

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

	Note	The Group		The Bank	
		30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Assets					
Cash and short term funds	A6	30,600,459	37,156,527	25,020,233	21,749,413
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah		7,725,956	9,607,095	4,866,030	8,370,639
Deposits and placements with banks and other financial institutions	A6	3,310,718	2,655,745	5,081,550	7,069,270
Investment account placement		-	-	3,463,609	3,576,590
Financial investments at fair value through profit or loss	A7	42,949,553	30,611,899	32,021,026	25,704,819
Debt instruments at fair value through other comprehensive income	A8	52,001,309	48,472,288	40,843,661	34,706,107
Equity instruments at fair value through other comprehensive income	A9	273,861	274,621	267,675	267,757
Debt instruments at amortised cost	A10	74,485,344	58,339,507	58,086,529	46,772,580
Derivative financial instruments	A25	24,944,890	17,793,200	12,110,036	8,160,302
Loans, advances and financing	A11	359,309,559	340,829,961	206,524,833	198,109,269
Other assets	A12	14,402,972	8,809,159	9,911,915	5,491,325
Amounts due from holding company and ultimate holding company		9,510	13,555	9,500	13,544
Amount due from subsidiaries		-	-	8,227	7,031
Amount due from related companies		3,687,551	2,949,125	3,681,933	2,946,427
Tax recoverable		7,022	82,508	-	52,473
Deferred taxation		1,495,247	1,363,733	902,842	934,271
Statutory deposits with central banks		7,017,785	8,371,731	4,620,903	5,948,817
Investment in subsidiaries		-	-	6,816,293	6,793,718
Investment in joint venture		165,378	162,906	125,000	125,000
Property, plant and equipment		902,505	898,969	630,329	622,654
Right-of-use assets		516,839	466,076	438,068	382,229
Investment properties		2,675	-	-	-
Goodwill		3,941,150	3,938,393	3,555,075	3,555,075
Intangible assets		1,247,341	1,171,260	1,076,408	1,006,495
		628,997,624	573,968,258	420,061,675	382,365,805
Non-current assets held for sale		5,584	7,471	5,584	7,471
Total Assets		629,003,208	573,975,729	420,067,259	382,373,276
Liabilities					
Deposits from customers	A13	394,145,718	375,557,348	250,715,432	239,701,016
Investment accounts of customers	A14	18,438,729	13,684,632	-	-
Deposits and placements of banks and other financial institutions	A15	40,088,215	33,651,841	37,129,564	29,449,368
Repurchase agreements/Collateralised Commodity Murabahah		44,779,949	34,456,301	38,635,343	30,033,769
Financial liabilities designated at fair value through profit or loss	A16	6,715,320	6,668,894	1,235,005	1,119,964
Derivative financial instruments	A25	22,788,879	17,267,265	10,266,508	7,803,618
Bills and acceptances payable		1,274,414	1,408,497	462,564	664,513
Other liabilities	A17	21,350,491	18,442,588	16,458,785	12,312,537
Lease liabilities		537,594	485,678	454,284	397,838
Recourse obligation on loans and financing sold to Cagamas		2,156,702	650,667	1,166,795	650,667
Amounts due to ultimate holding company		3	-	-	-
Amount due to subsidiaries		-	-	437,446	456,615
Amount due to related companies		13,393	17,757	9,753	8,548
Provision for taxation and zakat		516,633	23,189	407,965	-
Deferred taxation		426	-	-	-
Bonds, Sukuk and debentures		11,692,339	9,436,209	10,367,052	8,629,698
Other borrowings		3,554,807	3,340,333	3,476,402	3,244,898
Subordinated obligations		9,783,774	9,969,400	9,276,333	9,517,776
Total Liabilities		577,837,386	525,060,599	380,499,231	343,990,825
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		23,009,502	22,979,762	23,009,502	22,979,762
Reserves		27,643,015	25,403,623	16,358,526	15,172,949
		50,652,517	48,383,385	39,368,028	38,152,711
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		-	29,740	-	29,740
Non-controlling interests		313,305	302,005	-	-
Total Equity		51,165,822	48,915,130	39,568,028	38,382,451
Total Equity and Liabilities		629,003,208	573,975,729	420,067,259	382,373,276
Commitments and contingencies	A26	2,030,196,076	1,328,521,371	1,133,785,536	625,137,662
Net assets per ordinary share attributable to owners of the Parent (RM)		7.81	7.46	6.07	5.89

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

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

The Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
Interest income	A18	4,838,528	3,405,284	13,489,107	9,046,117
Interest income from financial assets at fair value through profit or loss	A19	284,826	159,973	765,961	417,091
Interest expense	A20	(3,098,711)	(1,448,008)	(8,487,001)	(3,417,226)
Net interest income (before modification loss)		2,024,643	2,117,249	5,768,067	6,045,982
Modification gain/(loss)	A21	(2,223)	66	(2,489)	6,860
Net interest income (after modification loss)		2,022,420	2,117,315	5,765,578	6,052,842
Income from Islamic Banking operations	A30(b)	819,037	879,116	2,499,749	2,392,611
Fee and commission income	A22(a)	597,029	493,000	1,630,061	1,542,024
Fee and commission expense	A22(b)	(168,321)	(112,420)	(464,593)	(294,252)
Net fee and commission income		428,708	380,580	1,165,468	1,247,772
Other non-interest income	A22(c)	672,730	319,173	1,899,478	887,572
Net income		3,942,895	3,696,184	11,330,273	10,580,797
Overheads	A23	(1,827,495)	(1,714,245)	(5,229,750)	(4,888,543)
Profit before expected credit losses		2,115,400	1,981,939	6,100,523	5,692,254
Expected credit losses on loans, advances and financing	A24(a)	(242,740)	(386,547)	(696,625)	(732,779)
Expected credit losses for commitments and contingencies written back		67,579	25,553	109,261	12,253
Other expected credit losses and impairment allowances made	A24(b)	(54,422)	(20,162)	(135,601)	(90,946)
		1,885,817	1,600,783	5,377,558	4,880,782
Share of results of joint venture		3,314	2,497	2,472	17,640
Profit before taxation and zakat		1,889,131	1,603,280	5,380,030	4,898,422
Taxation and zakat		(444,901)	(607,866)	(1,289,173)	(1,698,233)
Profit for the financial period		1,444,230	995,414	4,090,857	3,200,189
Profit for the financial period attributable to:					
Owners of the Parent		1,440,936	990,827	4,077,754	3,181,175
Non-controlling interests		3,294	4,587	13,103	19,014
		1,444,230	995,414	4,090,857	3,200,189
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	22.23	15.61	62.90	50.41

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

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

The Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,444,230	995,414	4,090,857	3,200,189
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	(120)	186	21	221
- Actuarial loss	-	-	(54)	-
- Income tax effects	-	-	11	-
- Currency translation difference	(120)	186	64	221
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	9,415	(4,052)	24,951	(7,446)
- Net gain/(loss) from change in fair value	10,251	(5,170)	12,269	(8,795)
- Income tax effects	(1,975)	-	14,043	-
- Currency translation difference	1,139	1,118	(1,361)	1,349
Equity instruments at fair value through other comprehensive income	(370)	(4,566)	(7,626)	(17,344)
- Net loss from change in fair value	(362)	(507)	(961)	(8,811)
- Income tax effects	22	(82)	(22)	(27)
- Currency translation difference	(30)	(3,977)	(6,643)	(8,506)
	8,925	(8,432)	17,346	(24,569)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(154,337)	7,693	398,954	(1,033,743)
- Net (loss)/gain from change in fair value	(140,618)	20,013	639,380	(1,367,813)
- Realised (gain)/loss transferred to statement of income on disposal	(53,765)	(5,184)	(167,609)	125,759
- Changes in expected credit losses	(964)	(4,268)	16,374	(37,919)
- Income tax effects	41,599	(3,239)	(76,090)	245,431
- Currency translation difference	(589)	371	(13,101)	799
Net investment hedge	(27,554)	(221,338)	(388,452)	(460,162)
Cash flow hedge	5,964	(9,661)	5,310	(18,591)
- Net gain/(loss) from change in fair value	6,291	(12,310)	6,650	(21,948)
- Income tax effects	(327)	2,649	(1,340)	3,357
Exchange fluctuation reserve	(106,548)	250,348	715,104	625,105
Deferred hedging cost	14,974	2,989	23,458	35,200
- Net gain from change in fair value	14,833	2,917	22,264	33,123
- Income tax effects	141	72	1,194	2,077
	(267,501)	30,031	754,374	(852,191)
Other comprehensive (expense)/income for the financial period, net of tax	(258,576)	21,599	771,720	(876,760)
Total comprehensive income for the financial period	1,185,654	1,017,013	4,862,577	2,323,429
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	1,193,056	1,017,909	4,848,556	2,321,271
Non-controlling interests	(7,402)	(896)	14,021	2,158
	1,185,654	1,017,013	4,862,577	2,323,429

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

	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
The Bank		RM'000	RM'000	RM'000	RM'000
Interest income	A18	4,261,865	2,971,962	11,893,872	7,817,431
Interest income for financial assets at fair value through profit or loss	A19	245,563	136,371	674,209	342,939
Interest expense	A20	(2,823,862)	(1,331,196)	(7,768,049)	(3,116,263)
Net interest income (before modification loss)		1,683,566	1,777,137	4,800,032	5,044,107
Modification loss	A21	(216)	-	(230)	(1,260)
Net interest income (after modification loss)		1,683,350	1,777,137	4,799,802	5,042,847
Income from Islamic Banking operations	A30(b)	60,611	43,398	176,995	85,668
Fee and commission income	A22(a)	806,006	676,432	2,335,583	2,086,678
Fee and commission expense	A22(b)	(170,296)	(109,905)	(472,637)	(287,028)
Net fee and commission income		635,710	566,527	1,862,946	1,799,650
Other non-interest income	A22(c)	660,930	231,837	1,824,717	783,102
Net income		3,040,601	2,618,899	8,664,460	7,711,267
Overheads	A23	(1,521,116)	(1,437,778)	(4,359,120)	(3,989,625)
Profit before expected credit losses		1,519,485	1,181,121	4,305,340	3,721,642
Expected credit losses on loans, advances and financing	A24(a)	(113,291)	(228,421)	(290,732)	(315,958)
Expected credit losses for commitments and contingencies written back/(made)		43,319	24,436	122,647	(44,207)
Other expected credit losses and impairment allowances made	A24(b)	(10,839)	(3,013)	(20,661)	(22,042)
Profit before taxation		1,438,674	974,123	4,116,594	3,339,435
Taxation		(346,361)	(426,486)	(970,692)	(1,223,302)
Profit for the financial period		1,092,313	547,637	3,145,902	2,116,133
Earnings per share - basic (sen)	B3	16.85	8.63	48.53	33.53

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

	Individual Quarter		Cumulative Quarters	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
<u>The Bank</u>	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,092,313	547,637	3,145,902	2,116,133
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net gain/(loss) from change in fair value	16	84	(466)	79
Equity instruments at fair value through other comprehensive income	(365)	(4,629)	(6,206)	(16,813)
- Net gain/(loss) from change in fair value	234	(181)	227	(7,753)
- Income tax effects	2	(39)	(57)	(31)
- Currency translation difference	(601)	(4,409)	(6,376)	(9,029)
	(349)	(4,545)	(6,672)	(16,734)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(60,117)	(4,784)	425,311	(807,141)
- Net (loss)/gain from change in fair value	(50,649)	4,341	604,150	(933,990)
- Realised (gain)/loss transferred to statement of income on disposal	(24,688)	107	(102,157)	4,772
- Changes in expected credit losses	(1,064)	(4,233)	15,391	(36,044)
- Income tax effects	16,873	(5,370)	(78,972)	157,322
- Currency translation difference	(589)	371	(13,101)	799
Net investment hedge	(22,079)	(183,240)	(332,020)	(382,811)
Cash flow hedge	5,199	1,595	8,792	(2,508)
- Net gain/(loss) from change in fair value	5,326	1,790	11,067	(1,829)
- Income tax effects	(127)	(195)	(2,275)	(679)
Exchange fluctuation reserve	34,480	272,081	534,464	584,796
Deferred hedging cost	23,164	1,887	32,718	31,225
- Net gain from change in fair value	23,023	1,814	31,524	29,148
- Income tax effects	141	73	1,194	2,077
	(19,353)	87,539	669,265	(576,439)
Other comprehensive (expense)/income for the financial period, net of tax	(19,702)	82,994	662,593	(593,173)
Total comprehensive income for the financial period	1,072,611	630,631	3,808,495	1,522,960

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

The Group	Attributable to owners of the Parent																			
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Fair value reserve		Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve ^a RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total Equity RM'000
					debt instruments at fair value	equity instruments at fair value														
					through other comprehensive income RM'000	through other comprehensive income RM'000														
At 1 January 2023	22,979,762	29,740	87,141	2,536,858	(1,256,086)	2,268	(1,085,928)	840,979	(1,608,029)	185,980	417,996	(76,689)	10,421	73,192	5,393	25,270,127	48,413,125	200,000	302,005	48,915,130
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,077,754	4,077,754	-	13,103	4,090,857
Other comprehensive income/ (expenses) (net of tax)	-	-	-	710,580	403,667	(7,554)	-	-	(383,855)	23,458	-	23,602	53	831	20	-	770,802	-	918	771,720
- debt instruments at fair value through other comprehensive income	-	-	-	-	403,667	-	-	-	-	-	-	-	-	-	-	-	403,667	-	(4,713)	398,954
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(7,554)	-	-	-	-	-	-	-	-	-	-	(7,554)	-	(72)	(7,626)
- net investment hedge	-	-	-	-	-	-	-	-	(388,452)	-	-	-	-	-	-	-	(388,452)	-	-	(388,452)
- cash flow hedge	-	-	-	-	-	-	-	-	4,597	-	-	-	-	-	-	-	4,597	-	713	5,310
- currency translation difference	-	-	-	710,580	-	-	-	-	-	-	-	-	53	831	-	-	711,464	-	3,640	715,104
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20	-	20	-	1	21
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	23,602	-	-	-	-	23,602	-	1,349	24,951
- deferred hedging cost	-	-	-	-	-	-	-	-	23,458	-	-	-	-	-	-	-	23,458	-	-	23,458
Total comprehensive income/ (expenses) for the financial period	-	-	-	710,580	403,667	(7,554)	-	-	(383,855)	23,458	-	23,602	53	831	20	4,077,754	4,848,556	-	14,021	4,862,577
Second interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(980,868)	(980,868)	-	-	(980,868)
First interim dividend for the financial year ending 31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,640,181)	(1,640,181)	-	-	(1,640,181)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,736)	(2,736)
Share-based payment expense Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	9,213	33,288	-	-	42,501	-	-	42,501
Redemption of Redeemable Preference Shares	29,740	(29,740)	-	-	-	-	-	-	-	-	-	-	(8,097)	-	-	-	(8,097)	-	15	(8,082)
Total transactions with owners recognised directly in equity	29,740	(29,740)	-	-	-	-	-	-	-	-	-	-	1,116	33,288	-	(2,650,789)	(2,616,385)	-	(2,721)	(2,619,106)
Transfer to statutory reserve	-	-	14,047	-	-	-	-	-	-	-	-	-	-	-	-	(14,047)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	742,819	-	-	-	-	-	(742,819)	-	-	-	-
Transfer to capital reserve	-	-	-	-	-	-	-	74,493	-	-	-	-	-	-	-	(74,493)	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	309	-	-	-	-	-	-	-	-	-	(309)	-	-	-	-
Liquidation of foreign branch	-	-	-	7,221	-	-	-	-	-	-	-	-	-	-	-	-	7,221	-	-	7,221
At 30 September 2023	23,009,502	-	101,188	3,254,659	(852,419)	(4,977)	(1,085,928)	915,472	(1,991,884)	209,438	1,160,815	(53,087)	11,590	107,311	5,413	25,865,424	50,652,517	200,000	313,305	51,165,822

*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 30 SEPTEMBER 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	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				RM'000
					debt instruments at fair value through other comprehensive income	equity instruments at fair value through other comprehensive income																	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2022	21,855,078	29,740	73,305	1,988,726	(700,853)	15,892	(1,085,928)	805,772	(1,312,045)	164,628	129,196	(52,491)	32,253	27,136	(10,093)	23,367,930	45,328,246	200,000	285,401	45,813,647			
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,181,175	3,181,175	-	19,014	3,200,189			
Other comprehensive income/ (expenses) (net of tax)	-	-	-	635,488	(1,028,524)	(17,513)	-	-	(478,133)	35,200	-	(7,054)	119	303	210	-	(859,904)	-	(16,856)	(876,760)			
- debt instruments at fair value through other comprehensive income	-	-	-	-	(1,028,524)	-	-	-	-	-	-	-	-	-	-	-	(1,028,524)	-	(5,219)	(1,033,743)			
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(17,513)	-	-	-	-	-	-	-	-	-	-	(17,513)	-	169	(17,344)			
- net investment hedge	-	-	-	-	-	-	-	-	(460,162)	-	-	-	-	-	-	-	(460,162)	-	-	(460,162)			
- cash flow hedge	-	-	-	-	-	-	-	-	(17,971)	-	-	-	-	-	-	-	(17,971)	-	(620)	(18,591)			
- currency translation difference	-	-	-	635,488	-	-	-	-	-	-	-	-	119	303	-	-	635,910	-	(10,805)	625,105			
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210	-	210	-	11	221			
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	(7,054)	-	-	-	-	(7,054)	-	(392)	(7,446)			
- deferred hedging cost	-	-	-	-	-	-	-	-	-	35,200	-	-	-	-	-	-	35,200	-	-	35,200			
Total comprehensive income/ (expenses) for the financial period	-	-	-	635,488	(1,028,524)	(17,513)	-	-	(478,133)	35,200	-	(7,054)	119	303	210	3,181,175	2,321,271	-	2,158	2,323,429			
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	(651,012)	-	-	(651,012)			
First interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,253,258)	(1,253,258)	-	-	(1,253,258)			
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,282)	(2,282)			
Issue of shares from rights issue	322,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322,732	-	-	322,732			
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	10,277	32,835	-	-	43,112	-	-	43,112			
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(19,567)	-	-	-	(19,567)	-	(28)	(19,595)			
Total transactions with owners recognised directly in equity	322,732	-	-	-	-	-	-	-	-	-	-	-	(9,290)	32,835	-	-	(1,904,270)	(1,557,993)	(2,310)	(1,560,303)			
Transfer to statutory reserve	-	-	13,826	-	-	-	-	-	-	-	-	-	-	-	-	(13,826)	-	-	-	-			
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	393,200	-	-	-	-	-	(393,200)	-	-	-	-			
Transfer to capital reserve	-	-	-	-	-	-	34,757	-	-	-	-	-	-	-	-	(34,757)	-	-	-	-			
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	(280)	-	-	-	-	-	-	-	-	-	280	-	-	-	-			
At 30 September 2022	22,177,810	29,740	87,131	2,624,214	(1,729,377)	(1,901)	(1,085,928)	840,529	(1,790,178)	199,828	522,396	(59,545)	23,082	60,274	(9,883)	24,203,332	46,091,524	200,000	285,249	46,576,773			

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

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

CIMB BANK BERHAD
Registration No: 197201001799 (13491-P)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	-	-	-	-	-	-	-	3,145,902	-	3,145,902
Other comprehensive income/ (expenses) (net of tax)	-	-	533,836	425,311	(6,206)	-	(323,228)	32,718	-	(466)	44	584	-	-	-	662,593
- debt instruments at fair value through other comprehensive income	-	-	-	425,311	-	-	-	-	-	-	-	-	-	-	-	425,311
- equity instruments at fair value through other comprehensive income	-	-	-	-	(6,206)	-	-	-	-	-	-	-	-	-	-	(6,206)
- net investment hedge	-	-	-	-	-	-	(332,020)	-	-	-	-	-	-	-	-	(332,020)
- cash flow hedge	-	-	-	-	-	-	8,792	-	-	-	-	-	-	-	-	8,792
- currency translation difference	-	-	533,836	-	-	-	-	-	-	-	44	584	-	-	-	534,464
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	(466)	-	-	-	-	-	(466)
- deferred hedging cost	-	-	-	-	-	-	-	32,718	-	-	-	-	-	-	-	32,718
Total comprehensive income/ (expenses) for the financial period	-	-	533,836	425,311	(6,206)	-	(323,228)	32,718	-	(466)	44	584	3,145,902	-	3,808,495	
Second interim dividend for the financial year ending 31 December 2022	-	-	-	-	-	-	-	-	-	-	-	-	(980,868)	-	(980,868)	
First interim dividend for the financial year ending 31 December 2023	-	-	-	-	-	-	-	-	-	-	-	-	(1,640,181)	-	(1,640,181)	
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	8,116	26,982	-	-	35,098	
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	(7,227)	-	-	-	(7,227)	
Redemption of Redeemable Preference Shares	29,740	(29,740)	-	-	-	-	-	-	-	-	-	-	(29,740)	-	(29,740)	
Total transactions with owners recognised directly in equity	29,740	(29,740)	-	-	-	-	-	-	-	-	889	26,982	(2,650,789)	-	(2,622,918)	
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	637,528	-	-	-	(637,528)	-	-	
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	309	-	-	-	-	-	-	-	(309)	-	-	
At 30 September 2023	23,009,502	-	1,793,089	(640,415)	20,724	(1,047,872)	746,852	(1,424,177)	210,969	870,809	(139)	10,234	87,491	15,730,961	200,000	39,568,028

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

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

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

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

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

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

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

	The Group		The Bank	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
Profit before taxation and zakat	5,380,030	4,898,422	4,116,594	3,339,435
Adjustments for non-operating and non-cash items	<u>(2,339,682)</u>	(806,837)	<u>(2,898,577)</u>	(1,027,880)
Operating profit before changes in working capital	3,040,348	4,091,585	1,218,017	2,311,555
Net changes in operating assets	<u>(37,477,918)</u>	(23,723,411)	<u>(17,985,579)</u>	(8,635,209)
Net changes in operating liabilities	<u>45,281,147</u>	35,734,798	<u>33,572,354</u>	16,557,826
	7,803,229	12,011,387	15,586,775	7,922,617
Cash flows generated from operations	<u>10,843,577</u>	16,102,972	<u>16,804,792</u>	10,234,172
Taxation paid	<u>(935,289)</u>	(1,230,597)	<u>(554,129)</u>	(757,553)
Net cash flows generated from operating activities	9,908,288	14,872,375	16,250,663	9,476,619
Cash flows from investing activities				
Dividend income	53,689	41,681	182,201	166,608
Investment in subsidiary	-	-	-	27,377
Interest income received from financial investments	2,821,268	2,332,717	2,211,160	1,788,843
Net purchase of financial investments	<u>(19,197,136)</u>	(8,006,824)	<u>(16,494,384)</u>	(4,381,193)
Net purchase of property, plant and equipment	<u>(111,988)</u>	(117,410)	<u>(90,877)</u>	(105,973)
Net purchase from disposal of intangible assets	<u>(336,814)</u>	(238,627)	<u>(286,969)</u>	(203,066)
Other investing activities	<u>(82,016)</u>	(6,553)	<u>(64,470)</u>	(4,666)
Net cash flows used in investing activities	<u>(16,852,997)</u>	(5,995,016)	<u>(14,543,339)</u>	(2,712,070)
Cash flows from financing activities				
Dividend paid	<u>(2,623,785)</u>	(1,906,552)	<u>(2,621,049)</u>	(1,904,270)
Interest expense paid on bonds and debentures	<u>(329,934)</u>	(137,354)	<u>(331,471)</u>	(143,760)
Interest expense paid on other borrowings	<u>(152,646)</u>	(22,247)	<u>(148,994)</u>	(21,686)
Interest expense paid on subordinated obligations	<u>(280,394)</u>	(227,876)	<u>(304,311)</u>	(189,847)
Proceeds from issuance of bonds and debentures	3,887,831	5,553,614	1,251,255	2,099,572
Proceeds from issuance of other borrowings	-	32,832	-	-
Proceeds from issuance of subordinated obligations	815,000	1,500,000	400,000	1,500,000
Proceeds from issuance of recourse obligation on loans and financing sold to Cagamas	1,500,000	-	512,000	-
Repayment of bonds and debentures	<u>(2,155,354)</u>	(5,992,746)	-	(3,166,628)
Repayment of other borrowings	<u>(21,889)</u>	(2,263,112)	-	(2,162,852)
Repayment of subordinated obligations	<u>(1,090,000)</u>	-	<u>(700,000)</u>	-
Issuance of shares due to rights issue	-	322,732	-	322,732
Redemption of Redeemable Preference Shares	<u>(29,740)</u>	-	<u>(29,740)</u>	-
Other financing activities	<u>(85,761)</u>	(134,682)	<u>(80,195)</u>	(113,673)
Net cash flows used in financing activities	<u>(566,672)</u>	(3,275,391)	<u>(2,052,505)</u>	(3,780,412)
Net increase in cash and cash equivalents	<u>(7,511,381)</u>	5,601,968	<u>(345,181)</u>	2,984,137
Effects of exchange rate changes	913,572	818,273	818,797	780,530
Cash and cash equivalents at the beginning of financial period	36,939,857	34,198,752	29,361,500	25,179,356
Cash and cash equivalents at end of financial period	<u>30,342,048</u>	40,618,993	<u>29,835,116</u>	28,944,023
Cash and cash equivalents comprise:				
Cash and short-term funds	30,600,459	40,217,359	25,020,233	24,223,434
Deposits and placements with banks and other financial institutions	3,310,718	2,252,803	5,081,550	3,038,397
Investment account placement	-	-	3,463,609	3,616,098
	<u>33,911,177</u>	42,470,162	<u>33,565,392</u>	30,877,929
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<u>(3,569,129)</u>	(1,851,169)	<u>(3,730,276)</u>	(1,933,906)
Cash and cash equivalents at end of financial period	<u>30,342,048</u>	40,618,993	<u>29,835,116</u>	28,944,023

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

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

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

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

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

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

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

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

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

A2. CHANGES IN ESTIMATES

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

PART A - EXPLANATORY NOTES (CONTINUED)

A3 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

a) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by the Bank, undertook a partial redemption of the Medium Term Note amounting to RM55.8 million.

b) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB618.5 million with tenures ranges between 2 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 THB1,087.8 million.

c) During the financial period, CIMB Thai Bank issued various unsecured short term debentures amounted to THB19.7 billion with tenures ranges between 4 to 12 months from respective issuance dates. The short term debentures carry fixed interest rates ranges between 2.05% to 2.27%, payable at respective maturity dates.

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

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

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

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

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

h) On 5 July 2023, the Bank issued RM14.0 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. The MTN is a zero coupon bond that will mature on 10 July 2024.

i) On 17 July 2023, the Bank issued RM19.0 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. The MTN is a zero coupon bond that will mature on 18 July 2024.

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

k) On 28 July 2023, the Bank issued USD130.0 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of SOFR plus 1.00% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 28 July 2028.

l) On 15 August 2023, the Bank issued RM17.0 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. The MTN is a zero coupon bond that will mature on 19 August 2024.

m) On 26 September 2023, the Bank issued USD30.0 million 1-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of SOFR plus 0.50% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 26 September 2024.

n) On 3 October 2023, the Bank issued USD100.0 million 35 month fixed rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of 5.45% per annum payable quarterly, will mature on 3 September 2026.

o) On 23 October 2023, the Bank redeemed its existing RM1.0 billion Additional Tier 1 Capital Securities issued under RM10.0 billion Additional Tier 1 Capital Securities Programme on the first call date.

p) On 23 October 2023, CIMB Bank issued RM400 million Perpetual non-callable 5 years Additional Tier 1 Sustainability Sukuk Wakalah to CIMB Group, bearing a periodic distribution rate of 4.75% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

q) On 23 October 2023, CIMB Bank issued RM900 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah to CIMB Group, bearing a periodic distribution rate of 4.36% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

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.

A single-tier first interim dividend of 25.30 sen per ordinary share, on 6,482,931,878 ordinary shares amounting to RM1,640 million in respect of the financial year ending 31 December 2023 which was approved by the Board of Directors on 27 July 2023, was paid on 15 September 2023.

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

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

As at 30 September 2023, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM174,000 and RM2,165,000 (2022: RM45,000 and RM2,361,000) for the Group respectively and RMNil and RM146,000 (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 RM87,000 and RM462,000 respectively (30 September 2022: RM(12,000) and RM1,509,000 respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	2,507,710	3,141,965	2,507,710	3,141,965
Cagamas bonds	975,929	1,021,901	647,670	616,782
Malaysian Government treasury bills	1,470,407	1,265,864	670,116	820,856
Bank Negara Malaysia Monetary Notes	4,483,782	1,094,640	3,531,874	1,094,640
Negotiable instruments of deposit	2,243,288	193,586	499,568	93,797
Other Government securities	7,651,588	3,022,373	2,702,749	762,446
Government Investment Issues	2,691,173	3,080,842	2,032,175	2,371,546
Other Government treasury bills	11,325,965	10,370,577	11,325,965	10,370,577
Promissory Notes	315,790	295,529	315,790	295,529
Commercial papers	684,607	24,753	190,556	24,753
	34,350,239	23,512,030	24,424,173	19,592,891
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,310,845	988,048	1,310,845	988,048
	1,310,845	988,048	1,310,845	988,048
<u>Outside Malaysia</u>				
Shares	369,449	352,026	369,449	352,026
	1,680,294	1,340,074	1,680,294	1,340,074
Unquoted securities:				
<u>In Malaysia</u>				
Shares	1,037,006	1,010,510	1,023,021	996,980
Corporate bond and Sukuk	3,095,395	3,103,138	2,981,314	2,720,173
	4,132,401	4,113,648	4,004,335	3,717,153
<u>Outside Malaysia</u>				
Corporate bond	2,691,854	1,506,648	1,817,459	915,202
Private equity funds	94,765	139,499	94,765	139,499
	2,786,619	1,646,147	1,912,224	1,054,701
	42,949,553	30,611,899	32,021,026	25,704,819

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	6,087,846	5,107,076	6,087,846	5,107,076
Cagamas bonds	243,507	396,349	198,337	361,111
Other government treasury bills	29,624	140,102	29,624	140,102
Other government securities	3,846,902	7,618,253	1,375,969	1,190,662
Negotiable instruments of deposit	90,084	232,584	90,084	232,584
Government investment issues	7,714,737	6,427,540	5,963,496	4,912,597
	18,012,700	19,921,904	13,745,356	11,944,132
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	22,773,642	20,139,108	19,056,374	16,685,374
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	11,214,967	8,411,276	8,041,931	6,076,601
	52,001,309	48,472,288	40,843,661	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:	16,544	(170)	-	16,374
New financial assets purchased	58,616	-	-	58,616
Financial assets that have been derecognised	(14,369)	(33)	-	(14,402)
Change in credit risk	(27,703)	(137)	-	(27,840)
Exchange fluctuation	2,020	-	-	2,020
At 30 September 2023	58,363	1,091	-	59,454

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:	15,617	(226)	-	15,391
New financial assets purchased	53,932	-	-	53,932
Financial assets that have been derecognised	(14,043)	(33)	-	(14,076)
Change in credit risk	(24,272)	(193)	-	(24,465)
Exchange fluctuation	2,020	-	-	2,020
At 30 September 2023	55,975	1,032	-	57,007

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)	Total
	RM'000	RM'000
At 1 January/30 September 2023	-	-

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

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	1,697	1,860	63	72
	<u>1,697</u>	<u>1,860</u>	<u>63</u>	<u>72</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	265,561	265,579	265,229	265,229
	<u>265,561</u>	<u>265,579</u>	<u>265,229</u>	<u>265,229</u>
<u>Outside Malaysia</u>				
Shares	6,603	7,109	2,383	2,383
Private equity funds	-	73	-	73
	<u>6,603</u>	<u>7,182</u>	<u>2,383</u>	<u>2,456</u>
	<u>273,861</u>	<u>274,621</u>	<u>267,675</u>	<u>267,757</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	10,813,654	9,262,963	10,713,419	9,161,622
Cagamas bonds	490,548	503,023	470,344	472,910
Other Government treasury bills	9,411,490	5,144,798	9,411,490	5,144,798
Other Government's securities	5,067,593	3,535,311	1,620,330	747,755
Malaysian Government Investment Issue	18,491,682	16,652,622	12,297,795	13,143,827
Khazanah bonds	112,980	202,027	112,980	112,980
	<u>44,387,947</u>	<u>35,300,744</u>	<u>34,626,358</u>	<u>28,783,892</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	26,489,769	19,812,585	20,020,499	15,279,916
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	4,275,243	3,835,386	4,108,277	3,324,770
	<u>30,765,012</u>	<u>23,647,971</u>	<u>24,128,776</u>	<u>18,604,686</u>
Amortisation of premium net of accretion of discount	(50,043)	(28,788)	(44,060)	(26,760)
Less : Expected credit losses	(617,572)	(580,420)	(624,545)	(589,238)
	<u>74,485,344</u>	<u>58,339,507</u>	<u>58,086,529</u>	<u>46,772,580</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	5,416	3,847	571,157	580,420
Changes in expected credit losses due to transfer within stages:	3,535	(3,535)	-	-
Transferred to Stage 1	3,675	(3,675)	-	-
Transferred to Stage 2	(140)	140	-	-
Total charge to Statement of Income:	11,284	(312)	(779)	10,193
New financial assets purchased	27,785	-	-	27,785
Financial assets that have been derecognised	(3,507)	-	-	(3,507)
Change in credit risk	(12,994)	(312)	(779)	(14,085)
Exchange fluctuation	290	-	2	292
Other movements	-	-	26,667	26,667
At 30 September 2023	20,525	-	597,047	617,572

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	34,163	34,163
Exchange fluctuation	32,131	32,131
At 30 September 2023	1,380,933	1,380,933

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

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	21,408	3,846	563,984	589,238
Changes in expected credit losses due to transfer within stages:	3,535	(3,535)	-	-
Transferred to Stage 1	3,675	(3,675)	-	-
Transferred to Stage 2	(140)	140	-	-
Total charge to Statement of Income:	9,440	(311)	(779)	8,350
New financial assets purchased	25,488	-	-	25,488
Financial assets that have been derecognised	(3,507)	-	-	(3,507)
Change in credit risk	(12,541)	(311)	(779)	(13,631)
Exchange fluctuation	288	-	-	288
Other movements	-	-	26,669	26,669
At 30 September 2023	34,671	-	589,874	624,545

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

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

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	805,694	805,694
Other changes in debts instruments	36,984	36,984
At 30 September 2023	842,678	842,678

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	5,101,830	4,932,750	2,507,060	2,541,516
Term loans/financing				
- Housing loan/financing	128,271,142	119,482,023	67,537,278	66,546,814
- Syndicated term loan	23,866,074	21,904,930	21,446,368	19,663,602
- Other term loans/financing	128,951,086	122,124,094	73,298,312	66,915,531
- Factoring receivables	151	1,685	-	-
- Lease receivables	3,722	391	-	-
- Hire purchase receivables	24,195,655	22,744,369	1,941,430	2,719,192
Bills receivable	7,222,396	6,699,962	3,948,771	4,160,881
Trust receipts	2,195,197	2,660,658	1,248,787	1,261,574
Claim on customers under acceptance credit	3,164,311	3,511,101	2,113,983	2,509,088
Staff loans *	1,484,704	1,444,636	1,038,539	1,038,323
Credit card receivables	7,333,758	6,786,867	7,059,238	6,578,324
Revolving credit	35,484,845	36,198,094	29,645,199	29,368,856
Share margin financing	41,566	50,346	41,566	50,346
Gross loans, advances and financing, at amortised cost	367,316,437	348,541,906	211,826,531	203,354,047
Fair value changes arising from fair value hedges	(98,032)	(99,907)	(96,556)	(98,075)
	<u>367,218,405</u>	<u>348,441,999</u>	<u>211,729,975</u>	<u>203,255,972</u>
Less: Expected credit losses	(7,988,261)	(7,719,590)	(5,284,557)	(5,254,255)
Net loans, advances and financing at amortised cost	<u>359,230,144</u>	<u>340,722,409</u>	<u>206,445,418</u>	<u>198,001,717</u>
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	79,415	107,552	79,415	107,552
	<u>79,415</u>	<u>107,552</u>	<u>79,415</u>	<u>107,552</u>
Total net loans, advances and financing	<u>359,309,559</u>	<u>340,829,961</u>	<u>206,524,833</u>	<u>198,109,269</u>
Total gross loans, advances and financing				
- At amortised cost	367,316,437	348,541,906	211,826,531	203,354,047
- At fair value through profit or loss	79,415	107,552	79,415	107,552
	<u>367,395,852</u>	<u>348,649,458</u>	<u>211,905,946</u>	<u>203,461,599</u>

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM5,803,696 (2022: RM2,868,964) and RM3,557,292 (2022: RM592,635) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM18,618,000 (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 RM1,766,848,000 (2022: RM1,786,866,000) and RM1,724,922,000 (2022: RM1,734,256,000) respectively, using interest rate swaps.

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

As at 30 September 2023, the gross exposure and expected credit losses relating to RPSIA financing are RM3,464,626,000 (2022: RM3,577,694,000) and RM504,000 (2022: RM748,000) respectively.

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

	The Group		The Bank	
	30 Sept 2023	31 Dec 2022	30 Sept 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Syndicated term loan	1,515,134	1,532,275	1,515,134	1,532,275
Other term loan	10,205,263	9,046,800	10,205,263	9,046,800
Revolving credit	701,926	701,354	701,926	701,354
	<u>12,422,323</u>	<u>11,280,429</u>	<u>12,422,323</u>	<u>11,280,429</u>

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
(ii) By type of customers				
Domestic banking institutions	266,687	323,738	-	125,235
Domestic non-bank financial institutions				
- stockbroking companies	419,482	390,700	353,588	371,188
- others	6,652,043	5,375,300	3,267,220	2,168,446
Domestic business enterprises				
- small medium enterprises	41,491,298	39,113,607	20,986,059	20,996,212
- others	45,416,426	46,168,237	24,199,528	25,039,723
Government and statutory bodies	11,921,326	11,813,303	10,139,505	10,017,429
Individuals	210,872,949	201,702,926	105,740,749	103,788,567
Other domestic entities	2,066,940	2,293,741	49,567	32,195
Foreign entities	48,288,701	41,467,906	47,169,730	40,922,604
Gross loans, advances and financing	367,395,852	348,649,458	211,905,946	203,461,599
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	6,918,570	6,301,450	4,811,373	3,576,709
- Hire purchase receivables	21,085,904	19,711,850	1,380,191	1,749,598
- Other fixed rate loans	40,055,064	39,551,245	28,983,848	28,645,249
Variable rate				
- BLR plus/BFR plus	74,862,126	75,712,095	47,930,362	50,963,275
- Cost-plus	60,017,960	57,474,041	43,021,863	40,733,430
- Other variable rates	164,456,228	149,898,777	85,778,309	77,793,338
Gross loans, advances and financing	367,395,852	348,649,458	211,905,946	203,461,599
(iv) By economic purpose				
Personal use	21,368,513	18,548,708	17,182,587	14,687,769
Credit cards	7,333,758	6,786,867	7,059,238	6,578,324
Purchase of consumer durables	565,350	671,165	35,103	41,745
Construction	9,906,327	9,872,593	6,231,422	6,629,645
Residential property (housing)	129,741,783	121,096,546	67,387,571	66,493,663
Non-residential property	37,504,918	34,487,063	24,876,329	23,557,834
Purchase of fixed assets other than land and buildings	3,969,452	3,695,917	2,583,144	2,709,414
Mergers and acquisitions	2,248,157	2,301,167	1,959,232	1,977,057
Purchase of securities	19,803,147	22,653,271	7,588,446	7,496,836
Purchase of transport vehicles	24,359,164	22,941,545	1,962,642	2,778,259
Working capital	78,261,460	75,048,333	53,952,876	50,713,728
Other purposes	32,333,823	30,546,283	21,087,356	19,797,325
Gross loans, advances and financing	367,395,852	348,649,458	211,905,946	203,461,599

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

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
(v) By geographical distribution				
Malaysia	261,053,448	253,286,293	143,670,100	143,892,489
Indonesia	2,187,473	2,172,831	2,187,473	2,172,831
Thailand	35,079,326	32,833,151	2,376,872	2,295,570
Singapore	42,947,657	37,002,402	42,947,657	37,002,402
United Kingdom	7,070,289	4,667,221	7,070,289	4,667,221
Hong Kong	1,206,417	1,494,957	1,206,417	1,494,957
China	3,917,302	3,272,678	3,917,302	3,272,678
Other countries	13,933,940	13,919,925	8,529,836	8,663,451
Gross loans, advances and financing	<u>367,395,852</u>	<u>348,649,458</u>	<u>211,905,946</u>	<u>203,461,599</u>
(vi) By economic sector				
Primary agriculture	9,008,571	8,315,725	4,962,022	4,211,079
Mining and quarrying	4,158,997	4,007,421	3,068,916	2,870,175
Manufacturing	19,412,729	18,448,598	12,056,458	11,486,842
Electricity, gas and water supply	4,736,935	4,508,901	2,201,235	2,318,763
Construction	11,379,591	10,180,218	7,614,708	7,340,313
Transport, storage and communications	9,480,748	10,405,432	5,405,165	5,954,895
Education, health and others	18,996,960	19,128,367	15,585,980	15,582,155
Wholesale and retail trade, and restaurants and hotels	27,225,943	24,753,638	16,270,486	14,564,956
Finance, insurance/takaful, real estate and business activities	51,539,702	46,136,546	36,679,721	32,326,415
Household	206,981,576	198,639,063	103,674,525	102,753,487
Others	4,474,100	4,125,549	4,386,730	4,052,519
	<u>367,395,852</u>	<u>348,649,458</u>	<u>211,905,946</u>	<u>203,461,599</u>
(vii) By residual contractual maturity				
Within one year	69,225,138	65,784,616	52,183,105	48,928,114
One year to less than three years	24,472,236	23,438,254	17,123,463	17,572,879
Three years to less than five years	37,085,933	33,263,122	25,051,727	21,083,280
Five years and more	236,612,545	226,163,466	117,547,651	115,877,326
Gross loans, advances and financing	<u>367,395,852</u>	<u>348,649,458</u>	<u>211,905,946</u>	<u>203,461,599</u>

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

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	306,132	350,326	194,742	245,517
Credit cards	144,205	121,301	138,131	118,221
Purchase of consumer durables	1,561	1,997	444	895
Construction	321,532	292,140	143,157	125,172
Residential property (housing)	3,051,657	2,737,980	1,325,981	1,372,607
Non-residential property	593,293	705,929	382,071	544,389
Purchase of fixed assets other than land and buildings	30,399	30,136	3,505	3,559
Purchase of securities	45,507	53,934	43,233	44,785
Purchase of transport vehicles	320,127	300,204	66,928	76,631
Working capital	2,984,643	2,820,564	2,751,307	2,634,220
Merger and acquisition	40,095	-	40,095	-
Other purposes	881,795	738,460	474,504	380,284
Gross credit impaired loans, advances and financing	<u>8,720,946</u>	<u>8,152,971</u>	<u>5,564,098</u>	<u>5,546,280</u>
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	5,632,980	5,302,975	3,840,277	3,868,657
Indonesia	29,311	28,531	29,311	28,531
Thailand	1,280,739	1,137,178	-	-
Singapore	613,202	736,184	613,202	736,184
United Kingdom	45,627	8,700	45,627	8,700
Hong Kong	155,733	142,284	155,733	142,284
China	5,722	4,546	5,722	4,546
Other countries	957,632	792,573	874,226	757,378
Gross credit impaired loans, advances and financing	<u>8,720,946</u>	<u>8,152,971</u>	<u>5,564,098</u>	<u>5,546,280</u>
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	82,323	84,888	25,220	29,704
Mining and quarrying	1,055,213	994,091	1,054,994	992,953
Manufacturing	269,892	251,464	187,637	195,539
Electricity, gas and water supply	513	111	512	111
Construction	218,277	155,479	105,072	95,993
Transport, storage and communications	315,110	389,202	304,103	382,302
Education, health and others	106,617	156,934	29,583	28,375
Wholesale and retail trade, and restaurants and hotels	1,169,646	1,053,898	756,830	746,613
Finance, insurance/takaful, real estate and business activities	620,793	575,361	368,410	353,225
Household	4,024,973	3,755,456	1,875,701	1,986,583
Others	857,589	736,087	856,036	734,882
Gross credit impaired loans, advances and financing	<u>8,720,946</u>	<u>8,152,971</u>	<u>5,564,098</u>	<u>5,546,280</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Group	12-month expected	Lifetime expected credit	Lifetime expected	Purchased credit	Total
	credit losses	losses - not credit	credit losses		
	(Stage 1)	impaired	- Credit impaired	impaired	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,112,032	2,940,456	3,665,331	1,771	7,719,590
Changes in expected credit losses due to transferred within stages:	1,759,203	(1,661,584)	(97,619)	-	-
Transferred to Stage 1	2,138,599	(2,027,891)	(110,708)	-	-
Transferred to Stage 2	(362,486)	1,171,886	(809,400)	-	-
Transferred to Stage 3	(16,910)	(805,579)	822,489	-	-
Total charge to Statement of Income:	(502,562)	(7,367)	1,552,206	-	1,042,277
New financial assets originated	652,599	174,539	78,323	-	905,461
Financial assets that have been derecognised	(387,363)	(280,580)	-	-	(667,943)
Writeback in respect of full recoveries	-	-	(179,193)	-	(179,193)
Change in credit risk	(767,798)	98,674	1,653,076	-	983,952
Write-offs	(18)	(441)	(1,030,012)	-	(1,030,471)
Exchange fluctuation	19,951	5,673	92,696	20	118,340
Other movements	(20,227)	(2,440)	161,192	-	138,525
At 30 September 2023	2,368,379	1,274,297	4,343,794	1,791	7,988,261

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	746,781	1,774,325	2,733,149	5,254,255
Changes in expected credit losses due to transferred within stages:	1,133,069	(1,036,020)	(97,049)	-
Transferred to Stage 1	1,327,709	(1,246,585)	(81,124)	-
Transferred to Stage 2	(185,469)	647,472	(462,003)	-
Transferred to Stage 3	(9,171)	(436,907)	446,078	-
Total charge to Statement of Income:	(443,941)	(124,122)	1,057,328	489,265
New financial assets originated	525,743	162,371	54,853	742,967
Financial assets that have been derecognised	(324,677)	(193,282)	-	(517,959)
Writeback in respect of full recoveries	-	-	(92,812)	(92,812)
Change in credit risk	(645,007)	(93,211)	1,095,287	357,069
Write-offs	-	(124)	(671,364)	(671,488)
Exchange fluctuation	17,549	4,344	88,379	110,272
Other movements	(20,230)	(2,340)	124,823	102,253
At 30 September 2023	1,433,228	616,063	3,235,266	5,284,557

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2023	8,147,023	5,948	8,152,971
Transfer within stages	1,634,534	-	1,634,534
New financial assets originated	118,371	-	118,371
Write-offs	(1,030,012)	-	(1,030,012)
Amount fully recovered	(294,561)	-	(294,561)
Other changes in loans, advances and financing	23,192	(96)	23,096
Exchange fluctuation	116,481	66	116,547
At 30 September 2023	8,715,028	5,918	8,720,946

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

	The Group	
	30 Sept 2023	31 Dec 2022
Ratio of credit impaired loans to total loans, advances and financing	2.37%	2.34%

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses	Total
	- Credit impaired (Stage 3)	
	RM'000	RM'000
At 1 January 2023	5,546,280	5,546,280
Transfer within stages	651,702	651,702
New financial assets originated	79,045	79,045
Write-offs	(671,364)	(671,364)
Amount fully recovered	(111,396)	(111,396)
Other changes in loans, advances and financing	(31,665)	(31,665)
Exchange fluctuation	101,496	101,496
At 30 September 2023	5,564,098	5,564,098

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

	The Bank	
	30 Sept 2023	31 Dec 2022
Ratio of credit impaired loans to total loans, advances and financing	2.63%	2.73%

PART A - EXPLANATORY NOTES (CONTINUED)

A12. OTHER ASSETS

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Foreclosed assets net of allowance for impairment losses of RM45,997,000 (2022: RM32,672,000)	164,697	140,969	-	-
Due from brokers	22,603	10,377	22,603	10,377
Structured financing	506,190	553,415	506,190	553,415
Collateral pledged for derivative transactions	5,848,785	3,309,311	2,201,817	1,470,405
Treasury related receivables	4,348,297	1,744,362	3,879,856	622,847
Settlement accounts	809,029	1,242,400	715,593	1,181,106
Other debtors net of expected credit losses *, deposits and prepayments	2,703,371	1,808,325	2,585,856	1,653,175
	14,402,972	8,809,159	9,911,915	5,491,325

* net of expected credit losses of RM552,326,000 (2022: RM557,878,000) for the Group and RM535,283,000 (2022: RM537,996,000) for the Bank.

A13. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
(i) By type of deposit				
Demand deposits	90,141,950	89,000,516	69,431,549	69,787,834
Saving deposits	53,101,537	52,895,105	31,220,934	30,588,641
Fixed deposits	168,344,675	147,960,404	116,884,697	99,885,949
Negotiable instruments of deposit	1,876,953	648,944	-	-
Others	80,680,603	85,052,379	33,178,252	39,438,592
	394,145,718	375,557,348	250,715,432	239,701,016

(ii) By type of customer

Government and statutory bodies	14,248,238	15,005,285	6,756,746	7,950,192
Business enterprises	154,804,403	150,396,466	98,022,321	99,966,848
Individuals	158,801,226	141,861,718	106,933,130	92,466,307
Others	66,291,851	68,293,879	39,003,235	39,317,669
	394,145,718	375,557,348	250,715,432	239,701,016

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

Due within six months	131,746,943	111,143,210	95,310,658	77,052,645
Six months to less than one year	34,500,591	29,986,777	21,266,837	19,282,631
One year to less than three years	3,060,886	6,547,603	291,952	3,506,834
Three years to less than five years	913,206	931,758	15,250	43,839
Five years and more	2	-	-	-
	170,221,628	148,609,348	116,884,697	99,885,949

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Unrestricted investment accounts	18,438,729	13,684,632	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Licensed banks	30,203,844	26,143,964	30,251,612	26,259,072
Licensed finance companies	1,685,419	2,619,660	70,041	13,140
Licensed investment banks	507,296	834,313	132,971	261,338
Bank Negara Malaysia	1,330,324	1,270,997	1,325,324	1,265,997
Other financial institutions	6,361,332	2,782,907	5,349,616	1,649,821
	40,088,215	33,651,841	37,129,564	29,449,368

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

	30 Sept 2023	31 Dec 2022	30 Sept 2023	31 Dec 2022
Due within six months	37,019,498	30,671,097	34,435,557	26,956,542
Six months to less than one year	305,376	984,599	393,557	739,052
One year to less than three years	1,407,077	695,664	984,465	493,125
Three years to less than five years	667,799	652,571	627,520	612,739
Five years and more	688,465	647,910	688,465	647,910
	40,088,215	33,651,841	37,129,564	29,449,368

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

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Deposits from customers - structured investments	4,220,984	3,976,968	1,235,005	1,119,964
Debentures	646,169	655,323	-	-
Bills payable	1,848,167	2,036,603	-	-
	6,715,320	6,668,894	1,235,005	1,119,964

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

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 30 September 2023 were RM125,859,000 (2022: RM235,893,000) lower and RM21,775,000 higher (2022: RM13,215,000 lower) respectively than the contractual amount at maturity for the structured investments, RM5,939,000 lower (2022: RM9,259,000 higher) than the contractual amount at maturity for the debentures and RM141,953,000 (2022: RM280,465,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

Note	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Due to brokers and clients	12,812	6,172	12,812	6,172
Post employment benefit obligations	243,119	238,191	43,102	45,131
Sundry creditors	1,519,069	750,301	1,055,317	663,297
Expenditure payable	1,721,554	2,028,944	1,498,238	1,713,853
Expected credit losses for loan commitments and financial guarantee contracts	A17(a) 525,550	623,302	370,578	483,101
Provision for legal claims	50,063	51,355	32,811	34,516
Credit card expenditure payable	111,526	59,599	110,408	58,793
Collateral received for derivative transactions	6,549,071	6,186,788	2,946,940	2,664,253
Structured deposits	5,557,522	4,918,778	5,533,086	4,897,678
Treasury related payables	3,311,677	1,726,015	3,571,822	492,296
Settlement accounts	808,763	794,621	632,320	553,294
Others	939,765	1,058,522	651,351	700,153
	21,350,491	18,442,588	16,458,785	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:	113,123	(101,013)	(12,110)	-
Transferred to Stage 1	133,706	(124,434)	(9,272)	-
Transferred to Stage 2	(20,286)	52,975	(32,689)	-
Transferred to Stage 3	(297)	(29,554)	29,851	-
Total charge to Statement of Income:	(43,955)	25,321	(90,627)	(109,261)
New exposures	140,109	4,502	18	144,629
Exposures derecognised or matured	(135,124)	(13,570)	(18,595)	(167,289)
Change in credit risk	(48,940)	34,389	(72,050)	(86,601)
Exchange fluctuation	3,887	260	1,036	5,183
Other movements	(669)	2,005	4,990	6,326
At 30 September 2023	275,257	50,260	200,033	525,550

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

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2023	159,550	108,111	215,440	483,101
Changes in expected credit losses due to transferred within stages:	101,167	(91,077)	(10,090)	-
Transferred to Stage 1	116,596	(112,226)	(4,370)	-
Transferred to Stage 2	(15,172)	43,628	(28,456)	-
Transferred to Stage 3	(257)	(22,479)	22,736	-
Total charge to Statement of Income:	(61,699)	19,782	(80,730)	(122,647)
New exposures	108,341	4,150	4	112,495
Exposures derecognised or matured	(109,609)	(9,967)	-	(119,576)
Change in credit risk	(60,431)	25,599	(80,734)	(115,566)
Exchange fluctuation	3,599	200	-	3,799
Other movements	(636)	1,980	4,981	6,325
At 30 September 2023	201,981	38,996	129,601	370,578

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2022	229,474	102,855	81,141	413,470
Changes in expected credit losses due to transferred within stages:	65,046	(74,646)	9,600	-
Transferred to Stage 1	81,433	(75,706)	(5,727)	-
Transferred to Stage 2	(16,259)	34,576	(18,317)	-
Transferred to Stage 3	(128)	(33,516)	33,644	-
Total charge to Statement of Income:	(139,302)	79,763	118,983	59,444
New exposures	168,199	3,962	180	172,341
Exposures derecognised or matured	(98,326)	(16,519)	-	(114,845)
Change in credit risk	(209,175)	92,320	118,803	1,948
Exchange fluctuation	3,889	167	-	4,056
Other movements	443	(28)	5,716	6,131
At 31 December 2022	159,550	108,111	215,440	483,101

As at 30 September 2023, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM409,068,000 (2022: RM481,043,000) and RM333,253,000 (2022: RM408,635,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)**A18. INTEREST INCOME**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Group				
Loans and advances				
- interest income	3,498,601	2,486,775	9,679,028	6,701,058
- unwinding income [^]	37,564	43,985	105,437	95,471
Money at call and deposits with financial institutions	261,732	137,087	721,772	264,979
Reverse repurchase agreements	60,428	31,066	206,050	59,859
Debt instruments at fair value through other comprehensive income	470,901	342,977	1,321,376	971,027
Debt instruments at amortised cost	438,921	378,798	1,271,030	1,062,959
Others	30,033	14,408	82,518	34,296
	<u>4,798,180</u>	<u>3,435,096</u>	<u>13,387,211</u>	<u>9,189,649</u>
Net accretion of discount less amortisation of premium	40,348	(29,812)	101,896	(143,532)
	<u>4,838,528</u>	<u>3,405,284</u>	<u>13,489,107</u>	<u>9,046,117</u>
The Bank				
Loans and advances				
- interest income	2,948,182	2,077,382	8,114,397	5,508,967
- unwinding income [^]	31,636	40,449	90,119	84,275
Money at call and deposits with financial institutions	283,623	148,002	824,831	310,823
Reverse repurchase agreements	55,221	29,206	190,343	56,078
Debt instruments at fair value through other comprehensive income	437,720	310,588	1,225,843	869,059
Debt instruments at amortised cost	433,133	378,849	1,260,740	1,074,350
Others	30,031	14,407	82,515	34,294
	<u>4,219,546</u>	<u>2,998,883</u>	<u>11,788,788</u>	<u>7,937,846</u>
Net accretion of discount less amortisation of premium	42,319	(26,921)	105,084	(120,415)
	<u>4,261,865</u>	<u>2,971,962</u>	<u>11,893,872</u>	<u>7,817,431</u>

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

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Group				
Loans and advances at fair value through profit or loss	1,149	2,445	3,688	6,894
Financial investments at fair value through profit or loss	151,085	121,885	434,205	364,824
	<u>152,234</u>	<u>124,330</u>	<u>437,893</u>	<u>371,718</u>
Net accretion of discount less amortisation of premium	132,592	35,643	328,068	45,373
	<u>284,826</u>	<u>159,973</u>	<u>765,961</u>	<u>417,091</u>
The Bank				
Loans and advances at fair value through profit or loss	1,149	2,445	3,688	6,894
Financial investments at fair value through profit or loss	110,067	97,450	336,694	283,853
	<u>111,216</u>	<u>99,895</u>	<u>340,382</u>	<u>290,747</u>
Net accretion of discount less amortisation of premium	134,347	36,476	333,827	52,192
	<u>245,563</u>	<u>136,371</u>	<u>674,209</u>	<u>342,939</u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Group				
Deposits and placements of banks and other financial institutions	336,725	146,694	950,387	278,512
Deposits from other customers	1,944,432	902,304	5,305,783	2,206,917
Repurchase agreements	393,305	172,504	1,027,071	356,945
Financial liabilities designated at fair value through profit or loss	26,489	10,000	71,259	24,520
Negotiable certificates of deposits	21,607	4,305	77,355	19,565
Recourse obligation on loan and financing sold to Cagamas	11,154	7,057	25,066	19,228
Bonds, Sukuk and debentures	141,923	82,321	392,223	194,657
Subordinated obligations	111,350	88,543	334,467	242,863
Other borrowings	59,299	8,058	156,181	21,015
Structured deposits	42,488	19,551	120,953	34,578
Lease liabilities	4,969	4,104	13,308	11,898
Others	4,970	2,567	12,948	6,528
	3,098,711	1,448,008	8,487,001	3,417,226
The Bank				
Deposits and placements of banks and other financial institutions	309,270	130,072	866,267	248,207
Deposits from other customers	1,743,173	820,695	4,788,023	1,986,760
Repurchase agreements	378,902	167,599	993,054	345,790
Financial liabilities designated at fair value through profit or loss	10,573	5,851	30,076	11,285
Negotiable certificates of deposits	21,473	4,047	76,947	18,878
Recourse obligation on loan and financing sold to Cagamas	11,154	7,057	25,066	19,228
Bonds and debentures	133,555	73,495	365,954	169,535
Subordinated obligations	107,420	87,044	326,702	237,988
Other borrowings	61,685	12,404	163,687	33,934
Structured deposits	42,488	19,551	120,953	34,578
Lease liabilities	4,139	3,312	11,233	9,993
Others	30	69	87	87
	2,823,862	1,331,196	7,768,049	3,116,263

A21. MODIFICATION LOSS

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Group				
(a) Fee and commission income				
Commissions	179,673	154,162	507,181	525,416
Fee on loans and advances	173,622	114,954	413,796	385,153
Service charges and fees	174,663	146,409	504,628	429,957
Guarantee fees	14,579	16,312	51,212	53,864
Other fee income	54,492	61,163	153,244	147,634
Fee and commission income	597,029	493,000	1,630,061	1,542,024
(b) Fee and commission expense	(168,321)	(112,420)	(464,593)	(294,252)
Net fee and commission income	428,708	380,580	1,165,468	1,247,772
(c) Other non-interest income				
Gross dividend income from:				
Financial investments at fair value through profit or loss	17,025	9,600	51,108	39,446
Equity instruments at fair value through other comprehensive income	5	8	2,581	2,236
	17,030	9,608	53,689	41,682
Net loss arising from financial investments at fair value through profit or loss				
- realised	(177,254)	(330,528)	(348,359)	(855,195)
- unrealised	(222,402)	41,831	(157,938)	(581,695)
	(399,656)	(288,697)	(506,297)	(1,436,890)
Net gain arising from derivative financial instrument				
- realised	1,506,608	1,857,428	2,447,968	4,108,591
- unrealised	(27,502)	7,221	1,511,230	1,789,403
	1,479,106	1,864,649	3,959,198	5,897,994
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(1)	(104)	9	(1,154)
	(1)	(104)	9	(1,154)
Net gain arising from financial liabilities designated at fair value through profit or loss				
- realised	(4,861)	(7,539)	(85,312)	(35,059)
- unrealised	44,592	21,099	114,380	178,895
	39,731	13,560	29,068	143,836
Net (loss)/gain arising from hedging activities	(12,166)	(10,151)	(25,842)	38,641
Net gain/(loss) from sale of investment in debt instruments at fair value through other comprehensive income	50,161	5,133	162,484	(110,166)
Net gain from redemption of debt instruments at amortised cost	2	-	566	12,740
Other non-interest income				
Foreign exchange loss	(519,406)	(1,295,217)	(1,871,572)	(3,770,393)
Rental income	5,442	5,279	9,619	8,955
Gain on disposal of property, plant and equipment/ assets held for sale	(4,776)	5,830	4,048	23,416
(Loss)/gain on disposal of foreclosed assets	(6,827)	(21)	(7,248)	7,095
Gain/(loss) on disposal of loans, advances and financing	166	198	43,546	(1,541)
Gain on liquidation of foreign branch	8,111	-	8,111	-
Others	15,813	9,106	40,099	33,357
	(501,477)	(1,274,825)	(1,773,397)	(3,699,111)
Total other non-interest income	672,730	319,173	1,899,478	887,572
Net non-interest income	1,101,438	699,753	3,064,946	2,135,344

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Bank				
(a) Fee and commission income				
Commissions	132,061	102,202	352,557	334,515
Fee on loans and advances	170,610	111,161	403,295	373,553
Service charges and fees	439,788	389,352	1,389,049	1,189,242
Guarantee fees	12,532	14,347	44,716	47,277
Other fee income	51,015	59,370	145,966	142,091
Fee and commission income	806,006	676,432	2,335,583	2,086,678
(b) Fee and commission expense	(170,296)	(109,905)	(472,637)	(287,028)
Net fee and commission income	635,710	566,527	1,862,946	1,799,650
(c) Other non-interest income				
Gross dividend income from:				
Financial investments at fair value through profit or loss	17,003	9,578	51,018	39,356
Equity instruments at fair value through other comprehensive income	-	-	1,000	1,000
Subsidiary	-	-	130,183	121,252
Joint venture	-	-	-	5,000
	17,003	9,578	182,201	166,608
Net loss arising from financial investments at fair value through profit or loss				
- realised	(113,641)	(331,204)	(377,496)	(766,667)
- unrealised	42,501	37,018	12,680	(231,389)
	(71,140)	(294,186)	(364,816)	(998,056)
Net gain arising from derivative financial instrument				
- realised	1,523,543	1,559,223	2,206,889	3,710,429
- unrealised	(392,836)	78,347	1,551,276	1,270,972
	1,130,707	1,637,570	3,758,165	4,981,401
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(1)	(104)	9	(1,154)
	(1)	(104)	9	(1,154)
Net (loss)/gain arising from financial liabilities designated at fair value through profit or loss				
- realised	(1,419)	(2,241)	(61)	(3,078)
- unrealised	(4,054)	924	(34,524)	3,561
	(5,473)	(1,317)	(34,585)	483
Net gain arising from hedging activities	12,441	14,338	33,973	49,290
Net gain/(loss) from sale of investment in debt instruments at fair value through other comprehensive income	24,688	(107)	102,157	(4,772)
Net (loss)/gain from redemption of debt instruments at amortised cost	-	-	(27)	12,740
Other non-interest income				
Foreign exchange loss	(460,053)	(1,146,313)	(1,888,827)	(3,451,767)
Rental income	5,121	5,069	8,621	8,238
Gain on disposal of property, plant and equipment/ assets held for sale	89	141	3,580	6,959
Loss on disposal of loans, advances and financing	-	(73)	-	(4,421)
Others	7,548	7,241	24,266	17,553
	(447,295)	(1,133,935)	(1,852,360)	(3,423,438)
Total other non-interest income	660,930	231,837	1,824,717	783,102
Net non-interest income	1,296,640	798,364	3,687,663	2,582,752

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	844,617	886,695	2,533,286	2,417,272
- Pension cost	99,390	90,402	273,460	267,797
- Share-based expense ¹	9,230	11,769	33,288	32,835
- Overtime	6,535	3,327	18,962	8,991
- Staff incentives and other staff payments	45,414	56,419	86,035	139,669
- Medical expenses	21,847	16,715	60,803	52,071
- Others	24,986	23,218	75,174	66,524
	1,052,019	1,088,545	3,081,008	2,985,159
Establishment costs				
- Depreciation of property, plant and equipment	41,670	41,025	129,427	124,377
- Depreciation of right-of-use assets	48,072	46,767	136,233	136,374
- Rental	27,769	24,707	81,435	66,261
- Amortisation of intangible assets	87,580	84,240	260,253	357,543
- Repair and maintenance	166,707	130,337	499,393	388,978
- Outsourced services	17,602	16,461	47,253	45,836
- Security expenses	20,146	13,568	59,851	52,717
- Intangible assets written off	387	244	649	1,511
- Others	34,740	29,736	114,042	91,217
	444,673	387,085	1,328,536	1,264,814
Marketing expenses				
- Advertisement	29,185	26,851	69,281	58,987
- Others	40,816	11,775	100,103	33,321
	70,001	38,626	169,384	92,308
Administration and general expenses				
- Communication	24,454	21,845	59,358	57,434
- Consultancy and professional fees	27,085	26,877	81,599	104,639
- Legal expenses	6,036	5,063	15,628	37,102
- Stationery	5,382	3,345	14,490	11,021
- Postages	7,642	6,038	21,633	17,377
- Administrative travelling and vehicle expenses	6,270	4,664	16,392	10,949
- Incidental expenses on banking operations	11,826	11,211	35,044	31,801
- Others	172,107	120,946	406,678	275,939
	260,802	199,989	650,822	546,262
	1,827,495	1,714,245	5,229,750	4,888,543

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	679,692	741,455	2,036,737	1,944,606
- Pension cost	86,325	78,339	232,665	231,073
- Share-based expense ¹	7,040	9,611	26,982	26,687
- Overtime	4,751	1,708	13,634	4,618
- Staff incentives and other staff payments	33,706	45,289	105,307	55,257
- Medical expenses	20,087	15,225	55,496	47,168
- Others	16,478	18,243	53,245	51,881
	848,079	909,870	2,524,066	2,361,290
Establishment costs				
- Depreciation of property, plant and equipment	31,029	30,546	95,329	92,702
- Depreciation of right-of-use assets	40,881	38,152	114,560	113,076
- Rental	17,293	13,361	48,209	39,578
- Amortisation of intangible assets	71,167	71,066	213,186	301,598
- Repair and maintenance	151,679	118,562	458,620	356,296
- Outsourced services	11,645	10,152	33,393	28,895
- Security expenses	18,646	12,596	56,060	49,469
- Intangible assets written off	380	244	380	1,464
- Others	29,339	25,111	96,977	76,948
	372,059	319,790	1,116,714	1,060,026
Marketing expenses				
- Advertisement	22,712	19,688	53,911	41,410
- Others	38,471	9,880	94,008	28,452
	61,183	29,568	147,919	69,862
Administration and general expenses				
- Communication	23,033	20,331	54,973	53,474
- Consultancy and professional fees	22,593	22,759	68,943	94,974
- Legal expenses	1,980	927	2,273	28,332
- Stationery	4,000	1,969	9,656	7,551
- Postages	5,624	4,146	15,978	12,772
- Administrative travelling and vehicle expenses	3,993	2,633	10,276	5,845
- Incidental expenses on banking operations	6,648	5,841	19,462	16,214
- Others	171,924	119,944	388,860	279,285
	239,795	178,550	570,421	498,447
	1,521,116	1,437,778	4,359,120	3,989,625

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

PART A - EXPLANATORY NOTES (CONTINUED)**A24(a). EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING**

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	383,587	477,045	1,042,277	1,056,475
Credit impaired:				
- recovered	(146,120)	(95,474)	(409,482)	(336,006)
- written off	5,273	4,976	63,830	12,310
	<u>242,740</u>	<u>386,547</u>	<u>696,625</u>	<u>732,779</u>
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	204,237	273,458	489,265	492,634
Credit impaired:				
- recovered	(95,140)	(49,315)	(259,649)	(187,421)
- written off	4,194	4,278	61,116	10,745
	<u>113,291</u>	<u>228,421</u>	<u>290,732</u>	<u>315,958</u>

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

	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023 RM'000	30 Sept 2022 RM'000	30 Sept 2023 RM'000	30 Sept 2022 RM'000
The Group				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	(964)	(4,268)	16,374	(37,919)
- Debt instrument at amortised cost	10,731	(1,785)	10,193	(103,809)
- Money at call and deposits and placements with banks and other financial institutions	81	99	(87)	12
- Other assets	44,574	26,122	109,121	233,385
- Right-of-use assets	-	(6)	-	(723)
	<u>54,422</u>	<u>20,162</u>	<u>135,601</u>	<u>90,946</u>
The Bank				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	(1,064)	(4,233)	15,391	(36,044)
- Debt instrument at amortised cost	10,807	5,631	8,350	(108,505)
- Money at call and deposits and placements with banks and other financial institutions	62	(396)	(462)	(1,509)
- Other assets	1,034	2,017	(2,618)	150,338
- Right-of-use assets	-	(6)	-	(723)
- Subsidiaries	-	-	-	18,485
	<u>10,839</u>	<u>3,013</u>	<u>20,661</u>	<u>22,042</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.

	The Group			The Bank		
	Principal	Fair values		Principal	Fair values	
At 30 September 2023	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	45,281,035	1,046,398	(376,166)	31,909,873	710,247	(192,288)
- less than one year	42,046,306	998,254	(250,302)	29,745,710	668,809	(109,629)
- one year to three years	2,899,005	46,066	(94,659)	1,899,065	39,568	(48,241)
- more than three years	335,724	2,078	(31,205)	265,098	1,870	(34,418)
	890,698,928	10,958,333	(11,249,079)	679,765,712	6,260,921	(5,588,145)
Currency swaps						
- less than one year	884,364,814	10,894,482	(11,191,854)	677,543,180	6,243,549	(5,571,127)
- one year to three years	3,699,159	25,710	(42,037)	1,525,566	13,703	(8,186)
- more than three years	2,634,955	38,141	(15,188)	696,966	3,669	(8,832)
Currency spots	7,684,838	11,318	(11,028)	6,525,500	9,683	(8,876)
- less than one year	7,684,838	11,318	(11,028)	6,525,500	9,683	(8,876)
Currency options	12,449,464	86,736	(74,271)	12,394,467	85,909	(73,842)
- less than one year	11,121,386	67,644	(47,791)	11,066,389	66,817	(47,362)
- one year to three years	1,328,078	19,092	(26,480)	1,328,078	19,092	(26,480)
Cross currency interest rate swaps	121,844,489	4,960,067	(4,888,342)	32,678,224	1,371,081	(1,412,273)
- less than one year	44,599,426	1,858,751	(1,233,721)	10,347,630	416,866	(361,278)
- one year to three years	39,515,080	1,469,954	(1,937,774)	14,275,311	564,040	(777,117)
- more than three years	37,729,983	1,631,362	(1,716,847)	8,055,283	390,175	(273,878)
	1,077,958,754	17,062,852	(16,598,886)	763,273,776	8,437,841	(7,275,424)
<u>Interest rate derivatives</u>						
Interest rate swaps	741,782,810	5,789,198	(5,166,019)	202,783,583	2,351,083	(2,017,376)
- less than one year	421,016,493	781,163	(765,714)	75,368,076	281,809	(254,940)
- one year to three years	155,646,011	1,291,853	(1,152,267)	55,945,344	512,465	(503,329)
- more than three years	165,120,306	3,716,182	(3,248,038)	71,470,163	1,556,809	(1,259,107)
Interest rate futures	3,840,993	22,338	(5,212)	3,840,993	22,338	(5,212)
- less than one year	2,902,693	22,244	(5,212)	2,902,693	22,244	(5,212)
- one year to three years	938,300	94	-	938,300	94	-
Interest rate options	442,640	4,978	(1,204)	275,424	1,204	(1,204)
- one year to three years	442,640	4,978	(1,204)	275,424	1,204	(1,204)
	746,066,443	5,816,514	(5,172,435)	206,900,000	2,374,625	(2,023,792)
<u>Equity related derivatives</u>						
Equity swaps	510,963	22,513	(12,195)	510,963	22,513	(12,195)
- less than one year	138,492	9,348	(1,967)	138,492	9,348	(1,967)
- one year to three years	372,471	13,165	(10,228)	372,471	13,165	(10,228)
Equity options	3,609,250	92,005	(272,023)	3,401,298	91,455	(272,251)
- less than one year	3,100,385	80,259	(263,017)	3,035,485	80,240	(263,776)
- one year to three years	409,080	11,288	(8,548)	365,813	11,215	(8,475)
- more than three years	99,785	458	(458)	-	-	-
Equity futures	44,076	30	(193)	44,076	30	(193)
- less than one year	44,076	30	(193)	44,076	30	(193)
	4,164,289	114,548	(284,411)	3,956,337	113,998	(284,639)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(i) Derivative financial instruments (continued)

At 30 September 2023	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	1,209,815	96,798	(103,055)	1,209,801	96,798	(103,060)
- less than one year	1,181,922	94,977	(101,118)	1,181,908	94,977	(101,123)
- one year to three years	27,893	1,821	(1,937)	27,893	1,821	(1,937)
Commodity futures	124,321	5,619	(947)	124,321	5,619	(947)
- less than one year	119,425	5,431	(942)	119,425	5,431	(942)
- one year to three years	4,896	188	(5)	4,896	188	(5)
Commodity options	2,715,468	8,222	(6,488)	2,715,538	8,222	(6,488)
- less than one year	2,704,955	7,618	(5,896)	2,705,025	7,618	(5,896)
- one year to three years	10,513	604	(592)	10,513	604	(592)
	4,049,604	110,639	(110,490)	4,049,660	110,639	(110,495)
<u>Credit related derivatives</u>						
Credit default swaps	2,731,992	19,599	(8,409)	2,729,613	19,599	(8,442)
- less than one year	134,002	483	(103)	134,002	483	(103)
- one year to three years	1,550,930	10,664	(5,136)	1,550,930	10,700	(5,034)
- more than three years	1,047,060	8,452	(3,170)	1,044,681	8,416	(3,305)
Total return swaps	19,900	-	(351)	19,900	-	(351)
- one year to three years	19,900	-	(351)	19,900	-	(351)
	2,751,892	19,599	(8,760)	2,749,513	19,599	(8,793)
<u>Bond contract</u>						
Bond forward	4,899,328	398,911	(23,820)	30,000	-	(44)
- less than one year	1,843,363	182,840	(5,271)	-	-	-
- one year to three years	2,040,677	163,188	(10,981)	-	-	-
- more than three years	1,015,288	52,883	(7,568)	30,000	-	(44)
<u>Hedging derivatives</u>						
Currency swaps	7,079,277	88,342	(67,854)	6,883,772	88,342	(58,837)
- less than one year	7,079,277	88,342	(67,854)	6,883,772	88,342	(58,837)
Cross currency interest rate swaps	5,192,695	367,603	(105,352)	2,618,089	21,886	(74,088)
- less than one year	1,722,379	111,437	(20,415)	1,095,275	-	(20,595)
- one year to three years	2,142,873	153,166	(84,612)	929,169	-	(53,493)
- more than three years	1,327,443	103,000	(325)	593,645	21,886	-
Interest rate swaps	37,168,449	965,882	(416,871)	37,597,569	943,106	(430,396)
- less than one year	9,723,953	76,962	(34,673)	9,778,953	76,962	(35,278)
- one year to three years	8,807,781	177,073	(66,915)	8,544,544	174,474	(71,400)
- more than three years	18,636,715	711,847	(315,283)	19,274,072	691,670	(323,718)
	49,440,421	1,421,827	(590,077)	47,099,430	1,053,334	(563,321)
Total derivatives assets/(liabilities)	1,889,330,731	24,944,890	(22,788,879)	1,028,058,716	12,110,036	(10,266,508)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(i) Derivative financial instruments (continued)

At 31 December 2022	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	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	162,403	(709,288)
- less than one year	40,810,715	266,914	(913,359)	27,211,915	134,180	(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	3,363,300	(3,348,217)
- less than one year	421,006,812	7,479,472	(7,246,717)	219,254,411	3,351,355	(3,309,318)
- one year to three years	3,259,075	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	275,317,403	537,366	(529,655)	71,564,554	205,313	(196,712)
- one year to three years	144,266,694	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	1,877,009	101,450	(156,602)	1,711,180	101,399	(156,400)
- one year to three years	360,384	11,072	(3,348)	258,169	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)	-	-	-
- less than one year	882,451	71,035	(15,526)	-	-	-
- one year to three years	1,529,310	198,034	(11,690)	-	-	-
- more than three years	370,052	30,277	(3,460)	-	-	-
<u>Hedging derivatives</u>						
Currency swaps	7,358,750	101,806	(158,669)	6,942,978	94,909	(158,669)
- less than one year	7,358,750	101,806	(158,669)	6,942,978	94,909	(158,669)
Cross currency interest rate swaps	3,405,249	215,887	(99,579)	888,494	-	(75,601)
- less than one year	441,209	45,650	(2,188)	-	-	-
- one year to three years	1,487,628	77,912	(51,846)	456,071	-	(25,687)
- more than three years	1,476,412	92,325	(45,545)	432,423	-	(49,914)
Interest rate swaps	35,291,417	890,368	(385,202)	31,038,316	854,553	(381,666)
- less than one year	4,087,929	12,909	(18,138)	3,121,139	9,760	(18,138)
- one year to three years	11,104,638	123,473	(95,732)	9,422,090	116,625	(98,844)
- more than three years	20,098,850	753,986	(271,332)	18,495,087	728,168	(264,684)
	46,055,416	1,208,061	(643,450)	38,869,788	949,462	(615,936)
Total derivatives assets/(liabilities)	1,194,233,714	17,793,200	(17,267,265)	526,074,901	8,160,302	(7,803,618)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfill their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2023, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM24,944,890,000 and RM12,110,036,000 respectively (2022: RM17,793,200,000 and RM8,160,302,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 September 2023, the Group and the Bank has posted cash collateral of RM5,848,785,000 and RM2,201,817,000 respectively (2022: RM3,309,311,000 and RM1,470,405,000 respectively) on their derivative contracts.

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)**A26. COMMITMENTS AND CONTINGENCIES**

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

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

	30 Sept 2023	31 Dec 2022
	Principal	Principal
	RM'000	RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	3,722,586	3,543,077
Transaction-related contingent items	5,925,852	5,770,401
Short-term self-liquidating trade-related contingencies	4,059,593	4,151,626
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	88,694,596	82,013,088
- maturity exceeding one year	37,297,768	38,062,217
Miscellaneous commitments and contingencies	1,164,950	747,248
Total credit-related commitments and contingencies	140,865,345	134,287,657
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	998,618,426	504,248,780
- one year to five years	76,362,338	69,657,716
- more than five years	15,249,962	16,617,451
	1,090,230,726	590,523,947
Interest rate related contracts :		
- less than one year	433,643,139	280,516,568
- one year to five years	285,966,108	252,278,343
- more than five years	63,625,645	61,592,936
	783,234,892	594,387,847
Equity related contracts:		
- less than one year	3,282,953	2,041,013
- one year to five years	781,551	646,019
- more than five years	99,785	93,297
	4,164,289	2,780,329
Credit related contracts:		
- less than one year	134,002	12,642
- one year to five years	2,335,855	2,258,816
- more than five years	282,035	241,979
	2,751,892	2,513,437
Commodity related contracts:		
- less than one year	4,006,302	1,246,341
- one year to five years	43,302	-
	4,049,604	1,246,341
Bond contracts:		
- less than one year	1,843,363	882,451
- one year to five years	3,025,965	1,899,362
- more than five years	30,000	-
	4,899,328	2,781,813
Total treasury-related commitments and contingencies	1,889,330,731	1,194,233,714
	2,030,196,076	1,328,521,371

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	30 Sept 2023 Principal RM'000	31 Dec 2022 Principal RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,258,781	3,168,439
Transaction-related contingent items	3,890,271	3,905,844
Short-term self-liquidating trade-related contingencies	2,583,247	2,801,354
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	72,255,282	63,548,084
- maturity exceeding one year	22,651,064	24,951,899
Miscellaneous commitments and contingencies	1,088,175	687,141
Total credit-related commitments and contingencies	<u>105,726,820</u>	<u>99,062,761</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	743,207,456	267,887,297
- one year to five years	26,287,166	26,831,791
- more than five years	3,281,015	3,648,930
	772,775,637	298,368,018
Interest rate related contracts :		
- less than one year	88,049,722	75,796,929
- one year to five years	131,201,089	123,266,786
- more than five years	25,246,758	22,465,744
	244,497,569	221,529,459
Equity related contracts:		
- less than one year	3,218,053	1,875,184
- one year to five years	738,284	543,804
	3,956,337	2,418,988
Credit related contracts:		
- less than one year	134,002	12,642
- one year to five years	2,334,021	2,257,819
- more than five years	281,490	241,634
	2,749,513	2,512,095
Commodity related contracts:		
- less than one year	4,006,358	1,246,341
- one year to five years	43,302	-
	4,049,660	1,246,341
Bond contracts:		
- more than five years	30,000	-
	30,000	-
Total treasury-related commitments and contingencies	<u>1,028,058,716</u>	<u>526,074,901</u>
	<u>1,133,785,536</u>	<u>625,137,662</u>

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

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 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
- maturity exceeding one year	100,000	-	100,000	-
	<u>3,100,000</u>	<u>3,000,000</u>	<u>3,100,000</u>	<u>3,000,000</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY

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

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

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

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

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

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

30 September 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	14.238%	14.065%
Tier 1 ratio	14.845%	14.817%
Total capital ratio	18.154%	18.129%

(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⁾	250,334,669	155,354,166
Market risk	16,187,573	10,321,680
Large exposure risk requirements	1,238,036	1,238,036
Operational risk	26,271,395	19,355,184
Total risk-weighted assets	294,031,673	186,269,066

⁽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	831,575	831,575

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

30 September 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	23,009,502	23,009,502
Other reserves	26,477,094	15,611,562
Qualifying non-controlling interests	171,670	-
Common Equity Tier 1 capital before regulatory adjustments	<u>49,658,266</u>	<u>38,621,064</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,941,150)	(3,555,075)
Intangible assets	(1,217,892)	(1,050,859)
Deferred tax assets	(1,524,269)	(928,391)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(6,013,848)
Regulatory reserve	(1,160,815)	(870,809)
Others	49,930	(3,017)
Common Equity Tier 1 capital after regulatory adjustments	<u>41,864,070</u>	<u>26,199,065</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	33,955	-
Additional Tier 1 capital before regulatory adjustments	<u>1,783,955</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>1,783,955</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>43,648,025</u>	<u>27,599,065</u>
Tier 2 capital		
Subordinated obligations	7,500,000	7,500,000
Qualifying capital instruments held by third parties	317,509	-
Surplus of eligible provisions over expected loss	1,122,370	761,806
General provisions ^	790,912	354,832
Tier 2 capital before regulatory adjustments	<u>9,730,791</u>	<u>8,616,638</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,446,145)
Total Tier 2 capital	<u>9,730,791</u>	<u>6,170,493</u>
Total capital	<u>53,378,816</u>	<u>33,769,558</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	12.564%	14.424%	N/A	N/A
Tier 1 ratio	13.105%	14.424%	N/A	N/A
Total capital ratio	<u>15.276%</u>	<u>19.920%</u>	<u>20.307%</u>	<u>49.298%</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 1 ratio	15.802%	15.736%
Total capital ratio	<u>19.458%</u>	<u>19.458%</u>

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

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

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

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

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

	The Group	The Bank*
	RM'000	RM'000
Common Equity Tier 1 capital		
Ordinary share capital	22,979,762	22,979,762
Other reserves	25,403,623	15,271,997
Qualifying non-controlling interests	163,682	-
Less: Proposed dividends	(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 regulatory adjustments	<u>1,783,305</u>	<u>1,750,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(350,000)
Additional Tier 1 capital after regulatory adjustments	<u>1,783,305</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>42,537,489</u>	<u>26,952,846</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2022 - Basel III (Continued)

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

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

	CIMB Islamic			CIMB Bank
	Bank	CIMB Thai Bank	CIMB Bank PLC	(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 RM466 million (2022: RM368 million) and RM209 million (2022: RM212 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT

Definition of segments

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

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

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

CIMB Digital Assets & Group Funding

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

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

The Group
30 September 2023

	Consumer Banking	Commercial Banking	Wholesale Banking	CIMB Digital Assets & Group Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense) - after modification loss					
- external income	2,847,915	1,223,917	921,418	772,328	5,765,578
- inter-segment	(73,217)	724,933	(107,975)	(543,741)	-
	<u>2,774,698</u>	<u>1,948,850</u>	<u>813,443</u>	<u>228,587</u>	<u>5,765,578</u>
Income from Islamic Banking operations	1,302,576	716,537	612,323	(131,687)	2,499,749
Net non-interest income	897,868	355,197	1,440,144	371,737	3,064,946
Net income	4,975,142	3,020,584	2,865,910	468,637	11,330,273
Overheads	(2,644,161)	(908,492)	(1,266,703)	(410,394)	(5,229,750)
of which:					
Depreciation of property, plant and equipment	(46,186)	(2,224)	(7,573)	(73,444)	(129,427)
Amortisation of intangible assets	(64,850)	(9,159)	(42,369)	(143,875)	(260,253)
Profit before expected credit losses	2,330,981	2,112,092	1,599,207	58,243	6,100,523
Expected credit losses made on loans, advances and financing	(178,734)	(125,754)	(228,924)	(163,213)	(696,625)
Expected credit losses for commitments and contingencies (made)/written back	(16,527)	13,088	112,700	-	109,261
Other expected credit losses and impairment allowances	(111,966)	(430)	(19,116)	(4,089)	(135,601)
Segment results	<u>2,023,754</u>	<u>1,998,996</u>	<u>1,463,867</u>	<u>(109,059)</u>	<u>5,377,558</u>
Share of results of joint venture	2,472	-	-	-	2,472
Taxation					<u>(1,289,173)</u>
Profit for the financial period					<u>4,090,857</u>

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

The Group
30 September 2022

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

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group

30 September 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	201,372,437	51,900,748	257,433,446	97,172,949	607,879,580
Unallocated assets					21,123,628
Total assets					629,003,208
Segment liabilities	156,477,340	70,650,999	282,657,792	46,149,348	555,935,479
Unallocated liabilities					21,901,907
Total liabilities					577,837,386
Other segment items					
Capital expenditure	126,361	16,432	66,942	253,795	463,530
Investment in joint venture	165,378	-	-	-	165,378

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			Total
	Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000
30 Sept 2023				
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	34,034,449	315,790	34,350,239
-Quoted securities	1,680,294	-	-	1,680,294
-Unquoted securities	-	5,787,249	1,131,771	6,919,020
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	18,012,700	-	18,012,700
-Unquoted securities	-	33,988,609	-	33,988,609
Equity instruments at fair value through other comprehensive income				
-Quoted securities	1,697	-	-	1,697
-Unquoted securities	-	-	272,164	272,164
Derivative financial instruments				
-Trading derivatives	33,861	23,395,817	93,385	23,523,063
-Hedging derivatives	-	1,421,827	-	1,421,827
Loans, advances and financing at fair value through profit or loss	-	79,415	-	79,415
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	5,584	-	5,584
Total	1,715,852	116,725,650	1,813,110	120,254,612
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	97,670	21,919,379	181,753	22,198,802
- Hedging derivatives	-	590,077	-	590,077
Financial liabilities designated at fair values through profit or loss	-	6,715,320	-	6,715,320
Total	97,670	29,224,776	181,753	29,504,199

The Group	Fair Value			Total
	Level 1	Level 2	Level 3	
	RM'000	RM'000	RM'000	RM'000
31 Dec 2022				
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			Total
	Level 1	Level 2	Level 3	
Recurring fair value measurements	RM'000	RM'000	RM'000	RM'000
Fair Value				
30 Sept 2023				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	24,108,383	315,790	24,424,173
-Quoted securities	1,680,294	-	-	1,680,294
-Unquoted securities	-	4,798,773	1,117,786	5,916,559
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	13,745,356	-	13,745,356
-Unquoted securities	-	27,098,305	-	27,098,305
Equity instruments at fair value through other comprehensive income				
-Quoted securities	63	-	-	63
-Unquoted securities	-	-	267,612	267,612
Derivative financial instruments				
-Trading derivatives	33,861	10,929,668	93,173	11,056,702
-Hedging derivatives	-	1,053,334	-	1,053,334
Loans, advances and financing at fair value through profit or loss	-	79,415	-	79,415
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets/disposal groups held for sale	-	5,584	-	5,584
Total	1,714,218	81,818,818	1,794,361	85,327,397
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	97,670	9,421,891	183,626	9,703,187
-Hedging derivatives	-	563,321	-	563,321
Financial liabilities designated at fair values through profit or loss	-	1,235,005	-	1,235,005
Total	97,670	11,220,217	183,626	11,501,513
Fair Value				
31 Dec 2022				
The Bank	Level 1	Level 2	Level 3	Total
Recurring fair value measurements	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	19,297,362	295,529	19,592,891
-Quoted securities	1,340,074	-	-	1,340,074
-Unquoted securities	-	3,635,375	1,136,479	4,771,854
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,944,132	-	11,944,132
-Unquoted securities	-	22,761,975	-	22,761,975
Equity instruments at fair value through other comprehensive income				
-Quoted securities	72	-	-	72
-Unquoted securities	-	-	267,685	267,685
Derivative financial instruments				
-Trading derivatives	11,558	7,083,550	115,732	7,210,840
-Hedging derivatives	-	949,462	-	949,462
Loans, advances and financing at fair value through profit or loss	-	107,552	-	107,552
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	7,471	-	7,471
Total	1,351,704	65,786,879	1,815,425	68,954,008
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	42,227	7,018,071	127,384	7,187,682
-Hedging derivatives	-	615,936	-	615,936
Financial liabilities designated at fair values through profit or loss	-	1,119,964	-	1,119,964
Total	42,227	8,753,971	127,384	8,923,582

PART A-EXPLANATORY NOTES (CONTINUED)**A29. FAIR VALUE ESTIMATION (CONTINUED)**

The following represents the changes in Level 3 instruments for the financial period/year ended 30 September 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	27,332	-	(26,784)	548	14,277	14,277
Total losses recognised in other comprehensive income	-	(777)	-	(777)	-	-
Purchases	336	422	8,235	8,993	(351,400)	(351,400)
Sales and redemptions	(53,424)	(307)	-	(53,731)	-	-
Settlements	-	-	(6,640)	(6,640)	278,325	278,325
Exchange fluctuation	27,779	65	2,842	30,686	(2,725)	(2,725)
At 30 September	1,447,561	272,164	93,385	1,813,110	(181,753)	(181,753)
Total gains/(losses) recognised in statement of income for financial period ended 30 September 2023 under:						
- net non-interest income	27,332	-	(26,784)	548	14,277	14,277
Total losses recognised in other comprehensive income for financial period ended 30 September 2023 under "revaluation reserves"	-	(777)	-	(777)	-	-
Change in unrealised gain/(losses) recognised in statement of income relating to assets held on 30 September 2023 under "net non-interest income"	13,451	-	167,148	180,599	(70,462)	(70,462)

	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	26,877	-	(26,831)	46	19,510	19,510
Total gains recognised in other comprehensive income	-	231	-	231	-	-
Purchases	336	-	8,038	8,374	(351,338)	(351,338)
Sales and redemptions	(53,424)	(307)	-	(53,731)	-	-
Settlements	-	-	(6,608)	(6,608)	278,311	278,311
Exchange fluctuation	27,779	3	2,842	30,624	(2,725)	(2,725)
At 30 September	1,433,576	267,612	93,173	1,794,361	(183,626)	(183,626)
Total gains/(losses) recognised in statement of income for financial period ended 30 September 2023 under:						
- net non-interest income	26,877	-	(26,831)	46	19,510	19,510
Total gains recognised in other comprehensive income for financial period ended 30 September 2023 under "revaluation reserves"	-	231	-	231	-	-
Change in unrealised gain/(losses) recognised in statement of income relating to assets held on 30 September 2023 under "net non-interest income"	12,997	-	167,107	180,104	(70,549)	(70,549)

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING

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

	Note	The Group		The Bank	
		30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Assets					
Cash and short-term funds		7,379,931	16,980,171	2,084,445	2,401,653
Reverse Collateralised Commodity Murabahah		895,660	503,206	-	-
Deposits and placements with banks and other financial institutions		333,327	197,875	1,353,347	1,836,271
Financial assets at fair value through profit or loss		5,091,951	2,075,001	-	32,775
Debt instruments at fair value through other comprehensive income		5,773,951	5,274,682	263,800	274,298
Debt instruments at amortised cost		13,918,940	9,400,868	42,187	39,404
Islamic derivative financial instruments		473,575	532,332	27,005	65,436
Financing, advances and other financing/loans	A30c	118,387,488	110,310,199	2,896,258	2,717,448
Other assets		2,045,499	926,309	452,861	437,247
Deferred taxation		261,026	188,883	-	-
Tax recoverable		1,761	6,170	-	-
Amount due from conventional operations		1,680,243	1,712,185	-	-
Amount due from related companies		13,387,220	11,884,260	13,386,219	11,884,240
Statutory deposits with Bank Negara Malaysia		1,835,410	1,696,000	-	-
Goodwill		136,000	136,000	-	-
Intangible assets		3,309	1,551	44	52
Property, plant and equipment		669	812	89	34
Right-of-use assets		928	1,261	217	256
Total assets		171,606,888	161,827,765	20,506,472	19,689,114
Liabilities					
Deposits from customers	A30d	111,621,281	106,874,630	4,290,459	4,048,654
Investment accounts of customers	A30e	18,438,729	13,684,632	-	-
Deposits and placements of banks and other financial institutions		3,227,068	5,625,052	111,166	585,076
Collateralised Commodity Murabahah		1,602,166	1,927,726	-	-
Investment accounts due to designated financial institutions	A30f	3,463,609	3,576,590	-	-
Financial liabilities designated at fair value through profit or loss	A30g	2,985,978	2,857,004	-	-
Islamic derivative financial instruments		536,004	777,653	4,294	44,929
Amount due to related company		587,159	415,798	476,198	311,559
Other liabilities		15,434,640	14,343,064	14,603,563	13,893,896
Lease liabilities		1,312	1,615	380	417
Recourse obligation on loans and financing sold to Cagamas		989,907	-	-	-
Provision for taxation		40,173	-	-	-
Subordinated Sukuk		1,105,527	1,109,342	-	-
Total liabilities		160,033,553	151,193,106	19,486,060	18,884,531
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		350,000	350,000	-	-
Reserves		10,223,335	9,284,659	1,020,412	804,583
Total equity		11,573,335	10,634,659	1,020,412	804,583
Total equity and liabilities		171,606,888	161,827,765	20,506,472	19,689,114
Restricted Agency Investment Account(*)		15,522,323	14,280,429	-	-
Total Islamic Banking Assets		187,129,211	176,108,194	20,506,472	19,689,114

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

Note	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,405,316	1,045,772	3,866,801	2,720,095
Income derived from investment of investment accounts	291,098	192,278	804,742	543,762
Net income derived from investment of shareholders' funds	206,235	261,100	895,062	688,220
Modification loss	A21 (4)	(1)	(77)	(2,844)
Expected credit losses made on financing, advances and other financing/loans	(89,846)	(90,500)	(256,924)	(258,434)
Expected credit losses for commitments and contingencies written back/(made)	10,358	(372)	(26,491)	30,776
Other expected credit losses and impairment allowances written back/(made)	107	420	702	(18,805)
Total distributable income	1,823,264	1,408,697	5,283,815	3,702,770
Income attributable to depositors and others	(941,751)	(554,668)	(2,724,185)	(1,383,551)
Profit distributed to investment account holder	(200,465)	(98,659)	(544,534)	(270,679)
Total net income	681,048	755,370	2,015,096	2,048,540
Other operating expenses	(295,229)	(269,351)	(972,882)	(852,712)
Profit before taxation and zakat	385,819	486,019	1,042,214	1,195,828
Taxation and zakat	(75,787)	(142,195)	(218,699)	(370,878)
Profit for the financial period	310,032	343,824	823,515	824,950

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

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	310,032	343,824	823,515	824,950
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	86	63	(671)	56
	86	63	(671)	56
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(8,952)	3,340	68,449	(124,357)
- Net (loss)/gain from change in fair value	(7,810)	4,344	93,542	(175,038)
- Realised (gain)/loss transferred to statement of income on disposal	(3,607)	(50)	(5,508)	15,593
- Changes in expected credit losses	(87)	(207)	655	(2,108)
- Income tax effects	2,552	(747)	(20,240)	37,196
Cash flow hedge	1,216	(383)	3,695	(383)
- Net gain/(loss) from change in fair value	1,216	(383)	3,695	(383)
Exchange fluctuation reserve	(1,301)	9,302	43,074	16,722
	(9,037)	12,259	115,218	(108,018)
Other comprehensive (expense)/income for the financial period, net of tax	(8,951)	12,322	114,547	(107,962)
Total comprehensive income for the period	301,081	356,146	938,062	716,988
Total net income	681,048	755,370	2,015,096	2,048,540
Add:				
Expected credit losses made on financing, advances and other financing/loans	89,846	90,500	256,924	258,434
Expected credit losses for commitments and contingencies (written back)/made	(10,358)	372	26,491	(30,776)
Other expected credit losses and impairment allowances (written back)/made	(107)	(420)	(702)	18,805
	760,429	845,822	2,297,809	2,295,003
Elimination for transactions with conventional operations	58,608	33,294	201,940	97,608
Income from Islamic operations (per page 2)	819,037	879,116	2,499,749	2,392,611

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	59,040	39,240	186,820	52,675
Net income derived from investment of shareholders' funds	18,153	8,875	38,903	40,108
Expected credit losses (made)/written back on financing, advances and other financing/loans	(4,837)	(289)	(13,714)	4,829
Expected credit losses for commitments and contingencies (made)/written back	(482)	93	(580)	147
Other expected credit losses and impairment allowances written back	10	15	309	17
	<u>71,884</u>	<u>47,934</u>	<u>211,738</u>	<u>97,776</u>
Total distributable income	71,884	47,934	211,738	97,776
Income attributable to depositors and others	(16,582)	(4,783)	(48,728)	(7,407)
	<u>55,302</u>	<u>43,151</u>	<u>163,010</u>	<u>90,369</u>
Total net income	55,302	43,151	163,010	90,369
Other operating expenses	(1,689)	(1,300)	(4,042)	(3,977)
	<u>53,613</u>	<u>41,851</u>	<u>158,968</u>	<u>86,392</u>
Profit for the financial period	53,613	41,851	158,968	86,392

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

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	53,613	41,851	158,968	86,392
Other comprehensive income/(expense):				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(784)	1,173	3,650	(4,453)
- Net (loss)/gain from change in fair value	(781)	1,181	4,084	(4,460)
- Realised gain transferred to statement of income on disposal	(3)	-	(383)	-
- Changes in expected credit losses	-	(8)	(51)	7
Cash flow hedge	1,216	(383)	3,695	(383)
- Net gain/(loss) from change in fair value	1,216	(383)	3,695	(383)
Exchange fluctuation reserve	(629)	14,659	50,168	27,258
Other comprehensive (expense)/income for the financial period, net of tax	(197)	15,449	57,513	22,422
Total comprehensive income for the period	<u>53,416</u>	<u>57,300</u>	<u>216,481</u>	<u>108,814</u>
Total net income	55,302	43,151	163,010	90,369
Add:				
Expected credit losses made/(written back) on financing, advances and other financing/loans	4,837	289	13,714	(4,829)
Expected credit losses for commitments and contingencies made/(written back)	482	(93)	580	(147)
Other expected credit losses and impairment allowances written back	(10)	(15)	(309)	(17)
	<u>60,611</u>	<u>43,332</u>	<u>176,995</u>	<u>85,376</u>
Elimination for transactions with conventional operations	-	66	-	292
Income from Islamic operations (per page 4)	<u>60,611</u>	<u>43,398</u>	<u>176,995</u>	<u>85,668</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

The Group

At 30 September 2023

	Sale-based contracts				Lease-based contracts		Equity-based	Loan contract	Other	Total RM'000	
	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Muntahiah Bi al- Ijarah Tamluk * RM'000	Al-Ijarah Thumma al-Bai # RM'000	Mudharabah RM'000	Qard RM'000		Ujrah RM'000
At amortised cost											
Cash line^	-	117	899	-	1,554,634	-	-	-	8,816	-	1,564,466
Term financing											
- House financing	-	3,741,537	-	-	41,318,703	1,016,857	-	-	-	-	46,077,097
- Syndicated financing	-	-	-	-	2,419,706	-	-	-	-	-	2,419,706
- Hire purchase receivables	-	-	-	-	-	-	17,211,644	-	-	-	17,211,644
- Other term financing	88,088	789,109	1,127,520	-	42,065,178	32,997	-	-	-	-	44,102,892
Bills receivable	1,098,656	-	-	198,084	10,146	-	-	-	-	-	1,306,886
Islamic trust receipts	19,133	-	-	-	-	-	-	-	-	-	19,133
Claims on customers under acceptance credits	912,130	-	-	119,247	-	-	-	-	-	-	1,031,377
Staff financing	-	-	-	-	300,765	-	-	-	-	-	300,765
Revolving credits	-	-	-	-	5,746,897	-	-	-	-	-	5,746,897
Credit card receivables	-	-	-	-	-	-	-	-	-	246,339	246,339
Gross financing, advances and other financing/loans, at amortised cost	2,118,007	4,530,763	1,128,419	317,331	93,416,029	1,049,854	17,211,644	-	8,816	246,339	120,027,202
Fair value changes arising from fair value hedge											(1,476)
Less: Expected credit losses											120,025,726
Net financing, advances and other financing/loans											(1,638,238)
											118,387,488

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- Ijarah 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 30 September 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 [^]	-	-	120	-	120
Term financing					
- Other term financing	88,088	-	2,520,159	-	2,608,247
Bills receivable	-	163,562	10,146	-	173,708
Revolving credits	-	-	141,637	-	141,637
Gross financing, advances and other financing/loans, at amortised cost	88,088	163,562	2,672,062	-	2,923,712
Fair value changes arising from fair value hedges					-
					2,923,712
Less: Expected credit losses					(27,454)
Net financing, advances and other financing/loans					2,896,258

[^] Includes current account in excess

The Bank
At 31 December 2022

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

[^] Includes current account in excess

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	120,027,202	111,814,564	2,923,712	2,732,327
	120,027,202	111,814,564	2,923,712	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 RM41,926,000 (2022: RM52,610,000) financing using Islamic profit rate swaps.

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

As at 30 September 2023, the gross exposure and expected credit losses relating to RPSIA financing are RM3,464,626,000 (2022: RM3,577,694,000) and RM504,000 (2022: RM748,000) respectively.

c) Movement of Qard financing

	The Group	
	30 Sept 2023	31 Dec 2022
	RM'000	RM'000
As at 1 January	12,917	8,576
New disbursement	3,382	7,219
Repayment	(7,483)	(2,878)
As at 30 September/31 December	8,816	12,917
Sources of Qard fund:		
Depositors' fund	8,186	12,037
Shareholders' fund	630	880
	8,816	12,917
Uses of Qard fund:		
Personal use	1,339	748
Business purpose	7,477	12,169
	8,816	12,917

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:	616,189	(550,191)	(65,998)	-
Transferred to Stage 1	730,243	(710,170)	(20,073)	-
Transferred to Stage 2	(107,327)	424,520	(317,193)	-
Transferred to Stage 3	(6,727)	(264,541)	271,268	-
Total charge to Statement of Income:	(100,150)	11,705	396,861	308,416
New financial assets originated	63,678	1,476	16,049	81,203
Financial assets that have been derecognised	(37,156)	(24,226)	-	(61,382)
Writeback in respect of full recoveries	-	-	(21,063)	(21,063)
Change in credit risk	(126,672)	34,455	401,875	309,658
Write-offs	-	-	(190,108)	(190,108)
Exchange fluctuation	306	200	(1,032)	(526)
Other movements	6	(100)	18,017	17,923
At 30 September 2023	683,296	354,974	599,968	1,638,238

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
Changes due to financial assets recognised in the opening balance that have:	(174)	174	-	-
Transferred to Stage 2	(174)	174	-	-
Total charge to Statement of Income:	2,793	4,175	8,707	15,675
Change in credit risk	2,793	4,175	8,707	15,675
Write-offs	-	-	(2,508)	(2,508)
Exchange fluctuation	257	183	(1,032)	(592)
At 30 September 2023	6,574	5,094	15,786	27,454

	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	567,756	567,756
New financial assets originated	37,619	37,619
Write-offs	(190,390)	(190,390)
Amount fully recovered	(57,035)	(57,035)
Other changes in financing, advances and other financing/loans	13,466	13,466
Exchange fluctuation	1,031	1,031
At 30 September 2023	1,801,028	1,801,028

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

	The Group	
	30 Sept 2023	31 Dec 2022
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	1.50%	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	2,751	2,751
Write-offs	(2,790)	(2,790)
Other changes in financing, advances and other financing/loans	9,110	9,110
Exchange fluctuation	1,031	1,031
At 30 September 2023	<u>29,346</u>	<u>29,346</u>

	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	<u>19,244</u>	<u>19,244</u>

	The Bank	
	30 Sept 2023	31 Dec 2022
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	<u>1.00%</u>	<u>0.70%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

ii) By geographical distribution

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Malaysia	117,104,432	109,084,773	942	2,536
Indonesia	383	1,469	383	1,469
Singapore	2,643,878	2,297,658	2,643,878	2,297,658
China	100,410	292,465	100,410	292,465
Other countries	178,099	138,199	178,099	138,199
	120,027,202	111,814,564	2,923,712	2,732,327

iii) By economic sector

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Primary agriculture	4,080,940	4,217,279	100,313	187,014
Mining and quarrying	525,012	565,006	47,713	2,251
Manufacturing	4,518,599	4,098,754	213,049	111,902
Electricity, gas and water supply	491,708	541,337	1	-
Construction	3,535,455	2,677,345	195,503	153,609
Transport, storage and communications	3,710,526	4,229,502	42,260	26,261
Education, health and others	2,695,445	2,692,984	-	-
Wholesale and retail trade, and restaurants and hotels	7,139,717	5,947,159	554,862	511,167
Finance, insurance/takaful, real estate and business activities	11,407,119	10,788,701	1,131,728	1,258,242
Household	81,732,664	75,910,981	460,745	355,024
Others	190,017	145,516	177,538	126,857
	120,027,202	111,814,564	2,923,712	2,732,327

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

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Malaysia	1,771,682	1,411,589	-	2,252
Singapore	29,346	16,992	29,346	16,992
	1,801,028	1,428,581	29,346	19,244

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

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Primary agriculture	17,234	16,917	-	-
Mining and quarrying	1	2,251	-	2,251
Manufacturing	21,224	13,313	1,715	1,390
Electricity, gas and water supply	1	-	-	-
Construction	60,811	29,701	4,508	4,223
Transport, storage and communications	10,419	5,935	449	-
Education, health and others	16,681	62,074	-	-
Wholesale and retail trade, and restaurants and hotels	193,316	132,695	2,500	356
Finance, insurance/takaful, real estate and business activities	103,972	58,651	3,455	2,761
Household	1,377,368	1,107,043	16,719	8,263
Others	1	1	-	-
	1,801,028	1,428,581	29,346	19,244

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	8,618,368	7,802,926	736,324	615,266
Demand deposit				
Wadiah	-	284,956	-	284,956
Qard	16,750,285	15,020,156	8,131	21,959
Commodity Murabahah (via Tawarruq arrangement)*	4,582,725	4,644,456	2,779,388	2,589,163
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	48,830,398	47,017,544	438,207	363,135
Fixed Return Income Account-i (via Tawarruq arrangement)*	30,755,277	31,309,442	328,409	174,026
Negotiable Islamic Debt Certificate (NIDC)				
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	1,840,987	595,374	-	-
Fixed Deposit-i				
Wadiah	-	148	-	149
Specific investment account				
Mudharabah	101,529	100,638	-	-
Others - Qard	141,712	98,990	-	-
	111,621,281	106,874,630	4,290,459	4,048,654

*Included Qard contract of the Group and of the Bank of RM4,642,526,000 and RM3,697,708,000 (2022: RM5,066,445,000 and RM3,234,780,000) respectively

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

	The Group		The Bank	
	30 Sept 2023 RM'000	31 Dec 2022 RM'000	30 Sept 2023 RM'000	31 Dec 2022 RM'000
Due within six months	68,801,859	68,733,276	695,486	374,952
Six months to less than one year	11,631,083	9,035,511	69,464	162,325
One year to less than three years	207,167	376,588	1,666	33
Three years to less than five years	862,770	852,999	-	-
Five years and more	25,312	24,772	-	-
	81,528,191	79,023,146	766,616	537,310

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS (CONTINUED)

(iii) By type of customer

	The Group		The Bank	
	30 Sept 2023	31 Dec 2022	30 Sept 2023	31 Dec 2022
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	7,485,972	7,050,474	272	193
Business enterprises	44,207,661	38,298,518	2,977,293	3,004,870
Individuals	33,204,167	33,872,082	1,129,890	879,660
Others	26,723,481	27,653,556	183,004	163,931
	<u>111,621,281</u>	<u>106,874,630</u>	<u>4,290,459</u>	<u>4,048,654</u>

A30e INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	30 Sept 2023	31 Dec 2022
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	1,507,919	1,252,671
Daily Investment Account-i	6,886	-
-with maturity		
Term Investment Account-i	16,350,079	11,902,747
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	42,558	27,548
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	531,287	501,666
	<u>18,438,729</u>	<u>13,684,632</u>

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

A30f INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	30 Sept 2023	31 Dec 2022
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	3,463,609	3,576,590
By type of counterparty		
Licensed banks	3,463,609	3,576,590

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

A30g FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	30 Sept 2023	31 Dec 2022
	RM'000	RM'000
Deposits from customers - structured investments	2,985,978	2,857,004

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 30 September 2023 is RM147,633,000 (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 RM5,380.0 million for the nine months period ended 30 September 2023, an increase of 9.8% as compared to the pre-tax profit of RM4,898.4 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) increased by 28.2% to RM4,077.8 million, equivalent to net earnings per share (sen) of 62.90.

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 RM929.6 million and RM107.1 million respectively, and lower expected credit losses on loans and commitment and contingencies by RM36.2 million and RM97.0 million respectively. This was offset by lower net interest income, higher overhead and higher other expected credit losses by RM287.3 million, RM341.2 million and RM44.7 million respectively .

The Group's gross loans, advances and financing grew by 5.4% to RM367.4 billion while deposits from customers increase by 4.9% to RM394.1 billion, as compared to 31 December 2022.

The Group's Common Equity Tier 1 ratio as at 30 September 2023 stood at 14.238% as compared to 15.139% as at 31 December 2022.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank is maintaining a cautious stance for the rest of 2023 in view of renewed geopolitical tensions, deceleration of global economic growth, a sustained high policy rate environment and volatility in global financial markets. Despite some moderation in the performance of key operating countries, the Bank is optimistic in delivering a better performance in 2023. As the Bank approaches the final year of the Forward23+ programme, the core focus remains on targeted loans and CASA growth, Preferred Banking and wealth management. Prudent cost, credit risk and asset quality management remain crucial elements within our strategic plan, as the Bank continues with sustained technology investments and placing sustainability at the forefront of our agenda.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
Net profit for the financial period after non-controlling interests (RM'000)	1,440,936	990,827	4,077,754	3,181,175
Weighted average number of ordinary shares in issue ('000)	6,482,932	6,345,611	6,482,932	6,310,758
Basic earnings per share (expressed in sen per share)	22.23	15.61	62.90	50.41

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2023	30 Sept 2022	30 Sept 2023	30 Sept 2022
Net profit for the financial period (RM'000)	1,092,313	547,637	3,145,902	2,116,133
Weighted average number of ordinary shares in issue ('000)	6,482,932	6,345,611	6,482,932	6,310,758
Basic earnings per share (expressed in sen per share)	16.85	8.63	48.53	33.53

b) Diluted EPS

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