

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	The Group		The Bank	
		31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Assets					
Cash and short term funds	A6	36,516,120	37,156,527	26,110,799	21,749,413
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah		7,756,234	9,607,095	6,089,852	8,370,639
Deposits and placements with banks and other financial institutions	A6	3,816,993	2,655,745	7,233,988	7,069,270
Investment account placement		-	-	3,538,858	3,576,590
Financial investments at fair value through profit or loss	A7	33,131,175	30,611,899	25,420,289	25,704,819
Debt instruments at fair value through other comprehensive income	A8	48,938,158	48,472,288	37,316,869	34,706,107
Equity instruments at fair value through other comprehensive income	A9	275,000	274,621	267,756	267,757
Debt instruments at amortised cost	A10	67,055,006	58,339,507	52,799,612	46,772,580
Derivative financial instruments	A25	15,158,750	17,793,200	6,954,319	8,160,302
Loans, advances and financing	A11	343,916,178	340,829,961	198,901,870	198,109,269
Other assets	A12	14,169,352	8,809,159	11,697,977	5,491,325
Amounts due from holding company and ultimate holding company		6,149	13,555	6,105	13,544
Amount due from subsidiaries		-	-	26,773	7,031
Amount due from related companies		3,254,983	2,949,125	3,253,000	2,946,427
Tax recoverable		69,330	82,508	16,165	52,473
Deferred taxation		1,402,974	1,363,733	915,163	934,271
Statutory deposits with central banks		7,718,176	8,371,731	5,178,530	5,948,817
Investment in subsidiaries		-	-	6,795,668	6,793,718
Investment in joint venture		159,788	162,906	125,000	125,000
Property, plant and equipment		884,504	898,969	608,479	622,654
Right-of-use assets		431,723	466,076	349,644	382,229
Investment properties		2,736	-	-	-
Goodwill		3,942,314	3,938,393	3,555,075	3,555,075
Intangible assets		1,207,647	1,171,260	1,037,632	1,006,495
		589,813,290	573,968,258	398,199,423	382,365,805
Non-current assets held for sale		5,584	7,471	5,584	7,471
Total Assets		589,818,874	573,975,729	398,205,007	382,373,276
Liabilities					
Deposits from customers	A13	374,246,897	375,557,348	241,354,337	239,701,016
Investment accounts of customers	A14	16,296,194	13,684,632	-	-
Deposits and placements of banks and other financial institutions	A15	42,505,207	33,651,841	37,040,393	29,449,368
Repurchase agreements/Collateralised Commodity Murabahah		38,332,335	34,456,301	32,157,124	30,033,769
Financial liabilities designated at fair value through profit or loss	A16	6,785,554	6,668,894	1,173,878	1,119,964
Derivative financial instruments	A25	14,027,667	17,267,265	6,301,981	7,803,618
Bills and acceptances payable		1,139,260	1,408,497	340,659	664,513
Other liabilities	A17	21,957,213	18,442,588	18,024,213	12,312,537
Lease liabilities		452,857	485,678	366,327	397,838
Recourse obligation on loans and financing sold to Cagamas		657,636	650,667	657,636	650,667
Amount due to subsidiaries		-	-	687,220	456,615
Amount due to related companies		10,236	17,757	1,724	8,548
Provision for taxation and zakat		1,505	23,189	-	-
Bonds, Sukuk and debentures		10,491,383	9,436,209	8,734,947	8,629,698
Other borrowings		3,398,158	3,340,333	3,309,781	3,244,898
Subordinated obligations		9,766,655	9,969,400	9,267,878	9,517,776
Total Liabilities		540,068,757	525,060,599	359,418,098	343,990,825
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		22,979,762	22,979,762	22,979,762	22,979,762
Reserves		26,226,375	25,403,623	15,577,407	15,172,949
		49,206,137	48,383,385	38,557,169	38,152,711
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		314,240	302,005	-	-
Total Equity		49,750,117	48,915,130	38,786,909	38,382,451
Total Equity and Liabilities		589,818,874	573,975,729	398,205,007	382,373,276
Commitments and contingencies	A26	1,490,279,725	1,328,521,371	726,667,234	625,137,662
Net assets per ordinary share attributable to owners of the Parent (RM)		7.59	7.46	5.95	5.89

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

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

The Group	Note	1st Quarter Ended		Three Months Ended	
		31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	4,148,824	2,728,029	4,148,824	2,728,029
Interest income from financial assets at fair value through profit or loss	A19	231,135	119,841	231,135	119,841
Interest expense	A20	(2,525,786)	(901,047)	(2,525,786)	(901,047)
Net interest income (before modification loss)		1,854,173	1,946,823	1,854,173	1,946,823
Modification gain/(loss)	A21	306	(1,764)	306	(1,764)
Net interest income (after modification loss)		1,854,479	1,945,059	1,854,479	1,945,059
Income from Islamic Banking operations	A30(b)	837,138	748,323	837,138	748,323
Net non-interest income	A22	909,032	683,790	909,032	683,790
Net income		3,600,649	3,377,172	3,600,649	3,377,172
Overheads	A23	(1,666,437)	(1,584,678)	(1,666,437)	(1,584,678)
Profit before expected credit losses		1,934,212	1,792,494	1,934,212	1,792,494
Expected credit losses on loans, advances and financing	A24(a)	(142,186)	(74,175)	(142,186)	(74,175)
Expected credit losses for commitments and contingencies		(69,738)	(9,938)	(69,738)	(9,938)
Other expected credit losses and impairment allowances	A24(b)	(44,971)	(96,986)	(44,971)	(96,986)
		1,677,317	1,611,395	1,677,317	1,611,395
Share of results of joint venture		(3,118)	6,239	(3,118)	6,239
Profit before taxation and zakat		1,674,199	1,617,634	1,674,199	1,617,634
Taxation and zakat		(423,291)	(482,498)	(423,291)	(482,498)
Profit for the financial period		1,250,908	1,135,136	1,250,908	1,135,136
Profit for the financial period attributable to:					
Owners of the Parent		1,245,181	1,128,305	1,245,181	1,128,305
Non-controlling interests		5,727	6,831	5,727	6,831
		1,250,908	1,135,136	1,250,908	1,135,136
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	19.21	17.94	19.21	17.94

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

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

The Group	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,250,908	1,135,136	1,250,908	1,135,136
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	90	(82)	90	(82)
- Currency translation difference	90	(82)	90	(82)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	24,419	(2,149)	24,419	(2,149)
- Net loss from change in fair value	8,035	(1,726)	8,035	(1,726)
- Income tax effects	17,682	-	17,682	-
- Currency translation difference	(1,298)	(423)	(1,298)	(423)
Equity instruments at fair value through other comprehensive income	(676)	(9,009)	(676)	(9,009)
- Net gain/(loss) from change in fair value	272	(8,225)	272	(8,225)
- Income tax effects	20	88	20	88
- Currency translation difference	(968)	(872)	(968)	(872)
	23,833	(11,240)	23,833	(11,240)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	390,802	(426,945)	390,802	(426,945)
- Net gain/(loss) from change in fair value	517,482	(527,472)	517,482	(527,472)
- Realised gain transferred to statement of income on disposal	(50,451)	(3,030)	(50,451)	(3,030)
- Changes in expected credit losses	12,392	819	12,392	819
- Income tax effects	(86,461)	102,750	(86,461)	102,750
- Currency translation difference	(2,160)	(12)	(2,160)	(12)
Net investment hedge	(62,891)	(48,027)	(62,891)	(48,027)
Cash flow hedge	(1,649)	(399)	(1,649)	(399)
- Net loss from change in fair value	(2,042)	(3,096)	(2,042)	(3,096)
- Income tax effects	393	2,697	393	2,697
Exchange fluctuation reserve	218,223	127,205	218,223	127,205
Deferred hedging cost	(10,034)	17,205	(10,034)	17,205
- Net (loss)/gain from change in fair value	(10,858)	21,378	(10,858)	21,378
- Income tax effects	824	(4,173)	824	(4,173)
	534,451	(330,961)	534,451	(330,961)
Other comprehensive income/(expense) for the financial period, net of tax	558,284	(342,201)	558,284	(342,201)
Total comprehensive income for the financial period	1,809,192	792,935	1,809,192	792,935
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,796,889	791,105	1,796,889	791,105
Non-controlling interests	12,303	1,830	12,303	1,830
	1,809,192	792,935	1,809,192	792,935

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

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

<u>The Bank</u>	Note	1st Quarter Ended		Three Months Ended	
		31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
Interest income	A18	3,672,307	2,342,535	3,672,307	2,342,535
Interest income for financial assets at fair value through profit or loss	A19	206,476	95,439	206,476	95,439
Interest expense	A20	(2,318,767)	(813,625)	(2,318,767)	(813,625)
Net interest income (before modification loss)		1,560,016	1,624,349	1,560,016	1,624,349
Modification loss	A21	-	(1,223)	-	(1,223)
Net interest income (after modification loss)		1,560,016	1,623,126	1,560,016	1,623,126
Income from Islamic Banking operations	A30(b)	56,197	16,181	56,197	16,181
Net non-interest income	A22	1,160,557	924,605	1,160,557	924,605
Net income		2,776,770	2,563,912	2,776,770	2,563,912
Overheads	A23	(1,387,143)	(1,297,638)	(1,387,143)	(1,297,638)
Profit before expected credit losses		1,389,627	1,266,274	1,389,627	1,266,274
Expected credit losses on loans, advances and financing	A24(a)	(15,010)	(22,946)	(15,010)	(22,946)
Expected credit losses for commitments and contingencies		(23,643)	(67,553)	(23,643)	(67,553)
Other expected credit losses and impairment allowances	A24(b)	(13,067)	(83,138)	(13,067)	(83,138)
Profit before taxation		1,337,907	1,092,637	1,337,907	1,092,637
Taxation		(315,725)	(313,311)	(315,725)	(313,311)
Profit for the financial period		1,022,182	779,326	1,022,182	779,326
Earnings per share - basic (sen)	B3	15.77	12.39	15.77	12.39

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CIMB BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Individual Quarter		Cumulative Quarters	
	1st Quarter Ended	1st Quarter Ended	Three Months Ended	Three Months Ended
<u>The Bank</u>	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,022,182	779,326	1,022,182	779,326
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 from change in fair value	2,439	-	2,439	-
Equity instruments at fair value through other comprehensive income	(560)	(7,904)	(560)	(7,904)
- Net loss from change in fair value	(3)	(7,212)	(3)	(7,212)
- Income tax effects	5	-	5	-
- Currency translation difference	(562)	(692)	(562)	(692)
	1,879	(7,904)	1,879	(7,904)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	313,359	(329,260)	313,359	(329,260)
- Net gain/(loss) from change in fair value	387,369	(383,016)	387,369	(383,016)
- Realised gain transferred to statement of income on disposal	(19,650)	(15,846)	(19,650)	(15,846)
- Changes in expected credit losses	11,650	2,442	11,650	2,442
- Income tax effects	(63,850)	67,172	(63,850)	67,172
- Currency translation difference	(2,160)	(12)	(2,160)	(12)
Net investment hedge	(58,057)	(42,389)	(58,057)	(42,389)
Cash flow hedge	3,862	2,809	3,862	2,809
- Net gain from change in fair value	4,897	912	4,897	912
- Income tax effects	(1,035)	1,897	(1,035)	1,897
Exchange fluctuation reserve	106,941	70,678	106,941	70,678
Deferred hedging cost	(10,949)	14,653	(10,949)	14,653
- Net (loss)/gain from change in fair value	(11,773)	18,827	(11,773)	18,827
- Income tax effects	824	(4,174)	824	(4,174)
	355,156	(283,509)	355,156	(283,509)
Other comprehensive income/(expense) for the financial period, net of tax	357,035	(291,413)	357,035	(291,413)
Total comprehensive income for the financial period	1,379,217	487,913	1,379,217	487,913

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CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

The Group	Attributable to owners of the Parent																			Total Equity RM'000												
	Fair value reserve						Costs of						Own credit		Share-based		Capital contribution by ultimate		Defined		Perpetual		Non-									
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	debt instruments at fair value comprehensive income RM'000	equity instruments at fair value 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	risk reserve RM'000	Share-based payment reserve RM'000	holding company RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2023	22,979,762	29,740	87,141	2,536,858	(1,256,086)	2,268	(1,085,928)	840,979	(1,608,029)	185,980	417,996	(76,689)	10,421	73,192	5,393	25,270,127	48,413,125	200,000	302,005	48,915,130	-	-	-	-	-	-	-	-	-	-	5,727	1,250,908
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,245,181	1,245,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income/ (expenses) (net of tax)	-	-	-	213,081	389,403	(670)	-	-	(64,350)	(10,034)	-	23,868	30	295	85	-	551,708	-	-	-	-	-	-	-	-	-	-	-	-	-	6,576	558,284
- debt instruments at fair value through other comprehensive income	-	-	-	-	389,403	-	-	-	-	-	-	-	-	-	-	-	389,403	-	-	-	-	-	-	-	-	-	-	-	-	-	1,399	390,802
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(670)	-	-	-	-	-	-	-	-	-	-	(670)	-	-	-	-	-	-	-	-	-	-	-	-	(6)	(676)	
- net investment hedge	-	-	-	-	-	-	-	(62,891)	-	-	-	-	-	-	-	-	(62,891)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(62,891)
- cash flow hedge	-	-	-	-	-	-	-	(1,459)	-	-	-	-	-	-	-	-	(1,459)	-	-	-	-	-	-	-	-	-	-	-	-	-	(190)	(1,649)
- currency translation difference	-	-	-	213,081	-	-	-	-	-	-	-	-	30	295	-	-	213,406	-	-	-	-	-	-	-	-	-	-	-	-	-	4,817	218,223
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85	-	85	-	-	-	-	-	-	-	-	-	-	-	-	5	90	
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	23,868	-	-	-	-	23,868	-	-	-	-	-	-	-	-	-	-	-	-	551	24,419	
- deferred hedging cost	-	-	-	-	-	-	-	-	(10,034)	-	-	-	-	-	-	-	(10,034)	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,034)	
Total comprehensive income/ (expenses) for the financial period	-	-	-	213,081	389,403	(670)	-	-	(64,350)	(10,034)	-	23,868	30	295	85	1,245,181	1,796,889	-	-	-	-	-	-	-	-	-	-	-	-	-	12,303	1,809,192
Second interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(980,868)	(980,868)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(980,868)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	2,538	11,780	-	-	14,318	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,318
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(7,587)	-	-	-	(7,587)	-	-	-	-	-	-	-	-	-	-	-	-	-	(68)	(7,655)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(5,049)	11,780	-	(980,868)	(974,137)	-	-	-	-	-	-	-	-	-	-	-	-	(68)	(974,205)	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	136,149	-	-	-	-	(136,149)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2023	22,979,762	29,740	87,141	2,749,939	(866,683)	1,598	(1,085,928)	840,979	(1,672,379)	175,946	554,145	(52,821)	5,402	85,267	5,478	25,398,291	49,235,877	200,000	314,240	49,750,117	-	-	-	-	-	-	-	-	-	-	-	-

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

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

The Group	Attributable to owners of the Parent																		Perpetual preference shares	Non-controlling interests	Total Equity	
	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	RM'000				RM'000
					debt instruments at fair value through other comprehensive income	equity instruments at fair value through other comprehensive income																
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,128,305	1,128,305	-	6,831	1,135,136		
Other comprehensive income/ (expenses) (net of tax)	-	-	-	129,465	(424,509)	(9,161)	-	-	(48,178)	17,205	-	(2,038)	44	50	(78)	-	(337,200)	-	-	(342,201)		
- debt instruments at fair value through other comprehensive income	-	-	-	-	(424,509)	-	-	-	-	-	-	-	-	-	-	-	(424,509)	-	(2,436)	(426,945)		
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(9,161)	-	-	-	-	-	-	-	-	-	-	(9,161)	-	152	(9,009)		
- net investment hedge	-	-	-	-	-	-	-	(48,027)	-	-	-	-	-	-	-	-	(48,027)	-	-	(48,027)		
- cash flow hedge	-	-	-	-	-	-	-	(151)	-	-	-	-	-	-	-	-	(151)	-	(248)	(399)		
- currency translation difference	-	-	-	129,465	-	-	-	-	-	-	-	-	44	50	-	-	129,559	-	(2,354)	127,205		
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78)	-	(78)	-	(4)	(82)		
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	(2,038)	-	-	-	-	(2,038)	-	(111)	(2,149)		
- deferred hedging cost	-	-	-	-	-	-	-	-	-	17,205	-	-	-	-	-	-	17,205	-	-	17,205		
Total comprehensive income/ (expenses) for the financial period	-	-	-	129,465	(424,509)	(9,161)	-	-	(48,178)	17,205	-	(2,038)	44	50	(78)	1,128,305	791,105	-	1,830	792,935		
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	(651,012)	-	-	(651,012)		
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	6,980	10,639	-	-	17,619	-	-	17,619		
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(22,273)	-	-	-	(22,273)	-	(63)	(22,336)		
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(15,293)	10,639	-	(651,012)	(655,666)	-	(63)	(655,729)		
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	171,343	-	-	-	-	-	(171,343)	-	-	-	-		
Transfer to capital reserve	-	-	-	-	-	-	-	33,547	-	-	-	-	-	-	-	(33,547)	-	-	-	-		
At 31 March 2022	21,855,078	29,740	73,305	2,118,191	(1,125,362)	6,731	(1,085,928)	839,319	(1,360,223)	181,833	300,539	(54,529)	17,004	37,825	(10,171)	23,640,333	45,463,685	200,000	287,168	45,950,853		

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

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

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

The Bank	Non-distributable													Distributable		
	Ordinary share capital RM'000	Redeemable Preference Shares 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 ^a RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained earnings RM'000	Perpetual preference shares RM'000	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 2023	22,979,762	29,740	1,259,253	(1,065,726)	26,621	(1,047,872)	746,852	(1,100,949)	178,251	233,281	327	9,301	59,925	15,873,685	200,000	38,382,451
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	1,022,182	-	1,022,182
Other comprehensive income/ (expenses) (net of tax)	-	-	106,781	313,359	(560)	-	(54,195)	(10,949)	-	2,439	10	150	-	-	-	357,035
- debt instruments at fair value through other comprehensive income	-	-	-	313,359	-	-	-	-	-	-	-	-	-	-	-	313,359
- equity instruments at fair value through other comprehensive income	-	-	-	-	(560)	-	-	-	-	-	-	-	-	-	-	(560)
- net investment hedge	-	-	-	-	-	-	(58,057)	-	-	-	-	-	-	-	-	(58,057)
- cash flow hedge	-	-	-	-	-	-	3,862	-	-	-	-	-	-	-	-	3,862
- currency translation difference	-	-	106,781	-	-	-	-	-	-	-	10	150	-	-	-	106,941
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	2,439	-	-	-	-	-	2,439
- deferred hedging cost	-	-	-	-	-	-	-	(10,949)	-	-	-	-	-	-	-	(10,949)
Total comprehensive income/ (expenses) for the financial period	-	-	106,781	313,359	(560)	-	(54,195)	(10,949)	-	2,439	10	150	1,022,182	-	1,379,217	
Second interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	2,258	(980,868)	-	(980,868)	
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	9,853	-	-	12,111	
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(6,002)	-	-	-	(6,002)	
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	(3,744)	9,853	(980,868)	-	(974,759)	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	172,020	-	-	-	(172,020)	-	-	
At 31 March 2023	22,979,762	29,740	1,366,034	(752,367)	26,061	(1,047,872)	746,852	(1,155,144)	167,302	405,301	2,766	5,567	69,928	15,742,979	200,000	38,786,909

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

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

CIBB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Non-distributable										Distributable					
	Ordinary share capital	Redeemable Preference Shares	Exchange fluctuation reserve	Fair value reserve debt instruments at fair value through other comprehensive income	Fair value reserve equity instruments at fair value through other comprehensive income	Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Regulatory reserve*	Own credit risk reserve	Share-based payment reserve	Capital contribution by ultimate holding company	Retained earnings	Perpetual preference shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank																
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	-	-	-	-	-	-	-	-	-	-	-	-	-	779,326	-	779,326
Other comprehensive income/ (expenses) (net of tax)	-	-	70,635	(329,260)	(7,904)	-	-	(39,580)	14,653	-	-	19	24	-	-	(291,413)
- debt instruments at fair value through other comprehensive income	-	-	-	(329,260)	-	-	-	-	-	-	-	-	-	-	-	(329,260)
- equity instruments at fair value through other comprehensive income	-	-	-	-	(7,904)	-	-	-	-	-	-	-	-	-	-	(7,904)
- net investment hedge	-	-	-	-	-	-	-	(42,389)	-	-	-	-	-	-	-	(42,389)
- cash flow hedge	-	-	-	-	-	-	-	2,809	-	-	-	-	-	-	-	2,809
- currency translation difference	-	-	70,635	-	-	-	-	-	-	-	-	19	24	-	-	70,678
- deferred hedging cost	-	-	-	-	-	-	-	-	14,653	-	-	-	-	-	-	14,653
Total comprehensive income/ (expenses) for the financial period	-	-	70,635	(329,260)	(7,904)	-	-	(39,580)	14,653	-	-	19	24	779,326	-	487,913
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	-	(651,012)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	6,076	8,621	-	-	14,697
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(19,882)	-	-	-	(19,882)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(13,806)	8,621	(651,012)	-	(656,197)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	124,413	-	-	-	(124,413)	-	-
At 31 March 2022	21,855,078	29,740	936,987	(916,244)	30,324	(1,047,872)	746,852	(880,753)	170,615	253,609	(1)	15,468	31,046	15,093,230	200,000	36,518,079

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

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

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
Profit before taxation and zakat	1,674,199	1,617,634	1,337,907	1,092,637
Adjustments for non-operating and non-cash items	(502,011)	(183,035)	(840,406)	(264,578)
Operating profit before changes in working capital	1,172,188	1,434,599	497,501	828,059
Net changes in operating assets	(8,433,538)	(11,410,005)	(3,773,840)	(7,597,287)
Net changes in operating liabilities	16,730,824	13,153,722	17,019,910	11,076,612
	8,297,286	1,743,717	13,246,070	3,479,325
Cash flows generated from operations	9,469,474	3,178,316	13,743,571	4,307,384
Taxation paid	(547,883)	(459,234)	(323,048)	(327,657)
Net cash flows generated from operating activities	8,921,591	2,719,082	13,420,523	3,979,727
Cash flows from investing activities				
Dividend income	6,925	11,410	86,925	95,622
Investment in subsidiary	-	-	-	70,000
Interest income received from financial investments	787,985	694,761	625,928	534,924
Net purchase of financial investments	(8,625,649)	(2,619,938)	(8,082,218)	(981,764)
Net purchase of property, plant and equipment	(21,533)	(9,839)	(11,094)	(8,115)
Net purchase from disposal of intangible assets	(124,178)	(38,818)	(106,639)	(26,992)
Other investing activities	(66,924)	(2,350)	(66,400)	(1,675)
Net cash flows used in investing activities	(8,043,374)	(1,964,774)	(7,553,498)	(318,000)
Cash flows from financing activities				
Dividend paid	(980,868)	(651,012)	(980,868)	(651,012)
Interest expense paid on bonds and debentures	(86,341)	(19,052)	(88,527)	(21,344)
Interest expense paid on other borrowings	(128)	(8,453)	-	(7,005)
Interest expense paid on subordinated obligations	(391,751)	(62,022)	(90,125)	(31,523)
Proceeds from issuance of bonds and debentures	1,794,867	3,401,848	-	2,099,572
Proceeds from issuance of other borrowings	-	12,087	-	-
Proceeds from issuance of subordinated obligations	815,000	-	400,000	-
Repayment of bonds and debentures	(866,409)	(3,202,822)	-	(2,166,628)
Repayment of other borrowings	-	(622,530)	-	(559,067)
Repayment of subordinated obligations	(1,090,000)	-	(700,000)	-
Other financing activities	22,289	(21,016)	29,546	(14,216)
Net cash flows used in financing activities	(783,341)	(1,172,972)	(1,429,974)	(1,351,223)
Net increase in cash and cash equivalents	94,876	(418,664)	4,437,051	2,310,504
Effects of exchange rate changes	138,146	172,984	139,632	85,367
Cash and cash equivalents at the beginning of financial period	36,939,857	34,198,752	29,361,500	25,179,356
Cash and cash equivalents at end of financial period	37,172,879	33,953,072	33,938,183	27,575,227
Cash and cash equivalents comprise:				
Cash and short-term funds	36,516,120	34,147,768	26,110,799	23,248,797
Deposits and placements with banks and other financial institutions	3,816,993	2,400,568	7,233,988	3,387,670
Investment account placement	-	-	3,538,858	3,685,771
	40,333,113	36,548,336	36,883,645	30,322,238
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(3,160,234)	(2,595,264)	(2,945,462)	(2,747,011)
Cash and cash equivalents at end of financial period	37,172,879	33,953,072	33,938,183	27,575,227

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 31 March 2023 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

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

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2022, and modified for the adoption of the following accounting standards applicable for financial periods beginning on/after 1 January 2023:

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

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

The unaudited condensed interim financial statements incorporate those activities relating to 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) Global economic activity is expected to be uncertain for the rest of 2023 in view of on-going geopolitical tensions and possibility of a global recession. Inflationary pressures are likely to persist as global fiscal and monetary policies remain on a tightening bias. This may be partially offset by the reopening of the Chinese economy, which is gradually translating to a pick-up in consumer expenditure and global travel activity.

The Group will continue to monitor ECL on an on-going basis to ensure sufficient provisions are being made for targeted portfolios based on the best available information. This will take into consideration the country’s growth trajectory and external factors like global economic uncertainty, continued geopolitical tensions, likelihood of further monetary tightening to rein in inflation as well as volatility within the global banking industry and financial markets.

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 RM18.6 million.

b) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB115 million with tenures ranges between 1 month to three years from respective issuance dates. The Bank will pay interest according to the conditions of agreements.

During the financial period, CIMB Thai Bank has redeemed structured debentures amounted to THB391 million.

c) During the financial period, CIMB Thai Bank issued various unsecured short term debentures amounted to THB13.8 billion with tenures ranges between 3 to 6 months from respective issuance dates. The short term debentures carry fixed interest rates ranges from 1.00% - 1.53%, payable at respective maturity dates.

During the financial period, CIMB Thai Bank has redeemed unsecured short term debentures amounted to THB6.2 billion.

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

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

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

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

A4. DIVIDENDS PAID

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

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

There is no significant events that had occurred between 31 March 2023 and the date of this announcement other than those disclosed under issuance and repayment of debts and equity securities.

PART A - EXPLANATORY NOTES (CONTINUED)

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

As at 31 March 2023, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM146,000 and RM2,072,000 (2022: RM45,000 and RM2,361,000) for the Group respectively and RMNil and RM120,000 (2022: RMNil and RM599,000) 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 (RM190,000) and (RM478,000) respectively (31 March 2022: (RM53,000) and RM400,000 respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	3,461,583	3,141,965	3,461,583	3,141,965
Cagamas bonds	1,137,935	1,021,901	730,279	616,782
Malaysian Government treasury bills	1,300,932	1,265,864	907,236	820,856
Bank Negara Malaysia Monetary Notes	833,221	1,094,640	438,986	1,094,640
Negotiable instruments of deposit	2,659,299	193,586	669,407	93,797
Other Government securities	4,788,044	3,022,373	1,915,155	762,446
Government Investment Issues	2,537,478	3,080,842	1,993,564	2,371,546
Other Government treasury bills	7,537,522	10,370,577	7,537,522	10,370,577
Promissory Notes	297,279	295,529	297,279	295,529
Commercial papers	89,167	24,753	49,808	24,753
	24,642,460	23,512,030	18,000,819	19,592,891
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,037,010	988,048	1,037,010	988,048
	1,037,010	988,048	1,037,010	988,048
<u>Outside Malaysia</u>				
Shares	481,900	352,026	481,900	352,026
	1,518,910	1,340,074	1,518,910	1,340,074
Unquoted securities:				
<u>In Malaysia</u>				
Shares	1,007,736	1,010,510	994,206	996,980
Corporate bond and Sukuk	3,095,382	3,103,138	2,974,544	2,720,173
	4,103,118	4,113,648	3,968,750	3,717,153
<u>Outside Malaysia</u>				
Corporate bond	2,771,652	1,506,648	1,836,775	915,202
Private equity funds	95,035	139,499	95,035	139,499
	2,866,687	1,646,147	1,931,810	1,054,701
	33,131,175	30,611,899	25,420,289	25,704,819

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	5,449,285	5,107,076	5,449,285	5,107,076
Cagamas bonds	318,501	396,349	273,407	361,111
Other government treasury bills	157,030	140,102	157,030	140,102
Other government securities	5,365,453	7,618,253	1,244,570	1,190,662
Negotiable instruments of deposit	146,563	232,584	146,563	232,584
Government investment issues	7,217,379	6,427,540	5,566,412	4,912,597
Commercial papers	24,840	-	-	-
	18,679,051	19,921,904	12,837,267	11,944,132
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	21,000,641	20,139,108	17,485,653	16,685,374
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	9,258,466	8,411,276	6,993,949	6,076,601
	48,938,158	48,472,288	37,316,869	34,706,107

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	39,831	1,229	-	41,060
Changes in expected credit losses due to transferred within stages:	(32)	32	-	-
Transferred to Stage 2	(32)	32	-	-
Total charge to Statement of Income:	12,507	(115)	-	12,392
New financial assets purchased	17,408	-	-	17,408
Financial assets that have been derecognised	(4,122)	(33)	-	(4,155)
Change in credit risk	(779)	(82)	-	(861)
Exchange fluctuation	509	1	-	510
At 31 March 2023	52,815	1,147	-	53,962

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	41,101	1,748	20,849	63,698
Changes in expected credit losses due to transferred within stages:	(54)	54	-	-
Transferred to Stage 1	116	(116)	-	-
Transferred to Stage 2	(170)	170	-	-
Total charge to Statement of Income:	(3,077)	(574)	(20,849)	(24,500)
New financial assets purchased	29,656	-	-	29,656
Financial assets that have been derecognised	(5,516)	(7)	-	(5,523)
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)
Change in credit risk	(27,217)	(567)	-	(27,784)
Exchange fluctuation	1,861	1	-	1,862
At 31 December 2022	39,831	1,229	-	41,060

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	38,370	1,226	-	39,596
Changes in expected credit losses due to transferred within stages:	(32)	32	-	-
Transferred to Stage 2	(32)	32	-	-
Total charge to Statement of Income:	11,765	(115)	-	11,650
New financial assets purchased	16,294	-	-	16,294
Financial assets that have been derecognised	(3,931)	(33)	-	(3,964)
Change in credit risk	(598)	(82)	-	(680)
Exchange fluctuation	502	-	-	502
At 31 March 2023	50,605	1,143	-	51,748

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

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

The Group and The Bank	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
	At 1 January 2023/31 March 2023	-

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

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	1,808	1,860	70	72
	<u>1,808</u>	<u>1,860</u>	<u>70</u>	<u>72</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	265,579	265,579	265,229	265,229
	<u>265,579</u>	<u>265,579</u>	<u>265,229</u>	<u>265,229</u>
<u>Outside Malaysia</u>				
Shares	7,539	7,109	2,383	2,383
Private equity funds	74	73	74	73
	<u>7,613</u>	<u>7,182</u>	<u>2,457</u>	<u>2,456</u>
	<u>275,000</u>	<u>274,621</u>	<u>267,756</u>	<u>267,757</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	10,629,083	9,262,963	10,528,836	9,161,622
Cagamas bonds	535,932	503,023	505,578	472,910
Other Government treasury bills	8,966,903	5,144,798	8,966,903	5,144,798
Other Government's securities	3,825,894	3,535,311	841,134	747,755
Malaysian Government Investment Issue	18,923,190	16,652,622	13,311,840	13,143,827
Khazanah bonds	202,027	202,027	112,980	112,980
	<u>43,083,029</u>	<u>35,300,744</u>	<u>34,267,271</u>	<u>28,783,892</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	20,361,289	19,812,585	15,500,602	15,279,916
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	4,225,191	3,835,386	3,650,343	3,324,770
	<u>24,586,480</u>	<u>23,647,971</u>	<u>19,150,945</u>	<u>18,604,686</u>
Amortisation of premium net of accretion of discount	(24,592)	(28,788)	(19,868)	(26,760)
Less : Expected credit losses	(589,911)	(580,420)	(598,736)	(589,238)
	<u>67,055,006</u>	<u>58,339,507</u>	<u>52,799,612</u>	<u>46,772,580</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	5,416	3,847	571,157	580,420
Changes in expected credit losses due to transfer within stages:	(140)	140	-	-
Transferred to Stage 2	(140)	140	-	-
Total charge to Statement of Income:	2,147	(177)	(779)	1,191
New financial assets purchased	8,057	-	-	8,057
Financial assets that have been derecognised	(2,171)	-	-	(2,171)
Change in credit risk	(3,739)	(177)	(779)	(4,695)
Exchange fluctuation	67	-	2	69
Other movements	-	-	8,231	8,231
At 31 March 2023	7,490	3,810	578,611	589,911

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	1,592	31,266	609,717	642,575
Changes in expected credit losses due to transferred within stages:	1,041	(1,041)	-	-
Transferred to Stage 1	1,275	(1,275)	-	-
Transferred to Stage 2	(234)	234	-	-
Total charge to Statement of Income:	2,457	(26,378)	(78,158)	(102,079)
New financial assets purchased	12,829	-	-	12,829
Financial assets that have been derecognised	(1,283)	(7)	-	(1,290)
Change in credit risk	(9,089)	(26,371)	(78,158)	(113,618)
Exchange fluctuation	326	-	2	328
Other movements	-	-	39,596	39,596
At 31 December 2022	5,416	3,847	571,157	580,420

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

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	1,314,639	1,314,639
Other changes in debts instruments	2,921	2,921
Exchange fluctuation	2,842	2,842
At 31 March 2023	1,320,402	1,320,402

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

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	21,408	3,846	563,984	589,238
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(140)	140	-	-
	(140)	140	-	-
Total charge to Statement of Income:	2,156	(177)	(779)	1,200
New financial assets purchased	6,420	-	-	6,420
Financial assets that have been derecognised	(2,171)	-	-	(2,171)
Change in credit risk	(2,093)	(177)	(779)	(3,049)
Exchange fluctuation	66	-	-	66
Other movements	-	-	8,232	8,232
At 31 March 2023	23,490	3,809	571,437	598,736

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:				
Transferred to Stage 1	1,041	(1,041)	-	-
Transferred to Stage 2	1,275	(1,275)	-	-
	(234)	234	-	-
Total charge to Statement of Income:	(609)	(26,379)	(78,158)	(105,146)
New financial assets purchased	10,700	-	-	10,700
Financial assets that have been derecognised	(1,283)	(7)	-	(1,290)
Change in credit risk	(10,026)	(26,372)	(78,158)	(114,556)
Exchange fluctuation	326	-	-	326
Other movements	-	-	32,576	32,576
At 31 December 2022	21,408	3,846	563,984	589,238

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

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	805,694	805,694
Other changes in debts instruments	10,646	10,646
At 31 March 2023	816,340	816,340

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	5,021,267	4,932,750	2,624,365	2,541,516
Term loans/financing				
- Housing loan/financing	121,947,711	119,482,023	66,503,588	66,546,814
- Syndicated term loan	21,398,974	21,904,930	19,210,479	19,663,602
- Other term loans/financing	123,593,674	122,124,094	69,618,179	66,915,531
- Factoring receivables	223	1,685	-	-
- Lease receivables	4,100	391	-	-
- Hire purchase receivables	23,167,567	22,744,369	2,429,278	2,719,192
Bills receivable	7,037,354	6,699,962	4,144,439	4,160,881
Trust receipts	1,964,066	2,660,658	889,663	1,261,574
Claim on customers under acceptance credit	3,154,763	3,511,101	2,105,700	2,509,088
Staff loans *	1,460,935	1,444,636	1,044,216	1,038,323
Credit card receivables	6,849,115	6,786,867	6,630,521	6,578,324
Revolving credit	35,982,596	36,198,094	28,793,169	29,368,856
Share margin financing	49,379	50,346	49,379	50,346
Gross loans, advances and financing, at amortised cost	351,631,724	348,541,906	204,042,976	203,354,047
Fair value changes arising from fair value hedges	(81,700)	(99,907)	(80,238)	(98,075)
	351,550,024	348,441,999	203,962,738	203,255,972
Less: Expected credit losses	(7,734,495)	(7,719,590)	(5,161,517)	(5,254,255)
Net loans, advances and financing at amortised cost	343,815,529	340,722,409	198,801,221	198,001,717
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	100,649	107,552	100,649	107,552
	100,649	107,552	100,649	107,552
Total net loans, advances and financing	343,916,178	340,829,961	198,901,870	198,109,269
Total gross loans, advances and financing				
- At amortised cost	351,631,724	348,541,906	204,042,976	203,354,047
- At fair value through profit or loss	100,649	107,552	100,649	107,552
	351,732,373	348,649,458	204,143,625	203,461,599

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM4,619,089 (2022: RM2,868,964) and RM2,353,652 (2022: RM592,635) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM19,193,000 (2022: RM21,919,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments

(b) The Group and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing of RM1,767,531,000 (2022: RM1,786,866,000) and RM1,719,268,000 (2022: RM1,734,256,000) respectively, using interest rate swaps.

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

As at 31 March 2023, the gross exposure and expected credit losses relating to RPSIA financing are RM3,539,872,000 (2022: RM3,577,694,000) and RM634,000 (2022: RM748,000) respectively.

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

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Syndicated term loan	1,514,952	1,532,275	1,514,952	1,532,275
Other term loan	8,902,948	9,046,800	8,902,948	9,046,800
Revolving credit	701,963	701,354	701,963	701,354
	11,119,863	11,280,429	11,119,863	11,280,429

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
(ii) By type of customers				
Domestic banking institutions	319,926	323,738	125,590	125,235
Domestic non-bank financial institutions				
- stockbroking companies	218,134	390,700	218,134	371,188
- others	5,294,846	5,375,300	2,054,682	2,168,446
Domestic business enterprises				
- small medium enterprises	39,751,652	39,113,607	20,942,522	20,996,212
- others	46,701,711	46,168,237	25,177,512	25,039,723
Government and statutory bodies	11,862,303	11,813,303	10,073,200	10,017,429
Individuals	202,780,020	201,702,926	103,634,432	103,788,567
Other domestic entities	2,281,460	2,293,741	34,402	32,195
Foreign entities	42,522,321	41,467,906	41,883,151	40,922,604
Gross loans, advances and financing	<u>351,732,373</u>	<u>348,649,458</u>	<u>204,143,625</u>	<u>203,461,599</u>
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	5,881,137	6,301,450	3,555,544	3,576,709
- Hire purchase receivables	19,793,212	19,711,850	1,608,145	1,749,598
- Other fixed rate loans	39,512,969	39,551,245	28,715,712	28,645,249
Variable rate				
- BLR plus/BFR plus	75,508,570	75,712,095	49,957,796	50,963,275
- Cost-plus	58,051,953	57,474,041	40,737,656	40,733,430
- Other variable rates	152,984,532	149,898,777	79,568,772	77,793,338
Gross loans, advances and financing	<u>351,732,373</u>	<u>348,649,458</u>	<u>204,143,625</u>	<u>203,461,599</u>
(iv) By economic purpose				
Personal use	18,752,836	18,548,708	14,871,622	14,687,769
Credit cards	6,849,116	6,786,867	6,630,521	6,578,324
Purchase of consumer durables	736,265	671,165	41,178	41,745
Construction	9,834,025	9,872,593	6,661,690	6,629,645
Residential property (housing)	123,757,041	121,096,546	66,631,501	66,493,663
Non-residential property	35,708,673	34,487,063	24,317,836	23,557,834
Purchase of fixed assets other than land and buildings	3,488,051	3,695,917	2,468,810	2,709,414
Mergers and acquisitions	2,274,398	2,301,167	1,967,879	1,977,057
Purchase of securities	22,407,516	22,653,271	9,419,798	7,496,836
Purchase of transport vehicles	23,357,195	22,941,545	2,478,814	2,778,259
Working capital	74,658,578	75,048,333	49,769,359	50,713,728
Other purposes	29,908,679	30,546,283	18,884,617	19,797,325
Gross loans, advances and financing	<u>351,732,373</u>	<u>348,649,458</u>	<u>204,143,625</u>	<u>203,461,599</u>

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

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
(v) By geographical distribution				
Malaysia	254,400,865	253,286,293	143,381,361	143,892,489
Indonesia	2,173,313	2,172,831	2,173,313	2,172,831
Thailand	33,395,180	32,833,151	2,177,326	2,295,570
Singapore	36,727,880	37,002,402	36,727,880	37,002,402
United Kingdom	6,736,659	4,667,221	6,736,659	4,667,221
Hong Kong	1,489,273	1,494,957	1,489,273	1,494,957
China	3,178,853	3,272,678	3,178,853	3,272,678
Other countries	13,630,350	13,919,925	8,278,960	8,663,451
Gross loans, advances and financing	<u>351,732,373</u>	<u>348,649,458</u>	<u>204,143,625</u>	<u>203,461,599</u>
(vi) By economic sector				
Primary agriculture	8,781,823	8,315,725	4,624,970	4,211,079
Mining and quarrying	3,932,592	4,007,421	2,757,366	2,870,175
Manufacturing	18,639,218	18,448,598	11,386,810	11,486,842
Electricity, gas and water supply	4,620,951	4,508,901	2,236,800	2,318,763
Construction	10,457,570	10,180,218	7,337,019	7,340,313
Transport, storage and communications	10,764,485	10,405,432	6,055,538	5,954,895
Education, health and others	19,239,824	19,128,367	15,749,771	15,582,155
Wholesale and retail trade, and restaurants and hotels	26,431,337	24,753,638	16,314,249	14,564,956
Finance, insurance/takaful, real estate and business activities	45,482,354	46,136,546	31,610,893	32,326,415
Household	199,519,832	198,639,063	102,290,579	102,753,487
Others	3,862,387	4,125,549	3,779,630	4,052,519
	<u>351,732,373</u>	<u>348,649,458</u>	<u>204,143,625</u>	<u>203,461,599</u>
(vii) By residual contractual maturity				
Within one year	67,320,971	65,784,616	49,886,709	48,928,114
One year to less than three years	24,364,746	23,438,254	18,369,543	17,572,879
Three years to less than five years	32,183,164	33,263,122	20,272,562	21,083,280
Five years and more	227,863,492	226,163,466	115,614,811	115,877,326
Gross loans, advances and financing	<u>351,732,373</u>	<u>348,649,458</u>	<u>204,143,625</u>	<u>203,461,599</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	349,774	350,326	245,761	245,517
Credit cards	141,112	121,301	136,930	118,221
Purchase of consumer durables	2,080	1,997	861	895
Construction	313,451	292,140	139,586	125,172
Residential property (housing)	2,952,019	2,737,980	1,388,762	1,372,607
Non-residential property	721,916	705,929	546,170	544,389
Purchase of fixed assets other than land and buildings	28,183	30,136	3,543	3,559
Purchase of securities	45,514	53,934	42,743	44,785
Purchase of transport vehicles	270,215	300,204	66,275	76,631
Working capital	2,865,783	2,820,564	2,648,659	2,634,220
Other purposes	734,656	738,460	399,856	380,284
Gross credit impaired loans, advances and financing	8,424,703	8,152,971	5,619,146	5,546,280
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	5,544,846	5,302,975	3,928,708	3,868,657
Indonesia	28,727	28,531	28,727	28,531
Thailand	1,137,280	1,137,178	-	-
Singapore	734,806	736,184	734,806	736,184
United Kingdom	8,328	8,700	8,328	8,700
Hong Kong	147,206	142,284	147,206	142,284
China	2,684	4,546	2,684	4,546
Other countries	820,826	792,573	768,687	757,378
Gross credit impaired loans, advances and financing	8,424,703	8,152,971	5,619,146	5,546,280
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	84,256	84,888	26,496	29,704
Mining and quarrying	1,005,640	994,091	1,004,847	992,953
Manufacturing	266,940	251,464	204,292	195,539
Electricity, gas and water supply	58	111	57	111
Construction	168,271	155,479	93,844	95,993
Transport, storage and communications	399,044	389,202	386,644	382,302
Education, health and others	117,875	156,934	34,570	28,375
Wholesale and retail trade, and restaurants and hotels	1,096,452	1,053,898	746,468	746,613
Finance, insurance/takaful, real estate and business activities	595,560	575,361	359,852	353,225
Household	3,940,701	3,755,456	2,013,874	1,986,583
Others	749,906	736,087	748,202	734,882
Gross credit impaired loans, advances and financing	8,424,703	8,152,971	5,619,146	5,546,280

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Group	12-month expected	Lifetime expected credit	Lifetime expected	Purchased credit	Total
	credit losses	losses - not credit	credit losses		
	(Stage 1)	impaired	- Credit impaired	impaired	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,112,032	2,940,456	3,665,331	1,771	7,719,590
Changes in expected credit losses due to transferred within stages:	1,185,275	(1,197,972)	12,697	-	-
Transferred to Stage 1	1,285,570	(1,256,160)	(29,410)	-	-
Transferred to Stage 2	(95,504)	320,157	(224,653)	-	-
Transferred to Stage 3	(4,791)	(261,969)	266,760	-	-
Total charge to Statement of Income:	(111,770)	6,247	318,823	-	213,300
New financial assets originated	186,163	32,311	20,700	-	239,174
Financial assets that have been derecognised	(121,948)	(71,531)	-	-	(193,479)
Writeback in respect of full recoveries	-	-	(48,466)	-	(48,466)
Change in credit risk	(175,985)	45,467	346,589	-	216,071
Write-offs	(9)	(168)	(272,570)	-	(272,747)
Exchange fluctuation	7,843	5,849	19,376	28	33,096
Other movements	(2,289)	(2,495)	46,040	-	41,256
At 31 March 2023	2,191,082	1,751,917	3,789,697	1,799	7,734,495

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	746,781	1,774,325	2,733,149	5,254,255
Changes in expected credit losses due to transferred within stages:	794,109	(794,179)	70	-
Transferred to Stage 1	842,610	(821,911)	(20,699)	-
Transferred to Stage 2	(45,664)	175,551	(129,887)	-
Transferred to Stage 3	(2,837)	(147,819)	150,656	-
Total charge to Statement of Income:	(179,957)	(38,673)	253,728	35,098
New financial assets originated	148,079	25,159	10,431	183,669
Financial assets that have been derecognised	(103,711)	(41,613)	-	(145,324)
Writeback in respect of full recoveries	-	-	(19,968)	(19,968)
Change in credit risk	(224,325)	(22,219)	263,265	16,721
Write-offs	-	-	(180,560)	(180,560)
Exchange fluctuation	4,796	1,567	11,887	18,250
Other movements	(2,288)	(2,396)	39,158	34,474
At 31 March 2023	1,363,441	940,644	2,857,432	5,161,517

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
	At 1 January 2023	8,147,023	5,948
Transfer within stages	544,689	-	544,689
New financial assets originated	38,946	-	38,946
Write-offs	(272,570)	-	(272,570)
Amount fully recovered	(150,481)	-	(150,481)
Other changes in loans, advances and financing	74,048	(29)	74,019
Exchange fluctuation	37,035	94	37,129
At 31 March 2023	8,418,690	6,013	8,424,703

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

	The Group	
	31 Mar 2023	31 Dec 2022
Ratio of credit impaired loans to total loans, advances and financing	2.40%	2.34%

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	5,546,280	5,546,280
Transfer within stages	220,640	220,640
New financial assets originated	29,848	29,848
Write-offs	(180,560)	(180,560)
Amount fully recovered	(42,491)	(42,491)
Other changes in loans, advances and financing	26,547	26,547
Exchange fluctuation	18,882	18,882
At 31 March 2023	5,619,146	5,619,146

	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	1,391,876	1,391,876
New financial assets originated	121,549	121,549
Write-offs	(2,513,369)	(2,513,369)
Amount fully recovered	(299,727)	(299,727)
Other changes in loans, advances and financing	(93,892)	(93,892)
Exchange fluctuation	147,437	147,437
At 31 December 2022	5,546,280	5,546,280

	The Bank	
	31 Mar 2023	31 Dec 2022
Ratio of credit impaired loans to total loans, advances and financing	2.75%	2.73%

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

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Foreclosed assets net of allowance for impairment losses of RM35,562,000 (2022: RM32,672,000)	149,149	140,969	-	-
Due from brokers	13,649	10,377	13,649	10,377
Structured financing	557,847	553,415	557,847	553,415
Collateral pledged for derivative transactions	3,361,433	3,309,311	1,690,833	1,470,405
Treasury related receivables	5,165,763	1,744,362	4,726,778	622,847
Settlement accounts	2,572,091	1,242,400	2,541,997	1,181,106
Other debtors net of expected credit losses *, deposits and prepayments	2,349,420	1,808,325	2,166,873	1,653,175
	14,169,352	8,809,159	11,697,977	5,491,325

* net of expected credit losses of RM557,669,000 (2022: RM557,878,000) for the Group and RM538,697,000 (2022: RM537,996,000) 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	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
(i) By type of deposit				
Demand deposits	83,183,806	89,000,516	64,358,411	69,787,834
Saving deposits	49,466,896	52,895,105	29,175,371	30,588,641
Fixed deposits	158,828,430	147,960,404	111,510,202	99,885,949
Negotiable instruments of deposit	1,127,915	648,944	-	-
Others	81,639,850	85,052,379	36,310,353	39,438,592
	374,246,897	375,557,348	241,354,337	239,701,016

(ii) By type of customer

Government and statutory bodies	14,281,899	15,005,285	7,688,335	7,950,192
Business enterprises	146,535,257	150,396,466	96,661,544	99,966,848
Individuals	149,679,403	141,861,718	99,075,521	92,466,307
Others	63,750,338	68,293,879	37,928,937	39,317,669
	374,246,897	375,557,348	241,354,337	239,701,016

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

Due within six months	111,555,269	111,143,210	80,970,801	77,052,645
Six months to less than one year	39,160,246	29,986,777	26,108,009	19,282,631
One year to less than three years	8,305,893	6,547,603	4,394,307	3,506,834
Three years to less than five years	934,937	931,758	37,085	43,839
	159,956,345	148,609,348	111,510,202	99,885,949

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Unrestricted investment accounts	16,296,194	13,684,632	-	-

PART A - EXPLANATORY NOTES (CONTINUED)**A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Licensed banks	26,644,645	26,143,964	26,092,876	26,259,072
Licensed finance companies	6,594,322	2,619,660	3,468,047	13,140
Licensed investment banks	854,121	834,313	488,556	261,338
Bank Negara Malaysia	1,303,572	1,270,997	1,298,572	1,265,997
Other financial institutions	7,108,547	2,782,907	5,692,342	1,649,821
	42,505,207	33,651,841	37,040,393	29,449,368

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

Due within six months	37,137,887	30,671,097	32,327,477	26,956,542
Six months to less than one year	2,709,020	984,599	2,355,092	739,052
One year to less than three years	1,320,683	695,664	1,065,097	493,125
Three years to less than five years	662,060	652,571	617,170	612,739
Five years and more	675,557	647,910	675,557	647,910
	42,505,207	33,651,841	37,040,393	29,449,368

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

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	4,033,626	3,976,968	1,173,878	1,119,964
Debentures	661,148	655,323	-	-
Bills payable	2,090,780	2,036,603	-	-
	6,785,554	6,668,894	1,173,878	1,119,964

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 31 March 2023 were RM161,829,000 lower (2022: RM235,893,000 lower) and RM21,061,000 higher (2022: RM13,215,000 lower) respectively than the contractual amount at maturity for the structured investments, RM5,293,000 (2022: RM9,259,000) higher than the contractual amount at maturity for the debentures and RM294,302,000 (2022: RM280,465,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

	Note	The Group		The Bank	
		31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
		RM'000	RM'000	RM'000	RM'000
Due to brokers and clients		23,143	6,172	23,143	6,172
Post employment benefit obligations		354,339	238,191	151,956	45,131
Sundry creditors		1,510,003	750,301	1,214,390	663,297
Expenditure payable		1,598,710	2,028,944	1,384,183	1,713,853
Expected credit losses for loan commitments and financial guarantee contracts	A17(a)	698,185	623,302	510,422	483,101
Provision for legal claims		49,898	51,355	34,641	34,516
Credit card expenditure payable		74,940	59,599	73,951	58,793
Collateral received for derivative transactions		3,984,124	6,186,788	1,825,875	2,664,253
Structured deposits		5,101,767	4,918,778	5,077,164	4,897,678
Treasury related payables		4,925,428	1,726,015	4,676,895	492,296
Settlement accounts		2,416,318	794,621	2,411,168	553,294
Others		1,220,358	1,058,522	640,425	700,153
		21,957,213	18,442,588	18,024,213	12,312,537

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	202,871	123,687	296,744	623,302
Changes in expected credit losses due to transferred within stages:	70,431	(62,171)	(8,260)	-
Transferred to Stage 1	75,628	(69,266)	(6,362)	-
Transferred to Stage 2	(5,112)	16,583	(11,471)	-
Transferred to Stage 3	(85)	(9,488)	9,573	-
Total charge to Statement of Income:	125,445	4,392	(60,099)	69,738
New exposures	56,636	1,518	-	58,154
Exposures derecognised or matured	(35,327)	(3,337)	(2,282)	(40,946)
Change in credit risk	104,136	6,211	(57,817)	52,530
Exchange fluctuation	1,617	96	1,161	2,874
Other movements	(1,503)	1,046	2,728	2,271
At 31 March 2023	398,861	67,050	232,274	698,185

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	308,877	144,995	187,177	641,049
Changes in expected credit losses due to transferred within stages:	79,820	(94,718)	14,898	-
Transferred to Stage 1	99,222	(92,892)	(6,330)	-
Transferred to Stage 2	(19,215)	39,376	(20,161)	-
Transferred to Stage 3	(187)	(41,202)	41,389	-
Total charge to Statement of Income:	(190,444)	72,952	87,832	(29,660)
New exposures	250,049	4,138	2,255	256,442
Exposures derecognised or matured	(134,939)	(28,064)	(38,978)	(201,981)
Change in credit risk	(305,554)	96,878	124,555	(84,121)
Exchange fluctuation	4,212	363	1,115	5,690
Other movements	406	95	5,722	6,223
At 31 December 2022	202,871	123,687	296,744	623,302

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	159,550	108,111	215,440	483,101
Changes in expected credit losses due to transferred within stages:	60,987	(56,641)	(4,346)	-
Transferred to Stage 1	64,720	(63,167)	(1,553)	-
Transferred to Stage 2	(3,667)	13,721	(10,054)	-
Transferred to Stage 3	(66)	(7,195)	7,261	-
Total charge to Statement of Income:	85,528	1,979	(63,864)	23,643
New exposures	46,423	1,331	-	47,754
Exposures derecognised or matured	(28,527)	(2,153)	-	(30,680)
Change in credit risk	67,632	2,801	(63,864)	6,569
Exchange fluctuation	1,364	42	-	1,406
Other movements	(1,502)	1,047	2,727	2,272
At 31 March 2023	305,927	54,538	149,957	510,422

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

As at 31 March 2023, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM441,813,000 (2022: RM481,043,000) and RM364,601,000 (2022: RM408,635,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18. INTEREST INCOME

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
The Group				
Loans and advances				
- interest income	2,948,371	2,049,301	2,948,371	2,049,301
- unwinding income [^]	32,008	23,344	32,008	23,344
Money at call and deposits with financial institutions	225,449	54,687	225,449	54,687
Reverse repurchase agreements	86,969	10,153	86,969	10,153
Debt instruments at fair value through other comprehensive income	405,801	313,228	405,801	313,228
Debt instruments at amortised cost	405,662	328,287	405,662	328,287
Others	25,215	9,211	25,215	9,211
	<u>4,129,475</u>	<u>2,788,211</u>	<u>4,129,475</u>	<u>2,788,211</u>
Net accretion of discount less amortisation of premium	19,349	(60,182)	19,349	(60,182)
	<u>4,148,824</u>	<u>2,728,029</u>	<u>4,148,824</u>	<u>2,728,029</u>
The Bank				
Loans and advances				
- interest income	2,466,040	1,665,039	2,466,040	1,665,039
- unwinding income [^]	27,961	19,866	27,961	19,866
Money at call and deposits with financial institutions	273,243	72,639	273,243	72,639
Reverse repurchase agreements	81,770	9,498	81,770	9,498
Debt instruments at fair value through other comprehensive income	375,446	279,426	375,446	279,426
Debt instruments at amortised cost	404,118	335,568	404,118	335,568
Others	25,214	9,210	25,214	9,210
	<u>3,653,792</u>	<u>2,391,246</u>	<u>3,653,792</u>	<u>2,391,246</u>
Net accretion of discount less amortisation of premium	18,515	(48,711)	18,515	(48,711)
	<u>3,672,307</u>	<u>2,342,535</u>	<u>3,672,307</u>	<u>2,342,535</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

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
The Group				
Loans and advances at fair value through profit or loss	1,303	2,648	1,303	2,648
Financial investments at fair value through profit or loss	139,377	121,862	139,377	121,862
	<u>140,680</u>	<u>124,510</u>	<u>140,680</u>	<u>124,510</u>
Net accretion of discount less amortisation of premium	90,455	(4,669)	90,455	(4,669)
	<u>231,135</u>	<u>119,841</u>	<u>231,135</u>	<u>119,841</u>
The Bank				
Loans and advances at fair value through profit or loss	1,303	2,648	1,303	2,648
Financial investments at fair value through profit or loss	112,653	94,024	112,653	94,024
	<u>113,956</u>	<u>96,672</u>	<u>113,956</u>	<u>96,672</u>
Net accretion of discount less amortisation of premium	92,520	(1,233)	92,520	(1,233)
	<u>206,476</u>	<u>95,439</u>	<u>206,476</u>	<u>95,439</u>

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

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
The Group				
Deposits and placements of banks and other financial institutions	295,136	45,294	295,136	45,294
Deposits from other customers	1,583,333	599,075	1,583,333	599,075
Repurchase agreements	269,561	83,035	269,561	83,035
Financial liabilities designated at fair value through profit or loss	21,425	6,411	21,425	6,411
Negotiable certificates of deposits	25,432	11,548	25,432	11,548
Recourse obligation on loan and financing sold to Cagamas	6,427	5,934	6,427	5,934
Bonds, Sukuk and debentures	118,254	55,073	118,254	55,073
Subordinated obligations	113,502	76,062	113,502	76,062
Other borrowings	46,688	6,128	46,688	6,128
Structured deposits	38,441	6,579	38,441	6,579
Lease liabilities	3,945	4,047	3,945	4,047
Others	3,642	1,861	3,642	1,861
	<u>2,525,786</u>	<u>901,047</u>	<u>2,525,786</u>	<u>901,047</u>
The Bank				
Deposits and placements of banks and other financial institutions	267,238	39,655	267,238	39,655
Deposits from other customers	1,435,671	533,674	1,435,671	533,674
Repurchase agreements	262,706	79,159	262,706	79,159
Financial liabilities designated at fair value through profit or loss	10,007	1,748	10,007	1,748
Negotiable certificates of deposits	25,293	11,360	25,293	11,360
Recourse obligation on loan and financing sold to Cagamas	6,427	5,934	6,427	5,934
Bonds and debentures	109,103	47,368	109,103	47,368
Subordinated obligations	111,603	74,366	111,603	74,366
Other borrowings	49,283	10,273	49,283	10,273
Structured deposits	38,441	6,579	38,441	6,579
Lease liabilities	2,967	3,500	2,967	3,500
Others	28	9	28	9
	<u>2,318,767</u>	<u>813,625</u>	<u>2,318,767</u>	<u>813,625</u>

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

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
The Group				
Net fee and commission income				
Commissions	162,122	192,639	162,122	192,639
Fee on loans and advances	108,724	104,082	108,724	104,082
Service charges and fees	173,985	141,092	173,985	141,092
Guarantee fees	22,188	23,983	22,188	23,983
Other fee income	51,069	37,902	51,069	37,902
Fee and commission income	518,088	499,698	518,088	499,698
Fee and commission expense	(147,928)	(80,491)	(147,928)	(80,491)
Net fee and commission income	370,160	419,207	370,160	419,207
Gross dividend income from:				
Financial investments at fair value through profit or loss	5,925	11,222	5,925	11,222
Equity instruments at fair value through other comprehensive income	1,000	188	1,000	188
	6,925	11,410	6,925	11,410
Net gain/(loss) arising from financial investments at fair value through profit or loss				
- realised	(32,643)	(308,264)	(32,643)	(308,264)
- unrealised	170,008	(226,925)	170,008	(226,925)
	137,365	(535,189)	137,365	(535,189)
Net gain arising from derivative financial instrument				
- realised	(543,840)	679,543	(543,840)	679,543
- unrealised	726,833	548,327	726,833	548,327
	182,993	1,227,870	182,993	1,227,870
Net loss arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(18)	(853)	(18)	(853)
	(18)	(853)	(18)	(853)
Net (loss)/gain arising from financial liabilities designated at fair value through profit or loss				
- realised	(8,356)	(13,092)	(8,356)	(13,092)
- unrealised	(35,368)	56,370	(35,368)	56,370
	(43,724)	43,278	(43,724)	43,278
Net (loss)/gain arising from hedging activities				
	(30,016)	24,274	(30,016)	24,274
Net gain from sale of investment in debt instruments at fair value through other comprehensive income				
	50,305	4,025	50,305	4,025
Net (loss)/gain from redemption of debt instruments at amortised cost				
	(27)	12,740	(27)	12,740
Other non-interest income				
Foreign exchange gain/(loss)	181,401	(549,699)	181,401	(549,699)
Rental income	2,186	1,743	2,186	1,743
Gain on disposal of property, plant and equipment/ assets held for sale	3,370	11,956	3,370	11,956
Gain on disposal of foreclosed assets	227	4,367	227	4,367
Gain/(loss) on disposal of loans, advances and financing	35,192	(4,267)	35,192	(4,267)
Others	12,693	12,928	12,693	12,928
	235,069	(522,972)	235,069	(522,972)
	909,032	683,790	909,032	683,790

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
The Bank				
Net fee and commission income				
Commissions	112,461	124,918	112,461	124,918
Fee on loans and advances	104,787	100,630	104,787	100,630
Service charges and fees	503,939	423,974	503,939	423,974
Guarantee fees	19,965	21,576	19,965	21,576
Other fee income	50,215	35,623	50,215	35,623
Fee and commission income	791,367	706,721	791,367	706,721
Fee and commission expense	(152,423)	(78,192)	(152,423)	(78,192)
Net fee and commission income	638,944	628,529	638,944	628,529
Gross dividend income from:				
Financial investments at fair value through profit or loss	5,925	11,222	5,925	11,222
Equity instruments at fair value through other comprehensive income	1,000	-	1,000	-
Subsidiary	80,000	79,400	80,000	79,400
Joint venture	-	5,000	-	5,000
	86,925	95,622	86,925	95,622
Net loss arising from financial investments at fair value through profit or loss				
- realised	(121,116)	(263,349)	(121,116)	(263,349)
- unrealised	17,697	(37,581)	17,697	(37,581)
	(103,419)	(300,930)	(103,419)	(300,930)
Net gain arising from derivative financial instrument				
- realised	(150,273)	745,771	(150,273)	745,771
- unrealised	591,684	208,581	591,684	208,581
	441,411	954,352	441,411	954,352
Net loss arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(18)	(853)	(18)	(853)
	(18)	(853)	(18)	(853)
Net loss arising from financial liabilities designated at fair value through profit or loss				
- realised	(452)	(1,652)	(452)	(1,652)
- unrealised	(36,715)	(7,297)	(36,715)	(7,297)
	(37,167)	(8,949)	(37,167)	(8,949)
Net gain arising from hedging activities	8,397	20,070	8,397	20,070
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	19,650	15,846	19,650	15,846
Net (loss)/gain from redemption of debt instruments at amortised cost	(27)	12,740	(27)	12,740
Other non-interest income				
Foreign exchange gain/(loss)	91,118	(500,211)	91,118	(500,211)
Rental income	1,797	1,452	1,797	1,452
Gain on disposal of property, plant and equipment/ assets held for sale	3,176	6,372	3,176	6,372
Loss on disposal of loans, advances and financing	-	(4,267)	-	(4,267)
Others	9,770	4,832	9,770	4,832
	105,861	(491,822)	105,861	(491,822)
	1,160,557	924,605	1,160,557	924,605

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	819,442	780,958	819,442	780,958
- Pension cost	94,993	85,915	94,993	85,915
- Share-based expense ¹	11,780	10,639	11,780	10,639
- Overtime	4,921	2,840	4,921	2,840
- Staff incentives and other staff payments	18,008	32,452	18,008	32,452
- Medical expenses	22,466	18,991	22,466	18,991
- Others	18,689	21,243	18,689	21,243
	<u>990,299</u>	<u>953,038</u>	<u>990,299</u>	<u>953,038</u>
Establishment costs				
- Depreciation of property, plant and equipment	43,495	42,148	43,495	42,148
- Depreciation of right-of-use assets	40,402	44,757	40,402	44,757
- Rental	28,565	17,579	28,565	17,579
- Amortisation of intangible assets	87,034	135,442	87,034	135,442
- Repair and maintenance	153,725	110,314	153,725	110,314
- Outsourced services	11,296	14,385	11,296	14,385
- Security expenses	18,941	20,797	18,941	20,797
- Intangible assets written off	257	1,038	257	1,038
- Others	42,492	41,071	42,492	41,071
	<u>426,207</u>	<u>427,531</u>	<u>426,207</u>	<u>427,531</u>
Marketing expenses				
- Advertisement	20,406	12,058	20,406	12,058
- Others	24,178	8,518	24,178	8,518
	<u>44,584</u>	<u>20,576</u>	<u>44,584</u>	<u>20,576</u>
Administration and general expenses				
- Communication	20,027	18,342	20,027	18,342
- Consultancy and professional fees	30,475	18,955	30,475	18,955
- Legal expenses	3,080	167	3,080	167
- Stationery	4,800	3,765	4,800	3,765
- Postages	6,899	5,354	6,899	5,354
- Administrative travelling and vehicle expenses	4,523	2,958	4,523	2,958
- Incidental expenses on banking operations	11,250	8,785	11,250	8,785
- Insurance	5,158	21,296	5,158	21,296
- Others	119,135	103,911	119,135	103,911
	<u>205,347</u>	<u>183,533</u>	<u>205,347</u>	<u>183,533</u>
	<u>1,666,437</u>	<u>1,584,678</u>	<u>1,666,437</u>	<u>1,584,678</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	656,095	617,635	656,095	617,635
- Pension cost	80,725	73,615	80,725	73,615
- Share-based expense ¹	9,853	8,621	9,853	8,621
- Overtime	3,277	1,499	3,277	1,499
- Staff incentives and other staff payments	23,829	21,442	23,829	21,442
- Medical expenses	20,448	17,011	20,448	17,011
- Others	12,412	16,376	12,412	16,376
	806,639	756,199	806,639	756,199
Establishment costs				
- Depreciation of property, plant and equipment	33,152	31,450	33,152	31,450
- Depreciation of right-of-use assets	33,139	37,464	33,139	37,464
- Rental	17,231	11,029	17,231	11,029
- Amortisation of intangible assets	72,104	114,427	72,104	114,427
- Repair and maintenance	140,837	100,262	140,837	100,262
- Outsourced services	9,163	10,127	9,163	10,127
- Security expenses	17,842	19,731	17,842	19,731
- Intangible assets written off	-	991	-	991
- Others	37,304	36,409	37,304	36,409
	360,772	361,890	360,772	361,890
Marketing expenses				
- Advertisement	16,745	9,388	16,745	9,388
- Others	22,160	7,341	22,160	7,341
	38,905	16,729	38,905	16,729
Administration and general expenses				
- Communication	18,570	17,150	18,570	17,150
- Consultancy and professional fees	26,656	16,439	26,656	16,439
- Legal expenses	681	(1,202)	681	(1,202)
- Stationery	3,317	2,780	3,317	2,780
- Postages	5,168	3,947	5,168	3,947
- Administrative travelling and vehicle expenses	2,601	1,576	2,601	1,576
- Incidental expenses on banking operations	5,692	4,664	5,692	4,664
- Insurance	3,983	15,742	3,983	15,742
- Others	114,159	101,724	114,159	101,724
	180,827	162,820	180,827	162,820
	1,387,143	1,297,638	1,387,143	1,297,638

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**

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	213,300	195,956	213,300	195,956
Credit impaired:				
- recovered	(123,865)	(126,459)	(123,865)	(126,459)
- written off	52,751	4,678	52,751	4,678
	<u>142,186</u>	<u>74,175</u>	<u>142,186</u>	<u>74,175</u>
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	35,098	92,177	35,098	92,177
Credit impaired:				
- recovered	(71,947)	(73,580)	(71,947)	(73,580)
- written off	51,859	4,349	51,859	4,349
	<u>15,010</u>	<u>22,946</u>	<u>15,010</u>	<u>22,946</u>

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

	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	12,392	819	12,392	819
- Debt instrument at amortised cost	1,191	(83,122)	1,191	(83,122)
- Money at call and deposits and placements with banks and other financial institutions	(190)	(53)	(190)	(53)
- Other assets	31,578	179,342	31,578	179,342
	<u>44,971</u>	<u>96,986</u>	<u>44,971</u>	<u>96,986</u>
The Bank				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	11,650	2,442	11,650	2,442
- Debt instrument at amortised cost	1,200	(81,559)	1,200	(81,559)
- Money at call and deposits and placements with banks and other financial institutions	(478)	400	(478)	400
- Other assets	695	161,855	695	161,855
	<u>13,067</u>	<u>83,138</u>	<u>13,067</u>	<u>83,138</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 31 March 2023	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	45,301,113	484,283	(428,269)	30,819,657	250,479	(264,323)
- less than one year	41,325,568	395,407	(332,429)	28,256,141	225,277	(182,770)
- one year to three years	3,159,748	56,069	(67,598)	2,273,363	24,038	(49,727)
- more than three years	815,797	32,807	(28,242)	290,153	1,164	(31,826)
	516,329,812	5,895,332	(5,650,248)	296,927,388	2,655,484	(2,593,038)
Currency swaps						
- less than one year	509,690,722	5,861,065	(5,290,212)	295,338,722	2,649,133	(2,483,744)
- one year to three years	3,363,389	31,021	(183,389)	1,001,269	5,662	(92,043)
- more than three years	3,275,701	3,246	(176,647)	587,397	689	(17,251)
Currency spots	7,313,080	9,309	(7,877)	6,997,464	8,735	(7,639)
- less than one year	7,313,080	9,309	(7,877)	6,997,464	8,735	(7,639)
	10,260,793	88,232	(77,558)	10,243,370	88,156	(77,415)
Currency options						
- less than one year	7,410,562	49,780	(46,253)	7,393,139	49,704	(46,110)
- one year to three years	2,850,231	38,452	(31,305)	2,850,231	38,452	(31,305)
Cross currency interest rate swaps	103,979,233	2,967,732	(3,200,542)	29,460,763	897,642	(830,635)
- less than one year	34,719,217	741,114	(934,834)	8,762,935	99,863	(187,227)
- one year to three years	35,140,565	1,114,200	(1,117,472)	13,115,495	552,150	(441,676)
- more than three years	34,119,451	1,112,418	(1,148,236)	7,582,333	245,629	(201,732)
	683,184,031	9,444,888	(9,364,494)	374,448,642	3,900,496	(3,773,050)
<u>Interest rate derivatives</u>						
Interest rate swaps	606,485,039	4,376,236	(3,657,103)	192,199,656	2,020,907	(1,644,434)
- less than one year	319,868,517	537,688	(537,360)	73,084,423	204,826	(225,287)
- one year to three years	143,230,214	1,085,049	(885,843)	55,855,382	521,444	(417,016)
- more than three years	143,386,308	2,753,499	(2,233,900)	63,259,851	1,294,637	(1,002,131)
	6,232,565	8,996	(25,850)	6,232,565	8,996	(25,850)
Interest rate futures						
- less than one year	6,232,565	8,996	(25,850)	6,232,565	8,996	(25,850)
Interest rate options	433,708	6,071	(1,275)	265,714	1,275	(1,275)
- one year to three years	382,018	4,106	(1,275)	265,714	1,275	(1,275)
- more than three years	51,690	1,965	-	-	-	-
	613,151,312	4,391,303	(3,684,228)	198,697,935	2,031,178	(1,671,559)
<u>Equity related derivatives</u>						
Equity swaps	446,779	37,272	(27,222)	446,779	37,272	(27,228)
- less than one year	58,092	6,572	(2,816)	58,092	6,572	(2,822)
- one year to three years	388,687	30,700	(24,406)	388,687	30,700	(24,406)
Equity options	3,019,484	99,637	(240,594)	2,680,409	98,612	(239,912)
- less than one year	2,535,305	78,404	(234,456)	2,377,161	78,221	(234,616)
- one year to three years	390,674	20,674	(5,579)	303,248	20,391	(5,296)
- more than three years	93,505	559	(559)	-	-	-
Equity futures	4,989	4	(6)	4,989	4	(6)
- less than one year	4,989	4	(6)	4,989	4	(6)
	3,471,252	136,913	(267,822)	3,132,177	135,888	(267,146)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 March 2023	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	584,447	22,485	(21,681)	584,447	22,485	(21,681)
- less than one year	584,447	22,485	(21,681)	584,447	22,485	(21,681)
Commodity futures	131,879	2,322	(4,775)	131,879	2,322	(4,775)
- less than one year	131,879	2,322	(4,775)	131,879	2,322	(4,775)
Commodity options	739,963	23,037	(19,919)	739,963	23,037	(19,919)
- less than one year	739,963	23,037	(19,919)	739,963	23,037	(19,919)
	1,456,289	47,844	(46,375)	1,456,289	47,844	(46,375)
<u>Credit related derivatives</u>						
Credit default swaps	3,417,733	28,186	(16,834)	3,419,921	28,186	(17,110)
- less than one year	24,657	191	(59)	24,657	191	(59)
- one year to three years	1,295,495	9,060	(8,405)	1,295,495	9,330	(8,490)
- more than three years	2,097,581	18,935	(8,370)	2,099,769	18,665	(8,561)
Total return swaps	20,200	-	(342)	20,200	-	(342)
- one year to three years	20,200	-	(342)	20,200	-	(342)
	3,437,933	28,186	(17,176)	3,440,121	28,186	(17,452)
<u>Bond contract</u>						
Bond forward	2,847,002	134,580	(93,108)	30,000	22	-
- less than one year	861,680	32,014	(36,586)	-	-	-
- one year to three years	1,562,474	98,370	(37,457)	-	-	-
- more than three years	422,848	4,196	(19,065)	30,000	22	-
<u>Hedging derivatives</u>						
Currency swaps	6,474,597	65,152	(76,821)	6,058,825	58,255	(76,821)
- less than one year	6,474,597	65,152	(76,821)	6,058,825	58,255	(76,821)
Cross currency interest rate swaps	3,344,027	147,269	(84,506)	887,812	-	(65,710)
- one year to three years	1,450,274	69,402	(37,045)	455,721	-	(20,824)
- more than three years	1,893,753	77,867	(47,461)	432,091	-	(44,886)
Interest rate swaps	37,425,394	762,615	(393,137)	36,492,684	752,450	(383,868)
- less than one year	7,028,059	22,144	(7,384)	7,028,059	22,144	(7,384)
- one year to three years	9,223,468	115,521	(87,692)	9,265,995	115,382	(90,206)
- more than three years	21,173,867	624,950	(298,061)	20,198,630	614,924	(286,278)
	47,244,018	975,036	(554,464)	43,439,321	810,705	(526,399)
Total derivatives assets/(liabilities)	1,354,791,837	15,158,750	(14,027,667)	624,644,485	6,954,319	(6,301,981)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfill their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2023, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM15,158,750,000 and RM6,954,319,000 respectively (2022: RM17,793,200,000 and RM8,160,302,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2023, the Group and the Bank has posted cash collateral of RM3,361,433,000 and RM1,690,833,000 respectively (2022: RM3,309,311,000 and RM1,470,405,000 respectively) on their derivative contracts.

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES

The Group	31 Mar 2023	31 Dec 2022
<u>Credit-related</u>	Principal RM'000	Principal RM'000
Direct credit substitutes	3,548,023	3,543,077
Transaction-related contingent items	5,839,902	5,770,401
Short-term self-liquidating trade-related contingencies	3,637,977	4,151,626
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	82,395,950	82,013,088
- maturity exceeding one year	38,757,586	38,062,217
Miscellaneous commitments and contingencies	1,308,450	747,248
Total credit-related commitments and contingencies	135,487,888	134,287,657
 <u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	606,933,746	504,248,778
- one year to five years	68,789,003	69,657,718
- more than five years	17,279,906	16,617,451
	693,002,655	590,523,947
Interest rate related contracts :		
- less than one year	333,129,141	280,516,566
- one year to five years	254,823,530	252,278,345
- more than five years	62,624,035	61,592,936
	650,576,706	594,387,847
Equity related contracts:		
- less than one year	2,598,386	2,041,012
- one year to five years	779,361	646,020
- more than five years	93,505	93,297
	3,471,252	2,780,329
Credit related contracts:		
- less than one year	24,657	12,642
- one year to five years	2,342,724	2,258,816
- more than five years	1,070,552	241,979
	3,437,933	2,513,437
Commodity related contracts:		
- less than one year	1,456,289	1,246,341
	1,456,289	1,246,341
Bond contracts:		
- less than one year	861,680	882,451
- one year to five years	1,955,322	1,899,362
- more than five years	30,000	-
	2,847,002	2,781,813
 Total treasury-related commitments and contingencies	1,354,791,837	1,194,233,714
	1,490,279,725	1,328,521,371

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	31 Mar 2023 Principal RM'000	31 Dec 2022 Principal RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,145,503	3,168,439
Transaction-related contingent items	3,852,752	3,905,844
Short-term self-liquidating trade-related contingencies	2,199,326	2,801,354
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	66,573,281	63,548,084
- maturity exceeding one year	25,065,545	24,951,899
Miscellaneous commitments and contingencies	1,186,342	687,141
Total credit-related commitments and contingencies	102,022,749	99,062,761
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	352,807,226	267,887,297
- one year to five years	25,420,103	26,831,791
- more than five years	3,167,950	3,648,930
	381,395,279	298,368,018
Interest rate related contracts :		
- less than one year	86,345,047	75,796,929
- one year to five years	124,880,436	123,266,786
- more than five years	23,965,136	22,465,744
	235,190,619	221,529,459
Equity related contracts:		
- less than one year	2,440,242	1,875,183
- one year to five years	691,935	543,805
	3,132,177	2,418,988
Credit related contracts:		
- less than one year	24,657	12,642
- one year to five years	2,344,411	2,257,819
- more than five years	1,071,053	241,634
	3,440,121	2,512,095
Commodity related contracts:		
- less than one year	1,456,289	1,246,341
	1,456,289	1,246,341
Bond contracts:		
- more than five years	30,000	-
	30,000	-
Total treasury-related commitments and contingencies	624,644,485	526,074,901
	726,667,234	625,137,662

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	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	3,000,000	3,000,000	3,000,000	3,000,000
	3,000,000	3,000,000	3,000,000	3,000,000

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.

31 March 2023 - 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	14.738%	14.566%
Tier 1 ratio	15.377%	15.353%
Total capital ratio	<u>18.821%</u>	<u>18.798%</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⁾	237,832,034	148,090,535
Market risk	15,505,638	10,099,032
Large exposure risk requirements	1,196,080	1,196,080
Operational risk	25,123,930	18,436,014
Total risk-weighted assets	<u>279,657,682</u>	<u>177,821,661</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	618,543	618,543
	<u>618,543</u>	<u>618,543</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 March 2023 - Basel III (Continued)

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary share capital	22,979,762	22,979,762
Other reserves	25,117,342	14,829,040
Qualifying non-controlling interests	172,206	-
Common Equity Tier 1 capital before regulatory adjustments	<u>48,269,310</u>	<u>37,808,802</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,942,314)	(3,555,075)
Intangible assets	(1,188,465)	(1,021,503)
Deferred tax assets	(1,422,157)	(931,292)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,993,223)
Regulatory reserve	(554,145)	(405,301)
Others	54,720	(867)
Common Equity Tier 1 capital after regulatory adjustments	<u>41,216,949</u>	<u>25,901,541</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	35,211	-
	<u>1,785,211</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>1,785,211</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>43,002,160</u>	<u>27,301,541</u>
Tier 2 capital		
Subordinated notes	7,500,000	7,500,000
Qualifying capital instruments held by third parties	295,392	-
Surplus eligible provisions over expected loss	1,048,756	728,083
General provisions ^	787,991	334,293
Tier 2 capital before regulatory adjustments	<u>9,632,139</u>	<u>8,562,376</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,436,265)
Total Tier 2 capital	<u>9,632,139</u>	<u>6,126,111</u>
Total capital	<u>52,634,299</u>	<u>33,427,652</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	13.400%	15.316%	N/A	N/A
Tier 1 ratio	14.003%	15.316%	N/A	N/A
Total capital ratio	<u>16.270%</u>	<u>21.113%</u>	<u>18.107%</u>	<u>56.303%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2022 - Basel III

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

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

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

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

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

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2022 - Basel III (Continued)

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

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

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

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

^ Total capital of the Group and the Bank has excluded general provisions/portfolio impairment allowance from Tier 2 capital of RM448 million (2022: RM368 million) and RM213 million (2022: RM212 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT

Definition of segments

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

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

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

CIMB Digital Assets & Group Funding

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

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

The Group
31 March 2023

	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	924,366	177,312	474,985	277,816	1,854,479
- inter-segment	(108,647)	227,953	(113,042)	(6,264)	-
	815,719	405,265	361,943	271,552	1,854,479
Income from Islamic Banking operations	399,114	215,894	226,631	(4,501)	837,138
Net non-interest income	308,848	113,061	385,024	102,099	909,032
Net income	1,523,681	734,220	973,598	369,150	3,600,649
Overheads	(830,963)	(292,406)	(413,767)	(129,301)	(1,666,437)
of which:					
Depreciation of property, plant and equipment	(15,520)	(759)	(2,530)	(24,686)	(43,495)
Amortisation of intangible assets	(23,232)	(2,819)	(12,940)	(48,043)	(87,034)
Profit before expected credit losses	692,718	441,814	559,831	239,849	1,934,212
Expected credit losses on loans, advances and financing (made)/written back	(10,046)	52,194	(137,150)	(47,184)	(142,186)
Expected credit losses for commitments and contingencies (made)/written back	(102,408)	(3,491)	36,157	4	(69,738)
Other expected credit losses and impairment allowances	(30,955)	(35)	(8,985)	(4,996)	(44,971)
Segment results	549,309	490,482	449,853	187,673	1,677,317
Share of results of joint venture	(3,118)	-	-	-	(3,118)
Taxation					(423,291)
Profit for the financial period					1,250,908

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

The Group
31 March 2022

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Net interest income/(expense) - after modification loss					
- external income	977,464	215,069	385,951	366,575	1,945,059
- inter-segment	(73,230)	133,024	124,579	(184,373)	-
	904,234	348,093	510,530	182,202	1,945,059
Income from Islamic Banking operations	397,551	172,495	131,685	46,592	748,323
Net non-interest income	328,915	120,318	157,712	76,845	683,790
Net income	1,630,700	640,906	799,927	305,639	3,377,172
Overheads	(752,077)	(273,682)	(359,522)	(199,397)	(1,584,678)
of which:					
Depreciation of property, plant and equipment	(15,691)	(605)	(2,957)	(22,895)	(42,148)
Amortisation of intangible assets	(21,054)	(1,399)	(14,777)	(98,212)	(135,442)
Profit before expected credit losses	878,623	367,224	440,405	106,242	1,792,494
Expected credit losses on loans, advances and financing (made)/written back	(86,035)	123,201	(90,904)	(20,437)	(74,175)
Expected credit losses for commitments and contingencies written back/(made)	93,609	(3,271)	(100,266)	(10)	(9,938)
Other expected credit losses and impairment allowances (made)/written back	(256,984)	-	155,606	4,392	(96,986)
Segment results	629,213	487,154	404,841	90,187	1,611,395
Share of results of joint venture	6,239	-	-	-	6,239
Taxation					(482,498)
Profit for the financial period					1,135,136

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
31 March 2023

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	193,629,060	49,950,022	236,365,310	89,165,844	569,110,236
Unallocated assets					20,708,638
Total assets					589,818,874
Segment liabilities	148,419,328	67,536,040	260,049,417	41,643,667	517,648,452
Unallocated liabilities					22,420,305
Total liabilities					540,068,757
Other segment items					
Capital expenditure	40,103	5,006	20,708	80,075	145,892
Investment in joint venture	159,788	-	-	-	159,788

The Group
31 December 2022

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

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

The Group	Fair Value 31 Mar 2023			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	24,345,181	297,279	24,642,460
-Quoted securities	1,518,910	-	-	1,518,910
-Unquoted securities	-	5,867,034	1,102,771	6,969,805
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	18,679,051	-	18,679,051
-Unquoted securities	-	30,259,107	-	30,259,107
Equity instruments at fair value through other comprehensive income				
-Quoted securities	1,808	-	-	1,808
-Unquoted securities	-	-	273,192	273,192
Derivative financial instruments				
-Trading derivatives	11,643	14,069,396	102,675	14,183,714
-Hedging derivatives	-	975,036	-	975,036
Loans, advances and financing at fair value through profit or loss				
	-	100,649	-	100,649
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	5,584	-	5,584
Total	1,532,361	94,301,038	1,775,917	97,609,316
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	67,713	13,202,544	202,946	13,473,203
- Hedging derivatives	-	554,464	-	554,464
Financial liabilities designated at fair values through profit or loss				
	-	6,785,554	-	6,785,554
Total	67,713	20,542,562	202,946	20,813,221

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

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

The Bank	The Bank Fair Value 31 Mar 2023			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	17,703,540	297,279	18,000,819
-Quoted securities	1,518,910	-	-	1,518,910
-Unquoted securities	-	4,811,319	1,089,241	5,900,560
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	12,837,267	-	12,837,267
-Unquoted securities	-	24,479,602	-	24,479,602
Equity instruments at fair value through other comprehensive income				
-Quoted securities	70	-	-	70
-Unquoted securities	-	-	267,686	267,686
Derivative financial instruments				
-Trading derivatives	11,643	6,029,393	102,578	6,143,614
-Hedging derivatives	-	810,705	-	810,705
Loans, advances and financing at fair value through profit or loss	-	100,649	-	100,649
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets/disposal groups held for sale	-	5,584	-	5,584
Total	1,530,623	66,778,059	1,756,784	70,065,466
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	67,713	5,498,352	209,517	5,775,582
-Hedging derivatives	-	526,399	-	526,399
Financial liabilities designated at fair values through profit or loss	-	1,173,878	-	1,173,878
Total	67,713	7,198,629	209,517	7,475,859

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

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

	Financial Assets			Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group						
2023						
At 1 January	1,445,538	272,761	115,732	1,834,031	(120,230)	(120,230)
Total gains/(losses) recognised in statement of income	525	-	(15,016)	(14,491)	8,410	8,410
Total gains recognised in other comprehensive income	-	355	-	355	-	-
Purchases	-	-	2,894	2,894	(151,773)	(151,773)
Sales and redemptions	(48,308)	-	-	(48,308)	-	-
Settlements	-	-	(1,902)	(1,902)	61,581	61,581
Exchange fluctuation	2,295	76	967	3,338	(934)	(934)
At 31 March	1,400,050	273,192	102,675	1,775,917	(202,946)	(202,946)

Total gains/(losses) recognised in statement of income for financial period ended 31 March 2023 under:

- net non-interest income

525	-	(15,016)	(14,491)	8,410	8,410
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Total gains recognised in other comprehensive income for financial period ended 31 March 2023 under "revaluation reserves"

-	355	-	355	-	-
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Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 March 2023 under "net non-interest income"

(12,924)	-	68,094	55,170	(27,922)	(27,922)
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	Financial Assets			Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank						
2023						
At 1 January	1,432,008	267,685	115,732	1,815,425	(127,384)	(127,384)
Total gains/(losses) recognised in statement of income	525	-	(15,058)	(14,533)	8,907	8,907
Purchases	-	-	2,839	2,839	(151,687)	(151,687)
Sales and redemptions	(48,308)	-	-	(48,308)	-	-
Settlements	-	-	(1,902)	(1,902)	61,581	61,581
Exchange fluctuation	2,295	1	967	3,263	(934)	(934)
At 31 March	1,386,520	267,686	102,578	1,756,784	(209,517)	(209,517)

Total gains/(losses) recognised in statement of income for financial period ended 31 March 2023 under:

- net non-interest income

525	-	(15,058)	(14,533)	8,907	8,907
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Total gains recognised in other comprehensive income for financial period ended 31 March 2023 under "revaluation reserves"

-	-	-	-	-	-
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Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 March 2023 under "net non-interest income"

(12,924)	-	68,053	55,129	(27,425)	(27,425)
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PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING

A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	The Group		The Bank	
		31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Assets					
Cash and short-term funds		12,124,346	16,980,171	2,017,023	2,401,653
Reverse Collateralised Commodity Murabahah		581,443	503,206	-	-
Deposits and placements with banks and other financial institutions		1,585,957	197,875	2,260,321	1,836,271
Financial assets at fair value through profit or loss		3,893,240	2,075,001	-	32,775
Debt instruments at fair value through other comprehensive income		5,512,847	5,274,682	280,488	274,298
Debt instruments at amortised cost		11,824,788	9,400,868	39,832	39,404
Islamic derivative financial instruments		388,950	532,332	35,527	65,436
Financing, advances and other financing/loans	A30c	111,982,580	110,310,199	2,770,226	2,717,448
Other assets		1,108,508	926,309	452,549	437,247
Deferred taxation		257,028	188,883	-	-
Tax recoverable		32,408	6,170	-	-
Amount due from conventional operations		1,966,188	1,712,185	-	-
Amount due from related companies		11,568,086	11,884,260	11,567,878	11,884,240
Statutory deposits with Bank Negara Malaysia		1,723,020	1,696,000	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		2,504	1,551	46	52
Property, plant and equipment		746	812	34	34
Right-of-use assets		1,105	1,261	243	256
Total assets		164,689,744	161,827,765	19,424,167	19,689,114
Liabilities					
Deposits from customers	A30d	107,416,019	106,874,630	3,931,539	4,048,654
Investment accounts of customers	A30e	16,296,195	13,684,632	-	-
Deposits and placements of banks and other financial institutions		5,545,861	5,625,052	716,471	585,076
Collateralised Commodity Murabahah		1,917,262	1,927,726	-	-
Investment accounts due to designated financial institutions	A30f	3,538,858	3,576,590	-	-
Financial liabilities designated at fair value through profit or loss	A30g	2,859,748	2,857,004	-	-
Islamic derivative financial instruments		434,336	777,653	25,041	44,929
Amount due to related company		375,076	415,798	269,805	311,559
Other liabilities		14,244,021	14,343,064	13,611,979	13,893,896
Lease liabilities		1,460	1,615	404	417
Subordinated Sukuk		1,105,405	1,109,342	-	-
Total liabilities		153,734,241	151,193,106	18,555,239	18,884,531
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		350,000	350,000	-	-
Reserves		9,605,503	9,284,659	868,928	804,583
Total equity		10,955,503	10,634,659	868,928	804,583
Total equity and liabilities		164,689,744	161,827,765	19,424,167	19,689,114
Restricted Agency Investment Account(*)		14,119,863	14,280,429	-	-
Total Islamic Banking Assets		178,809,607	176,108,194	19,424,167	19,689,114

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

Note	The Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,288,742	873,676	1,288,742	873,676
Income derived from investment of investment accounts	237,389	170,271	237,389	170,271
Net income derived from investment of shareholders' funds	254,034	155,401	254,034	155,401
Modification loss	A21 (7)	(2,707)	(7)	(2,707)
Expected credit losses made on financing, advances and other financing/loans	(33,124)	(1,752)	(33,124)	(1,752)
Expected credit losses for commitments and contingencies (made)/written back	(44,712)	31,109	(44,712)	31,109
Other expected credit losses and impairment allowances (made)/written back	(840)	2,289	(840)	2,289
Total distributable income	1,701,482	1,228,287	1,701,482	1,228,287
Income attributable to depositors and others	(864,759)	(396,797)	(864,759)	(396,797)
Profit distributed to investment account holder	(155,557)	(82,790)	(155,557)	(82,790)
Total net income	681,166	748,700	681,166	748,700
Other operating expenses	(360,593)	(322,723)	(360,593)	(322,723)
Profit before taxation and zakat	320,573	425,977	320,573	425,977
Taxation and zakat	(72,872)	(127,260)	(72,872)	(127,260)
Profit for the financial period	247,701	298,717	247,701	298,717

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	247,701	298,717	247,701	298,717
Other comprehensive income/(expense):				
<i>Items that will not be reclassified to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	11,324	31	11,324	31
	11,324	31	11,324	31
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	53,323	(47,637)	53,323	(47,637)
- Net gain/(loss) from change in fair value	68,338	(60,468)	68,338	(60,468)
- Realised (gain)/loss transferred to statement of income on disposal	(146)	995	(146)	995
- Changes in expected credit losses	792	(1,758)	792	(1,758)
- Income tax effects	(15,661)	13,594	(15,661)	13,594
Exchange fluctuation reserve	12,271	1,346	12,271	1,346
	65,594	(46,291)	65,594	(46,291)
Other comprehensive income/(expense) for the financial period, net of tax	76,918	(46,260)	76,918	(46,260)
Total comprehensive income for the period	324,619	252,457	324,619	252,457
Total net income	681,166	748,700	681,166	748,700
Add:				
Expected credit losses made on financing, advances and other financing/loans	33,124	1,752	33,124	1,752
Expected credit losses for commitments and contingencies made/(written back)	44,712	(31,109)	44,712	(31,109)
Other expected credit losses and impairment allowances made/(written back)	840	(2,289)	840	(2,289)
	759,842	717,054	759,842	717,054
Elimination for transactions with conventional operations	77,296	31,269	77,296	31,269
Income from Islamic operations (per page 2)	837,138	748,323	837,138	748,323

PART A - EXPLANATORY NOTES (CONTINUED)**A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)****A30(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	63,415	12,010	63,415	12,010
Net income derived from investment of shareholders' funds	7,213	5,302	7,213	5,302
Expected credit losses (made)/written back on financing, advances and other financing/loans	(1,699)	795	(1,699)	795
Expected credit losses for commitments and contingencies made	(116)	(30)	(116)	(30)
Other expected credit losses and impairment allowances written back	255	3	255	3
	<u>69,068</u>	<u>18,080</u>	<u>69,068</u>	<u>18,080</u>
Total distributable income	69,068	18,080	69,068	18,080
Income attributable to depositors and others	(14,431)	(1,186)	(14,431)	(1,186)
	<u>54,637</u>	<u>16,894</u>	<u>54,637</u>	<u>16,894</u>
Total net income	54,637	16,894	54,637	16,894
Other operating expenses	(1,928)	(1,203)	(1,928)	(1,203)
	<u>52,709</u>	<u>15,691</u>	<u>52,709</u>	<u>15,691</u>
Profit for the financial period	52,709	15,691	52,709	15,691

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	52,709	15,691	52,709	15,691
Other comprehensive income/(expense):				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	2,944	(2,833)	2,944	(2,833)
- Net gain/(loss) from change in fair value	2,937	(2,830)	2,937	(2,830)
- Changes in expected credit losses	7	(3)	7	(3)
Exchange fluctuation reserve	12,884	1,752	12,884	1,752
Other comprehensive income/(expense) for the financial period, net of tax	15,828	(1,081)	15,828	(1,081)
Total comprehensive income for the period	<u>68,537</u>	<u>14,610</u>	<u>68,537</u>	<u>14,610</u>
Total net income	54,637	16,894	54,637	16,894
Add:				
Expected credit losses made/(written back) on financing, advances and other financing/loans	1,699	(795)	1,699	(795)
Expected credit losses for commitments and contingencies made	116	30	116	30
Other expected credit losses and impairment allowances written back	(255)	(3)	(255)	(3)
	<u>56,197</u>	<u>16,126</u>	<u>56,197</u>	<u>16,126</u>
Elimination for transactions with conventional operations	-	55	-	55
Income from Islamic operations (per page 4)	<u>56,197</u>	<u>16,181</u>	<u>56,197</u>	<u>16,181</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 31 March 2023**

	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 RM'000	Qard RM'000	Ujrah RM'000	RM'000
Cash line^	-	150	699	-	1,407,614	-	-	-	9,040	-	1,417,503
Term financing											
- House financing	-	3,935,319	-	-	36,729,722	1,052,569	-	-	-	-	41,717,610
- Syndicated financing	-	-	-	-	2,188,496	-	-	208	-	-	2,188,704
- Hire purchase receivables	-	-	-	-	-	-	15,850,004	-	-	-	15,850,004
- Other term financing	84,887	851,055	1,266,477	-	40,112,433	34,624	-	-	-	-	42,349,476
Bills receivable	743,957	-	-	336,196	18,464	-	-	-	-	-	1,098,617
Islamic trust receipts	25,315	-	-	-	-	-	-	-	-	-	25,315
Claims on customers under acceptance credits	906,070	-	-	138,279	-	-	-	-	-	-	1,044,349
Staff financing	-	-	-	-	277,452	-	-	-	-	-	277,452
Revolving credits	-	-	-	-	7,338,086	-	-	-	-	-	7,338,086
Credit card receivables	-	-	-	-	-	-	-	-	-	198,002	198,002
Gross financing, advances and other financing/loans, at amortised cost	1,760,229	4,786,524	1,267,176	474,475	88,072,267	1,087,193	15,850,004	208	9,040	198,002	113,505,118
Fair value changes arising from fair value hedge											(1,462)
											113,503,656
Less: Expected credit losses											(1,521,076)
Net financing, advances and other financing/loans											111,982,580

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

i) By type and Shariah contract (Continued)

The Group
At 31 December 2022

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

[^] Includes current account in excess

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

i) By type and Shariah contract (Continued)

The Bank
At 31 March 2023

At amortised cost	Sale-based contracts			Equity-based contracts	Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	203	-	203
Term financing					
- Syndicated financing	-	-	-	208	208
- Other term financing	84,887	-	1,951,773	-	2,036,660
Bills receivable	-	328,876	18,464	-	347,340
Islamic trust receipts	2,264	-	-	-	2,264
Revolving credits	-	-	400,477	-	400,477
Gross financing, advances and other financing/loans, at amortised cost	87,151	328,876	2,370,917	208	2,787,152
Fair value changes arising from fair value hedges					-
					2,787,152
Less: Expected credit losses					(16,926)
Net financing, advances and other financing/loans					2,770,226

[^] Includes current account in excess

The Bank
At 31 December 2022

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

[^] Includes current account in excess

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	113,505,118	111,814,564	2,787,152	2,732,327
	113,505,118	111,814,564	2,787,152	2,732,327

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

a) During the financial period, the Group has undertaken fair value hedges on the profit rate risk of RM48,264,000 (2022: RM52,610,000) financing using Islamic profit rate swaps.

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

As at 31 March 2023, the gross exposure and expected credit losses relating to RPSIA financing are RM3,539,872,000 (2022: RM3,577,694,000) and RM634,000 (2022: RM748,000) respectively.

c) Movement of Qard financing

	The Group	
	31 Mar 2023	31 Dec 2022
	RM'000	RM'000
As at 1 January	12,917	8,576
New disbursement	2,549	7,219
Repayment	(6,426)	(2,878)
As at 31 March/31 December	<u>9,040</u>	<u>12,917</u>
Sources of Qard fund:		
Depositors' fund	8,404	12,037
Shareholders' fund	636	880
	<u>9,040</u>	<u>12,917</u>
Uses of Qard fund:		
Personal use	711	748
Business purpose	8,329	12,169
	<u>9,040</u>	<u>12,917</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	166,945	893,360	442,228	1,502,533
Changes in expected credit losses due to transferred within stages:	387,737	(383,528)	(4,209)	-
Transferred to Stage 1	415,938	(410,845)	(5,093)	-
Transferred to Stage 2	(26,759)	112,400	(85,641)	-
Transferred to Stage 3	(1,442)	(85,083)	86,525	-
Total charge to Statement of Income:	19,743	(22,465)	51,906	49,184
New financial assets originated	18,325	190	4,136	22,651
Financial assets that have been derecognised	(10,114)	(10,128)	-	(20,242)
Writeback in respect of full recoveries	-	-	(6,596)	(6,596)
Change in credit risk	11,532	(12,527)	54,366	53,371
Write-offs	-	-	(36,201)	(36,201)
Exchange fluctuation	79	14	265	358
Other movements	(2)	(100)	5,304	5,202
At 31 March 2023	574,502	487,281	459,293	1,521,076

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	251,884	727,804	246,088	1,225,776
Changes in expected credit losses due to transferred within stages:	169,903	(238,023)	68,120	-
Transferred to Stage 1	267,346	(245,393)	(21,953)	-
Transferred to Stage 2	(96,019)	258,525	(162,506)	-
Transferred to Stage 3	(1,424)	(251,155)	252,579	-
Total charge to Statement of Income:	(254,033)	403,849	287,665	437,481
New financial assets originated	89,424	706	17,424	107,554
Financial assets that have been derecognised	(36,923)	(33,263)	-	(70,186)
Writeback in respect of full recoveries	-	-	(38,017)	(38,017)
Change in credit risk	(306,534)	436,406	308,258	438,130
Write-offs	-	(1)	(182,565)	(182,566)
Exchange fluctuation	219	97	329	645
Transfer from conventional operations	(1,043)	(140)	(2,860)	(4,043)
Other movements	15	(226)	25,451	25,240
At 31 December 2022	166,945	893,360	442,228	1,502,533

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2023	3,698	562	10,619	14,879
Total charge to Statement of Income:	279	1	1,437	1,717
Change in credit risk	279	1	1,437	1,717
Exchange fluctuation	56	9	265	330
At 31 March 2023	4,033	572	12,321	16,926

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	1,428,581	1,428,581
Transfer within stages	228,739	228,739
New financial assets originated	9,098	9,098
Write-offs	(36,201)	(36,201)
Amount fully recovered	(16,861)	(16,861)
Other changes in financing, advances and other financing/loans	2,472	2,472
Exchange fluctuation	264	264
At 31 March 2023	1,616,092	1,616,092

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

	The Group	
	31 Mar 2023	31 Dec 2022
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	1.42%	1.28%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	19,244	19,244
Transfer within stages	1,267	1,267
Other changes in financing, advances and other financing/loans	2,284	2,284
Exchange fluctuation	263	263
At 31 March 2023	23,058	23,058

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

	The Bank	
	31 Mar 2023	31 Dec 2022
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	0.83%	0.70%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

ii) By geographical distribution

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	110,720,946	109,084,773	2,980	2,536
Indonesia	417	1,469	417	1,469
Singapore	2,337,396	2,297,658	2,337,396	2,297,658
China	100,808	292,465	100,808	292,465
Other countries	345,551	138,199	345,551	138,199
	113,505,118	111,814,564	2,787,152	2,732,327

iii) By economic sector

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	4,148,920	4,217,279	60,242	187,014
Mining and quarrying	515,925	565,006	2,264	2,251
Manufacturing	4,224,229	4,098,754	125,916	111,902
Electricity, gas and water supply	490,707	541,337	-	-
Construction	2,966,454	2,677,345	162,688	153,609
Transport, storage and communications	4,361,264	4,229,502	27,952	26,261
Education, health and others	2,666,790	2,692,984	-	-
Wholesale and retail trade, and restaurants and hotels	6,454,204	5,947,159	662,557	511,167
Finance, insurance/takaful, real estate and business activities	10,858,108	10,788,701	1,192,286	1,258,242
Household	76,655,029	75,910,981	404,504	355,024
Others	163,488	145,516	148,743	126,857
	113,505,118	111,814,564	2,787,152	2,732,327

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

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,595,299	1,411,589	2,265	2,252
Singapore	20,793	16,992	20,793	16,992
	1,616,092	1,428,581	23,058	19,244

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

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	18,500	16,917	-	-
Mining and quarrying	2,265	2,251	2,264	2,251
Manufacturing	24,103	13,313	1,423	1,390
Electricity, gas and water supply	1	-	-	-
Construction	41,473	29,701	4,309	4,223
Transport, storage and communications	11,438	5,935	-	-
Education, health and others	16,900	62,074	-	-
Wholesale and retail trade, and restaurants and hotels	182,885	132,695	1,523	356
Finance, insurance/takaful, real estate and business activities	70,060	58,651	2,793	2,761
Household	1,248,467	1,107,043	10,746	8,263
Others	-	1	-	-
	1,616,092	1,428,581	23,058	19,244

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	8,057,186	7,802,926	566,376	615,266
Demand deposit				
Wadiah	-	284,956	-	284,956
Qard	14,918,276	15,020,156	103,996	21,959
Commodity Murabahah (via Tawarruq arrangement)*	4,696,545	4,644,456	2,796,715	2,589,163
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	46,475,134	47,017,544	200,935	363,135
Fixed Return Income Account-i (via Tawarruq arrangement)*	31,967,936	31,309,442	263,369	174,026
Negotiable Islamic Debt Certificate (NIDC)				
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	1,089,775	595,374	-	-
Fixed Deposit-i				
Wadiah	148	148	148	149
Specific investment account				
Mudharabah	101,156	100,638	-	-
Others - Qard	109,863	98,990	-	-
	107,416,019	106,874,630	3,931,539	4,048,654

*Included Qard contract of the Group and of the Bank of RM3,897,491,000 and RM3,340,319,000 (2022: RM5,066,445,000 and RM3,234,780,000) respectively

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

	The Group		The Bank	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Due within six months	67,487,570	68,733,276	245,274	374,952
Six months to less than one year	10,817,076	9,035,511	218,339	162,325
One year to less than three years	441,831	376,588	839	33
Three years to less than five years	862,764	852,999	-	-
Five years and more	24,908	24,772	-	-
	79,634,149	79,023,146	464,452	537,310

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS (CONTINUED)

(iii) By type of customer

	The Group		The Bank	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Government and statutory bodies	6,588,767	7,050,474	267	193
Business enterprises	41,895,874	38,298,518	2,855,576	3,004,870
Individuals	34,355,435	33,872,082	905,953	879,660
Others	24,575,943	27,653,556	169,743	163,931
	107,416,019	106,874,630	3,931,539	4,048,654

A30e INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	1,355,635	1,252,671
-with maturity		
Term Investment Account-i	14,417,207	11,902,747
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	26,293	27,548
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	497,060	501,666
	16,296,195	13,684,632

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

A30f INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Restricted investment accounts		
Mudharabah	3,538,858	3,576,590
By type of counterparty		
Licensed banks	3,538,858	3,576,590

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

A30g FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 Mar 2023 RM'000	31 Dec 2022 RM'000
Deposits from customers - structured investments	2,859,748	2,857,004

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 31 March 2023 is RM182,891,000 (2022: RM222,678,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

PART B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM1,674.2 million for the three months period ended 31 March 2023, an increase of 3.5% as compared to the pre-tax profit of RM1,617.6 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) increased by 10.4% to RM1,245.2 million, equivalent to net earnings per share (sen) of 19.21.

The Group's year-on-year increase in earnings was mainly contributed by the increase in net non-interest income and net income from Islamic Banking Operations by RM225.2 million and RM88.8 million respectively, and lower other expected credit losses by RM52.0 million. This was offset by lower net interest income, higher overhead, higher expected credit losses on loans, advances and financing and higher expected credit losses on commitment and contingencies by RM90.6 million, RM81.8 million, RM68.0 million and RM59.8 million respectively.

The Group's gross loans, advances and financing grew by 0.9% to RM351.7 billion while deposits from customers decrease marginally by 0.3% to RM374.2 billion, as compared to 31 December 2022.

The Group's Common Equity Tier 1 ratio stood at 14.738% as at 31 March 2023 as compared to 15.139% as at 31 December 2022.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank is taking a cautious stance on the outlook for the year in view of global economic uncertainty, continued geopolitical tensions, elevated policy rates to rein in inflation as well as volatility within the global banking industry and financial markets. Nonetheless, the Bank expects moderate economic growth within its key operating markets and will remain guided by the Forward23+ strategic plans with targeted segment growth particularly Consumer and Wealth, strengthening the Group's deposit/CASA proposition in light of the intensified deposit competition, RAROC optimisation, tightened credit risk and asset quality management and prudent cost controls. These strategies will also include investments in improving the Bank's technology and operational resiliency and digital capabilities, while meeting commitments made on the sustainability front.

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			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Net profit for the financial period after non-controlling interests (RM'000)	1,245,181	1,128,305	1,245,181	1,128,305
Weighted average number of ordinary shares in issue ('000)	6,482,932	6,289,968	6,482,932	6,289,968
Basic earnings per share (expressed in sen per share)	19.21	17.94	19.21	17.94

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Net profit for the financial period (RM'000)	1,022,182	779,326	1,022,182	779,326
Weighted average number of ordinary shares in issue ('000)	6,482,932	6,289,968	6,482,932	6,289,968
Basic earnings per share (expressed in sen per share)	15.77	12.39	15.77	12.39

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2023 and 31 March 2022.