

Registration No: 197401001266 (18417-M)

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Reports and Financial Statement for the financial year ended 31 December 2024

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Reports and Financial Statements for the financial year ended 31 December 2024

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CIMB Investment Bank Berhad

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Directors' Report for the financial year ended 31 December 2024

The Directors have pleasure in submitting their Report and the Audited Financial Statements of CIMB Investment Bank Berhad (“the Bank”) including the Consolidated Financial Statements of the Bank and its subsidiaries (“the Group”) for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Bank during the financial year are investment banking and the provision of related financial services. The principal activities of the subsidiaries during the financial year are as set out in Note 9 to the Financial Statements, consist mainly of provision of nominee services and stockbroking activities.

On 8 February 2024, the Bank completed the acquisition of the entire equity interest of CIMB Securities Sdn Bhd as disclosed in Note 38. The principal activities of CIMB Securities Sdn Bhd is stockbroking activities.

Financial results

	The Group RM'000	The Bank RM'000
Net profit after taxation	<u>92,105</u>	<u>81,427</u>

Dividends

Since the previous financial year ended 31 December 2023, a single-tier interim dividend of 41.10 sen on 100,000,000 ordinary shares amounting to RM41,100,000, was declared on 24 January 2024 and paid on 15 March 2024.

The Directors have proposed a single-tier interim dividend of 81.40 sen per ordinary share on 100,000,000 ordinary shares amounting to RM81,400,000 in respect of the financial year ended 31 December 2024, which was approved by the Board of Directors in a resolution dated 22 January 2025.

The Financial Statements for the current financial year do not reflect the above proposed dividend. Such dividends will be accounted for in equity as an appropriation of retained earnings in the next financial year.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2024.

Reserves, provisions and allowances

There were no material transfers to or from reserves or provisions or allowances during the financial year other than those disclosed in the Financial Statements and Notes to the Financial Statements.

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Issuance of shares

There were no changes to the issued and paid up capital of the Bank during the financial year.

Share-based employee benefit plan

The Bank's employee benefit schemes are explained in Note 32 to the Financial Statements.

Bad and doubtful debts

Before the Financial Statements of the Group and of the Bank were prepared, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this Report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts, or the amount of the allowance for doubtful debts in the Financial Statements of the Group and of the Bank, inadequate to any substantial extent.

Current assets

Before the Financial Statements of the Group and of the Bank were prepared, the Directors took reasonable steps to ascertain that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, including the values of current assets as shown in the accounting records of the Group and of the Bank, had been written down to an amount which the current assets might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the Financial Statements of the Group and of the Bank misleading.

Valuation methods

At the date of this Report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Bank misleading or inappropriate.

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Contingent and other liabilities

At the date of this Report, there does not exist:

- (a) any charge on the assets of the Group or the Bank which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or the Bank which has arisen since the end of the financial year other than in the ordinary course of business.

No contingent or other liability in the Group or the Bank has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Bank and its subsidiaries to meet their obligations when they fall due.

Change of circumstances

At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in this Report or the Financial Statements of the Group and of the Bank, that would render any amount stated in the Financial Statements misleading.

Items of an unusual nature

In the opinion of the Directors:

- (a) the results of the Group's and the Bank's operations for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 34 to the Financial Statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Bank for the financial year in which this Report is made.

Directors

The names of the Directors of the Bank who have held office during the financial year and during the period from the end of the financial year to the date of the report are:

Raymond Yeoh Cheng Seong

Nor Masliza Sulaiman (appointed on 24 January 2025)

Dato' Lee Kok Kwan

Tan Ting Min

Adrian Toho Parada Panggabean (appointed on 27 August 2024)

Manu Bhaskaran (retired on 31 May 2024)

Surina Shukri (deceased on 29 February 2024)

Muhammad Novan Amirudin (resigned as CEO on 25 July 2024, and as Executive Director on 31 December 2024, respectively)

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Directors (Continued)

In accordance with Articles 84 of the Bank's Constitution Dato' Lee Kok Kwan and Adrian Toho Parada Panggabean will retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

The names of the Directors of the Bank's subsidiaries in office since the beginning of the financial year to the date of this Report are disclosed in Note 41 to the Financial Statements.

Directors' interests in shares, share options and debentures

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, the beneficial interests of the Directors who held office at the end of the financial year, in the shares, share options and debentures of the ultimate holding company or its related companies during the financial year are as follows:

	Number of ordinary shares			As at 31 December 2024
	As at 1 January 2024	Acquired/ Vested	Disposed	
Ultimate holding company				
CIMB Group Holdings Berhad				
Muhammad Novan Amirudin	169,072	1,094,105 ^(a)	(625,957) ^(b)	637,220
Dato' Lee Kok Kwan *	1,381,208	-	(900,000) ^(b)	481,208

* Include shareholding of spouse/child, details of which are as follows:

	Number of ordinary shares			As at 31 December 2024
	As at 1 January 2024	Acquired/ Vested	Disposed	
Datin Rosemary Yvonne Fong *	95,498	-	-	95,498

(a) Includes shares granted under Equity Ownership Plan ("EOP")/vested for ESOS and SGP under LTIP

(b) Shares released from EOP account and transferred into Director's account

	Number of ordinary shares			As at 31 December 2024
	As at 1 January 2024	Granted	Disposed	
Related company				
PT Bank CIMB Niaga Tbk				
Dato' Lee Kok Kwan *	427,305	-	-	427,305

* Include shareholding of spouse/child, details of which are as follows:

	Number of ordinary shares			As at 31 December 2024
	As at 1 January 2024	Granted	Disposed	
Datin Rosemary Yvonne Fong *	12,445	-	-	12,445

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Directors' interests in shares, share options and debentures (Continued)

Other than as disclosed in the previous page, according to the Register of Directors' Shareholdings, the Directors in the office at the end of the financial year did not hold any interest in shares, and option over shares and debentures of the Bank, the holding company, the ultimate holding company or its related companies during the financial year.

Long Term Incentive Plan ("LTIP")

CIMB Group Holdings Berhad ("CIMB Group") implemented a Long Term Incentive Plan ("LTIP") on 9 June 2021, which was approved by the shareholders of CIMB Group at the Extraordinary General Meeting held on 15 April 2021. The LTIP is governed by the LTIP by-laws and is administered by the LTIP Committee of CIMB Group.

The LTIP is awarded to employees who hold senior management positions and key roles within the CIMB Group and its subsidiary companies, and who fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP award made to Executive Directors (or any persons connected to the Directors) is subject to the approval of the shareholders at a general meeting.

The LTIP, which is valid for 7 years from the implementation date, comprises 2 performance-based plans – the Employee Share Option Scheme ("ESOS") and the Share Grant Plan ("SGP").

- The ESOS is a share option scheme with a premium on the exercise price, and the LTIP Committee may, at any time within the duration of the LTIP, grant an ESOS award to eligible employees, subject to the terms and conditions of the by-laws. The ESOS shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.

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**Directors' Report
for the financial year ended 31 December 2024 (Continued)****Directors' interests in shares, share options and debentures (Continued)**Long Term Incentive Plan ("LTIP") (Continued)

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme ("ESOS") and the Share Grant Plan ("SGP"). (Continued)

- The SGP is a restricted share unit scheme where vesting is subject to service and performance conditions, and the LTIP Committee may, at any time within the duration of the LTIP, grant an SGP award to eligible employees, subject to the terms and conditions of the by-laws. The SGP shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.

Details of LTIP are as set out in Note 32 to the Financial Statements.

(i) Details of ESOS shares awarded:

Award Date	Fair Value	Awarded	Vesting Dates
	RM	(Units'000)	
9 June 2021 - First grant	0.45	216,758	31 March 2024 31 March 2025
31 March 2022 - Second grant	0.75	8,991	31 March 2024 31 March 2025
8 September 2022 -Third grant	0.74	3,430	31 March 2024 31 March 2025
8 December 2022 - Fourth grant	0.81	660	31 March 2024 31 March 2025

The following table indicates the number and movement of ESOS shares during the financial year ended 31 December 2024:

Award Date	As at	Movement during the year		Outstanding	Exerciseable
	1 January 2024 (Units'000)	Exercised (Units'000)	Expired/ Forfeited (Units'000)	as at 31 December 2024 (Units'000)	as at 31 December 2024 (Units'000)
9 June 2021 - First grant	5,397	(477)	(700)	4,220	1,872
31 March 2022 - Second grant	241	-	-	241	121

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**Directors' Report
for the financial year ended 31 December 2024 (Continued)****Directors' interests in shares, share options and debentures (Continued)**Long Term Incentive Plan ("LTIP") (Continued)

(ii) Details of SGP shares awarded:

Award Date	Fair Value RM	Awarded (Units'000)	Vesting Dates*
9 June 2021 - First grant	4.65	15,748	31 March 2024 31 March 2025
31 March 2022 - Second grant	5.33	1,965	31 March 2024 31 March 2025
8 September 2022 - Third grant	5.40	736	31 March 2024 31 March 2025
8 December 2022 - Fourth grant	5.61	142	31 March 2024 31 March 2025
12 January 2024 - Fifth grant	5.92	250	31 March 2025

* *Subject to performance conditions*

The following table indicates the number and movement of SGP shares during the financial year ended 31 December 2024:

Award Date	Movement during the year			As at 31 December 2024 (Units'000)
	As at 1 January 2024 (Units'000)	Vested (Units'000)	Forfeited (Units'000)	
9 June 2021 - First grant	391	(161)	(60)	170
31 March 2022 - Second grant	52	(24)	(2)	26

Executive Directors and Key Management Personnel who have been awarded with the ESOS and SGP during the financial year ended 31 December 2024 are listed below:

Name	The Group		The Bank	
	No of ESOS Awarded (Units'000)	No of SGP Awarded (Units'000)	No of ESOS Awarded (Units'000)	No of SGP Awarded (Units'000)
Muhammad Novan Amirudin	-	-	-	-
Key Management Personnel	-	250	-	-

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Directors' remuneration

The remuneration in aggregate for Directors of the Group and the Bank for the financial year are as follows:

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Director				
- Salary and other remuneration	13,868	5,282	13,868	5,282
- Benefits-in-kind	40	8	40	8
Non-executive Directors				
- Fees and other remuneration	1,358	1,570	1,250	1,570
- Benefits-in-kind	21	-	21	-
	<u>15,287</u>	<u>6,860</u>	<u>15,179</u>	<u>6,860</u>

The Directors and Officers of the Group and of the Bank are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year for the Group and the Bank amounted to RM1,418 (2023: RM1,452).

Directors' benefits

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than Directors' remuneration disclosed in Note 26 to the Financial Statements) by reason of a contract made by the Bank or a related company with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any other arrangements to which the Bank is a party, with the object or objects of enabling Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate other than Equity Ownership Plan and Long Term Incentive Plan of the ultimate holding company (see Note 32 of the Financial Statements) as disclosed in this Report.

Subsidiaries

(a) Details of subsidiaries

Details of subsidiaries are as set out in Note 9 to the Financial Statements.

(b) Subsidiaries' holding of shares in other related corporations

Details of subsidiaries' holding of shares in other related corporations are as set out in Note 9 to the Financial Statements.

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Auditors' Remuneration

Auditors' remuneration of the Group and the Bank are RM897,000 and RM662,000 respectively. Details of auditors' remuneration are as set out in Note 25 to the Financial Statements.

2024 Business Review

The Group comprises three key businesses; Investment Banking, Private Banking and Equities, which are part of CIMB Group's Wholesale Banking franchise. The Equities business operates under CIMB Securities Sdn Bhd ("CIMB Securities"), a subsidiary of the Bank, which was acquired on 8 February 2024.

In 2024, the Investment Banking ("IB") division of the Group navigated a challenging market environment marked by a 10% year-on-year ("YoY") contraction in deal volume across Malaysia, Indonesia, Singapore, and Thailand ("MIST"). Despite these conditions, the division remained resilient, delivering several landmark transactions during the year, including Malaysia's largest initial public offering ("IPO") since 2017 and the biggest in Southeast Asia since July 2023, the biggest block trade in Malaysia since 2017, and the first USD-denominated bonds/sukuk distributed via public offering out of Malaysia. Collectively, the IB division successfully delivered deals with an aggregate deal value of USD12.8 billion regionally, reflecting nearly 10% YoY growth.

This strong performance by the IB division enabled the Bank to retain its position as the leading Investment Bank in Malaysia, with market shares of 32.4%, 33.7%, and 28.2% in Debt Capital Markets ("DCM"), Equity Capital Markets ("ECM"), and Mergers & Acquisitions ("M&A"), respectively, having executed deals exceeding USD10.0 billion in value and representing over 30% of all transactions completed in the Malaysian market. Regionally, the leadership position was reaffirmed with a No. 1 ranking across ASEAN in terms of deal value.

The Private Banking business also achieved a strong performance in 2024 driven by robust growth in its Assets Under Management and greater cross-selling collaboration across CIMB Group and its partners. A strategic focus on scaling the business through curated client solutions, an expanded product portfolio, and operational resilience contributed to a solid foundation for sustainable recurring business for the Group.

The Equity business, through CIMB Securities, delivered a commendable performance in 2024, despite it being its first year and operating for just 10 months since the acquisition. During this period, CIMB Securities successfully secured places on key client panels and attained Tier 1 broker ranking for its key institutional clients. It also facilitated placements and block trades valued at over RM6.0 billion in 2024, including Malaysia's largest IPO since 2017 and the biggest block trade in Malaysia since 2017, supported by synergies with the IB division's ECM team.

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Directors' Report for the financial year ended 31 December 2024 (Continued)

2024 Business Review (Continued)

As a result of the strong performance across Investment Banking, Private Banking and Equities businesses, the Group recorded a profit before taxation (“PBT”) of RM121.2 million for the financial year ended 31 December 2024 (“FY2024”), 110.8% higher compared to PBT of RM57.5 million for the previous financial year. The growth in PBT was primarily driven by higher net income, which increased by RM101.4 million or 38.1% YoY to RM367.8 million in FY2024, driven by contributions from all three key businesses.

**All references to market share and market position were sourced from Dealogic.*

Outlook for 2025

The Group will continue to adopt a cautious stance in 2025 due to persistent external headwinds and volatility. The geopolitical shifts over the past year may lead to potential policy and economic changes. Nevertheless, the Malaysian economy remains resilient underpinned by robust domestic consumption and broader structural growth.

The Group’s direction will be guided by the new strategic plan with a focus on delivering sustainable shareholder returns via expansion of the Private Banking proposition, whilst enhancing operational resilience and digital capabilities. The Group will continue to maintain its Investment Banking market leadership, drive cross-border deals, and grow the Equities business. The Group shall navigate any volatility through increased agility and innovative ideas, while consistently delivering bespoke solutions to our clients.

Ratings by External Rating Agencies

Details of the ratings of the Bank are as follows:

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
RAM Rating Services	August 2024	Long-term Financial Institution Rating Short-term Financial Institution Rating	AAA P1	Stable
Moody’s Investors Service	May 2024	Long-term Issuer Rating Short-term Issuer Rating	A3 P-2	Stable

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Board Shariah Committee

Pursuant to the enterprise wide Shariah governance framework as provided by Bank Negara Malaysia in its Policy Document on Shariah Governance and Islamic Financial Services Act 2013, the Board of Directors (“the Board”) is ultimately responsible and accountable for the oversight and management of Shariah matters in the Bank’s Islamic banking and finance activities. In undertaking its duties and responsibilities relating to Shariah, the Board relies on the advice of the Board Shariah Committee (“BSC”) of CIMB Group that it established under its core Islamic operating entity, CIMB Islamic Bank Berhad (“CIMB Islamic”).

The main responsibility of the BSC is to assist the Board in the oversight and management of all Shariah matters relating to the Islamic banking and finance business of the Bank and its subsidiaries that it has management control. The BSC operates on the authority as delegated and empowered to it by the Board and as attributed to it under relevant financial regulations and legislations.

All decisions by the Board on Shariah matters relating to its business shall be made based on the decisions, views and opinions of the BSC.

In due regard to the decisions and advice of the BSC on Shariah matters, the Board shall give sufficient attention to the facts and basis for the Shariah decisions as well as providing fair consideration to the implications of implementing the Shariah decisions made by the BSC.

Any decision of the Board on Shariah matter shall be made based on the final decisions, views and opinions of the BSC. All decisions of the Board and the BSC on Shariah matters shall at all times be subordinated to the decision of the Shariah Advisory Council of the relevant Malaysian financial regulators and shall take into consideration the relevant authority on Shariah matters in the relevant jurisdiction it is doing business.

The BSC shall at all times advise the Board to ensure that the Group’s Islamic banking and finance business does not have elements or activities which are not permissible under Shariah.

The BSC members are as follows:

1. Associate Professor Dr. Mohamed Fairouz Abdul Khir (Chairman)
2. Professor Dr. Aishath Muneeza
3. Dr. Ahmad Sufian Che Abdullah
4. Dr. Mohammad Mahbubi Ali
5. En. Jalalullail Othman

CIMB Investment Bank Berhad

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Board Shariah Committee (Continued)

The Board hereby affirms that based on advice of the BSC, the operations of the Bank's Islamic banking and finance has been done in a manner that does not contradict with Shariah save and except for those that have been specifically disclosed in this financial report (if any). This affirmation by the Board is independently verified and confirmed by the BSC in a separate BSC Report made herein.

Meetings and Attendance

BSC convened 10 meetings during the financial year 2024 including two special meetings to cater for urgent business proposals. All BSC members have satisfied the minimum 75% attendance requirement under BNM Shariah Governance Policy Document.

Board Engagement and Trainings Attended

As part of the initiatives to strengthen the good governance and oversight function of the Board over Shariah matters, the following activities were carried out in 2024:

- Two Joint Board and BSC meetings were held in April and November 2024 respectively. The first meeting was held on 15 April 2024 deliberated the following topics:
 - (i) BNM's Hajah Darurah Policy Document
 - (ii) Application of Securities Commission Maqasid al-Shariah Guidance in Sukuk Pronouncement by CIMB Islamic
 - (iii) BNM Submission on Assessment Survey – Way Forward to Resolve Ujrah-based Credit Card-i Issues. While the second Joint Board and BSC meeting held on 20 November 2024 discussed on Shariah Non-Compliant (SNC) Risk Horizon and Shariah Compliance Culture.
- Management had invited Prof. Dr. Younes Soualhi, Senior Researcher from ISRA and lecturer from INCEIF to deliver a training on Scholars View of Tayyib Concept : Discussion Paper.
- In addition, BSC had also organized an Offsite Meeting and discussed on i-Shares, Voluntary Carbon Credit, and Waqf-linked Sukuk.

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Board Shariah Committee (Continued)

Board Engagement and Trainings Attended (Continued)

As guided by Securities Commission's Guidelines for Shariah Advisers, BSC members had fulfilled with the minimum three SIDC's CPE approved courses on capital market during the financial year 2024.

Among the training programs provided by SIDC which qualify for CPE points attended by BSC members were as follow:

- Insights into Securities Commission Malaysia's Maqasid Al-Shariah Guidance
- Cybersecurity and Data Privacy - The Fight Against Financial Crime
- Assets & Funds Management (SCLE Revision Module 10)
- Capital Market Director Programme (CMDP) Module 1: Directors as Gatekeepers of Market
- Capital Market Director Programme (CMDP) Module 2B: Business Challenges and Regulatory Expectations - What Directors Need to Know (Fund Management)

In addition to the above training programs, the BSC members also attended and participated in the following events and training:

- 2nd Nadwah of Shariah advisers in Islamic Capital Market (2024)
- Muzakarah Penasihat Syariah 2024
- The 5th International Shariah Scholars Roundtable
- 19th International Shariah Scholars Forum
- Muzakarah on Failure Resolution of Islamic Banks, PIDM
- CIIF Chartered Fast-Track Masterclass (CFM)
- Joint Board for Group Sustainability

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Board Shariah Committee (Continued)

BSC Assessment

In compliance with BNM Shariah Governance Policy Document, the BSC undergoes the process of assessing the effectiveness of each individual BSC members and the committee as a whole annually.

Pursuant to CIMB's Annual Evaluation Manual and BNM's Corporate Governance Policy Document, CIMB is to obtain an independent perspective on the Board's effectiveness to gain insights on the Board's performance against peer Boards and best practices, once every three years. While BSC Effectiveness Assessment (BEA) is facilitated annually by Group Company Secretarial and assisted by Secretariat of Board Shariah Committee (BSC Secretariat) as per the CIMB Group Annual Evaluation Manual where it was conducted in 2024.

Significant events during the financial year

Significant events during the financial year are disclosed in Note 34 to the Financial Statements.

Subsequent events after the financial year end

There were no other significant events subsequent to the financial year ended 31 December 2024.

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Directors' Report for the financial year ended 31 December 2024 (Continued)

Ultimate holding company

The Directors regard CIMB Group Holdings Berhad, a quoted company incorporated in Malaysia, as the Bank's ultimate holding company.

Auditors

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 14 March 2025.

Signed on behalf of the Board of Directors in accordance with their resolution.



Raymond Yeoh Cheng Seong
Chairman



Nor Masliza Sulaiman
Director

14 March 2025

CIMB Investment Bank Berhad

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Statement by Directors

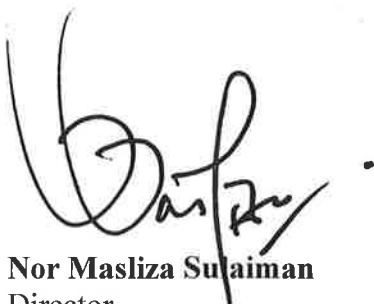
Pursuant to Section 251(2) of the Companies Act 2016

We, Raymond Yeoh Cheng Seong and Nor Masliza Sulaiman, being two of the Directors of CIMB Investment Bank Berhad, hereby state that, in the opinion of the Directors, the Financial Statements set out on pages 26 to 192 are drawn up so as to give a true and fair view of the financial position of the Group and the Bank as at 31 December 2024 and financial performance of the Group and the Bank for the financial year ended 31 December 2024, in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 14 March 2025.



Raymond Yeoh Cheng Seong
Chairman



Nor Masliza Sulaiman
Director

14 March 2025

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Statutory Declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Mustafa Shafiq Razalli, being the Officer primarily responsible for the financial management of CIMB Investment Bank Berhad, do solemnly and sincerely declare that the Financial Statements set out on pages 26 to 192 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.



Mustafa Shafiq Razalli
MIA No. 31988

Subscribed and solemnly declared by the abovenamed Mustafa Shafiq Razalli at Kuala Lumpur before me, on 14 March 2025.

Commissioner for Oaths



CIMB Investment Bank Berhad

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Board Shariah Committee's Report

In the name of Allah, the Most Beneficent, the Most Merciful.

We, the members of the CIMB Group Board Shariah Committee ("BSC") as established under CIMB Islamic Bank Berhad, are responsible to advise the Board in the oversight and management of Shariah matters in the operation of the Bank. Although the Board is ultimately responsible and accountable for all Shariah matters under the Bank, the Board relies on our independent advice on the same.

Our main responsibility and accountability is to assist the Board in ensuring that the Bank's Islamic banking and finance businesses does not have elements or activities which are not permissible under Shariah. In undertaking our duties, we shall follow and adhere to the decisions, views and opinions of the Shariah Advisory Council of the relevant Malaysian financial regulators for businesses undertaken in Malaysia and for businesses outside Malaysia. We shall take into consideration the decisions, views and opinions of the relevant authority on Shariah matters (if any, sanctioned by law or regulation to be followed by the Bank) in the relevant jurisdiction that the Bank is doing business.

As members of the BSC, we are responsible to provide an independent assessment and confirmation in this financial report that the Islamic banking and finance operations of the Bank has been done in conformity with Shariah as has been decided and opined by us and with those Notices, Rules, Standards, Guidelines and Frameworks on Shariah matters as announced and implemented by Malaysian regulators and where relevant by the financial regulators in the relevant jurisdictions that the Bank's businesses were undertaken during the period being reported.

Our independent assessment and confirmation has been used as the basis for the Board's affirmation of the same in the Director's Report herein before.

In making our independent assessment and confirmation, we have always recognised the importance of the Bank maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the Shariah compliant status of its Islamic banking and finance businesses.

In this regard, sufficient internal controls are in place to ensure that any new Islamic financial transaction is properly authorised; the Bank's assets and liabilities under its Statements of Financial Position are safeguarded against possible Shariah non-compliance; and, that the day-to-day conduct of its operations does not contradict with Shariah principles.

In addition to the necessary policies and procedures, the Bank has a well defined division of responsibility by Management and the communication of Shariah policies and guidelines of business conduct to all staff.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

Effective Shariah governance is supported mainly by qualified Shariah officers consist of Shariah researchers as well as the advisory and consultancy function under Shariah Advisory & Governance department of Group Islamic Banking Division that supports us in our decision and deliberations, providing check and balance for all Shariah matters as presented to us by the Management. Shariah Advisory and Board Shariah Committee Secretariat Policy and Procedure are two main documents in governing the daily function of Shariah Advisory & Governance department.

CIMB Group Shariah Review Policy and Procedure were established to set out the policies for Shariah review applicable to the Islamic financial services of CIMB Group in ensuring compliance to Shariah and Islamic regulatory requirements, and handling of Shariah Non-Compliance (“SNC”) events. In addition, it also sets out the procedures for Shariah review planning, execution, and SNC events reporting.

In ensuring that the activities and operations of CIMB Group are Shariah-compliant, Shariah Review conducts post review of CIMB Group’s activities and operations in accordance with the annual Shariah review work plan approved by us and the respective Boards of Directors of CIMB Group. Additionally, Shariah Review conducts verification on issues escalated by the stakeholders to determine whether any particular issue contain Shariah concerns and performs ad-hoc review as required from time to time by us and the regulators.

As for effective risk management and control, the Group adopted the strategic implementation of tiered model i.e. Three Lines of Risk Defense in governing and managing Shariah Non-Compliant risk.

Lastly, there is also a team of internal auditors who conduct periodic Shariah audits of all the Bank’s banking and finance operations on a scheduled basis. The Group Corporate Assurance Division (“GCAD”), headed by the Group Chief Internal Auditor (“GCIA”), reports independently to the CIMB Group Audit Committee (“AC”) and the Banking Group Audit Committee (“Banking Group AC”). GCAD operates independent of the business activities and other support units. In addition, GCAD reports on matters related to Islamic Banking and Shariah audits to the BSC. The primary responsibility of GCAD is to independently assess the adequacy, efficiency and effectiveness of the risk management, control and governance processes implemented by Management. GCAD’s scope of audit coverage encompasses all business and support units, including subsidiaries with independent audit units. The selection of audit areas within the audit universe is based on an annual audit plan approved by the CIMB Group AC and the Banking Group AC. The annual audit plan is developed based on assessment of risks, exposures and CIMB Group strategies using a risk-based assessment methodology. GCAD also undertakes investigations and ad-hoc reviews upon request from Management, the Board, or regulators. In addition, GCAD provides audit opinion on the state of governance, internal controls, risk management practices and audit conclusion based on Level of Conformance in relation to regulatory audit or reviews, and whether objectives were met for assignments that are based on specific audit or review objectives.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

To strengthen the compliance towards Shariah, the Bank has continuously instilled a Shariah-Compliance Culture by adopting a holistic top-down approach within the organisation. At the apex, the Bank set an appropriate 'tone from the top', where the Board and BSC play their oversight role on the Shariah governance in the Bank. The Bank also held Board and BSC engagement sessions or Joint Board meeting between Board of Directors and BSC which serve as a platform for effective communication between Board, BSC and Senior management on oversight over Shariah governance.

The Bank also continues capacity building programs to inculcate strong Shariah knowledge within the Bank. The Bank has supported CIMB Islamic and CIMB Bank staff to enroll in relevant certification programs such as Certified Shariah Advisor (CSA), Certified Professional Shariah Auditor (CPSA), Associate Qualification in Islamic Finance (AQIF), Intermediate Qualification in Islamic Finance (IQIF), Certified Qualification in Islamic Finance (CQIF), Islamic Professional Credit Certification (IPCC) and others. The Bank had also organised a training session conducted by Assoc. Prof. Dr. Mohamed Fairouz as the representative from the BSC where he shared about the Maqasid al-Shariah Guidance in Islamic Capital Market.

All in all, the Management of the Bank is responsible and accountable to the Board to ensure that the Islamic banking and finance businesses of the Bank are conducted in accordance with the requirement of Shariah. It is our responsibility to form an independent opinion of the state of Shariah compliancy of the business and its operations and advise the Board accordingly.

Based on the internal controls that have been put in place by the Management, in our opinion, to the best of our knowledge, the Bank has complied with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and by all other financial regulators (where relevant), as well as Shariah decisions made by us and nothing has come to the BSC's attention that causes the committee to believe that the aims and operations, business, affairs and activities of the Bank's Islamic banking and finance business involve any material Shariah non-compliances.

In our opinion:

1. The contracts, transactions and dealings entered into by the Bank during the financial year ended 31 December 2024 that were presented to us were done in compliance with Shariah;
2. There were no earnings that were realised from sources or by means prohibited by Shariah have been purified according to Shariah principle.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

We have actively monitored and overseen the independent work carried out for Shariah review and Shariah audit functions by the relevant functionaries under the established system of internal control, which included the examination, on a test basis, of each type of transaction, of relevant documentation and procedures adopted by the Bank. We are satisfied that the Management has planned and performed the necessary review and audit so as to obtain all the information and explanations which are considered necessary to provide us with sufficient evidence to give reasonable assurance that the Bank has not violated Shariah.

We, the members of the BSC, are of the opinion that the operations of the Bank for the financial year ended 31 December 2024 were conducted in conformity with Shariah.

On behalf of the Board Shariah Committee



Associate Professor Dr. Mohamed Fairouz Abdul Khir
Chairman



Dr. Ahmad Sufian Che Abdullah
Member

Kuala Lumpur
14 March 2025



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB Investment Bank Berhad (“the Bank”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Bank, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 26 to 192.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors’ report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors’ Report and Board Shariah Committee’s Report, but does not include the financial statements of the Group and of the Bank and our auditors’ report thereon.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB INVESTMENT BANK BERHAD (CONTINUED)**
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the member of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NG YEE LING
03032/01/2027 J
Chartered Accountant

Kuala Lumpur
14 March 2025

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Statements of Financial Position
as at 31 December 2024**

	Note	The Group		The Bank	
		31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
Assets					
Cash and short-term funds	2	305,797	273,247	200,886	268,904
Deposits and placements with banks and other financial institutions	3	10	10	-	-
Debt instruments at fair value through other comprehensive income	4	180,902	182,936	180,902	182,936
Equity instruments at fair value through other comprehensive income	5	1,099	824	-	-
Debt instruments at amortised cost	6	122,283	118,624	122,283	118,624
Other assets	7	183,142	48,255	57,764	47,447
Amount due from ultimate holding company, related companies and subsidiaries	30	7,964	33,697	4,371	33,697
Tax recoverable		7,211	12,000	7,210	11,989
Deferred tax assets	8	11,544	11,598	10,993	11,598
Investment in subsidiaries	9	-	-	144,736	30
Investment in associates	10	4,622	4,627	-	-
Property, plant and equipment	11	3,439	1,522	1,425	1,522
Right-of-use assets	12	312	1,982	291	1,982
Goodwill	13	41,538	-	-	-
Intangible assets	14	33,325	30,668	28,713	30,668
Total assets		903,188	719,990	759,574	709,397
Liabilities					
Deposits from customers	15	4,803	6,442	4,803	6,442
Other liabilities	16	223,457	87,722	91,393	87,706
Lease liabilities	17	322	2,182	299	2,182
Amount due to ultimate holding company, related companies and subsidiaries	30	365	200	11,158	172
Provision for taxation		818	-	-	-
Total liabilities		229,765	96,546	107,653	96,502
Equity					
Ordinary share capital	18	100,000	100,000	100,000	100,000
Redeemable preference shares	19	10	10	10	10
Reserves	20	573,413	523,434	551,911	512,885
Total equity		673,423	623,444	651,921	612,895
Total equity and liabilities		903,188	719,990	759,574	709,397
Net assets per ordinary share attributable to owner of the Parent (RM)		6.73	6.23	6.52	6.13

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Statements of Income
for the financial year ended 31 December 2024**

	Note	The Group		The Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income	21	19,128	15,279	16,388	15,178
Interest expense	22	(485)	(302)	(267)	(302)
Net interest income		18,643	14,977	16,121	14,876
Income from Islamic Banking operations	40	40,144	50,097	40,144	50,097
		58,787	65,074	56,265	64,973
Fee and commission income	24(a)	317,798	201,377	256,482	201,377
Fee and commission expense	24(b)	(17,363)	(11,558)	(13,189)	(11,558)
Net fee and commission income		300,435	189,819	243,293	189,819
Other non-interest income	24(c)	8,594	11,530	10,969	11,528
Net income		367,816	266,423	310,527	266,320
Overheads	25	(247,593)	(212,886)	(203,103)	(212,840)
Profit before expected credit losses		120,223	53,537	107,424	53,480
Other expected credit losses and impairment allowances written back	23	4	2,938	4	2,938
Profit after expected credit losses		120,227	56,475	107,428	56,418
Share of results of associates	10	995	1,054	-	-
Profit before taxation		121,222	57,529	107,428	56,418
Taxation	27	(29,117)	(15,249)	(26,001)	(15,235)
Profit for the financial year attributable to owner of the Parent		92,105	42,280	81,427	41,183
Basic and diluted earnings per share (sen), attributable to owner of the Parent	28	92.11	42.28	81.43	41.18

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Statements of Comprehensive Income
for the financial year ended 31 December 2024**

	The Group		The Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	92,105	42,280	81,427	41,183
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss:				
Equity instruments at fair value through other comprehensive income	275	-	-	-
- Net gain from change in fair value	275	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Debt instruments at fair value through other comprehensive (expense)/income	(1,644)	1,336	(1,644)	1,336
- Net gain from change in fair value	1,285	1,336	1,285	1,336
- Realised gain transferred to statement of income on disposal	(3,026)	-	(3,026)	-
- Income tax effect	97	-	97	-
Other comprehensive (expense)/income for the financial year, net of tax	(1,369)	1,336	(1,644)	1,336
Total comprehensive income for the financial year, attributable to owner of the Parent	90,736	43,616	79,783	42,519

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Statements of Changes in Equity for the financial year ended 31 December 2024

	← Attributable to Owner of the Parent →								Total RM'000
	Note	Ordinary share capital RM'000	Redeemable preference shares RM'000	Debt instruments at fair value through comprehensive income RM'000	Fair value reserve Equity instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained earnings RM'000	
The Group									
At 1 January 2024		100,000	10	1,336	(6,011)	226	3,978	523,905	623,444
Profit for the financial year		-	-	-	-	-	-	92,105	92,105
Other comprehensive (expense)/income, net of tax		-	-	(1,644)	275	-	-	-	(1,369)
Debt instruments at fair value through other comprehensive income		-	-	(1,644)	-	-	-	-	(1,644)
Equity instruments at fair value through other comprehensive income		-	-	-	275	-	-	-	275
Total comprehensive income for the financial year		-	-	(1,644)	275	-	-	92,105	90,736
Share-based payment expense	32	-	-	-	-	645	29	-	674
Shares released under Equity Ownership Plan	32	-	-	-	-	(331)	-	-	(331)
Interim dividend paid in respect of the financial year ended 31 December 2023	29	-	-	-	-	-	-	(41,100)	(41,100)
At 31 December 2024		100,000	10	(308)	(5,736)	540	4,007	574,910	673,423

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Statements of Changes in Equity for the financial year ended 31 December 2024 (Continued)

	← Attributable to Owner of the Parent →								
	Fair value reserve								
Note	Ordinary share capital RM'000	Redeemable preference shares RM'000	Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained earnings RM'000	Total RM'000	
The Group									
At 1 January 2023	100,000	10	-	(6,011)	126	2,282	499,345	595,752	
Profit for the financial year	-	-	-	-	-	-	42,280	42,280	
Other comprehensive income, net of tax	-	-	1,336	-	-	-	-	1,336	
Debt instruments at fair value through other comprehensive income	-	-	1,336	-	-	-	-	1,336	
Total comprehensive income for the financial year	-	-	1,336	-	-	-	42,280	43,616	
Share-based payment expense	-	-	-	-	244	1,696	-	1,940	
Shares released under Equity Ownership Plan	-	-	-	-	(144)	-	-	(144)	
Interim dividend paid in respect of the financial year ended 31 December 2022	-	-	-	-	-	-	(17,720)	(17,720)	
At 31 December 2023	100,000	10	1,336	(6,011)	226	3,978	523,905	623,444	

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Statements of Changes in Equity for the financial year ended 31 December 2024 (Continued)

	Non-distributable						Distributable		Total
	Ordinary share capital	Redeemable preference shares	Debt instruments at fair value through comprehensive income	Equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Retained earnings		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
The Bank									
At 1 January 2024	100,000	10	1,336	(6,331)	226	3,978	513,676	612,895	
Profit for the financial year	-	-	-	-	-	-	81,427	81,427	
Other comprehensive expense, net of tax	-	-	(1,644)	-	-	-	-	(1,644)	
Debt instruments at fair value through other comprehensive income	-	-	(1,644)	-	-	-	-	(1,644)	
Total comprehensive income for the financial year	-	-	(1,644)	-	-	-	81,427	79,783	
Share-based payment expense	32	-	-	-	645	29	-	674	
Shares released under Equity Ownership Plan	32	-	-	-	(331)	-	-	(331)	
Interim dividend paid in respect of the financial year ended 31 December 2023	29	-	-	-	-	-	(41,100)	(41,100)	
At 31 December 2024	100,000	10	(308)	(6,331)	540	4,007	554,003	651,921	

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Statements of Changes in Equity for the financial year ended 31 December 2024 (Continued)

	← Non-distributable →						← Distributable →		Total RM'000
	Ordinary share capital RM'000	Redeemable preference shares RM'000	Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve Equity instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained earnings RM'000		
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
The Bank									
At 1 January 2023	100,000	10	-	(6,331)	126	2,282	490,213	586,300	
Profit and total comprehensive income for the financial year	-	-	-	-	-	-	41,183	41,183	
Other comprehensive income, net of tax	-	-	1,336	-	-	-	-	1,336	
Debt instruments at fair value through other comprehensive income	-	-	1,336	-	-	-	-	1,336	
Total comprehensive income for the financial year	-	-	1,336	-	-	-	41,183	42,519	
Share-based payment expense	32	-	-	-	244	1,696	-	1,940	
Shares released under Equity Ownership Plan	32	-	-	-	(144)	-	-	(144)	
Interim dividend paid in respect of the financial year ended 31 December 2022	29	-	-	-	-	-	(17,720)	(17,720)	
At 31 December 2023	100,000	10	1,336	(6,331)	226	3,978	513,676	612,895	

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Statements of Cash Flows
for the financial year ended 31 December 2024**

	Note	The Group		The Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating activities					
Profit before taxation		121,222	57,529	107,428	56,418
Adjustments for :					
Interest income on debt instruments at fair value through other comprehensive income		(6,716)	(571)	(6,716)	(571)
Interest income on debt instruments at amortised cost		(4,932)	(432)	(4,932)	(432)
Interest expenses on lease liabilities		48	87	35	87
Interest expense on borrowings		205	-	-	-
Depreciation of right-of-use assets		2,926	1,863	1,849	1,863
Depreciation of property, plant and equipment		1,381	4,864	859	4,864
Amortisation of intangible assets		4,282	4,946	3,976	4,946
Other expected credit losses and impairment allowances		(4)	(2,938)	(4)	(2,938)
Amortisation of premium, net of accretion of discounts		127	30	127	30
Gain on sale of debt instruments at fair value through other comprehensive income		(3,026)	-	(3,026)	-
Gain on disposal of property, plant and equipment		-	(20)	-	(20)
Unrealised loss/(gain) on foreign exchange		975	(1,975)	(35)	(1,975)
Share of results of associates	10	(995)	(1,054)	-	-
Share-based payment expense		674	1,940	674	1,940
Property, plant and equipment written off		-	2	-	2
Cash flow from operating profit before changes in operating assets and liabilities		116,167	64,271	100,235	64,214
Decrease/(increase) in operating assets					
Reverse repurchase agreements		-	243,391	-	243,391
Other assets		(89,625)	(344)	(25,990)	(344)
Statutory deposits with Bank Negara Malaysia		-	50	-	50
Amount due from related companies		26,677	(18,302)	30,270	(18,302)
Amount due from ultimate holding company		(9)	51	(9)	51
		(62,957)	224,846	4,271	224,846
Increase/(Decrease) in operating liabilities					
Deposits from customers		(1,639)	6,442	(1,639)	6,442
Other liabilities		76,657	25,940	(1,073)	25,934
Amount due to related companies		165	(11,677)	182	(11,678)
Amount due to subsidiaries		-	-	10,804	-
Cash generated from operating activities		128,393	309,822	112,780	309,758
Taxation paid		(19,794)	(2,837)	(20,518)	(2,810)
Net cash generated from operating activities		108,599	306,985	92,262	306,948

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Statements of Cash Flows for the financial year ended 31 December 2024 (Continued)

	Note	The Group		The Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Investing activities					
Interest income received from debt instruments at fair value through other comprehensive income		2,037	-	2,037	-
Interest income received from debt instruments at amortised cost		1,427	-	1,427	-
Purchase of intangible assets	14	(12,963)	(2,401)	(10,100)	(2,401)
Purchase of property, plant and equipment	11	(2,884)	(4,363)	(762)	(4,363)
Net purchase of rights of use assets		(501)	-	(160)	-
Proceeds from disposal of intangible assets		7,145	-	7,145	-
Net purchase of debt instruments at fair value through other comprehensive income		7,947	(181,046)	7,947	(181,046)
Net purchase of debt instruments at amortised cost		(229)	(118,206)	(229)	(118,206)
Proceeds from disposal of property, plant and equipment		-	22	-	22
Acquisition of CIMB Securities Sdn Bhd	38	(35,327)	-	(129,912)	-
Dividend received from subsidiary		-	-	4,756	-
Payment of deposit in relation to acquisition of CIMB Securities Sdn Bhd	38	-	(14,794)	-	(14,794)
Net cash used in investing activities		(33,348)	(320,788)	(117,851)	(320,788)
Financing activities					
Repayment of lease liabilities		(2,690)	(2,071)	(1,919)	(2,071)
Dividends paid		(41,100)	(17,720)	(41,100)	(17,720)
Interest paid on borrowings		(205)	-	-	-
Net drawdown borrowings		3,224	-	-	-
Repayment on borrowings		(3,224)	-	-	-
Net cash used in financing activities		(43,995)	(19,791)	(43,019)	(19,791)
Net increase/(decrease) in cash and cash equivalents during the financial year					
		31,256	(33,594)	(68,608)	(33,631)
Cash and cash equivalents at beginning of the financial year					
		273,247	308,042	268,904	303,736
Effects of exchange rate changes		1,294	(1,201)	590	(1,201)
Cash and cash equivalents at end of the financial year					
		305,797	273,247	200,886	268,904
Cash and cash equivalents comprise the following:					
Cash and short-term funds	2	305,797	273,247	200,886	268,904
Deposits and placements with banks and other financial institutions	3	10	10	-	-
		305,807	273,257	200,886	268,904
Less: Cash and short-term funds and deposits and with placements financial institutions, with original maturity of more than three months		(10)	(10)	-	-
Cash and cash equivalents		305,797	273,247	200,886	268,904

(i) Analysis of changes in liabilities arising from financing activities is as follows :

	Lease liabilities			
	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	2,182	3,865	2,182	3,865
Repayment and redemption	(2,690)	(2,071)	(1,919)	(2,071)
Additions arising from acquisition of a subsidiary	782	-	-	-
Other non cash movement	48	388	36	388
At 31 December	322	2,182	299	2,182

CIMB Investment Bank Berhad

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Summary of Material Accounting Policies for the financial year ended 31 December 2024

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the Financial Statements.

A Basis of preparation

The Financial Statements of the Group and the Bank have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

The Financial Statements have been prepared under historical cost convention, as modified by the revaluation financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income and equity instruments at fair value through other comprehensive income.

The Financial Statements include those activities relating to the Islamic banking business which are undertaken by the Group. Islamic banking business refers generally to the provision of Investment Banking, dealing in Islamic Securities and related financial services which comply with Shariah principles.

The preparation of 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 Financial Statements, and the reported amounts of income and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group’s and the Bank’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 37.

(a) Standards, amendments to published standards and interpretation that are effective and applicable to the Group and the Bank

The new accounting standards, amendments to published standards and interpretation that are effective and applicable to the Group and the Bank for the financial year beginning 1 January 2024 are as follows:

- Amendments to MFRS 101 “Non-current Liabilities with Covenants”

The adoption of the above amendments to published standards and IFRIC agenda decision did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

A Basis of preparation (Continued)

(b) Standards, amendments to published standards and interpretations that are applicable to the Group and the Bank but not yet effective

The Group and the Bank will apply these standards, amendments to published standards from:

(i) Financial year beginning on/after 1 January 2025

- Amendments to MFRS 121 ‘Lack of Exchangeability’

Amendments to MFRS 121 ‘Lack of Exchangeability’ clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

The impact assessment of the new amendments on the financial statements of the Group and the Bank is ongoing.

(ii) Financial year beginning on/after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to MFRS 9 and MFRS 7

The amendments require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met).

The amendments clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets), and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The impact assessment of the amendments on the financial statements of the Group and the Bank is ongoing.

CIMB Investment Bank Berhad

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Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

A Basis of preparation (Continued)

(b) Standards, amendments to published standards and interpretations that are applicable to the Group and the Bank but not yet effective (Continued)

The Group and the Bank will apply these standards, amendments to published standards from: (Continued)

(iii) Financial year beginning on/after 1 January 2027

- MFRS 19 Subsidiaries without Public Accountability

MFRS 19 Subsidiaries without Public Accountability allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The impact assessment of the new standard on the financial statements of the Group and the Bank is ongoing.

- MFRS 18 Presentation and Disclosure in Financial Statements (replaces MFRS 101 Presentation of Financial Statements)

The new MFRS introduces a new structure of profit or loss statement.

Income and expenses are classified into 3 new main categories:

- Operating category which typically includes results from the main business activities;
- Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
- Financing category that presents income and expenses from financing liabilities.

The Group and the Bank are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Management-defined performance measures ('MPMs') are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The impact assessment of the new standard on the financial statements of the Group and the Bank is ongoing.

The amendments shall be applied retrospectively.

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Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

B Economic entities in the Group

(a) Subsidiaries

The Consolidated Financial Statements include the Financial Statements of the Bank and all its subsidiaries made up to the end of the financial year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations.

Under the acquisition method of accounting, the consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, and liabilities and contingent liabilities assumed in the business combination are, with limited exception measured initially at their fair value on the date of acquisition.

The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the Consolidated Financial Statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised. The acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination between entities under common control occurred.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the acquiree's identifiable net assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in statement of income on the acquisition date.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such remeasurement are recognised in statement of income.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

B Economic entities in the Group (Continued)

(a) Subsidiaries (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

All material transactions, balances and unrealised gains on transactions between group companies are eliminated and the Consolidated Financial Statements reflect external transactions only. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Disposal of subsidiaries

When the Group ceases to consolidate because of loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of income. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of income.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

Investments in associates are accounted for using equity method of accounting. Under the equity method, the investment is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in statement of income, and the Group's share of post-acquisition movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

B Economic entities in the Group (Continued)

(c) Associates (Continued)

After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of results of associates' in the statement of income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's Financial Statements only to the extent of unrelated investor's interests in the associates. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amount previously recognised in the other comprehensive income is reclassified to statement of income where appropriate.

Dilution gains and losses arising from investments in associates are recognised in the statement of income.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

B Economic entities in the Group (Continued)

(d) Interests in subsidiaries and associates

In the Bank's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiary, and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in statement of income.

The amounts due from subsidiaries of which the Bank does not expect repayment in the foreseeable future are considered as part of the Bank's investments in the subsidiaries.

C Recognition of interest/profit income and interest/profit expense

Interest and profit income and expense for all interest/profit-bearing financial instruments are recognised within 'interest income', 'interest expense' and 'income from Islamic banking operations' respectively in the statement of income using the effective interest/profit method.

The effective interest/profit method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest/profit income or interest/profit expense over the relevant period. The effective interest/profit rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest/profit rate, the Group takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest/profit rate, but not future credit losses.

Interest/profit income is calculated by applying effective interest/profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest/profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Income from Islamic Banking operations is recognised on an accrual basis and in accordance with the principles of Shariah.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

D Recognition of fees income and expenses and other income

The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group has satisfied its performance obligation in providing the promised products and services to the customer and are recognised based on contractual rates or amount agreed with customers. The Group generally satisfy its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include fees related to the completion of corporate advisory transactions, commissions, service charges and fees. These fees constitute a single performance obligation.
- For a service that is provided over a period of time, fee and commission income is recognised on an equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services will be billed periodically over time.

The Group does not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include broker-related expenses, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Brokerage fees are recognised as income based on inception of such transactions.

Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Dividend income received from subsidiary companies, associated companies and equity instruments at fair value through other comprehensive income are recognised as non-interest income in statements of income. Dividends that clearly represent a recovery of part of the cost of investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at fair value through other comprehensive income.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

E Financial assets

(a) Classification

The Group and the Bank classify their financial assets into the following measurement categories:

- Fair value (either through other comprehensive income (“OCI”), or through profit or loss), and
- Amortised cost.

The classification depends on the Group’s and the Bank’s business model for managing the financial assets and the contractual terms of the cash flows.

Business model assessment

The Group and the Bank conduct assessment of the objective of a business model to align with how an asset held within a portfolio is being managed. Factors that are being considered include the key objectives of a portfolio whether the business strategy is to earn contractual interest revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising a portfolio through sale of assets. Other factors considered also include the frequency and volume of sales in prior periods, how the asset’s performance is evaluated and reported to key management personnel.

Assessment whether contractual cash flows are solely payments of principal and interest (“SPPI”)

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Group and the Bank assess whether the financial assets’ contractual cash flows represent solely payment of principal and interest. In applying the SPPI test, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

E Financial assets (Continued)

(a) Classification (Continued)

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, it is determined by the irrevocable election at the time of initial recognition to account for the equity investment at fair value through OCI by the Group and the Bank.

- (i) Financial assets at fair value through OCI comprise:
 - Equity securities which are not held for trading, and for which the Group and the Bank have made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss, and
 - Debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's and the Bank's business model is achieved both by collecting contractual cash flows and selling financial assets.

- (ii) The Group and the Bank classify their financial assets at amortised cost only if both of the following criteria are met:
 - The asset is held within a business model with the objective of collecting the contractual cash flows, and
 - The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

- (iii) The Group and the Bank classify the following financial assets at fair value through profit or loss:
 - Debt investments that do not qualify for measurement at either amortised cost or fair value through comprehensive income;
 - Equity investments that are held for trading, and
 - Equity investments for which the entity has not elected to recognise at fair value through other comprehensive income.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

E Financial assets (Continued)

(b) Recognition and initial measurement

A financial asset is recognised in the statement of financial position when the Group and the Bank become parties to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Bank commit to purchase and sell the assets.

At initial recognition, the Group and the Bank measure financial assets at their fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed off in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(c) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Bank's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in which the Group and the Bank classify their debt instruments.

(i) Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through profit or loss are measured at amortised cost using effective interest/profit method. Any gain or loss on a debt investment measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest/profit income from these financial assets is included in interest/profit income using the effective interest/profit rate method.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

E Financial assets (Continued)

(c) Subsequent measurement (Continued)

Debt instruments (Continued)

(ii) Fair value through other comprehensive income (“FVOCI”)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversal of impairment losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in non-interest income. Interest income from these financial assets is included in interest income using the effective interest rate method.

Equity instruments

The Group and the Bank subsequently measure all equity investments at fair value, except where the Management has elected, at initial recognition to irrevocably designate at equity instruments at FVOCI. Where the Group’s and the Bank’s management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s and the Bank’s right to receive payments is established.

Changes in the fair value of financial investments at fair value through profit or loss are recognised in non-interest income in the statement of income as applicable.

(d) Reclassification of financial assets

The Group and the Bank reclassify financial assets when and only when their business model for managing those assets changes. In such cases, the Group and the Bank are required to reclassify all affected financial asset. However, it will be inappropriate to reclassify financial assets that have been designated at FVTPL, or equity instrument that have been designated at FVOCI, even when there is a change of business model. Such designations are irrevocable.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

F Financial liabilities

Financial liabilities that are not classified as fair value through profit or loss fall into this category and are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from customers, sundry creditors and trade creditors.

G Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group and the Bank test control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Collateral furnished by the Group and the Bank under standard repurchase agreements transactions is not derecognised because the Group and the Bank retain substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

H Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of defaults, insolvency or bankruptcy.

I Impairment of financial assets

The Group and the Bank assess on a forward looking basis the expected credit losses (“ECL”) associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

- (i) Financial assets accounted for at amortised cost and FVOCI

The Group and the Bank use general 3-stage approach for financial assets accounted for at amortised cost and FVOCI which reflect their credit risk and how the ECL is determined for each of those categories.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

I Impairment of financial assets (Continued)

A summary of the assumptions underpinning the Group's and the Bank's expected credit loss model is as follows:

- (a) Stage 1: 12-months ECL
Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.
- (b) Stage 2: Lifetime ECL – not credit impaired
Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.
- (c) Stage 3: Lifetime ECL – credit impaired
Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

The Group and the Bank account for their credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group and the Bank consider historical loss rates for each category of customers, and adjust for forward looking macroeconomic data.

(ii) Other assets

For the other assets that are within the scope of MFRS 15 such as amount due from broker and clients, trade receivables and other debtors, the Group and the Bank apply simplified approach as permitted by MFRS 9, which requires an entity to recognise a loss allowance based on lifetime ECL at each reporting date. MFRS 9 allows the use of practical expedients when measuring ECL and states that a provision matrix is an example of such expedient for trade receivables. An entity that applies a provision matrix may use historical loss experience on its trade receivables, and adjust historical loss rates to reflect information about current conditions and reasonable and supportable forecasts of future economic conditions.

CIMB Investment Bank Berhad

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Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

J Sale and repurchase agreements

Securities purchased under resale agreements (“reverse repurchase agreements”) are securities which the Group and the Bank had purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities sold under repurchase agreements (“repurchase agreements”) are securities which the Group and the Bank had sold from its portfolio, with a commitment to repurchase at future dates. Such financing transactions and the obligation to repurchase the securities are reflected as a liability on the statements of financial position.

The difference between sale and repurchase price as well as purchase and resale price is treated as interest and accrued over the life of the resale/repurchase agreement using the effective yield method.

K Property, plant and equipment

Property, plant and equipment are initially stated at cost, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the statement of income during the financial year in which they are incurred.

Capital work-in-progress are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis to allocate the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Office equipment, furniture & fittings	
- office equipment	3 to 10 years
- furniture and fixtures	5 to 10 years
Renovations	5-10 years
Computer equipment and hardware	3 - 7 years
Motor vehicles	5 years

Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

K Property, plant and equipment (Continued)

Property, plant and equipment are reviewed for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are included in non-interest income.

L Intangible assets

(a) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units (“CGU”), or groups of CGUs, that is expected to benefit from the business combination in which goodwill arose, identified according to operating segment.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Other intangible assets

Intangible assets consists of computer software licences and stockbroking licence. Other intangible assets are recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, when it is probable that future economic benefits attributable to the assets will flow to the Group and the Bank. The value of intangible assets which are acquired in a business combination is generally determined using fair value at acquisition. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software to use.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

L Intangible assets (Continued)

(b) Other intangible assets (Continued)

Intangible assets that have a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, and are amortised over their estimated useful lives.

Computer software licenses are amortised over their finite useful lives of 3-15 years.

Stockbroking licence relates to the 1+1 broker status acquired by subsidiary of the Bank, CIMB Securities Sdn Bhd, in 2009 and is stated at cost less accumulated impairment losses, if any. Intangible assets with an indefinite useful life are not amortised but are tested annually for impairment.

M Leases – The Group and the Bank as lessee

Leases are recognised as right-of-use (“ROU”) asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Bank (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Bank allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(i) Lease term

In determining the lease term, the Group and the Bank considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Bank reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank and affects whether the Group and the Bank is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

M Leases – The Group and the Bank as lessee (Continued)

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Bank is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Amounts expected to be payable by the Group and the Bank under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Bank is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, an incremental borrowing rate is used in determining the discount rate which assumes the interest rate that the Group and the Bank would have to pay to borrow over a similar term, the funds necessary to obtain the asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Bank presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liabilities is presented under net interest income in the statement of income.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

M Leases – The Group and the Bank as lessee (Continued)

(iv) Short-term leases and leases of low value assets

The Group and the Bank elects to apply MFRS 16 recognition exemption such as short-term leases and leases for which the underlying asset is of low value. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low-value assets comprise IT equipment and small items of office furniture with value of RM20,000 (or equivalent to USD 5,000) or below. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

N Leases – the Group and the Bank as lessor

As a lessor, the Group and the Bank determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance lease

The Group and the Bank classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Bank derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment. In addition, the Group and the Bank reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Bank revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Operating lease

The Group and the Bank classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Bank recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term. When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

O Currency translations

(a) Functional and presentation currency

Items included in the Financial Statements of the Bank and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Financial Statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Bank’s functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income are included in the revaluation reserve of equity instruments at fair value through other comprehensive income.

P Income and deferred taxes

The tax expense for the financial year comprises current and deferred income tax. Tax is recognised in statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

P Income and deferred taxes (Continued)

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, except for; where both an asset and a liability are recognised at the same time such as leases.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and unused tax losses can be utilised.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled by the Group and the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax related to fair value re-measurement of debt instruments at fair value through other comprehensive income and equity instruments at fair value through other comprehensive income, which is charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the statement of income together with the deferred gain or loss.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statements of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

Q Share capital

(a) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the contractual arrangement of the particular instrument.

(b) Share issue costs

Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(c) Dividends

Dividends on ordinary shares and redeemable preference shares with discretionary dividends are recognised as a liability when the shareholders' right to receive the dividend is established.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(d) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owner of the Group and the Bank, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(e) Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

R Employee benefits

(a) Short-term employee benefits

The Group and the Bank recognise a liability and an expense for bonuses. The Group and the Bank recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Bank.

(b) Post employment benefits

The Group and the Bank have a defined contribution plan for its employees.

Defined contribution plan is a pension plan under which the Group and the Bank pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's and the Bank's contributions to defined contribution plans are charged to the statement of income. Once the contributions have been paid, the Group and the Bank have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Bank recognise termination benefits at the earlier of the following dates:

- (a) when the Group and the Bank can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

R Employee benefits (Continued)

(d) Share-based compensation benefits

Long Term Incentive Plan (“LTIP”)

The Group implements a Long Term Incentive Plan, which is awarded to employees who hold senior management positions and key roles within the CIMB Group and its subsidiary companies, and who fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the Directors) is subject to the approval of the shareholders of CIMBGH at a general meeting.

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme (“ESOS”) and the Share Grant Plan (“SGP”). Details of the key features of ESOS and SGP are set out in Note 32(b).

The fair value of the employee services received in exchange for the grant of the share options and shares is recognised as an expense in the statements of income over the vesting periods of the grant with a corresponding increase to share-based payment reserve within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options and shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of share options and shares that are expected to vest. At each reporting date, the Group revises its estimates of the number of share options and shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statements of income, with a corresponding adjustment to share-based payment reserve in equity.

Employee Ownership Plan (“EOP”)

CIMB Group operates an equity-settled, share-based compensation plan, where ordinary shares of CIMB Group are purchased from the market at market value and awarded to the eligible executive employees.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the award is fully released to relevant employees (“the final release date”). The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense in statement of income over the period of release, based on the best available estimate of the number of shares expected to be released at each of the relevant release date. On the final release date, the estimate will be revised to equal the actual number of shares that are ultimately released to the employees.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

S Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units"). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the statement of income unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the statement of income unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

T Provisions

Provisions are recognised by the Group and the Bank when all of the following conditions have been met:

- (i) the Group and the Bank have a present legal or constructive obligation as a result of past events;
- (ii) it is probable that an outflow of resources to settle the obligation will be required; and
- (iii) a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present values of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest/profit expense.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2024 (Continued)

U Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposit placements with original maturity of three months or less.

V Contingent assets and contingent liabilities

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and the Bank. As this may result in the recognition of income that may never be realised, contingent assets are not recognised in the Group's and the Bank's Financial Statements but disclosed where inflows of economic benefits are probable, but not virtually certain.

Contingent liabilities, which do not include financial guarantee contracts, are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognised in the Financial Statements but are disclosed unless the probability of settlement is remote.

W Trust activities

The Group and the Bank acts as trustees and in other fiduciary capacities that result in holding or placing of assets on behalf of individuals, trust and other institutions. These assets, with the corresponding liabilities, and income and expenses arising thereon are excluded from the Financial Statements of the Group and the Bank, as they are not assets and liabilities of the Group.

The Group and the Bank have disclosed the carrying amounts of the cash held in trust for clients as at the reporting date in Note 42.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the Financial Statements for the financial year ended 31 December 2024

1 General information

The principal activities of the Bank are investment banking and the provision of related financial services. The principal activities of its subsidiaries, as set out in Note 9 to the Financial Statements, consist mainly of the provision of stockbroking and nominee services.

The immediate holding company is CIMB Group Sdn Bhd (“CIMBG”) and the Directors regard CIMB Group Holdings Berhad (“CIMB Group”), a company listed on the Main Board of Bursa Malaysia Securities Berhad, as the Bank’s ultimate holding company. Both companies are incorporated in Malaysia.

The Bank is a public limited liability company, incorporated and domiciled in Malaysia.

The address of the Bank’s registered office is 13th Floor, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

The Bank’s principal place of business is at 17th Floor, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

2 Cash and short-term funds

	The Group		The Bank	
	31 December 2024 RM’000	31 December 2023 RM’000	31 December 2024 RM’000	31 December 2023 RM’000
Cash and balances with banks and other financial institutions	18,866	19,976	10,730	19,712
Money at call and deposit placements maturing within one month	286,931	253,271	190,156	249,192
	<u>305,797</u>	<u>273,247</u>	<u>200,886</u>	<u>268,904</u>

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

3 Deposits and placements with banks and other financial institutions

	The Group		The Bank	
	31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
Licensed bank	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>

4 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	31 December 2024 RM'000	31 December 2023 RM'000
Fair value		
Money market instruments:		
Unquoted		
Malaysian Government Securities	-	61,055
Government Investment Issues	20,322	31,217
	20,322	92,272
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bond and sukuk	160,580	90,664
	<u>180,902</u>	<u>182,936</u>

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****5 Equity instruments at fair value through other comprehensive income**

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
At fair value				
Unquoted securities :				
<i>Outside Malaysia</i>				
Shares	<u>1,099</u>	<u>824</u>	<u>-</u>	<u>-</u>
	<u>1,099</u>	<u>824</u>	<u>-</u>	<u>-</u>

Equity instruments at fair value through other comprehensive income comprise the following equity investments:

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Unquoted securities				
PT Commerce Kapital	<u>1,099</u>	<u>824</u>	<u>-</u>	<u>-</u>
	<u>1,099</u>	<u>824</u>	<u>-</u>	<u>-</u>

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****6 Debt instruments at amortised cost**

	The Group and the Bank	
	31 December 2024 RM'000	31 December 2023 RM'000
Money market instruments:		
Unquoted securities		
<i>In Malaysia</i>		
Corporate bond and sukuk	122,470	118,639
Amortisation of premium, net of accretion of discount	<u>(187)</u>	<u>(15)</u>
	<u>122,283</u>	<u>118,624</u>

7 Other assets

	The Group		The Bank	
	31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
Due from brokers and clients	118,966	-	-	-
Trade and other receivables, net of expected credit losses of RM8,263,000 (2023: RM9,376,000)	(a) 52,957	28,911	52,915	28,911
Deposits, prepayments and others #	<u>11,219</u>	<u>19,344</u>	<u>4,849</u>	<u>18,536</u>
	<u>183,142</u>	<u>48,255</u>	<u>57,764</u>	<u>47,447</u>

Included within deposits, prepayment and others for the previous financial year, is a deposit of RM14,793,600 paid by the Bank to an escrow account in relation to the Acquisition as disclosed in the Note 34. Following the completion of the Acquisition on 8 February 2024, the deposit in the escrow account was released to the Seller on the same day.

(a) Movement of lifetime expected credit losses using simplified approach on other assets are as follows:

	Note	The Group and the Bank	
		2024 RM'000	2023 RM'000
At 1 January		9,376	13,509
Net expected credit losses written back during the financial year	23	(4)	(2,938)
Written off		<u>(1,109)</u>	<u>(1,195)</u>
At 31 December		<u>8,263</u>	<u>9,376</u>

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****8 Deferred taxation**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts are shown in the statements of financial position, after offsetting:

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	11,544	11,598	10,993	11,598

The components of deferred tax assets and liabilities during the financial year prior to offsetting of balances within the same tax jurisdiction are as follows:

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets (before offsetting)				
Expected credit losses	1,983	2,250	1,983	2,250
Fair value reserve - Debt instruments at fair value through other comprehensive income	97	-	97	-
Post employment benefit obligations	129	54	129	54
Provision for expenses	12,950	11,012	12,286	11,012
Lease liabilities	72	524	72	524
Other temporary differences	1,222	1,778	1,222	1,778
	16,453	15,618	15,789	15,618
Offsetting	(4,909)	(4,020)	(4,796)	(4,020)
Deferred tax assets (after offsetting)	11,544	11,598	10,993	11,598
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(205)	(26)	(92)	(26)
Right-of-use assets	(70)	(476)	(70)	(476)
Intangible assets	(4,634)	(3,518)	(4,634)	(3,518)
	(4,909)	(4,020)	(4,796)	(4,020)
Offsetting	4,909	4,020	4,796	4,020
Deferred tax liabilities (after offsetting)	-	-	-	-

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

8 Deferred taxation (Continued)

The gross movements on the deferred taxation account are as follows:

The Group	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Revaluation	Right-of-use assets RM'000	Other	Intangible assets RM'000	Provision for expenses RM'000	Lease liabilities RM'000	Post employment benefit obligations RM'000	Total RM'000
				reserve- debts at FVOCI RM'000		temporary differences RM'000					
Deferred tax assets/(liabilities)											
At 1 January 2024		2,250	(26)	-	(476)	1,778	(3,518)	11,012	524	54	11,598
(Charged)/credited to statements of income	27	(191)	18	-	406	(385)	(1,116)	1,274	(452)	75	(371)
Under provision in prior year		(76)	(84)	-	-	(171)	-	-	-	-	(331)
Arising from acquisition of a subsidiary	38	-	(113)	-	-	-	-	664	-	-	551
Transferred from equity		-	-	97	-	-	-	-	-	-	97
At 31 December 2024		1,983	(205)	97	(70)	1,222	(4,634)	12,950	72	129	11,544
Deferred tax assets/(liabilities)											
At 1 January 2023		3,211	(149)	-	(851)	1,209	344	9,919	928	31	14,642
(Charged)/credited to statements of income	27	(961)	22	-	375	167	(903)	1,287	(404)	23	(394)
Over/ (under) provision in prior year		-	101	-	-	402	(2,959)	(194)	-	-	(2,650)
At 31 December 2023		2,250	(26)	-	(476)	1,778	(3,518)	11,012	524	54	11,598

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****8 Deferred taxation (Continued)**

The gross movements on the deferred taxation account are as follows: (Continued)

	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Revaluation reserve- debts at FVOCI RM'000	Right-of-use assets RM'000	Other temporary differences RM'000	Intangible assets RM'000	Provision for expenses RM'000	Lease liabilities RM'000	Post employment benefit obligations RM'000	Total RM'000
The Bank											
<u>Deferred tax assets/(liabilities)</u>											
At 1 January 2024		2,250	(26)	-	(476)	1,778	(3,518)	11,012	524	54	11,598
(Charged)/credited to statements of income	27	(191)	18	-	406	(385)	(1,116)	1,274	(452)	75	(371)
Under provision in prior year		(76)	(84)	-	-	(171)	-	-	-	-	(331)
Transferred from equity		-	-	97	-	-	-	-	-	-	97
At 31 December 2024		1,983	(92)	97	(70)	1,222	(4,634)	12,286	72	129	10,993

	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Revaluation reserve- debts at FVOCI RM'000	Right-of-use assets RM'000	Other temporary differences RM'000	Intangible assets RM'000	Provision for expenses RM'000	Lease liabilities RM'000	Post employment benefit obligations RM'000	Total RM'000
The Bank											
<u>Deferred tax assets/(liabilities)</u>											
At 1 January 2023		3,211	(149)	-	(851)	1,209	344	9,919	928	31	14,642
(Charged)/credited to statements of income	27	(961)	22	-	375	167	(903)	1,287	(404)	23	(394)
Over/ (under) provision in prior year		-	101	-	-	402	(2,959)	(194)	-	-	(2,650)
At 31 December 2023		2,250	(26)	-	(476)	1,778	(3,518)	11,012	524	54	11,598

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****9 Investment in subsidiaries**

	The Bank	
	31 December 2024	31 December 2023
	RM'000	RM'000
Unquoted shares, at cost*	<u>144,736</u>	<u>30</u>

The subsidiaries of the Bank, all of which are incorporated in Malaysia, are as follows:

Name of subsidiaries	Principal activities	Note	Percentage of equity held directly by the Bank		Percentage of equity held directly by the Bank's subsidiary	
			31 December	31 December	31 December	31 December
			2024	2023	2024	2023
			%	%	%	%
CIMB Holdings Sdn. Bhd.	Investment holding		100	100	-	-
CIMSEC Nominees (Tempatan) Sdn. Bhd.	Nominee services		100	100	-	-
CIMSEC Nominees (Asing) Sdn. Bhd.	Nominee services		100	100	-	-
CIMB EOP Management Sdn. Bhd.	Nominee services		100	100	-	-
CIMB Securities Sdn. Bhd.* (formerly known as KAF Equities Sdn. Bhd.)	Stockbroking	34	100	-	-	-
CIMB Securities Nominees (Tempatan) Sdn. Bhd.* (formerly known as KAF Nominees (Tempatan) Sdn. Bhd.)	Nominee services	34	-	-	100	-
CIMB Securities Nominees (Asing) Sdn. Bhd. * (formerly known as KAF Nominees (Asing) Sdn. Bhd.)	Nominee services	34	-	-	100	-

* During the financial year 2024, the Bank has completed the acquisition of CIMB Securities Sdn. Bhd. as disclosed in Note 34.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****10 Investment in associates**

	The Group	
	2024	2023
	RM'000	RM'000
At 1 January	4,627	3,573
Share of profit for the financial year	995	1,054
Dividend paid	(1,000)	-
At 31 December	<u>4,622</u>	<u>4,627</u>

(a) Information about associates:

The principal place of business and country of incorporation of the associates are in Malaysia. All associates are measured using the equity method. There are no available quoted market prices of the investment in associates.

The associates held through CIMB Holdings Sdn. Bhd. are:

Name of associates	Principal activities	Percentage of equity held through the Bank's subsidiary company	
		31 December	31 December
		2024	2023
		%	%
CIMB Commerce Trustee Berhad	Trustee services	20	20
CIMB Islamic Trustee Berhad	Trustee services	20	20

(b) The summarised financial information below represents amounts shown in the associates' Financial Statements prepared in accordance with MFRS (adjusted by the Group for equity accounting purposes).

	CIMB Commerce Trustee Berhad	
	As at 31 December	
	2024	2023
	RM'000	RM'000
Total assets	19,412	20,797
Total liabilities	(2,454)	(2,955)
Net assets	<u>16,958</u>	<u>17,842</u>
	Year ended 31 December	
	2024	2023
	RM'000	RM'000
Income	16,080	16,255
Expenses	(10,746)	(11,035)
Profit before taxation	5,334	5,220
Taxation	(1,218)	(1,219)
Profit for the financial year	<u>4,116</u>	<u>4,001</u>

CIMB Investment Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****10 Investment in associates (Continued)**

- (b) The summarised financial information below represents amounts shown in the associates' Financial Statements prepared in accordance with MFRS (adjusted by the Group for equity accounting purposes). (Continued)

	CIMB Islamic Trustee Berhad	
	As at 31 December	
	2024	2023
	RM'000	RM'000
Total assets	6,397	6,440
Total liabilities	(811)	(1,712)
Net assets	<u>5,586</u>	<u>4,728</u>
	Year ended 31 December	
	2024	2023
	RM'000	RM'000
Income	4,194	4,540
Expenses	(3,109)	(2,871)
Profit before taxation	1,085	1,669
Taxation	(227)	(401)
Profit for the financial year	<u>858</u>	<u>1,268</u>

- (c) Reconciliation of the summarised financial information to the carrying amount of the interest in the associates recognised in the Consolidated Financial Statements:

	CIMB Commerce		CIMB Islamic		Total	
	Trustee Berhad		Trustee Berhad		Trustee Berhad	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Net assets</u>						
As at 1 January	17,842	13,841	4,728	3,460	22,570	17,301
Profit for the financial year	4,116	4,001	858	1,268	4,974	5,269
Dividends paid	(5,000)	-	-	-	(5,000)	-
As at 31 December	<u>16,958</u>	<u>17,842</u>	<u>5,586</u>	<u>4,728</u>	<u>22,544</u>	<u>22,570</u>
Interest in associates (%)	20	20	20	20	20	20
Interest in associates (RM'000)	3,392	3,568	1,117	946	4,509	4,514
Premium on acquisition (RM'000)	2,803	2,803	-	-	2,803	2,803
Impairment (RM'000)	(2,690)	(2,690)	-	-	(2,690)	(2,690)
Carrying value (RM'000)	<u>3,505</u>	<u>3,681</u>	<u>1,117</u>	<u>946</u>	<u>4,622</u>	<u>4,627</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****11 Property, plant and equipment**

The Group		Office equipment and furniture and fittings	Computer equipment and hardware	Motor vehicles	Renovation	Total
2024	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Cost						
At 1 January 2024		11,898	9,779	-	37,775	59,452
Additions		143	2,179	490	72	2,884
Disposals/written off		(6)	(265)	-	(36)	(307)
Arising from acquisition of a subsidiary	38	350	1,290	-	-	1,640
At 31 December 2024		<u>12,385</u>	<u>12,983</u>	<u>490</u>	<u>37,811</u>	<u>63,669</u>
Accumulated depreciation						
At 1 January 2024		11,731	8,645	-	37,554	57,930
Charge for the financial year		119	1,036	65	161	1,381
Disposals/written off		(5)	(266)	-	(36)	(307)
Arising from acquisition of a subsidiary	38	324	902	-	-	1,226
At 31 December 2024		<u>12,169</u>	<u>10,317</u>	<u>65</u>	<u>37,679</u>	<u>60,230</u>
Net book value as at 31 December 2024		<u>216</u>	<u>2,666</u>	<u>425</u>	<u>132</u>	<u>3,439</u>

The Group		Office equipment and furniture and fittings	Computer equipment and hardware	Motor vehicles	Renovation	Total
2023		RM'000	RM'000	RM'000	RM'000	RM'000
Cost						
At 1 January 2023		12,029	9,177	119	37,916	59,241
Additions		99	1,035	-	3,229	4,363
Disposals/written off		(230)	(433)	(119)	(220)	(1,002)
Reclassified to intangible assets	14	-	-	-	(3,150)	(3,150)
At 31 December 2023		<u>11,898</u>	<u>9,779</u>	<u>-</u>	<u>37,775</u>	<u>59,452</u>
Accumulated depreciation						
At 1 January 2023		11,193	8,553	118	34,199	54,063
Charge for the financial year		769	523	-	3,572	4,864
Disposals/written off		(231)	(431)	(118)	(217)	(997)
At 31 December 2023		<u>11,731</u>	<u>8,645</u>	<u>-</u>	<u>37,554</u>	<u>57,930</u>
Net book value as at 31 December 2023		<u>167</u>	<u>1,134</u>	<u>-</u>	<u>221</u>	<u>1,522</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****11 Property, plant and equipment (Continued)**

The Bank 2024	Note	Office equipment and furniture and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost						
At 1 January 2024		11,898	9,779	-	37,775	59,452
Additions		130	116	490	26	762
Disposals/written off		(6)	(265)	-	(36)	(307)
At 31 December 2024		12,022	9,630	490	37,765	59,907
Accumulated depreciation						
At 1 January 2024		11,731	8,645	-	37,554	57,930
Charge for the financial year		101	538	65	155	859
Disposals/written off		(5)	(266)	-	(36)	(307)
At 31 December 2024		11,827	8,917	65	37,673	58,482
Net book value as at 31 December 2024		195	713	425	92	1,425

The Bank 2023		Office equipment and furniture and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost						
At 1 January 2023		12,029	9,177	119	37,916	59,241
Additions		99	1,035	-	3,229	4,363
Disposals/written off		(230)	(433)	(119)	(220)	(1,002)
Reclassified to intangible assets	14	-	-	-	(3,150)	(3,150)
At 31 December 2023		11,898	9,779	-	37,775	59,452
Accumulated depreciation						
At 1 January 2023		11,193	8,553	118	34,199	54,063
Charge for the financial year		769	523	-	3,572	4,864
Disposals/written off		(231)	(431)	(118)	(217)	(997)
At 31 December 2023		11,731	8,645	-	37,554	57,930
Net book value as at 31 December 2023		167	1,134	-	221	1,522

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

12 Right-of-use assets

Carrying amount of right-of-use assets by class of underlying assets are as follows:

	The Group		The Bank	
	31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
Buildings	291	1,981	291	1,981
Computer equipment	21	1	-	1
	312	1,982	291	1,982

Addition during the financial year for the Group and the Bank are RM501,000 and RM113,000 respectively (2023: RM303,000 and RM303,000). Depreciation charge during the financial year for right-of-use assets for the Group and the Bank are RM2,926,000 and RM1,849,000 respectively (2023: RM1,863,000 and RM1,863,000).

Addition arising from the acquisition of a subsidiary during the financial year for the Group is RM769,000, as disclosed in Note 38.

Low-value leases expenses and variable lease payments expenses that are not included in lease liabilities for the Group and the Bank are as follows:

	The Group and the Bank	
	31 December 2024 RM'000	31 December 2023 RM'000
Low-value lease expenses	4	4
Variable lease payment expenses	366	593

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****13 Goodwill**

	Note	The Group	
		31 December 2024 RM'000	31 December 2023 RM'000
Cost			
At 1 January		-	-
Goodwill arising from business combinations:			
- Arising from the acquisition of CIMB Securities Sdn Bhd	38	41,538	-
At 31 December		<u>41,538</u>	<u>-</u>

Allocation of goodwill to cash generating units

Goodwill has been allocated to the following cash generating unit (“CGU”).

CGU	The Group	
	31 December 2024 RM'000	31 December 2023 RM'000
Equities business	<u>41,538</u>	<u>-</u>

Impairment test for goodwillValue-in-use

The recoverable amount of CGU is determined based on the value-in-use calculations. These calculations use pre-tax cash flow projections based on the 2025 financial budgets approved by the Board of Directors, projected for four years based on the average historical Gross Domestic Product (“GDP”) growth of the country covering a four years period (2025-2028), revised for current economic conditions. Cash flows beyond the four years period are extrapolated using the estimated terminal growth rates and discounted using pre-tax discount rates which reflect the specific risks relating to the CGU. The cash flow projections are derived based on a number of key factors including the past performance and management’s expectation of market developments.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****13 Goodwill (Continued)**

The estimated terminal growth rates and discount rates used for value-in-use calculations are as follows:

	2024		2023	
	Terminal Growth rate	Discount rate	Terminal Growth rate	Discount rate
Equities	4.08%	9.18%	-	-

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of any CGU to exceed its recoverable amount.

14 Intangible assets

The Group	Note	Computer software and work-in-progress RM'000	Stockbroking license RM'000	Total RM'000
2024				
Cost				
At 1 January		72,260	-	72,260
Additions during the financial year		12,963	-	12,963
Disposals/written off during the financial year		(8,079)	-	(8,079)
Arising from acquisition of a subsidiary	38	896	2,000	2,896
At 31 December		<u>78,040</u>	<u>2,000</u>	<u>80,040</u>
Accumulated amortisation and impairment				
At 1 January		41,592	-	41,592
Amortisation during the financial year		4,282	-	4,282
Amortisation arising from acquisition of a subsidiary	38	841	-	841
At 31 December		<u>46,715</u>	<u>-</u>	<u>46,715</u>
Net book value at 31 December 2024		<u>31,325</u>	<u>2,000</u>	<u>33,325</u>

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

14 Intangible assets (Continued)

The Group	Note	Computer software and work-in-progress RM'000	Stockbroking license RM'000	Total RM'000
2023				
Cost				
At 1 January		66,722	-	66,722
Additions during the financial year		2,401	-	2,401
Disposals/written off during the financial year		(13)	-	(13)
Transfer from property, plant and equipment	11	3,150	-	3,150
At 31 December		<u>72,260</u>	<u>-</u>	<u>72,260</u>
Accumulated amortisation				
At 1 January		36,659	-	36,659
Amortisation during the financial year		4,946	-	4,946
Disposals/write off during the financial year		(13)	-	(13)
At 31 December		<u>41,592</u>	<u>-</u>	<u>41,592</u>
Net book value at 31 December 2023		<u>30,668</u>	<u>-</u>	<u>30,668</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****14 Intangible assets (Continued)**

The Bank	Note	Computer software and work-in-progress RM'000	Total RM'000
2024			
Cost			
At 1 January		72,260	72,260
Additions during the financial year		10,100	10,100
Disposals/write off during the financial year		(8,079)	(8,079)
At 31 December		74,281	74,281
Accumulated amortisation			
At 1 January		41,592	41,592
Amortisation during the financial year		3,976	3,976
At 31 December		45,568	45,568
Net book value at 31 December 2024		28,713	28,713

The Bank	Note	Computer software and work-in-progress RM'000	Total RM'000
2023			
Cost			
At 1 January		66,722	66,722
Additions during the financial year		2,401	2,401
Disposals/write off during the financial year		(13)	(13)
Transfer from property, plant and equipment	11	3,150	3,150
At 31 December		72,260	72,260
Accumulated amortisation			
At 1 January		36,659	36,659
Amortisation during the financial year		4,946	4,946
Disposals/write off during the financial year		(13)	(13)
At 31 December		41,592	41,592
Net book value at 31 December 2023		30,668	30,668

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

17 Lease liabilities

	The Group		The Bank	
	31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
Buildings	299	2,173	299	2,173
Computer equipment	23	9	-	9
	<u>322</u>	<u>2,182</u>	<u>299</u>	<u>2,182</u>

18 Ordinary share capital

	The Group and the Bank	
	2024 RM'000	2023 RM'000
Issued and fully paid shares		
At 1 January/31 December	<u>100,000</u>	<u>100,000</u>

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

19 Redeemable preference shares

	The Group and the Bank	
	2024	2023
	RM'000	RM'000
Issued and fully paid redeemable preference shares		
At 1 January/31 December	<u>10</u>	<u>10</u>

On 30 January 2008, the Bank had allotted and issued 1,000,000 Redeemable Preference Shares (“RPS”) of RM0.01 each to its ultimate holding company, CIMB Group Holdings Berhad.

The main features of the RPS are as follows:

- (i) The RPS do not carry any fixed dividends;
- (ii) The RPS will rank superior to ordinary shares in the event of winding up or liquidation of the Bank;
- (iii) The RPS rank pari passu in all aspects among themselves;
- (iv) The RPS carry no right to vote at any general meeting of the ordinary shareholders of the Bank;
- (v) The RPS are not convertible to ordinary shares of the Bank; and
- (vi) The RPS may only be redeemed subject to BNM’s approval at the option of the Bank (but not the holder) at anytime from the issue date.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****20 Reserves**

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Fair value reserve :				
- Equity instruments at fair value through other comprehensive income	(i) (5,736)	(6,011)	(6,331)	(6,331)
- Debt instruments at fair value through other comprehensive income	(ii) (308)	1,336	(308)	1,336
Retained earnings	574,910	523,905	554,003	513,676
Share-based payment reserve	(iii) 540	226	540	226
Capital contribution by ultimate holding company	(v) 4,007	3,978	4,007	3,978
	<u>573,413</u>	<u>523,434</u>	<u>551,911</u>	<u>512,885</u>

- (i) The Group and the Bank had elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the financial assets at FVOCI reserve within equity. The Group and the Bank transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- (ii) For debt instruments at fair value through other comprehensive income (“FVOCI”), changes in fair value are accumulated within the financial assets at FVOCI reserve within equity. The accumulated changes in fair value are transferred to profit or loss when the investment is disposed of.
- (iii) The share-based payment reserve arose from the Equity Ownership Plan (“EOP”).
- (iv) Capital contribution by ultimate holding company is the cost of the ordinary shares and share options of CIMB Group awarded to eligible employees of the Group and the Bank pursuant to the Long Term Incentive Plan (“LTIP”).

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****21 Interest income**

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Money at call and deposits placements				
with banks and other financial institutions	6,954	9,181	4,214	9,080
Reverse repurchase agreements	-	5,125	-	5,125
Debt instruments at fair value through other comprehensive income	6,716	571	6,716	571
Debt instruments at amortised cost	4,932	432	4,932	432
Others	653	-	653	-
	19,255	15,309	16,515	15,208
Amortisation of premium, net of accretion of discount	(127)	(30)	(127)	(30)
	19,128	15,279	16,388	15,178

22 Interest expense

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits and placements of banks and other financial institutions	110	158	110	158
Deposits from customers	122	57	122	57
Lease liabilities	48	87	35	87
Borrowings	205	-	-	-
	485	302	267	302

23 Other expected credit losses and impairment allowances

	Note	The Group		The Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other expected credit losses and impairment allowances written back					
- Other assets	7	(4)	(2,938)	(4)	(2,938)
		(4)	(2,938)	(4)	(2,938)

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****24 Net non-interest income**

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Fee and commission income				
Commissions	60,807	45,840	60,807	45,840
Service charges and fees	88,182	78,425	85,554	78,425
Advisory and arrangement fees	32,178	46,859	32,178	46,859
Placement, book running and related fees	64,537	20,265	56,201	20,265
Gross brokerage income	48,404	-	-	-
Other fee income	23,690	9,988	21,742	9,988
	317,798	201,377	256,482	201,377
(b) Fee and commission expense				
Less : Fee and commission, brokerage expense and other direct expenses	(17,363)	(11,558)	(13,189)	(11,558)
Net fee and commission income	300,435	189,819	243,293	189,819
(c) Other non-interest income				
(i) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	3,026	-	3,026	-
(ii) Net gain arising from derivative financial instruments:				
- realised gain	5	6	5	6
(iii) Other income:				
Income from securities services	7,218	9,913	7,218	9,913
Foreign exchange (loss)/gain	(2,164)	1,566	254	1,566
Other non-operating income	509	45	466	43
	5,563	11,524	7,938	11,522
Total other non-interest income	8,594	11,530	10,969	11,528
Total non-interest income	309,029	201,349	254,262	201,347

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****25 Overheads**

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Personnel costs				
- Salaries, allowances and bonuses *	130,163	116,168	110,798	116,168
- Pension cost (defined contribution plan)	13,470	12,437	11,494	12,437
- Share-based expense ¹	29	1,696	29	1,696
- Others	11,817	11,269	8,386	11,269
	155,479	141,570	130,707	141,570
Establishment costs				
- Depreciation of property, plant and equipment	1,381	4,864	859	4,864
- Depreciation of right-of-use assets	2,926	1,863	1,849	1,863
- Amortisation of intangible assets	4,282	4,946	3,976	4,946
- Equipment and other rental	6,558	4,546	4,906	4,546
- Others	17,254	7,285	9,987	7,285
	32,401	23,504	21,577	23,504
Marketing expenses				
- Advertisement and entertainment expenses	3,608	2,498	2,102	2,498
- Others	1,215	756	1,157	756
	4,823	3,254	3,259	3,254
Administration and general expenses				
- Legal and professional fees	1,808	1,377	1,199	1,361
- Communication	841	407	594	407
- Printing and stationery	281	130	132	130
- Administrative vehicle, travelling and insurance expenses	697	465	433	465
- Service expenses	35,926	33,144	36,947	33,114
- Others	15,337	9,035	8,255	9,035
	54,890	44,558	47,560	44,512
Total overhead expenses	247,593	212,886	203,103	212,840

* Included in salaries, allowances and bonuses is share-based payment expenses ("EOP") of RM645,000 (31 December 2023: RM244,000). Refer to Note 32(a).

¹ The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings Berhad in June 2021. The LTIP awards ordinary shares and share options of CIMB Group to eligible employees of the Group and the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions. Refer Note 32(b).

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****25 Overheads (Continued)**

The expenditure includes the following statutory disclosures :

	The Group		The Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
The above expenditure includes the following disclosures:				
Directors' remuneration (Note 26)	15,287	6,860	15,179	6,860
Rental of premises	105	121	36	121
Hire of equipment	5,768	3,844	4,184	3,844
Auditors' remuneration				
PricewaterhouseCoopers PLT (audit)				
- Statutory audit	710	420	539	405
PricewaterhouseCoopers Malaysia (non audit)				
- Tax services	169	161	105	145
- Others	8	-	8	-
Other auditors' remuneration				
- Statutory audit	7	10	7	10
- Tax services	3	5	3	5

26 Directors' remuneration

The Directors of the Bank in office during the financial year were as follows:

Non-Executive Directors

Raymond Yeoh Cheng Seong

Dato' Lee Kok Kwan

Tan Ting Min

Adrian Toho Parada Panggabean (appointed on 27 August 2024)

Manu Bhaskaran (retired on 31 May 2024)

Surina Shukri (deceased on 29 February 2024)

Executive Directors

Muhammad Novan Amirudin (resigned as CEO on 25 July 2024, and as Executive Director on 31 December 2024, respectively)

Nor Masliza Sulaiman (appointed on 24 January 2025)

The Directors of the Group and the Bank and their total remuneration during the financial year are analysed below:

	The Group		The Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Executive Director				
- Salary and other remuneration	13,868	5,282	13,868	5,282
- Benefits-in-kind	40	8	40	8
Non-executive Directors				
- Fees and other remuneration	1,358	1,570	1,250	1,570
- Benefits-in-kind	21	-	21	-
	15,287	6,860	15,179	6,860

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****26 Directors' remuneration (Continued)**

The Directors of the Group and the Bank and their total remuneration during the financial year are analysed below: (Continued)

	The Group				The Bank			
	Fees RM'000	Salary and/or other remuneration RM'000	Benefits- in-kind RM'000	Total RM'000	Fees RM'000	Salary and/or other remuneration RM'000	Benefits- in-kind RM'000	Total RM'000
2024								
Executive Directors								
Muhammad Novan Amirudin *	-	13,868	40	13,908	-	13,868	40	13,908
	-	13,868	40	13,908	-	13,868	40	13,908
Non-Executive Directors								
Raymond Yeoh Cheng Seong	140	250	21	411	140	250	21	411
Dato' Lee Kok Kwan	140	60	-	200	140	60	-	200
Tan Ting Min	230	288	-	518	140	270	-	410
Adrian Toho Parada Panggabean	49	50	-	99	49	50	-	99
Manu Bhaskaran	58	70	-	128	58	70	-	128
Surina Shukri	23	-	-	23	23	-	-	23
	640	718	21	1,379	550	700	21	1,271
	640	14,586	61	15,287	550	14,568	61	15,179
2023								
Executive Directors								
Muhammad Novan Amirudin *	-	4,566	5	4,571	-	4,566	5	4,571
Jefferi Mahmud Hashim	-	716	3	719	-	716	3	719
	-	5,282	8	5,290	-	5,282	8	5,290
Non-Executive Directors								
Raymond Yeoh Cheng Seong	23	33	-	56	23	33	-	56
Dato' Lee Kok Kwan	140	55	-	195	140	55	-	195
Tan Ting Min	93	140	-	233	93	140	-	233
Manu Bhaskaran	140	160	-	300	140	160	-	300
Teoh Su Yin	108	156	-	264	108	156	-	264
Nadzirah Abd Rashid	99	179	-	278	99	179	-	278
Datin Azlina Mahmad	24	-	-	24	24	-	-	24
Surina Shukri	140	80	-	220	140	80	-	220
	767	803	-	1,570	767	803	-	1,570
	767	6,085	8	6,860	767	6,085	8	6,860

* The salary, other remuneration and benefits in kind totalling RM13,908,000 for the CEO was paid by CIMB Bank. (2023: RM4,571,000). Compensation shown in the table for the Executive Director in 2024 is in relation to his role as Group Chief Executive Officer of CIMB Group. The compensation includes an amount of RM1.9mil which arose from LTIP allocations that were attributed to the 2-year period from 2022 to 2023, and were vested/exercised in 2024. The related share based expenses have been recognized over the period of LTIP scheme.

In 2023, the functions and responsibilities of the Chief Executive Officer (“CEO”) were carried out by Jefferi Mahmud Hashim from 1 January 2023 until 15 June 2023. With effect from 15 June 2023, the functions and responsibilities of the CEO were carried out by Muhammad Novan Amirudin until 25 July 2024. Chu Kok Wei was appointed as the Interim Officer-in-Charge of the Bank whilst the Group is finalising its succession search for the new CEO of the Bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****26 Directors' remuneration (Continued)**

Pursuant to Bank Negara Malaysia's letter dated 4 June 2024, Muhammad Novan Amirudin resigned as CEO on 25 July 2024, and as Executive Director on 31 December 2024, respectively. Nor Masliza Sulaiman was subsequently appointed as the CEO and the Executive Director of the Bank, effective 24 January 2025.

The Directors and Officers of the Group and of the Bank are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year for the Group and the Bank amounted to RM1,418 (2023: RM1,452).

27 Taxation**(i) Tax expense for the financial year**

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax				
- Malaysian income tax	29,765	16,360	26,649	16,345
- Foreign tax	4	2	4	2
Deferred tax (Note 8)	371	394	371	394
Under provision in prior years	(1,023)	(1,507)	(1,023)	(1,506)
	<u>29,117</u>	<u>15,249</u>	<u>26,001</u>	<u>15,235</u>

(ii) Numerical reconciliation of income tax expense

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before taxation	121,222	57,529	107,428	56,418
Less : Share of results of associates	(995)	(1,054)	-	-
	<u>120,227</u>	<u>56,475</u>	<u>107,428</u>	<u>56,418</u>
Tax calculated at a tax rate of 24% (2023: 24%)	28,854	13,554	25,783	13,540
Expenses not deductible for tax purposes	1,282	3,200	1,237	3,199
Under provision in prior years	(1,023)	(1,507)	(1,023)	(1,506)
Foreign withholding tax	4	2	4	2
Tax expense	<u>29,117</u>	<u>15,249</u>	<u>26,001</u>	<u>15,235</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****28 Earnings per share**

(a) Basic earnings per share

Basic earnings per share of the Group and the Bank are calculated by dividing the net profit attributable to owner of the Group and the Bank by the weighted average number of ordinary shares in issue during the financial year.

	The Group		The Bank	
	2024	2023	2024	2023
Profit for the financial year	92,105	42,280	81,427	41,183
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Total basic earnings per share attributable to equity shareholders (sen)	92.11	42.28	81.43	41.18

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding as at 31 December 2024 and 31 December 2023.

29 Dividends

Since the previous financial year ended 31 December 2023, a single-tier interim dividend of 41.10 sen on 100,000,000 ordinary shares amounting to RM41,100,000, was declared on 24 January 2024 and paid on 15 March 2024.

The Directors have proposed a single-tier interim dividend of 81.40 sen per ordinary share on 100,000,000 ordinary shares amounting to RM81,400,000 in respect of the financial year ended 31 December 2024, which was approved by the Board of Directors in a resolution dated 22 January 2025.

The Financial Statements for the current financial year do not reflect the above proposed dividend. Such dividends will be accounted for in equity as an appropriation of retained earnings in the next financial year ending 31 December 2025.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2024.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****30 Amount due from/(to) ultimate holding company, related companies and subsidiaries**

The amount due from/(to) related companies are unsecured, interest free and callable on demand.

	The Group		The Bank	
	31 December 2024 RM'000	31 December 2023 RM'000	31 December 2024 RM'000	31 December 2023 RM'000
Amount due from:				
- ultimate holding company	146	137	146	137
- related companies	7,818	33,560	4,225	33,560
	<u>7,964</u>	<u>33,697</u>	<u>4,371</u>	<u>33,697</u>
Amount due to:				
- subsidiaries	-	-	(10,804)	-
- related companies	(365)	(200)	(354)	(172)
	<u>(365)</u>	<u>(200)</u>	<u>(11,158)</u>	<u>(172)</u>

31 Significant related party transactions and balances**(a) Related parties and relationship**

For the purposes of these Financial Statements, parties are considered to be related to the Group if the Group or the Bank has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Bank and the party are subject to common control or common significant influence.

The Group and the Bank have related party relationships with their holding companies, subsidiaries, joint venture and key management personnel.

The related parties of, and their relationship with the Group, are as follows:

<u>Related parties</u>	<u>Relationship</u>
CIMB Group Holdings Berhad ("CIMB Group")	Ultimate holding company
CIMB Group Sdn Bhd ("CIMBG")	Immediate holding company
Subsidiaries of CIMB Group and CIMBG as disclosed in their Financial Statements	Subsidiaries of ultimate holding and immediate holding companies
Subsidiaries of the Bank as disclosed in Note 9	Subsidiaries
Associates of the Bank as disclosed in Note 10	Associates
Key management personnel	Refer to below

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****31 Significant related party transactions and balances (Continued)****(a) Related parties and relationship (Continued)**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly. The key management personnel of the Group and the Bank include all the Directors of the Bank and employees of the Bank who make certain critical decisions in relation to the strategic direction of the Bank.

(b) Related party transactions

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. Interest rates on fixed and short-term deposits were at normal commercial rates.

The Group	Ultimate holding company	Other related companies	
2024	RM'000	RM'000	
Income:			
Service charges and fee income	3,000	112,569	
Interest income	-	1,264	
Commission income	-	23,641	
Fee and commission expense and other direct expenses	-	(6,872)	
Income from securities services	300	562	
Net Income from Islamic Banking operations	<u>60</u>	<u>21,674</u>	
	<u>3,360</u>	<u>152,838</u>	
Expenditure:			
Interest expense	-	201	
Establishment - others	-	685	
Service expenses	-	35,569	
Administration and general expenses - others	-	1,147	
	<u>-</u>	<u>37,602</u>	
	<u>Ultimate holding company</u>	<u>Subsidiary companies</u>	<u>Other related companies</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
The Bank			
2024			
Income:			
Service charges and fee income	3,000	28,379	108,977
Interest income	-	-	242
Commission income	-	-	23,641
Fee and commission expense and other direct expenses	-	-	(6,872)
Income from securities services	300	-	562
Net Income from Islamic Banking operations	<u>60</u>	<u>4,425</u>	<u>21,674</u>
	<u>3,360</u>	<u>32,804</u>	<u>148,224</u>
Expenditure:			
Interest expense	-	-	17
Establishment - others	-	-	685
Service expenses	-	1,051	35,569
	<u>-</u>	<u>1,051</u>	<u>36,271</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****31 Significant related party transactions and balances (Continued)****(b) Related party transactions (Continued)**

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. Interest rates on fixed and short-term deposits were at normal commercial rates. (Continued)

The Group and the Bank	Ultimate holding company	Other related companies
2023	RM'000	RM'000
Income:		
Service charges and fee income	355	89,016
Interest income	-	7,681
Commission income	-	32,314
Fee and commission expense and other direct expenses	-	(11,536)
Income from securities services	258	546
Net Income from Islamic Banking operations	60	29,644
	<u>673</u>	<u>147,665</u>
Expenditure:		
Interest expense	-	-
Establishment - others	-	580
Service expenses	-	32,824
	<u>-</u>	<u>33,404</u>
	31 December	31 December
The Group	2024	2023
Amount due from:	RM'000	RM'000
Cash and balances with banks and other financial institutions	1,841	3,974
Money at call and deposit placements maturing within one month	172,733	99,155
Other assets	833	-
	<u>175,407</u>	<u>103,129</u>
Amount due to:		
Other liabilities	<u>-</u>	<u>1,093</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****31 Significant related party transactions and balances (Continued)****(c) Related party balances**

	31 December 2024	31 December 2023
	RM'000	RM'000
The Bank		
Amount due from:		
Cash and balances with banks and other financial institutions	202	3,974
Money at call and deposit placements maturing within one month	80,146	99,155
Other assets	833	-
	81,181	103,129
Amount due to:		
Other liabilities	-	1,093

Other related party balances are unsecured, non-interest bearing and repayable on demand.

(d) Key management personnel

<u>Key management compensation</u>	The Group		The Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries and other employee benefits #	88,740	80,547	56,844	43,277
	The Group		The Bank	
	2024	2023	2024	2023
	units	units	units	units
Shares of ultimate holding company awarded from EOP	254,535	761,505	313,993	-
Shares of ultimate holding company awarded from LTIP				
- ESOS	-	-	-	-
- SGP	250,000	-	-	-

Includes compensation paid by other related companies

Included in the above table is the Executive Directors' compensation which is disclosed in Note 26. The share options and shares granted are on the same terms and conditions as those offered to other employees of the Group and the Bank as disclosed in Note 32 to the Financial Statements.

During the financial year, share based payment expenses to key management personnel of the Group and the Bank amounted to RM29,366,000 and RM10,586,000 respectively (2023: RM5,962,000; RM514,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****31 Significant related party transactions and balances (Continued)****(e) Credit transactions and exposures with connected parties**

Credit exposures with connected parties as per Bank Negara Malaysia's revised "Guidelines on Credit Transactions and Exposures with Connected Parties" are as follows:

	The Group and the Bank	
	31 December	31 December
	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties	4,519	33,696
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	0.9%	5.8%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.0%	0.0%

(f) Transactions with shareholders and Government

Khazanah Nasional Berhad ("KNB"), the major shareholder of the ultimate holding company, owns 21.54% of the issued capital of the ultimate holding company (2023: 23.01%). KNB is an entity controlled by the Malaysian Government. The Group and the Bank consider that, for the purpose of MFRS 124 "Related Party Disclosures", KNB and the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Bank.

The Group and the Bank have collectively, but not individually entered into, significant transactions with other government-related entities which include but not limited to the following:

- Purchase of securities issued by government-related entities
- Lending to government-related entities
- Deposit placing with and deposit taking from government-related entities

These transactions are conducted in the ordinary course of the Group's and the Bank's business on agreed terms and consistently applied in accordance with the Group's and the Bank's internal policies and processes. These rates do not depend on whether the counterparties are government-related entities or not.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

32 Employee benefits

(a) Equity Ownership Plan (“EOP”)

The EOP was introduced on 1 April 2011 by CIMB Group where CIMB Group will grant ordinary shares of CIMB Group Holdings Berhad to selected employees in the Group. Under the EOP, earmarked portions of variable remuneration of selected employees of the Group will be utilised to purchase ordinary shares of CIMB Group Holdings Berhad from the open market. The purchased shares will be released progressively to the eligible employees at various dates subsequent to the purchase date, subject to continue employment. A related company will act on behalf of CIMB Group to administer the EOP and to hold the shares in trust up to the pre-determined transfer dates. The eligibility of participation in the EOP shall be at the discretion of the Group Nomination and Remuneration Committee of CIMB Group.

Upon termination of employment other than retirement, disability or death, any unreleased shares will cease to be transferable to the employee and will be disposed accordingly. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the designated beneficiary.

The total share-based payment expense recognised in statement of income for the Group and the Bank during the financial year amounted to RM645,000 (31 December 2023: RM244,000).

The weighted average fair value of shares awarded under EOP which were purchased over a period of 10 trading days was RM6.88 per ordinary share (31 December 2023: RM5.02 per ordinary share), based on observable market price.

Movements in the number of the ultimate holding company’s ordinary shares awarded are as follows:

	The Group and the Bank	
	2024	2023
Shares	Unit	Unit
	'000	'000
At 1 January	57	50
Awarded	133	42
Released	(42)	(35)
At 31 December	<u>148</u>	<u>57</u>

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

32 Employee benefits (Continued)

(b) Long Term Incentive Plan (“LTIP”)

The CIMB Group Holdings Berhad (“CIMB Group”) implemented a Long Term Incentive Plan (“LTIP”) on 9 June 2021, which was approved by the shareholders of CIMB Group at the Extraordinary General Meeting held on 15 April 2021. The LTIP is governed by the LTIP by-laws and is administered by the LTIP Committee of CIMB Group.

The LTIP is awarded to employees who hold senior management positions and key roles within the CIMB Group and its subsidiary companies, and who fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the Directors) is subject to the approval of the shareholders at a general meeting.

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme (“ESOS”) and the Share Grant Plan (“SGP”).

- The ESOS is a share option scheme with a premium on the exercise price, and the LTIP Committee may, at any time within the duration of the LTIP, grant an ESOS award to eligible employees, subject to the terms and conditions of the by-laws. The ESOS shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.
- The SGP is a restricted share unit scheme where vesting is subject to service and performance conditions, and the LTIP Committee may, at any time within the duration of the LTIP, grant an SGP award to eligible employees, subject to the terms and conditions of the by-laws. The SGP shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****32 Employee benefits (Continued)****(b) Long Term Incentive Plan (“LTIP”) (Continued)****(i) Details of ESOS shares awarded:**

Award Date	Fair Value	Awarded	Vesting Dates
	RM	(Units'000)	
9 June 2021 - First grant	0.45	216,758	31 March 2024 31 March 2025
31 March 2022 - Second grant	0.75	8,991	31 March 2024 31 March 2025
8 September 2022 - Third grant	0.74	3,430	31 March 2024 31 March 2025
8 December 2022 - Fourth grant	0.81	660	31 March 2024 31 March 2025

The following table indicates the number and movement of ESOS shares during the financial year ended 31 December 2024:

Award Date	As at	Movement during the year		Outstanding	Exerciseable
	1 January 2024 (Units'000)	Exercised (Units'000)	Expired/ Forfeited (Units'000)	31 December 2024 (Units'000)	31 December 2024 (Units'000)
9 June 2021 - First grant	5,397	(477)	(700)	4,220	1,872
31 March 2022 - Second grant	241	-	-	241	121

The fair value of ESOS shares awarded was determined using the Black Scholes model based on the terms and conditions of ESOS awards. The fair value of ESOS shares measured, closing share price at grant date and the valuation assumptions are as follows:

	Award Date			
	9 June 2021 - First grant	31 March 2022 - Second grant	8 September 2022 - Third grant	8 December 2022 - Fourth grant
Fair value of ESOS shares (RM)	0.45	0.75	0.74	0.81
Exercise Price (RM)	4.96	5.58	5.75	5.93
Closing share price at award date (RM)	4.65	5.33	5.40	5.61
Option term	From award date until 8 June 2028	From award date until 8 June 2028	From award date until 8 June 2028	From award date until 8 June 2028
Expected volatility (%)	23.60	24.85	25.04	25.62
Risk-free rate (%)	2.87	3.50	3.82	3.69
Discounted dividend flow	2.05	1.72	1.67	1.63

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****32 Employee benefits (Continued)****(b) Long Term Incentive Plan (“LTIP”) (Continued)****(ii) Details of SGP shares awarded**

Award Date	Fair Value	Awarded	Vesting Dates*
	RM	(Units'000)	
9 June 2021 - First grant	4.65	15,748	31 March 2024 31 March 2025
31 March 2022 - Second grant	5.33	1,965	31 March 2024 31 March 2025
8 September 2022 - Third grant	5.40	736	31 March 2024 31 March 2025
8 December 2022 - Fourth grant	5.61	142	31 March 2024 31 March 2025
12 January 2024 - Fifth grant	5.92	250	31 March 2025

* Subject to performance conditions

The following table indicates the number and movement of SGP shares during the financial year ended 31 December 2024:

Award Date	Movement during the year			As at 31 December 2024 (Units'000)
	As at 1 January 2024 (Units'000)	Vested (Units'000)	Forfeited (Units'000)	
9 June 2021 - First grant	391	(161)	(60)	170
31 March 2022 - Second grant	52	(24)	(2)	26

The fair value of SGP shares awarded was determined using the closing market price of CIMB shares on the award date, as shown below:

	Award Date				
	9 June 2021 - First grant	31 March 2022 - Second grant	8 September 2022 - Third grant	8 December 2022 - Fourth grant	12 January 2024 - Fifth grant
Fair value of SGP Shares (RM)	4.65	5.33	5.40	5.61	5.92
Closing share price at award date (RM)	4.65	5.33	5.40	5.61	5.92

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****33 Capital commitments**

Capital expenditure approved by Directors but not provided for in the Financial Statements are as follows:

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for	151	735	151	735
Authorised but not contracted for	20,885	21,627	18,848	21,627
	21,036	22,362	18,999	22,362
The capital commitments are attributed to:				
- Property, plant and equipment	5,945	6,277	3,908	6,277
- Computer software	15,091	16,085	15,091	16,085
	21,036	22,362	18,999	22,362

34 Significant events during the financial year

Acquisition of 80,000,000 ordinary shares in CIMB Securities Sdn Bhd (formerly known as KAF Equities Sdn Bhd) (“CIMB Securities”), representing 100% equity interest in CIMB Securities (“Acquisition”)

In the previous financial year, the Bank entered into a conditional Share Purchase Agreement (“SPA”) with KAF-Seagroatt & Campbell Berhad (“KAFSC”) on 7 April 2023, for a proposed acquisition of 80,000,000 ordinary shares in KAF Equities Sdn Bhd (“KESB”), representing 100% of the equity interest in KESB, from KAFSC, for an indicative cash consideration of RM147.9 million subject to, amongst others, certain price adjustments at the completion date as well as the terms and conditions of the SPA.

On 2 August 2023 and 26 December 2023, the Bank received an approval from Bank Negara Malaysia (“BNM”) and Securities Commission (“SC”) in relation to the Proposed Acquisition.

On 8 February 2024, the Bank completed the Acquisition KESB, for an adjusted final purchase consideration of RM144,706,000.

Following the completion of the Acquisition, KESB became a wholly owned subsidiary of the Bank. On 11 March 2024, KESB changed its name to CIMB Securities Sdn Bhd.

Refer Note 38 for the effects of the acquisition on the financial statements of the Bank and the Group.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****35 Significant events subsequent to the financial year**

There were no other significant events subsequent to the financial year ended 31 December 2024.

36 Capital adequacy

The key driving principles of the Group's and the Bank's capital management policies are to diversify its sources of capital to allocate capital efficiently, achieve and maintain an optimal and efficient capital structure of the Group and the Bank, with the objective of balancing the need to meet the requirements of all key constituencies, including regulators, shareholders and rating agencies.

This is supported by the Capital Management Plan which is centrally supervised by the CIMB Group Executive Committee who periodically assesses and reviews the capital requirements and source of capital across the Group, taking into account all on-going and future activities that consume or create capital, and ensuring that the minimum target for capital adequacy is met. Quarterly updates on capital position of the Group and the Bank are also provided to the Board of Directors.

The capital adequacy framework applicable is based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework ("CAF") ("Capital Components") and Capital Adequacy Framework for Islamic Banks ("CAFIB") ("Capital Components") of which the latest revisions were issued on 14 June 2024. The revised guidelines took effect on 14 June 2024. The revised guideline sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Group and the Bank are computed in accordance with the Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and CAFIB (Basel II – Risk Weighted Assets) of which the latest revisions were issued on 18 December 2023.

The Standardised Approach is applied for Credit Risk and Market Risk while Operational Risk is based on Basic Indicator Approach.

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

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Before deducting proposed dividend				
Common Equity Tier 1 ("CET1") ratio	86.561%	106.562%	82.178%	105.998%
Tier 1 ratio	86.561%	106.562%	82.178%	105.998%
Total capital ratio	86.561%	106.562%	82.178%	105.998%
After deducting proposed dividend				
CET 1 ratio	74.440%	98.955%	67.869%	98.363%
Tier 1 ratio	74.440%	98.955%	67.869%	98.363%
Total capital ratio	74.440%	98.955%	67.869%	98.363%

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****36 Capital adequacy (Continued)**

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

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Credit risk	139,686	94,580	77,000	92,778
Market risk	13,765	12,607	9,727	12,607
Operational risk	518,078	433,078	482,161	432,947
Total RWAs	671,529	540,265	568,888	538,332

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

	The Group		The Bank	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
<u>CET 1 capital</u>				
Ordinary share capital	100,000	100,000	100,000	100,000
Other reserves	573,413	523,434	551,911	512,885
Less : Proposed dividends	(81,400)	(41,100)	(81,400)	(41,100)
CET 1 capital before regulatory adjustments	592,013	582,334	570,511	571,785
<u>Less : Regulatory adjustments</u>				
Goodwill	(41,538)	-	-	-
Deferred tax assets	(16,178)	(15,116)	(15,627)	(15,116)
Investments in capital instruments of unconsolidated financial entities	(5,721)	(5,449)	(144,706)	-
Intangible assets	(28,691)	(27,150)	(24,079)	(27,150)
CET 1 capital/Total Tier 1 Capital	499,885	534,619	386,099	529,519

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

37 Critical accounting estimates and judgements in applying accounting policies

The Group and the Bank make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Bank's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

(a) *Expected credit loss allowance on financial assets at amortised cost and FVOCI*

The expected credit loss allowance for financial assets at amortised cost and FVOCI requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Significant judgements are required in applying the accounting requirements for measuring expected credit loss, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit loss;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated expected credit loss; and
- Establishing groups of similar financial assets for the purposes of measuring expected credit loss.

Refer to Section 39.1 *Credit risk measurement* for details on the key judgements and assumptions of the estimation of expected credit loss allowance for financial assets at amortised cost and FVOCI.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

37 Critical accounting estimates and judgements in applying accounting policies (Continued)

(b) Goodwill impairment

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note L(a) of the Summary of Material Group Accounting Policies.

The first step of the impairment review process requires the identification of independent operating units, dividing the Group's business into the various cash-generating-units ("CGU"). The goodwill is then allocated to these various CGU. The allocation is based on the areas of the business expected to benefit from the synergies derived from the acquisition.

The carrying value of the CGU, including the allocated goodwill, is compared to the higher of fair value less cost to sell and value in use to determine whether any impairment exists. Detailed calculations may need to be carried out taking into consideration changes in the market in which a business operates. In the absence of readily available market price data, this calculation is usually based upon discounting expected pre-tax cash flows at the individual CGU's pre-tax discount rate, which reflect the specific risks relating to the CGU. This requires exercise of judgement. Refer to Note 13 for details of these assumptions and the potential impact of changes to the assumptions. Changes to the assumptions used by management, particularly the discount rate and the terminal growth rate, may significantly affect the results of the impairment.

Value-in-use does not reflect future cash outflows or related cost savings (for example reductions in staff costs) or benefits that are expected to arise from a future restructuring to which an entity is not yet committed.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****38 Acquisition of a subsidiary**

On 8 February 2024, the Bank completed the acquisition of the entire equity interest in KESB, from KAFSC, for an adjusted final purchase consideration of RM144,706,000.

Following the completion of the Acquisition, KESB became a wholly owned subsidiary of the Bank. On 11 March 2024, KESB changed its name to CIMB Securities Sdn Bhd.

The Group has accounted for the Acquisition in accordance with MFRS 3 “Business Combination” and the Group has completed the purchase at fair value price allocation to determine the fair value of assets and liabilities of CIMB Securities during the financial year. The effect of the acquisitions on the cash flows and fair value of the assets and liabilities acquired are as follows:

	Note	RM'000
Cash and short-term funds		94,585
Other assets		61,636
Taxation recoverable		3,013
Deferred tax assets	8	551
Property, plant and equipments	11	414
Intangible assets	14	2,055
Right use of assets “ROUA”	12	769
Other liabilities		(59,073)
Lease liabilities		(782)
Net identifiable assets and liabilities acquired		<u>103,168</u>
Add: Goodwill on acquisition	13	<u>41,538</u>
Net assets acquired		<u>144,706</u>
Purchase consideration		144,706
Less: cash and cash equivalents acquired		<u>(94,585)</u>
Net cash flow on acquisition		50,121
Less : Deposit in relation to the Acquisition paid in the previous financial year	7	<u>(14,794)</u>
Net cash outflow on acquisition during the financial year		<u>35,327</u>

The acquired subsidiary contributed revenue of RM58,230,000 and net profit of RM9,651,000 to the Group for the period from 8 February 2024 to 31 December 2024. If the acquisition had occurred on 1 January 2024, the subsidiary would have contributed revenue and net profit of RM60,372,000 and RM7,890,000 respectively.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management

(a) Financial risk management objectives and policies

The Group and the Bank embrace risk management as an integral part of CIMB Group’s strategy, business, operations and decision-making process. In ensuring that the Group achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the strategy discussion and risk-taking process by providing independent inputs, including relevant valuations, scenario analysis, credit evaluations, new product assessments and quantification of capital requirements and risk return analysis/simulations. These inputs enable the business units to assess the risk-vs-reward of their propositions.

(b) Enterprise Wide Risk Management Framework (“EWRM”)

The Group employs a Group EWRM framework (“Group EWRM Framework”) as a standardised approach to effectively manage its risk and opportunities. The Group EWRM framework provides the Board and the Management with tools to anticipate and manage both the existing and potential risks, taking into consideration evolving risk profiles as dictated by changes in business strategies, external environment and/ or regulatory environment.

The key components of the Group’s EWRM framework are represented in the diagram below:



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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(b) Enterprise Wide Risk Management Framework (“EWRM”) (Continued)

The design of the Group EWRM framework incorporates a complementary ‘top-down strategic’ and ‘bottom-up tactical’ risk management approach.

The key features of the Group EWRM framework include:

i) Risk Culture:

The Group embraces risk management as an integral part of its culture and decision-making processes. The Group’s risk management philosophy is embodied in the Three Lines-of-Defence approach, whereby risks are managed initially from the onset of risk-taking activities. There is clear accountability of risk ownership across the Group.

ii) Governance & Organisation:

A strong governance structure is important to ensure an effective and consistent implementation of the Group EWRM framework. The Board is ultimately responsible for the Group’s strategic directions, which is supported by the risk appetite and relevant risk management frameworks, policies, methodologies/standards and procedures. The Board is assisted by various risk committees and control functions in ensuring that the Group’s risk management framework is effectively implemented.

iii) Risk Appetite:

It is defined as the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(b) Enterprise Wide Risk Management Framework (“EWRM”) (Continued)

iv) Risk Management Process:

- Business Planning: Risk management is central to the business planning process, including setting framework for risk appetite, risk posture and new product & business activities.
- Risk Identification & Assessment: Risks are systematically identified and assessed through the robust application of the Group’s risk frameworks, policies, methodologies/standards and procedures.
- Risk Measurement: Risks are measured and aggregated using the Group-wide methodologies across each of the risk types, including stress testing.
- Risk Management and Control: Risk management limits and controls are used to manage risk exposures within the risk appetite set by the Board. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. This can be achieved by positioning various control tools to reduce the likelihood of an occurrence or the impact of the risk. The various control tools are accepting, treating, transferring and/or terminating the risk.
- Risk monitoring and Reporting: Risks on an individual exposure, as well as on a portfolio basis, are monitored on daily basis and periodically and/or ad-hoc basis in tandem with market developments and reported to GRCC and BRCC on a monthly basis or need basis to ensure they remain within the Group’s risk appetite.

v) Risk Management Infrastructure

- Risk Framework, Policies, Methodologies/Standards and Procedures addressing all areas of material risks: Frameworks provide broad objectives and overarching risk management architecture for managing risks. Well-defined risk policies by risk type provide the principles by which the Group manages its risks. Methodologies/Standards provide specific directions that help support and enforce policies. Procedures provide more detailed guidance to assist with the implementation of policies.
- People: Attracting the right talent and skills is key to ensuring a well-functioning Group EWRM framework. The organisation continuously evolves and proactively responds to the increasing complexity of the Group as well as the economic and regulatory environment.
- Technology and Data: Appropriate technology and sound data management support risk management activities.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance

At the apex of the CIMB Group governance structure are the respective Boards, which decides on the respective entity's risk appetite corresponding to its business strategies. Each Board Risk and Compliance Committee ("BRCC") reports directly to the respective Boards and assumes responsibility on behalf of the respective Boards for the supervision of risk management and control activities. Each BRCC determines the risk strategies and policies, keeping them aligned with the principles within the risk appetite. The BRCC also oversees the implementation of the Group EWRM framework, provides strategic guidance and reviews the decisions of the CIMB Group Risk and Compliance Committee ("GRCC").

To facilitate the effective implementation of the Group EWRM framework, BRCC has established various specialised/sub-risk committees within the Group, each with distinct lines of responsibilities and functions, which are clearly defined in the terms of reference.

The responsibility of risk management supervision and control is delegated to GRCC which reports to the BRCC. The GRCC comprises senior management of CIMB Group, which performs the oversight function for the overall management of risks. The GRCC is supported by specialised delegated/sub-risk committees, namely Group Credit Committee ("GCC"), Group Market and Conduct Risk Committee ("GMCRC"), Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee ("GALMC"), Group Asset Quality Committee ("GAQC"), Group Basel Steering Committee, Management Product Approval Committee for Treasury Products and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following:

- (i) Credit risk, defined as the possibility of losses due to an obligor, market counterparty or an issuer of securities or other instruments held, failing to perform its contractual obligations to the Group;
- (ii) Market risk, defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility;
- (iii) Liquidity and funding risk, defined as the current and potential risk to earnings, shareholders' funds or reputation arising from the inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses;

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The responsibility of risk management supervision and control is delegated to GRCC which reports to the BRCC. The GRCC comprises senior management of CIMB Group, which performs the oversight function for the overall management of risks. The GRCC is supported by specialised delegated/sub-risk committees, namely Group Credit Committee (“GCC”), Group Market and Conduct Risk Committee (“GMCRC”), Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee (“GALMC”), Group Asset Quality Committee (“GAQC”), Group Basel Steering Committee, Management Product Approval Committee for Treasury Products and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following (Continued):

- (iv) Interest rate risk/rate of return risk in the banking book, which is the current and potential risk to the Group’s earnings and economic value arising from movements in interest rates/profit rates;
- (v) Capital risk, defined as the risk of a bank not having sufficient capital to withstand potential losses suffered in its operations. Capital is important as it can be used to repay depositors, customers, creditors, and other claimants in case there is insufficient liquidity during a crisis;
- (vi) Model risk is defined as the type of risk that the method used to measure or quantify the bank’s material risk is not accurate due to deterioration of model, hence limiting the usefulness and application of the model itself. It also covers improper implementation and improper usage of methods developed to quantify risk.
- (vii) Operational risk, defined as the risk of loss resulting from inadequate or failed processes, people and systems, or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks;
- (viii) Fraud risk, defined as the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify or etc. to: (i) gain unlawful/illegal/unfair personal advantages, (ii) induce another individual(s) to surrender willing/unwilling of a legal right/possession or (iii) damage another individual(s) resulting in a loss to another;
- (ix) Reputation risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception by the stakeholders about the Group’s business practices, conduct or financial condition. Such adverse perception, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business, revenue or share price.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The responsibility of risk management supervision and control is delegated to GRCC which reports to the BRCC. The GRCC comprises senior management of CIMB Group, which performs the oversight function for the overall management of risks. The GRCC is supported by specialised delegated/sub-risk committees, namely Group Credit Committee (“GCC”), Group Market and Conduct Risk Committee (“GMCRC”), Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee (“GALMC”), Group Asset Quality Committee (“GAQC”), Group Basel Steering Committee, Management Product Approval Committee for Treasury Products and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following (Continued):

- (x) Technology risk, is the risk of loss resulting from inadequate or weaknesses in strategy, people, process, technology (including emerging technologies e.g. Cloud Artificial Intelligence etc.) or external events, which includes cyber risks, financial risk, regulatory/compliance risk and the risk of reputational loss/damage;
- (xi) Outsourcing risk, defined as the risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage to the Group. As the organization moves towards Third Party Risk Management, the definition above will extend to non-outsourced service providers which the organization places reliance on to operate and deliver services to our customers.
- (xii) Shariah Non-Compliance (“SNC”) risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Group may suffer arising from failure to comply with Shariah requirements determined by Shariah Advisory Council (“SAC”) of BNM and Securities Commission (SC), including standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA, or decisions or advice of the Board Shariah Committee (“BSC”) of the CIMB Islamic Bank or other Shariah regulatory authorities of the jurisdictions where the Group operates;
- (xiii) Regulatory compliance risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which CIMB Group may suffer arising from possible failure to comply with the applicable laws and regulations of the jurisdictions in which the Group operates; and
- (xiv) Sustainability risk, defined as the risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with a business relation and its operations, and/or the Group’s own internal operations and employees; and

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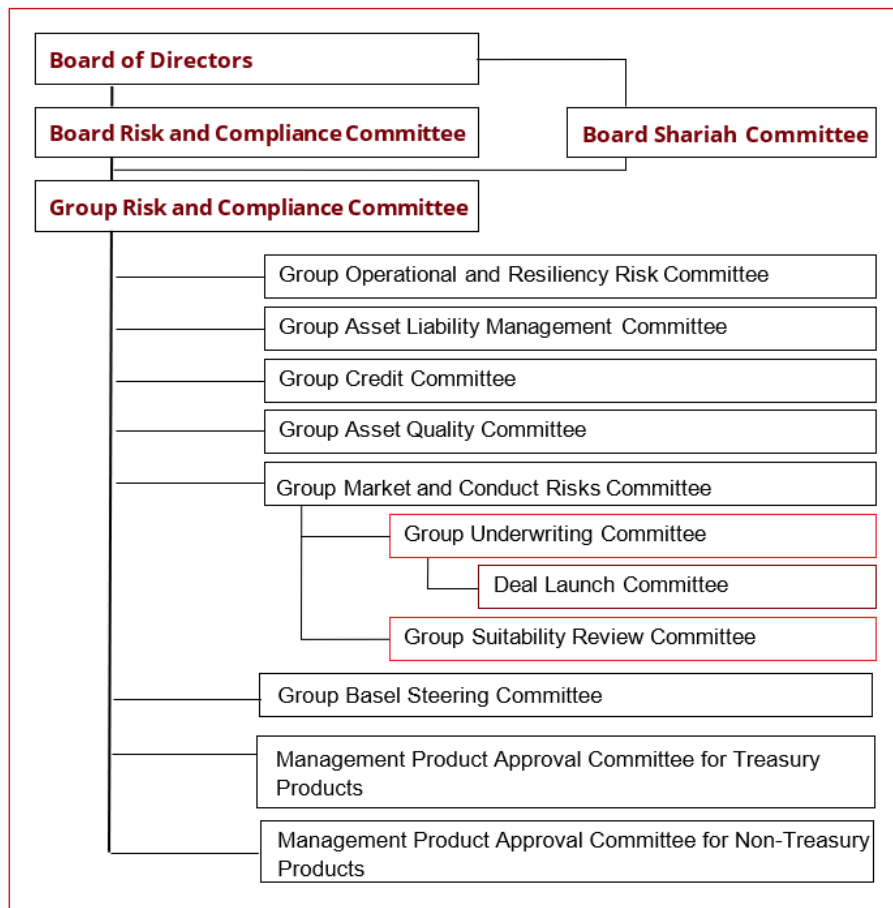
Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The responsibility of risk management supervision and control is delegated to GRCC which reports to the BRCC. The GRCC comprises senior management of CIMB Group, which performs the oversight function for the overall management of risks. The GRCC is supported by specialised delgated/sub-risk committees, namely Group Credit Committee (“GCC”), Group Market and Conduct Risk Committee (“GMCRC”), Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee (“GALMC”), Group Asset Quality Committee (“GAQC”), Group Basel Steering Committee, Management Product Approval Committee for Treasury Products and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following (Continued):

The structure of CIMB Group Risk Committees is depicted in the following chart:



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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

In addition to the Group Risk Committees, CIMB Group has established a Group Sustainability and Governance Committee (“GSGC”) consisting of Independent Directors of CIMB Group to assist the Board in fulfilling its responsibilities in advocating and fostering a culture/DNA of sustainability, ethical conduct, and integrity across the Group.

Sustainability is also embedded in the roles and responsibilities of various Board Committees. To ensure information-symmetry and consensus across all Board Committees and entity boards, with regards to the direction and progress of the Group’s Sustainability and climate change strategy deliberated at the GSGC, selected GSGC members and business units such as Group Sustainability are responsible for providing relevant updates and inputs to the various Board Committees and entity boards on a periodic basis.

Three Lines-of-Defence

The Group’s risk management culture is embodied through the adoption of the Three Lines-of-Defence philosophy whereby risks are managed initially from the onset of risk-taking activities. This is to ensure clear accountability of risks across the Group and Group Risk as an enabler of the business units. As a first line of defence, the line management (including key Business Pillars and Enablers) is primarily responsible for risk management on a day-to-day basis by taking appropriate actions to mitigate risks through effective controls. There is an embedded Risk Control Unit (RCU) within the first line-of-defence, which provides advice, support, and assurance for risk & compliance related matters within the Business Pillars and Enablers. The second line of defence provides oversight and performs independent monitoring of business activities with reporting to the Board and the Management to ensure that the Group conducts business and operates within the approved appetite, and is in compliance with regulations. The third line of defence is CIMB Group Corporate Assurance Division (“GCAD”) who provides independent assurance of the adequacy and effectiveness of the internal controls and risk management process.

The Roles of CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”)

Within the second line of defence is GRD, a function independent of business units. It assists the Group’s management and stakeholders in the monitoring and controlling of risk exposures within the Board approved risk appetite statement.

Group Risk is headed by the Group CRO, appointed by the Board to lead the CIMB Group-wide risk management functions, including implementation of the Group EWRM framework. The Group CRO:

- a) actively engages the respective Boards and senior management on risk management issues and initiatives; and

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The Roles of CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”) (Continued)

Group Risk is headed by the Group CRO, appointed by the Board to lead the CIMB Group-wide risk management functions, including implementation of the Group EWRM framework. The Group CRO: (Continued)

- b) maintains an oversight on risk management functions across all entities within CIMB Group.

The organisational structure of GRD is made up of two major components, namely the Chief Risk Officers (“CRO”) and the Risk Centres of Excellence (“CoE”):

(i) CRO

- The Group CRO is supported by the CROs, who oversee the risk management functions of the regional offices e.g. branches.
- CRO’s main function is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under his/her purview.
- For countries where a CRO is not present and/or not required, a local Head of Risk Management is appointed to be the overall risk coordinator for that country.

(ii) Risk Centres of Excellence

- These are specialised teams of risk officers responsible for the active oversight of Group-wide functional risk management and the teams support respective CROs in the various geographies.
- The Risk CoEs consist of Asset Liability Management, Credit Risk, Market Risk, Non-Financial Risk Management (comprising Operational, Business Continuity Management, Technology, Outsourcing and Fraud Risk Management), Shariah Risk Management and Enterprise Risk and Infrastructure CoEs.

(a) Asset Liability Management CoE

The Asset Liability Management CoE recommends the framework and policies for the independent assessment, measurement, monitoring and reporting of liquidity and funding risk and interest rate/rate of return risk in the banking book. It conducts regular stress testing on the Group’s liquidity and interest rate risk/rate of return profile, by leveraging on the standardised infrastructure it has designed, built and implemented across the region. It provides the framework and tools for maintenance of the early warning system indicators and contingency funding plan by business owners across the CIMB Group.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The Roles of CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”) (Continued)

The organisational structure of Group Risk is made of two major components, namely the Chief Risk Officers (“CRO”) and the Risk Centres of Excellence (“CoE”) (Continued):

(ii) Risk Centres of Excellence (Continued)

(b) Credit Risk CoE

The Credit Risk CoE function include areas ranging from development of credit risk policies, procedures and standards to advance portfolio analytics, and use of credit risk modelling (including rollout of alternative credit underwriting models leveraging on machine learning techniques for retail portfolios).

(c) Market Risk CoE

The Market Risk CoE recommends the framework and policies for the independent assessment, measurement and monitoring of market risk. This is operationalised through the review of treasury positions versus limits framework, performing mark-to-market valuation, validation of financial models, calculating Value at Risk (“VaR”) and market risk capital as well as performing stress testing.

(d) Non-Financial Risk Management CoE

The Non-Financial Risk Management (“NFRM”) CoE ensures that the first line-of-defence manages their non-financial risks (which comprise Operational, Technology, Outsourcing, Business Continuity and Fraud risks) effectively by providing frameworks that enables them to identify, assess, manage and report their non-financial risks. The team provides independent feedback, advisory and assessment to the first line-of-defence’s execution of the non-financial risk frameworks.

(e) Shariah Risk Management CoE

Shariah Risk Management (“SRM”) CoE facilitates the process of identifying, measuring, controlling and monitoring SNC risks inherent in the Group’s Islamic banking businesses and services. It formulates, recommends and implements appropriate SRM policies and procedures; as well as develops and implements processes to mitigate SNC risk and conducts training to enhance level of awareness on SNC risk.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The Roles of CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”) (Continued)

The organisational structure of Group Risk is made of two major components, namely the Chief Risk Officers (“CRO”) and the Risk Centres of Excellence (“CoE”) (Continued):

(ii) Risk Centres of Excellence (Continued)

(f) Enterprise Risk And Infrastructure CoE

The Enterprise Risk and Infrastructure CoE ensures the Group’s compliance to capital adequacy and single counterparty exposure limit regulatory requirements, including Basel and underwriting model development, implementation and validation of risk models, and management of risk data for credit risk measurement and risk reporting across the Group. In addition, the climate risk unit within the CoE is responsible for working with Group Sustainability, various risk CoEs and business units to implement climate risk management at an enterprise level, in support of the Group’s 2050 net zero ambition, which is to transition all operational and attributable greenhouse gas emissions from the Group’s financing and investment portfolios in alignment with net zero pathways by 2050.

Sustainability risk (including climate risk) is recognised as a principal and cross-cutting risk that manifests itself through existing risk types. Due to the cross-cutting nature of Sustainability risk, the implementation of Group-wide Sustainability Governance Framework is currently spearheaded and managed by Group Sustainability as the Sustainability CoE, which sits outside of Group Risk. Refer to the section on Sustainability Risk for further details. Notwithstanding this, Sustainability risk has been and will continue to be integrated into the Group’s existing risk management frameworks.

Strategies and Processes for Various Risk Management

This information are available in later sections for each Credit Risk, Market Risk and Liquidity Risk.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk

Credit risk is defined as the possibility of losses due to an obligor or market counterparty or an issuer of securities or other instruments held, failing to perform its contractual obligations to the Group.

Credit Risk Management

Without effective credit risk management, the impact of the potential losses can be overwhelming. The purpose of credit risk management is to keep credit risk exposure to an acceptable level vis-à-vis the capital, and to ensure the returns commensurate with risks.

Consistent with the Three Lines-of-Defence model on risk management where risks are managed initially from onset of risk-taking activities, the Group implemented the risk-based delegated authority framework. This promotes clarity of risk accountability whereby the business unit, being the first line of defence, manages risk in a proactive manner with Group Risk being independent from the business units, function as the second line-of-defence. This enhances the collaboration between Group Risk and the business units.

The risk-based delegated authority framework encompasses joint delegated authority, enhanced credit approval process and a clear set of policies and procedures that defines the limits and types of authority designated to the specific individuals.

The Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities between business units and Group Risk, to the various credit committees. The credit approving committees are set up to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units.

The GRCC with the support of GCC, GAQC, other relevant credit committees as well as Group Risk is responsible for ensuring adherence to the Board's approved risk appetite and risk posture. This, amongst others, includes reviewing and analysing portfolio trends, asset quality, watch-list reporting and policy reviews. It is also responsible for articulating key credit risks and mitigating controls.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Management (Continued)

Adherence to and compliance with single customer, country and global counterparty limits, are approaches adopted to address concentration risk to any large sector or industry, or to a particular counterparty group or individual. In view of the tightening regulations around climate change and to support the Group's Net Zero commitment by 2050, a climate overlay focusing on sector sensitivity to transition risks (which references the Transition Risk Heatmap developed under United Nations Environment Program Finance Initiative) was integrated into Group Risk's Country Sector Limit Methodology for 2024. In order to ensure sustainability considerations are accounted for in the early stages of business planning, an overall sustainability rating was applied alongside other risk factors as part of the Risk Posture setting for 2024 to set the high level risk direction for the Group and its entities before the formal budget process starts.

Adherence to the above established credit limits is monitored daily by Group Risk, which combines all exposures for each counterparty or group, including off balance sheet items and potential exposures.

It is the Group policy that all exposures must be rated or scored based on the appropriate internal rating models, where available. These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's exposures.

Credit reviews and rating are conducted on the credit exposures at minimum on an annual basis and more frequently when material information on the obligor or other external factors is made available.

The exposures are actively monitored, reviewed on a regular basis and reported regularly to the GRCC and BRCC. Asset quality is closely monitored so that deteriorating exposures are identified, analysed and discussed with the relevant business units for appropriate remedial actions including recovery actions, if required.

The Group recognises that the financing activities may have an impact on the environment and society and such impact may in turn result in potential financial and reputational risks to the Group. The sustainable financing approach integrates environmental, social and economic/ethical considerations, including climate-related physical and transition risks, into our credit risk assessment process for our financing practices and capital raising transactions, whereby clients and transactions identified to have high sustainability risk or potential concern are subject to a structured due diligence and escalation process.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Management (Continued)

The Group quantifies credit concentration risk by leveraging on the credit VaR engine, CreditMetrics. Using the CreditMetrics approach, the portfolio's Value at Risk is estimated after taking into account effects of portfolio diversification across obligors and sectors. Hence, the risk computed covers both default/credit migration risk as well as credit concentration risk (single name and sector concentration).

Credit Risk Mitigation

The employment of various credit risk mitigation techniques such as appropriate credit structuring, and posting of collateral and/or third party support, form an integral part of the credit risk management process. Credit risk mitigants are taken, where possible, and are considered secondary recourse to the obligor for the credit risk underwritten.

i) Collaterals/Securities

All extension of secured credit facilities deemed prudent, must be appropriately and adequately collateralised. A credit proposal is considered secured only when the entire proposal is fully covered by approved collateral/securities within their approved margins as set out in the relevant credit policy/standard. GCC or the relevant credit approving authority is empowered to approve any inclusion of new acceptable collaterals/securities.

Recognised collaterals include both financial and physical assets. Financial collaterals consist of mainly cash deposits, quoted shares, unit trusts and debt securities, while physical collateral includes land and buildings and vehicles. Guarantors accepted are in line with BNM's CAF (Basel II – Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets) guidelines. Eligible credit protection is also used to mitigate credit losses in the event that the obligor/counterparty defaults.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Mitigation (Continued)

ii) Collateral Valuation and Management

The Group has in place policies which govern the determination of eligibility of various collaterals including credit protection, to be considered for credit risk mitigation which includes the minimum operational requirements that are required for the specific collaterals to be considered as effective risk mitigants. The collateral is valued periodically ranging from daily to annually, depending on the type of collateral.

iii) Netting

In mitigating the counterparty credit risks in foreign exchange and derivative transactions, the Group enters into master agreements that provide for closeout netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates greater legal certainty that the netting of outstanding obligations can be enforced upon termination of outstanding transactions if an event of default occurs.

iv) Portfolio diversification for better clarity

The Group avoids unwanted credit or market risk concentrations by diversifying its portfolios through a number of measures. Amongst others, there are guidelines in place relating to maximum exposure to any products, counterparty, sectors and country.

Credit Risk Measurement

The measurement of expected credit loss allowance under the MFRS 9's three-stage approach is to recognise lifetime expected credit loss allowance for financial instrument for which there has been a significant increase in credit risk since initial origination or is credit-impaired as at the reporting date. The financial instrument which has not undergone any significant deterioration in credit risk shall be recognised with 12-month expected credit loss allowance.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

Under the three-stage approach, the financial instrument is allocated into three stages based on the relative movement of the credit risk.

- Stage 1 includes financial instruments that neither have a significant increase in credit risk since initial recognition nor credit-impaired as at reporting date. For these assets, 12-month expected credit loss allowance are recognised.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these assets, lifetime expected credit loss allowance are recognised.
- Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard on the measurement of allowances are:

(i) Significant increase in credit risk (“SICR”)

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. The Group uses simplified approach on receivables where the entity do not require to track changes in credit risk but instead requires an entity to recognized a loss allowance based on lifetime ECL at each reporting date. The Group applies a provision matrix which uses historical loss experience on its trade receivables and adjust historical loss rate to reflect (i) information about current conditions and (ii) reasonable and supportable forecasts of future economic conditions.

(ii) Measuring ECL - inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The 12-month or lifetime ECL reflects multiple forward-looking scenarios and is weighted based on the probability of occurrence for each scenario. The ECL can be assessed and measured either on collective or individual basis.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard on the measurement of allowances are: (Continued)

(ii) Measuring ECL - inputs, assumptions and estimation techniques (Continued)

For collective assessment, the ECL is determined by projecting the Probability of Default, Loss Given Default and Exposure at Default for each future month and for each individual exposure or collective segment. The three components are multiplied together to calculate an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

For individual assessment, the ECL allowance is determined by comparing the outstanding exposure with the present value of cash flow which is expected to be received from the borrower.

Probability of Default (“PD”)

The PD represents the likelihood of a borrower will be unable to meet its financial obligation either over the next 12 months (12-month PD) or over the remaining lifetime (Lifetime PD) of the obligation.

The PD is derived based on the modelling approach of which statistical analysis and expert judgement was performed to identify the risk parameters which correlate with the historical observed default. The model relies on the risk parameters and its correlation with the historical observed default to predict the 12-month PD.

Loss Given Default (“LGD”)

LGD represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard on the measurement of allowances are: (Continued)

(ii) Measuring ECL - inputs, assumptions and estimation techniques (Continued)

- For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

The assumptions underlying the ECL calculation are monitored and reviewed periodically. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

(iii) Forward-looking information incorporated into the ECL models

The estimation of ECL incorporates forward-looking information. The Group has performed statistical analysis based on historical experience and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The relationship of these economic variables on the PD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of PD and LGD. These economic variables and their associated impact on the PD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables are sourced from Group's Economics team and external research house.

The Group applies three economic scenarios to reflect an unbiased probability-weighted range of possible future outcome in estimating ECL:

Base case: This represents "most likely outcome" of future economic conditions which is aligned with information used by the Group for other purposes such as budgeting and stress testing.

Best and Worst case: This represent the "upside" and "downside" outcome of future economic conditions.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard on the measurement of allowances are: (Continued)

(iii) Forward-looking information incorporated into the ECL models (Continued)

As with any economic forecasts, the projections and likelihoods of occurrence are subject to some degree of inherent uncertainty and therefore the actual outcomes may be different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios. The scenario weightage, number of scenarios and their attributes are reassessed periodically.

The sensitivity factors used are derived based on expected standard deviation determined for each key economic variables to assess the impact on the ECL of the Group and the Bank.

(iv) Grouping of exposure for ECL measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a Group are homogeneous.

In performing this grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the CIMB Group Credit Risk and Modelling team.

Write-off policy

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a receivable is deemed uncollectible, it is written off against the related allowance for impairment. Such receivables are either written off in full or partially after taking into consideration the realisable value of collateral (if any) and when in the judgement of the Management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

Modification of receivables

The Group and the Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- If the receivable is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the receivable is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile.
- Significant extension of the credit term when the receivable is not in financial difficulty.
- Change in the currency the receivable is denominated in.
- Insertion of collateral, other security or credit enhancements that significant affect the credit risk associated with the receivable.

The risk of default of such receivable after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original debt. The Group monitors the subsequent performance of modified assets.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit risk (Continued)

39.1.1 Maximum exposure to credit risk (without taking into account any collateral held or other credit enhancements)

For financial assets reflected in the statement of financial position, the exposure to credit risk equals their carrying amount. For credit related commitments and contingents that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

All financial assets of the Group are subject to credit risk except for cash in hands, securities instruments in financial investments at fair value through profit or loss, equity instruments at fair value through other comprehensive income as well as non-financial assets.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for clients' and brokers' balances is 100% (31.12.2023: Nil).

Most transaction with the counterparties are settled on a delivery-verses payment ("DVP") basis, whereby transactions are settled or paid for upon delivery. Such DVP transactions are considered fully collateralised and sufficient to mitigate the Company's credit risk exposures.

The Bank's subsidiary exposure to credit risk on amount due from brokers is mitigated with the subsidiary's participation in Clearing Guarantee Fund ("CGF") and Equities Margin ("EM") implemented by Bursa Malaysia Berhad ("Bursa"). Bursa through its wholly-owned subsidiary Bursa Malaysia Securities Clearing Sdn. Bhd. has implemented CGF and EM framework for securities clearing and settlement. CGF & EM framework is established by the securities clearing house to deal with potentially large credit and/or liquidity risks that may arise through the payment or delivery default of its Trading Clearing Participants ("TCPs") on any settlement day.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

(a) Geographical sectors

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty for the Group as at 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	The Group					Total RM'000
	Malaysia RM'000	Indonesia RM'000	Thailand RM'000	Singapore RM'000	Other countries RM'000	
Cash and short-term funds	291,138	-	-	12,475	2,179	305,792
Deposits and placements with banks and other financial institutions	10	-	-	-	-	10
Debt instruments at fair value through other comprehensive income	180,902	-	-	-	-	180,902
Debt instruments at amortised cost	122,283	-	-	-	-	122,283
Other assets	177,944	323	16	2	-	178,285
Amount due from ultimate holding company and related companies	7,000	964	-	-	-	7,964
Total credit exposures	779,277	1,287	16	12,477	2,179	795,236

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(a) Geographical sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty for the Group as at 31 December 2024 and 31 December 2023 are as follows: (Continued)

31 December 2023	The Group					Total RM'000
	Malaysia RM'000	Indonesia RM'000	Thailand RM'000	Singapore RM'000	Other countries RM'000	
Cash and short-term funds	257,537	-	-	11,939	3,766	273,242
Deposits and placements with banks and other financial institutions	10	-	-	-	-	10
Debt instruments at fair value through other comprehensive income	182,936	-	-	-	-	182,936
Debt instruments at amortised cost	118,624	-	-	-	-	118,624
Other assets	43,319	178	5	1,404	-	44,906
Amount due from ultimate holding company and related companies	33,697	-	-	-	-	33,697
Total credit exposures	636,123	178	5	13,343	3,766	653,415

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(a) Geographical sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty for the Bank as at 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	The Bank					Total RM'000
	Malaysia RM'000	Indonesia RM'000	Thailand RM'000	Singapore RM'000	Other countries RM'000	
Cash and short-term funds	190,382	-	-	8,320	2,179	200,881
Debt instruments at fair value through other comprehensive income	180,902	-	-	-	-	180,902
Debt instruments at amortised cost	122,283	-	-	-	-	122,283
Other assets	53,754	323	16	2	-	54,095
Amount due from ultimate holding company and related companies	4,371	-	-	-	-	4,371
Total credit exposures	551,692	323	16	8,322	2,179	562,532

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(a) Geographical sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty for the Bank as at 31 December 2024 and 31 December 2023 are as follows: (Continued)

31 December 2023	The Bank					Total RM'000
	Malaysia RM'000	Indonesia RM'000	Thailand RM'000	Singapore RM'000	Other countries RM'000	
Cash and short-term funds	253,194	-	-	11,939	3,766	268,899
Debt instruments at fair value through other comprehensive income	182,936	-	-	-	-	182,936
Debt instruments at amortised cost	118,624	-	-	-	-	118,624
Other assets	42,511	178	5	1,404	-	44,098
Amount due from ultimate holding company and related companies	33,697	-	-	-	-	33,697
Total credit exposures	630,962	178	5	13,343	3,766	648,254

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial positions as at 31 December 2024 and 31 December 2023, based on the industry sectors of the counterparty are as follows:

	The Group					Total
	Cash and short-term funds	Deposits and placements with banks and other financial institutions	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Other financial assets *	
31 December 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	-	24	24
Manufacturing	-	-	-	-	689	689
Electricity, gas and water	-	-	30,052	30,108	6,065	66,225
Construction	-	-	30,860	-	2,243	33,103
Transport, storage and communications	-	-	-	-	897	897
Finance, insurance and business services	305,792	10	58,025	92,175	175,821	631,823
Education and health	-	-	-	-	499	499
Household	-	-	-	-	11	11
Others	-	-	61,965	-	-	61,965
	305,792	10	180,902	122,283	186,249	795,236

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial positions as at 31 December 2024 and 31 December 2023, based on the industry sectors of the counterparty are as follows: (Continued)

	The Group					Total
	Cash and short-term funds	Deposits and placements with banks and other financial institutions	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Other financial assets *	
31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	-	127	127
Manufacturing	-	-	-	-	97	97
Electricity, gas and water	-	-	10,122	30,105	6,153	46,380
Construction	-	-	-	-	2,064	2,064
Wholesale & Retail trade, and Restaurant & Hotels	-	-	-	-	263	263
Transport, storage and communications	-	-	-	-	1,733	1,733
Finance, insurance and business services	273,242	10	80,541	41,955	66,357	462,105
Education and health	-	-	-	-	431	431
Household	-	-	-	-	1,378	1,378
Others	-	-	92,273	46,564	-	138,837
	273,242	10	182,936	118,624	78,603	653,415

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial positions as at 31 December 2024 and 31 December 2023, based on the industry sectors of the counterparty are as follows: (Continued)

	The Bank				Total
	Cash and short-term funds	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Other financial assets *	
31 December 2024	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	24	24
Manufacturing	-	-	-	689	689
Electricity, gas and water	-	30,052	30,108	6,065	66,225
Construction	-	30,860	-	2,243	33,103
Transport, storage and communications	-	-	-	897	897
Finance, insurance and business services	200,881	58,025	92,175	48,038	399,119
Education and health	-	-	-	499	499
Household	-	-	-	11	11
Others	-	61,965	-	-	61,965
	200,881	180,902	122,283	58,466	562,532

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.2 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial positions as at 31 December 2024 and 31 December 2023, based on the industry sectors of the counterparty are as follows: (Continued)

	Cash and short-term funds	fair value through other comprehensive income	The Bank Debt instruments at amortised cost	Other financial assets *	Total
31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	127	127
Manufacturing	-	-	-	97	97
Electricity, gas and water	-	10,122	30,105	6,153	46,380
Construction	-	-	-	2,064	2,064
Wholesale & Retail trade, and Restaurant & Hotels	-	-	-	263	263
Transport, storage and communications	-	-	-	1,733	1,733
Finance, insurance and business services	268,899	80,541	41,955	65,549	456,944
Education and health	-	-	-	431	431
Household	-	-	-	1,378	1,378
Others	-	92,273	46,564	-	138,837
	268,899	182,936	118,624	77,795	648,254

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.3 Credit quality of financial assets

(a) Financial assets using General 3-stage approach

Where expected credit loss model is applied, the credit quality of financial instruments subject to credit risk are assessed by reference to internal rating system adopted by the Group, as summarised below:

Other financial instruments

Rating classification	Internal rating label
Investment Grade (IG)	1 to 10
Non-Investment Grade	11 to 25
Impaired	26 and above

Other financial instruments includes cash and short-term funds, deposits and placement with banks and other financial institutions, reverse repurchase agreements at amortised cost and amounts due from ultimate holding company and related companies.

Credit quality description can be summarised as follows:

Good – There is a high likelihood of the asset being recovered in full and therefore, of no cause for concern to the Group and the Bank.

Satisfactory – There is concern over the counterparty’s ability to make payments when due. However, these have not yet converted to actual delinquency and the counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest.

Investment Grade – It refers to the credit quality of the financial asset where there is a relatively low risk of credit default as the issuer of the financial asset has a high likelihood to meet payment obligations.

Non-investment Grade – There is concern over the credit quality of the financial asset due to the issuer’s ability to repay its obligation when due.

No rating – This includes exposures under the Standardised Approach and those where ratings are not available and portfolio average were applied.

Impaired – Refers to the assets that is being impaired.

Sovereign – Refers to exposures relate to government and central bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.1 Credit Risk (Continued)****39.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an expected credit losses allowance (“ECL”) is recognised.

The Group 2024	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchase or Originated credit- impaired RM'000	Total RM'000
Cash and short-term fund and deposits and placements with banks and other financial institutions					
Sovereign	110,033	-	-	-	110,033
Investment grade	195,769	-	-	-	195,769
Gross carrying amount	305,802	-	-	-	305,802
Total ECL	-	-	-	-	-
Net carrying amount	305,802	-	-	-	305,802
Debt instruments at FVOCI					
Sovereign	20,322	-	-	-	20,322
Investment grade	160,580	-	-	-	160,580
Gross carrying amount	180,902	-	-	-	180,902
Total ECL	-	-	-	-	-
Net carrying amount	180,902	-	-	-	180,902
Debt investment securities at amortised cost					
Investment grade	122,283	-	-	-	122,283
Gross carrying amount	122,283	-	-	-	122,283
Total ECL	-	-	-	-	-
Net carrying amount	122,283	-	-	-	122,283
Amount due from ultimate holding company and related companies					
No rating	7,964	-	-	-	7,964
Gross carrying amount	7,964	-	-	-	7,964
Total ECL	-	-	-	-	-
Net carrying amount	7,964	-	-	-	7,964

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.1 Credit Risk (Continued)****39.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an expected credit losses allowance (“ECL”) is recognised. (Continued)

The Group 2023	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchase or Originated credit- impaired RM'000	Total RM'000
Cash and short-term fund and deposits and placements with banks and other financial institutions					
Sovereign	150,066	-	-	-	150,066
Investment grade	123,106	-	-	-	123,106
No rating	80	-	-	-	80
Gross carrying amount	273,252	-	-	-	273,252
Total ECL	-	-	-	-	-
Net carrying amount	273,252	-	-	-	273,252
Debt instruments at FVOCI					
Sovereign	92,272	-	-	-	92,272
Investment grade	90,664	-	-	-	90,664
Gross carrying amount	182,936	-	-	-	182,936
Total ECL ^^	-	-	-	-	-
Net carrying amount	182,936	-	-	-	182,936
Debt investment securities at amortised cost					
Investment grade	118,624	-	-	-	118,624
Gross carrying amount	118,624	-	-	-	118,624
Total ECL	-	-	-	-	-
Net carrying amount	118,624	-	-	-	118,624
Amount due from ultimate holding company and related companies					
No rating	33,697	-	-	-	33,697
Gross carrying amount	33,697	-	-	-	33,697
Total ECL	-	-	-	-	-
Net carrying amount	33,697	-	-	-	33,697

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.1 Credit Risk (Continued)****39.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an expected credit losses allowance (“ECL”) is recognised. (Continued)

The Bank 2024	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchase or Originated credit- impaired RM'000	Total RM'000
Cash and short-term fund and deposits and placements with banks and other financial institutions					
Sovereign	110,033	-	-	-	110,033
Investment grade	90,848	-	-	-	90,848
Gross carrying amount	200,881	-	-	-	200,881
Total ECL	-	-	-	-	-
Net carrying amount	200,881	-	-	-	200,881
Debt instruments at FVOCI					
Sovereign	20,322	-	-	-	20,322
Investment grade	160,580	-	-	-	160,580
Gross carrying amount	180,902	-	-	-	180,902
Total ECL	-	-	-	-	-
Net carrying amount	180,902	-	-	-	180,902
Debt investment securities at amortised cost					
Investment grade	122,283	-	-	-	122,283
Gross carrying amount	122,283	-	-	-	122,283
Total ECL	-	-	-	-	-
Net carrying amount	122,283	-	-	-	122,283
Amount due from ultimate holding company and related companies					
No rating	4,371	-	-	-	4,371
Gross carrying amount	4,371	-	-	-	4,371
Total ECL	-	-	-	-	-
Net carrying amount	4,371	-	-	-	4,371

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.1 Credit Risk (Continued)****39.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an expected credit losses allowance (“ECL”) is recognised. (Continued)

The Bank 2023	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchase or Originated credit- impaired RM'000	Total RM'000
Cash and short-term fund and deposits and placements with banks and other financial institutions					
Sovereign	150,066	-	-	-	150,066
Investment grade	118,753	-	-	-	118,753
No rating	80	-	-	-	80
Gross carrying amount	268,899	-	-	-	268,899
Total ECL	-	-	-	-	-
Net carrying amount	268,899	-	-	-	268,899
Debt instruments at FVOCI					
Sovereign	92,272	-	-	-	92,272
Investment grade	90,664	-	-	-	90,664
Gross carrying amount	182,936	-	-	-	182,936
Total ECL	-	-	-	-	-
Net carrying amount	182,936	-	-	-	182,936
Debt investment securities at amortised cost					
Investment grade	118,624	-	-	-	118,624
Gross carrying amount	118,624	-	-	-	118,624
Total ECL	-	-	-	-	-
Net carrying amount	118,624	-	-	-	118,624
Amount due from ultimate holding company and related companies					
No rating	33,697	-	-	-	33,697
Gross carrying amount	33,697	-	-	-	33,697
Total ECL	-	-	-	-	-
Net carrying amount	33,697	-	-	-	33,697

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.1 Credit Risk (Continued)

39.1.3 Credit quality of financial assets (Continued)

(b) Financial assets using simplified approach

(i) Analysis of other assets by credit rating

The credit quality of other assets are assessed by reference to internal rating system adopted by the Group. Where internal rating system is not applied, external credit rating by major credit rating agencies will be adopted, as summarised below:

The Group and the Bank

Rating classification	Internal rating label	External credit rating
Investment grade (IG)	1 to 10	AAA to BBB-
Non-investment grade	11 to 28	BB+ and below

Credit quality description can be summarised below:

Investment Grade – It refers to the credit quality of the financial asset where there is a relatively low risk of credit default as the issuer of the financial asset has a high likelihood to meet payment obligations.

Non-investment Grade – There is concern over the credit quality of the financial asset due to the issuer’s ability to repay its obligation when due.

No rating – This includes exposures where ratings are not available and portfolio average were applied.

Sovereign – Refers to exposures relate to government and central bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.1 Credit Risk (Continued)****39.1.3 Credit quality of financial assets (Continued)****(b) Financial assets using simplified approach (Continued)****(i) Analysis of other assets by credit rating (Continued)**

The following tables are analysis of the credit risk exposure of other assets using simplified approach:

The Group 2024	Gross carrying amount			Net carrying amount
	No rating		ECL	
	RM'000	RM'000	RM'000	
Other assets	186,548	186,548	(8,263)	178,285
Total	186,548	186,548	(8,263)	178,285

The Group 2023	Gross carrying amount			Net carrying amount
	No rating		ECL	
	RM'000	RM'000	RM'000	
Other assets	54,282	54,282	(9,376)	44,906
Total	54,282	54,282	(9,376)	44,906

The Bank 2024	Gross carrying amount			Net carrying amount
	No rating		ECL	
	RM'000	RM'000	RM'000	
Other assets	62,358	62,358	(8,263)	54,095
Total	62,358	62,358	(8,263)	54,095

The Bank 2023	Gross carrying amount			Net carrying amount
	No rating		ECL	
	RM'000	RM'000	RM'000	
Other assets	53,474	53,474	(9,376)	44,098
Total	53,474	53,474	(9,376)	44,098

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk

Market risk is defined as fluctuation in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatilities.

Market Risk Management (“MRM”)

The Group adopts various measures as part of risk management process. The GRCC with the assistance of GMRC and its delegated committees ensure that the risk exposures undertaken by the Group is within the risk appetite approved by the Board.

Market Risk CoE is responsible for measuring and controlling the Group’s market risk through robust measurement and market risk limit monitoring while facilitating business growth within a controlled and transparent risk management framework.

Market Risk CoE is responsible for measuring and controlling the Group’s market risk through robust measurement and market risk limit monitoring while facilitating business growth within a controlled and transparent risk management framework. Market Risk CoE evaluates the market exposures using the applicable market price and pricing model. The valuation process is carried out with the independent price verification requirements to ensure that financial assets/liabilities are recorded at fair value. The valuation methods and models used are validated by Market Risk Management quantitative analysts to assess their applicability relative to market conditions.

The Group adopts the VaR methodology as an approach in the measurement of market risk. VaR is a statistical measure of the potential losses that could occur as a result of movements in market rates and prices over a specified time horizon within a given confidence level. The usage of market VaR by risk type based on 1-day holding period of the Group’s trading exposures as at financial year are shown in Note 39.2.1.

Stress testing is conducted to capture the potential market risk exposures from an unexpected market movement. In formulating stress scenarios, consideration is given to various aspects of the market; for example, identification of areas where unexpected losses can occur and areas where historical correlation may no longer hold true.

In addition to the above, Market Risk CoE undertakes the monitoring and oversight process at Treasury & Markets’ trading floors, which include reviewing and analysing treasury trading activities vis-à-vis changes in the financial markets, monitoring limit usage, assessing limit adequacy and verifying transaction prices.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****Market Risk Management (“MRM”) (Continued)***Capital Treatment for Market Risk*

At present, the Group adopts the Standardised Approach to compute market risk capital requirement under BNM’s guidelines on Capital Adequacy Framework (“CAF”) (Basel II – Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Risk Weighted Assets).

39.2.1 VaR

The usage of market VaR by risk type based on 1-day holding period of the Group’s and the Bank’s trading exposures are set out as below:

	The Group	
	31 December 2024	31 December 2023
	RM’000	RM’000
VaR		
Foreign exchange risk	166	133
Total	166	133
Total shareholders fund (RM’000)	673,423	623,444
Percentage of shareholders funds	0.02%	0.02%
	The Bank	
	31 December 2024	31 December 2023
	RM’000	RM’000
VaR		
Foreign exchange risk	128	133
Total	128	133
Total shareholders fund (RM’000)	651,921	612,895
Percentage of shareholders funds	0.02%	0.02%

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk (Continued)

39.2.2 Interest rate risk

Interest rate risk relates to the potential adverse impact on the net interest income arising from changes in market rates. One of the primary sources of interest rate risk is the repricing mismatches between interest earning assets and interest bearing liabilities. Interest rate risk is measured and reported at various levels through various techniques including Earnings-at-Risk (“EaR”).

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates

The table below summarise the Group’s financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates.

	The Group							Non-interest sensitive RM’000	Total RM’000
	Non-trading book			Non-trading book					
31 December 2024	Up to 1 month RM’000	> 1 – 3 months RM’000	> 3 – 6 months RM’000	> 6 – 12 months RM’000	> 1 – 5 years RM’000	Over 5 years RM’000			
Financial assets									
Cash and short-term funds	286,913	-	-	-	-	-	18,884	305,797	
Deposits and placements with banks and other financial institutions	-	10	-	-	-	-	-	10	
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	178,865	2,037	180,902	
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,099	1,099	
Debt instruments at amortised cost	-	-	-	-	25,108	95,748	1,427	122,283	
Other assets	-	-	-	-	-	-	178,285	178,285	
Amount due from ultimate holding company and related companies	-	-	-	-	-	-	7,964	7,964	
Total financial assets	286,913	10	-	-	25,108	274,613	209,696	796,340	

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk (Continued)

39.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below summarise the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates. (Continued)

	The Group						Non-interest sensitive	Total
	Non-trading book							
	← Up to 1 month	> 1 – 3 months	> 3 – 6 months	> 6 – 12 months	> 1 – 5 years	Over 5 years →	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2024								
Financial liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	-	-	-	-	-	-	223,452	223,452
Lease liabilities	-	-	5	188	129	-	-	322
Amount due to subsidiaries and related companies	-	-	-	-	-	-	365	365
Total financial liabilities	4,803	-	5	188	129	-	223,817	228,942
Net interest sensitivity gap	282,110	10	(5)	(188)	24,979	274,613		

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk (Continued)

39.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below summarise the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates. (Continued)

	← The Group Non-trading book →						Non-interest sensitive RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000		
31 December 2023								
Financial assets								
Cash and short-term funds	253,206	-	-	-	-	-	20,041	273,247
Deposits and placements with banks and other financial institutions	-	10	-	-	-	-	-	10
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	180,271	2,665	182,936
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	824	824
Debt instruments at amortised cost	-	-	-	-	-	117,240	1,384	118,624
Other assets	-	-	-	-	-	-	44,906	44,906
Amount due from ultimate holding company and related companies	-	-	-	-	-	-	33,697	33,697
Total financial assets	253,206	10	-	-	-	297,511	103,517	654,244

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk (Continued)

39.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below summarise the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates. (Continued)

	The Group Non-trading book						Non-interest sensitive RM'000	Total RM'000
	←	←	←	←	←	→		
31 December 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000		
Financial liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	-	-	-	-	-	-	87,722	87,722
Lease liabilities	-	-	-	1,820	362	-	-	2,182
Amount due to subsidiaries and related companies	-	-	-	-	-	-	200	200
Total financial liabilities	6,442	-	-	1,820	362	-	87,922	96,546
Net interest sensitivity gap	246,764	10	-	(1,820)	(362)	297,511		

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk (Continued)

39.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates.

	← The Bank Non-trading book →						Non-interest sensitive	Total
	Up to 1 month	> 1 – 3 months	> 3 – 6 months	> 6 – 12 months	> 1 – 5 years	Over 5 years		
31 December 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets								
Cash and short-term funds	190,140	-	-	-	-	-	10,746	200,886
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	178,864	2,038	180,902
Debt instruments at amortised cost	-	-	-	-	25,108	95,748	1,427	122,283
Other assets	-	-	-	-	-	-	54,095	54,095
Amount due from ultimate holding company and related companies	-	-	-	-	-	-	4,371	4,371
Total financial assets	190,140	-	-	-	25,108	274,612	72,677	562,537

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****39.2.2 Interest rate risk (Continued)****(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)**

The table below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates. (Continued)

	←————— The Bank —————→ Non-trading book						Non-interest sensitive RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000		
31 December 2024								
Financial liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	-	-	-	-	-	-	91,388	91,388
Lease liabilities	-	-	-	171	128	-	-	299
Amount due to subsidiaries and related companies	-	-	-	-	-	-	11,158	11,158
Total financial liabilities	4,803	-	-	171	128	-	102,546	107,648
Net interest sensitivity gap	185,337	-	-	(171)	24,980	274,612		

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk (Continued)

39.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates. (Continued)

	← The Bank Non-trading book →						Non-interest sensitive RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000		
31 December 2023								
Financial assets								
Cash and short-term funds	249,131	-	-	-	-	-	19,773	268,904
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	180,271	2,665	182,936
Debt instruments at amortised cost	-	-	-	-	-	117,240	1,384	118,624
Other assets	-	-	-	-	-	-	44,098	44,098
Amount due from ultimate holding company and related companies	-	-	-	-	-	-	33,697	33,697
Total financial assets	249,131	-	-	-	-	297,511	101,617	648,259

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.2 Market Risk (Continued)

39.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates. (Continued)

	←————— The Bank —————→ Non-trading book						Non-interest sensitive	Total
	Up to 1 month	> 1 – 3 months	> 3 – 6 months	> 6 – 12 months	> 1 – 5 years	Over 5 years		
31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	-	-	-	-	-	-	87,706	87,706
Lease liabilities	-	-	-	1,820	362	-	-	2,182
Amount due to subsidiaries and related companies	-	-	-	-	-	-	172	172
Total financial liabilities	6,442	-	-	1,820	362	-	87,878	96,502
Net interest sensitivity gap	242,689	-	-	(1,820)	(362)	297,511		

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****39.2.2 Interest rate risk (Continued)****(b) Sensitivity of profit**

The table below shows the sensitivity of the Group's and the Bank's profit/loss to movement in interest rates:

	The Group			
	31 December 2024		31 December 2023	
	Increase/(decrease)		Increase/(decrease)	
	+100 basis point	-100 basis point	+100 basis point	-100 basis point
	RM'000	RM'000	RM'000	RM'000
Impact to profit (after tax)	2,054	(2,054)	1,735	(1,735)

	The Bank			
	31 December 2024		31 December 2023	
	Increase/(decrease)		Increase/(decrease)	
	+100 basis point	-100 basis point	+100 basis point	-100 basis point
	RM'000	RM'000	RM'000	RM'000
Impact to profit (after tax)	1,346	(1,346)	1,694	(1,694)

Sensitivity is measured using the EaR methodology. The treatments and assumptions applied are based on the contractual repricing and remaining maturity of the products, whichever is earlier. Items with indefinite repricing maturity are treated based on the earliest possible repricing date. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and others.

A 100 bps parallel rate movement is applied to the yield curve to model the potential impact on profit in the next 12 months from policy rate change.

The projection assumes that interest rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****39.2.3 Foreign exchange risk**

The Group and the Bank are exposed to transactional foreign exchange exposures which are exposures on assets and liabilities denominated in currencies other than the functional currency of the transacting entity.

The Group and the Bank take minimal exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group manages its exposure to foreign exchange currencies at each entity level.

(a) Sensitivity of profit

The table below shows the sensitivity of the Group's and the Bank's profit to movement in foreign exchange rates:

	The Group and the Bank			
	31 December 2024		31 December 2023	
	Increase/(decrease)		Increase/(decrease)	
	1% appreciation in foreign currency RM'000	1% depreciation in foreign currency RM'000	1% appreciation in foreign currency RM'000	1% depreciation in foreign currency RM'000
Impact to profit (after tax)	73	(73)	81	(81)
USD	42	(42)	43	(43)
HKD	18	(18)	18	(18)
THB	12	(12)	-	-
SGD	1	(1)	18	(18)
Others	-	-	2	(2)

The impact on profit arises from transactional exposures.

The projection assumes that foreign exchange rates move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****39.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank.

31 December 2024	The Group						Total non-MYR RM'000	Grand total RM'000
	MYR RM'000	IDR RM'000	SGD RM'000	USD RM'000	AUD RM'000	Others RM'000		
Financial assets								
Cash and short-term funds	291,144	-	8,507	4,529	13	1,604	14,653	305,797
Deposits and placements with banks and other financial institutions	10	-	-	-	-	-	-	10
Debt instruments at fair value through other comprehensive income	180,902	-	-	-	-	-	-	180,902
Equity instruments at fair value through other comprehensive income	-	1,099	-	-	-	-	1,099	1,099
Debt instruments at amortised cost	122,283	-	-	-	-	-	-	122,283
Other assets	162,150	-	-	170	-	15,965	16,135	178,285
Amount due from ultimate holding company and related companies	7,964	-	-	-	-	-	-	7,964
	764,453	1,099	8,507	4,699	13	17,569	31,887	796,340
Financial liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	222,195	-	1,072	87	-	98	1,257	223,452
Lease liabilities	322	-	-	-	-	-	-	322
Amount due to subsidiaries and related companies	365	-	-	-	-	-	-	365
	227,685	-	1,072	87	-	98	1,257	228,942

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****39.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank. (Continued)

31 December 2023	The Group						Total non-MYR RM'000	Grand total RM'000
	MYR RM'000	IDR RM'000	SGD RM'000	USD RM'000	AUD RM'000	Others RM'000		
Financial assets								
Cash and short-term funds	257,542	-	11,939	3,367	-	399	15,705	273,247
Deposits and placements with banks and other financial institutions	10	-	-	-	-	-	-	10
Debt instruments at fair value through other comprehensive income	182,936	-	-	-	-	-	-	182,936
Equity instruments at fair value through other comprehensive income	-	824	-	-	-	-	824	824
Debt instruments at amortised cost	118,624	-	-	-	-	-	-	118,624
Other assets	44,643	-	4	259	-	-	263	44,906
Amount due from ultimate holding company and related companies	33,531	-	-	166	-	-	166	33,697
	<u>637,286</u>	<u>824</u>	<u>11,943</u>	<u>3,792</u>	<u>-</u>	<u>399</u>	<u>16,958</u>	<u>654,244</u>
Financial liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	84,516	-	2,064	1,101	-	41	3,206	87,722
Lease liabilities	2,182	-	-	-	-	-	-	2,182
Amount due to subsidiaries and related companies	200	-	-	-	-	-	-	200
	<u>93,340</u>	<u>-</u>	<u>2,064</u>	<u>1,101</u>	<u>-</u>	<u>41</u>	<u>3,206</u>	<u>96,546</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****39.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank. (Continued)

31 December 2024	The Bank						Total non-MYR RM'000	Grand total RM'000
	MYR RM'000	IDR RM'000	SGD RM'000	USD RM'000	AUD RM'000	Others RM'000		
Financial assets								
Cash and short-term funds	190,386	-	8,320	1,804	-	376	10,500	200,886
Debt instruments at fair value through other comprehensive income	180,902	-	-	-	-	-	-	180,902
Debt instruments at amortised cost	122,283	-	-	-	-	-	-	122,283
Other assets	53,919	-	-	170	-	6	176	54,095
Amount due from ultimate holding company and related companies	4,371	-	-	-	-	-	-	4,371
	551,861	-	8,320	1,974	-	382	10,676	562,537
Financial liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	90,131	-	1,072	87	-	98	1,257	91,388
Lease liabilities	299	-	-	-	-	-	-	299
Amount due to subsidiaries and related companies	11,158	-	-	-	-	-	-	11,158
	106,391	-	1,072	87	-	98	1,257	107,648

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.2 Market Risk (Continued)****39.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank. (Continued)

31 December 2023	The Bank					Total non-MYR RM'000	Grand total RM'000	
	MYR RM'000	IDR RM'000	SGD RM'000	USD RM'000	AUD RM'000			Others RM'000
Financial assets								
Cash and short-term funds	253,199	-	11,939	3,367	-	399	15,705	268,904
Debt instruments at fair value through other comprehensive income	182,936	-	-	-	-	-	-	182,936
Debt instruments at amortised cost	118,624	-	-	-	-	-	-	118,624
Other assets	43,835	-	4	259	-	-	263	44,098
Amount due from ultimate holding company and related companies	33,531	-	-	166	-	-	166	33,697
	<u>632,125</u>	<u>-</u>	<u>11,943</u>	<u>3,792</u>	<u>-</u>	<u>399</u>	<u>16,134</u>	<u>648,259</u>
Financial liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	84,500	-	2,064	1,101	-	41	3,206	87,706
Lease liabilities	2,182	-	-	-	-	-	-	2,182
Amount due to subsidiaries and related companies	172	-	-	-	-	-	-	172
	<u>93,296</u>	<u>-</u>	<u>2,064</u>	<u>1,101</u>	<u>-</u>	<u>41</u>	<u>3,206</u>	<u>96,502</u>

39.3 Liquidity Risk

Liquidity and risk is defined as the current and potential risk to earnings, shareholder's fund or the Group's reputation arising from the Group's inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity Risk (Continued)

The objective of the Group's liquidity risk management is to ensure that the Group can meet its cash obligations in a timely and cost-effective manner. To this end, the Group's liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business-as-usual ("BAU") and stress conditions. Due to its large delivery network and marketing focus, the Group is able to maintain a diversified core deposit base comprising savings, demand and term deposits, thus providing the Group with a stable large funding base. The Group maintains some buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day responsibility for liquidity risk management and control is delegated to the CIMB Group Asset Liability Management Committee ("GALCO"). GALCO meets at least once a month to discuss the liquidity risk and funding profile of the Group. The key liquidity risk metrics comprise of internal liquidity gaps or cashflow maturity profile mismatches under business-as-usual and stress scenarios, regulatory Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which are measured and monitored regularly. LCR is a quantitative regulatory requirement which seeks to ensure that banking institutions hold sufficient High Quality Liquid Assets ("HQLA") to withstand an acute liquidity stress scenario over a 30-calendar-days horizon. Our Group monitors and reports LCR and NSFR based on the BNM LCR and NSFR Policy Document dated 25 August 2016 and 31 July 2019 respectively. The effective date for NSFR is 1 July 2020. As part of its ordinary course of business, our Group maintains the LCR and NSFR above the regulatory requirements. In addition, liquidity risk stress testing under various scenarios covering bank-specific (idiosyncratic), market-wide and combined crises is performed regularly to identify sources of potential liquidity strain. Liquidity risk positions based on balance sheet forecasts and relevant risk drivers are projected to help in business planning.

In addition to regulatory limits, liquidity risk undertaken by the Group is governed by a set of established liquidity risk appetite and limits. Management Action Triggers ("MATs") have been established to alert the management to potential and emerging liquidity pressures. Any trigger of liquidity risk appetite, limits or MATs will be escalated to the board and management in accordance to the approved framework. The Group's Liquidity Risk Management Policy is subjected to periodic review. The assumptions, risk limits and appetite are regularly reviewed in response to regulatory changes, changing business needs and market conditions.

The Asset-Liability Management function, which is responsible for the independent monitoring of the Group's liquidity risk profile, works closely with Group Treasury and Markets in its surveillance on market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key providers of funds. Group Treasury and Markets only acts as a global provider of funds on a need-to or contingency basis. The Group has to prudently manage its liquidity position to meet its daily operating needs. The Group's Contingency Funding Plan ("CFP") is in place to alert and enable the management to act effectively and efficiently during a liquidity or funding crisis and under adverse market conditions. The CFP is subjected to regular testing and review.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.1 Contractual maturity of assets and liabilities

(a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines:

31 December 2024	The Group							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
Assets								
Cash and short-term funds	305,797	-	-	-	-	-	-	305,797
Deposits and placements with banks and other financial institutions	-	10	-	-	-	-	-	10
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	180,902	-	180,902
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,099	1,099
Debt instruments at amortised cost	-	-	-	-	25,337	96,946	-	122,283
Other assets	178,108	4,999	-	35	-	-	-	183,142
Amount due from ultimate holding company and related companies	7,964	-	-	-	-	-	-	7,964
Tax recoverable	-	-	-	-	-	-	7,211	7,211
Deferred tax assets	-	-	-	-	-	-	11,544	11,544
Investment in associates	-	-	-	-	-	-	4,622	4,622
Property, plant and equipment	-	-	-	-	-	-	3,439	3,439
Right-of-use assets	-	-	-	-	-	-	312	312
Goodwill	-	-	-	-	-	-	41,538	41,538
Intangible assets	-	-	-	-	-	-	33,325	33,325
Total assets	491,869	5,009	-	35	25,337	277,848	103,090	903,188

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.1 Contractual maturity of assets and liabilities (Continued)

- (a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

	The Group							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
31 December 2024								
Liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	210,093	13,240	-	124	-	-	-	223,457
Lease liabilities	-	-	5	188	129	-	-	322
Provision for taxation	818	-	-	-	-	-	-	818
Amount due to subsidiaries and related companies	365	-	-	-	-	-	-	365
Total liabilities	216,079	13,240	5	312	129	-	-	229,765
Net liquidity gap	275,790	(8,231)	(5)	(277)	25,208	277,848	103,090	

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.3 Liquidity risk (Continued)****39.3.1 Contractual maturity of assets and liabilities (Continued)**

- (a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

	The Group							Total
	Up to 1 month	> 1 – 3 months	> 3 – 6 months	> 6 – 12 months	> 1 – 5 years	Over 5 years	No-specific maturity	
31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	273,247	-	-	-	-	-	-	273,247
Deposits and placements with banks and other financial institutions	-	10	-	-	-	-	-	10
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	182,936	-	182,936
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	824	824
Debt instruments at amortised cost	-	-	-	-	-	118,624	-	118,624
Other assets	48,255	-	-	-	-	-	-	48,255
Amount due from ultimate holding company and related companies	33,697	-	-	-	-	-	-	33,697
Tax recoverable	-	-	-	-	-	-	12,000	12,000
Deferred tax assets	-	-	-	-	-	-	11,598	11,598
Investment in associates	-	-	-	-	-	-	4,627	4,627
Property, plant and equipment	-	-	-	-	-	-	1,522	1,522
Right-of-use assets	-	-	-	-	-	-	1,982	1,982
Intangible assets	-	-	-	-	-	-	30,668	30,668
Total assets	355,199	10	-	-	-	301,560	63,221	719,990

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.1 Contractual maturity of assets and liabilities (Continued)

(a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

	The Group							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
31 December 2023								
Liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	87,722	-	-	-	-	-	-	87,722
Lease liabilities	-	-	-	1,820	362	-	-	2,182
Amount due to subsidiaries and related companies	200	-	-	-	-	-	-	200
Total liabilities	94,364	-	-	1,820	362	-	-	96,546
Net liquidity gap	260,835	10	-	(1,820)	(362)	301,560	63,221	

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.1 Contractual maturity of assets and liabilities (Continued)

(b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines:

	The Bank							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
31 December 2024								
Assets								
Cash and short-term funds	200,886	-	-	-	-	-	-	200,886
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	180,902	-	180,902
Debt instruments at amortised cost	-	-	-	-	25,337	96,946	-	122,283
Other assets	57,764	-	-	-	-	-	-	57,764
Amount due from ultimate holding company and related companies	4,371	-	-	-	-	-	-	4,371
Tax recoverable	-	-	-	-	-	-	7,210	7,210
Deferred tax assets	-	-	-	-	-	-	10,993	10,993
Investment in subsidiaries	-	-	-	-	-	-	144,736	144,736
Property, plant and equipment	-	-	-	-	-	-	1,425	1,425
Right-of-use assets	-	-	-	-	-	-	291	291
Intangible assets	-	-	-	-	-	-	28,713	28,713
Total assets	263,021	-	-	-	25,337	277,848	193,368	759,574

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.1 Contractual maturity of assets and liabilities (Continued)

- (b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

	The Bank							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
31 December 2024								
Liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	91,393	-	-	-	-	-	-	91,393
Lease liabilities	-	-	-	170	129	-	-	299
Amount due to subsidiaries and related companies	11,158	-	-	-	-	-	-	11,158
Total liabilities	107,354	-	-	170	129	-	-	107,653
Net liquidity gap	155,667	-	-	(170)	25,208	277,848	193,368	

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.3 Liquidity risk (Continued)****39.3.1 Contractual maturity of assets and liabilities (Continued)**

(b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

	The Bank							Total
	Up to 1 month	> 1 – 3 months	> 3 – 6 months	> 6 – 12 months	> 1 – 5 years	Over 5 years	No-specific maturity	
31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	268,904	-	-	-	-	-	-	268,904
Debt instruments at fair value through other comprehensive income	-	-	-	-	-	182,936	-	182,936
Debt instruments at amortised cost	-	-	-	-	-	118,624	-	118,624
Other assets	47,447	-	-	-	-	-	-	47,447
Amount due from ultimate holding company and related companies	33,697	-	-	-	-	-	-	33,697
Tax recoverable	-	-	-	-	-	-	11,989	11,989
Deferred tax assets	-	-	-	-	-	-	11,598	11,598
Investment in subsidiaries	-	-	-	-	-	-	30	30
Property, plant and equipment	-	-	-	-	-	-	1,522	1,522
Right-of-use assets	-	-	-	-	-	-	1,982	1,982
Intangible assets	-	-	-	-	-	-	30,668	30,668
Total assets	350,048	-	-	-	-	301,560	57,789	709,397

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.1 Contractual maturity of assets and liabilities (Continued)

(b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

	The Bank							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
31 December 2023								
Liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	87,706	-	-	-	-	-	-	87,706
Lease liabilities	-	-	-	1,820	362	-	-	2,182
Amount due to subsidiaries and related companies	172	-	-	-	-	-	-	172
Total liabilities	94,320	-	-	1,820	362	-	-	96,502
Net liquidity gap	255,728	-	-	(1,820)	(362)	301,560	57,789	

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.2 Contractual maturity of financial liabilities on an undiscounted basis

Non-derivative financial liabilities

The tables below present the cash flows payable by the Group under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow.

	The Group							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
31 December 2024								
Non-derivative financial liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	210,088	13,240	-	124	-	-	-	223,452
Lease liabilities	-	61	60	126	77	-	-	324
Amount due to subsidiaries and related companies	365	-	-	-	-	-	-	365
	215,256	13,301	60	250	77	-	-	228,944

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Non-derivative financial liabilities (Continued)

The tables below present the cash flows payable by the Group under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow. (Continued)

	The Group							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
31 December 2023								
Non-derivative financial liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	87,722	-	-	-	-	-	-	87,722
Lease liabilities	-	508	508	1,015	174	-	-	2,205
Amount due to subsidiaries and related companies	200	-	-	-	-	-	-	200
	<u>94,364</u>	<u>508</u>	<u>508</u>	<u>1,015</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>96,569</u>

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Non-derivative financial liabilities (Continued)

The tables below present the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow.

	Up to 1 month	> 1 – 3 months	> 3 – 6 months	The Bank		Over 5 years	No-specific maturity	Total
	RM'000	RM'000	RM'000	> 6 – 12 months	> 1 – 5 years	RM'000	RM'000	RM'000
31 December 2024								
Non-derivative financial liabilities								
Deposits from customers	4,803	-	-	-	-	-	-	4,803
Other liabilities	91,388	-	-	-	-	-	-	91,388
Lease liabilities	-	61	55	108	77	-	-	301
Amount due to subsidiaries and related companies	11,158	-	-	-	-	-	-	11,158
	107,349	61	55	108	77	-	-	107,650

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.3 Liquidity risk (Continued)

39.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Non-derivative financial liabilities (Continued)

The tables below present the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow. (Continued)

	The Bank							Total
	Up to 1 month	> 1 – 3 months	> 3 – 6 months	> 6 – 12 months	> 1 – 5 years	Over 5 years	No-specific maturity	
31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-derivative financial liabilities								
Deposits from customers	6,442	-	-	-	-	-	-	6,442
Other liabilities	87,706	-	-	-	-	-	-	87,706
Lease liabilities	-	508	508	1,015	174	-	-	2,205
Amount due to subsidiaries and related companies	172	-	-	-	-	-	-	172
	94,320	508	508	1,015	174	-	-	96,525

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 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.

39.4.1 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: <ul style="list-style-type: none">• 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.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.1 Determination of fair value and fair value hierarchy (Continued)

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 GMCRC 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 GMCRC;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions;
- The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer; and
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets/liabilities are recorded at fair value.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.1 Determination of fair value and fair value hierarchy (Continued)

The following table represents financial assets measured at fair value and classified by level with the following fair value hierarchy:

	The Group Fair Value				Carrying amount RM'000	The Bank Fair Value				Carrying amount RM'000
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 December 2024										
<i>Recurring fair value measurement</i>										
<u>Financial assets</u>										
Debt instruments at fair value through other comprehensive income										
- Money market instruments	20,322	-	20,322	-	20,322	20,322	-	20,322	-	20,322
- Unquoted securities	160,580	-	160,580	-	160,580	160,580	-	160,580	-	160,580
Equity instruments at fair value through other comprehensive income										
- Unquoted securities	1,099	-	-	1,099	1,099	-	-	-	-	-
Total	182,001	-	180,902	1,099	182,001	180,902	-	180,902	-	180,902

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.1 Determination of fair value and fair value hierarchy (Continued)

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

	The Group				Carrying amount RM'000	The Bank				Carrying amount RM'000
	Fair Value					Fair Value				
	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Carrying amount RM'000	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Carrying amount RM'000
31 December 2023										
<i>Recurring fair value measurement</i>										
<u>Financial assets</u>										
Debt instruments at fair value through other comprehensive income										
- Money market instruments	92,272	-	92,272	-	92,272	92,272	-	92,272	-	92,272
- Unquoted securities	90,664	-	90,664	-	90,664	90,664	-	90,664	-	90,664
Equity instruments at fair value through other comprehensive income										
- Unquoted securities	824	-	-	824	824	-	-	-	-	-
Total	183,760	-	182,936	824	183,760	182,936	-	182,936	-	182,936

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.1 Determination of fair value and fair value hierarchy (Continued)

The following represents the changes in Level 3 instruments for the financial year ended 31 December 2024 and 31 December 2023 for the Group and the Bank.

	The Group Financial Investments - Equity instruments at fair value through other comprehensive income RM'000	Total RM'000
2024		
At 1 January	824	824
Total gain recognised in other comprehensive income	275	275
At 31 December	<u>1,099</u>	<u>1,099</u>

	The Group Financial Investments - Equity instruments at fair value through other comprehensive income RM'000	Total RM'000
2023		
At 1 January/31 December	824	824

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****39 Financial Risk Management (Continued)****39.4 Fair value estimation (Continued)****39.4.2 Fair value of financial assets and liabilities measured at amortised cost**

The following tables analyse within the fair value hierarchy the Group and the Bank's assets' and liabilities' fair value at 31 December 2024 and 31 December 2023 where the fair value does not approximate to carrying amount in the statement of financial position:

	Carrying value	The Group and The Bank Fair Value		Total
		Level 1	Level 2	
	RM'000	RM'000	RM'000	RM'000
31 December 2024				
Financial assets				
Debt instruments at amortised cost	122,283	-	121,999	121,999
Total	122,283	-	121,999	121,999

	Carrying value	The Group and The Bank Fair Value		Total
		Level 1	Level 2	
	RM'000	RM'000	RM'000	RM'000
31 December 2023				
Financial assets				
Debt instruments at amortised cost	118,624	-	118,297	118,297
Total	118,624	-	118,297	118,297

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)

The fair values are based on the following methodologies and assumptions:

Short-term funds and placements with financial institutions and reverse repurchase agreements

For short-term funds, placements with financial institutions and reverse repurchase agreements with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities of six months and above, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Debt instruments at amortised cost

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, the Group and the Bank establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Other assets

The fair value of other assets approximates the carrying value less expected credit losses at the statement of financial position date.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)

The fair values are based on the following methodologies and assumptions (Continued):

Amount due (to)/from subsidiaries and related companies and amount due from holding company and ultimate holding company

The estimated fair values of the amount due (to)/from subsidiaries and related companies and amount due from ultimate holding company approximate the carrying values as the balances are either callable on demand or are based on the current rates for such similar loans.

Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of six months or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Other liabilities

The fair value of liabilities approximates the carrying value at the statement of financial position date.

Credit related commitment and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

The Group 31 December 2024

Description	Fair value assets (RM'000)	Valuation technique(s)	Unobservable input	Range of unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity instruments at fair value through other comprehensive income	1,099	Net tangible asset	Net tangible asset	Not applicable	Higher net tangible assets results in higher fair value

31 December 2023

Description	Fair value assets (RM'000)	Valuation technique(s)	Unobservable input	Range of unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity instruments at fair value through other comprehensive income	824	Net tangible asset	Net tangible asset	Not applicable	Higher net tangible assets results in higher fair value

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

39 Financial Risk Management (Continued)

39.4 Fair value estimation (Continued)

39.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3) (Continued)

The Bank 31 December 2024

Description	Fair value assets (RM'000)	Valuation technique(s)	Unobservable input	Range of unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity instruments at fair value through other comprehensive income	-	Net tangible asset	Net tangible asset	Not applicable	Higher net tangible assets results in higher fair value

31 December 2023

Description	Fair value assets (RM'000)	Valuation technique(s)	Unobservable input	Range of unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity instruments at fair value through other comprehensive income	-	Net tangible asset	Net tangible asset	Not applicable	Higher net tangible assets results in higher fair value

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking****Statements of Financial Position as at 31 December 2024**

	The Group and the Bank	
	31 December 2024	31 December 2023
Note	RM'000	RM'000
Assets		
Cash and short-term funds	(a) 89,460	94,573
Other assets	(b) 8,068	6,810
Amount due from related companies	(c) 152	180
Deferred tax assets	(d) 228	229
Total assets	97,908	101,792
Liabilities		
Amount due to related companies	(c) 773	1,418
Other liabilities	(g) 889	869
Total liabilities	1,662	2,287
Islamic Banking capital funds	55,000	55,000
Reserves	41,246	44,505
	96,246	99,505
Total liabilities and Islamic Banking capital funds	97,908	101,792

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking (Continued)****Statements of Income for the financial year ended 31 December 2024**

	Note	The Group and the Bank	
		2024	2023
		RM'000	RM'000
Income derived from investment of shareholders' funds	(h)	40,144	50,097
Expected credit losses made on trade receivables		(52)	(84)
Total attributable income		40,092	50,013
Personnel expenses	(i)	-	(114)
Other overheads and expenditures	(j)	(11,085)	(16,424)
Profit before taxation		29,007	33,475
Taxation	(k)	(7,016)	(8,208)
Profit after taxation/total comprehensive income for the financial year		21,991	25,267
Total net income		40,092	50,013
Add : Expected credit losses made on trade receivables		52	84
Income from Islamic Banking operations		40,144	50,097

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

40 The operations of Islamic Banking (Continued)

Statements of Changes in Equity for the financial year ended 31 December 2024

	Islamic Banking capital fund RM'000	Retained earnings RM'000	Total RM'000
The Group and the Bank			
At 1 January 2024	55,000	44,505	99,505
Profit and total comprehensive income	-	21,991	21,991
Interim dividend paid in respect of the financial year ended 31 December 2023	-	(25,250)	(25,250)
At 31 December 2024	55,000	41,246	96,246
At 1 January 2023	55,696	23,574	79,270
Profit and total comprehensive income	-	25,267	25,267
Interim dividend paid in respect of the financial year ended 31 December 2022	-	(15,000)	(15,000)
Capital contribution during the year	9,968	-	9,968 *
Closure of Brunei branch	(10,664)	10,664	-
At 31 December 2023	55,000	44,505	99,505

* Capitalisation of Amount due to Head office as capital fund.

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking (Continued)****Statements of Cash Flows for the financial year ended 31 December 2024**

	Note	The Group and the Bank	
		2024 RM'000	2023 RM'000
Cash flows from operating activities			
Profit before taxation from :		29,007	33,475
Add/(less) adjustments:			
Unrealised gain on foreign exchange		(7)	(3)
Gain on disposal of property, plant and equipment		-	(20)
Expected credit losses made on other receivables		52	84
Closure of Brunei branch		-	9,968
Fixed assets written off		-	(2)
Depreciation of property, plant and equipment		-	1
Cash flow from operating profit before changes in operating assets and liabilities		29,052	43,503
(Increase)/decrease in operating assets			
Other assets		(1,311)	(4,895)
Amount due from related companies		28	84
Increase/(decrease) in operating liabilities			
Other liabilities		(6,987)	(18,271)
Amount due to related companies		(645)	(3,682)
Net cash generated from operating activities		20,137	16,739
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	22
Net cash generated from investing activities		-	22
Cash flows from financing activities			
Dividends paid		(25,250)	(15,000)
Net cash used in financing activities		(25,250)	(15,000)
Net (decrease)/increase in cash and cash equivalents during the financial year		(5,113)	1,761
Cash and cash equivalents at beginning of the financial year		94,573	92,812
Cash and cash equivalents at end of the financial year	(a)	89,460	94,573

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking (Continued)****(d) Deferred taxation**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts are shown in the statement of financial position, after offsetting:

	The Group and the Bank	
	31 December 2024	31 December 2023
	RM'000	RM'000
Deferred tax assets	228	229

The gross movement on the deferred taxation account are as follows:

	The Group and the Bank	
	31 December 2024	31 December 2023
	RM'000	RM'000
Deferred tax assets		
Other temporary differences	118	119
Property, plant and equipment	110	110
	228	229

The movements in deferred tax assets and liabilities during the financial year comprise the following:

	Accelerated tax depreciation	Other temporary differences	Total
	RM'000	RM'000	RM'000
The Group and the Bank			
<u>Deferred tax assets</u>			
At 1 January 2024	110	119	229
Charged to statements of income	-	(1)	(1)
At 31 December 2024	110	118	228
The Group and the Bank			
<u>Deferred tax assets</u>			
At 1 January 2023	50	119	169
Credited to statements of income	60	-	60
At 31 December 2023	110	119	229

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking (Continued)****(e) Property, plant and equipment**

	Office equipment and furniture and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
The Group and the Bank					
31 December 2024					
Cost					
At 1 January/31 December 2024	-	-	-	-	-
Accumulated depreciation					
At 1 January/31 December 2024	-	-	-	-	-
Net book value as at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Office equipment and furniture and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
The Group and the Bank					
31 December 2023					
Cost					
At 1 January 2023	233	116	119	216	684
Disposals/written off	(233)	(116)	(119)	(216)	(684)
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated depreciation					
At 1 January 2023	232	116	119	216	683
Depreciation	-	-	(1)	-	(1)
Disposals/written off	(232)	(116)	(118)	(216)	(682)
At 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value as at 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

40 The operations of Islamic Banking (Continued)

(f) Intangible assets

	Computer software RM'000	Total RM'000
The Group and the Bank		
31 December 2024		
Cost		
At 1 January/31 December 2024	-	-
Accumulated depreciation		
At 1 January/31 December 2024	-	-
Net book value as at 31 December 2024	-	-
The Group and the Bank		
31 December 2023		
Cost		
At 1 January 2023	13	13
Written off	(13)	(13)
At 31 December 2023	-	-
Accumulated depreciation		
At 1 January 2023	13	13
Written off	(13)	(13)
At 31 December 2023	-	-
Net book value as at 31 December 2023	-	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking (Continued)**

		The Group and the Bank	
		31 December 2024	31 December 2023
		RM'000	RM'000
(g)	Other liabilities		
	Sundry Creditors	62	18
	Other liabilities	827	851
		<u>889</u>	<u>869</u>
		The Group and the Bank	
		2024	2023
		RM'000	RM'000
(h)	Income derived from investment of shareholders' funds		
	Finance income and hibah:		
	Money at call and deposit and placements with financial institutions	2,598	2,457
(i)	Fee and commission income		
	Advisory and arrangement fees	3,980	5,023
	Placement, book running and related fees	14,735	18,803
	Service charges and fees	7,500	-
	Others	14,370	28,264
		40,585	52,090
(ii)	Fee and commission expense		
	Fee and commission expense and other direct expenses	(3,171)	(4,741)
	Net fee and commission income	<u>37,414</u>	<u>47,349</u>
(iii)	Other non-interest income		
	Foreign exchange gain/(loss)	6	(3)
	Gain on disposal of property, plant and equipment	-	20
	Others	126	274
		132	291
	Total non-interest income	<u>40,144</u>	<u>50,097</u>

CIMB Investment Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking (Continued)**

	The Group and the Bank	
	2024	2023
	RM'000	RM'000
(i) Personnel expenses		
- Others	-	114
	<u>-</u>	<u>114</u>
(j) Other overheads and expenditures		
Establishment expenses		
- Depreciation of property, plant and equipment	-	1
- Rental	-	101
- Others	-	66
	-	168
Marketing expenses		
- Others	1	3
	1	3
Administration and general expenses		
- Legal and professional fees	30	5
- Others	8	49
	38	54
Shared services cost		
- Personnel cost	6,802	11,720
- Establishment cost	831	590
- Marketing expenses	103	134
- Administration and general expenses	3,310	3,755
	<u>11,046</u>	<u>16,199</u>
Other overheads and expenditures	<u>11,085</u>	<u>16,424</u>

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

40 The operations of Islamic Banking (Continued)

		The Group and the Bank	
		2024	2023
		RM'000	RM'000
(k) Taxation			
(i) Tax expense for the financial year			
Current year tax			
- Malaysian income tax		7,015	8,268
Deferred tax (Note d)		1	(60)
		7,016	8,208

(ii) Numerical reconciliation of income tax expense

The explanation on the relationship between tax expense and profit before taxation is as follows:

		The Group and the Bank	
		2024	2023
		RM'000	RM'000
Profit before taxation		29,007	33,475
Tax calculated at tax rate of 24% (2023:24%)		6,962	8,034
Expenses not deductible for tax purposes		54	174
Tax expense		7,016	8,208

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

40 The operations of Islamic Banking (Continued)

(I) Related party transactions and balances

(i) Related parties and relationships

The related parties of, and their relationship with the Bank, is disclosed in Note 31(a).

(ii) Significant related party transactions and balances (Continued)

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. Interest rates on fixed and short-term deposits were at normal commercial rates.

	31 December 2024 Ultimate holding company RM'000	31 December 2024 Other related companies RM'000	
The Group			
Income:			
Fee income	60	22,628	
Dividend income	-	2,217	
Fee and commission expense and other direct expenses	-	(3,171)	
	<u>60</u>	<u>21,674</u>	
Expenses:			
Interest expense	-	-	
Dividend paid	-	25,250	
	<u>-</u>	<u>25,250</u>	
	31 December 2024 Ultimate holding company RM'000	31 December 2024 Subsidiary companies RM'000	31 December 2024 Other related companies RM'000
The Bank			
Income:			
Fee income	60	4,425	22,628
Dividend income	-	-	2,217
Fee and commission expense and other direct expenses	-	-	(3,171)
	<u>60</u>	<u>4,425</u>	<u>21,674</u>
Expenses:			
Dividend paid	-	-	25,250
	<u>-</u>	<u>-</u>	<u>25,250</u>
		31 December 2023 Ultimate holding company RM'000	31 December 2023 Other related companies RM'000
The Group and the Bank			
Income:			
Fee income		60	32,186
Dividend income		-	2,181
Fee and commission expense and other direct expenses		-	(4,723)
		<u>60</u>	<u>29,644</u>
Expenses:			
Dividend paid		-	15,000
		<u>-</u>	<u>15,000</u>
The Group and the Bank		31 December 2024 Other related companies RM'000	31 December 2023 Other related companies RM'000
Amount due from:			
Cash and short-term funds		<u>79,446</u>	<u>84,560</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2024 (Continued)****40 The operations of Islamic Banking (Continued)****(m) Capital adequacy ratio**

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

	The Group and the Bank	
	31 December 2024	31 December 2023
Before deducting proposed dividend		
CET 1 Ratio	97.025%	110.345%
Tier 1 ratio	97.025%	110.345%
Total capital ratio	97.025%	110.345%
After deducting proposed dividend		
CET 1 Ratio	77.826%	82.279%
Tier 1 ratio	77.826%	82.279%
Total capital ratio	77.826%	82.279%

(b) ("RWA") by each major risk category is as follows:

	The Group and the Bank	
	31 December 2024 RM'000	31 December 2023 RM'000
Credit risk	19,547	18,301
Operational risk	79,415	71,668
Total RWAs	98,962	89,969

(c) Components of CET 1 and Tier 2 capitals are as follows :

	The Group and the Bank	
	31 December 2024 RM'000	31 December 2023 RM'000
<u>Tier 1 capital</u>		
Islamic Banking capital funds	55,000	55,000
Other reserves	41,246	44,505
Less : Proposed dividends	(19,000)	(25,250)
CET 1 capital before regulatory adjustments	77,246	74,255
<u>Less: Regulatory adjustments</u>		
Deferred tax assets	(228)	(229)
CET 1 capital / Total Tier 1 capital	77,018	74,026
Total capital base	77,018	74,026

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Notes to the Financial Statements for the financial year ended 31 December 2024 (Continued)

41 Directors of subsidiaries of the Bank

The following is the list of Directors who served on the Boards of the subsidiaries of the Group since the beginning of the current financial year to the date of the Directors' report:

Names of Subsidiaries	Names of Directors
CIMB EOP Management Sdn Bhd	1. Tan Sri Mohd Nasir Ahmad 2. Gurdip Singh Sidhu Gurbachan Singh
CIMB Holdings Sdn Bhd	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir
CIMSEC Nominees (Asing) Sdn Bhd	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
CIMSEC Nominees (Tempatan) Sdn Bhd	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
CIMB Securities Sdn Bhd	1. Stephen John Watson Hagger (Appointed on 8 February 2024) 2. Julia Hashim (Appointed on 8 February 2024) 3. Ruzi Rani Ajith (Appointed on 8 February 2024) 4. Tan Ting Min (Appointed on 8 February 2024) 5. Muhammad Novan Amirudin (Appointed on 8 February 2024 and Resigned on 31 December 2024) 6. Nor Masliza Sulaiman (Appointed on 24 January 2025) 7. Thariq Usman Ahmad (Resigned on 8 February 2024) 8. Ridzuan Ishak (Resigned on 8 February 2024) 9. Dato' Ahmad Kadis (Resigned on 8 February 2024) 10. Melinda Wang Mei Lin (Resigned on 14 March 2024)
CIMB Securities Nominees (Tempatan) Sdn Bhd	1. Liew Kuo Aun (Appointed on 8 February 2024) 2. Ruzi Rani Ajith (Appointed on 8 February 2024) 3. Faisal Zulkifli (Resigned on 8 February 2024) 4. Ridzuan Ishak (Resigned on 8 February 2024) 5. Dato' Ahmad Kadis (Resigned on 8 February 2024)
CIMB Securities Nominees (Asing) Sdn Bhd	1. Liew Kuo Aun (Appointed on 8 February 2024) 2. Ruzi Rani Ajith (Appointed on 8 February 2024) 3. Faisal Zulkifli (Resigned on 8 February 2024) 4. Ridzuan Ishak (Resigned on 8 February 2024) 5. Dato' Ahmad Kadis (Resigned on 8 February 2024)

42 Client trust accounts

As at 31 December 2024, cash held in trust for clients by the Group and the Bank amounted to RM13,936,591,382 and RM13,935,593,433 respectively (31 December 2023: RM12,768,189,423 and RM12,768,189,423 respectively). These amounts are not recognised in the Financial Statements as the Group and the Bank held them in a fiduciary capacity.

43 Authorisation for issue of Financial Statements

The Financial Statements have been authorised for issue in accordance with a resolution of the Board of Directors on 14 March 2025.