

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	The Group		The Bank	
		30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Assets					
Cash and short term funds	A6	37,369,538	34,641,588	24,780,991	22,003,264
Reverse repurchase agreements		4,207,590	5,414,051	3,294,505	4,962,362
Deposits and placements with banks and other financial institutions	A6	2,560,645	3,556,817	2,834,487	3,434,775
Investment account placement		-	-	3,652,002	3,919,753
Financial investments at fair value through profit or loss	A7	33,919,195	38,419,622	27,836,042	29,259,195
Debt instruments at fair value through other comprehensive income	A8	47,932,375	46,474,157	33,937,590	35,081,261
Equity instruments at fair value through other comprehensive income	A9	274,863	288,587	267,570	274,727
Debt instruments at amortised cost	A10	54,047,616	50,479,403	43,558,900	41,047,382
Derivative financial instruments	A25	21,012,240	11,827,855	11,567,267	6,181,857
Loans, advances and financing	A11	327,013,887	313,978,579	197,167,045	192,712,187
Other assets	A12	11,951,929	7,204,439	9,048,330	4,808,753
Tax recoverable		279,734	419,394	253,802	405,976
Deferred taxation		1,514,351	1,269,525	961,279	891,970
Statutory deposits with central banks		4,422,755	1,960,005	3,699,964	1,467,797
Amounts due from holding company and ultimate holding company		9,834	15,909	9,830	15,909
Amount due from subsidiaries		-	-	4,897	9,282
Amount due from related companies		2,386,354	2,145,385	2,382,271	2,142,164
Investment in subsidiaries		-	-	6,795,353	6,823,365
Investment in joint venture		161,299	151,157	125,000	125,000
Goodwill		3,934,004	3,934,802	3,555,075	3,555,075
Intangible assets		1,072,848	1,218,478	911,491	1,040,962
Property, plant and equipment		882,231	843,318	598,890	557,611
Right-of-use assets		488,126	507,723	425,175	440,055
		<u>555,441,414</u>	<u>524,750,794</u>	<u>377,667,756</u>	<u>361,160,682</u>
Non-current assets held for sale		7,471	19,595	7,471	19,595
Total Assets		555,448,885	524,770,389	377,675,227	361,180,277
Liabilities					
Deposits from customers	A13	358,403,182	357,504,040	232,793,762	235,782,310
Investment accounts of customers	A14	12,060,415	10,427,167	-	-
Deposits and placements of banks and other financial institutions	A15	36,489,379	30,003,495	30,696,233	26,030,036
Repurchase agreements/Collateralised Commodity Murabahah		33,354,609	28,815,159	30,259,546	25,199,077
Financial liabilities designated at fair value through profit or loss	A16	5,182,207	3,285,777	877,833	261,682
Derivative financial instruments	A25	18,094,967	10,807,410	9,575,150	5,597,918
Bills and acceptances payable		1,278,057	1,273,871	505,522	529,007
Amount due to subsidiaries		-	-	661,345	273,949
Amount due to related companies		19,404	6,972	10,042	2,679
Other liabilities	A17	19,697,506	11,475,294	14,684,822	8,172,414
Lease liabilities		511,387	535,971	445,731	466,217
Recourse obligation on loans and financing sold to Cagamas		974,111	998,246	974,111	998,246
Provision for taxation and zakat		250,580	117,912	-	-
Bonds, Sukuk and debentures		11,789,613	11,800,169	8,890,161	9,849,786
Other borrowings		1,587,714	2,822,811	1,547,818	2,713,798
Subordinated obligations		8,957,297	9,082,448	8,496,588	8,616,795
Total Liabilities		508,650,428	478,956,742	340,418,664	324,493,914
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		22,177,810	21,855,078	22,177,810	21,855,078
Reserves		24,104,781	23,443,428	14,849,013	14,601,545
		46,282,591	45,298,506	37,026,823	36,456,623
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		286,126	285,401	-	-
Total Equity		46,798,457	45,813,647	37,256,563	36,686,363
Total Equity and Liabilities		555,448,885	524,770,389	377,675,227	361,180,277
Commitments and contingencies	A26	1,231,532,596	1,173,982,279	675,285,312	646,715,842
Net assets per ordinary share attributable to owners of the Parent (RM)		7.29	7.20	5.84	5.80

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

The Group	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Interest income	A18	2,912,804	2,798,968	5,640,833	5,539,856
Interest income from financial assets at fair value through profit or loss	A19	137,277	106,263	257,118	214,892
Interest expense	A20, A32	(1,068,171)	(922,947)	(1,969,218)	(1,909,074)
Net interest income (before modification loss)		1,981,910	1,982,284	3,928,733	3,845,674
Modification gain/(loss)	A21	8,558	(11,186)	6,794	(6,899)
Net interest income (after modification loss)		1,990,468	1,971,098	3,935,527	3,838,775
Income from Islamic Banking operations	A30(b)	765,172	730,865	1,513,495	1,469,721
Net non-interest income	A22	751,801	665,803	1,435,591	1,508,441
Net income		3,507,441	3,367,766	6,884,613	6,816,937
Overheads	A23, A32	(1,589,620)	(1,761,480)	(3,174,298)	(3,391,141)
Profit before expected credit losses		1,917,821	1,606,286	3,710,315	3,425,796
Expected credit losses on loans, advances and financing	A24(a)	(272,057)	(395,748)	(346,232)	(770,065)
Expected credit losses for commitments and contingencies (made)/written back		(3,362)	5,399	(13,300)	(9,507)
Other expected credit losses and impairment allowances written back/(made)	A24(b)	26,202	(70,550)	(70,784)	(109,168)
		1,668,604	1,145,387	3,279,999	2,537,056
Share of results of joint venture		8,904	773	15,143	10,144
Profit before taxation and zakat		1,677,508	1,146,160	3,295,142	2,547,200
Taxation and zakat		(607,869)	(313,462)	(1,090,367)	(606,014)
Profit for the financial period		1,069,639	832,698	2,204,775	1,941,186
Profit for the financial period attributable to:					
Owners of the Parent		1,062,043	829,336	2,190,348	1,934,817
Non-controlling interests		7,596	3,362	14,427	6,369
		1,069,639	832,698	2,204,775	1,941,186
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	16.87	13.38	34.81	31.22

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

<u>The Group</u>	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit for the financial period	1,069,639	832,698	2,204,775	1,941,186
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	117	829	35	1,331
- Currency translation difference	117	829	35	1,331
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(1,245)	(29,446)	(3,394)	(39,743)
- Net loss from change in fair value	(1,899)	(29,687)	(3,625)	(40,130)
- Currency translation difference	654	241	231	387
Equity instruments at fair value through other comprehensive income	(3,769)	12,120	(12,778)	15,055
- Net (loss)/gain from change in fair value	(79)	17,212	(8,304)	20,164
- Income tax effects	(33)	(5,693)	55	(3,085)
- Currency translation difference	(3,657)	601	(4,529)	(2,024)
	(4,897)	(16,497)	(16,137)	(23,357)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(614,491)	224,136	(1,041,436)	(568,991)
- Net (loss)/gain from change in fair value	(860,354)	312,199	(1,387,826)	(567,160)
- Realised loss/(gain) transferred to statement of income on disposal	133,973	(78,334)	130,943	(168,448)
- Changes in expected credit losses	(34,470)	18,247	(33,651)	23,378
- Income tax effects	145,920	(28,019)	248,670	142,198
- Currency translation difference	440	43	428	1,041
Net investment hedge	(190,797)	(2,192)	(238,824)	(166,714)
Cash flow hedge	(8,531)	(1,965)	(8,930)	(297)
- Net loss from change in fair value	(6,542)	(2,692)	(9,638)	(56)
- Income tax effects	(1,989)	727	708	(241)
Exchange fluctuation reserve	247,552	(134,805)	374,757	49,916
Deferred hedging cost	15,006	19,016	32,211	20,614
- Net gain from change in fair value	8,828	20,280	30,206	22,388
- Income tax effects	6,178	(1,264)	2,005	(1,774)
	(551,261)	104,190	(882,222)	(665,472)
Other comprehensive (expense)/income for the financial period, net of tax	(556,158)	87,693	(898,359)	(688,829)
Total comprehensive income for the financial period	513,481	920,391	1,306,416	1,252,357
Total comprehensive income/(expense) for the financial period attributable to:				
Owners of the Parent	512,257	922,815	1,303,362	1,260,223
Non-controlling interests	1,224	(2,424)	3,054	(7,866)
	513,481	920,391	1,306,416	1,252,357

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021
The Bank		RM'000	RM'000	RM'000	RM'000
Interest income	A18	2,502,934	2,350,817	4,845,469	4,649,837
Interest income for financial assets at fair value through profit or loss	A19	111,129	82,290	206,568	168,900
Interest expense	A20	(971,442)	(818,672)	(1,785,067)	(1,687,965)
Net interest income (before modification loss)		1,642,621	1,614,435	3,266,970	3,130,772
Modification loss	A21	(37)	-	(1,260)	-
Net interest income (after modification loss)		1,642,584	1,614,435	3,265,710	3,130,772
Income from Islamic Banking operations	A30(b)	26,089	19,518	42,270	49,648
Net non-interest income	A22	859,783	818,814	1,784,388	1,792,106
Net income		2,528,456	2,452,767	5,092,368	4,972,526
Overheads	A23	(1,254,209)	(1,462,013)	(2,551,847)	(2,792,177)
Profit before expected credit losses		1,274,247	990,754	2,540,521	2,180,349
Expected credit losses on loans, advances and financing	A24(a)	(64,591)	(195,283)	(87,537)	(411,868)
Expected credit losses for commitments and contingencies (made)/written back		(1,090)	20,934	(68,643)	3,812
Other expected credit losses and impairment allowances written back/(made)	A24(b)	64,109	(26,828)	(19,029)	(29,513)
Profit before taxation		1,272,675	789,577	2,365,312	1,742,780
Taxation		(483,505)	(225,749)	(796,816)	(413,398)
Profit for the financial period		789,170	563,828	1,568,496	1,329,382
Earnings per share - basic (sen)	B3	12.53	9.10	24.92	21.45

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Individual Quarter		Cumulative Quarters	
	2nd Quarter Ended	2nd Quarter Ended	Six Months Ended	Six Months Ended
<u>The Bank</u>	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	789,170	563,828	1,568,496	1,329,382
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net loss from change in fair value	(5)	-	(5)	(4)
Equity instruments at fair value through other comprehensive income	(4,280)	12,574	(12,184)	13,074
- Net (loss)/gain from change in fair value	(360)	18,218	(7,572)	19,056
- Income tax effects	8	(5,615)	8	(2,946)
- Currency translation difference	(3,928)	(29)	(4,620)	(3,036)
	(4,285)	12,574	(12,189)	13,070
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(473,097)	163,282	(802,357)	(439,049)
- Net (loss)/gain from change in fair value	(555,315)	241,959	(938,331)	(460,855)
- Realised loss/(gain) transferred to statement of income on disposal	20,511	(58,140)	4,665	(102,687)
- Changes in expected credit losses	(34,253)	14,714	(31,811)	19,524
- Income tax effects	95,520	(35,294)	162,692	103,928
- Currency translation difference	440	43	428	1,041
Net investment hedge	(157,182)	(2,016)	(199,571)	(148,382)
Cash flow hedge	(6,912)	(1,975)	(4,103)	858
- Net (loss)/gain from change in fair value	(4,531)	(2,808)	(3,619)	1,224
- Income tax effects	(2,381)	833	(484)	(366)
Exchange fluctuation reserve	242,037	13,724	312,715	246,469
Deferred hedging cost	14,685	18,931	29,338	20,764
- Net gain from change in fair value	8,507	20,196	27,334	22,539
- Income tax effects	6,178	(1,265)	2,004	(1,775)
	(380,469)	191,946	(663,978)	(319,340)
Other comprehensive (expense)/income for the financial period, net of tax	(384,754)	204,520	(676,167)	(306,270)
Total comprehensive income for the financial period	404,416	768,348	892,329	1,023,112

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

The Group	Attributable to owners of the Parent																			
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Fair value reserve		Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total Equity RM'000
					debt instruments at fair value through other comprehensive income RM'000	equity instruments at fair value through other comprehensive income RM'000														
At 1 January 2022	21,855,078	29,740	73,305	1,988,726	(700,853)	15,892	(1,085,928)	805,772	(1,312,045)	164,628	129,196	(52,491)	32,253	27,136	(10,093)	23,367,930	45,328,246	200,000	285,401	45,813,647
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,190,348	2,190,348	-	14,427	2,204,775
Other comprehensive income/ (expenses) (net of tax)	-	-	-	380,211	(1,035,684)	(12,942)	-	-	(247,834)	32,211	-	(3,219)	87	151	33	-	(886,986)	-	(11,373)	(898,359)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(1,035,684)	-	-	-	-	-	-	-	-	-	-	-	(1,035,684)	-	(5,752)	(1,041,436)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(12,942)	-	-	-	-	-	-	-	-	-	-	(12,942)	-	164	(12,778)
- net investment hedge	-	-	-	-	-	-	-	(238,824)	-	-	-	-	-	-	-	-	(238,824)	-	-	(238,824)
- cash flow hedge	-	-	-	-	-	-	-	(9,010)	-	-	-	-	-	-	-	-	(9,010)	-	80	(8,930)
- currency translation difference - remeasurement of post employment benefits obligations	-	-	-	380,211	-	-	-	-	-	-	-	-	87	151	-	-	380,449	-	(5,692)	374,757
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(3,219)	-	-	-	-	-	(3,219)	-	(175)	(3,394)
- deferred hedging cost	-	-	-	-	-	-	-	-	32,211	-	-	-	-	-	-	-	32,211	-	-	32,211
Total comprehensive income/ (expenses) for the financial period	-	-	-	380,211	(1,035,684)	(12,942)	-	-	(247,834)	32,211	-	(3,219)	87	151	33	2,190,348	1,303,362	-	3,054	1,306,416
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	(651,012)	-	-	(651,012)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,282)	(2,282)
Issue of shares from rights issue	322,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322,732	-	-	322,732
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	9,885	21,066	-	-	30,951	-	-	30,951
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(21,948)	-	-	-	(21,948)	-	(47)	(21,995)
Total transactions with owners recognised directly in equity	322,732	-	-	-	-	-	-	-	-	-	-	-	(12,063)	21,066	-	(651,012)	(319,277)	-	(2,329)	(321,606)
Transfer to statutory reserve	-	-	4,289	-	-	-	-	-	-	-	-	-	-	-	-	(4,289)	-	-	-	-
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	212,218	-	-	-	-	-	(212,218)	-	-	-	-
Transfer to capital reserve	-	-	-	-	-	-	-	34,184	-	-	-	-	-	-	-	(34,184)	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	(282)	-	-	-	-	-	-	-	-	-	282	-	-	-	-
At 30 June 2022	22,177,810	29,740	77,594	2,368,937	(1,736,537)	2,668	(1,085,928)	839,956	(1,559,879)	196,839	341,414	(55,710)	20,277	48,353	(10,060)	24,656,857	46,312,331	200,000	286,126	46,798,457

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

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

The Group	Attributable to owners of the Parent																			
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Fair value reserve		Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total Equity RM'000
					debt instruments at fair value through other comprehensive income RM'000	equity instruments at fair value through other comprehensive income RM'000														
At 1 January 2021	21,323,364	29,740	68,400	2,161,645	172,513	(15,109)	(1,085,928)	805,772	(1,115,253)	105,028	233,441	(10,849)	52,230	-	(37,367)	21,525,312	44,212,939	200,000	311,841	44,724,780
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,934,817	1,934,817	-	6,369	1,941,186
Other comprehensive income/ (expenses) (net of tax)	-	-	-	59,775	(566,496)	14,958	-	-	(166,982)	20,614	-	(37,688)	(30)	(7)	1,262	-	(674,594)	-	(14,235)	(688,829)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(566,496)	-	-	-	-	-	-	-	-	-	-	-	(566,496)	-	(2,495)	(568,991)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	14,958	-	-	-	-	-	-	-	-	-	-	14,958	-	97	15,055
- net investment hedge	-	-	-	-	-	-	-	(166,714)	-	-	-	-	-	-	-	-	(166,714)	-	-	(166,714)
- cash flow hedge	-	-	-	-	-	-	-	(268)	-	-	-	-	-	-	-	-	(268)	-	(29)	(297)
- currency translation difference	-	-	-	59,775	-	-	-	-	-	-	-	-	(30)	(7)	-	-	59,738	-	(9,822)	49,916
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,262	-	1,262	-	69	1,331
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(37,688)	-	-	-	-	-	(37,688)	-	(2,055)	(39,743)
- deferred hedging cost	-	-	-	-	-	-	-	-	-	20,614	-	-	-	-	-	-	20,614	-	-	20,614
Total comprehensive income/ (expenses) for the financial period	-	-	-	59,775	(566,496)	14,958	-	-	(166,982)	20,614	-	(37,688)	(30)	(7)	1,262	1,934,817	1,260,223	-	(7,866)	1,252,357
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,186)	(1,186)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	22,866	3,917	-	-	26,783	-	-	26,783
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(41,738)	-	-	-	(41,738)	-	(78)	(41,816)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(18,872)	3,917	-	-	(14,955)	-	(1,264)	(16,219)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	(207,061)	-	-	-	-	-	207,061	-	-	-	-
At 30 June 2021	21,323,364	29,740	68,400	2,221,420	(393,983)	(151)	(1,085,928)	805,772	(1,282,235)	125,642	26,380	(48,537)	33,328	3,910	(36,105)	23,667,190	45,458,207	200,000	302,711	45,960,918

*The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision and the Malaysian subsidiary of the Group.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Fair value reserve					Non-distributable						Distributable				
	Ordinary share capital	Redeemable Preference Shares	Exchange fluctuation reserve	debt instruments at fair value through other comprehensive income	equity instruments at fair value through other comprehensive income	Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Regulatory reserve*	Own credit risk reserve	Share-based payment reserve	Capital contribution by ultimate holding company	Retained earnings	Perpetual preference shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank																
At 1 January 2022	21,855,078	29,740	866,352	(586,984)	38,228	(1,047,872)	746,852	(841,173)	155,962	129,196	(1)	29,255	22,401	15,089,329	200,000	36,686,363
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	1,568,496	-	1,568,496
Other comprehensive income/ (expenses) (net of tax)	-	-	312,515	(802,357)	(12,184)	-	-	(203,674)	29,338	-	(5)	83	117	-	-	(676,167)
- debt instruments at fair value through other comprehensive income	-	-	-	(802,357)	-	-	-	-	-	-	-	-	-	-	-	(802,357)
- equity instruments at fair value through other comprehensive income	-	-	-	-	(12,184)	-	-	-	-	-	-	-	-	-	-	(12,184)
- net investment hedge	-	-	-	-	-	-	-	(199,571)	-	-	-	-	-	-	-	(199,571)
- cash flow hedge	-	-	-	-	-	-	-	(4,103)	-	-	-	-	-	-	-	(4,103)
- currency translation difference	-	-	312,515	-	-	-	-	-	-	-	-	83	117	-	-	312,715
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(5)	-	-	-	-	(5)
- deferred hedging cost	-	-	-	-	-	-	-	-	29,338	-	-	-	-	-	-	29,338
Total comprehensive income/ (expenses) for the financial period	-	-	312,515	(802,357)	(12,184)	-	-	(203,674)	29,338	-	(5)	83	117	1,568,496	-	892,329
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	-	(651,012)
Issue of shares from rights issue	322,732	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322,732
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	8,923	17,076	-	-	25,999
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(19,848)	-	-	-	(19,848)
Total transactions with owners recognised directly in equity	322,732	-	-	-	-	-	-	-	-	-	-	(10,925)	17,076	(651,012)	-	(322,129)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	211,599	-	-	-	(211,599)	-	-
At 30 June 2022	22,177,810	29,740	1,178,867	(1,389,341)	26,044	(1,047,872)	746,852	(1,044,847)	185,300	340,795	(6)	18,413	39,594	15,795,214	200,000	37,256,563

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Fair value reserve					Non-distributable					Distributable					
	Ordinary share capital	Redeemable Preference Shares	Exchange fluctuation reserve	debt instruments at fair value through other comprehensive income	equity instruments at fair value through other comprehensive income	Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Regulatory reserve*	Own credit risk reserve	Share-based payment reserve	Capital contribution by ultimate holding company	Retained earnings	Perpetual preference shares	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank																
At 1 January 2021	21,323,364	29,740	603,041	84,638	13,201	(1,047,872)	746,852	(670,437)	98,479	20,409	3	46,764	-	13,421,113	200,000	34,869,295
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	1,329,382	-	1,329,382
Other comprehensive income/ (expenses) (net of tax)	-	-	246,305	(439,049)	13,074	-	-	(147,524)	20,764	-	(4)	162	2	-	-	(306,270)
- debt instruments at fair value through other comprehensive income	-	-	-	(439,049)	-	-	-	-	-	-	-	-	-	-	-	(439,049)
- equity instruments at fair value through other comprehensive income	-	-	-	-	13,074	-	-	-	-	-	-	-	-	-	-	13,074
- net investment hedge	-	-	-	-	-	-	-	(148,382)	-	-	-	-	-	-	-	(148,382)
- cash flow hedge	-	-	-	-	-	-	-	858	-	-	-	-	-	-	-	858
- currency translation difference	-	-	246,305	-	-	-	-	-	-	-	-	162	2	-	-	246,469
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(4)	-	-	-	-	(4)
- deferred hedging cost	-	-	-	-	-	-	-	-	20,764	-	-	-	-	-	-	20,764
Total comprehensive income/ (expenses) for the financial period	-	-	246,305	(439,049)	13,074	-	-	(147,524)	20,764	-	(4)	162	2	1,329,382	-	1,023,112
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	20,778	3,218	-	-	23,996
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(37,983)	-	-	-	(37,983)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(17,205)	3,218	-	-	(13,987)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	(1,679)	-	-	-	-	1,679	-	-
At 30 June 2021	21,323,364	29,740	849,346	(354,411)	26,275	(1,047,872)	746,852	(817,961)	119,243	18,730	(1)	29,721	3,220	14,752,174	200,000	35,878,420

*The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	The Group		The Bank	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit before taxation and zakat	3,295,142	2,547,200	2,365,312	1,742,780
Adjustments for non-operating and non-cash items	(456,304)	218,204	(703,838)	(285,675)
Operating profit before changes in working capital	2,838,838	2,765,404	1,661,474	1,457,105
Net changes in operating assets	(17,557,701)	(2,393,704)	(9,882,844)	(3,106,386)
Net changes in operating liabilities	26,045,098	11,881,604	16,188,442	12,427,307
	8,487,397	9,487,900	6,305,598	9,320,921
Cash flows generated from operations	11,326,235	12,253,304	7,967,072	10,778,026
Taxation paid	(810,662)	(420,863)	(536,202)	(225,668)
Net cash flows generated from operating activities	10,515,573	11,832,441	7,430,870	10,552,358
Cash flows from investing activities				
Dividend income	32,074	34,662	157,030	55,227
Investment in subsidiary	-	-	27,377	-
Interest income received from financial investments	1,582,509	1,501,547	1,212,900	1,170,060
Net purchase of financial investments	(6,666,575)	(8,795,840)	(2,236,360)	(7,527,041)
Net purchase of property, plant and equipment	(113,181)	(46,480)	(103,515)	(46,214)
Net purchase from disposal of intangible assets	(123,907)	(251,659)	(100,792)	(226,448)
Other investing activities	(7,529)	45,554	(6,567)	(7,604)
Net cash flows used in investing activities	(5,296,609)	(7,512,216)	(1,049,927)	(6,582,020)
Cash flows from financing activities				
Dividend paid	(653,294)	(1,186)	(651,012)	-
Interest expense paid on bonds and debentures	(85,438)	(78,817)	(90,552)	(90,904)
Interest expense paid on other borrowings	(15,027)	(30,473)	(13,533)	(36,217)
Interest expense paid on subordinated obligations	(151,272)	(185,080)	(151,344)	(216,396)
Proceeds from issuance of bonds and debentures	4,885,728	603,852	2,099,572	404,811
Proceeds from issuance of other borrowings	29,779	179,248	-	-
Repayment of bonds and debentures	(4,997,303)	(714,066)	(3,166,628)	(462,359)
Repayment of other borrowings	(1,273,823)	(2,076,500)	(1,175,216)	(2,076,500)
Repayment of subordinated obligations	-	(1,000,000)	-	(1,000,000)
Other financing activities	235,148	(124,310)	249,365	(110,120)
Net cash flows used in financing activities	(2,025,502)	(3,427,332)	(2,899,348)	(3,587,685)
Net increase in cash and cash equivalents	3,193,462	892,893	3,481,595	382,653
Effects of exchange rate changes	311,226	138,371	268,330	320,109
Cash and cash equivalents at the beginning of financial period	34,198,752	34,406,356	25,179,356	26,771,403
Cash and cash equivalents at end of financial period	37,703,440	35,437,620	28,929,281	27,474,165
Cash and cash equivalents comprise:				
Cash and short-term funds	37,369,538	35,523,189	24,780,991	23,040,633
Deposits and placements with banks and other	2,560,645	2,127,845	2,834,487	1,686,571
Investment account placement	-	-	3,652,002	4,512,450
	39,930,183	37,651,034	31,267,480	29,239,654
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(2,226,743)	(2,213,414)	(2,338,199)	(1,765,489)
Cash and cash equivalents at end of financial period	37,703,440	35,437,620	28,929,281	27,474,165

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2021.

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 30 June 2022 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group’s and the Bank’s audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2021.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2021, and modified for the adoption of the following accounting standards applicable for financial periods beginning on/after 1 January 2022:

- Amendment to MFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021”
- Amendments to MFRS 116 “Proceeds before intended use”
- Amendments to MFRS 3 “Reference to Conceptual Framework”
- Amendments to MFRS 137 “Onerous Contracts –Cost of Fulfilling a Contract”
- Annual improvements to MFRS 9 “Fees in the 10% test for derecognition of financial liabilities”
- Annual Improvements to MFRS 1 “Subsidiary as First-time Adopter”
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives

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

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

(b) While Covid-19 cases remain elevated, high vaccination rates have translated to an easing of concerns, reopening of economies and lifting of global travel restrictions. The trend of governments progressively tightening fiscal and monetary policies to rein in inflation, is expected to continue for the rest of 2022. Nevertheless, the continued recurrence of Covid-19 variants coupled with geopolitical tensions, rising inflation and the threat of a global recession are headwinds to the recovery momentum.

The Group had supported customers impacted by the pandemic by providing targeted assistance programs. As most customers have since migrated out of these programs, various prevailing uncertainties will continue to be monitored and the Group will remain cognisant of asset quality.

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

A2. CHANGES IN ESTIMATES

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed other than those disclosed under the basis of preparation.

PART A - EXPLANATORY NOTES (CONTINUED)

A3 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

- a) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by the Bank, undertook a partial redemption of the Medium Term Note amounting to RM37.2 million.
- b) On 14 January 2022, CIMB Islamic redeemed its RM70 million Basel II Additional Tier 1 Perpetual Preference Shares from CIMB Bank.
- (c) On 20 January 2022, the Bank issued USD500 million 5-year fixed rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of 2.125% per annum payable semi-annually, will mature on 20 July 2027.
- d) On 8 March 2022, the Bank redeemed its USD15 million 5-year senior floating rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- e) On 15 March 2022, the Bank redeemed its USD500 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- f) On 18 May 2022, the Bank redeemed its RM1 billion 5-year senior medium term notes issued under its RM20 billion Senior Medium Term Note Programme.
- g) On 20 June 2022, the Bank issued 55.6 million Rights Issue at RM5.80 for each Rights Share. The issuance has resulted in an increase in ordinary shares of RM322.7 million.
- h) On 18 July 2022, the Bank completed the capital injection of VND225 billion into new ordinary shares of CIMB Bank (Vietnam) Limited.
- i) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB4.8 billion with tenures ranges between 3 months to three years from respective issuance dates. The Bank will pay interest according to the conditions of agreements.
- During the financial period, CIMB Thai Bank has redeemed structured debentures amounted to THB4.3 billion.
- j) During the financial period, CIMB Thai Bank issued various unsecured short term debentures amounted to THB17.4 billion with tenures ranges between 3 to 8 months. The short term debentures carry fixed interest rates ranges from 0.65% - 0.8%, payable at respective maturity dates.
- During the financial period, CIMB Thai Bank has redeemed unsecured short term debentures amounted to THB9.8 billion.

A4. DIVIDENDS PAID

A single-tier second interim dividend of approximately 10.35 sen per ordinary share, on 6,289,967,774 ordinary shares amounting to RM651 million in respect of the financial year ended 31 December 2021 which was approved by the Board of Directors on 28 January 2022, was paid on 15 March 2022.

The Directors have proposed a single-tier first interim dividend of 19.75 sen per ordinary share, on 6,345,611,315 ordinary shares amounting to RM1,253 million in respect of the financial year ending 31 December 2022.

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

In January 2022, the Group identified errors that was related to a specific third party financial remittance service, which led to a limited number of customers receiving duplicate credits in their accounts. The Group has since addressed and remedied these processing errors. After careful assessment of the incident, the Group has also implemented additional controls to prevent similar errors from occurring in the future. At the same time, the Group has embarked on a holistic review of preventive and detective controls and policies and procedures, surrounding its transaction processing infrastructure. In addition, the Group is committed to ensure and to enhance operational resilience.

The Group will take all necessary measures available to it to recover the duplicate payments, and these have commenced in 1Q FY2022. The Group had provided for the majority of the exposure, amounting to an ECL of RM280.9 million during the financial year ended 31 December 2021 and a full and final provision has been made in 1Q FY2022. This provision does not impair the Group's ability to pursue recovery measures. The financial impact are disclosed in A12 and A24(b).

There is no significant events that had occurred between 30 June 2022 and the date of this announcement other than those disclosed under issuance and repayment of debts and equity securities.

PART A - EXPLANATORY NOTES (CONTINUED)

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

As at 30 June 2022, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM117,000 and RM2,007,000 for the Group and RMNil and RM979,000 for the Bank. The 12-month expected credit losses written back in the income statements of the Group and the Bank during the financial period amounting to RM87,000 and RM1,113,000 respectively (30 June 2021: RM2,384,000 and RM28,000 respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	3,422,625	2,063,110	3,422,625	2,063,110
Cagamas bonds	949,333	865,744	725,702	760,796
Khazanah bonds	59,753	58,964	59,753	58,964
Malaysian Government treasury bills	843,619	151,173	508,324	88,214
Bank Negara Malaysia Monetary Notes	1,098,931	2,290,759	1,098,931	2,290,759
Negotiable instruments of deposit	2,331,582	3,909,653	983,022	1,465,243
Other Government securities	3,975,915	5,405,014	1,685,079	2,226,026
Government Investment Issues	2,618,543	2,611,716	2,152,171	2,027,290
Other Government treasury bills	10,241,586	9,884,399	10,241,586	9,884,399
Promissory Notes	421,470	398,711	421,470	398,711
Commercial papers	346,621	1,479,300	49,107	179,499
	<u>26,309,978</u>	<u>29,118,543</u>	<u>21,347,770</u>	<u>21,443,011</u>
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,047,846	1,115,967	1,047,846	1,115,967
	<u>1,047,846</u>	<u>1,115,967</u>	<u>1,047,846</u>	<u>1,115,967</u>
<u>Outside Malaysia</u>				
Shares	317,791	290,468	317,791	290,468
	<u>1,365,637</u>	<u>1,406,435</u>	<u>1,365,637</u>	<u>1,406,435</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	968,135	957,468	954,888	944,221
Corporate bond and Sukuk	2,551,248	3,030,809	2,165,338	2,327,263
	<u>3,519,383</u>	<u>3,988,277</u>	<u>3,120,226</u>	<u>3,271,484</u>
<u>Outside Malaysia</u>				
Corporate bond	2,547,677	3,730,718	1,825,889	2,962,616
Private equity funds	176,520	175,649	176,520	175,649
	<u>2,724,197</u>	<u>3,906,367</u>	<u>2,002,409</u>	<u>3,138,265</u>
	<u>33,919,195</u>	<u>38,419,622</u>	<u>27,836,042</u>	<u>29,259,195</u>

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	4,587,416	4,832,000	4,587,416	4,832,000
Cagamas bonds	270,321	270,955	250,271	265,836
Other government securities	8,013,691	5,114,067	1,288,846	1,049,334
Negotiable instruments of deposit	276,760	470,384	276,760	470,384
Government investment issues	5,919,443	5,712,395	4,433,186	4,465,108
Commercial papers	4,933	-	-	-
	<u>19,072,564</u>	<u>16,399,801</u>	<u>10,836,479</u>	<u>11,082,662</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	20,401,140	21,951,483	16,876,519	18,170,575
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	8,458,671	8,122,873	6,224,592	5,828,024
	<u>47,932,375</u>	<u>46,474,157</u>	<u>33,937,590</u>	<u>35,081,261</u>

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	41,101	1,748	20,849	63,698
Changes in expected credit losses due to transferred within stages:	(54)	54	-	-
Transferred to Stage 1	116	(116)	-	-
Transferred to Stage 2	(170)	170	-	-
Total charge to Statement of Income:	(12,882)	80	(20,849)	(33,651)
New financial assets purchased	22,148	-	-	22,148
Financial assets that have been derecognised	(4,383)	(7)	-	(4,390)
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)
Change in credit risk	(30,647)	87	-	(30,560)
Exchange fluctuation	770	1	-	771
At 30 June 2022	28,935	1,883	-	30,818

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	33,077	320	20,849	54,246
Changes in expected credit losses due to transferred within stages:	(527)	527	-	-
Transferred to Stage 2	(527)	527	-	-
Total charge to Statement of Income:	8,118	1,089	-	9,207
New financial assets purchased	105,543	-	-	105,543
Financial assets that have been derecognised	(8,452)	(126)	-	(8,578)
Change in credit risk	(88,973)	1,215	-	(87,758)
Exchange fluctuation	433	(188)	-	245
At 31 December 2021	41,101	1,748	20,849	63,698

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	37,733	1,747	20,849	60,329
Changes in expected credit losses due to transferred within stages:	(54)	54	-	-
Transferred to Stage 1	116	(116)	-	-
Transferred to Stage 2	(170)	170	-	-
Total charge to Statement of Income:	(11,042)	80	(20,849)	(31,811)
New financial assets purchased	20,719	-	-	20,719
Financial assets that have been derecognised	(4,234)	(7)	-	(4,241)
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)
Change in credit risk	(27,527)	87	-	(27,440)
Exchange fluctuation	772	-	-	772
At 30 June 2022	27,409	1,881	-	29,290

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 2021	31,119	305	20,849	52,273
Changes in expected credit losses due to transferred within stages:	(527)	527	-	-
Transferred to Stage 2	(527)	527	-	-
Total charge to Statement of Income:	6,696	1,105	-	7,801
New financial assets purchased	88,292	-	-	88,292
Financial assets that have been derecognised	(7,099)	(110)	-	(7,209)
Change in credit risk	(74,497)	1,215	-	(73,282)
Exchange fluctuation	445	(190)	-	255
At 31 December 2021	37,733	1,747	20,849	60,329

PART A - EXPLANATORY NOTES (CONTINUED)

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

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

The Group and The Bank	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2022	20,849	20,849
Amount recovered	(20,849)	(20,849)
At 30 June 2022	-	-

The Group and The Bank	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January/31 December 2021	20,849	20,849

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	1,692	1,981	79	83
Unit trusts	-	5,492	-	-
	<u>1,692</u>	<u>7,473</u>	<u>79</u>	<u>83</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	265,418	265,418	265,034	265,034
	<u>265,418</u>	<u>265,418</u>	<u>265,034</u>	<u>265,034</u>
<u>Outside Malaysia</u>				
Shares	7,679	8,469	2,383	2,383
Private equity funds	74	7,227	74	7,227
	<u>7,753</u>	<u>15,696</u>	<u>2,457</u>	<u>9,610</u>
	<u>274,863</u>	<u>288,587</u>	<u>267,570</u>	<u>274,727</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	8,918,427	7,086,208	8,817,086	6,984,867
Cagamas bonds	417,287	245,668	387,170	215,551
Other Government treasury bills	3,656,013	3,834,187	3,656,013	3,834,187
Other Government's securities	3,041,910	2,022,944	409,588	516,581
Negotiable instruments of deposit	-	127,679	-	127,679
Malaysian Government Investment Issue	16,337,973	15,614,661	13,057,967	12,291,391
Khazanah bonds	235,345	235,345	146,298	146,298
	<u>32,606,955</u>	<u>29,166,692</u>	<u>26,474,122</u>	<u>24,116,554</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	18,002,757	18,195,695	14,000,435	13,988,117
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	3,995,714	3,739,323	3,649,196	3,578,674
	<u>21,998,471</u>	<u>21,935,018</u>	<u>17,649,631</u>	<u>17,566,791</u>
Amortisation of premium net of accretion of discount	(12)	20,268	(259)	25,519
Less : Expected credit losses	(557,798)	(642,575)	(564,594)	(661,482)
	<u>54,047,616</u>	<u>50,479,403</u>	<u>43,558,900</u>	<u>41,047,382</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	1,592	31,266	609,717	642,575
Changes in expected credit losses due to transfer within stages:	1,041	(1,041)	-	-
Transferred to Stage 1	1,275	(1,275)	-	-
Transferred to Stage 2	(234)	234	-	-
Total charge to Statement of Income:	15,838	(39,704)	(78,158)	(102,024)
New financial assets purchased	5,382	-	-	5,382
Financial assets that have been derecognised	(1,159)	(7)	-	(1,166)
Change in credit risk	11,615	(39,697)	(78,158)	(106,240)
Exchange fluctuation	190	-	-	190
Other movements	-	-	17,057	17,057
At 30 June 2022	18,661	(9,479)	548,616	557,798

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	8,704	735,922	7,182	751,808
Changes in expected credit losses due to transferred within stages:	84	(453,608)	453,524	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(144)	144	-	-
Transferred to Stage 3	-	(453,524)	453,524	-
Total charge to Statement of Income:	(7,250)	39,211	156,042	188,003
New financial assets purchased	12,797	-	-	12,797
Financial assets that have been derecognised	(527)	-	-	(527)
Change in credit risk	(19,520)	39,211	156,042	175,733
Write-offs	-	-	(7,020)	(7,020)
Exchange fluctuation	54	-	(11)	43
Other movements	-	(290,259)	-	(290,259)
At 31 December 2021	1,592	31,266	609,717	642,575

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

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	1,226,759	1,226,759
Other changes in debts instruments	17,448	17,448
Exchange fluctuation	25,997	25,997
At 30 June 2022	1,270,204	1,270,204

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	7,182	7,182
Transfer within stages	1,226,546	1,226,546
Other changes in debts instruments	5,578	5,578
Write-offs	(7,020)	(7,020)
Exchange fluctuation	(5,527)	(5,527)
At 31 December 2021	1,226,759	1,226,759

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	20,650	31,266	609,566	661,482
Changes in expected credit losses due to transfer within stages:	1,041	(1,041)	-	-
Transferred to Stage 1	1,275	(1,275)	-	-
Transferred to Stage 2	(234)	234	-	-
Total charge to Statement of Income:	(11,368)	(24,610)	(78,158)	(114,136)
New financial assets purchased	4,511	-	-	4,511
Financial assets that have been derecognised	(1,159)	(7)	-	(1,166)
Change in credit risk	(14,720)	(24,603)	(78,158)	(117,481)
Exchange fluctuation	191	-	-	191
Other movements	-	-	17,057	17,057
At 30 June 2022	10,514	5,615	548,465	564,594

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 2021	21,442	735,922	-	757,364
Changes in expected credit losses due to transfer within stages:	84	(453,608)	453,524	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(144)	144	-	-
Transferred to Stage 3	-	(453,524)	453,524	-
Total charge to Statement of Income:	(930)	39,211	156,042	194,323
New financial assets purchased	11,794	-	-	11,794
Financial assets that have been derecognised	(527)	-	-	(527)
Change in credit risk	(12,197)	39,211	156,042	183,056
Exchange fluctuation	54	-	-	54
Other movements	-	(290,259)	-	(290,259)
At 31 December 2021	20,650	31,266	609,566	661,482

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

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	764,210	764,210
Other changes in debts instruments	6,850	6,850
At 30 June 2022	771,060	771,060

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	-	-
Transfer within stages	761,017	761,017
Other changes in debts instruments	3,193	3,193
At 31 December 2021	764,210	764,210

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	4,805,028	4,684,141	2,607,499	2,585,991
Term loans/financing				
- Housing loan/financing	114,734,865	110,309,886	66,799,362	66,254,666
- Syndicated term loan	18,375,512	17,205,940	16,826,058	15,617,149
- Other term loans/financing	118,662,443	119,070,280	67,542,706	69,668,380
- Factoring receivables	1,090	4,488	-	-
- Lease receivables	6,256	2,021	-	-
- Hire purchase receivables	22,143,028	21,553,570	3,351,033	4,051,156
Bills receivable	8,707,398	6,829,498	6,520,728	4,955,236
Trust receipts	2,750,881	2,699,442	1,573,202	1,689,896
Claim on customers under acceptance credit	3,088,617	2,702,203	2,187,511	1,938,096
Staff loans *	1,424,877	1,366,474	1,036,251	1,002,765
Credit card receivables	6,010,535	5,861,355	5,843,243	5,709,390
Revolving credit	35,113,795	29,939,310	29,479,651	25,393,032
Share margin financing	53,262	63,946	53,262	63,946
Gross loans, advances and financing, at amortised cost	335,877,587	322,292,554	203,820,506	198,929,703
Fair value changes arising from fair value hedges	(99,539)	(24,781)	(98,472)	(26,345)
	335,778,048	322,267,773	203,722,034	198,903,358
Less: Expected credit losses	(8,913,502)	(8,647,047)	(6,704,330)	(6,549,024)
Net loans, advances and financing at amortised cost	326,864,546	313,620,726	197,017,704	192,354,334
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	149,341	357,853	149,341	357,853
	149,341	357,853	149,341	357,853
Total net loans, advances and financing	327,013,887	313,978,579	197,167,045	192,712,187
Total gross loans, advances and financing				
- At amortised cost	335,877,587	322,292,554	203,820,506	198,929,703
- At fair value through profit or loss	149,341	357,853	149,341	357,853
	336,026,928	322,650,407	203,969,847	199,287,556

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM2,888,569 (2021: RM2,992,941) and RM584,732 (2021: RM680,370) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM22,724,000 (2021: RM23,684,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments

(b) The Group and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing of RM1,436,151,000 (2021: RM1,353,719,000) and RM1,375,144,000 (2021: RM1,287,783,000) respectively, using interest rate swaps.

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

As at 30 June 2022, the gross exposure and expected credit losses relating to RPSIA financing are RM3,653,233,000 (2021: RM3,844,040,000) and RM1,098,000 (2021: RM1,506,000) respectively.

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

	The Group		The Bank	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Revolving credit	2,206,526	1,201,933	2,206,526	1,201,933
Other term loan	9,046,603	9,046,821	9,046,603	9,046,821
	11,253,129	10,248,754	11,253,129	10,248,754

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
(ii) By type of customers				
Domestic banking institutions	501,229	296,136	431,010	184,139
Domestic non-bank financial institutions				
- stockbroking companies	58,035	8,005	58,035	8,005
- others	5,766,404	5,267,629	2,850,460	2,540,347
Domestic business enterprises				
- small medium enterprises	37,504,636	36,142,135	21,327,822	21,519,667
- others	48,666,836	44,468,479	30,101,001	26,953,399
Government and statutory bodies	9,977,984	10,043,045	8,579,990	8,636,472
Individuals	194,355,212	187,672,859	103,484,654	102,452,469
Other domestic entities	1,537,329	1,233,527	43,640	34,048
Foreign entities	37,659,263	37,518,592	37,093,235	36,959,010
Gross loans, advances and financing	<u>336,026,928</u>	<u>322,650,407</u>	<u>203,969,847</u>	<u>199,287,556</u>
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	6,562,222	5,189,950	3,759,257	2,776,324
- Hire purchase receivables	19,848,092	18,920,957	2,057,211	2,383,601
- Other fixed rate loans	35,220,527	33,377,673	25,416,783	24,055,774
Variable rate				
- BLR plus/BFR plus	79,116,329	80,638,136	56,789,353	59,081,607
- Cost-plus	55,979,446	49,707,733	42,366,414	37,949,588
- Other variable rates	139,300,312	134,815,958	73,580,829	73,040,662
Gross loans, advances and financing	<u>336,026,928</u>	<u>322,650,407</u>	<u>203,969,847</u>	<u>199,287,556</u>
(iv) By economic purpose				
Personal use	17,955,384	16,896,609	14,127,011	12,904,579
Credit cards	6,010,535	5,861,355	5,843,243	5,709,390
Purchase of consumer durables	378,594	241,765	43,942	42,729
Construction	10,952,655	10,889,388	7,540,959	7,386,230
Residential property (housing)	115,783,846	111,624,692	66,270,890	66,089,286
Non-residential property	32,741,300	31,955,357	23,076,693	23,325,774
Purchase of fixed assets other than land and buildings	3,811,352	3,412,161	3,089,685	2,695,204
Mergers and acquisitions	1,905,880	2,869,254	1,567,869	2,517,088
Purchase of securities	21,820,142	23,610,624	6,627,911	8,699,060
Purchase of transport vehicles	22,395,636	21,539,969	3,410,033	4,103,681
Working capital	72,022,337	64,119,486	52,151,434	46,512,851
Other purposes	30,249,267	29,629,747	20,220,177	19,301,684
Gross loans, advances and financing	<u>336,026,928</u>	<u>322,650,407</u>	<u>203,969,847</u>	<u>199,287,556</u>

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

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
(v) By geographical distribution				
Malaysia	247,267,928	237,974,816	147,964,006	145,804,366
Indonesia	2,047,719	1,739,440	2,047,719	1,737,486
Thailand	29,683,510	30,481,063	1,668,253	3,402,964
Singapore	35,996,611	32,996,441	35,996,611	32,996,441
United Kingdom	4,117,362	3,799,620	4,117,362	3,799,620
Hong Kong	1,274,173	1,298,810	1,274,173	1,298,810
China	4,466,125	3,273,520	4,466,125	3,273,520
Other countries	11,173,500	11,086,697	6,435,598	6,974,349
Gross loans, advances and financing	<u>336,026,928</u>	<u>322,650,407</u>	<u>203,969,847</u>	<u>199,287,556</u>
(vi) By economic sector				
Primary agriculture	7,237,889	6,828,897	3,875,196	3,929,341
Mining and quarrying	3,741,252	4,121,797	2,514,167	2,833,606
Manufacturing	16,290,201	16,792,754	9,844,310	10,763,558
Electricity, gas and water supply	5,707,537	4,994,656	3,818,925	2,988,675
Construction	9,863,916	9,641,713	7,513,435	7,593,684
Transport, storage and communications	9,167,054	7,896,318	6,337,055	5,599,431
Education, health and others	17,494,199	17,766,289	14,506,959	14,827,708
Wholesale and retail trade, and restaurants and hotels	26,645,583	24,404,972	17,605,958	16,290,902
Finance, insurance/takaful, real estate and business activities	44,236,687	41,193,621	31,809,950	29,366,878
Household	191,864,043	185,656,237	102,724,319	102,083,876
Others	3,778,567	3,353,153	3,419,573	3,009,897
	<u>336,026,928</u>	<u>322,650,407</u>	<u>203,969,847</u>	<u>199,287,556</u>
(vii) By residual contractual maturity				
Within one year	70,255,924	65,964,658	55,403,677	53,557,469
One year to less than three years	14,984,814	17,779,101	9,820,664	12,529,032
Three years to less than five years	29,174,455	28,644,969	19,219,239	18,203,894
Five years and more	221,611,735	210,261,679	119,526,267	114,997,161
Gross loans, advances and financing	<u>336,026,928</u>	<u>322,650,407</u>	<u>203,969,847</u>	<u>199,287,556</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	290,817	238,672	192,668	159,189
Credit cards	111,911	110,140	110,106	108,298
Purchase of consumer durables	2,159	2,400	678	753
Construction	1,310,463	1,311,302	1,169,648	1,176,524
Residential property (housing)	2,003,873	1,435,245	1,120,647	807,028
Non-residential property	675,051	578,836	533,037	473,168
Purchase of fixed assets other than land and buildings	51,390	44,888	22,706	25,008
Purchase of securities	195,556	185,663	182,383	180,154
Purchase of transport vehicles	190,065	281,282	49,718	105,291
Working capital	3,572,846	3,781,209	3,350,983	3,535,066
Merger and acquisition	-	12,845	-	12,845
Other purposes	629,386	570,446	347,166	209,082
Gross credit impaired loans, advances and financing	<u>9,033,517</u>	<u>8,552,928</u>	<u>7,079,740</u>	<u>6,792,406</u>
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	5,431,791	5,052,000	4,518,084	4,392,165
Indonesia	160,591	154,190	160,591	154,190
Thailand	988,300	1,055,536	-	42
Singapore	1,472,298	1,515,551	1,472,298	1,515,551
United Kingdom	8,636	7,658	8,636	7,658
Hong Kong	138,617	9	138,617	9
China	6,015	5,429	6,015	5,429
Other countries	827,269	762,555	775,499	717,362
Gross credit impaired loans, advances and financing	<u>9,033,517</u>	<u>8,552,928</u>	<u>7,079,740</u>	<u>6,792,406</u>
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	84,645	77,291	48,860	51,776
Mining and quarrying	989,865	1,240,579	988,025	1,238,003
Manufacturing	286,770	392,919	207,856	203,598
Electricity, gas and water supply	255,641	250,530	255,641	250,530
Construction	189,372	147,571	101,039	101,055
Transport, storage and communications	1,338,104	1,211,188	1,328,737	1,206,694
Education, health and others	194,955	186,352	114,853	109,369
Wholesale and retail trade, and restaurants and hotels	1,496,242	1,669,400	1,236,108	1,381,076
Finance, insurance/takaful, real estate and business activities	673,302	532,309	474,563	338,385
Household	2,815,000	2,188,845	1,615,941	1,256,929
Others	709,621	655,944	708,117	654,991
Gross credit impaired loans, advances and financing	<u>9,033,517</u>	<u>8,552,928</u>	<u>7,079,740</u>	<u>6,792,406</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Group	12-month expected	Lifetime expected credit	Lifetime expected	Purchased credit	Total
	credit losses	losses - not credit	credit losses		
	(Stage 1)	impaired	- Credit impaired	impaired	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	1,267,136	2,602,869	4,773,996	3,046	8,647,047
Changes in expected credit losses due to transferred within stages:	281,356	(444,888)	163,532	-	-
Transferred to Stage 1	465,730	(425,379)	(40,351)	-	-
Transferred to Stage 2	(180,222)	323,091	(142,869)	-	-
Transferred to Stage 3	(4,152)	(342,600)	346,752	-	-
Total charge to Statement of Income:	(278,774)	482,924	375,280	-	579,430
New financial assets originated	356,808	46,702	36,675	-	440,185
Financial assets that have been derecognised	(199,479)	(106,883)	-	-	(306,362)
Writeback in respect of full recoveries	-	-	(87,492)	-	(87,492)
Change in credit risk	(436,103)	543,105	426,097	-	533,099
Write-offs	(699)	(3,399)	(318,379)	(300)	(322,777)
Disposal of loans, advances and financing	-	-	(110,334)	-	(110,334)
Exchange fluctuation	4,559	91	83,739	(10)	88,379
Other movements	132	226	31,399	-	31,757
At 30 June 2022	1,273,710	2,637,823	4,999,233	2,736	8,913,502

The Group	12-month expected	Lifetime expected credit	Lifetime expected	Purchased credit	Total
	credit losses	losses - not credit	credit losses		
	(Stage 1)	impaired	- Credit impaired	impaired	
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	1,414,924	1,780,975	4,148,626	3,259	7,347,784
Changes in expected credit losses due to transferred within stages:	1,011,196	(1,388,994)	377,798	-	-
Transferred to Stage 1	1,765,687	(1,634,782)	(130,905)	-	-
Transferred to Stage 2	(752,137)	1,690,090	(937,953)	-	-
Transferred to Stage 3	(2,354)	(1,444,302)	1,446,656	-	-
Total charge to Statement of Income:	(1,153,463)	1,868,615	1,338,224	-	2,053,376
New financial assets originated	713,627	482,582	93,164	-	1,289,373
Financial assets that have been derecognised	(440,011)	(622,062)	-	-	(1,062,073)
Writeback in respect of full recoveries	-	-	(165,547)	-	(165,547)
Change in credit risk	(1,427,079)	2,008,095	1,410,607	-	1,991,623
Write-offs	(1,181)	(1,223)	(1,006,922)	-	(1,009,326)
Disposal of loans, advances and financing	(540)	(390)	(185,218)	-	(186,148)
Exchange fluctuation	(9,949)	(12,090)	1,241	(213)	(21,011)
Other movements	6,149	355,976	100,247	-	462,372
At 31 December 2021	1,267,136	2,602,869	4,773,996	3,046	8,647,047

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	817,845	1,636,641	4,094,538	6,549,024
Changes in expected credit losses due to transferred within stages:	184,551	(295,353)	110,802	-
Transferred to Stage 1	290,805	(264,766)	(26,039)	-
Transferred to Stage 2	(104,008)	171,090	(67,082)	-
Transferred to Stage 3	(2,246)	(201,677)	203,923	-
Total charge to Statement of Income:	(201,292)	251,439	169,029	219,176
New financial assets originated	278,423	41,604	18,365	338,392
Financial assets that have been derecognised	(171,274)	(72,028)	-	(243,302)
Writeback in respect of full recoveries	-	-	(48,444)	(48,444)
Change in credit risk	(308,441)	281,863	199,108	172,530
Write-offs	(693)	(3,086)	(180,905)	(184,684)
Exchange fluctuation	4,240	1,620	85,644	91,504
Other movements	118	224	28,968	29,310
At 30 June 2022	804,769	1,591,485	4,308,076	6,704,330

The Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	857,601	1,200,071	3,331,702	5,389,374
Changes in expected credit losses due to transferred within stages:	598,685	(1,088,607)	489,922	-
Transferred to Stage 1	1,054,425	(975,549)	(78,876)	-
Transferred to Stage 2	(454,656)	1,028,846	(574,190)	-
Transferred to Stage 3	(1,084)	(1,141,904)	1,142,988	-
Total charge to Statement of Income:	(642,188)	1,163,712	720,732	1,242,256
New financial assets originated	586,605	472,429	17,810	1,076,844
Financial assets that have been derecognised	(372,949)	(544,398)	-	(917,347)
Writeback in respect of full recoveries	-	-	(57,324)	(57,324)
Change in credit risk	(855,844)	1,235,681	760,246	1,140,083
Write-offs	(902)	(928)	(567,925)	(569,755)
Exchange fluctuation	3,079	6,487	44,103	53,669
Other movements	1,570	355,906	76,004	433,480
At 31 December 2021	817,845	1,636,641	4,094,538	6,549,024

For the financial year ended 31 December 2021, the overlays and post-model adjustments have been applied to determine a sufficient overall level of ECL. These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults arising from the escalation of credit risk on certain segments of the targeted repayment assistance loans.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
	At 1 January 2022	8,545,671	7,257
Transfer within stages	1,388,535	-	1,388,535
New financial assets originated	66,670	-	66,670
Write-offs	(318,379)	(300)	(318,679)
Amount fully recovered	(280,924)	-	(280,924)
Other changes in loans, advances and financing	(315,249)	(30)	(315,279)
Disposal of loans, advances and financing	(159,798)	-	(159,798)
Exchange fluctuation	100,088	(24)	100,064
At 30 June 2022	9,026,614	6,903	9,033,517

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
	At 1 January 2021	8,689,004	7,816
Transfer within stages	2,068,064	-	2,068,064
New financial assets originated	266,247	-	266,247
Write-offs	(1,009,795)	-	(1,009,795)
Amount fully recovered	(682,931)	-	(682,931)
Other changes in loans, advances and financing	(354,597)	(49)	(354,646)
Disposal of loans, advances and financing	(390,214)	-	(390,214)
Exchange fluctuation	(40,107)	(510)	(40,617)
At 31 December 2021	8,545,671	7,257	8,552,928

	The Group	
	30 June 2022	31 Dec 2021
Ratio of credit impaired loans to total loans, advances and financing	2.69%	2.65%

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses	Total
	- Credit impaired (Stage 3)	
	RM'000	RM'000
At 1 January 2022	6,792,406	6,792,406
Transfer within stages	800,570	800,570
New financial assets originated	55,717	55,717
Write-offs	(180,905)	(180,905)
Amount fully recovered	(205,031)	(205,031)
Other changes in loans, advances and financing	(284,026)	(284,026)
Exchange fluctuation	101,009	101,009
At 30 June 2022	7,079,740	7,079,740

	The Bank	
	Lifetime expected credit losses	Total
	- Credit impaired (Stage 3)	
	RM'000	RM'000
At 1 January 2021	5,676,423	5,676,423
Transfer within stages	2,100,806	2,100,806
New financial assets originated	52,712	52,712
Write-offs	(570,417)	(570,417)
Amount fully recovered	(283,275)	(283,275)
Other changes in loans, advances and financing	(228,129)	(228,129)
Exchange fluctuation	44,286	44,286
At 31 December 2021	6,792,406	6,792,406

	The Bank	
	30 June 2022	31 Dec 2021
Ratio of credit impaired loans to total loans, advances and financing	3.47%	3.41%

PART A - EXPLANATORY NOTES (CONTINUED)

A12. OTHER ASSETS

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Foreclosed assets net of allowance for impairment losses of RM19,278,000 (2021: RM18,252,000)	107,069	119,753	-	-
Due from brokers	5,121	146,389	5,121	146,389
Structured financing	543,466	601,812	543,466	601,812
Collateral pledged for derivative transactions	4,634,966	2,897,982	2,369,056	1,201,829
Treasury related receivables	4,118,351	1,315,260	3,669,489	943,540
Other debtors net of expected credit losses *, deposits and prepayments	2,542,956	2,123,243	2,461,198	1,915,183
	11,951,929	7,204,439	9,048,330	4,808,753

* net of expected credit losses of RM582,788,000 (2021: RM417,745,000) for the Group and RM556,865,000 (2021: RM408,594,000) for the Bank.

Included in other debtors net of expected credit losses, deposits and prepayments are amounts related to receivables of settlement debit card balances. See A5.

A13. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
(i) By type of deposit				
Demand deposits	88,533,161	91,821,777	69,181,152	72,247,462
Saving deposits	53,479,945	51,107,662	32,523,144	32,614,422
Fixed deposits	133,194,394	128,963,844	92,762,306	90,094,948
Negotiable instruments of deposit	265,228	517,515	-	-
Others	82,930,454	85,093,242	38,327,160	40,825,478
	358,403,182	357,504,040	232,793,762	235,782,310

(ii) By type of customer

Government and statutory bodies	11,474,840	12,225,838	7,356,248	7,328,649
Business enterprises	148,146,894	141,294,351	98,808,885	98,041,383
Individuals	131,822,690	132,273,633	87,316,095	87,747,869
Others	66,958,758	71,710,218	39,312,534	42,664,409
	358,403,182	357,504,040	232,793,762	235,782,310

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

Due within six months	105,932,367	103,603,792	77,402,983	73,795,193
Six months to less than one year	25,828,142	24,533,354	14,394,739	15,290,665
One year to less than three years	1,636,358	1,255,476	908,181	925,827
Three years to less than five years	62,688	88,737	56,403	83,263
More than five years	67	-	-	-
	133,459,622	129,481,359	92,762,306	90,094,948

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Unrestricted investment accounts	12,060,415	10,427,167	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks	29,507,442	23,494,742	27,600,362	22,696,577
Licensed finance companies	2,824,062	2,387,433	131,845	312,359
Licensed investment banks	287,238	634,369	120,776	246,488
Bank Negara Malaysia	1,259,056	1,452,698	1,254,056	1,447,698
Other financial institutions	2,611,581	2,034,253	1,589,194	1,326,914
	36,489,379	30,003,495	30,696,233	26,030,036

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

	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Due within six months	34,313,863	26,363,287	28,755,353	22,629,971
Six months to less than one year	614,986	1,616,618	566,507	1,541,569
One year to less than three years	158,962	423,250	135,923	416,443
Three years to less than five years	765,090	158,287	601,972	-
Five years and more	636,478	1,442,053	636,478	1,442,053
	36,489,379	30,003,495	30,696,233	26,030,036

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

	The Group		The Bank	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	3,265,902	1,061,368	877,833	261,682
Bills payable	1,916,305	2,224,409	-	-
	5,182,207	3,285,777	877,833	261,682

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

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 30 June 2022 were RM253,477,000 (2021: RM56,390,000) and RM19,033,000 (2021: RM16,401,000) lower respectively than the contractual amount at maturity for the structured investments and RM215,706,000 (2021: RM366,350,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

	Note	The Group		The Bank	
		30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
		RM'000	RM'000	RM'000	RM'000
Due to brokers and clients		31,613	24,579	31,613	24,579
Accrued employee benefits		5,213	5,503	5,167	5,456
Post employment benefit obligations		246,283	246,496	37,960	41,157
Sundry creditors		1,116,042	582,892	982,933	493,736
Expenditure payable		1,522,810	1,806,896	1,279,543	1,592,745
Expected credit losses for loan commitments and financial guarantee contracts	A17(a)	660,603	641,049	488,109	413,470
Provision for legal claims		49,673	51,384	35,561	36,033
Credit card expenditure payable		68,589	90,663	67,681	89,359
Collateral received for derivative transactions		6,489,543	3,028,037	2,692,897	1,206,120
Structured deposits		4,044,149	3,221,604	4,010,698	3,192,771
Treasury related payables		4,251,783	1,171,325	3,908,420	762,206
Others		1,211,205	604,866	1,144,240	314,782
		19,697,506	11,475,294	14,684,822	8,172,414

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	308,877	144,995	187,177	641,049
Changes in expected credit losses due to transferred within stages:	48,290	(58,758)	10,468	-
Transferred to Stage 1	57,246	(54,389)	(2,857)	-
Transferred to Stage 2	(8,850)	14,494	(5,644)	-
Transferred to Stage 3	(106)	(18,863)	18,969	-
Total charge to Statement of Income:	(108,919)	32,105	90,114	13,300
New exposures	128,385	3,425	-	131,810
Exposures derecognised or matured	(67,094)	(11,890)	(34,081)	(113,065)
Change in credit risk	(170,210)	40,570	124,195	(5,445)
Exchange fluctuation	1,634	216	39	1,889
Other movements	577	168	3,620	4,365
At 30 June 2022	250,459	118,726	291,418	660,603

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	279,950	120,942	160,195	561,087
Changes in expected credit losses due to transferred within stages:	124,061	(132,179)	8,118	-
Transferred to Stage 1	169,366	(149,523)	(19,843)	-
Transferred to Stage 2	(44,925)	74,659	(29,734)	-
Transferred to Stage 3	(380)	(57,315)	57,695	-
Total charge to Statement of Income:	(104,578)	155,550	25,577	76,549
New exposures	213,117	3,603	931	217,651
Exposures derecognised or matured	(132,956)	(22,799)	(6,957)	(162,712)
Change in credit risk	(184,739)	174,746	31,603	21,610
Exchange fluctuation	(151)	(43)	(6,546)	(6,740)
Other movements	9,595	725	(167)	10,153
At 31 December 2021	308,877	144,995	187,177	641,049

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	229,474	102,855	81,141	413,470
Changes in expected credit losses due to transferred within stages:	35,941	(45,368)	9,427	-
Transferred to Stage 1	43,645	(41,241)	(2,404)	-
Transferred to Stage 2	(7,656)	12,616	(4,960)	-
Transferred to Stage 3	(48)	(16,743)	16,791	-
Total charge to Statement of Income:	(89,014)	40,811	116,846	68,643
New exposures	83,005	3,368	-	86,373
Exposures derecognised or matured	(44,961)	(7,703)	-	(52,664)
Change in credit risk	(127,058)	45,146	116,846	34,934
Exchange fluctuation	1,629	94	-	1,723
Other movements	607	52	3,614	4,273
At 30 June 2022	178,637	98,444	211,028	488,109

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 2021	210,701	97,031	62,416	370,148
Changes in expected credit losses due to transferred within stages:	91,774	(104,879)	13,105	-
Transferred to Stage 1	131,617	(115,775)	(15,842)	-
Transferred to Stage 2	(39,595)	64,331	(24,736)	-
Transferred to Stage 3	(248)	(53,435)	53,683	-
Total charge to Statement of Income:	(82,999)	109,937	5,798	32,736
New exposures	141,207	3,250	127	144,584
Exposures derecognised or matured	(93,813)	(14,350)	-	(108,163)
Change in credit risk	(130,393)	121,037	5,671	(3,685)
Exchange fluctuation	948	69	-	1,017
Other movements	9,050	697	(178)	9,569
At 31 December 2021	229,474	102,855	81,141	413,470

As at 30 June 2022, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM516,988,000 (2021: RM460,496,000) and RM466,200,000 (2021: RM401,713,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18. INTEREST INCOME

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
The Group				
Loans and advances				
- interest income	2,164,982	2,125,466	4,214,283	4,204,338
- unwinding income [^]	28,142	26,318	51,486	43,679
Money at call and deposits with financial institutions	73,205	67,057	127,892	125,913
Reverse repurchase agreements	18,640	6,168	28,793	24,273
Debt instruments at fair value through other comprehensive income	314,822	289,643	628,050	547,491
Debt instruments at amortised cost	355,874	342,730	684,161	697,200
Others	10,677	532	19,888	8,120
	<u>2,966,342</u>	<u>2,857,914</u>	<u>5,754,553</u>	<u>5,651,014</u>
Net accretion of discount less amortisation of premium	(53,538)	(58,946)	(113,720)	(111,158)
	<u>2,912,804</u>	<u>2,798,968</u>	<u>5,640,833</u>	<u>5,539,856</u>
The Bank				
Loans and advances				
- interest income	1,766,546	1,669,074	3,431,585	3,288,672
- unwinding income [^]	23,960	19,213	43,826	39,587
Money at call and deposits with financial institutions	90,182	88,352	162,821	171,143
Reverse repurchase agreements	17,374	5,970	26,872	23,856
Debt instruments at fair value through other comprehensive income	279,045	261,607	558,471	494,241
Debt instruments at amortised cost	359,933	355,898	695,501	719,569
Others	10,677	532	19,887	8,120
	<u>2,547,717</u>	<u>2,400,646</u>	<u>4,938,963</u>	<u>4,745,188</u>
Net accretion of discount less amortisation of premium	(44,783)	(49,829)	(93,494)	(95,351)
	<u>2,502,934</u>	<u>2,350,817</u>	<u>4,845,469</u>	<u>4,649,837</u>

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

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

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
The Group				
Loans and advances at fair value through profit or loss	1,801	3,736	4,449	7,666
Financial investments at fair value through profit or loss	121,077	110,672	242,939	229,574
	<u>122,878</u>	<u>114,408</u>	<u>247,388</u>	<u>237,240</u>
Net accretion of discount less amortisation of premium	14,399	(8,145)	9,730	(22,348)
	<u>137,277</u>	<u>106,263</u>	<u>257,118</u>	<u>214,892</u>
The Bank				
Loans and advances at fair value through profit or loss	1,801	3,736	4,449	7,666
Financial investments at fair value through profit or loss	92,379	80,992	186,403	170,695
	<u>94,180</u>	<u>84,728</u>	<u>190,852</u>	<u>178,361</u>
Net accretion of discount less amortisation of premium	16,949	(2,438)	15,716	(9,461)
	<u>111,129</u>	<u>82,290</u>	<u>206,568</u>	<u>168,900</u>

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

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
The Group				
Deposits and placements of banks and other financial institutions	86,524	29,404	131,818	83,429
Deposits from other customers	705,538	608,547	1,304,613	1,270,289
Repurchase agreements	101,406	71,406	184,441	139,229
Financial liabilities designated at fair value through profit or loss	8,109	7,521	14,520	14,754
Negotiable certificates of deposits	3,712	3,317	15,260	5,236
Recourse obligation on loan and financing sold to Cagamas	6,237	12,560	12,171	25,046
Bonds, Sukuk and debentures	57,263	48,910	112,336	99,365
Subordinated obligations	78,258	103,602	154,320	212,803
Other borrowings	6,829	24,355	12,957	31,873
Structured deposits	8,448	6,873	15,027	13,867
Lease liabilities	3,747	4,536	7,794	9,336
Others	2,100	1,916	3,961	3,847
	<u>1,068,171</u>	<u>922,947</u>	<u>1,969,218</u>	<u>1,909,074</u>
The Bank				
Deposits and placements of banks and other financial institutions	78,480	33,486	118,135	73,965
Deposits from other customers	632,391	525,743	1,166,065	1,096,397
Repurchase agreements	99,032	68,672	178,191	133,227
Financial liabilities designated at fair value through profit or loss	3,686	194	5,434	396
Negotiable certificates of deposits	3,471	3,125	14,831	4,864
Recourse obligation on loan and financing sold to Cagamas	6,237	12,560	12,171	25,046
Bonds and debentures	48,672	42,645	96,040	86,690
Subordinated obligations	76,578	103,926	150,944	209,671
Other borrowings	11,257	17,376	21,530	35,419
Structured deposits	8,448	6,873	15,027	13,867
Lease liabilities	3,181	4,063	6,681	8,406
Others	9	9	18	17
	<u>971,442</u>	<u>818,672</u>	<u>1,785,067</u>	<u>1,687,965</u>

A21. MODIFICATION LOSS

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
The Group				
Net fee and commission income				
Commissions	178,615	174,157	371,254	452,301
Fee on loans and advances	166,117	83,331	270,199	167,155
Service charges and fees	142,456	114,497	283,548	220,234
Guarantee fees	13,569	14,185	37,552	35,252
Other fee income	48,569	39,733	86,471	81,421
Fee and commission income	549,326	425,903	1,049,024	956,363
Fee and commission expense	(101,341)	(96,021)	(181,832)	(192,524)
Net fee and commission income	447,985	329,882	867,192	763,839
Gross dividend income from:				
Financial investments at fair value through profit or loss	18,624	18,014	29,846	32,532
Equity instruments at fair value through other comprehensive income	2,040	1,817	2,228	2,131
	20,664	19,831	32,074	34,663
Net loss arising from financial investments at fair value through profit or loss				
- realised	(216,403)	(117,738)	(524,667)	(217,678)
- unrealised	(396,601)	95,965	(623,526)	(553,000)
	(613,004)	(21,773)	(1,148,193)	(770,678)
Net gain arising from derivative financial instrument				
- realised	1,571,620	225,127	2,251,163	644,742
- unrealised	1,233,855	117,287	1,782,182	1,482,772
	2,805,475	342,414	4,033,345	2,127,514
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(197)	160	(1,050)	647
	(197)	160	(1,050)	647
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss				
- realised	(14,428)	(99,996)	(27,520)	(111,121)
- unrealised	101,426	40,315	157,796	155,722
	86,998	(59,681)	130,276	44,601
Net gain/(loss) arising from hedging activities				
	24,518	(1,055)	48,792	1,876
Net (loss)/gain from sale of investment in debt instruments at fair value through other comprehensive income				
	(119,324)	69,339	(115,299)	132,057
Net gain from redemption of debt instruments at amortised cost				
	-	7,020	12,740	7,020
Other non-interest income				
Foreign exchange loss	(1,925,477)	(40,383)	(2,475,176)	(859,175)
Rental income	1,933	2,461	3,676	3,723
Gain on disposal of property, plant and equipment/ assets held for sale	5,630	3,187	17,586	6,066
Gain on disposal of foreclosed assets	2,749	3,063	7,116	2,017
Gain/(loss) on disposal of loans, advances and financing	2,528	-	(1,739)	-
Others	11,323	11,338	24,251	14,271
	(1,901,314)	(20,334)	(2,424,286)	(833,098)
	751,801	665,803	1,435,591	1,508,441

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
The Bank				
Net fee and commission income				
Commissions	107,395	122,559	232,313	336,998
Fee on loans and advances	161,762	79,993	262,392	161,107
Service charges and fees	375,916	374,694	799,890	720,652
Guarantee fees	11,354	12,159	32,930	31,045
Other fee income	47,098	36,975	82,721	77,124
Fee and commission income	703,525	626,380	1,410,246	1,326,926
Fee and commission expense	(98,931)	(95,567)	(177,123)	(189,130)
Net fee and commission income	<u>604,594</u>	<u>530,813</u>	<u>1,233,123</u>	<u>1,137,796</u>
Gross dividend income from:				
Financial investments at fair value through profit or loss	18,556	17,946	29,778	32,464
Equity instruments at fair value through other comprehensive income	1,000	1,000	1,000	1,000
Subsidiary	41,852	21,763	121,252	21,763
Joint venture	-	-	5,000	-
	<u>61,408</u>	<u>40,709</u>	<u>157,030</u>	<u>55,227</u>
Net loss arising from financial investments at fair value through profit or loss				
- realised	(172,114)	(144,759)	(435,463)	(131,922)
- unrealised	(230,826)	31,135	(268,407)	(327,716)
	<u>(402,940)</u>	<u>(113,624)</u>	<u>(703,870)</u>	<u>(459,638)</u>
Net gain arising from derivative financial instrument				
- realised	1,405,435	349,129	2,151,206	570,387
- unrealised	984,044	(7,230)	1,192,625	1,221,839
	<u>2,389,479</u>	<u>341,899</u>	<u>3,343,831</u>	<u>1,792,226</u>
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(197)	160	(1,050)	647
	<u>(197)</u>	<u>160</u>	<u>(1,050)</u>	<u>647</u>
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss				
- realised	815	(391)	(837)	(537)
- unrealised	9,934	(1,001)	2,637	1,921
	<u>10,749</u>	<u>(1,392)</u>	<u>1,800</u>	<u>1,384</u>
Net gain/(loss) arising from hedging activities	14,882	(1,746)	34,952	1,145
Net (loss)/gain from sale of investment in debt instruments at fair value through other comprehensive income	(20,511)	58,140	(4,665)	102,687
Net gain from redemption of debt instruments at amortised cost	-	7,020	12,740	7,020
Other non-interest income				
Foreign exchange loss	(1,805,243)	(57,341)	(2,305,454)	(865,059)
Rental income	1,717	2,062	3,169	3,330
Gain on disposal of property, plant and equipment/ assets held for sale	446	2,900	6,818	5,223
Loss on disposal of loans, advances and financing	(81)	-	(4,348)	-
Others	5,480	9,214	10,312	10,118
	<u>(1,797,681)</u>	<u>(43,165)</u>	<u>(2,289,503)</u>	<u>(846,388)</u>
	<u>859,783</u>	<u>818,814</u>	<u>1,784,388</u>	<u>1,792,106</u>

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

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	749,619	775,451	1,530,577	1,559,101
- Pension cost	91,480	86,139	177,395	181,417
- Share-based expense ¹	10,427	3,917	21,066	3,917
- Overtime	2,824	2,298	5,664	4,497
- Staff incentives and other staff payments	50,798	69,392	83,250	184,799
- Medical expenses	16,365	16,171	35,356	34,635
- Others	22,063	14,423	43,306	52,462
	943,576	967,791	1,896,614	2,020,828
Establishment costs				
- Depreciation of property, plant and equipment	41,204	38,101	83,352	76,309
- Depreciation of right-of-use assets	44,850	47,877	89,607	97,256
- Rental	23,975	27,239	41,554	44,656
- Amortisation of intangible assets	137,861	209,798	273,303	286,087
- Repair and maintenance	148,327	112,678	258,641	232,007
- Outsourced services	14,990	19,145	29,375	38,088
- Security expenses	18,352	18,985	39,149	44,640
- Intangible assets written off	229	87,823	1,267	87,823
- Others	20,410	26,122	61,481	56,856
	450,198	587,768	877,729	963,722
Marketing expenses				
- Advertisement	20,078	12,696	32,136	26,822
- Others	13,028	5,180	21,546	7,425
	33,106	17,876	53,682	34,247
Administration and general expenses				
- Communication	17,247	17,865	35,589	34,234
- Consultancy and professional fees	58,807	27,933	77,762	38,168
- Legal expenses	31,872	11,526	32,039	27,555
- Stationery	3,911	6,428	7,676	10,467
- Postages	5,985	7,601	11,339	14,266
- Administrative travelling and vehicle expenses	3,327	3,599	6,285	7,232
- Incidental expenses on banking operations	11,805	7,738	20,590	20,938
- Others	29,786	105,355	154,993	219,484
	162,740	188,045	346,273	372,344
	1,589,620	1,761,480	3,174,298	3,391,141

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	585,516	627,096	1,203,151	1,252,450
- Pension cost	79,119	72,089	152,734	154,237
- Share-based expense ¹	8,455	3,218	17,076	3,218
- Overtime	1,411	1,208	2,910	2,446
- Staff incentives and other staff payments	(11,474)	59,132	9,968	162,149
- Medical expenses	14,932	15,019	31,943	31,798
- Others	17,262	9,026	33,638	41,899
	695,221	786,788	1,451,420	1,648,197
Establishment costs				
- Depreciation of property, plant and equipment	30,706	27,381	62,156	54,438
- Depreciation of right-of-use assets	37,460	41,104	74,924	82,836
- Rental	15,188	18,246	26,217	26,709
- Amortisation of intangible assets	116,105	180,666	230,532	242,555
- Repair and maintenance	137,472	101,031	237,734	208,258
- Outsourced services	8,616	12,897	18,743	25,235
- Security expenses	17,142	18,114	36,873	42,492
- Intangible assets written off	229	87,823	1,220	87,823
- Others	15,428	22,040	51,837	48,086
	378,346	509,302	740,236	818,432
Marketing expenses				
- Advertisement	12,334	9,825	21,722	21,308
- Others	11,231	4,898	18,572	6,852
	23,565	14,723	40,294	28,160
Administration and general expenses				
- Communication	15,993	16,465	33,143	31,544
- Consultancy and professional fees	55,776	23,595	72,215	32,611
- Legal expenses	28,607	1,027	27,405	6,221
- Stationery	2,802	4,887	5,582	7,851
- Postages	4,679	6,039	8,626	11,100
- Administrative travelling and vehicle expenses	1,636	1,586	3,212	3,198
- Incidental expenses on banking operations	5,709	3,088	10,373	10,750
- Others	41,875	94,513	159,341	194,113
	157,077	151,200	319,897	297,388
	1,254,209	1,462,013	2,551,847	2,792,177

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

PART A - EXPLANATORY NOTES (CONTINUED)

A24(a). EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING

	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	383,474	499,531	579,430	1,039,112
Credit impaired:				
- recovered	(114,073)	(106,369)	(240,532)	(274,043)
- written off	2,656	2,586	7,334	4,996
	<u>272,057</u>	<u>395,748</u>	<u>346,232</u>	<u>770,065</u>
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	126,999	249,040	219,176	571,436
Credit impaired:				
- recovered	(64,526)	(55,879)	(138,106)	(163,679)
- written off	2,118	2,122	6,467	4,111
	<u>64,591</u>	<u>195,283</u>	<u>87,537</u>	<u>411,868</u>

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

	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	(34,470)	18,247	(33,651)	23,378
- Debt instrument at amortised cost	(18,902)	53,491	(102,024)	51,917
- Money at call and deposits and placements with banks and other financial institutions	(34)	(2,362)	(87)	(2,384)
- Other assets	27,921	(9,731)	207,263	25,352
- Intangible assets	-	10,905	-	10,905
- Right-of-use assets	(717)	-	(717)	-
	<u>(26,202)</u>	<u>70,550</u>	<u>70,784</u>	<u>109,168</u>
The Bank				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	(34,253)	14,714	(31,811)	19,524
- Debt instrument at amortised cost	(32,577)	55,263	(114,136)	52,921
- Money at call and deposits and placements with banks and other financial institutions	(1,513)	18	(1,113)	(28)
- Other assets	(13,534)	(43,167)	148,321	(42,904)
- Right-of-use assets	(717)	-	(717)	-
- Subsidiaries	18,485	-	18,485	-
	<u>(64,109)</u>	<u>26,828</u>	<u>19,029</u>	<u>29,513</u>

Included in the other impairment allowance made for other assets during the financial year is ECL related to settlement of debit card balances. See A5.

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

At 30 June 2022	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	45,175,343	829,907	(429,196)	31,540,762	626,599	(186,795)
- less than one year	41,733,642	770,709	(303,725)	29,104,315	580,188	(118,385)
- one year to three years	2,966,185	55,304	(73,129)	2,122,588	42,517	(19,540)
- more than three years	475,516	3,894	(52,342)	313,859	3,894	(48,870)
Currency swaps	467,811,049	10,017,621	(9,104,501)	304,752,728	6,608,059	(6,016,864)
- less than one year	463,373,034	9,930,664	(9,047,293)	301,504,620	6,524,077	(6,011,977)
- one year to three years	4,113,839	86,088	(55,309)	2,948,266	83,113	(4,476)
- more than three years	324,176	869	(1,899)	299,842	869	(411)
Currency spots	4,891,250	5,539	(5,482)	4,113,907	3,631	(3,870)
- less than one year	4,891,250	5,539	(5,482)	4,113,907	3,631	(3,870)
Currency options	7,444,653	87,092	(80,187)	7,399,310	86,594	(79,676)
- less than one year	4,724,719	45,927	(29,155)	4,679,376	45,429	(28,644)
- one year to three years	1,982,272	31,288	(42,004)	1,982,272	31,288	(42,004)
- more than three years	737,662	9,877	(9,028)	737,662	9,877	(9,028)
Cross currency interest rate swaps	93,187,808	3,577,996	(4,018,362)	30,831,275	1,051,429	(1,128,177)
- less than one year	23,930,481	728,454	(808,858)	9,611,419	190,383	(318,326)
- one year to three years	35,513,117	1,406,161	(1,553,590)	10,421,697	435,841	(363,324)
- more than three years	33,744,210	1,443,381	(1,655,914)	10,798,159	425,205	(446,527)
	618,510,103	14,518,155	(13,637,728)	378,637,982	8,376,312	(7,415,382)
<u>Interest rate derivatives</u>						
Interest rate swaps	426,635,838	4,414,234	(3,606,311)	151,152,724	1,901,149	(1,367,101)
- less than one year	178,771,476	369,911	(283,696)	45,680,630	125,222	(94,107)
- one year to three years	130,587,368	1,106,027	(904,515)	57,158,479	468,816	(361,088)
- more than three years	117,276,994	2,938,296	(2,418,100)	48,313,615	1,307,111	(911,906)
Interest rate futures	1,843,216	15,812	(2,111)	1,843,216	15,812	(2,111)
- less than one year	1,843,216	15,812	(2,111)	1,843,216	15,812	(2,111)
Interest rate options	162,318	-	-	162,318	-	-
- less than one year	162,318	-	-	162,318	-	-
	428,641,372	4,430,046	(3,608,422)	153,158,258	1,916,961	(1,369,212)
<u>Equity related derivatives</u>						
Equity swaps	399,740	24,072	(1,102)	399,740	24,065	(1,102)
- less than one year	92,554	4,967	(987)	92,554	4,960	(987)
- one year to three years	307,007	19,105	(115)	307,007	19,105	(115)
- more than three years	179	-	-	179	-	-
Equity options	3,330,168	288,891	(130,390)	2,814,352	284,862	(125,790)
- less than one year	2,991,331	276,177	(122,465)	2,664,047	274,289	(120,374)
- one year to three years	244,611	11,822	(7,033)	150,305	10,573	(5,416)
- more than three years	94,226	892	(892)	-	-	-
Equity futures	98,280	59	(1,605)	98,280	59	(1,605)
- less than one year	98,280	59	(1,605)	98,280	59	(1,605)
Index futures	88,950	640	(442)	88,950	640	(442)
- less than one year	88,950	640	(442)	88,950	640	(442)
	3,917,138	313,662	(133,539)	3,401,322	309,626	(128,939)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June 2022	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	912,231	114,847	(122,428)	912,231	114,847	(122,428)
- less than one year	912,231	114,847	(122,428)	912,231	114,847	(122,428)
Commodity futures	184,155	12,370	(11,883)	184,155	12,370	(11,883)
- less than one year	184,155	12,370	(11,883)	184,155	12,370	(11,883)
Commodity options	5,816,087	11,840	(9,287)	5,816,087	11,840	(9,287)
- less than one year	5,816,087	11,840	(9,287)	5,816,087	11,840	(9,287)
	6,912,473	139,057	(143,598)	6,912,473	139,057	(143,598)
<u>Credit related derivatives</u>						
Credit default swaps	3,332,375	28,344	(13,634)	3,331,735	28,317	(13,141)
- one year to three years	642,615	6,538	(810)	642,615	6,535	(504)
- more than three years	2,689,760	21,806	(12,824)	2,689,120	21,782	(12,637)
Total return swaps	20,500	-	(577)	20,500	-	(577)
- more than three years	20,500	-	(577)	20,500	-	(577)
	3,352,875	28,344	(14,211)	3,352,235	28,317	(13,718)
<u>Bond contract</u>						
Bond forward	2,807,425	453,130	(7,863)	-	-	-
- less than one year	939,890	113,964	(7,763)	-	-	-
- one year to three years	1,376,598	254,236	(4)	-	-	-
- more than three years	490,937	84,930	(96)	-	-	-
<u>Hedging derivatives</u>						
Currency swaps	5,098,727	52,022	(95,601)	4,792,692	52,022	(83,949)
- less than one year	5,098,727	52,022	(95,601)	4,792,692	52,022	(83,949)
Cross currency interest rate swaps	3,406,353	230,627	(95,511)	886,551	-	(62,681)
- less than one year	455,821	49,361	(629)	-	-	-
- one year to three years	1,426,152	88,007	(40,369)	455,074	-	(22,455)
- more than three years	1,524,380	93,259	(54,513)	431,477	-	(40,226)
Interest rate swaps	36,174,510	847,197	(358,494)	31,466,027	744,972	(357,671)
- less than one year	4,403,566	20,895	(6,061)	3,337,778	18,990	(6,176)
- one year to three years	8,634,975	64,184	(58,075)	7,690,358	64,184	(57,375)
- more than three years	23,135,969	762,118	(294,358)	20,437,891	661,798	(294,120)
	44,679,590	1,129,846	(549,606)	37,145,270	796,994	(504,301)
Total derivatives assets/(liabilities)	1,108,820,976	21,012,240	(18,094,967)	582,607,540	11,567,267	(9,575,150)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2021	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	44,766,187	270,028	(479,064)	31,153,672	134,493	(308,736)
- less than one year	41,902,683	253,286	(352,410)	29,152,801	117,635	(222,312)
- one year to three years	2,221,020	11,106	(72,000)	1,557,676	11,360	(33,636)
- more than three years	642,484	5,636	(54,654)	443,195	5,498	(52,788)
Currency swaps	457,414,546	5,094,015	(4,361,365)	290,068,958	3,021,607	(2,777,721)
- less than one year	455,645,805	5,059,869	(4,327,132)	288,700,185	2,999,678	(2,758,652)
- one year to three years	1,674,049	33,320	(33,138)	1,277,977	21,267	(17,974)
- more than three years	94,692	826	(1,095)	90,796	662	(1,095)
Currency spots	3,248,469	2,391	(2,631)	2,713,213	1,843	(1,976)
- less than one year	3,248,469	2,391	(2,631)	2,713,213	1,843	(1,976)
Currency options	4,922,893	62,503	(85,539)	4,918,213	62,427	(85,194)
- less than one year	2,064,408	18,499	(37,564)	2,059,728	18,423	(37,219)
- one year to three years	1,689,425	21,140	(17,240)	1,689,425	21,140	(17,240)
- more than three years	1,169,060	22,864	(30,735)	1,169,060	22,864	(30,735)
Cross currency interest rate swaps	96,136,516	2,118,007	(2,432,341)	35,525,862	841,600	(678,350)
- less than one year	27,606,696	414,025	(814,206)	13,149,346	208,805	(225,250)
- one year to three years	32,011,819	861,967	(674,695)	10,870,378	379,249	(228,450)
- more than three years	36,518,001	842,015	(943,440)	11,506,138	253,546	(224,650)
	606,488,611	7,546,944	(7,360,940)	364,379,918	4,061,970	(3,851,977)
<u>Interest rate derivatives</u>						
Interest rate swaps	389,608,245	3,157,332	(2,668,142)	140,258,211	1,252,732	(1,111,791)
- less than one year	135,366,307	242,433	(234,571)	45,087,867	148,893	(128,749)
- one year to three years	128,145,697	789,968	(788,136)	49,704,295	409,680	(425,060)
- more than three years	126,096,241	2,124,931	(1,645,435)	45,466,049	694,159	(557,982)
Interest rate futures	3,006,210	3,700	(10,764)	3,006,210	3,700	(10,764)
- less than one year	3,006,210	3,700	(10,764)	3,006,210	3,700	(10,764)
Interest rate options	573,385	-	(4)	573,385	-	(4)
- less than one year	573,385	-	(4)	573,385	-	(4)
	393,187,840	3,161,032	(2,678,910)	143,837,806	1,256,432	(1,122,559)
<u>Equity related derivatives</u>						
Equity swaps	318,757	4,168	(37,814)	318,757	4,168	(37,824)
- less than one year	11,742	-	(228)	11,742	-	(238)
- one year to three years	214,663	4,029	(37,586)	214,663	4,029	(37,586)
- more than three years	92,352	139	-	92,352	139	-
Equity options	3,321,847	239,628	(91,142)	2,937,014	234,643	(85,863)
- less than one year	3,090,271	234,979	(82,224)	2,795,440	232,198	(79,149)
- one year to three years	141,574	2,445	(6,714)	141,574	2,445	(6,714)
- more than three years	90,002	2,204	(2,204)	-	-	-
Equity futures	6,635	25	(1)	6,635	25	(1)
- less than one year	6,635	25	(1)	6,635	25	(1)
Index futures	86,994	949	(344)	86,994	949	(344)
- less than one year	86,994	949	(344)	86,994	949	(344)
	3,734,233	244,770	(129,301)	3,349,400	239,785	(124,032)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

At 31 December 2021	The Group			The Bank		
	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	845,600	46,861	(52,785)	845,756	46,706	(52,785)
- less than one year	818,501	45,692	(51,124)	818,656	45,537	(51,124)
- one year to three years	27,099	1,169	(1,661)	27,100	1,169	(1,661)
Commodity futures	379,825	15,422	(6,619)	379,825	15,422	(6,619)
- less than one year	379,825	15,422	(6,619)	379,825	15,422	(6,619)
Commodity options	8,351,321	146,506	(153,068)	8,351,321	146,506	(153,068)
- less than one year	8,351,321	146,506	(153,068)	8,351,321	146,506	(153,068)
	9,576,746	208,789	(212,472)	9,576,902	208,634	(212,472)
<u>Credit related derivatives</u>						
Credit default swaps	3,564,557	47,678	(35,529)	3,559,372	47,670	(35,564)
- less than one year	338,534	799	(12)	254,340	796	(12)
- one year to three years	143,061	1,969	(503)	143,061	1,969	(503)
- more than three years	3,082,962	44,910	(35,014)	3,161,971	44,905	(35,049)
Total return swaps	20,500	-	(1,248)	20,500	-	(1,248)
- more than three years	20,500	-	(1,248)	20,500	-	(1,248)
	3,585,057	47,678	(36,777)	3,579,872	47,670	(36,812)
<u>Bond Forward</u>						
Bond Forward	3,033,180	164,834	(115,204)	30,000	-	(3,909)
- Up to 1 year	1,178,155	23,382	(92,431)	-	-	-
- More than 1 year to 3 years	1,262,148	99,231	(18,664)	-	-	-
- More than 3 years	592,877	42,221	(4,109)	30,000	-	(3,909)
<u>Hedging derivatives</u>						
Currency swaps	4,543,474	43,058	(8,797)	4,289,134	43,058	(8,652)
- less than one year	4,543,474	43,058	(8,797)	4,289,134	43,058	(8,652)
Cross currency interest rate swaps	3,375,973	77,433	(33,817)	843,885	2,295	(13,264)
- less than one year	104,740	6,583	(894)	-	-	-
- one year to three years	1,416,719	55,693	(4,033)	433,173	2,295	(3,874)
- more than three years	1,854,514	15,157	(28,890)	410,712	-	(9,390)
Interest rate swaps	29,667,170	333,317	(231,192)	27,329,573	322,013	(224,241)
- less than one year	7,295,353	72,435	(19,828)	6,831,734	68,386	(19,906)
- one year to three years	6,089,019	60,052	(37,071)	6,144,019	60,052	(37,478)
- more than three years	16,282,798	200,830	(174,293)	14,353,820	193,575	(166,857)
	37,586,617	453,808	(273,806)	32,462,592	367,366	(246,157)
Total derivatives assets/(liabilities)	1,057,192,284	11,827,855	(10,807,410)	557,216,490	6,181,857	(5,597,918)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfill their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2022, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM21,012,240,000 and RM11,567,267,000 respectively (2021: RM11,827,855,000 and RM6,181,857,000 respectively). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2022, the Group and the Bank has posted cash collateral of RM4,634,966,000 and RM2,369,056,000 respectively (2021: RM2,897,982,000 and RM1,201,829,000 respectively) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited financial statements for the financial year ended 31 December 2021.

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES

The Group	30 June 2022	31 Dec 2021
<u>Credit-related</u>	Principal RM'000	Principal RM'000
Direct credit substitutes	3,505,374	3,544,384
Transaction-related contingent items	5,287,584	5,361,331
Short-term self-liquidating trade-related contingencies	4,455,571	3,315,027
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	65,590,504	68,570,606
- maturity exceeding one year	41,210,179	33,989,202
Miscellaneous commitments and contingencies	2,662,408	2,009,445
Total credit-related commitments and contingencies	122,711,620	116,789,995
 <u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	544,207,674	535,116,275
- one year to five years	66,063,738	61,278,792
- more than five years	16,743,771	18,012,991
	627,015,183	614,408,058
Interest rate related contracts :		
- less than one year	185,180,576	146,241,255
- one year to five years	218,271,973	214,840,487
- more than five years	61,363,333	61,773,268
	464,815,882	422,855,010
Equity related contracts:		
- less than one year	3,271,115	3,195,642
- one year to five years	551,797	448,589
- more than five years	94,226	90,002
	3,917,138	3,734,233
Credit related contracts:		
- less than one year	-	338,534
- one year to five years	3,171,346	3,170,347
- more than five years	181,529	76,176
	3,352,875	3,585,057
Commodity related contracts:		
- less than one year	6,912,473	9,549,647
- one year to five years	-	27,099
	6,912,473	9,576,746
Bond contracts:		
- less than one year	939,890	1,178,155
- one year to five years	1,867,535	1,825,025
- more than five years	-	30,000
	2,807,425	3,033,180
 Total treasury-related commitments and contingencies	1,108,820,976	1,057,192,284
	1,231,532,596	1,173,982,279

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	30 June 2022	31 Dec 2021
	Principal	Principal
	RM'000	RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,205,517	3,260,899
Transaction-related contingent items	3,632,426	3,505,373
Short-term self-liquidating trade-related contingencies	3,058,752	2,024,195
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	52,159,324	54,341,124
- maturity exceeding one year	28,542,188	24,386,828
Miscellaneous commitments and contingencies	2,079,565	1,980,933
Total credit-related commitments and contingencies	<u>92,677,772</u>	<u>89,499,352</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	353,806,329	340,064,407
- one year to five years	26,440,753	25,296,955
- more than five years	4,070,143	4,151,575
	<u>384,317,225</u>	<u>369,512,937</u>
Interest rate related contracts :		
- less than one year	51,023,942	55,499,196
- one year to five years	108,276,971	90,640,395
- more than five years	25,323,372	25,027,788
	<u>184,624,285</u>	<u>171,167,379</u>
Equity related contracts:		
- less than one year	2,943,831	2,900,811
- one year to five years	457,491	448,589
	<u>3,401,322</u>	<u>3,349,400</u>
Credit related contracts:		
- less than one year	-	254,340
- one year to five years	3,170,870	3,167,091
- more than five years	181,365	158,441
	<u>3,352,235</u>	<u>3,579,872</u>
Commodity related contracts:		
- less than one year	6,912,473	9,549,802
- one year to five years	-	27,100
	<u>6,912,473</u>	<u>9,576,902</u>
Bond contracts:		
- more than five years	-	30,000
	<u>-</u>	<u>30,000</u>
Total treasury-related commitments and contingencies	<u>582,607,540</u>	<u>557,216,490</u>
	<u>675,285,312</u>	<u>646,715,842</u>

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

	The Group		The Bank	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	1,500,000	2,500,000	1,500,000	2,500,000
	<u>1,500,000</u>	<u>2,500,000</u>	<u>1,500,000</u>	<u>2,500,000</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY

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

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

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

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

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

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

30 June 2022 - Basel III

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

	The Group	The Bank*
Before deducting proposed dividend		
Common equity tier 1 ratio	14.959%	14.618%
Tier 1 ratio	15.631%	15.424%
Total capital ratio	<u>18.947%</u>	<u>18.524%</u>
After deducting proposed dividend		
Common equity tier 1 ratio	14.486%	13.895%
Tier 1 ratio	15.158%	14.702%
Total capital ratio	<u>18.474%</u>	<u>17.802%</u>

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk ⁽¹⁾	223,648,517	143,654,119
Market risk	15,980,651	10,886,091
Large exposure risk requirements	1,299,541	1,299,541
Operational risk	<u>24,094,830</u>	<u>17,687,804</u>
Total risk-weighted assets	<u>265,023,539</u>	<u>173,527,555</u>

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

	The Group	The Bank*
	RM'000	RM'000
Under Restricted Agency Investment Account arrangement	<u>781,504</u>	<u>781,504</u>
	<u>781,504</u>	<u>781,504</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

30 June 2022 - Basel III (Continued)

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary share capital	22,177,810	22,177,810
Other reserves	24,104,784	14,944,150
Qualifying non-controlling interests	163,872	-
Less: Proposed dividends	(1,253,258)	(1,253,258)
Common Equity Tier 1 capital before regulatory adjustments	<u>45,193,208</u>	<u>35,868,702</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,934,004)	(3,555,075)
Intangible assets	(1,071,305)	(911,492)
Deferred tax assets	(1,515,894)	(961,279)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,992,548)
Regulatory reserve	(341,414)	(340,795)
Others	60,400	4,697
Common Equity Tier 1 capital after regulatory adjustments	<u>38,390,991</u>	<u>24,112,210</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	32,095	-
	<u>1,782,095</u>	<u>1,750,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(350,000)
Additional Tier I capital after regulatory adjustments	<u>1,782,095</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>40,173,086</u>	<u>25,512,210</u>
Tier 2 capital		
Subordinated notes	6,800,000	6,800,000
Qualifying capital instruments held by third parties	249,898	-
Surplus eligible provisions over expected loss	977,082	701,547
General provisions ^	760,018	334,120
Tier 2 capital before regulatory adjustments	<u>8,786,998</u>	<u>7,835,667</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,457,153)
Total Tier 2 capital	<u>8,786,998</u>	<u>5,378,514</u>
Total capital	<u>48,960,084</u>	<u>30,890,724</u>

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

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	14.019%	14.727%	N/A	N/A
Tier 1 ratio	14.690%	14.727%	N/A	N/A
Total capital ratio	<u>17.241%</u>	<u>20.717%</u>	<u>18.906%</u>	<u>77.022%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2021 - Basel III

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

	The Group	The Bank*
Before deducting proposed dividend		
Common equity tier 1 ratio	15.443%	14.919%
Tier 1 ratio	16.228%	15.834%
Total capital ratio	<u>19.690%</u>	<u>19.051%</u>
After deducting proposed dividend		
Common equity tier 1 ratio	15.185%	14.530%
Tier I ratio	15.970%	15.445%
Total capital ratio	<u>19.432%</u>	<u>18.662%</u>

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk ⁽¹⁾	211,573,137	138,584,833
Market risk	16,357,473	10,800,858
Large exposure risk requirements	891,987	891,987
Operational risk	23,371,960	17,031,328
Total risk-weighted assets	<u>252,194,557</u>	<u>167,309,006</u>

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

	The Group	The Bank*
	RM'000	RM'000
Under Restricted Agency Investment Account arrangement	1,227,746	1,227,746
	<u>1,227,746</u>	<u>1,227,746</u>

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

	The Group	The Bank*
	RM'000	RM'000
Common Equity Tier 1 capital		
Ordinary share capital	21,855,078	21,855,078
Other reserves	23,443,428	14,672,012
Qualifying non-controlling interests	147,833	-
Less: Proposed dividends	(651,012)	(651,012)
Common Equity Tier 1 capital before regulatory adjustments	<u>44,795,327</u>	<u>35,876,078</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,934,802)	(3,555,075)
Intangible assets	(1,205,099)	(1,029,540)
Deferred tax assets	(1,282,904)	(903,392)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,948,651)
Regulatory reserve	(129,196)	(129,196)
Others	52,342	(147)
Common Equity Tier 1 capital after regulatory adjustments	<u>38,295,668</u>	<u>24,310,077</u>
Additional Tier 1 capital		
Perpetual preference shares	200,000	200,000
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	29,851	-
Additional Tier 1 capital before and after regulatory adjustments	<u>1,979,851</u>	<u>1,950,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(420,000)
Additional Tier 1 capital after regulatory adjustments	<u>1,979,851</u>	<u>1,530,000</u>
Total Tier 1 capital	<u>40,275,519</u>	<u>25,840,077</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2021 - Basel III (Continued)

	The Group	The Bank*
	RM'000	RM'000
Tier 2 capital		
Subordinated notes	6,800,000	6,800,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	239,953	-
Surplus eligible provisions over expected loss	907,105	676,117
General provisions [^]	754,863	323,734
Tier 2 capital before regulatory adjustments	<u>8,731,661</u>	<u>7,829,591</u>
Less: Regulatory adjustments		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,445,967)
Total Tier 2 capital	<u>8,731,661</u>	<u>5,383,624</u>
Total capital	<u>49,007,180</u>	<u>31,223,701</u>

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

	CIMB Islamic			CIMB Bank
	Bank	CIMB Thai Bank	CIMB Bank PLC	(Vietnam) Ltd
Common equity tier 1 ratio	15.109%	15.701%	N/A	N/A
Tier 1 ratio	15.875%	15.701%	N/A	N/A
Total capital ratio	<u>18.853%</u>	<u>21.797%</u>	<u>17.491%</u>	<u>112.477%</u>

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

[^] Total capital of the Group and the Bank has excluded general provisions/portfolio impairment allowance from Tier 2 capital of RM419 million (2021: RM398 million) and RM228 million (2021: RM176 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT

Definition of segments

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

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

Commercial Banking

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

Wholesale Banking

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

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

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

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

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

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

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

CIMB Digital Assets & Group Funding (previously known as Group Ventures & Partnerships and Funding)

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

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
30 June 2022

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Net interest income/(expense) - after modification loss					
- external income	1,977,466	437,041	787,531	733,489	3,935,527
- inter-segment	(155,107)	279,797	248,332	(373,022)	-
	<u>1,822,359</u>	<u>716,838</u>	<u>1,035,863</u>	<u>360,467</u>	<u>3,935,527</u>
Income from Islamic Banking operations	811,155	354,332	256,521	91,487	1,513,495
Net non-interest income	<u>657,381</u>	<u>242,134</u>	<u>356,963</u>	<u>179,113</u>	<u>1,435,591</u>
Net income	<u>3,290,895</u>	<u>1,313,304</u>	<u>1,649,347</u>	<u>631,067</u>	<u>6,884,613</u>
Overheads	(1,540,862)	(526,137)	(751,228)	(356,071)	(3,174,298)
of which:					
Depreciation of property, plant and equipment	(31,085)	(1,472)	(5,759)	(45,036)	(83,352)
Amortisation of intangible assets	(46,259)	(4,311)	(28,079)	(194,654)	(273,303)
Profit before expected credit losses	<u>1,750,033</u>	<u>787,167</u>	<u>898,119</u>	<u>274,996</u>	<u>3,710,315</u>
Expected credit losses on loans, advances and financing (made)/written back	(292,571)	52,725	(64,904)	(41,482)	(346,232)
Expected credit losses for commitments and contingencies written back/(made)	104,642	(4,014)	(113,933)	5	(13,300)
Other expected credit losses and impairment allowances (made)/written back	(288,047)	(4,159)	223,106	(1,684)	(70,784)
Segment results	<u>1,274,057</u>	<u>831,719</u>	<u>942,388</u>	<u>231,835</u>	<u>3,279,999</u>
Share of results of joint venture	15,143	-	-	-	15,143
Taxation					<u>(1,090,367)</u>
Profit for the financial period					<u><u>2,204,775</u></u>

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

The Group
30 June 2021

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Net interest income/(expense) - after modification loss					
- external income	1,954,939	447,823	841,012	595,001	3,838,775
- inter-segment	(99,514)	245,002	241,710	(387,198)	-
	<u>1,855,425</u>	<u>692,825</u>	<u>1,082,722</u>	<u>207,803</u>	<u>3,838,775</u>
Income from Islamic Banking operations	704,453	303,482	237,698	224,088	1,469,721
Net non-interest income	621,751	201,894	556,095	128,701	1,508,441
Net income	<u>3,181,629</u>	<u>1,198,201</u>	<u>1,876,515</u>	<u>560,592</u>	<u>6,816,937</u>
Overheads	(1,587,756)	(562,387)	(785,101)	(455,897)	(3,391,141)
of which:					
Depreciation of property, plant and equipment	(31,871)	(1,417)	(6,343)	(36,678)	(76,309)
Amortisation of intangible assets	(41,733)	(1,997)	(19,729)	(222,628)	(286,087)
Profit before expected credit losses	<u>1,593,873</u>	<u>635,814</u>	<u>1,091,414</u>	<u>104,695</u>	<u>3,425,796</u>
Expected credit losses on loans, advances and financing	(399,227)	(62,580)	(286,673)	(21,585)	(770,065)
Expected credit losses for commitments and contingencies written back/(made)	(21,127)	(957)	13,377	(800)	(9,507)
Other expected credit losses and impairment allowances (made)/written back	<u>(66,730)</u>	<u>(344)</u>	<u>(24,579)</u>	<u>(17,515)</u>	<u>(109,168)</u>
Segment results	<u>1,106,789</u>	<u>571,933</u>	<u>793,539</u>	<u>64,795</u>	<u>2,537,056</u>
Share of results of joint venture	10,144	-	-	-	10,144
Taxation					<u>(606,014)</u>
Profit for the financial period					<u><u>1,941,186</u></u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
30 June 2022

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	186,061,329	47,343,610	229,853,699	74,427,885	537,686,523
Unallocated assets					17,762,362
Total assets					555,448,885
Segment liabilities	133,550,080	63,177,370	259,707,932	30,708,692	487,144,074
Unallocated liabilities					21,506,354
Total liabilities					508,650,428
Other segment items					
Capital expenditure	75,038	4,173	20,481	163,627	263,319
Investment in joint venture	161,299	-	-	-	161,299

The Group
31 December 2021

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	179,786,162	45,229,263	216,481,082	69,903,802	511,400,309
Unallocated assets					13,370,080
Total assets					524,770,389
Segment liabilities	134,234,352	61,538,473	237,139,996	32,938,692	465,851,513
Unallocated liabilities					13,105,229
Total liabilities					478,956,742
Other segment items					
Capital expenditure	161,965	7,551	52,056	429,529	651,101
Investment in joint venture	151,157	-	-	-	151,157

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

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

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

The Group	Fair Value 30 June 2022			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	25,888,508	421,470	26,309,978
-Quoted securities	1,365,637	-	-	1,365,637
-Unquoted securities	-	5,098,925	1,144,655	6,243,580
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	19,072,564	-	19,072,564
-Unquoted securities	-	28,859,811	-	28,859,811
Equity instruments at fair value through other comprehensive income				
-Quoted securities	1,692	-	-	1,692
-Unquoted securities	-	-	273,171	273,171
Derivative financial instruments				
-Trading derivatives	40,128	19,555,704	286,562	19,882,394
-Hedging derivatives	-	1,129,846	-	1,129,846
Loans, advances and financing at fair value through profit or loss	-	149,341	-	149,341
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	7,471	-	7,471
Total	1,407,457	99,762,170	2,125,858	103,295,485
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	41,786	17,403,421	100,154	17,545,361
- Hedging derivatives	-	549,606	-	549,606
Financial liabilities designated at fair values through profit or loss	-	5,182,207	-	5,182,207
Total	41,786	23,135,234	100,154	23,277,174

The Group	Fair Value 31 Dec 2021			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	28,719,832	398,711	29,118,543
-Quoted securities	1,406,435	-	-	1,406,435
-Unquoted securities	-	6,761,527	1,133,117	7,894,644
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	16,399,801	-	16,399,801
-Unquoted securities	-	30,074,356	-	30,074,356
Equity instruments at fair value through other comprehensive income				
-Quoted securities	7,473	-	-	7,473
-Unquoted securities	-	-	281,114	281,114
Derivative financial instruments				
-Trading derivatives	146,868	10,992,784	234,395	11,374,047
-Hedging derivatives	-	453,808	-	453,808
Loans, advances and financing at fair value through profit or loss	-	357,853	-	357,853
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	19,595	-	19,595
Total	1,560,776	93,779,556	2,047,337	97,387,669
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	91,701	10,402,144	39,759	10,533,604
- Hedging derivatives	-	273,806	-	273,806
Financial liabilities designated at fair values through profit or loss	-	3,285,777	-	3,285,777
Total	91,701	13,961,727	39,759	14,093,187

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

The Bank	The Bank Fair Value 30 June 2022			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	20,926,300	421,470	21,347,770
-Quoted securities	1,365,637	-	-	1,365,637
-Unquoted securities	-	3,991,227	1,131,408	5,122,635
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	10,836,479	-	10,836,479
-Unquoted securities	-	23,101,111	-	23,101,111
Equity instruments at fair value through other comprehensive income				
-Quoted securities	79	-	-	79
-Unquoted securities	-	-	267,491	267,491
Derivative financial instruments				
-Trading derivatives	40,128	10,443,583	286,562	10,770,273
-Hedging derivatives	-	796,994	-	796,994
Loans, advances and financing at fair value through profit or loss	-	149,341	-	149,341
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets/disposal groups held for sale	-	7,471	-	7,471
Total	1,405,844	70,252,506	2,106,931	73,765,281
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	41,786	8,925,649	103,414	9,070,849
-Hedging derivatives	-	504,301	-	504,301
Financial liabilities designated at fair values through profit or loss	-	877,833	-	877,833
Total	41,786	10,307,783	103,414	10,452,983

The Bank	Fair Value 31 Dec 2021			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	21,044,300	398,711	21,443,011
-Quoted securities	1,406,435	-	-	1,406,435
-Unquoted securities	-	5,289,879	1,119,870	6,409,749
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,082,662	-	11,082,662
-Unquoted securities	-	23,998,599	-	23,998,599
Equity instruments at fair value through other comprehensive income				
-Quoted securities	83	-	-	83
-Unquoted securities	-	-	274,644	274,644
Derivative financial instruments				
-Trading derivatives	146,868	5,433,228	234,395	5,814,491
-Hedging derivatives	-	367,366	-	367,366
Loans, advances and financing at fair value through profit or loss	-	357,853	-	357,853
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	19,595	-	19,595
Total	1,553,386	67,593,482	2,027,620	71,174,488
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
-Trading derivatives	91,701	5,200,180	59,880	5,351,761
-Hedging derivatives	-	246,157	-	246,157
Financial liabilities designated at fair values through profit or loss	-	261,682	-	261,682
Total	91,701	5,708,019	59,880	5,859,600

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 June 2022 and 31 December 2021 for the Group and the Bank:

	Financial Assets			Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group						
2022						
At 1 January	1,531,828	281,114	234,395	2,047,337	(39,759)	(39,759)
Total gains/(losses) recognised in statement of income	28,175	-	51,972	80,147	(12,518)	(12,518)
Total losses recognised in other comprehensive income	-	(8,116)	-	(8,116)	-	-
Purchases	319	-	2,072	2,391	(80,420)	(80,420)
Sales and redemptions	(26,703)	-	-	(26,703)	-	-
Settlements	-	-	(2,940)	(2,940)	33,518	33,518
Exchange fluctuation	32,506	173	1,063	33,742	(975)	(975)
At 30 June	1,566,125	273,171	286,562	2,125,858	(100,154)	(100,154)
Total gains/(losses) recognised in statement of income for financial period ended 30 June 2022 under:						
- net non-interest income	28,175	-	51,972	80,147	(12,518)	(12,518)
Total losses recognised in other comprehensive income for financial period ended 30 June 2022 under "revaluation reserves"	-	(8,116)	-	(8,116)	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 30 June 2022 under "net non-interest income"	28,324	-	300,623	328,947	(59,872)	(59,872)
	Financial Assets				Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments	Total	Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank						
2022						
At 1 January	1,518,581	274,644	234,395	2,027,620	(59,880)	(59,880)
Total gains recognised in statement of income	28,175	-	51,972	80,147	4,343	4,343
Total losses recognised in other comprehensive income	-	(7,335)	-	(7,335)	-	-
Purchases	319	-	2,072	2,391	(80,420)	(80,420)
Sales and redemptions	(26,703)	-	-	(26,703)	-	-
Settlements	-	-	(2,940)	(2,940)	33,518	33,518
Exchange fluctuation	32,506	182	1,063	33,751	(975)	(975)
At 30 June	1,552,878	267,491	286,562	2,106,931	(103,414)	(103,414)
Total gains recognised in statement of income for financial period ended 30 June 2022 under:						
- net non-interest income	28,175	-	51,972	80,147	4,343	4,343
Total losses recognised in other comprehensive income for financial period ended 30 June 2022 under "revaluation reserves"	-	(7,335)	-	(7,335)	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 30 June 2022 under "net non-interest income"	28,324	-	300,623	328,947	(43,009)	(43,009)

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 June 2022 and 31 December 2021 for the Group and the Bank: (Continued)

	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	Total
	Money market instruments and unquoted securities RM'000	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000		Trading derivatives RM'000	RM'000
The Group							
2021							
At 1 January	1,615,772	1	266,704	157,301	2,039,778	(8,313)	(8,313)
Total gains/(losses) recognised in statement of income	29,631	-	-	79,805	109,436	(26,475)	(26,475)
Total gains recognised in other comprehensive income	-	-	29,140	-	29,140	-	-
Purchases	2,276	-	52	6,076	8,404	(28,630)	(28,630)
Sales and redemptions	(141,336)	(1)	(14,767)	-	(156,104)	-	-
Settlements	-	-	-	(8,885)	(8,885)	23,740	23,740
Exchange fluctuation	25,485	-	(15)	98	25,568	(81)	(81)
At 31 December	1,531,828	-	281,114	234,395	2,047,337	(39,759)	(39,759)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2021 under:							
- net non-interest income	29,631	-	-	79,805	109,436	(26,475)	(26,475)
Total gains recognised in other comprehensive income for financial year ended 31 December 2021 under "revaluation reserves"	-	-	29,140	-	29,140	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2021 under "net non-interest income"	26,821	-	-	395,810	422,631	(83,282)	(83,282)
	Financial Assets				Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	Total
	Money market instruments and unquoted securities RM'000	Unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000		Trading derivatives RM'000	RM'000
The Bank							
2021							
At 1 January	1,603,285	-	262,939	157,301	2,023,525	(40,081)	(40,081)
Total gains/(losses) recognised in statement of income	28,871	-	-	79,805	108,676	(14,828)	(14,828)
Total gains recognised in other comprehensive income	-	-	26,073	-	26,073	-	-
Purchases	2,276	-	-	6,076	8,352	(28,630)	(28,630)
Sales and redemptions	(141,336)	-	(14,678)	-	(156,014)	-	-
Settlements	-	-	-	(8,885)	(8,885)	23,740	23,740
Exchange fluctuation	25,485	-	310	98	25,893	(81)	(81)
At 31 December	1,518,581	-	274,644	234,395	2,027,620	(59,880)	(59,880)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2021 under:							
- net non-interest income	28,871	-	-	79,805	108,676	(14,828)	(14,828)
Total gains recognised in other comprehensive income for financial year ended 31 December 2021 under "revaluation reserves"	-	-	26,073	-	26,073	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2021 under "net non-interest income"	26,061	-	-	395,810	421,871	(71,636)	(71,636)

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING

A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	The Group		The Bank	
		30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Assets					
Cash and short-term funds		13,079,860	12,839,888	2,068,545	1,708,743
Deposits and placements with banks and other financial institutions		934,444	1,263,401	868,277	1,084,070
Financial assets at fair value through profit or loss		3,091,144	5,254,902	33,859	32,512
Debt instruments at fair value through other comprehensive income		5,330,671	5,334,555	298,341	269,173
Debt instruments at amortised cost		8,649,432	8,890,843	39,951	38,340
Islamic derivative financial instruments		442,046	264,327	33,099	23,040
Financing, advances and other financing/loans	A30c	99,957,369	93,211,323	2,370,308	2,601,908
Other assets		1,224,289	1,082,651	345,123	759,310
Deferred taxation		229,635	173,233	-	-
Tax recoverable		1,761	1,761	-	-
Amount due from conventional operations		1,893,058	1,561,923	-	-
Amount due from related companies		9,086,910	7,372,803	9,086,756	7,372,483
Goodwill		136,000	136,000	-	-
Intangible assets		1,376	19,768	207	295
Property, plant and equipment		852	1,093	10	82
Right-of-use assets		1,559	1,613	270	-
Total assets		144,060,406	137,410,084	15,144,746	13,889,956
Liabilities					
Deposits from customers	A30d	99,542,041	100,282,059	3,714,614	4,280,323
Investment accounts of customers	A30e	12,060,415	10,427,167	-	-
Deposits and placements of banks and other financial institutions		2,890,954	1,649,416	555,554	503,212
Collateralised Commodity Murabahah		1,115,659	328,821	-	-
Investment accounts due to designated financial institutions	A30f	3,652,002	3,919,753	-	-
Financial liabilities designated at fair value through profit or loss	A30g	2,388,068	799,686	-	-
Islamic derivative financial instruments		568,866	292,760	4,612	20,806
Amount due to conventional operations		-	-	-	-
Amount due to related company		528,453	693,870	423,901	594,710
Other liabilities		10,119,190	8,188,262	9,692,142	7,788,829
Lease liabilities		1,897	1,866	419	91
Provision for taxation		126,404	51,387	-	-
Subordinated Sukuk		1,108,171	1,108,045	-	-
Total liabilities		134,102,120	127,743,092	14,391,242	13,187,971
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		350,000	420,000	-	-
Reserves		8,608,286	8,246,992	753,504	701,985
Total equity		9,958,286	9,666,992	753,504	701,985
Total equity and liabilities		144,060,406	137,410,084	15,144,746	13,889,956
Restricted Agency Investment Account(*)		12,753,129	12,748,755	-	-
Total Islamic Banking Assets		156,813,535	150,158,839	15,144,746	13,889,956

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

Note	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	800,647	953,129	1,674,323	1,874,648
Income derived from investment of investment accounts	181,213	78,717	351,484	150,933
Net income derived from investment of shareholders' funds	271,719	129,062	427,120	314,423
Modification loss	A21 (136)	-	(2,843)	-
Expected credit losses made on financing, advances and other financing/loans	(166,182)	(95,054)	(167,934)	(128,033)
Expected credit losses for commitments and contingencies written back/(made)	39	(15,546)	31,148	(14,447)
Other expected credit losses and impairment allowances made	(21,514)	(3,774)	(19,225)	(4,035)
Total distributable income	1,065,786	1,046,534	2,294,073	2,193,489
Income attributable to depositors and others	(432,086)	(420,024)	(828,883)	(862,659)
Profit distributed to investment account holder	(89,230)	(44,542)	(172,020)	(79,580)
Total net income	544,470	581,968	1,293,170	1,251,250
Other operating expenses	(260,638)	(297,464)	(583,361)	(567,308)
Profit before taxation and zakat	283,832	284,504	709,809	683,942
Taxation and zakat	(101,423)	(61,436)	(228,683)	(138,402)
Profit for the financial period	182,409	223,068	481,126	545,540

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	182,409	223,068	481,126	545,540
Other comprehensive (expense)/income:				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(4)	31	(7)	31
	(4)	31	(7)	31
Items that may be reclassified to profit or loss				
Debt instruments at fair value through other comprehensive income	(80,060)	29,888	(127,697)	(88,238)
- Net loss from change in fair value	(118,914)	24,659	(179,382)	(82,727)
- Realised loss/(gain) transferred to statement of income on disposal	14,648	(8,995)	15,643	(36,391)
- Changes in expected credit losses	(143)	3,611	(1,901)	3,917
- Income tax effects	24,349	10,613	37,943	26,963
Exchange fluctuation reserve	6,074	1,066	7,420	9,501
	(73,986)	30,954	(120,277)	(78,737)
Other comprehensive (expense)/income for the financial period, net of tax	(73,990)	30,985	(120,284)	(78,706)
Total comprehensive income for the period	108,419	254,053	360,842	466,834
Total net income	544,470	581,968	1,293,170	1,251,250
Add:				
Expected credit losses made on financing, advances and other financing/loans	166,182	95,054	167,934	128,033
Expected credit losses for commitments and contingencies (written back)/made	(39)	15,546	(31,148)	14,447
Other expected credit losses and impairment allowances made	21,514	3,774	19,225	4,035
	732,127	696,342	1,449,181	1,397,765
Elimination for transactions with conventional operations	33,045	34,523	64,314	71,956
Income from Islamic operations (per page 2)	765,172	730,865	1,513,495	1,469,721

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,425	19,264	13,435	39,292
Net income derived from investment of shareholders' funds	25,931	1,705	31,233	14,612
Expected credit losses written back on financing, advances and other financing/loans	4,323	11,944	5,118	18,566
Expected credit losses for commitments and contingencies written back/(made)	84	(25)	54	14
Other expected credit losses and impairment allowances (made)/written back	(1)	(210)	2	(227)
	<u>31,762</u>	<u>32,678</u>	<u>49,842</u>	<u>72,257</u>
Total distributable income	31,762	32,678	49,842	72,257
Income attributable to depositors and others	(1,438)	(1,594)	(2,624)	(4,543)
	<u>30,324</u>	<u>31,084</u>	<u>47,218</u>	<u>67,714</u>
Total net income	30,324	31,084	47,218	67,714
Other operating expenses	(1,474)	(627)	(2,677)	(1,796)
	<u>28,850</u>	<u>30,457</u>	<u>44,541</u>	<u>65,918</u>
Profit for the financial period	28,850	30,457	44,541	65,918

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	28,850	30,457	44,541	65,918
Other comprehensive income/(expense):				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(2,793)	1,296	(5,626)	(6,563)
- Net loss from change in fair value	(2,811)	1,085	(5,641)	(6,774)
- Changes in expected credit losses	18	211	15	211
Exchange fluctuation reserve	10,847	1,095	12,599	12,671
Other comprehensive income for the financial period, net of tax	8,054	2,391	6,973	6,108
Total comprehensive income for the period	<u>36,904</u>	<u>32,848</u>	<u>51,514</u>	<u>72,026</u>
Total net income	30,324	31,084	47,218	67,714
Add:				
Expected credit losses written back on financing, advances and other financing/loans	(4,323)	(11,944)	(5,118)	(18,566)
Expected credit losses for commitments and contingencies (written back)/made	(84)	25	(54)	(14)
Other expected credit losses and impairment allowances made/(written back)	1	210	(2)	227
	<u>25,918</u>	<u>19,375</u>	<u>42,044</u>	<u>49,361</u>
Elimination for transactions with conventional operations	171	143	226	287
Income from Islamic operations (per page 4)	<u>26,089</u>	<u>19,518</u>	<u>42,270</u>	<u>49,648</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

**The Group
At 30 June 2022**

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	Total RM'000	
	Murabahah RM'000	Bai' Bithaman Ajil		Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Muntahiah Bi al- Tamlik *	Al-Ijarah Thumma al-Bai #	Mudharabah RM'000	Qard RM'000		Ujrah RM'000
		RM'000	RM'000				RM'000	RM'000				
At amortised cost												
Cash line^	-	202	1,700	-	1,194,943	-	-	-	17,622	-	1,214,467	
Term financing												
- House financing	-	4,266,482	-	-	30,584,642	1,111,403	-	-	-	-	35,962,527	
- Syndicated financing	-	-	10,762	-	1,538,692	-	-	465	-	-	1,549,919	
- Hire purchase receivables	-	-	-	-	-	-	14,196,928	-	-	-	14,196,928	
- Other term financing	84,193	961,377	1,488,785	-	37,661,058	38,139	-	-	-	-	40,233,552	
Bills receivable	517,242	-	-	348,570	-	-	-	-	262	-	866,074	
Islamic trust receipts	31,989	-	-	-	-	-	-	-	-	-	31,989	
Claims on customers under acceptance credits	772,756	-	-	125,274	-	-	-	-	-	-	898,030	
Staff financing	-	-	-	-	250,776	-	-	-	-	-	250,776	
Revolving credits	-	-	-	-	5,982,473	-	-	-	-	-	5,982,473	
Credit card receivables	-	-	-	-	-	-	-	-	-	155,110	155,110	
Gross financing, advances and other financing/loans, at amortised cost	1,406,180	5,228,061	1,501,247	473,844	77,212,584	1,149,542	14,196,928	465	17,884	155,110	101,341,845	
Fair value changes arising from fair value hedge											(1,068)	
											101,340,777	
Less: Expected credit losses											(1,383,408)	
Net financing, advances and other financing/loans											99,957,369	

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

i) By type and Shariah contract (Continued)

The Group
At 31 December 2021

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	Total
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai #				
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Mudharabah	Qard	Ujrah	RM'000
Cash line [^]	-	295	866	-	1,119,109	-	-	-	8,118	-	1,128,388
Term financing											
- House financing	-	4,498,841	-	-	27,289,680	1,150,034	-	-	-	-	32,938,555
- Syndicated financing	-	-	20,275	-	1,694,829	-	-	478	-	-	1,715,582
- Hire purchase receivables	-	-	-	-	-	-	12,935,554	-	-	-	12,935,554
- Other term financing	531,120	1,030,219	1,654,204	-	35,453,047	39,728	-	-	-	-	38,708,318
Bills receivable	641,132	-	-	496,935	-	-	-	-	458	-	1,138,525
Islamic trust receipts	34,970	-	-	-	-	-	-	-	-	-	34,970
Claims on customers under acceptance credits	688,423	-	-	71,233	-	-	-	-	-	-	759,656
Staff financing	-	-	-	-	225,183	-	-	-	-	-	225,183
Revolving credits	-	-	-	-	4,705,217	-	-	-	-	-	4,705,217
Credit card receivables	-	-	-	-	-	-	-	-	-	145,587	145,587
Gross financing, advances and other financing/loans, at amortised cost	1,895,645	5,529,355	1,675,345	568,168	70,487,065	1,189,762	12,935,554	478	8,576	145,587	94,435,535
Fair value changes arising from fair value hedge											1,565
											94,437,100
Less: Expected credit losses											(1,225,777)
Net financing, advances and other financing/loans											93,211,323

[^] Includes current account in excess

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

i) By type and Shariah contract (Continued)

The Bank
At 30 June 2022

At amortised cost	Sale-based contracts			Equity-based contracts	Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	354	-	354
Term financing					
- Syndicated financing	-	-	-	465	465
- Other term financing	84,193	-	1,453,491	-	1,537,684
Bills receivable	-	325,951	-	-	325,951
Islamic trust receipts	2,630	-	-	-	2,630
Revolving credits	-	-	515,551	-	515,551
Gross financing, advances and other financing/loans, at amortised cost	86,823	325,951	1,969,396	465	2,382,635
Fair value changes arising from fair value hedges					-
					2,382,635
Less: Expected credit losses					(12,327)
Net financing, advances and other financing/loans					2,370,308

[^] Includes current account in excess

The Bank
At 31 December 2021

At amortised cost	Sale-based contracts			Equity-based contracts	Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Mudharabah RM'000	
Cash line [^]	-	-	61	-	61
Term financing					
- Syndicated financing	-	-	126,314	478	126,792
- Other term financing	531,120	-	1,170,878	-	1,701,998
Bills receivable	-	479,180	-	-	479,180
Islamic trust receipts	2,488	-	-	-	2,488
Revolving credits	-	-	309,970	-	309,970
Gross financing, advances and other financing/loans, at amortised cost	533,608	479,180	1,607,223	478	2,620,489
Fair value changes arising from fair value hedge					-
					2,620,489
Less: Expected credit losses					(18,581)
Net financing, advances and other financing/loans					2,601,908

[^] Includes current account in excess

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	101,341,845	94,435,535	2,382,635	2,620,489
- At fair value through profit or loss	-	-	-	-
	101,341,845	94,435,535	2,382,635	2,620,489

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

a) During the financial period, the Group has undertaken fair value hedges on the profit rate risk of RM61,007,000 (2021: RM65,935,000) financing using Islamic profit rate swaps.

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

As at 30 June 2022, the gross exposure and expected credit losses relating to RPSIA financing are RM3,653,233,000 (2021: RM3,844,040,000) and RM1,098,000 (2021: RM1,506,000) respectively.

c) Movement of Qard financing

	The Group	
	30 June 2022	31 Dec 2021
	RM'000	RM'000
As at 1 January	8,576	8,907
New disbursement	11,977	7,102
Repayment	(2,669)	(7,433)
As at 30 June/31 December	<u>17,884</u>	<u>8,576</u>
Sources of Qard fund:		
Depositors' fund	16,597	8,028
Shareholders' fund	1,287	548
	<u>17,884</u>	<u>8,576</u>
Uses of Qard fund:		
Personal use	592	620
Business purpose	17,292	7,956
	<u>17,884</u>	<u>8,576</u>

PART A - EXPLANATORY NOTES (CONTINUED)**A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)****A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)****ii) By geographical distribution**

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Malaysia	98,964,205	91,821,667	4,995	6,621
Indonesia	463	2,380	463	2,380
Singapore	1,965,414	1,599,770	1,965,414	1,599,770
Other countries	411,763	1,011,718	411,763	1,011,718
	101,341,845	94,435,535	2,382,635	2,620,489

iii) By economic sector

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Primary agriculture	3,345,923	2,964,442	57,631	139,011
Mining and quarrying	702,565	812,844	108,589	175,799
Manufacturing	3,702,120	3,436,420	103,536	80,327
Electricity, gas and water supply	266,089	366,745	-	-
Construction	2,145,379	1,791,416	109,687	99,894
Transport, storage and communications	2,592,700	2,092,003	25,027	26,302
Education, health and others	2,252,918	2,239,110	-	-
Wholesale and retail trade, and restaurants and hotels	5,053,098	4,332,533	477,361	445,741
Finance, insurance/takaful, real estate and business activities	10,223,585	10,099,394	1,143,234	1,401,815
Household	70,903,584	66,181,273	254,145	196,277
Others	153,884	119,355	103,425	55,323
	101,341,845	94,435,535	2,382,635	2,620,489

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

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Malaysia	891,748	645,986	4,875	6,488
Indonesia	-	2,380	-	2,380
Singapore	9,698	11,662	9,698	11,662
	901,446	660,028	14,573	20,530

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

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Primary agriculture	20,087	20,844	-	-
Mining and quarrying	2,630	4,868	2,630	4,868
Manufacturing	22,333	28,131	-	-
Electricity, gas and water supply	1	-	-	-
Construction	55,547	20,267	-	-
Transport, storage and communications	10,628	5,876	2,244	3,998
Education, health and others	7,551	6,268	-	-
Wholesale and retail trade, and restaurants and hotels	108,408	90,773	3,241	7,422
Finance, insurance/takaful, real estate and business activities	51,546	52,420	1,542	1,260
Household	622,713	430,580	4,916	2,982
Others	2	1	-	-
	901,446	660,028	14,573	20,530

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

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

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	251,884	727,806	246,087	1,225,777
Changes in expected credit losses due to transferred within stages:	85,642	(97,814)	12,172	-
Transferred to Stage 1	124,163	(114,132)	(10,031)	-
Transferred to Stage 2	(37,479)	92,621	(55,142)	-
Transferred to Stage 3	(1,042)	(76,303)	77,345	-
Total charge to Statement of Income:	(63,751)	167,254	108,235	211,738
New financial assets originated	40,730	104	7,190	48,024
Financial assets that have been derecognised	(19,227)	(13,730)	-	(32,957)
Writeback in respect of full recoveries	-	-	(13,017)	(13,017)
Change in credit risk	(85,254)	180,880	114,062	209,688
Write-offs	-	(1)	(50,917)	(50,918)
Exchange fluctuation	93	72	(1,888)	(1,723)
Transfer to conventional operations	(1,010)	(135)	(2,769)	(3,914)
Other movements	16	1	2,431	2,448
At 30 June 2022	272,874	797,183	313,351	1,383,408

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	299,267	381,996	363,415	1,044,678
Changes in expected credit losses due to transferred within stages:	364,539	(186,388)	(178,151)	-
Transferred to Stage 1	561,551	(528,988)	(32,563)	-
Transferred to Stage 2	(196,770)	504,511	(307,741)	-
Transferred to Stage 3	(242)	(161,911)	162,153	-
Total charge to Statement of Income:	(413,045)	531,883	193,382	312,220
New financial assets originated	71,955	1,772	44,235	117,962
Financial assets that have been derecognised	(38,129)	(27,304)	-	(65,433)
Writeback in respect of full recoveries	-	-	(70,138)	(70,138)
Change in credit risk	(446,871)	557,415	219,285	329,829
Write-offs	-	(4)	(160,014)	(160,018)
Exchange fluctuation	185	117	639	941
Transfer from conventional operations	984	132	2,698	3,814
Other movements	(46)	70	24,118	24,142
At 31 December 2021	251,884	727,806	246,087	1,225,777

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

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

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2022	3,185	405	14,991	18,581
Total charge to Statement of Income:	78	(36)	(586)	(544)
Change in credit risk	78	(36)	(586)	(544)
Exchange fluctuation	82	10	(1,888)	(1,796)
Transfer from to conventional operations	(1,010)	(135)	(2,769)	(3,914)
At 30 June 2022	2,335	244	9,748	12,327

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2021	9,723	151	24,257	34,131
Total charge to Statement of Income:	(7,690)	120	(12,605)	(20,175)
Change in credit risk	(7,690)	120	(12,605)	(20,175)
Exchange fluctuation	168	2	641	811
Transfer from conventional operations	984	132	2,698	3,814
At 31 December 2021	3,185	405	14,991	18,581

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	660,028	660,028
Transfer within stages	354,229	354,229
New financial assets originated	9,175	9,175
Write-offs	(53,360)	(53,360)
Amount fully recovered	(47,456)	(47,456)
Other changes in financing, advances and other financing/loans	(21,789)	(21,789)
Exchange fluctuation	619	619
At 30 June 2022	901,446	901,446

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	1,521,426	1,521,426
Transfer within stages	(536,467)	(536,467)
New financial assets originated	180,792	180,792
Write-offs	(160,014)	(160,014)
Amount fully recovered	(327,413)	(327,413)
Other changes in financing, advances and other financing/loans	(18,701)	(18,701)
Exchange fluctuation	405	405
At 31 December 2021	660,028	660,028

	The Group	
	30 June 2022	31 Dec 2021
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	0.89%	0.70%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	20,530	20,530
Transfer within stages	2,108	2,108
Write-offs	(2,443)	(2,443)
Amount recovered	(4,377)	(4,377)
Other changes in financing, advances and other financing/loans	(1,864)	(1,864)
Exchange fluctuation	619	619
At 30 June 2022	14,573	14,573

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	24,185	24,185
Transfer within stages	8,581	8,581
Amount recovered	(5,203)	(5,203)
Other changes in financing, advances and other financing/loans	(7,438)	(7,438)
Exchange fluctuation	405	405
At 31 December 2021	20,530	20,530

	The Bank	
	30 June 2022	31 Dec 2021
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	0.61%	0.78%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	8,071,740	7,612,717	700,306	740,524
Demand deposit				
Wadiah	136,008	121,279	136,008	121,279
Qard	14,573,447	14,512,297	64,079	20,541
Commodity Murabahah (via Tawarruq arrangement)*	4,651,031	5,262,989	2,485,356	2,971,350
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	45,689,604	45,604,331	225,407	280,675
Fixed Return Income Account-i (via Tawarruq arrangement)*	26,157,981	26,576,472	103,330	145,831
Negotiable Islamic Debt Certificate (NIDC)				
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	99,143	448,287	-	-
Fixed Deposit-i				
Wadiah	128	123	128	123
Specific investment account				
Mudharabah	99,862	99,600	-	-
Others - Qard	63,097	43,964	-	-
	99,542,041	100,282,059	3,714,614	4,280,323

*Included Qard contract of the Group and of the Bank of RM791,934,000 and RMNil (2021: RM4,314,834,000 and RM3,711,418,000) respectively

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

	The Group		The Bank	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Due within six months	61,750,121	62,777,876	279,232	325,907
Six months to less than one year	10,078,979	9,777,709	49,633	100,322
One year to less than three years	187,068	144,096	-	400
Three years to less than five years	6,285	5,473	-	-
Five years and more	24,265	23,659	-	-
	72,046,718	72,728,813	328,865	426,629

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS (CONTINUED)

(iii) By type of customer

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Government and statutory bodies	4,114,217	4,880,194	208	166
Business enterprises	38,297,353	36,151,777	2,663,639	2,803,909
Individuals	30,412,366	30,170,957	872,758	956,224
Others	26,718,105	29,079,131	178,009	520,024
	99,542,041	100,282,059	3,714,614	4,280,323

A30e INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Unrestricted investment accounts (Mudharabah)				
-without maturity				
Special Mudharabah Investment Account	1,066,228	892,710	-	-
-with maturity				
Term Investment Account-i	10,464,647	9,023,282	-	-
Unrestricted investment accounts (Wakalah)				
-without maturity				
Daily Investment Account-i	30,984	48,844	-	-
Restricted investment accounts (Mudharabah)				
-with maturity				
Restricted Profit Sharing Investment Account (RPSIA)	498,556	462,331	-	-
	12,060,415	10,427,167	-	-

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

A30f INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Restricted investment accounts				
Mudharabah	3,652,002	3,919,753	-	-
By type of counterparty				
Licensed banks	3,652,002	3,919,753	-	-

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

A30g FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	30 June 2022 RM'000	31 Dec 2021 RM'000	30 June 2022 RM'000	31 Dec 2021 RM'000
Deposits from customers - structured investments	2,388,068	799,686	-	-

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

The carrying amount of the financial liabilities designated at fair value of the Group as at 30 June 2022 is RM234,444,000 (2021: RM39,988,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

PART A - EXPLANATORY NOTES (CONTINUED)

A31. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	The Group		The Bank	
	30 June 2022	31 Dec 2021	30 June 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Outstanding credit exposures with connected parties	11,079,823	9,144,805	9,450,294	8,138,628
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	2.0%	1.8%	2.4%	2.2%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.0%	0.0%	0.0%	0.0%

PART A - EXPLANATORY NOTES (CONTINUED)

A32. CHANGE IN COMPARATIVES

The Group has adjusted certain expenses which are considered as incremental and directly attributable to the acquisition of a financial liability and treated as an integral part of the effective interest/profit rate. These expenses were previously included under overheads and is now recognised as interest expense. The adjustment has no impact to the profit before taxation, profit after taxation, consolidated statements of financial position, cash flows and changes in equity of the Group for the financial period ended 30 June 2021.

The Group	Note	2nd quarter ended			Six months ended		
		30 June 2021	Reclassification	30 June	30 June 2021	Reclassification	30 June
		RM'000	RM'000	2021 (Restated)	RM'000	RM'000	2021 (Restated)
				RM'000			RM'000
Interest expense	A20	904,268	18,679	922,947	1,871,569	37,505	1,909,074
Overheads	A23	1,780,159	(18,679)	1,761,480	3,428,646	(37,505)	3,391,141

PART B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM3,295.1 million for the six months period ended 30 June 2022, an increase of 29.4% as compared to the pre-tax profit of RM2,547.2 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) increased by 13.2% to RM2,190.3 million, equivalent to net earnings per share (sen) of 34.81.

The Group's year-on-year increase in earnings was mainly contributed by higher net interest income by RM96.8 million, lower overheads and expected credit losses for loans, advances and financing by RM216.8 million and RM423.8 million respectively. This was offset by lower net non-interest income by RM72.9 million.

The Group's gross loans, advances and financing grew by 4.1% to RM336.0 billion while deposits from customers growing marginally 0.3% or RM0.9 billion to RM358.4 billion, as compared to 31 December 2021.

The Group's Common Equity Tier 1 ratio stood at 14.486% as at 30 June 2022 from 15.185% as at 31 December 2021.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank is optimistic of a better financial performance in 2022 on the back of the regional economic recovery and improved business prospects. Nevertheless, the outlook for the second half of 2022 is cautious in line with the tapering of global economic growth driven by rising inflation and interest rates, continued geopolitical risks, global supply disruptions, continued recurrence of Covid-19 variants and the threat of a global recession. The Forward23+ strategic plan will continue to drive the Bank's focus on targeted growth segments, Risk-Adjusted Return On Capital (RAROC) optimisation, Sustainability initiatives and cost management, while the Bank invests in technology to improve operational resiliency and digital capabilities. Credit risk and asset quality management remains utmost priority across segments and geographies.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net profit for the financial period after non-controlling interests (RM'000)	1,062,043	829,336	2,190,348	1,934,817
Weighted average number of ordinary shares in issue ('000)	6,296,082	6,197,496	6,293,042	6,197,496
Basic earnings per share (expressed in sen per share)	16.87	13.38	34.81	31.22

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net profit for the financial period (RM'000)	789,170	563,828	1,568,496	1,329,382
Weighted average number of ordinary shares in issue ('000)	6,296,082	6,197,496	6,293,042	6,197,496
Basic earnings per share (expressed in sen per share)	12.53	9.10	24.92	21.45

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 June 2022 and 30 June 2021.