in expected credit losses	(8)	(208)	7	3
Exchange fluctuation reserve	14,659	(3,531)	27,258	9,140
Other comprehensive income/(expense) for the financial period, net of tax	15,832	(4,963)	22,805	1,145
Total comprehensive income for the period	<u>57,683</u>	<u>21,687</u>	<u>109,197</u>	<u>93,713</u>
	<u>43,151</u>	<u>27,422</u>	<u>90,369</u>	<u>95,136</u>
Total net income	43,151	27,422	90,369	95,136
Add:				
Expected credit losses made/(written back) on financing, advances and other financing/loans	289	424	(4,829)	(18,142)
Expected credit losses for commitments and contingencies (written back)/made	(93)	51	(147)	37
Other expected credit losses and impairment allowances (written back)/made	(15)	(207)	(17)	20
	<u>43,332</u>	<u>27,690</u>	<u>85,376</u>	<u>77,051</u>
Elimination for transactions with conventional operations	66	24	292	311
Income from Islamic operations (per page 4)	<u>43,398</u>	<u>27,714</u>	<u>85,668</u>	<u>77,362</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 September 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	Ujarah RM'000	
At amortised cost											
Cash line^	-	183	1,588	-	1,239,095	-	-	-	8,425	-	1,249,291
Term financing											
- House financing	-	4,139,131	-	-	32,471,733	1,089,329	-	-	-	-	37,700,193
- Syndicated financing	-	-	-	-	2,007,215	-	-	468	-	-	2,007,683
- Hire purchase receivables	-	-	-	-	-	-	14,815,801	-	-	-	14,815,801
- Other term financing	88,795	914,286	1,412,707	-	38,840,636	37,625	-	-	-	-	41,294,049
Bills receivable	827,642	-	-	426,056	-	-	-	-	-	-	1,253,698
Islamic trust receipts	19,451	-	-	-	-	-	-	-	-	-	19,451
Claims on customers under acceptance credits	785,024	-	-	132,141	-	-	-	-	-	-	917,165
Staff financing	-	-	-	-	255,212	-	-	-	-	-	255,212
Revolving credits	-	-	-	-	6,263,601	-	-	-	-	-	6,263,601
Credit card receivables	-	-	-	-	-	-	-	-	-	169,035	169,035
Gross financing, advances and other financing/loans, at amortised cost	1,720,912	5,053,600	1,414,295	558,197	81,077,492	1,126,954	14,815,801	468	8,425	169,035	105,945,179
Fair value changes arising from fair value hedge											(2,003)
Less: Expected credit losses											105,943,176
Net financing, advances and other financing/loans											(1,414,233)
											104,528,943

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 2021

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	Total
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai #				
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Mudharabah	Qard	Ujrah	RM'000
Cash line [^]	-	295	866	-	1,119,109	-	-	-	8,118	-	1,128,388
Term financing											
- House financing	-	4,498,841	-	-	27,289,680	1,150,034	-	-	-	-	32,938,555
- Syndicated financing	-	-	20,275	-	1,694,829	-	-	478	-	-	1,715,582
- Hire purchase receivables	-	-	-	-	-	-	12,935,554	-	-	-	12,935,554
- Other term financing	531,120	1,030,219	1,654,204	-	35,453,047	39,728	-	-	-	-	38,708,318
Bills receivable	641,132	-	-	496,935	-	-	-	-	458	-	1,138,525
Islamic trust receipts	34,970	-	-	-	-	-	-	-	-	-	34,970
Claims on customers under acceptance credits	688,423	-	-	71,233	-	-	-	-	-	-	759,656
Staff financing	-	-	-	-	225,183	-	-	-	-	-	225,183
Revolving credits	-	-	-	-	4,705,217	-	-	-	-	-	4,705,217
Credit card receivables	-	-	-	-	-	-	-	-	-	145,587	145,587
Gross financing, advances and other financing/loans, at amortised cost	1,895,645	5,529,355	1,675,345	568,168	70,487,065	1,189,762	12,935,554	478	8,576	145,587	94,435,535
Fair value changes arising from fair value hedge											1,565
Less: Expected credit losses											94,437,100
Net financing, advances and other financing/loans											(1,225,777)
											93,211,323

[^] 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 September 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 [^]	-	-	157	-	157
Term financing					
- Syndicated financing	-	-	-	468	468
- Other term financing	88,795	-	1,607,639	-	1,696,434
Bills receivable	-	412,159	-	-	412,159
Islamic trust receipts	2,765	-	-	-	2,765
Revolving credits	-	-	558,837	-	558,837
Gross financing, advances and other financing/loans, at amortised cost	91,560	412,159	2,166,633	468	2,670,820
Fair value changes arising from fair value hedges					-
					2,670,820
Less: Expected credit losses					(12,993)
Net financing, advances and other financing/loans					2,657,827

[^] Includes current account in excess

The Bank
At 31 December 2021

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 [^]	-	-	61	-	61
Term financing					
- Syndicated financing	-	-	126,314	478	126,792
- Other term financing	531,120	-	1,170,878	-	1,701,998
Bills receivable	-	479,180	-	-	479,180
Islamic trust receipts	2,488	-	-	-	2,488
Revolving credits	-	-	309,970	-	309,970
Gross financing, advances and other financing/loans, at amortised cost	533,608	479,180	1,607,223	478	2,620,489
Fair value changes arising from fair value hedge					-
					2,620,489
Less: Expected credit losses					(18,581)
Net financing, advances and other financing/loans					2,601,908

[^] Includes current account in excess

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	105,945,179	94,435,535	2,670,820	2,620,489
- At fair value through profit or loss	-	-	-	-
	105,945,179	94,435,535	2,670,820	2,620,489

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 RM59,696,000 (2021: RM65,935,000) 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 September 2022, the gross exposure and expected credit losses relating to RPSIA financing are RM3,617,272,000 (2021: RM3,952,201,000) and RM836,000 (2021: RM1,506,000) respectively.

c) Movement of Qard financing

	The Group	
	30 Sept 2022	31 Dec 2021
	RM'000	RM'000
As at 1 January	8,576	8,907
New disbursement	2,838	7,102
Repayment	(2,989)	(7,433)
As at 30 September/31 December	<u>8,425</u>	<u>8,576</u>
Sources of Qard fund:		
Depositors' fund	7,857	8,028
Shareholders' fund	568	548
	<u>8,425</u>	<u>8,576</u>
Uses of Qard fund:		
Personal use	1,425	620
Business purpose	7,000	7,956
	<u>8,425</u>	<u>8,576</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 2022	251,884	727,806	246,087	1,225,777
Changes in expected credit losses due to transferred within stages:	115,452	(170,491)	55,039	-
Transferred to Stage 1	182,936	(166,686)	(16,250)	-
Transferred to Stage 2	(66,274)	145,971	(79,697)	-
Transferred to Stage 3	(1,210)	(149,776)	150,986	-
Total charge to Statement of Income:	(130,360)	282,526	167,125	319,291
New financial assets originated	63,378	447	12,900	76,725
Financial assets that have been derecognised	(27,543)	(23,462)	-	(51,005)
Writeback in respect of full recoveries	-	-	(21,718)	(21,718)
Change in credit risk	(166,195)	305,541	175,943	315,289
Write-offs	-	(1)	(135,692)	(135,693)
Exchange fluctuation	184	128	(1,493)	(1,181)
Transfer to conventional operations	(1,032)	(138)	(2,831)	(4,001)
Other movements	(72)	(221)	10,333	10,040
At 30 September 2022	236,056	839,609	338,568	1,414,233

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 2021	299,267	381,996	363,415	1,044,678
Changes in expected credit losses due to transferred within stages:	364,539	(186,388)	(178,151)	-
Transferred to Stage 1	561,551	(528,988)	(32,563)	-
Transferred to Stage 2	(196,770)	504,511	(307,741)	-
Transferred to Stage 3	(242)	(161,911)	162,153	-
Total charge to Statement of Income:	(413,045)	531,883	193,382	312,220
New financial assets originated	71,955	1,772	44,235	117,962
Financial assets that have been derecognised	(38,129)	(27,304)	-	(65,433)
Writeback in respect of full recoveries	-	-	(70,138)	(70,138)
Change in credit risk	(446,871)	557,415	219,285	329,829
Write-offs	-	(4)	(160,014)	(160,018)
Exchange fluctuation	185	117	639	941
Transfer from conventional operations	984	132	2,698	3,814
Other movements	(46)	70	24,118	24,142
At 31 December 2021	251,884	727,806	246,087	1,225,777

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 2022	3,185	405	14,991	18,581
Total charge to Statement of Income:	514	188	(879)	(177)
Change in credit risk	514	188	(879)	(177)
Exchange fluctuation	165	24	(1,493)	(1,304)
Transfer from to conventional operations	(1,032)	(138)	(2,831)	(4,001)
Other movements	(106)	-	-	(106)
At 30 September 2022	2,726	479	9,788	12,993

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	9,723	151	24,257	34,131
Total charge to Statement of Income:	(7,690)	120	(12,605)	(20,175)
Change in credit risk	(7,690)	120	(12,605)	(20,175)
Exchange fluctuation	168	2	641	811
Transfer from conventional operations	984	132	2,698	3,814
At 31 December 2021	3,185	405	14,991	18,581

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 2022	660,028	660,028
Transfer within stages	649,585	649,585
New financial assets originated	16,011	16,011
Write-offs	(138,189)	(138,189)
Amount fully recovered	(71,598)	(71,598)
Other changes in financing, advances and other financing/loans	(32,278)	(32,278)
Exchange fluctuation	1,164	1,164
At 30 September 2022	1,084,723	1,084,723

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	1,521,426	1,521,426
Transfer within stages	(536,467)	(536,467)
New financial assets originated	180,792	180,792
Write-offs	(160,014)	(160,014)
Amount fully recovered	(327,413)	(327,413)
Other changes in financing, advances and other financing/loans	(18,701)	(18,701)
Exchange fluctuation	405	405
At 31 December 2021	660,028	660,028

	The Group	
	30 Sept 2022	31 Dec 2021
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	1.02%	0.70%

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 2022	20,530	20,530
Transfer within stages	3,677	3,677
Write-offs	(2,497)	(2,497)
Amount recovered	(4,474)	(4,474)
Other changes in financing, advances and other financing/loans	(3,023)	(3,023)
Exchange fluctuation	1,164	1,164
At 30 September 2022	<u>15,377</u>	<u>15,377</u>

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2021	24,185	24,185
Transfer within stages	8,581	8,581
Amount recovered	(5,203)	(5,203)
Other changes in financing, advances and other financing/loans	(7,438)	(7,438)
Exchange fluctuation	405	405
At 31 December 2021	<u>20,530</u>	<u>20,530</u>

	The Bank	
	30 Sept 2022	31 Dec 2021
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	<u>0.58%</u>	<u>0.78%</u>

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 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Malaysia	103,278,517	91,821,667	4,158	6,621
Indonesia	451	2,380	451	2,380
Singapore	2,163,798	1,599,770	2,163,798	1,599,770
China	227,687	292,465	227,687	292,465
Other countries	274,726	719,253	274,726	719,253
	105,945,179	94,435,535	2,670,820	2,620,489

iii) By economic sector

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Primary agriculture	4,043,074	2,964,442	193,023	139,011
Mining and quarrying	676,481	812,844	108,135	175,799
Manufacturing	3,992,344	3,436,420	105,192	80,327
Electricity, gas and water supply	455,656	366,745	-	-
Construction	2,275,467	1,791,416	124,430	99,894
Transport, storage and communications	2,402,673	2,092,003	23,606	26,302
Education, health and others	2,664,871	2,239,110	-	-
Wholesale and retail trade, and restaurants and hotels	5,438,860	4,332,533	460,933	445,741
Finance, insurance/takaful, real estate and business activities	10,379,979	10,099,394	1,240,785	1,401,815
Household	73,484,260	66,181,273	306,622	196,277
Others	131,514	119,355	108,094	55,323
	105,945,179	94,435,535	2,670,820	2,620,489

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

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Malaysia	1,073,289	645,986	3,943	6,488
Indonesia	-	2,380	-	2,380
Singapore	10,718	11,662	10,718	11,662
Other countries	716	-	716	-
	1,084,723	660,028	15,377	20,530

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

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Primary agriculture	19,633	20,844	-	-
Mining and quarrying	2,765	4,868	2,765	4,868
Manufacturing	19,456	28,131	715	-
Construction	66,160	20,267	-	-
Transport, storage and communications	11,569	5,876	1,178	3,998
Education, health and others	7,232	6,268	-	-
Wholesale and retail trade, and restaurants and hotels	94,284	90,773	3,310	7,422
Finance, insurance/takaful, real estate and business activities	72,342	52,420	1,576	1,260
Household	791,281	430,580	5,833	2,982
Others	1	1	-	-
	1,084,723	660,028	15,377	20,530

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	7,927,109	7,612,717	685,809	740,524
Demand deposit				
Wadiah	258,161	121,279	258,161	121,279
Qard	15,151,527	14,512,297	14,138	20,541
Commodity Murabahah (via Tawarruq arrangement)*	4,562,945	5,262,989	2,489,758	2,971,350
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	51,187,416	45,604,331	331,048	280,675
Fixed Return Income Account-i (via Tawarruq arrangement)*	29,624,756	26,576,472	114,301	145,831
Negotiable Islamic Debt Certificate (NIDC)				
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	99,805	448,287	-	-
Fixed Deposit-i				
Wadiah	133	123	133	123
Specific investment account				
Mudharabah	100,431	99,600	-	-
Others - Qard	76,584	43,964	-	-
	108,988,867	100,282,059	3,893,348	4,280,323

*Included Qard contract of the Group and of the Bank of RM3,594,910,000 and RM2,910,278,000 (2021: RM4,314,834,000 and RM3,711,418,000) respectively

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

	The Group		The Bank	
	30 Sept 2022 RM'000	31 Dec 2021 RM'000	30 Sept 2022 RM'000	31 Dec 2021 RM'000
Due within six months	72,400,142	62,777,876	373,245	325,907
Six months to less than one year	8,253,014	9,777,709	71,848	100,322
One year to less than three years	328,778	144,096	389	400
Three years to less than five years	6,109	5,473	-	-
Five years and more	24,498	23,659	-	-
	81,012,541	72,728,813	445,482	426,629

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 Sept 2022	31 Dec 2021	30 Sept 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	7,281,752	4,880,194	213	166
Business enterprises	39,890,401	36,151,777	2,835,296	2,803,909
Individuals	33,538,435	30,170,957	883,492	956,224
Others	28,278,279	29,079,131	174,347	520,024
	108,988,867	100,282,059	3,893,348	4,280,323

A30e INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 Sept 2022	31 Dec 2021
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	1,179,564	892,710
-with maturity		
Term Investment Account-i	9,569,386	9,023,282
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	43,890	48,844
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	524,916	462,331
	11,317,756	10,427,167

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 Sept 2022	31 Dec 2021
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	3,616,098	3,919,753
By type of counterparty		
Licensed banks	3,616,098	3,919,753

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 Sept 2022	31 Dec 2021
	RM'000	RM'000
Deposits from customers - structured investments	2,696,432	799,686

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 September 2022 is RM279,128,000 (2021: RM39,988,000) 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 B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM4,898.4 million for the nine months period ended 30 September 2022, an increase of 90.8% as compared to the pre-tax profit of RM2,566.7 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) increased by 95.3% to RM3,181.2 million, equivalent to net earnings per share (sen) of 50.41.

The Group's year-on-year increase in earnings was mainly contributed by higher net interest income by RM289.4 million, higher income from Islamic Banking Operations by RM263.6 million and lower overheads and expected credit losses for loans, advances and financing by RM112.2 million and RM331.3 million respectively. The increase is also attributed by the one off impairment on goodwill made in the previous corresponding period of RM1,215.2 billion.

The Group's gross loans, advances and financing grew by 6.7% to RM344.2 billion while deposits from customers grew by 2.6% to RM366.9 billion, as compared to 31 December 2021.

The Group's Common Equity Tier 1 ratio stood at 14.101% as at 30 September 2022 from 15.185% as at 31 December 2021.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank remains optimistic of an improved 2022 financial performance in tandem with the economic growth momentum and higher business activity. Nonetheless, management is vigilant of the outlook for the rest of 2022 in view of the decelerating global economic growth underpinned by escalating inflation and interest rates, global supply disruptions, still-prevalent threat from Covid-19 and the possibility of a global recession. The Bank will continue to execute on initiatives laid out under the Forward23+ strategic plan, particularly focusing on targeted growth segments, cost management, RAROC optimisation, sustainability initiatives and driving technology investment to further improve digital capabilities and strengthen operational resiliency. Asset quality and credit risk management remains a core focus in all business segments and geographies.

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			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
Net profit for the financial period after non-controlling interests (RM'000)	990,827	(305,626)	3,181,175	1,629,191
Weighted average number of ordinary shares in issue ('000)	6,345,611	6,197,496	6,310,758	6,197,496
Basic earnings per share (expressed in sen per share)	15.61	(4.93)	50.41	26.29

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2022	30 Sept 2021	30 Sept 2022	30 Sept 2021
Net profit for the financial period (RM'000)	547,637	719,555	2,116,133	2,048,937
Weighted average number of ordinary shares in issue ('000)	6,345,611	6,197,496	6,310,758	6,197,496
Basic earnings per share (expressed in sen per share)	8.63	11.61	33.53	33.06

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2022 and 30 September 2021.