

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	The Group		The Bank	
		30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
ASSETS					
Cash and short term funds	A6	8,338,775	10,517,811	8,338,775	10,517,811
Reverse Collateralised Commodity Murabahah		733,155	700,067	733,155	700,067
Deposits and placements with banks and other financial institutions	A6	194,956	138,065	194,956	138,065
Financial investments at fair value through profit or loss	A7	5,961,397	3,754,473	5,961,397	3,754,473
Debt instruments at fair value through other comprehensive income	A8	6,739,877	5,362,764	6,739,877	5,362,764
Debt instruments at amortised cost	A9	14,291,820	13,995,085	14,291,820	13,995,085
Islamic derivative financial instruments	A27(i)	261,632	357,161	261,632	357,161
Financing, advances and other financing/loans	A10	126,647,953	121,476,487	126,647,953	121,476,487
Other assets	A11	498,973	349,993	498,973	349,993
Amount due from holding company and ultimate holding company		502,235	635,013	502,235	635,013
Amount due from related companies		40	40	40	40
Tax recoverable		123,754	84,999	123,754	84,999
Deferred taxation		232,652	282,971	232,652	282,971
Statutory deposits with Bank Negara Malaysia		1,881,750	1,870,210	1,881,750	1,870,210
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		413	503	413	503
Right-of-use assets		285	569	285	569
Intangible assets		2,690	3,550	2,690	3,550
Goodwill		136,000	136,000	136,000	136,000
TOTAL ASSETS		166,548,357	159,665,761	166,548,368	159,665,772
LIABILITIES AND EQUITY					
Deposits from customers	A12	111,204,724	110,831,744	111,204,724	110,831,744
Investment accounts of customers	A13	20,205,910	18,984,125	20,205,910	18,984,125
Deposits and placements of banks and other financial institutions	A14	4,804,840	5,533,506	4,804,840	5,533,506
Collateralised Commodity Murabahah		2,975,926	2,229,121	2,975,926	2,229,121
Investment accounts due to designated financial institutions	A15	3,325,210	3,424,851	3,325,210	3,424,851
Financial liabilities designated at fair value through profit or loss	A16	3,626,342	2,821,784	3,626,342	2,821,784
Islamic derivative financial instruments	A27(i)	313,527	433,440	313,527	433,440
Amount due to subsidiaries		-	-	46	46
Amount due to related companies		4,677	976	4,677	976
Other liabilities	A17	548,061	818,080	548,061	818,080
Lease liabilities		303	786	303	786
Recourse obligation on loans and financing sold to Cagamas		3,617,452	2,822,998	3,617,452	2,822,998
Senior Sukuk		4,547,023	1,009,474	4,547,023	1,009,474
Subordinated Sukuk		1,109,424	1,109,424	1,109,424	1,109,424
TOTAL LIABILITIES		156,283,419	150,020,309	156,283,465	150,020,355
EQUITY					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		8,914,938	8,295,452	8,914,903	8,295,417
		9,914,938	9,295,452	9,914,903	9,295,417
Perpetual preference shares		350,000	350,000	350,000	350,000
TOTAL EQUITY		10,264,938	9,645,452	10,264,903	9,645,417
TOTAL EQUITY AND LIABILITIES		166,548,357	159,665,761	166,548,368	159,665,772
RESTRICTED AGENCY INVESTMENT ACCOUNT (*)	A29	15,179,393	15,482,815	15,179,393	15,482,815
TOTAL ISLAMIC BANKING ASSET		181,727,750	175,148,576	181,727,761	175,148,587
COMMITMENTS AND CONTINGENCIES	A27(ii)	87,894,540	68,795,415	87,894,540	68,795,415
Net assets per ordinary share attributable to owners of the Parent (RM)		9.91	9.30	9.91	9.30

* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institutions.
The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2024

	Note	The Group and the Bank			
		2nd Quarter Ended		Six Months Ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Income derived from investment of depositors' funds and others	A18	1,475,094	1,108,376	2,826,278	2,333,706
Income derived from investment of investment account	A19	315,031	276,257	623,617	513,645
Income derived from investment of shareholder's funds	A20	229,336	421,256	546,963	668,075
Modification loss	A21	-	(66)	(1)	(73)
Expected credit losses on financing, advances and other financing/loans	A22(a)	(21,925)	(126,776)	(127,954)	(158,201)
Expected credit losses written back/(made) for commitments and contingencies		26,576	7,845	34,897	(36,751)
Other expected credit losses (made)/written back	A22(b)	(15,139)	1,391	(36,612)	296
Total distributable income		2,008,973	1,688,283	3,867,188	3,320,697
Income attributable to depositors and others	A23	(997,931)	(899,961)	(1,969,280)	(1,750,289)
Profit distributed to investment account holder	A24	(213,286)	(188,512)	(427,952)	(344,069)
Total net income		797,756	599,810	1,469,956	1,226,339
Personnel expenses	A25	(7,574)	(7,368)	(15,872)	(14,995)
Other overheads and expenditures	A26	(333,357)	(309,266)	(657,098)	(660,304)
Profit before taxation and zakat		456,825	283,176	796,986	551,040
Taxation		(111,071)	(70,040)	(197,137)	(142,912)
Profit for the financial period		345,754	213,136	599,849	408,128
Earnings per share (sen)	B3	34.58	21.31	59.98	40.81

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2024

	The Group and the Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	345,754	213,136	599,849	408,128
Other comprehensive income/(expense):				
<i>Items that will not reclassified to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net gain/(loss) from change in fair value	2,861	(12,081)	2,932	(757)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(1,958)	22,590	16,630	72,968
- Net gain from change in fair value	2,185	31,086	29,329	96,487
- Realised gain transferred to statement of income on disposal	(4,122)	(1,373)	(8,039)	(1,520)
- Changes in expected credit losses	(485)	8	450	793
- Income tax effects	464	(7,131)	(5,110)	(22,792)
Other comprehensive income for the period, net of tax	903	10,509	19,562	72,211
Total comprehensive income for the financial period	346,657	223,645	619,411	480,339

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

The Group	← Attributable to owners of the Parent →										
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Capital contribution by Ultimate Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
At 1 January 2024	1,000,000	(54,640)	(2,457)	458	210,633	(477)	4,212	8,137,723	9,295,452	350,000	9,645,452
Profit for the financial period	-	-	-	-	-	-	-	599,849	599,849	-	599,849
Other comprehensive income (net of tax)	-	16,630	-	-	-	2,932	-	-	19,562	-	19,562
- debt instruments at fair value through other comprehensive income	-	16,630	-	-	-	-	-	-	16,630	-	16,630
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	2,932	-	-	2,932	-	2,932
Total comprehensive income for the financial period	-	16,630	-	-	-	2,932	-	599,849	619,411	-	619,411
Share-based payment expense	-	-	-	-	-	-	75	-	75	-	75
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	75	-	75	-	75
Transfer to regulatory reserve	-	-	-	-	242,662	-	-	(242,662)	-	-	-
At 30 June 2024	1,000,000	(38,010)	(2,457)	458	453,295	2,455	4,287	8,494,910	9,914,938	350,000	10,264,938

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

The Group	← Attributable to owners of the Parent →											
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 June 2023												
At 1 January 2023	1,000,000	(150,405)	(2,457)	458	184,715	112	22	2,514	7,271,332	8,306,291	350,000	8,656,291
Profit for the financial period	-	-	-	-	-	-	-	-	408,128	408,128	-	408,128
Other comprehensive expense (net of tax)	-	72,968	-	-	-	(757)	-	-	-	72,211	-	72,211
- debt instruments at fair value through other comprehensive income	-	72,968	-	-	-	-	-	-	-	72,968	-	72,968
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(757)	-	-	-	(757)	-	(757)
Total comprehensive income for the financial period	-	72,968	-	-	-	(757)	-	-	408,128	480,339	-	480,339
Share-based payment expense	-	-	-	-	-	-	4	849	-	853	-	853
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(14)	-	-	(14)	-	(14)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(10)	849	-	839	-	839
Transfer to regulatory reserve	-	-	-	-	69,358	-	-	-	(69,358)	-	-	-
At 30 June 2023	1,000,000	(77,437)	(2,457)	458	254,073	(645)	12	3,363	7,610,102	8,787,469	350,000	9,137,469

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CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

The Bank	← Non-distributable						Distributable →				
	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'001	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 June 2024											
At 1 January 2024	1,000,000	(54,640)	(2,457)	458	210,633	(477)	4,212	8,137,688	9,295,417	350,000	9,645,417
Profit for the financial period	-	-	-	-	-	-	-	599,849	599,849	-	599,849
Other comprehensive income (net of tax)	-	16,630	-	-	-	2,932	-	-	19,562	-	19,562
- debt instruments at fair value through other comprehensive income	-	16,630	-	-	-	-	-	-	16,630	-	16,630
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	2,932	-	-	2,932	-	2,932
Total comprehensive income for the financial period	-	16,630	-	-	-	2,932	-	599,849	619,411	-	619,411
Share-based payment expense	-	-	-	-	-	-	75	-	75	-	75
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	75	-	75	-	75
Transfer to regulatory reserve	-	-	-	-	242,662	-	-	(242,662)	-	-	-
At 30 June 2024	1,000,000	(38,010)	(2,457)	458	453,295	2,455	4,287	8,494,875	9,914,903	350,000	10,264,903

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

The Bank	← Non-distributable						→ Distributable					
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 June 2023												
At 1 January 2022	1,000,000	(150,405)	(2,457)	458	184,715	112	22	2,514	7,271,297	8,306,256	350,000	8,656,256
Profit for the financial period	-	-	-	-	-	-	-	-	408,128	408,128	-	408,128
Other comprehensive expense (net of tax)	-	72,968	-	-	-	(757)	-	-	-	72,211	-	72,211
- debt instruments at fair value through other comprehensive income	-	72,968	-	-	-	-	-	-	-	72,968	-	72,968
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(757)	-	-	-	(757)	-	(757)
Total comprehensive income for the financial period	-	72,968	-	-	-	(757)	-	-	408,128	480,339	-	480,339
Share-based payment expense	-	-	-	-	-	-	4	849	-	853	-	853
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(14)	-	-	(14)	-	(14)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(10)	849	-	839	-	839
Transfer to regulatory reserve	-	-	-	-	69,358	-	-	-	(69,358)	-	-	-
At 30 June 2023	1,000,000	(77,437)	(2,457)	458	254,073	(645)	12	3,363	7,610,067	8,787,434	350,000	9,137,434

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	The Group		The Bank	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Profit before taxation and zakat	796,986	551,040	796,986	551,040
Adjustments for non-cash items	(113,794)	(212,198)	(113,794)	(212,198)
Operating profit before changes in working capital	683,192	338,842	683,192	338,842
Net changes in operating assets	(7,568,133)	(6,074,242)	(7,568,133)	(6,074,242)
Net changes in operating liabilities	1,968,604	8,525,428	1,968,604	8,525,428
Taxation paid	(190,683)	(266,500)	(190,683)	(266,500)
Net cash flows (used in)/generated from operating activities	(5,107,020)	2,523,528	(5,107,020)	2,523,528
Cash flows from investing activities				
Profit income received from financial investments	388,161	302,325	388,161	302,325
Net purchase of financial investments	(1,614,529)	(4,677,072)	(1,614,529)	(4,677,072)
Net purchase of property, plant and equipment	(31)	(41)	(31)	(41)
Net purchase of intangible assets	(359)	(1,795)	(359)	(1,795)
Net cash flows used in investing activities	(1,226,758)	(4,376,583)	(1,226,758)	(4,376,583)
Cash flows from financing activities				
Profit expense paid on recourse obligation on loans and financing sold to Cagamas	(55,350)	-	(55,350)	-
Profit expense paid on Sukuk	(18,089)	-	(18,089)	-
Profit expense paid on subordinated Sukuk	(22,289)	(22,289)	(22,289)	(22,289)
Proceeds from issuance of senior sukuk	3,500,000	-	3,500,000	-
Proceeds from recourse obligation on loans and financing sold to Cagamas	800,012	-	800,012	-
Other financing activities	(457)	(304)	(457)	(304)
Net cash flows generated from/(used in) financing activities	4,203,827	(22,593)	4,203,827	(22,593)
Net decrease in cash and cash equivalents	(2,129,951)	(1,875,648)	(2,129,951)	(1,875,648)
Effects of exchange rate differences (MFRS107)	7,806	59,269	7,806	59,269
Cash and cash equivalents at beginning of the financial period	10,655,876	15,308,885	10,655,876	15,308,885
Cash and cash equivalents at end of the financial period	8,533,731	13,492,506	8,533,731	13,492,506
Cash and cash equivalents comprise :				
Cash and short-term funds	8,338,775	13,259,016	8,338,775	13,259,016
Deposits and placements with banks and other financial institutions	194,956	233,490	194,956	233,490
Cash and cash equivalents at end of the financial period	8,533,731	13,492,506	8,533,731	13,492,506

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

PART A - EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 2024 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, derivative financial instruments and financial liabilities designated at fair value through profit or loss, that are measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2023.

The material accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2023, and modified for the adoption of the following accounting standards and amendments to published standards applicable for financial periods beginning on or after 1 January 2024:

- Amendments to MFRS 101 “Classification of liabilities as current or non-current”
- Amendments to MFRS 101 “Non-current Liabilities with Covenants”
- Amendments to MFRS 16 “Lease Liability in a Sale and Leaseback”

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

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

A2. Changes in estimates

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

PART A - EXPLANATORY NOTES (CONTINUED)

A3. Issuance and repayment of debt and equity securities

a) On 27 March 2024, the Bank issued RM250.0 million of senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bear a profit rate of 3.75% per annum payable semi-annually, will mature on 26 March 2027.

b) On 27 March 2024, the Bank issued RM300.0 million of senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bear a profit rate of 3.86% per annum payable semi-annually, will mature on 27 March 2029.

c) On 27 March 2024, the Bank issued RM1,450.0 million of senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bear a profit rate of 4.03% per annum payable semi-annually, will mature on 27 March 2031.

d) On 27 March 2024, the Bank issued RM1,500.0 million of senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bear a profit rate of 4.13% per annum payable semi-annually, will mature on 27 March 2034.

A4. Proposed dividend

There were no dividends paid or proposed for the financial period ended 30 June 2024.

A5. Events during the reporting period/Significant events after the reporting period

There are no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 30 June 2024 and the date of this announcement.

A6 Cash and short-term funds and Deposits and placements with banks and other financial institutions

As at 30 June 2024, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are both RMNil respectively (2023: both RMNil respectively). The 12-month expected credit losses made in the income statement during the financial period is amounting to RMNil (30 June 2023: RM1,000).

A7 Financial assets at fair value through profit or loss

Money market instruments

Unquoted

In Malaysia

Malaysian Government treasury bills
Bank Negara Malaysia monetary notes
Islamic negotiable instruments of deposits
Islamic commercial papers
Government Investment Issues
Islamic Cagamas bonds

The Group and the Bank
30 June **31 December**
2024 **2023**
RM'000 **RM'000**

	524,263	637,980
	1,878,622	152,491
	2,092,524	1,389,444
	408,819	528,475
	661,712	542,492
	354,077	328,536
	5,920,017	3,579,418

Unquoted securities

In Malaysia

Corporate Sukuk

	41,380	175,055
	5,961,397	3,754,473

PART A - EXPLANATORY NOTES (CONTINUED)

A8 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	2,278,488	1,694,051
Islamic Cagamas bonds	50,716	50,695
	<u>2,329,204</u>	<u>1,744,746</u>
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	4,410,673	3,618,018
	<u>6,739,877</u>	<u>5,362,764</u>

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

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

The Group and the Bank	12-month	Lifetime	Lifetime	Total
	expected credit	credit losses-	expected	
	losses (Stage 1)	not credit	credit losses	
	RM'000	impaired	-Credit impaired	RM'000
		(Stage 2)	(Stage 3)	
At 1 January 2024	1,594	-	-	1,594
Total charge to Statement of Income:	450	-	-	450
New financial assets purchased	6,302	-	-	6,302
Financial assets that have been derecognised	(180)	-	-	(180)
Change in credit risk	(5,672)	-	-	(5,672)
At 30 June 2024	<u>2,044</u>	-	-	<u>2,044</u>

The Group and the Bank	12-month	Lifetime	Lifetime	Total
	expected credit	credit losses-	expected	
	losses (Stage 1)	not credit	credit losses	
	RM'000	impaired	-Credit impaired	RM'000
		(Stage 2)	(Stage 3)	
At 1 January 2023	998	-	-	998
Total charge to Statement of Income:	596	-	-	596
New financial assets purchased	5,460	-	-	5,460
Financial assets that have been derecognised	(274)	-	-	(274)
Change in credit risk	(4,590)	-	-	(4,590)
At 31 December 2023	<u>1,594</u>	-	-	<u>1,594</u>

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
A9 Debt instruments at amortised cost		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	6,375,160	6,161,751
Bank Negara Malaysia bills		
Islamic Cagamas bonds	20,146	35,201
Malaysian Government Sukuk	-	-
Khazanah bonds	-	-
	6,395,306	6,196,952
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	7,902,338	7,803,553
Amortisation of premium net of accretion of discount	(5,456)	(4,951)
Less: Expected credit loss	(368)	(469)
	14,291,820	13,995,085

(a) Included in debt instruments at amortised cost is exposures to Restricted Profit Sharing Investment Accounts (“RPSIA”), as part of an arrangement between CIMB Islamic Bank Berhad and third party amounting to RM638,312,000 (31 December 2023: RM592,587,000).

Expected credit losses movement for debt instruments at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses (not credit impaired - Stage 2) RM'000	Lifetime expected credit losses (Credit impaired - Stage 3) RM'000	Total RM'000
	At 1 January 2024	469	-	-
Total charge to Statement of Income:	(101)	-	-	(101)
New financial assets purchased	-	-	-	-
Change in credit risk	(101)	-	-	(101)
At 30 June 2024	368	-	-	368

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses (not credit impaired - Stage 2) RM'000	Lifetime expected credit losses (Credit impaired - Stage 3) RM'000	Total RM'000
	At 1 January 2023	418	-	-
Total charge to Statement of Income:	51	-	-	51
New financial assets purchased	2,440	-	-	2,440
Change in credit risk	(2,389)	-	-	(2,389)
At 31 December 2023	469	-	-	469

PART A - EXPLANATORY NOTES (CONTINUED)

A9 Debt instruments at amortised cost (continued)

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

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2024	594,678	594,678
Other movements	32,130	32,130
Exchange fluctuation	14,206	14,206
At 30 June 2024	641,014	641,014

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2023	501,772	501,772
Other movements	71,956	71,956
Exchange fluctuation	20,950	20,950
At 31 December 2023	594,678	594,678

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract

30 June 2024

	The Group and the Bank										Total RM'000
	Sale-based contracts				Lease-based contracts			Loan contract	Others		
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Muntahiah Bi-al- Ijarah Tamlik *	Al-Ijarah Thumma Al-Bai' #	Qard	Ujrah		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At amortised cost											
Cash line^	-	-	249	-	1,700,523	-	-	8,479	-	-	1,709,251
Term financing											
House Financing	-	3,454,920	-	-	47,664,460	959,846	-	-	-	-	52,079,226
Syndicated Financing	-	-	-	-	1,992,020	-	-	-	-	-	1,992,020
Hire purchase receivables	-	-	-	-	-	-	19,037,506	-	-	-	19,037,506
Other term financing	-	691,502	929,502	-	41,863,851	29,743	-	-	-	-	43,514,598
Bills receivable	1,083,853	-	-	31,421	-	-	-	-	-	-	1,115,274
Islamic trust receipts	17,906	-	-	-	-	-	-	-	-	-	17,906
Claims on customers under acceptance credits	1,366,058	-	-	21,979	-	-	-	-	-	-	1,388,037
Staff financing**	-	-	-	-	326,480	-	-	-	-	-	326,480
Revolving credits	-	-	-	-	6,740,575	-	-	-	-	-	6,740,575
Credit card receivables	-	-	-	-	-	-	-	-	391,786	-	391,786
Gross financing, advances and other financing/loans, at amortised cost	2,467,817	4,146,422	929,751	53,400	100,287,909	989,589	19,037,506	8,479	391,786	-	128,312,659
Fair value changes arising from fair value hedge											(632)
											128,312,027
Less: Expected credit losses											(1,730,201)
Net financing, advances and other financing/loans, at amortised cost											126,581,826
At fair value through profit or loss											
Term financing											
Syndicated Financing	-	-	-	-	66,127	-	-	-	-	-	66,127
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	66,127	-	-	-	-	-	66,127
Total net financing, advances and other financing/loans											126,647,953

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2023

	The Group and the Bank										
	Sale-based contracts				Lease-based contracts			Loan contract	Others	Total RM'000	
	Murabahah RM'000	Bai' Bithaman		Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah	Al-Ijarah	Qard RM'000		Ujrah RM'000
		Ajil RM'000	Muntahiah Bi al-				Thumma Al-Bai'				
						Tamlik * RM'000	# RM'000				
At amortised cost											
Cash line [^]	-	100	157	-	1,600,152	-	-	11,639	-	1,612,048	
Term financing											
House Financing	-	3,646,653	-	-	43,691,549	995,640	-	-	-	48,333,842	
Syndicated Financing	-	-	-	-	2,050,549	-	-	-	-	2,050,549	
Hire purchase receivables	-	-	-	-	-	-	17,998,019	-	-	17,998,019	
Other term financing	-	757,895	1,058,383	-	40,912,823	32,457	-	-	-	42,761,558	
Bills receivable	1,069,061	-	-	21,017	-	-	-	-	-	1,090,078	
Islamic trust receipts	21,065	-	-	-	-	-	-	-	-	21,065	
Claims on customers under acceptance credits	1,101,828	-	-	124,175	-	-	-	-	-	1,226,003	
Staff financing**	-	-	-	-	310,822	-	-	-	-	310,822	
Revolving credits	-	-	-	-	7,186,785	-	-	-	-	7,186,785	
Credit card receivables	-	-	-	-	-	-	-	-	302,377	302,377	
Gross financing, advances and other, at amortised cost financing/loans	2,191,954	4,404,648	1,058,540	145,192	95,752,680	1,028,097	17,998,019	11,639	302,377	122,893,146	
Fair value changes arising from fair value hedges										(934)	
Less: Expected credit losses										122,892,212	
At amortised cost										(1,689,858)	
- Expected credit losses on financing, advances and other financing/loans											
Net financing, advances and other financing/loans, at amortised cost										121,202,354	
At fair value through profit or loss:											
Term financing											
Syndicated Financing	-	-	-	-	274,133	-	-	-	-	274,133	
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	274,133	-	-	-	-	274,133	
Total net financing, advances and other financing/loans										121,476,487	

[^] Includes current account in excess

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

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

** Includes financing to Directors of the Group and the Bank amounting to RM2,215,975 (2023: RM 2,236,259).

PART A - EXPLANATORY NOTES (CONTINUED)

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

(i) By type and Shariah contract (continued)

	The Group and the Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Total Gross financing, advances and other financing/loans		
- At amortised cost	128,312,659	122,893,146
- At fair value through profit or loss	66,127	274,133
	<u>128,378,786</u>	<u>123,167,279</u>

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM28,021,000 (2023: RM36,682,000) using Islamic profit rate swaps.

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

As at 30 June 2024, the gross carrying amount to RPSIA financing is RM3,326,027,000 (31 December 2023: RM3,425,929,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM384,000 (31 December 2023: RM415,000) is recognised in the Financial Statements of CIMB Bank Berhad.

(c) Movement of Qard financing

	The Group and the Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
At 1 January	11,639	12,917
New disbursement	3,183	6,252
Repayment	(6,343)	(7,530)
As at 30 June/31 December	<u>8,479</u>	<u>11,639</u>
Sources of Qard fund:		
Depositors' fund	7,865	10,825
Shareholders' fund	614	814
	<u>8,479</u>	<u>11,639</u>
Uses of Qard fund:		
Personal use	254	5,410
Business purpose	8,225	6,229
	<u>8,479</u>	<u>11,639</u>

(ii) By geographical distribution:

Malaysia	128,378,786	123,167,279
	<u>128,378,786</u>	<u>123,167,279</u>

PART A - EXPLANATORY NOTES (CONTINUED)

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

	The Group and the Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
(iii) By type of customer:		
Domestic non-bank financial institutions	2,797,078	2,697,204
Domestic business enterprises		
- Small medium enterprises	21,757,101	20,101,501
- Others	11,908,104	12,549,489
Government and statutory bodies	1,854,359	1,778,885
Individuals	87,996,252	84,082,470
Other domestic entities	1,102,764	968,574
Foreign entities	963,128	989,156
Gross financing, advances and other financing/loans	<u>128,378,786</u>	<u>123,167,279</u>
(iv) By profit rate sensitivity:		
Fixed rate		
- House financing	507,285	571,778
- Hire purchase receivables	16,638,884	15,550,009
- Others	4,263,777	4,351,912
Variable rate		
- House financing	51,571,941	47,762,064
- Others	55,396,899	54,931,516
Gross financing, advances and other financing/loans	<u>128,378,786</u>	<u>123,167,279</u>
(v) By economic purpose:		
Personal use	2,254,415	2,148,152
Credit card	391,786	302,377
Construction	1,812,635	1,835,359
Residential property	53,134,380	49,429,715
Non-residential property	15,056,545	13,371,150
Purchase of fixed assets other than land and building	961,068	1,128,934
Merger and acquisition	208,584	226,166
Purchase of securities	10,473,608	11,972,504
Purchase of transport vehicles	19,431,987	18,415,703
Working capital	22,803,831	22,309,785
Other purpose	1,849,947	2,027,434
Gross financing, advances and other financing/loans	<u>128,378,786</u>	<u>123,167,279</u>
(vi) By economic sector:		
Primary agriculture	4,303,883	4,073,957
Mining and quarrying	367,873	616,484
Manufacturing	4,894,396	4,594,901
Electricity, gas and water supply	495,218	1,527,275
Construction	4,001,244	3,708,735
Transport, storage and communications	3,378,398	3,658,743
Education, health and others	2,854,993	2,719,435
Wholesale and retail trade, and restaurants and hotels	8,576,715	7,398,277
Finance, insurance/takaful, real estate and business activities	11,194,509	10,457,727
Household	88,302,142	84,401,296
Others	9,415	10,449
Gross financing, advances and other financing/loans	<u>128,378,786</u>	<u>123,167,279</u>

PART A - EXPLANATORY NOTES (CONTINUED)

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

	The Group and the Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
(vii) By residual contractual maturity:		
Within one year	12,540,945	12,671,995
One year to less than three years	2,871,936	2,671,603
Three years to less than five years	7,226,190	6,401,660
Five years and more	105,739,715	101,422,021
Gross financing, advances and other financing/loans	<u>128,378,786</u>	<u>123,167,279</u>
(viii) Credit impaired financing by economic purpose:		
Personal use	22,674	27,607
Credit card	5,257	3,171
Construction	-	-
Residential property	1,074,374	1,143,198
Non-residential property	185,063	183,026
Purchase of fixed assets other than land & building	6,832	6,561
Purchase of securities	745	1,374
Purchase of transport vehicles	166,778	169,394
Working capital	207,707	153,551
Other purpose	90,119	87,992
Gross credit impaired financing, advances and other financing/loans	<u>1,759,549</u>	<u>1,775,874</u>
(ix) Credit impaired financing by geographical distribution:		
Malaysia	<u>1,759,549</u>	<u>1,775,874</u>
	<u>1,759,549</u>	<u>1,775,874</u>
(x) Credit impaired financing by economic sector:		
Primary agriculture	12,173	12,600
Mining and quarrying	1	1
Manufacturing	30,046	20,072
Electricity, gas and water supply	1	1
Construction	76,454	59,876
Transport, storage and communications	7,022	8,390
Education, health and others	22,012	17,941
Wholesale and retail trade, and restaurants and hotels	191,044	175,589
Finance, insurance/takaful, real estate and business activities	84,603	76,414
Household	1,335,819	1,404,914
Others	374	76
Gross credit impaired financing, advances and other financing/loans	<u>1,759,549</u>	<u>1,775,874</u>

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

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

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	772,112	368,166	549,580	1,689,858
Changes in expected credit losses due to transferred within stages:	87,403	(47,777)	(39,626)	-
Transferred to Stage 1	182,221	(169,842)	(12,379)	-
Transferred to Stage 2	(94,624)	287,759	(193,135)	-
Transferred to Stage 3	(194)	(165,694)	165,888	-
Total charge to Statement of Income:	(304,289)	96,980	383,632	176,323
New financial assets originated	53,914	1,629	862	56,405
Financial assets that have been derecognised	(36,270)	(18,390)	-	(54,660)
Writeback in respect of full recoveries	-	-	(13,358)	(13,358)
Change in credit risk	(321,933)	113,741	396,128	187,936
Write-offs	-	(23)	(149,897)	(149,920)
Other movements	60	202	13,678	13,940
At 30 June 2024	555,286	417,548	757,367	1,730,201

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

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

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	163,249	892,799	431,605	1,487,653
Changes in expected credit losses due to transferred within stages:	665,357	(586,700)	(78,657)	-
Transferred to Stage 1	830,582	(804,974)	(25,608)	-
Transferred to Stage 2	(158,233)	572,238	(414,005)	-
Transferred to Stage 3	(6,992)	(353,964)	360,956	-
Total charge to Statement of Income:	(56,519)	62,174	452,827	458,482
New financial assets originated	94,042	2,995	22,062	119,099
Financial assets that have been derecognised	(53,357)	(31,812)	-	(85,169)
Writeback in respect of full recoveries	-	-	(39,614)	(39,614)
Change in credit risk	(97,204)	90,991	470,379	464,166
Write-offs	-	-	(280,984)	(280,984)
Other movements	25	(107)	24,789	24,707
At 31 December 2023	772,112	368,166	549,580	1,689,858

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

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

	The Group and the Bank	
	Lifetime expected credit losses	
	-Credit impaired	
	(Stage 3)	Total
	RM'000	RM'000
At 1 January 2024	1,775,874	1,775,874
Transfer within stages	186,096	186,096
New financial assets originated	2,217	2,217
Write-offs	(149,897)	(149,897)
Amount fully recovered	(49,746)	(49,746)
Other movements	(4,995)	(4,995)
At 30 June 2024	1,759,549	1,759,549

	The Group and the Bank	
	Lifetime expected credit losses	
	-Credit impaired	
	(Stage 3)	Total
	RM'000	RM'000
At 1 January 2023	1,409,337	1,409,337
Transfer within stages	717,079	717,079
New financial assets originated	34,616	34,616
Write-offs	(280,984)	(280,984)
Amount fully recovered	(112,071)	(112,071)
Other movements	7,897	7,897
At 31 December 2023	1,775,874	1,775,874

	The Group and the Bank	
	30 June	31 December
	2024	2023
Ratio of credit impaired financing to total financing, advances and other financing/loans	1.37%	1.44%

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Other assets

	The Group and the Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Sundry debtors net of expected credit losses *, deposits and prepayments	214,568	241,243
Collateral pledged for derivative transactions	118,710	25,250
Treasury related receivables	94,280	77,890
Clearing accounts	71,415	5,610
	498,973	349,993

* net of expected credit losses of RM54,817,000 (2023: RM18,553,000).

A12 Deposits from customers

(i) By type of deposit

	The Group and the Bank	
	30 June 2024 RM'000	31 December 2023 RM'000
Savings deposits	9,375,075	8,944,308
Commodity Murabahah (via Tawarruq arrangement)*	9,375,075	8,944,308
Demand deposits	19,486,460	21,623,729
Qard	17,567,883	19,637,587
Commodity Murabahah (via Tawarruq arrangement)*	1,918,577	1,986,142
Term deposits	82,063,274	80,057,417
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	49,638,361	50,166,877
Fixed Deposits-i (via Tawarruq arrangement)*	30,882,421	29,394,871
Negotiable Islamic Debt Certificate (NIDC) Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	1,542,492	495,669
Specific investment account	25,020	25,160
Mudharabah	25,020	25,160
Others	254,895	181,130
Qard	254,895	181,130
	111,204,724	110,831,744

*included Qard contract of RM1,058,552,000 (2023:RM890,124,000)

PART A - EXPLANATORY NOTES (CONTINUED)

The Group and the Bank
30 June **31 December**
2024 **2023**
RM'000 **RM'000**

A12 Deposits from customers (continued)

(ii) Maturity structures of term deposits and investment accounts.

Due within six months	69,232,027	63,759,645
Six months to less than one year	11,741,599	15,272,085
One year to less than three years	235,307	173,634
Three years to less than five years	869,006	866,737
Five years and more	10,355	10,476
	82,088,294	80,082,577

(iii) By type of customer

Government and statutory bodies	7,548,875	7,469,522
Business enterprises	43,409,928	43,657,808
Individuals	33,629,482	32,074,557
Others	26,616,439	27,629,857
	111,204,724	110,831,744

The Group and the Bank
30 June **31 December**
2024 **2023**
RM'000 **RM'000**

A13 Investment accounts of customers

Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	1,832,183	1,665,728
Daily Investment Account-i	64,972	17,698
-with maturity		
Term Investment Account-i	17,587,875	16,659,812
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	82,568	48,300
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	638,312	592,587
	20,205,910	18,984,125

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

The Group and the Bank
30 June **31 December**
2024 **2023**
RM'000 **RM'000**

A14 Deposits and placements of banks and other financial institutions

Licensed Islamic banks	250,520	400,329
Licensed investment banks	523,168	645,848
Licensed banks	3,592,004	3,760,466
Bank Negara Malaysia	5,000	5,000
Other financial institutions	434,148	721,863
	4,804,840	5,533,506

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

Due within six months	4,522,973	5,364,448
Six months to less than one year	110,000	-
One year to three years	171,867	169,058
	4,804,840	5,533,506

PART A - EXPLANATORY NOTES (CONTINUED)

The Group and the Bank
30 June **31 December**
2024 **2023**
RM'000 **RM'000**

A15 Investment accounts due to designated financial institutions

Restricted investment accounts			
Mudharabah	3,325,210	3,424,851	
<hr/>			
By type of counterparty			
Licensed banks	3,325,210	3,424,851	
<hr/>			

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

The Group and the Bank
30 June **31 December**
2024 **2023**
RM'000 **RM'000**

A16 Financial liabilities designated at fair value through profit or loss

Deposits from customers - structured investments	3,626,342	2,821,784	
<hr/>			

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

The carrying amount of the Group and the Bank as at 30 June 2024 of financial liabilities designated at fair value were RM98,472,000 (31 December 2023: RM75,260,000) lower than the contractual amount at maturity.

The Group and the Bank
30 June **31 December**
2024 **2023**
RM'000 **RM'000**

A17 Other liabilities

Accruals and other payables			
Clearing accounts	193,187	109,569	
Expected credit losses for commitments	13,185	344,969	
and contingencies			
Collateral received for derivative transactions	58,481	93,333	A17(a)
Structured deposits	25,814	42,374	
Treasury related payables	23,441	26,116	
Others	161,561	132,415	
	72,392	69,304	
	<u>548,061</u>	<u>818,080</u>	

PART A - EXPLANATORY NOTES (CONTINUED)

A17 Other liabilities (continued)

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

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2024	75,142	10,474	7,717	93,333
Changes in expected credit losses due to transferred within stages:	2,370	(5,978)	3,608	-
Transferred to Stage 1	5,973	(5,939)	(34)	-
Transferred to Stage 2	(3,602)	7,045	(3,443)	-
Transferred to Stage 3	(1)	(7,084)	7,085	-
Total charge to Statement of Income:	(47,838)	3,395	9,546	(34,897)
New exposures	26,413	-	-	26,413
Exposures derecognised or matured	(18,582)	(3,430)	(1,463)	(23,475)
Change in credit risk	(55,669)	6,825	11,009	(37,835)
Other movements	100	(40)	(15)	45
At 30 June 2024	29,774	7,851	20,856	58,481

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2023	25,092	12,017	8,038	45,147
Changes in expected credit losses due to transferred within stages:	10,339	(11,039)	700	-
Transferred to Stage 1	17,009	(14,047)	(2,962)	-
Transferred to Stage 2	(6,633)	12,413	(5,780)	-
Transferred to Stage 3	(37)	(9,405)	9,442	-
Total charge to Statement of Income:	39,701	9,452	(1,027)	48,126
New exposures	44,486	264	-	44,750
Exposures derecognised or matured	(35,435)	(4,030)	(4,907)	(44,372)
Change in credit risk	30,650	13,218	3,880	47,748
Other movements	10	44	6	60
At 31 December 2023	75,142	10,474	7,717	93,333

As at 30 June 2024, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM92,958,000 (2023: RM54,837,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
A18 Income derived from investment of depositors' funds and others				
The Group and the Bank				
Income derived from investment of :				
a) General investment deposits	930,009	764,507	1,802,696	1,613,157
b) Specific investment deposits	245	909	500	1,818
c) Other deposits	544,840	342,960	1,023,082	718,731
	1,475,094	1,108,376	2,826,278	2,333,706
a) Income derived from investment of general investment deposits				
Financing, advances and other financing/loans				
- Profit income	707,515	683,010	1,418,215	1,338,593
- Unwinding income [^]	7,444	9,601	15,809	17,179
Debt instruments at fair value through other comprehensive income	38,210	33,566	73,071	65,715
Debt instrument at amortised cost	83,088	78,413	167,826	142,716
Money at call and deposit with financial institutions	42,782	64,918	84,998	142,542
Reverse Collateralised Commodity Murabahah	5,912	2,562	10,742	4,134
	884,951	872,070	1,770,661	1,710,879
Accretion of discount less amortisation of premium	(5,904)	(5,790)	(11,420)	(11,170)
	879,047	866,280	1,759,241	1,699,709
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	11,660	16,042	29,614	31,716
- Financing, advances and other financing/loans	934	-	3,523	-
- Net accretion of discount less amortisation of premium	30,168	15,647	50,575	23,874
Total finance income and hibah	921,809	897,969	1,842,953	1,755,299
Other operating income				
- Net gain arising from financial investments at fair value through profit or loss:	1,817	3,198	3,006	12,491
- realised	816	3,919	3,003	11,372
- unrealised	1,001	(721)	3	1,119
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	2,412	881	4,758	975
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	150	-	1,236	-
- Net gain/(loss) from foreign exchange transactions	3,919	(139,605)	(52,453)	(161,698)
	8,298	(135,526)	(43,453)	(148,232)
Fee and commission income				
- Guarantee fee	(98)	2,064	3,196	6,090
	930,009	764,507	1,802,696	1,613,157
b) Income derived from investment of specific investment deposits				
Money at call and deposit with financial institutions	245	909	500	1,818

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
A18 Income derived from investment of depositors funds and others (continued)				
The Group and the Bank				
c) Income derived from investment of other deposits				
Financing, advances and other financing/loans				
- Profit income	414,495	306,400	803,966	596,684
- Unwinding income [^]	4,361	4,307	8,945	7,662
Debt instruments at fair value through other comprehensive income	22,385	15,058	41,489	29,293
Debt instrument at amortised cost	48,676	35,176	95,114	63,649
Money at call and deposit with financial institutions	25,064	29,122	48,199	63,493
Reverse Collateralised Commodity Murabahah	3,463	1,150	6,110	1,846
	<u>518,444</u>	<u>391,213</u>	<u>1,003,823</u>	<u>762,627</u>
Accretion of discount less amortisation of premium	(3,459)	(2,598)	(6,482)	(4,980)
	<u>514,985</u>	<u>388,615</u>	<u>997,341</u>	<u>757,647</u>
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	6,831	7,197	16,670	14,137
- Financing, advances and other financing/loans	547	-	1,966	-
- Net accretion of discount less amortisation of premium	17,674	7,019	28,857	10,662
Total finance income and hibah	<u>540,037</u>	<u>402,831</u>	<u>1,044,834</u>	<u>782,446</u>
Other operating income				
- Net gain arising from financial investments at fair value through profit or loss:	1,063	1,434	1,715	5,549
- realised	477	1,758	1,676	5,058
- unrealised	586	(324)	39	491
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	1,412	395	2,698	437
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	88	-	683	-
- Net gain/(loss) from foreign exchange transactions	2,295	(62,627)	(28,597)	(72,410)
	<u>4,858</u>	<u>(60,798)</u>	<u>(23,501)</u>	<u>(66,424)</u>
Fee and commission income				
- Guarantee fee	(55)	927	1,749	2,709
	<u>544,840</u>	<u>342,960</u>	<u>1,023,082</u>	<u>718,731</u>

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

A19 Income derived from investment of investment account

The Group and The Bank

Financing, advances and other financing/loans				
- Profit income	300,163	261,443	592,352	487,138
- Unwinding income [^]	3	-	4	7
Debt instrument at amortised cost	12,421	11,633	25,613	21,192
	<u>312,587</u>	<u>273,076</u>	<u>617,969</u>	<u>508,337</u>
Accretion of discount less amortisation of premium	2,090	2,611	4,854	4,508
	<u>314,677</u>	<u>275,687</u>	<u>622,823</u>	<u>512,845</u>
Other operating income				
- Net gain from sale of securities at amortised cost	-	65	-	65
- Net (loss)/gain from foreign exchange transactions	(3)	192	131	206
	<u>(3)</u>	<u>257</u>	<u>131</u>	<u>271</u>
Fees and commission income				
- Service charges and fees	356	-	661	528
Other income	1	313	2	1
	<u>315,031</u>	<u>276,257</u>	<u>623,617</u>	<u>513,645</u>

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
A20 Income derived from investment of shareholder's funds				
The Group and The Bank				
Financing, advances and other financing/loans				
- Profit income	87,603	76,454	173,776	148,029
- Unwinding income [^]	922	1,075	1,936	1,902
Debt instruments at fair value through other comprehensive income	4,731	3,757	8,958	7,267
Debt instrument at amortised cost	10,287	8,778	20,562	15,798
Money at call and deposit with financial institutions	5,297	7,267	10,416	15,742
Reverse Collateralised Commodity Murabahah	732	286	1,318	458
	109,572	97,617	216,966	189,196
Accretion of discount less amortisation of premium	(731)	(648)	(1,400)	(1,235)
	108,841	96,969	215,566	187,961
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	1,444	1,796	3,621	3,507
- Financing, advances and other financing/loans	116	-	430	-
- Net accretion of discount less amortisation of premium	3,736	1,752	6,210	2,650
Total finance income and hibah	114,137	100,517	225,827	194,118
Other operating income				
- Net gain arising from financial assets at fair value through profit or loss:	225	357	369	1,372
- realised	101	438	366	1,252
- unrealised	124	(81)	3	120
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	299	99	583	109
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	18	-	150	-
- Net gain/(loss) from foreign exchange transactions	485	(15,627)	(6,350)	(18,039)
- Net (loss)/gain arising from hedging activities	(168)	(82)	42	87
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	7,624	(20,401)	34,282	(46,942)
- realised	6,976	22,244	14,002	46,814
- unrealised	648	(42,645)	20,280	(93,756)
- Net gain arising from derivative financial instrument	39,513	289,156	155,987	394,455
- realised	103,254	67,746	171,640	(43,132)
- unrealised	(63,741)	221,410	(15,653)	437,587
	47,996	253,502	185,063	331,042
Fee and commission income				
- Guarantee fee	(12)	232	387	671
- Service charge and fee	34,537	29,217	66,617	56,104
- Commission fee	47,186	42,470	95,969	100,770
Total fee and commission income	81,711	71,919	162,973	157,545
Less : fee and commission expense	(14,922)	(5,102)	(28,103)	(15,374)
Net fee and commission income	66,789	66,817	134,870	142,171
Other income	414	420	1,203	744
	229,336	421,256	546,963	668,075

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

A21 Modification loss

The Group and the Bank

Loss on modification of cash flows	-	66	1	73
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PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
A22(a) Expected credit losses on financing, advances and other financing/loans				
The Group and the Bank				
Expected credit losses on financing, advances and other financing/loans at amortised cost:				
- Expected credit losses on financing, advances and other financing/loans	45,093	143,241	176,323	190,708
Credit impaired financing, advances and other financing/loans:				
- recovered	(24,403)	(17,207)	(50,869)	(34,140)
- written off	1,235	742	2,500	1,633
	<u>21,925</u>	<u>126,776</u>	<u>127,954</u>	<u>158,201</u>
A22(b) Other expected credit losses made				
The Group and the Bank				
Expected credit losses made/(written back) on:				
- Debt instrument at fair value through other comprehensive income	(485)	8	450	793
- Debt instrument at amortised cost	(26)	(291)	(101)	(5)
- Deposits and placements with banks and other financial institutions	-	(1)	-	(1)
- Other receivables	15,650	(1,107)	36,263	(1,083)
	<u>15,139</u>	<u>(1,391)</u>	<u>36,612</u>	<u>(296)</u>
A23 Income attributable to depositors and others				
The Group and The Bank				
Deposits from customers				
- Mudharabah	245	909	500	1,818
- Non-Mudharabah	794,473	764,428	1,600,138	1,482,668
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	65,816	79,156	140,137	157,991
Others				
- Financial liabilities designated at fair value through profit or loss	30,288	25,325	50,366	49,963
- Recourse obligation on loans and financing sold to Cagamas	27,677	-	55,528	-
- Senior Sukuk	43,358	-	55,264	-
- Subordinated Sukuk	11,145	11,144	22,289	22,166
- Structured deposits	27	42	75	65
- Collateralised Commodity Murabahah	24,899	18,947	44,975	35,598
- Others	3	10	8	20
	<u>997,931</u>	<u>899,961</u>	<u>1,969,280</u>	<u>1,750,289</u>
A24 Profit distributed to investment account holder				
The Group and the Bank				
- Restricted	46,831	44,179	95,318	85,543
- Unrestricted	166,455	144,333	332,634	258,526
	<u>213,286</u>	<u>188,512</u>	<u>427,952</u>	<u>344,069</u>

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
A25 Personnel expenses				
The Group and the Bank				
Salaries, allowances and bonuses	6,497	5,886	12,918	11,929
Pension costs (defined contribution plan)	737	656	1,464	1,304
Staff incentives and other staff payments	38	192	305	434
Medical expenses	126	55	250	229
Share-based expense ¹	(187)	425	75	849
Others	363	154	860	250
	7,574	7,368	15,872	14,995

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

A26 Other overheads and expenditures

The Group and The Bank

Establishment

Depreciation of property, plant equipment	59	86	122	173
Depreciation of right-of-use assets	(44)	144	98	286
Rental	81	24	174	179
Amortisation of intangible assets	592	241	1,219	483
Repairs and maintenance	76	82	117	205
Utility expenses	7	7	15	14
Others	1,833	1,216	3,275	2,416
	2,604	1,800	5,020	3,756

Marketing

Advertisement and publicity	1,367	983	2,707	2,007
Others	80	124	349	168
	1,447	1,107	3,056	2,175

General expenses

Consultancy and professional fees	522	301	2,649	934
Legal expenses	89	162	159	(214)
Stationery	46	51	138	110
Postages	63	46	124	90
Donation	220	116	995	2,101
Incidental expenses on banking operations	833	1,099	1,664	2,115
Takaful	750	479	1,827	1,594
Group service expense	323,253	300,534	635,791	642,046
Others	3,530	3,571	5,675	5,597
	329,306	306,359	649,022	654,373
	333,357	309,266	657,098	660,304

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

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

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

The Group and the Bank	30 June 2024			31 December 2023		
	Principal Amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000	Principal amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	14,869,009	94,289	(69,352)	12,193,722	126,388	(182,555)
- Less than one year	14,542,374	47,178	(28,322)	11,819,764	75,442	(138,394)
- One year to three years	48,596	8,771	(7,210)	95,919	14,935	(12,638)
- More than three years	278,039	38,340	(33,820)	278,039	36,011	(31,523)
Currency swaps	17,928,710	25,806	(62,117)	11,840,682	128,735	(99,383)
- Less than one year	17,919,358	25,743	(62,054)	11,840,682	128,735	(99,383)
- One year to three years	9,352	63	(63)	-	-	-
Currency spots	89,589	89	(76)	117,214	291	(343)
- Less than one year	89,589	89	(76)	117,214	291	(343)
Currency options	244,562	2,228	(2,227)	280,105	2,561	(2,614)
- Less than one year	183,505	1,171	(1,170)	232,379	1,731	(1,784)
- 1 year to 3 years	61,057	1,057	(1,057)	47,726	830	(830)
- More than 3 years						
Cross currency profit rate swaps	933,567	50,548	(48,340)	964,055	39,344	(37,018)
- Less than one year	462,417	33,653	(33,535)	237,125	2,372	(2,327)
- One year to three years	251,910	6,357	(6,068)	507,690	30,378	(29,931)
- More than three years	219,240	10,538	(8,737)	219,240	6,594	(4,760)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	9,162,495	17,430	(114,884)	7,896,745	26,667	(103,561)
- Less than one year	60,485	-	(814)	463,377	191	(482)
- One year to three years	4,233,377	5,113	(45,674)	3,040,513	6,825	(38,996)
- More than three years	4,868,633	12,317	(68,396)	4,392,855	19,651	(64,083)
<u>Equity related derivatives</u>						
Equity options	52,370	968	(968)	27,130	510	(510)
- Less than one year	25,770	455	(455)	1,873	60	(60)
- One year to three years	26,600	513	(513)	25,257	450	(450)
<u>Credit related contracts</u>						
Total return swaps	39,800	537	(537)	39,800	610	(610)
- One year to three years	39,800	537	(537)	39,800	610	(610)
<u>Commodity related derivatives</u>						
Commodity Swap	190	17	(16)	732	15	(10)
- Less than one year	190	17	(16)	732	15	(10)
Commodity options	4,117,782	7,092	(7,092)	17,035	22	(22)
- Less than one year	4,117,782	7,092	(7,092)	17,035	22	(22)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	8,202,723	62,628	(7,918)	3,761,373	32,018	(6,814)
- Less than one year	30,000	83	-	55,000	425	-
- One year to three years	1,202,723	8,424	(996)	911,373	8,568	(509)
- More than three years	6,970,000	54,121	(6,922)	2,795,000	23,025	(6,305)
Total derivative assets/(liabilities)	55,640,797	261,632	(313,527)	37,138,593	357,161	(433,440)

PART A - EXPLANATORY NOTES (CONTINUED)

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

(i) Islamic derivative financial instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2024, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM261,632,000 (31 December 2023: RM357,161,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2024, the Group has posted cash collateral of RM118,710,000 (31 December 2023: RM25,250,000) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited annual financial statements for the financial year ended 31 December 2023.

PART A - EXPLANATORY NOTES (CONTINUED)

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

(ii) Commitments and contingencies

	30 June 2024 Principal amount	31 December 2023 Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	482,896	518,387
Transaction-related contingent items	1,170,405	1,052,177
Short-term self-liquidating trade-related contingencies	383,691	144,821
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	18,246,414	17,029,337
- maturity exceeding one year	11,929,112	12,864,150
Miscellaneous commitments and contingencies	41,225	47,950
Total credit-related commitments and contingencies	<u>32,253,743</u>	<u>31,656,822</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	33,197,243	24,247,165
- one year to five years	565,425	714,796
- more than five years	302,769	433,817
Profit rate related contracts :		
- less than one year	90,485	518,377
- one year to five years	12,216,002	9,511,626
- more than five years	5,058,731	1,628,115
Equity related contracts :		
- less than one year	25,770	1,873
- one year to five years	26,600	25,257
Credit related contracts:		
- one year to five years	39,800	39,800
Commodity related contracts :		
- less than one year	4,117,972	17,767
Total treasury-related commitments and contingencies	<u>55,640,797</u>	<u>37,138,593</u>
	<u>87,894,540</u>	<u>68,795,415</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Capital Adequacy

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework for Islamic Banks ("CAFIB") (Capital Components), of which the latest revision was issued on 14 June 2024. The revised guidelines took effect on 14 June 2024 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Group and the Bank are computed in accordance with the CAFIB (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 18 December 2023.

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

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

	The Group		The Bank	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Common equity tier 1 ratio	13.912%	12.996%	13.912%	12.996%
Tier 1 ratio	14.448%	13.522%	14.448%	13.522%
Total capital ratio	16.540%	15.545%	16.540%	15.545%

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

	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Credit risk	58,941,616	60,587,492	58,941,754	60,587,629
Market risk	896,296	759,406	896,296	759,406
Operational risk	5,486,201	5,308,225	5,485,328	5,307,380
Total risk-weighted assets	65,324,113	66,655,123	65,323,378	66,654,415

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

	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier 1 capital				
Ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	8,914,938	8,295,452	8,914,903	8,295,417
Common Equity Tier 1 capital before regulatory adjustments	9,914,938	9,295,452	9,914,903	9,295,417
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(2,411)	(3,283)	(2,411)	(3,283)
Deferred tax assets	(232,931)	(283,238)	(232,931)	(283,238)
Regulatory reserve	(453,295)	(210,633)	(453,295)	(210,633)
Others	(2,455)	477	(2,455)	477
Common Equity Tier 1 capital after regulatory adjustments	9,087,846	8,662,775	9,087,811	8,662,740
Additional Tier 1 capital				
Perpetual preference shares	350,000	350,000	350,000	350,000
Total Tier 1 capital	9,437,846	9,012,775	9,437,811	9,012,740
Tier 2 capital				
Subordinated Sukuk	1,100,000	1,100,000	1,100,000	1,100,000
Surplus of eligible provisions over expected loss	183,442	167,724	183,439	167,721
General provisions ^	83,191	81,031	83,193	81,033
Total Tier 2 capital	1,366,633	1,348,755	1,366,632	1,348,754
Total capital	10,804,479	10,361,530	10,804,443	10,361,494

^ Total capital of the Group and the Bank has excluded general provisions from Tier 2 capital of RM53.7 million (2023: RM48.8million).

PART A - EXPLANATORY NOTES (CONTINUED)

A29 Restricted Agency Investment Account -RAIA

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

	The Group and the Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
<u>RAIA arrangement</u>		
Financing and advances	12,179,393	12,882,815
Commitments and contingencies	3,000,000	2,600,000
	<u>15,179,393</u>	<u>15,482,815</u>

	The Group and the Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Total RWA for Credit Risk	627,520	830,893
	<u>627,520</u>	<u>830,893</u>

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank has transferred substantially all the risk and rewards of ownership of the Investment (i.e. the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting

Definition of segments

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, remittance and foreign exchange, deposits and internet banking services.

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

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

Group Funding

Group Funding encompasses a wide range of activities from capital, balance sheet and fixed income investments and management, as well as the funding and incubation of corporate ventures and projects.

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group 30 June 2024	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Net financing income:					
- external	(580,122)	1,334,015	461,175	124,635	1,339,703
- inter-segment	773,791	(671,994)	(78,573)	(23,224)	-
	193,669	662,021	382,602	101,411	1,339,703
Other operating income	63,498	133,348	63,680	(604)	259,922
Total income	257,167	795,369	446,282	100,807	1,599,625
Overhead expenses	(90,934)	(362,137)	(93,969)	(125,930)	(672,970)
Consist of :					
Depreciation of property, plant and equipment	(4)	(1)	-	(117)	(122)
Amortisation of intangible assets	(297)	(343)	(579)	-	(1,219)
Profit/(loss) before allowances	166,233	433,232	352,313	(25,123)	926,655
Expected credit losses (made)/written back on financing, advances and other financing/loans	(5,168)	(127,133)	4,356	(9)	(127,954)
Expected credit losses (made)/written back for commitments and contingencies	(1,784)	44,305	(7,624)	-	34,897
Other expected credit losses written back/(made)	71	-	-	(36,683)	(36,612)
Segment results	159,352	350,404	349,045	(61,815)	796,986
Taxation					(197,137)
Net profit for the financial period					599,849

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group	Wholesale	Consumer	Commercial	Group	Total
30 June 2023	Banking	Banking	Banking	Funding	
	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income:					
- external	(570,656)	1,143,423	359,206	220,120	1,152,093
- inter-segment	740,102	(518,856)	(23,302)	(197,944)	0
	169,446	624,567	335,904	22,176	1,152,093
Other operating income	69,995	138,514	58,001	2,392	268,902
Total income	239,441	763,081	393,905	24,568	1,420,995
Overhead expenses	(96,796)	(336,590)	(82,341)	(159,572)	(675,299)
Consist of :					
Depreciation of property, plant and equipment	(2)	-	-	(171)	(173)
Amortisation of intangible assets	(270)	(212)	-	(1)	(483)
Profit before allowances	142,645	426,491	311,564	(135,004)	745,696
Expected credit losses written back/(made) on financing, advances and other financing/loans	2,178	(150,109)	(10,267)	(3)	(158,201)
Expected credit losses written back/(made) for commitments and contingencies	5,501	(40,848)	(1,404)	-	(36,751)
Other expected credit losses written back/(made)	972	-	-	(676)	296
Segment results	151,296	235,534	299,893	(135,683)	551,040
Taxation					(142,912)
Net profit for the financial period					408,128

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group 30 June 2024	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Segment assets	35,646,262	87,013,081	25,016,861	17,511,809	165,188,013
Unallocated assets					1,360,344
Total assets					166,548,357
Segment liabilities	70,557,322	52,780,747	19,060,947	13,331,362	155,730,378
Unallocated liabilities					553,041
Total liabilities					156,283,419
Other segment items					
Capital expenditure	89	101	170	30	390
<hr/>					
The Group 31 December 2023	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Segment assets	35,943,310	83,162,739	23,179,158	16,022,916	158,308,123
Unallocated assets					1,357,638
Total assets					159,665,761
Segment liabilities	67,646,988	49,882,929	19,500,716	12,169,834	149,200,467
Unallocated liabilities					819,842
Total liabilities					150,020,309
Other segment items					
Capital expenditure	780	773	1,482	74	3,109

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Fair Value Estimation

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

- Fair valuation of financial instruments is determined either through Mark-to-Market or Mark-to-Model methodology, as appropriate;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification. Market price and/or rate sources for Mark-to-Market are validated by Market Risk Management as part and parcel of market data reasonableness verification;
- Valuation methodologies for the purpose of determining Mark-to-Model prices will be verified by Group Risk Management Quantitative Analysts before submitting to the Group Market and Conduct Risk Committee ("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 and liabilities are recorded at fair value.

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Fair Value Estimation (continued)

(i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 30 June 2024 and 31 December 2023.

The Group and the Bank	30 June 2024 Fair Value			31 December 2023 Fair Value		
	(Level 2) RM'000	(Level 3) RM'000	Total RM'000	(Level 2) RM'000	(Level 3) RM'000	Total RM'000
<i>Recurring fair value measurements</i>						
<u>Financial assets</u>						
Financial assets at fair value through profit or loss						
-Money market instruments	5,920,017	-	5,920,017	3,579,418	-	3,579,418
-Unquoted securities	41,380	-	41,380	175,055	-	175,055
Debt instruments at fair value through other comprehensive income						
-Money market instruments	2,329,204	-	2,329,204	1,744,746	-	1,744,746
-Unquoted securities	4,410,673	-	4,410,673	3,618,018	-	3,618,018
Derivative financial instruments						
-Trading derivatives	198,036	968	199,004	324,633	510	325,143
-Hedging derivatives	62,628	-	62,628	32,018	-	32,018
Financing, advances and other financing/loans at fair value through profit or loss						
	66,127	-	66,127	274,133	-	274,133
Total	13,028,065	968	13,029,033	9,748,021	510	9,748,531
<i>Recurring fair value measurements</i>						
<u>Financial liabilities</u>						
Derivative financial instruments						
-Trading derivatives	304,641	968	305,609	426,116	510	426,626
-Hedging derivatives	7,918	-	7,918	6,814	-	6,814
Financial liabilities designated at fair value through profit or loss						
	3,626,342	-	3,626,342	2,821,784	-	2,821,784
Total	3,938,901	968	3,939,869	3,254,714	510	3,255,224

PART A-EXPLANATORY NOTES (CONTINUED)

A31 Fair Value Estimation (continued)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 June 2024 and 31 December 2023 for the Group and the Bank:

	30 June 2024				31 December 2023			
	Financial Assets		Financial Liabilities		Financial Assets		Financial Liabilities	
	Derivative financial instruments		Derivative financial instruments		Derivative financial instruments		Derivative financial instruments	
	Trading derivatives	Total	Trading derivatives	Total	Trading derivatives	Total	Trading derivatives	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group and the Bank								
2024								
At 1 January 2024/2023	510	510	(510)	(510)	-	-	-	-
Total gain/(loss) recognised in statement of income	60	60	(10)	(10)	205	205	(141)	(141)
Purchases	421	421	(485)	(485)	342	342	(423)	(423)
Settlements	(23)	(23)	37	37	(37)	(37)	54	54
As at 30 June/31 December	968	968	(968)	(968)	510	510	(510)	(510)
Total gain/(loss) recognised in statement of income for financial period/year ended 30 June 2024 and 31 December 2023 under:								
- net other income	60	60	(10)	(10)	205	205	(141)	(141)
Change in unrealised gain/(loss) recognised in statement of income relating to assets held on 30 June 2024/31 December 2023 under "net other income"	96	96	(33)	(33)	227	227	(148)	(148)

PART A - EXPLANATORY NOTES (CONTINUED)

A32 Credit transactions and exposures with connected parties

	The Group and the Bank	
	30 June	31 December
	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties	2,259,337	2,011,838
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	1.3%	1.2%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.0%	0.0%

PART B

B1 Group performance review

The Group recorded a pre-tax profit of RM797.0 million for the financial period ended 30 June 2024, an increase of RM245.9 million or 44.6% compared to the previous corresponding period.

Total income increased by RM481.4 million or 13.7% to RM3,996.9 million from previous corresponding period, comprising of increase of income derived from investments of depositors' funds and others and income derived from investment of investment account by RM492.6 million, and RM110.0 million respectively, offset by decrease of income derived from shareholder's funds by RM121.1 million.

For the six months ended 30 June 2024, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM128.0 million compared to RM158.2 million in the corresponding period last year. The decrease in net allowance charged was mainly due to lower expected credit losses made on financing by RM14.4 million and higher impaired financings recovered by RM16.7 million.

The income attributable to depositors increased by RM219.0 million while profit distributed to investment account holder increased by RM83.9 million.

The Group's gross financing, advances and other financing/loans increased by 4.23% to RM128.4 billion for the six months period ended 30 June 2024. As at 30 June 2024, deposits from customers and investment accounts of customers stood at RM111.2 billion and RM20.2 billion, an increase of RM0.4 billion and RM1.2 billion respectively as compared to 31 December 2023.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 13.912%, 14.448% and 16.540% respectively.

B2 Prospects for the current financial year

Amidst an environment of global political changes, sustained geopolitical tensions, anticipation of interest rate pivots and competitive landscape within the domestic banking sector, the Bank remains cautious on the macro outlook for the second half of the year. Notwithstanding, the Bank is focused on the successful execution of the tail-end of the Forward23+ Strategic Plan, driven by efforts to further strengthen the deposit and CASA franchise, optimise Net Financing Margin (NFM), enhance other income, expand wealth management and to achieve greater progress on digital and operational resilience. Cost and asset quality management remain core areas of focus as the Bank continues to advance on the sustainability front. On the back of this, the Bank is confident of an improved financial performance in 2024 compared to last year.

B3 Computation of earnings per share (EPS)

a) Basic EPS

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

	The Group and the Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	345,754	213,136	599,849	408,128
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	34.58	21.31	59.98	40.81

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 June 2024 and 30 June 2024.