

**CIMB ISLAMIC BANK BERHAD**  
*Registration No: 200401032872 (671380-H)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**

	Note	The Group		The Bank	
		30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
<b>ASSETS</b>					
Cash and short term funds	A6	5,646,050	15,308,885	5,646,050	15,308,885
Reverse Collateralised Commodity Murabahah		895,660	503,206	895,660	503,206
Deposits and placements with banks and other financial institutions	A6	89,700	-	89,700	-
Financial investments at fair value through profit or loss	A7	5,091,951	2,042,226	5,091,951	2,042,226
Debt instruments at fair value through other comprehensive income	A8	5,510,151	5,000,384	5,510,151	5,000,384
Debt instruments at amortised cost	A9	13,876,753	9,361,464	13,876,753	9,361,464
Islamic derivative financial instruments	A27(i)	446,570	466,895	446,570	466,895
Financing, advances and other financing/loans	A10	115,491,230	107,592,751	115,491,230	107,592,751
Other assets	A11	1,592,638	489,064	1,592,638	489,064
Amount due from holding company and ultimate holding company		401,807	433,749	401,807	433,749
Amount due from related companies		1,001	20	1,001	20
Tax recoverable		-	4,409	-	4,409
Deferred taxation		261,026	188,883	261,026	188,883
Statutory deposits with Bank Negara Malaysia		1,835,410	1,696,000	1,835,410	1,696,000
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		580	778	580	778
Right-of-use assets		711	1,004	711	1,004
Intangible assets		3,265	1,499	3,265	1,499
Goodwill		136,000	136,000	136,000	136,000
<b>TOTAL ASSETS</b>		<b>151,280,503</b>	<b>143,227,217</b>	<b>151,280,514</b>	<b>143,227,228</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A12	107,330,822	102,825,976	107,330,822	102,825,976
Investment accounts of customers	A13	18,438,729	13,684,632	18,438,729	13,684,632
Deposits and placements of banks and other financial institutions	A14	4,576,187	7,408,739	4,576,187	7,408,739
Collateralised Commodity Murabahah		1,602,166	1,927,726	1,602,166	1,927,726
Investment accounts due to designated financial institutions	A15	3,463,609	3,576,590	3,463,609	3,576,590
Financial liabilities designated at fair value through profit or loss	A16	2,985,978	2,857,004	2,985,978	2,857,004
Islamic derivative financial instruments	A27(i)	531,710	732,724	531,710	732,724
Amount due to subsidiaries		-	-	46	46
Amount due to related companies		383	755	383	755
Other liabilities	A17	828,149	446,240	828,149	446,240
Lease liabilities		932	1,198	932	1,198
Recourse obligation on loans and financing sold to Cagamas		989,907	-	989,907	-
Provision for taxation		40,173	-	40,173	-
Subordinated Sukuk		1,105,527	1,109,342	1,105,527	1,109,342
<b>TOTAL LIABILITIES</b>		<b>141,894,272</b>	<b>134,570,926</b>	<b>141,894,318</b>	<b>134,570,972</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holder of the Bank</b>					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		8,036,231	7,306,291	8,036,196	7,306,256
		9,036,231	8,306,291	9,036,196	8,306,256
Perpetual preference shares		350,000	350,000	350,000	350,000
<b>TOTAL EQUITY</b>		<b>9,386,231</b>	<b>8,656,291</b>	<b>9,386,196</b>	<b>8,656,256</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>151,280,503</b>	<b>143,227,217</b>	<b>151,280,514</b>	<b>143,227,228</b>
<b>RESTRICTED AGENCY INVESTMENT ACCOUNT (*)</b>	A29	<b>15,522,323</b>	<b>14,280,429</b>	<b>15,522,323</b>	<b>14,280,429</b>
<b>TOTAL ISLAMIC BANKING ASSET</b>		<b>166,802,826</b>	<b>157,507,646</b>	<b>166,802,837</b>	<b>157,507,657</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A27(ii)	<b>66,639,629</b>	<b>61,371,059</b>	<b>66,639,629</b>	<b>61,371,059</b>
<b>Net assets per ordinary share attributable to owners of the Parent (RM)</b>		<b>9.04</b>	<b>8.31</b>	<b>9.04</b>	<b>8.31</b>

\* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institutions.  
The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

**CIMB ISLAMIC BANK BERHAD**  
*Registration No: 200401032872 (671380-H)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2023**

	Note	The Group and the Bank			
		3rd Quarter Ended 30 September 2023 RM'000	30 September 2022 RM'000	Nine Months Ended 30 September 2023 RM'000	30 September 2022 RM'000
Income derived from investment of depositors' funds and others	A18	1,346,275	1,006,534	3,679,981	2,667,423
Income derived from investment of investment account	A19	291,097	192,278	804,742	543,762
Income derived from investment of shareholder's funds	A20	188,084	252,224	856,159	648,110
Modification loss	A21	(4)	(1)	(77)	(2,844)
Expected credit losses on financing, advances and other financing/loans	A22(a)	(85,009)	(90,210)	(243,210)	(263,263)
Expected credit losses written back/(made) for commitments and contingencies		10,840	(465)	(25,911)	30,629
Other expected credit losses written back/(made)	A22(b)	97	405	393	(18,822)
<b>Total distributable income</b>		<b>1,751,380</b>	1,360,765	<b>5,072,077</b>	3,604,995
Income attributable to depositors and others	A23	(925,168)	(549,885)	(2,675,457)	(1,376,143)
Profit distributed to investment account holder	A24	(200,465)	(98,659)	(544,534)	(270,679)
<b>Total net income</b>		<b>625,747</b>	712,221	<b>1,852,086</b>	1,958,173
Personnel expenses	A25	(7,961)	(6,540)	(22,956)	(22,464)
Other overheads and expenditures	A26	(285,580)	(261,510)	(945,884)	(826,271)
<b>Profit before taxation and zakat</b>		<b>332,206</b>	444,171	<b>883,246</b>	1,109,438
Taxation		(75,787)	(142,195)	(218,699)	(370,878)
<b>Profit for the financial period</b>		<b>256,419</b>	301,976	<b>664,547</b>	738,560
Earnings per share (sen)	B3	25.64	30.20	66.45	73.86

**CIMB ISLAMIC BANK BERHAD**  
**Registration No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2023**

	<b>The Group and the Bank</b>			
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the financial period</b>	<b>256,419</b>	301,976	<b>664,547</b>	738,560
<b>Other comprehensive income/(expense):</b>				
<b>Items that will not reclassified to profit or loss</b>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net gain/(loss) from change in fair value	<b>86</b>	62	<b>(671)</b>	56
<b>Items that may be reclassified subsequently to profit or loss</b>				
Debt instruments at fair value through other comprehensive income	<b>(8,169)</b>	2,166	<b>64,799</b>	(119,904)
- Net (loss)/gain from change in fair value	<b>(7,029)</b>	3,163	<b>89,458</b>	(170,578)
- Realised (gain)/loss transferred to statement of income on disposal	<b>(3,605)</b>	(51)	<b>(5,125)</b>	15,593
- Changes in expected credit losses	<b>(87)</b>	(199)	<b>706</b>	(2,115)
- Income tax effects	<b>2,552</b>	(747)	<b>(20,240)</b>	37,196
Other comprehensive income for the period, net of tax	<b>(8,083)</b>	2,228	<b>64,128</b>	(119,848)
<b>Total comprehensive income for the financial period</b>	<b>248,336</b>	304,204	<b>728,675</b>	618,712

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

**CIMB ISLAMIC BANK BERHAD**  
*Registration No: 200401032872 (671380-H)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

← Attributable to owners of the Parent →

The Group	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
<b>30 September 2023</b>												
<b>At 1 January 2023</b>	1,000,000	(150,405)	(2,457)	458	184,715	112	22	2,514	7,271,332	8,306,291	350,000	8,656,291
Profit for the financial period	-	-	-	-	-	-	-	-	664,547	664,547	-	664,547
Other comprehensive income (net of tax)	-	64,799	-	-	-	(671)	-	-	-	64,128	-	64,128
- debt instruments at fair value through other comprehensive income	-	64,799	-	-	-	-	-	-	-	64,799	-	64,799
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(671)	-	-	-	(671)	-	(671)
Total comprehensive income/(expense) for the financial period	-	64,799	-	-	-	(671)	-	-	664,547	728,675	-	728,675
Share-based payment expense	-	-	-	-	-	-	6	1,274	-	1,280	-	1,280
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(9)	1,274	-	1,265	-	1,265
Transfer to regulatory reserve	-	-	-	-	105,291	-	-	-	(105,291)	-	-	-
<b>At 30 September 2023</b>	<b>1,000,000</b>	<b>(85,606)</b>	<b>(2,457)</b>	<b>458</b>	<b>290,006</b>	<b>(559)</b>	<b>13</b>	<b>3,788</b>	<b>7,830,588</b>	<b>9,036,231</b>	<b>350,000</b>	<b>9,386,231</b>

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

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED 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	Fair value reserve debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
<b>At 1 January 2022</b>	1,000,000	(87,101)	(2,457)	458	-	(4)	587	944	6,454,014	7,366,441	420,000	7,786,441
Profit for the financial period	-	-	-	-	-	-	-	-	738,560	738,560	-	738,560
Other comprehensive expense (net of tax)	-	(119,904)	-	-	-	56	-	-	-	(119,848)	-	(119,848)
- debt instruments at fair value through other comprehensive income	-	(119,904)	-	-	-	-	-	-	-	(119,904)	-	(119,904)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	56	-	-	-	56	-	56
Total comprehensive (expense)/income for the financial period	-	(119,904)	-	-	-	-	-	-	738,560	618,712	-	618,712
Redemption of perpetual preference shares	-	-	-	-	-	-	-	-	-	-	(70,000)	(70,000)
Share-based payment expense	-	-	-	-	-	-	164	1,146	-	1,310	-	1,310
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(410)	-	-	(410)	-	(410)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(246)	1,146	-	900	(70,000)	(69,100)
Transfer to regulatory reserve	-	-	-	-	64,008	-	-	-	(64,008)	-	-	-
<b>At 30 September 2022</b>	<b>1,000,000</b>	<b>(207,005)</b>	<b>(2,457)</b>	<b>458</b>	<b>64,008</b>	<b>52</b>	<b>341</b>	<b>2,090</b>	<b>7,128,566</b>	<b>7,986,053</b>	<b>350,000</b>	<b>8,336,053</b>

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	← Non-distributable →						Distributable					
	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'001	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
<b>The Bank</b>												
<b>30 September 2023</b>												
<b>At 1 January 2023</b>	1,000,000	(150,405)	(2,457)	458	184,715	112	22	2,514	7,271,297	8,306,256	350,000	8,656,256
Profit for the financial period	-	-	-	-	-	-	-	-	664,547	664,547	-	664,547
Other comprehensive income (net of tax)	-	64,799	-	-	-	(671)	-	-	-	64,128	-	64,128
- debt instruments at fair value through other comprehensive income	-	64,799	-	-	-	-	-	-	-	64,799	-	64,799
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(671)	-	-	-	(671)	-	(671)
Total comprehensive income/(expense) for the financial period	-	64,799	-	-	-	(671)	-	-	664,547	728,675	-	728,675
Share-based payment expense	-	-	-	-	-	-	6	1,274	-	1,280	-	1,280
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(9)	1,274	-	1,265	-	1,265
Transfer to regulatory reserve	-	-	-	-	105,291	-	-	-	(105,291)	-	-	-
<b>At 30 September 2023</b>	<b>1,000,000</b>	<b>(85,606)</b>	<b>(2,457)</b>	<b>458</b>	<b>290,006</b>	<b>(559)</b>	<b>13</b>	<b>3,788</b>	<b>7,830,553</b>	<b>9,036,196</b>	<b>350,000</b>	<b>9,386,196</b>

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

<b>The Bank</b>	← Non-distributable						Distributable →					
	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
<b>30 September 2022</b>												
<b>At 1 January 2022</b>	1,000,000	(87,101)	(2,457)	458	-	(4)	587	944	6,453,979	7,366,406	420,000	7,786,406
Profit for the financial period	-	-	-	-	-	-	-	-	738,560	738,560	-	738,560
Other comprehensive expense (net of tax)	-	(119,904)	-	-	-	56	-	-	-	(119,848)	-	(119,848)
- debt instruments at fair value through other comprehensive income	-	(119,904)	-	-	-	-	-	-	-	(119,904)	-	(119,904)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	56	-	-	-	56	-	56
Total comprehensive (expense)/income for the financial period	-	(119,904)	-	-	-	56	-	-	738,560	618,712	-	618,712
Redemption of perpetual preference shares	-	-	-	-	-	-	-	-	-	(70,000)	(70,000)	(70,000)
Share-based payment expense	-	-	-	-	-	-	164	1,146	-	1,310	-	1,310
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(410)	-	-	(410)	-	(410)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(246)	1,146	-	900	(70,000)	(69,100)
Transfer to regulatory reserve	-	-	-	-	64,008	-	-	-	(64,008)	-	-	-
<b>At 30 September 2022</b>	<b>1,000,000</b>	<b>(207,005)</b>	<b>(2,457)</b>	<b>458</b>	<b>64,008</b>	<b>52</b>	<b>341</b>	<b>2,090</b>	<b>7,128,531</b>	<b>7,986,018</b>	<b>350,000</b>	<b>8,336,018</b>

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*Registration No: 200401032872 (671380-H)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	The Group		The Bank	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Profit before taxation and zakat	883,246	1,109,438	883,246	1,109,438
Adjustments for non-cash items	<u>(107,690)</u>	<u>(320,309)</u>	<u>(107,690)</u>	<u>(320,309)</u>
Operating profit before changes in working capital	775,556	789,129	775,556	789,129
Net changes in operating assets	<u>(12,771,265)</u>	<u>(10,868,426)</u>	<u>(12,771,265)</u>	<u>(10,868,426)</u>
Net changes in operating liabilities	<u>6,105,515</u>	<u>14,715,870</u>	<u>6,105,515</u>	<u>14,715,871</u>
Taxation paid	<u>(266,500)</u>	<u>(244,375)</u>	<u>(266,500)</u>	<u>(244,375)</u>
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(6,156,694)</b>	<b>4,392,198</b>	<b>(6,156,694)</b>	<b>4,392,199</b>
Cash flows from investing activities				
Profit income received from financial investments	<u>462,197</u>	<u>407,036</u>	<u>462,197</u>	<u>407,036</u>
Net purchase of financial investments	<u>(4,861,134)</u>	<u>(554,100)</u>	<u>(4,861,134)</u>	<u>(554,100)</u>
Net purchase of property, plant and equipment	<u>(64)</u>	<u>(54)</u>	<u>(64)</u>	<u>(54)</u>
Net purchase of intangible assets	<u>(2,564)</u>	<u>(1,503)</u>	<u>(2,564)</u>	<u>(1,503)</u>
Net cash flows used in investing activities	<u>(4,401,565)</u>	<u>(148,621)</u>	<u>(4,401,565)</u>	<u>(148,621)</u>
Cash flows from financing activities				
Profit expense paid on recourse obligation on loans and financing sold to Cagamas	<u>(3,401)</u>	<u>-</u>	<u>(3,401)</u>	<u>-</u>
Profit expense paid on subordinated Sukuk	<u>(37,248)</u>	<u>(36,948)</u>	<u>(37,248)</u>	<u>(36,948)</u>
Redemption of preference shares	<u>-</u>	<u>(70,000)</u>	<u>-</u>	<u>(70,000)</u>
Proceeds from recourse obligation on loans and financing sold to Cagamas	<u>988,000</u>	<u>-</u>	<u>988,000</u>	<u>-</u>
Other financing activities	<u>(456)</u>	<u>(153)</u>	<u>(456)</u>	<u>(153)</u>
Net cash flows generated from/(used in) financing activities	<u>946,895</u>	<u>(107,101)</u>	<u>946,895</u>	<u>(107,101)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,611,364)</b>	<b>4,136,476</b>	<b>(9,611,364)</b>	<b>4,136,477</b>
Effects of exchange rate differences (MFRS107)	<u>38,229</u>	<u>28,905</u>	<u>38,229</u>	<u>28,905</u>
Cash and cash equivalents at beginning of the financial period	<u>15,308,885</u>	<u>12,327,587</u>	<u>15,308,885</u>	<u>12,327,541</u>
Cash and cash equivalents at end of the financial period	<u>5,735,750</u>	<u>16,492,968</u>	<u>5,735,750</u>	<u>16,492,923</u>
<b>Cash and cash equivalents comprise :</b>				
Cash and short-term funds	<u>5,646,050</u>	<u>16,492,968</u>	<u>5,646,050</u>	<u>16,492,923</u>
Deposits and placements with banks and other financial institutions	<u>89,700</u>	<u>-</u>	<u>89,700</u>	<u>-</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u>5,735,750</u>	<u>16,492,968</u>	<u>5,735,750</u>	<u>16,492,923</u>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements 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, derivative financial instruments and financial liabilities designated at fair value through profit or loss, that are 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 or 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 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

There were no issuance and repayment of debt and equity securities during the financial period ended 30 September 2023.

### A4. Proposed dividend

There were no dividends paid or proposed for the financial period ended 30 September 2023.

### A5. Significant events after the reporting period

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

### 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 RMNil and RM6,000 respectively (2022: both RMNil respectively). The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM5,000 (30 September 2022: RMNil).

### A7. Financial assets at fair value through profit or loss

#### Money market instruments

##### Unquoted

##### In Malaysia

Malaysian Government treasury bills	800,291	445,009
Bank Negara Malaysia monetary notes	951,908	-
Islamic negotiable instruments of deposits	1,743,720	99,789
Islamic commercial papers	494,050	-
Government Investment Issues	658,999	709,296
Islamic Cagamas bonds	328,259	405,119
	<u>4,977,227</u>	<u>1,659,213</u>

##### Unquoted securities

##### In Malaysia

Corporate Sukuk	114,724	383,013
	<u>5,091,951</u>	<u>2,042,226</u>

The Group and the Bank	
30 September 2023	31 December 2022
RM'000	RM'000

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A8 Debt instruments at fair value through other comprehensive income**

	The Group and the Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
<b>Money market instruments</b>		
<b>Unquoted</b>		
<u>In Malaysia</u>		
Government Investment Issues	1,751,242	1,514,942
Islamic Cagamas bonds	45,171	35,238
	1,796,413	1,550,180
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Corporate Sukuk	3,713,738	3,450,204
	5,510,151	5,000,384

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

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

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses-		Total
		not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	
<b>At 1 January 2023</b>	998	-	-	998
<b>Total charge to Statement of Income:</b>	706	-	-	706
New financial assets purchased	4,197	-	-	4,197
Financial assets that have been derecognised	(114)	-	-	(114)
Change in credit risk	(3,377)	-	-	(3,377)
<b>At 30 September 2023</b>	1,704	-	-	1,704

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses-		Total
		not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	
<b>At 1 January 2022</b>	3,140	-	-	3,140
<b>Total charge to Statement of Income:</b>	(2,142)	-	-	(2,142)
New financial assets purchased	1,380	-	-	1,380
Financial assets that have been derecognised	(71)	-	-	(71)
Change in credit risk	(3,451)	-	-	(3,451)
<b>At 31 December 2022</b>	998	-	-	998

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
<b>A9 Debt instruments at amortised cost</b>		
<b>Money market instruments</b>		
<b>Unquoted</b>		
<u>In Malaysia</u>		
Government Investment Issues	6,193,887	3,508,796
Islamic Cagamas bonds	20,204	30,113
Malaysian Government Sukuk	100,234	101,341
Khazanah bonds	-	89,047
	<b>6,314,325</b>	<b>3,729,297</b>
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Corporate Sukuk	7,567,777	5,634,991
Amortisation of premium net of accretion of discount	(4,836)	(2,406)
Less: Expected credit loss	(513)	(418)
	<b>13,876,753</b>	<b>9,361,464</b>

(a) Included in debt instruments at amortised cost is exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and third party amounting to RM531,287,000 (31 December 2022: RM501,666,000).

**Expected credit losses movement for debt instruments at amortised cost:**

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime	Total
			expected credit losses (Credit impaired - Stage 3)	
<b>The Group and the Bank</b>				
<b>At 1 January 2023</b>	418	-	-	418
<b>Total charge to Statement of Income:</b>	95	-	-	95
New financial assets purchased	2,297	-	-	2,297
Change in credit risk	(2,202)	-	-	(2,202)
<b>At 30 September 2023</b>	<b>513</b>	<b>-</b>	<b>-</b>	<b>513</b>

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime	Total
			expected credit losses (Credit impaired - Stage 3)	
<b>The Group and the Bank</b>				
<b>At 1 January 2022</b>	680	-	-	680
<b>Total charge to Statement of Income:</b>	(262)	-	-	(262)
New financial assets purchased	2,129	-	-	2,129
Change in credit risk	(2,391)	-	-	(2,391)
<b>At 31 December 2022</b>	<b>418</b>	<b>-</b>	<b>-</b>	<b>418</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A9 Debt instruments at amortised cost (continued)**

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

	<b>The Group and the Bank</b>	
	<b>Lifetime expected credit losses</b>	
	<b>-Credit impaired</b>	
	<b>(Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2023</b>	<b>501,772</b>	<b>501,772</b>
Other movements	(2,821)	(2,821)
Exchange fluctuation	32,130	32,130
<b>At 30 September 2023</b>	<b>531,081</b>	<b>531,081</b>

	<b>The Group and the Bank</b>	
	<b>Lifetime expected credit losses</b>	
	<b>-Credit impaired</b>	
	<b>(Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	462,399	462,399
Other movements	15,233	15,233
Exchange fluctuation	24,140	24,140
At 31 December 2022	501,772	501,772

PART A - EXPLANATORY NOTES (CONTINUED)

A10 (i) By type and Shariah contract

30 September 2023

	The Group and the Bank									Total RM'000
	Sale-based contracts				Lease-based contracts			Loan contract	Others	
	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Muntahiah Bi-al- Tamluk * RM'000	Al-Ijarah Thumma Al- Bai' # RM'000	Qard RM'000	Ujrah RM'000	
At amortised cost										
Cash line^	-	117	899	-	1,554,514	-	-	8,816	-	1,564,346
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	-	-	-	-	-	-	17,211,645	-	-	17,211,645
Other term financing	-	789,109	1,127,518	-	39,545,020	32,997	-	-	-	41,494,644
Bills receivable	1,098,656	-	-	34,522	-	-	-	-	-	1,133,178
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	-	-	-	-	5,605,260	-	-	-	-	5,605,260
Credit card receivables	-	-	-	-	-	-	-	-	246,339	246,339
Gross financing, advances and other financing/loans, at amortised cost	<b>2,029,919</b>	<b>4,530,763</b>	<b>1,128,417</b>	<b>153,769</b>	<b>90,743,968</b>	<b>1,049,854</b>	<b>17,211,645</b>	<b>8,816</b>	<b>246,339</b>	<b>117,103,490</b>
Fair value changes arising from fair value hedge										(1,476)
										<u>117,102,014</u>
Less: Expected credit losses										(1,610,784)
Net financing, advances and other financing/loans, at amortised cost										<u>115,491,230</u>
<b>Total net financing, advances and other financing/loans</b>										<u><u>115,491,230</u></u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2022

	The Group and the Bank									
	Sale-based contracts					Lease-based contracts		Loan contract	Others	Total
	Murabahah RM'000	Bai' Bithaman		Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah			
Ajil RM'000			Muntahiah Bi al- Tamlik *				Thumma Al-Bai' #	Qard RM'000	Ujrah RM'000	RM'000
At amortised cost										
Cash line^	-	165	659	-	1,364,784	-	-	12,917	-	1,378,525
Term financing										
House Financing	-	4,043,521	-	-	34,524,609	1,072,578	-	-	-	39,640,708
Syndicated Financing	-	-	-	-	2,241,327	-	-	-	-	2,241,327
Hire purchase receivables	-	-	-	-	-	-	15,267,838	-	-	15,267,838
Other term financing	-	882,650	1,342,309	-	39,447,146	36,010	-	-	-	41,708,115
Bills receivable	771,892	-	-	16,345	-	-	-	-	-	788,237
Islamic trust receipts	19,365	-	-	-	-	-	-	-	-	19,365
Claims on customers under acceptance credits	855,198	-	-	142,288	-	-	-	-	-	997,486
Staff financing**	-	-	-	-	268,330	-	-	-	-	268,330
Revolving credits	-	-	-	-	6,582,218	-	-	-	-	6,582,218
Credit card receivables	-	-	-	-	-	-	-	-	190,087	190,087
Gross financing, advances and other, at amortised cost financing/loans	1,646,455	4,926,336	1,342,968	158,633	84,428,414	1,108,588	15,267,838	12,917	190,087	109,082,236
Fair value changes arising from fair value hedges										(1,832)
Less: Expected credit losses										(1,487,653)
<b>Total net financing, advances and other financing/loans</b>										<b>107,592,751</b>

^ Includes current account in excess

\* The Bank 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

# The Bank 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.

\*\* Includes financing to Directors of the Group and the Bank amounting to RM2,246,404 (2022: RM2,276,329).

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

**(i) By type and Shariah contract (continued)**

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Total Gross financing, advances and other financing/loans</b>		
- At amortised cost	<u>117,103,490</u>	<u>109,082,236</u>
	<u><b>117,103,490</b></u>	<u><b>109,082,236</b></u>

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM41,926,000 (2022: RM52,610,000) 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 all the expected credit losses for financing arising thereon.

As at 30 September 2023, the gross carrying amount to RPSIA financing is RM3,464,626,000 (31 December 2022: RM3,577,694,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM504,000 (31 December 2022: RM748,000) is recognised in the Financial Statements of CIMB Bank Berhad.

**(c) Movement of Qard financing**

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

**(ii) By geographical distribution:**

Malaysia	<u>117,103,490</u>	<u>109,082,236</u>
	<u><b>117,103,490</b></u>	<u><b>109,082,236</b></u>



**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(iii) By type of customer:</b>		
Domestic non-bank financial institutions	2,610,619	2,793,836
Domestic business enterprises		
- Small medium enterprises	18,952,976	16,532,445
- Others	11,058,733	11,158,773
Government and statutory bodies	1,781,821	1,795,874
Individuals	80,947,901	75,185,941
Other domestic entities	953,988	1,172,071
Foreign entities	797,452	443,296
Gross financing, advances and other financing/loans	<u>117,103,490</u>	<u>109,082,236</u>
<b>(iv) By profit rate sensitivity:</b>		
Fixed rate		
- House financing	523,881	452,190
- Hire purchase receivables	14,659,771	13,200,162
- Others	4,352,197	4,454,994
Variable rate		
- House financing	45,553,216	39,188,518
- Others	52,014,425	51,786,372
Gross financing, advances and other financing/loans	<u>117,103,490</u>	<u>109,082,236</u>
<b>(v) By economic purpose:</b>		
Personal use	2,220,855	2,024,167
Credit card	246,339	190,087
Construction	1,723,196	1,493,267
Residential property	47,050,695	40,617,089
Non-residential property	12,626,433	10,926,232
Purchase of fixed assets other than land and building	1,107,356	673,611
Merger and acquisition	287,474	322,629
Purchase of securities	12,214,701	15,156,435
Purchase of transport vehicles	17,642,055	15,726,486
Working capital	19,943,022	19,788,647
Other purpose	2,041,364	2,163,586
Gross financing, advances and other financing/loans	<u>117,103,490</u>	<u>109,082,236</u>
<b>(vi) By economic sector:</b>		
Primary agriculture	3,980,627	4,030,265
Mining and quarrying	477,299	562,755
Manufacturing	4,305,550	3,986,852
Electricity, gas and water supply	491,707	541,337
Construction	3,339,952	2,523,735
Transport, storage and communications	3,668,266	4,203,241
Education, health and others	2,695,445	2,692,984
Wholesale and retail trade, and restaurants and hotels	6,584,855	5,435,992
Finance, insurance/takaful, real estate and business activities	10,275,391	9,530,459
Household	81,271,919	75,555,957
Others	12,479	18,659
Gross financing, advances and other financing/loans	<u>117,103,490</u>	<u>109,082,236</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

	<b>The Group and the Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(vii) By residual contractual maturity:</b>		
Within one year	<b>10,576,125</b>	10,270,657
One year to less than three years	<b>2,143,227</b>	1,287,700
Three years to less than five years	<b>6,095,776</b>	6,158,683
Five years and more	<b>98,288,362</b>	91,365,196
Gross financing, advances and other financing/loans	<b><u>117,103,490</u></b>	<u>109,082,236</u>
<b>(viii) Credit impaired financing by economic purpose:</b>		
Personal use	<b>31,449</b>	33,182
Credit card	<b>4,223</b>	2,858
Construction	-	367
Residential property	<b>1,100,792</b>	837,609
Non-residential property	<b>211,222</b>	161,540
Purchase of fixed assets other than land & building	<b>6,444</b>	2,118
Purchase of securities	<b>2,274</b>	9,149
Purchase of transport vehicles	<b>179,931</b>	158,676
Working capital	<b>149,772</b>	122,330
Other purpose	<b>85,575</b>	81,508
Gross credit impaired financing, advances and other financing/loans	<b><u>1,771,682</u></b>	<u>1,409,337</u>
<b>(ix) Credit impaired financing by geographical distribution:</b>		
Malaysia	<b><u>1,771,682</u></b>	<u>1,409,337</u>
	<b><u>1,771,682</u></b>	<u>1,409,337</u>
<b>(x) Credit impaired financing by economic sector:</b>		
Primary agriculture	<b>17,234</b>	16,917
Mining and quarrying	<b>1</b>	-
Manufacturing	<b>19,509</b>	11,923
Electricity, gas and water supply	<b>1</b>	-
Construction	<b>56,303</b>	25,478
Transport, storage and communications	<b>9,970</b>	5,935
Education, health and others	<b>16,681</b>	62,074
Wholesale and retail trade, and restaurants and hotels	<b>190,816</b>	132,338
Finance, insurance/takaful, real estate and business activities	<b>100,517</b>	55,889
Household	<b>1,360,649</b>	1,098,782
Others	<b>1</b>	1
Gross credit impaired financing, advances and other financing/loans	<b><u>1,771,682</u></b>	<u>1,409,337</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

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

**Financing, advances and other financing/loans at amortised cost:**

<b>The Group and the Bank</b>	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses-not impaired (Stage 2) RM'000</b>	<b>Lifetime expected credit losses -Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2023</b>	<b>163,249</b>	<b>892,799</b>	<b>431,605</b>	<b>1,487,653</b>
Changes in expected credit losses due to transferred within stages:	<b>616,364</b>	<b>(550,365)</b>	<b>(65,999)</b>	<b>-</b>
Transferred to Stage 1	<b>730,243</b>	<b>(710,170)</b>	<b>(20,073)</b>	<b>-</b>
Transferred to Stage 2	<b>(107,152)</b>	<b>424,346</b>	<b>(317,194)</b>	<b>-</b>
Transferred to Stage 3	<b>(6,727)</b>	<b>(264,541)</b>	<b>271,268</b>	<b>-</b>
<b>Total charge to Statement of Income:</b>	<b>(102,944)</b>	<b>7,531</b>	<b>388,154</b>	<b>292,741</b>
New financial assets originated	<b>63,678</b>	<b>1,476</b>	<b>16,049</b>	<b>81,203</b>
Financial assets that have been derecognised	<b>(37,156)</b>	<b>(24,226)</b>	<b>-</b>	<b>(61,382)</b>
Writeback in respect of full recoveries	<b>-</b>	<b>-</b>	<b>(21,063)</b>	<b>(21,063)</b>
Change in credit risk	<b>(129,466)</b>	<b>30,281</b>	<b>393,168</b>	<b>293,983</b>
Write-offs	<b>-</b>	<b>-</b>	<b>(187,600)</b>	<b>(187,600)</b>
Other movements	<b>56</b>	<b>(83)</b>	<b>18,017</b>	<b>17,990</b>
	<b>676,725</b>	<b>349,882</b>	<b>584,177</b>	<b>1,610,784</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

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

**Financing, advances and other financing/loans at amortised cost:**

<b>The Group and the Bank</b>	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses-not credit impaired (Stage 2) RM'000</b>	<b>Lifetime expected credit losses -Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2022</b>	248,701	727,401	231,094	1,207,196
Changes in expected credit losses due to transferred within stages:	169,904	(238,024)	68,120	-
Transferred to Stage 1	267,346	(245,393)	(21,953)	-
Transferred to Stage 2	(96,018)	258,524	(162,506)	-
Transferred to Stage 3	(1,424)	(251,155)	252,579	-
<b>Total charge to Statement of Income:</b>	(255,381)	403,583	282,740	430,942
New financial assets originated	89,424	706	17,424	107,554
Financial assets that have been derecognised	(36,730)	(33,263)	-	(69,993)
Writeback in respect of full recoveries	-	-	(38,017)	(38,017)
Change in credit risk	(308,075)	436,140	303,333	431,398
Write-offs	-	(1)	(175,360)	(175,361)
Other movements	25	(160)	25,011	24,876
	<u>163,249</u>	<u>892,799</u>	<u>431,605</u>	<u>1,487,653</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

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

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

	<b>The Group and the Bank</b>	
	<b>Lifetime expected credit losses -Credit impaired (Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2023</b>	<b>1,409,337</b>	<b>1,409,337</b>
Transfer within stages	565,006	565,006
New financial assets originated	37,619	37,619
Write-offs	(187,600)	(187,600)
Amount fully recovered	(57,035)	(57,035)
Other movements	4,355	4,355
<b>At 30 September 2023</b>	<b>1,771,682</b>	<b>1,771,682</b>

	<b>The Group and the Bank</b>	
	<b>Lifetime expected credit losses -Credit impaired (Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	639,499	639,499
Transfer within stages	1,069,628	1,069,628
New financial assets originated	21,691	21,691
Write-offs	(175,360)	(175,360)
Amount fully recovered	(139,067)	(139,067)
Other movements	(7,054)	(7,054)
At 31 December 2022	1,409,337	1,409,337

	<b>The Group and the Bank</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>
Ratio of credit impaired financing to total financing, advances and other financing/loans	<b>1.51%</b>	<b>1.29%</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A11 Other assets**

	<b>The Group and the Bank</b>	
	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Sundry debtors net of expected credit losses *, deposits and prepayments	316,007	337,768
Collateral pledged for derivative transactions	276,500	33,183
Treasury related receivables	990,575	97,987
Clearing accounts	9,556	20,126
	<b>1,592,638</b>	<b>489,064</b>

\* net of expected credit losses of RM14,722,000 (2022: RM15,921,000).

<b>The Group and the Bank</b>	
<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>

**A12 Deposits from customers**

**(i) By type of deposit**

Savings deposits	7,882,044	7,187,660
Commodity Murabahah (via Tawarruq arrangement)*	<b>7,882,044</b>	7,187,660
Demand deposits	18,545,491	17,053,489
Qard	<b>16,742,154</b>	14,998,197
Commodity Murabahah (via Tawarruq arrangement)*	<b>1,803,337</b>	2,055,292
Term deposits	80,660,046	78,385,199
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	<b>48,392,191</b>	46,654,408
Fixed Return Income Account-i (via Tawarruq arrangement)*	<b>30,426,868</b>	31,135,417
Negotiable Islamic Debt Certificate (NIDC) Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	<b>1,840,987</b>	595,374
Specific investment account	101,529	100,638
Mudharabah	<b>101,529</b>	100,638
Others	141,712	98,990
Qard	<b>141,712</b>	98,990
	<b>107,330,822</b>	<b>102,825,976</b>

\*included Qard contract of RM944,818,000 (2022:RM1,831,665,000)

**PART A - EXPLANATORY NOTES (CONTINUED)**

	<b>The Group and the Bank</b>	
	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>A12 Deposits from customers (continued)</b>		
<b>(ii) Maturity structures of term deposits and investment accounts.</b>		
Due within six months	68,106,373	68,358,324
Six months to less than one year	11,561,619	8,873,186
One year to less than three years	205,501	376,555
Three years to less than five years	862,770	852,999
Five years and more	25,312	24,773
	<u>80,761,575</u>	<u>78,485,837</u>
<b>(iii) By type of customer</b>		
Government and statutory bodies	7,485,700	7,050,281
Business enterprises	41,230,368	35,293,648
Individuals	32,074,277	32,992,422
Others	26,540,477	27,489,625
	<u>107,330,822</u>	<u>102,825,976</u>

	<b>The Group and the Bank</b>	
	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>A13 Investment accounts of customers</b>		
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.

	<b>The Group and the Bank</b>	
	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>A14 Deposits and placements of banks and other financial institutions</b>		
Licensed Islamic banks	401,612	-
Licensed investment banks	374,324	572,975
Licensed banks	3,345,023	6,377,236
Bank Negara Malaysia	5,000	5,000
Other financial institutions	450,228	453,528
	<u>4,576,187</u>	<u>7,408,739</u>

The maturity structure of deposits and placements from financial institutions are as follows:

Due within six months	4,298,172	7,245,158
Six months to less than one year	110,344	-
One year to three years	167,671	163,581
	<u>4,576,187</u>	<u>7,408,739</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

	<b>The Group and the Bank</b>	
	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>A15 Investment accounts due to designated financial institutions</b>		
Restricted investment accounts		
Mudharabah	<u>3,463,609</u>	<u>3,576,590</u>
By type of counterparty		
Licensed banks	<u>3,463,609</u>	<u>3,576,590</u>

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

**A16 Financial liabilities designated at fair value through profit or loss**

Deposits from customers - structured investments	<u>2,985,978</u>	<u>2,857,004</u>
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The Group and the Bank have issued structured investments, 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 the Group and the Bank as at 30 September 2023 of financial liabilities designated at fair value were RM147,633,000 (31 December 2022: RM222,678,000) lower than the contractual amount at maturity.

	<b>The Group and the Bank</b>	
	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>A17 Other liabilities</b>		
Accruals and other payables	337,581	82,241
Clearing accounts	173,587	237,254
Expected credit losses for commitments and contingencies	71,149	45,147
Collateral received for derivative transactions	19,439	1,797
Structured deposits	24,437	21,100
Treasury related payables	145,639	15,922
Others	56,317	42,779
	<u>828,149</u>	<u>446,240</u>



PART A - EXPLANATORY NOTES (CONTINUED)

A17 Other liabilities (continued)

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

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
<b>At 1 January 2023</b>	<b>25,092</b>	<b>12,017</b>	<b>8,038</b>	<b>45,147</b>
Changes in expected credit losses due to transferred within stages:	9,666	(9,393)	(273)	-
Transferred to Stage 1	14,306	(11,361)	(2,945)	-
Transferred to Stage 2	(4,604)	8,836	(4,232)	-
Transferred to Stage 3	(36)	(6,868)	6,904	-
<b>Total charge to Statement of Income:</b>	<b>19,275</b>	<b>5,200</b>	<b>1,436</b>	<b>25,911</b>
New exposures	29,402	264	-	29,666
Exposures derecognised or matured	(24,299)	(3,142)	(3,971)	(31,412)
Change in credit risk	14,172	8,078	5,407	27,657
Other movements	33	50	8	91
<b>At 30 September 2023</b>	<b>54,066</b>	<b>7,874</b>	<b>9,209</b>	<b>71,149</b>

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
<b>At 1 January 2022</b>	<b>62,268</b>	<b>39,180</b>	<b>3,808</b>	<b>105,256</b>
Changes in expected credit losses due to transferred within stages:	14,716	(19,818)	5,102	-
Transferred to Stage 1	17,522	(16,991)	(531)	-
Transferred to Stage 2	(2,761)	4,601	(1,840)	-
Transferred to Stage 3	(45)	(7,428)	7,473	-
<b>Total charge to Statement of Income:</b>	<b>(51,897)</b>	<b>(7,610)</b>	<b>(878)</b>	<b>(60,385)</b>
New exposures	79,789	129	2,075	81,993
Exposures derecognised or matured	(35,269)	(11,504)	(3,347)	(50,120)
Change in credit risk	(96,417)	3,765	394	(92,258)
Other movements	5	265	6	276
<b>At 31 December 2022</b>	<b>25,092</b>	<b>12,017</b>	<b>8,038</b>	<b>45,147</b>

As at 30 September 2023, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM56,441,000 (2022: RM46,290,000) respectively.

**PART A - EXPLANATORY NOTES (CONTINUED)**

3rd Quarter Ended		Nine Months Ended	
30 September	30 September	30 September	30 September
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000

**A18 Income derived from investment of depositors' funds and others**

**The Group and the Bank**

Income derived from investment of :

a) General investment deposits	917,677	722,796	2,530,834	1,876,977
b) Specific investment deposits	878	612	2,696	1,607
c) Other deposits	427,720	283,126	1,146,451	788,839
	<b>1,346,275</b>	<b>1,006,534</b>	<b>3,679,981</b>	<b>2,667,423</b>

**a) Income derived from investment of general investment deposits**

Financing, advances and other financing/loans

- Profit income	689,531	595,987	2,028,124	1,563,125
- Unwinding income <sup>^</sup>	10,239	5,149	27,418	10,820
Debt instruments at fair value through other comprehensive income	34,637	33,015	100,352	95,463
Debt instrument at amortised cost	87,021	57,494	229,737	161,948
Money at call and deposit with financial institutions	50,930	69,714	193,472	148,097
Reverse Collateralised Commodity Murabahah	5,636	561	9,770	885
	<b>877,994</b>	<b>761,920</b>	<b>2,588,873</b>	<b>1,980,338</b>
Accretion of discount less amortisation of premium	(4,538)	(5,536)	(15,708)	(17,619)
	<b>873,456</b>	<b>756,384</b>	<b>2,573,165</b>	<b>1,962,719</b>

Other finance income for financial assets at fair value through profit or loss

- Financial investments at fair value through profit or loss	14,264	10,981	45,980	35,093
- Net accretion of discount less amortisation of premium	22,004	10,817	45,878	28,370
Total finance income and hibah	<b>909,724</b>	<b>778,182</b>	<b>2,665,023</b>	<b>2,026,182</b>

Other operating income

- Net gain/(loss) arising from financial investments at fair value through profit or loss:	3,990	2,507	16,481	(3,877)
- realised	2,807	605	14,179	(2,375)
- unrealised	1,183	1,902	2,302	(1,502)
- Net gain/(loss) from sale of investment in debt instruments at fair value through comprehensive income	2,283	33	3,258	(10,041)
- Net loss from foreign exchange transactions	(1,792)	(61,657)	(163,490)	(143,195)
	<b>4,481</b>	<b>(59,117)</b>	<b>(143,751)</b>	<b>(157,113)</b>
Fee and commission income				
- Guarantee fee	3,472	3,731	9,562	7,908
	<b>917,677</b>	<b>722,796</b>	<b>2,530,834</b>	<b>1,876,977</b>

**b) Income derived from investment of specific investment deposits**

Money at call and deposit with financial institutions	<b>878</b>	<b>612</b>	<b>2,696</b>	<b>1,607</b>
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<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

**PART A - EXPLANATORY NOTES (CONTINUED)**

3rd Quarter Ended		Nine Months Ended	
30 September	30 September	30 September	30 September
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000

**A18 Income derived from investment of depositors funds and others (continued)**

**The Group and the Bank**

**c) Income derived from investment of other deposits**

Financing, advances and other financing/loans

- Profit income	321,383	233,453	918,067	657,406
- Unwinding income <sup>^</sup>	4,773	2,017	12,435	4,504
Debt instruments at fair value through other comprehensive income	16,144	12,932	45,437	40,300
Debt instrument at amortised cost	40,559	22,521	104,208	68,294
Money at call and deposit with financial institutions	23,738	27,308	87,231	61,678
Reverse Collateralised Commodity Murabahah	2,626	219	4,472	362
	<b>409,223</b>	298,450	<b>1,171,850</b>	832,544
Accretion of discount less amortisation of premium	(2,115)	(2,169)	(7,095)	(7,463)
	<b>407,108</b>	296,281	<b>1,164,755</b>	825,081

Other finance income for financial assets at fair value through profit or loss

- Financial investments at fair value through profit or loss	6,648	4,302	20,785	14,864
- Net accretion of discount less amortisation of premium	10,256	4,237	20,918	11,926
Total finance income and hibah	<b>424,012</b>	304,820	<b>1,206,458</b>	851,871

Other operating income

- Net gain/(loss) arising from financial investments at fair value through profit or loss:	1,861	982	7,410	(1,827)
- realised	1,309	237	6,367	(1,085)
- unrealised	552	745	1,043	(742)
- Net gain/(loss) from sale of investment in debt instruments at fair value through comprehensive income	1,064	13	1,501	(4,430)
- Net loss from foreign exchange transactions	(835)	(24,152)	(73,245)	(60,064)
	<b>2,090</b>	(23,157)	<b>(64,334)</b>	(66,321)
Fee and commission income				
- Guarantee fee	1,618	1,463	4,327	3,289
	<b>427,720</b>	283,126	<b>1,146,451</b>	788,839

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

**A19 Income derived from investment of investment account**

**The Group and The Bank**

Financing, advances and other financing/loans

- Profit income	276,762	177,724	763,900	512,886
- Unwinding income <sup>^</sup>	1	5	8	55
Debt instrument at amortised cost	11,925	6,599	33,117	16,356
Money at call and deposit with financial institutions	-	15	-	125
	<b>288,688</b>	184,343	<b>797,025</b>	529,422
Accretion of discount less amortisation of premium	2,167	7,475	6,675	13,486
	<b>290,855</b>	191,818	<b>803,700</b>	542,908

Other operating income

- Net gain from sale of securities at amortised cost	-	-	65	-
- Net gain from foreign exchange transactions	23	67	229	132
	<b>23</b>	67	<b>294</b>	132
Fees and commission income				
- Service charges and fees	218	392	746	721
Other income	1	1	2	1
	<b>291,097</b>	192,278	<b>804,742</b>	543,762

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

**PART A - EXPLANATORY NOTES (CONTINUED)**

3rd Quarter Ended		Nine Months Ended	
30 September	30 September	30 September	30 September
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000

**A20 Income derived from investment of shareholder's funds**

**The Group and The Bank**

Financing, advances and other financing/loans				
- Profit income	77,787	59,987	225,816	167,749
- Unwinding income <sup>^</sup>	1,155	518	3,057	1,150
Debt instruments at fair value through other comprehensive income	3,908	3,323	11,175	10,280
Debt instrument at amortised cost	9,817	5,787	25,615	17,424
Money at call and deposit with financial institutions	5,745	7,017	21,487	15,752
Reverse Collateralised Commodity Murabahah	636	57	1,094	93
	<b>99,048</b>	76,689	<b>288,244</b>	212,448
Accretion of discount less amortisation of premium	(512)	(557)	(1,747)	(1,903)
	<b>98,536</b>	76,132	<b>286,497</b>	210,545
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	1,609	1,105	5,116	3,791
- Net accretion of discount less amortisation of premium	2,482	1,089	5,132	3,044
Total finance income and hibah	<b>102,627</b>	78,326	<b>296,745</b>	217,380
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:	451	253	1,823	(460)
- realised	317	61	1,569	(273)
- unrealised	134	192	254	(187)
- Net gain/(loss) from sale of investment in debt instruments at fair value through comprehensive income	257	4	366	(1,122)
- Net loss from foreign exchange transactions	(202)	(6,206)	(18,241)	(15,311)
- Net gain arising from hedging activities	73	200	160	155
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	25,755	36,676	(21,187)	225,161
- realised	6,373	(7,944)	53,187	(13,922)
- unrealised	19,382	44,620	(74,374)	239,083
- Net gain/(loss) arising from derivative financial instrument	(725)	78,969	393,730	36,548
- realised	249,649	97,968	206,517	229,032
- unrealised	(250,374)	(18,999)	187,213	(192,484)
	<b>25,609</b>	109,896	<b>356,651</b>	244,971
Fee and commission income				
- Guarantee fee	391	375	1,062	840
- Service charge and fee	31,878	28,178	87,982	80,269
- Commission fee	39,064	42,825	139,834	112,812
Total fee and commission income	71,333	71,378	228,878	193,921
Less : fee and commission expense	(11,866)	(7,831)	(27,240)	(9,387)
Net fee and commission income	<b>59,467</b>	63,547	<b>201,638</b>	184,534
Other income	381	455	1,125	1,225
	<b>188,084</b>	252,224	<b>856,159</b>	648,110

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

**A21 Modification loss**

In light of the COVID-19 outbreak, BNM and the Malaysian Ministry of Finance have introduced several relief measures to assist customers affected by the pandemic. These measures aim to ensure that the financial intermediation function of the financial sector remains intact, accessibility to financial services 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 financing, advances and other financing/loans repayment.

**PART A - EXPLANATORY NOTES (CONTINUED)**

3rd Quarter Ended		Nine Months Ended	
30 September	30 September	30 September	30 September
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000

**A22(a) Expected credit losses on financing, advances and other financing/loans**

**The Group and the Bank**

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

-Expected credit losses on financing, advances and other financing/loans **102,033** 107,186 **292,741** 319,468

Credit impaired financing, advances and other financing/loans:

- recovered **(18,101)** (17,674) **(52,241)** (57,767)

- written off **1,077** 698 **2,710** 1,562

**85,009** 90,210 **243,210** 263,263

**A22(b) Other expected credit losses (written back)/made**

**The Group and the Bank**

Expected credit losses (written back)/made on:

- Debt instrument at fair value through other comprehensive income **(87)** (199) **706** (2,115)

- Debt instrument at amortised cost **100** (168) **95** (426)

- Deposits and placements with banks and other financial institutions **6** - **5** -

- Other receivables **(116)** (38) **(1,199)** 21,363

**(97)** (405) **(393)** 18,822

**A23 Income attributable to depositors and others**

**The Group and The Bank**

**Deposits from customers**

- Mudharabah **878** 612 **2,696** 1,607

- Non-Mudharabah **801,404** 493,668 **2,284,072** 1,258,549

**Deposits and placements of banks and other financial institutions**

- Mudharabah

- Non-Mudharabah **63,496** 21,489 **221,487** 40,967

**Others**

- Financial liabilities designated at fair value through profit or loss **25,774** 15,846 **75,737** 29,421

- Recourse obligation on loans and financing sold to Cagamas **5,308** - **5,308** -

- Subordinated Sukuk **11,267** 11,115 **33,433** 32,984

- Structured deposits **40** 45 **105** 171

- Collateralised Commodity Murabahah **16,964** 7,097 **52,562** 12,385

- Others **37** 13 **57** 59

**925,168** 549,885 **2,675,457** 1,376,143

**A24 Profit distributed to investment account holder**

**The Group and the Bank**

-Restricted **45,090** 36,652 **130,633** 89,846

-Unrestricted **155,375** 62,007 **413,901** 180,833

**200,465** 98,659 **544,534** 270,679

**PART A - EXPLANATORY NOTES (CONTINUED)**

3rd Quarter Ended		Nine Months Ended	
30 September	30 September	30 September	30 September
2023	2022	2023	2022
RM'000	RM'000	RM'000	RM'000

**A25 Personnel expenses**

**The Group and the Bank**

Salaries, allowances and bonuses	5,916	5,021	17,845	18,071
Pension costs (defined contribution plan)	674	608	1,978	1,793
Staff incentives and other staff payments	145	188	579	730
Medical expenses	75	55	304	185
Share-based expense <sup>1</sup>	424	412	1,273	1,146
Others	727	256	977	539
	<b>7,961</b>	<b>6,540</b>	<b>22,956</b>	<b>22,464</b>

<sup>1</sup> The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings ("CIMBGH") in June 2021. The LTIP awards ordinary shares and share options of CIMBGH 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 CIMBGH and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.

**A26 Other overheads and expenditures**

**The Group and The Bank**

**Establishment**

Depreciation of property, plant equipment	88	87	261	295
Depreciation of right-of-use assets	141	143	427	436
Rental	234	90	413	350
Amortisation of intangible assets	316	591	799	19,643
Repairs and maintenance	121	298	326	77
Utility expenses	8	7	22	17
Others	1,445	628	3,861	2,823
	<b>2,353</b>	<b>1,844</b>	<b>6,109</b>	<b>23,641</b>

**Marketing**

Advertisement and publicity	1,897	1,429	3,904	3,364
Others	147	92	315	130
	<b>2,044</b>	<b>1,521</b>	<b>4,219</b>	<b>3,494</b>

**General expenses**

Consultancy and professional fees	978	576	1,912	1,150
Legal expenses	251	56	37	(698)
Stationery	162	63	272	174
Postages	39	43	129	229
Donation	302	302	2,403	1,002
Incidental expenses on banking operations	1,175	1,031	3,290	3,007
Takaful	748	687	2,342	2,306
Group service expense	274,533	253,195	916,579	786,668
Others	2,995	2,192	8,592	5,298
	<b>281,183</b>	<b>258,145</b>	<b>935,556</b>	<b>799,136</b>
	<b>285,580</b>	<b>261,510</b>	<b>945,884</b>	<b>826,271</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A27 Islamic derivative financial instruments, commitments and contingencies**

**(i) Islamic derivative financial instruments**

The following tables summarise the contractual or 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 of risk.

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

The Group and the Bank	30 September 2023			31 December 2022		
	Principal	Fair values	Fair values	Principal	Fair values	Fair values
	Amount	assets	liabilities	amount	assets	liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	12,059,008	250,837	(164,923)	11,137,932	238,783	(284,690)
- Less than one year	11,683,960	201,464	(122,212)	10,731,828	195,943	(248,402)
- One year to three years	97,009	15,295	(13,021)	41,783	5,028	(4,287)
- More than three years	278,039	34,078	(29,690)	364,321	37,812	(32,001)
Currency swaps	15,560,306	109,285	(139,844)	13,831,112	149,115	(165,128)
- Less than one year	15,560,306	109,285	(139,844)	13,831,112	149,115	(165,128)
Currency spots	84,499	220	(126)	25,087	77	(79)
- Less than one year	84,499	220	(126)	25,087	77	(79)
Currency options	280,893	4,371	(4,371)	52,555	1,650	(1,650)
- Less than one year	187,318	2,612	(2,612)	52,555	1,650	(1,650)
- 1 year to 3 years	93,575	1,759	(1,759)	-	-	-
- More than 3 years						
Cross currency profit rate swaps	1,008,111	46,994	(44,568)	822,618	36,625	(32,637)
- Less than one year	281,181	3,884	(3,811)	81,925	2,196	(2,168)
- One year to three years	339,780	30,241	(30,032)	255,780	18,733	(18,569)
- More than three years	387,150	12,869	(10,725)	484,913	15,696	(11,900)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	7,065,789	19,864	(173,129)	5,504,176	23,065	(246,448)
- Less than one year	1,247,779	1,032	(1,356)	1,378,419	7,102	(6,977)
- One year to three years	1,781,726	943	(39,771)	881,700	542	(22,801)
- More than three years	4,036,284	17,889	(132,002)	3,244,057	15,421	(216,670)
<u>Equity related derivatives</u>						
Equity options	12,461	260	(260)	-	-	-
- Less than one year	1,915	52	(52)	-	-	-
- One year to three years	10,546	208	(208)	-	-	-
Equity swaps	-	-	-	12,029	130	(124)
- More than three years	-	-	-	12,029	130	(124)
<u>Credit related contracts</u>						
Total return swaps	39,800	351	(351)	40,400	477	(477)
- One year to three years	39,800	351	(351)	-	-	-
- More than three years	-	-	-	40,400	477	(477)
Commodity options	21,607	66	(66)	4,259	8	(8)
- Less than one year	21,607	66	(66)	4,259	8	(8)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	1,356,926	14,322	(4,072)	882,286	16,965	(1,483)
- Less than one year	55,000	605	-	-	-	-
- One year to three years	176,926	5,282	(199)	107,286	3,112	-
- More than three years	1,125,000	8,435	(3,873)	775,000	13,853	(1,483)
<b>Total derivative assets/(liabilities)</b>	<b>37,489,400</b>	<b>446,570</b>	<b>(531,710)</b>	<b>32,312,454</b>	<b>466,895</b>	<b>(732,724)</b>

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A27 Islamic derivative financial instruments, commitments and contingencies (continued)**

#### **(i) Islamic derivative financial instruments (continued)**

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

#### **Market Risk**

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit 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 profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 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 RM446,570,000 (31 December 2022: RM466,895,000). 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 has posted cash collateral of RM276,500,000 (31 December 2022: RM33,183,000) on their derivative contracts.

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

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; 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 annual financial statements for the financial year ended 31 December 2022.



**PART A - EXPLANATORY NOTES (CONTINUED)**

**A27 Islamic derivative financial instruments, commitments and contingencies (continued)**

**(ii) Commitments and contingencies**

	<b>30 September 2023 Principal amount</b>	<b>31 December 2022 Principal amount</b>
<b>The Group and the Bank</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Credit-related</u>		
Direct credit substitutes	<b>463,805</b>	342,836
Transaction-related contingent items	<b>1,103,136</b>	972,966
Short-term self-liquidating trade-related contingencies	<b>71,840</b>	140,107
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	<b>13,861,193</b>	15,291,877
- maturity exceeding one year	<b>13,573,480</b>	12,250,712
Miscellaneous commitments and contingencies	<b>76,775</b>	60,107
Total credit-related commitments and contingencies	<b>29,150,229</b>	29,058,605
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	<b>27,797,264</b>	24,722,507
- one year to five years	<b>761,736</b>	635,755
- more than five years	<b>433,817</b>	511,042
Profit rate related contracts :		
- less than one year	<b>1,302,779</b>	1,378,419
- one year to five years	<b>5,741,114</b>	4,083,641
- more than five years	<b>1,378,822</b>	924,402
Equity related contracts :		
- less than one year	<b>1,915</b>	12,029
- one year to five years	<b>10,546</b>	-
Credit related contracts:		
- one year to five years	<b>39,800</b>	40,400
Commodity related contracts :		
- less than one year	<b>21,607</b>	4,259
Total treasury-related commitments and contingencies	<b>37,489,400</b>	32,312,454
	<b>66,639,629</b>	61,371,059

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A28 Capital Adequacy**

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia ("BNM") 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 CAFIB (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 3 May 2019.

The Internal Ratings Based ("IRB") Approach adopted by the 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.

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

	The Group		The Bank	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Common equity tier 1 ratio	12.564%	14.040%	12.564%	14.040%
Tier 1 ratio	13.105%	14.670%	13.105%	14.670%
Total capital ratio	15.275%	17.078%	15.276%	17.078%

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

	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Credit risk	58,738,794	50,149,895	58,738,932	50,150,033
Market risk	735,250	586,305	735,250	586,305
Operational risk	5,203,677	4,784,999	5,202,829	4,784,196
Total risk-weighted assets	64,677,721	55,521,199	64,677,011	55,520,534

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

	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
<b>Common Equity Tier 1 capital</b>				
Ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	7,815,744	7,306,291	7,815,709	7,306,256
Common Equity Tier 1 capital before regulatory adjustments	8,815,744	8,306,291	8,815,709	8,306,256
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(3,022)	(1,385)	(3,022)	(1,385)
Deferred tax assets	(261,269)	(188,997)	(261,269)	(188,997)
Regulatory reserve	(290,006)	(184,715)	(290,006)	(184,715)
Others	560	(112)	560	(112)
Common Equity Tier 1 capital after regulatory adjustments	8,126,007	7,795,082	8,125,972	7,795,047
<b>Additional Tier 1 capital</b>				
Perpetual preference shares	350,000	350,000	350,000	350,000
<b>Total Tier 1 capital</b>	8,476,007	8,145,082	8,475,972	8,145,047
<b>Tier 2 capital</b>				
Subordinated Obligations	1,100,000	1,100,000	1,100,000	1,100,000
Surplus of eligible provisions over expected loss	218,998	153,480	218,995	153,477
General provisions ^	84,792	83,450	84,794	83,452
<b>Total Tier 2 capital</b>	1,403,790	1,336,930	1,403,789	1,336,929
<b>Total capital</b>	9,879,797	9,482,012	9,879,761	9,481,976

^ Total capital of the Group and the Bank has excluded general provisions from Tier 2 capital of RM45.3 million (2022: RM31.8million).

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A29 Restricted Agency Investment Account -RAIA**

The details of the Restricted Agency Investment Account (“RAIA”) financing are as below. The exposures and corresponding risk weighted amount are reported in investors’ financial statements.

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>RAIA arrangement</u>		
Financing and advances	<b>12,422,323</b>	11,280,429
Commitments and contingencies	<b>3,100,000</b>	3,000,000
	<b><u>15,522,323</u></b>	<u>14,280,429</u>

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Total RWA for Credit Risk	<b>831,575</b>	857,557
	<b><u>831,575</u></b>	<u>857,557</u>

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank 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 allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.

## **PART A - EXPLANATORY NOTES (CONTINUED)**

### **A30 Segmental reporting**

#### **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 Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, 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 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 debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of 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 financings, 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.

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

#### **Group Funding**

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)**

**A30 Segmental reporting (continued)**

<b>The Group 30 September 2023</b>	<b>Wholesale Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Group Funding RM'000</b>	<b>Total RM'000</b>
Net financing income:					
- external	(843,726)	1,724,880	556,255	317,145	1,754,554
- inter-segment	1,093,556	(635,245)	(33,236)	(425,075)	-
	<u>249,830</u>	<u>1,089,635</u>	<u>523,019</u>	<u>(107,930)</u>	<u>1,754,554</u>
Other operating income	106,504	196,276	87,058	(23,578)	366,260
Total income	<u>356,334</u>	<u>1,285,911</u>	<u>610,077</u>	<u>(131,508)</u>	<u>2,120,814</u>
Overhead expenses	(133,640)	(527,102)	(110,398)	(197,700)	(968,840)
Consist of :					
Depreciation of property, plant and equipment	(3)	(1)	-	(257)	(261)
Amortisation of intangible assets	(411)	(387)	-	(1)	(799)
Profit/(loss) before allowances	<u>222,694</u>	<u>758,809</u>	<u>499,679</u>	<u>(329,208)</u>	<u>1,151,974</u>
Expected credit losses written back/(made) on financing, advances and other financing/loans	1,250	(168,758)	(75,699)	(3)	(243,210)
Expected credit losses written back/(made) for commitments and contingencies	5,105	(29,519)	(1,497)	-	(25,911)
Other expected credit losses written back/(made)	1,178	-	-	(785)	393
Segment results	<u>230,227</u>	<u>560,532</u>	<u>422,483</u>	<u>(329,996)</u>	<u>883,246</u>
Taxation					(218,699)
<b>Net profit for the financial period</b>					<u><u>664,547</u></u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A30 Segmental reporting (continued)**

<b>The Group 30 September 2022</b>	<b>Wholesale Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Group Funding RM'000</b>	<b>Total RM'000</b>
Net financing income:					
- external	(436,036)	1,596,797	428,141	401,383	1,990,285
- inter-segment	730,607	(546,424)	13,844	(198,027)	-
	294,571	1,050,373	441,985	203,356	1,990,285
Other operating income	(15,510)	175,918	71,821	(12,885)	219,344
Total income	279,061	1,226,291	513,806	190,471	2,209,629
Overhead expenses	(100,078)	(437,741)	(97,790)	(213,126)	(848,735)
Consist of :					
Depreciation of property, plant and equipment	(33)	-	-	(262)	(295)
Amortisation of intangible assets	(1,205)	(100)	-	(18,338)	(19,643)
Profit before allowances	178,983	788,550	416,016	(22,655)	1,360,894
Expected credit losses written back/(made) on financing, advances and other financing/loans	3,443	(223,607)	(43,089)	(10)	(263,263)
Expected credit losses written back for commitments and contingencies	19,182	11,142	305	-	30,629
Other expected credit losses made	(244)	(7,816)	-	(10,762)	(18,822)
Segment results	201,364	568,269	373,232	(33,427)	1,109,438
Taxation					(370,878)
<b>Net profit for the financial period</b>					<b>738,560</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A30 Segmental reporting (continued)**

<b>The Group 30 September 2023</b>	<b>Wholesale Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Group Funding RM'000</b>	<b>Total RM'000</b>
Segment assets	30,937,783	80,090,375	22,081,934	15,909,383	149,019,475
Unallocated assets					2,261,028
<b>Total assets</b>					<u><u>151,280,503</u></u>
Segment liabilities	60,650,618	49,607,350	18,097,609	12,669,990	141,025,567
Unallocated liabilities					868,705
<b>Total liabilities</b>					<u><u>141,894,272</u></u>
<b>Other segment items</b>					
Capital expenditure	924	869	-	42	1,835
<hr/>					
<b>The Group 31 December 2022</b>	<b>Wholesale Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Commercial Banking RM'000</b>	<b>Group Funding RM'000</b>	<b>Total RM'000</b>
Segment assets	37,390,395	74,346,200	19,382,267	10,988,949	142,107,811
Unallocated assets					1,119,406
<b>Total assets</b>					<u><u>143,227,217</u></u>
Segment liabilities	60,213,095	45,822,906	16,271,280	11,816,650	134,123,931
Unallocated liabilities					446,995
<b>Total liabilities</b>					<u><u>134,570,926</u></u>
<b>Other segment items</b>					
Capital expenditure	159	12	-	1,938	2,109
<hr/>					

## PART A - EXPLANATORY NOTES (CONTINUED)

### A31 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 Group Market Risk Committee ("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 and liabilities are recorded at fair value.



**PART A - EXPLANATORY NOTES (CONTINUED)**

**A31 Fair Value Estimation (continued)**

(i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 30 September 2023 and 31 December 2022.

The Group and the Bank	30 September 2023			31 December 2022		
	Fair Value			Fair Value		
	(Level 2)	(Level 3)	Total	(Level 2)	(Level 3)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>						
<u>Financial assets</u>						
Financial assets at fair value through profit or loss						
-Money market instruments	4,977,227	-	4,977,227	1,659,213	-	1,659,213
-Unquoted securities	114,724	-	114,724	383,013	-	383,013
Debt instruments at fair value through other comprehensive income						
-Money market instruments	1,796,413	-	1,796,413	1,550,180	-	1,550,180
-Unquoted securities	3,713,738	-	3,713,738	3,450,204	-	3,450,204
Derivative financial instruments						
-Trading derivatives	431,989	259	432,248	449,930	-	449,930
-Hedging derivatives	14,322	-	14,322	16,965	-	16,965
<b>Total</b>	<b>11,048,413</b>	<b>259</b>	<b>11,048,672</b>	<b>7,509,505</b>	<b>-</b>	<b>7,509,505</b>
<i>Recurring fair value measurements</i>						
<u>Financial liabilities</u>						
Derivative financial instruments						
-Trading derivatives	527,379	259	527,638	731,241	-	731,241
-Hedging derivatives	4,072	-	4,072	1,483	-	1,483
Financial liabilities designated at fair value through profit or loss						
<b>Total</b>	<b>2,985,978</b>	<b>-</b>	<b>2,985,978</b>	<b>2,857,004</b>	<b>-</b>	<b>2,857,004</b>
<b>Total</b>	<b>3,517,429</b>	<b>259</b>	<b>3,517,688</b>	<b>3,589,728</b>	<b>-</b>	<b>3,589,728</b>

**PART A-EXPLANATORY NOTES (CONTINUED)**

**A31 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:

	30 September 2023				31 December 2022			
	Financial Assets		Financial Liabilities		Financial Assets		Financial Liabilities	
	Derivative financial instruments		Derivative financial instruments		Derivative financial instruments		Derivative financial instruments	
	Trading derivatives	Total	Trading derivatives	Total	Trading derivatives	Total	Trading derivatives	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>The Group and the Bank</b>								
<b>2023</b>								
At 1 January 2023/2022	-	-	-	-	-	-	-	-
Total gain/(loss) recognised in statement of income	96	96	(48)	(48)	-	-	-	-
Purchases	195	195	(259)	(259)	-	-	-	-
Settlements	(32)	(32)	48	48	-	-	-	-
As at 30 September/31 December	<b>259</b>	<b>259</b>	<b>(259)</b>	<b>(259)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total gains/(losses) recognised in statement of income for financial period/year ended 30 September 2023 and 31 December 2022 under:								
- net other income	96	96	(48)	(48)	-	-	-	-
Change in unrealised gain/(loss) recognised in statement of income relating to assets held on 30 September 2023/31 December 2022 under "other income"	117	117	(55)	(55)	-	-	-	-

## PART B

### B1 Group performance review

The Group recorded a pre-tax profit of RM883.2 million for the financial period ended 30 September 2023, a decrease of RM226.2 million or 20.4% compared to the previous corresponding period.

Total income increased by RM1,481.6 million or 38.4% to RM5,340.9 million from previous corresponding period, comprising of increase of income derived from investments of depositors funds and others, income derived from investment of investment account and income derived from shareholder's funds by RM1,012.6 million, RM261.0 million and RM208.0 million respectively.

For the nine months ended 30 September 2023, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM243.2 million compared to RM263.3 million in the corresponding period last year. The decrease in net allowance charged was mainly due to lower expected credit losses made on financing by RM26.7 million and lower impaired financings recovered by RM5.5 million.

The income attributable to depositors increased by RM1,299.3 million while profit distributed to investment account holder increased by RM273.9 million.

The Group's gross financing, advances and other financing/loans increased by 7.35% to RM117.1 billion for the nine months period ended 30 September 2023. As at 30 September 2023, deposits from customers and investment accounts of customers stood at RM107.3 billion and RM18.4 billion, an increase of RM4.5 billion and RM4.8 billion respectively as compared to 31 December 2022.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 12.564%, 13.105% and 15.275% respectively.

### 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. As the Bank approaches the final year of the Forward23+ programme, the core focus remains on targeted financing 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 by the weighted average number of ordinary shares in issue during the financial period.

	The Group and the Bank			
	3rd Quarter Ended 30 September 2023 RM'000	30 September 2022 RM'000	Nine Months Ended 30 September 2023 RM'000	30 September 2022 RM'000
Net profit for the financial period (RM '000)	256,419	301,976	664,547	738,560
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	25.64	30.20	66.45	73.86

#### b) Diluted EPS

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