CIMB 100 YEARS & MORE

FINANCIAL STATEMENTS 2024

Forward Together: CIMB Celebrates 100 Years and More

In 2024, CIMB proudly marks a century of service, celebrating a legacy of profound contributions to both the region's economy and its people. This milestone is not just a reflection of our rich history but also paving the way for the future – one that reaffirms our commitment to shaping the financial landscape in Malaysia and across ASEAN for the next generation to come.

Guided by our tagline, **"Moving Forward with You"**, this year's theme highlights our unwavering dedication to the progress we have made on our five-year strategy, Forward23+, and our readiness to embark on the next chapter of growth and innovation.

The individuals featured in this year's Integrated Annual Report embody the spirit of resilience and determination that defines CIMB. Among them are our esteemed ambassadors: sporting icons **Dato' Azizulhasni Awang** and **Sivasangari Subramaniam**; local musical prodigies, **Delaney Ng** and **Alistair Chew** from the Malaysian Philharmonic Youth Orchestra (MPYO); and the talented artist, **Anisa Abdullah**. Together, they exemplify the perseverance, talent and ambition – values that resonate deeply with CIMB's journey and vision.

As we honour the significant 100-year milestone, we remain steadfast in our mission to drive progress, empower communities and lead with purpose – today and for the next century.

We have taken conscious efforts to manage and minimise the environmental impact of our annual report and related processes.

You too can contribute towards this. Did you know that the equivalent of one football field of forest is cut down every second?

Download the soft copy of CIMB's Integrated Annual Report, Financial Statements and Sustainability Report, instead of requesting for a hard copy.

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What's Inside

68th Annual General Meeting

Grand Ballroom, First Floor,
Sime Darby Convention Centre,
1A Jalan Bukit Kiara 1,
60000 Wilayah Persekutuan
Kuala Lumpur, Malaysia

Tuesday, 29 April 2025

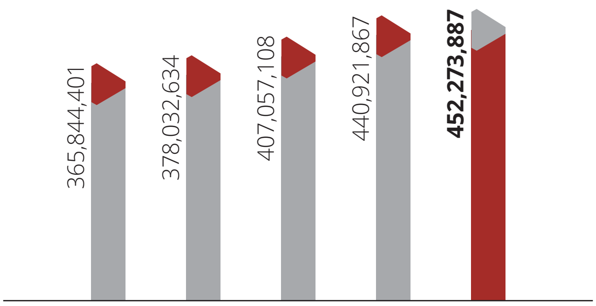
9:30 am

Our reports, awards, directory, news releases and investor updates are available on our corporate website at **www.cimb.com**

5-Year Group Financial Highlights

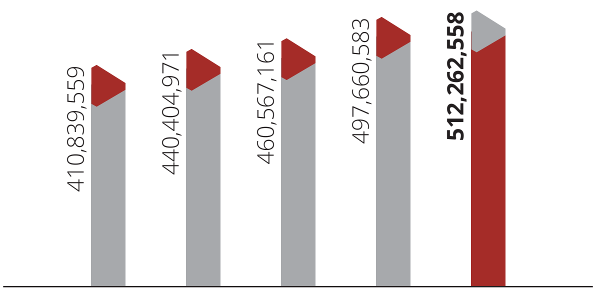
GROSS LOANS, ADVANCES AND FINANCING[1]

(RM'000)



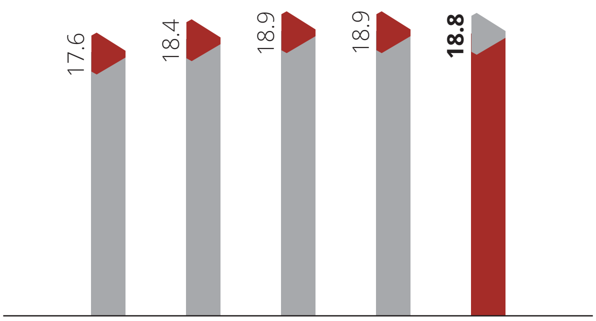
DEPOSITS FROM CUSTOMERS[1]

(RM'000)



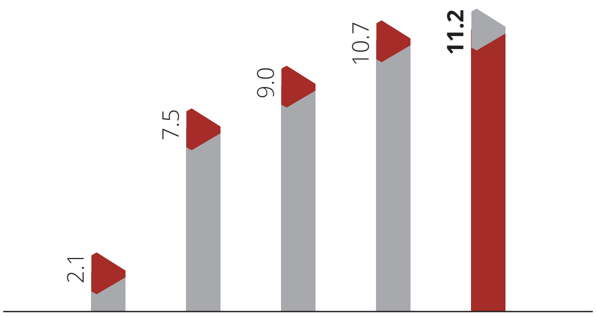
TOTAL CAPITAL RATIO[2]

(%)



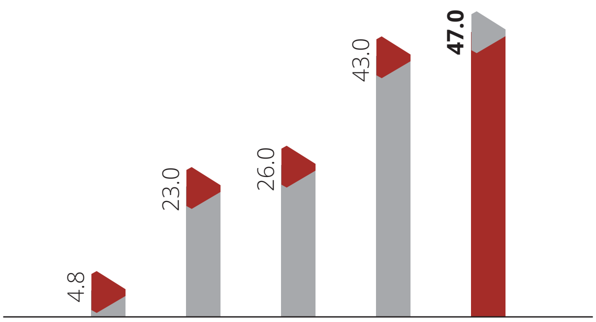
ROE

(%)



DIVIDEND PER SHARE[3]

(Sen)



[1] *Include investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities.*
[2] *Before deducting proposed dividend.*
[3] *2023 and 2024 includes a single-tier special dividend of 7.00 sen per ordinary share in each financial year.*

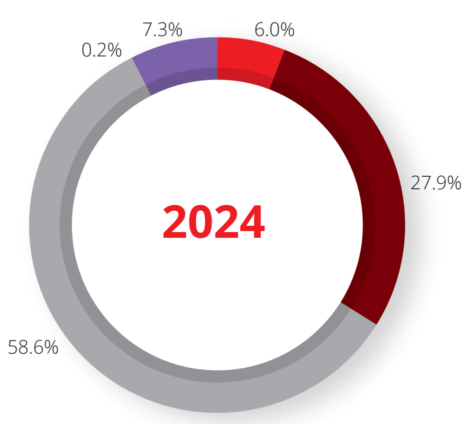
5-Year Group Financial Summary

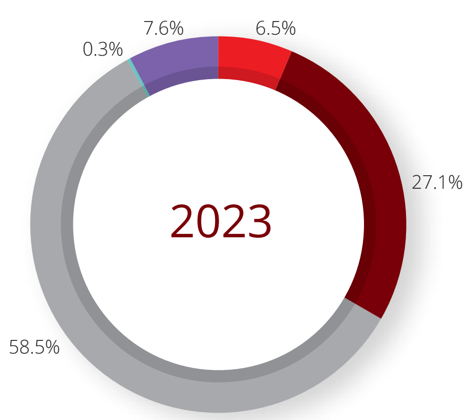
Key Highlights	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
	Financial Year Ended 31 December				
Consolidated Statement of Income					
Net income[5]	**22,301,154**	21,014,482	19,837,516	19,512,940	16,987,379
Overheads[5]	**10,420,231**	9,865,076	9,345,507	9,418,949	8,775,170
Profit before expected credit losses	**11,880,923**	11,149,406	10,492,009	10,093,991	8,212,209
Expected credit losses on loans, advances and financing	**1,368,780**	1,534,446	1,952,725	2,613,587	5,342,209
Profit before taxation and zakat	**10,395,928**	9,540,731	8,371,010	5,789,478	1,530,329
Net profit for the financial year	**7,728,049**	6,980,962	5,439,863	4,295,334	1,194,424
Consolidated Statement of Financial Position					
Gross loans, advances and financing	**452,273,887**	440,921,867	407,057,108	378,032,634	365,844,401
Total assets	**755,130,703**	733,572,152	666,721,225	621,907,058	602,354,899
Deposits from customers[1]	**512,262,558**	497,660,583	460,567,161	440,404,971	410,839,559
Total liabilities	**684,291,813**	663,733,261	602,937,372	561,798,310	545,180,777
Shareholders' funds	**69,243,796**	68,326,961	62,491,206	58,863,263	55,925,641
Commitments and contingencies	**1,962,939,499**	1,662,078,807	1,371,423,297	1,213,155,193	1,123,995,768
Financial Ratios (%)					
Common equity tier 1 ratio[2]	**15.2**	15.3	14.9	14.6	13.3
Tier 1 ratio[2]	**15.8**	15.9	15.8	15.5	14.6
Total capital ratio[2]	**18.8**	18.9	18.9	18.4	17.6
Return on average equity	**11.2**	10.7	9.0	7.5	2.1
Return on average total assets	**1.04**	1.00	0.84	0.70	0.20
Net interest margin[5]	**2.21**	2.22	2.51	2.45	2.27
Cost to income ratio[5]	**46.7**	46.9	47.1	48.3	51.7
Gross impaired loans to gross loans	**2.1**	2.7	3.3	3.5	3.6
Allowance coverage ratio	**105.3**	97.0	93.1	100.2	91.6
Loan loss charge	**0.25**	0.32	0.51	0.73	1.51
Loan deposit ratio	**88.3**	88.6	88.4	85.8	89.0
Net tangible assets per share (RM)	**5.68**	5.62	5.09	4.95	4.65
Book value per share (RM)	**6.45**	6.41	5.86	5.76	5.64
CASA ratio	**43.1**	41.2	39.9	42.5	41.3
Other Information					
Earnings per share (sen) – basic	**72.3**	65.5	52.2	42.9	12.0
Dividend per share (sen)[6]	**47.0**	43.0	26.0	23.0	4.8
Dividend payout ratio (%) [6]	**65**	66	51	50	40
Number of shares in issue ('000)[3]	**10,728,902**	10,665,102	10,665,102	10,221,452	9,922,966
Weighted average number of shares in issue ('000)	**10,692,867**	10,665,102	10,425,806	10,022,287	9,922,966
Non-Financial Highlights					
Share price at year-end (RM)	**8.20**	5.85	5.80	5.45	4.30
Number of employees[4]	**33,512**	33,632	32,696	33,265	34,183

[1] *Include investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities.*
[2] *Before deducting proposed dividend.*
[3] *Excludes 4,908 ordinary shares held as treasury shares.*
[4] *Excludes headcount borne by third parties.*
[5] *2020 restated for 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.*
[6] *2023 and 2024 includes a single-tier special dividend of 7.00 sen per ordinary share in each financial year.*

Simplified Statements of Financial Position

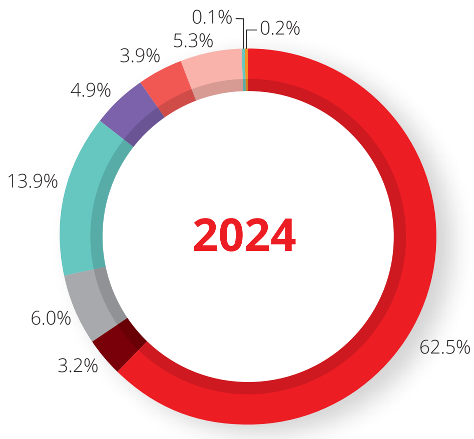
ASSETS

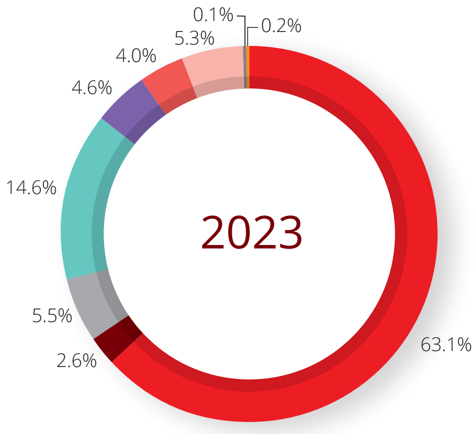




- Cash and short term funds, reversed repurchase agreements/ reverse Collateralised Commodity Murabahah and deposits and placements with banks and other financial institutions
- Portfolio of financial investments
- Loans, advances and financing
- Statutory deposits with central banks
- Other assets (including intangible assets)

EQUITY AND LIABILITIES





- Deposits from customers
- Investment accounts of customers
- Deposits and placements of banks and other financial institutions
- Bills and acceptances payable and other liabilities
- Debt securities issued and other borrowed funds
- Ordinary share capital
- Reserves
- Perpetual preference shares
- Non-controlling interests

Quarterly Financial Performance

RM'000	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Net income	**5,628,959**	**5,602,540**	**5,741,589**	**5,328,066**
Net interest income (after modification loss)	**2,863,490**	**2,812,840**	**2,892,691**	**2,794,830**
Net non-interest income and income from Islamic banking operation	**2,765,469**	**2,789,700**	**2,848,898**	**2,533,236**
Overheads	**(2,551,955)**	**(2,573,400)**	**(2,670,353)**	**(2,624,523)**
Profit before taxation and zakat	**2,573,310**	**2,729,654**	**2,730,599**	**2,362,365**
Net profit attributable to owners of the Parent	**1,936,352**	**1,960,957**	**2,030,363**	**1,800,377**
Earnings per share (sen)	**18.16**	**18.35**	**18.98**	**16.78**
Dividend per share (sen)	**–**	**27.00***	**–**	**20.00**

RM'000	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Net income	4,997,245	5,333,953	5,308,056	5,375,228
Net interest income (after modification loss)	2,713,621	2,756,227	2,840,561	2,773,297
Net non-interest income and income from Islamic banking operation	2,283,624	2,577,726	2,467,495	2,601,931
Overheads	(2,343,515)	(2,405,067)	(2,491,764)	(2,624,730)
Profit before taxation and zakat	2,236,389	2,481,513	2,492,113	2,330,716
Net profit attributable to owners of the Parent	1,644,910	1,773,088	1,847,792	1,715,172
Earnings per share (sen)	15.42	16.63	17.32	16.09
Dividend per share (sen)	–	17.50	–	25.50*

* *The dividend per share includes the special dividend of 7.00 sen per share.*

Key Interest Bearing Assets and Liabilities

	Financial Year Ended 31 December 2024		
	As at 31 December RM'million	**Effective interest rate %**	**Interest income/ expense RM'million**
Interest earning assets:			
Cash and short-term funds & deposits and placements with banks and other financial institutions	**34,776**	**3.20**	**1,250**
Total securities[1]	**210,228**	**4.01**	**8,367**
Loans, advances and financing	**442,163**	**5.89**	**25,538**
Interest bearing liabilities:			
Total deposits[2]	**560,047**	**3.00**	**16,494**
Bonds, Sukuk, debentures and other borrowings	**25,970**	**5.03**	**1,273**
Subordinated obligations	**11,304**	**4.11**	**464**

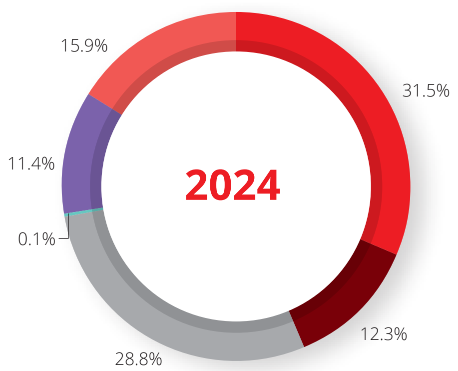
	Financial Year Ended 31 December 2023		
	As at 31 December RM'million	**Effective interest rate %**	**Interest income/ expense RM'million**
Interest earning assets:			
Cash and short-term funds & deposits and placements with banks and other financial institutions	37,980	3.33	1,757
Total securities[1]	198,538	3.91	7,111
Loans, advances and financing	429,450	5.81	24,036
Interest bearing liabilities:			
Total deposits[2]	541,166	2.96	15,581
Bonds, Sukuk, debentures and other borrowings	22,620	5.23	1,013
Subordinated obligations	11,134	4.51	497

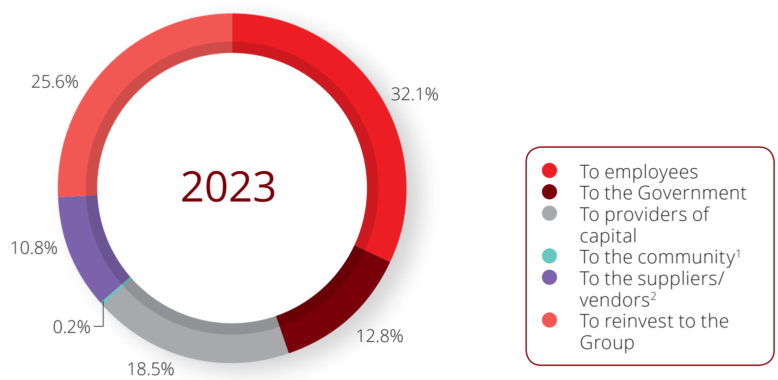
[1] *Total securities include financial investments at fair value through profit or loss, debt instruments at fair value through other comprehensive income and debt instruments at amortised cost*

[2] *Total deposits include deposits from customers, investment accounts of customers, deposits and placements of banks and other financial institutions, financial liabilities designated at fair value through profit and loss and structured deposits*

Statement of Value Added and Value Distributed

	2024 RM'000	2023 RM'000
Value Added		
Net interest income (before modification loss)	**11,366,569**	11,087,453
Modification loss	**(2,718)**	(3,747)
Net interest income (after modification loss)	**11,363,851**	11,083,706
Income from Islamic banking operations	**4,740,585**	4,260,336
Net non-interest income	**6,196,718**	5,670,440
Overheads excluding personnel costs, depreciation and amortisation, payments to community and suppliers/vendors	**(658,023)**	(889,639)
Expected credit losses on loans, advances and financing	**(1,368,780)**	(1,534,446)
Expected credit losses written back for commitments and contingencies	**243,875**	174,921
Other expected credit losses and impairment allowances made	**(378,852)**	(231,928)
Share of results of joint ventures	**16,555**	(58,914)
Share of results of associates	**2,207**	41,692
Value added available for distribution	**20,158,136**	18,516,168
Distribution of Value Added		
To employees:		
Personnel costs	**6,347,461**	5,935,888
To the Government:		
Taxation and zakat	**2,476,548**	2,378,636
To providers of capital:		
Cash dividends paid to shareholders	**5,611,582**	3,252,856
Non-controlling interests	**191,331**	181,133
To the community[1]:		
Community investments	**28,300**	32,900
To the suppliers/vendors[2]:		
Suppliers/Vendors	**2,300,000**	2,000,000
To reinvest to the Group:		
Dividend reinvestment plan	**–**	–
Depreciation and amortisation	**1,086,447**	1,006,649
Retained earnings	**2,116,467**	3,728,106
Value added available for distribution	**20,158,136**	18,516,168





[1] *Community investments include contributions to charities, NGOs and research institutes (unrelated to the organisation's commercial research and development); funds to support community infrastructure, such as recreational facilities; and direct costs of developing and implementing social and environmental programmes, including arts, and educational events – all channelled through CIMB Foundation as well as respective business units. Community investments in 2022, 2021 and 2020 were RM34.0 million, RM28.7 million and RM29.3 million respectively.*

[2] *Suppliers/Vendors include payment made towards products or services or investments in any supplier education or development programmes. Payments made to suppliers/vendors in 2022, 2021 and 2020 were RM1,700.0 million, RM1,900.0 million and RM1,200.0 million respectively.*

Analysis of Financial Statements

ANALYSIS OF STATEMENT OF INCOME

	2024 RM'million	2023 RM'million	Increase/ (Decrease)
Net interest income^	**15,397**	14,626	5.3%
Net non-interest income^	**6,904**	6,388	8.1%
Operating income	**22,301**	21,014	6.1%
Overheads	**(10,420)**	(9,865)	5.6%
Profit before expected credit losses/allowances	**11,881**	11,149	6.6%
Expected credit losses on loans, advances and financing	**(1,369)**	(1,534)	(10.8%)
Expected credit losses written back for commitments and contingencies	**244**	175	39.4%
Other expected credit losses and impairment allowances made	**(379)**	(232)	63.4%
Share of results of joint ventures and associates	**19**	(17)	211.8%
Profit before taxation and zakat	**10,396**	9,541	9.0%
Net profit attributable to owners of the Parent	**7,728**	6,981	10.7%
EPS (sen)	**72.3**	65.5	10.4%

^ *inclusive of income from Islamic banking operations*

NET INTEREST INCOME

The Group's Net Interest Income (NII) grew 5.3% YoY to RM15.4 billion in FY24 underpinned by gross loan growth and a 6.0% YoY expansion in interest earning assets, partially offset by a slight compression in Net Interest Margins (NIM) from higher cost of deposits. The Group's NIMs contracted 1bp to 2.21% from 2.22% in FY23 attributed to pricing competition in Indonesia and Thailand, partially offset by 5bps NIM expansion in Malaysia. The Group continued to focus on growing the Current Account and Savings Account (CASA) and deposit franchise across all targeted segments and geographies as part of the Forward23+ initiatives in NIM management. The Group's gross loans were 2.6% higher YoY led by Commercial and Consumer Banking loans at 6.2% and 3.0% respectively, with CIMB Digital Assets and Others expanding 30.4%, while Wholesale Banking loan growth was flat. On a constant currency basis, gross loans were 4.8% higher YoY. Loan growth was driven by all core markets with Singapore rising 11.4% and Indonesia at 6.9%, while Malaysia and Thailand loans rose 3.0% and 2.8% respectively.

NET NON-INTEREST INCOME

Total net Non-Interest Income (NOII) grew 8.1% YoY to RM6.9 billion compared to RM6.4 billion in FY23 driven by Consumer fees and strong trading & FX income from both the capital markets and client franchise segments. Trading & FX income expanded 16.6% from stronger capital markets and investment related income, while fees and commission grew 4.2% from Consumer cards and wealth income coupled with higher Wholesale trading and fees.

OVERHEADS

The Group's total overhead expenses increased by 5.6% YoY or RM555 million to RM10.4 billion on the back of inflation and Technology investments. The growth was attributed largely to Marketing cost rising 22.3% YoY from higher advertising costs and higher Technology expenses of 8.5% as part of planned investments to further improve operational resiliency, and a 6.9% increase in Personnel cost. The Group's cost-to-income ratio improved to 46.7%, 20bps lower from 46.9% in FY23, from the positive JAWS.

EXPECTED CREDIT LOSSES

The Group's total expected credit losses (ECL) on loans, advances and financing declined by 10.8% YoY to RM1.4 billion in FY24 versus RM1.5 billion in FY23. The improvement was attributed to higher recoveries and writebacks in Singapore and Indonesia. The Group recorded a total loan loss charge improvement of 7bps to 0.25%, compared to 0.32% in FY23 with a lower gross impairment ratio of 2.1% (-60bps YoY) and a higher allowance coverage of 105.3% (+830bps YoY), significantly higher than pre-pandemic levels.

Analysis of Financial Statements

OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES MADE

Other expected credit losses and impairment allowances rose 63.4% YoY largely due to higher ECL and impairment allowances made on other assets by RM110 million and higher ECL in debt instruments at amortised cost by RM53 million. This was partially offset by lower ECL in debt instruments at fair value through other comprehensive income by RM13 million.

NET PROFIT

The Group reported a net profit of RM7.7 billion for FY24, a 10.7% YoY improvement from RM7.0 billion in FY23. The increased profitability was attributed to the 6.1% increase in operating income, partially offset by a 5.6% rise in overheads, resulting in a 6.6% higher YoY pre-provisioning operating profit (PPOP). The improved net profit was also attributed to the 10.8% YoY decrease in total ECL on loans, advances and financing, despite a rise in other expected credit losses and impairment allowances made during the year. In totality, the Group reported a higher net EPS of 72.3 sen for FY24.

SIGNIFICANT MOVEMENT IN STATEMENTS OF FINANCIAL POSITION

	2024 RM'million	2023 RM'million	Increase/ (Decrease)
ASSETS			
Cash and short-term funds	**29,609**	34,772	(14.8%)
Deposits and placements with banks and other financial institutions	**5,168**	3,208	61.1%
Financial investment portfolio	**210,620**	198,844	5.9%
Loans, advances and financing	**442,163**	429,450	3.0%
Other assets (including intangible assets)	**67,571**	67,298	0.4%
Total assets	**755,131**	733,572	2.9%
LIABILITIES			
Deposits from customers^	**512,263**	497,661	2.9%
Deposits and placements of banks and other financial institutions	**45,445**	40,283	12.8%
Other borrowings	**11,558**	9,699	19.2%
Bonds, sukuk and debentures	**14,412**	12,921	11.5%
Subordinated obligations	**11,304**	11,134	1.5%
Other liabilities	**89,310**	92,035	(3.0%)
Total liabilities	**684,292**	663,733	3.1%

^ *Includes investment accounts of customers and structured investments classified as financial liabilities designated at fair value through profit or loss and other liabilities*

A) TOTAL ASSETS

As at 31 December 2024, CIMB Group's total assets stood at RM755.1 billion, a RM21.6 billion or 2.9% YoY increase. The growth was attributed to a RM11.8 billion or 5.9% rise in the financial investment portfolio, as well as a 3.0% growth in loans, advances and financing over the year to RM442.2 billion. Deposits and placement with banks and other financial institutions grew 61.1% YoY, while other assets (including intangible assets) remained flat, with cash and short-term funds declining by 14.8% or RM5.2 billion.

B) TOTAL LOANS, ADVANCES AND FINANCING

The Group's loans, advances and financing stood at RM442.2 billion as at 31 December 2024, a growth of 3.0% YoY or RM12.7 billion. Malaysia loans rose 3.0% during the year, while loans in Indonesia, Thailand and Singapore expanded 6.9%, 2.8% and 11.4% YoY in Rupiah, Baht and Dollar-terms respectively in FY24. The Group's gross impaired loans ratio stood at 2.1% as at end-2024 compared to 2.7% as at end-2023. Consumer, Commercial and CIMB Digital Assets and Others grew loans by 3.0%, 6.2% and 30.4% YoY respectively, while Wholesale Banking recorded a slight drop at 0.4% YoY.

Analysis of Financial Statements

C) OTHER ASSETS (INCLUDING INTANGIBLE ASSETS)

The total amount of other assets including intangible assets were 0.4% YoY or RM273 million higher at RM67.6 billion as at end-2024 compared to RM67.3 billion as at end-2023. The slight increase was largely due to an increase in Other Assets and Reverse Repurchase agreements amounting to RM1.4 billion and RM1.2 billion respectively. This was partially offset by a RM0.9 billion decline in Statutory deposits with central banks and a RM0.6 billion decline in derivative financial instruments.

D) TOTAL LIABILITIES

As at 31 December 2024, the Group's total liabilities stood at RM684.3 billion, an increase of 3.1% or RM20.6 billion YoY. The increase was largely driven by the RM14.6 billion or 2.9% YoY expansion in deposits from customers, as well as a RM5.2 billion or 12.8% YoY increase in deposits and placements of banks and other financial institutions. The growth in liabilities was also attributed to other borrowings rising 19.2% and higher bonds, sukuk and debentures of 11.5% YoY. Subordinated obligations showed a minor increase of 1.5% while other liabilities were 3.0% lower YoY.

E) TOTAL DEPOSITS FROM CUSTOMERS

Total Group deposits from customers rose by 2.9% YoY or RM14.6 billion to RM512.3 billion as at 31 December 2024. All segments witnessed deposits growth with Consumer, Commercial, Wholesale Banking and CIMB Digital Assets and others expanding 3.2%, 4.9%, 1.5% and 9.3% respectively. In local currency terms, total deposits in Indonesia, Singapore, Thailand and Malaysia grew by 10.5%, 10.0%, 8.4% and 2.1% in Rupiah, Dollar, Baht and Ringgit respectively. The Group's CASA ratio ended the year at 43.1% compared to 41.2% as at end-2023, contributed by all core markets as the Group strengthened its CASA franchise over the year. Overall Group NIM was relatively stable at 2.21% for FY24 (2.22% in FY23).

F) OTHER LIABILITIES

The Group's other liabilities were RM2.7 billion or 3.0% lower YoY at RM89.3 billion as at 31 December 2024 compared to RM92.0 billion at end-2023. The decrease was mainly due to lower repurchase agreements by RM2.2 billion and a RM1.7 billion decrease in derivative financial instruments, partially offset with increase in Recourse obligation on loans and financing sold to Cagamas of RM0.9 billion.

Financial Calendar

12 JANUARY 2024

Announcement of the offer of shares under CIMB Group Holdings Berhad Long Term Incentive Plan (LTIP) of 250,000 ordinary shares at the price of RM5.92 per share

29 FEBRUARY 2024

Announcement of the unaudited consolidated financial results for the fourth quarter and financial year ended 31 December 2023

11 MARCH 2024

Announcement of the proposed renewal of the authority for CIMB Group Holdings Berhad to purchase its own shares

15 MARCH 2024

Notice of book closure for single tier second interim dividend of 18.50 sen per share in respect of the financial year ended 31 December 2023

15 MARCH 2024

Notice of book closure for special dividend of 7.00 sen per share in respect of the year ended 31 December 2023

18 MARCH 2024

Date of entitlement for the single tier second interim dividend of 18.50 sen per share in respect of the financial year ended 31 December 2023

18 MARCH 2024

Date of entitlement for the special dividend of 7.00 sen per share in respect of the year ended 31 December 2023

27 MARCH 2024

Notice of 67th Annual General Meeting

27 MARCH 2024

Issuance of Annual Report for the financial year ended 31 December 2023

3 APRIL 2024

Payment of the single tier first interim dividend of 18.50 sen per share in respect of the financial year ended 31 December 2023

3 APRIL 2024

Payment of the special dividend of 7.00 sen per share in respect of the year ended 31 December 2023

8 APRIL 2024

Additional listing of 7,242,862 new ordinary shares via LTIP – Share Grant Plan

12 APRIL 2024

Additional listing of 2,635,000 new ordinary shares via Employee Share Option Scheme (ESOS)

18 APRIL 2024

Additional listing of 1,120,000 new ordinary shares via ESOS

26 APRIL 2024

Additional listing of 3,755,000 new ordinary shares via ESOS

29 APRIL 2024

67th Annual General Meeting

15 MAY 2024

Additional listing of 947,500 new ordinary shares via ESOS

29 MAY 2024

Additional listing of 2,573,500 new ordinary shares via ESOS

31 MAY 2024

Announcement of the unaudited consolidated financial results for the first quarter ended 31 March 2024

7 JUNE 2024

Additional listing of 51,230 new ordinary shares via LTIP – Share Grant Plan

Financial Calendar

19 JUNE 2024

Additional listing of 10,597,000 new ordinary shares via ESOS

1 JULY 2024

Additional listing of 2,967,500 new ordinary shares via ESOS

15 JULY 2024

Additional listing of 1,730,500 new ordinary shares via ESOS

26 JULY 2024

Additional listing of 856,500 new ordinary shares via ESOS

14 AUGUST 2024

Additional listing of 955,000 new ordinary shares via ESOS

28 AUGUST 2024

Additional listing of 2,981,000 new ordinary shares via ESOS

30 AUGUST 2024

Announcement of the unaudited consolidated financial results for the second quarter and half year ended 30 June 2024

12 SEPTEMBER 2024

Additional listing of 7,524,800 new ordinary shares via ESOS

13 SEPTEMBER 2024

Notice of book closure for single tier first interim dividend of 20.00 sen per ordinary share for the financial year ending 31 December 2024

13 SEPTEMBER 2024

Notice of book closure for single tier special dividend of 7.00 sen per ordinary share for the financial year ending 31 December 2024

17 SEPTEMBER 2024

Date of entitlement for the single tier first interim dividend of 20.00 sen per ordinary share for the financial year ending 31 December 2024

17 SEPTEMBER 2024

Date of entitlement for the single tier special dividend of 7.00 sen per ordinary share for the financial year ending 31 December 2024

27 SEPTEMBER 2024

Payment of the single tier first interim dividend of 20.00 sen per ordinary share for the financial year ending 31 December 2024

27 SEPTEMBER 2024

Payment of the single tier special dividend of 7.00 sen per ordinary share for the financial year ending 31 December 2024

30 SEPTEMBER 2024

Additional listing of 3,369,000 new ordinary shares via ESOS

14 OCTOBER 2024

Additional listing of 4,136,500 new ordinary shares via ESOS

28 OCTOBER 2024

Additional listing of 913,000 new ordinary shares via ESOS

14 NOVEMBER 2024

Additional listing of 143,500 new ordinary shares via ESOS

28 NOVEMBER 2024

Announcement of the unaudited consolidated financial results for the third quarter ended 30 September 2024

28 NOVEMBER 2024

Additional listing of 2,125,000 new ordinary shares via ESOS

Financial Calendar

13 DECEMBER 2024

Additional listing of 5,393,983 new ordinary shares via ESOS

24 DECEMBER 2024

Additional listing of 1,781,613 new ordinary shares via ESOS

15 JANUARY 2025

Additional listing of 3,010,017 of new ordinary shares via ESOS

28 JANUARY 2025

Additional listing of 100,500 new ordinary shares via ESOS

28 FEBRUARY 2025

Announcement of the unaudited consolidated financial results for the fourth quarter ended 31 December 2024

2025 TENTATIVE DATES

30 MAY 2025
1Q 2025
Financial Results

28 AUGUST 2025
2Q 2025
Financial Results

28 NOVEMBER 2025
3Q 2025
Financial Results

FEBRUARY 2026
4Q 2025
Financial Results

Capital Management

OVERVIEW

Capital management at CIMB Group remains focused on maintaining a healthy capital position through building an efficient capital structure. The capital position and structure of the Group are designed to meet the requirements of the Group's key stakeholders, i.e. shareholders, customers, regulators, external rating agencies and others. Guided by CIMB Group's Capital Management Policy and Procedure, the objectives of capital management are as follows:

To maintain a strong and efficient capital base for the Group and its entities to (a) meet regulatory capital requirements at all times; (b) realise returns for shareholders through sustainable return on equity and stable dividend payout; and (c) withstand stressed economic and market conditions.

To allocate capital efficiently across the business units and subsidiaries to (a) support the organic growth generation; (b) take advantage of strategic acquisitions and new businesses when opportunities arise; and (c) optimise the return on capital for the Group.

To maintain capital at optimal levels to meet the requirements of other stakeholders of the Group, including rating agencies and customers through (a) liability management; (b) dividend reinvestment scheme (DRS); (c) deployment of capital based on risk-adjusted return on capital (RAROC) performance measurement; (d) risk-weighted assets (RWA) optimisation exercise; and (e) exploring strategic divestments, if any.

The Group and its banking subsidiaries have always maintained a set of internal capital ratios that are above the minimum regulatory capital requirements. The following table shows the relevant capital ratios of each of the regulated banking entities of the Group.

Capital Ratios	Common Equity Tier 1 Capital As at 31 December 2024	Tier 1 Capital As at 31 December 2024	Total Capital As at 31 December 2024
CIMB Group	**14.642%**	**15.249%**	**18.260%**
CIMB Bank	**14.210%**	**14.638%**	**18.474%**
CIMB Islamic	**14.543%**	**15.065%**	**17.749%**
CIMB Investment Bank Group	**74.440%**	**74.440%**	**74.440%**
CIMB Niaga	**21.873%**	**21.873%**	**22.962%**
CIMB Thai	**16.327%**	**16.327%**	**21.014%**

The Group also monitors the leverage ratio which stood at 7.16% as at the financial year ended 31 December 2024. The leverage ratio is computed by dividing the Tier 1 capital of RM56.39 billion with Total Exposures** of RM787.15 billion. For reference, the leverage ratio for financial year ended 31 December 2023 was 7.09%, based on Tier 1 capital of RM54.99 billion with Total Exposures** of RM775.50 billion.

*** Total Exposures computed in line with BNM Basel III Leverage ratio guideline.*

KEY INITIATIVES

Our goal is to continuously maintain a sustainable and robust capital position, whilst optimising its use fully to create shareholders' value. Tools that are employed to achieve this include but are not limited to the following:

(1) liability management;

(2) DRS;

(3) RWA and capital optimisation; and

(4) Group-wide stress testing and impact assessment.

Key capital management initiatives that were undertaken during the 2024 calendar year include:

(1) CIMB Group redeemed RM2.0 billion Basel III Tier 2 Subordinated Debt and RM1.0 billion Basel III AT1 Capital Securities.

(2) CIMB Group issued RM2.0 billion Basel III Tier 2 Sustainability Sukuk Wakalah. It also issued RM1.0 billion Basel III Additional Tier 1 Capital Securities.

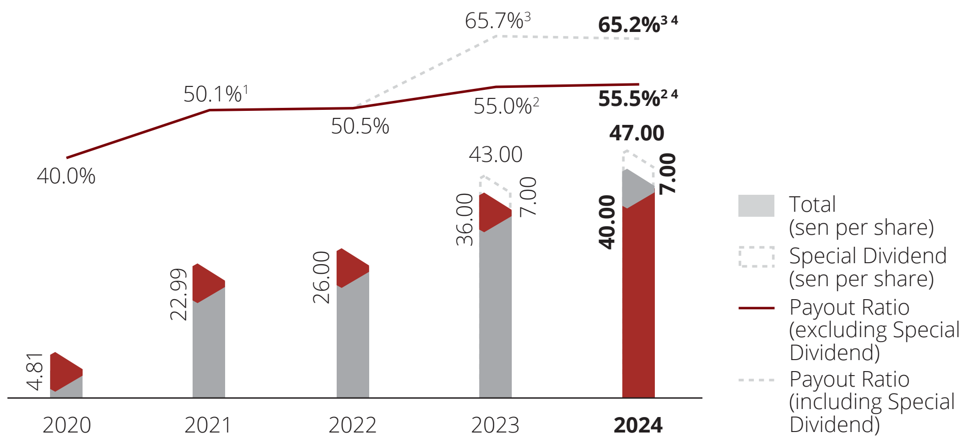
(3) The continuing RWA optimisation initiatives during the year, largely through active loan portfolio rebalancing, system and data enhancements and model recalibrations.

DIVIDEND POLICY

For the financial year ended 31 December 2024, the Board had declared a first interim dividend of 20.00 sen per ordinary share, a second interim dividend of 20.00 sen per ordinary share and a special dividend of 7.00 sen per ordinary share equivalent to RM750 million, bringing total FY24 dividend to a record of 47.00 sen per ordinary share equivalent to RM5.04 billion. The dividends declared for the financial year ended 31 December 2024 are all paid in cash.

DIVIDEND REINVESTMENT SCHEME

The DRS was implemented in 2013 to provide shareholders with an option to reinvest dividends into new ordinary shares of CIMB and at the same time to help preserve the Group's capital. It was first applied to the Group's second interim dividend for the financial year ended 31 December 2012. The dividend reinvestment rate has been encouraging, with an average take-up rate of approximately 80.1% since inception. Since the FY2022 second interim dividend, the Group has not elected to employ DRS as the Group continues its efforts to manage and optimise its capital proactively as well as meet its stakeholders' expectations.



[1] *Payout ratio based on BAU PAT excluding exceptional items.*

[2] *Payout ratio excluding special dividend.*

[3] *Payout ratio including special dividend.*

[4] *Payout ratio is based on the issued and paid-up ordinary shares of 10,728,901,688 as at 31 December 2024.*

Statement of Directors' Responsibilities

In Relation to Financial Statements

The Directors are responsible for ensuring that the annual audited financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act, 2016, Bank Negara Malaysia's Guidelines and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records of the Group and of the Company so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the financial year then ended.

The Directors consider that, in preparing the annual audited financial statements, the Group and the Company have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and ensured that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors also have a general responsibility to take reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

Directors' Report

for the financial year ended 31 December 2024

The Directors have pleasure in submitting their Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year is investment holding. The principal activities of the significant subsidiaries as set out in Note 14 to the Financial Statements, consist of commercial banking, investment banking, Islamic banking, offshore banking, debt factoring, trustee and nominee services, property ownership and management, and the provision of other related financial services. There was no significant change in the nature of these activities during the financial year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Net profit after taxation attributable to:		
– Owners of the Parent	**7,728,049**	**5,694,006**
– Non-controlling interests	**191,331**	**–**
	7,919,380	**5,694,006**

DIVIDENDS

The dividends on ordinary shares paid or declared by the Company since 31 December 2023 were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
Dividend on 10,665,101,700 ordinary shares, paid on 3 April 2024: – single-tier second interim dividend of 18.50 sen per ordinary share	**1,973,044**
Special dividend on 10,665,101,700 ordinary shares, paid on 3 April 2024: – single-tier special dividend of 7.00 sen per ordinary share	**746,557**
In respect of the financial year ended 31 December 2024:	
Dividend on 10,711,039,092 ordinary shares, paid on 27 September 2024: – single-tier first interim dividend of 20.00 sen per ordinary share	**2,142,208**
Special dividend on 10,711,039,092 ordinary shares, paid on 27 September 2024: – single-tier special dividend of 7.00 sen per ordinary share	**749,773**

The Directors have proposed a single-tier second interim dividend of 20.00 sen per ordinary share for the financial year ended 31 December 2024. Based on the issued and paid-up ordinary shares of 10,728,901,688 as at 31 December 2024, the proposed second interim dividend amounting to approximately RM2,146 million. Upon the full exercise of vested Employee Share Option Scheme ("ESOS") of up to 34,816,771 new ordinary shares under the Long-term Incentive Plan ("LTIP') scheme, the proposed single-tier second interim dividend of 20.00 sen per ordinary share for the financial year ended 31 December 2024 will amount up to approximately RM2,153 million. The single-tier second interim dividend was approved by the Board of Directors on 27 January 2025.

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

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

Directors' Report
for the financial year ended 31 December 2024

RESERVES, PROVISIONS AND ALLOWANCES

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

ISSUANCE OF SHARES

On 31 December 2024, the Company increased its issued and paid-up capital from 10,665,106,608 to 10,728,906,596 shares via:

(i) Issuance of 7,294,092 new ordinary shares amounting to RM34.9 million, arising from the LTIP – Share Grant Plan ("SGP");

(ii) Issuance of 56,505,896 new ordinary shares amounting to RM309.8 million arising from the LTIP – ESOS.

SHARE BUY-BACK AND CANCELLATION

During the financial year, the Company did not buy back any of its issued share capital from the open market. As at 31 December 2024, there were 4,908 ordinary shares held as treasury shares. Accordingly, the adjusted issued and paid-up share capital of the Company with voting rights as at 31 December 2024 was 10,728,901,688 shares.

The shares purchased are held as treasury shares in accordance with the provisions of Section 127 of the Companies Act 2016.

SHARE-BASED EMPLOYEE BENEFIT PLAN

The Group's employee benefit schemes are explained in Note 49 to the Financial Statements.

BAD AND DOUBTFUL DEBTS, AND FINANCING

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

Directors' Report

for the financial year ended 31 December 2024

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group or the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or the Company which has arisen since the end of the financial year other than in the ordinary course of business.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:

(a) the results of the Group's and the Company's operations for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 53.1 to the Financial Statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this Report is made other than those disclosed in Note 53.2 to the Financial Statements.

DIRECTORS

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

Tan Sri Mohd Nasir Ahmad
Muhammad Novan Amirudin (appointed on 1 July 2024)
Dato' Lee Kok Kwan
Dato' Mohamed Ross Mohd Din
Didi Syafruddin Yahya
Shulamite N K Khoo
Ho Yuet Mee
Datin Azlina Mahmad
YM Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz (appointed on 1 July 2024)
Lyn Therese McGrath (appointed on 1 October 2024)
Dato' Abdul Rahman Ahmad (resigned on 30 June 2024)
Afzal Abdul Rahim (retired on 31 January 2025)

In accordance with Article 81 of the Constitution, the following Directors will retire from the Board at the forthcoming Annual General Meeting ("AGM") and being eligible, offer themselves for re-election:

Tan Sri Mohd Nasir Ahmad
Didi Syafruddin Yahya
Shulamite N K Khoo

In accordance with Article 88 of the Constitution, the following Directors will retire from the Board at the forthcoming AGM and being eligible, offer themselves for re-election:

Muhammad Novan Amirudin
YM Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz
Lyn Therese McGrath

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report are disclosed in Note 60 to the financial statements.

Directors' Report

for the financial year ended 31 December 2024

DIRECTORS' INTERESTS IN SHARES, SHARE OPTIONS AND DEBENTURES

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

	No. of ordinary shares			
	As at 1 January 2024/ Date of Appointment	**Acquired/ Vested**	**Disposed**	**As at 31 December 2024**
CIMB Group Holdings Berhad				
Direct interest				
Muhammad Novan Amirudin	309,620	882,433 [(a)]	(554,833) [(b)]	637,220
* Dato' Lee Kok Kwan	1,381,208	–	(900,000) [(b)]	481,208
^ Didi Syafruddin Yahya	46,791	–	–	46,791

Note: Includes shareholding of spouse/child, details of which are as follows:

	No. of ordinary shares			
	As at 1 January 2024	**Acquired/ Vested**	**Disposed**	**As at 31 December 2024**
* Datin Rosemary Yvonne Fong	95,498	–	–	95,498
^ Sarina Mahmood Merican	46,791	–	–	46,791

(a) *Shares granted under Equity Ownership Plan ("EOP")/vested for ESOS and SGP under LTIP*
(b) *Shares released from EOP account and transferred into Director's account*

	No. of ordinary shares			
	As at 1 January 2024	**Granted**	**Disposed**	**As at 31 December 2024**
PT Bank CIMB Niaga Tbk				
Direct interest				
* Dato' Lee Kok Kwan	427,305	–	–	427,305

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

	No. of ordinary shares			
	As at 1 January 2024	**Granted**	**Disposed**	**As at 31 December 2024**
* Datin Rosemary Yvonne Fong	12,445	–	–	12,445

Other than as disclosed above, according to the Register of Directors' Shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares, options over shares and debentures in the Company, or shares, options over shares and debentures of its related corporations during the financial year.

DIRECTORS' INTERESTS IN SHARES, SHARE OPTIONS AND DEBENTURES (CONTINUED)

LONG TERM INCENTIVE PLAN ("LTIP")

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

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

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

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

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

Details of LTIP are set out in Note 49 to the Financial Statements.

(i) Details of ESOS shares awarded:

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

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

		Movement during the year				
Award Date	As at 1 January 2024 (Units'000)	Awarded (Units'000)	Exercised (Units'000)	Expired/ Forfeited (Units'000)	Outstanding as at 31 December 2024 (Units'000)	Exercisable as at 31 December 2024 (Units'000)
9 June 2021 – First grant	178,818	–	(52,382)	(10,345)	116,091	32,489
31 March 2022 – Second grant	8,848	–	(2,441)	–	6,407	1,983
8 September 2022 – Third grant	3,430	–	(1,353)	(34)	2,043	345
8 December 2022 – Fourth grant	660	–	(330)	–	330	–

Directors' Report

for the financial year ended 31 December 2024

DIRECTORS' INTERESTS IN SHARES, SHARE OPTIONS AND DEBENTURES (CONTINUED)

LONG TERM INCENTIVE PLAN ("LTIP") (CONTINUED)

(ii) Details of SGP shares awarded:

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

** Subject to performance conditions*

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

Award Date	As at 1 January 2024 (Units'000)	Movement during the year Awarded (Units'000)	Vested (Units'000)	Forfeited (Units'000)	As at 31 December 2024 (Units'000)
9 June 2021 – First Grant	12,986	–	(5,942)	(972)	6,072
31 March 2022 – Second Grant	1,934	–	(937)	(30)	967
8 September 2022 – Third grant	736	–	(348)	(24)	364
8 December 2022 – Fourth grant	142	–	(67)	(4)	71
12 January 2024 – Fifth grant	–	250	–	–	250

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

Name	2024 No. of ESOS Awarded (Units'000)	No. of SGP Awarded (Units'000)
Key Management Personnel	–	250

Directors' Report

for the financial year ended 31 December 2024

DIRECTORS' REMUNERATION

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

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Executive Directors				
– Salary and remuneration	**13,588**	9,975	**–**	–
– Benefits-in-kind	**177**	81	**–**	–
	13,765	10,056	**–**	–
Non-Executive Directors				
– Fees	**2,649**	2,455	**1,317**	1,314
– Other remuneration	**4,115**	4,018	**2,359**	2,433
– Benefits-in-kind	**167**	91	**13**	38
	6,931	6,564	**3,689**	3,785
	20,696	16,620	**3,689**	3,785

The Directors and Officers of the Group and the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year for the Group and the Company amounting to RM1,555,167 (2023: RM1,550,556) and RM Nil (2023: RM Nil).

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than Directors' remuneration disclosed in Note 44 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any other arrangements to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Management Equity Scheme, Equity Ownership Plan and Long Term Incentive Plan (see Note 49 to the Financial Statements) as disclosed in this Report.

SUBSIDIARIES

(a) Details of subsidiaries

Details of subsidiaries are as set out in Note 14 to the Financial Statements.

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

Details of subsidiaries' holding of shares in other related corporations are as set out in Note 14 to the Financial Statements.

Directors' Report

for the financial year ended 31 December 2024

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company are RM21,455,000 and RM1,364,000 respectively. Details of auditors' remuneration are as set out in Note 41 to the Financial Statements.

2024 BUSINESS PLAN AND STRATEGY

Global economic conditions were generally steady in 2024 despite multiple geopolitical and macroeconomic developments. Various uncertainties emerged over the 12-month period ranging from inflationary pressures, interest rate pivots, leadership changes globally, continued conflicts and political hostilities, as well as China's economic deceleration. Nonetheless, ASEAN economies and markets displayed staunch resilience underpinned by strong domestic consumption, a positive investment climate and robust exports. The Malaysian economy kept a sustained momentum, recording a 5.1% GDP growth in 2024 buoyed by investment inflows as well as an easing in headline inflation to 1.8% from 2.5% a year ago. The Malaysian banking industry witnessed sustained growth in loan demand, competition for deposits and active capital market activity through the year.

2024 marked the final year of the Forward23+ program with the Group concluding the 5-year strategic plan by meeting most of the targets. On the back of successful initiatives in reshaping the portfolio, optimisation of the cost structure and stringent asset quality management, the Group saw an ROE expansion to 11.2% in 2024 from 8.5% in 2019. This was achieved despite various challenges including relatively intense deposit competition across the region and more stringent capital requirements by regional regulators in the face of the economic uncertainties. The positive 2024 financial performance was premised on expanding the balance sheet profitably via targeted segment loan growth, strengthening the CASA and deposit franchise, emphasis on the preferred segment and wealth management, growing the client franchise non-interest income, implementing strict cost discipline and asset quality management, as well as continued investments in technology to further enhance our digital capabilities and operational resiliency. On the sustainability front, the Group hit RM118 billion in Green Social & Sustainable Impact Products & Services ("GSSIPS"), exceeding the RM100 billion target, as well as being the First Malaysian Bank to announce 6 sector decarbonisation targets, advancing our commitment to net zero emission by 2050.

The Group posted a 6.1% year-on-year ("YoY") improvement in operating income to RM22.3 billion. Net interest income (inclusive of net finance income and hibah from Islamic Banking operations) grew 5.3% YoY to RM15.4 billion as the 2.6% YoY gross loan growth was supported by a stabilisation in net interest margins ("NIM") of 2.21% from 2.22% a year ago, as the NIM expansion in Malaysia was offset by intense deposit competition in Indonesia and Thailand. Non-interest income ("NOII") expanded by 8.1% YoY underpinned by robust capital market activity as well as stronger client franchise income. The Group maintained strict cost discipline throughout the year despite inflationary pressures and planned technology investments, bringing about a 5.6% YoY rise in operating expenses to RM10.4 billion. Expected credit losses ("ECL") on loans, advances and financing declined 10.8% YoY from higher recoveries and writebacks, mainly from Singapore, as well as Commercial and Wholesale Banking. The Group's profit before tax ("PBT") of RM10.4 billion was 9.0% higher YoY attributed to the positive pre-provision operating profit ("PPOP") and reduced provisions during the year. Capital adequacy remained strong, ending the year with a total capital ratio of 18.3% and a Core Equity Tier 1 ("CET1") ratio of 14.6%, while the Group's net return on equity ("ROE") came in higher at 11.2% for 2024.

The regional Consumer PBT eased 4.9% YoY to RM2.8 billion, due to normalisation and prudent provisioning in Malaysia, Indonesia and Singapore, as well as margin pressure across key markets. Nonetheless, the underlying performance remained strong as PPOP expanded 4.1% from asset growth and higher fee and trading income. Regional Commercial Banking PBT improved 10.8% YoY to RM2.1 billion driven by higher NII due to balance sheet growth and lower provisions in Malaysia and Indonesia. Wholesale Banking posted a strong PBT growth of 21.5% YoY to RM3.8 billion on the back of robust NOII growth from active capital markets and client franchise income, as well as lower provisions from Indonesia and writebacks from Thailand and Singapore. Investment Banking, Corporate Banking and Treasury & Markets had improved performances from higher trading volumes and capital market activity.

CIMB Niaga's PBT was 4.4% higher YoY at IDR8,729 billion as it benefited from higher NOII from foreign exchange and derivatives, higher fees and commission income, as well as lower provisions from the improvement in all asset quality metrics and better portfolio mix. CIMB Thai's PBT grew strongly at 75.5% YoY to THB3.6 billion due to stronger NOII from trading and foreign exchange income and lower provisions from writebacks in Wholesale Banking. CIMB Singapore's strong performance of a 38.7% YoY growth in PBT was in line with robust capital markets and provision writebacks.

2024 BUSINESS PLAN AND STRATEGY (CONTINUED)

The Group's total gross loans grew by 2.6% YoY (4.8% on a constant currency basis) with growth across all core markets and most segments. Consumer Banking loans expanded 3.0% while Commercial Banking and CIMB Digital Assets and Others improved by 6.2% and 30.4% YoY respectively, with Wholesale Banking loans declined slightly by 0.4%. Total Group deposits grew by 2.9% YoY (5.2% on a constant currency basis) attributed to growth in all core markets and segments, driven by a strong CASA (Current Account & Savings Account) growth of 7.7% YoY. The CASA ratio rose to 43.1% compared to 41.2% as at end-2023 as the Group continued to grow its deposit and CASA franchise in line with the Forward23+ strategic plan. The Group's NIM remained relatively stable at 2.21%, lower by a marginal 1bps YoY from 2.22% in 2023.

The Group's cost to income ratio improved to 46.7% compared to 46.9% in 2023 from the positive JAWS as operating income outgrew operating expenses by 0.5%. The Group's successful portfolio de-risking continued to have a positive impact on asset quality indicators with loan loss provisions on loans, advances and financing decreasing 10.8% YoY to RM1.4 billion in 2024 with the total loan loss charge declining to 0.25% from 0.32% in 2023. The Group's gross impairment ratio also improved to 2.1% as at end-2024 compared to 2.7% as at end-2023, with a higher allowance coverage of 105.3%.

The Group maintained the dividend payout approximate to 55.5% (2023: 55.0%) for 2024 with a declaration of total dividends amounting to RM4.29 billion or 40.00 sen per share. This all-cash dividend was paid in two interim payouts of 20.00 sen (paid in September 2024) and 20.00 sen to be paid in March 2025. As part of the capital optimisation plan, the Group had announced a special dividend amounting to RM750 million or 7.00 sen per share, which was paid fully in cash in September 2024 along with the first interim dividend.

OUTLOOK FOR 2025

The Group will continue to adopt a cautious stance in 2025 due to persistent external headwinds and volatility. The geopolitical shifts over the past year may lead to potential policy and economic changes, along with continued concerns on global inflation and GDP. Nevertheless, ASEAN economies remain resilient underpinned by robust domestic consumption and broader structural growth, which should help mitigate the impact of global uncertainties.

The Group's direction will be guided by the new strategic plan with a focus on delivering sustainable shareholder returns via reallocation and optimisation of capital and resources, building a stronger CASA franchise, deepening cross-selling activities, enhancing our capabilities with a focus on investing in people and technology, whilst advancing the sustainability agenda.

The Group's core financial performance is expected to maintain a positive trajectory in 2025 in tandem with prudent asset quality and credit risk management, net interest margin (NIM) prioritisation, driving non-interest income (NOII) expansion and stringent cost management. The Group's performance is underpinned mainly by the financial results of CIMB Malaysia, CIMB Niaga, CIMB Singapore and CIMB Thai. CIMB Malaysia's performance is expected to track the country's positive economic and investment momentum, with focus on preserving NIM and accelerating digital delivery. CIMB Niaga should benefit from refreshed policies from the new government despite heightened competition. CIMB Singapore is expected to sustain its 2024 performance, with CIMB Thai continuing to capitalise on the ASEAN network flows and transform its consumer finance operations.

Directors' Report
for the financial year ended 31 December 2024

RATINGS BY EXTERNAL RATING AGENCY

Details of the rating of the Company and its debt securities are as follows:

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service (Moody's)	May 2024	1. Long-term Issuer Rating 2. Short-term Issuer Rating	Baa1 P-2	Stable
Malaysian Rating Corporation Berhad (MARC)	August 2024	1. Long-term Corporate Credit Rating 2. Short-term Corporate Credit Rating 3. RM10.0 billion Tier 2 Subordinated Debt Programme	AA+ MARC-1 AA	Stable
RAM Rating Services Berhad (RAM)	August 2024	1. Long-term Corporate Credit Rating 2. Short-term Corporate Credit Rating 3. RM6.0 billion Conventional/Islamic Medium-term Notes Programme 4. RM10.0 billion Additional Tier I Capital Securities Programme 5. RM15 billion Senior Sukuk Wakalah Programme 6. RM15 billion Tier-2 Subordinated Sukuk Wakalah Programme 7. RM15 billion Additional Tier-1 Sukuk Wakalah Programme 8. RM3 billion Conventional Commercial Papers Programme	AA1 P1 AA1 A1 AA1 AA2 A1 P1	Stable

BOARD SHARIAH COMMITTEE

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

The main responsibility of the BSC is to assist the Board in the oversight and management of all Shariah matters relating to the Islamic banking and finance business of the CIMB Group Holdings Berhad. The BSC operates on the authority as delegated and empowered to it by the Board and as attributed to it under relevant financial regulations and legislations.

All decisions by the Board on Shariah matters relating to the Islamic banking business of CIMB Group Holdings Berhad shall be made based on the decisions, views and opinions of the BSC.

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

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

BOARD SHARIAH COMMITTEE (CONTINUED)

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

The BSC members are as follows:

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

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

MEETINGS AND ATTENDANCE

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

BOARD ENGAGEMENT AND TRAININGS ATTENDED

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

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

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

Directors' Report

for the financial year ended 31 December 2024

BOARD ENGAGEMENT AND TRAININGS ATTENDED (CONTINUED)

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

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

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

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

BSC ASSESSMENT

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

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

ZAKAT OBLIGATIONS

CIMB Islamic pays business zakat by adopting the Adjusted Growth Method to state zakat authorities in line with the methodology approved by the BSC. However, the amount payable by the CIMB Islamic is at the discretion of the management of CIMB Islamic and it is the shareholder's responsibility to ensure that their own zakat obligations are fulfilled in relation to their ownership of the share.

For the Group's banking and asset management subsidiaries, the obligation and responsibility for payment of zakat on deposits and investments received from their customers lies with their respective Muslim customers only. The aforesaid is subject to the jurisdictional requirements on zakat payment as may be applicable from time to time on the Group and its subsidiaries arising from changes to local legislation, regulation, law or market convention as the case may be. Accrual of zakat expenses (if any) in the Financial Statements of the Group is reflective of this.

The beneficiaries of the zakat fund are determined by relevant internal CIMB policy and procedure and guideline as approved by the BSC.

Directors' Report

for the financial year ended 31 December 2024

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 53.1 to the Financial Statements.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR END

Subsequent events after the financial year are disclosed in Note 53.2 to the Financial Statements.

AUDITORS

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

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

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

Tan Sri Mohd Nasir Ahmad
Chairman

Muhammad Novan Amirudin
Director

Kuala Lumpur
14 March 2025

Statement by Directors

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

We, Tan Sri Mohd Nasir Ahmad and Muhammad Novan Amirudin, being two of the Directors of CIMB Group Holdings Berhad, hereby state that, in the opinion of the Directors, the Financial Statements set out on pages 39 to 347 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and financial performance of the Group and of the Company for the financial year ended 31 December 2024, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

Tan Sri Mohd Nasir Ahmad
Chairman

Muhammad Novan Amirudin
Director

Kuala Lumpur
14 March 2025

Statutory Declaration

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

I, Khairulanwar bin Rifaie, being the officer primarily responsible for the financial management of CIMB Group Holdings Berhad, do solemnly and sincerely declare that the Financial Statements set out on pages 39 to 347 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Khairulanwar bin Rifaie
(MIA No. CA 47164)

Subscribed and solemnly declared by the abovenamed Khairulanwar bin Rifaie at Kuala Lumpur before me, on 14 March 2025.

Commissioner for Oaths

PESURUHJAYA SUMPAH
PJS No: W 797
Name: AZIZAM BIN AZIZAN
01.01.2023 - 31.12.2025
MALAYSIA
1-30, Jalan Pandan Prima 2,
Dataran Pandan Prima,
55100 Kuala Lumpur.

Board Shariah Committee's Report

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

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

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

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

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

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

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

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

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

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

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

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

Board Shariah Committee's Report

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

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

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

All in all, the Management of the Group is responsible and accountable to the Board to ensure that the Islamic banking and finance businesses of CIMB Group are conducted in accordance with the requirement of Shariah. It is our responsibility to form an independent opinion of the state of Shariah compliance of the business and its operations and advise the Board accordingly. Based on the internal controls that have been put in place by the Management, in our opinion, to the best of our knowledge, the Group has complied with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and by all other financial regulators (where relevant), as well as Shariah decisions made by us (excluding PT Bank CIMB Niaga Tbk), and the overall aims and operations, business, affairs and activities of CIMB Islamic are in compliance with Shariah but it has come to the BSC's attention that a material Shariah Non-Compliant event(s) has occurred within the Group and in the process of being rectified. Details of the Shariah Non-Compliant events is as follows:

(1) CIMB Islamic credit card were used by the cardholders to facilitate Shariah Non-compliant transaction i.e., monthly conventional insurance premium payment. The rectification measures to address the event are currently ongoing. The measures include, inter alia, income earned from the merchant discount fees and any other fees amounting to approximately RM41,993.85 will be channeled to the charitable bodies and the cardholders are being engaged to switch to an alternative payment method for the future premium payments.

(2) An application of *ijarah muntahiya bi tamlik* (IMBT) contract for ijarah financing granted to the customer to finance a property under construction. The rectification measures to address the event are completed. The measures include, inter alia, conversion of IMBT contract to *ijarah mawsufah fi zimmah* (IMFZ) contract for the property under construction whereby the letter was issued to the customer and subsequently acknowledged by the customer, process enhancement on the document checking and control effectiveness testing (CET).

Apart from the above, the Group has instituted several rectification measures relating to processes and procedures to enhance control mechanism and minimise recurrence of Shariah Non-Compliant incidents.

Details of the SNC income are set out in Note 59(al) to the Financial Statements.

Board Shariah Committee's Report

In our opinion:

1. The contracts, transactions and dealings entered into by the Group during the financial year ended 31 December 2024 that were presented to us were done in compliance with Shariah save and except for the contracts involved in the two Shariah Non-Compliant events;

2. The allocation of profit and charging of losses relating to investment accounts conformed to the basis that were approved by us in accordance with Shariah;

3. All earnings that were realised from sources or by means prohibited by Shariah have been purified according to Shariah principle; and

4. The zakat calculation is in compliance with Shariah principles.

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

We, the members of the BSC, are of the opinion that the operations of the Group's Islamic banking and finance business for the financial year ended 31 December 2024 were conducted in conformity with Shariah.

On behalf of the Board Shariah Committee

Associate Professor Dr. Mohamed Fairooz Abdul Khir
Chairman

Dr. Ahmad Sufian Che Abdullah
Member

Kuala Lumpur
14 March 2025

Independent Auditors' Report

to the members of CIMB Group Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OUR OPINION

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

WHAT WE HAVE AUDITED

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material Group accounting policies, as set out on pages 39 to 347.

BASIS FOR OPINION

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

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

OUR AUDIT APPROACH

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

to the members of CIMB Group Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

GROUP KEY AUDIT MATTERS

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>
EXPECTED CREDIT LOSSES FOR LOANS, ADVANCES AND FINANCING, DEBT INSTRUMENTS MEASURED AT AMORTISED COST AND DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Refer to accounting policy I(i) and Notes 6, 8, 10, 42, 43, 55(a), and 58.1 of the financial statements.

We focused on this area due to the size of the carrying value of loans, advances and financing and debt instruments measured at amortised cost and fair value through other comprehensive income.

In addition, the expected credit loss ("ECL") impairment model under MFRS 9 "Financial Instruments" requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

The significant judgements in applying the accounting requirements for measuring ECL include the following:
• Building the appropriate collective assessment models used to calculate ECL. The models are inherently complex and judgement is applied in determining the appropriate construct of the model;
• Identification of loans, advances and financing and debt instruments at amortised cost that have experienced a significant increase in credit risk; and
• Assumptions used in the ECL models such as expected future cash flows, forward-looking macroeconomic factors, probability weighted multiple scenarios and ECL overlay adjustments made.
</td><td>
We performed the following audit procedures:

• Understood and tested the relevant controls over identification of loans, advances and financing and debt instruments measured at amortised cost and fair value through other comprehensive income that have experienced significant increase in credit risk or objective evidence of impairment and the calculation of the impairment loss.

• Examined a sample of loans, advances and financing and debt instruments measured at amortised cost and fair value through other comprehensive income identified by the Group as having lower credit quality, rescheduled and restructured, borrowers in high risk industries, and formed our own judgement as to whether there was a significant increase in credit risk or any objective evidence of impairment.

• Where objective evidence of impairment was identified by the Group and impairment loss was individually calculated, we assessed the adequacy of impairment allowance by examining both the quantum and timing of future cash flows used by the Group in the impairment loss calculation, challenging the assumptions and comparing estimates to external evidence where available. We also re-performed the calculations of the discounted cash flows.

• Assessed and tested the methodologies and significant modelling assumptions inherent within the ECL models against the requirements of MFRS 9.

• Tested the design and operating effectiveness of the controls relating to:
– Governance over ECL model development and model refinements, including model build, model approval, model monitoring, model validation and model overlay; and
– Data used to determine the allowances for credit losses including the completeness and accuracy of the key inputs and assumptions used into respective ECL models.

• Assessed and considered the reasonableness of forward-looking forecasts assumptions.

• Assessed the reasonableness and tested the identification and calculation of the overlay or in-model adjustment to the ECL due to the impact of novel risk.

• Checked the accuracy of data and calculation of the ECL amount, on a sample basis.
</td></tr>
</table>

Independent Auditors' Report

to the members of CIMB Group Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

GROUP KEY AUDIT MATTERS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
	• Involved our financial risk modelling experts and IT specialists in areas such as reviewing appropriateness of the ECL models and data reliability. The assessment and conclusion on the more judgemental interpretations made by management were discussed with the Audit Committee. There were instances where the quantum of impairment required was different from that determined by management due to variance in the inputs used for ECL calculations purposes. Based on the procedures above, we did not find any material exceptions to the Group's assessment on impairment of loans, advances and financing and debt instruments at amortised cost and fair value through other comprehensive income.
ASSESSMENT OF THE CARRYING VALUE OF GOODWILL AND ITS IMPAIRMENT Refer to accounting policy M(a), V and Notes 20 and 55(b) of the financial statements. The Group recorded goodwill of RM6,371 million as at 31 December 2024 which arose from a number of acquisitions in current and prior years. For purposes of the annual impairment assessment of goodwill, the Group has assessed the recoverable amount of each cash generating unit ("CGU") with allocated goodwill based on the higher of the value-inuse ("VIU") and fair value less cost of disposal. The Group determined that the recoverable amount of all CGUs was based on VIU which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows. Therefore, the extent of judgment and the size of the goodwill resulted in this matter being identified as an area of audit focus.	We performed the following audit procedures: • Assessed that each CGU represents the smallest identifiable group of assets that generate independent cash flows based on our understanding of the business model of the Group. • Compared the cash flow projections of each CGU to the approved budget for the respective CGU. • Compared previous cash flow projections to actual results of each CGU to assess the reasonableness of assumptions used in the cash flow projections. • Independently computed discount rates which reflect the specific risks relating to each CGU based on publicly available information. • Assessed the reasonableness of the terminal growth rates based on historical results, economic outlook and industry forecasts. • Independently performed a sensitivity analysis over projected cash flows, terminal growth rates and discount rates used in deriving the VIU to assess the potential impact of a reasonable possible change to any of these assumptions on the recoverable amount of each CGU. Based on the procedures performed, we did not find any material exceptions to the conclusions made by the Group on the impairment assessment of goodwill as at 31 December 2024.

We have determined that there are no key audit matters to report for the Company.

Independent Auditors' Report

to the members of CIMB Group Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Board Shariah Committee's Report, which we obtained prior to the date of this auditors' report, and 2024 Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

to the members of CIMB Group Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

OTHER MATTERS

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

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants

Soo Hoo Khoon Yean
02682/10/2025 J
Chartered Accountant

Kuala Lumpur
14 March 2025

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Cash and short-term funds	2	**29,608,638**	34,772,470
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah	3	**10,882,458**	9,707,692
Deposits and placements with banks and other financial institutions	4	**5,167,779**	3,207,618
Financial investments at fair value through profit or loss	5	**52,683,146**	48,622,731
Debt instruments at fair value through other comprehensive income	6	**78,881,355**	71,417,298
Equity instruments at fair value through other comprehensive income	7	**393,289**	306,171
Debt instruments at amortised cost	8	**78,663,456**	78,498,195
Derivative financial instruments	9	**15,022,058**	15,644,895
Loans, advances and financing	10	**442,163,479**	429,450,037
Other assets	11	**16,005,996**	14,648,900
Tax recoverable		**416,795**	340,804
Deferred tax assets	12	**1,400,940**	1,934,311
Statutory deposits with central banks	13	**10,647,286**	11,511,391
Investment in associates	15	**55,340**	94,159
Investment in joint ventures	16	**2,279,622**	2,302,366
Property, plant and equipment	17	**1,962,762**	2,055,295
Right-of-use assets	18	**590,481**	658,562
Investment properties	19	**8,485**	2,758
Goodwill	20	**6,370,826**	6,475,948
Intangible assets	21	**1,926,512**	1,914,967
		755,130,703	733,566,568
Non-current assets held for sale	56	**–**	5,584
Total assets		**755,130,703**	733,572,152
LIABILITIES			
Deposits from customers	22	**471,950,866**	463,442,092
Investment accounts of customers	23	**24,443,310**	18,984,125
Deposits and placements of banks and other financial institutions	24	**45,444,581**	40,283,219
Repurchase agreements/Collateralised Commodity Murabahah		**47,228,104**	49,386,566
Financial liabilities designated at fair value through profit or loss	25	**12,731,903**	12,429,238
Derivative financial instruments	9	**14,423,807**	16,077,219
Bills and acceptances payable		**2,134,032**	1,753,934
Other liabilities	26	**23,014,283**	22,679,122
Lease liabilities	27	**521,004**	548,621
Recourse obligation on loans and financing sold to Cagamas	28	**4,934,842**	3,986,749
Provision for taxation and zakat		**136,794**	356,203
Deferred tax liabilities	12	**54,479**	52,500
Bonds, Sukuk and debentures	30	**14,412,197**	12,921,042
Other borrowings	31	**11,557,751**	9,698,584
Subordinated obligations	32	**11,303,860**	11,134,047
Total liabilities		**684,291,813**	663,733,261

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	2024 RM'000	2023 RM'000
EQUITY			
Capital and reserves attributable to owners of the Parent			
Ordinary share capital	33	**29,439,251**	29,094,547
Reserves	35	**39,805,151**	39,233,020
Less: Shares held under trust	36(a)	**(563)**	(563)
Treasury shares, at cost	36(b)	**(43)**	(43)
		69,243,796	68,326,961
Perpetual preference shares	34	**200,000**	200,000
Non-controlling interests		**1,395,094**	1,311,930
Total equity		**70,838,890**	69,838,891
Total equity and liabilities		**755,130,703**	733,572,152
Commitments and contingencies	51	**1,962,939,499**	1,662,078,807
Net assets per share attributable to owners of the Parent (RM)		**6.45**	6.41

Consolidated Statement of Income

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Interest income	37(a)	**24,894,567**	23,690,662
Interest income for financial assets at fair value through profit or loss	37(b)	**1,735,203**	1,423,614
Interest expense	38	**(15,263,201)**	(14,026,823)
Net interest income (before modification loss)		**11,366,569**	11,087,453
Modification loss	39	**(2,718)**	(3,747)
Net interest income (after modification loss)		**11,363,851**	11,083,706
Income from Islamic banking operations	59	**4,740,585**	4,260,336
Fee and commission income	40(a)	**3,453,507**	3,253,363
Fee and commission expense	40(b)	**(1,104,367)**	(1,019,297)
Net fee and commission income		**2,349,140**	2,234,066
Other non-interest income	40(c)	**3,847,578**	3,436,374
Net income		**22,301,154**	21,014,482
Overheads	41	**(10,420,231)**	(9,865,076)
Profit before expected credit losses		**11,880,923**	11,149,406
Expected credit losses on loans, advances and financing	42	**(1,368,780)**	(1,534,446)
Expected credit losses written back for commitments and contingencies	26(a)	**243,875**	174,921
Other expected credit losses and impairment allowances made	43	**(378,852)**	(231,928)
		10,377,166	9,557,953
Share of results of joint ventures	16	**16,555**	(58,914)
Share of results of associates	15	**2,207**	41,692
Profit before taxation and zakat		**10,395,928**	9,540,731
Taxation and zakat	45	**(2,476,548)**	(2,378,636)
Profit for the financial year		**7,919,380**	7,162,095
Profit attributable to:			
Owners of the Parent		**7,728,049**	6,980,962
Non-controlling interests		**191,331**	181,133
		7,919,380	7,162,095
Earnings per share attributable to ordinary equity holders of the Parent (sen)			
– Basic	46(a)	**72.27**	65.46
– Diluted	46(b)	**71.96**	65.28

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Profit for the financial year		**7,919,380**	7,162,095
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefits obligation		**16,370**	(13,494)
– Actuarial gain/(loss)		**16,734**	(15,032)
– Income tax effects		**(2,709)**	2,750
– Currency translation difference		**2,345**	(1,212)
Fair value changes on financial liabilities designated at fair value attributable to own credit risk		**82,759**	56,625
– Net gain from change in fair value attributable to own credit risk		**73,969**	69,491
– Currency translation difference		**8,790**	(12,866)
Equity instruments at fair value through other comprehensive income		**(4,810)**	2,219
– Net (loss)/gain from change in fair value		**(5,328)**	8,757
– Income tax effects		**(716)**	(937)
– Currency translation difference		**1,234**	(5,601)
Net gain on revaluation reserve		**5,790**	–
– Net gain on revaluation reserve		**5,741**	–
– Currency translation difference		**49**	–
		100,109	45,350
Items that may be reclassified subsequently to profit or loss			
Debt instruments at fair value through other comprehensive income		**138,103**	763,937
– Net gain from change in fair value		**386,907**	1,133,488
– Realised gain transferred to statement of income on disposal		**(244,938)**	(212,791)
– Changes in expected credit losses		**6,383**	19,842
– Income tax effects		**(24,301)**	(156,452)
– Currency translation difference		**14,052**	(20,150)
Net investment hedge		**134,203**	(339,013)
Hedging reserve – cash flow hedge		**10,211**	6,358
– Net gain from change in fair value		**10,731**	9,000
– Income tax effects		**(520)**	(2,642)
Deferred hedging cost		**(93,371)**	6,202
– Net (loss)/gain from change in fair value		**(93,371)**	3,506
– Income tax effects		**–**	2,696
Exchange fluctuation reserve		**(1,879,806)**	1,651,387
Share of other comprehensive income of			
– Associates	15	**(59)**	12,350
– Joint ventures	16	**(2,459)**	3,854
		(1,693,178)	2,105,075
Other comprehensive (expense)/income during the financial year, net of tax		**(1,593,069)**	2,150,425
Total comprehensive income for the financial year		**6,326,311**	9,312,520
Total comprehensive income attributable to:			
Owners of the Parent		**6,216,252**	9,060,914
Non-controlling interests		**110,059**	251,606
		6,326,311	9,312,520

Company Statement of Financial Position

as at 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Cash and short-term funds	2	**407,956**	363,691
Debt instruments at fair value through other comprehensive income	6	**1,157,825**	1,144,797
Debt instruments at amortised cost	8	**8,414,474**	8,412,266
Other assets	11	**83,299**	83,564
Tax recoverable		**183,522**	184,068
Investment in subsidiaries	14	**35,457,323**	34,724,169
Property, plant and equipment	17	**–**	131
Right-of-use assets	18	**430**	430
Investment properties	19	**291**	309
Total assets		**45,705,120**	44,913,425
LIABILITIES			
Other liabilities	26	**4,949**	3,135
Amount due to subsidiaries		**3,768**	13,625
Deferred tax liabilities	12	**–**	2
Other borrowings	31	**4,357,034**	3,957,145
Subordinated obligations	32	**10,626,087**	10,624,837
Total liabilities		**14,991,838**	14,598,744
EQUITY			
Ordinary share capital	33	**29,439,251**	29,094,547
Reserves	35	**1,274,074**	1,220,177
Less: Treasury shares, at cost	36(b)	**(43)**	(43)
Total equity		**30,713,282**	30,314,681
Total equity and liabilities		**45,705,120**	44,913,425

Company Statement of Income

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Interest income	37(a)	**408,040**	407,601
Interest expense	38	**(597,896)**	(593,390)
Net interest expense		**(189,856)**	(185,789)
Net non-interest income	40	**5,919,850**	3,355,258
		5,729,994	3,169,469
Overheads	41	**(33,073)**	(28,814)
Profit before expected credit losses		**5,696,921**	3,140,655
Other expected credit losses and impairment allowances written back/(made)	43	**825**	(915)
Profit before taxation		**5,697,746**	3,139,740
Taxation	45	**(3,740)**	(3,471)
Profit for the financial year		**5,694,006**	3,136,269

Company Statement of Comprehensive Income

for the financial year ended 31 December 2024

	2024 RM'000	2023 RM'000
Profit for the financial year	**5,694,006**	3,136,269
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Debt instruments at fair value through other comprehensive income	**12,851**	10,234
– Net gain from change in fair value	**12,951**	14,027
– Changes in expected credit losses	**(100)**	(3,793)
Other comprehensive income during the financial year, net of tax	**12,851**	10,234
Total comprehensive income for the financial year	**5,706,857**	3,146,503

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2024

The Group	Note	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve: Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve: Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
		Attributable to owners of the Parent															
At 1 January 2024		29,094,547	180,908	317,879	2,110,540	(563)	(43)	(654,828)	(235,888)	(1,983,464)	161,381	1,102,571	38,233,921	68,326,961	200,000	1,311,930	69,838,891
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	-	7,728,049	7,728,049	-	191,331	7,919,380
Other comprehensive (expense)/income (net of tax)		-	-	-	(1,798,138)	-	-	139,135	(4,776)	152,718	(736)	-	-	(1,511,797)	-	(81,272)	(1,593,069)
Debt instruments at fair value through other comprehensive income		-	-	-	-	-	-	139,135	-	-	-	-	-	139,135	-	(1,032)	138,103
Equity instruments at fair value through other comprehensive income		-	-	-	-	-	-	-	(4,776)	-	-	-	-	(4,776)	-	(34)	(4,810)
Fair value changes on financial liabilities designated at fair value relating to own credit risk		-	-	-	-	-	-	-	-	80,329	-	-	-	80,329	-	2,430	82,759
Net investment hedge		-	-	-	-	-	-	-	-	134,203	-	-	-	134,203	-	-	134,203
Hedging reserve - cash flow hedge		-	-	-	-	-	-	-	-	10,685	-	-	-	10,685	-	(474)	10,211
Deferred hedging cost		-	-	-	-	-	-	-	-	(93,371)	-	-	-	(93,371)	-	-	(93,371)
Remeasurement of post employment benefits obligations		-	-	-	-	-	-	-	-	15,389	-	-	-	15,389	-	981	16,370
Currency translation difference		-	-	-	(1,795,573)	-	-	-	-	(354)	(736)	-	-	(1,796,663)	-	(83,143)	(1,879,806)
Net gain on revaluation reserve		-	-	-	-	-	-	-	-	5,790	-	-	-	5,790	-	-	5,790
Share of other comprehensive income of																	
- Associates		-	-	-	(59)	-	-	-	-	-	-	-	-	(59)	-	-	(59)
- Joint ventures		-	-	-	(2,506)	-	-	-	-	47	-	-	-	(2,459)	-	-	(2,459)
Total comprehensive (expense)/income for the financial year		-	-	-	(1,798,138)	-	-	139,135	(4,776)	152,718	(736)	-	7,728,049	6,216,252	-	110,059	6,326,311
Second interim dividend for the financial year ended 31 December 2023	47	-	-	-	-	-	-	-	-	-	-	-	(1,973,044)	(1,973,044)	-	-	(1,973,044)
Special dividend for the financial year ended 31 December 2023	47	-	-	-	-	-	-	-	-	-	-	-	(746,557)	(746,557)	-	-	(746,557)
First interim dividend for the financial year ended 31 December 2024	47	-	-	-	-	-	-	-	-	-	-	-	(2,142,208)	(2,142,208)	-	-	(2,142,208)
Special dividend for the financial year ended 31 December 2024	47	-	-	-	-	-	-	-	-	-	-	-	(749,773)	(749,773)	-	-	(749,773)

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2024

The Group	Note	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve: Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve: Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
		← Attributable to owners of the Parent												→			
Non-controlling interests share of dividend		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(76,143)	(76,143)
Transfer to statutory reserve		-	23,632	-	-	-	-	-	-	-	-	-	(23,632)	-	-	-	-
Transfer to capital reserve		-	-	105,251	-	-	-	-	-	-	-	-	(105,251)	-	-	-	-
Dilution of interest in a subsidiary arising from Non-preemptive rights ("NPR") issuance		-	-	-	-	-	-	-	-	-	-	-	(5,340)	(5,340)	-	5,340	-
Share-based payment expense	41, 49	-	-	-	-	-	-	-	-	-	37,542	-	-	37,542	-	-	37,542
Purchase of shares in relation to Equity Ownership Plan ("EOP")		-	-	-	-	-	-	-	-	(15,927)	-	-	-	(15,927)	-	-	(15,927)
Shares released under employee benefit schemes		-	-	-	-	-	-	-	-	14,146	(15,853)	-	-	(1,707)	-	(13)	(1,720)
Issuance of shares pursuant to long-term incentive plan ("LTIP")	33	344,704	-	-	-	-	-	-	-	-	(61,532)	-	-	283,172	-	-	283,172
Transfer of gain on disposal of treasury shares by a subsidiary		-	-	-	-	-	-	-	-	-	-	-	15,148	15,148	-	-	15,148
Liquidation of an associate		-	-	-	(723)	-	-	-	-	-	-	-	-	(723)	-		(723)
Exercise of NPR by non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,007	5,007
Net non-controlling interests share of subsidiary treasury shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,914	38,914
Transfer from own credit risk reserve		-	-	-	-	-	-	-	-	3,339	-	-	(3,339)	-	-	-	-
Total transactions with owners recognised directly in equity		344,704	23,632	105,251	(723)	-	-	-	-	1,558	(39,843)	-	(5,733,996)	(5,299,417)	-	(26,895)	(5,326,312)
Transfer to regulatory reserve		-	-	-	-	-	-	-	-	-	-	674,521	(674,521)	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings		-	-	-	-	-	-	-	85,368	-	-	-	(85,368)	-	-	-	-
At 31 December 2024		29,439,251	204,540	423,130	311,679	(563)	(43)	(515,693)	(155,296)	(1,829,188)	120,802	1,777,092	39,468,085	69,243,796	200,000	1,395,094	70,838,890

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2024

The Group	Note	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve: Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve: Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
		← Attributable to owners of the Parent												→			
At 1 January 2023		29,094,547	166,833	242,626	542,479	(563)	(43)	(1,417,428)	(238,981)	(1,701,287)	114,097	417,993	35,270,933	62,491,206	200,000	1,092,647	63,783,853
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	-	6,980,962	6,980,962	-	181,133	7,162,095
Other comprehensive income/(expense) (net of tax)		-	-	-	1,597,473	-	-	762,600	2,358	(283,581)	1,102	-	-	2,079,952	-	70,473	2,150,425
Debt instruments at fair value through other comprehensive income		-	-	-	-	-	-	762,600	-	-	-	-	-	762,600	-	1,337	763,937
Equity instruments at fair value through other comprehensive income		-	-	-	-	-	-	-	2,358	-	-	-	-	2,358	-	(139)	2,219
Fair value changes on financial liabilities designated at fair value relating to own credit risk		-	-	-	-	-	-	-	-	55,518	-	-	-	55,518	-	1,107	56,625
Net investment hedge		-	-	-	-	-	-	-	-	(339,013)	-	-	-	(339,013)	-	-	(339,013)
Hedging reserve - cash flow hedge		-	-	-	-	-	-	-	-	6,206	-	-	-	6,206	-	152	6,358
Deferred hedging cost		-	-	-	-	-	-	-	-	6,202	-	-	-	6,202	-	-	6,202
Remeasurement of post employment benefits obligations		-	-	-	-	-	-	-	-	(13,133)	-	-	-	(13,133)	-	(361)	(13,494)
Currency translation difference		-	-	-	1,581,363	-	-	-	-	545	1,102	-	-	1,583,010	-	68,377	1,651,387
Share of other comprehensive income of																	
- Associates		-	-	-	12,350	-	-	-	-	-	-	-	-	12,350	-	-	12,350
- Joint ventures		-	-	-	3,760	-	-	-	-	94	-	-	-	3,854	-	-	3,854
Total comprehensive income/(expense) for the financial year		-	-	-	1,597,473	-	-	762,600	2,358	(283,581)	1,102	-	6,980,962	9,060,914	-	251,606	9,312,520
Second interim dividend for the financial year ended 31 December 2022	47	-	-	-	-	-	-	-	-	-	-	-	(1,386,463)	(1,386,463)	-	-	(1,386,463)
First interim dividend for the financial year ended 31 December 2023	47	-	-	-	-	-	-	-	-	-	-	-	(1,866,393)	(1,866,393)	-	-	(1,866,393)

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2024

The Group	Note	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve: Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve: Equity instruments at fair value through other comprehensive income RM'000	Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
		← Attributable to owners of the Parent												→			
Non-controlling interests share of dividend		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(66,595)	(66,595)
Transfer to statutory reserve		-	14,075	-	-	-	-	-	-	-	-	-	(14,075)	-	-	-	-
Transfer to capital reserve		-	-	75,253	-	-	-	-		-	-	-	(75,253)	-	-	-	-
Contributions by non-controlling interests		-	-	-	-	-	-	-		-	-	-	-	-	-	20	20
Share-based payment expense	41, 49	-	-	-	-	-	-	-	-	-	73,784	-	-	73,784	-	-	73,784
Purchase of shares in relation to Equity Ownership Plan ("EOP")		-	-	-	-	-	-	-	-	(15,533)	-	-	-	(15,533)	-	-	(15,533)
Shares released under employee benefit schemes		-	-	-	-	-	-	-	-	14,147	(18,420)	-	-	(4,273)	-	21	(4,252)
Transfer of gain on disposal of treasury shares by a subsidiary		-	-	-	-	-	-	-	-	-	-	-	10,419	10,419	-	-	10,419
Disposal of shares on unexercised employee benefit scheme		-	-	-	-	-	-	-	-	-	(9,660)	-	-	(9,660)	-	-	(9,660)
Transfer of realised loss to retained earnings		-	-	-	-	-	-	-	-	1,144	-	-	(1,144)	-	-	-	-
Disposal of non-current assets held for sale		-	-	-	(36,648)	-	-	-	245	1,646	-	-	-	(34,757)	-	-	(34,757)
Net non-controlling interests share of subsidiary treasury shares		-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,231	34,231
Liquidation of a foreign branch		-	-	-	7,236	-	-	-	-	-	478	3	-	7,717	-	-	7,717
Total transactions with owners recognised directly in equity		-	14,075	75,253	(29,412)	-	-	-	245	1,404	46,182	3	(3,332,909)	(3,225,159)	-	(32,323)	(3,257,482)
Transfer to regulatory reserve		-	-	-	-	-	-	-	-	-	-	684,575	(684,575)	-	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings		-	-	-	-	-	-	-	490	-	-	-	(490)	-	-	-	-
At 31 December 2023		29,094,547	180,908	317,879	2,110,540	(563)	(43)	(654,828)	(235,888)	(1,983,464)	161,381	1,102,571	38,233,921	68,326,961	200,000	1,311,930	69,838,891

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

The Company	Note	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve – debt instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000
		← Non-distributable				→	Distributable	
At 1 January 2024		29,094,547	55,982	(43)	(3,300)	145,367	1,022,128	30,314,681
Profit for the financial year		–	–	–	–	–	5,694,006	5,694,006
Other comprehensive income (net of tax)		–	–	–	12,851	–	–	12,851
Debt instruments at fair value through other comprehensive income		–	–	–	12,851	–	–	12,851
Total comprehensive income for the financial year		–	–	–	12,851	–	5,694,006	5,706,857
Second interim dividend for the financial year ended 31 December 2023	47	–	–	–	–	–	(1,973,044)	(1,973,044)
Special dividend for the financial year ended 31 December 2023	47	–	–	–	–	–	(746,557)	(746,557)
First interim dividend for the financial year ended 31 December 2024	47	–	–	–	–	–	(2,142,208)	(2,142,208)
Special dividend for the financial year ended 31 December 2024	47	–	–	–	–	–	(749,773)	(749,773)
Capital contribution to subsidiaries		–	–	–	–	20,154	–	20,154
Issue of shares arising from:-								
LTIP	33	344,704	–	–	–	(61,532)	–	283,172
At 31 December 2024		29,439,251	55,982	(43)	9,551	103,989	1,104,552	30,713,282

Company Statement of Changes in Equity

for the financial year ended 31 December 2024

The Company	Note	Non-distributable: Ordinary share capital RM'000	Non-distributable: Capital reserve RM'000	Non-distributable: Treasury shares RM'000	Non-distributable: Fair value reserve – debt instruments at fair value through other comprehensive income RM'000	Non-distributable: Share-based payment reserve RM'000	Distributable: Retained earnings RM'000	Total RM'000
At 1 January 2023		29,094,547	55,982	(43)	(13,534)	87,817	1,138,715	30,363,484
Profit for the financial year		–	–	–	–	–	3,136,269	3,136,269
Other comprehensive income (net of tax)		–	–	–	10,234	–	–	10,234
Debt instruments at fair value through other comprehensive income		–	–	–	10,234	–	–	10,234
Total comprehensive income for the financial year		–	–	–	10,234	–	3,136,269	3,146,503
Second interim dividend for the financial year ended 31 December 2022	47	–	–	–	–	–	(1,386,463)	(1,386,463)
First interim dividend for the financial year ended 31 December 2023	47	–	–	–	–	–	(1,866,393)	(1,866,393)
Capital contribution to subsidiaries		–	–	–	–	57,550	–	57,550
At 31 December 2023		29,094,547	55,982	(43)	(3,300)	145,367	1,022,128	30,314,681

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation and zakat		**10,395,928**	9,540,731
Adjustments for:			
Accretion of discounts less amortisation of premiums	37	**(552,807)**	(434,478)
Other expected credit losses and impairment allowances	43	**378,852**	231,928
Expected credit losses on loans, advances and financing	42	**2,509,852**	2,287,056
Expected credit losses made for commitments and contingencies (written back)/made	26(a)	**(243,875)**	(174,921)
Amortisation of intangible assets	41	**543,636**	486,784
Depreciation of property, plant and equipment	41	**300,982**	311,017
Depreciation of right-of-use assets	41	**241,829**	208,848
Dividends from financial investments at fair value through profit or loss	40	**(72,878)**	(64,801)
Dividends from equity instruments at fair value through other comprehensive income	40	**(4,698)**	(3,158)
Loss/(Gain) on disposal of property, plant and equipment/assets held for sale	40	**766**	(59,338)
Loss/(Gain) on liquidation of subsidiary and associate	40	**32**	(8,127)
(Gain)/Loss on sale of financial investments at fair value through profit or loss	40	**(245,754)**	323,985
Gain on sale of debt instruments at fair value through other comprehensive income	40	**(233,089)**	(202,014)
Gain on redemption of debt instruments at amortised cost	40	**(405)**	(567)
Gain on disposal of loans, advances and financing	40	**(190,663)**	(302,117)
Gain on sale of derivative financial instruments	40	**(812,667)**	(3,591,827)
Loss on disposal of foreclosed assets	40	**44,720**	33,294
Interest income on debt instruments at fair value through other comprehensive income	37(a)	**(3,163,529)**	(2,572,936)
Interest income on debt instruments at amortised cost	37(a)	**(2,140,371)**	(2,090,367)
Interest expense on subordinated obligations	38	**464,172**	497,242
Interest expense on bonds, Sukuk and debentures	38	**531,210**	575,429
Interest expense on other borrowings	38	**553,244**	435,346
Interest expenses on lease liabilities	38	**22,294**	20,440
Interest expense on recourse obligation on loan and financing sold to Cagamas	38	**53,015**	36,412
Net (gain)/loss arising from hedging activities	40	**(7,041)**	31,714
Property, plant and equipment written off	41	**7,221**	4,483
Intangible assets written off	41	**7,502**	668
Share-based payment expense	49	**37,542**	73,784
Share of results of associates	15	**(2,207)**	(41,692)
Share of results of joint ventures	16	**(16,555)**	58,914
Unrealised gain on financial liabilities designated at fair value through profit or loss	40	**(214,953)**	(181,840)
Unrealised (gain)/loss on foreign exchange	40	**(285,714)**	255,317
Unrealised (gain)/loss on revaluation of derivative financial instruments	40	**(757,039)**	848,362
Unrealised gain on revaluation of financial investments at fair value through profit or loss	40	**(780,472)**	(349,126)
Modification loss	39	**2,718**	3,747
		(4,025,130)	(3,352,539)
		6,370,798	6,188,192

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
(INCREASE)/DECREASE IN OPERATING ASSETS			
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah		**(1,174,766)**	43,570
Deposits and placements with banks and other financial institutions with original maturity of more than three months		**(88,951)**	332,354
Cash and short-term funds with original maturity of more than three months		**(901,395)**	(20,040)
Financial investments at fair value through profit or loss		**(2,736,342)**	(14,682,631)
Loans, advances and financing		**(15,011,775)**	(36,840,394)
Other assets		**(2,629,370)**	(615,906)
Derivative financial instruments		**705,609**	3,367,218
Statutory deposits with central banks		**864,105**	(606,321)
		(20,972,885)	(49,022,150)
INCREASE/(DECREASE) IN OPERATING LIABILITIES			
Deposits from customers		**8,508,774**	30,492,109
Investment accounts of customers		**5,459,185**	5,299,493
Deposits and placements of banks and other financial institutions		**5,161,362**	6,093,970
Financial liabilities designated at fair value through profit or loss		**517,618**	1,547,225
Repurchase agreements/Collateralised Commodity Murabahah		**(2,158,462)**	13,463,365
Bills and acceptances payable		**380,098**	(248,493)
Other liabilities		**887,744**	(2,380,512)
		18,756,319	54,267,157
Cash flows generated from operations		**4,154,232**	11,433,199
Taxation and zakat paid*		**(2,277,550)**	(2,209,737)
Net cash flows generated from operating activities		**1,876,682**	9,223,462
CASH FLOW FROM INVESTING ACTIVITIES			
Distributions and capital repayment from associates	15	**43,283**	1,812
Dividend from joint venture	16	**36,840**	67,795
Dividends from financial investments at fair value through profit or loss	40	**72,878**	64,801
Dividends from equity instruments at fair value through other comprehensive income	40	**4,698**	3,158
Investment in associates	15	**(3,039)**	(143)
Interest income received from debt instruments at fair value through other comprehensive income		**2,948,286**	2,572,936
Interest income received from debt instruments at amortised cost		**2,166,758**	2,090,367
Net purchase of debt instruments at fair value through other comprehensive income		**(6,956,652)**	(12,057,520)
Net purchase of equity instruments at fair value through other comprehensive income		**(91,178)**	(2,207)
Net purchase of debt instruments at amortised cost		**38,704**	(13,860,213)
Net addition of right-of-use assets		**(2,078)**	(113,076)
Net cash outflow from acquisition of KAF Equities Sdn Bhd	57	**(35,327)**	-
Proceeds from disposal of property, plant and equipment/asset held for sale		**25,490**	858,387
Purchase of property, plant and equipment	17	**(299,413)**	(338,236)
Proceeds from disposal of intangible assets		**8,250**	7,946
Purchase of intangible assets	21	**(615,924)**	(573,050)
Net cash flows used in investing activities		**(2,658,424)**	(21,277,243)

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution from non-controlling interests		**5,340**	20
Dividends paid to non-controlling interests		**(76,143)**	(66,595)
Dividends paid to shareholders	47	**(5,611,582)**	(3,252,856)
Interest paid on bonds, Sukuk and debentures	(i)	**(695,158)**	(540,506)
Interest paid on commercial papers and medium term notes	(i)	**(159,434)**	(152,028)
Interest paid on subordinated obligations	(i)	**(457,122)**	(491,840)
Interest paid on other borrowings	(i)	**(386,355)**	(276,067)
Interest paid on recourse loans sold to Cagamas	(i)	**(174,854)**	(44,345)
Proceeds from issuance of commercial papers and medium term notes	(i)	**1,750,000**	354,993
Proceeds from issuance of bonds, Sukuk and debentures	(i)	**8,583,642**	5,310,794
Proceeds from issuance of subordinated obligations	(i)	**3,237,473**	1,840,000
Proceeds from recourse loans sold to Cagamas	(i)	**1,943,025**	3,300,000
Issuance of shares through long term incentive plan ("LTIP")		**283,172**	–
Proceeds from other borrowings	(i)	**3,724,408**	1,959,282
Repayment of lease obligation	(i)	**(221,594)**	(125,889)
Redemption/repayment of bonds, Sukuk and debentures	(i)	**(6,818,972)**	(2,789,757)
Repayment of commercial papers and medium term notes	(i)	**(1,350,000)**	(354,993)
Repayment of recourse loans sold to Cagamas	(i)	**(1,001,286)**	-
Redemption/repayment of subordinated obligations	(i)	**(3,123,965)**	(1,812,450)
Repayment of other borrowings	(i)	**(2,025,039)**	(730,825)
Net cash flows (used in)/generated from financing activities		**(2,574,444)**	2,126,938
Net decrease in cash and cash equivalents during the financial year		**(3,356,186)**	(9,926,843)
Effects of exchange rate changes		**(839,487)**	1,114,328
Cash and cash equivalents at beginning of the financial year		**34,226,557**	43,039,072
Cash and cash equivalents at end of the financial year		**30,030,884**	34,226,557
Cash and cash equivalents comprise:			
Cash and short-term funds	2	**29,608,638**	34,772,470
Deposits and placements with banks and other financial institutions	4	**5,167,779**	3,207,618
		34,776,417	37,980,088
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months		**(4,173,807)**	(3,167,338)
Restricted cash	2(b)	**(571,726)**	(586,193)
		30,030,884	34,226,557

* *Included in taxation and zakat paid during the financial year is payment of zakat amounting to RM12 million (2023: RM15 million)*

Company Statement of Cash Flows

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation and zakat		**5,697,746**	3,139,740
Adjustments for:			
Depreciation of property, plant and equipment	41	**–**	136
Depreciation of investment properties	41	**18**	18
Dividends from a subsidiary	40	**(5,919,569)**	(3,354,835)
Interest expense on commercial papers and medium term notes	38	**159,323**	152,218
Interest expense on subordinated obligations	38	**438,573**	441,172
Interest income from debt intruments at fair value through other comprehensive income and debt instruments at amortised cost	37(a)	**(392,559)**	(392,373)
Other expected credit losses and impairment allowances (written back)/made	43	**(825)**	915
Unrealised gain on foreign exchange		**–**	(144)
		(5,715,039)	(3,152,893)
		(17,293)	(13,153)
Decrease/(increase) in operating assets			
Other assets		**948**	(365)
		948	(365)
(Decrease)/increase in operating liabilities			
Amount due (from)/to subsidiaries		**(9,857)**	13,303
Other liabilities		**1,814**	(9,484)
		(8,043)	3,819
Cash flows used in operations		**(24,388)**	(9,699)
Taxation and zakat paid		**(3,196)**	(2,180)
Net cash flows used in operating activities		**(27,584)**	(11,879)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of additional interest in subsidiaries	14	**–**	(29,740)
Dividends from subsidiaries	40	**5,206,569**	3,354,835
Redemption of Redeemable Preference Shares	14	**–**	29,740
Interest received from financial investments		**391,005**	395,144
Proceeds from disposal of debt instruments at fair value through other comprehensive income		**–**	1,000,000
Purchase of debt instruments at amortised cost		**(2,000,000)**	(1,300,000)
Purchase of of debt instruments at fair value through other comprehensive income		**–**	(400,000)
Proceeds from disposal of debt instruments at amortised cost		**2,000,000**	700,000
Proceeds from disposal of property, plant and equipment/asset held for sale		**131**	–
Net cash flows generated from investing activities		**5,597,705**	3,749,979

Company Statement of Cash Flows

for the financial year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders	47	**(5,611,582)**	(3,252,856)
Interest paid on commercial papers and medium term notes	(i)	**(159,434)**	(152,042)
Issuance of shares through LTIP		**283,172**	-
Interest paid on subordinated obligations	(i)	**(437,323)**	(443,931)
Proceeds from issuance of commercial papers and medium term notes	(i)	**1,750,000**	354,993
Proceeds from issuance of subordinated obligations	(i)	**3,000,000**	1,700,000
Repayment of commercial papers and medium term notes	(i)	**(1,350,000)**	(354,993)
Repayment of subordinated obligations	(i)	**(3,000,000)**	(1,700,000)
Net cash flows used in financing activities		**(5,525,167)**	(3,848,829)
Net increase/(decrease) in cash and cash equivalents during the financial year		**44,954**	(110,729)
Effects of exchange rate changes		**–**	(528)
Cash and cash equivalents at beginning of the financial year		**363,002**	474,259
Cash and cash equivalents at end of the financial year		**407,956**	363,002
Cash and cash equivalents comprise:			
Cash and short-term funds	2	**407,956**	363,691
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months		**–**	(689)
Cash and cash equivalents at end of financial year		**407,956**	363,002

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

	The Group						The Company		
	Recourse obligation on loans and financing sold to Cagamas RM'000	Bonds, Sukuk and debentures RM'000	Other borrowings* RM'000	Subordinated obligations RM'000	Lease liabilities RM'000	Total RM'000	Other borrowings* RM'000	Subordinated obligations RM'000	Total RM'000
At 1 January 2024	**3,986,749**	**12,921,042**	**9,698,584**	**11,134,047**	**548,621**	**38,289,043**	**3,957,145**	**10,624,837**	**14,581,982**
Proceeds from issuance	**1,943,025**	**8,583,642**	**5,474,408**	**3,237,473**	**-**	**19,238,548**	**1,750,000**	**3,000,000**	**4,750,000**
Repayment and redemption	**(1,001,286)**	**(6,818,972)**	**(3,375,039)**	**(3,123,965)**	**(221,594)**	**(14,540,856)**	**(1,350,000)**	**(3,000,000)**	**(4,350,000)**
Interest paid	**(174,854)**	**(695,158)**	**(545,789)**	**(457,122)**	**-**	**(1,872,923)**	**(159,434)**	**(437,323)**	**(596,757)**
Exchange fluctuation	**-**	**(363,933)**	**(247,657)**	**23,038**	**-**	**(588,552)**	**-**	**-**	**-**
Other non cash movement	**181,208**	**785,576**	**553,244**	**490,389**	**193,977**	**2,204,394**	**159,323**	**438,573**	**597,896**
At 31 December 2024	**4,934,842**	**14,412,197**	**11,557,751**	**11,303,860**	**521,004**	**42,729,654**	**4,357,034**	**10,626,087**	**14,983,121**
At 1 January 2023	650,667	9,918,209	8,264,785	11,014,515	500,138	30,348,314	3,956,970	10,627,596	14,584,566
Proceeds from issuance	3,300,000	5,310,794	2,314,275	1,840,000	–	12,765,069	354,993	1,700,000	2,054,993
Repayment and redemption	–	(2,789,757)	(1,085,818)	(1,812,450)	(125,889)	(5,813,914)	(354,993)	(1,700,000)	(2,054,993)
Interest paid	(44,345)	(540,506)	(428,095)	(491,840)	–	(1,504,786)	(152,042)	(443,931)	(595,973)
Exchange fluctuation	–	325,007	198,092	1,263	–	524,362	–	–	–
Other non cash movement	80,427	697,295	435,345	582,559	174,372	1,969,998	152,217	441,172	593,389
At 31 December 2023	3,986,749	12,921,042	9,698,584	11,134,047	548,621	38,289,043	3,957,145	10,624,837	14,581,982

* *Including commercial paper and medium term notes*

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

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

A BASIS OF PREPARATION

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

The Financial Statements have been prepared under historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, debts instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivatives financial instruments, investment properties, non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss.

The 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 the Shariah principles.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 55.

(A) STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATION THAT ARE EFFECTIVE AND APPLICABLE TO THE GROUP AND THE COMPANY

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

- Amendments to MFRS 101 "Non-current Liabilities with Covenants"
- IFRIC agenda decision on disclosure of revenues and expenses for reportable segments (MFRS 8 *Operating segments*)

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

(B) STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE APPLICABLE TO THE GROUP AND THE COMPANY BUT NOT YET EFFECTIVE

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

(I) FINANCIAL YEAR BEGINNING ON/AFTER 1 JANUARY 2025

- ***Amendments to MFRS 121 'Lack of Exchangeability'***

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

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

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

A BASIS OF PREPARATION (CONTINUED)

(B) STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS THAT ARE APPLICABLE TO THE GROUP AND THE COMPANY BUT NOT YET EFFECTIVE (CONTINUED)

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

(II) FINANCIAL YEAR BEGINNING ON/AFTER 1 JANUARY 2026

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

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

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

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

(III) FINANCIAL YEAR BEGINNING ON/AFTER 1 JANUARY 2027

- ***MFRS 19 Subsidiaries without Public Accountability***

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

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

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

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

  Income and expenses are classified into 3 new main categories:

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

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

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

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

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

  The amendments shall be applied retrospectively.

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

B ECONOMIC ENTITIES IN THE GROUP

(A) SUBSIDIARIES

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

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

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

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

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

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

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

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

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

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

B ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(A) SUBSIDIARIES (CONTINUED)

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of income, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(B) CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL

Transactions with non-controlling interests that do not result in loss in control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(C) DISPOSAL OF SUBSIDIARIES

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

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

(D) JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group's interests in joint ventures are accounted for in the consolidated Financial Statements by using the equity method of accounting, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in statement of income, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income.

Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition, net of accumulated impairment loss (if any). When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any long-term interests that, in substance, form part of the Group's net investment in the joint ventures, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

B ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(D) JOINT ARRANGEMENTS (CONTINUED)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to statement of income where appropriate.

(E) ASSOCIATES

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

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

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

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

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

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

B ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(E) ASSOCIATES (CONTINUED)

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

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

(F) INTERESTS IN SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

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

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

C RECOGNITION OF INTEREST/PROFIT INCOME AND INTEREST/PROFIT EXPENSE

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

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

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

Income from Islamic banking business is recognised on an accrual basis in accordance with the principles of Shariah.

D RECOGNITION OF FEES INCOME AND EXPENSES AND OTHER INCOME

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

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

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

D RECOGNITION OF FEES INCOME AND EXPENSES AND OTHER INCOME (CONTINUED)

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

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

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

E FINANCIAL ASSETS

(A) CLASSIFICATION

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

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

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

BUSINESS MODEL ASSESSMENT

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

ASSESSMENT WHETHER CONTRACTUAL CASH FLOWS ARE SOLELY PAYMENTS OF PRINCIPAL AND INTEREST ("SPPI")

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

E FINANCIAL ASSETS (CONTINUED)

(A) CLASSIFICATION (CONTINUED)

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

(i) Financial assets at fair value through OCI comprise of:

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

(ii) The Group and the Company classify their financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows, and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

(iii) The Group and the Company classify the following financial assets at fair value through profit or loss:

- Debt investments that do not qualify for measurement at either amortised cost or fair value through comprehensive income;
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise at fair value through other comprehensive income.

(B) RECOGNITION AND INITIAL MEASUREMENT

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

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

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

(C) SUBSEQUENT MEASUREMENT

DEBT INSTRUMENTS

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

(i) Amortised cost

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

E FINANCIAL ASSETS (CONTINUED)

(C) SUBSEQUENT MEASUREMENT (CONTINUED)

DEBT INSTRUMENTS (CONTINUED)

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversal of impairment losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

When the Group and the Company hold more than one investment in the same security, they are deemed to be disposed of on a first-in, first-out basis. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in non-interest income. Interest/profit income from these financial assets is included in interest/finance income using the effective interest/profit rate method.

(iii) Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within non-interest income in the period which it arises. Interest/profit income from these financial assets continue to be recognised in profit or loss as interest/profit income as disclosed in its respective note.

EQUITY INSTRUMENTS

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

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

(D) RECLASSIFICATION OF FINANCIAL ASSETS

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

(E) MODIFICATION OF LOANS/FINANCING

The Group may renegotiate or otherwise modify the contractual cash flows of loans/financing to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms. The Group do this by considering, among others, the following factors:

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

E FINANCIAL ASSETS (CONTINUED)

(E) MODIFICATION OF LOANS/FINANCING (CONTINUED)

If the terms are substantially different, the Group derecognises the original financial asset and recognises a "new" asset at fair value and recalculates a new effective interest/profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in statements of income as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in statements of income. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest/profit rate (or credit–adjusted effective interest/profit rate for purchased or originated credit-impaired financial assets).

The impact of modifications of financial assets is disclosed in Note 39. The 'phase 2' amendments for financial assets affected by IBOR reform is disclosed in Note Q.

F FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are initially recognised at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in statement of income. Financial liabilities are derecognised when extinguished.

(A) FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated at fair value through profit or loss upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. The specific Group and Company accounting policy on derivatives is detailed in Note Q.

The financial liabilities measured at fair value through profit and loss upon initial recognition are trading derivatives and financial liabilities designated at fair value.

Financial liabilities, other than those held for trading, are classified as financial liabilities designated at fair value through profit or loss if they meet one or more of the criteria set out below, and are so designated by management.

The Group and the Company may designate financial liabilities at fair value through profit or loss when the designation:

- Eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial assets or financial liabilities, or recognising gains and losses on them, on different bases. Certain structured investments with embedded callable range accrual swaps are designated by the Group under this criterion. The interest payable on these structured investments has been hedged with trading derivatives. An accounting mismatch would arise if the structured investments were accounted for at amortised cost, because the related derivatives are measured at fair value with changes in the fair value recognised in the statements of income. By designating the structured investments at fair value, the movement in the fair value of the structured investments will also be recognised in the statement of income;
- Applies to groups of financial liabilities that are managed, and their performance evaluated, on a fair value basis in accordance with a documented risk management or investment strategy; and
- Relates to financial liabilities containing one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments.

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

F FINANCIAL LIABILITIES (CONTINUED)

(A) FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The fair value designation, once made, is irrevocable. Designated financial liabilities are recognised when the Group and the Company enter into the contractual provisions of the arrangements with counterparties, which is generally on trade date, and are normally derecognised when extinguished (liabilities). Measurement is initially at fair value, with transaction costs taken to the statements of income. Subsequently, the fair values are remeasured, and gains and losses from changes therein are recognised in the statements of income.

The component of fair value changes relating to the Group's own credit risk is recognised in OCI. Amounts recorded in OCI related to credit risk are not subject to recycling to profit or loss, but are transferred to retained earnings when realised.

The Group determines the amount of fair value changes which are attributable to credit risk, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of financial liabilities at fair value through profit or loss. Market conditions which give rise to market risk include changes in the benchmark interest rate. Fair value movements on the conversion option embedded derivative are excluded from the assessment of market risk fair value changes.The Group believes that this approach most faithfully represents the amount of change in fair value due to the Group's own credit risk, as the changes in factors contributing to the fair value of the items other than the changes in the benchmark interest rate are not deemed to be significant.

(B) FINANCIAL LIABILITIES AT AMORTISED COST

Financial liabilities that are not classified as fair value through profit or loss fall into this category and are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from customers, investment accounts of customers, deposits and placements of banks and other financial institutions, repurchase agreements, bills and acceptances payable, sundry creditors, collateral pledged for derivative transactions, bonds, Sukuk and debentures, other borrowings, subordinated obligations, lease liabilities and recourse obligations on loans and financing sold to Cagamas and structured deposits. Structured deposits with embedded derivatives which are not closely related to the host contract are bifurcated and the derivatives are separately accounted for under derivatives in Note 9. The 'phase 2' amendments for financial liabilities affected by IBOR reform is disclosed in Note Q.

G DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES OTHER THAN ON A MODIFICATION

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

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

H OFFSETTING FINANCIAL INSTRUMENTS

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

I IMPAIRMENT OF FINANCIAL ASSETS

The Group and the Company assess on a forward looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortised cost, FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(I) FINANCIAL ASSETS ACCOUNTED FOR AT AMORTISED COST, FVOCI AND WITH THE EXPOSURE ARISING FROM LOAN COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS.

The Group and the Company use general 3-stage approach for financial assets accounted for at amortised cost, FVOCI and with the exposure arising from loan commitments and financial guarantee contracts which reflect their credit risk and how the ECL is determined for each of those categories.

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

(a) Stage 1: 12-months ECL

Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

(b) Stage 2: Lifetime ECL – not credit impaired

Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

(c) Stage 3: Lifetime ECL – credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

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

(II) OTHER ASSETS

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

J SALE AND REPURCHASE AGREEMENTS/COLLATERALISED COMMODITY MURABAHAH

Securities purchased under resale agreements ("reverse repurchase agreements") are securities which the Group had purchased with a commitment to re-sell at future dates. The commitment to re-sell the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities sold/transferred under repurchase agreements/collateralised commodity murabahah are securities which the Group had sold/transferred from its portfolio, with a commitment to repurchase/transfer back at future dates. Such financing transactions and the obligation to repurchase/transfer back the securities are reflected as a liability on the statements of financial position.

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

K PROPERTY, PLANT AND EQUIPMENT

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

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

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

Buildings on freehold land	20-50 years
Buildings on leasehold land 50 years or more	40-50 years or over the remaining period of the lease, whichever is shorter
Buildings on leasehold land less than 50 years	40-50 years or over the remaining period of the lease, whichever is shorter
Office equipment, furniture and fixtures	
– office equipment	3-10 years
– furniture and fixtures	5-10 years
Renovations	5-19 years
Computer equipment and hardware	
– servers and hardware	3-7 years
– ATM machine	5-10 years
Motor vehicles	5-8 years
General plant and machinery	5 years

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

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

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

L INVESTMENT PROPERTIES

Investment properties, comprising principally land and office buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group and the Company.

Investment properties of the Company are stated at cost less accumulated depreciation and accumulated impairment loss. The freehold land is not depreciated. The buildings on freehold land are depreciated on a straight line basis over their estimated useful lives of 33.3 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statement of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in statement of income in the period of the retirement or disposal.

At the Group level, investment properties of the Company are classified as property, plant and equipment as the properties are rented out to an entity within the Group.

L INVESTMENT PROPERTIES (CONTINUED)

Investment properties of the Group are stated at fair value, representing the open-market value determined annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the statements of income as part of other income.

Subsequent expenditure is recognised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss as a net gain/loss from fair value adjustment on investment property.

M INTANGIBLE ASSETS

(A) GOODWILL

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

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

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

Goodwill on acquisitions of associates and joint arrangements respectively are included in investments in associates and joint arrangements. Such goodwill is tested for impairment as part of the overall balance.

(B) OTHER INTANGIBLE ASSETS

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

Intangible assets that have an indefinite useful life, or are not yet ready for use, are tested for impairment annually. This impairment test may be performed at any time during the year, provided it is performed at the same time every year. An intangible asset recognised during the current period is tested before the end of the current year.

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

M INTANGIBLE ASSETS (CONTINUED)

(B) OTHER INTANGIBLE ASSETS (CONTINUED)

Intangible assets are amortised over their finite useful lives as follows:

Customer relationships:	
– Credit card	12 years
Core deposits	8 – 20 years
Computer software	3 – 15 years

N LEASES – THE GROUP AND THE COMPANY AS LESSEE

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

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

LEASE TERM

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

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

ROU ASSETS

ROU assets are initially measured at cost comprising the following:

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

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

LEASE LIABILITIES

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

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

N LEASES – THE GROUP AND THE COMPANY AS LESSEE (CONTINUED)

LEASE LIABILITIES (CONTINUED)

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

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

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

SHORT TERM LEASES AND LEASES OF LOW VALUE ASSETS

The Group elects to apply MFRS 16 recognition exemption such as short-term leases and leases for which the underlying asset is of low value. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low-value assets comprise IT equipment and small items of office furniture with value of RM20,000 (or equivalent to USD5,000) or below. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

O LEASES – THE GROUP AND THE COMPANY AS LESSOR

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

(A) FINANCE LEASE

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

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

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

(B) OPERATING LEASE

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

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

P BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable represent the Group's own bills and acceptances rediscounted and outstanding in the market.

Q DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate except for assets/liabilities that are classified as Level 3 fair value hierarchy. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in the statement of income.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises the fair value of derivatives in the statement of income immediately.

The Group designates certain derivatives to manage its exposure to foreign currency and interest rate risks. The instruments used included interest rate swap, cross currency interest rate swap and currency swap.

The Group documents at the inception of the hedging transaction, the risk management objective and strategy and the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 9.

(A) FAIR VALUE HEDGE

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to the statement of income over the period to maturity based on recalculated effective interest rate method. The adjustment to the carrying amount of a hedged equity security remains as part of the carrying amount until the disposal of the equity security.

(B) CASH FLOW HEDGE

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are recognised in equity. The gain and loss relating to ineffective portion is recognised immediately in the statement of income. Amounts accumulated in equity are recycled to the statement of income in the periods in which the hedged item will affect the statement of income.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income. The Group assesses the recoverability of the balance in one or more future periods when the cash flow hedge reserve is in a loss position.

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

Q DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (CONTINUED)

(C) NET INVESTMENT HEDGE

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. When forward contracts are used to hedge net investment in foreign operation, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of income. The change in the forward element of the contract that relates to the hedged item is recognised in other comprehensive income and accumulated in costs of hedging reserve within equity.

Gains and losses accumulated in the equity are recycled to the statement of income when the foreign operation is partially disposed or sold. The Group assesses the recoverability of the balance in one or more future periods when the net investment hedge reserve is in a loss position.

INTERBANK OFFERED RATES

Interbank offered rates (IBORs), such as the London Interbank Offered Rate (LIBOR), play a critical role in global financial markets, serving as reference rates for derivatives, loans and securities, and as parameters in the valuation of financial instruments.

In recent years, regulators, central banks and market participants have been working towards a transition to alternative risk-free benchmark reference rates (RFRs) and market-led working groups in respective jurisdictions have recommended alternative risk-free reference rates, which are gradually being adopted in replacement of IBORs.

In response to the uncertainty about the long-term viability of these benchmark rates, and LIBOR in particular, the International Accounting Standards Board (IASB) has established a project to consider the financial reporting implications of the reform. The transition from IBORs is expected to have an impact on various elements of financial instrument accounting, including hedge accounting, as well as fair value methodologies and disclosures.

BNM has announced the launch of the Malaysia Overnight Rate (MYOR) as the RFRs for Malaysia and the MYOR will run in parallel to the existing Kuala Lumpur Interbank Offered Rate (KLIBOR) with periodic reviews to ensure that the financial benchmark rates remain robust and reflective of an active underlying market. The Group has discontinued the publication of the 2- and 12-month KLIBOR tenors, which are the least referenced rates in the market for financial contracts, on 1 January 2024. The remaining one-, three- and six-month KLIBOR tenors, will continue to reflect an active underlying market.

IMPACT OF IBOR REFORM ON GROUP'S HEDGING RELATIONSHIP

The Group has hedge accounted relationships referencing IBORs, with the most significant interest rate benchmarks to which the Group's hedging relationships are exposed to is MYR KLIBOR.

The Group's risk exposures that is directly affected by the interest rate benchmark reform is the fair value hedge of the following financial instruments. These hedging relationships are designated using interest rate swaps, for changes attributable to MYR KLIBOR and HKD HIBOR that are respective current benchmark interest rate. Additional information about the Group's exposure to IBOR reform is presented in Note 9.

	The Group	
Hedged items	**2024**	**2023**
Fixed rate liabilities	**MYR8,925,000,000**	MYR8,825,000,000
Fixed rate senior bonds	**MYR7,875,000,000**	MYR3,384,000,000
Fixed rate financial investments at fair value through other comprehensive income	**MYR9,861,000,000**	MYR11,510,000,000 HKD200,000,000
Fixed rate financial investments at amortised cost	**MYR50,000,000**	MYR50,000,000
Fixed rate loans	**MYR1,329,000,000**	MYR1,329,000,000

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

Q DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (CONTINUED)

(C) NET INVESTMENT HEDGE (CONTINUED)

IMPACT OF IBOR REFORM ON GROUP'S HEDGING RELATIONSHIP (CONTINUED)

The Group will continue to record any ongoing hedge ineffectiveness, including that generated by changes as a result of interest rate reform, within the Income Statement. One of the source of ineffectiveness would be due to the IBOR reform takes effect at a different time and have a different impact on the hedged items and hedging instruments.

MANAGING THE PROCESS TO TRANSITION

The Group has established a steering committee to oversee the Group's IBORs transition plan. This steering committee has put in place a transition project includes the assessment and actions necessary to accommodate the transition to RFRs as they apply internal process and systems in pricing, risk management, and valuation models, as well as managing related tax and accounting implications. The Group is continuing to monitor market developments in relation to the transition to RFRs from IBOR rates and their impact on the Group's financial assets and liabilities to ensure that there are no unexpected consequences or disruption from the transition.

The Group adopted the Phase 2 amendments and applied the practical expedient to update the effective interest rate for instruments measured at amortised cost to account for the changes in contractual cash flows that is a direct consequence of interbank offered rate ('IBOR') reform. As a result, no immediate gain or loss is recognised in profit or loss.

The amendments also provide reliefs that enable and require the Group to continue the MFRS 9 hedge accounting in circumstances when the Group updates the hedge documentation to reflect changes in hedged items and hedging instruments which are required by IBOR reform.

HEDGE RELATIONSHIPS

Since 2021, the Group has adopted the hedge accounting reliefs provided by 'phase 2' of the amendments for hedge designation. When the phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of these changes:

(i) Designate an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;

(ii) Amend the description of the hedged item, including the description of the designated portion of the fair value being hedged; or

(iii) Amend the description of the hedging instrument. The Group will update its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made

These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships. The Group has not made any amendments to its hedge documentation in the reporting period relating to IBOR reform.

Since 2021, changes required to systems, processes and models have been identified and fully implemented. The Group has identified that the areas of most significant risk arising from the replacement of LIBORs are: updating systems and processes which capture LIBORs referenced contracts; amendments to those contracts, or existing fallback/transition clauses not operating as anticipated; mismatches in timing of derivatives and loans transitioning from LIBORs and the resulting impact on economic risk management; and updating hedge designations. The Group continues to engage with industry participants and the regulator authorities, to ensure an orderly transition to RFRs and to minimise the risks arising from transition, and it will continue to identify and assess risks associated with LIBORs replacement.

FINANCIAL INSTRUMENTS MEASURED USING AMORTISED COST MEASUREMENT

'Phase 2' of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Q DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (CONTINUED)

FINANCIAL INSTRUMENTS MEASURED USING AMORTISED COST MEASUREMENT (CONTINUED)

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate. Any additional changes are accounted for in the normal way (that assessed for modification or derecognition, with the resulting modification gain/loss recognised immediately in profit or loss where the instrument is not derecognised).

Since 2021, the Group has applied the practical expedients offered under 'phase 2' of the amendments on the financial instruments in the following section.

EFFECT OF IBOR REFORM

The following tables contain details of all financial instruments that the Group held at 31 December 2024 and 31 December 2023 which are referenced to MYR KLIBOR have not yet transitioned to alternative benchmark rates.

	The Group	
	Notional amount of which: Have yet to transition to an alternative benchmark rate as at 31 December 2024	
	MYR KLIBOR	
	Asset RM'000	**Liability RM'000**
Non-derivatives assets and liabilities		
Bonds/Sukuk and notes	**575,000**	**3,870,000**
Loans/financing	**2,023,506**	**–**
Recourse obligation on loan and financing sold to Cagamas	**–**	**160,021**
Derivatives	**122,565,562**	**89,255,328**

	The Group	
	Notional amount of which: Have yet to transition to an alternative benchmark rate as at 31 December 2023	
	MYR KLIBOR	
	Asset RM'000	**Liability RM'000**
Non-derivatives assets and liabilities		
Bonds/Sukuk and notes	260,000	3,000,000
Loans/financing	3,115,184	–
Recourse obligation on loan and financing sold to Cagamas	–	160,021
Derivatives	85,181,948	73,888,730

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

R CURRENCY TRANSLATIONS

(A) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Financial Statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(B) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in statement of income, and other changes in the carrying amount are recognised in equity.

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

(C) GROUP COMPANIES

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statements of financial position;
- income and expenses for each statement of income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

S INCOME AND DEFERRED TAXES

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

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

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

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

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

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

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

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

The Group is within the scope of the OECD's Pillar Two model rules. The disclosures in relation to the OECD Pillar Two have been included in Note 45.

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

T SHARE CAPITAL

(A) CLASSIFICATION

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

(B) SHARE ISSUE COSTS

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

(C) DIVIDENDS

Dividends on ordinary shares and non-redeemable preference shares with discretionary dividends are recognised as a liability when the shareholders' right to receive the dividend is established. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(D) REPURCHASE, DISPOSAL AND REISSUE OF SHARE CAPITAL (TREASURY SHARES)

Where any company within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(E) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing:

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

(F) DILUTED EARNINGS PER SHARE

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

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

U EMPLOYEE BENEFITS

(A) SHORT-TERM EMPLOYEE BENEFITS

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

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

(B) POST EMPLOYMENT BENEFITS

The Group and the Company have various post employment benefit schemes. These benefits plans are either defined contribution or defined benefit plans.

DEFINED CONTRIBUTION PLANS

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

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

DEFINED BENEFIT PLANS

Defined benefit plan is a pension plan that is not a defined contribution plan. Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The defined benefit liability recognised in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for actuarial gains/losses and unrecognised past service cost.

The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The defined benefit obligation, calculated using the projected credit unit method, is determined by independent actuaries, by discounting estimated future cash outflows using market rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

(C) OTHER LONG TERM EMPLOYEE BENEFITS

The cost of long term employee benefits (for example, long term service leave) is accrued to match the rendering of the services by the employees concerned using a basis similar to that for defined benefit plans for the liability which is not expected to be settled within 12 months, except that remeasurements are recognised immediately in profit or loss.

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

U EMPLOYEE BENEFITS (CONTINUED)

(D) TERMINATION BENEFITS

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(E) SHARE-BASED COMPENSATION BENEFITS

LONG TERM INCENTIVE PLAN ("LTIP")

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

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme (ESOS) and the Share Grant Plan (SGP). Details of the key features of ESOS and SGP are set out in Note 49.

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

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

EMPLOYEE OWNERSHIP PLAN ("EOP")

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

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

V IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

W FORECLOSED ASSETS

Foreclosed assets are stated at the lower of carrying amount and fair value less costs to sell and reported within "Other Assets".

X PROVISIONS

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

(i) the Group and the Company have a present legal or constructive obligation as a result of past events;

(ii) it is probable that an outflow of resources to settle the obligation will be required; and

(iii) a reliable estimate of the amount of obligation can be made.

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

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

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

Y FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group and the Company to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the Financial Statements at fair value on the date the guarantee was given. Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Subsequent to initial recognition, financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

Any increase in the liability relating to guarantees is reported in the statement of income within ECL for commitments and contingencies.

Z CASH AND CASH EQUIVALENTS

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

Summary of Material Group Accounting Policies

for the financial year ended 31 December 2024

AA SEGMENT REPORTING

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.

Intra-segment revenue and costs are eliminated at head office. Income and expenses directly associated with each segment are included in determining business segment performance.

AB CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

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

AC NON-CURRENT ASSETS/DISPOSAL GROUPS HELD FOR SALE

Non-current assets/disposal groups are classified as assets held for sale and stated at the lower of carrying amount and fair value less cost to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use.

AD TRUST ACTIVITIES

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

AE FINANCING ASSISTANCE SCHEME

Financing under a government scheme is recognised and measured in accordance with MFRS 9 Financial Instruments, with the benefit at a below market and concession rate measured as the difference between the initial carrying amount or fair value of the financing and the amount received.

The benefit of government schemes that addresses identified costs or expenses incurred by the Group is recognised in the profit or loss in the same financial period when the cost or expenses are recognised, when the required conditions are fulfilled in accordance with MFRS 120 Accounting for Government Grants and Disclosure of Government Assistance.

Notes to the Financial Statements

for the financial year ended 31 December 2024

1 GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the significant subsidiaries as set out in Note 14 to the Financial Statements, consist of commercial banking, investment banking, Islamic banking, offshore banking, debt factoring, trustee and nominee services, property ownership and management and the provision of other related financial services. There was no significant change in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The address of the registered office and principal place of business of the Company is Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

2 CASH AND SHORT-TERM FUNDS

		The Group		The Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and balances with banks and other financial institutions		**9,765,205**	10,027,612	**6,288**	2,392
Money at call and deposit placements maturing within one month		**19,843,969**	24,748,184	**401,668**	361,299
		29,609,174	34,775,796	**407,956**	363,691
Less: Expected credit losses	4(a)	**(536)**	(3,326)	**–**	–
		29,608,638	34,772,470	**407,956**	363,691

Included in the Group's cash and short-term funds are:

(a) The Group's unutilised value of contactless smart cards and amounts due to service providers for value utilised of RM42,789,000 (2023: RM254,417,000);

(b) Balances with other financial institutions amounting to RM571,726,000 (2023: RM586,193,000) are not available for use in the Group's day-to-day operations because of the legal restriction in foreign jurisdiction.

3 REVERSE REPURCHASE AGREEMENTS/REVERSE COLLATERALISED COMMODITY MURABAHAH

	The Group	
	2024 RM'000	2023 RM'000
Reverse repurchase agreements		
– at amortised cost	**10,524,297**	9,560,402
– at fair value through profit or loss	**358,161**	147,290
	10,882,458	9,707,692

Included in reverse repurchase agreements/reverse Collateralised Commodity Murabahah of the Group is financial instruments, which are pledged as collaterals for obligations on securities sold under repurchase agreements amounting to RM4,221 million (2023: RM147 million).

Notes to the Financial Statements

for the financial year ended 31 December 2024

4 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Note	The Group 2024 RM'000	The Group 2023 RM'000
Licensed banks		**4,757,633**	2,696,846
Licensed investment banks		**190,714**	396,338
Bank Negara Malaysia and other central banks		**20,164**	35,814
Other financial institutions		**200,042**	80,745
		5,168,553	3,209,743
Less: Expected credit losses	4(a)	**(774)**	(2,125)
		5,167,779	3,207,618

Included in deposits and placements with banks and other financial institutions are the Group's unutilised value of contactless smart cards and amounts due to service providers for value utilised of RM791,263,000 (2023: RM574,189,000).

4(A) EXPECTED CREDIT LOSSES MOVEMENT

Expected credit losses movement for money at call and deposits and placements with banks and other financial institutions:

	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 2024	**2,810**	**–**	**2,641**	**5,451**
Total charge to Statement of Income:	**(1,497)**	**–**	**(159)**	**(1,656)**
New financial assets originated	**1,921**	**–**	**–**	**1,921**
Financial assets that have been derecognised	**(174)**	**–**	**–**	**(174)**
Writeback in respect of full recoveries	**–**	**–**	**(159)**	**(159)**
Change in credit risk	**(3,244)**	**–**	**–**	**(3,244)**
Write-offs	**–**	**–**	**(2,376)**	**(2,376)**
Exchange fluctuation	**(3)**	**–**	**(106)**	**(109)**
At 31 December 2024	**1,310**	**–**	**–**	**1,310**
At 1 January 2023	2,361	–	2,528	4,889
Total charge to Statement of Income:	425	–	–	425
New financial assets originated	1,553	–	–	1,553
Financial assets that have been derecognised	(58)	–	–	(58)
Change in credit risk	(1,070)	–	–	(1,070)
Exchange fluctuation	24	–	113	137
At 31 December 2023	2,810	–	2,641	5,451

As at 31 December 2024, the gross exposures of money at call that are credit impaired is RM Nil (2023: RM2,641,000).

5 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	2024 RM'000	**2023 RM'000**
Money market instruments:		
Malaysian Government Securities	**4,869,610**	3,047,851
Cagamas bonds	**985,174**	1,044,976
Khazanah bonds	**–**	1,984
Malaysian Government treasury bills	**445,427**	983,420
Bank Negara Malaysia monetary notes	**3,750,808**	3,331,862
Negotiable instruments of deposit	**2,591,400**	2,398,255
Other Government securities	**16,217,792**	14,283,437
Government Investment Issues	**4,209,007**	1,937,431
Other Government treasury bills	**7,350,836**	8,927,008
Commercial papers	**1,811,580**	992,374
Promissory Notes	**301,267**	308,890
	42,532,901	37,257,488
Quoted securities:		
In Malaysia:		
Shares	**1,573,526**	1,387,604
Outside Malaysia:		
Shares	**417,593**	493,527
	1,991,119	1,881,131
Unquoted securities:		
In Malaysia:		
Corporate bond and Sukuk	**3,112,566**	5,102,515
Shares	**1,177,276**	1,080,541
Unit trusts	**54,217**	57,503
Outside Malaysia:		
Corporate bond	**3,753,936**	3,150,460
Shares	**7,804**	5,683
Private equity funds	**53,327**	87,410
	8,159,126	9,484,112
	52,683,146	48,622,731

Included in financial investments at fair value through profit or loss of the Group is financial instruments, which are pledged as collaterals for obligations on securities sold under repurchase agreements amounting to RM1,432 million (2023: RM2,765 million).

Notes to the Financial Statements

for the financial year ended 31 December 2024

6 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Fair value				
Money market instruments:				
Malaysian Government Securities	**6,720,835**	6,160,916	**–**	–
Cagamas bonds	**447,572**	305,441	**–**	–
Negotiable instruments of deposit	**224,198**	656,664	**–**	–
Other Government securities	**24,008,644**	18,735,908	**–**	–
Government investment Issues	**9,107,449**	8,149,438	**–**	–
Other Government treasury bills	**227,371**	58,434	**–**	–
	40,736,069	34,066,801	**–**	–
Unquoted securities:				
In Malaysia:				
Corporate bond and Sukuk	**24,299,433**	22,881,720	**1,157,825**	1,144,797
Outside Malaysia:				
Corporate bond and Sukuk	**13,845,853**	14,468,777	**–**	–
	38,145,286	37,350,497	**1,157,825**	1,144,797
	78,881,355	71,417,298	**1,157,825**	1,144,797

Securities and money market instruments amounting to RM7,009 million (2023: RM6,654 million) invested by asset management companies on behalf of the Group.

Included in debt instruments at fair value through other comprehensive income of the Group is financial instruments, which are pledged as collaterals for obligations on securities sold under repurchase agreements amounting to RM8,802 million (2023: RM6,048 million).

6 DEBT INSTRUMENTS 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 2024	**62,729**	**748**	**–**	**63,477**
Changes in expected credit losses due to transfer within stages:	**484**	**(484)**	**–**	**–**
Transferred to Stage 1	**721**	**(721)**	**–**	**–**
Transferred to Stage 2	**(237)**	**237**	**–**	**–**
Total charge to Statement of Income:	**(10,416)**	**16,799**	**–**	**6,383**
New financial assets purchased	**108,843**	**–**	**–**	**108,843**
Financial assets that have been derecognised	**(28,358)**	**(29)**	**–**	**(28,387)**
Change in credit risk	**(90,901)**	**16,828**	**–**	**(74,073)**
Exchange fluctuation	**(2,539)**	**86**	**–**	**(2,453)**
At 31 December 2024	**50,258**	**17,149**	**–**	**67,407**
At 1 January 2023	39,988	1,229	–	41,217
Changes in expected credit losses due to transfer within stages:	(32)	32	–	–
Transferred to Stage 2	(32)	32	–	–
Total charge to Statement of Income:	20,356	(514)	–	19,842
New financial assets purchased	78,898	–	–	78,898
Financial assets that have been derecognised	(22,536)	(33)	–	(22,569)
Change in credit risk	(36,006)	(481)	–	(36,487)
Exchange fluctuation	2,417	1	–	2,418
At 31 December 2023	62,729	748	–	63,477

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6 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

	The Company			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses – not credit impaired (Stage 2) RM'000	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	**7,679**	**–**	**–**	**7,679**
Total charge to Statement of Income:	**(100)**	**–**	**–**	**(100)**
Change in credit risk	**(100)**	**–**	**–**	**(100)**
At 31 December 2024	**7,579**	**–**	**–**	**7,579**
At 1 January 2023	11,472	–	–	11,472
Total charge to Statement of Income:	(3,793)	–	–	(3,793)
New financial assets purchased	2,624	–	–	2,624
Financial assets that have been derecognised	(6,805)	–	–	(6,805)
Change in credit risk	388	–	–	388
At 31 December 2023	7,679	–	–	7,679

Gross carrying amount movement for debt instruments at fair value through other comprehensive income:

	The Group	
	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024/31 December 2024	**–**	**–**
At 1 January 2023/31 December 2023	–	–

6 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

IMPACT OF MOVEMENTS IN GROSS CARRYING AMOUNT ON EXPECTED CREDIT LOSSES

2024:

Stage 1 expected credit losses ("ECL") decreased by RM12 million for the Group during the financial year, mainly due to change in credit risk and derecognition of financial assets, offset by new financial assets purchased.

Stage 2 ECL increased by RM16 million for the Group during the financial year, mainly due to the change in credit risk.

2023:

Stage 1 ECL increased by RM22 million for the Group during the financial year, mainly due to new financial assets purchased, offset by the change in credit risk and derecognition of financial assets.

7 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group	
	2024 RM'000	**2023 RM'000**
Quoted securities		
In Malaysia		
Shares	**22,264**	28,272
Outside Malaysia		
Shares	**1,265**	1,718
	23,529	29,990
Unquoted securities		
In Malaysia		
Shares	**270,908**	269,240
Property funds	**–**	189
Outside Malaysia		
Shares	**98,852**	6,752
	369,760	276,181
	393,289	306,171

7 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

	Note	The Group 2024 RM'000	The Group 2023 RM'000
Quoted securities			
Compact Metal Industries Ltd		**54**	54
Premier Products Limited		**1,211**	1,664
Tune Protect Group Berhad		**22,264**	28,272
		23,529	29,990
Unquoted securities			
Tabung Pemulihan Perumahan Terbengkalai		**93,210**	92,173
Swift		**5,044**	3,820
Financial Park (Labuan) Sdn Bhd		**169,932**	169,224
Global Maritime Ventures Bhd		**3,683**	3,825
Perbadanan Nasional Berhad		**3,721**	3,687
Thai Airways International PCL		**86,352**	-
Others	(a)	**7,818**	3,452
		369,760	276,181
Total		**393,289**	306,171

(a) Included in others are unquoted equity instruments at fair value through other comprehensive income involved mainly in financial institution and manufacturing sectors.

8 DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Money market instruments:				
Malaysian Government securities	**11,386,220**	11,040,607	**–**	–
Cagamas bonds	**554,784**	524,581	**–**	–
Other Government treasury bills	**10,493,897**	8,019,307	**–**	–
Other Government securities	**9,129,274**	10,639,691	**–**	–
Malaysian Government investment issue	**17,997,606**	19,052,161	**–**	–
Khazanah bonds	**112,980**	112,980	**–**	–
Commercial papers	**317,572**	137,081	**–**	–
	49,992,333	49,526,408	**–**	–
Unquoted securities				
In Malaysia				
Corporate bond and Sukuk	**24,496,327**	25,045,259	**8,469,822**	8,468,345
Loan stock	**20,900**	20,900	**–**	–
Outside Malaysia				
Corporate bond and Sukuk	**4,797,495**	4,576,255	**–**	–
	29,314,722	29,642,414	**8,469,822**	8,468,345
Total	**79,307,055**	79,168,822	**8,469,822**	8,468,345
Amortisation of premium, net of accretion of discount	**(55,929)**	(41,810)	**–**	–
Less: Expected credit losses	**(587,670)**	(628,817)	**(55,348)**	(56,079)
	78,663,456	78,498,195	**8,414,474**	8,412,266

Securities and money market instruments amounting to RM1,384 million (2023: RM1,370 million) invested by asset management companies on behalf of the Group.

Included in the debt instruments at amortised cost of the Group as at 31 December 2024 are securities set aside as Deferred Net Settlement ("DNS") collateral for Retail Payment Settlement in RENTAS amounting to RM179,606,000 (2023: RM99,613,000). Withdrawal and substitution of DNS Collateral is subject to approval by Bank Negara Malaysia ("BNM") and Payments Network Malaysia Sdn Bhd ("PayNet").

Included in debt instruments at amortised cost of the Group is financial instruments, which are pledged as collaterals for obligations on securities sold under repurchase agreements amounting to RM35,125 million (2023: RM38,515 million).

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8 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 2024	**11,693**	**–**	**617,124**	**628,817**
Changes in expected credit losses due to transfer within stages:	**(285)**	**285**	**–**	**–**
Transferred to Stage 1	**88**	**(88)**	**–**	**–**
Transferred to Stage 2	**(373)**	**373**	**–**	**–**
Total charge to Statement of Income:	**(4,087)**	**934**	**63,232**	**60,079**
New financial assets purchased	**52,672**	**–**	**–**	**52,672**
Financial assets that have been derecognised	**(23,902)**	**–**	**–**	**(23,902)**
(Writeback) in respect of full recoveries	**–**	**–**	**(6,148)**	**(6,148)**
Change in credit risk	**(32,857)**	**934**	**69,380**	**37,457**
Write-offs	**–**	**–**	**(138,697)**	**(138,697)**
Exchange fluctuation	**(264)**	**(21)**	**(510)**	**(795)**
Other movements	**–**	**–**	**38,266**	**38,266**
At 31 December 2024	**7,057**	**1,198**	**579,415**	**587,670**
At 1 January 2023	5,478	4,175	575,386	585,039
Changes in expected credit losses due to transfer within stages:	3,535	(3,884)	349	–
Transferred to Stage 1	3,675	(3,675)	–	–
Transferred to Stage 2	(140)	140	–	–
Transferred to Stage 3	–	(349)	349	–
Total charge to Statement of Income:	2,412	(310)	5,245	7,347
New financial assets purchased	49,399	–	–	49,399
Financial assets that have been derecognised	(24,970)	–	–	(24,970)
Change in credit risk	(22,017)	(310)	5,245	(17,082)
Exchange fluctuation	268	19	222	509
Other movements	–	–	35,922	35,922
At 31 December 2023	11,693	–	617,124	628,817

8 DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost: (Continued)

	The Company			
	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses – not credit impaired (Stage 2) RM'000	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	**56,079**	**–**	**–**	**56,079**
Total charge to Statement of Income:	**(731)**	**–**	**–**	**(731)**
New financial assets purchased	**13,112**	**–**	**–**	**13,112**
Financial assets that have been derecognised	**(13,543)**	**–**	**–**	**(13,543)**
Change in credit risk	**(300)**	**–**	**–**	**(300)**
At 31 December 2024	**55,348**	**–**	**–**	**55,348**
At 1 January 2023	51,376	–	–	51,376
Total charge to Statement of Income:	4,703	–	–	4,703
New financial assets purchased	8,543	–	–	8,543
Financial assets that have been derecognised	(4,730)	–	–	(4,730)
Change in credit risk	890	–	–	890
At 31 December 2023	56,079	–	–	56,079

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 2024	**1,472,709**	**1,472,709**
Write-offs	**(138,697)**	**(138,697)**
Amount recovered	**(9,761)**	**(9,761)**
Other changes in debts instruments	**106,924**	**106,924**
Exchange fluctuation	**(13,388)**	**(13,388)**
At 31 December 2024	**1,417,787**	**1,417,787**
At 1 January 2023	1,318,868	1,318,868
Transfer within stages	10,480	10,480
Other changes in debts instruments	122,162	122,162
Exchange fluctuation	21,199	21,199
At 31 December 2023	1,472,709	1,472,709

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8 DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

IMPACT OF MOVEMENTS IN GROSS CARRYING AMOUNT ON EXPECTED CREDIT LOSSES

2024:

Stage 1 ECL decreased by RM5 million mainly due to derecognition of financial assets and change in credit risk, offset with new financial assets recognised during the year.

Stage 2 ECL increased by RM1 million due to change in credit risk.

Stage 3 ECL decreased by RM38 million mainly due to write-offs during the year, offset with deterioration in credit quality.

2023:

Stage 1 ECL increased by RM6 million mainly due to debt instrument migrated from Stage 2 to Stage 1 arising from improvement in credit quality and new financial assets recognised during the year, offset with derecognition of financial assets and change in credit risk.

Stage 2 ECL decreased by RM4 million mainly due to debt instrument migrated from Stage 2 to Stage 1 arising from improvement in credit quality.

Stage 3 ECL increased by RM42 million mainly due to deterioration in credit quality.

9 DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding as at statements of financial position date, and do not represent amounts at risk.

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

	The Group		
		Fair values	
2024	Principal amount RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives			
Foreign exchange derivatives			
Currency forwards	**60,863,897**	**747,374**	**(644,203)**
– Less than 1 year	**58,751,492**	**697,467**	**(596,017)**
– 1 year to 3 years	**1,872,287**	**45,816**	**(22,019)**
– More than 3 years	**240,118**	**4,091**	**(26,167)**
Currency swaps	**524,782,662**	**5,837,651**	**(5,484,653)**
– Less than 1 year	**518,341,720**	**5,805,309**	**(5,354,472)**
– 1 year to 3 years	**2,756,816**	**15,608**	**(78,906)**
– More than 3 years	**3,684,126**	**16,734**	**(51,275)**
Currency spots	**5,767,496**	**7,862**	**(5,631)**
– Less than 1 year	**5,767,496**	**7,862**	**(5,631)**
Currency options	**12,017,107**	**105,653**	**(105,326)**
– Less than 1 year	**9,803,094**	**91,599**	**(73,691)**
– 1 year to 3 years	**2,214,013**	**14,054**	**(31,635)**
Cross currency interest rate swaps	**128,375,525**	**3,119,406**	**(3,249,144)**
– Less than 1 year	**47,127,085**	**1,097,364**	**(1,127,954)**
– 1 year to 3 years	**44,044,752**	**974,249**	**(887,231)**
– More than 3 years	**37,203,688**	**1,047,793**	**(1,233,959)**
	731,806,687	**9,817,946**	**(9,488,957)**

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	The Group		
		Fair values	
2024	Principal amount RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (Continued)			
Interest rate derivatives			
Interest rate swaps	962,131,642	4,103,319	(3,353,349)
– Less than 1 year	515,623,505	340,655	(312,896)
– 1 year to 3 years	221,220,746	967,869	(856,027)
– More than 3 years	225,287,391	2,794,795	(2,184,426)
Interest rate futures	2,608,446	20,462	(2,102)
– Less than 1 year	1,358,111	19,125	(2,102)
– 1 year to 3 years	1,071,716	1,158	–
– More than 3 years	178,619	179	–
Interest rate options	2,543,696	16,641	(16,696)
– Less than 1 year	265,390	397	(1,130)
– 1 year to 3 years	298,788	832	(154)
– More than 3 years	1,979,518	15,412	(15,412)
	967,283,784	4,140,422	(3,372,147)
Equity related derivatives			
Equity futures	15,642	56	–
– Less than 1 year	15,642	56	–
Equity options	3,930,115	94,785	(266,938)
– Less than 1 year	3,557,388	83,645	(262,472)
– 1 year to 3 years	278,908	10,637	(3,963)
– More than 3 years	93,819	503	(503)
Equity swaps	587,820	30,533	(15,233)
– Less than 1 year	246,242	19,709	(5,898)
– 1 year to 3 years	341,578	10,824	(9,335)
	4,533,577	125,374	(282,171)
Commodity related derivatives			
Commodity options	3,408,331	64,430	(36,947)
– Less than 1 year	3,408,331	64,430	(36,947)
Commodity swaps	1,758,630	29,463	(31,474)
– Less than 1 year	1,582,116	28,310	(28,332)
– 1 year to 3 years	176,514	1,153	(3,142)
Commodity futures	277,899	2,703	(5,318)
– Less than 1 year	263,967	2,552	(5,184)
– 1 year to 3 years	13,932	151	(134)
	5,444,860	96,596	(73,739)
Credit related contracts			
Credit default swaps	2,659,304	14,513	(12,687)
– Less than 1 year	889,891	3,477	(974)
– 1 year to 3 years	1,043,067	5,781	(7,679)
– More than 3 years	726,346	5,255	(4,034)
Total return swaps	19,900	–	(450)
– 1 year to 3 years	19,900	–	(450)
	2,679,204	14,513	(13,137)
Bond contracts			
Bond forward	6,882,817	27,641	(600,678)
– Less than 1 year	1,825,118	17,501	(177,798)
– 1 year to 3 years	3,121,652	–	(314,954)
– More than 3 years	1,936,047	10,140	(107,926)

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9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

2024	The Group Principal amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
Hedging derivatives			
Interest rate swaps	**50,339,248**	**583,620**	**(399,744)**
– Less than 1 year	**5,424,545**	**14,173**	**(24,724)**
– 1 year to 3 years	**15,475,617**	**143,814**	**(189,045)**
– More than 3 years	**29,439,086**	**425,633**	**(185,975)**
Currency swaps	**8,038,818**	**135,463**	**(127,581)**
– Less than 1 year	**7,277,940**	**130,587**	**(121,300)**
– More than 3 years	**760,878**	**4,876**	**(6,281)**
Cross currency interest rate swaps	**3,450,533**	**80,483**	**(65,653)**
– Less than 1 year	**240,943**	**842**	**(6,868)**
– 1 year to 3 years	**2,076,434**	**70,040**	**(51,597)**
– More than 3 years	**1,133,156**	**9,601**	**(7,188)**
	61,828,599	**799,566**	**(592,978)**
Total derivative assets/(liabilities)	**1,780,459,528**	**15,022,058**	**(14,423,807)**

2023	The Group Principal amount RM'000	Fair values Assets RM'000	Fair values Liabilities RM'000
Trading derivatives			
Foreign exchange derivatives			
Currency forwards	50,626,316	359,837	(684,430)
– Less than 1 year	47,330,261	300,088	(593,397)
– 1 year to 3 years	2,972,833	57,733	(55,034)
– More than 3 years	323,222	2,016	(35,999)
Currency swaps	559,085,294	6,421,923	(6,749,962)
– Less than 1 year	552,751,597	6,383,230	(6,574,039)
– 1 year to 3 years	3,735,849	17,494	(110,432)
– More than 3 years	2,597,848	21,199	(65,491)
Currency spots	6,125,079	7,444	(10,140)
– Less than 1 year	6,125,079	7,444	(10,140)
Currency options	12,639,171	123,089	(114,188)
– Less than 1 year	10,327,411	97,553	(77,206)
– 1 year to 3 years	2,311,760	25,536	(36,529)
– More than 3 years	–	–	(453)
Cross currency interest rate swaps	128,029,706	3,046,928	(3,819,403)
– Less than 1 year	52,841,507	1,025,705	(1,534,611)
– 1 year to 3 years	40,522,002	1,041,485	(1,231,886)
– More than 3 years	34,666,197	979,738	(1,052,906)
	756,505,566	9,959,221	(11,378,123)

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	The Group		
		Fair values	
2023	Principal amount RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (Continued)			
Interest rate derivatives			
Interest rate swaps	674,668,281	4,235,296	(3,595,331)
– Less than 1 year	323,923,924	481,840	(495,428)
– 1 year to 3 years	163,239,532	1,060,039	(942,168)
– More than 3 years	187,504,825	2,693,417	(2,157,735)
Interest rate futures	8,414,036	1,395	(38,808)
– Less than 1 year	7,840,485	1,395	(38,602)
– 1 year to 3 years	573,551	–	(206)
Interest rate options	452,248	4,521	(725)
– Less than 1 year	385,325	4,009	(725)
– 1 year to 3 years	66,923	512	–
	683,534,565	4,241,212	(3,634,864)
Equity related derivatives			
Equity futures	57,527	–	(229)
– Less than 1 year	57,527	–	(229)
Equity options	3,486,724	128,016	(244,574)
– Less than 1 year	3,021,339	115,971	(237,772)
– 1 year to 3 years	368,712	11,377	(6,134)
– More than 3 years	96,673	668	(668)
Equity swaps	505,755	26,771	(9,465)
– Less than 1 year	242,648	10,661	(6,127)
– 1 year to 3 years	263,107	16,110	(3,338)
	4,050,006	154,787	(254,268)
Commodity related derivatives			
Commodity options	2,115,795	21,979	(20,367)
– Less than 1 year	2,115,795	21,979	(20,367)
Commodity swaps	937,459	23,563	(23,846)
– Less than 1 year	924,448	22,734	(23,302)
– 1 year to 3 years	13,011	829	(544)
Commodity futures	152,835	1,319	(3,859)
– Less than 1 year	139,897	1,289	(3,602)
– 1 year to 3 years	12,938	30	(257)
	3,206,089	46,861	(48,072)
Credit related contracts			
Credit default swaps	2,756,315	18,738	(15,765)
– Less than 1 year	137,912	453	(217)
– 1 year to 3 years	1,701,844	12,922	(10,442)
– More than 3 years	916,559	5,363	(5,106)
Total return swaps	19,900	–	(610)
– 1 year to 3 years	19,900	–	(610)
	2,776,215	18,738	(16,375)

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9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	The Group		
		Fair values	
2023	**Principal amount RM'000**	**Assets RM'000**	**Liabilities RM'000**
Trading derivatives (Continued)			
Bond contracts			
Bond forward	6,475,266	265,156	(104,143)
– Less than 1 year	2,510,294	119,109	(43,704)
– 1 year to 3 years	2,463,716	109,358	(33,236)
– More than 3 years	1,501,256	36,689	(27,203)
Hedging derivatives			
Interest rate swaps	41,837,504	629,049	(433,536)
– Less than 1 year	7,097,386	52,760	(13,773)
– 1 year to 3 years	12,430,851	160,940	(76,999)
– More than 3 years	22,309,267	415,349	(342,764)
Currency swaps	8,891,777	133,606	(128,129)
– Less than 1 year	8,891,777	133,606	(128,129)
Cross currency interest rate swaps	5,363,739	196,265	(79,709)
– Less than 1 year	1,737,768	78,277	(26,526)
– 1 year to 3 years	2,477,494	91,731	(51,666)
– More than 3 years	1,148,477	26,257	(1,517)
	56,093,020	958,920	(641,374)
Total derivative assets/(liabilities)	1,512,640,727	15,644,895	(16,077,219)

(I) FAIR VALUE HEDGES

The Group uses interest rate swaps to hedge its exposure to changes in the fair value of loans, advances and financing bonds and debentures, deposits and placement of bank and other financial institutions, recourse obligation on loans and financing sold to Cagamas, other liabilities, debt instruments at FVOCI, debt instruments at amortised cost and deposits from customers in respect of benchmark interest rate.

The Group uses cross currency interest rate swap to hedge foreign currency risk from the issuance of senior bond and debentures issued denominated in foreign currencies. The foreign currency risk component is managed and mitigated by the use of cross currency swaps, which exchange fixed interest payments in foreign currencies for floating interest payment in MYR.

The Group's hedge accounting policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. The hedge effectiveness is assessed by comparing changes in the fair value of the hedged items attributable to changes in the benchmark rate of interest with changes in the fair value of the interest rate swaps and cross currency interest rate swaps.

The Group establishes the hedge ratio by matching the notional of the derivatives with the principal of the underlying being hedged. Ineffectiveness is recognised on hedge where the change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of the above interest rate risk, this may arise if differences arise between the credit risk inherent within the hedged item and the hedging instrument. The Group uses collateral/credit enhancement to mitigate the risk. However, the remaining risk can result in hedge ineffectiveness.

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(I) FAIR VALUE HEDGES (CONTINUED)

The main source of ineffectiveness that are expected to affect the hedging relationship during the financial year are:

- The effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap and cross currency swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate; and
- Differences in maturities and reset dates of the interest rate swaps and the fixed rate bonds or liabilities.

(II) CASH FLOWS HEDGE

The Group used interest rate swaps and cross currency swaps to hedge interest rate risk in respect of benchmark interest rate and foreign currency risks of loans, advances and financing, bonds and debentures, deposits and placement of bank and other financial institutions, other borrowings, subordinated obligations and debt instruments at FVOCI denominated in foreign currencies. The interest rate risk and foreign currency risk component are managed and mitigated by the use of hedging instruments, which exchange floating rate payments for fixed rate payments (interest rate risk) and exchange floating rate payments for floating rate payments (foreign currency risks) in functional currency.

The effectiveness is assessed by comparing the changes in fair value of the interest rate swap and cross currency swap with changes in fair value of the hedged item attributable to the hedged risk using the hypothetical derivative method.

The Group established the hedging ratio by matching the notional of the derivative with the principal of the hedged item. Possible sources of ineffectiveness are as follow:

- Differences in timing of cash flows between hedged item, interest rate swaps and cross currency swaps,
- Hedging derivatives with non-zero fair value at the inception as a hedging instrument and
- Counterparty credit risk which impacts the fair value of interest rate swaps and cross currency swaps but not the hedged items.

(III) NET INVESTMENT HEDGE

The Group uses non-derivative financial liability and currency swaps to hedge the foreign exchange rate exposure arising from net investment in foreign operations that have a different functional currency from the Group. The Group has investment in foreign operations which is consolidated in its financial statements and whose functional currencies are GBP, HKD, SGD and USD.

The foreign exchange risk arises from the fluctuation in spot exchange rates between the functional currency of the foreign operations and the Group's functional currency. The hedged risk is the risk of weakening foreign currencies against MYR that will result in reduction in the carrying amount of the Group's net investment in foreign operations. The foreign currency risk component is determined as the change in the carrying amount of net assets of the foreign operations arising solely from changes in spot foreign currency exchange rates.

The Group assesses effectiveness by comparing changes in the carrying amount of the non-derivative financial liability that attributable to a change in the spot rate (the offset method). The Group only designates the spot element of the forward foreign exchange contract. Changes in the fair value of the hedging instrument attributable to changes in forward points and the effect of discounting are recognised in other comprehensive income which does not included in the hedge effectiveness assessment.

The Group establishes the hedging ratio by matching the notional of the forward contracts with the designated net assets of the foreign operation. There is no ineffectiveness arises from hedge of net investment in foreign operations.

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9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group uses the following items as hedging instruments:

			The Group Maturity				
31 December 2024	**Risk**	**Hedge type**	**Less than 1 month**	**1-3 months**	**More than 3 months-less than 1 year**	**1-5 years**	**More than 5 years**
Interest rate swaps	Interest rate	Fair value & cash flow hedge	**8,952**	**244,055**	**5,171,538**	**27,460,358**	**17,454,345**
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value & cash flow hedge	**-**	**45,344**	**195,599**	**3,098,453**	**111,137**
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge and net investment hedge	**1,875,452**	**2,540,417**	**2,862,071**	**760,878**	**-**

			The Group Maturity				
31 December 2023	**Risk**	**Hedge type**	**Less than 1 month**	**1-3 months**	**More than 3 months-less than 1 year**	**1-5 years**	**More than 5 years**
Interest rate swaps	Interest rate	Fair value & cash flow hedge	670,000	1,908,002	3,826,924	26,683,578	8,749,000
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value & cash flow hedge	–	–	1,737,768	3,511,455	114,516
Deposits and placement of bank and other financial institutions*	Foreign currency	Fair value & net investment hedge	126,312	203,621	–	–	–
Currency swaps	Foreign currency	Fair value, cash flow & net investment hedge	2,958,331	4,871,709	1,061,737	–	–
Deposit from customers*	Foreign currency	Net investment hedge	229,450	22,945	–	–	–

** This is fixed rate borrowing*

The average rate for major currencies of the final exchange of cross currency interest rate swaps and currency swaps designated in hedge accounting relationships is as follows:

	31 December 2024	**31 December 2023**
HKD:MYR	**0.575**	0.547
SGD:MYR	**3.280**	3.433
USD:MYR	**4.398**	4.406
USD:THB	**33.277**	32.610

The average executed rate for interest rate swaps in hedge accounting relationships for major currencies is as follows:

	31 December 2024	**31 December 2023**
MYR Interest rates	**3.52%**	3.54%
SGD interest rates	**1.69%**	1.47%
USD interest rates	**3.79%**	2.91%
THB interest rates	**2.40%**	2.68%
IDR interest rates	**6.25%**	6.16%

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

The Group										
				Fair values*						
31 December 2024			Nominal amount RM'000	Assets RM'000	Liabilities RM'000	Changes in fair value used for calculating hedge ineffectiveness RM'000	Hedge ineffectiveness recognised in profit or loss** RM'000	Changes in fair value recognised in OCI RM'000	Amount reclassified from hedge reserve to profit or loss*** RM'000	Notional amount directly impacted by IBOR reform RM'000
Interest rate swaps	Interest rate	Fair value & cash flow hedge	**50,339,248**	**583,620**	**(399,744)**	**15,624**	**3,252**	**(15,238)**	**-**	**28,605,679**
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value & cash flow hedge	**3,450,533**	**80,483**	**(65,653)**	**(42,415)**	**3,825**	**(3,348)**	**(144,183)**	**-**
Currency swaps	Foreign currency	Fair value, cash flow & net investment hedge	**8,038,818**	**135,463**	**(127,581)**	**81,534**	**-**	**(132,335)**	**(40,539)**	**-**
Deposits and placement of bank and other financial institutions	Foreign currency	Fair value & net investment hedge	**-**	**-**	**-**	**6,157**	**-**	**6,157**	**-**	**-**

Of the RM28,605,679,150 nominal amount of interest rates swaps above,
RM28,245,000,000 related to MYR interest rate swaps and RM4,121,000,000 will mature before the anticipated MYR KLIBOR replacement in 2025;
RM360,679,150 related to IDR interest rate swaps and RM360,679,150 will mature before the anticipated IDR JIBOR replacement in 2025.

The Group										
				Fair values*						
31 December 2023			Nominal amount RM'000	Assets RM'000	Liabilities RM'000	Changes in fair value used for calculating hedge ineffectiveness RM'000	Hedge ineffectiveness recognised in profit or loss** RM'000	Changes in fair value recognised in OCI RM'000	Amount reclassified from hedge reserve to profit or loss*** RM'000	Notional amount directly impacted by IBOR reform RM'000
Interest rate swaps	Interest rate	Fair value & cash flow hedge	41,837,504	629,049	(433,536)	(148,362)	(45,207)	(5,796)	8,434	25,627,909
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value & cash flow hedge	5,363,739	196,265	(79,709)	10,471	2,800	15,341	20,542	-
Currency swaps	Foreign currency	Fair value, cash flow & net investment hedge	8,891,777	133,606	(128,129)	(142,811)	-	186,538	25,826	-
Deposits and placement of bank and other financial institutions	Foreign currency	Fair value & net investment hedge	329,933	-	-	(56,877)	-	78,736	-	-
Deposit from customers	Foreign currency	Net investment hedge	252,395	-	-	(73,739)	-	73,739	-	-

Of the RM25,627,909,000 nominal amount of interest rates swaps above,
RM117,501,000 related to HKD interest rate swaps before the anticipated HKD HIBOR replacement;
RM25,123,000,000 related to MYR interest rate swaps before the anticipated MYR KLIBOR replacement;
RM387,408,000 related to IDR interest rate swaps before the anticipated IDR JIBOR replacement.

In calculating the change in fair value attributable to the hedged risk for the fixed-rate loans and fixed rate bonds, the Group has made the following assumptions that reflect its current expectations:

- The Group has applied the assumptions afforded by IFRS/MFRS 9 6.8 where applicable;
- The Group will cease applying IFRS/MFRS 9 6.8 prospectively when the uncertainty arises from IBOR reform is no longer exist and/ or when the hedging relationship discontinued;
- No other changes to the terms of the hedged items are anticipated.

** All hedging instruments are included in the derivative asset and derivative liabilities line item in the statement of financial position.*
*** All hedge ineffectiveness are recognised in the "Net non-interest income" in the statement of income.*
**** All hedge ineffectiveness and reclassification from the "net investment hedge reserve" to profit or loss are recognised in the "Net non-interest income" in the statement of income.*

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9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The amounts relating to items designated as hedged items were as follows:

			The Group							
			Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Change in fair value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging gains and losses	Hedge reserve	Balance remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied
	Risk	Hedge Type	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2024										
Hedge Items										
Loans, advances and financing	Interest rate & foreign currency	Fair value & cash flow hedge	2,584,884	-	7,996	(40,879)	34,023	-	(11,832)	-
Deposits and placement of bank and other financial institutions	Interest rate	Fair value hedge	-	-	-	-	19,353	-	-	-
Recourse obligation on loans and financing sold to Cagamas	Interest rate	Fair value hedge	-	(3,624,884)	-	(31,106)	(1,781)	-	-	-
Other borrowings	Interest rate & foreign currency	Cash flow hedge	-	-	-	-	5,872	-	292	-
Subordinated obligations	Interest rate & foreign currency	Fair value & cash flow hedge	-	(6,465,777)	18,559	(21,830)	(36,966)	-	2,299	-
Bonds, Sukuk and debentures	Interest rate & foreign currency	Fair value & cash flow hedge	-	(11,204,255)	188,254	(52,868)	(18,281)	-	(5,406)	-
Debt instruments at fair value through other comprehensive income	Interest rate	Fair value & cash flow hedge	27,444,061	-	225,598	(254,324)	39,863	(1,240)	-	-
Debt instruments at amortised cost	Interest rate	Fair value hedge	114,540	-	26	(1,172)	1,098	-	-	-
GBP net investment	Foreign currency	Net investment hedge	-	-	-	-	(3,546)	-	(2,836)	-
HKD net investment	Foreign currency	Net investment hedge	-	-	-	-	(4,379)	-	(21,430)	-
SGD net investment	Foreign currency	Net investment hedge	-	-	-	-	(104,395)	-	(422,247)	-
USD net investment	Foreign currency	Net investment hedge	-	-	-	-	(21,881)	-	(880,018)	(467,272)
Deposits from customers	Interest rate	Fair value hedge	-	(249,156)	472	-	483	-	-	-
Bills and acceptances payable	Foreign currency	Cash flow hedge	-	(484,554)	-	-	210	-	9,647	-
31 December 2023										
Hedge Items										
Loans, advances and financing	Interest rate & foreign currency	Fair value & cash flow hedge	1,929,447	-	2,867	(62,565)	69,695	-	(12,683)	-
Recourse obligation on loans and financing sold to Cagamas	Interest rate	Fair value hedge	-	(2,320,459)	-	(29,325)	(16,779)	-	-	-
Other borrowings	Interest rate & foreign currency	Cash flow hedge	-	-	-	-	3,562	-	21.00	-
Subordinated obligations	Interest rate & foreign currency	Fair value & cash flow hedge	-	(8,199,856)	45,116	(22,030)	(76,911)	-	13,209	-
Bonds, Sukuk and debentures	Interest rate & foreign currency	Fair value & cash flow hedge	-	(6,999,580)	188,581	(63,647)	(126,486)	-	2,704	-
Debt instruments at fair value through other comprehensive income	Interest rate	Fair value & cash flow hedge	24,642,558	-	170,363	(336,088)	306,023	(965)	-	762
Debt instruments at amortised cost	Interest rate	Fair value hedge	163,762	-	114	(2,797)	1,213	-	-	-
GBP net investment	Foreign currency	Net investment hedge	-	-	-	-	9,196	-	(6,382)	-
HKD net investment	Foreign currency	Net investment hedge	-	-	-	-	(2,214)	-	(25,809)	-
SGD net investment	Foreign currency	Net investment hedge	-	-	-	-	177,905	-	(526,643)	-
USD net investment	Foreign currency	Net investment hedge	-	-	-	-	154,126	-	(938,345)	(467,272)
Deposits and placement of bank and other financial institutions	Interest rate & foreign currency	Fair value & cash flow hedge	-	(884,790)	7,847	(498)	(36,378)	(498)	-	-
Bills and acceptances payable	Foreign currency	Cash flow hedge	-	(499,294)	-	-	2,338	-	9,657	-

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(IV) RECONCILIATION OF COMPONENTS OF EQUITY

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items (net of tax) resulting from hedge accounting:

		The Group	
	Note	Net investment hedge RM'000	Cash flows hedge RM'000
At 1 January 2024		**(1,804,720)**	**60,656**
Effective portion of changes in fair value:			
– Interest rate risk		**–**	**(739)**
– Interest rate/foreign currency risk		**–**	**11,943**
Net gain on hedge of net investment in foreign operations		**134,203**	**–**
Cost of hedging		**(108,598)**	**15,227**
Income tax effects		**–**	**(520)**
Exchange fluctuation		**–**	**(358)**
At 31 December 2024		**(1,779,115)**	**86,209**
At 1 January 2023		(1,428,490)	9,147
Effective portion of changes in fair value:			
– Interest rate risk		–	(5,795)
– Interest rate/foreign currency risk		–	14,643
Net loss on hedge of net investment in foreign operations		(339,013)	–
Cost of hedging		(38,556)	42,062
Income tax effects		–	54
Exchange fluctuation		(307)	545
Disposal of non-current assets held for sale	15(c)	1,646	–
At 31 December 2023		(1,804,720)	60,656

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10 LOANS, ADVANCES AND FINANCING

(I) BY TYPE:

	The Group	
	2024 RM'000	**2023 RM'000**
At amortised cost		
Overdrafts	**5,365,879**	5,123,107
Term loans/financing		
– Housing loans/financing	**148,748,131**	144,429,727
– Syndicated term loans	**23,799,374**	23,669,701
– Hire purchase receivables	**30,746,944**	28,992,061
– Lease receivables	**386,545**	349,957
– Factoring receivables	**41,610**	18,678
– Other term loans/financing	**169,432,999**	166,501,931
Bills receivable	**7,509,605**	6,822,459
Trust receipts	**2,102,621**	1,975,195
Claims on customers under acceptance credits	**4,044,699**	3,933,444
Staff loans [of which RM9,531,772 (2023: RM11,038,103) are loans to Directors (including Directors of subsidiaries)]	**1,838,389**	1,845,786
Credit card receivables	**10,905,228**	10,498,006
Revolving credits	**47,329,226**	46,467,995
Share margin financing	**22,637**	19,687
Gross loans, advances and financing at amortised cost	**452,273,887**	440,647,734
Fair value changes arising from fair value hedge	**(32,883)**	(59,698)
	452,241,004	440,588,036
Less:		
– Expected credit losses	**(10,077,525)**	(11,412,132)
Net loans, advances and financing at amortised cost	**442,163,479**	429,175,904
At fair value through profit or loss		
Term loans/financing		
– Syndicated term loan	**–**	274,133
Gross loans, advances and financing at fair value through profit or loss	**–**	274,133
Total net loans, advances and financing	**442,163,479**	429,450,037
Total gross loans, advances and financing:		
– At amortised cost	**452,273,887**	440,647,734
– At fair value through profit or loss	**–**	274,133
	452,273,887	440,921,867

10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(I) BY TYPE: (CONTINUED)

(a) Included in the Group's loans, advances and financing balances are RM15,517,000 (2023: RM17,810,000) 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 was done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

(b) The Group has undertaken fair value hedge and cash flow hedge on the interest rate risk and foreign currency risk of loans, advances and financing of RM2,617,767,000 (2023: RM1,989,145,000) using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 31 December 2024 is financing which is disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM12,282,284,000 (2023: RM12,882,815,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB 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 CIMB Bank.

(II) BY TYPE OF CUSTOMER:

	The Group	
	2024 RM'000	**2023 RM'000**
Domestic banking financial institutions	**389,997**	319,567
Domestic non-bank financial institutions		
– Stockbroking companies	**73,458**	281,240
– Others	**8,525,123**	7,032,851
Domestic business enterprises		
– Small medium enterprises	**62,687,906**	59,507,173
– Others	**67,678,153**	72,540,961
Government and statutory bodies	**11,690,013**	11,788,572
Individuals	**245,334,659**	237,810,637
Other domestic entities	**2,998,253**	2,382,476
Foreign entities	**52,896,325**	49,258,390
Gross loans, advances and financing	**452,273,887**	440,921,867

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10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(III) BY INTEREST/PROFIT RATE SENSITIVITY:

	The Group	
	2024 RM'000	2023 RM'000
Fixed rate		
– Housing loans	**14,768,056**	3,626,180
– Hire-purchase receivables	**27,281,367**	21,750,632
– Other fixed rate loans	**63,375,205**	51,702,328
Variable rate		
– BLR/BFR	**98,226,145**	127,415,066
– Cost plus	**58,437,463**	61,354,041
– Other variable rates	**190,185,651**	175,073,620
Gross loans, advances and financing	**452,273,887**	440,921,867

(IV) BY ECONOMIC PURPOSES:

	The Group	
	2024 RM'000	2023 RM'000
Personal use	**26,160,432**	25,179,709
Credit card	**10,905,228**	10,498,006
Purchase of consumer durables	**752,234**	649,928
Construction	**10,647,818**	12,315,593
Residential property (Housing)	**150,470,789**	144,931,884
Non-residential property	**41,866,728**	38,547,823
Purchase of fixed assets other than land and building	**17,022,643**	17,338,574
Mergers and acquisitions	**1,731,227**	2,228,564
Purchase of securities	**17,419,553**	18,961,132
Purchase of transport vehicles	**30,783,281**	29,134,514
Working capital	**115,847,047**	108,742,944
Other purpose	**28,666,907**	32,393,196
Gross loans, advances and financing	**452,273,887**	440,921,867

10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(V) BY GEOGRAPHICAL DISTRIBUTION:

	The Group	
	2024 RM'000	2023 RM'000
Malaysia	**273,817,231**	267,014,722
Indonesia	**67,610,511**	67,423,974
Thailand	**35,417,480**	35,977,870
Singapore	**47,628,317**	44,087,664
United Kingdom	**6,601,978**	6,956,802
Hong Kong	**2,180,448**	1,627,938
China	**4,680,411**	4,432,132
Other countries	**14,337,511**	13,400,765
Gross loans, advances and financing	**452,273,887**	440,921,867

(VI) BY RESIDUAL CONTRACTUAL MATURITY:

	The Group	
	2024 RM'000	2023 RM'000
Within one year	**101,882,898**	98,234,923
One year to less than three years	**39,408,970**	37,448,137
Three years to less than five years	**48,346,266**	46,032,588
Five years and more	**262,635,753**	259,206,219
Gross loans, advances and financing	**452,273,887**	440,921,867

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10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(VII) BY ECONOMIC SECTOR:

	The Group	
	2024 RM'000	**2023 RM'000**
Primary agriculture	**11,607,806**	12,278,148
Mining and quarrying	**5,441,220**	5,113,891
Manufacturing	**29,945,759**	31,074,185
Electricity, gas and water supply	**8,202,225**	8,887,907
Construction	**13,604,850**	14,707,423
Transport, storage and communications	**12,284,845**	14,027,576
Education, health and others	**19,500,540**	19,499,092
Wholesale and retail trade, and restaurants and hotels	**38,610,016**	37,194,024
Finance, insurance/takaful, real estate and business activities	**65,416,336**	58,456,075
Household	**225,560,116**	215,374,514
Others	**22,100,174**	24,309,032
Gross loans, advances and financing	**452,273,887**	440,921,867

(VIII) CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING BY ECONOMIC PURPOSE:

	The Group	
	2024 RM'000	**2023 RM'000**
Personal use	**453,757**	422,036
Credit card	**257,066**	207,388
Purchase of consumer durables	**331**	842
Construction	**541,045**	603,937
Residential property (Housing)	**2,935,692**	3,319,000
Non-residential property	**356,119**	523,214
Purchase of fixed assets other than land and building	**501,528**	991,998
Mergers and acquisitions	**44,619**	40,583
Purchase of securities	**1,135**	29,775
Purchase of transport vehicles	**379,837**	329,539
Working capital	**3,313,832**	4,404,331
Other purpose	**789,653**	897,600
Gross credit impaired loans, advances and financing	**9,574,614**	11,770,243

10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(IX) CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING BY GEOGRAPHICAL DISTRIBUTION:

	The Group	
	2024 RM'000	2023 RM'000
Malaysia	**4,382,741**	5,329,949
Indonesia	**3,006,090**	4,353,363
Thailand	**1,435,191**	1,481,474
Singapore	**204,670**	157,209
United Kingdom	**45,862**	44,801
Hong Kong	**154,732**	160,808
China	**10,691**	5,351
Other countries	**334,637**	237,288
Gross credit impaired loans, advances and financing	**9,574,614**	11,770,243

(X) CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING BY ECONOMIC SECTOR:

	The Group	
	2024 RM'000	2023 RM'000
Primary agriculture	**37,578**	104,413
Mining and quarrying	**944,979**	1,207,945
Manufacturing	**1,533,416**	1,785,574
Electricity, gas and water supply	**1,597**	496
Construction	**623,053**	464,311
Transport, storage and communications	**121,972**	687,027
Education, health and others	**116,787**	111,771
Wholesale and retail trade, and restaurants and hotels	**1,036,797**	1,891,787
Finance, insurance/takaful, real estate and business activities	**850,756**	849,586
Household	**3,787,290**	4,174,346
Others	**520,389**	492,987
Gross credit impaired loans, advances and financing	**9,574,614**	11,770,243

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10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(XI) MOVEMENTS IN THE EXPECTED CREDIT LOSSES FOR LOANS, ADVANCES AND FINANCING 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	Purchased credit impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost					
At 1 January 2024	2,858,814	1,987,111	6,564,344	1,863	11,412,312
Changes in expected credit losses due to transfer within stages:	522,664	(507,555)	(15,109)	–	–
Transferred to Stage 1	1,108,732	(1,026,471)	(82,261)	–	–
Transferred to Stage 2	(512,122)	1,469,563	(957,441)	–	–
Transferred to Stage 3	(73,946)	(950,647)	1,024,593	–	–
Total charge to Statement of Income:	(865,557)	367,111	2,972,587	(587)	2,473,554
New financial assets originated	1,105,600	157,496	93,638	–	1,356,734
Financial assets that have been derecognised	(946,134)	(316,741)	–	–	(1,262,875)
Writeback in respect of full recoveries	–	–	(452,037)	(587)	(452,624)
Change in credit risk	(1,025,023)	526,356	3,330,986	–	2,832,319
Write-offs	(411)	(827)	(3,193,221)	(945)	(3,195,404)
Disposal of loans, advances and financing	–	–	(376,930)	–	(376,930)
Exchange fluctuation	(78,528)	(52,312)	(247,158)	(48)	(378,046)
Other movements	(1,097)	(23)	143,622	(283)	142,219
At 31 December 2024	2,435,885	1,793,505	5,848,135	–	10,077,525

10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(XI) MOVEMENTS IN THE EXPECTED CREDIT LOSSES FOR LOANS, ADVANCES AND FINANCING ARE AS FOLLOWS: (CONTINUED)

	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	Purchased credit impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost					
At 1 January 2023	1,425,581	3,629,496	7,343,173	1,771	12,400,021
Changes in expected credit losses due to transfer within stages:	1,901,649	(1,799,842)	(101,807)	–	–
Transferred to Stage 1	2,448,048	(2,301,987)	(146,061)	–	–
Transferred to Stage 2	(527,431)	1,633,598	(1,106,167)	–	–
Transferred to Stage 3	(18,968)	(1,131,453)	1,150,421	–	–
Total charge to Statement of Income:	(451,973)	99,951	2,572,329	–	2,220,307
New financial assets originated	961,948	222,799	78,546	–	1,263,293
Financial assets that have been derecognised	(512,887)	(373,414)	–	–	(886,301)
Writeback in respect of full recoveries	–	–	(321,643)	–	(321,643)
Change in credit risk	(901,034)	250,566	2,815,426	–	2,164,958
Write-offs	(95)	(598)	(3,340,341)	–	(3,341,034)
Disposal of loans, advances and financing	–	–	(181,078)	–	(181,078)
Exchange fluctuation	4,832	62,568	326,600	92	394,092
Other movements	(21,180)	(4,464)	(54,532)	–	(80,176)
At 31 December 2023	2,858,814	1,987,111	6,564,344	1,863	11,412,132

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for the financial year ended 31 December 2024

10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(XII) MOVEMENTS IN CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING

Gross carrying amount movement for 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 2024	**11,764,126**	**6,117**	**11,770,243**
Transfer within stages	**2,172,023**	**–**	**2,172,023**
New financial assets originated	**65,007**	**–**	**65,007**
Write-offs	**(3,193,221)**	**(945)**	**(3,194,166)**
Amount fully recovered	**(675,003)**	**–**	**(675,003)**
Other changes in loans, advances and financing	**355,929**	**(5,033)**	**350,896**
Disposal of loans, advances and financing	**(615,577)**	**–**	**(615,577)**
Exchange fluctuation	**(298,670)**	**(139)**	**(298,809)**
At 31 December 2024	**9,574,614**	**–**	**9,574,614**
At 1 January 2023	13,314,951	5,948	13,320,899
Transfer within stages	2,359,268	–	2,359,268
New financial assets originated	245,884	–	245,884
Write-offs	(3,341,043)	–	(3,341,043)
Amount fully recovered	(933,505)	–	(933,505)
Other changes in loans, advances and financing	(113,362)	(141)	(113,503)
Disposal of loans, advances and financing	(198,948)	–	(198,948)
Exchange fluctuation	430,881	310	431,191
At 31 December 2023	11,764,126	6,117	11,770,243

	The Group	
	2024	2023
Ratio of credit impaired loans to total gross loans, advances and financing	**2.12%**	2.67%

10 LOANS, ADVANCES AND FINANCING (CONTINUED)

(XII) MOVEMENTS IN CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING (CONTINUED)

IMPACT OF MOVEMENTS IN GROSS CARRYING AMOUNT ON EXPECTED CREDIT LOSSES

2024:

Stage 1 ECL decreased by RM423 million as a result RM185,570 million of loans, advances/financing that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 1 to Stage 2 or Stage 3 due to deterioration in credit quality. This is partially offset with RM198,064 million arising from additional disbursement and loans, advances/financing migrating into Stage 1 from Stage 2 or Stage 3 due to credit quality improvement.

Stage 2 ECL decreased by RM194 million as a result of RM40,727 million loans, advances/financing that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 2 to Stage 3 due to deterioration in credit quality and migrated to Stage 1 as a result of improved credit quality loans, advances/financing migrating into Stage 2 and additional disbursement, offset by RM41,782 million of loans, advances/financing migrating into Stage 2 and additional disbursement.

Stage 3 ECL decreased by RM718 million as a result of loans, advances and financing that were fully repaid, having movement in the existing account balances during the financial year, transferred to Stage 1 or Stage 2 and written off during the financial year of RM7,799 million, coupled with loan, advances and financing disposed of RM616 million. This is partially offset by RM6,219 million loans, advances/financing that were transferred into Stage 3 due to credit quality deterioration.

The amount of loans, advances and financing whose cash flows were modified of the Group during the financial year was RM311,747,000.

2023:

Stage 1 ECL increased by RM1,433 million as a result of RM207,022 million arising from additional disbursement, loans, advances/financing migrating into Stage 1 from Stage 2 or Stage 3 due to credit quality improvement and having movement in the existing account balances during the financial year. This is partially offset with RM153,540 million of loans, advances/financing that were fully repaid, and accounts migrated from Stage 1 to Stage 2 or Stage 3 due to deterioration in credit quality.

Stage 2 ECL decreased by RM1,642 million as a result of RM64,967 million loans, advances/financing that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 2 to Stage 3 due to deterioration in credit quality and migrated to Stage 1 as a result of improved credit quality loans, advances/financing migrating into Stage 2, offset by RM38,869 million of loans, advances/financing migrating into Stage 2 and additional disbursement.

Stage 3 ECL decreased by RM779 million as a result of loans, advances and financing that were fully repaid, having movement in the existing account balances during the financial year, transferred to Stage 1 or Stage 2 and written off during the financial year of RM9,677 million. This is partially offset by RM7,900 million loans, advances/financing that were transferred into Stage 3 due to credit quality deterioration.

The amount of loans, advances and financing whose cash flows were modified of the Group during the financial year was RM311,943,000.

Notes to the Financial Statements

for the financial year ended 31 December 2024

11 OTHER ASSETS

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Company 2024 RM'000	The Company 2023 RM'000
Due from brokers		**145,635**	45,045	**–**	–
Other debtors net of expected credit losses of RM720,085,000 (2023: RM657,284,000), deposits and prepayments	(a)	**3,538,801**	3,747,639	**83,299**	83,564
Settlement accounts		**698,390**	1,323,115	**–**	–
Treasury related receivables		**1,726,574**	1,424,277	**–**	–
Structured financing		**707,501**	504,996	**–**	–
Foreclosed assets net of allowance for impairment losses of RM124,771,000 (2023: RM135,081,000)	(b)	**249,978**	247,038	**–**	–
Collateral pledged for derivative transactions		**4,325,151**	3,541,259	**–**	–
Due from joint ventures	(c)	**4,613,966**	3,815,531	**–**	–
		16,005,996	14,648,900	**83,299**	83,564

(a) Movements of expected credit losses for other assets are as follows:

(i) Under simplified approach

	The Group 2024 RM'000	The Group 2023 RM'000
At 1 January	**107,651**	156,042
Expected credit losses made/(written back) during the financial year	**17,529**	(156)
Write off	**(3,289)**	(47,276)
Exchange fluctuation	**(9,788)**	(959)
At 31 December	**112,103**	107,651

11 OTHER ASSETS (CONTINUED)

(a) Movements of expected credit losses for other assets are as follows: (Continued)

(ii) Under general approach

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 2024	**29,751**	**2,000**	**517,882**	**549,633**
Total charge to Statement of Income:	**60,617**	**–**	**(268)**	**60,349**
Writeback in respect of full recoveries	**–**	**–**	**(268)**	**(268)**
Change in credit risk	**60,617**	**–**	**–**	**60,617**
Write-offs	**–**	**(2,000)**		**(2,000)**
At 31 December 2024	**90,368**	**–**	**517,614**	**607,982**
At 1 January 2023	23,340	2,000	520,019	545,359
Total charge to Statement of Income:	6,411	–	(2,137)	4,274
Writeback in respect of full recoveries	–	–	(344)	(344)
Change in credit risk	6,411	–	(1,793)	4,618
At 31 December 2023	29,751	2,000	517,882	549,633

Included in the ECL provided in financial year ended 31 December 2024 and 31 December 2023 under general approach is related to settlement of debit card balances.

Notes to the Financial Statements

for the financial year ended 31 December 2024

11 OTHER ASSETS (CONTINUED)

(a) Movements of expected credit losses for other assets are as follows: (Continued)

(iii) Gross carrying amount movement of other assets classified as credit impaired:

The Group	Lifetime expected credit losses – credit impaired (Stage 3) RM'000
At 1 January 2024	**517,882**
Other changes	**(268)**
At 31 December 2024	**517,614**
At 1 January 2023	520,019
Amount recovered	(344)
Other changes	(1,793)
At 31 December 2023	517,882

Impact of movements in gross carrying amount on expected credit losses:

2024:
Stage 1 ECL increased by RM60.6 million due to change in credit risk.

Stage 2 ECL decreased by RM2.0 million due to write-offs during the year.

2023:
Stage 1 ECL increased by RM6.4 million due to change in credit risk.

Stage 3 ECL decreased by RM2.1 million due to change in credit risk.

11 OTHER ASSETS (CONTINUED)

(b) Foreclosed assets are stated at the lower of carrying amount and fair value less cost to sale. Independent valuation of the foreclosed properties was performed by valuers to determine the fair value of the foreclosed properties as at 31 December 2024. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size.

Movements of allowance for impairment losses on foreclosed assets are as follows:

	The Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**135,081**	73,312
Net allowance made during the financial year	**236,168**	200,196
Recoveries	**–**	(464)
Disposal during the financial year	**(238,945)**	(142,449)
Exchange fluctuation	**(7,533)**	4,486
At 31 December	**124,771**	135,081

(c) This relates to the amount due from joint venture, Proton Commerce Sdn. Bhd. ("PCSB") of which comprises of the funding to PCSB for the hire purchase business.

12 DEFERRED TAXATION

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

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Deferred tax assets	**1,400,940**	1,934,311	**–**	–
Deferred tax liabilities	**(54,479)**	(52,500)	**–**	(2)
	1,346,461	1,881,811	**–**	(2)

Notes to the Financial Statements

for the financial year ended 31 December 2024

12 DEFERRED TAXATION (CONTINUED)

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

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Deferred tax assets (before offsetting)				
Expected credit losses	**861,441**	1,317,283	**–**	–
Fair value reserve – Debt instruments at fair value through other comprehensive income	**164,923**	190,239	**–**	–
Unutilised tax losses	**25,826**	16,029	**–**	–
Post employment benefits obligations	**84,216**	96,606	**–**	–
Provision for expenses	**535,685**	477,476	**–**	–
Own credit risk reserve	**3,228**	14,910		
EOP reserves	**5,023**	4,761	**–**	–
Lease liabilities	**53,674**	75,177	**–**	–
Other temporary differences	**–**	830	**–**	–
Unutilised capital allowance	**–**	233	**–**	–
	1,734,016	2,193,544	**–**	–
Offsetting	**(333,076)**	(259,233)	**–**	–
Deferred tax assets (after offsetting)	**1,400,940**	1,934,311	**–**	–
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	**(100,916)**	(99,545)	**–**	(2)
Right-of-use assets	**(30,876)**	(59,148)	**–**	–
Fair value reserve – Equity instruments at fair value through other comprehensive income	**(39,534)**	(38,827)	**–**	–
Intangible assets	**(138,046)**	(113,179)	**–**	–
Cash flow hedge	**(1,465)**	(1,034)	**–**	–
Other temporary differences	**(76,718)**	–	**–**	–
	(387,555)	(311,733)	**–**	(2)
Offsetting	**333,076**	259,233	**–**	–
Deferred tax liabilities (after offsetting)	**(54,479)**	(52,500)	**–**	(2)

12 DEFERRED TAXATION (CONTINUED)

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

The Group	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Fair value reserve: Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve: Equity instruments at fair value through other comprehensive income RM'000	Right-of-use assets RM'000	Other temporary differences RM'000	Intangible assets RM'000	Provision for expenses RM'000	Cash flow hedge RM'000	Post employment benefit obligations RM'000	Lease liabilities RM'000	Own credit risk reserve RM'000	Total RM'000
Deferred tax assets/ (liabilities)														
At 1 January 2024		**1,317,283**	**(99,545)**	**190,239**	**(38,827)**	**(59,148)**	**21,853**	**(113,179)**	**477,476**	**(1,034)**	**96,606**	**75,177**	**14,910**	**1,881,811**
(Charged)/credited to statements of income	45	**(409,579)**	**(4,968)**	**5,581**	**-**	**26,388**	**(77,178)**	**(27,375)**	**41,193**	**-**	**(5,109)**	**(18,058)**	**64**	**(469,041)**
(Under)/over provision in prior year		**(22,081)**	**1,316**	**-**	**-**	**1,000**	**514**	**(1,799)**	**2,373**	**-**	**-**	**(2,801)**	**-**	**(21,478)**
Transferred to equity		**-**	**-**	**(25,489)**	**(716)**	**-**	**-**	**-**	**-**	**(520)**	**(2,710)**	**-**	**(11,312)**	**(40,747)**
Acquisition of a subsidiary	57	**-**	**(113)**	**-**	**-**	**-**	**-**	**-**	**664**	**-**	**-**	**-**		**551**
Exchange difference		**(24,182)**	**2,394**	**(5,408)**	**9**	**884**	**8,942**	**4,307**	**13,979**	**89**	**(4,571)**	**(644)**	**(434)**	**(4,635)**
At 31 December 2024		**861,441**	**(100,916)**	**164,923**	**(39,534)**	**(30,876)**	**(45,869)**	**(138,046)**	**535,685**	**(1,465)**	**84,216**	**53,674**	**3,228**	**1,346,461**

The Group	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Fair value reserve: Debt instruments at fair value through other comprehensive income RM'000	Fair value reserve: Equity instruments at fair value through other comprehensive income RM'000	Right-of-use assets RM'000	Other temporary differences RM'000	Intangible assets RM'000	Provision for expenses RM'000	Cash flow hedge RM'000	Post employment benefit obligations RM'000	Lease liabilities RM'000	Own credit risk reserve RM'000	Total RM'000
Deferred tax assets/ (liabilities)														
At 1 January 2023		1,061,013	(159,107)	350,953	(37,872)	(54,135)	103,255	(17,726)	455,809	(952)	87,623	77,216	-	1,866,077
Credited/(charged) to statements of income	45	176,586	2,205	(9,730)	-	4,612	(114,393)	(25,307)	20,331	-	1,279	(3,565)	(66)	51,952
Over/(under) provision in prior year		48,225	59,483	-	-	(8,295)	33,368	(66,707)	(1,977)	-	(144)	575	-	64,528
Transferred to equity		-	-	(155,787)	(937)	-	-	-	-	54	2,752	-	14,665	(139,253)
Exchange difference		31,459	(2,126)	4,803	(18)	(1,330)	(377)	(3,439)	3,313	(136)	5,096	951	311	38,507
At 31 December 2023		1,317,283	(99,545)	190,239	(38,827)	(59,148)	21,853	(113,179)	477,476	(1,034)	96,606	75,177	14,910	1,881,811

Notes to the Financial Statements

for the financial year ended 31 December 2024

12 DEFERRED TAXATION (CONTINUED)

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

The Company	Note	Accelerated tax depreciation RM'000	Total RM'000
Deferred tax liabilities			
At 1 January 2024		**(2)**	**(2)**
Charged to statements of income	45	**2**	**2**
At 31 December 2024		**–**	**–**
At 1 January 2023		(3)	(3)
Charged to statements of income	45	1	1
At 31 December 2023		(2)	(2)

13 STATUTORY DEPOSITS WITH CENTRAL BANKS

The non-interest bearing statutory deposits are maintained by certain subsidiaries with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009, the amounts of which are determined at set percentages of total eligible liabilities. The non-interest bearing statutory deposits of a foreign subsidiary and foreign branches of the banking subsidiary are maintained with respective central banks in compliance with the applicable legislation.

14 INVESTMENT IN SUBSIDIARIES

	Note	The Company 2024 RM'000	The Company 2023 RM'000
Ordinary shares	(i)	**16,144,574**	15,431,574
Redeemable preference shares*		**19,154,041**	19,154,041
		35,298,615	34,585,615
Capital contribution to subsidiaries@		**165,521**	145,367
		35,464,136	34,730,982
Less: Allowance for impairment loss of a subsidiary		**(6,813)**	(6,813)
		35,457,323	34,724,169

* *Classified as cost of investment in subsidiaries due to the terms of the instruments including redeemable and dividend entitlement at discretion of issuer*
@ *Being LTIP which was implemented by the Company in 2021, that is granted to CIMB Group Holdings Bhd ("CIMBGH") subsidiaries' employees*

(i) During the financial year ended 31 December 2024, a special dividend in the form of ordinary shares was made by CIMB Group Sdn Bhd amounting to RM713,000,000.

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Information about principal subsidiaries:

The direct subsidiaries of the Company are:

Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held 2024 %	2023 %
CIMB Berhad	Investment holding	Malaysia	**100**	100
CIMB Group Sdn. Bhd.	Investment holding	Malaysia	**100**	100
Commerce MGI Sdn. Bhd.	Dormant	Malaysia	**51**	51
CIMB Active Ventures Sdn. Bhd. (formerly known as Commerce Asset Realty Sdn. Bhd.)	Providing IT support and business process insourcing services	Malaysia	**100**	100
iCIMB (MSC) Sdn. Bhd.	Provision of management	Malaysia	**100**	100
SBB Berhad	Dormant	Malaysia	**100**	100
CIMB Foundation∞	Charitable foundation	Malaysia	**–**	–
Premier Fidelity Sdn. Bhd.	Promoting, arranging and managing all kinds of sports and entertainment events of the Group	Malaysia	**100**	100

∞ *Consolidated in the Group as the substance of the relationship between the entities and the Company indicates that the entities are controlled by the Company.*

Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held: Directly by the Company 2024 %	Directly by the Company 2023 %	Indirectly by the Company 2024 %	Indirectly by the Company 2023 %
The direct subsidiary of the Company is:						
Touch 'n Go Sdn. Bhd. ("TnG")	Establishment, operation and management of an electronic collection system for toll and transport operators	Malaysia	**–**	–	**100.0**	100.0

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14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Information about principal subsidiaries (Continued):

The subsidiaries held through CIMB Berhad are:

			Percentage of equity held			
			Directly by CIMB Berhad		Indirectly by the Company's subsidiary	
Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	2024 %	2023 %	2024 %	2023 %
CIMB Islamic Trustee Berhad	Trustee services	Malaysia	**20**	20	**80**	80
CIMB Commerce Trustee Berhad	Trustee services	Malaysia	**20**	20	**80**	80

The subsidiaries held through CIMB Group Sdn. Bhd. ("CIMBG") are:

			Percentage of equity held			
			Directly by CIMBG		Through CIMBG's subsidiary company	
Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	2024 %	2023 %	2024 %	2023 %
CIMB Bank Berhad ("CIMB Bank")	Commercial banking and related financial services	Malaysia	**100**	100	**-**	–
CIMB Investment Bank Berhad ("CIMB Investment Bank")	Investment banking and the provision of related financial services	Malaysia	**100**	100	**-**	–
PT Bank CIMB Niaga Tbk+	Commercial banking and related financial services	Indonesia	**91.5**	91.5	**1.0**	1.0
PT Commerce Kapital#	Investment holding	Indonesia	**99.0**	99.0	**1.0**	1.0
CIMB SI Sdn. Bhd.	Trading in securities and direct principal investments	Malaysia	**100**	100	**-**	–
CIMB Digital Assets Sdn. Bhd. (formerly known as CIMB SI 1 Sdn. Bhd.)	Investment holding	Malaysia	**84.2**	84.2	**15.8**	15.8
CIMB SI II Sdn. Bhd.	Investment holding	Malaysia	**100**	100	**-**	–
CIMB Private Equity Sdn. Bhd.	Investment holding	Malaysia	**100**	100	**-**	–
CIMB Asia Security (General Partner) Limited	Investment holding	Labuan, Malaysia	**-**	–	**100**	100
CIMB Real Estate Sdn. Bhd.	Real estate investment	Malaysia	**100**	100	**-**	–
Sathorn Asset Management Company Limited+	Asset management	Thailand	**-**	–	**99.9**	99.9
CIMB Strategic Assets Sdn. Bhd.	Investment holding	Malaysia	**100**	100	**-**	–
CIMB Private Equity Advisors Sdn. Bhd.	Investment advisory	Malaysia	**100**	100	**-**	–
CIG Berhad	Insurance holding company	Malaysia	**100**	100	**-**	–
Commerce Asset Ventures Sdn. Bhd. ("CAV")	Investment holding company	Malaysia	**100**	100	**-**	–
Southeast Asia Special Asset Management Berhad	To invest in, purchase or otherwise acquire and deal with non-performing loans, credit and financing facilities or debts	Malaysia	**100**	100	**-**	–
Lot A Sentral Sdn. Bhd.	Property investment	Malaysia	**-**	–	**100**	100
PT Synergy Dharma Nayaga#	Management consultancy	Indonesia	**-**	–	**100**	100
CIMB Investment Bank (Private) Limited~	Stock and share broking	Sri Lanka	**45**	45	**-**	–
CIMB Capital Markets (Australia) PTY Ltd~	Equity capital markets business	Australia	**100**	100	**-**	–

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Information about principal subsidiaries (Continued):

The subsidiaries held through CIMB Group Sdn. Bhd. ("CIMBG") are (Continued):

			Percentage of equity held			
		Country of Incorporation/ Principal Place of Business	Directly by CIMBG		Through CIMBG's subsidiary company	
Name of Subsidiary	Principal activities		2024 %	2023 %	2024 %	2023 %
CSI Investment Limited~	Investment holding	British Virgin Island	**100**	100	**-**	-
MinorCap Pte. Ltd.#	Dormant	Singapore	**-**	-	**100**	100
Southeast Asia Special Asset Vehicle Limited	Special purpose vehicle	Malaysia	**-**	-	**100**	100
CIMB Bancom Capital Corporation+	Investment banking	Philippines	**60**	60	**-**	-
CIMB AI Labs Private Limited# (formerly known as Shining Star Solution and Services Private Limited)	Business support services	India	**0.01**	0.01	**99.99**	99.99

\# *Audited by a firm other than member firms of PricewaterhouseCoopers International Limited*
\+ *Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT*
^^ *Under disposal/strike off/liquidation process*
~ *Not being audited*

The subsidiaries held through CIMBG's direct subsidiary, CIMB Investment Bank are:

			Percentage of equity held			
		Country of Incorporation/ Principal Place of Business	Directly by CIMB Investment Bank		Through CIMB Investment Bank's subsidiary company	
Name of Subsidiary	Principal activities		2024 %	2023 %	2024 %	2023 %
CIMB Holdings Sdn. Bhd.	Investment holding	Malaysia	**100**	100	**-**	-
CIMSEC Nominees (Tempatan) Sdn. Bhd.	Nominee services	Malaysia	**100**	100	**-**	-
CIMSEC Nominees (Asing) Sdn. Bhd.	Nominee services	Malaysia	**100**	100	**-**	-
CIMB EOP Management Sdn. Bhd.	Nominee services	Malaysia	**100**	100	**-**	-
CIMB Commerce Trustee Berhad	Trustee services	Malaysia	**-**	-	**20**	20
CIMB Islamic Trustee Berhad	Trustee services	Malaysia	**-**	-	**20**	20
CIMB Securities Sdn Bhd	Stockbroking	Malaysia	**100**	-	**-**	-
CIMB Securities Nominees (Tempatan) Sdn Bhd	Nominee services	Malaysia	**-**	-	**100**	-
CIMB Securities Nominees (Asing) Sdn Bhd	Nominee services	Malaysia	**-**	-	**100**	-

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14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Information about principal subsidiaries (Continued):

The subsidiaries held through CIMBG's direct subsidiary, CIMB Bank are:

Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held: Directly by CIMB Bank 2024 %	Directly by CIMB Bank 2023 %	Through CIMB Bank's subsidiary company 2024 %	Through CIMB Bank's subsidiary company 2023 %
CIMB FactorLease Berhad	Leasing, hire purchase financing, debt factoring, loan management and property management	Malaysia	**100**	100	**-**	–
CIMB Islamic Trustee Berhad	Trustee to unit trust funds, public debt financing issues and private trusts and other corporate trusts	Malaysia	**20**	20	**40**	40
CIMB Bank (L) Limited	Carrying on the business of a Labuan bank	Labuan, Malaysia	**100**	100	**-**	–
iCIMB (Malaysia) Sdn. Bhd.	Provision of outsourcing services	Malaysia	**100**	100	**-**	–
CIMB Group Nominees (Tempatan) Sdn. Bhd.	Provision of nominee services	Malaysia	**100**	100	**-**	–
CIMB Group Nominees (Asing) Sdn. Bhd.	Provision of nominee services	Malaysia	**100**	100	**-**	–
CIMB Islamic Bank Berhad	Islamic banking and related financial services	Malaysia	**100**	100	**-**	–
CIMB Trust Ltd.	Trustee services	Labuan, Malaysia	**100**	100	**-**	–
Bumiputra-Commerce Corporate Services Limited~	Nominee services	Labuan, Malaysia	**-**	–	**100**	100
BC Management Services Limited~	Nominee services	Labuan, Malaysia	**-**	–	**100**	100
CIMB Islamic Nominees (Tempatan) Sdn. Bhd.	Provision of nominee services	Malaysia	**-**	–	**100**	100
CIMB Islamic Nominees (Asing) Sdn. Bhd.	Provision of nominee services	Malaysia	**-**	–	**100**	100
S.B. Venture Capital Corporation Sdn. Bhd.	Investment holding and provision of management services	Malaysia	**100**	100	**-**	–
BHLB Properties Sdn. Bhd.	To own and manage premises and other immovable properties	Malaysia	**100**	100	**-**	–
CIMB Nominees (S) Pte. Ltd.^	Provision of nominee services	Singapore	**-**	100	**-**	–
SFB Auto Berhad	Financial services	Malaysia	**100**	100	**-**	–
CIMB Bank (Vietnam) Limited#	Banking activities	Vietnam	**100**	100	**-**	–
CIMB Bank PLC#	Commercial banking and related financial services	Cambodia	**100**	100	**-**	–
CIMB Commerce Trustee Berhad	Provision of trustee, custodian and nominees services	Malaysia	**20**	20	**40**	40
S.B. Properties Sdn. Bhd.	Property ownership and management	Malaysia	**100**	100	**-**	–
SFB Development Sdn. Bhd.	Property investment	Malaysia	**100**	100	**-**	–
SIBB Berhad	Investment dealing	Malaysia	**80**	80	**-**	–
Perdana Nominees (Tempatan) Sdn. Bhd.	Provision of nominee services	Malaysia	**-**	–	**80**	80
CIMB Thai Bank Public Company Limited+	Commercial banking	Thailand	**94.8**	94.8	**-**	–

14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Information about principal subsidiaries (Continued):

The subsidiaries held through CIMBG's direct subsidiary, CIMB Bank are (Continued):

Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held: Directly by CIMB Bank 2024 %	Directly by CIMB Bank 2023 %	Through CIMB Bank's subsidiary company 2024 %	Through CIMB Bank's subsidiary company 2023 %
Merdeka Kapital Berhad**	Engaged in the purchase from multi originators of receivables and the raising of funds and related activities	Malaysia	**-**	-	**-**	-

** *Consolidation of the silo of Merdeka Kapital Berhad*
In 2011, CIMB Bank obtained funding through securitisation of its hire purchase receivables to Merdeka Kapital Berhad ("MKB"), a special purpose vehicle set up to undertake multi securitisation transactions. Arising from the adoption of MFRS 10 "Consolidated Financial Statements" in 2013, CIMB Bank has consolidated the silo of MKB in relation to CIMB Bank's hire purchase receivables, as this silo has been legally ring-fenced for this transaction. The securitisation transaction was completed in 2016.

On 31 March 2017, CIMB Bank obtained new funding through securitisation of its hire purchase receivables to MKB.

The securitisation transaction was completed on 27 March 2024.

\+ *Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers PLT.*
\# *Audited by a firm other than member firms of PricewaterhouseCoopers International Limited*
~ *Not being audited*
^ *Strike off completed during the financial year*

The subsidiaries held through PT Bank CIMB Niaga Tbk are:

Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held: Directly by CIMB Niaga 2024 %	Directly by CIMB Niaga 2023 %	Through CIMBG's subsidiary 2024 %	Through CIMBG's subsidiary 2023 %
PT CIMB Niaga Auto Finance+	Financing services	Indonesia	**83.3**	83.3	**-**	-
PT CIMB Niaga Sekuritas#	Capital market business	Indonesia	**97.3**	97.3	**2.7**	2.7
RD Terproteksi BRI MI Proteksi 102	Unit trust funds	Indonesia	**52.4**	-	**-**	-
RDT Bahana Ultima Protected Fund 236	Unit trust funds	Indonesia	**99.99**	-	**-**	-
RDT SAM Sejahtera Terproteksi 5	Unit trust funds	Indonesia	**99.99**	-	**-**	-

The subsidiaries held through CIMB Thai Bank Public Company Limited are:

Name of Subsidiary	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held 2024 %	Percentage of equity held 2023 %
CIMB Thai Auto Company Ltd+	Hire purchase sale & leaseback and financial lease	Thailand	**99.9**	99.9
Worldlease Co. Ltd.+	Hire purchase of motorcycles	Thailand	**99.9**	99.9

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14 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Details of subsidiaries that have material non-controlling interests:

Set out below are the Group's subsidiaries that have material non-controlling interests:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2024 %	2023 %	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CIMB Thai Bank Public Company Limited Group (Incorporated in the Kingdom of Thailand)	**5.2**	5.2	**19,230**	10,497	**333,717**	316,010
PT Bank CIMB Niaga Tbk Group (Incorporated in the Republic of Indonesia)	**7.5**	7.5	**172,529**	171,274	**1,049,042**[β]	981,819[β]
Individually immaterial subsidiaries with non-controlling interests					**12,335**	14,101
					1,395,094	1,311,930

β *Inclusive of shares purchased arising from employee benefit scheme of RM10 million (2023: RM49 million).*

Summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(RM'000)	CIMB Thai Bank Public Company Limited Group 2024	CIMB Thai Bank Public Company Limited Group 2023	PT Bank CIMB Niaga Tbk Group 2024	PT Bank CIMB Niaga Tbk Group 2023
Total assets	**66,407,411**	68,029,490	**98,638,376**	98,358,763
Total liabilities	**(59,843,820)**	(61,812,012)	**(85,008,915)**	(84,898,711)
Net assets	**6,563,591**	6,217,478	**13,629,461**	13,460,052
Equity attributable to owners of the Company	**(6,563,591)**	(6,217,478)	**(13,572,802)**	(13,416,896)
Non-controlling interests ("NCI")	**-**	–	**(56,659)**	(43,156)
Revenue	**1,776,719**	1,702,728	**5,217,706**	5,560,720
Profit before taxation	**464,197**	255,981	**2,532,093**	2,538,857
Taxation	**(92,251)**	(52,939)	**(527,089)**	(540,503)
Other comprehensive (expense)/income	**(27,460)**	302,815	**(970,942)**	742,697
Total comprehensive income	**344,486**	505,857	**1,034,062**	2,741,051
Net cash generated from/(used in) operating activities	**167,512**	382,852	**3,139,365**	(540,911)
Net cash generated from/(used in) investing activities	**1,540,816**	(830,980)	**(2,179,414)**	(1,787,573)
Net cash (used in)/generated from financing activities	**(1,871,002)**	(121,414)	**(181,742)**	96,121
Net (decrease)/increase in cash and cash equivalents	**(162,674)**	(569,542)	**778,209**	(2,232,363)
Profit allocated to NCI of the Group	**19,230**	10,497	**172,529**	171,274
Dividends paid to NCI of the Group	**-**	2,736	**69,484**	58,922

15 INVESTMENT IN ASSOCIATES

	The Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**94,159**	41,786
Share of results for the financial year	**2,207**	41,692
Additional investment in associates	**3,039**	143
Share of other comprehensive (expense)/income for the financial year	**(59)**	12,350
Liquidation of an associate	**(723)**	-
Capital distribution	**(22,909)**	-
Profit distribution	**(20,374)**	(1,812)
At 31 December	**55,340**	94,159

(a) Information about associates:

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

The associates held through CIMBG's subsidiary, CIMB Strategic Assets Sdn Bhd are:

Name of Associates	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held 2024 %	2023 %
Capital Advisors Partners Asia Sdn. Bhd.	Investment advisory services	Malaysia	**40.0**	40.0
Capital Advisors Partners Asia Pte. Ltd.	Investment advisory services	Singapore	**40.0**	40.0
Capasia Islamic Infrastructure Fund (General Partner) Limited	Managing private fund	Labuan, Malaysia	**–**	40.0
Capasia Asean Infrastructure Fund III (General Partner) Limited	General Partner of The CapAsia Asean Infrastructure Fund III L.P	Labuan, Malaysia	**40.0**	40.0
AIGF Sponsor LP	Investment holding	Cayman Island	**26.3**	26.3

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15 INVESTMENT IN ASSOCIATES (CONTINUED)

(b) Aggregate information of associates that are not individually material:

	2024 RM'000	2023 RM'000
The Group's share of profit for the financial year	**2,207**	41,692
The Group's share of other comprehensive (expense)/income for the financial year	**(59)**	12,350
The Group's share of total comprehensive income for the financial year	**2,148**	54,042
Aggregate carrying amount of the Group's interest in these associates	**55,340**	94,159

(c) Details of material associates in the prior year:

CGS-CIMB Securities International Pte. Ltd. (formerly known as CIMB Securities International Pte. Ltd.) ("CSI") and CGS-CIMB Holdings Sdn Bhd ("CCH")

CIMBG will be disposing its remaining equity stake in CGS-CIMB Securities International Pte Ltd ("CSI") and CGS-CIMB Holdings Sdn Bhd ("CCH") of 25.01% and 25% respectively to CGS International Holdings Limited (formerly known as China Galaxy International Financial Holdings Limited) ("CGI") (collectively referred to as "CGS-CIMB JV"). The completion of the transaction will take place within 10 business days upon all required regulatory approvals being obtained, or such other date as may be agreed in writing between CIMBG and CGI, whereupon CIMB Group will fully exit its stake in both CSI and CCH. Given the development, investments in CSI and CCH are reclassified from investment in associates to non-current assets held for sale as of 31 December 2022, in accordance with MFRS 5.

On 29 December 2023, CIMB Group Sdn Bhd, has completed the sale of its 25.01% and 25.0% shareholding in CSI and CCH respectively to CGI pursuant to the second call option exercised by CGI. The gross proceeds of the sale amounting to approximately RM780 million. With the completion of the second call option on 29 December 2023, CIMB Group has fully exited the CGS-CIMB JV.

16 INVESTMENT IN JOINT VENTURES

	The Group	
	2024 RM'000	2023 RM'000
At 1 January	**2,302,366**	2,425,221
Share of results for the financial year	**16,555**	(58,914)
Share of other comprehensive (expense)/income for the financial year	**(2,459)**	3,854
Dividend payment	**(36,840)**	(67,795)
At 31 December	**2,279,622**	2,302,366

(a) Details of joint ventures

The principal place of business and country of incorporation of the joint ventures is Malaysia unless stated otherwise. All joint ventures are measured using the equity method. There are no available quoted market prices of the joint ventures.

Name of Joint Ventures	Principal activities	Country of Incorporation/ Principal Place of Business	Percentage of equity held through subsidiary company 2024 %	2023 %
Proton Commerce Sdn. Bhd.	Development management and marketing of hire purchase or leasing facilities in respect of the purchase or use of Proton and other vehicles	Malaysia	**50**	50
Principal Islamic Asset Management Sdn. Bhd. (formerly known as CIMB-Principal Islamic Asset Management Sdn. Bhd.)	Establishment and management of unit trust fund and fund management business in accordance with shariah principles	Malaysia	**40**	40
CIMB-MC Capital Ltd.	Investment holding	Cayman Islands	**50**	50
AIGF Management Company Ltd.	General Partner	Cayman Islands	**45**	45
Principal Asset Management Berhad (formerly known as CIMB-Principal Asset Management Berhad)	Establishment and management of unit trust fund and fund management business	Malaysia	**40**	40
Principal Asset Management Company Limited (formerly known as CIMB-Principal Asset Management Company Limited)	Investment and fund management and other related services	Thailand	**40**	40
PT Principal Asset Management (formerly known as PT CIMB-Principal Asset Management)	Establishment and management of unit trust fund and fund management business	Indonesia	**39.6**	39.6
Principal Asset Management (S) Pte. Ltd. (formerly known as CIMB Principal Asset Management (S) Pte. Ltd.)	Provision of management and investment analysis services	Singapore	**40**	40
CIMB Wealth Advisors Berhad	Distribution of unit trust funds	Malaysia	**40**	40
TNG Digital Sdn. Bhd.	Issuer of electronic money (e-money)	Malaysia	**45.01**	45.01
TNG Digital Remittance Sdn. Bhd.	Provision of remittance services	Malaysia	**45.01**	45.01

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16 INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) Details of material joint venture:

(i) Proton Commerce Sdn. Bhd.

On 22 October 2003, Bumiputra-Commerce Finance Berhad ("BCF") (now known as Mutiara Aset Berhad) entered into a joint venture agreement with Proton Edar Sdn. Bhd. ("PESB") for the purposes of building and operating a competitive vehicle financing business in Malaysia for vehicles distributed by PESB. Subsequently, a joint venture was incorporated under the name of Proton Commerce Sdn. Bhd. ("PCSB") which is 50:50 owned by BCF and PESB respectively. PCSB is primarily responsible for developing, managing and marketing hire purchase loans for vehicles sold to the customers of PESB. Pursuant to the joint venture, BCF issued RM200 million Perpetual Preference Shares ("PPS") which were fully subscribed by PCSB. Pursuant to the vesting of the finance company business and the related assets and liabilities of BCF to CIMB Bank and the subsequent capital reduction exercise undertaken by BCF, the BCF PPS were cancelled, and CIMB Bank issued RM200 million PPS to PCSB.

(ii) Principal Asset Management Bhd ("PAM")

On 11 January 2018, CIMB Group Sdn Bhd ("CIMBG") entered into sale and purchase agreements to divest 20% equity stake in CIMB-Principal Asset Management ("CPAM") to PAM ("Proposed Divestment"). On 25 May 2018, the proposed divestment was completed, and CPAM ceased to be a subsidiary of the Group, and has become the joint venture of the Group, where decisions about key activities require unanimous consent of both parties in the joint venture arrangement.

(iii) CGS-CIMB Securities International Pte. Ltd. (formerly known as CIMB Securities International Pte. Ltd.) ("CSI")

On 17 October 2016, CIMBG, a wholly-owned subsidiary of the Company, has signed a Heads of Terms with China Galaxy International Financial Holdings Limited ("CGI"), a wholly-owned subsidiary of China Galaxy Securities Co. Ltd. ("CGS"), with respect to a potential strategic partnership in the cash equities business in the region.

On 6 June 2017, CIMBG has signed a conditional Share Purchase Agreement with CGI with respect to the sale of 50% of the issued and paid-up share capital of CIMB Securities International Pte. Ltd. ("CSI") to CGI ("Proposed Disposal"). The Proposed Disposal was completed on 18 January 2018.

(iv) CGS-CIMB Holdings Sdn Bhd

On 18 December 2018, CIMBG, CGI and CCH entered into a Share Subscription Agreement in connection with the subscription of new shares CCH by CIMBG and CGI ("Proposed MY Share Subscription"). At completion, CIMBG and CGI will be 50:50 shareholders in CCH.

Following the signing of the Share Subscription Agreement, the parties will proceed with the necessary process to effect the transfer of the Malaysia stockbroking business of CIMB Group, including 100% interest in CIMB Futures Sdn Bhd, to Jupiter Securities ("Proposed Business Transfer"). Jupiter Securities is a 100%-owned subsidiary of Malaysia JV HoldCo and will be the operating company for the stockbroking business of the CGS-CIMB JV in Malaysia. The consideration for the Proposed Business Transfer will be satisfied in cash, and is subject to completion audit adjustment, if any.

On 9 May 2019, the Group announced that the High Court of Malaya has granted the necessary court orders for the Proposed Business Transfer with effective from 1 July 2019.

On 28 June 2019, the Group announced the completion of the Proposed MY Share Subscription. The proceeds from the subscription was utilised to satisfy the purchase consideration in connection with the Proposed Business Transfer, which was effective on 1 July 2019. This new JV was rebranded as CGS-CIMB Securities on the effective date.

The partnership agreement incorporated two put and call options for CGI to acquire CIMB's stake in the CGS-CIMB JV over a period of time.

On 7 December 2021, CIMBG completed the sale of 24.99% and 25% of its shareholding in CGS-CIMB Securities International Pte Ltd ("CSI") and CGS-CIMB Holdings Sdn Bhd ("CCH") respectively to China Galaxy International Financial Holdings Limited ("CGI") pursuant to the first call option exercised by CGI. The proceeds of sale amounting to USD170.5 million (or equivalent to RM720.7 million). CSI and CCH are the holding companies of the Group's stockbroking joint venture ("JV") with China Galaxy Securities, known as CGS-CIMB Securities. CIMB Group's interest in CSI and CCH reduced from 50% to 25.01% and 50% to 25% for CSI and CCH respectively, and they are reclassified from investment in JV to associates with effect from 7 December 2021. There is no material financial impact arising from the disposal of joint ventures. Refer to Note 15(c) for further details post disposal.

16 INVESTMENT IN JOINT VENTURES (CONTINUED)

(b) Details of material joint venture (Continued):

(v) TNG Digital Sdn Bhd ("TNGD")

On 27 January 2021, Bow Wave Capital Management ("Bow Wave"), a New York-based investment firm had completed the subscription of new ordinary shares in TNGD, a subsidiary of TnG. Following the investment by Bow Wave, TnG's shareholding in TNGD diluted from 51.0% to 47.0%. Consequently, TNGD ceased to be a subsidiary of TnG and has become the joint venture of the Group, where decisions about key activities require unanimous consent of both parties in the joint venture arrangement.

On 30 July 2021, AIA Berhad ("AIA") had completed the subscription of new ordinary shares in TNGD ("Tranche 1"). Following the Tranche 1 investment by AIA, TnG's shareholding in TNGD has further diluted from 47.0% to 46.1%.

On 1 November 2021, AIA had completed the subscription of additional new ordinary shares in TNGD ("Tranche 2"). Following the further Tranche 2 shares subscription by AIA, TnG's shareholding in TNGD has further diluted from 46.1% to 45.2%. There is no material financial impact arising from the dilution of interest in the joint ventures.

On 22 July 2022, Lazada Group ("Lazada") and TnG had completed the subscription of new ordinary shares in TNGD, raising a total of RM752.2 million. Following the investment by Lazada and further shares subscription by TnG, TnG's shareholding in TNGD has further diluted from 45.2% to 45.01%. There is no material financial impact arising from the dilution of interest in the joint ventures.

Impairment test of Investment in Joint Ventures

As at 31 December 2024, the net assets of PAM and TNGD were significantly below its carrying amount. Accordingly, the Group had undertaken an impairment test on the carrying amount of the investments in PAM and TNGD.

PAM

The recoverable amount of the investment in PAM was determined based on the fair value less costs of disposal. The fair value was determined based on the Price/Assets Under Management (AUM) multiples. The fair value measurement was categorised within level 2 of the fair value hierarchy. No impairment is required as the fair value less costs of disposal was in excess of the carrying amount. Further sensitivity tests have been performed and the estimated recoverable amount will be equal to the carrying value under the assumptions when the multiple is stressed by 23.9% (2023: 17.6%) while all other assumptions remained constant.

TNGD

The recoverable amount of the investment in TNGD was determined based on the fair value less costs of disposal. The fair value was determined based on the recent transacted price in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal. The fair value of the investment was the product of the number of shares held and the fair value at the date of assessment. The fair value measurement was categorised within level 3 of the fair value hierarchy. No impairment is required as the fair value less costs of disposal was in excess of the carrying amount. Impairment will not be triggered until a decline of more than 25% (2023: 23%) in fair value has occurred.

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16 INVESTMENT IN JOINT VENTURES (CONTINUED)

(c) The summarised financial information below represents amounts shown in the material joint venture's Financial Statements prepared in accordance with MFRSs (adjusted by the Group for equity accounting purposes).

	PCSB		PAM		TNG Digital Sdn Bhd	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Non-current assets	**4,711,946**	4,037,848	**506,640**	490,957	**137,227**	125,707
Current assets	**832,834**	764,156	**1,003,729**	1,003,064	**1,782,858**	1,643,303
Current liabilities (non-trade)	**(5,234,821)**	(4,479,316)	**(612,648)**	(622,401)	**(1,380,322)**	(1,185,313)
Non-current liabilities (non-trade)	**(17,543)**	(18,066)	**(21,238)**	(4,404)	**–**	–
Net assets	**292,416**	304,622	**876,483**	867,216	**539,763**	583,697
The above amounts of assets and liabilities include the following:						
Cash and cash equivalents	**47,351**	31,176	**571,020**	672,549	**1,226,403**	1,318,023
Revenue	**249,585**	169,717	**412,266**	386,876	**459,525**	276,511
(Loss)/profit for the financial year	**(12,206)**	(21,189)	**100,403**	87,216	**(43,829)**	(192,059)
Other comprehensive (expense)/income for the financial year	**–**	–	**(6,036)**	9,787	**(105)**	–
Total comprehensive (expense)/income for the financial year	**(12,206)**	(21,189)	**94,367**	97,003	**(43,934)**	(192,059)
The above (loss)/profit for the financial year include the following:						
Interest income	**250,064**	198,800	**7,134**	5,409	**40,892**	40,859
Interest expense	**(153,916)**	(108,753)	**(712)**	(256)	**(225)**	(266)
Taxation	**4,174**	3,973	**(23,239)**	(22,650)	**9,050**	–
Dividend received from joint ventures	**–**	–	**34,040**	64,800	**–**	–

16 INVESTMENT IN JOINT VENTURES (CONTINUED)

(d) Reconciliation of the summarised financial information to the carrying amount of the interest in the material joint venture recognised in the consolidated financial statements:

	PCSB		PAM		TNG Digital Sdn Bhd	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
At 1 January	**304,622**	325,811	**867,216**	932,213	**583,697**	775,756
(Loss)/profit for the financial year	**(12,206)**	(21,189)	**100,403**	87,216	**(43,829)**	(192,059)
Other comprehensive expense	**–**	–	**(6,036)**	9,787	**(105)**	–
Dividend payment	**–**	–	**(85,100)**	(162,000)	**–**	–
At 31 December	**292,416**	304,622	**876,483**	867,216	**539,763**	583,697
Interest in joint venture (%)	**50%**	50%	**40%**	40%	**45.01%**	45.01%
Interest in joint venture	**146,208**	152,311	**350,593**	346,886	**242,947**	262,722
Goodwill	**–**	–	**522,834**	522,834	**1,010,963**	1,010,963
Carrying value	**146,208**	152,311	**873,427**	869,720	**1,253,910**	1,273,685

(e) Aggregate information of joint ventures that are not individually material:

	2024 RM'000	**2023 RM'000**
The Group's share of profit for the financial year	**2,224**	3,240
The Group's share of other comprehensive expense for the financial year	**(45)**	(61)
The Group's share of total comprehensive income for the financial year	**2,179**	3,179
Aggregate carrying amount of the Group's interest in these joint ventures	**6,077**	6,650

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for the financial year ended 31 December 2024

17 PROPERTY, PLANT AND EQUIPMENT

The Group 2024	Note	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land 50 years or more RM'000	Buildings on leasehold land less than 50 years RM'000	Renovations, work-in-progress, office equipment, plant and machinery and furniture and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Total RM'000
Cost									
At 1 January		268,471	1,408,836	33,259	4,118	1,963,530	1,120,531	58,643	4,857,388
Additions		-	-	-	-	197,132	101,380	901	299,413
Additions arising from acquisition of a subsidiary	57	-	-	-	-	350	1,290	-	1,640
Disposals/Written off		(13,214)	(135,569)	-	-	(89,041)	(26,255)	(4,670)	(268,749)
Transfer/reclassifications		-	7,324	-	-	(9,862)	2,538	-	-
Reclassified (to)/from intangible assets	21	-	-	-	-	(446)	1,008	-	562
Reclassified from non-current assets held for sale	56	-	7,853	-	-	-	-	-	7,853
Impairment		-	-	-	-	(4,944)	(11)	-	(4,955)
Exchange fluctuation		(11,923)	(6,902)	(644)	-	(76,067)	(6,780)	(1,493)	(103,809)
At 31 December		243,334	1,281,542	32,615	4,118	1,980,652	1,193,701	53,381	4,789,343
Accumulated depreciation and impairment									
At 1 January		2,625	556,307	12,109	3,897	1,265,195	913,615	48,345	2,802,093
Charge for the financial year		-	42,633	938	63	136,702	117,661	2,985	300,982
Depreciation arising from acquisition of a subsidiary	57	-	-	-	-	324	902	-	1,226
Disposals/Written off		-	(131,163)	-	-	(73,008)	(25,790)	(4,548)	(234,509)
Transfer/reclassifications		-	-	-	-	(76)	76	-	-
Reclassified to intangible assets	21	-	-	-	-	(181)	-	-	(181)
Other reclassifications		-	1,688	(1,890)	(23)	-	-	-	(225)
Reclassified from non-current assets held for sale	56	-	2,269	-	-	-	-	-	2,269
Exchange fluctuation		(60)	5,630	(245)	-	(39,942)	(9,009)	(1,448)	(45,074)
At 31 December		2,565	477,364	10,912	3,937	1,289,014	997,455	45,334	2,826,581
Net book value at 31 December 2024		240,769	804,178	21,703	181	691,638	196,246	8,047	1,962,762

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for the financial year ended 31 December 2024

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Group 2023	Note	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land 50 years or more RM'000	Buildings on leasehold land less than 50 years RM'000	Renovations, work-in-progress, office equipment, plant and machinery and furniture and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Total RM'000
Cost									
At 1 January		255,550	1,311,025	31,685	4,118	1,929,289	1,096,165	57,146	4,684,978
Additions		–	–	–	–	234,030	100,302	3,904	338,236
Disposals/Written off		–	(774)	–	–	(181,310)	(96,723)	(3,802)	(282,609)
Transfer/reclassifications		2,907	70,084	–	–	(81,956)	8,965	–	–
Reclassified from/(to) intangible assets	21	–	–	–	–	541	(697)	–	(156)
Reclassified to investment properties	19	(1,110)	(4,028)	–	–	–	–		(5,138)
Impairment		–	–	–	–	(2,866)	(198)	–	(3,064)
Exchange fluctuation		11,124	32,529	1,574	–	65,802	12,717	1,395	125,141
At 31 December		268,471	1,408,836	33,259	4,118	1,963,530	1,120,531	58,643	4,857,388
Accumulated depreciation and impairment loss									
At 1 January		4,799	493,077	10,839	3,848	1,179,156	889,512	47,866	2,629,097
Charge for the financial year		–	44,037	929	72	152,811	109,870	3,298	311,017
Other reclassifications		–	–	(202)	(23)	–	–	–	(225)
Disposals/Written off		–	(773)	–	–	(100,221)	(95,962)	(3,793)	(200,749)
Reversal of impairment		(2,424)	(187)	–	–	(2,632)	(182)	–	(5,425)
Reclassified to investment properties	19	–	(2,380)	–	–	–	–	–	(2,380)
Exchange fluctuation		250	22,533	543	–	36,081	10,377	974	70,758
At 31 December		2,625	556,307	12,109	3,897	1,265,195	913,615	48,345	2,802,093
Net book value at 31 December 2023		265,846	852,529	21,150	221	698,335	206,916	10,298	2,055,295

Work-in-progress amounting to RM316,577,000 (2023: RM277,553,079) for the Group.

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for the financial year ended 31 December 2024

17 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The Company	Buildings on leasehold land 50 years or more RM'000	Renovations, work-in-progress, office equipment and furniture and fittings RM'000	Computer equipment and hardware RM'000	Motor vehicles RM'000	Total RM'000
2024					
Cost					
At 1 January	**450**	**671**	**6**	**2,216**	**3,343**
Disposals/written off	**–**	**(304)**	**–**	**–**	**(304)**
At 31 December	**450**	**367**	**6**	**2,216**	**3,039**
Accumulated depreciation					
At 1 January	**450**	**540**	**6**	**2,216**	**3,212**
Disposals/written off	**–**	**(173)**	**–**	**–**	**(173)**
At 31 December	**450**	**367**	**6**	**2,216**	**3,039**
Net book value at 31 December 2024	**–**	**–**	**–**	**–**	**–**
2023					
Cost					
At 1 January/31 December	450	671	6	2,216	3,343
Accumulated depreciation					
At 1 January	448	577	6	2,046	3,077
Charge for the financial year	–	9	–	127	136
Written off	2	(46)		43	(1)
At 31 December	450	540	6	2,216	3,212
Net book value at 31 December 2023	–	131	–	–	131

18 RIGHT-OF-USE ASSETS

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

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Buildings	**439,309**	477,794	**–**	–
Leasehold land	**40,799**	50,138	**430**	430
Computer equipment	**109,987**	130,241	**–**	–
Motor vehicles	**386**	389	**–**	–
	590,481	658,562	**430**	430

Additions to the right-of-use assets and depreciation charge during the financial year for the Group and the Company are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Additions	**303,870**	227,969	**–**	–
Charge for the financial year:				
Buildings	**183,470**	167,841	**–**	–
Leasehold land	**9,114**	9,298	**–**	–
Computer equipment	**48,757**	31,149	**–**	–
Motor vehicles	**488**	560	**–**	–
	241,829	208,848	**–**	–

Short-term leases expenses, low-value leases expenses and variable lease payments expenses that are not included in lease liabilities for the Group and the Company are as follows:

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term lease expenses	**69,813**	91,352	**–**	–
Low-value lease expenses	**5,904**	6,034	**–**	–
Variable lease payment expenses	**42,692**	48,726	**–**	–

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for the financial year ended 31 December 2024

19 INVESTMENT PROPERTIES

	Note	Freehold land RM'000	Buildings on freehold land RM'000	Total RM'000
The Group				
2024				
At 1 January		**1,110**	**1,648**	**2,758**
Fair value adjustments		**5,506**	**284**	**5,790**
Exchange fluctuation		**(25)**	**(38)**	**(63)**
Fair value at 31 December		**6,591**	**1,894**	**8,485**

	Leasehold land RM'000	Buildings on leasehold land RM'000	Total RM'000
The Group			
2023			
At 1 January	–	–	–
Reclassified from property, plant and equipment	1,110	1,648	2,758
Fair value at 31 December	1,110	1,648	2,758

19 INVESTMENT PROPERTIES (CONTINUED)

	Freehold land RM'000	Buildings on freehold land RM'000	Total RM'000
The Company			
2024			
Cost			
At 1 January/31 December	**235**	**561**	**796**
Accumulated depreciation			
At 1 January	**–**	**487**	**487**
Charge for the financial year	**–**	**18**	**18**
At 31 December	**–**	**505**	**505**
Net book value at 31 December 2024	**235**	**56**	**291**
Fair value at 31 December 2024			**2,400**
2023			
Cost			
At 1 January/31 December	235	561	796
Accumulated depreciation			
At 1 January	–	469	469
Charge for the financial year	–	18	18
At 31 December	–	487	487
Net book value at 31 December 2023	235	74	309
Fair value at 31 December 2023			2,400

The investment properties are valued annually at fair value based on market values determined by independent qualified valuers. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size.

The fair value for investment properties was revalued as a whole, without separate valuation for buildings and land.

Notes to the Financial Statements

for the financial year ended 31 December 2024

20 GOODWILL

	Note	The Group 2024 RM'000	2023 RM'000
Cost			
At 1 January		**7,691,145**	7,597,637
Goodwill arising from business combinations:			
– Arising from the acquisition of CIMB Securities Sdn Bhd	57	**41,538**	–
Exchange fluctuation		**(146,660)**	93,508
At 31 December		**7,586,023**	7,691,145
Impairment			
At 1 January/31 December		**(1,215,197)**	(1,215,197)
Net book value at 31 December		**6,370,826**	6,475,948

ALLOCATION OF GOODWILL TO CASH-GENERATING-UNITS

Goodwill has been allocated to the following cash-generating-units ("CGUs"). These CGUs do not carry any intangible assets with indefinite useful lives:

	2024 RM'000	2023 RM'000
CGU		
Consumer Banking		
Retail Finance Services	**1,262,272**	1,262,272
Islamic Banking	**136,000**	136,000
Group Cards	**425,803**	425,803
Commercial Banking	**911,000**	911,000
Wholesale Banking		
Corporate Banking*	**460,538**	419,000
Treasury	**537,000**	537,000
Foreign Banking Operations		
Indonesia	**2,578,349**	2,578,349
Thailand	**198,339**	198,339
Others		
Touch'n Go	**51,082**	51,082
CIMB AI Lab	**6,311**	6,311
Exchange fluctuation	**(195,868)**	(49,208)
	6,370,826	6,475,948

* Comprises of two CGUs which are Corporate Banking and Group Wholesale Banking Equities amounting to RM419,000,000 and RM41,538,000 respectively as at 31 December 2024.

In respect to the foreign banking operation in Indonesia, goodwill is allocated to the following CGUs; Consumer Banking, Commercial Banking, Wholesale Banking and Group Funding of RM579,993,000, RM740,297,000, RM849,704,000 and RM408,355,000 respectively, as at 31 December 2023 and 31 December 2024.

In respect to the foreign banking operation in Thailand, goodwill is allocated to the following CGUs; Consumer Banking and Wholesale Banking of RM51,165,000 and RM147,174,000 respectively, as at 31 December 2023 and 31 December 2024.

20 GOODWILL (CONTINUED)

ALLOCATION OF GOODWILL TO CASH-GENERATING-UNITS (CONTINUED)

Impairment test for goodwill

Value-in-use

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

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

	2024		2023	
	Terminal Growth rate	Discount rate	Terminal Growth rate	Discount rate
Malaysia				
Retail Finance Services	**4.08%**	**9.66%**	4.16%	10.36%
Islamic Banking	**4.08%**	**9.66%**	4.16%	10.36%
Group Cards	**4.08%**	**9.66%**	4.16%	10.36%
Commercial Banking	**4.08%**	**9.66%**	4.16%	10.36%
Corporate Banking	**4.08%**	**9.66%**	4.16%	10.36%
Group Wholesale Banking Equities	**4.08%**	**9.18%**	NA	NA
Treasury	**4.08%**	**9.66%**	4.16%	10.36%
Foreign banking operations:				
Indonesia				
Wholesale Banking	**4.22%**	**14.22%**	4.27%	15.08%
Commercial Banking	**4.22%**	**14.22%**	4.27%	15.08%
Group Funding	**4.22%**	**14.22%**	4.27%	15.08%
Consumer Banking	**4.22%**	**14.22%**	4.27%	15.08%
Thailand				
Wholesale Banking	**1.79%**	**8.63%**	1.88%	9.33%
Consumer Banking	**1.79%**	**8.63%**	1.88%	9.33%
Others	**4.08%**	**9.66%**	4.16%	10.36%

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

Further sensitivity tests have been performed and the recoverable amount of Indonesia Wholesale Banking will only be equal to the carrying value under the assumptions when the terminal growth rate decreases to 2.12% or when the discount rate increases to 16.28% while all other assumptions remain constant.

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21 INTANGIBLE ASSETS

The Group	Note	Customer relationship RM'000	Core deposits RM'000	Computer software and work-in-progress RM'000	Total RM'000
2024					
Cost					
At 1 January		**210,915**	**1,348,558**	**6,189,895**	**7,749,368**
Additions during the financial year		**–**	**–**	**615,924**	**615,924**
Arising from acquisition of a subsidiary				**2,896**	**2,896**
Disposals/write off during the financial year		**–**	**–**	**(19,282)**	**(19,282)**
Net reclassification from property, plant and equipment	17	**–**	**–**	**(562)**	**(562)**
Impairment				**(130)**	**(130)**
Exchange fluctuation		**–**	**–**	**(143,503)**	**(143,503)**
At 31 December		**210,915**	**1,348,558**	**6,645,238**	**8,204,711**
Accumulated amortisation and impairment					
At 1 January		**210,915**	**1,348,558**	**4,274,928**	**5,834,401**
Amortisation during the financial year		**–**	**–**	**543,636**	**543,636**
Disposals/write off during the financial year				**(10,192)**	**(10,192)**
Net reclassification to property, plant and equipment	17	**–**	**–**	**181**	**181**
Exchange fluctuation		**–**	**–**	**(89,827)**	**(89,827)**
At 31 December		**210,915**	**1,348,558**	**4,718,726**	**6,278,199**
Net book value at 31 December 2024		**–**	**–**	**1,926,512**	**1,926,512**

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

21 INTANGIBLE ASSETS (CONTINUED)

The Group	Note	Customer relationship RM'000	Core deposits RM'000	Computer software and work-in-progress RM'000	Total RM'000
2023					
Cost					
At 1 January		210,915	1,348,558	5,685,062	7,244,535
Additions during the financial year		–	–	573,050	573,050
Disposals/write off during the financial year		–	–	(179,487)	(179,487)
Net reclassification from property, plant and equipment	17	–	–	156	156
Exchange fluctuation		–	–	111,114	111,114
At 31 December		210,915	1,348,558	6,189,895	7,749,368
Accumulated amortisation and impairment					
At 1 January		210,915	1,348,558	3,886,550	5,446,023
Amortisation during the financial year		–	–	486,784	486,784
Impairment during the financial year		–	–	(4,190)	(4,190)
Disposals/write off during the financial year		–	–	(171,542)	(171,542)
Exchange fluctuation		–	–	77,326	77,326
At 31 December		210,915	1,348,558	4,274,928	5,834,401
Net book value at 31 December 2023		–	–	1,914,967	1,914,967

The above intangible assets include software under construction at cost of RM759,672,736 (2023: RM689,997,385).

The valuation of customer relationship was determined through the sum of the discounted future excess earnings attributable to existing customers over the remaining life span of the customer relationships. Income from existing credit card, revolving credit, overdraft and trade finance loan base was projected, adjusted for expected attrition and taking into account applicable costs to determine future excess earnings. The discount rate used in the valuation of customer relationships was 9.9%-10.0%, which is arrived at using the weighted average cost of capital adjusted for the risk premium after taking into consideration the average market cost of equity.

The valuation of core deposits acquired in a business combination was derived by discounting the anticipated future benefits from core deposits. The discount rate used was 8.0%-8.4%, which was derived from the average of the weighted average cost of capital and the cost of equity, reflecting the lower risk premium for core deposit intangibles compared with equity returns.

The remaining amortisation period of the intangible assets with finite life is as follows:

Computer software	1 month – 15 years

Notes to the Financial Statements

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22 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	The Group	
	2024 RM'000	**2023 RM'000**
Demand deposits	**126,597,836**	121,302,721
Savings deposits	**91,648,119**	81,773,812
Fixed deposits	**175,259,150**	174,767,273
Negotiable instruments of deposit	**1,027,496**	532,709
Short term money market deposit	**76,130,571**	84,284,007
Others	**1,287,694**	781,570
	471,950,866	463,442,092

The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

	The Group	
	2024 RM'000	**2023 RM'000**
Due within six months	**152,325,352**	140,539,430
Six months to less than one year	**22,474,595**	31,737,137
One year to less than three years	**1,463,574**	2,121,813
Three years to less than five years	**23,125**	901,602
	176,286,646	175,299,982

(ii) By type of customer

	The Group	
	2024 RM'000	**2023 RM'000**
Government and statutory bodies	**14,335,545**	14,681,556
Business enterprises	**174,238,635**	167,361,930
Individuals	**208,150,403**	209,954,057
Others	**75,226,283**	71,444,549
	471,950,866	463,442,092

23 INVESTMENT ACCOUNTS OF CUSTOMERS

		The Group	
	Note	2024 RM'000	2023 RM'000
Unrestricted investment accounts	59(p)	**24,443,310**	18,984,125

24 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	2024 RM'000	2023 RM'000
Licensed banks	**29,539,346**	29,794,511
Licensed finance companies	**4,912,434**	2,399,926
Licensed investment banks	**317,383**	561,288
Bank Negara Malaysia ("BNM")	**1,314,775**	1,338,864
Other financial institutions	**9,360,643**	6,188,630
	45,444,581	40,283,219

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

	The Group	
	2024 RM'000	2023 RM'000
Due within six months	**42,837,671**	36,870,021
Six months to less than one year	**1,184,507**	1,184,435
One year to less than three years	**772,719**	1,491,837
Three years to five years	**203,133**	41,915
More than five years	**446,551**	695,011
	45,444,581	40,283,219

Included in deposits and placements by BNM are amounts received by the Group under government financing scheme as part of the government support measures in response to COVID-19 pandemic for the purpose of SME lending/financing at below market rate with a maturity period ranging between 1.5 to 4.7 years (2023: 2.5 to 5.7 years).

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25 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	2024 RM'000	**2023 RM'000**
Designated at fair value through profit or loss: (Note a)		
Deposits from customers – structured investments	**10,881,455**	9,737,938
Debentures	**73,492**	748,117
Bills payable	**1,341,683**	1,943,183
	12,296,630	12,429,238
Held for trading:		
Bonds	**435,273**	–
	12,731,903	12,429,238

(a) The Group has issued structured investments, bills payable and debentures, and has designated them at fair value in accordance with MFRS 9. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch and this is managed by the Group 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 through profit or loss of the Group as at 31 December 2024 were RM581,401,000 (2023: RM423,812,000) lower than the contractual amount at maturity for the structured investments, RM6,801,000 (2023: RM1,478,000) higher than the contractual amount at maturity for the debentures and RM106,786,000 (2023: RM207,511,000) higher than the contractual amount at maturity for the bills payable.

26 OTHER LIABILITIES

		The Group		The Company	
	Note	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Due to brokers		**142,273**	20,358	**–**	–
Expenditure payable		**3,304,745**	3,331,214	**4,822**	3,065
Provision for legal claims		**50,601**	50,251	**–**	–
Sundry creditors		**1,741,477**	1,711,448	**127**	70
Treasury related payables		**3,477,612**	1,420,602	**–**	–
Settlement accounts		**1,075,863**	1,054,718	**–**	–
Structured deposits		**5,476,690**	6,027,035	**–**	–
Expected credit losses for loan commitments and financial guarantee contracts	(a)	**407,128**	668,452	**–**	–
Post employment benefit obligations	29	**443,960**	469,861	**–**	–
Credit card expenditure payable		**189,523**	310,387	**–**	–
Collateral pledged for derivative transactions		**3,690,460**	4,058,960	**–**	–
Prepayment		**549,376**	543,252	**–**	–
Others*		**2,464,575**	3,012,584	**–**	–
		23,014,283	22,679,122	**4,949**	3,135

* *Included in Others is deferred income of a subsidiary's preferred partnership with insurance company amounting to RM1,163 million (2023: RM1,373 million), and financial liabilities due to third party investors amounting to RM141 million (2023: RM Nil).*

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26 OTHER LIABILITIES (CONTINUED)

(a) The movements in the expected credit losses for 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 2024	**415,265**	**73,124**	**180,063**	**668,452**
Changes in expected credit losses due to transfer within stages:	**86,462**	**(85,192)**	**(1,270)**	**–**
Transferred to Stage 1	**115,729**	**(113,990)**	**(1,739)**	**–**
Transferred to Stage 2	**(29,081)**	**63,687**	**(34,606)**	**–**
Transferred to Stage 3	**(186)**	**(34,889)**	**35,075**	**–**
Total charge to Statement of Income:	**(278,179)**	**101,288**	**(66,984)**	**(243,875)**
New exposures	**200,879**	**8,386**	**410**	**209,675**
Exposures derecognised or matured	**(194,509)**	**(25,355)**	**(34,508)**	**(254,372)**
Change in credit risk	**(284,549)**	**118,257**	**(32,886)**	**(199,178)**
Exchange fluctuation	**(8,771)**	**(1,527)**	**(3,369)**	**(13,667)**
Other movements	**578**	**(466)**	**(3,894)**	**(3,782)**
At 31 December 2024	**215,355**	**87,227**	**104,546**	**407,128**
At 1 January 2023	367,055	138,749	310,561	816,365
Changes in expected credit losses due to transfer within stages:	126,832	(114,282)	(12,550)	–
Transferred to Stage 1	156,111	(146,116)	(9,995)	–
Transferred to Stage 2	(28,954)	69,801	(40,847)	–
Transferred to Stage 3	(325)	(37,967)	38,292	–
Total charge to Statement of Income:	(92,582)	46,253	(128,592)	(174,921)
New exposures	198,645	4,967	18	203,630
Exposures derecognised or matured	(175,411)	(16,487)	(82,955)	(274,853)
Change in credit risk	(115,816)	57,773	(45,655)	(103,698)
Exchange fluctuation	14,741	1,275	4,357	20,373
Other movements	(781)	1,129	6,287	6,635
At 31 December 2023	415,265	73,124	180,063	668,452

As at 31 December 2024, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM283,334,000 (2023: RM327,470,000).

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27 LEASE LIABILITIES

	The Group	
	2024 RM'000	**2023 RM'000**
Buildings	**408,206**	404,026
Computer equipment	**112,407**	143,346
Motor vehicles	**391**	1,249
	521,004	548,621

28 RECOURSE OBLIGATION ON LOANS AND FINANCING SOLD TO CAGAMAS

This represents the proceeds received from housing loans and Islamic house financing sold directly to Cagamas Berhad with recourse to the Group. Under these agreements, the Group undertakes to administer the loans and financing on behalf of Cagamas Berhad and to buy-back any loans and financing which are regarded as defective based on prudential criteria set by Cagamas Berhad. These financial liabilities are stated at amortised cost.

29 POST EMPLOYMENT BENEFIT OBLIGATIONS

		The Group	
	Note	**2024 RM'000**	**2023 RM'000**
Defined contribution plan – EPF	(a)	**57,067**	53,811
Defined benefit plans	(b)	**386,893**	416,050
		443,960	469,861

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plans

The Group operates final salary defined benefit plans for its employees in Indonesia and Thailand under Labor Law of respectively countries, the assets of which are held in separate trustee-administered funds that are governed by local authorities and practice in each country. The plan calls for benefits to be paid to eligible employee at retirement or when the employees resign. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The majority of benefits payments are from trustee-administrated funds; however, there are also a number of unfunded plans where the company meets the benefit payment obligation as it falls due.

The latest actuarial valuations of the plans in Indonesia and Thailand were carried out in 2024.

29 POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans (Continued)

The amount recognised in the statements of financial position in respect of defined benefit plans is as follows:

	The Group	
	2024 RM'000	**2023 RM'000**
Present value of funded obligations	**355,695**	380,472
Fair value of plan assets	**(147,238)**	(174,224)
Status of funded plan	**208,457**	206,248
Present value of unfunded obligations	**178,436**	209,802
Status of defined benefit pension plans	**386,893**	416,050
Liability in statement of financial position	**386,893**	416,050

The movements in the defined benefit obligation over the financial year are as follows:

The Group	**Present value of obligations RM'000**	**Fair value of plan assets RM'000**	**Total RM'000**	**Impact of minimum funding requirement/ asset ceiling RM'000**	**Total RM'000**
At 1 January 2024	**590,274**	**(174,224)**	**416,050**	**–**	**416,050**
Current service costs	**43,297**	**–**	**43,297**	**–**	**43,297**
Over provision in prior year	**(14,990)**	**–**	**(14,990)**	**–**	**(14,990)**
Interest expense/(income)	**29,951**	**(11,408)**	**18,543**	**–**	**18,543**
Others	**1**	**–**	**1**	**–**	**1**
Components of defined benefits costs recognised in statement of income (Note 41)	**58,259**	**(11,408)**	**46,851**	**–**	**46,851**
Remeasurement:					
– Return on plan assets, excluding amounts included in interest expense	**–**	**9,479**	**9,479**	**–**	**9,479**
– Gain from changes in demographic assumptions	**(4,453)**	**–**	**(4,453)**	**–**	**(4,453)**
– Loss from changes in financial assumptions	**(15,844)**	**–**	**(15,844)**	**–**	**(15,844)**
– Experience gains	**(5,673)**	**–**	**(5,673)**	**–**	**(5,673)**
Components of defined benefits costs recognised in statement of comprehensive expense	**(25,970)**	**9,479**	**(16,491)**	**–**	**(16,491)**
Exchange fluctuation	**(31,178)**	**11,413**	**(19,765)**	**–**	**(19,765)**
Contributions:					
– Employer contributions	**–**	**(776)**	**(776)**	**–**	**(776)**
– Plan participant	**–**	**(18,941)**	**(18,941)**	**–**	**(18,941)**
Payments from plans – benefits paid	**(57,254)**	**37,219**	**(20,035)**	**–**	**(20,035)**
At 31 December 2024	**534,131**	**(147,238)**	**386,893**	**–**	**386,893**

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29 POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans (Continued)

The movements in the defined benefit obligation over the financial year are as follows (Continued):

The Group	Present value of obligations RM'000	Fair value of plan assets RM'000	Total RM'000	Impact of minimum funding requirement/ asset ceiling RM'000	Total RM'000
At 1 January 2023	535,761	(163,591)	372,170	–	372,170
Current service costs	42,228	–	42,228	–	42,228
Over provision in prior year	(429)	–	(429)	–	(429)
Interest expense/(income)	32,363	(12,492)	19,871	–	19,871
Others	122	–	122	–	122
Components of defined benefits costs recognised in statement of income (Note 41)	74,284	(12,492)	61,792	–	61,792
Remeasurement:					
– Return on plan assets, excluding amounts included in interest expense	–	6,612	6,612	–	6,612
– Gain from changes in demographic assumptions	(408)	–	(408)	–	(408)
– Loss from changes in financial assumptions	14,641	–	14,641	–	14,641
– Experience gains	(6,611)	–	(6,611)	–	(6,611)
Components of defined benefits costs recognised in statement of comprehensive income	7,622	6,612	14,234	–	14,234
Exchange fluctuation	29,572	(9,316)	20,256	–	20,256
Contributions:					
– Employer contributions	–	(980)	(980)	–	(980)
– Plan participant	–	(26,002)	(26,002)	–	(26,002)
Payments from plans – benefits paid	(56,965)	31,545	(25,420)	–	(25,420)
At 31 December 2023	590,274	(174,224)	416,050	–	416,050

To develop the expected long-term rate of return on assets assumption, the Group considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The significant principal actuarial assumptions used in respect of the Group's defined benefit plans are as follows:

The Group	2024 Thailand %	2024 Indonesia %	2023 Thailand %	2023 Indonesia %
Discount rates	**2.50**	**7.10**	3.10	6.70
Expected return on plan assets	**N/A**	**7.10**	N/A	6.70
Future salary increases				
– eligible employees	**2.00**	**6.00**	N/A	6.00
– Others	**4.00**	**N/A**	5.00	N/A
Rate of price inflation – other fixed allowance	**2.00**	**N/A**	2.00	N/A

29 POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans (Continued)

The sensitivity of defined benefit obligation to changes in the weighted principal assumption is:

		Impact on defined benefit obligation	
2024	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rates	**0.5% – 1%**	**Decreased by 11.2%**	**Increased by 7.2%**
Expected return on plan assets	**1.0%**	**Decreased by 0.4%**	**Increased by 0.4%**
Future salary increases	**1.0%**	**Increased by 9.4%**	**Decreased by 13.2%**

		Impact on defined benefit obligation	
2023	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rates	0.5% – 1%	Decreased by 12.7%	Increased by 6.2%
Expected return on plan assets	1.0%	Decreased by 0.4%	Increased by 0.4%
Future salary increases	1.0%	Increased by 8.2%	Decreased by 14.6%

Projected unit credit method is used in calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The Group's plan assets are comprised as follows:

	The Group					
	2024			2023		
	Quoted RM'000	Unquoted RM'000	Total RM'000	Quoted RM'000	Unquoted RM'000	Total RM'000
Equity instruments (by geography)						
Indonesia	**28,773**	**45,802**	**74,575**	33,404	49,149	82,553
Debt instruments (by type)						
Government bonds	**46,723**	**–**	**46,723**	55,803	–	55,803
Corporate bonds (investment grade)	**8,135**	**–**	**8,135**	7,433	–	7,433
Cash and cash equivalent	**–**	**9,763**	**9,763**	–	15,122	15,122
Mutual funds	**1,421**	**–**	**1,421**	3,603	–	3,603
Others	**–**	**6,621**	**6,621**	–	9,710	9,710
	85,052	**62,186**	**147,238**	100,243	73,981	174,224

The expected contribution to post employment benefits plan for the financial year ending 31 December 2025 is RM49,642,000 to the Group.

The weighted average duration of the defined benefit obligation is 9.9 years (2023: 10.0 years).

Expected maturity analysis of undiscounted defined benefits plans:

	Less than a year RM'000	Between 1-2 years RM'000	Between 2-5 years RM'000	Over 5 years RM'000	Total RM'000
2024					
Defined benefits plan	**55,565**	**34,157**	**175,332**	**1,356,868**	**1,621,922**
2023					
Defined benefits plan	45,640	28,700	194,459	1,441,096	1,709,895

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30 BONDS, SUKUK AND DEBENTURES

	Note	The Group 2024 RM'000	2023 RM'000
Merdeka Kapital (2017/2024)	(a)	–	384,165
RM1.2 billion notes (2017/2024)	(b)	–	1,206,352
RM800 million notes (2017/2027)	(b)	**804,532**	804,327
THB Structured debentures	(c)	**214,111**	168,135
THB Short term debentures	(c)	**135,301**	378,284
USD88 million notes (2019/2024)	(d)	–	404,770
USD30 million notes (2019/2024)	(e)	–	139,557
HKD200 million notes (2019/2024)	(f)	–	107,508
USD20 million notes (2019/2024)	(g)	–	92,546
USD680 million notes (2019/2024)	(h)	–	3,166,913
IDR2,000,000 million Sukuk (Series A: 2019/2020; Series B: 2019/2022, Series C:2019/2024)	(i)	–	128,940
IDR1,823,000 million bonds (Series A: 2019/2020; Series B: 2019/2022, Series C:2019/2024)	(j)	–	143,558
IDR1,000,000 million bonds (Series A: 2020/2021; Series B: 2020/2023; Series C: 2020/2025)	(k)	**108,550**	116,489
USD20 million notes (2021/2026)	(l)	**89,778**	92,049
HKD610 million notes (2021/2024)	(m)	–	324,629
USD20 million notes (2021/2026)	(n)	**90,066**	92,345
HKD640 million notes (2021/2026)	(o)	**349,678**	349,715
HKD128 million notes (2021/2026)	(p)	**70,081**	70,127
USD500 million notes (2022/2027)	(q)	**2,255,795**	2,311,352
IDR1,000,000 million bonds (Series A: 2023/2024; Series B: 2023/2026)	(r)	**83,998**	299,932
RM14 million MTN (2023/2024)	(s)	–	13,748
RM19 million MTN (2023/2024)	(t)	–	18,642
USD130 million notes (2023/2028)	(u)	**587,820**	603,194
RM17 million MTN (2023/2024)	(v)	–	16,627
USD30 million notes (2023/2024)	(w)	–	137,781
USD100 million notes (2023/2026)	(x)	**470,647**	470,696
RM100 million Senior Sukuk (2023/2026)	(y)	**100,357**	100,346
RM600 million Senior Sukuk (2023/2028)	(z)	**602,180**	602,115
RM300 million Senior Sukuk (2023/2030)	(aa)	**301,169**	301,134
USD50 million floating rate notes (2024/2029)	(ab)	**225,063**	–
USD120 million floating rate notes (2024/2029)	(ac)	**539,986**	–
RM250 million fixed rate Senior Sukuk (2024/2027)	(ad)	**252,466**	–
RM300 million fixed rate Senior Sukuk (2024/2029)	(ae)	**303,045**	–
RM1,450 million fixed rate Senior Sukuk (2024/2031)	(af)	**1,465,369**	–
RM1,500 million fixed rate Senior Sukuk (2024/2034)	(ag)	**1,516,293**	–
USD10 million floating rate Notes (2024/2029)	(ah)	**45,353**	–
USD37 million floating rate notes (2024/2029)	(ai)	**167,270**	–
IDR1,000,000 million Sukuk Wakalah Bi Al-Istitsmar (Series A: 2024/2025; Series B: 2024/2027)	(aj)	**280,676**	–
RM125 million fixed rate Senior Sukuk (2024/2029)	(ak)	**127,043**	–
RM700 million fixed rate Senior Sukuk (2024/2032)	(al)	**711,891**	–
RM2,175 million fixed rate Senior Sukuk (2024/2035)	(am)	**2,212,592**	–
USD40 million floating rate notes (2024/2029)	(an)	**180,791**	–
USD30 million floating rate notes (2024/2029)	(ao)	**135,252**	–
RM120 million floating rate senior sukuk (2024/2027)	(ap)	**120,430**	–
		14,547,583	13,045,976
Fair value changes arising from fair value hedges		**(135,386)**	(124,934)
		14,412,197	12,921,042

30 BONDS, SUKUK AND DEBENTURES (CONTINUED)

(a) Merdeka Kapital

On 31 March 2017, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by CIMB Bank, issued RM880 million Medium Term Note (the "MTN") which bears a coupon rate of 3.92% per annum payable on monthly basis.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the MTN using interest rate swaps.

On 28 March 2024, MKB undertook a final redemption amounting to RM384 million.

(b) RM1.2 billion notes and RM800 million notes

On 18 May 2017, CIMB Bank issued RM1.2 billion 7-year medium term notes (the "MTN") and RM800.0 million 10-year MTN under its senior medium term notes programme of RM20.0 billion in nominal value. The MTNs will mature on 17 May 2024 and 18 May 2027 respectively and bear coupon rates of 4.60% per annum and 4.70% per annum respectively, payable semi-annually.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the MTN using interest rate swaps.

On 17 May 2024, CIMB Bank redeemed its RM1.2 billion 7-year senior MTN.

(c) Structured debentures and short term debentures

i. In 2024, CIMB Thai issued various unsecured structured debentures amounting to THB1.5 billion with tenures ranging between 1 month to 5 years from the respective issuance dates. It bears variable interest rates, payable at respective maturity dates.

During the financial year, CIMB Thai Bank has redeemed unsecured short term debentures amounting to THB1.2 billion.

ii. On 16 July 2024, CIMB Thai Bank issued THB100 million unsecured short term debentures. The unsecured short term debentures, which bears a coupon rate of 2.45%, had matured on 15 August 2024.

On 8 October 2024, CIMB Thai Bank issued JPY4.8 billion unsecured short term debentures. The unsecured short term debentures, which bears zero coupon rate, will mature on 8 January 2025.

During the financial year, CIMB Thai Bank has redeemed unsecured short term debentures amounting to THB3.0 billion.

(d) USD88 million notes

On 19 March 2019, CIMB Bank issued USD88 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes bears a coupon rate of compounded daily Secured Overnight Financing Rate (“SOFR”) + 0.85% per annum + the Adjustment Rate of 0.26161% with effect from 19 June 2023, payable quarterly.

On 19 March 2024, CIMB Bank redeemed its USD88 million 5-year floating rate notes issued under its USD5.0 billion Euro Medium Term Note Programme.

(e) USD30 million notes

On 15 April 2019, CIMB Bank, acting through its Labuan Offshore Branch, issued USD30 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014, which bears a coupon rate of compounded daily SOFR + 0.80% per annum + the Adjustment Rate of 0.26161% with effect from 17 April 2023, payable quarterly.

On 15 April 2024, CIMB Bank redeemed its USD30 million 5-year floating rate notes.

(f) HKD200 million notes

On 12 July 2019, CIMB Bank issued HKD200 million of a 5-year fixed rate notes (“the Notes”) under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes bears a coupon rate of 2.35% per annum payable annually in arrears. CIMB Bank has undertaken fair value hedge and cash flow hedge on the interest rate risk and currency risk of the Notes using cross currency interest rate swaps.

On 12 July 2024, CIMB Bank redeemed its HKD200 million 5-year fixed rate notes.

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30 BONDS, SUKUK AND DEBENTURES (CONTINUED)

(g) USD20 million notes

On 8 August 2019, CIMB Bank issued USD20 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes bears a coupon rate of compounded daily SOFR + 0.73% per annum + the Adjustment Rate of 0.26161% with effect from 8 May 2023, payable quarterly.

On 8 August 2024, CIMB Bank redeemed its USD20 million 5-year floating rate notes.

(h) USD680 million notes

On 9 October 2019, CIMB Bank issued USD680 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 3 months USD Term SOFR + 0.26161% (3 months credit adjustment spread) + 0.78%, payable quarterly, will mature on the interest payment date falling in or nearest to 9 October 2024.

On 9 October 2024, CIMB Bank redeemed its existing USD680 million 5-year floating rate notes.

(i) IDR2,000,000 million Sukuk

On 21 August 2019, CIMB Niaga issued IDR2,000,000 million Sukuk. The Sukuk is divided into 3 series. Nominal value of 1-year Series A Sukuk, 3-year Series B Sukuk, and 5-year Series C Sukuk amounting to IDR635,000 million, IDR936,000 million, and IDR429,000 million respectively, with fixed interest rate of 7.10%, 7.90% and 8.25% per annum respectively.

On 31 August 2020, CIMB Niaga redeemed its Series A Sukuk amounting to IDR635,000 million.

On 21 August 2022, CIMB Niaga redeemed its Series B Sukuk amounting to IDR936,000 million.

On 21 August 2024, CIMB Niaga redeemed its Series C Sukuk amounting to IDR429,000 million.

(j) IDR1,823,000 million bonds

On 19 December 2019, CIMB Niaga issued IDR1,823,000 million bonds. The bonds are divided into 3 series. Nominal value of 1-year Series A Bond, 3-year Series B Bond, and 5-year Series C Bond amounting to IDR276,000 million, IDR1,066,000 million, and IDR481,000 million respectively, with fixed interest rate of 6.50%, 7.55% and 7.80% per annum respectively.

On 29 December 2020, CIMB Niaga redeemed its Series A Sukuk amounting to IDR276,000 million.

On 19 December 2022, CIMB Niaga redeemed its Series B Sukuk amounting to IDR1,066,000 million.

On 19 December 2024, CIMB Niaga redeemed its Series C Sukuk amounting to IDR481,000 million.

(k) IDR1,000,000 million bonds

On 27 March 2020, CIMB Niaga issued IDR1,000,000 million bonds. The bonds are divided into 3 series. Nominal value of 1-year Series A Bond, 3-year Series B Bond, and 5-year Series C Bond amounting to IDR322,000 million, IDR287,000 million, and IDR391,000 million respectively, with fixed interest rate of 5.80%, 7.00% and 7.25% per annum respectively.

On 7 April 2021, CIMB Niaga redeemed its 1-year Series A Bond amounting to IDR322,000 million.

On 27 March 2023, CIMB Niaga redeemed its 3-year Series B Bond amounting to IDR287,000 million.

(l) USD20 million notes

On 27 April 2021, CIMB Bank issued USD20 million 5-year fixed rate notes under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.60% per annum payable semi-annually, will mature on 27 April 2026 (subject to adjustment in accordance with the modified following business day convention).

CIMB Bank has undertaken fair value hedge on the interest rate risk of the Notes using interest rate swaps.

30 BONDS, SUKUK AND DEBENTURES (CONTINUED)

(m) HKD610 million notes

On 5 May 2021, CIMB Bank issued HKD610 million 3-year fixed rate notes ("the Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes bears a coupon rate of 0.88% per annum payable annually. CIMB Bank has undertaken fair value hedge and cash flow hedge on the interest rate risk and currency risk of the Notes using cross currency interest rate swaps.

On 5 May 2024, CIMB Bank redeemed its HKD610 million 3-year fixed rate notes.

(n) USD20 million notes

On 21 July 2021, CIMB Bank issued USD20.0 million 5-year fixed rate notes ("the Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.35% per annum payable semi-annually, will mature on 21 July 2026 (subject to adjustment in accordance with the modified following business day convention).

(o) HKD640 million notes

On 27 July 2021, CIMB Bank issued HKD640 million fixed rate notes ("the Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014. The Notes, which bear a coupon rate of 1.12% per annum payable annually, will mature on 17 July 2026 (subject to adjustment in accordance with the modified following business day convention).

CIMB Bank has undertaken fair value hedge and cash flow hedge on the interest rate risk and currency risk of the Notes using cross currency interest rate swaps.

(p) HKD128 million notes

On 4 August 2021, CIMB Bank issued HKD128 million fixed rate notes ("the Notes") under its USD5.0 billion Euro Medium Term Note Programme established on 15 August 2014 and the Notes were consolidated to form a single series with the existing HKD640.0 million 1.12% fixed rate notes issued on 27 July 2021. The Notes, which bear a coupon rate of 1.12% per annum payable annually, will mature on 17 July 2026 (subject to adjustment in accordance with the modified following business day convention).

CIMB Bank has undertaken fair value hedge and cash flow hedge on the interest rate risk and currency risk of the Notes using cross currency interest rate swaps.

(q) USD500 million notes

On 20 January 2022, CIMB 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.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the Notes using interest rate swaps.

(r) IDR1,000,000 million bonds

On 8 February 2023, CIMB Niaga Auto Finance issued unsecured IDR1,000,000 million bonds. The bonds are divided into 370 days Series A Bond and 3 years Series B Bond amounting to IDR700,000 million and IDR300,000 million, with fixed interest rate of 6.25% and 7.15% per annum respectively. On 18 February 2024, CIMB Niaga Auto Finance redeemed its 370 days Series A Bond amounting to IDR700,000 million.

(s) RM14 million MTN

On 5 July 2023, CIMB Bank Berhad issued RM14 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. On 10 July 2024, CIMB Bank redeemed its RM14 million senior MTN.

(t) RM19 million MTN

On 17 July 2023, CIMB Bank Berhad issued RM19 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme. On 18 July 2024, CIMB Bank redeemed its RM19 million of senior MTN.

30 BONDS, SUKUK AND DEBENTURES (CONTINUED)

(u) USD130 million notes

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

CIMB Bank has undertaken cash flow hedge on the currency risk and interest rate risk of the Notes using cross currency interest rate swaps.

(v) RM17 million MTN

On 15 August 2023, CIMB Bank Berhad issued RM17 million of senior medium term notes ("the MTN") under its RM20.0 billion Senior Medium Term Note Programme.

On 19 August 2024, CIMB Bank redeemed its RM17 million senior MTN.

(w) USD30 million notes

On 26 September 2023, CIMB Bank Berhad issued USD30 million 1-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes bears a coupon rate of compounded daily SOFR plus 0.50% per annum payable quarterly.

CIMB Bank has undertaken cash flow hedge on the currency risk and interest rate risk of the Notes using cross currency interest rate swaps.

On 26 September 2024, CIMB Bank redeemed its existing USD30.0 million 1-year floating rate notes.

(x) USD100 million notes

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

CIMB Bank has undertaken fair value hedge on the currency risk and interest rate risk of the Notes using cross currency interest rate swaps.

(y) RM100 million Senior Sukuk

On 30 November 2023, CIMB Islamic Bank issued RM100 million senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.95% per annum payable semi-annually, will mature on 30 November 2026.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(z) RM600 million Senior Sukuk

On 30 November 2023, CIMB Islamic Bank issued RM600 million senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.02% per annum payable semi-annually, will mature on 30 November 2028.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(aa) RM300 million Senior Sukuk

On 30 November 2023, CIMB Islamic Bank issued RM300 million senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.31% per annum payable semi-annually, will mature on 29 November 2030.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(ab) USD50 million floating rate notes

On 23 February 2024, CIMB Bank issued USD50 million 5-year floating rate notes ("the Notes") under its USD5 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.95% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 23 February 2029.

30 BONDS, SUKUK AND DEBENTURES (CONTINUED)

(ac) USD120 million floating rate notes

On 27 February 2024, CIMB Bank issued USD120 million 5-year floating rate notes ("the Notes") under its USD5 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.95% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 27 February 2029.

(ad) RM250 million fixed rate Senior Sukuk

On 27 March 2024, CIMB Islamic issued RM250 million 3-year fixed rate senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.75% per annum payable semi-annually, will mature on 26 March 2027.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(ae) RM300 million fixed rate Senior Sukuk

On 27 March 2024, CIMB Islamic issued RM300 million 5-year fixed rate senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.86% per annum payable semi-annually, will mature on 27 March 2029.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(af) RM1,450 million fixed rate Senior Sukuk

On 27 March 2024, CIMB Islamic Bank issued RM1,450 million 7-year fixed rate senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.03% per annum payable semi-annually, will mature on 27 March 2031.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(ag) RM1,500 million fixed rate Senior Sukuk

On 27 March 2024, CIMB Islamic Bank issued RM1,500 million 10-year fixed rate senior sukuk under its RM10 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.13% per annum payable semi-annually, will mature on 27 March 2034.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(ah) USD10 million Floating Rate Notes

On 8 April 2024, CIMB Bank issued USD10 million 5-year floating rate notes ("the Notes") under its USD5 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.90% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 8 April 2029.

(ai) USD37 million Floating Rate Notes

On 26 April 2024, CIMB Bank issued USD37 million 5-year floating rate notes ("the Notes") under its USD5 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.89% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 26 April 2029.

(aj) IDR1,000,000 million Sukuk Wakalah Bi Al-Istitsmar

On 9 July 2024, CIMB Niaga Auto Finance issued IDR1,000,000 million Sukuk Wakalah Bi Al-Istitsmar. The Sukuk is divided into 2 series. Nominal value of 1-year Series A Sukuk and 3-year Series B Sukuk amounting to IDR710,000 million and IDR290,000 million, with fixed interest rate of 6.80% and 7.10% per annum respectively.

(ak) RM125 million Senior Sukuk

On 30 July 2024, CIMB Islamic issued RM125 million 5-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.85% per annum payable semi-annually, will mature on 30 July 2029.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

Notes to the Financial Statements

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30 BONDS, SUKUK AND DEBENTURES (CONTINUED)

(al) RM700 million Senior Sukuk

On 30 July 2024, CIMB Islamic issued RM700 million 8-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.00% per annum payable semi-annually, will mature on 30 July 2032.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(am) RM2,175 million Senior Sukuk

On 30 July 2024, CIMB Islamic issued RM2,175 million 11-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.07% per annum payable semi-annually, will mature on 30 July 2035.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(an) USD40 million floating rate notes

On 29 October 2024, CIMB Bank issued USD40 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.85% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 29 October 2029.

CIMB Bank has undertaken cash flow hedge on the interest rate risk and currency risk of the Notes using interest rate swaps and currency swaps respectively.

(ao) USD30 million floating rate notes

On 14 November 2024, CIMB Bank issued USD30 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.85% per annum payable quarterly, will mature on the interest payment date falling on or nearest to 14 November 2029.

CIMB Bank has undertaken cash flow hedge on the interest rate risk and currency risk of the Notes using interest rate swaps and currency swaps respectively.

(ap) RM120 million floating rate senior sukuk

On 28 November 2024, CIMB Islamic issued RM120 million 3-year floating rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3 month KLIBOR + plus 0.23% per annum payable quarterly, will mature on the profit payment date falling on or nearest to 26 November 2027.

31 OTHER BORROWINGS

		The Group		The Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Commercial Papers/Medium Term Notes	(a)	**4,424,369**	3,957,145	**4,357,034**	3,957,145
Term loan	(b)	**4,774,148**	3,863,149	**–**	–
Others	(c)	**2,359,234**	1,878,290	**–**	–
		11,557,751	9,698,584	**4,357,034**	3,957,145

(a) CPs and MTNs of the Company

The Conventional Commercial Papers ("CPs"), Islamic Commercial Papers ("iCPs"), Conventional Medium Term Notes ("MTNs") and Islamic Medium Term Notes ("iMTNs") were issued by the Company.

The CPs and iCPs are unsecured. The aggregate outstanding nominal value of the CPs and iCPs at any point in time shall not exceed RM6 billion.

The MTNs and iMTNs are unsecured. The aggregate outstanding nominal value of the MTN and iMTN at any point in time shall not exceed RM6 billion.

On 3 April 2020, the Company issued RM600 million 5-year MTN which will mature on 3 April 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.

On 28 December 2021, the Company issued RM1 billion 3-year Unrated MTN, RM1 billion 4-year Unrated MTN and RM1 billion 5-year Unrated MTN, which will mature on 27 December 2024, 26 December 2025 and 28 December 2026 respectively. The MTNs were issued out of its existing Medium Term Notes Programme, which has a combined limit of RM6.0 billion in nominal value. On 30 September 2024, the Company completed the buyback and cancellation of its RM1.0 billion 3-year Unrated MTN.

On 12 June 2023, the Company issued RM350 million 1-year MTN and were fully redeemed on on 12 June 2024.

On 15 November 2023, the Company issued RM5.0 million 1-month CPs under its Conventional Commercial Papers Programme. The CPs bear a discount rate of 3.50% and were fully redeemed on 15 December 2023.

On 12 June 2024, the Company issued RM350 million 1-year unrated MTN which will mature on 12 June 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.

On 18 September 2024, the Company issued RM400 million 1-year MTN which will mature on 18 September 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.

On 30 September 2024, the Company issued RM500 million 3-year MTN which will mature on 30 September 2027 and RM500 million 5-year MTN which will mature on 30 September 2029. Both MTNs were issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value.

On 13 December 2024, CIMB Bank issued a nominal value of RM50 million 6-month commercial papers under its RM10.0 billion Commercial Papers Programme. The commercial papers, which bear a discount rate of 3.75% per annum, will mature on 26 June 2025.

On 18 December 2024, CIMB Bank issued a nominal value of RM18.6 million 7-month commercial papers under its RM10.0 billion Commercial Papers Programme. The commercial papers, which bear a discount rate of 3.75% per annum, will mature on 8 July 2025.

Notes to the Financial Statements

for the financial year ended 31 December 2024

31 OTHER BORROWINGS (CONTINUED)

(b) Term loans of the Group

Included in term loans of the Group are term loans of RM4,774,148,000 (2023: RM3,863,149,000) undertaken by CIMB Bank from various financial institutions for working capital purposes. The loans have maturities ranging between 4 December 2026 (2023: 4 December 2026) being the earliest to mature and 23 August 2029 (2023: 22 February 2028) being the latest to mature. Interest rates charged are 5.17% to 5.55% per annum (2023: 6.12% to 6.37% per annum).

(c) Other borrowings of the Group

Included in other borrowings of the Group are short term and long term borrowing of RM2,354,939,000 (2023: RM1,874,021,000) undertaken by CIMB Niaga and its subsidiaries. The maturity dates ranges from less than 1 month to 5 years (2023: 1 month to 5 years), with interest rates charged ranging from 4.56% to 7.15% per annum (2023: 5.66% to 8.00% per annum).

32 SUBORDINATED OBLIGATIONS

		The Group		The Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Subordinated debts 2018/2029 RM1.2 billion	(a)	**–**	1,217,648	**–**	1,217,648
Subordinated debts 2018/2025 IDR75 billion	(b)	**10,824**	11,483	**–**	–
Additional Tier 1 Securities 2019/2024 RM1.0 billion	(c)	**–**	1,000,535	**–**	1,000,535
Subordinated notes 2019/2029 RM550 million	(d)	**–**	97,899	**–**	–
Subordinated debts 2019/2029 RM800 million	(e)	**–**	802,953	**–**	802,953
Subordinated bonds 2019/2024 IDR83,000 million	(f)	**–**	24,380	**–**	–
Subordinated debts 2020/2030 RM2.5 billion	(g)	**2,510,788**	2,510,355	**2,510,788**	2,510,356
Additional Tier 1 Securities 2020/2025 RM550 million	(h)	**551,573**	551,519	**551,573**	551,519
Additional Tier 1 Securities 2020/2030 RM200 million	(h)	**200,636**	200,614	**200,636**	200,614
Subordinated notes 2021/2031 RM660 million	(i)	**260,497**	259,904	**–**	–
Sustainability Sukuk Wakalah 2021/2031 RM100 million	(j)	**100,021**	100,031	**100,021**	100,031
Sukuk Wakalah 2022/2032 RM1.5 billion	(k)	**1,520,614**	1,520,795	**1,520,614**	1,520,795
Sukuk Wakalah 2022/2032 RM1.0 billion	(l)	**1,004,068**	1,003,797	**1,004,068**	1,003,797
Sustainability Sukuk Wakalah 2023/2033 RM400 million	(m)	**405,372**	405,419	**405,372**	405,419
Subordinated Notes 2023/2033 RM415 million	(n)	**139,774**	138,631	**–**	–
Additional Tier 1 Sustainability Sukuk Wakalah 2023/2028 RM400 million	(o)	**403,644**	403,644	**403,644**	403,644
Sustainability Sukuk Wakalah 2023/2033 RM900 million	(p)	**907,525**	907,526	**907,525**	907,526
Additional Tier 1 Securities 2024/2029 RM1.0 billion	(q)	**1,000,236**	–	**1,000,236**	–
Sukuk Wakalah 2024/2031 RM1,850 million	(r)	**1,870,059**	–	**1,870,059**	–
Sukuk Wakalah 2024/2029 RM150 million	(s)	**151,551**	–	**151,551**	–
Subordinated Green Bond 2024/2034 THB2 billion	(t)	**263,407**	–	**–**	–
		11,300,589	11,157,133	**10,626,087**	10,624,837
Fair value changes arising from fair value hedges		**3,271**	(23,086)	**–**	–
		11,303,860	11,134,047	**10,626,087**	10,624,837

32 SUBORDINATED OBLIGATIONS (CONTINUED)

(a) Subordinated debts 2018/2029 RM1.2 billion

On 13 September 2018, the Company issued RM1.2 billion 11 years, on a non-callable 6 years basis, Tier 2 subordinated debt bearing a fixed rate coupon of 4.88% per annum. The said subordinated debt was issued out of the RM10 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to a RM1.2 billion Tier 2 subordinated notes issued by CIMB Bank on the same day, based on similar terms.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the RM1.2 billion Tier 2 subordinated debt using interest rate swaps.

On 13 September 2024, the Company redeemed its existing RM1.2 billion Tier 2 Subordinated Debt issued under RM10.0 billion Tier 2 Subordinated Debt Programme on the first call date.

(b) Subordinated debts 2018/2025 IDR75 billion

On 15 November 2018, CIMB Niaga issued Series B Subordinated Bond of IDR75 billion with fixed interest rate of 10.00% per annum and maturity date of 15 November 2025. Included in the IDR75 billion subordinated notes was IDR36 billion (2023: IDR36 billion) which was held by subsidiaries of the Company, hence the amount was eliminated at consolidated level.

(c) Additional Tier 1 Securities 2019/2024 RM1.0 billion

On 28 June 2019, the Company issued RM1.0 billion Basel III-compliant Additional Tier I Capital Securities under the RM10 billion Basel III AT1 Programme, at 4.88% per annum with an Issuer's call option to redeem at the end of year 5 and on each coupon payment date thereafter, subject to approval from BNM.

On 28 June 2024, the Company redeemed its existing RM1.0 billion Additional Tier 1 Capital Securities.

(d) Subordinated notes 2019/2029 RM550 million

On 8 July 2019, CIMB Thai issued RM550 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 4.15% per annum payable every six months. The subordinated notes will mature on 6 July 2029. CIMB Thai may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand ("BOT").

In 2023, included in the RM550 million subordinated notes is RM459 million which was held by subsidiary of the Company, hence the amount was eliminated at consolidated level.

On 9 July 2024, CIMB Thai redeemed its existing RM550 million Tier 2 Subordinated Debt on the first call date.

(e) Subordinated debts 2019/2029 RM800 million

On 25 November 2019, the Company issued RM800 million 10 years non-callable 5 years Tier 2 Subordinated Debts bearing a fixed rate coupon of 3.85% per annum, payable on a semi-annual basis. The said subordinated debt was issued out of the RM10.0 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to the RM800 million Tier 2 subordinated notes issued by subsidiary of the Company on the same day, based on similar terms.

On 25 November 2024, the Company redeemed its existing RM800 million 10-year non-callable 5-year Tier 2 Subordinated Debt on the first call date.

(f) Subordinated bonds 2019/2024 IDR83,000 million

On 19 December 2019, CIMB Niaga issued IDR83,000 million subordinated bonds with fixed interest rate of 8.05% per annum and maturity date of 19 December 2024. On 19 December 2024, CIMB Niaga redeemed its existing IDR83,000 million subordinated bonds.

32 SUBORDINATED OBLIGATIONS (CONTINUED)

(g) Subordinated debts 2020/2030 RM2.5 billion

On 12 November 2020, the Company issued RM2.5 billion 10 years non-callable 5 years Tier 2 Subordinated debts bearing a fixed rate coupon of 3.15% per annum, payable on a semi-annual basis. The said subordinated debt was issued out of the RM10.0 billion Tier 2 subordinated debt programme. The proceeds from the issuance were used to subscribe to the RM2.45 billion Tier 2 subordinated notes issued by CIMB Bank on the same day and the RM50 million Tier 2 Subordinated Debt issued by CIMB Bank on 23 December 2020, based on similar terms. CIMB Bank has undertaken fair value hedge on the interest rate risk of the RM2.45 billion Tier 2 subordinated debt using interest rate swaps.

(h) Additional Tier 1 Securities 2020/2025 RM550 million and 2020/2030 RM200 million

On 3 December 2020, the Company issued RM550 million perpetual non-callable 5 years Additional Tier I Capital Securities and RM200 million perpetual non-callable 10 years Additional Tier I Capital Securities bearing a fixed rate coupon of 3.60% per annum and 4.00% per annum respectively, payable on a semi-annual basis. The said capital securities were issued from the existing RM10 billion AT1 Capital Securities Programme. The proceeds from the issuances were used to subscribe to AT1 Capital Securities issued by CIMB Bank, based on similar terms.

(i) Subordinated notes 2021/2031 RM660 million

On 12 July 2021, CIMB Thai issued RM660 million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 3.90% per annum payable every six months. The subordinated notes will mature on 11 April 2031. CIMB Thai may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand.

Included in the RM660 million subordinated notes is RM407 million (2023: RM407 million) which was held by subsidiary of the Company, hence the amount was eliminated at consolidated level.

(j) Sustainability Sukuk Wakalah 2021/2031 RM100 million

On 29 December 2021, the Company issued RM100.0 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah bearing a periodic distribution rate of 3.80% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM100.0 million Tier 2 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the RM100 million Tier 2 Sustainability Sukuk Wakalah using interest rate swaps.

(k) Sukuk Wakalah 2022/2032 RM1.5 billion

On 8 September 2022, the Company issued RM1.5 billion 10 years non-callable 5 years Tier 2 Sukuk Wakalah bearing a periodic distribution rate of 4.40% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM1.5 billion Tier 2 Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

CIMB Bank has undertaken fair value hedge on the interest rate risk of the RM1.5 billion Tier 2 Sukuk Wakalah using interest rate swaps.

(l) Sukuk Wakalah 2022/2032 RM1.0 billion

On 2 December 2022, the Company issued RM1.0 billion 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah bearing a periodic distribution rate of 4.95% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM1.0 billion Tier 2 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

32 SUBORDINATED OBLIGATIONS (CONTINUED)

(m) Sustainability Sukuk Wakalah 2023/2033 RM400 million

On 8 March 2023, the Company issued RM400 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah bearing a periodic distribution rate of 4.30% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM400 million Tier 2 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

(n) Subordinated Notes 2023/2033 RM415 million

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

As at 31 December 2024, RM278 million (2023: RM278 million) was held by subsidiaries of the Company, hence the amount was eliminated at consolidated level.

(o) Additional Tier 1 Sustainability Sukuk Wakalah 2023/2028 RM400 million

On 23 October 2023, the Company issued RM400 million Perpetual non-callable 5 years Additional Tier 1 Sustainability Sukuk Wakalah, bearing a periodic distribution rate of 4.75% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM400 million Additional Tier 1 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms. CIMB Bank has undertaken fair value hedge on the interest rate risk of the Additional Tier 1 Sustainability Sukuk Wakalah using interest rate swaps.

(p) Sustainability Sukuk Wakalah 2023/2033 RM900 million

On 23 October 2023, the Company issued RM900 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah, bearing a periodic distribution rate of 4.36% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM900 million Tier 2 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms. CIMB Bank has undertaken fair value hedge on the interest rate risk of the RM900 million Tier 2 Sustainability Sukuk Wakalah using interest rate swaps. CIMB Bank has undertaken fair value hedge on the interest rate risk of the Additional Tier 2 Sustainability Sukuk Wakalah using interest rate swaps.

(q) Additional Tier 1 Securities 2024/2029 RM1.0 billion

On 28 June 2024, the Company issued RM1.0 billion Perpetual non-callable 5-year Additional Tier 1 Capital Securities, bearing a periodic distribution rate of 4.31% per annum, payable on a semi-annual basis. The said Capital Securities were issued out of the RM10.0 billion Additional Tier 1 Capital Securities programme.

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32 SUBORDINATED OBLIGATIONS (CONTINUED)

(r) Sukuk Wakalah 2024/2031 RM1,850 million

On 26 September 2024, the Company issued RM1,850 million 12 years non-callable 7 years Tier 2 Sukuk Wakalah, bearing a periodic distribution rate of 4.08% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM1,850 million Tier 2 Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

(s) Sukuk Wakalah 2024/2029 RM150 million

On 26 September 2024, the Company issued RM150 million 10 years non-callable 5 years Tier 2 Sukuk Wakalah, bearing a periodic distribution rate of 3.89% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM150 million Tier 2 Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

(t) Subordinated Green Bond 2024/2034 THB2 billion

On 28 October 2024, CIMB Thai Bank issued THB2 billion Basel III compliant Tier 2 subordinated green bonds with fixed interest rate of 3.90% per annum, payable every three months. The subordinated green bonds will mature on 28 October 2034. CIMB Thai may exercise its right to early redeem the subordinated green bonds 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand. The said subordinated green bonds was issued out of the THB2 billion Tier 2 subordinated green bonds programme.

33 SHARE CAPITAL

		The Group and the Company	
	Note	2024 RM'000	2023 RM'000
Issued and fully paid shares:			
At 1 January		**29,094,547**	29,094,547
Issued during the financial year:			
LTIP:			
– SGP	(a)(i)	**34,861**	–
– ESOS	(a)(ii)	**309,843**	–
At 31 December		**29,439,251**	29,094,547

33 SHARE CAPITAL (CONTINUED)

(a) Increase in issued and paid-up capital

In respect of the financial year 31 December 2024, the Company increased its issued and paid-up capital from 10,665,106,608 to 10,728,906,596 shares via:

(i) Issuance of 7,294,092 new ordinary shares arising from the LTIP-SGP; and

(ii) Issuance of Issuance of 56,505,896 new ordinary shares arising from the LTIP-ESOS.

(b) Dividend Reinvestment Scheme

On 18 January 2013, the Company announced the proposal to put in place a dividend reinvestment scheme that would allow the shareholders of the Company ("Shareholders") to have the option to elect to reinvest their cash dividends in new ordinary shares ("New CIMB Shares") ("Dividend Reinvestment Scheme").

The Dividend Reinvestment Scheme has received the necessary approval from Bursa Securities on 5 February 2013, its shareholders via an Extraordinary General Meeting held on 25 February 2013 and from Bank Negara Malaysia on 25 March 2013.

The scheme would allow the Board, at its absolute discretion, to offer either the Dividend Reinvestment Scheme or full cash for the Group's dividends as and when it deems appropriate vis-à-vis the Group's capital strategy and plans.

The rationale of the Dividend Reinvestment Scheme are as follows:

(i) CIMB's capital management strategy

As part of the Company's capital management strategy, the Dividend Reinvestment Scheme would provide the Company additional flexibility in managing its capital position.

(ii) Enhancing shareholder value with reasonable dividend yield

The Dividend Reinvestment Scheme will provide an opportunity for shareholders to enjoy dividend yield while preserving capital for the Company.

Since the announcement of Basel III, many global banks have taken a cautious stance in capital management including that of reducing dividend payments. Whilst this stance will improve a banks' capital ratios, such actions may result in lower dividend yields and may eventually reduce investors' interest in the banking industry.

The Dividend Reinvestment Scheme provides an alternative for banks to balance the demand of its investors and its capital objective.

(iii) Alternative mode of payment of Dividends

The implementation of the Dividend Reinvestment Scheme will provide an avenue for shareholders to elect to exercise the option to reinvest all or part of their dividends into New CIMB Shares in lieu of receiving cash dividend.

The shareholders shall have the following options in respect of an option to reinvest announced by the Board under the Dividend Reinvestment Scheme:

(i) to elect to participate by reinvesting the whole or part of the Electable Portion at the issue price for New CIMB Shares.

In the event that only part of the Electable Portion is reinvested, the shareholders shall receive cash for the remaining portion of the Electable Portion not reinvested; or

(ii) to elect not to participate in the option to reinvest and thereby receive the entire dividend entitlement wholly in cash.

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for the financial year ended 31 December 2024

34 PERPETUAL PREFERENCE SHARES

	The Group	
	2024 RM'000	2023 RM'000
Issued and fully paid Perpetual preference shares		
At 1 January/31 December	**200,000**	200,000

The main features of the perpetual preference shares ("PPS") are as follows:

(i) The PPS has no right to dividends.

(ii) In the event of liquidation, dissolution or winding-up of CIMB Bank, PCSB as holder of the PPS will be entitled to receive full repayment of the capital paid up on the PPS in priority to any payments to be made to the ordinary shareholders of CIMB Bank.

(iii) The PPS rank *pari passu* in all aspects among themselves.

(iv) CIMB Bank must not redeem or buy back any portion of the PPS and the PPS will be perpetual except for any capital reduction exercise permitted by the Companies Act 2016 and as approved by Bank Negara Malaysia.

35 RESERVES

		The Group		The Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statutory reserve	(a)	**204,540**	180,908	**–**	–
Regulatory reserve	(b)	**1,777,092**	1,102,571	**–**	–
Capital reserve	(c)	**423,130**	317,879	**55,982**	55,982
Exchange fluctuation reserve	(d)	**311,679**	2,110,540	**–**	–
Fair value reserve					
– Debt intruments at fair value through other comprehensive income	(e)	**(515,693)**	(654,828)	**9,551**	(3,300)
– Equity instruments at fair value through other comprehensive income	(f)	**(155,296)**	(235,888)	**–**	–
Retained earnings	(g)	**39,468,085**	38,233,921	**1,104,552**	1,022,128
Share-based payment reserve	(h)	**120,802**	161,381	**103,989**	145,367
Other reserves					
– Hedging reserve - net investment hedge	(i)	**(1,800,786)**	(1,934,992)	**–**	–
– Hedging reserve - cash flow hedge	(j)	**9,070**	(1,257)	**–**	–
– Hedging reserve - deferred hedging cost	(k)	**98,814**	192,185	**–**	–
– Own credit risk reserve	(l)	**(93,430)**	(177,099)	**–**	–
– EOP reserve - shares purchased pending release	(m)	**(32,470)**	(30,689)	**–**	–
– Defined benefits reserves	(n)	**(16,176)**	(31,612)	**–**	–
– Revaluation reserve		**5,790**	–	**–**	–
		39,805,151	39,233,020	**1,274,074**	1,220,177

(a) The statutory reserves of the Group are maintained by certain banking subsidiaries in Malaysia in compliance with the BNM guidelines and include a reserve maintained by a subsidiary in compliance with the Bursa Malaysia Securities Berhad Rules and Regulations. Effective 3 May 2017, there is no requirement to maintain statutory reserves for banking entities in Malaysia, in accordance with BNM Guideline – Capital Funds.

The statutory reserves of the foreign banking subsidiaries and foreign stockbroking subsidiaries of the Group are in compliance with rules and regulations of the respective authorities. These reserves are not distributable by way of cash dividends.

35 RESERVES (CONTINUED)

(b) Regulatory reserve of the Group is maintained by the banking subsidiaries in Malaysia, which is transferred from the retained earnings, as an additional credit risk absorbent to ensure robustness on the loan impairment assessment methodology with the adoption of MFRS 9 beginning 1 January 2018.

BNM Guidelines on Financial Reporting/Financial Reporting for Islamic Banking Institutions requires banking institutions to maintain in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserve of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

As at 31 December 2024, the regulatory reserve is maintained by CIMB Bank and the banking subsidiaries in Malaysia to meet the local regulatory requirement.

(c) The capital reserve of the Group arose from the dilution of equity interest in subsidiaries resulted from the shares option scheme undertaken by the subsidiary in previous years.

A foreign subsidiary of the Group has transferred balance from retained earnings to capital reserve in order to meet the regulatory capital ratio calculation, as retained earnings is capped for the purpose of calculation at 20% of Tier I capital following the local regulatory requirement.

(d) Exchange translation differences have arisen from translation of net assets of Labuan offshore subsidiaries, foreign branches and foreign subsidiaries. These translation differences are shown under exchange fluctuation reserves.

(e) For debt instruments at fair value through other comprehensive income ("FVOCI"), changes in fair value are accumulated within the financial assets at FVOCI reserve within equity. The accumulated changes in fair value are transferred to profit or loss when the investment is disposed of.

(f) The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the financial assets at FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(g) As at 31 December 2024, the Company has sufficient tax exempt account balances to pay tax exempt dividends of up to RM477,522,037 (2023: RM477,522,037) out of its retained earnings.

(h) The share-based payment reserve arose from the Equity Ownership Plan ("EOP"), Long Term Incentive Plan ("LTIP"), the Group's share-based compensation benefit, Employee Stock Option Management Program ("MESOP") and Employees' Share Option Scheme ("ESOS").

(i) Hedging reserve arises from net investment hedge activities undertaken by the Group on overseas operations and foreign subsidiaries. The reserve is non-distributable and is reversed to the statement of income when the foreign operations and subsidiaries are partially or fully disposed.

(j) The Group has entered into cash flow hedges on loans, advances and financing, bonds and debentures, deposits and placement of bank and other financial institution, other borrowings, subordinated obligations and debt instruments at FVOCI.

The reserve is non-distributable and is reversed to the statement of income when the hedged items affect the statement of income or termination of the cash flow hedge.

(k) The Group designates the spot component of foreign currency swap contracts as hedging instruments in net investment hedge relationships. The Group defers changes in the forward element of foreign currency swap contracts and the currency basis spread from the cross currency interest rate swap contracts in the cost of hedging reserve.

(l) Changes in fair value of financial liabilities designated at fair value relating to the Group's own credit risk are recognised in other comprehensive income. These changes are also accumulated within own credit risk reserve within equity.

(m) EOP reserve reflects the Group's shares purchased for EOP under share-based compensation benefits, pending release to its employees.

(n) Defined benefit reserves relate to the cumulative actuarial gains and losses on defined benefit plans.

36 SHARES HELD UNDER TRUST AND TREASURY SHARES

(A) SHARES HELD UNDER TRUST

	The Group	
	2024 RM'000	**2023 RM'000**
At 1 January/31 December	**563**	563

As an integral part of the CIMB Berhad's ("CIMBB") restructuring exercise in 2005, the then existing CIMBB's ESOS and Employee Equity Scheme ("EES") ceased to have any value pursuant to the delisting from Bursa Malaysia Securities Berhad. Accordingly, consistent with the fair treatment to all Executive Employees and the spirit of continuity of the scheme in existence, the schemes were modified with terms and conditions remaining and subsequently called the Modified EESOS. For the EES, the remaining options were accelerated and exercised prior to the completion of the CIMBB's restructuring.

The CIMBB restructuring exercise and the schemes were approved by the shareholders of the Company during the Extraordinary General Meeting held on 8 September 2005. The modified schemes entailed the following:

(i) The setting up of a trust to subscribe for all the remaining CIMBB shares under the unexercisable tranches under the CIMBB ESOS ("ESOS Trust") prior to the implementation of the CIMBB restructuring. The subscription was facilitated through an accelerated vesting of the unexercisable options. The funding for the subscription for the CIMBB shares by the trustee for both Trusts was provided by the Company by way of a loan.

(ii) Under the CIMBB restructuring exercise, both trustees have opted for new shares of the Company at the ratio of approximately 1.146 of the Company's shares for one CIMBB share. The Executive Employees or the CEO are entitled to instruct the trustee as to the sale, subject to a minimum market price that is higher than a price to be determined by dividing the existing adjusted exercise price by the ratio of approximately 1.146, plus transaction costs and any income tax liability, if applicable, of such shares of the Company in the manner as previously provided under the CIMBB ESOS.

(iii) The number of the Company's shares subject to such instruction per annum will be in the same proportion as per the adjusted total outstanding number under the previous CIMBB ESOS multiplied by the ratio approximately 1.146.

(iv) If the Executive Employee or CEO opt to instruct the trustee to transfer or sell in the market, upon such instruction under the Modified EESOS and Modified CEO Option, a proportion of the proceeds received by the Trustee, plus any income tax, if applicable, will be retained by the Trustee and used to offset the Loan and the excess (net of transaction costs) will be payable to the Executive Employee or CEO.

As at 31 December 2024, there are 258,000 (2023: 258,000) units remain unexercised.

(B) TREASURY SHARES, AT COST

	The Group and the Company			
	2024		**2023**	
	Units '000	**RM'000**	**Units '000**	**RM'000**
At 1 January/31 December	**5**	**43**	5	43

The shareholders of the Company, via an ordinary resolution passed at the Annual General Meeting held on 29 April 2024, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of existing total paid-up share capital. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the share buyback can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company did not buy back any of its issued share capital from the open market. As at 31 December 2024, there were 4,908 ordinary shares held as treasury shares (2023: 4,908). Treasury shares have no rights to vote, dividends and participation in other distribution.

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

37(a) INTEREST INCOME

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Loans, advances and financing:				
– Interest income other than recoveries	**17,686,486**	16,985,590	**–**	–
– Unwinding income^	**152,741**	189,746	**–**	–
Money at call and deposits with financial institutions	**931,349**	1,246,044	**15,481**	15,228
Reverse repurchase agreements	**460,803**	408,196	**–**	–
Debt instruments at fair value through other comprehensive income	**3,163,529**	2,572,936	**46,928**	75,088
Debt instruments at amortised cost	**2,140,371**	2,090,367	**345,631**	317,285
Others	**166,321**	202,895	**–**	–
	24,701,600	23,695,774	**408,040**	407,601
Accretion of discounts less amortisation of premiums	**192,967**	(5,112)	**–**	–
	24,894,567	23,690,662	**408,040**	407,601

^ *Unwinding income is interest income earned on credit impaired financial assets*

37(b) INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	2024 RM'000	**2023 RM'000**
Financial investments at fair value through profit or loss	**1,358,787**	979,496
Reverse repurchase agreements at fair value through profit or loss	**16,576**	472
Loan, advances and financing at fair value through profit or loss	**–**	4,056
	1,375,363	984,024
Accretion of discounts, net of amortisation of premiums	**359,840**	439,590
	1,735,203	1,423,614

Notes to the Financial Statements
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38 INTEREST EXPENSE

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Deposits and placements of banks and other financial institutions	**1,533,428**	1,360,518	**–**	–
Deposits from customers	**9,337,793**	8,685,601	**–**	–
Repurchase agreements/Collateralised commodity murabahah	**1,867,531**	1,627,207	**–**	–
Bonds, Sukuk and debentures	**531,210**	575,429	**–**	–
Subordinated obligations	**464,172**	497,242	**438,573**	441,172
Financial liabilities designated at fair value through profit or loss	**603,754**	503,678	**–**	–
Negotiable certificates of deposits	**77,628**	99,260	**–**	–
Other borrowings	**553,244**	435,346	**159,323**	152,218
Recourse obligation on loan and financing sold to Cagamas	**53,015**	36,412	**–**	–
Structured deposits	**177,912**	165,789	**–**	–
Lease liabilities	**22,294**	20,440	**–**	–
Others	**41,220**	19,901	**–**	–
	15,263,201	14,026,823	**597,896**	593,390

39 MODIFICATION LOSS

	The Group	
	2024 RM'000	**2023 RM'000**
Loss on modification of cash flows	**2,718**	3,747

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for the financial year ended 31 December 2024

40 NET NON-INTEREST INCOME

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(a) Fee and commission income:				
Commissions	**1,488,662**	1,351,134	**–**	–
Fee on loans, advances and financing	**840,957**	705,030	**–**	–
Service charges and fees	**678,791**	722,085	**–**	–
Corporate advisory and arrangement fees	**36,320**	43,792	**–**	–
Guarantee fees	**47,371**	79,897	**–**	–
Other fee income	**279,828**	311,278	**–**	–
Placement fees	**58,503**	9,066	**–**	–
Underwriting commission	**23,075**	31,081	**–**	–
Fee and commission income	**3,453,507**	3,253,363	**–**	–
(b) Fee and commission expense	**(1,104,367)**	(1,019,297)	**–**	–
Net fee and commission income	**2,349,140**	2,234,066	**–**	–
(c) Other non-interest income				
Gross dividend income from:				
In Malaysia				
– Subsidiaries	**–**	–	**5,919,569**	3,354,835
– Financial investments at fair value through profit or loss	**72,870**	64,801	**–**	–
– Equity instruments at fair value through other comprehensive income	**1,625**	1,000	**–**	–
Outside Malaysia				
– Financial investments at fair value through profit or loss	**8**	–	**–**	–
– Equity instruments at fair value through other comprehensive income	**3,073**	2,158	**–**	–
	77,576	67,959	**5,919,569**	3,354,835
Net gain arising from financial investments at fair value through profit or loss				
– Realised	**245,754**	(323,985)	**–**	–
– Unrealised	**780,472**	349,126	**–**	–
	1,026,226	25,141	**–**	–
Net gain arising from derivative financial instruments:				
– Realised	**812,667**	3,591,827	**–**	–
– Unrealised	**757,039**	(848,362)	**–**	–
	1,569,706	2,743,465	**–**	–

Notes to the Financial Statements

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40 NET NON-INTEREST INCOME (CONTINUED)

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Company 2024 RM'000	The Company 2023 RM'000
Net gain arising from financial liabilities designated at fair value through profit or loss:					
– Realised		**88,929**	58,299	**–**	–
– Unrealised		**214,953**	181,840	**–**	–
		303,882	240,139	**–**	–
Net gain/(loss) arising from hedging activities		**7,041**	(31,714)	**–**	–
Net gain from sale of investment in debt intruments at fair value through other comprehensive income		**233,089**	202,014	**–**	–
Net gain from redemption of debt instruments at amortised cost		**405**	567	**–**	–
Net gain/(loss) arising from loans, advances and financing at fair value through profit or loss:					
– Realised		**12,113**	(112)	**–**	–
		12,113	(112)	**–**	–
Income from assets management and securities services		**14,065**	19,626	**–**	–
Brokerage income		**51,088**	2,138	**–**	–
Other non-interest income:					
Foreign exchange gain/(loss)		**292,475**	(283,864)	**1**	143
Rental income		**21,787**	24,790	**280**	280
(Loss)/gain on disposal of property, plant and equipment/assets held for sale		**(766)**	59,338	**–**	–
Net (loss)/gain on liquidation of subsidiary and associate		**(32)**	8,127	**–**	–
Other non-operating income		**92,980**	89,937	**–**	–
Gain on disposal of loans, advances and financing		**190,663**	302,117	**–**	–
Loss on disposal of foreclosed assets		**(44,720)**	(33,294)	**–**	–
		552,387	167,151	**281**	423
Total other non-interest income		**3,847,578**	3,436,374	**5,919,850**	3,355,258
Net non-interest income		**6,196,718**	5,670,440	**5,919,850**	3,355,258

41 OVERHEADS

	The Group		The Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Personnel costs				
– Salaries, allowances and bonus[1]	**5,082,229**	4,742,141	**–**	–
– Pension costs[3]	**539,259**	507,481	**–**	–
– Overtime	**25,584**	32,342	**–**	–
– Staff incentives and other staff payments	**307,669**	257,405	**–**	–
– Medical expenses	**113,988**	103,035	**–**	–
– Share-based expense[2]	**20,154**	57,550	**–**	–
– Others	**258,578**	235,934	**–**	–
Establishment costs				
– Depreciation of property, plant and equipment	**300,982**	311,017	**–**	136
– Depreciation of right-of-use assets	**241,829**	208,848	**–**	–
– Amortisation of intangible assets	**543,636**	486,784	**–**	–
– Depreciation of investment properties	**–**	–	**18**	18
– Intangible assets writen off	**7,502**	668	**–**	–
– Rental	**135,973**	124,324	**1**	1
– Repair and maintenance	**935,593**	888,370	**71**	180
– Outsourced services	**56,241**	48,084	**15**	32
– Security expenses	**98,161**	99,094	**–**	–
– Others	**273,557**	292,908	**21**	150
Marketing expenses				
– Advertisement	**251,313**	202,177	**105**	53
– Others	**159,239**	134,030	**–**	–
Administration and general expenses				
– Legal and professional fees	**207,980**	215,533	**7,491**	4,234
– Stationery	**38,300**	34,019	**–**	–
– Postage	**39,870**	36,509	**–**	–
– Communication	**108,616**	100,701	**–**	–
– Incidental expenses on banking operations	**104,150**	95,245	**–**	–
– Others	**569,828**	650,877	**25,351**	24,010
	10,420,231	9,865,076	**33,073**	28,814

1 Included in salaries, allowances and bonus is shared-based payment expense of RM17,340,000 (2023: RM16,234,000). Refer Note 49.

2 The long term incentive plan ("LTIP") was implemented by the Company in June 2021. The LTIP awards ordinary shares and share options of the Company to eligible employees of the Group. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMBGH, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions. Refer Note 49.

3 Included in pension costs is pension cost arising from defined benefit plans. Refer Note 29.

Notes to the Financial Statements
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41 OVERHEADS (CONTINUED)

The above expenditure includes the following:

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Directors' remuneration (Note 44)	**20,696**	16,620	**3,689**	3,785
Rental of premises	**32,979**	34,621	**–**	–
Hire of equipment	**53,568**	51,571	**–**	–
Lease rental	**11**	11	**–**	–
Auditors' remuneration				
PricewaterhouseCoopers PLT* (audit)				
– statutory audit	**8,483**	7,846	**882**	904
– limited review	**1,188**	1,168	**29**	29
– other audit related	**34**	1,023	**34**	34
PricewaterhouseCoopers PLT* (non-audit)				
– Reporting accountant, regulatory-related services and others	**292**	150	**–**	–
– Tax services	**1,146**	763	**419**	74
Other member firms of PwC International Limited* (audit)				
– statutory audit	**6,688**	7,466	**–**	–
– limited review	**1,224**	1,084	**–**	–
– other audit related	**816**	376	**–**	–
Other member firms of PwC International Limited* (non-audit)				
– Reporting accountant, regulatory-related services and others	**358**	496	**–**	–
– Tax services	**826**	781	**–**	–
Other auditors' remuneration				
– Statutory audit	**397**	162	**–**	–
– Tax services	**3**	5	**–**	–
Property, plant and equipment written off	**7,221**	4,483	**–**	–

* *PricewaterhouseCoopers PLT and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.*

42 EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group	
	2024 RM'000	**2023 RM'000**
Expected credit losses on loans, advances and financing at amortised cost	**2,473,554**	2,220,307
Credit impaired loans, advances and financing:		
– Recovered	**(1,141,072)**	(752,610)
– Written off	**36,298**	66,749
	1,368,780	1,534,446

43 OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Other expected credit losses and impairment allowances made/ (written back):				
– Debt instrument at fair value through other comprehensive income	**6,383**	19,842	**(100)**	(3,793)
– Debt instrument at amortised cost	**60,079**	7,347	**(731)**	4,703
– Money at call and deposits and placements with banks and other financial institutions	**(1,656)**	425	**–**	–
– Other assets	**314,046**	204,314	**–**	–
Amount due from a subsidiary	**–**	–	**6**	5
	378,852	231,928	**(825)**	915

44 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year are as follows:

EXECUTIVE DIRECTOR

Muhammad Novan Amirudin (appointed on 1 July 2024)
Dato' Abdul Rahman Ahmad (resigned on 30 June 2024)

NON-EXECUTIVE DIRECTORS

Tan Sri Mohd Nasir Ahmad
Dato' Lee Kok Kwan
Dato' Mohamed Ross Mohd Din
Didi Syafruddin Yahya
Shulamite N K Khoo
Ho Yuet Mee
Datin Azlina Mahmad
YM Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz (appointed on 1 July 2024)
Lyn Therese McGrath (appointed on 1 October 2024)
Afzal Abdul Rahim (retired on 31 January 2025)

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for the financial year ended 31 December 2024

44 DIRECTORS' REMUNERATION (CONTINUED)

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Executive Director				
– Salary and remuneration	**13,588**	9,975	**–**	–
– Benefits-in-kind	**177**	81	**–**	–
	13,765	10,056	**–**	–
Non-Executive Directors				
– Fees	**2,649**	2,455	**1,317**	1,314
– Other remuneration	**4,115**	4,018	**2,359**	2,433
– Benefits-in-kind	**167**	91	**13**	38
	6,931	6,564	**3,689**	3,785
	20,696	16,620	**3,689**	3,785

			Other remuneration						Other remuneration			
2024	Fees RM'000	Salary and remuneration RM'000	Chairperson's Premium RM'000	Meeting Allowance RM'000	Benefits-in-kind RM'000	The Group Total RM'000	Fees RM'000	Salary and remuneration RM'000	Chairperson's Premium RM'000	Meeting Allowance RM'000	Benefits-in-kind RM'000	The Company Total RM'000
Executive Director												
Muhammad Novan Amirudin*	-	6,902	-	-	35	6,937	-	-	-	-	-	-
Dato' Abdul Rahman Ahmad**	-	6,686	-	-	142	6,828	-	-	-	-	-	-
	-	13,588	-	-	177	13,765	-	-	-	-	-	-
Non-Executive Directors												
Tan Sri Mohd Nasir Ahmad	406	-	693	271	13	1,383	170	-	510	130	13	823
Dato' Lee Kok Kwan	460	-	-	325	-	785	170	-	-	120	-	290
Dato' Mohamed Ross Mohd Din	310	-	190	350	26	876	170	-	50	250	-	470
Didi Syafruddin Yahya	679	-	602	523	128	1,932	170	-	200	188	-	558
Shulamite N K Khoo	170	-	-	128	-	298	170	-	-	128	-	298
Ho Yuet Mee	170	-	100	340	-	610	170	-	100	340	-	610
Datin Azlina Mahmad	217	-	50	253	-	520	170	-	50	223	-	443
YM Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	195	-	99	166	-	460	85	-	-	45	-	130
Lyn Therese McGrath	42	-	-	25	-	67	42	-	-	25	-	67
Afzal Abdul Rahim	-	-	-	-	-	-	-	-	-	-	-	-
	2,649	-	1,734	2,381	167	6,931	1,317	-	910	1,449	13	3,689
	2,649	13,588	1,734	2,381	344	20,696	1,317	-	910	1,449	13	3,689

* Compensation shown in the table includes an amount of RM0.8 million which arose from LTIP allocations that were attributed to the 2-year period from 2022 to 2023, and were vested/exercised in the period from 1 July to 31 December 2024. The related share based expenses have been recognised over the period of LTIP scheme.

** Compensation shown in the table includes an amount of RM2.7 million which arose from LTIP allocations that were attributed to the 3-year period from 2021 to 2023, and were vested/exercised in the period from 1 January to 30 June 2024. The related share based expenses have been recognised over the period of LTIP scheme.

44 DIRECTORS' REMUNERATION (CONTINUED)

2023	Fees RM'000	Salary and remuneration RM'000	Other remuneration: Chairperson's Premium RM'000	Other remuneration: Meeting Allowance RM'000	Benefits-in-kind RM'000	The Group Total RM'000	Fees RM'000	Salary and remuneration RM'000	Other remuneration: Chairperson's Premium RM'000	Other remuneration: Meeting Allowance RM'000	Benefits-in-kind RM'000	The Company Total RM'000
Executive Director												
Dato' Abdul Rahman Ahmad	-	9,975	-	-	81	10,056	-	-	-	-	-	-
	-	9,975	-	-	81	10,056	-	-	-	-	-	-
Non-Executive Directors												
Tan Sri Mohd Nasir Ahmad	406	-	692	282	38	1,418	170	-	510	150	38	868
Dato' Lee Kok Kwan	460	-	-	315	-	775	170	-	-	120	-	290
Dato' Mohamed Ross Mohd Din	310	-	240	340	47	937	170	-	100	255	-	525
Afzal Abdul Rahim	-	-	-	-	-	-	-	-	-	-	-	-
Didi Syafruddin Yahya	513	-	437	642	6	1,598	170	-	123	260	-	553
Shulamite N K Khoo	170	-	-	160	-	330	170	-	-	160	-	330
Ho Yuet Mee	170	-	23	308	-	501	170	-	23	308	-	501
Datin Azlina Mahmad	138	-	-	120	-	258	113	-	-	120	-	233
Robert Neil Coombe	50	-	-	25	-	75	50	-	-	25	-	75
Teoh Su Yin	238	-	261	173	-	672	131	-	154	125	-	410
	2,455	-	1,653	2,365	91	6,564	1,314	-	910	1,523	38	3,785
	2,455	9,975	1,653	2,365	172	16,620	1,314	-	910	1,523	38	3,785

The Directors and Officers of the Group and the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year for the Group and the Company amounting to RM1,555,167 (2023: RM1,550,556) and RM Nil (2023: RM Nil).

Notes to the Financial Statements

for the financial year ended 31 December 2024

45 TAXATION AND ZAKAT

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Taxation based on the profit for the financial year:				
– Malaysian income tax	**1,556,102**	1,639,701	**3,424**	3,308
– Foreign tax	**473,426**	786,659	**–**	–
	2,029,528	2,426,360	**3,424**	3,308
Deferred taxation (Note 12)	**469,041**	(51,952)	**(2)**	(1)
(Over)/under provision in prior years	**(34,021)**	(10,772)	**318**	164
	2,464,548	2,363,636	**3,740**	3,471
Zakat	**12,000**	15,000	**–**	–
	2,476,548	2,378,636	**3,740**	3,471

Reconciliation between tax charge and the Malaysian tax rate:

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Profit before taxation and zakat	**10,395,928**	9,540,731	**5,697,746**	3,139,740
Less: Share of results of joint ventures	**(16,555)**	58,914	**–**	–
Share of results of associates	**(2,207)**	(41,692)	**–**	–
	10,377,166	9,557,953	**5,697,746**	3,139,740
Tax calculated at a rate of 24%	**2,490,520**	2,293,909	**1,367,459**	753,538
Income not subject to tax	**(170,412)**	(75,305)	**(1,364,037)**	(750,268)
Effects of different tax rates in other countries	**(62,099)**	(53,893)	**–**	–
Expenses not deductible for tax purposes	**240,649**	208,770	**–**	37
Utilisation/recognition of previously unrecognised deferred tax assets	**(89)**	927	**–**	–
(Over)/under provision in prior years	**(34,021)**	(10,772)	**318**	164
Tax expense	**2,464,548**	2,363,636	**3,740**	3,471

The Group is within the scope of the OECD Pillar Two model rules, which has been substantively enacted in Malaysia on 29 December 2023, where it is expected to be implemented in 2025. Pillar Two introduces a global minimum Effective Tax Rate (ETR) via a system where multinational groups with consolidated revenue over EUR750 million are subject to a minimum ETR of 15% on income arising in low-tax jurisdictions.

As provided in the amendments to IAS 12 issued in May 2023, the Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has exposures to Australia, United Kingdom and Vietnam where the local Pillar Two legislation is effective beginning 1 January 2024. The Group has assessed that the entities in the respective jurisdiction qualify for Safe Harbour test based on routine profit test assessment, hence there are no additional tax required.

The Group is in the process of assessing its exposure to the Pillar Two legislation for Malaysia for the impact to year 2025 tax assessment.

46 EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

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

	2024	2023
Net profit attributable to equity holders of the parent (RM'000)	**7,728,049**	6,980,962
Weighted average number of ordinary shares in issue ('000)	**10,692,867**	10,665,102
Basic earnings per share (expressed in sen per share)	**72.27**	65.46

(B) DILUTED EARNINGS PER SHARE

During the financial year ended 31 December 2024 and 31 December 2023, diluted EPS is calculated by dividing the net profit attributable to equity holders of the Parent, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares in issue during the financial year and the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

	2024	2023
Net profit attributable to equity holders of the parent (RM'000)	**7,728,049**	6,980,962
Weighted average number of ordinary shares in issue ('000)		
– during the year	**10,692,867**	10,665,102
– effect of dilutive of potential ordinary shares[1]	**45,927**	29,133
Weighted average number of ordinary shares for diluted EPS	**10,738,794**	10,694,235
Diluted earnings per share (expressed in sen per share)	**71.96**	65.28

1 *The dilutive potential ordinary shares is arising from ESOS and SGP. The SGP is a restricted share unit scheme where vesting is subject to performance conditions. The number of shares calculated as above is compared with the number of shares that would have been issued assuming performance conditions are achieved.*

Notes to the Financial Statements

for the financial year ended 31 December 2024

47 DIVIDENDS PER ORDINARY SHARE

	The Group and the Company			
	2024		2023	
	Gross per share	Amount of dividend net of tax	Gross per share	Amount of dividend net of tax
	sen	RM'000	sen	RM'000
Interim dividend in respect of previous year	**18.50**	**1,973,044**[a]	13.00	1,386,463[e]
Special interim dividend in respect of previous year	**7.00**	**746,557**[b]	–	–
Interim dividend in respect of current year	**20.00**	**2,142,208**[c]	17.50	1,866,393[f]
Special interim dividend in respect of current year	**7.00**	**749,773**[d]	–	–
	52.50	**5,611,582**	30.50	3,252,856

(a) The dividend of 18.50 sen per ordinary share amounting to RM1,973,043,893 was paid on 3 April 2024.

(b) The dividend of 7.00 sen per ordinary share amounting to RM746,557,119 was paid on 3 April 2024.

(c) The dividend of 20.00 sen per ordinary share amounting to RM2,142,207,818 was paid on 27 September 2024.

(d) The dividend of 7.00 sen per ordinary share amounting to RM749,772,736 was paid on 27 September 2024.

(e) The dividend of 13.00 sen per ordinary share amounting to RM1,386,463,221 was paid on 12 April 2023.

(f) The dividend of 17.50 sen per ordinary share amounting to RM1,866,392,879 was paid on 12 October 2023.

Dividends recognised as distributions to owners:

The single-tier second interim dividend and single-tier special dividend for the previous financial year were approved by the Board of Directors on 31 January 2024 and paid in the current financial year. This is shown as a deduction from the retained earnings in the statements of changes in equity in the current financial year.

The Board of Directors have proposed a single-tier first interim dividend of 20.00 sen per ordinary share for the financial year ended 31 December 2024. Based on the issued and paid-up ordinary shares of 10,696,991,292 as at 30 June 2024, the proposed first interim dividend amounting to approximately RM2,139 million. Upon the full exercise of vested ESOS of up to 70,209,000 new ordinary shares under the LTIP scheme, the proposed single-tier first interim dividend of 20.00 sen per ordinary share for the financial year ended 31 December 2024 will amount up to approximately RM2,153 million. The single-tier first interim dividend of 20.00 sen per ordinary share was approved by the Board of Directors on 31 July 2024. On 27 September 2024, the single-tier first interim dividend amounting to RM2,142,207,818 was paid.

The Directors have proposed a single-tier special dividend of 7.00 sen per ordinary share, on 10,696,991,292 ordinary shares amounting to RM749 million and potentially up to RM754 million based on 10,767,200,292 ordinary shares upon the full exercise of vested ESOS under the LTIP scheme, in respect of the financial year ended 31 December 2024. The single-tier special dividend of 7.00 sen per ordinary share was approved by the Board of Directors on 31 July 2024. On 27 September 2024, the single-tier special dividend amounting to RM749,772,736 was paid.

The Directors have proposed a single-tier second interim dividend of 20.00 sen per ordinary share for the financial year ended 31 December 2024. Based on the issued and paid-up ordinary shares of 10,728,901,688 as at 31 December 2024, the proposed second interim dividend amounting to approximately RM2,146 million. Upon the full exercise of vested ESOS of up to 34,816,771 new ordinary shares under the LTIP scheme, the proposed single-tier second interim dividend of 20.00 sen per ordinary share for the financial year ended 31 December 2024 will amount up to approximately RM2,153 million. The single-tier second interim dividend was approved by the Board of Directors on 27 January 2025.

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

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

48 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purposes of these financial statements, parties (both companies and key management personnel) are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence.

(A) THE RELATED PARTIES OF, AND THEIR RELATIONSHIP WITH THE COMPANY, ARE AS FOLLOWS:

Related parties	Relationship
Subsidiaries of the Company as disclosed in Note 14	Subsidiaries
Associates of the Company as disclosed in Note 15	Associates
Joint ventures as disclosed in Note 16	Joint ventures
Key management personnel	See below

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

(B) RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. These transactions were carried out at terms not less favourable to other parties.

	Subsidiaries		Associates and joint ventures		Key management personnel	
Related party transactions	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
The Group						
Income earned						
Interest on loans, advances and financing	**-**	–	**-**	11,877	**11,571**	11,713
Fee income	**-**	–	**10,700**	4,178	**-**	–
Placement commission	**-**	–	**6,926**	12,467	**-**	–
Others (Note (a))	**-**	–	**99,946**	154,035	**3**	3
Expenditure incurred						
Interest on deposits from customers and securities sold under repurchase agreements/Collateralised Commodity Murabahah	**-**	–	**2,121**	3,884	**77**	335
Others	**-**	–	**33**	529	**-**	–

Notes to the Financial Statements
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48 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)
(B) RELATED PARTY TRANSACTIONS (CONTINUED)

Related party transactions	Subsidiaries 2024 RM'000	Subsidiaries 2023 RM'000	Associates and joint ventures 2024 RM'000	Associates and joint ventures 2023 RM'000	Key management personnel 2024 RM'000	Key management personnel 2023 RM'000
The Company						
Income earned						
Interest on deposits and placements with banks and financial institutions	**15,481**	15,228	**-**	–	**-**	–
Dividend income	**5,919,569**	3,354,835	**-**	–	**-**	–
Interest income on debt instruments at amortised cost	**345,631**	317,285	**-**	–	**-**	–
Interest income on debt instruments at fair value through other comprehensive income	**46,928**	75,088	**-**	–	**-**	–
Expenditure incurred						
Professional fees	**3,721**	986	**-**	–	**-**	–
Group services expense	**10,998**	13,518	**-**	–	**-**	–
Others	**4,840**	1,255	**-**	–	**-**	–

Note (a): Others mainly includes income on outsourcing services and interest on short term borrowing to PCSB, joint venture of the CIMB Bank amounting to RM99,919,000 (2023: RM147,986,000).

The breakdown of expenditure by geographical is as follows:

	2024				
	<------------ The Group ------------>		<-------------------- The Company -------------------->		
	Interest expense RM'000	Others RM'000	Interest expense RM'000	Others RM'000	Group services expense RM'000
Malaysia	**1,334**	**33**	**–**	**8,561**	**10,998**
Singapore	**787**	**–**	**–**	**–**	**–**
	2,121	**33**	**–**	**8,561**	**10,998**

	2023				
	<------------ The Group ------------>		<-------------------- The Company -------------------->		
	Interest expense RM'000	Others RM'000	Interest expense RM'000	Others RM'000	Group services expense RM'000
Malaysia	2,375	31	–	2,241	13,518
Singapore	1,509	498	–	–	–
	3,884	529	–	2,241	13,518

48 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(C) RELATED PARTY BALANCES

	Subsidiaries		Associates and joint ventures		Key management personnel	
Related party balances	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
The Group						
Amount due from						
Loans, advances and financing	**–**	–	**–**	–	**22,885**	28,774
Others	**–**	–	**4,613,966**	3,818,499	**–**	–
Amount due to						
Deposits from customers and securities sold under repurchase agreements/ Collateralised Commodity Murabahah	**–**	–	**87,937**	85,234	**32,132**	34,198
Others	**–**	–	**38,799**	38,799	**–**	–
The Company						
Amount due from						
Demand deposits, savings and fixed deposits	**407,956**	363,691	**–**	–	**–**	–
Debt instruments at fair value through other comprehensive income	**1,157,825**	1,144,797	**–**	–	**–**	–
Debt instruments at amortised cost	**8,469,822**	8,468,345	**–**	–	**–**	–
Amount due to						
Others	**3,768**	13,625	**–**	–	**–**	–

Other inter-company balances are unsecured, non-interest bearing and repayable on demand.

(D) KEY MANAGEMENT PERSONNEL

KEY MANAGEMENT COMPENSATION

	The Group		The Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Salaries and other employee benefits#	**99,373**	94,600	**12,008**	13,842

	The Group		The Company	
	2024 units	**2023 units**	**2024 units**	**2023 units**
Shares of the Company awarded from EOP	**254,535**	761,505	**–**	–
Shares of the Company awarded from LTIP				
– ESOS	**–**	–	**–**	–
– SGP	**250,000**	–	**–**	–

includes compensation paid by subsidiaries

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48 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(D) KEY MANAGEMENT PERSONNEL (CONTINUED)

KEY MANAGEMENT COMPENSATION (CONTINUED)

Included in the above table is the Executive Directors' compensation which is disclosed in Note 44. The share options and shares granted are on the same terms and conditions as those offered to other employees of the Group and the Company as disclosed in Note 49 to the Financial Statements.

During the financial year, share based payment expenses to key management personnel of the Group and the Company amounting to RM29,366,000 (2023: RM5,962,000) and RM Nil (2023: RM Nil) respectively.

Loans made to other key management personnel of the Group and the Company are on similar terms and conditions generally available to other employees within the Group. There is no ECL made in 2024 and 2023 for the loans, advances and financing made to the key management personnel.

(E) CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

Credit exposures with connected parties as per Bank Negara Malaysia's revised "Guidelines on Credit Transactions and Exposures with Connected Parties" which became effective in 2008 are as follows:

	The Group	
	2024 RM'000	**2023 RM'000**
Outstanding credit exposures with connected parties	**15,897,713**	11,963,339
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	**2.6%**	2.1%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	**0.0%**	0.0%

(F) TRANSACTIONS WITH SHAREHOLDERS AND GOVERNMENT

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

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

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

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

49 EMPLOYEE BENEFITS

EQUITY OWNERSHIP PLAN ("EOP")

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

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

The total share-based payment expenses of the Group recognised in statement of income during the financial year amounting to RM17,340,000 (2023: RM16,234,000).

The weighted average fair value of shares awarded under EOP which were purchased over a period of 10 trading days was RM6.88 per ordinary share (2023: RM5.17), based on observable market price.

Movements in the number of the Company's ordinary shares awarded are as follows:

	2024 Total Shares (units '000)	2023 Total Shares (units '000)
At 1 January	**5,684**	4,905
Awarded	**2,327**	4,228
Released	**(3,359)**	(3,449)
At 31 December	**4,652**	5,684

LONG TERM INCENTIVE PLAN ("LTIP")

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

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

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

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

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

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49 EMPLOYEE BENEFITS (CONTINUED)

LONG TERM INCENTIVE PLAN ("LTIP") (CONTINUED)

(i) Details of ESOS shares awarded:

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

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

	As at	Movement during the year			Outstanding as at	Exercisable as at
Award Date	1 January 2024 (Units'000)	Awarded (Units'000)	Exercised (Units'000)	Expired/ Forfeited (Units'000)	31 December 2024 (Units'000)	31 December 2024 (Units'000)
9 June 2021 – First grant	178,818	–	(52,382)	(10,345)	116,091	32,489
31 March 2022 – Second grant	8,848	–	(2,441)	–	6,407	1,983
8 September 2022 – Third grant	3,430	–	(1,353)	(34)	2,043	345
8 December 2022 – Fourth grant	660	–	(330)	–	330	–

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

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

49 EMPLOYEE BENEFITS (CONTINUED)

LONG TERM INCENTIVE PLAN ("LTIP") (CONTINUED)

(ii) Details of SGP shares awarded:

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

* *Subject to performance conditions*

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

Award Date	As at 1 January 2024 (Units'000)	Movement during the year Awarded (Units'000)	Movement during the year Vested (Units'000)	Movement during the year Forfeited (Units'000)	As at 31 December 2024 (Units'000)
9 June 2021 – First grant	12,986	–	(5,942)	(972)	6,072
31 March 2022 – Second grant	1,934	–	(937)	(30)	967
8 September 2022 – Third grant	736	–	(348)	(24)	364
8 December 2022 – Fourth grant	142	–	(67)	(4)	71
12 January 2024 – Fifth grant	–	250	–	–	250

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

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

Notes to the Financial Statements

for the financial year ended 31 December 2024

49 EMPLOYEE BENEFITS (CONTINUED)

EMPLOYEE STOCK OPTION MANAGEMENT PROGRAM ESTABLISHED USING THE SHARES OF SUBSIDIARY OF THE COMPANY – PT BANK CIMB NIAGA ("MESOP")

The MESOP is a one-time program to reward performance and loyalty of management and selected employees. The amount implemented is 208,216,392 shares which was approved at the Extraordinary General Meeting of Shareholders on 24 August 2017. This program was launched on 26 February 2018.

The amount of shares allocated to each employees is determined by considering the compensation received, current positions in the company, and performance of the past 2 years. The total amount of shares allocated to the MESOP program is 208.2 million shares, in which 12 millions of shares will be allocated for the share grants and 196.2 millions of shares for the share options. The first 40% of the share options are vested on 26 February 2018 (with condition of lock-up period up to 25 October 2018), another 30% of options are vested on 25 April 2019, and the last 30% of options are vested on 25 April 2020. Every share options corridor has different strike prices.

There are no dividends paid to share option holders before the option is exercised. All treasury shares that were repurchased on 22 February 2018 but not transferred up to 22 February 2021, must be made at the latest within 2 years and will be extended for another 1 year ending 22 February 2024, should the shares not fully transferred, based on POJK No.30/POJK.04/2017. During the year ended 31 December 2024, the Bank has released all remaining unexercised treasury shares on the stock exchange in accordance with applicable regulations.

The total share-based payment expenses of the Group recognised in statement of income during the financial year amounting to RM Nil (2023: RM Nil).

MATERIAL RISK TAKERS PROGRAMME ("MRT") ESTABLISHED USING THE SHARES OF SUBSIDIARY OF THE COMPANY – PT BANK CIMB NIAGA

In accordance with POJK No. 45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks, Banks are required to provide variable remuneration in the form of shares or stock-based instruments to parties that have been designated as Material Risk Takers (MRT), which is a remuneration policy in attracting, motivating and retaining the best employees in order to provide qualified human resources. The remuneration policy includes and applies to employees in businesses, operational and support functions.

In 2018, CIMB Niaga has conducted share buyback of 2,677,900 shares. On August 2018, CIMB Niaga had distributed all shares from the share buyback to the management and employee who are eligible Material Risk Takers.

On 25 March 2019, CIMB Niaga has obtained the OJK approval through letter No.S-19/PB.33/2019 dated 25 March 2019 to repurchase shares of a maximum of 20,000,000 (full amount) shares at a cost of up to Rp25,000 (including transaction fees and taxes).

During the year ended 31 December 2024, the total treasury shares which were granted to employees were 2,946,600 (full amount) shares.

As at 31 December 2024, the remaining treasury shares of 4,240,300 (full amount) shares were used for MRT programme.

The total share-based payment expenses of the Group recognised in statement of income during the financial year amounting to RM48,000 (2023: RMNil).

50 CAPITAL COMMITMENTS

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

	The Group	
	2024 RM'000	**2023 RM'000**
Capital expenditure:		
Authorised and contracted for	**118,383**	285,652
Authorised but not contracted for	**1,411,018**	1,240,115
	1,529,401	1,525,767

Analysed as follows:

	The Group	
	2024 RM'000	**2023 RM'000**
Property, plant and equipment	**610,660**	759,329
Software development	**3,309**	2,777
Computer software	**915,432**	763,661
	1,529,401	1,525,767

51 COMMITMENTS AND CONTINGENCIES

(i) In the normal course of business, the Group and the Company enter into various commitments and incur certain contingent liabilities with legal recourse to their customers.

These commitments and contingencies are not secured over the assets of the Group and the Company, except for certain financial assets at fair value through profit or loss being pledged as credit support assets for certain over-the-counter derivative contracts.

Treasury related derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively. Refer to Note 9.

The notional or principal amount of the credit-related commitments and contingencies constitute the following:

The Group	**2024 Principal RM'000**	**2023 Principal RM'000**
Credit-related		
Direct credit substitutes	**4,603,489**	5,231,528
Certain transaction-related contingent items	**7,509,478**	7,538,947
Short-term self-liquidating trade-related contingencies	**5,755,914**	5,285,710
Obligations under underwriting agreement	**173,002**	–
Irrevocable commitments to extend credit:		
– Maturity not exceeding one year	**127,509,118**	95,046,686
– Maturity exceeding one year	**33,039,876**	35,916,513
Miscellaneous commitments and contingencies	**3,889,094**	418,696
Total credit-related commitments and contingencies	**182,479,971**	149,438,080
Total treasury-related commitments and contingencies (Note 9)	**1,780,459,528**	1,512,640,727
	1,962,939,499	1,662,078,807

Notes to the Financial Statements

for the financial year ended 31 December 2024

51 COMMITMENTS AND CONTINGENCIES (CONTINUED)

(i) Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account (refer to Note 10 for more details) as follows:

	The Group	
	2024 Principal RM'000	**2023 Principal RM'000**
Irrevocable commitments to extend credit:		
– maturity not exceeding one year	**3,700,000**	2,500,000
– maturity exceeding one year	**500,000**	100,000
	4,200,000	2,600,000

(ii) CIMB Bank has given a continuing guarantee to Bank Negara Malaysia to meet the liabilities and financial obligations and requirements of its subsidiary, CIMB Bank (L) Limited, arising from its offshore banking business in the Federal Territory of Labuan.

52 SEGMENT REPORTING

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.

Segment information is presented in respect of the Group's business segment and geographical segment.

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

(A) BUSINESS SEGMENT REPORTING

Definition of segments

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

(i) 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.

(ii) 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.

52 SEGMENT REPORTING (CONTINUED)

(A) BUSINESS SEGMENT REPORTING (CONTINUED)

(iii) 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.

(iv) CIMB Digital Assets & Group Funding

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

Notes to the Financial Statements

for the financial year ended 31 December 2024

52 SEGMENT REPORTING (CONTINUED)

(A) BUSINESS SEGMENT REPORTING (CONTINUED)

Group	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
	31 December 2024				
Net interest income – after modification loss					
– External income	4,509,692	1,217,679	4,093,764	1,542,716	11,363,851
– Inter-segment income/(expense)	816,944	1,066,923	(1,863,295)	(20,572)	–
	5,326,636	2,284,602	2,230,469	1,522,144	11,363,851
Income from Islamic Banking operations	2,028,407	1,217,341	743,839	750,998	4,740,585
Net non-interest income	1,845,816	652,216	3,311,459	387,227	6,196,718
Net income	9,200,859	4,154,159	6,285,767	2,660,369	22,301,154
Overheads of which:	(5,278,614)	(2,087,903)	(2,462,525)	(591,189)	(10,420,231)
– Depreciation of property, plant and equipment	(98,950)	(4,257)	(10,531)	(187,244)	(300,982)
– Amortisation of intangible assets	(164,382)	(16,342)	(82,929)	(279,983)	(543,636)
Profit before expected credit losses	3,922,245	2,066,256	3,823,242	2,069,180	11,880,923
Expected credit losses (made)/written back on loans, advances and financing	(1,046,112)	27,185	22,983	(372,836)	(1,368,780)
Expected credit losses written back/(made) for commitments and contingencies	176,827	(16,587)	83,639	(4)	243,875
Other expected credit losses and impairment allowances (made)/written back	(222,112)	(11,423)	(81,547)	(63,770)	(378,852)
Segment results	2,830,848	2,065,431	3,848,317	1,632,570	10,377,166
Share of results of joint ventures	(6,103)	–	–	22,658	16,555
Share of results of associates	–	–	–	2,207	2,207
Profit before taxation and zakat	2,824,745	2,065,431	3,848,317	1,657,435	10,395,928
Taxation and zakat					(2,476,548)
Profit for the financial year					7,919,380
Segment assets	234,993,752	75,158,365	312,540,214	110,356,062	733,048,393
Investment in associates and joint ventures	146,208	–	–	2,188,754	2,334,962
	235,139,960	75,158,365	312,540,214	112,544,816	735,383,355
Unallocated assets	–	–	–	–	19,747,348
Total assets	235,139,960	75,158,365	312,540,214	112,544,816	755,130,703
Segment liabilities	199,667,523	97,037,036	304,056,370	59,807,204	660,568,133
Unallocated liabilities	–	–	–	–	23,723,680
Total liabilities	199,667,523	97,037,036	304,056,370	59,807,204	684,291,813
Other segment items					
Capital expenditure	374,737	18,556	143,856	378,781	915,930
Investment in joint ventures	146,208	–	–	2,133,414	2,279,622
Investment in associates	–	–	–	55,340	55,340

52 SEGMENT REPORTING (CONTINUED)

(A) BUSINESS SEGMENT REPORTING (CONTINUED)

	31 December 2023				
Group	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 – after modification loss					
– External income	4,688,527	1,420,376	3,495,903	1,478,900	11,083,706
– Inter-segment income/(expense)	349,097	850,685	(1,257,426)	57,644	–
	5,037,624	2,271,061	2,238,477	1,536,544	11,083,706
Income from Islamic Banking operations	1,963,998	1,102,696	737,584	456,058	4,260,336
Net non-interest income	1,746,726	659,133	2,798,158	466,423	5,670,440
Net income	8,748,348	4,032,890	5,774,219	2,459,025	21,014,482
Overheads of which:	(4,981,782)	(1,943,878)	(2,311,501)	(627,915)	(9,865,076)
– Depreciation of property, plant and equipment	(104,867)	(4,980)	(13,973)	(187,197)	(311,017)
– Amortisation of intangible assets	(120,632)	(16,293)	(72,299)	(277,560)	(486,784)
Profit before expected credit losses	3,766,566	2,089,012	3,462,718	1,831,110	11,149,406
Expected credit losses made on loans, advances and financing	(641,144)	(229,845)	(389,836)	(273,621)	(1,534,446)
Expected credit losses written back/(made) for commitments and contingencies	26,959	2,858	145,104	–	174,921
Other expected credit losses and impairment allowances (made)/written back	(172,910)	1,439	(49,450)	(11,007)	(231,928)
Segment results	2,979,471	1,863,464	3,168,536	1,546,482	9,557,953
Share of results of joint ventures	(10,595)	–	–	(48,319)	(58,914)
Share of results of associates	–	–	–	41,692	41,692
Profit before taxation and zakat	2,968,876	1,863,464	3,168,536	1,539,855	9,540,731
Taxation and zakat					(2,378,636)
Profit for the financial year					7,162,095
Segment assets	228,023,511	70,799,346	298,457,173	115,294,611	712,574,641
Investment in associates and joint ventures	152,311	–	–	2,244,214	2,396,525
	228,175,822	70,799,346	298,457,173	117,538,825	714,971,166
Unallocated assets	–	–	–	–	18,600,986
Total assets	228,175,822	70,799,346	298,457,173	117,538,825	733,572,152
Segment liabilities	197,380,697	91,617,444	290,428,444	60,849,572	640,276,157
Unallocated liabilities	–	–	–	–	23,457,104
Total liabilities	197,380,697	91,617,444	290,428,444	60,849,572	663,733,261
Other segment items					
Capital expenditure	263,583	22,416	105,367	519,920	911,286
Investment in joint ventures	152,311	–	–	2,150,055	2,302,366
Investment in associates	–	–	–	94,159	94,159

Notes to the Financial Statements

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52 SEGMENT REPORTING (CONTINUED)

(A) BUSINESS SEGMENT REPORTING (CONTINUED)

Basis of pricing for inter-segment transfers:

Inter-segmental charges are computed principally based on the interest-bearing assets and liabilities of each business segment with appropriate rates applied.

(B) GEOGRAPHICAL SEGMENT REPORTING

The Group's business segments are managed on a worldwide basis and they operate mainly in four main geographical areas:

- Malaysia, the home country of the Group, which includes all the areas of operations in the business segments.
- Indonesia, the areas of operation in this country include all the business segments of a subsidiary bank, PT Bank CIMB Niaga Tbk.
- Thailand, the areas of operation in this country include all the business segments of a subsidiaries, CIMB Thai Bank Public Company Limited and Sathorn Asset Management Company Limited.
- Singapore, the areas of operation in this country include all the business segments of a subsidiary bank, CIMB branch in Singapore.
- Other countries include branch and subsidiary operations in United Kingdom, China, Cambodia, Hong Kong, Vietnam and Philippines. The overseas operations involved mainly in corporate lending and borrowing, and stockbroking activities. With the exception of Malaysia, Indonesia, Thailand and Singapore, no other individual country contributed more than 10% of the consolidated net interest income or assets.

The Group	Net interest income RM'000	Total non-current assets RM'000	Total assets RM'000	Total liabilities RM'000
2024				
Malaysia	**4,778,183**	**11,075,151**	**465,029,007**	**420,320,453**
Indonesia	**3,193,655**	**1,324,231**	**98,881,857**	**85,016,295**
Thailand	**1,335,164**	**309,325**	**66,621,874**	**59,860,811**
Singapore	**1,133,929**	**255,602**	**102,792,045**	**96,586,965**
Other countries	**922,920**	**229,719**	**21,805,920**	**22,507,289**
	11,363,851	**13,194,028**	**755,130,703**	**684,291,813**
2023				
Malaysia	4,628,927	11,264,632	453,875,815	410,876,590
Indonesia	3,463,968	1,409,359	98,571,267	84,906,343
Thailand	1,300,258	319,806	68,240,896	61,826,488
Singapore	1,013,485	249,027	93,417,265	88,097,085
Other countries	677,068	261,231	19,466,909	18,026,755
	11,083,706	13,504,055	733,572,152	663,733,261

53 SIGNIFICANT EVENTS

53.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Issuance of bonds and Sukuk

(i) On 23 February 2024, CIMB Bank issued USD50 million 5-year floating rate notes under its USD5.0 billion Global Medium Term Note Programme. The Notes bears a coupon rate of SOFR plus 0.95% per annum payable quarterly, as disclosed in Note 30(ab);

(ii) On 27 February 2024, CIMB Bank issued USD120 million 5-year floating rate notes under its USD5.0 billion Global Medium Term Note Programme. The Notes bears a coupon rate of compounded daily SOFR plus 0.95% per annum payable quarterly, as disclosed in Note 30(ac);

(iii) On 27 March 2024, CIMB Islamic Bank issued RM250 million senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 3.75% per annum payable semi-annually, as disclosed in Note 30(ad);

(iv) On 27 March 2024, CIMB Islamic Bank issued RM300 million senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 3.86% per annum payable semi-annually, as disclosed in Note 30(ae);

(v) On 27 March 2024, CIMB Islamic Bank issued RM1,450 million senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 4.03% per annum payable semi-annually, as disclosed in Note 30(af);

(vi) On 27 March 2024, CIMB Islamic Bank issued RM1,500 million senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 4.13% per annum payable semi-annually, as disclosed in Note 30(ag);

(vii) On 8 April 2024, CIMB Bank issued USD10 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.90% per annum payable quarterly, as disclosed in Note 30(ah);

(viii) On 26 April 2024, CIMB Bank issued USD37 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of compounded daily SOFR plus 0.89% per annum payable quarterly, as disclosed in Note 30(ai);

(ix) On 9 July 2024, CIMB Niaga Auto Finance issued IDR1,000,000 million Sukuk Wakalah Bi Al-Istitsmar. The Sukuk is divided into 2 series. Nominal value of 1-year Series A Sukuk and 3-year Series B Sukuk amounting to IDR710,000 million and IDR290,000 million, with fixed interest rate of 6.80% and 7.10% per annum respectively, as disclosed in Note 30(aj);

(x) On 30 July 2024, CIMB Islamic issued RM125 million of 5-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 3.85% per annum payable semi-annually, as disclosed in Note 30(ak);

(xi) On 30 July 2024, CIMB Islamic issued RM700 million of 8-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 4.00% per annum payable semi-annually, as disclosed in Note 30(al);

(xii) On 30 July 2024, CIMB Islamic issued RM2,175 million of 11-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk bears a profit rate of 4.07% per annum payable semi-annually, as disclosed in Note 30(am);

(xiii) On 29 October 2024, CIMB Bank issued USD40 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes bears a coupon rate of compounded daily SOFR plus 0.85% per annum payable quarterly, as disclosed in Note 30(an);

(xiv) On 14 November 2024, CIMB Bank issued USD30 million 5-year floating rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes bears a coupon rate of compounded daily SOFR plus 0.85% per annum payable quarterly, as disclosed in Note 30(ao);

(xv) On 28 November 2024, CIMB Islamic issued RM120 million 3-year floating rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, bears a profit rate of 3 month KLIBOR + plus 0.23% per annum payable quarterly, as disclosed in Note 30(ap).

Notes to the Financial Statements

for the financial year ended 31 December 2024

53 SIGNIFICANT EVENTS (CONTINUED)

53.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(b) Full redemption of bonds and Sukuk

The redemptions during the financial year are as follows:

(i) On 18 February 2024, CIMB Niaga Auto Finance redeemed its 370 days Series A Bond amounting to IDR700,000 million as disclosed in Note 30(r);

(ii) On 19 March 2024, CIMB Bank redeemed its USD88.0 million 5-year floating rate notes issued under its USD5.0 billion Euro Medium Term Note Programme as disclosed in Note 30(d);

(iii) On 28 March 2024, MKB undertook a final redemption amounting to RM384 million as disclosed in Note 30(a);

(iv) On 15 April 2024, CIMB Bank redeemed its USD30.0 million 5-year floating rate notes as disclosed in Note 30(e);

(v) On 5 May 2024, CIMB Bank redeemed its HKD610 million 3-year fixed rate notes as disclosed in Note 30(m);

(vi) On 17 May 2024, CIMB Bank redeemed its RM1.2 billion 7-year senior MTN as disclosed in Note 30(b);

(vii) On 10 July 2024, CIMB Bank redeemed its RM14 million senior MTN as disclosed in Note 30(s);

(viii) On 12 July 2024, CIMB Bank redeemed its HKD200 million 5-year fixed rate notes as disclosed in Note 30(f);

(ix) On 18 July 2024, CIMB Bank redeemed its RM19 million of senior MTN as disclosed in Note 30(t);

(x) On 8 August 2024, CIMB Bank redeemed its USD20 million 5-year floating rate notes as disclosed in Note 30(g);

(xi) On 19 August 2024, CIMB Bank redeemed its RM17 million senior MTN as disclosed in Note 30(v);

(xii) On 21 August 2024, CIMB Niaga redeemed its Series C Sukuk amounting to IDR429,000 million as disclosed in Note 30(i);

(xiii) On 26 September 2024, CIMB Bank redeemed its USD30 million 1-year floating rate notes as disclosed in Note 30(w);

(xiv) On 9 October 2024, CIMB Bank redeemed its existing USD680 million 5-year floating rate note as disclosed in Note 30(h);

(xv) On 19 December 2024, CIMB Niaga redeemed its Series C Sukuk amounting to IDR481,000 million as disclosed in Note 30(j).

(c) Issuance of MTN/CP

(i) On 12 June 2024, CIMBGH issued RM350 million 1-year unrated MTN which will mature on 12 June 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value as disclosed in Note 31(a);

(ii) On 18 September 2024, CIMBGH issued RM400 million 1-year MTN which will mature on 18 September 2025. The MTN was issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value as disclosed in Note 31(a);

(iii) On 30 September 2024, CIMBGH issued RM500 million 3-year MTN which will mature on 30 September 2027 and RM500 million 5-year MTN which will mature on 30 September 2029. Both MTNs were issued out of its existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value, as disclosed in Note 31(a);

(iv) On 13 December 2024, CIMB Bank issued a nominal value of RM50 million 6-month commercial papers under its RM10.0 billion Commercial Papers Programme. The commercial papers, which bear a discount rate of 3.75% per annum, will mature on 26 June 2025, as disclosed in Note 31(a);

(v) On 18 December 2024, CIMB Bank issued a nominal value of RM18.6 million 7-month commercial papers under its RM10.0 billion Commercial Papers Programme. The commercial papers, which bear a discount rate of 3.75% per annum, will mature on 8 July 2025, as disclosed in Note 31(a).

53 SIGNIFICANT EVENTS (CONTINUED)

53.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) Full redemption of MTN of the Company

(i) On 12 June 2024, CIMBGH redeemed its RM350 million 1-year MTN issued under the existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value, as disclosed in Note 31(a);

(ii) On 30 September 2024, CIMBGH completed the buyback and cancellation of its RM1.0 billion 3-year Medium Term Notes ("MTN") issued under the existing Conventional and Islamic Medium Term Notes Programmes, which has a combined limit of RM6.0 billion in nominal value, as disclosed in Note 31(a).

(e) Issuance of subordinated obligations

Issuance during the financial year are as follows:

(i) On 28 June 2024, the Company issued RM1.0 billion Perpetual non-callable 5-year Additional Tier 1 Capital Securities, bearing a periodic distribution rate of 4.31% per annum, payable on a semi-annual basis. The said Capital Securities were issued out of the RM10.0 billion Additional Tier 1 Capital Securities programme. (see Note 32(q));

(ii) On 26 September 2024, the Company issued RM1,850 million 12 years non-callable 7 years Tier 2 Sukuk Wakalah, bearing a periodic distribution rate of 4.08% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. (see Note 32(r));

(iii) On 26 September 2024, the Company issued RM150 million 10 years non-callable 5 years Tier 2 Sukuk Wakalah, bearing a periodic distribution rate of 3.89% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. (see Note 32(s));

(iv) On 28 October 2024, CIMB Thai Bank issued THB2 billion Basel III compliant Tier 2 subordinated green bonds with fixed interest rate of 3.90% per annum, payable every three months. The said subordinated green bonds was issued out of the THB2 billion Tier 2 subordinated green bonds programme (see Note 32(t)).

(f) Full redemption of subordinated obligations of the Group

The redemptions during the financial year are as follows:

(i) On 28 June 2024, the Company redeemed its existing RM1.0 billion Additional Tier 1 Capital Securities as disclosed in Note 32(c);

(ii) On 9 July 2024, CIMB Thai redeemed its existing RM550 million Tier 2 Subordinated Debt on the first call date as disclosed in Note 32(d);

(iii) On 13 September 2024, the Company redeemed its existing RM1.2 billion Tier 2 Subordinated Debt as disclosed in Note 32(a);

(iv) On 25 November 2024, the Company redeemed its existing RM800 million 10-year non-callable 5-year Tier 2 Subordinated Debt on the first call date as disclosed in Note 32(e);

(v) On 19 December 2024, CIMB Niaga redeemed its IDR83,000 million subordinated bonds as disclosed in Note 32(f).

Notes to the Financial Statements

for the financial year ended 31 December 2024

53 SIGNIFICANT EVENTS (CONTINUED)

53.1 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(g) Acquisition of KAF

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

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

On 8 February 2024, CIMB Investment completed the Acquisition KESB, for an adjusted final purchase consideration of RM144,706,000. Following the completion of the Acquisition, KESB has become a wholly owned subsidiary of the Group.

On 11 March 2024, KESB changed its name to CIMB Securities Sdn Bhd.

For detailed disclosure, refer Note 57.

53.2 SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

(a) Issuance and paid-up capital of the Company

The issued and paid-up capital of the Company increased from 10,728,906,596 as at 31 December 2024 to 10,734,898,613 shares via issuance of 5,992,017 new ordinary shares amounting to RM32.5 million arising from the LTIP-ESOS.

(b) Issuance and redemption of structured debentures and short term debentures at CIMB Thai

Subsequent to the financial year, CIMB Thai issued various unsecured structured debentures amounting to THB706 million with tenures ranges between 1 month to 3 months from respective issuance dates. It bears variable interest rates, payable at respective maturity dates.

CIMB Thai had also redeemed various unsecured structured debentures amounting to THB505 million subsequent to the financial year.

On 8 January 2025, CIMB Thai redeemed its unsecured short term debentures amounting to JPY4.8 billion.

54 CAPITAL ADEQUACY

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

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

The capital adequacy ratios of the banking subsidiaries of the Group are computed as follows:

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 14 June 2024. The revised guidelines took effect on 14 June 2024 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

On 5 February 2020, BNM issued the policy document on Domestic Systemically Important Banks (D-SIB) Framework, which sets out BNM's assessment methodology to identify D-SIBs in Malaysia, following which CIMB Group Holdings Berhad has been identified as a D-SIB. A D-SIB is required to maintain additional capital buffers to regulatory capital requirements that include a higher loss absorbency (HLA) requirement which came into effect on 31 January 2021. The applicable HLA requirements will be in accordance to the list of D-SIBs published and updated by BNM on an annual basis.

The risk-weighted assets of the Bank 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 18 December 2023.

The Internal Ratings Based ("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. As for CIMB Investment Bank Group, the Standardised Approach is applied for Credit Risk and Market Risk while Operational Risk is based on the Basic Indicator Approach.

The capital adequacy ratios of CIMB Thai Bank is based on the Bank of Thailand's (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 capital adequacy ratios of Bank CIMB Niaga is based on Otoritas Jasa Keuangan's (OJK) requirements. The approach for Credit Risk and Market Risk is based on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach. With effect from 1 January 2023, Operational Risk is based on Standardised Approach as stipulated by SEOJK No 6/SEOJK.03/2020.

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 risks.

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54 CAPITAL ADEQUACY (CONTINUED)

CAPITAL STRUCTURE AND ADEQUACY

The table below sets out the summary of the sources of capital and the capital adequacy ratios of the Group as at 31 December 2024 and 31 December 2023. The banking subsidiaries issue various capital instruments pursuant to the respective regulatory guidelines, that qualify as capital pursuant to the CAF and CAFIB issued by BNM.

The respective banking subsidiaries as listed in note 54(c) have complied with the capital requirements in accordance with the local regulatory requirements for the financial year ended 31 December 2024 and 31 December 2023.

(a) The table below sets out the summary of the sources of capital and the capital adequacy ratios of the Group as at 31 December 2024 and 31 December 2023.

	The Group	
	2024	**2023**
Before deducting proposed dividend		
Common equity tier 1 ratio	**15.224%**	15.259%
Tier 1 ratio	**15.831%**	15.874%
Total capital ratio	**18.842%**	18.926%
After deducting proposed dividend		
Common equity tier 1 ratio	**14.642%**	14.511%
Tier 1 ratio	**15.249%**	15.126%
Total capital ratio	**18.260%**	18.178%

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

	The Group	
	2024 RM'000	**2023 RM'000**
Credit risk [1]	**305,916,299**	306,189,404
Market risk	**23,701,458**	19,836,990
Large exposure risk requirements	**1,306,841**	1,235,055
Operational risk	**38,837,383**	36,311,913
Total risk-weighted assets	**369,761,981**	363,573,362

[1] The RWA for credit risk relating to the Restricted Agency Investment Account (refer Note 10(i)(c) for more details) are as follows:

	The Group	
	2024 RM'000	**2023 RM'000**
Under Restricted Agency Investment Account arrangement	**1,241,607**	830,893

54 CAPITAL ADEQUACY (CONTINUED)

(b) Components of Tier 1 and Tier 2 capital for the financial year ended 31 December 2024 and 31 December 2023 are as follows:

	The Group	
	2024 RM'000	2023 RM'000
Common Equity Tier 1 capital		
Ordinary share capital	**29,439,251**	29,094,547
Other reserves	**39,804,545**	39,232,414
Qualifying non-controlling interests	**560,583**	547,876
Less: Proposed dividends	**(2,152,744)**	(2,719,601)
Common Equity Tier 1 capital before regulatory adjustments	**67,651,635**	66,155,236
Less: Regulatory adjustments		
Goodwill	**(6,370,826)**	(6,475,948)
Intangible assets	**(1,788,466)**	(1,801,788)
Deferred tax assets	**(1,484,507)**	(1,994,990)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	**(2,176,769)**	(2,193,317)
Regulatory reserve	**(1,777,092)**	(1,102,571)
Others	**87,265**	171,804
Common Equity Tier 1 capital after regulatory adjustments	**54,141,240**	52,758,426
Additional Tier 1 capital		
Perpetual subordinated capital securities	**2,150,000**	2,150,000
Qualifying capital instruments held by third parties	**94,081**	86,332
	2,244,081	2,236,332
Less: Regulatory adjustments		
Investments in own Additional Tier 1 capital instruments	**–**	–
Additional Tier 1 capital after regulatory adjustments	**2,244,081**	2,236,332
Total Tier 1 capital	**56,385,321**	54,994,758
Tier 2 capital		
Subordinated obligations	**8,400,000**	8,400,000
Qualifying capital instruments held by third parties	**93,371**	83,869
Surplus of eligible provisions over expected loss	**1,093,390**	1,122,690
General provisions √	**1,546,057**	1,488,429
Tier 2 capital before regulatory adjustments	**11,132,818**	11,094,988
Less: Regulatory adjustments		
Investments in own Tier 2 capital instruments	**–**	–
Total Tier 2 capital	**11,132,818**	11,094,988
Total capital	**67,518,139**	66,089,746

Notes to the Financial Statements

for the financial year ended 31 December 2024

54 CAPITAL ADEQUACY (CONTINUED)

(c) The capital adequacy of the banking subsidiary companies of the Group are as follows:

	CIMB Bank Group	CIMB Bank**	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
2024								
Before deducting proposed dividend								
Common equity tier 1 ratio	**15.642%**	**15.089%**	**14.543%**	**86.561%**	**16.327%**	**21.873%**	**N/A**	**N/A**
Tier 1 ratio	**16.042%**	**15.517%**	**15.065%**	**86.561%**	**16.327%**	**21.873%**	**N/A**	**N/A**
Total capital ratio	**19.592%**	**19.353%**	**17.749%**	**86.561%**	**21.014%**	**22.962%**	**18.766%**	**52.959%**
After deducting proposed dividend								
Common equity tier 1 ratio	**15.088%**	**14.210%**	**14.543%**	**74.440%**	**16.327%**	**21.873%**	**N/A**	**N/A**
Tier 1 ratio	**15.487%**	**14.638%**	**15.065%**	**74.440%**	**16.327%**	**21.873%**	**N/A**	**N/A**
Total capital ratio	**19.037%**	**18.474%**	**17.749%**	**74.440%**	**21.014%**	**22.962%**	**18.766%**	**52.959%**

	CIMB Bank Group^	CIMB Bank**^	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
2023								
Before deducting proposed dividend								
Common equity tier 1 ratio	15.375%	15.628%	12.996%	106.562%	15.255%	22.394%	N/A	N/A
Tier 1 ratio	15.781%	16.069%	13.522%	106.562%	15.255%	22.394%	N/A	N/A
Total capital ratio	19.399%	19.949%	15.545%	106.562%	20.876%	23.527%	20.407%	60.916%
After deducting proposed dividend								
Common equity tier 1 ratio	14.795%	14.695%	12.996%	98.955%	15.255%	22.394%	N/A	N/A
Tier 1 ratio	15.201%	15.136%	13.522%	98.955%	15.255%	22.394%	N/A	N/A
Total capital ratio	18.819%	19.015%	15.545%	98.955%	20.876%	23.527%	20.407%	60.916%

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

√ Total Capital of CIMB Group as at 31 December 2024 has excluded general provisions restricted from Tier 2 capital of RM1,328 million (2023: RM1,548 million).

^ The Directors have proposed a single tier special dividend of RM1,500 million in respect of the financial year ended 31 December 2023. The proposed single tier special dividend was approved by the Board of Directors on 30 January 2024.

On 30 January 2024, the Directors have approved the proposed new issuance of 239,612,121 ordinary shares by CIMB Bank at an issue price of RM6.26 per ordinary share. The issuance is made in satisfaction of a dividend payable.

The proposed single tier special dividend and the proposed share issuance of new shares, collectively, do not have an impact on the capital ratios of CIMB Bank.

55 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

Refer to Section 58.1 Credit risk measurement for details on the key judgements and assumptions of the estimation of expected credit loss allowance for financial assets at amortised cost and FVOCI.

(b) *Goodwill impairment*

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

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

The carrying value of the CGU, including the allocated goodwill, is compared to the higher of fair value less cost to sell and value in use to determine whether any impairment exists. Detailed calculations may need to be carried out taking into consideration changes in the market in which a business operates. In the absence of readily available market price data, this calculation is usually based upon discounting expected pre-tax cash flows at the individual CGU's pre-tax discount rate, which reflect the specific risks relating to the CGU. This requires exercise of judgement. Refer to Note 20 for details of these assumptions and the potential impact of changes to the assumptions. Changes to the assumptions used by management, particularly the discount rate and the terminal growth rate, may significantly affect the results of the impairment.

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

(c) *Investment in joint ventures impairment*

The Group tests annually whether the investment in joint ventures have suffered any impairment in accordance with the accounting policy stated in Note B of the Summary of Material Group Accounting Policies.

The recoverable amount of the investment was determined at the higher of its fair value less costs of disposal or value in use. The Group determines whether its investments are impaired following certain indications of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes in the economic environment. Depending on the investment itself, judgements are made on inputs such as underlying multipliers. Changes to the assumptions used by management may significantly affect the results of the impairment. Refer to Note 16 for details of these assumptions and the potential impact of changes to the assumptions.

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55 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(d) *Fair value of financial instruments*

The majority of the Group's financial instruments reported at fair value are based on quoted and observable market prices. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities. The valuation of financial instruments using significant unobservable inputs (Level 3) is described in more detail in Note 58.4.3.

56 NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

		The Group	
	Note	2024 RM'000	2023 RM'000
Non-current assets held for sale:			
Property, plant and equipment	(a)	–	5,584
Total non–current assets held for sale		–	5,584

(a) Property, plant and equipment of the Group where deposits have been received from buyers of the properties and where a definitive buyer has been identified have been classified as held for sale.

Fair value of property plant and equipment held for sale

In accordance with MFRS 5, the non-current assets held for sale were stated at the lower of carrying amount and fair value less cost to sell. As at 31 December 2024, the property, plant and equipment held for sale that were stated at fair value less cost to sell was RM Nil (2023: RM5,584,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sale prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within Level 2 of the fair value hierarchy.

57 ACQUISITION

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

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

The following table summarises the consideration paid for the acquisition of KAF, identifiable assets acquired and liabilities assumed at the acquisition date:

	Note	The Group RM'000
Cash and short-term funds		**94,585**
Other assets		**61,636**
Taxation recoverable		**3,013**
Deferred tax assets	12	**551**
Property, plant and equipment	17	**414**
Intangible assets		**2,055**
Right-of-use assets		**769**
Other liabilities		**(59,073)**
Lease liabilities		**(782)**
Net identifiable assets acquired		**103,168**
Add: Goodwill	20	**41,538**
Net assets acquired		**144,706**
Total purchase consideration		**144,706**
Less: Cash and cash equivalents acquired		**(94,585)**
Net cash flow on acquisition		**50,121**
Less: Deposit in relation to the Acquisition paid in the previous financial year		**(14,794)**
Net cash outflow on acquisition during the financial year		**35,327**

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

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58 FINANCIAL RISK MANAGEMENT

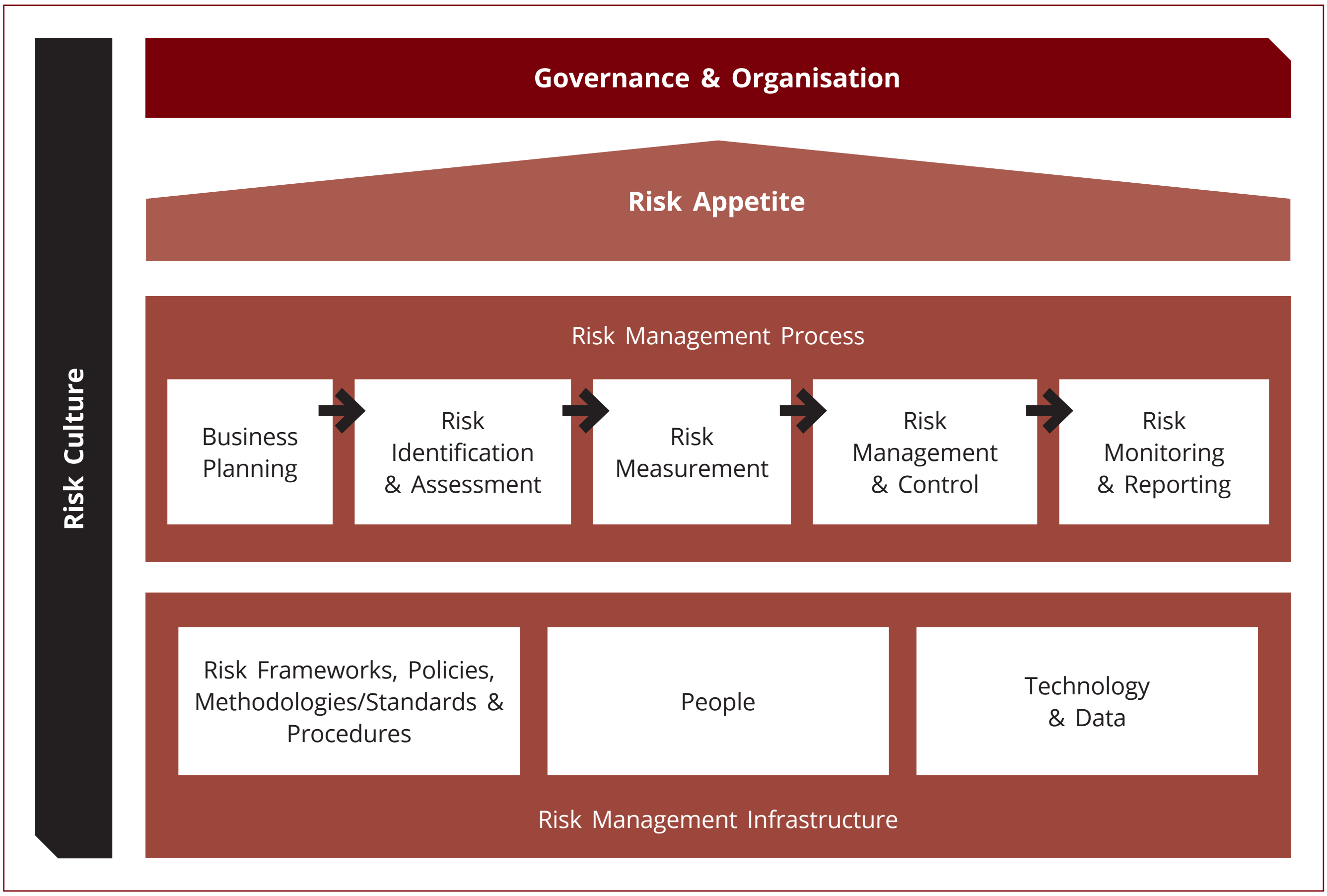
(A) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

(B) ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK ("EWRM")

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

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



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

The key features of the Group EWRM framework include:

(I) RISK CULTURE

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

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK ("EWRM") (CONTINUED)

The key features of the Group EWRM framework include (Continued):

(II) GOVERNANCE & ORGANISATION

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

(III) RISK APPETITE

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

(IV) RISK MANAGEMENT PROCESS

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

(V) RISK MANAGEMENT INFRASTRUCTURE

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

(C) RISK GOVERNANCE

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

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

Notes to the Financial Statements

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) RISK GOVERNANCE (CONTINUED)

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

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

(ii) Market risk, defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility;

(iii) Liquidity and funding risk, defined as the current and potential risk to earnings, shareholders' funds or reputation arising from the inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses;

(iv) Interest rate/rate of return risk in the banking book, which is the current and potential risk to the Group's earning and economic value arising from movement in interest/profit rates;

(v) Capital risk, defined as the risk of a bank not having sufficient capital to withstand potential losses suffered in its operations. Capital is important as it can be used to repay depositors, customers, creditors, and other claimants in case there is insufficient liquidity during a crisis;

(vi) Model risk is defined as the type of risk that the method used to measure or quantify the bank's material risk is not accurate due to deterioration of model, hence limiting the usefulness and application of the model itself. It also covers improper implementation and improper image of methods developed to quantify risks;

(vii) Operational risk, defined as the risk of loss resulting from inadequate or failed processes, people and systems, or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks;

(viii) Fraud risk, defined as the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify or etc. to: (i) gain unlawful/illegal/unfair personal advantages, (ii) induce another individual(s) to surrender willing/unwilling of a legal right/possession or (iii) damage another individual(s) resulting in a loss to another;

(ix) Reputation risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception by the stakeholders about the Group's business practices, conduct or financial condition. Such adverse perception, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business, revenue or share price;

(x) Technology risk, is the risk of loss resulting from inadequate or weaknesses in strategy, people, process, technology (including emerging technologies e.g. Cloud Artificial Intelligence etc.) or external events, which includes cyber risks, financial risk, regulatory/compliance risk and the risk of reputational loss/damage;

(xi) Outsourcing risk, defined as the risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage to the Group. As the organisation moves towards Third Party Risk Management, the definition above will extend to non-outsourced service providers which the organisation places reliance an to operate and deliver services to our customers;

(xii) SNC risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage which CIMB Group may suffer arising from failure to comply with Shariah requirements determined by SAC of BNM and SC, including standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA; or decisions or advice by BSC of CIMB Islamic Bank; or other Shariah regulatory authorities of the jurisdictions where the Group operates;

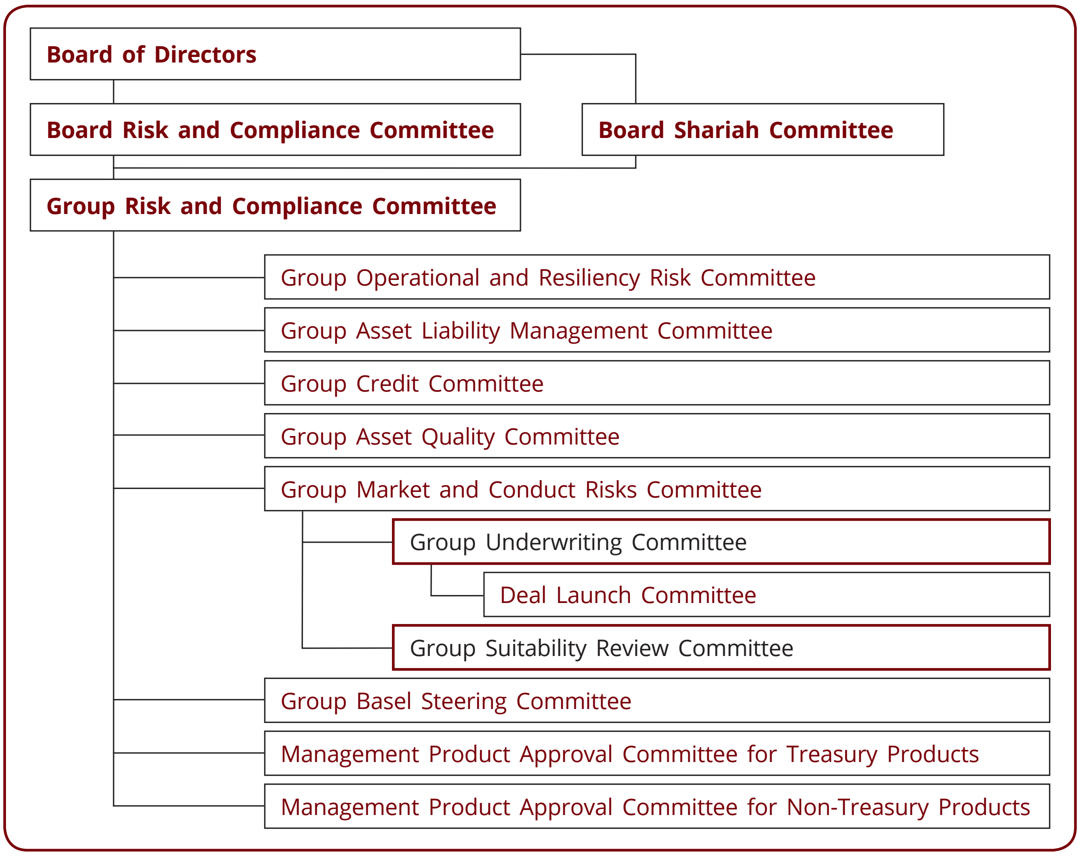
(xiii) Regulatory compliance risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which CIMB Group may suffer arising from possible failure to comply with the applicable laws and regulations of the jurisdictions in which the Group operates; and

(xiv) Sustainability risk, defined as the risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with a business relation and its operations, and/or the Group's own internal operations and employees.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) RISK GOVERNANCE (CONTINUED)

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



The overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, the Group strives to ensure a consistent and standardised approach in its risk governance process. As such, Group and regional committees have consultative and advisory responsibilities on regional matters across the Group as regulators allow. This structure increases regional communication and sharing of technical knowledge and best practices. It further enhances support towards managing and responding to risk management issues, thus providing the Board with a comprehensive view of the activities within the Group.

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

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

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) RISK GOVERNANCE (CONTINUED)

Three Lines-of-Defence

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

The Roles of Group Chief Risk Officer ("CRO") and Group Risk Division ("GRD")

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

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

(i) actively engages the respective boards and senior management on risk management issues and initiatives; and

(ii) maintains an oversight on risk management functions across all entities within the Group. In each key country of operations, there is a local CRO or a local Head of Risk Management, whose main functions are to assess and manage the enterprise risk and liaise with regulators in the respective countries.

The organisational structure of Group Risk is made of two major components, namely the CRO and the Risk Centres of Excellence ("CoE"):

(I) CRO

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

(II) RISK CENTRES OF EXCELLENCE

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

(1) Asset Liability Management CoE

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

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) RISK GOVERNANCE (CONTINUED)

The Roles of Group Chief Risk Officer ("CRO") and Group Risk Division ("GRD") (Continued)

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

(II) RISK CENTRES OF EXCELLENCE (CONTINUED)

(2) Credit Risk CoE

The Credit Risk CoE consists of Retail and Non-Retail credit risk and is dedicated to the identification and assessment, measurement, management, monitoring and reporting of credit risk in the Group. The scope under the identification and CoE function include areas ranging from development of credit risk policies, procedures and standards to advance portfolio analytics, and use of credit risk modelling (including rollout of Alternative Credit Underwriting models leveraging on machine learning techniques for Retail portfolios).

(3) Market Risk CoE

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

(4) Non-Financial Risk Management CoE

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

(5) Shariah Risk CoE

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

(6) Enterprise Risk And Infrastructure CoE

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

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

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for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) RISK GOVERNANCE (CONTINUED)

STRATEGIES AND PROCESSES FOR VARIOUS RISK MANAGEMENT

Information on strategies and processes for Credit Risk, Market Risk, Interest Rate Risk/Rate of Return Risk in the Banking Book are available in the later sections.

58.1 CREDIT RISK

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

Credit risk is inherent in banking activities and arises from traditional financing activities through conventional loans, financing facilities, trade finance, as well as commitments to support clients' obligations to third parties, e.g. guarantees or kafalah contracts. In derivatives, sales and trading activities, credit risk arises from the possibility that the Group's counterparties will be unable or unwilling to fulfil their obligation on transactions on or before settlement dates.

CREDIT RISK MANAGEMENT

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

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

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

The Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities between business units and Group Risk, to the various credit committees. The credit approving committees are set up to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units. For corporate, commercial and private banking loans/financing, credit applications are independently evaluated by the Credit Risk (Non-Retail) CoE team prior to submission to the joint delegated authority or the relevant committees for approval; certain business units' officers are delegated with credit approving authority to approve low value credit facilities. In addition, for loan/financing to sectors and clients that are exposed to high environmental and social risks, the Sustainability CoE conducts due diligence from an environmental and social point of view.

For retail loans/financing, all credit applications are evaluated and approved by Consumer Credit Operations according to the designated delegated authority with higher limits submitted to joint delegated authorities or relevant committees for approval.

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

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

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

CREDIT RISK MANAGEMENT (CONTINUED)

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

It is the Group policy that all exposures must be rated or scored based on the appropriate internal rating models, where available. Retail exposures are managed on a portfolio basis and the risk rating models are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts, performed by way of statistical analysis from credit bureau and demographic information of the obligors. The risk rating models for non-retail exposures are designed to assess the credit worthiness of the corporations or entities in paying their obligations, derived from both quantitative and qualitative risk factors such as financial history and demographics or company profile. These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's retail and non-retail exposures.

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

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

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

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

CREDIT RISK MITIGATION

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

(i) Collaterals/Securities

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

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

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

CREDIT RISK MITIGATION (CONTINUED)

(ii) Collateral Valuation and Management

The Group has in place policies which govern the determination of eligibility of various collaterals including credit protection, to be considered for credit risk mitigation which includes the minimum operational requirements that are required for the specific collaterals to be considered as effective risk mitigants.

The collateral is valued periodically ranging from daily to annually, depending on the type of collateral. Specifically for real estate properties, a procedure for valuation of real estate properties is established to ensure adequate policies and procedures are in place for efficient and proper conduct of valuation of real estate properties and other related activities in relation to the interpretation, monitoring and management of valuation of real estate properties.

(iii) Netting

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

(iv) Portfolio diversification for better clarity

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

CREDIT RISK MEASUREMENT

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

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

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

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

(i) Significant increase in credit risk ("SICR")

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a loan/financing has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

CREDIT RISK MEASUREMENT (CONTINUED)

(i) Significant increase in credit risk ("SICR") (Continued)

Retail

A retail loan, advances and financing is perceived to have experienced significant increase in credit risk when the asset meets one of the following criteria:

- Past due for more than 1 month on its contractual payment;
- Habitual delinquent;
- Modified under Agensi Kaunseling dan Pengurusan Kredit ("AKPK") scheme and subject to monitoring period.

Non-retail

The stage allocation will be performed at borrower level. A borrower is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

- Significant downgrade of internal rating;
- Borrower on watchlist and exhibits weaknesses which, if uncorrected, will potentially become a non-performing account in the next 12 months;
- Past due for more than 1 month on its contractual payment;
- Habitual delinquent.

Treasury

A debt instrument is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

- Significant downgrade of internal rating;
- Borrower on watchlist and exhibits weaknesses which will potentially become a non-performing account in the next 12 months;
- Margin call or force selling trigger not regularalised within the stipulated period (applicable to option premium financing only).

The Group has not used the low credit risk exemption for any financial instruments for the year ended 31 December 2024 and 31 December 2023. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the management.

(ii) Definition of credit impaired

Loans, advances and financing

The Group classifies a loan, advances and financing as impaired when it meets one or more of the following criteria:

(a) Where the principal or interest/profit or both of the credit facility is past due for more than 90 days or 3 months;

(b) In the case of revolving credit facilities (e.g. overdraft facilities), where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days or 3 months;

(c) Where the amount is past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, and the credit facility exhibits weaknesses in accordance with the Group's internal credit risk rating framework; or

(d) As soon as a default occurs where the principal and/or interest/profit repayments/payments are scheduled on intervals of 3 months or longer.

For the purpose of ascertaining the period in arrears:

- Repayment/payment on each of the instalment amount must be made in full. A partial repayment/payment made on an instalment amount shall be deemed to be still in arrears; and
- Where a moratorium on credit facilities is granted in relation to the rescheduling and restructuring exercise due to specific and exceptional circumstances as set in the Group's internal policy, the determination of period in arrears shall exclude the moratorium period granted.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

CREDIT RISK MEASUREMENT (CONTINUED)

(ii) Definition of credit impaired (Continued)

Loans, advances and financing (Continued)

(e) Force Impaired Credit Facilities

The credit facility is force impaired due to various reasons which may include the following: PN17 classification by Bursa, bankruptcy/winding up orders, appointment of Independent Financial Advisor/Liquidator/Receivers & Managers, ceased operations and/or suspended with no likelihood of resuming in the next 12 months, business viability is affected with repayment/payment capability in doubt resulting in going concern issue in the near term, etc. In the event where a credit facility is not in default or past due but force impaired, the credit facility shall be classified as impaired upon approval by GAQC.

(f) Cross Default

When an obligor/counterparty has multiple credit facilities with the Group and cross default obligation applies, an assessment of provision is required under which default of one debt/financing obligation triggers default on another debt/financing obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual credit facility level instead of consolidated obligor/counterparty level.

Bonds and other debt instruments measured at amortised cost or FVOCI

The financial instruments are classified as impaired when it meets one or more of the following criteria:

- Bond that have an internal rating of 14 and above shall be classified as impaired upon approval by relevant approval authority. Impaired credits must be graded/classified with the appropriate regulatory financing grading(s).
- Bonds which are force impaired and approved by GAQC will be subject to individual impairment assessment.
- When an obligor/counterparty has multiple loans/bonds with the Group and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, an assessment of provision needs to be performed on individual loan/bond level instead of consolidated obligor/counterparty level.

(iii) Definition of default

Loans, advances and financing

The Group defines a financial instrument as in default when it meets one or more of the following criteria:

- Credit-impaired;
- Restructured accounts by AKPK scheme;
- Write-off/charged-off accounts;
- Repossessed accounts (applicable for hire purchase receivables only);
- Force disposed accounts (applicable for non-voluntary ASB loans, advances and financing only).

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default ("PD"), Exposure at Default ("EAD") and Loss given Default ("LGD") throughout the Group's expected loss calculations for loans, advances and financing.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

CREDIT RISK MEASUREMENT (CONTINUED)

(iii) Definition of default (Continued)

Bonds and other debt instruments measured at amortised cost or FVOCI

The default criteria is fully aligned with external rating agency's default definition as the Group has chosen to benchmark external data for modelling purposes:

- Failure to make principal and/or interest/profit payment under the contractual terms, which is not remedied within the grace period.
- Bankruptcy filings, administration, receivership, liquidation, winding-up or cessation of business of issuer/obligor.
- Failure to honor corporate-guarantee obligations provided to subsidiaries.
- Distressed exchange offer (e.g. extended maturities, lower coupons and etc.).
- Change in payment terms of a credit arrangement or indenture imposed by the sovereign that results in a diminished financial obligation.

(iv) Measuring ECL – inputs, assumptions and estimation techniques

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its loans, advances and financing. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The 12-month or lifetime ECL reflects multiple forward-looking scenarios and is weighted based on the probability of occurrence for each scenario. The ECL can be assessed and measured either on collective or individual basis.

For collective assessment, the ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. The three components are multiplied together to calculate an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest/profit rate or an approximation thereof.

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

Probability of Default

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

The PD is derived based on the modelling approach of which statistical analysis and expert judgement was performed to identify the risk parameters which correlate with the historical observed default. The model relies on the risk parameters and its correlation with the historical observed default to predict the 12-month PD. The Lifetime PD is developed using forecasted MEV with the applicaton of survival probabilities up to maturity of the loan facility.

Exposure at Default

EAD is the total amount that the Group is exposed to at the time the borrower defaults.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or remaining maturity.
- For revolving products the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

CREDIT RISK MEASUREMENT (CONTINUED)

(iv) Measuring ECL – inputs, assumptions and estimation techniques (Continued)

Loss Given Default

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

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

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD's are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGD's are influenced by collection strategies, including contracted debt sales and price.

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

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

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

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

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

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

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

The Group and the Company have also identified the key economic variables and carried out sensitivity assessment of ECL for loans, advances and financing (including undrawn loans, advances and financing) and treasury bonds in relation to the changes in these key economic variables whilst keeping other variables unchanged.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

CREDIT RISK MEASUREMENT (CONTINUED)

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

The key economic variables used for the ECL sensitivity assessment:

Key variables:	Changes (+/- bps) 2024	2023
GDP growth	**75**	50
Equity market and share price index	**25 – 300**	50 – 75
Housing Price Index ("HPI")	**5 – 75**	25 – 50
Overnight policy rate ("OPR")	**25**	50
Exchange Rate	**25**	50
Interbank rate	**25**	25
Crude oil price	**150**	700
Consumer Price Index, CPI	**50 – 200**	50 – 350
Export	**50 – 150**	200
Leading indicator	**50**	50
Retail Sale	**25**	15
Bank Indonesia Rate	**25**	5
Private Consumption	**50**	100

	The Group (Writeback)/made			
	2024		2023	
	RM'000 +	RM'000 –	RM'000 +	RM'000 –
Impact from expected credit losses	**37,019**	**1,311**	84,936	(77,175)

The impact captures the non-linearity and offsetting effect arising from the correlation of variables with the ECL and does not reflect any overlay or adjustment which could potentially be put in place as a result of the change in macroeconomics.

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

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes. The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk and Modeling team.

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

WRITE-OFF POLICY

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

The Group may write-off loan or debt instrument that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended 31 December 2024 was RM2,469 million (2023: RM3,015 million).

MODIFICATION OF LOANS

Where the original contractual terms of a financial asset have been modified and the instrument has not been derecognised, the resulting modification loss is recognised in the income statements with a corresponding decrease in the gross carrying value of the asset.

If the modification involved a concession that the Group and the Company would not otherwise consider, the instrument is considered to be credit impaired and is considered forborne. ECL for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk.

These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification. The risk of default of such loans after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original loans. The Group and the Company monitor the subsequent performance of modified assets. The Group and the Company may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK ("CCR")

Off-Balance exposures are exposures are exposures such as derivatives, trade facilities and undrawn commitments. The Group adopts the Current Exposure method to compute the capital requirement for CCR under BNM's guidelines on CAF (Basel II - Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets).

(i) Credit Risk Mitigation

For credit derivatives and swaps transactions, the Group enters into master agreement with counterparties, whenever possible. Further, the Group may also enter into CSA with counterparties. The net credit exposure with each counterparty is monitored based on the threshold agreed in the master agreement and the Group may request for additional margin for any exposures above the agreed threshold, in accordance with the terms specified in the relevant CSA or the master agreement. The eligibility of collaterals and frequency calls are negotiated with the counterparty and endorsed by GCC or the relevant credit approving authority.

(ii) Treatment of Rating Downgrade

In the event of a one-notch downgrade of rating, based on the terms of the existing Credit Support Annexes, International Swaps and Derivatives Association Agreement and exposure as at 31 December 2024 and 31 December 2023 there was no requirement for additional collateral to be posted.

On the other hand, counterparty rating is being monitored and in the event of a rating downgrade, remedial actions such as revision of the counterparty credit limit, suspension of the limit or the request for additional collateral may be taken.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.1 MAXIMUM EXPOSURE TO CREDIT RISK (WITHOUT TAKING INTO ACCOUNT ANY COLLATERAL HELD OR OTHER CREDIT ENHANCEMENTS)

For financial assets reflected in the statement of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees and similar contract granted, it is the maximum amount that the Group and the Company would have to pay if the guarantees were called upon. For credit related commitments and contingents that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

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

	The Group Maximum exposure	
	2024 RM'000	**2023 RM'000**
Financial guarantees	**7,943,046**	8,234,174
Credit related commitments and contingencies	**174,536,925**	141,203,906
	182,479,971	149,438,080

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for net loans, advances and financing for the Group is 68.6% (2023: 66.0%) while the financial effect of collateral for derivatives for the Group is 82.1% (2023: 81.4%). The financial effect of collateral held for the remaining financial assets are insignificant.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for net loans, advances and financing that are credit impaired as at 31 December 2024 for the Group is 81.2% (2023: 84.1%).

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.2 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(a) Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements – by type

	The Group					
				Related amounts not offsetted in the statement of financial position		
	Gross amounts of recognised financial assets in the statement of financial position RM'000	Gross amounts of offsetted financial liabilities in the statement of financial position RM'000	Net amounts of financial assets in the statement of financial position RM'000	Financial instruments RM'000	Financial collateral received RM'000	Net amount RM'000
Financial assets						
2024						
Derivatives	**15,022,058**	**-**	**15,022,058**	**(9,558,361)**	**(1,929,977)**	**3,533,720**
Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah	**10,882,458**	**-**	**10,882,458**	**(4,277,808)**	**(6,364,317)**	**240,333**
Loans, advances and financing – Share margin financing	**22,637**	**-**	**22,637**	**-**	**(21,593)**	**1,044**
Total	**25,927,153**	**-**	**25,927,153**	**(13,836,169)**	**(8,315,887)**	**3,775,097**
2023						
Derivatives	15,644,895	–	15,644,895	(10,367,648)	(1,959,386)	3,317,861
Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah	9,707,692	–	9,707,692	(2,422,424)	(7,107,836)	177,432
Loans, advances and financing – Share margin financing	19,687	–	19,687	–	(18,695)	992
Amount due from brokers	68,287	(23,242)	45,045	–	–	45,045
Total	25,440,561	(23,242)	25,417,319	(12,790,072)	(9,085,917)	3,541,330

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.2 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(b) Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements – by type

	The Group					
				Related amounts not offsetted in the statement of financial position		
	Gross amounts of recognised financial liabilities in the statement of financial position RM'000	Gross amounts of offsetted financial assets in the statement of financial position RM'000	Net amounts of financial liabilities in the statement of financial position RM'000	Financial instruments RM'000	Financial collaterals pledged RM'000	Net amount RM'000
Financial liabilities						
2024						
Derivatives	**14,423,807**	**-**	**14,423,807**	**(9,532,855)**	**(1,797,453)**	**3,093,499**
Repurchase agreements/Collateralised Commodity Murabahah	**47,228,104**	**-**	**47,228,104**	**(46,967,070)**	**-**	**261,034**
Amount due to brokers	**52,026**	**(28,440)**	**23,586**	**-**	**-**	**23,586**
Total	**61,703,937**	**(28,440)**	**61,675,497**	**(56,499,925)**	**(1,797,453)**	**3,378,119**
2023						
Derivatives	16,077,219	–	16,077,219	(10,359,725)	(1,375,063)	4,342,431
Repurchase agreements/Collateralised Commodity Murabahah	49,386,566	–	49,386,566	(44,356,672)	–	5,029,894
Total	65,463,785	–	65,463,785	(54,716,397)	(1,375,063)	9,372,325

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.3 CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE

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

(a) *Geographical sectors*

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

The Group 2024	Malaysia RM'000	Indonesia RM'000	Thailand RM'000	Singapore RM'000	United States RM'000	United Kingdom RM'000	Hong Kong RM'000	China RM'000	Others RM'000	Total RM'000
Cash and short-term funds	11,709,989	1,467,248	52,258	3,267,401	1,479,383	1,422,645	824,689	680,457	3,764,400	24,668,470
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah	5,991,794	451,552	124,352	2,440,456	27,299	87,680	448,454	10,637	1,300,234	10,882,458
Deposits and placements with banks and other financial institutions	1,631,699	84	-	2,157,754	-	-	326,651	142,269	909,322	5,167,779
Financial investments at fair value through profit or loss	21,778,205	6,635,360	8,203,479	8,468,296	281,359	660,044	86,232	211,013	3,075,415	49,399,403
Debt instruments at fair value through other comprehensive income	40,858,471	16,704,278	9,363,416	2,764,297	640,488	1,320,300	1,527,310	817,567	4,885,228	78,881,355
Debt instruments at amortised cost	54,140,044	4,834,649	4,964,039	13,774,050	-	94,133	80,183	185,796	590,562	78,663,456
Derivative financial instruments	2,839,447	297,754	5,644,445	869,090	3,724	3,589,384	272,811	73,026	1,432,377	15,022,058
Loans, advances and financing	269,229,837	64,396,802	34,076,405	47,184,363	570,918	6,601,978	2,090,516	4,672,256	13,340,404	442,163,479
Other assets	6,094,808	894,530	1,759,390	1,507,336	633,081	999,221	96,241	3,722	1,696,516	13,684,845
Financial guarantees	3,031,062	179,323	8,243	3,018,007	2,189	-	23,059	164,697	1,516,466	7,943,046
Credit related commitments and contingencies	129,360,998	8,410,409	3,875,388	14,353,650	225,524	655,536	2,283,916	4,074,023	11,297,481	174,536,925
Total credit exposures	546,666,354	104,271,989	68,071,415	99,804,700	3,863,965	15,430,921	8,060,062	11,035,463	43,808,405	901,013,274

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.3 CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE (CONTINUED)

(a) *Geographical sectors (Continued)*

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

The Group 2023	Malaysia RM'000	Indonesia RM'000	Thailand RM'000	Singapore RM'000	United States RM'000	United Kingdom RM'000	Hong Kong RM'000	China RM'000	Others RM'000	Total RM'000
Cash and short-term funds	16,153,972	1,489,579	172,335	2,859,598	1,930,530	1,091,989	1,024,510	931,898	4,051,307	29,705,718
Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah	3,481,223	1,599,399	439,979	2,320,942	21,718	79,744	19,284	13,701	1,731,702	9,707,692
Deposits and placements with banks and other financial institutions	2,248,311	-	-	447,996	-	-	237,737	136,726	136,848	3,207,618
Financial investments at fair value through profit or loss	18,782,968	6,015,710	8,453,409	8,614,635	161,670	181,619	61,148	92,714	3,146,590	45,510,463
Debt instruments at fair value through other comprehensive income	37,793,962	13,670,547	10,382,670	3,224,020	154,757	1,001,081	1,743,628	390,144	3,056,489	71,417,298
Debt instruments at amortised cost	55,184,954	6,036,990	5,131,312	11,367,701	-	68,992	124,900	156,959	426,387	78,498,195
Derivative financial instruments	2,566,277	201,125	6,404,140	700,349	29,361	4,071,890	405,689	29,356	1,236,708	15,644,895
Loans, advances and financing	262,195,662	62,954,654	34,657,264	43,573,525	670,456	6,927,497	1,529,879	4,423,780	12,517,320	429,450,037
Other assets	5,436,228	1,198,382	1,476,212	1,523,619	327,389	981,004	257,427	3,837	1,374,879	12,578,977
Financial guarantees	3,221,424	526,674	49,552	2,800,740	40,948	-	60,769	261	1,533,806	8,234,174
Credit related commitments and contingencies	107,584,770	7,370,073	4,607,566	13,153,357	18,782	1,697,434	1,379,598	2,966,458	2,425,868	141,203,906
Total credit exposures	514,649,751	101,063,133	71,774,439	90,586,482	3,355,611	16,101,250	6,844,569	9,145,834	31,637,904	845,158,973

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.3 CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE (CONTINUED)

(a) Geographical sectors (Continued)

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

The Company 2024	**Malaysia RM'000**	**Total RM'000**
Cash and short-term funds	**407,956**	**407,956**
Debt instruments at fair value through other comprehensive income	**1,157,825**	**1,157,825**
Debt instruments at amortised cost	**8,414,474**	**8,414,474**
Other assets	**924**	**924**
	9,981,179	**9,981,179**

The Company 2023	**Malaysia RM'000**	**Total RM'000**
Cash and short-term funds	363,691	363,691
Debt instruments at fair value through other comprehensive income	1,144,797	1,144,797
Debt instruments at amortised cost	8,412,266	8,412,266
Other assets	969	969
	9,921,723	9,921,723

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.3 CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE (CONTINUED)

(b) Industry sectors

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

The Group 2024	Cash and short-term funds RM'000	Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah RM'000	Deposits and placements with banks and other financial institutions RM'000	Financial investments at fair value through profit or loss RM'000	Debt instruments at fair value through other comprehensive income RM'000	Debt instruments at amortised cost RM'000	Derivative financial instruments RM'000	Loans, advances and financing RM'000	Other assets RM'000	Total RM'000
Primary agriculture	-	-	-	-	294,042	55,075	1,398	11,497,175	24	11,847,714
Mining and quarrying	-	-	-	107,565	761,728	959,211	41,824	4,659,473	-	6,529,801
Manufacturing	-	-	-	142,994	753,513	119,228	102,459	28,038,153	689	29,157,036
Electricity, gas and water	-	-	-	926,303	5,106,775	2,027,132	99,651	8,159,365	32,752	16,351,978
Construction	-	-	-	1,248,762	1,334,957	1,614,821	8,390	12,853,397	2,260	17,062,587
Transport, storage and communications	-	-	-	391,052	3,613,590	3,462,846	43,603	12,201,476	25,964	19,738,531
Education and health	-	-	-	-	-	-	740	19,359,940	499	19,361,179
Wholesale and retail trade, and restaurant	-	-	-	36,833	335,813	-	4,774	37,541,211	1,306	37,919,937
Finance, insurance, real estate business:										
Finance, insurance/takaful, real estate and business activities	24,668,470	9,367,284	5,167,779	17,285,527	23,763,215	26,538,370	14,394,107	64,407,513	12,011,385	197,603,650
Others:										
Household	-	-	-	-	-	-	244	221,388,259	1,310	221,389,813
Others	-	1,515,174	-	29,260,367	42,917,722	43,886,773	324,868	22,057,517	1,608,656	141,571,077
	24,668,470	10,882,458	5,167,779	49,399,403	78,881,355	78,663,456	15,022,058	442,163,479	13,684,845	718,533,303

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.3 CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE (CONTINUED)

(b) Industry sectors (Continued)

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

The Group 2023	Cash and short-term funds RM'000	Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah RM'000	Deposits and placements with banks and other financial institutions RM'000	Financial investments at fair value through profit or loss RM'000	Debt instruments at fair value through other comprehensive income RM'000	Debt instruments at amortised cost RM'000	Derivative financial instruments RM'000	Loans, advances and financing RM'000	Other assets RM'000	Total RM'000
Primary agriculture	-	-	-	47,432	346,120	70,138	3,234	12,128,161	127	12,595,212
Mining and quarrying	-	-	-	100,891	589,095	1,003,281	35,546	4,094,877	-	5,823,690
Manufacturing	-	-	-	279,042	1,001,076	95,818	134,485	29,229,171	97	30,739,689
Electricity, gas and water	-	-	-	895,769	4,881,304	2,976,129	73,349	8,826,697	7,395	17,660,643
Construction	-	-	-	656,152	1,091,221	1,264,378	6,363	14,115,356	7,695	17,141,165
Transport, storage and communications	-	-	-	2,842,455	3,804,273	3,667,056	157,988	13,586,962	46,237	24,104,971
Education and health	-	-	-	-	16,277	-	508	19,212,907	431	19,230,123
Wholesale and retail trade, and restaurant	-	-	-	52,599	222,480	-	6,237	35,529,604	263	35,811,183
Finance, insurance, real estate business:										
Finance, insurance/takaful, real estate and business activities	29,705,718	7,213,096	3,207,618	17,284,438	23,196,178	26,668,839	15,061,531	57,404,866	11,008,445	190,750,729
Others:										
Household	-	-	-	-	-	-	61	211,773,542	2,120	211,775,723
Others	-	2,494,596	-	23,351,685	36,269,274	42,752,556	165,593	23,547,894	1,506,167	130,087,765
	29,705,718	9,707,692	3,207,618	45,510,463	71,417,298	78,498,195	15,644,895	429,450,037	12,578,977	695,720,893

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.3 CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE (CONTINUED)

(b) Industry sectors (Continued)

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

The Company 2024	**Cash and short-term funds RM'000**	**Other financial assets* RM'000**	**Debt instruments at fair value through other comprehensive income RM'000**	**Debt instruments at amortised cost RM'000**	**Total RM'000**
Finance, insurance/takaful, real estate and business activities	**407,956**	**924**	**1,157,825**	**8,414,474**	**9,981,179**
	407,956	**924**	**1,157,825**	**8,414,474**	**9,981,179**

The Company 2023	**Cash and short-term funds RM'000**	**Other financial assets* RM'000**	**Debt instruments at fair value through other comprehensive income RM'000**	**Debt instruments at amortised cost RM'000**	**Total RM'000**
Finance, insurance/takaful, real estate and business activities	363,691	969	1,144,797	8,412,266	9,921,723
	363,691	969	1,144,797	8,412,266	9,921,723

* *Other financial assets include amount due from subsidiaries and other financial assets*

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.3 CONCENTRATION OF RISKS OF FINANCIAL ASSETS WITH CREDIT RISK EXPOSURE (CONTINUED)

(b) Industry sectors (Continued)

The analysis of credit risk concentrations for financial guarantees and credit related commitments and contingencies as at 31 December 2024 and 31 December 2023 based on the industry sectors of the counterparty are as follows:

	The Group			
	Financial guarantees 2024 RM'000	**Credit related commitments and contingencies 2024 RM'000**	**Financial guarantees 2023 RM'000**	**Credit related commitments and contingencies 2023 RM'000**
Primary agriculture	**55,618**	**2,809,899**	52,172	3,509,275
Mining and quarrying	**108,596**	**6,400,389**	68,375	5,015,241
Manufacturing	**1,020,686**	**13,445,086**	1,131,953	12,113,384
Electricity, gas and water	**485,738**	**8,842,996**	531,868	5,814,069
Construction	**662,411**	**12,087,247**	603,931	10,436,495
Transport, storage and communications	**333,818**	**5,740,375**	160,830	4,878,054
Education and health	**71,777**	**7,327,558**	77,257	7,155,579
Wholesale and retail trade, and restaurant	**4,288,893**	**15,732,594**	3,875,689	13,262,731
Finance, insurance/takaful, real estate and business activities	**720,828**	**48,332,045**	1,483,303	22,722,517
Others:				
Household	**124,262**	**50,699,914**	115,268	53,249,341
Others	**70,419**	**3,118,822**	133,528	3,047,220
	7,943,046	**174,536,925**	8,234,174	141,203,906

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS

(a) Financial assets using General 3-stage approach

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

Loans, advances and financing and loans commitment and financial guarantees

Rating classification	**Internal rating label**
Good	1 to 17
Satisfactory	18 to 25
Impaired	26 and above

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

Other financial instruments

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

Other financial instruments include cash and short-term funds, deposits and placements with banks and other financial institutions, reverse repurchase agreements at amortised cost, debt instruments at FVOCI, debt instruments at amortised cost, amount due from subsidiaries and other assets.

Credit quality description can be summarised as follows:

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

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

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

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

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

Impaired – Refers to the asset that is being impaired.

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

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

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

The Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Cash and short-term funds and Deposits and placements with Banks and other Financial Institutions					
2024					
Sovereign	**3,043,606**	**–**	**–**	**–**	**3,043,606**
Investment grade	**13,953,637**	**–**	**–**	**–**	**13,953,637**
Non-investment grade	**2,318**	**–**	**–**	**–**	**2,318**
Impaired	**–**	**–**	**–**	**–**	**–**
No rating	**12,837,998**	**–**	**–**	**–**	**12,837,998**
Gross carrying amount	**29,837,559**	**–**	**–**	**–**	**29,837,559**
Total ECL	**(1,310)**	**–**	**–**	**–**	**(1,310)**
Net carrying amount	**29,836,249**	**–**	**–**	**–**	**29,836,249**
2023					
Sovereign	5,600,699	–	–	–	5,600,699
Investment grade	13,633,814	–	–	–	13,633,814
Non-investment grade	2,261	–	–	–	2,261
Impaired	–	–	2,641	–	2,641
No rating	13,679,372	–	–	–	13,679,372
Gross carrying amount	32,916,146	–	2,641	–	32,918,787
Total ECL	(2,810)	–	(2,641)	–	(5,451)
Net carrying amount	32,913,336	–	–	–	32,913,336
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah, at amortised cost					
2024					
Sovereign	**–**	**–**	**–**	**–**	**–**
Investment grade	**2,201,748**	**–**	**–**	**–**	**2,201,748**
Non-investment grade	**–**	**–**	**–**	**–**	**–**
No rating	**8,322,549**	**–**	**–**	**–**	**8,322,549**
Gross carrying amount	**10,524,297**	**–**	**–**	**–**	**10,524,297**
Total ECL	**–**	**–**	**–**	**–**	**–**
Net carrying amount	**10,524,297**	**–**	**–**	**–**	**10,524,297**
2023					
Sovereign	1,393,890	–	–	–	1,393,890
Investment grade	2,034,596	–	–	–	2,034,596
Non-investment grade	66,942	–	–	–	66,942
No rating	6,064,974	–	–	–	6,064,974
Gross carrying amount	9,560,402	–	–	–	9,560,402
Total ECL	–	–	–	–	–
Net carrying amount	9,560,402	–	–	–	9,560,402

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for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

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

The Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Debt instruments at FVOCI					
2024					
Sovereign	**45,913,057**	**–**	**–**	**–**	**45,913,057**
Investment grade	**25,540,401**	**20,510**	**–**	**–**	**25,560,911**
Non-investment grade	**6,796,313**	**38,384**	**–**	**–**	**6,834,697**
No rating	**572,690**	**–**	**–**	**–**	**572,690**
Gross carrying amount*	**78,822,461**	**58,894**	**–**	**–**	**78,881,355**
Total ECL^^	**(50,258)**	**(17,149)**	**–**	**–**	**(67,407)**
2023					
Sovereign	40,875,849	–	–	–	40,875,849
Investment grade	19,021,828	–	–	–	19,021,828
Non-investment grade	9,676,058	142,564	–	–	9,818,622
No rating	1,700,999	–	–	–	1,700,999
Gross carrying amount*	71,274,734	142,564	–	–	71,417,298
Total ECL^^	(62,729)	(748)	–	–	(63,477)

* *This represents the fair value of the securities*

^^ *The ECL is recognised in OCI reserves instead of in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value.*

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

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

The Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Debt instruments at amortised cost					
2024					
Sovereign	**66,408,859**	**–**	**–**	**–**	**66,408,859**
Investment grade	**7,523,143**	**31,269**	**–**	**–**	**7,554,412**
Non-investment grade	**3,348,801**	**–**	**–**	**–**	**3,348,801**
Impaired	**–**	**–**	**1,417,787**	**–**	**1,417,787**
No rating	**521,267**	**–**	**–**	**–**	**521,267**
Gross carrying amount	**77,802,070**	**31,269**	**1,417,787**	**–**	**79,251,126**
Total ECL	**(7,057)**	**(1,198)**	**(579,415)**	**–**	**(587,670)**
Net carrying amount	**77,795,013**	**30,071**	**838,372**	**–**	**78,663,456**
2023					
Sovereign	67,441,305	–	–	–	67,441,305
Investment grade	5,351,540	–	–	–	5,351,540
Non-investment grade	4,173,500	–	–	–	4,173,500
Impaired	–	–	1,472,709	–	1,472,709
No rating	687,958	–	–	–	687,958
Gross carrying amount	77,654,303	–	1,472,709	–	79,127,012
Total ECL	(11,693)	–	(617,124)	–	(628,817)
Net carrying amount	77,642,610	–	855,585	–	78,498,195
Loans, advances and financing at amortised cost (i)					
2024					
Good	**227,136,474**	**3,570,144**	**–**	**–**	**230,706,618**
Satisfactory	**53,559,543**	**17,071,713**	**–**	**–**	**70,631,256**
Impaired	**–**	**–**	**9,574,614**	**–**	**9,574,614**
No rating	**134,033,020**	**7,295,496**	**–**	**–**	**141,328,516**
Gross carrying amount	**414,729,037**	**27,937,353**	**9,574,614**	**–**	**452,241,004**
Total ECL	**(2,435,885)**	**(1,793,505)**	**(5,848,135)**	**–**	**(10,077,525)**
Net carrying amount	**412,293,152**	**26,143,848**	**3,726,479**	**–**	**442,163,479**
2023					
Good	238,920,821	6,417,664	–	–	245,338,485
Satisfactory	37,052,181	12,904,473	–	–	49,956,654
Impaired	–	–	11,764,126	6,117	11,770,243
No rating	125,962,010	7,560,644	–	–	133,522,654
Gross carrying amount	401,935,012	26,882,781	11,764,126	6,117	440,588,036
Total ECL	(2,858,814)	(1,987,111)	(6,564,344)	(1,863)	(11,412,132)
Net carrying amount	399,076,198	24,895,670	5,199,782	4,254	429,175,904

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

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

The Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Other assets					
2024					
Sovereign	**871,015**	**–**	**–**	**–**	**871,015**
Investment grade	**4,885,512**	**–**	**–**	**–**	**4,885,512**
Non-investment grade	**344,481**	**–**	**–**	**–**	**344,481**
Impaired	**–**	**–**	**517,614**	**–**	**517,614**
No rating	**6,448,515**	**–**	**–**	**–**	**6,448,515**
Gross carrying amount	**12,549,523**	**–**	**517,614**	**–**	**13,067,137**
Total ECL	**(90,368)**	**–**	**(517,614)**	**–**	**(607,982)**
Net carrying amount	**12,459,155**	**–**	**–**	**–**	**12,459,155**
2023					
Sovereign	1,196,109	–	–	–	1,196,109
Investment grade	3,247,341	–	–	–	3,247,341
Non-investment grade	277,698	–	–	–	277,698
Impaired	–	–	517,882	–	517,882
No rating	6,467,154	2,000	–	–	6,469,154
Gross carrying amount	11,188,302	2,000	517,882	–	11,708,184
Total ECL	(29,751)	(2,000)	(517,882)	–	(549,633)
Net carrying amount	11,158,551	–	–	–	11,158,551

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

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

The Group	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Loan commitments and Financial guarantee contracts					
2024					
Good	**106,330,588**	**1,229,960**	**–**	**–**	**107,560,548**
Satisfactory	**8,187,529**	**2,702,040**	**–**	**–**	**10,889,569**
Impaired	**–**	**–**	**281,589**	**–**	**281,589**
No rating	**63,116,287**	**631,083**	**895**	**–**	**63,748,265**
Gross exposure	**177,634,404**	**4,563,083**	**282,484**	**–**	**182,479,971**
Total ECL	**(215,355)**	**(87,227)**	**(104,546)**	**–**	**(407,128)**
Net exposure	**177,419,049**	**4,475,856**	**177,938**	**–**	**182,072,843**
2023					
Good	81,821,709	944,506	–	–	82,766,215
Satisfactory	8,422,679	2,490,736	–	–	10,913,415
Impaired	–	–	327,470	–	327,470
No rating	54,888,947	542,033	–	–	55,430,980
Gross exposure	145,133,335	3,977,275	327,470	–	149,438,080
Total ECL	(415,265)	(73,124)	(180,063)	–	(668,452)
Net exposure	144,718,070	3,904,151	147,407	–	148,769,628

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

i) Analysis of credit quality of loans, advances and financing by product

	Loans and advances at amortised cost									
The Group 2024	Overdraft RM'000	Term loans/ financing RM'000	Bills receivable RM'000	Trust receipts RM'000	Claims on customers under acceptance credits RM'000	Staff loans RM'000	Credit card receivables RM'000	Revolving credits RM'000	Share margin financing RM'000	Total gross carrying amount RM'000
12-month ECL (Stage 1)	4,242,386	342,678,775	6,556,034	1,618,613	3,296,475	1,832,197	10,376,538	44,105,382	22,637	414,729,037
- Good	1,437,544	194,595,270	4,133,352	1,157,038	1,190,173	1,346,698	3,912,243	19,364,156	-	227,136,474
- Satisfactory	356,832	46,871,451	494,271	141,155	194,298	975	3,545,048	1,955,513	-	53,559,543
- No rating	2,448,010	101,212,054	1,928,411	320,420	1,912,004	484,524	2,919,247	22,785,713	22,637	134,033,020
Lifetime ECL not credit-impaired (Stage 2)	914,770	21,855,252	903,822	466,929	641,858	3,159	308,350	2,843,213	-	27,937,353
- Good	218,076	2,079,882	130,040	415,423	122,514	-	1,667	602,542	-	3,570,144
- Satisfactory	630,398	13,200,246	772,796	34,695	464,756	597	252,156	1,716,069	-	17,071,713
- No rating	66,296	6,575,124	986	16,811	54,588	2,562	54,527	524,602	-	7,295,496
Lifetime ECL credit-impaired (Stage 3)	208,723	8,588,693	49,749	17,079	106,366	3,033	220,340	380,631	-	9,574,614
- Impaired	208,723	8,588,693	49,749	17,079	106,366	3,033	220,340	380,631	-	9,574,614
Purchased credit impaired	-	-	-	-	-	-	-	-	-	-
- Impaired	-	-	-	-	-	-	-	-	-	-
Total	5,365,879	373,122,720	7,509,605	2,102,621	4,044,699	1,838,389	10,905,228	47,329,226	22,637	452,241,004

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

i) Analysis of credit quality of loans, advances and financing by product (Continued)

	Loans and advances at amortised cost									
The Group 2023	**Overdraft RM'000**	**Term loans/ financing RM'000**	**Bills receivable RM'000**	**Trust receipts RM'000**	**Claims on customers under acceptance credits RM'000**	**Staff loans RM'000**	**Credit card receivables RM'000**	**Revolving credits RM'000**	**Share margin financing RM'000**	**Total gross carrying amount RM'000**
12-month ECL (Stage 1)	4,233,811	331,349,514	6,135,734	1,519,636	3,324,035	1,840,074	10,029,825	43,482,696	19,687	401,935,012
- Good	1,587,559	204,514,190	4,944,063	1,129,701	1,743,765	1,324,589	3,776,978	19,899,976	-	238,920,821
- Satisfactory	289,153	31,386,960	122,996	99,630	99,006	1,659	3,343,411	1,709,366	-	37,052,181
- No rating	2,357,099	95,448,364	1,068,675	290,305	1,481,264	513,826	2,909,436	21,873,354	19,687	125,962,010
Lifetime ECL not credit-impaired (Stage 2)	688,262	21,768,765	632,802	414,723	505,144	3,725	301,603	2,567,757	-	26,882,781
- Good	217,044	3,739,017	349,641	383,992	344,036	385	1,667	1,381,882	-	6,417,664
- Satisfactory	406,450	11,110,902	282,043	23,799	144,629	730	245,979	689,941	-	12,904,473
- No rating	64,768	6,918,846	1,118	6,932	16,479	2,610	53,957	495,934	-	7,560,644
Lifetime ECL credit-impaired (Stage 3)	201,034	10,777,961	53,923	40,836	104,265	1,987	166,578	417,542	-	11,764,126
- Impaired	201,034	10,777,961	53,923	40,836	104,265	1,987	166,578	417,542	-	11,764,126
Purchased credit impaired	-	6,117	-	-	-	-	-	-	-	6,117
- Impaired	-	6,117	-	-	-	-	-	-	-	6,117
Total	5,123,107	363,902,357	6,822,459	1,975,195	3,933,444	1,845,786	10,498,006	46,467,995	19,687	440,588,036

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

The following table disclose an analysis of the credit risk exposure of financial assets for which an expected credit losses allowance ("ECL") is recognised. (Continued)

The Company	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Cash and short-term funds					
2024					
No rating	**407,956**	**–**	**–**	**–**	**407,956**
Gross carrying amount	**407,956**	**–**	**–**	**–**	**407,956**
Total ECL	**-**	**–**	**–**	**–**	**-**
Net carrying amount	**407,956**	**–**	**–**	**–**	**407,956**
2023					
No rating	363,691	–	–	–	363,691
Gross carrying amount	363,691	–	–	–	363,691
Less: ECL	–	–	–	–	–
Net carrying amount	363,691	–	–	–	363,691
Debt instruments at FVOCI					
2024					
No rating	**1,157,825**	**–**	**–**	**–**	**1,157,825**
Gross carrying amount*	**1,157,825**	**–**	**–**	**–**	**1,157,825**
Total ECL^^	**(7,579)**	**–**	**–**	**–**	**(7,579)**
2023					
No rating	1,144,797	–	–	–	1,144,797
Gross carrying amount*	1,144,797	–	–	–	1,144,797
Total ECL^^	(7,679)	–	–	–	(7,679)

* *This represents the fair value of the securities*

^^ *The ECL is recognised in OCI reserves instead of in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value.*

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(a) Financial assets using General 3-stage approach (Continued)

The following table disclose an analysis of the credit risk exposure of financial assets for which an expected credit losses allowance ("ECL") is recognised. (Continued)

The Company	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit-impaired (Stage 2) RM'000	Lifetime ECL credit-impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Debt instruments at amortised cost					
2024					
No rating	**8,469,822**	**–**	**–**	**–**	**8,469,822**
Gross carrying amount	**8,469,822**	**–**	**–**	**–**	**8,469,822**
Total ECL	**(55,348)**	**–**	**–**	**–**	**(55,348)**
Net carrying amount	**8,414,474**	**–**	**–**	**–**	**8,414,474**
2023					
No rating	8,468,345	–	–	–	8,468,345
Gross carrying amount	8,468,345	–	–	–	8,468,345
Total ECL	(56,079)	–	–	–	(56,079)
Net carrying amount	8,412,266	–	–	–	8,412,266

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(b) Financial assets using simplified approach

ANALYSIS OF OTHER ASSETS BY CREDIT RATING

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

The Group and the Company

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

Credit quality description can be summarised below:

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

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

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

Sovereign – Refers to exposures relate to government and central bank

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

The Group	Sovereign RM'000	Investment grade RM'000	Non-investment grade RM'000	No rating RM'000	Gross carrying amount RM'000	ECL RM'000	Net carrying amount RM'000
2024							
Other assets	**70,692**	**48,336**	**–**	**1,218,765**	**1,337,793**	**(112,103)**	**1,225,690**
Total	**70,692**	**48,336**	**–**	**1,218,765**	**1,337,793**	**(112,103)**	**1,225,690**
2023							
Other assets	247,582	64,230	–	1,216,265	1,528,077	(107,651)	1,420,426
Total	247,582	64,230	–	1,216,265	1,528,077	(107,651)	1,420,426

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for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.4 CREDIT QUALITY OF FINANCIAL ASSETS (CONTINUED)

(b) Financial assets using simplified approach (Continued)

ANALYSIS OF OTHER ASSETS BY CREDIT RATING (CONTINUED)

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

The Company	Sovereign RM'000	Investment grade RM'000	Non-investment grade RM'000	No rating RM'000	Gross carrying amount RM'000	ECL RM'000	Net carrying amount RM'000
2024							
Other assets	**–**	**–**	**–**	**924**	**924**	**–**	**924**
Total	**–**	**–**	**–**	**924**	**924**	**–**	**924**
2023							
Other assets	–	–	–	969	969	–	969
Total	–	–	–	969	969	–	969

58.1.5 REPOSSESSED COLLATERAL

The Group obtained assets by taking possession of collateral held as security as at 31 December 2024 and 31 December 2023 are as follows:

	The Group Carrying amount RM'000	The Company Carrying amount RM'000
2024		
Nature of assets		
Industrial and residential properties, development land and motor vehicles	**249,978**	**–**
2023		
Nature of assets		
Industrial and residential properties, development land and motor vehicles	247,038	–

Repossessed collaterals are sold as soon as practicable. The Group does not utilise the repossessed collaterals for its business use.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.1 CREDIT RISK (CONTINUED)

58.1.6 MODIFICATION OF LOANS, ADVANCES AND FINANCING

The following table provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime expected credit loss – not credit impaired (Stage 2):

	The Group	
	2024 RM'000	**2023 RM'000**
Amortised cost before modification	**230,250**	105,790
Modification loss	**(1,396)**	(1,168)
Amortised cost after modification	**228,854**	104,622

Gross carrying amounts of loans, advances and financing of the Group as at 31 December 2024, for which loss allowance has changed to 12-month measurement (Stage 1) during the financial year amounting to RM3,472,000 (2023: RM4,305,000).

58.1.7 OVERLAYS AND ADJUSTMENTS FOR EXPECTED CREDIT LOSSES

In the post-COVID-19 environment, the Group continued to apply overlays and post-model adjustments to address economic uncertainties and external risks including, but not limited to, international trade trends, the prevailing effects of high policy rates and inflation, as well as the potential consequences of global geopolitical tensions for the adequacy of the overall level of ECL for the year ended 31 December 2024.

These overlays and post-model adjustments were applied to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact on delinquencies and defaults arising from the potential risks mentioned above.

The overlays and post-model adjustments involved a significant level of judgement and have reflected the management's views on the severity of post-pandemic impacts and paths to recovery in the forward-looking assessment of ECL estimation.

The impact of these overlays and post-model adjustments is estimated at the portfolio level, which remains outside the core MFRS 9 process and amounts to RM1,179.0 million (2023: RM1,818.2 million) of the Group's ECL on loans, advances/financing (including undrawn loans, advances and financing). Total overlays for ECL inclusive of the macro-economic adjustments is maintained by the Group within loans, advances/financing as at 31 December 2024.

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for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK

Market risk is defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.

MARKET RISK MANAGEMENT ("MRM")

The Group hedges the exposures to market risk by employing various strategies, including the use of derivative instruments.

The Group adopts various measures as part of the risk management process. The GRCC with the assistance of GMCRC and its delegated committees ensure that the risk exposures undertaken by the Group is within the risk appetite approved by the Board.

Market Risk CoE is responsible for measuring and controlling the Group's market risk through robust measurement and market risk limit monitoring while facilitating business growth within a controlled and transparent risk management framework.

Market Risk CoE evaluates the market exposures using the applicable market price and pricing model. The valuation process is carried out with the independent price verification requirements to ensure that financial assets/liabilities are recorded at fair value. The valuation methods and models used are validated by Market Risk Management quantitative analysts to assess their applicability relative to market conditions.

The Group adopts the VaR methodology as an approach in the measurement of market risk. VaR is a statistical measure of the potential losses that could occur as a result of movements in market rates and prices over a specified time horizon within a given confidence level. The usage of market VaR by risk type based on 1-day holding period of the Group's trading exposures as at 31 December 2024 is shown in Note 58.2.1.

Stress testing is conducted to capture the potential market risk exposures from an unexpected market movement. In formulating stress scenarios, consideration is given to various aspects of the market; for example, identification of areas where unexpected losses can occur and areas where historical correlation may no longer hold true.

In addition to the above, Market Risk CoE undertakes the monitoring and oversight process at Treasury & Markets' trading floors, which include reviewing and analysing treasury trading activities vis-à-vis changes in the financial markets, monitoring limit usage, assessing limit adequacy and verifying transaction prices.

Capital Treatment for Market Risk

At present, the Group adopts the Standardised Approach to compute market risk capital requirement under BNM's guidelines on CAF (Basel II - Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets).

58.2.1 VaR

The usage of market VaR by risk type based on 1-day holding period of the Group's trading exposures are set out as below:

	The Group	
	2024 RM'000	**2023 RM'000**
Foreign exchange risk	**23,660**	14,599
Interest rate risk	**31,795**	31,059
Equity risk	**2,667**	2,797
Commodity risk	**171**	514
Total	**58,293**	48,969
Total shareholder's fund	**69,243,796**	68,326,961
Percentage of shareholder's fund	**0.08%**	0.07%

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK

Interest rate risk relates to the potential adverse impact on net interest income arising from changes in market rates. One of the primary sources of interest rate risk is the repricing mismatches between interest earning assets and interest bearing liabilities. Interest rate risk is measured and reported at various levels through various techniques including Earnings-at-Risk ("EaR").

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates

The table below summarises the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates.

The Group 2024	Non-trading book Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
Financial assets									
Cash and short-term funds	22,282,351	-	-	-	-	-	7,326,287	-	29,608,638
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah	8,005,340	1,078,571	447,673	953,672	-	-	39,041	358,161	10,882,458
Deposits and placements with banks and other financial institutions	-	3,948,709	1,124,177	77,149	-	-	17,744	-	5,167,779
Financial investments at fair value through profit or loss	-	-	-	-	-	-	1,488,335	51,194,811	52,683,146
Debt instruments at fair value through other comprehensive income	800,773	2,638,575	4,299,234	3,918,734	32,976,865	33,517,426	729,748	-	78,881,355
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	393,289	-	393,289
Debt instruments at amortised cost	3,337,763	7,578,403	6,560,128	4,344,190	24,131,959	31,950,039	760,974	-	78,663,456
Derivative financial instruments	54,657	30,685	49,881	10,378	346,757	307,208	-	14,222,492	15,022,058
Loans, advances and financing	309,800,857	17,266,555	9,202,573	13,904,982	42,592,624	49,354,924	40,964	-	442,163,479
Other assets	5,670,233	-	-	-	45,656	-	7,968,956	-	13,684,845
Total financial assets	**349,951,974**	**32,541,498**	**21,683,666**	**23,209,105**	**100,093,861**	**115,129,597**	**18,765,338**	**65,775,464**	**727,150,503**

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK (CONTINUED)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued).

The table below summarises the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates (Continued).

The Group 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
	Non-trading book								
Financial liabilities									
Deposits from customers	245,038,512	77,355,986	51,339,177	33,863,785	1,705,011	460,868	62,187,527	-	471,950,866
Investment accounts of customers	3,931,239	6,536,126	7,371,843	5,660,764	621,395	-	321,943	-	24,443,310
Deposits and placements of banks and other financial institutions	25,958,026	13,378,648	2,984,790	1,358,250	975,842	446,552	342,473	-	45,444,581
Repurchase agreements/Collateralised Commodity Murabahah	20,131,908	22,667,674	3,634,541	585,252	-	-	208,729	-	47,228,104
Derivative financial instruments	31,567	29,405	65,342	26,578	305,819	134,267	-	13,830,829	14,423,807
Bills and acceptances payable	852,150	590,978	650,859	37	-	-	40,008	-	2,134,032
Financial liabilities designated at fair value through profit or loss	220,746	970,925	1,037,479	811,111	7,058,669	2,554,916	34,535	43,522	12,731,903
Other liabilities	5,027,746	2,437,538	794,976	852,840	687,438	12,680	11,555,778	-	21,368,996
Lease liabilities	20,630	6,378	11,819	33,717	325,268	113,778	9,414	-	521,004
Recourse obligation on loans and financing sold to Cagamas	-	160,021	-	699,772	2,573,037	1,477,627	24,385	-	4,934,842
Bonds, Sukuk and debentures	231,092	350,938	1,826,306	231,423	5,482,541	6,148,870	141,027	-	14,412,197
Other borrowings	1,516,766	6,958,986	2,388,518	221,095	433,398	-	38,988	-	11,557,751
Subordinated obligations	-	-	-	3,043,150	5,470,679	2,694,769	95,262	-	11,303,860
Total financial liabilities	302,960,382	131,443,603	72,105,650	47,387,774	25,639,097	14,044,327	75,000,069	13,874,351	682,455,253
Net interest sensitivity gap	46,991,592	(98,902,105)	(50,421,984)	(24,178,669)	74,454,764	101,085,270		51,901,113	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	7,943,046	-	7,943,046
Credit related commitments and contingencies	-	-	-	-	-	-	174,536,925	-	174,536,925
Treasury related commitments and contingencies (hedging)	1,884,404	2,829,816	2,310,462	5,918,746	31,319,689	17,565,482	-	-	61,828,599
Net interest sensitivity gap	1,884,404	2,829,816	2,310,462	5,918,746	31,319,689	17,565,482	182,479,971	-	244,308,570

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK (CONTINUED)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued).

The table below summarises the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates (Continued).

The Group 2023	Non-trading book Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
Financial assets									
Cash and short-term funds	27,499,510	–	–	–	–	–	7,272,960	–	34,772,470
Reverse repurchase agreements/Reverse collateralised commodity Murabahah	6,750,084	1,715,282	621,817	436,925	147,290	–	36,294	–	9,707,692
Deposits and placements with banks and other financial institutions	–	2,112,459	1,018,384	75,764	–	–	1,011	–	3,207,618
Financial investments at fair value through profit or loss	–	–	–	–	–	–	1,419,321	47,203,410	48,622,731
Debt instruments at fair value through other comprehensive income	704,070	3,225,750	1,109,833	3,887,060	30,805,144	31,176,512	508,929	–	71,417,298
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	306,171	–	306,171
Debt instruments at amortised cost	3,354,641	7,701,268	4,252,414	4,390,109	25,920,492	32,114,395	764,876	–	78,498,195
Derivative financial instruments	14,218	110,486	34,977	92,058	425,151	282,030	–	14,685,975	15,644,895
Loans, advances and financing	299,722,953	16,369,792	10,339,956	11,795,543	41,003,446	50,181,917	36,430	–	429,450,037
Other assets	4,679,829	385,263	5,356	5,579	49,019	–	7,453,931	–	12,578,977
Total financial assets	342,725,305	31,620,300	17,382,737	20,683,038	98,350,542	113,754,854	17,799,923	61,889,385	704,206,084

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK (CONTINUED)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued).

The table below summarises the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates (Continued).

The Group 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
	← Non-trading book →								
Financial liabilities									
Deposits from customers	232,634,390	62,771,146	55,121,634	47,192,094	4,634,798	515,432	60,572,598	–	463,442,092
Investment accounts of customers	3,662,911	4,390,680	5,022,693	5,037,556	521,316	–	348,969	–	18,984,125
Deposits and placements of banks and other financial institutions	19,513,350	15,370,239	1,483,235	1,355,957	1,531,245	695,011	334,182	–	40,283,219
Repurchase agreements/Collateralised Commodity Murabahah	23,468,694	22,833,697	2,776,607	–	–	–	307,568	–	49,386,566
Derivative financial instruments	41,098	61,301	34,969	18,359	362,204	123,443	–	15,435,845	16,077,219
Bills and acceptances payable	733,632	517,029	423,094	5	1,682	–	78,492	–	1,753,934
Financial liabilities designated at fair value through profit or loss	903,454	923,261	827,538	156,951	7,395,389	2,044,021	32,717	145,907	12,429,238
Other liabilities	5,688,671	2,232,137	783,387	1,341,074	757,282	27,630	10,525,250	–	21,355,431
Lease liabilities	20,513	5,974	10,672	47,477	338,516	125,469	–	–	548,621
Recourse obligation on loans and financing sold to Cagamas	–	160,021	512,000	488,000	2,804,345	–	22,383	–	3,986,749
Bonds, Sukuk and debentures	3,327,310	842,766	2,514,683	543,995	4,895,593	686,684	110,011	–	12,921,042
Other borrowings	229,305	4,039,490	812,697	1,214,691	3,363,419	1,520	37,462	–	9,698,584
Subordinated obligations	–	–	1,000,000	2,814,143	6,851,093	400,278	68,533	–	11,134,047
Total financial liabilities	290,223,328	114,147,741	71,323,209	60,210,302	33,456,882	4,619,488	72,438,165	15,581,752	662,000,867
Net interest sensitivity gap	52,501,977	(82,527,441)	(53,940,472)	(39,527,264)	64,893,660	109,135,366		46,307,633	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	8,234,174	-	8,234,174
Credit related commitments and contingencies	-	-	-	-	-	-	141,203,906	-	141,203,906
Treasury related commitments and contingencies (hedging)	3,678,332	7,139,880	2,654,070	4,254,649	26,815,724	11,550,365	-	-	56,093,020
Net interest sensitivity gap	3,678,332	7,139,880	2,654,070	4,254,649	26,815,724	11,550,365	149,438,080	-	205,531,100

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK (CONTINUED)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued).

The table below summarises the Company's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates.

The Company 2024	Non-trading book Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
Financial assets									
Cash and short-term funds	401,488	-	-	-	-	-	6,468	-	407,956
Debt instruments at fair value through other comprehensive income	-	-	-	548,375	407,995	195,602	5,853	-	1,157,825
Debt instruments at amortised cost	-	-	-	2,483,485	4,023,340	1,837,828	69,821	-	8,414,474
Other assets	-	-	-	-	-	-	924	-	924
Total financial assets	401,488	-	-	3,031,860	4,431,335	2,033,430	83,066	-	9,981,179
Financial liabilities									
Other liabilities	-	-	-	-	-	-	4,949	-	4,949
Amount due to subsidiaries	-	-	-	-	-	-	3,768	-	3,768
Other borrowings	-	3,750,000	600,000	-	-	-	7,034	-	4,357,034
Subordinated obligations	-	-	-	3,050,000	5,450,000	2,050,000	76,087	-	10,626,087
Total financial liabilities	-	3,750,000	600,000	3,050,000	5,450,000	2,050,000	91,838	-	14,991,838
Net interest sensitivity gap	401,488	(3,750,000)	(600,000)	(18,140)	(1,018,665)	(16,570)		-	

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK (CONTINUED)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued).

The table below summarises the Company's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates (Continued).

	Non-trading book								
The Company 2023	**Up to 1 month RM'000**	**> 1 – 3 months RM'000**	**> 3 – 6 months RM'000**	**> 6 – 12 months RM'000**	**> 1 – 5 years RM'000**	**Over 5 years RM'000**	**Non-interest sensitive RM'000**	**Trading book RM'000**	**Total RM'000**
Financial assets									
Cash and short-term funds	361,094	–	–	–	–	–	2,597	–	363,691
Debt instruments at fair value through other comprehensive income	–	–	–	–	948,364	190,657	5,776	–	1,144,797
Debt instruments at amortised cost	–	–	–	1,986,648	6,357,274	–	68,344	–	8,412,266
Other assets	–	–	–	–	–	–	969	–	969
Total financial assets	361,094	–	–	1,986,648	7,305,638	190,657	77,686	–	9,921,723
Financial liabilities									
Other liabilities	–	–	–	–	–	–	3,135	–	3,135
Amount due to subsidiaries	–	–	–	–	–	–	13,625	–	13,625
Other borrowings	–	3,000,000	350,000	–	600,000	–	7,145	–	3,957,145
Subordinated obligations	–	–	1,000,000	2,000,000	7,350,000	200,000	74,837	–	10,624,837
Total financial liabilities	–	3,000,000	1,350,000	2,000,000	7,950,000	200,000	98,742	–	14,598,742
Net interest sensitivity gap	361,094	(3,000,000)	(1,350,000)	(13,352)	(644,362)	(9,343)		–	

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK (CONTINUED)

(b) Sensitivity of profit

The table below shows the sensitivity of the Group's and the Company's banking book to movement in interest rates:

	The Group		The Company	
	Increase/(decrease)		Increase/(decrease)	
	+100 basis points RM'000	-100 basis points RM'000	+100 basis points RM'000	-100 basis points RM'000
2024				
Impact to profit (after tax)	**(571,453)**	**571,453**	**(31,218)**	**31,218**
2023				
Impact to profit (after tax)	(466,478)	466,478	(7,519)	7,519

Sensitivity is measured using the EaR methodology. The treatments and assumptions applied are based on the contractual repricing maturity and remaining maturity of the products, whichever is earlier. Items with indefinite repricing are profiled based on core balance assumptions. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and so forth.

A 100 bps parallel rate movement is applied to the yield curve to model the potential impact on profit in the next 12 months from policy rate change.

The projection assumes that interest rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.2 INTEREST RATE RISK (CONTINUED)

(c) Sensitivity of reserves

The table below shows the sensitivity of the Group's and the Company's banking book to movement in interest rates:

	The Group		The Company	
	Increase/(decrease)		Increase/(decrease)	
	+100 basis points RM'000	-100 basis points RM'000	+100 basis points RM'000	-100 basis points RM'000
2024				
Impact to fair value reserves-debt instruments at fair value through other comprehensive income	**(2,869,087)**	**2,869,087**	**29,777**	**(29,777)**
2023				
Impact to fair value reserves-debt instruments at fair value through other comprehensive income	(2,540,576)	2,540,576	39,363	(39,363)

A 100 bps parallel rate movement is applied to the yield curve to model the potential impact on reserves in the next 12 months from changes in risk free rates. The impact on reserves arises from changes in valuation of financial investments at fair value through other comprehensive income following movements in risk free rates.

The projection assumes that all other variables are held constant. It also assumes a constant reporting date position and that all positions run to maturity.

The above sensitivities of profit and reserves do not take into account the effects of hedging and do not incorporate actions that the Group would take to mitigate the impact of this interest rate risk. In practice, the Group proactively seeks to mitigate the effect of prospective interest movements.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.3 FOREIGN EXCHANGE RISK

The Group and the Company are exposed to transactional foreign exchange exposures which are exposures on assets and liabilities denominated in currencies other than the functional currency of the transacting entity.

The Group and the Company take minimal exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group manages its exposure to foreign exchange currencies at each entity level.

(a) Sensitivity of profit and reserves

The table below shows the sensitivity of the Group's and the Company's profit and reserves to movement in foreign exchange rates:

	The Group		The Group	
	1% appreciation in foreign currency Increase/ (decrease) 2024 RM'000	1% depreciation in foreign currency Increase/ (decrease) 2024 RM'000	1% appreciation in foreign currency Increase/ (decrease) 2023 RM'000	1% depreciation in foreign currency Increase/ (decrease) 2023 RM'000
Impact to profit (after tax)	**2,454**	**(2,454)**	1,612	(1,612)
USD	**(84)**	**84**	(4,611)	4,611
THB	**248**	**(248)**	247	(247)
HKD	**(542)**	**542**	155	(155)
GBP	**400**	**(400)**	643	(643)
JPY	**320**	**(320)**	616	(616)
SGD	**657**	**(657)**	1,488	(1,488)
EUR	**(22)**	**22**	1,581	(1,581)
AUD	**738**	**(738)**	1,034	(1,034)
Others	**739**	**(739)**	460	(460)
Impact to reserves	**(54,620)**	**54,620**	(74,397)	74,397
USD	**(24,348)**	**24,348**	(36,345)	36,345
SGD	**(26,791)**	**26,791**	(34,955)	34,955
GBP	**(857)**	**857**	(965)	965
Others	**(2,624)**	**2,624**	(2,133)	2,133

Notes to the Financial Statements

for the financial year ended 31 December 2024

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.3 FOREIGN EXCHANGE RISK (CONTINUED)

(a) Sensitivity of profit and reserves (Continued).

The table below shows the sensitivity of the Group's and the Company's profit and reserves to movement in foreign exchange rates:

	The Company		The Company	
	1% appreciation in foreign currency Increase/ (decrease) 2024 RM'000	1% depreciation in foreign currency Increase/ (decrease) 2024 RM'000	1% appreciation in foreign currency Increase/ (decrease) 2023 RM'000	1% depreciation in foreign currency Increase/ (decrease) 2023 RM'000
Impact to profit (after tax)	^	^	^	^
USD	^	^	^	^
Impact to reserves	-	-	–	–
USD	-	-	–	–

The impact on profit arises from transactional exposures while the impact on reserves arises from net investment hedge from parallel shifts in foreign exchange rates.

The projection assumes that foreign exchange rates move by the same amount and, therefore, do not reflect the potential impact on profit and reserves of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

^ The impact for the current and prior financial year is below RM1,000

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.3 FOREIGN EXCHANGE RISK (CONTINUED)

(b) The table below summarises the net foreign exchange positions of the Group and the Company by major currencies profile of the Group and the Company.

The Group 2024	MYR RM'000	IDR RM'000	THB RM'000	SGD RM'000	USD RM'000	AUD RM'000	GBP RM'000	JPY RM'000	RMB RM'000	HKD RM'000	EUR RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets														
Cash and short-term funds	11,563,722	1,454,178	204,140	1,389,262	7,486,384	1,481,956	979,412	2,175,372	126,527	156,422	390,466	2,200,797	18,044,916	29,608,638
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah	4,267,693	448,637	124,352	1,495,445	3,693,442	144,112	349,644	9,749	-	1,839	1,560	345,985	6,614,765	10,882,458
Deposits and placements with banks and other financial institutions	884,165	85	-	-	2,399,306	897,836	-	504,674	373,232	-	-	108,481	4,283,614	5,167,779
Financial investments at fair value through profit or loss	20,148,633	5,990,485	8,162,373	8,790,264	6,020,287	797,570	-	1,859,032	220,244	303,063	391,195	-	32,534,513	52,683,146
Debt instruments at fair value through other comprehensive income	39,503,521	14,467,794	8,962,617	2,290,466	9,619,639	2,282,463	-	135,500	-	1,385,121	172,719	61,515	39,377,834	78,881,355
Equity instruments at fair value through other comprehensive income	293,172	4,316	90,635	54	-	-	-	-	-	-	5,112	-	100,117	393,289
Debt instruments at amortised cost	53,642,544	3,947,778	4,217,869	13,921,158	2,791,485	-	-	28,880	-	-	44,947	68,795	25,020,912	78,663,456
Derivative financial instruments	(36,710,122)	135,992	22,531,025	(35,791,230)	132,916,103	(8,491,752)	(23,019,725)	(23,190,118)	(4,516,050)	2,023,216	(4,521,581)	(6,343,700)	51,732,180	15,022,058
Loans, advances and financing	261,910,597	52,501,892	31,541,118	38,825,988	35,090,009	653,974	6,822,220	824,366	2,889,881	2,202,377	922,114	7,978,943	180,252,882	442,163,479
Other assets	6,198,281	1,129,086	2,196,465	308,105	3,186,886	47,384	1,329	23,888	3,626	92,937	291,378	205,480	7,486,564	13,684,845
	361,702,206	80,080,243	78,030,594	31,229,512	203,203,541	(2,186,457)	(14,867,120)	(17,628,657)	(902,540)	6,164,975	(2,302,090)	4,626,296	365,448,297	727,150,503

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.3 FOREIGN EXCHANGE RISK (CONTINUED)

(b) The table below summarises the net foreign exchange positions of the Group and the Company by major currencies profile of the Group and the Company (Continued).

The Group 2024	MYR RM'000	IDR RM'000	THB RM'000	SGD RM'000	USD RM'000	AUD RM'000	GBP RM'000	JPY RM'000	RMB RM'000	HKD RM'000	EUR RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities														
Deposits from customers	247,785,937	52,582,299	34,854,221	51,260,882	66,839,930	2,557,112	1,836,675	1,669,658	1,089,337	5,994,050	1,211,626	4,269,139	224,164,929	471,950,866
Investment accounts of customers	23,811,559	-	-	-	631,751	-	-	-	-	-	-	-	631,751	24,443,310
Deposits and placements of banks and other financial institutions	8,976,414	1,395,586	3,421,196	2,736,936	20,087,137	208,414	104,935	17,972	5,802,477	2,178,160	305,422	209,932	36,468,167	45,444,581
Repurchase agreements/ Collateralised Commodity Murabahah	25,512,766	3,134,151	5,254,602	411,777	8,243,898	3,526,323	-	1,144,587	-	-	-	-	21,715,338	47,228,104
Financial liabilities designated at fair value through profit or loss	5,179,163	6,130,135	1,415,175	-	7,430	-	-	-	-	-	-	-	7,552,740	12,731,903
Derivatives financial instruments	(12,217,103)	154,941	25,535,864	(29,033,601)	90,417,964	(8,581,404)	(16,654,339)	(19,291,568)	(8,070,433)	(2,337,138)	(3,969,247)	(1,530,129)	26,640,910	14,423,807
Bills and acceptances payable	320,451	427,630	267,922	170,710	906,720	-	56	1,143	1,928	-	37,468	4	1,813,581	2,134,032
Other liabilities	7,371,903	4,763,712	1,561,248	2,973,139	3,706,253	92,725	62,307	80,168	43,747	120,145	83,403	510,246	13,997,093	21,368,996
Lease liabilities	294,611	49,793	25,405	82,962	23,046	-	2,177	-	-	16,396	-	26,614	226,393	521,004
Recourse obligation on loans and financing sold to Cagamas	4,934,842	-	-	-	-	-	-	-	-	-	-	-	-	4,934,842
Other borrowings	4,424,370	1,912,176	-	-	5,221,205	-	-	-	-	-	-	-	7,133,381	11,557,751
Bonds, Sukuk and debentures	8,549,992	473,224	186,860	-	4,641,201	-	-	135,301	-	425,619	-	-	5,862,205	14,412,197
Subordinated obligations	11,029,631	10,822	263,407	-	-	-	-	-	-	-	-	-	274,229	11,303,860
	335,974,536	71,034,469	72,785,900	28,602,805	200,726,535	(2,196,830)	(14,648,189)	(16,242,739)	(1,132,944)	6,397,232	(2,331,328)	3,485,806	346,480,717	682,455,253
Financial guarantees	3,032,574	158,011	3,492	410,418	4,000,295	-	19,302	5,563	198,813	-	70,997	43,581	4,910,472	7,943,046
Credit related commitments and contingencies	127,995,570	5,177,567	3,630,157	11,780,023	18,551,458	1,267,296	794,535	67,747	610,225	1,297,066	926,725	2,438,556	46,541,355	174,536,925
	131,028,144	5,335,578	3,633,649	12,190,441	22,551,753	1,267,296	813,837	73,310	809,038	1,297,066	997,722	2,482,137	51,451,827	182,479,971

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.3 FOREIGN EXCHANGE RISK (CONTINUED)

(a) The table below summarises the net foreign exchange positions of the Group and the Company by major currencies profile of the Group and the Company (Continued).

The Group 2023	MYR RM'000	IDR RM'000	THB RM'000	SGD RM'000	USD RM'000	AUD RM'000	GBP RM'000	JPY RM'000	RMB RM'000	HKD RM'000	EUR RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets														
Cash and short-term funds	16,766,003	1,628,104	183,869	1,151,326	9,164,917	461,064	646,972	986,260	507,150	179,442	717,677	2,379,686	18,006,467	34,772,470
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah	2,424,628	1,598,602	346,190	2,338,057	2,304,548	75,440	351,923	4,904	-	1,082	1,723	260,595	7,283,064	9,707,692
Deposits and placements with banks and other financial institutions	666,804	-	-	2	1,439,721	240,164	-	616,088	136,726	75,925	-	32,188	2,540,814	3,207,618
Financial investments at fair value through profit or loss	17,871,578	5,473,756	8,339,927	8,621,391	5,123,042	491,246	-	2,132,674	145,934	318,045	90,873	14,265	30,751,153	48,622,731
Debt instruments at fair value through other comprehensive income	36,587,878	12,104,795	10,035,413	2,681,099	6,798,269	1,584,684	-	205,191	383,230	782,800	186,012	67,927	34,829,420	71,417,298
Equity instruments at fair value through other comprehensive income	297,701	(1,290)	5,811	54	-	-	-	-	-	-	3,895	-	8,470	306,171
Debt instruments at amortised cost	55,554,048	5,094,812	3,957,903	11,306,277	2,423,410	-	-	55,473	-	-	59,683	46,589	22,944,147	78,498,195
Derivative financial instruments	25,275,445	176,998	62,639,881	10,126,612	(151,896,691)	13,886,816	14,998,991	21,589,120	(59,943)	2,278,015	11,484,825	5,144,826	(9,630,550)	15,644,895
Loans, advances and financing	254,689,202	53,033,538	30,956,684	37,850,872	34,360,693	715,945	6,727,422	777,483	2,167,040	1,487,077	1,110,391	5,573,690	174,760,835	429,450,037
Other assets	5,658,953	1,110,981	1,341,664	585,125	3,263,444	41,858	5,266	6,607	3,772	79,241	96,348	385,718	6,920,024	12,578,977
	415,792,240	80,220,296	117,807,342	74,660,815	(87,018,647)	17,497,217	22,730,574	26,373,800	3,283,909	5,201,627	13,751,427	13,905,484	288,413,844	704,206,084

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.3 FOREIGN EXCHANGE RISK (CONTINUED)

(a) The table below summarises the net foreign exchange positions of the Group and the Company by major currencies profile of the Group and the Company (Continued).

The Group 2023	MYR RM'000	IDR RM'000	THB RM'000	SGD RM'000	USD RM'000	AUD RM'000	GBP RM'000	JPY RM'000	RMB RM'000	HKD RM'000	EUR RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities														
Deposits from customers	262,972,106	52,010,517	32,908,810	48,240,417	53,002,875	1,654,043	1,784,821	2,720,742	802,688	2,728,796	1,260,255	3,356,022	200,469,986	463,442,092
Investment accounts of customers	18,391,538	-	-	-	592,587	-	-	-	-	-	-	-	592,587	18,984,125
Deposits and placements of banks and other financial institutions	7,749,083	441,699	2,783,810	3,309,138	19,687,542	103,843	252,994	22,855	2,586,328	2,677,369	530,067	138,491	32,534,136	40,283,219
Repurchase agreements/ Collateralised Commodity Murabahah	24,428,806	6,093,462	6,873,957	396,643	10,782,144	-	-	811,554	-	-	-	-	24,957,760	49,386,566
Financial liabilities designated at fair value through profit or loss	4,078,828	5,653,404	2,691,300	-	5,706	-	-	-	-	-	-	-	8,350,410	12,429,238
Derivatives financial instruments	38,748,976	555,545	65,750,476	20,983,842	(189,178,352)	15,585,173	20,538,257	24,805,279	(1,118,671)	(922,375)	11,867,722	8,461,347	(22,671,757)	16,077,219
Bills and acceptances payable	269,506	197,006	310,930	142,960	766,568	-	59	-	9,365	-	57,523	17	1,484,428	1,753,934
Other liabilities	7,527,175	5,375,727	1,306,922	1,186,786	4,927,832	147,380	72,802	21,949	43,001	151,280	119,500	475,077	13,828,256	21,355,431
Lease liabilities	316,204	26,620	26,356	85,563	31,901	-	4,051	-	-	20,555	-	37,371	232,417	548,621
Recourse obligation on loans and financing sold to Cagamas	3,986,749	-	-	-	-	-	-	-	-	-	-	-	-	3,986,749
Other borrowings	3,957,144	1,142,297	-	-	4,599,143	-	-	-	-	-	-	-	5,741,440	9,698,584
Bonds, Sukuk and debentures	3,464,575	688,919	535,122	-	7,333,921	-	-	-	-	898,505	-	-	9,456,467	12,921,042
Subordinated obligations	11,098,185	35,862	-	-	-	-	-	-	-	-	-	-	35,862	11,134,047
	386,988,875	72,221,058	113,187,683	74,345,349	(87,448,133)	17,490,439	22,652,984	28,382,379	2,322,711	5,554,130	13,835,067	12,468,325	275,011,992	662,000,867
Financial guarantees	3,083,835	115,238	677	1,093,313	3,600,885	-	20,169	16,403	112,188	26,438	124,441	40,587	5,150,339	8,234,174
Credit related commitments and contingencies	99,345,917	4,134,090	4,557,545	10,838,197	17,084,464	88,919	1,969,309	254,448	841,000	1,263,242	216,466	610,309	41,857,989	141,203,906
	102,429,752	4,249,328	4,558,222	11,931,510	20,685,349	88,919	1,989,478	270,851	953,188	1,289,680	340,907	650,896	47,008,328	149,438,080

Notes to the Financial Statements

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.2 MARKET RISK (CONTINUED)

58.2.3 FOREIGN EXCHANGE RISK (CONTINUED)

(b) **The table below summarises the net foreign exchange positions of the Group and the Company by major currencies profile of the Group and the Company (Continued).**

The Company 2024	MYR RM'000	IDR RM'000	USD RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets					
Cash and short-term funds	407,941	1	14	15	407,956
Debt instruments at fair value through other comprehensive income	1,157,825	–	–	–	1,157,825
Debt instruments at amortised cost	8,414,474	–	–	–	8,414,474
Other assets	924	–	–	–	924
	9,981,164	1	14	15	9,981,179
Financial liabilities					
Other liabilities	4,949	–	–	–	4,949
Amount due to subsidiaries	3,768	–	–	–	3,768
Other borrowings	4,357,034	–	–	–	4,357,034
Subordinated obligations	10,626,087	–	–	–	10,626,087
	14,991,838	–	–	–	14,991,838

The Company 2023	MYR RM'000	IDR RM'000	USD RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets					
Cash and short-term funds	363,688	1	2	3	363,691
Debt instruments at fair value through other comprehensive income	1,144,797	–	–	–	1,144,797
Debt instruments at amortised cost	8,412,266	–	–	–	8,412,266
Other assets	969	–	–	–	969
	9,921,720	1	2	3	9,921,723
Financial liabilities					
Other liabilities	3,135	–	–	–	3,135
Amount due to subsidiaries	13,625	–	–	–	13,625
Other borrowings	3,957,145	–	–	–	3,957,145
Subordinated obligations	10,624,837	–	–	–	10,624,837
	14,598,742	–	–	–	14,598,742

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK

Liquidity and funding risk is defined as the current and potential risk to earnings, shareholders' fund or reputation arising from the Group's inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of the Group's liquidity risk management is to ensure that the Group can meet its cash obligations in a timely and cost-effective manner. To this end, the Group's liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business-as-usual ("BAU") and stress conditions. Due to its large delivery network and marketing focus, the Group is able to maintain a diversified core deposit base comprising savings, demand, and term deposits, thus providing the Group with a stable large funding base from individuals, SMEs, corporates and financial institutions segments. The Group maintains some buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day responsibility for liquidity risk management and control in each individual entity is delegated to the respective Country Asset Liability Management Committee ("Country ALCO") which subsequently report to Group ALCO ("GALCO"). GALCO meets at least once a month to discuss the liquidity risk and funding profile of the Group. The key liquidity risk metrics comprise of internal liquidity gaps or cashflow maturity profile mismatches under business as usual and stress scenarios, regulatory liquidity coverage ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which are measured and monitored regularly. LCR is a quantitative regulatory requirement which seeks to ensure that banking institutions hold sufficient high quality liquid assets ("HQLA") to withstand an acute liquidity stress scenario over a 30-calendar-days horizon.

The Group monitors and reports LCR and NSFR based on the BNM LCR and NSFR Policy Document dated 25 August 2016 and 31 July 2019 respectively. The effective date for NSFR is 1 July 2020. As part of its ordinary course of business, the Group maintains the LCR and NSFR above the regulatory requirements. In addition, liquidity risk stress testing under various scenarios covering bank-specific (idiosyncratic), market-wide and combined crises is performed regularly to identify sources of potential liquidity strain. Liquidity risk positions based on balance sheet forecasts and relevant risk drivers are projected to help in business planning.

In addition to regulatory limits, liquidity risk undertaken by the Group is governed by a set of established liquidity risk appetite and limits. Management Action Triggers ("MATs") have been established to alert the management to potential and emerging liquidity pressures. The Group's liquidity risk management policy is subjected to periodic review. The assumptions, risk limits and appetite are regularly reviewed in response to regulatory changes, changing business needs and market conditions.

The Asset-Liability Management function, which is responsible for the independent monitoring of the Group liquidity risk profile, works closely with Group Treasury and Markets in its surveillance on market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key providers of funds. Overseas branches and subsidiaries should seek to be self-sufficient in funding at all times. Group Treasury and Markets only acts as a global provider of funds on a need-to or contingency basis. Each entity has to prudently manage its liquidity position to meet its daily operating needs.

The Group's Contingency Funding Plan ("CFP") is in place to alert and enable the management to act effectively and efficiently during a liquidity or funding crisis and under adverse market conditions. The CFP is subjected to regular testing.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.1 CONTRACTUAL MATURITY OF ASSETS AND LIABILITIES

The table below analyses assets and liabilities of the Group and the Company based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of Bank Negara Malaysia Guidelines:

The Group 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	29,036,912	-	-	-	-	-	571,726	29,608,638
Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah	8,026,277	1,083,700	807,292	965,189	-	-	-	10,882,458
Deposits and placements with banks and other financial institutions	-	3,926,420	1,159,187	82,172	-	-	-	5,167,779
Financial investments at fair value through profit or loss	5,479,044	8,661,956	3,661,619	2,583,277	14,668,351	14,345,156	3,283,743	52,683,146
Debt instruments at fair value through other comprehensive income	563,097	1,768,043	4,463,844	3,931,990	34,410,911	33,743,470	-	78,881,355
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	393,289	393,289
Debt instruments at amortised cost	2,816,192	6,184,664	6,731,382	6,852,690	25,543,559	30,534,969	-	78,663,456
Derivative financial instruments	3,023,959	2,638,266	1,202,206	1,583,046	4,113,644	2,460,937	-	15,022,058
Loans, advances and financing	108,340,798	15,299,820	9,412,229	21,229,116	69,393,876	218,487,640	-	442,163,479
Other assets	8,599,265	4,709,802	54,251	692	653,108	107	1,988,771	16,005,996
Tax recoverable	-	-	-	-	-	-	416,795	416,795
Deferred tax assets	-	-	-	-	-	-	1,400,940	1,400,940
Statutory deposits with central banks	-	-	-	-	-	-	10,647,286	10,647,286
Investment in associates	-	-	-	-	-	-	55,340	55,340
Investment in joint ventures	-	-	-	-	-	-	2,279,622	2,279,622
Property, plant and equipment	-	-	-	-	-	-	1,962,762	1,962,762
Right-of-use assets	-	-	-	-	-	-	590,481	590,481
Investment properties	-	-	-	-	-	-	8,485	8,485
Goodwill	-	-	-	-	-	-	6,370,826	6,370,826
Intangible assets	-	-	-	-	-	-	1,926,512	1,926,512
Total assets	165,885,544	44,272,671	27,492,010	37,228,172	148,783,449	299,572,279	31,896,578	755,130,703

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.1 CONTRACTUAL MATURITY OF ASSETS AND LIABILITIES (CONTINUED)

The table below analyses assets and liabilities of the Group and the Company based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of Bank Negara Malaysia Guidelines (Continued):

The Group 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	305,625,775	78,066,153	51,717,075	34,392,751	1,688,244	460,868	–	471,950,866
Investment accounts of customers	4,242,818	6,546,490	7,371,843	5,660,764	621,395	–	–	24,443,310
Deposits and placements of banks and other financial institutions	26,260,711	13,582,866	2,997,596	1,181,006	975,851	446,551	–	45,444,581
Repurchase agreements/Collateralised Commodity Murabahah	20,093,150	22,898,315	3,643,710	592,929	–	–	–	47,228,104
Derivatives financial instruments	2,560,912	2,802,611	1,105,810	1,701,995	4,036,978	2,215,501	–	14,423,807
Bills and acceptances payable	807,284	275,529	455,540	37	481,991	113,651	–	2,134,032
Other liabilities	17,720,797	1,607,259	796,501	870,547	681,435	1,337,744	–	23,014,283
Lease liabilities	22,417	10,463	18,725	52,156	313,330	103,913	–	521,004
Recourse obligation on loans and financing sold to Cagamas	14,901	8,336	2,431	699,772	2,573,040	1,636,362	–	4,934,842
Deferred tax liabilities	–	–	–	–	–	–	54,479	54,479
Provision for taxation and zakat	136,794	–	–	–	–	–	–	136,794
Financial liabilities designated at fair value through profit or loss	41,308	312,904	592,100	811,905	7,334,968	3,638,718	–	12,731,903
Bonds, Sukuk and debentures	250,872	189,636	85,328	257,437	7,483,821	6,145,103	–	14,412,197
Other borrowings	1,519,781	53,137	1,185,050	1,621,431	7,178,352	–	–	11,557,751
Subordinated obligations	13,962	52,543	28,490	3,043,415	5,470,681	2,694,769	–	11,303,860
Total liabilities	379,311,482	126,406,242	70,000,199	50,886,145	38,840,086	18,793,180	54,479	684,291,813
Net liquidity gap	(213,425,938)	(82,133,571)	(42,508,189)	(13,657,973)	109,943,363	280,779,099	31,842,099	70,838,890

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.1 CONTRACTUAL MATURITY OF ASSETS AND LIABILITIES (CONTINUED)

The table below analyses assets and liabilities of the Group and the Company based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of Bank Negara Malaysia Guidelines (Continued):

The Group 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	34,186,277	–	–	–	–	–	586,193	34,772,470
Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah	6,756,372	1,741,450	621,818	440,762	147,290	–	–	9,707,692
Deposits and placements with banks and other financial institutions	–	2,111,567	1,019,945	76,106	–	–	–	3,207,618
Financial investments at fair value through profit or loss	6,023,276	9,902,589	3,052,789	3,333,732	9,646,830	13,551,247	3,112,268	48,622,731
Debt instruments at fair value through other comprehensive income	460,348	2,389,375	1,347,690	3,829,981	32,020,712	31,369,192	–	71,417,298
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	306,171	306,171
Debt instruments at amortised cost	2,603,480	6,527,709	4,422,361	5,632,366	29,951,525	29,360,754	–	78,498,195
Derivative financial instruments	3,433,028	2,418,074	1,141,962	1,878,051	4,655,170	2,118,610	–	15,644,895
Loans, advances and financing	67,376,274	19,174,257	10,463,841	20,780,930	84,272,592	227,382,143	–	429,450,037
Other assets	7,489,204	4,224,318	74,079	69,208	581,187	220,262	1,990,643	14,648,900
Tax recoverable	–	–	–	–	–	–	340,804	340,804
Deferred tax assets	–	–	–	–	–	–	1,934,311	1,934,311
Statutory deposits with central banks	–	–	–	–	–	–	11,511,391	11,511,391
Investment in associates	–	–	–	–	–	–	94,159	94,159
Investment in joint ventures	–	–	–	–	–	–	2,302,366	2,302,366
Property, plant and equipment	–	–	–	–	–	–	2,055,295	2,055,295
Right-of-use assets	–	–	–	–	–	–	658,562	658,562
Goodwill	–	–	–	–	–	–	6,475,948	6,475,948
Intangible assets	–	–	–	–	–	–	1,914,967	1,914,967
Non-current assets held for sale	–	–	–	–	–	–	5,584	5,584
Total assets	128,328,259	48,489,339	22,144,485	36,041,136	161,275,306	304,002,208	33,291,420	733,572,152

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.1 CONTRACTUAL MATURITY OF ASSETS AND LIABILITIES (CONTINUED)

The table below analyses assets and liabilities of the Group and the Company based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of Bank Negara Malaysia Guidelines (Continued):

The Group 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	291,817,577	63,328,302	55,653,026	47,487,058	4,640,695	515,434	-	463,442,092
Investment accounts of customers	3,940,608	4,461,952	5,022,693	5,037,556	521,316	-	-	18,984,125
Deposits and placements of banks and other financial institutions	19,231,257	16,151,006	1,487,758	1,184,435	1,533,752	695,011	-	40,283,219
Repurchase agreements/Collateralised Commodity Murabahah	22,894,587	23,704,176	2,787,803	-	-	-	-	49,386,566
Derivatives financial instruments	3,508,456	3,138,284	1,220,350	1,915,476	4,297,962	1,996,691	-	16,077,219
Bills and acceptances payable	723,906	193,653	84,124	5	634,905	117,341	-	1,753,934
Other liabilities	17,547,529	1,322,162	738,356	917,008	766,397	1,387,526	144	22,679,122
Lease liabilities	4,188	9,258	15,448	42,815	346,752	130,160	-	548,621
Recourse obligation on loans and financing sold to Cagamas	15,438	4,526	514,417	488,000	2,804,348	160,020	-	3,986,749
Deferred tax liabilities	-	-	-	-	-	-	52,500	52,500
Provision for taxation and zakat	356,203	-	-	-	-	-	-	356,203
Financial liabilities designated at fair value through profit or loss	49,750	48,286	325,811	829,626	7,792,812	3,382,953	-	12,429,238
Bonds, Sukuk and debentures	93,179	789,217	1,842,852	3,899,983	5,993,626	302,185	-	12,921,042
Other borrowings	229,792	810,667	359,579	1,215,145	7,081,881	1,520	-	9,698,584
Subordinated obligations	17,098	55,256	995,829	2,814,210	5,405,330	1,846,324	-	11,134,047
Non-current liabilities held for sale	-	-	-	-	-	-	39	39
Total liabilities	360,429,568	114,016,745	71,048,046	65,831,317	41,819,776	10,535,165	52,683	663,733,300
Net liquidity gap	(232,101,309)	(65,527,406)	(48,903,561)	(29,790,181)	119,455,530	293,467,043	33,238,737	69,838,852

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.1 CONTRACTUAL MATURITY OF ASSETS AND LIABILITIES (CONTINUED)

The table below analyses assets and liabilities of the Group and the Company based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of Bank Negara Malaysia Guidelines (Continued):

The Company 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	407,956	–	–	–	–	–	–	407,956
Debt instruments at fair value through other comprehensive income	–	–	5,853	548,376	407,995	195,601	–	1,157,825
Debt instruments at amortised cost	–	47,595	22,226	2,483,528	4,023,315	1,837,810	–	8,414,474
Other assets	–	–	–	–	–	–	83,299	83,299
Tax recoverable	183,522	–	–	–	–	–	–	183,522
Investment in subsidiaries	–	–	–	–	–	–	35,457,323	35,457,323
Right-of-use assets	–	–	–	–	–	–	430	430
Investment properties	–	–	–	–	–	–	291	291
Total assets	591,478	47,595	28,079	3,031,904	4,431,310	2,033,411	35,541,343	45,705,120
Liabilities								
Other liabilities	4,949	–	–	–	–	–	–	4,949
Amount due to subsidiaries	3,768	–	–	–	–	–	–	3,768
Other borrowings	–	2,004	955,030	1,400,000	2,000,000	–	–	4,357,034
Subordinated obligations	–	47,595	28,492	3,050,000	5,450,000	2,050,000	–	10,626,087
Total liabilities	8,717	49,599	983,522	4,450,000	7,450,000	2,050,000	–	14,991,838
Net liquidity gap	582,761	(2,004)	(955,443)	(1,418,096)	(3,018,690)	(16,589)	35,541,343	30,713,282

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.1 CONTRACTUAL MATURITY OF ASSETS AND LIABILITIES (CONTINUED)

The table below analyses assets and liabilities of the Group and the Company based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of Bank Negara Malaysia Guidelines (Continued):

The Company 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	363,691	–	–	–	–	–	–	363,691
Debt instruments at fair value through other comprehensive income	–	–	5,776	–	948,364	190,657	–	1,144,797
Debt instruments at amortised cost	–	43,862	24,482	1,986,648	6,357,274	–	–	8,412,266
Other assets	–	–	–	–	–	–	83,564	83,564
Tax recoverable	184,068	–	–	–	–	–	–	184,068
Investment in subsidiaries	–	–	–	–	–	–	34,724,169	34,724,169
Property, plant and equipment	–	–	–	–	–	–	131	131
Right-of-use assets	–	–	–	–	–	–	430	430
Investment properties	–	–	–	–	–	–	309	309
Total assets	547,759	43,862	30,258	1,986,648	7,305,638	190,657	34,808,603	44,913,425
Liabilities								
Other liabilities	3,135	–	–	–	–	–	–	3,135
Amount due to subsidiaries	13,625	–	–	–	–	–	–	13,625
Deferred tax liabilities	–	–	–	–	–	–	2	2
Other borrowings	–	1,371	355,774	1,000,000	2,600,000	–	–	3,957,145
Subordinated obligations	–	43,862	1,030,975	2,000,000	7,350,000	200,000	–	10,624,837
Total liabilities	16,760	45,233	1,386,749	3,000,000	9,950,000	200,000	2	14,598,744
Net liquidity gap	530,999	(1,371)	(1,356,491)	(1,013,352)	(2,644,362)	(9,343)	34,808,601	30,314,681

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.2 CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES ON AN UNDISCOUNTED BASIS

NON-DERIVATIVE FINANCIAL LIABILITIES

The tables below present the cash flows payable by the Group and the Company under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow.

The Group 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Non-derivative financial liabilities								
Deposits from customers	307,150,967	78,486,269	52,237,721	35,072,413	1,818,606	474,750	–	475,240,726
Investment accounts of customers	4,245,555	6,588,545	7,471,647	5,803,759	736,395	–	–	24,845,901
Deposits and placements of banks and other financial institutions	26,533,780	13,697,107	3,035,219	1,318,859	969,645	476,015	–	46,030,625
Repurchase agreements/ Collateralised Commodity Murabahah	20,125,240	22,903,886	3,643,710	592,929	–	–	–	47,265,765
Bills and acceptances payable	807,415	277,467	463,637	14,918	535,210	126,410	–	2,225,057
Financial liabilities designated at fair value through profit or loss	40,478	345,263	641,438	1,051,619	8,330,366	5,324,724	–	15,736,888
Other liabilities	16,328,963	1,620,979	804,311	876,924	741,792	1,780,868	303	22,154,140
Lease liabilities	4,886	37,839	43,886	91,178	346,420	19,963	–	544,172
Recourse obligation on loans and financing sold to Cagamas	34,651	27,406	38,515	801,889	3,092,448	1,876,248	–	5,871,157
Other borrowings	1,522,278	131,937	1,231,587	1,707,642	8,211,672	–	–	12,805,116
Bonds, Sukuk and debentures	270,102	241,416	156,331	527,336	9,154,216	7,143,003	–	17,492,404
Subordinated obligations	16,809	138,708	220,961	3,510,327	7,391,303	3,422,400	–	14,700,508
Financial guarantees	4,197,246	1,670,129	138,004	1,686,881	216,806	33,980	–	7,943,046
Credit related commitments and contingencies	117,841,204	2,638,880	4,311,501	10,339,434	11,416,546	27,989,360	–	174,536,925
	499,119,574	128,805,831	74,441,468	63,396,108	52,961,425	48,667,721	303	867,392,430

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.2 CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES ON AN UNDISCOUNTED BASIS (CONTINUED)

NON-DERIVATIVE FINANCIAL LIABILITIES (CONTINUED)

The tables below present the cash flows payable by the Group and the Company under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow. (Continued)

The Group 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
Non-derivative financial liabilities								
Deposits from customers	293,552,848	63,408,479	56,445,415	48,774,701	4,851,522	538,212	–	467,571,177
Investment accounts of customers	3,943,899	4,492,137	5,102,985	5,190,453	680,860	–	–	19,410,334
Deposits and placements of banks and other financial institutions	19,986,815	16,328,494	1,542,639	1,332,282	1,529,512	730,764	–	41,450,506
Repurchase agreements/ Collateralised Commodity Murabahah	22,945,196	23,696,290	2,786,762	–	–	–	–	49,428,248
Bills and acceptances payable	724,031	195,743	115,339	4,875	743,528	117,342	–	1,900,858
Financial liabilities designated at fair value through profit or loss	41,705	67,982	366,841	913,094	8,169,265	3,590,564	–	13,149,451
Other liabilities	16,207,093	1,415,658	755,401	1,391,395	945,814	1,931,191	4,642	22,651,194
Lease liabilities	4,179	34,961	39,565	93,386	379,625	42,756	–	594,472
Recourse obligation on loans and financing sold to Cagamas	18,486	16,950	547,662	560,818	3,218,329	209,011	–	4,571,256
Other borrowings	229,482	884,293	409,608	1,312,321	8,223,917	1,809	–	11,061,430
Bonds, Sukuk and debentures	104,648	810,128	1,978,532	4,123,338	6,481,639	328,010	–	13,826,295
Subordinated obligations	20,296	123,167	1,262,911	3,271,599	7,097,754	2,247,689	–	14,023,416
Financial guarantees	5,005,824	1,295,747	175,235	1,597,782	132,974	26,612	–	8,234,174
Credit related commitments and contingencies	83,702,870	4,169,127	4,653,081	6,982,119	9,899,627	31,797,082	–	141,203,906
	446,487,372	116,939,156	76,181,976	75,548,163	52,354,366	41,561,042	4,642	809,076,717

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.2 CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES ON AN UNDISCOUNTED BASIS (CONTINUED)

NON-DERIVATIVE FINANCIAL LIABILITIES (CONTINUED)

The tables below present the cash flows payable by the Group and the Company under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow. (Continued)

The Company 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Non-derivative financial liabilities							
Other liabilities	**4,949**	**–**	**–**	**–**	**–**	**–**	**4,949**
Amount due to subsidiaries	**3,768**	**–**	**–**	**–**	**–**	**–**	**3,768**
Other borrowings	**–**	**37,551**	**998,887**	**1,465,592**	**2,153,520**	**–**	**4,655,550**
Subordinated obligations	**–**	**82,260**	**131,088**	**3,263,886**	**6,410,232**	**2,208,960**	**12,096,426**
	8,717	**119,811**	**1,129,975**	**4,729,478**	**8,563,752**	**2,208,960**	**16,760,693**

The Company 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Non-derivative financial liabilities							
Other liabilities	3,135	–	–	–	–	–	3,135
Amount due to subsidiaries	13,625	–	–	–	–	–	13,625
Other borrowings	–	31,875	398,662	1,072,721	2,734,815	–	4,238,073
Subordinated obligations	–	71,074	1,149,542	2,221,016	8,127,968	216,000	11,785,600
	16,760	102,949	1,548,204	3,293,737	10,862,783	216,000	16,040,433

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.2 CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES ON AN UNDISCOUNTED BASIS (CONTINUED)

DERIVATIVE FINANCIAL LIABILITIES

All trading derivatives, whether net or gross settled are analysed based on the expected maturity as the contractual maturity is not considered to be essential to the understanding of the timing of the cash flows. The amounts disclosed in respect of such contracts are the fair values.

Hedging derivatives are disclosed based on remaining contractual maturities as the contractual maturities of such contracts are essential for an understanding of the timing of the cash flows. The amounts disclosed in respect of such contracts are the contractual undiscounted cash flows.

The table below analyses the Group's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a net basis.

The Group 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Derivative financial liabilities							
Trading derivatives							
– Foreign exchange derivatives	**(1,086,352)**	**–**	**–**	**–**	**–**	**–**	**(1,086,352)**
– Interest rate derivatives	**(3,372,147)**	**–**	**–**	**–**	**–**	**–**	**(3,372,147)**
– Equity related derivatives	**(282,171)**	**–**	**–**	**–**	**–**	**–**	**(282,171)**
– Commodity related derivatives	**(73,739)**	**–**	**–**	**–**	**–**	**–**	**(73,739)**
– Credit related contracts	**(13,137)**	**–**	**–**	**–**	**–**	**–**	**(13,137)**
– Bond contract	**(600,678)**	**–**	**–**	**–**	**–**	**–**	**(600,678)**
Hedging derivatives							
– Interest rate derivatives	**(12,179)**	**(19,257)**	**(36,405)**	**(72,104)**	**(159,451)**	**(100,348)**	**(399,744)**
	(5,440,403)	**(19,257)**	**(36,405)**	**(72,104)**	**(159,451)**	**(100,348)**	**(5,827,968)**

The Group 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Derivative financial liabilities							
Trading derivatives							
– Foreign exchange derivatives	(1,989,842)	–	–	–	–	–	(1,989,842)
– Interest rate derivatives	(3,634,864)	–	–	–	–	–	(3,634,864)
– Equity related derivatives	(254,268)	–	–	–	–	–	(254,268)
– Commodity related derivatives	(48,072)	–	–	–	–	–	(48,072)
– Credit related contracts	(16,375)	–	–	–	–	–	(16,375)
– Bond contract	(104,143)	–	–	–	–	–	(104,143)
Hedging derivatives							
– Interest rate derivatives	17,478	(24,363)	(28,941)	(55,906)	(248,154)	(93,650)	(433,536)
	(6,030,086)	(24,363)	(28,941)	(55,906)	(248,154)	(93,650)	(6,481,100)

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.3 LIQUIDITY RISK (CONTINUED)

58.3.2 CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES ON AN UNDISCOUNTED BASIS (CONTINUED)

DERIVATIVE FINANCIAL LIABILITIES (CONTINUED)

The Group's and the Company's derivatives that will be settled on a gross basis include foreign exchange derivatives, such as currency forward, currency swap, currency options and cross currency interest rate swaps.

The table below analyses the Group's derivative financial liabilities that will be settled on a gross basis into relevant maturity groupings by expected maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow.

The Group 2024	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Derivative financial liabilities							
Trading derivatives							
Foreign exchange derivatives	**(8,402,605)**	**–**	**–**	**–**	**–**	**–**	**(8,402,605)**
Hedging derivatives							
Foreign exchange derivatives							
– Outflow	**(420,927)**	**(1,995,996)**	**(2,664,977)**	**(95,454)**	**(3,504,963)**	**(47,596)**	**(8,729,913)**
– Inflow	**389,580**	**1,971,950**	**2,591,815**	**104,330**	**3,473,117**	**46,414**	**8,577,206**
	(8,433,952)	**(24,046)**	**(73,162)**	**8,876**	**(31,846)**	**(1,182)**	**(8,555,312)**

The Group 2023	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Total RM'000
Derivative financial liabilities							
Trading derivatives							
Foreign exchange derivatives	(9,388,281)	–	–	–	–	–	(9,388,281)
Hedging derivatives							
Foreign exchange derivatives							
– Outflow	(184,869)	(2,951,761)	(1,313,395)	(1,532,888)	(2,265,384)	(53,549)	(8,301,846)
– Inflow	170,798	2,872,535	1,268,249	1,432,265	2,087,326	53,682	7,884,855
	(9,402,352)	(79,226)	(45,146)	(100,623)	(178,058)	133	(9,805,272)

Notes to the Financial Statements

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58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION

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

58.4.1 DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY

The fair value hierarchy has the following levels:

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

Level 2 Inputs to the valuation methodology include:

- 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. Judgement may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.1 DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

VALUATION MODEL REVIEW AND APPROVAL

- Fair valuation of financial instruments is determined either through Mark-to-Market or Mark-to-Model methodology, as appropriate;

- Market Risk Management is mandated to perform Mark-to-Market, Mark-to-Model and rate reasonableness verification. Market price and/or rate sources for Mark-to-Market are validated by Market Risk Management as part and parcel of market data reasonableness verification;

- Valuation methodologies for the purpose of determining Mark-to-Model prices will be verified by Group Risk Management Quantitative analysts before submitting to the GMCRC for approval;

- Mark-to-Model process shall be carried out by Market Risk Management in accordance with the approved valuation methodologies. Group Risk Management Quantitative analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation;

- Group Risk Management Quantitative analysts are the guardian of the financial models and valuation methodologies. Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative analysts and approved by Regional Head, Market Risk Management and/or the GMCRC;

- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions;

- The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer; and

- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets/liabilities are recorded at fair value.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.1 DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

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

	The Group				The Company			
	Fair Value				Fair Value			
2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements								
Financial assets								
Reverse repurchased agreements at fair value through profit or loss	–	358,161	–	358,161	–	–	–	–
Financial investments at fair value through profit or loss								
– Money market instruments	6,124,444	36,107,190	301,267	42,532,901	–	–	–	–
– Quoted securities	1,991,119	–	–	1,991,119	–	–	–	–
– Unquoted securities	–	6,920,718	1,238,408	8,159,126	–	–	–	–
Debt instruments at fair value through other comprehensive income								
– Money market instruments	14,206,198	26,529,871	–	40,736,069	–	–	–	–
– Unquoted securities	–	38,145,286	–	38,145,286	–	1,157,825	–	1,157,825
Equity instruments at fair value through other comprehensive income								
– Quoted securities	23,529	–	–	23,529	–	–	–	–
– Unquoted securities	–	86,352	283,408	369,760	–	–	–	–
Derivative financial instruments								
– Trading derivatives	17,516	14,109,665	95,311	14,222,492	–	–	–	–
– Hedging derivatives	–	799,566	–	799,566	–	–	–	–
Total	**22,362,806**	**123,056,809**	**1,918,394**	**147,338,009**	–	**1,157,825**	–	**1,157,825**
Recurring fair value measurements								
Financial liabilities								
Derivative financial instruments								
– Trading derivatives	122,577	13,553,501	154,751	13,830,829	–	–	–	–
– Hedging derivatives	–	592,978	–	592,978	–	–	–	–
Financial liabilities designated at fair value through profit or loss	–	12,731,903	–	12,731,903	–	–	–	–
Total	**122,577**	**26,878,382**	**154,751**	**27,155,710**	–	–	–	–

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.1 DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

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

	The Group				The Company			
	Fair Value				Fair Value			
2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements								
Financial assets								
Reverse repurchased agreements at fair value through profit or loss	–	147,290	–	147,290	–	–	–	–
Financial investments at fair value through profit or loss								
– Money market instruments	4,995,686	31,952,912	308,890	37,257,488	–	–	–	–
– Quoted securities	1,881,131	–	–	1,881,131	–	–	–	–
– Unquoted securities	–	8,310,478	1,173,634	9,484,112	–	–	–	–
Debt instruments at fair value through other comprehensive income								
– Money market instruments	10,978,981	23,087,820	–	34,066,801	–	–	–	–
– Unquoted securities	–	37,350,497	–	37,350,497	–	1,144,797	–	1,144,797
Equity instruments at fair value through other comprehensive income								
– Quoted securities	29,990	–	–	29,990	–	–	–	–
– Unquoted securities	–	–	276,181	276,181	–	–	–	–
Derivative financial instruments								
– Trading derivatives	3,178	14,554,695	128,102	14,685,975	–	–	–	–
– Hedging derivatives	–	958,920	–	958,920	–	–	–	–
Loans, advances and financing at fair value through profit or loss	–	274,133	–	274,133	–	–	–	–
Total	17,888,966	116,636,745	1,886,807	136,412,518	–	1,144,797	–	1,144,797
Recurring fair value measurements								
Financial liabilities								
Derivative financial instruments								
– Trading derivatives	135,489	15,154,119	146,237	15,435,845	–	–	–	–
– Hedging derivatives	–	641,374	–	641,374	–	–	–	–
Financial liabilities designated at fair value through profit or loss	–	12,429,238	–	12,429,238	–	–	–	–
Total	135,489	28,224,731	146,237	28,506,457	-	-	-	-

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.1 DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

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

	Financial Assets				Financial Liabilities	
	Financial investments at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	
The Group	Money market instruments and unquoted securities RM'000	Unquoted securities RM'000	Trading derivatives RM'000	Total RM'000	Trading derivatives RM'000	Total RM'000
2024						
At 1 January	1,482,524	276,181	128,102	1,886,807	(146,237)	(146,237)
Total gains/(losses) recognised in statement of income	82,531	15	(31,154)	51,392	(11,290)	(11,290)
Total gains recognised in other comprehensive income	-	2,190	-	2,190	-	-
Purchases	2,229	-	12,108	14,337	(318,489)	(318,489)
Sales and redemption	(18,545)	-	-	(18,545)	-	-
Settlements	-	-	(11,989)	(11,989)	319,672	319,672
Exchange fluctuation	(9,064)	5,022	(1,756)	(5,798)	1,593	1,593
At 31 December	1,539,675	283,408	95,311	1,918,394	(154,751)	(154,751)
Total gains recognised in Statement of Income for financial year ended 31 December under:						
– net non-interest income	82,531	15	(31,154)	51,392	(11,290)	(11,290)
Total gains recognised in Other Comprehensive Income for the financial year ended 31 December under "revaluation reserves"	-	2,190	-	2,190	-	-
Change in unrealised gains/(losses) recognised in profit or loss relating to assets held on 31 December under "net non-interest income"	82,875	-	186,610	269,485	(99,286)	(99,286)

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.1 DETERMINATION OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The following represents the changes in Level 3 instruments for the financial year ended 31 December 2024 and 31 December 2023 for the Group (Continued):

	Financial Assets				Financial Liabilities	
	Financial investments at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments		Derivative financial instruments	
The Group	**Money market instruments and unquoted securities RM'000**	**Unquoted securities RM'000**	**Trading derivatives RM'000**	**Total RM'000**	**Trading derivatives RM'000**	**Total RM'000**
2023						
At 1 January	1,492,459	276,545	115,732	1,884,736	(120,231)	(120,231)
Total gains recognised in statement of income	24,146	–	7,600	31,746	6,792	6,792
Total losses recognised in other comprehensive income	–	(9,389)	–	(9,389)	–	–
Purchases	2,866	424	11,084	14,374	(390,282)	(390,282)
Sales and redemption	(56,258)	(374)	–	(56,632)	–	–
Settlements	–	–	(9,656)	(9,656)	360,703	360,703
Exchange fluctuation	19,311	8,975	3,342	31,628	(3,219)	(3,219)
At 31 December	1,482,524	276,181	128,102	1,886,807	(146,237)	(146,237)
Total gains recognised in Statement of Income for financial year ended 31 December under:						
– net non-interest income	24,146	–	7,600	31,746	6,792	6,792
Total losses recognised in Other Comprehensive Income for financial year ended 31 December under "revaluation reserves"	–	(9,389)	–	(9,389)	–	–
Change in unrealised gains/(losses) recognised in profit or loss relating to assets held on 31 December under "net non-interest income"	10,173	–	226,121	236,294	(95,442)	(95,442)

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.2 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST

The following table analyses within the fair value hierarchy the Group's and the Company's assets and liabilities' fair value at 31 December 2024 and 31 December 2023, where the fair value does not approximate to carrying amount in the statement of financial position:

	The Group					The Company				
		Fair Value					Fair Value			
2024	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets										
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah at amortised costs	10,524,297	-	10,567,137	-	10,567,137	-	-	-	-	-
Deposits and placement with banks and other financial institutions	5,167,779	-	5,165,911	-	5,165,911	-	-	-	-	-
Debt instruments at amortised cost	78,663,456	4,092,239	74,890,512	-	78,982,751	8,414,474	-	8,452,323	-	8,452,323
Loans, advances and financing at amortised cost	442,163,479	-	437,516,841	-	437,516,841	-	-	-	-	-
Total	536,519,011	4,092,239	528,140,401	-	532,232,640	8,414,474	-	8,452,323	-	8,452,323
Financial liabilities										
Deposits from customers	471,950,866	-	471,901,463	-	471,901,463	-	-	-	-	-
Investment accounts of customers	24,443,310	-	24,468,488	-	24,468,488	-	-	-	-	-
Deposits and placements of banks and other financial institutions	45,444,581	-	45,371,881	-	45,371,881	-	-	-	-	-
Repurchase agreements/Collateralised Commodity Murabahah	47,228,104	-	47.194,594	-	47,194,594	-	-	-	-	-
Recourse obligation on loans and financing sold to Cagamas	4,934,842	-	4,925,290	-	4,925,290	-	-	-	-	-
Bonds, Sukuk and debentures	14,412,197	-	14,477,728	-	14,477,728	-	-	-	-	-
Other borrowings	11,557,751	-	11,636,638	-	11,636,638	4,357,034	-	4,372,227	-	4,372,227
Subordinated obligations	11,303,860	-	11,289,117	-	11,289,117	10,626,087	-	10,649,834	-	10,649,834
Total	631,275,511	-	631,265,199	-	631,265,199	14,983,121	-	15,022,061	-	15,022,061

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.2 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST (CONTINUED)

The following table analyses within the fair value hierarchy the Group's and the Company's assets and liabilities' fair value at 31 December 2024 and 31 December 2023, where the fair value does not approximate to carrying amount in the statement of financial position (Continued):

	The Group					The Company				
		Fair Value					Fair Value			
2023	**Carrying amount RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Carrying amount RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Financial assets										
Deposits and placement with banks and other financial institutions	3,207,618	–	3,200,770	–	3,200,770	–	–	–	–	–
Debt instruments at amortised cost	78,498,195	5,614,199	73,211,707	–	78,825,906	8,412,266	–	8,445,668	–	8,445,668
Loans, advances and financing at amortised cost	429,175,904	–	424,217,115	–	424,217,115	–	–	–	–	–
Total	510,881,717	5,614,199	500,629,592	–	506,243,791	8,412,266	–	8,445,668	–	8,445,668
Financial liabilities										
Deposits from customers	463,442,092	–	461,684,419	–	461,684,419	–	–	–	–	–
Investment accounts of customers	18,984,125	–	19,030,370	–	19,030,370	–	–	–	–	–
Deposits and placements of banks and other financial institutions	40,283,219	–	40,221,951	–	40,221,951	–	–	–	–	–
Recourse obligation on loans and financing sold to Cagamas	3,986,749	–	4,050,013	–	4,050,013	–	–	–	–	–
Bonds, Sukuk and debentures	12,921,042	–	12,861,511	–	12,861,511	–	–	–	–	–
Other borrowings	9,698,584	–	9,834,502	–	9,834,502	3,957,145	–	3,989,018	–	3,989,018
Subordinated obligations	11,134,047	–	11,217,233	–	11,217,233	10,624,837	–	10,651,527	–	10,651,527
Total	560,449,858	–	558,899,999	–	558,899,999	14,581,982	–	14,640,545	–	14,640,545

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.2 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST (CONTINUED)

The fair values are based on the following methodologies and assumptions:

Short-term funds and placements with financial institutions and reverse repurchase agreements/reverse Collateralised Commodity Murabahah

For short-term funds, placements with financial institutions and reverse repurchase agreements/reverse Collateralised Commodity Murabahah with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities of six months and above, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Debt instruments at amortised cost

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, the Group and the Company establish fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Other assets

The fair value of other assets approximates the carrying value less impairment allowance at the statement of financial position date.

Loans, advances and financing

For floating rate loans, the carrying value is generally a reasonable estimate of fair value.

For fixed rate loans with maturities of six months or more, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

The fair values of impaired floating and fixed rate loans are represented by their carrying value, net of expected credit losses, being the expected recoverable amount.

Amount due (to)/from subsidiaries and related companies

The estimated fair values of the amount due (to)/from subsidiaries and related companies approximate the carrying values as the balances are either recallable on demand or are based on the current rates for such similar loans.

Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of six months or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Investment accounts of customers

The estimated fair values of investment accounts of customers with maturities of less than six months approximate the carrying values. For placements with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market profit rates for placements with similar remaining period to maturities.

Deposits and placements of banks and other financial institutions

The estimated fair values of deposits and placements of banks and other financial institutions with maturities of less than six months approximate the carrying values. For deposits and placements with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market interest rates for deposits and placements with similar remaining period to maturities.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.2 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT AMORTISED COST (CONTINUED)

Obligations on securities sold under repurchase agreements/Collateralised Commodity Murabahah

The estimated fair values of obligations on securities sold under repurchase agreements/Collateralised Commodity Murabahah with maturities of less than six months approximate the carrying values. For obligations on securities sold under repurchase agreements/Collateralised Commodity Murabahah with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

Bills and acceptances payable

The estimated fair values of bills and acceptances payable with maturities of less than six months approximate the carrying values. For floating rate bills and acceptance payable, the carrying value is generally a reasonable estimate of fair value.

For bills and acceptance payable with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market interest rates for bills and acceptance payable with similar remaining period to maturity.

Other liabilities

The fair value of other liabilities approximates the carrying value at the statement of financial position date.

Recourse obligation on loans and financing sold to Cagamas

The estimated fair values of loans and financing sold to Cagamas with maturities of less than six months approximate the carrying values. For loans and financing sold to Cagamas with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for loans and financing sold to Cagamas with similar risk profile.

Bonds, Sukuk and debentures and other borrowings

The estimated fair values of bonds, Sukuk and debentures and other borrowings with maturities of less than six months approximate the carrying values. For bonds, Sukuk and debentures and other borrowings with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for borrowings with similar risk profile.

Subordinated obligations

The fair values for the quoted subordinated obligations are obtained from quoted market prices while the fair values for unquoted subordinated obligations are estimated based on discounted cash flow models.

Credit related commitment and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.3 QUANTITATIVE INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)

Certain credit derivatives products where valuation inputs are unobservable are valued using analytic/semi-analytic pricing models that model credit default with other market variables such as foreign exchange ("FX") rates in a mathematically and theoretically consistent framework. These valuation models are the usual market standard used in credit derivatives pricing.

Credit derivatives inputs deemed to trigger Level 3 classification:

- Correlation between Credit and FX

Actual transactions, where available, are used to regularly recalibrate such unobservable parameters.

For the purpose of Model Reserve, the following ranges (where applicable) are proposed to be used for performing sensitivity analysis to determine such reserves:

- Credit and FX correlation (reserve on a Level 3 input) –
  1. Short Quanto CDS position shocked with larger negative correlation
  2. Long Quanto CDS position shocked with larger positive correlation
- FX Volatility (reserve on valuation model) –
  1. Long volatility shocked with lower volatility
  2. Short volatility shocked with higher volatility

Equity derivatives which primarily include over-the-counter options on individual or basket of shares or market indices are valued using option pricing models such as Black-Scholes and Monte Carlo Simulations.

These models are calibrated with the inputs which include underlying spot prices, dividend and yield curves. A Level 3 input for equity options is historical volatility i.e. volatility derived from the shares' historical prices. The magnitude and direction of the impact to the fair value depend on whether the Group is long or short the exposure.

- Higher volatility will result in higher fair value for net long positions.
- Higher volatility will result in lower fair value for net short positions.

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.3 QUANTITATIVE INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) (CONTINUED)

2024 Description	Fair value Assets RM'000	"Fair value (Liabilities)" RM'000	Valuation technique(s)	Unobservable input	Range (Weighted average)	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments						
- Trading derivatives						
Credit derivatives	**891**	**(3,259)**	Discounted Cash Flow, Stochastic Default and FX Correlation Model	Credit Default/FX Correlation	-45.00% to +31.00%	Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in fair value measurement.
Equity derivatives	**94,420**	**(151,492)**	Option pricing	Equity Volatility	7.21% to 71.99%	Higher volatility results in higher/lower fair value depending on the net long/short positions
Financial investments at fair value through profit or loss						
Promissory notes	**301,267**	**Not applicable**	Weighted probability valuation based on market comparables and discounted cash flow	Estimated revenue of underlying asset, discount factor and probability assigned to each scenario	Not applicable	Higher estimated revenue and lower discount factor would results in higher valuation. Probability assigned would result in higher/lower fair value depending on the amount of cash flows generated for each scenario.
Unquoted shares and private equity funds	**1,238,408**	**Not applicable**	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value
Equity instruments at fair value through other comprehensive income						
Unquoted shares and private equity funds	**283,408**	**Not applicable**	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.3 QUANTITATIVE INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) (CONTINUED)

The Group 2023 Description	Fair value Assets RM'000	Fair value (Liabilities) RM'000	Valuation technique(s)	Unobservable input	Range (Weighted average)	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments						
- Trading derivatives						
Credit derivatives	991	(1,159)	Discounted Cash Flow, Stochastic Default and FX Correlation Model	Credit Default/FX Correlation	-45.00% to +30.00%	Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in fair value measurement.
Equity derivatives	127,111	(145,078)	Option pricing	Equity Volatility	4.36% to 84.62%	Higher volatility results in higher/lower fair value depending on the net long/short positions
Financial investments at fair value through profit or loss						
Promissory notes	308,890	Not applicable	Weighted probability valuation based on market comparables and discounted cash flow	Estimated revenue of underlying asset, discount factor and probability assigned to each scenario	Not applicable	Higher estimated revenue and lower discount factor would results in higher valuation. Probability assigned would result in higher/lower fair value depending on the amount of cash flows generated for each scenario.
Unquoted shares and private equity funds	1,173,634	Not applicable	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value
Equity instruments at fair value through other comprehensive income						
Unquoted shares and private equity funds	276,181	Not applicable	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value

58 FINANCIAL RISK MANAGEMENT (CONTINUED)

58.4 FAIR VALUE ESTIMATION (CONTINUED)

58.4.3 QUANTITATIVE INFORMATION ABOUT FAIR VALUE MEASUREMENTS USING SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) (CONTINUED)

Sensitivity analysis for level 3

The Group 2024	Sensitivity of significant unobservable input	Effect of reasonably possible alternative assumptions to: Profit or loss Favourable changes RM'000	Effect of reasonably possible alternative assumptions to: Profit or loss Unfavourable changes RM'000
Derivative financial instruments – trading			
– Credit derivatives	**+10%**	**9**	**–**
	–10%	**–**	**(12)**
– Equity derivatives	**+25%**	**9,599**	**–**
	–25%	**–**	**(12,402)**
Financial investments at fair value through profit or loss			
– Promissory notes	**+10%***	**18,744**	**–**
	–10%*	**–**	**(18,744)**
Total		**28,352**	**(31,158)**

The Group 2023	Sensitivity of significant unobservable input	Effect of reasonably possible alternative assumptions to: Profit or loss Favourable changes RM'000	Effect of reasonably possible alternative assumptions to: Profit or loss Unfavourable changes RM'000
Derivative financial instruments – trading			
– Credit derivatives	+10%	29	–
	–10%	–	(39)
– Equity derivatives	+25%	12,099	–
	–25%	–	(15,437)
Financial investments at fair value through profit or loss			
– Promissory notes	+10%*	19,218	–
	–10%*	–	(19,218)
Total		31,346	(34,694)

** 10% stress is applied to the estimated revenue of underlying assets*

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Cash and short-term funds	(a)	**10,597,180**	12,376,477
Reverse Collateralised Commodity Murabahah		**1,734,605**	700,067
Deposits and placements with banks and other financial institutions	(b)	**603,136**	974,677
Financial investments at fair value through profit or loss	(c)	**5,592,074**	3,754,474
Debt instruments at fair value through other comprehensive income	(d)	**7,422,884**	6,134,814
Debt instruments at amortised cost	(e)	**15,132,151**	15,018,475
Islamic derivative financial instruments	(f)(i)	**793,338**	419,424
Financing, advances and other financing/loans	(g)	**153,094,118**	140,915,517
Other assets	(h)	**4,022,124**	3,512,696
Deferred tax assets	(i)	**253,612**	284,222
Tax recoverable		**172,994**	86,760
Amount due from conventional operations		**21,578,888**	19,039,612
Statutory deposits with central banks	(j)	**2,578,796**	2,370,741
Property, plant and equipment	(k)	**6,603**	4,184
Right-of-use assets	(l)	**1,152**	2,031
Goodwill	(m)	**136,000**	136,000
Intangible assets	(n)	**5,503**	6,721
Total assets		**223,725,158**	205,736,892
Liabilities			
Deposits from customers	(o)	**128,888,208**	128,552,736
Investment accounts of customers	(p)	**24,443,310**	18,984,125
Deposits and placements of banks and other financial institutions	(q)	**6,386,090**	9,934,080
Investment accounts due to designated financial institutions	(r)	**2,927,281**	3,424,851
Collateralised Commodity Murabahah		**4,349,732**	2,229,121
Financial liabilities designated at fair value through profit or loss	(s)	**3,125,723**	2,821,784
Islamic derivative financial instruments	(f)(i)	**629,666**	482,305
Bills and acceptances payable		**50,236**	8,174
Other liabilities	(t)	**21,345,888**	17,124,357
Lease liabilities	(u)	**338**	1,241
Recourse obligation on loans and financing sold to Cagamas		**3,614,777**	2,822,998
Amount due to conventional operations		**2,068,617**	2,164,153
Provision for taxation		**16**	20
Sukuk	(v)	**7,849,979**	1,254,903
Subordinated Sukuk	(w)	**1,513,741**	1,109,424
Total liabilities		**207,193,602**	190,914,272

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

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

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONTINUED)

	Note	2024 RM'000	2023 RM'000
Equity			
Islamic banking funds		**55,000**	55,000
Ordinary share capital	(x)	**1,000,000**	1,000,000
Perpetual preference shares	(x)	**350,000**	350,000
Reserves	(y)	**14,885,010**	13,206,671
		16,290,010	14,611,671
Non-controlling interests		**241,546**	210,949
Total equity		**16,531,556**	14,822,620
Total equity and liabilities		**223,725,158**	205,736,892
Restricted Agency Investment Account(*)	(z)	**16,482,284**	15,482,815
Total Islamic Banking Assets		**240,207,442**	221,219,707
Commitments and contingencies	(f)(II)	**106,936,871**	74,380,099

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

CONSOLIDATED STATEMENT OF INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM'000	2023 RM'000
Income derived from investment of depositors' funds and others	(aa)	**7,729,231**	6,804,361
Income derived from investment of investment account	(ab)	**1,264,446**	1,103,220
Net income derived from investment of shareholders' funds	(ac)	**948,491**	1,264,860
Modification loss	(ad)	**(1)**	(77)
Expected credit loss on financing, advances and other financing/loans	(ae)	**(494,942)**	(617,609)
Expected credit losses written back/(made) for commitments and contingencies		**22,968**	(41,172)
Other expected credit losses made	(af)	**(36,874)**	(3,041)
Total distributable income		**9,433,319**	8,510,542
Income attributable to depositors and others	(ag)	**(4,740,365)**	(4,408,810)
Profit distributed to investment account holder	(ah)	**(852,394)**	(753,427)
Total net income		**3,840,560**	3,348,305
Personnel expenses	(ai)	**(84,735)**	(83,437)
Other overheads and expenditures	(aj)	**(1,361,397)**	(1,273,742)
Profit before taxation and zakat		**2,394,428**	1,991,126
Taxation and zakat	(ak)	**(411,234)**	(319,601)
Profit for the financial year		**1,983,194**	1,671,525
Profit attributable to:			
Owners of the Parent		**1,936,015**	1,627,467
Non-controlling interests		**47,179**	44,058
		1,983,194	1,671,525

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

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 RM'000	2023 RM'000
Profit for the financial year	**1,983,194**	1,671,525
Other comprehensive income/(expense):		
Items that will not be reclassified subsequently to profit or loss		
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	**903**	(589)
	903	(589)
Items that may be reclassified subsequently to profit or loss		
Debt instruments at fair value through other comprehensive income	**27,614**	103,006
– Net gain from change in fair value	**39,991**	142,324
– Realised gain transferred to statement of income on disposal	**(7,409)**	(9,811)
– Changes in expected credit losses	**631**	545
– Income tax effects	**(5,599)**	(30,052)
Hedging reserve - cash flow hedge	**–**	4,128
- Net gain from change in fair value	**–**	4,128
Deferred hedging cost	**(4,454)**	–
- Net gain from change in fair value	**(4,454)**	–
Exchange fluctuation reserve	**(273,416)**	170,369
	(250,256)	277,503
Other comprehensive (expense)/income for the financial year, net of tax	**(249,353)**	276,914
Total comprehensive income for the financial year	**1,733,841**	1,948,439
Total comprehensive income attributable to:		
Owners of the Parent	**1,703,244**	1,895,425
Non-controlling interests	**30,597**	53,014
	1,733,841	1,948,439
Income from Islamic Banking operations:		
Total net income	**3,840,560**	3,348,305
Add: Expected credit losses on financing, advances and other financing/loans	**494,942**	617,609
Add: Expected credit (written back)/losses made for commitments and contingencies	**(22,968)**	41,172
Add: Other expected credit losses made	**36,874**	3,041
	4,349,408	4,010,127
Elimination for transaction with conventional operations	**391,177**	250,209
	4,740,585	4,260,336

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital RM'000	Perpetual preference shares RM'000	Islamic Banking funds RM'000	Debt instruments at fair value through other comprehensive income RM'000	Exchange fluctuation reserve RM'000	Hedging reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'000	Share-based payment RM'000	Capital contribution by Holding company RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
2024														
At 1 January 2024	1,000,000	350,000	55,000	(62,584)	123,562	4,454	210,633	(478)	-	4,212	12,926,872	14,611,671	210,949	14,822,620
Net profit for the financial year	-	-	-	-	-	-	-	-	-	-	1,936,015	1,936,015	47,179	1,983,194
Other comprehensive income/(expense) (net of tax)	-	-	-	27,614	(256,834)	(4,454)	-	903	-	-	-	(232,771)	(16,582)	(249,353)
- debt instruments at fair value through other comprehensive income	-	-	-	27,614	-	-	-	-	-	-	-	27,614	-	27,614
- fair value changes on financial liabilities designated at fair value attributable to own credit risk reserve	-	-	-	-	-	-	-	903	-	-	-	903	-	903
- deferred hedging cost	-	-	-	-	-	(4,454)	-	-	-	-	-	(4,454)	-	(4,454)
- currency translation difference	-	-	-	-	(256,834)	-	-	-	-	-	-	(256,834)	(16,582)	(273,416)
Total comprehensive income/(expense) for the financial year	-	-	-	27,614	(256,834)	(4,454)	-	903	-	-	1,936,015	1,703,244	30,597	1,733,841
Interim dividend paid in respect of the financial year ended 31 December 2023	-	-	-	-	-	-	-	-	-	-	(25,250)	(25,250)	-	(25,250)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	(25,250)	(25,250)	-	(25,250)
Transfer to regulatory reserve	-	-	-	-	-	-	186,589	-	-	-	(186,589)	-	-	-
Closure of Brunei branch	-	-	-	-	-	-	-	-	-	345	-	345	-	345
At 31 December 2024	1,000,000	350,000	55,000	(34,970)	(133,272)	-	397,222	425	-	4,557	14,651,048	16,290,010	241,546	16,531,556

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59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital RM'000	Perpetual preference shares RM'000	Islamic Banking funds RM'000	Debt instruments at fair value through other comprehensive income RM'000	Exchange fluctuation reserve RM'000	Hedging reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'000	Share-based payment RM'000	Capital contribution by Holding company RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
2023														
At 1 January 2023	1,000,000	350,000	55,696	(165,590)	(37,851)	326	184,715	111	22	2,514	11,329,659	12,719,602	157,935	12,877,537
Net profit for the financial year	-	-	-	-	-	-	-	-	-	-	1,627,467	1,627,467	44,058	1,671,525
Other comprehensive income/(expense) (net of tax)	-	-	-	103,006	161,413	4,128	-	(589)	-	-	-	267,958	8,956	276,914
- debt instruments at fair value through other comprehensive income	-	-	-	103,006	-	-	-	-	-	-	-	103,006	-	103,006
- fair value changes on financial liabilities designated at fair value attributable to own credit risk reserve	-	-	-	-	-	-	-	(589)	-	-	-	(589)	-	(589)
- cash flow hedge	-	-	-	-	-	4,128	-	-	-	-	-	4,128	-	4,128
- currency translation difference	-	-	-	-	161,413	-	-	-	-	-	-	161,413	8,956	170,369
Total comprehensive income/(expense) for the financial year	-	-	-	103,006	161,413	4,128	-	(589)	-	-	1,627,467	1,895,425	53,014	1,948,439
Interim dividend paid in respect of the financial year ended 31 December 2022	-	-	-	-	-	-	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Share-based payment expense	-	-	-	-	-	-	-	-	7	1,698	-	1,705	-	1,705
Shares released under Equity Ownership plan	-	-	-	-	-	-	-	-	(29)	-	-	(29)	-	(29)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	(22)	1,698	(15,000)	(13,324)	-	(13,324)
Transfer to regulatory reserve	-	-	-	-	-	-	25,918	-	-	-	(25,918)	-	-	-
Capital contribution from Brunei branch closure	-	-	9,968	-	-	-	-		-	-	-	9,968	-	9,968
Closure of Brunei branch	-	-	(10,664)	-	-	-	-	-	-	-	10,664	-	-	-
At 31 December 2023	1,000,000	350,000	55,000	(62,584)	123,562	4,454	210,633	(478)	-	4,212	12,926,872	14,611,671	210,949	14,822,620

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024 RM'000	2023 RM'000
Operating activities		
Profit before taxation and zakat	**2,394,428**	1,991,126
Adjustments for:		
Depreciation of property, plant and equipment	**1,443**	1,597
Depreciation of right-of-use assets	**1,173**	1,341
Amortisation of intangible assets	**4,289**	2,123
Net unrealised gain on derivatives	**(139,403)**	(189,157)
Accretion of discount less amortisation of premium	**(141,267)**	(69,300)
Net gain from sale of debt instruments at fair value through other comprehensive income	**(7,409)**	(9,811)
Profit income from debt instruments at amortised cost	**(620,937)**	(561,943)
Profit income on debt instruments at fair value through other comprehensive income	**(290,561)**	(260,184)
Closure of Brunei branch	**345**	9,968
Profit expense on Subordinated Sukuk	**49,140**	44,700
Profit expense on Sukuk	**189,627**	3,556
Profit expense on recourse obligation on loans and financing sold to Cagamas	**125,126**	27,236
Share-based payment expense	**–**	1,705
Unrealised loss from financial liabilities designated at fair value through profit or loss	**21,713**	146,829
Unrealised loss/(gain) from financial investments at fair value through profit or loss	**383**	(6,914)
Net (gain)/loss from foreign exchange transactions	**(178,143)**	216,521
Expected credit losses (written back)/made for commitments and contingencies	**(22,968)**	41,172
Net gain from hedging activities	**23,589**	2,813
Other expected credit losses made	**36,874**	3,041
Expected credit losses on financing, advances and other financing/loans	**661,574**	714,359
Modification loss	**1**	77
	(285,411)	119,729
	2,109,017	2,110,855
(Increase)/decrease in operating assets		
Reverse Collateralised Commodity Murabahah	**(1,034,538)**	(196,861)
Deposits and placements with banks and other financial institutions with original maturity of more than three months	**(74)**	263
Cash and short-term funds with original maturity of more than three months	**(154,786)**	(45,996)
Financial investments at fair value through profit or loss	**(1,665,187)**	(1,573,475)
Islamic derivative financial instruments	**(86,664)**	7,212
Financing, advances and other financing/loans	**(12,935,037)**	(17,712,078)
Statutory deposits with central banks	**(208,055)**	(31,953)
Other assets	**(635,405)**	1,109,405
Amount due from conventional operations	**(2,539,276)**	(5,423,898)
Right-of-use assets	**(516)**	(307)
	(19,259,538)	(23,867,688)
Increase/(decrease) in operating liabilities		
Deposits from customers	**335,472**	10,523,877
Deposits and placements of banks and other financial institutions	**(3,547,990)**	(1,755,237)
Other liabilities	**4,516,556**	2,508,929
Lease liabilities	**(293)**	(410)
Financial liabilities designated at fair value through profit or loss	**282,226**	(182,049)
Bills and acceptance payable	**42,062**	(30,895)
Collateralised Commodity Murabahah	**2,120,611**	38,110
Amount due to conventional operations	**(95,536)**	460,435
Investment accounts of customers	**4,961,615**	5,147,754
	8,614,723	16,710,514
Cash flows used in operations	**(8,535,798)**	(5,046,319)
Taxation and zakat paid*	**(466,212)**	(516,125)
Net cash flows used in operating activities	**(9,002,010)**	(5,562,444)

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for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	2024 RM'000	2023 RM'000
Investing activities			
Purchase of property, plant and equipment		**(4,697)**	(1,871)
Purchase of intangible assets		**(3,349)**	(4,728)
Profit income from debt instruments at fair value through other comprehensive income		**255,944**	198,684
Profit income from debt instruments at amortised cost		**569,511**	650,244
Net purchase of debt instruments at amortised cost		**(66,300)**	(4,713,977)
Net purchase of debt instruments at fair value through other comprehensive income		**(1,236,001)**	(22,524)
Reclassified to intangible assets		**–**	14
Proceeds from disposal of property, plant and equipment		**482**	681
Proceeds from disposal of intangible assets		**3**	(14)
Net cash flows used in investing activities		**(484,407)**	(3,893,491)
Financing activities			
Proceeds from issuance of subordinated Sukuk (i)		**1,200,000**	–
Repayment of subordinated Sukuk (i)		**(800,000)**	–
Profit expense paid on subordinated Sukuk (i)		**(44,823)**	(44,618)
Profit expense paid on Sukuk (i)		**(115,273)**	(20,688)
Profit expense paid on recourse obligation on loans and financing sold to Cagamas (i)		**(125,264)**	(8,998)
Repayment of recourse obligation on loans and financing sold to Cagamas (i)		**(488,000)**	–
Dividends paid		**(25,250)**	(15,000)
Issuance of Sukuk (i)		**6,620,000**	1,000,000
Redemption of Sukuk (i)		**(119,024)**	(85,528)
Repayment of lease liabilities (i)		**(610)**	(610)
Proceeds from issuance of recourse obligation on loans and financing sold to Cagamas (i)		**1,273,023**	2,787,999
Net cash flows generated from financing activities		**7,374,779**	3,612,557
Net decrease in cash and cash equivalents		**(2,111,638)**	(5,843,378)
Cash and cash equivalents at beginning of financial year		**13,305,157**	18,974,875
Effect of exchange rate changes		**(193,986)**	173,660
Cash and cash equivalents at end of financial year		**10,999,533**	13,305,157
Cash and cash equivalents comprise:			
Cash and short-term funds	(a)	**10,597,180**	12,376,477
Deposits and placements with banks and other financial institutions	(b)	**603,136**	974,677
		11,200,316	13,351,154
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months		**(200,783)**	(45,997)
Cash and cash equivalents at end of financial year		**10,999,533**	13,305,157

*Included in taxation and zakat paid during the financial year is payment of zakat amounting to RM12 million (2023: RM15 million).

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

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

	Sukuk RM'000	Recourse obligation on loans and financing sold to Cagamas RM'000	Subordinated Sukuk RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2024	**1,254,903**	**2,822,998**	**1,109,424**	**1,241**	**5,188,566**
Proceeds from issuance	**6,620,000**	**1,273,023**	**1,200,000**	**–**	**9,093,023**
Repayment and redemption	**(119,024)**	**(488,000)**	**(800,000)**	**(610)**	**(1,407,634)**
Profit expense paid	**(115,273)**	**(125,264)**	**(44,823)**	**–**	**(285,360)**
Exchange fluctuation	**(16,895)**	**–**	**–**	**–**	**(16,895)**
Other non cash movement	**226,268**	**132,020**	**49,140**	**(293)**	**407,135**
At 31 December 2024	**7,849,979**	**3,614,777**	**1,513,741**	**338**	**12,978,835**
At 1 January 2023	312,978	–	1,109,342	2,261	1,424,581
Proceeds from issuance	1,000,000	2,787,999	–	–	3,787,999
Repayment and redemption	(85,528)	–	–	(610)	(86,138)
Profit expense paid	(20,688)	(8,998)	(44,618)	–	(74,304)
Exchange fluctuation	17,835	–	–	–	17,835
Other non cash movement	30,306	43,997	44,700	(410)	118,593
At 31 December 2023	1,254,903	2,822,998	1,109,424	1,241	5,188,566

(a) CASH AND SHORT-TERM FUNDS

	2024 RM'000	2023 RM'000
Cash and balances with banks and other financial institutions	**2,054,584**	2,119,470
Money at call and deposit placements maturing within one month	**8,542,596**	10,257,007
	10,597,180	12,376,477
Less: Expected credit loss	**–**	–
	10,597,180	12,376,477

(b) DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2024 RM'000	2023 RM'000
Licensed Islamic banks	**403,191**	974,701
Other financial institutions	**200,042**	–
	603,233	974,701
Less: Expected credit loss	**(97)**	(24)
	603,136	974,677

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(b) DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (CONTINUED)

Expected credit losses movement for money at call and deposits and placements with banks and other financial institutions:

	12-month expected credit losses (Stage 1) RM'000	Total RM'000
At 1 January 2024	**24**	**24**
Total charge to Statement of Income:	**74**	**74**
New financial assets purchased	**180**	**180**
Financial assets that have been derecognised	**(95)**	**(95)**
Change in credit risk	**(11)**	**(11)**
Exchange fluctuation	**(1)**	**(1)**
At 31 December 2024	**97**	**97**
At 1 January 2023	275	275
Total charge to Statement of Income:	(263)	(263)
New financial assets purchased	47	47
Financial assets that have been derecognised	(48)	(48)
Change in credit risk	(262)	(262)
Exchange fluctuation	12	12
At 31 December 2023	24	24

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(c) FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM'000	2023 RM'000
Money market instruments:		
Unquoted		
Malaysian Government treasury bills	**277,430**	637,980
Bank Negara Malaysia monetary notes	**1,530,686**	152,491
Cagamas bonds	**353,537**	328,536
Islamic negotiable instruments of deposit	**1,791,452**	1,389,445
Government Investment Issues	**338,545**	542,492
Islamic Commercial Paper	**845,315**	528,475
	5,136,965	3,579,419
Unquoted securities:		
In Malaysia:		
Corporate Sukuk	**455,109**	175,055
	5,592,074	3,754,474

(d) DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RM'000	2023 RM'000
Fair value		
Money market instruments:		
Unquoted		
Islamic Cagamas bonds	**75,888**	50,695
Other Government Securities	**105,243**	-
Government Investment Issues	**2,263,396**	1,870,878
	2,444,527	1,921,573
Unquoted securities:		
In Malaysia:		
Corporate Sukuk	**4,978,357**	3,706,854
Outside Malaysia:		
Bank Indonesia Certificate	**-**	9,221
Other Government bonds	**-**	497,166
	-	506,387
	4,978,357	4,213,241
	7,422,884	6,134,814

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

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(d) DEBT INSTRUMENTS 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.

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses – not credit impaired (Stage 2) RM'000	Total RM'000
At 1 January 2024	**1,603**	**–**	**1,603**
Total charge to Statement of Income:	**631**	**–**	**631**
New financial assets purchased	**11,894**	**–**	**11,894**
Financial assets that have been derecognised	**(369)**	**–**	**(369)**
Change in credit risk	**(10,894)**	**–**	**(10,894)**
At 31 December 2024	**2,234**	**–**	**2,234**
At 1 January 2023	1,056	–	1,056
Total charge to Statement of Income:	545	–	545
New financial assets purchased	5,460	–	5,460
Financial assets that have been derecognised	(274)	–	(274)
Change in credit risk	(4,641)	–	(4,641)
Exchange fluctuation	2	–	2
At 31 December 2023	1,603	–	1,603

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(e) DEBT INSTRUMENTS AT AMORTISED COST

	2024 RM'000	2023 RM'000
Money market instruments:		
Unquoted		
Islamic Cagamas bonds	**20,151**	35,201
Other Government securities	**556,758**	13,474
Government Investment Issue	**5,978,111**	6,161,751
Khazanah bonds	**180,685**	–
	6,735,705	6,210,426
Unquoted securities		
In Malaysia		
Corporate Sukuk	**8,410,904**	7,803,553
Outside Malaysia		
Corporate Sukuk	**–**	27,900
Others Government bonds	**–**	995,150
	8,410,904	8,826,603
Total	**15,146,609**	15,037,029
Amortisation of premium, net of accretion of discount	**(14,055)**	(17,991)
Less: Expected credit losses	**(403)**	(563)
	15,132,151	15,018,475

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(e) DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

	12-month expected credit losses (Stage 1) RM'000	Total RM'000
At 1 January 2024	**563**	**563**
Total charge to Statement of Income:	**(157)**	**(157)**
New financial assets purchased	**3,486**	**3,486**
Change in credit risk	**(3,643)**	**(3,643)**
Exchange fluctuation	**(3)**	**(3)**
At 31 December 2024	**403**	**403**

	12-month expected credit losses (Stage 1) RM'000	Total RM'000
At 1 January 2023	520	520
Total charge to Statement of Income:	36	36
New financial assets purchased	2,438	2,438
Financial assets that have been derecognised	(27)	(27)
Change in credit risk	(2,375)	(2,375)
Exchange fluctuation	7	7
At 31 December 2023	563	563

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(e) DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Gross carrying amount movement for debt instruments at amortised cost:

	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	**594,678**	**594,678**
Other movements	**52,526**	**52,526**
Exchange fluctuation	**(12,352)**	**(12,352)**
At 31 December 2024	**634,852**	**634,852**

Gross carrying amount movement for debt instruments at amortised cost:

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

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(f) ISLAMIC DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

(I) ISLAMIC DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarise the contractual or underlying principal amounts of trading derivative and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the date of statements of financial position 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 "Islamic derivative financial instruments" Assets and Liabilities respectively.

	31 December 2024		
	Principal RM'000	Asset RM'000	Liability RM'000
Trading derivatives			
Foreign exchange derivatives			
Currency forwards	18,172,427	327,042	(216,697)
– Less than 1 year	17,877,348	292,656	(188,534)
– 1 year to 3 years	17,039	3,865	(2,278)
– More than 3 years	278,040	30,521	(25,885)
Currency swaps	31,995,184	235,159	(249,998)
– Less than 1 year	31,995,184	235,159	(249,998)
Currency spots	406,338	284	(494)
– Less than 1 year	406,338	284	(494)
Currency options	97,548	935	(935)
– Less than 1 year	97,548	935	(935)
Cross currency profit rate swaps	836,319	55,848	(53,758)
– Less than 1 year	365,169	28,502	(28,441)
– 1 year to 3 years	251,910	2,046	(1,816)
– More than 3 years	219,240	25,300	(23,501)
Profit rate derivatives			
Islamic profit rate swaps	8,752,818	17,174	(73,774)
– Less than 1 year	1,138,330	613	(1,230)
– 1 year to 3 years	3,041,132	3,568	(38,062)
– More than 3 years	4,573,356	12,993	(34,482)
Equity related derivatives			
Equity options	56,184	996	(996)
– Less than 1 year	50,914	881	(881)
– 1 year to 3 years	5,270	115	(115)
Commodity related derivatives			
Commodity options	2,526,737	26,279	(26,234)
– Less than 1 year	2,526,737	26,279	(26,234)
Credit related contracts			
Total return swaps	39,800	450	(450)
– 1 year to 3 years	39,800	450	(450)
Hedging derivatives			
Islamic profit rate swaps	11,124,202	129,171	(6,330)
– Less than 1 year	16,925	520	–
– 1 year to 3 years	1,431,842	10,885	(2,077)
– More than 3 years	9,675,435	117,766	(4,253)
Total derivative assets/(liabilities)	74,007,557	793,338	(629,666)

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(f) ISLAMIC DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(I) ISLAMIC DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	31 December 2023		
	Principal RM'000	**Asset RM'000**	**Liability RM'000**
Trading derivatives			
Foreign exchange derivatives			
Currency forwards	12,766,159	128,632	(184,842)
– Less than 1 year	12,392,202	77,686	(140,681)
– 1 year to 3 years	95,919	14,935	(12,638)
– More than 3 years	278,038	36,011	(31,523)
Currency swaps	16,553,386	174,148	(145,942)
– Less than 1 year	16,553,386	174,148	(145,942)
Currency spots	117,214	291	(343)
– Less than 1 year	117,214	291	(343)
Currency options	280,105	2,561	(2,614)
– Less than 1 year	232,379	1,731	(1,784)
– 1 year to 3 years	47,726	830	(830)
Cross currency profit rate swaps	964,055	39,344	(37,018)
– Less than 1 year	237,125	2,372	(2,327)
– 1 year to 3 years	507,690	30,378	(29,931)
– More than 3 years	219,240	6,594	(4,760)
Profit rate derivatives			
Islamic profit rate swaps	7,896,745	26,666	(103,580)
– Less than 1 year	463,377	191	(501)
– 1 year to 3 years	3,040,513	6,825	(38,996)
– More than 3 years	4,392,855	19,650	(64,083)
Equity related derivatives			
Equity options	27,130	510	(510)
– Less than 1 year	1,873	60	(60)
– 1 year to 3 years	25,257	450	(450)
Commodity related derivatives			
Commodity swap	732	15	(10)
– Less than 1 year	732	15	(10)
Commodity options	17,035	22	(22)
– Less than 1 year	17,035	22	(22)
Credit related contracts			
Total return swaps	39,800	610	(610)
– 1 year to 3 years	39,800	610	(610)
Hedging derivatives			
Islamic profit rate swaps	3,861,373	46,625	(6,814)
– Less than 1 year	55,000	592	-
– 1 year to 3 years	1,011,373	12,022	(509)
– More than 3 years	2,795,000	34,011	(6,305)
Total derivative assets/(liabilities)	42,523,734	419,424	(482,305)

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(f) ISLAMIC DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

(II) COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group enters into various commitments and incur certain contingent liabilities with legal recourse to their customers.

These commitments and contingencies are not secured over the assets of the Group, except for certain financial assets at fair value through profit or loss being pledged as credit support assets for certain over-the-counter derivative contracts.

Treasury related derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Islamic Derivative Financial Instruments" Assets and Liabilities respectively. Refer Note 59(f)(I).

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

	2024 Principal RM'000	2023 Principal RM'000
Credit related		
Direct credit substitutes	**592,823**	518,387
Certain transaction-related contingent items	**1,252,135**	1,052,177
Short-term self-liquidating trade-related contingencies	**232,200**	144,821
Irrevocable commitments to extend credit:		
- Maturity not exceeding one year	**20,539,916**	17,029,337
- Maturity exceeding one year	**10,072,631**	13,063,693
Miscellaneous commitments and contingencies:	**239,609**	47,950
Total credit-related commitments and contingencies	**32,929,314**	31,856,365
Total treasury-related commitments and contingencies (Note 59(f)(I))	**74,007,557**	42,523,734
Total commitments and contingencies	**106,936,871**	74,380,099

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(g) FINANCING, ADVANCES AND OTHER FINANCING/LOANS

(I) BY TYPE AND SHARIAH CONTRACT

	Sale-based contracts						Lease-based contracts		Profit sharing contracts		Loan contract	Others		
2024	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'Inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Bai' Salam RM'000	Ijarah Muntahiah Bi al-Tamlik* RM'000	Al-Ijarah Thumma al-Bai'# RM'000	Mudharabah RM'000	Musharakah RM'000	Qard RM'000	Ujrah RM'000	Kafalah RM'000	Total RM'000
At amortised cost														
Cash line^	-	-	-	-	1,890,281	-	-	-	-	-	7,386	-	-	1,897,667
Term financing														
House financing	112,541	3,269,654	-	-	50,904,382	-	921,601	-	-	6,909,771	-	-	-	62,117,949
Syndicated financing	-	-	-	-	1,265,388	-	-	-	-	-	-	-	-	1,265,388
Hire purchase receivables	624,963	-	-	-	-	-	-	19,830,538	-	-	-	-	-	20,455,501
Other term financing	464,900	631,260	887,419	-	47,132,376	-	29,097	-	93,755	6,492,778	240,005	-	-	55,971,590
Lease receivable	-	-	-	-	-	-	386,545	-	-	-	-	-	-	386,545
Bills receivable	-	-	-	102,171	1,097,863	319,062	-	-	-	-	-	-	-	1,519,096
Islamic trust receipts	-	-	-	-	15,826	-	-	-	-	-	36,825	-	-	52,651
Claims on customers under acceptance credits	-	-	-	-	1,208,563	-	-	-	-	-	-	-	50,236	1,258,799
Staff financing	-	-	-	-	338,903	-	-	-	-	31,529	-	-	-	370,432
Revolving credits	-	-	-	-	8,186,099	-	-	-	-	1,012,626	-	-	-	9,198,725
Credit card receivables	-	-	-	-	-	-	-	-	-	-	555,863	558,518	-	1,114,381
Gross financing, advances and other financing/loans	1,202,404	3,900,914	887,419	102,171	112,039,681	319,062	1,337,243	19,830,538	93,755	14,446,704	840,079	558,518	50,236	155,608,724
Fair value changes arising from fair value hedge														(187)
														155,608,537
Less: Expected credit losses														(2,514,419)
Net financing, advances and other financing/loans														153,094,118

^ Includes current account in excess

* The beneficial owner of the asset belongs to the subsidiaries of CIMB Group. 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.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(I) BY TYPE AND SHARIAH CONTRACT (CONTINUED)

	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others		
2023	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'Inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah Muntahiah Bi al-Tamlik* RM'000	Al-Ijarah Thumma al-Bai'# RM'000	Mudharabah RM'000	Musharakah RM'000	Qard RM'000	Ujrah RM'000	Kafalah RM'000	Total RM'000
At amortised cost													
Cash line^	-	100	157	-	1,600,559	-	-	-	-	11,639	-	-	1,612,455
Term financing													
House financing	157,378	3,646,653	-	-	43,691,549	995,640	-	-	6,997,899	-	-	-	55,489,119
Syndicated financing	-	-	-	-	2,050,549	-	-	-	-	-	-	-	2,050,549
Hire purchase receivables	707,033	-	-	-	-	-	17,998,019	-	-	-	-	-	18,705,052
Other term financing	291,087	757,895	1,058,383	-	43,777,685	32,560	-	72,864	6,609,549	178,692	-	-	52,778,715
Lease receivable	-	-	-	-	-	349,843	-	-	-	-	-	-	349,843
Bills receivable	-	-	-	210,481	1,090,078	-	-	-	-	-	-	-	1,300,559
Islamic trust receipts	-	-	-	-	21,065	-	-	-	-	15,080	-	-	36,145
Claims on customers under acceptance credits	-	-	-	-	1,226,003	-	-	-	-	-	-	8,174	1,234,177
Staff financing	-	-	-	-	310,822	-	-	-	30,092	-	-	-	340,914
Revolving credits	-	-	-	-	7,503,537	-	-	-	783,689	-	-	-	8,287,226
Credit card receivables	-	-	-	-	-	-	-	-	-	500,454	302,377	-	802,831
Gross financing, advances and other financing/loans	1,155,498	4,404,648	1,058,540	210,481	101,271,847	1,378,043	17,998,019	72,864	14,421,229	705,865	302,377	8,174	142,987,585
Fair value changes arising from fair value hedge													(934)
													142,986,651
Less: Expected credit losses													(2,345,267)
Net financing, advances and and other financing/loans, at amortised cost													140,641,384
At Fair value through Profit or loss													
Term financing													
- Syndicated financing	-	-	-	-	274,133	-	-	-	-	-	-		**274,133**
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	274,133	-	-	-	-	-	-		**274,133**
Net financing, advances and other financing/loans													**140,915,517**

^ *Includes current account in excess*
* *The beneficial owner of the asset belongs to the subsidiaries of CIMB Group. 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.*

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(I) BY TYPE AND SHARIAH CONTRACT (CONTINUED)

	2024 RM'000	2023 RM'000
Gross financing, advances and other financing/loans		
– At amortised cost	**155,608,724**	142,987,585
– At fair value through profit or loss	**–**	274,133
	155,608,724	143,261,718

Sale-based contracts

– Murabahah

A contract of sale of assets at a mark-up price, which includes a profit margin as agreed by the contracting parties. The price, costs and profit margin in Murabahah shall be made transparent and agreed upon between buyer and seller. Income is recognised on effective profit rate basis over the expected life of the contract based on the principal amounts outstanding.

– Bai' al-'Inah

A contract of sale and purchase of an asset whereby the seller sells to buyer in cash and subsequently buys back the asset at a marked up and deferred. Income is recognised on effective profit rate basis over the expected life of the contract based on principal amount outstanding.

– Tawarruq vis-à-vis Commodity Murabahah

Tawarruq structure for CIMB Islamic's financing product consists of three (3) sales and purchases transaction. The first involves, the purchase of a commodity by the Bank from Commodity Trader 1, on cash and spot basis. Secondly, the Bank will sell the commodity using Murabahah contract, to customer on deferred basis. Subsequently, the customer will sell the commodity to Commodity Trader 2 on cash and spot basis. Finally, the customer will get a cash to finance the customer's needs.

– Bai' Bithaman Ajil

A contract of sale and purchase of an asset in which the payment of price is deferred either be paid in lump-sum or installment basis within an agreed period of time. Income from financing shall be recognised on effective profit rate basis over the expected life of the contract based on principal amount outstanding. Meanwhile, profit expense from deposits shall be recognised on accrual basis by maturity date.

– Bai' al-Dayn

A contract of trading of debt and the outstanding debt may be sold to the debtor or to a third party on cash basis. Income from financing shall be recognised on effective profit rate basis over the expected life of the contract based on principal amount outstanding. Meanwhile, profit expense from deposits shall be recognised on accrual basis by maturity date.

Lease-based contracts

– Ijarah

A lease contract that transfers the ownership of a usufruct of an asset to another party for a specified period in exchange for a rental. Ijarah contract may end with the transfer of the legal title of the leased asset to the lessee is called Ijarah Muntahia bi al-Tamlik (IMBT). Effective transfer of the legal title is a consequent to the conclusion of the lease arrangement that can be in the form of a sale or a gift of the asset to the lessee. Al-Ijarah Thumma al-Bai (AITAB) is a form of Ijarah Muntahia bi al-Tamlik where the sale of asset to the lessee is executed at the completion of the lease period. Income is recognised on effective profit rate basis over the lease term.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(I) BY TYPE AND SHARIAH CONTRACT (CONTINUED)

Profit sharing contracts

– Musharakah

Agreement of cooperation between two or more parties to a particular business, where each parties contribute funds. Profits are shared based on agreement, while loss is based on the portion of the contribution of funds in the form of cash or non-cash assets permitted by Shariah. Profits are recognised in the period the entitlement is based on Laporan Hasil Usaha in accordance with the agreed nisbah. Gain on Musharakah financing that has become the bank's rights and have not been paid by the customer is recognised as a profit sharing receivable.

Loan contract

– Qard

A contract of lending a fungible asset to a borrower who is bound to return an equivalent replacement. No income from financing shall be generated from the transactions.

Rahnu

Rahnu is a contract between a pledgor (rahin) and a pledeee (murtahin) whereby an asset is pledged as collateral (marhun) to the pledgee to provide assurance that the liability or obligation against the pledgee will be fulfilled.

Ujrah

Arrangement that involves payment of a service fee in exchange for the services rendered to customers.

Kafalah

Guarantee contract given by the guarantor (kafil) to a third party (makful lahu) to fulfil the obligations of the second party or those guaranteed (makful 'anhu, ashil).

(a) During the financial year, the Group has undertaken fair value hedges on the profit rate risk of RM17,195,000 (2023: RM36,682,000) 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 and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the expected credit losses arising thereon.

As at 31 December 2024, the gross exposure and expected credit losses relating to RPSIA financing are RM2,928,095,000 (2023: RM3,425,929,000) and RM352,000 (2023: RM415,000) respectively, which are recognised in the Financial Statements of CIMB Bank Berhad.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(I) BY TYPE AND SHARIAH CONTRACT (CONTINUED)

(c) Movement of Qard financing

	2024 RM'000	2023 RM'000
At 1 January	**705,865**	467,187
New disbursement	**514,302**	441,627
Repayment	**(332,190)**	(227,881)
Exchange fluctuation	**(47,898)**	24,932
At 31 December	**840,079**	705,865
Sources and uses of Qard Financing		
Sources of Qard fund:		
Depositors fund	**839,543**	705,051
Shareholders fund	**536**	814
	840,079	705,865
Uses of Qard fund:		
Personal use	**833,139**	699,636
Business use	**6,940**	6,229
	840,079	705,865

(II) BY TYPE OF CUSTOMERS

	2024 RM'000	2023 RM'000
Domestic non-bank financial institutions	**3,158,268**	2,697,204
Domestic business enterprises		
– Small medium enterprises	**27,271,746**	20,101,501
– Others	**15,266,764**	12,549,490
Government and statutory bodies	**1,836,729**	1,778,885
Individuals	**101,483,714**	85,221,625
Other domestic entities	**1,047,914**	16,889,378
Foreign entities	**5,543,589**	4,023,635
	155,608,724	143,261,718

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(III) BY PROFIT SENSITIVITY

	2024 RM'000	2023 RM'000
Fixed rate		
– House financing	**7,650,148**	7,727,055
– Hire purchase receivables	**17,512,297**	16,257,042
– Other fixed rate financing	**14,893,618**	12,796,557
Variable rate		
– House financing	**54,467,802**	47,762,063
– Others	**61,084,859**	58,719,001
	155,608,724	143,261,718

(IV) BY ECONOMIC PURPOSES

	2024 RM'000	2023 RM'000
Personal use	**3,093,480**	3,927,201
Credit card	**1,114,381**	802,831
Purchase of consumer durables	**5,627**	7,437
Construction	**2,593,490**	2,647,098
Residential property	**63,229,550**	56,309,028
Non-residential property	**18,515,168**	14,641,569
Purchase of fixed assets other than land and building	**4,406,474**	5,493,323
Purchase of securities	**10,782,005**	11,972,504
Purchase of transport vehicles	**20,824,349**	19,122,736
Working capital	**29,360,096**	25,367,893
Other purpose	**1,684,104**	2,970,098
	155,608,724	143,261,718

(V) BY GEOGRAPHICAL DISTRIBUTION

	2024 RM'000	2023 RM'000
Malaysia	**133,186,205**	123,168,208
Indonesia	**17,201,744**	16,606,913
Singapore	**4,978,362**	3,166,887
Hong Kong	**583**	627
China	**54,807**	141,017
Other countries	**187,023**	178,066
	155,608,724	143,261,718

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(VI) BY RESIDUAL CONTRACTUAL MATURITY

	2024 RM'000	2023 RM'000
Within one year	**17,307,151**	15,415,479
One year to less than three years	**5,415,142**	5,161,649
Three years to less than five years	**12,696,768**	9,696,599
Five years and more	**120,189,663**	112,987,991
	155,608,724	143,261,718

(VII) BY ECONOMIC SECTOR

	2024 RM'000	2023 RM'000
Primary agriculture	**3,895,660**	4,791,221
Mining and quarrying	**534,410**	873,365
Manufacturing	**6,929,153**	6,156,618
Electricity, gas and water supply	**2,215,945**	2,642,841
Construction	**4,972,474**	4,783,814
Transport, storage and communications	**4,417,234**	4,524,702
Education, health and others	**2,959,213**	2,796,437
Wholesale and retail trade, and restaurants and hotels	**12,136,829**	9,638,126
Finance, insurance/takaful, real estate and business activities	**15,224,691**	12,825,639
Household	**94,480,750**	85,683,096
Others	**7,842,365**	8,545,859
	155,608,724	143,261,718

(VIII) CREDIT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING/LOANS BY ECONOMIC PURPOSES

	2024 RM'000	2023 RM'000
Personal use	**79,502**	67,645
Credit cards	**30,771**	18,497
Purchase of consumer durables	**4**	110
Residential property	**1,114,070**	1,285,397
Non-residential property	**172,316**	183,026
Purchase of fixed assets other than land and building	**44,006**	36,074
Construction	**170,130**	170,768
Purchase of securities	**850**	1,374
Purchase of transport vehicles	**188,335**	177,288
Working capital	**257,509**	161,229
Other purpose	**158,778**	87,882
	2,216,271	2,189,290

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(IX) CREDIT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING/LOANS BY GEOGRAPHICAL DISTRIBUTIONS

	2024 RM'000	2023 RM'000
Malaysia	**1,612,308**	1,775,876
Indonesia	**474,047**	388,032
Singapore	**38,564**	25,382
Other countries	**91,352**	–
	2,216,271	2,189,290

(X) CREDIT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING/LOANS BY ECONOMIC SECTOR

	2024 RM'000	2023 RM'000
Primary agriculture	**4**	12,629
Mining and quarrying	**644**	1
Manufacturing	**116,622**	23,256
Electricity, gas and water supply	**1**	1
Construction	**384,005**	230,644
Transport, storage and communications	**8,701**	9,405
Education, health and others	**18,849**	19,881
Wholesale and retail trade, and restaurants and hotels	**158,269**	204,614
Finance, insurance/takaful, real estate and business activities	**77,824**	78,413
Household	**1,255,770**	1,460,277
Others	**195,582**	150,169
	2,216,271	2,189,290

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(XI) MOVEMENTS IN THE EXPECTED CREDIT LOSSES FOR FINANCING, ADVANCES AND OTHER FINANCING/LOANS ARE AS FOLLOWS:

	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
Financing, advances and other financing/ loans at amortised cost				
At 1 January 2024	**861,641**	**636,885**	**846,741**	**2,345,267**
Changes in expected credit losses due to transfer within stages:	**220,495**	**(109,946)**	**(110,549)**	**–**
Transferred to Stage 1	**402,843**	**(374,677)**	**(28,166)**	**–**
Transferred to Stage 2	**(181,015)**	**619,598**	**(438,583)**	**–**
Transferred to Stage 3	**(1,333)**	**(354,867)**	**356,200**	**–**
Total charge to Statement of Income:	**(364,677)**	**173,660**	**843,944**	**652,927**
New financial assets originated	**124,598**	**5,487**	**6,793**	**136,878**
Financial assets that have been derecognised	**(84,231)**	**(43,061)**	**–**	**(127,292)**
Writeback in respect of full recoveries	**–**	**–**	**(60,290)**	**(60,290)**
Change in credit risk	**(405,044)**	**211,234**	**897,441**	**703,631**
Write-offs	**–**	**(164)**	**(436,699)**	**(436,863)**
Disposal of financing, advances and other financing	**–**	**–**	**(533)**	**(533)**
Exchange fluctuation	**(11,358)**	**(17,010)**	**(39,078)**	**(67,446)**
Other movements	**(126)**	**73**	**21,120**	**21,067**
At 31 December 2024	**705,975**	**683,498**	**1,124,946**	**2,514,419**
Financing, advances and other financing/ loans at amortised cost				
At 1 January 2023	213,062	1,191,322	580,324	1,984,708
Changes in expected credit losses due to transfer within stages:	676,533	(670,652)	(5,881)	–
Transferred to Stage 1	845,730	(815,441)	(30,289)	–
Transferred to Stage 2	(161,878)	593,700	(431,822)	–
Transferred to Stage 3	(7,319)	(448,911)	456,230	–
Total charge to Statement of Income:	(1,602)	99,336	613,167	710,901
New financial assets originated	106,943	8,243	25,894	141,080
Financial assets that have been derecognised	(55,093)	(39,106)	–	(94,199)
Writeback in respect of full recoveries	–	–	(61,731)	(61,731)
Change in credit risk	(53,452)	130,199	649,004	725,751
Write-offs	–	–	(376,908)	(376,908)
Disposal of financing, advances and other financing	–	–	(8,014)	(8,014)
Exchange fluctuation	(26,330)	17,001	6,439	(2,890)
Other movements	(22)	(122)	37,614	37,470
At 31 December 2023	861,641	636,885	846,741	2,345,267

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

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

(XII) MOVEMENTS IN CREDIT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING/LOANS

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

	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	**2,189,290**	**2,189,290**
Transfer within stages	**623,786**	**623,786**
New financial assets originated	**14,409**	**14,409**
Write-offs	**(436,699)**	**(436,699)**
Amount fully recovered	**(175,596)**	**(175,596)**
Other changes in financing, advances and other financing/loans	**29,776**	**29,776**
Disposal of financing, advances and other financing	**(533)**	**(533)**
Exchange fluctuation	**(28,162)**	**(28,162)**
At 31 December 2024	**2,216,271**	**2,216,271**

	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	1,702,474	1,702,474
Transfer within stages	908,971	908,971
New financial assets originated	43,526	43,526
Write-offs	(376,908)	(376,908)
Amount fully recovered	(152,517)	(152,517)
Other changes in financing, advances and other financing/loans	54,983	54,983
Disposal of financing, advances and other financing/loans	(8,014)	(8,014)
Exchange fluctuation	16,775	16,775
At 31 December 2023	2,189,290	2,189,290

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(h) OTHER ASSETS

	2024 RM'000	2023 RM'000
Deposits and prepayments	**2,437,833**	2,439,078
Sundry debtors net of expected credit losses*	**1,487,614**	964,868
Treasury related receivables	**45,064**	77,890
Collateral pledged for derivative transactions	**27,369**	25,250
Clearing accounts	**24,244**	5,610
	4,022,124	3,512,696

* *Sundry debtors net of expected credit losses of the Group of RM54,829,000 (2023: RM18,553,000).*

(a) Movements of expected credit losses on sundry debtors are as follows:

(i) Under simplified approach

	2024 RM'000	2023 RM'000
At 1 January	**106**	111
Expected credit losses made/(written back) during the financial year	**17**	(5)
At 31 December	**123**	106

(ii) Under general approach

The Group	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	**17,913**	**534**	**18,447**
Total charge to Income Statement:	**36,259**	**–**	**36,259**
Change in credit risk	**36,259**	**–**	**36,259**
At 31 December 2024	**54,172**	**534**	**54,706**
At 1 January 2023	14,083	1,727	15,810
Total charge to Income Statement:	3,830	(1,193)	2,637
Change in credit risk	3,830	(1,193)	2,637
At 31 December 2023	17,913	534	18,447

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(h) OTHER ASSETS (CONTINUED)

(a) Movements of expected credit losses on sundry debtors are as follows (continued):

(iii) Gross carrying amount movement of other assets classified as credit impaired under general approach:

	Lifetime expected credit losses – credit impaired (Stage 3)	
	2024 RM'000	**2023 RM'000**
At 1 January	**534**	1,727
Other changes	**–**	(1,193)
At 31 December	**534**	534

Impact of movements in gross carrying amount on expected credit losses:

2024

Stage 1 ECL increased by RM36 million for the Group due to change in credit risk.

2023

Stage 1 and Stage 3 ECL increased by RM4 million and RM1 million respectively for the Group due to changes in credit risk.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(i) DEFERRED TAXATION

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

	2024 RM'000	2023 RM'000
Deferred tax assets	**253,612**	284,222
Deferred tax liabilities	**–**	–
	253,612	284,222

Further breakdown are as follows:

Deferred tax assets	2024 RM'000	2023 RM'000
Expected credit losses	**220,998**	251,040
Property, plant and equipment	**(26)**	(3)
Fair value reserve – Debt instruments at fair value through other comprehensive income	**12,158**	17,757
Lease liability	**–**	189
Provision for expenses	**20,906**	15,643
	254,036	284,626
Offsetting	**(424)**	(404)
	253,612	284,222
Deferred tax liabilities		
Intangible assets	**(424)**	(268)
Rights-of-use assets	**–**	(136)
	(424)	(404)
Offsetting	**424**	404
	–	–

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(i) DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year comprise the following:

Deferred tax assets/(liabilities)	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Fair value reserve - Debt instruments at fair value through other comprehensive income RM'000	Other temporary differences RM'000	Right-of-use assets RM'000	Intangible assets RM'000	Lease liability RM'000	Provision for expenses RM'000	Total RM'000
2024										
At 1 January		**251,040**	**(3)**	**17,757**	**-**	**(136)**	**(268)**	**189**	**15,643**	**284,222**
Credited/(charged) to statement of income	(ak)	**(30,042)**	**(16)**	**-**	**(29)**	**136**	**(131)**	**(189)**	**4,739**	**(25,532)**
Over/(under) provision in prior year		**-**	**(7)**	**-**	**29**	**-**	**(25)**	**-**	**524**	**521**
Transferred to equity		**-**	**-**	**(5,599)**	**-**	**-**		**-**	**-**	**(5,599)**
At 31 December		**220,998**	**(26)**	**12,158**	**-**	**-**	**(424)**	**-**	**20,906**	**253,612**
2023										
At 1 January		124,819	(59)	47,809	6	(240)	(114)	288	18,328	190,837
Credited/(charged) to statement of income	(ak)	102,964	56	-	(4,691)	104	(146)	(99)	(321)	97,867
Over/(under) provision in prior year		23,257	-	-	4,685	-	(8)	-	(2,364)	25,570
Transferred to equity		-	-	(30,052)	-	-		-	-	(30,052)
At 31 December		251,040	(3)	17,757	-	(136)	(268)	189	15,643	284,222

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(j) STATUTORY DEPOSITS WITH CENTRAL BANKS

The non-interest bearing statutory deposits are maintained by certain subsidiaries with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009, the amounts of which are determined at set percentages of total eligible liabilities. The non-interest bearing statutory deposits of a foreign subsidiary and foreign branches of the banking subsidiary are maintained with respective central banks in compliance with the applicable legislation.

(k) PROPERTY, PLANT AND EQUIPMENT

	Note	Renovations, work-in-progress, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Computer equipment and hardware RM'000	Total RM'000
2024					
Cost					
At 1 January		**12,276**	**508**	**24,305**	**37,089**
Additions		**4,431**	**–**	**266**	**4,697**
Disposals		**(3,599)**	**(119)**	**(977)**	**(4,695)**
Exchange fluctuation		**(619)**	**–**	**(252)**	**(871)**
At 31 December		**12,489**	**389**	**23,342**	**36,220**
Accumulated depreciation					
At 1 January		**10,239**	**508**	**22,158**	**32,905**
Charge for the financial year		**921**	**–**	**522**	**1,443**
Disposals		**(3,492)**	**(117)**	**(604)**	**(4,213)**
Exchange fluctuation		**(360)**	**–**	**(158)**	**(518)**
At 31 December		**7,308**	**391**	**21,918**	**29,617**
Net book value at 31 December		**5,181**	**(2)**	**1,424**	**6,603**

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(k) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Renovations, work-in-progress, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Computer equipment and hardware RM'000	Total RM'000
2023					
Cost					
At 1 January		11,262	508	23,739	35,509
Additions		922	–	949	1,871
Disposals		(337)	–	(555)	(892)
Reclassified to intangible assets	(n)	–	–	(14)	(14)
Exchange fluctuation		429	–	186	615
At 31 December		12,276	508	24,305	37,089
Accumulated depreciation					
At 1 January		8,985	508	21,616	31,109
Charge for the financial year		1,039	–	558	1,597
Disposals		(92)	–	(119)	(211)
Exchange fluctuation		307	–	103	410
At 31 December		10,239	508	22,158	32,905
Net book value at 31 December		2,037	–	2,147	4,184

No work-in-progress for the Group in 2024 and 2023.

(l) RIGHT-OF-USE ASSETS

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

	2024 RM'000	2023 RM'000
Buildings	**1,152**	2,031

There are additions to the Right-of-use assets during the financial year of RM516,000 (2023: RM307,000). Depreciation charge during the financial year for Right-of-use assets are RM1,173,000 (2023: RM1,341,000).

At 31 December 2024, the variable lease payment expense and low-value leases expense that are not included in lease liabilities are RM1,192,000 (2023: RM1,148,000) and RMNil (2023: RMNil) respectively.

(m) GOODWILL

	2024 RM'000	2023 RM'000
At 1 January/31 December	**136,000**	136,000

Goodwill is wholly allocated to the consumer banking cash-generating unit ("CGU"). This CGUs do not carry any intangible assets with indefinite useful life.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(m) GOODWILL (CONTINUED)

Impairment test for goodwill

Value-in-use

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the 2025 financial budgets approved by the Board of Directors, projected for four years (2025 to 2028) based on the average historical Gross Domestic Product ("GDP") growth of the country covering a four years period, revised for current economic conditions. Cash flows beyond the four years period are extrapolated using an estimated growth rate of 4.08% (2023: 4.16%). The cash flow projections are derived based on a number of key factors including the past performance and management's expectation of market developments. The discount rate used in determining the recoverable amount of all the CGU is 9.66% (2023: 10.36%). The discount rate is pre-tax and reflects the specific risks relating to the CGU.

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

Impairment charge

There was no impairment charge for the financial year ended 31 December 2024 and 31 December 2023.

(n) INTANGIBLE ASSETS

	Note	2024 RM'000	2023 RM'000
Computer software			
Cost			
At 1 January		**152,611**	150,535
Additions		**3,349**	4,728
Disposals		**(3)**	(3,251)
Reclassified from property, plant and equipment	(k)	**–**	14
Exchange fluctuation		**(720)**	585
At 31 December		**155,237**	152,611
Accumulated amortisation			
At 1 January		**145,890**	146,570
Charge for the financial year		**4,289**	2,123
Disposal		**–**	(3,251)
Exchange fluctuation		**(445)**	448
At 31 December		**149,734**	145,890
Net book value at 31 December		**5,503**	6,721

The remaining amortisation period of the intangible assets is between 3 months and 4.4 years.

The above intangible assets include computer software under construction at cost of the Group of RM1,643,792 (2023: RM1,322,713).

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(o) DEPOSITS FROM CUSTOMERS

(I) BY TYPE OF DEPOSITS

	2024 RM'000	2023 RM'000
Savings deposit		
Wadiah	**856,902**	959,880
Mudharabah	**3,462,318**	3,482,509
Commodity Murabahah (via Tawarruq arrangement)*	**10,831,142**	9,794,398
	15,150,362	14,236,787
Demand deposit		
Wadiah	**1,996,712**	1,671,567
Qard	**19,521,051**	19,649,152
Mudharabah	**2,643,506**	1,714,422
Hybrid (Qard and Mudharabah)		
Commodity Murabahah (via Tawarruq arrangement)*	**4,437,070**	4,467,245
	28,598,339	27,502,386
Term deposit	**78,361,068**	81,025,716
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	**43,879,864**	50,768,984
Fixed Deposit-i (via Tawarruq arrangement)*	**33,489,634**	29,761,063
Negotiable Islamic Debt Certificate (NIDC)		
Hybrid (Bai' Bithamin Ajil (BBA) and Bai' al-Dayn)	**991,570**	495,669
Fixed Deposit-i	**6,227,253**	5,575,806
Mudharabah	**6,227,253**	5,575,806
Specific investment account	**24,971**	25,160
Mudharabah	**24,971**	25,160
Others	**526,215**	186,881
Qard	**526,215**	186,881
	128,888,208	128,552,736

* *Included Qard contract of RM4,295,352,000 (2023: RM4,424,360,000)*

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(o) DEPOSITS FROM CUSTOMERS (CONTINUED)

(II) BY MATURITY STRUCTURES OF TERM DEPOSITS AND INVESTMENT ACCOUNT ARE AS FOLLOWS:

	2024 RM'000	2023 RM'000
Due within six months	**70,198,008**	70,148,554
Six months to one year	**13,275,570**	15,427,165
One year to three years	**1,112,427**	173,749
Three years to five years	**16,888**	866,737
More than five years	**10,399**	10,477
	84,613,292	86,626,682

(III) BY TYPE OF CUSTOMER

	2024 RM'000	2023 RM'000
Government and statutory bodies	**6,046,635**	7,469,648
Business enterprises	**49,175,972**	54,707,432
Individuals	**45,868,301**	38,570,271
Others	**27,797,300**	27,805,385
	128,888,208	128,552,736

Wadiah (Yad Dhamanah)

A safe keeping contract whereby the custodian guarantees payment of the whole amount of deposits, or any part thereof, outstanding in the account of the depositors, when demanded. The depositors are not entitled to any share of the profits (generated from usage of the deposits by the custodian). However, the custodian, at its discretion, may give hibah to the depositors, nevertheless, the hibah shall not be pre-conditioned.

Commodity Murabahah

A contract of sale and purchase of commodities as underlying assets. The customer appoints the Bank to act as the customer's agent for the purchase and sale of the commodity. At the first stage, the buyer will purchase an asset on credit from the original seller, and at the second stage, the buyer will then sell the asset on cash basis to a third party. It is named as Tawarruq because the buyer purchased the asset on credit with no intention of benefiting from it, rather to sell it to obtain cash. Profit expense shall be recognised on accrual basis by maturity date.

Mudharabah

A contract between a capital provider (rabbul mal) and an entrepreneur (Mudharib) under which the rabbul mal provides capital to be managed by the mudharib and any profit generated from the capital is shared between the rabbul mal and mudharib according to mutually agreed Profit Sharing Ratio ("PSR") whilst financial losses are borne by the rabbul mal provided that such losses are not due to the mudharib's, negligence (taqsir) or breach of specified terms (mukhalafah al-shurut). Mudharabah contract shall not stipulate a pre-determined fixed amount of profit to one contracting party. This contract is categorised into two types:

a) Unrestricted Mudharabah (Mudharabah Mutlaqah) is a contract in which the rabbul mal permits the mudharib to manage the venture without any specific restriction.

b) Restricted Mudharabah (Mudharabah Muqayyadah) is a contract in which the rabbul mal imposes specific restriction on the mudharabah terms such as determination of location, period for investment, type of project and commingling of funds.

Profit shall be recognised on accrual basis by actual liquidation of assets of mudharabah contract or constructive basis according to acceptable profit recognition method which may include valuation according to acceptable market methodology, independent valuation or valuation based on estimated figures.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(o) DEPOSITS FROM CUSTOMERS (CONTINUED)

(III) BY TYPE OF CUSTOMER (CONTINUED)

Bai' Bithaman Ajil

A contract of sale and purchase of an asset in which the payment of price is deferred either be paid in lump-sum or instalment basis within an agreed period of time. Profit expense from deposits shall be recognised on accrual basis by maturity date.

Bai' al-Dayn

A contract of trading of debt and the outstanding debt may be sold to the debtor or to a third party on cash basis. Profit expense from deposits shall be recognised on accrual basis by maturity date.

Qard

A contract of lending a fungible asset to a borrower who is bound to return an equivalent replacement. No profit expense from deposits shall be paid from the transactions.

Tawarruq vis-à-vis Commodity Murabahah

Tawarruq structure for CIMB Islamic's financing product consists of three (3) sales and purchases transaction. The first involves, the purchase of a commodity by the Bank from Commodity Trader 1, on cash and spot basis. Secondly, the Bank will sell the commodity using Murabahah contract, to customer on deferred basis. Subsequently, the customer will sell the commodity to Commodity Trader 2 on cash and spot basis. Finally, the customer will get a cash to finance the customer's needs.

(p) INVESTMENT ACCOUNTS OF CUSTOMERS

	Note	2024 RM'000	2023 RM'000
Unrestricted investment accounts (Mudharabah)			
– without maturity			
Special Mudharabah Investment Account		**2,007,761**	1,665,728
Daily Investment Account-i		**178,745**	17,698
– with maturity			
Term Investment Account-i		**21,492,133**	16,659,812
Unrestricted investment accounts (Wakalah)			
– without maturity			
Daily Investment Account-i		**132,920**	48,300
Restricted investment accounts (Mudharabah)			
– with maturity			
Restricted Profit Sharing Investment Account (RPSIA)		**631,751**	592,587
	23	**24,443,310**	18,984,125

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(p) INVESTMENT ACCOUNTS OF CUSTOMERS (CONTINUED)

(I) MOVEMENT IN THE INVESTMENT ACCOUNTS OF CUSTOMERS

	2024				2023			
	Mudharabah		Wakalah		Mudharabah		Wakalah	
	Unrestricted Investment Account RM'000	Restricted Investment Account RM'000	Unrestricted Investment Account RM'000	Total RM'000	Unrestricted Investment Account RM'000	Restricted Investment Account RM'000	Unrestricted Investment Account RM'000	Total RM'000
At 1 January	**18,343,238**	**592,587**	**48,300**	**18,984,125**	13,155,418	501,666	27,548	13,684,632
Funding inflows/ outflows								
New placement during the financial year	**26,743,825**	**-**	**108,573**	**26,852,398**	22,242,955	–	35,118	22,278,073
Redemption during the year	**(22,081,956)**	**-**	**(24,481)**	**(22,106,437)**	(17,631,866)	–	(14,426)	(17,646,292)
Income from investment	**981,491**	**40,211**	**3,284**	**1,024,986**	843,882	91,910	1,119	936,911
Company's share of profit								
Profit distributed to mudarib	**(307,959)**	**(454)**	**(2,756)**	**(311,169)**	(267,151)	(459)	(1,059)	(268,669)
Incentive fee	**-**	**(593)**	**-**	**(593)**	–	(530)	–	(530)
At 31 December	**23,678,639**	**631,751**	**132,920**	**24,443,310**	18,343,238	592,587	48,300	18,984,125
Investment asset:								
House financing	**6,822,278**	**-**	**-**	**6,822,278**	4,043,013	–	–	4,043,013
Hire purchase receivables	**14,309,842**	**-**	**-**	**14,309,842**	12,062,216	–	–	12,062,216
Other term financing	**2,518,899**	**-**	**132,920**	**2,651,819**	2,235,330	–	48,300	2,283,630
Marketable securities	**-**	**631,141**	**-**	**631,141**	–	591,926	–	591,926
Miscellaneous Other Assets	**27,620**	**610**	**-**	**28,230**	2,679	661	–	3,340
Total investment	**23,678,639**	**631,751**	**132,920**	**24,443,310**	18,343,238	592,587	48,300	18,984,125

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59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(p) INVESTMENT ACCOUNTS OF CUSTOMERS (CONTINUED)

(II) PROFIT SHARING RATIO AND RATE OF RETURN

	2024 Investment account holder		2023 Investment account holder	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Unrestricted investment accounts:				
no specific tenure	**8.38**	**0.30**	4.19	0.15
within 1 year	**71.89**	**3.75**	74.31	3.81
more than 1 year	**69.45**	**2.80**	–	–

	2024 Investment account holder			2023 Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Performance incentive fee (%)	Average profit sharing ratio (%)	Average rate of return (%)	Performance incentive fee (%)
Restricted investment accounts:						
more than 5 years	**99.00**	**4.51**	**0.78**	99.00	4.19	0.91

(III) BY TYPE OF CUSTOMERS

	2024 RM'000	2023 RM'000
Government and Statutory bodies	**2,010**	–
Business enterprises	**3,007,896**	2,569,571
Individuals	**20,754,595**	15,886,730
Others	**678,809**	527,824
	24,443,310	18,984,125

Mudharabah

This category comprises restricted and unrestricted investment accounts. The placements from investment accounts that are used to fund specific financing are called Restricted Profit Sharing Investment Accounts ("RPSIA"). The RPSIA and unrestricted investment accounts are a contract based on the Shariah concept of Mudharabah between two parties, i.e. investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture will be shared based on pre-agreed ratios with CIMB Islamic as Mudharib (manager or manager of funds), and losses shall be borne solely by investors.

Wakalah

Daily Investment Account-i is a daily investment account based on a Wakalah bi al-istithmar contract, agreed between the customers as capital providers (principal) and CIMB Islamic as an investment agent whereby CIMB Islamic will channel the funds in investment assets which are Shariah compliant. The profit distribution is after deducting the agency fee and any agreed performance incentive fee to CIMB Islamic (if any). The principal may agree to the agent retaining all or part of the excess profit as performance incentive fee if the actual profit is higher than the indicative profit. Any losses (if any) shall be borne by the customer, provided that such losses are not due to CIMB Islamic's misconduct (Ta'addi), negligence (Taqsir), or breach of specific terms (Mukhalafah al-Shurut). Daily Investment Account-i is classified as unrestricted investment accounts.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(q) DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	2024 RM'000	2023 RM'000
Licensed banks	**4,820,783**	8,138,045
Licensed Islamic banks	**100,712**	400,329
Licensed investment banks	**282,258**	645,848
Bank Negara Malaysia	**–**	5,000
Other financial institutions	**1,182,337**	744,858
	6,386,090	9,934,080

(r) INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	2024 RM'000	2023 RM'000
Restricted investment accounts		
Mudharabah	**2,927,281**	3,424,851
By type of counterparty		
Licensed banks	**2,927,281**	3,424,851

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

(I) MOVEMENT IN THE INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	2024 RM'000	2023 RM'000
At 1 January	**3,424,851**	3,576,590
Funding inflows/outflows		
Redemption during the year	**(623,344)**	(275,530)
Income from investment	**155,508**	161,246
CIMB Islamic Bank's share of profit		
Profit distributed to mudarib	**(1,555)**	(1,612)
Incentive fee	**(28,179)**	(35,843)
At 31 December	**2,927,281**	3,424,851
Investment asset:		
Other term financing	**2,537,282**	3,064,850
Miscellaneous other assets	**389,999**	360,001
Total investment	**2,927,281**	3,424,851

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59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(r) INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS (CONTINUED)

(II) PROFIT SHARING RATIO, RATE OF RETURN AND PERFORMANCE INCENTIVE

	2024 Investment account holder			2023 Investment account holder		
	Average profit sharing ratio (%)	**Average rate of return (%)**	**Performance incentive fee (%)**	**Average profit sharing ratio (%)**	**Average rate of return (%)**	**Performance incentive fee (%)**
Restricted investment accounts:						
within 1 year	**99.00**	**4.51**	**0.78**	99.00	4.19	0.91

These placements are the Restricted Profit Sharing Investment Account ("RPSIA") placed by CIMB Bank Berhad amounting to RM2,927,281,000 (2023: RM3,424,851,000) for tenures within 1 month (2023: within 1 month) at indicative profit rates from 3.68% – 4.30% per annum (2023: 3.60% to 4.01% per annum). These placements are used to fund certain specific financing. The RPSIA is a contract based on the Shariah concept of Mudharabah between two parties, i.e. investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses shall be borne solely by the investors.

(s) FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RM'000	**2023 RM'000**
Deposits from customers – structured investments	**3,125,723**	2,821,784

The Group has issued structured investments, and have 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 31 December 2024 was RM54,450,000 (2023: RM75,260,000) lower than the contractual amount at maturity.

(t) OTHER LIABILITIES

	Note	**2024 RM'000**	**2023 RM'000**
Clearing accounts		**10,355,820**	9,324,811
Structured deposits		**21,001**	26,116
Accruals and other payables		**276,093**	116,196
Expected credit losses for loan commitments and financial guarantee contracts	(I)	**94,839**	119,935
Others		**10,598,135**	7,537,299
		21,345,888	17,124,357

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(t) OTHER LIABILITIES (CONTINUED)

(I) MOVEMENT IN THE EXPECTED CREDIT LOSSES FOR LOAN COMMITMENTS AND FINANCIAL GUARANTEE CONTRACTS ARE AS FOLLOWS:

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses – not credit impaired (Stage 2) RM'000	Lifetime expected credit losses – credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024:	**86,178**	**16,432**	**17,325**	**119,935**
Changes in expected credit losses due to transfer within stages:	**6,054**	**(10,947)**	**4,893**	**–**
Transferred to Stage 1	**11,887**	**(11,774)**	**(113)**	**–**
Transferred to Stage 2	**(5,830)**	**13,867**	**(8,037)**	**–**
Transferred to Stage 3	**(3)**	**(13,040)**	**13,043**	**–**
Total charge to Statement of Income:	**(49,209)**	**10,069**	**16,172**	**(22,968)**
New exposures	**51,932**	**–**	**379**	**52,311**
Exposures derecognised or matured	**(33,181)**	**(5,361)**	**(3,989)**	**(42,531)**
Change in credit risk	**(67,960)**	**15,430**	**19,782**	**(32,748)**
Exchange fluctuation	**(866)**	**(504)**	**(758)**	**(2,128)**
Other movements	**77**	**(62)**	**(15)**	**–**
At 31 December 2024	**42,234**	**14,988**	**37,617**	**94,839**
At 1 January 2023	50,241	15,696	10,903	76,840
Changes in expected credit losses due to transfer within stages:	10,784	(11,484)	700	–
Transferred to Stage 1	17,469	(14,507)	(2,962)	–
Transferred to Stage 2	(6,648)	12,428	(5,780)	–
Transferred to Stage 3	(37)	(9,405)	9,442	–
Total charge to Statement of Income:	23,555	12,035	5,582	41,172
New exposures	46,621	267	–	46,888
Exposures derecognised or matured	(35,439)	(4,057)	(4,907)	(44,403)
Change in credit risk	12,373	15,825	10,489	38,687
Exchange fluctuation	1,635	154	134	1,923
Other movements	(37)	31	6	–
At 31 December 2023	86,178	16,432	17,325	119,935

The gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM87,575,000 (2023: RM54,837,000).

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59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(u) LEASE LIABILITIES

	The Group	
	2024 RM'000	**2023 RM'000**
Buildings	**338**	1,241

(v) SUKUK

		2024 RM'000	2023 RM'000
IDR2,000,000 million Sukuk (Series A: 2019/2020; Series B: 2019/2022, Series C:2019/2024)	(a)	**–**	128,940
IDR1,000,000 million Sukuk (Series A: 2020/2021; Series B: 2020/2023; Series C: 2020/2025)	(b)	**108,550**	116,489
RM100 million Senior Sukuk (2023/2026)	(c)	**100,357**	100,346
RM600 million Senior Sukuk (2023/2028)	(d)	**602,181**	602,115
RM300 million Senior Sukuk (2023/2030)	(e)	**301,169**	301,133
RM250 million Senior Sukuk (2024/2027)	(f)	**252,466**	–
RM300 million Senior Sukuk (2024/2029)	(g)	**303,046**	–
RM1,450 million Senior Sukuk (2024/2031)	(h)	**1,465,369**	–
RM1,500 million Senior Sukuk (2024/2034)	(i)	**1,516,294**	–
RM125 million Senior Sukuk (2024/2029)	(j)	**127,044**	–
RM700 million Senior Sukuk (2024/2032)	(k)	**711,890**	–
RM2,175 million Senior Sukuk (2024/2035)	(l)	**2,212,592**	–
RM120 million Senior Sukuk (2024/2027)	(m)	**120,430**	–
		7,821,388	1,249,023
Fair value changes arising from fair value hedges		**28,591**	5,880
		7,849,979	1,254,903

(a) On 21 August 2019, CIMB Niaga issued IDR2,000,000 million Sukuk. The Sukuk is divided into 3 series. Nominal value of 1-year Series A Sukuk, 3-year Series B Sukuk, and 5-year Series C Sukuk amounted to IDR635,000 million, IDR936,000 million, and IDR429,000 million respectively, with fixed interest rate of 7.10%, 7.90% and 8.25% per annum respectively.

On 31 August 2020, CIMB Niaga redeemed its Series A Sukuk amounting to IDR635,000 million.

On 21 August 2022, CIMB Niaga redeemed its Series B Sukuk amounting to IDR936,000 million.

On 21 August 2024, CIMB Niaga redeemed its Series C Sukuk amounting to IDR429,000 million.

(b) On 27 March 2020, CIMB Niaga issued IDR1,000,000 million Sukuk. The Sukuk are divided into 3 series. Nominal value of 1-year Series A Sukuk, 3-year Series B Sukuk, and 5-year Series C Sukuk amounted to IDR322,000 million, IDR287,000 million, and IDR391,000 million respectively, with fixed interest rate of 5.80%, 7.00% and 7.25% per annum respectively.

On 7 April 2021, CIMB Niaga redeemed its 1-year Series A Bond amounted to IDR322,000 million.

(c) On 30 November 2023, CIMB Islamic issued RM100 million 3-year fixed rate Senior Sukuk under its RM10 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3.95% per annum payable semi-annually, will mature on 30 November 2026.

(d) On 30 November 2023, CIMB Islamic issued RM600 million 5-year fixed rate Senior Sukuk under its RM10 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 4.02% per annum payable semi-annually, will mature on 30 November 2028.

(e) On 30 November 2023, CIMB Islamic issued RM300 million 7-year fixed rate Senior Sukuk under its RM10 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 4.31% per annum payable semi-annually, will mature on 29 November 2030.

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59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(V) SUKUK (CONTINUED)

(f) On 27 March 2024, the Bank issued RM250.0 million 3-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3.75% per annum payable semi-annually, will mature on 26 March 2027.

(g) On 27 March 2024, the Bank issued RM300.0 million 5-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3.86% per annum payable semi-annually, will mature on 27 March 2029.

(h) On 27 March 2024, the Bank issued RM1,450.0 million 7-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 4.03% per annum payable semi-annually, will mature on 27 March 2031.

(i) On 27 March 2024, the Bank issued RM1,500.0 million 10-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 4.13% per annum payable semi-annually, will mature on 27 March 2034.

(j) On 30 July 2024, the Bank issued RM125.0 million 5-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3.85% per annum payable semi-annually, will mature on 30 July 2029.

(k) On 30 July 2024, the Bank issued RM700.0 million 8-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 4.00% per annum payable semi-annually, will mature on 30 July 2032.

(l) On 30 July 2024, the Bank issued RM2,175.0 million 11-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 4.07% per annum payable semi-annually, will mature on 30 July 2035.

(m) On 28 November 2024, the Bank issued RM120.0 million 3-year floating rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3 month KLIBOR + plus 0.23% per annum payable quarterly will mature on the profit payment date falling on or nearest to 26 November 2027.

(w) SUBORDINATED SUKUK

		2024 RM'000	2023 RM'000
Subordinated Sukuk 2019/2029 RM800 million	(a)	**–**	808,055
Subordinated Sukuk 2022/2032 RM300 million	(b)	**301,369**	301,369
Subordinated Sukuk 2024/2034 RM1,200 million	(c)	**1,212,372**	–
		1,513,741	1,109,424

(a) On 25 September 2019, CIMB Islamic had issued RM800 million Tier 2 Junior Sukuk ("the Sukuk") at par and is due on 25 September 2029, with optional redemption on 25 September 2024 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.75% per annum.

The Sukuk is part of the Basel III Tier 2 Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, CIMB Islamic is allowed to raise Tier 2 capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM800 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of CIMB Islamic.

On 25 September 2024, the Bank redeemed its existing RM800 million Tier 2 Junior Sukuk issued from the RM5 billion Tier 2 Junior Sukuk Programme on the first call date.

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59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(W) SUBORDINATED SUKUK (CONTINUED)

(b) On 28 November 2022, the Bank had issued RM300 million Tier 2 Junior Sukuk ("the Sukuk") at par and is due on 26 November 2032, with optional redemption on 28 November 2027 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.90% per annum.

The Sukuk is part of the Basel III Tier 2 Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier 2 capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

(c) On 25 September 2024, the Bank had issued RM1.2 billion Tier 2 Junior Sukuk ("the Sukuk") at par and is due on 25 September 2034, with optional redemption on 25 September 2029 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.84% per annum.

The Sukuk is part of the Basel III Tier 2 Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier 2 capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

(x) ORDINARY SHARE CAPITAL AND PERPETUAL PREFERENCE SHARES

	2024 RM'000	2023 RM'000
Ordinary shares		
Issued and fully paid		
At 1 January/31 December	**1,000,000**	1,000,000
Perpetual preference shares		
Issued and fully paid		
At 1 January/31 December	**350,000**	350,000

The preference shares shall rank pari passu among themselves, and in priority to the ordinary shares.

Each preference share shall on a winding-up or other return of capital confer on its holder the right to receive, in priority to the holders of ordinary shares, the cash repayment in full the nominal amount and premium payable of that preference share after the payment and discharge of all debts and liabilities of CIMB Islamic and the costs of winding up or such capital reduction exercise.

A preference share shall not entitle its holder to participate in the surplus assets and profits of CIMB Islamic beyond such redemption rights as are expressly set out in these Articles.

CIMB Islamic may declare dividends on any of the preference shares.

The preference shares are not convertible to ordinary shares or any other class of share of CIMB Islamic.

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(y) RESERVES

(a) Regulatory reserve of the Group is maintained by the banking subsidiaries in Malaysia, which is transferred from the retained earnings, as an additional credit risk absorbent to ensure robustness on the loan impairment assessment methodology with the adoption of MFRS 9 beginning 1 January 2018.

BNM Guidelines on Financial Reporting for Islamic Banking Institutions requires banking institutions to maintain in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserve of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

(b) Share-based payment reserve arose from the Employee Ownership Plan and Long Term Incentive Plan ("LTIP"), the Group's share-based compensation benefits.

(c) Exchange translation differences have arisen from translation of net assets of foreign subsidiaries, Labuan offshore banking subsidiary and the CIMB Bank's foreign branches. These translation differences are shown under exchange fluctuation reserve.

(d) For debt instruments at fair value through other comprehensive income ("FVOCI"), changes in fair value are accumulated within the financial assets at FVOCI reserve within equity. The accumulated changes in fair value are transferred to profit or loss when the investment is disposed of.

(e) Changes in fair value of financial liabilities designated at fair value relating to the Group's own credit risk are recognised in other comprehensive income. These changes are also accumulated within own credit risk reserve within equity.

(z) RESTRICTED AGENCY INVESTMENT ACCOUNT

(I) THE DETAILS OF THE RESTRICTED AGENCY INVESTMENT ("RAIA") FINANCING IS AS BELOW. THE EXPOSURES AND CORRESPONDING RISK WEIGHTED AMOUNT ARE REPORTED IN INVESTORS' FINANCIAL STATEMENTS.

RAIA arrangement

	2024 RM'000	2023 RM'000
Financing and advances	**12,282,284**	12,882,815
Commitments and contingencies	**4,200,000**	2,600,000
	16,482,284	15,482,815

	2024 RM'000	2023 RM'000
Total RWA for Credit Risk	**1,241,607**	830,893

RAIA is an arrangement between CIMB Bank and CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank provides 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 allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.

The recognition and derecognition of the above are in accordance to Note E and G in the financial statements of the Group.

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(z) RESTRICTED AGENCY INVESTMENT ACCOUNT (CONTINUED)

(II) MOVEMENT IN THE INVESTMENT ACCOUNT

Wakalah

Restricted Agency Investment Account – RAIA

	2024 RM'000	2023 RM'000
At 1 January	**12,882,815**	11,280,429
Funding inflows/outflows		
New placement during the financial year	**600,000**	1,800,000
Redemption during the financial year	**(2,228,388)**	(138,934)
Income from investment	**1,027,857**	(58,680)
At 31 December	**12,282,284**	12,882,815
Investment asset:		
Syndicated financing	**1,532,005**	1,531,910
Revolving credit	**–**	1,202,943
Other term financing	**10,750,279**	10,147,962
Total investment	**12,282,284**	12,882,815

(III) RATE OF RETURN

	Investment account holder Average rate of return	
	2024 (%)	2023 (%)
Restricted investment accounts:		
1 month or less	**3.95**	3.63
more than 1 month to 3 months	**3.83**	3.57
more than 4 years to 5 years	**4.21**	3.71
more than 5 years	**4.20**	4.15

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(aa) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	2024 RM'000	2023 RM'000
Income derived from investment of:		
(i) General investment deposits	**5,380,146**	5,168,677
(ii) Specific investment deposits	**988**	1,078
(iii) Other deposits	**2,348,097**	1,634,606
	7,729,231	6,804,361

(i) Income derived from investment of general investment deposits

	2024 RM'000	2023 RM'000
Finance income and hibah:		
Financing, advances and other financing/loans		
– Profit income	**4,302,936**	4,153,314
– Unwinding income*	**27,262**	36,219
Money at call and deposit with financial institutions	**185,051**	359,824
Debt instruments at fair value through other comprehensive income	**162,156**	148,446
Debt instrument at amortised cost	**327,119**	318,399
Others	**23,495**	16,343
	5,028,019	5,032,545
Accretion of discount less amortisation of premium	**(24,869)**	(23,222)
	5,003,150	5,009,323
Other finance income for financial assets at fair value through profit or loss		
– Financial investments at fair value through profit or loss	**32,150**	62,240
– Financing, advances and other financing/loan at fair value through profit or loss	**3,717**	2,745
– Net accretion of discount less amortisation of premium	**98,739**	62,663
Total finance income and hibah	**5,137,756**	5,136,971
Other operating income:		
Foreign exchange gain/(loss)	**90,971**	(142,109)
Net gain from sale of debt instruments at fair value through other comprehensive income	**2,180**	6,166
Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	**1,282**	(1,330)
Net gain from maturity of financial assets measured at amortised cost	**235**	–
Net gain/(loss) arising from financial investments at fair value through profit or loss		
– Realised	**5,615**	17,214
– Unrealised	**(234)**	4,455
	100,049	(115,604)
Fees and commission income:		
Fee on financing and advances	**94,146**	95,247
Guarantee fees	**9,009**	15,568
Service charges and fees	**32,475**	27,977
Other fee income	**4,299**	4,672
	139,929	143,464
Other income	**2,412**	3,846
	5,380,146	5,168,677

** Unwinding income is income earned on credit impaired financial assets*

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(aa) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONTINUED)

(ii) Income derived from investment of specific investment deposits

	2024 RM'000	2023 RM'000
Money at call and deposit with financial institutions	**988**	1,078
	988	1,078

(iii) Income derived from investment of other deposits

	2024 RM'000	2023 RM'000
Finance income and hibah:		
Financing, advances and other financing/loans		
– Profit income	**1,754,507**	1,276,833
– Unwinding income*	**16,718**	16,876
Money at call and deposit with banks and other financial institutions	**110,330**	113,168
Reverse Collateralised Commodity Murabahah	**14,770**	7,790
Debt instruments at fair value through other comprehensive income	**93,509**	62,647
Debt instrument at amortised cost	**201,926**	147,872
	2,191,760	1,625,186
Accretion of discount less amortisation of premium	**(13,832)**	(9,897)
	2,177,928	1,615,289
Other finance income for financial assets at fair value through profit or loss		
– Financial investments at fair value through profit or loss	**18,044**	28,853
– Financing, advances and other financing/loans at fair value through profit or loss	**2,097**	1,385
– Net accretion of discount less amortisation of premium	**61,544**	29,389
Total finance income and hibah	**2,259,613**	1,674,916

* *Unwinding income is income earned on credit impaired financial assets*

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(aa) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONTINUED)

(iii) Income derived from investment of other deposits (Continued)

	2024 RM'000	2023 RM'000
Other operating income:		
Foreign exchange loss	**75,539**	(58,475)
Net gain from sale of debt instruments at fair value through other comprehensive income	**4,994**	2,915
Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	**714**	(671)
Net gain from maturity of financial assets measured at amortised cost	**159**	–
Net gain from financial investments at fair value through profit or loss		
– Realised	**3,444**	7,898
– Unrealised	**(125)**	1,992
	84,725	(46,341)
Fees and commission income:		
Guarantee fees	**3,746**	5,978
Service charges and fees	**28**	36
Fee and commission income	**3,774**	6,014
Fee and commission expense	**–**	–
Net fees and commission expense	**3,774**	6,014
Other income	**(15)**	17
	3,759	6,031
	2,348,097	1,634,606

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(ab) INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT

	2024 RM'000	2023 RM'000
Financing, advances and other financing/loans:		
– Profit income	**1,209,520**	1,048,180
– Unwinding income*	**16**	10
Debt instrument at amortised cost	**45,450**	45,679
	1,254,986	1,093,869
Accretion of discount less amortisation of premium	**8,036**	8,146
	1,263,022	1,102,015
Other operating income		
Net gain from sale of securities at amortised cost	**–**	65
Net gain from foreign exchange transactions	**(88)**	124
	(88)	189
Fees and commission income		
– Service charges and fees	**1,508**	1,014
– Commission fee	**4**	2
	1,264,446	1,103,220

* *Unwinding income is income earned on credit impaired financial assets*

(ac) NET INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	2024 RM'000	2023 RM'000
Finance income and hibah:		
Financing, advances and other financing/loans		
– Profit income	**381,289**	320,618
– Unwinding income*	**3,435**	4,053
Money at call and deposit with financial institutions	**22,779**	36,492
Debt instruments at fair value through other comprehensive income	**34,896**	49,091
Debt instrument at amortised cost	**91,892**	95,672
Reverse Collateralised Commodity Murabahah	**2,988**	1,838
	537,279	507,764
Accretion of discount less amortisation of premium	**(864)**	(4,810)
	536,415	502,954
Other finance income for financial assets at fair value through profit or loss		
– Financial investments at fair value through profit or loss	**3,983**	6,925
– Financing, advances and other financing/loans at fair value through profit or loss	**455**	311
– Net accretion of discount less amortisation of premium	**12,513**	7,031
Total finance income and hibah	**553,366**	517,221

* *Unwinding income is income earned on credit impaired financial assets*

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(ac) NET INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS (CONTINUED)

	2024 RM'000	2023 RM'000
Other operating income:		
Net gain from hedging activities	**486**	495
Foreign exchange gain/(loss)	**11,633**	(15,937)
Net gain from sale of debt instruments at fair value through other comprehensive income	**235**	730
Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	**156**	(150)
Net gain from maturity of financial assets measured at amortised cost	**31**	–
Net gain arising from financial investments at fair value through profit or loss		
- Realised	**1,687**	3,493
- Unrealised	**(24)**	467
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss		
- Realised	**22,447**	59,648
- Unrealised	**(21,713)**	(146,829)
Net gain/(loss) arising from Islamic derivative financial instrument		
- Realised	**(60,789)**	332,425
- Unrealised	**139,403**	189,157
	93,552	423,499
Net fees and commission income:		
Advisory fees	**3,980**	1,168
Guarantee fees	**772**	1,432
Service charges and fees	**154,281**	129,635
Placement fees	**13,010**	15,914
Underwriting commission	**81**	1,585
Other fee income	**189,344**	213,226
Fee and commission income	**361,468**	362,960
Fee and commission expense	**(71,288)**	(47,938)
Net fees and commission income	**290,180**	315,022
Other income	**11,393**	9,118
	948,491	1,264,860

Notes to the Financial Statements

for the financial year ended 31 December 2024

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(ad) MODIFICATION LOSS

	2024 RM'000	2023 RM'000
Loss on modification of cash flows	**1**	77

(ae) EXPECTED CREDIT LOSS ON FINANCING, ADVANCES AND OTHER FINANCING/LOANS

	2024 RM'000	2023 RM'000
Expected credit losses on financing, advances and other financing/loans at amortised cost:		
– Expected credit losses on financing, advances and other financing/loans	**652,927**	710,901
Credit impaired financing, advances and other financing/loans:		
– Recovered	**(166,632)**	(96,750)
– Written-off	**8,647**	3,458
	494,942	617,609

(af) OTHER EXPECTED CREDIT LOSSES MADE/(WRITTEN BACK)

	2024 RM'000	2023 RM'000
Other expected credit losses made/(written back) on:		
– Debt instrument at fair value through other comprehensive income	**631**	545
– Debt instrument at amortised cost	**(157)**	36
– Money at call and deposits and placements with banks and other financial institutions	**74**	(263)
– Other receivables	**36,326**	2,716
– Others	**–**	7
	36,874	3,041

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(ag) INCOME ATTRIBUTABLE TO DEPOSITORS AND OTHERS

	2024 RM'000	2023 RM'000
Deposits from customers		
– Mudharabah	**511,977**	443,057
– Non-Mudharabah	**3,300,244**	3,213,912
– Others	**31,570**	27,899
Deposits and placements of banks and other financial institutions		
– Mudharabah	**911**	38
– Non-Mudharabah	**304,292**	432,889
– Others	**15,250**	25,065
Financial liabilities designated at fair value through profit or loss	**102,982**	97,781
Subordinated Sukuk	**49,140**	44,700
Recourse obligation on loan and financing sold to Cagamas	**125,126**	27,236
Structured deposits	**132**	163
Lease liabilities	**21**	74
Collateralised Commodity Murabahah	**109,093**	92,440
Senior Sukuk	**189,627**	3,556
	4,740,365	4,408,810

(ah) PROFIT DISTRIBUTED TO INVESTMENT ACCOUNT HOLDER

	2024 RM'000	2023 RM'000
Restricted	**178,212**	176,627
Unrestricted	**674,182**	576,800
	852,394	753,427

(ai) PERSONNEL EXPENSES

	2024 RM'000	2023 RM'000
Salaries, allowances and bonuses[2]	**64,942**	63,173
Pension costs (defined contribution plan)	**7,543**	7,066
Staff incentives and other staff payments	**6,115**	6,855
Medical expenses	**977**	1,021
Share-based expense[1]	**345**	1,698
Others	**4,813**	3,624
	84,735	83,437

[1] *The long term incentive plan ("LTIP") was implemented by the Company in June 2021. The LTIP awards ordinary shares and share options of the Company to eligible employees of the Group. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions. Refer note 49.*

[2] *Included in salaries, allowances and bonuses is shared-based payment expense (EOP) of RMNil (2023: RM7,019) for the Group. Refer note 49.*

Included in the personnel costs are fees paid to the Shariah Committee members amounting to RM676,000 (2023: RM700,000).

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(aj) OTHER OVERHEADS AND EXPENDITURES

	2024 RM'000	2023 RM'000
Establishment costs		
- Depreciation of property, plant and equipment	**1,443**	1,597
- Rental	**640**	717
- Repairs and maintenance	**2,020**	1,786
- Depreciation of Right-of-use assets	**1,173**	1,341
- Amortisation of intangible assets	**4,289**	2,123
- Security expenses	**1,159**	1,125
- Utility expenses	**565**	535
- Others	**8,765**	6,709
	20,054	15,933
Marketing expenses		
– Advertisement and publicity	**6,893**	3,802
– Others	**2,491**	710
	9,384	4,512
Administration and general expenses		
– Legal and professional fees	**1,525**	6,571
– Stationery	**733**	603
– Communication	**24,195**	215
– Incidental expenses on banking operations	**3,535**	4,465
– Service expense	**1,279,672**	1,216,416
– Others	**22,299**	25,027
	1,331,959	1,253,297
	1,361,397	1,273,742

(ak) TAXATION AND ZAKAT

(I) TAX EXPENSE FOR THE FINANCIAL YEAR

	Note	2024 RM'000	2023 RM'000
Current year tax			
– Malaysian income tax		**378,140**	399,479
Deferred taxation	(i)	**25,532**	(97,867)
(Over)/under provision in prior year		**(4,438)**	2,989
		399,234	304,601
Zakat		**12,000**	15,000
		411,234	319,601

59 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(ak) TAXATION AND ZAKAT (CONTINUED)

(II) NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE

The explanation on the relationship between tax expense and profit before taxation and zakat is as follows:

	2024 RM'000	2023 RM'000
Profit before taxation and zakat	**2,394,428**	1,991,126
Tax calculated at tax rate of 24% (2023: 24%)	**574,663**	477,870
– Effect of different tax rates	**(135,340)**	(148,152)
– Income not subject to tax	**(42,615)**	(32,888)
– Expenses not deductible for tax purposes	**6,964**	4,782
(Over)/under provision in prior year	**(4,438)**	2,989
	399,234	304,601

(al) SOURCES AND USES OF CHARITY FUNDS

	2024 RM'000	2023 RM'000
Sources of charity funds		
Balance as at 1 January	**9,327**	7,609
Gharamah/penalty charges	**2,529**	3,422
Non-shariah compliance income	**166**	232
Exchange fluctuation	**(748)**	417
Total sources of charity funds during the financial year	**11,274**	11,680
Uses of charity funds		
Contribution to non-profit organisation	**2,211**	2,353
Total uses of charity funds during the financial year	**2,211**	2,353
Undistributed charity funds as at 31 December	**9,063**	9,327

Notes to the Financial Statements

for the financial year ended 31 December 2024

60 DIRECTORS OF SUBSIDIARIES OF THE GROUP

Name of Company	Name of Directors
CIMB ACTIVE VENTURES SDN BHD	1. Boey Wai Yee 2. Ivy Ong Ai Wai 3. Loh Chang Heng
CIMB BERHAD	1. Datin Rossaya Mohd Nashir 2. Khairulanwar Rifaie
CIMB FOUNDATION	1. Tan Sri Mohd Nasir Ahmad 2. Datuk Dr. Richard Leete 3. Rosnah Dato' Kamarul Zaman 4. Teoh Su Yin (Appointed on 5 August 2024) 5. Shahnaz Al-Sadat Abdul Mohsein (Appointed on 5 August 2024)
CIMB GROUP SDN BHD	1. Khairulanwar Rifaie 2. Mohd Haniz Mohd Nazlan
COMMERCE MGI SDN BHD	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir
iCIMB (MSC) SDN BHD	1. Lim Sau Hong 2. Daniel Cheong Weng Teong 3. Ros Aziah Mohd Yusoff 4. Rosmawarni Abdul Samad
PREMIER FIDELITY SDN BHD	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir
SBB BERHAD	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir
CIG BERHAD	1. Mohd Haniz Mohd Nazlan 2. Chong Chooi Wan
CIMB BANCOM CAPITAL CORPORATION	1. Jefferi Mahmud Hashim 2. Gurdip Singh Sidhu Gurbachan Singh 3. Adhha' Amir bin Tan Sri Abdullah 4. Vicente Maria Nakpil Roxas 5. Paolo Lorenzo Picazo
CIMB BANK BERHAD	1. Tan Sri Mohd Nasir Ahmad 2. Dato' Lee Kok Kwan 3. Chu Hong Keong 4. Sukanta Kumar Dutt 5. Christina Ong Soo Chan 6. Kee E-Lene 7. Dr. Nurmazilah Mahzan 8. Tengku Dato' Sri Azmil Zahruddin bin Raja Abdul Aziz (Appointed on 1 July 2024) 9. Muhammad Novan Amirudin (Appointed on 1 July 2024) 10. Hafriz Abdul Rahman (Resigned on 1 February 2024) 11. Dato' Abdul Rahman Ahmad (Resigned on 30 June 2024) 12. Marina Abdul Kahar (Appointed on 27 January 2025) 13. Choo Yoo Kwan @ Choo Yee Kwan (Appointed on 27 January 2025)
CIMB CAPITAL MARKETS (AUSTRALIA) PTY LTD	1. Terry Rooney 2. Chong Chooi Wan

60 DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of Company	Name of Directors
CIMB DIGITAL ASSETS SDN BHD	1. Effendy Shahul Hamid 2. Muhammad Novan Amirudin (Appointed on 14 August 2024) 3. Dato' Abdul Rahman Ahmad (Resigned on 14 August 2024)
CIMB INVESTMENT BANK BERHAD	1. Raymond Yeoh Cheng Seong 2. Muhammad Novan Amirudin (Resigned on 31 December 2024) 3. Adrian Toho Parada Panggabean (Appointed on 27 August 2024) 4. Dato' Lee Kok Kwan 5. Tan Ting Min 6. Surina Shukri (Deceased on 29 February 2024) 7. Manu Bhaskaran (Retired on 31 May 2024) 8. Nor Masliza Sulaiman (Appointed on 24 January 2025)
CIMB PRIVATE EQUITY ADVISORS SDN BHD *Note: Under liquidation*	1. Chong Chooi Wan 2. Zulkifli Ismail
CIMB PRIVATE EQUITY SDN BHD	1. Mohd Haniz Mohd Nazlan 2. Chong Chooi Wan
CIMB REAL ESTATE SDN BHD	1. Chong Chooi Wan 2. Lim Ching Hui 3. Khairulanwar Rifaie (Resigned on 12 January 2024)
CIMB SI II SDN BHD	1. Mohd Haniz Mohd Nazlan 2. Chong Chooi Wan
CIMB SI SDN BHD	1. Effendy Shahul Hamid 2. Lai Mee Fong
CIMB STRATEGIC ASSETS SDN BHD	1. Mohd Haniz Mohd Nazlan 2. Chong Chooi Wan
COMMERCE ASSET VENTURES SDN BHD	1. Mohd Haniz Mohd Nazlan 2. Chong Chooi Wan
CSI INVESTMENT LIMITED	1. Khairulanwar Rifaie 2. Chong Chooi Wan
PT BANK CIMB NIAGA TBK	1. Didi Syafruddin Yahya 2. Glenn Muhammad Surya Yusuf 3. Sri Widowati 4. Vera Handajani 5. Farina J.Situmorang (Appointed on 25 January 2024) 6. Dody Budi Waluyo (Appointed on 21 August 2024) 7. Dato' Abdul Rahman Ahmad (Resigned on 30 June 2024) 8. Muhammad Novan Amirudin (Appointed on 26 February 2025) 9. Jeffrey Kairupan (Retired on 3 April 2024)
PT COMMERCE KAPITAL	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir
SOUTHEAST ASIA SPECIAL ASSET MANAGEMENT BERHAD	1. Ahmad Shazli Kamarulzaman 2. Priya Darshini Vaithiyanathan
CIMB EOP MANAGEMENT SDN BHD	1. Tan Sri Mohd Nasir Ahmad 2. Gurdip Singh Sidhu Gurbachan Singh

Notes to the Financial Statements

for the financial year ended 31 December 2024

60 DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of Company	Name of Directors
CIMB HOLDINGS SDN BHD	1. Datin Rossaya Mohd Nashir 2. Khairulanwar Rifaie
CIMSEC NOMINEES (ASING) SDN BHD	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
CIMSEC NOMINEES (TEMPATAN) SDN BHD	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
CIMB BANK (VIETNAM) LIMITED	1. Ahmed Baqar Rehman (Appointed on 1 July 2024) 2. Effendy Shahul Hamid 3. Gurdip Singh Sidhu Gurbachan Singh 4. Thomson Fam 5. Aisyah Lam Abdullah 6. Le Ie Thuy
CIMB BANK PLC	1. Tan Sri Mohd Nasir Ahmad 2. Aisyah Lam Abdullah 3. Long Beang 4. Cheong Weng Teong (Resigned on 6 February 2025) 5. Ahmad Shazli Kamarulzaman (Resigned on 6 February 2025) 6. Bun Yin 7. Mohd Haniz Mohd Nazlan (Appointed on 6 February 2025) 8. Ankur Sehral (Appointed on 6 February 2025)
BC MANAGEMENT SERVICES LIMITED	1. Sharifah Nadia Syed Abdul Rani 2. Amizah Salamat
BHLB PROPERTIES SDN BHD	1. Leslie In Hoe Aun 2. Chong Yew Leong
BUMIPUTRA-COMMERCE CORPORATE SERVICES LIMITED	1. Sharifah Nadia Syed Abdul Rani 2. Amizah Salamat
CIMB BANK (L) LIMITED	1. Zahardin Omardin 2. Yew Teik Jin (Resigned on 30 June 2024) 3. Mustafa Shafiq Razalli (Appointed on 15 November 2024)
CIMB FACTORLEASE BERHAD	1. Yew Teik Beng 2. Ahmad Shazli Kamarulzaman
CIMB GROUP NOMINEES (ASING) SDN BHD	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
CIMB GROUP NOMINEES (TEMPATAN) SDN BHD	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
CIMB ISLAMIC BANK BERHAD	1. Dato' Mohamed Ross Mohd Din 2. Ahmed Baqar Rehman 3. Jalalullail Othman 4. Dr. Azura Othman 5. Ahmad Shahriman Mohd Shariff 6. Zuhaida Zulkifli 7. Datin Azlina Mahmad (Appointed on 1 September 2024)

60 DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of Company	Name of Directors
CIMB THAI BANK PUBLIC COMPANY LIMITED	1. Tengku Dato' Sri Azmil Zahruddin bin Raja Abdul Aziz (Appointed on 19 July 2024) 2. Paul Wong Chee Kin 3. Anon Sirisaengtaksin 4. Oranuch Apisaksirikul 5. Natasak Rodjanapiches 6 Worapong Janyangyuen (Appointed on 14 February 2024) 7. Vera Handajani 8. Dato' Robert Cheim Dau Meng (Retired on 19 April 2024) 9. Dato' Abdul Rahman Ahmad (Resigned on 30 June 2024)
CIMB TRUST LIMITED	1. Zahardin Omardin 2. Paul Gui Eng Hock 3. Michael Yee Weng Kuan
iCIMB (MALAYSIA) SDN BHD	1. Lim Sau Hong 2. Daniel Cheong Weng Teong 3. Ros Aziah Mohd Yusoff 4. Rosmawarni Abdul Samad
PERDANA NOMINEES (TEMPATAN) SDN BHD	1. Wong Joon Hian 2. Khairulanwar Rifaie
S.B. PROPERTIES SDN BHD	1. Khairulanwar Rifaie 2. Leslie In Hoe Aun
S.B. VENTURE CAPITAL CORPORATION SDN BHD	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir
SFB AUTO BERHAD	1. Khairulanwar Rifaie (Appointed on 28 August 2024) 2. Datin Rossaya Mohd Nashir (Appointed on 28 August 2024) 3. Wong Joon Hian (Resigned on 28 August 2024) 4. Ivy Ong Ai Wai (Resigned on 28 August 2024)
SFB DEVELOPMENT SDN BHD	1. Khairulanwar Rifaie (Appointed on 28 August 2024) 2. Datin Rossaya Mohd Nashir (Appointed on 28 August 2024) 3. Wong Joon Hian (Resigned on 28 August 2024) 4. Ivy Ong Ai Wai (Resigned on 28 August 2024)
SIBB BERHAD	1. Wong Joon Hian 2. Khairulanwar Rifaie
CIMB ISLAMIC NOMINEES (ASING) SDN BHD	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD	1. Rosmawarni Abdul Samad 2. Datin Ezreen Eliza Zulkiplee
PT CIMB NIAGA AUTO FINANCE	1. Lani Darmawan 2. Koei Hwei Lien 3. Serena Karlita Ferdinandus 4. Hidayat Dardjat Prawiradilaga 5. Noviyadi Wahyudi (Appointed on 10 October 2024) 6. Cheong Chee Wai (Retired on 1 April 2024)
PT CIMB NIAGA SEKURITAS	1. Rusly Johannes 2. Nor Masliza Sulaiman 3. Achiran Pandu Djajanto

Notes to the Financial Statements

for the financial year ended 31 December 2024

60 DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of Company	Name of Directors
CIMB THAI AUTO COMPANY LIMITED	1. Tan Keat Jin 2. Visit Phuengpornsawan 3. Vijay K Manoharan (Appointed on 13 February 2024) 4. Arthit Masathirakul (Appointed on 26 April 2024) 5. Ankit Gutgutia (Appointed on 26 April 2024) 6. Piyawan Thianphranon (Resigned on 2 February 2024) 7. Boey Wai Yee (Resigned on 30 January 2024) 8. Kwong Hon Yean (Resigned on 30 January 2024) 9. Mr. Chaiwat Limvipaveanan (Resigned on 30 January 2024)
WORLDLEASE COMPANY LIMITED	1. Yeong Thian Lim 2. Buppha Chaipin 3. Kwong Hon Yean (Appointed on 14 February 2024) 4. Jason Leong Kok Yew (Resigned on 30 January 2024) 5. Montri Puangpool (Resigned on 30 January 2024) 6. Pornpat Artornsombudh (Resigned on 30 January 2024) 7. Kunwadee Sutasatitchai (Resigned on 2 February 2024) 8. Kriangpop Panurach (Resigned on 2 February 2024) 9. Ankit Gutgutia (Resigned on 30 January 2024) 10. Naranont Lewchalermwongs (Appointed on 2 January 2025)
CIMB AI LABS PRIVATE LIMITED (formerly known as SHINING STAR SOLUTIONS AND SERVICES PRIVATE LIMITED)	1. Richard Kudakwashe Bururu 2. Nithialingam Selvaretnam 3. Mathew Joseph
CIMB ASIA SECURITY (GENERAL PARTNER) LIMITED *Note: This entity is undergoing the dissolution process*	1. Chong Chooi Wan
CIMB COMMERCE TRUSTEE BERHAD	1. Zahardin Omardin 2. Paul Gui Eng Hock 3. Datin Ezreen Eliza Zulkiplee
CIMB ISLAMIC TRUSTEE BERHAD	1. Zahardin Omardin 2. Datin Ezreen Eliza Zulkiplee
LOT A SENTRAL SDN BHD	1. Leslie In Hoe Aun 2. Muhammad Ismi bin Ismail 3. Mazlin Ismail (Resigned on 31 January 2024)
MINORCAP PTE LTD	1. Chong Chooi Wan 2. Andrew Boey Chwee Kiang
PT SYNERGY DHARMA NAYAGA	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir 3. Priya Darshini Vaithiyanathan
SATHORN ASSET MANAGEMENT CO., LTD	1. Ahmad Shazli Kamarulzaman 2. Priya Darshini Vaithiyanathan 3. Ekajai Tivutanond 4. Goh Therd Siang 5. Zethjak Leeyakars (Resigned on 1 July 2024)
SOUTHEAST ASIA SPECIAL ASSET VEHICLE LIMITED	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir

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

60 DIRECTORS OF SUBSIDIARIES OF THE GROUP (CONTINUED)

Name of Company	Name of Directors
TOUCH'N GO SDN BHD	1. Effendy Shahul Hamid 2. Shahnaz Faroque Jammal Ahmad (Resigned on 1 June 2024) 3. Tan Sri Mohd Nasir Ahmad (Redesignated as Chairman on 1 January 2024) 4. Hisham Zainal Mokhtar 5. Aida Mosira Mokhtar (Appointed on 10 May 2024) 6. Christina Foo (Appointed on 15 November 2024) 7. Dato' Zainal Abidin Putih (Resigned on 1 January 2024)
CIMB INVESTMENT BANK (PRIVATE) LIMITED (SRI LANKA)	1. Adhha' Amir bin Tan Sri Abdullah 2. Gurdip Singh Sidhu 3. Jefferi Mahmud Hashim 4. Reshani Enoka Dangalla 5. Yee Fun Wong 6. Sow Lin Chiew (Alternate director to Yee Fun Wong)
CIMB SECURITIES SDN BHD	1. Stephen John Watson Hagger (Appointed on 8 February 2024) 2. Julia Hashim (Appointed on 8 February 2024) 3. Ruzi Rani Ajith (Appointed on 8 February 2024) 4. Tan Ting Min (Appointed on 8 February 2024) 5. Muhammad Novan Amirudin (Appointed on 8 February 2024 and Resigned on 31 December 2024) 6. Nor Masliza Sulaiman (Appointed on 24 January 2025) 7. Thariq Usman Ahmad (Resigned on 8 February 2024) 8. Ridzuan Ishak (Resigned on 8 February 2024) 9. Dato' Ahmad Kadis (Resigned on 8 February 2024) 10. Melinda Wang Mei Lin (Resigned on 14 March 2024)
CIMB SECURITIES NOMINEES (TEMPATAN) SDN BHD (Formerly known as KAF NOMINEES (TEMPATAN) SDN BHD)	1. Liew Kuo Aun (Appointed on 8 February 2024) 2. Ruzi Rani Ajith (Appointed on 8 February 2024) 3. Faisol Zulkifli (Resigned on 8 February 2024) 4. Ridzuan Ishak (Resigned on 8 February 2024) 5. Dato' Ahmad Kadis (Resigned on 8 February 2024)
CIMB SECURITIES NOMINEES (ASING) SDN BHD (Formerly known as KAF NOMINEES (ASING) SDN BHD)	1. Liew Kuo Aun (Appointed on 8 February 2024) 2. Ruzi Rani Ajith (Appointed on 8 February 2024) 3. Faisol Zulkifli (Resigned on 8 February 2024) 4. Ridzuan Ishak (Resigned on 8 February 2024) 5. Dato' Ahmad Kadis (Resigned on 8 February 2024)

61 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The Financial Statements have been authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 14 March 2025.

- CIMB Bank Group
- CIMB Islamic Bank Group
- CIMB Investment Bank Group

Basel II Pillar 3 Disclosure for 2024

Abbreviations

A-IRB Approach	:	Advanced Internal Ratings Based Approach
ALM COE	:	Asset Liability Management Centre of Excellence
ASB	:	Amanah Saham Bumiputra
BI	:	Banking Institutions
BIA	:	Basic Indicator Approach
BNM	:	Bank Negara Malaysia
BRCC	:	Board Risk & Compliance Committee
CAF	:	Capital Adequacy Framework and, in some instances referred to as the Risk-Weighted Capital Adequacy Framework
CAFIB	:	Capital Adequacy Framework for Islamic Banks
CAR	:	Capital Adequacy Ratio and, in some instances referred to as the Risk-Weighted Capital Ratio
CBSM	:	Capital and Balance Sheet Management
CCR	:	Counterparty Credit Risk
CIMBBG	:	CIMB Bank, CIMBISLG, CIMBTH, CIMB Bank PLC (Cambodia), CIMB Factorlease Berhad, CIMB Bank (Vietnam) Limited and non-financial subsidiaries
CIMBIBG	:	CIMB Investment Bank Berhad and non-financial subsidiaries
CIMBISLG	:	CIMB Islamic Bank Berhad, CIMB Islamic Nominees (Asing) Sdn Bhd and CIMB Islamic Nominees (Tempatan) Sdn Bhd
CIMBGH Group	:	Group of Companies under CIMB Group Holdings Berhad
CIMBTH	:	CIMB Thai Bank Public Company Ltd and its subsidiaries
CIMB Bank	:	CIMB Bank Berhad and CIMB Bank (L) Ltd (as determined under the CAF (Capital Components) and CAFIB (Capital Components) to include its wholly owned offshore banking subsidiary company)
CIMB Group or the Group	:	Collectively CIMBBG, CIMBIBG and CIMBISLG as described within this disclosure
CIMB IB	:	CIMB Investment Bank Berhad
CIMB Islamic	:	CIMB Islamic Bank Berhad
CRM	:	Credit Risk Mitigants
CRO	:	Chief Risk Officer
CSA	:	Credit Support Annexes, International Swaps and Derivatives Association Agreement
DFIs	:	Development Financial Institutions
EAD	:	Exposure At Default
EAR	:	Earnings-at-Risk
ECAIs	:	External Credit Assessment Institutions
EL	:	Expected Loss
EP	:	Eligible Provision

EVE	:	Economic Value of Equity
EWRM	:	Enterprise Wide Risk Management
Group EXCO	:	Group Executive Committee
GSOC	:	Group Strategic Oversight Committee
GSGC	:	Group Sustainability and Governance Committee
F-IRB Approach	:	Foundation Internal Ratings Based Approach
Fitch	:	Fitch Ratings
GALCO	:	Group Asset Liability Management Committee
GCC	:	Group Credit Committee
GIBD	:	Group Islamic Banking Division
GMCRC	:	Group Market and Conduct Risks Committee
GRCC	:	Group Risk & Compliance Committee
GRD	:	Group Risk Division
GUC	:	Group Underwriting Committee
HPE	:	Hire Purchase Exposures
IRB Approach	:	Internal Ratings Based Approach
IRRBB	:	Interest Rate Risk in the Banking Book
KRI	:	Key Risk Indicators
LGD	:	Loss Given Default
MARC	:	Malaysian Rating Corporation Berhad
MDBs	:	Multilateral Development Banks
Moody's	:	Moody's Investors Service
MTM	:	Mark-to-Market and/or Mark-to-Model
ORM	:	Operational Risk Management
ORMF	:	Operational Risk Management Framework
OTC	:	Over the Counter
PD	:	Probability of Default
PSEs	:	Non-Federal Government Public Sector Entities
PSIA	:	Profit Sharing Investment Accounts
QRRE	:	Qualifying Revolving Retail Exposures
R&I	:	Rating and Investment Information, Inc
RAM	:	RAM Rating Services Berhad
RAROC	:	Risk Adjusted Return on Capital
RORBB	:	Rate of Return Risk in the Banking Book
RRE	:	Residential Real Estate
RWA	:	Risk-Weighted Assets
RWCAF	:	Risk-Weighted Capital Adequacy Framework and, in some instances referred to as the Capital Adequacy Framework
S&P	:	Standard & Poor's
SA	:	Standardised Approach
SMEs	:	Small and Medium Enterprises
SNC	:	Shariah Non Compliance
SRM	:	Shariah Risk Management
VaR	:	Value-at-Risk

Overview of Basel II and Pillar 3

The 'International Convergence of Capital Measurement and Capital Standards: A Revised Framework' or commonly known as 'Basel II' issued by the Bank of International Settlements, as adopted by BNM seeks to increase the risk sensitivity in capital computations and prescribes a number of different approaches to risk calculation that allow the use of internal models to calculate regulatory capital. The particular approach selected must commensurate with the financial institution's risk management capabilities. The Basel II requirements are stipulated within three broad 'Pillars' or sections.

Pillar 1 focuses on the minimum capital measurement methodologies and their respective qualifying criteria to use specified approaches available to calculate the RWA for credit, market and operational risks. CIMB Bank and its subsidiaries including CIMBISLG which offers Islamic banking financial services (collectively known as 'CIMBBG'), apply the IRB Approach for its major credit exposures. The IRB Approach prescribes two approaches, the F-IRB Approach and A-IRB Approach. Under F-IRB Approach, the Group applies its own PD and the regulator prescribed LGD, whereas under the A-IRB Approach, the Group applies its own risk estimates of PD, LGD and EAD. The remaining credit exposures are on the SA and where relevant, will progressively migrate to the IRB Approach. CIMBIB and its subsidiaries ('CIMBIBG') adopt the SA for credit risk. CIMBBG, CIMBISLG and CIMBIBG (collectively known as 'CIMB Group' or the 'Group') adopt the SA for market risk and BIA for operational risk.

Pillar 2 focuses on how sound risk management practices should be implemented from the Supervisory Review perspective. It requires financial institutions to make their own assessments of capital adequacy in light of their risk profile and to have a strategy in place for maintaining their capital levels.

Pillar 3 complements Pillar 1 and Pillar 2 by presenting disclosures in accordance with requirements aimed to encourage market discipline in a manner that every market participant can assess key pieces of information attributed to the capital adequacy framework of financial institutions.

FREQUENCY OF DISCLOSURE

The qualitative disclosures contained herein are required to be updated on an annual basis and more frequently if significant changes to policies are made. The capital structure and adequacy disclosures are published on a quarterly basis. All other quantitative disclosures are published semi-annually in conjunction with the Group's half yearly reporting cycles.

MEDIUM AND LOCATION OF DISCLOSURE

These disclosures are also available on CIMBGH Group's corporate website (www.cimb.com). The individual disclosures for CIMB Bank, CIMB Islamic and CIMB IB are also available at the CIMBGH Group's 2024 Annual Report and corporate website.

BASIS OF DISCLOSURE

These disclosures herein are formulated in accordance with the requirements of BNM's guidelines on RWCAF (Basel II) – Disclosure Requirements (Pillar 3) and CAFIB – Disclosure Requirements (Pillar 3). These disclosures published are for the year ended 31 December 2024.

The basis of consolidation for financial accounting purposes is described in the 2024 financial statements. The capital requirements are generally based on the principles of consolidation adopted in the preparation of financial statements. During the financial year, the Group did not experience any impediments in the distribution of dividends. There were also no capital deficiencies in any subsidiaries that are not included in the consolidation for regulatory purposes.

The term 'credit exposure' as used in the disclosures is a prescribed definition by BNM based on the RWCAF (Basel II) – Disclosure Requirements (Pillar 3) and CAFIB – Disclosure Requirements (Pillar 3). Credit exposure is defined as the estimated maximum amount a banking institution may be exposed to a counterparty in the event of a default or EAD. This differs with similar terms applied in the 2024 financial statements as the credit risk exposure definition within the ambit of accounting standards represents the balance outstanding as at balance sheet date and does not take into account the expected undrawn/undisbursed contractual commitments. Therefore, information within this disclosure is not directly comparable to that of the 2024 financial statements.

Any discrepancies between the totals and sum of the components in the tables contained in the disclosures are due to actual summation method and then rounded up to the nearest thousands.

These disclosures have been reviewed and verified by internal auditors and approved by the Board Risk Committee of CIMB Group, as delegated by the Board of Directors of CIMBGH Group.

Risk Management Overview

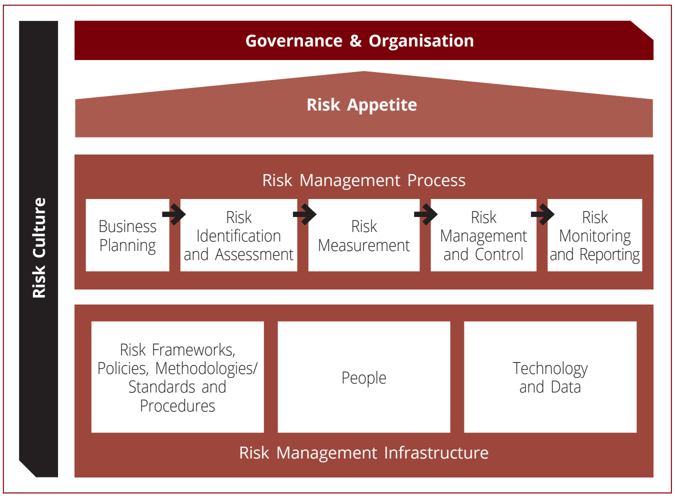
A robust and effective risk management system is critical for the Group to achieve continued risk balanced profitability and create shareholder and stakeholder value in today's globalised and inter-linked financial and economic environment.

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

ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK

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

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



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

The key features of the Group EWRM framework include:

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

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

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

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

Risk Management Overview

ENTERPRISE WIDE RISK MANAGEMENT FRAMEWORK (CONTINUED)

e) **Risk Management Infrastructure**

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

RISK GOVERNANCE

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

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

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

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

(ii) Market risk, defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility;

(iii) Liquidity and Funding risk, defined as the current and potential risk to earnings, shareholders' funds or reputation arising from the inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses;

(iv) Interest rate risk/rate of return risk in the banking book, which is the current and potential risk to the Group's earnings and economic value arising from movements in interest rates/profit rates;

(v) Capital risk, defined as the risk of a bank not having sufficient capital to withstand potential losses suffered in its operations. Capital is important as it can be used to repay depositors, customers, creditors, and other claimants in case there is insufficient liquidity during a crisis;

(vi) Model risk is defined as the type of risk that the method used to measure or quantify the bank's material risk is not accurate due to deterioration of model, hence limiting the usefulness and application of the model itself. It also covers improper implementation and improper usage of methods developed to quantify risk;

(vii) Operational risk, defined as the risk of loss resulting from inadequate or failed processes, people and systems, or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks;

(viii) Fraud risk, defined as the risk of loss resulting from an act or course of deception or omission with the intention to conceal, omit, distort, misrepresent, falsify or etc. to: (i) gain unlawful/illegal/unfair personal advantages, (ii) induce another individual(s) to surrender willing/unwilling of a legal right/ possession or (iii) damage another individual(s) resulting in a loss to another;

(ix) Reputation risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception by the stakeholders about the Group's business practices, conduct or financial condition. Such adverse perception, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business, revenue or share price.

RISK GOVERNANCE (CONTINUED)

(x) Technology risk, is the risk of loss resulting from inadequate or weaknesses in strategy, people, process, technology (including emerging technologies e.g. Cloud Artificial Intelligence etc.) or external events, which includes cyber risks, financial risk, regulatory/compliance risk and the risk of reputational loss/damage;

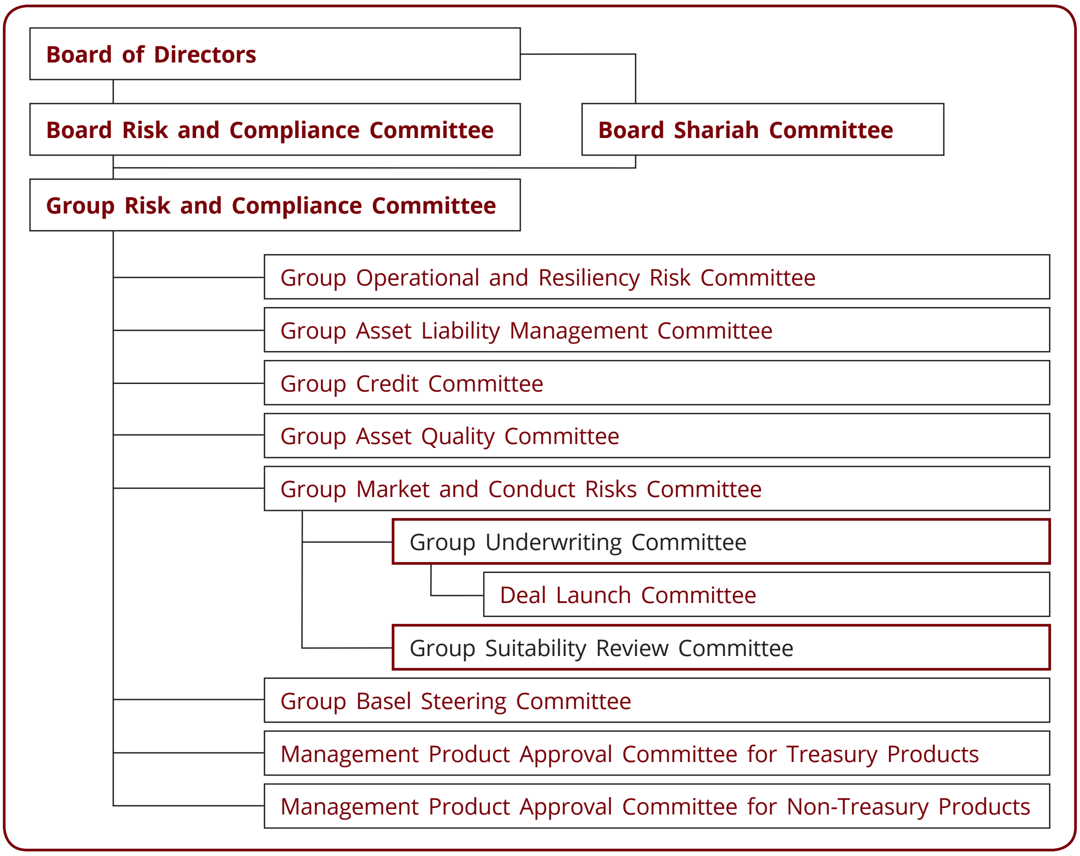
(xi) Outsourcing risk, defined as the risk emanating from outsourcing arrangements that could result in a disruption to business operations, financial loss or reputational damage to the Group. As the organisation moves towards Third Party Risk Management, the definition above will extend to non-outsourced service providers which the organisation places reliance on to operate and deliver services to our customers;

(xii) Shariah Non-Compliance (SNC) risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which CIMB Group may suffer arising from failure to comply with Shariah requirements determined by Shariah Advisory Council (SAC) of Bank Negara Malaysia (BNM) and Securities Commission (SC), including standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA; or decisions or advice by Board Shariah Committee (BSC) of the CIMB Islamic Bank or other Shariah regulatory authorities of the jurisdictions where the Group operates;

(xiii) Regulatory compliance risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which CIMB Group may suffer arising from possible failure to comply with the applicable laws and regulations of the jurisdictions in which the Group operates; and

(xiv) Sustainability risk, defined as the risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with a business relation and its operations, and/or the Group's own internal operations and employees.

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



Risk Management Overview

RISK GOVERNANCE (CONTINUED)

Our overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, the Group strives to ensure a consistent and standardised approach in its risk governance process. As such, Group and regional committees have consultative and advisory responsibilities on regional matters across the Group as regulators allow. This structure increases regional communication and sharing of technical knowledge and best practices. It further enhances support towards managing and responding to risk management issues, thus providing the Board with a comprehensive view of the activities within the Group.

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

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

THREE LINES-OF-DEFENCE

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

THE ROLES OF GROUP CRO AND GROUP RISK DIVISION

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

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

(a) actively engages the respective boards and senior management on risk management issues and initiatives; and

(b) maintains an oversight on risk management functions across all entities within the Group. In each key country of operations, there is a local CRO or a local Head of Risk Management, whose main functions are to assess and manage the enterprise risk and liaise with regulators in the respective countries.

The organisational structure of Group Risk is made up of two major components, namely the CRO and the Risk Centres of Excellence ("CoE"):

(A) CRO

(i) The Group CRO is supported by the CROs who oversee the risk management functions in overseas branches and banking subsidiaries.

(ii) CRO's main function is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under his/her purview.

(iii) For countries where a CRO is not present and/or not required, a local Head of Risk Management is appointed to be the overall risk coordinator for that country.

(B) RISK CENTRES OF EXCELLENCE

(i) These are specialised teams of risk officers responsible for the active oversight of Group-wide functional risk management and the teams support respective CROs in the various geographies.

(ii) The Risk CoEs consist of Asset Liability Management, Credit Risk, Market Risk, Non-Financial Risk Management (comprising Operational, Business Continuity Management, Technology, Outsourcing and Fraud Risk Management), Shariah Risk Management and Enterprise Risk and Infrastructure CoEs.

THE ROLES OF GROUP CRO AND GROUP RISK DIVISION (CONTINUED)

(B) RISK CENTRES OF EXCELLENCE (CONTINUED)

- **ASSET LIABILITY MANAGEMENT COE**

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

- **CREDIT RISK COE**

  The Credit Risk CoE consists of Retail and Non-Retail credit risk and is dedicated to the identification and assessment, measurement, management, monitoring and reporting of credit risk in the Group. The scope under the CoE function include areas ranging from development of credit risk policies, procedures and standards to advance portfolio analytics, and use of credit risk modelling (including rollout of alternative credit underwriting models leveraging on machine learning techniques for retail portfolios).

- **MARKET RISK COE**

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

- **NON-FINANCIAL RISK MANAGEMENT COE**

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

- **SHARIAH RISK COE**

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

- **ENTERPRISE RISK AND INFRASTRUCTURE COE**

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

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

STRATEGIES AND PROCESSES FOR VARIOUS RISK MANAGEMENT

Information on strategies and processes for Credit Risk, Market Risk, Operational Risk, Interest Rate Risk/Rate of Return Risk in the Banking Book and Sustainability Risk are available in the later sections.

Shariah Governance Disclosure

The Islamic business in CIMB Group is managed and overseen by the Group Islamic Banking (GIB). Its products and services are managed in strict compliance with Shariah under the guidance of CIMB Islamic Board Shariah Committee.

The Board of Directors of CIMB Group, CIMB Investment Bank Berhad, and CIMB Bank Berhad delegate and empower the Board of Directors of CIMB Islamic Bank Berhad to undertake the overall oversight function of the Islamic businesses and operations of the whole CIMB Group, which in turn delegates overseeing of the Shariah governance of Islamic businesses and activities in CIMB Group to CIMB's Board Shariah Committee established under CIMB Islamic Bank Berhad.

Whilst the Board of Directors is accountable for the overall Shariah governance and compliance of the Islamic businesses in CIMB Group, the Management is to ensure executions of business and operations are in accordance with Shariah principles and to provide necessary support to the Board Shariah Committee.

Shariah Advisory and Governance Department ("S&G") of GIB which is basically a component of the Management serves as a coordinator of the overall Shariah governance of the Islamic businesses in CIMB Group. S&G is responsible to carry out Shariah Advisory, Secretariat, Governance, Research and Islamic Finance Capacity Building functions, whilst Shariah Review, Shariah Risk Management and Shariah Audit functions are performed by CIMB Group Compliance, Group Risk and Group Corporate Assurance Division respectively.

CIMB Group operates on a dual banking leverage model that utilises the full resources and infrastructure of CIMB Group. Accordingly, all divisions and staff of CIMB Group are responsible for complying with Shariah in their respective Islamic business activities.

In ensuring Islamic business activities are Shariah compliant and Shariah governance process are in place, S&G is to conduct the pre-product approval process, provide Shariah advisory and conduct in-depth Shariah research prior submission to the Board Shariah Committee. It is supported by control measures by Shariah Risk Management, regular review by Shariah Compliance Review and independent assessment by Shariah Audit. In CIMB Group, the Shariah Risk Management, Shariah Review, and Shariah Audit functions reside in Group Risk Division, Group Compliance, and Group Corporate Assurance Division respectively.

SHARIAH NON-COMPLIANCE INCOME DURING THE YEAR

During the year ended 31 December 2024, there was no SNC income incurred under CIMB Islamic. Shariah Non-Compliant events occurred in 2024 were; CIMB Islamic credit card were used by the cardholders to facilitate Shariah Non-compliant transaction i.e., monthly conventional insurance premium payment and application of ijarah muntahiya bi tamlik (IMBT) contract for ijarah financing granted to the customer to finance a property under construction.

Capital Management

KEY CAPITAL MANAGEMENT PRINCIPLES

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

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

Included in the annual Capital Management Plan is the establishment of the internal minimum capital adequacy target which is substantially above the minimum regulatory requirement. In establishing this internal capital adequacy target, the Group considers many critical factors, including, amongst others, phasing-in of the capital adequacy requirement and capital buffer requirements, credit rating implication, current and future operating environment and peer comparisons.

CAPITAL STRUCTURE AND ADEQUACY

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components)/Capital Adequacy Framework for Islamic Banks (Capital Components), of which the latest revisions were issued on 14 June 2024. The revised guidelines took effect on 14 June 2024 for all banking institutions and financial holding companies and sets out 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 CIMB Bank Group (other than CIMB Bank PLC), CIMB Bank and CIMB Islamic Bank are computed in accordance with the Capital Adequacy Framework (Basel II – Risk-Weighted Assets)/Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets), of which the latest revision was issued on 18 December 2023. The IRB Approach is applied for the major credit exposures. It prescribes two approaches, the F-IRB Approach and A-IRB Approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on Basic Indicator Approach.

The risk-weighted assets of CIMB Investment Bank Group are computed in accordance with Standardised Approach for Credit Risk and Market Risk and Basic Indicator Approach for Operational Risk based on the Capital Adequacy Framework (Basel II - Risk Weighted Assets). The components of eligible regulatory capital are based on the Capital Adequacy Framework (Capital Components).

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

The tables below present the Capital Position of CIMBBG, CIMBISLG and CIMBIBG respectively.

TABLE 1(A): CAPITAL POSITION FOR CIMBBG

	CIMBBG	
(RM'000)	**2024**	**2023**
Common Equity Tier 1 capital		
Ordinary share capital	**24,539,214**	23,039,242
Other reserves	**29,936,796**	29,387,832
Qualifying non-controlling interests	**162,120**	166,906
Less: Proposed dividends	**(1,641,481)**	(1,693,307)
Common Equity Tier 1 capital before regulatory adjustments	**52,996,649**	50,900,673
Less: Regulatory adjustments		
Goodwill	**(3,945,365)**	(3,951,297)
Intangible assets	**(1,241,572)**	(1,211,154)
Deferred tax assets	**(1,367,399)**	(1,501,457)
Regulatory reserve	**(1,777,092)**	(1,102,571)
Others	**5,801**	52,119
Common Equity Tier 1 capital after regulatory adjustments	**44,671,022**	43,186,313
Additional Tier 1 capital		
Perpetual subordinated capital securities	**1,150,000**	1,150,000
Qualifying capital instruments held by third parties	**33,398**	33,572
Additional Tier 1 capital before regulatory adjustments	**1,183,398**	1,183,572
Less: Regulatory adjustments		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	**–**	–
Additional Tier 1 capital after regulatory adjustments	**1,183,398**	1,183,572
Total Tier 1 capital	**45,854,420**	44,369,885

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 1(A): CAPITAL POSITION FOR CIMBBG (CONTINUED)

(RM'000)	CIMBBG 2024	CIMBBG 2023
Tier 2 capital		
Subordinated obligations	**8,400,000**	8,400,000
Qualifying capital instruments held by third parties	**218,983**	273,950
Surplus of eligible provisions over expected loss	**1,074,626**	1,103,709
General provisions	**816,883**	784,481
Tier 2 capital before regulatory adjustments	**10,510,492**	10,562,140
Less: Regulatory adjustments		
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	**–**	–
Total Tier 2 capital after regulatory adjustments	**10,510,492**	10,562,140
Total capital	**56,364,912**	54,932,025
RWA		
Credit risk	**244,454,914**	246,710,002
Market risk	**21,471,826**	17,336,146
Large exposure risk requirements	**1,306,841**	1,235,055
Operational risk	**28,842,989**	26,613,172
Total RWA	**296,076,570**	291,894,375
Capital Adequacy Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 ratio	**15.642%**	15.375%
Tier 1 ratio	**16.042%**	15.781%
Total Capital ratio	**19.592%**	19.399%
After deducting proposed dividend		
Common Equity Tier 1 ratio	**15.088%**	14.795%
Tier 1 ratio	**15.487%**	15.201%
Total Capital ratio	**19.037%**	18.819%

Total Capital ratio increased in 2024 compared to 2023 primarily due to (i) increase in ordinary share capital, (ii) higher retained earnings; offset by (iii) higher regulatory reserves, (iv) higher Total RWA and (v) FY2024 proposed dividend. The increase in RWA is mainly due to higher Market RWA and Operational RWA; offset by lower Credit RWA.

Capital Management

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 1(B): CAPITAL POSITION FOR CIMBISLG

	CIMBISLG	
(RM'000)	**2024**	**2023**
Common Equity Tier 1 capital		
Ordinary share capital	**1,000,000**	1,000,000
Other reserves	**9,534,786**	8,295,452
Common Equity Tier 1 capital before regulatory adjustments	**10,534,786**	9,295,452
Less: Regulatory adjustments		
Goodwill	**(136,000)**	(136,000)
Intangible assets	**(752)**	(3,282)
Deferred tax assets	**(253,556)**	(283,239)
Regulatory reserve	**(397,222)**	(210,633)
Others	**(426)**	477
Common Equity Tier 1 capital after regulatory adjustments	**9,746,830**	8,662,775
Additional Tier 1 capital		
Perpetual preference shares	**350,000**	350,000
Additional Tier 1 capital before regulatory adjustments	**350,000**	350,000
Less: Regulatory adjustments	**–**	–
Additional Tier 1 capital after regulatory adjustments	**350,000**	350,000
Total Tier 1 capital	**10,096,830**	9,012,775
Tier 2 capital		
Subordinated Sukuk	**1,500,000**	1,100,000
Surplus of eligible provisions over expected loss	**210,788**	167,724
General provisions	**87,847**	81,031
Total Tier 2 capital	**1,798,635**	1,348,755
Total capital	**11,895,465**	10,361,530
RWA		
Credit risk	**60,540,585**	60,587,492
Market risk	**736,474**	759,406
Operational risk	**5,742,135**	5,308,225
Total RWA	**67,019,194**	66,655,123
Capital Adequacy Ratios		
Common Equity Tier 1 ratio	**14.543%**	12.996%
Tier 1 ratio	**15.066%**	13.522%
Total Capital ratio	**17.749%**	15.545%

Total Capital ratio increased in 2024 compared to 2023 mainly due to (i) higher retained earnings and (ii) issuance of RM1.2 billion Tier 2 Junior Sukuk; offset by (iii) redemption of RM800 million Tier 2 Junior Sukuk and (iv) higher Total RWA. The increase in RWA is mainly due to higher Operational RWA; offset by lower Credit RWA and Market RWA.

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 1(C): CAPITAL POSITION FOR CIMBIBG

	CIMBIBG	
(RM'000)	2024	2023
Common Equity Tier 1 capital		
Ordinary share capital	**100,000**	100,000
Other reserves	**573,413**	523,434
Less: Proposed dividends	**(81,400)**	(41,100)
Common Equity Tier 1 capital before regulatory adjustments	**592,013**	582,334
Less: Regulatory adjustments		
Goodwill	**(41,538)**	–
Deferred tax assets	**(16,178)**	(15,116)
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	**(5,721)**	(5,449)
Intangible assets	**(28,691)**	(27,150)
Common Equity Tier 1 capital after regulatory adjustments/total Tier 1 capital	**499,885**	534,619
RWA		
Credit risk	**139,686**	94,580
Market risk	**13,765**	12,607
Operational risk	**518,078**	433,078
Total RWA	**671,529**	540,265
Capital Adequacy Ratios		
Before deducting proposed dividend		
Common Equity Tier 1 ratio	**86.561%**	106.562%
Tier 1 ratio	**86.561%**	106.562%
Total Capital ratio	**86.561%**	106.562%
After deducting proposed dividend		
Common Equity Tier 1 ratio	**74.440%**	98.955%
Tier 1 ratio	**74.440%**	98.955%
Total Capital ratio	**74.440%**	98.955%

Total Capital ratio decreased in 2024 compared to 2023 mainly due to i) acquisition of KAF Equities Sdn Bhd and ii) higher RWA arising from higher Credit RWA, Market RWA and Operational RWA; offset by iii) higher retained earnings.

Capital Management

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

The tables below show the RWA under various exposure classes under the relevant approach and applying the minimum regulatory capital requirement at 8% to establish the minimum capital required for each of the exposure classes:

TABLE 2(A): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBBG

2024			CIMBBG		
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	111,043,510	110,950,370	1,110,020	1,110,020	88,802
Public Sector Entities	12,744,726	12,744,673	101,493	101,493	8,119
Banks, DFIs & MDBs	2,980,536	2,980,536	1,303,795	1,303,795	104,304
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	5,257,195	4,488,486	3,332,297	3,332,297	266,584
Corporate	36,867,850	31,641,399	26,279,465	26,024,396	2,081,952
Regulatory Retail	29,509,912	28,426,745	17,307,004	16,792,847	1,343,428
Residential Mortgages/RRE Financing	17,832,851	17,821,586	8,860,193	8,849,689	707,975
Higher Risk Assets	1,875,930	1,875,930	2,813,895	2,813,895	225,112
Other Assets	18,895,845	18,895,845	4,958,454	4,958,454	396,676
Securitisation	318,362	318,362	63,672	63,672	5,094
Equity Exposure	54	54	54	54	4
Total for SA	237,326,772	230,143,987	66,130,344	65,350,613	5,228,049
Exposures under the IRB Approach					
Sovereign/Central Banks	–	–	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	46,158,407	46,158,407	10,190,778	10,190,778	815,262
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	163,947,438	163,947,438	99,331,318	98,100,908	7,848,073
Residential Mortgages/RRE Financing	120,870,141	120,870,141	28,243,933	27,221,833	2,177,747
Qualifying Revolving Retail	15,124,749	15,124,749	8,072,276	8,072,276	645,782
Hire Purchase	25,403,252	25,403,252	20,459,929	11,084,507	886,761
Other Retail	55,446,666	55,446,666	14,312,740	14,296,020	1,143,682
Securitisation	–	–	–	–	–
Total for IRB Approach	426,950,654	426,950,654	180,610,974	168,966,322	13,517,306
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	664,277,426	657,094,641	257,577,977	244,454,914	19,556,393
Large Exposure Risk Requirement	1,306,841	1,306,841	1,306,841	1,306,841	104,547
Market Risk (SA)					
Interest Rate Risk/profit Rate Risk			18,984,387	18,984,387	1,518,751
Foreign Currency Risk			874,682	874,682	69,975
Equity Risk			252,456	252,456	20,196
Commodity Risk			307,606	307,606	24,608
Options Risk			1,052,695	1,052,695	84,216
Total Market Risk			21,471,826	21,471,826	1,717,746
Operational Risk (BIA)			28,842,989	28,842,989	2,307,439
Total RWA and Capital Requirement			309,199,633	296,076,570	23,686,126

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(A)(I): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBBG'S ISLAMIC BANKING WINDOW

2024	CIMBBG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	23,592,171	23,592,171	–	–	–
Public Sector Entities	12,737,591	12,737,591	100,077	100,077	8,006
Banks, DFIs & MDBs	88	88	18	18	1
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	11,505	11,505	11,505	11,505	920
Corporate	6,555,844	6,413,399	3,637,103	3,382,034	270,563
Regulatory Retail	10,453,077	10,381,785	5,464,586	4,950,428	396,034
Residential Mortgages/RRE Financing	512,664	512,664	252,740	242,236	19,379
Higher Risk Assets	–	–	–	–	–
Other Assets	175,620	175,620	174,723	174,723	13,978
Securitisation	10,274	10,274	2,055	2,055	164
Equity Exposure	–	–	–	–	–
Total for SA	54,048,833	53,835,097	9,642,807	8,863,076	709,046
Exposures under the IRB Approach					
Sovereign/Central Banks	–	–	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	3,731,757	3,731,757	479,394	479,394	38,352
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	41,705,702	41,705,702	27,061,677	25,831,267	2,066,501
Residential Mortgages/RRE Financing	50,967,923	50,967,923	14,513,090	13,490,990	1,079,279
Qualifying Revolving Retail	1,125,566	1,125,566	709,301	709,301	56,744
Hire Purchase	19,825,730	19,825,730	16,283,701	6,908,279	552,662
Other Retail	28,060,597	28,060,597	5,854,288	5,837,568	467,005
Securitisation	–	–	–	–	–
Total for IRB Approach	145,417,274	145,417,274	64,901,450	53,256,798	4,260,544
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	199,466,108	199,252,371	78,438,344	65,315,281	5,225,222
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Interest Rate Risk/profit Rate Risk			–	–	–
Foreign Currency Risk			–	–	–
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			–	–	–
Total Market Risk			–	–	–
Operational Risk (BIA)			–	–	–
Total RWA and Capital Requirement			78,438,344	65,315,281	5,225,222

Capital Management

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(A): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBBG (CONTINUED)

2023	CIMBBG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	110,844,973	110,844,973	715,464	715,464	57,237
Public Sector Entities	12,673,652	12,673,589	65,221	65,221	5,218
Banks, DFIs & MDBs	2,613,785	2,613,785	1,079,827	1,079,827	86,386
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	4,978,444	4,118,777	2,743,494	2,743,494	219,479
Corporate	36,204,706	31,264,501	26,637,404	26,453,287	2,116,263
Regulatory Retail	28,422,245	27,284,247	16,449,287	15,933,684	1,274,695
Residential Mortgages/RRE Financing	17,023,022	17,022,283	8,473,214	8,429,147	674,332
Higher Risk Assets	1,719,237	1,719,237	2,578,855	2,578,855	206,308
Other Assets	18,569,547	18,569,547	4,677,590	4,677,590	374,207
Securitisation	409,415	409,415	81,883	81,883	6,551
Equity Exposure	60	60	60	60	5
Total for SA	233,459,086	226,520,414	63,502,299	62,758,512	5,020,681
Exposures under the IRB Approach					
Sovereign/Central Banks	–	–	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	39,240,991	39,240,991	7,328,590	7,328,590	586,287
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	161,405,050	161,405,050	100,670,666	99,553,865	7,964,309
Residential Mortgages/RRE Financing	115,911,067	115,911,067	31,321,040	30,791,946	2,463,356
Qualifying Revolving Retail	14,405,532	14,405,532	7,855,162	7,855,162	628,413
Hire Purchase	23,612,853	23,612,853	19,792,359	11,846,779	947,742
Other Retail	60,456,904	60,456,904	16,179,464	16,162,799	1,293,024
Securitisation	–	–	–	–	–
Total for IRB Approach	415,032,398	415,032,398	183,147,281	173,539,142	13,883,131
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	648,491,483	641,552,812	257,638,417	246,710,002	19,736,800
Large Exposure Risk Requirement	1,235,055	1,235,055	1,235,055	1,235,055	98,804
Market Risk (SA)					
Interest Rate Risk/profit Rate Risk			15,297,399	15,297,399	1,223,792
Foreign Currency Risk			1,153,832	1,153,832	92,307
Equity Risk			239,162	239,162	19,133
Commodity Risk			99,599	99,599	7,968
Options Risk			546,154	546,154	43,692
Total Market Risk			17,336,146	17,336,146	1,386,892
Operational Risk (BIA)			26,613,172	26,613,172	2,129,054
Total RWA and Capital Requirement			302,822,790	291,894,375	23,351,550

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(A)(I): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBBG'S ISLAMIC BANKING WINDOW

2023	CIMBBG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	25,751,378	25,751,378	–	–	–
Public Sector Entities	12,653,910	12,653,910	61,285	61,285	4,903
Banks, DFIs & MDBs	10	10	2	2	0
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	3,494	3,494	3,494	3,494	280
Corporate	4,792,661	4,735,796	2,738,645	2,554,527	204,362
Regulatory Retail	9,850,510	9,760,705	5,246,682	4,731,079	378,486
Residential Mortgages/RRE Financing	443,055	443,055	225,091	181,024	14,482
Higher Risk Assets	–	–	–	–	–
Other Assets	246,492	246,492	245,628	245,628	19,650
Securitisation	15,354	15,354	3,071	3,071	246
Equity Exposure	–	–	–	–	–
Total for SA	53,756,863	53,610,193	8,523,898	7,780,110	622,409
Exposures under the IRB Approach					
Sovereign/Central Banks	–	–	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	2,859,459	2,859,459	468,921	468,921	37,514
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	39,250,536	39,250,536	24,886,319	23,769,518	1,901,561
Residential Mortgages/RRE Financing	44,113,021	44,113,021	15,332,827	14,803,734	1,184,299
Qualifying Revolving Retail	597,995	597,995	392,346	392,346	31,388
Hire Purchase	18,061,019	18,061,019	15,501,250	7,555,670	604,454
Other Retail	31,660,503	31,660,503	7,135,494	7,118,829	569,506
Securitisation	–	–	–	–	–
Total for IRB Approach	136,542,532	136,542,532	63,717,157	54,109,018	4,328,721
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	190,299,395	190,152,725	76,064,084	65,135,668	5,210,853
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Interest Rate Risk/profit Rate Risk			–	–	–
Foreign Currency Risk			–	–	–
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			–	–	–
Total Market Risk			–	–	–
Operational Risk (BIA)			–	–	–
Total RWA and Capital Requirement			76,064,084	65,135,668	5,210,853

Capital Management

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(B): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBISLG

2024	CIMBISLG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	23,592,171	23,592,171	–	–	–
Public Sector Entities	3,158,886	3,158,886	84,336	84,336	6,747
Banks, DFIs & MDBs	88	88	18	18	1
Takaful Operators, Securities Firms & Fund Managers	944	944	944	944	76
Corporate	5,087,165	4,946,472	2,843,746	2,588,677	207,094
Regulatory Retail	8,531,911	8,460,776	4,448,960	3,934,803	314,784
RRE Financing	512,664	512,664	252,740	242,236	19,379
Higher Risk Assets	–	–	–	–	–
Other Assets	175,620	175,620	174,723	174,723	13,978
Securitisation	10,274	10,274	2,055	2,055	164
Total for SA	41,069,724	40,857,896	7,807,522	7,027,791	562,223
Exposures under the IRB Approach					
Sovereign/Central Banks	–	–	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	4,724,813	4,724,813	696,962	696,962	55,757
Takaful Operators, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	36,443,541	36,443,541	25,073,059	22,840,669	1,827,254
RRE Financing	50,967,923	50,967,923	14,513,090	13,490,990	1,079,279
Qualifying Revolving Retail	1,125,566	1,125,566	709,301	709,301	56,744
Hire Purchase	19,825,730	19,825,730	16,283,701	6,908,279	552,662
Other Retail	28,060,597	28,060,597	5,854,288	5,837,568	467,005
Securitisation	–	–	–	–	–
Total for IRB Approach	141,148,170	141,148,170	63,130,400	50,483,768	4,038,701
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	182,217,893	182,006,065	74,725,746	60,540,585	4,843,247
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Benchmark Rate Risk			706,084	706,084	56,487
Foreign Currency Risk			30,390	30,390	2,431
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			–	–	–
Total Market Risk			736,474	736,474	58,918
Operational Risk (BIA)			5,742,135	5,742,135	459,371
Total RWA and Capital Requirement			81,204,355	67,019,194	5,361,536

Capital Management

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(B): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBISLG (CONTINUED)

2023	CIMBISLG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)/EAD (IRB)	Net Exposure after CRM (SA)/EAD (IRB)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk					
Exposures under the SA					
Sovereign/Central Banks	25,751,378	25,751,378	–	–	–
Public Sector Entities	3,075,973	3,075,973	45,698	45,698	3,656
Banks, DFIs & MDBs	10	10	2	2	0
Takaful Operators, Securities Firms & Fund Managers	0	0	0	0	0
Corporate	3,818,276	3,762,831	2,216,560	2,032,443	162,595
Regulatory Retail	8,364,728	8,274,923	4,490,227	3,974,624	317,970
RRE Financing	443,055	443,055	225,091	181,024	14,482
Higher Risk Assets	–	–	–	–	–
Other Assets	246,492	246,492	245,628	245,628	19,650
Securitisation	15,354	15,354	3,071	3,071	246
Total for SA	41,715,266	41,570,015	7,226,277	6,482,489	518,599
Exposures under the IRB Approach					
Sovereign/Central Banks	–	–	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	2,831,380	2,831,380	487,103	487,103	38,968
Takaful Operators, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	34,734,272	34,734,272	23,165,913	20,684,774	1,654,782
RRE Financing	44,113,021	44,113,021	15,332,827	14,803,734	1,184,299
Qualifying Revolving Retail	597,995	597,995	392,346	392,346	31,388
Hire Purchase	18,061,019	18,061,019	15,501,250	7,555,670	604,454
Other Retail	31,660,503	31,660,503	7,135,494	7,118,829	569,506
Securitisation	–	–	–	–	–
Total for IRB Approach	131,998,189	131,998,189	62,014,933	51,042,455	4,083,396
Total Credit Risk (Exempted Exposures and Exposures under the IRB Approach After Scaling Factor)	173,713,454	173,568,204	72,962,105	60,587,492	4,846,999
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Benchmark Rate Risk			617,211	617,211	49,377
Foreign Currency Risk			141,987	141,987	11,359
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			208	208	17
Total Market Risk			759,406	759,406	60,752
Operational Risk (BIA)			5,308,225	5,308,225	424,658
Total RWA and Capital Requirement			79,029,736	66,655,123	5,332,409

Capital Management

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(C): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBIBG

2024	CIMBIBG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	413,217	413,217	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	209,126	209,126	74,455	74,455	5,956
Insurance Cos, Securities Firms & Fund Managers	–	–	–		–
Corporate	15,859	15,859	15,859	15,859	1,269
Regulatory Retail	–	–	–	–	–
Residential Mortgages	–	–	–	–	–
Higher Risk Assets	–	–	–	–	–
Other Assets	49,378	49,378	49,372	49,372	3,950
Securitisation	–	–	–	–	–
Total Credit Risk	687,580	687,580	139,686	139,686	11,175
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Interest Rate Risk			–	–	–
Foreign Currency Risk			13,765	13,765	1,101
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			–	–	–
Total Market Risk			13,765	13,765	1,101
Operational Risk (BIA)			518,078	518,078	41,446
Total RWA and Capital Requirement			671,529	671,529	53,722

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(C)(I): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBIBG'S ISLAMIC BANKING WINDOW

2024	CIMBIBG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	10,014	10,014	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	79,536	79,536	15,934	15,934	1,275
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	62	62	62	62	5
Regulatory Retail	–	–	–	–	–
Residential Mortgages	–	–	–	–	–
Higher Risk Assets	–	–	–	–	–
Other Assets	3,550	3,550	3,550	3,550	284
Securitisation	–	–	–	–	–
Total Credit Risk	93,163	93,163	19,547	19,547	1,564
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Interest Rate Risk			–	–	–
Foreign Currency Risk			–	–	–
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			–	–	–
Total Market Risk			–	–	–
Operational Risk (BIA)			79,415	79,415	6,353
Total RWA and Capital Requirement			98,962	98,962	7,917

Capital Management

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(C): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBIBG (CONTINUED)

2023	CIMBIBG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	451,626	451,626	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	157,782	157,782	43,201	43,201	3,456
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	16,139	16,139	16,139	16,139	1,291
Regulatory Retail	–	–	–	–	–
Residential Mortgages	–	–	–	–	–
Higher Risk Assets	–	–	–	–	–
Other Assets	35,256	35,256	35,240	35,240	2,819
Securitisation	–	–	–	–	–
Total Credit Risk	660,803	660,803	94,580	94,580	7,566
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Interest Rate Risk			–	–	–
Foreign Currency Risk			12,607	12,607	1,009
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			–	–	–
Total Market Risk			12,607	12,607	1,009
Operational Risk (BIA)			433,078	433,078	34,646
Total RWA and Capital Requirement			540,265	540,265	43,221

CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

TABLE 2(C)(I): DISCLOSURE ON TOTAL RWA AND MINIMUM CAPITAL REQUIREMENT FOR CIMBIBG'S ISLAMIC BANKING WINDOW

2023	CIMBIBG				
(RM'000) Exposure Class	Gross Exposure before CRM (SA)	Net Exposure after CRM (SA)	RWA	Total RWA after effects of PSIA	Minimum capital requirement at 8%
Credit Risk (SA)					
Sovereign/Central Banks	10,013	10,013	–	–	–
Public Sector Entities	–	–	–	–	–
Banks, DFIs & MDBs	84,650	84,650	16,957	16,957	1,357
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–	–
Corporate	67	67	67	67	5
Regulatory Retail	–	–	–	–	–
Residential Mortgages	–	–	–	–	–
Higher Risk Assets	–	–	–	–	–
Other Assets	1,277	1,277	1,277	1,277	102
Securitisation	–	–	–	–	–
Total Credit Risk	96,007	96,007	18,301	18,301	1,464
Large Exposure Risk Requirement	–	–	–	–	–
Market Risk (SA)					
Interest Rate Risk			–	–	–
Foreign Currency Risk			–	–	–
Equity Risk			–	–	–
Commodity Risk			–	–	–
Options Risk			–	–	–
Total Market Risk			–	–	–
Operational Risk (BIA)			71,668	71,668	5,733
Total RWA and Capital Requirement			89,969	89,969	7,197

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

The Group has in place an EWRM framework that aligns ICAAP requirements into the Group's risk management and control activities. The coverage of ICAAP includes the following:

a) Assessing the risk profile of the bank.
b) Assessing the capital adequacy and capital management strategies.
c) Monitoring compliance with regulatory requirement on capital adequacy.
d) Reporting to management and regulator on ICAAP.
e) Governance and independent review.

The full ICAAP cycle, from initial planning to regulatory submission and independent review, involves close coordination among the risk, capital and finance functions together with business and support units. In line with BNM's guidelines on RWCAF (Basel II) – ICAAP (Pillar 2) and CAFIB – ICAAP (Pillar 2), the Group submits its ICAAP report to the BRCC for approval and the Board for notification.

Credit Risk

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

Credit risk is inherent in banking activities and arises from traditional financing activities through conventional loans, financing facilities, trade finance, as well as commitments to support clients' obligations to third parties, e.g. guarantees or kafalah contracts. In derivatives, sales and trading activities, credit risk arises from the possibility that the Group's counterparties will be unable or unwilling to fulfil their obligation on transactions on or before settlement dates.

CREDIT RISK MANAGEMENT

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

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

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

The Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities between business units and Group Risk, to the various credit committees. The credit approving committees are set up to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units. For corporate, commercial and private banking loans/financing, credit applications are independently evaluated by the Credit Risk (Non-Retail) CoE team prior to submission to the joint delegated authority or the relevant committees for approval; certain business units' officers are delegated with credit approving authority to approve low value credit facilities. In addition, for loan/financing to sectors and clients that are exposed to high environmental and social risks, the Sustainability CoE conducts due diligence from an environmental and social point of view. For retail loans/financing, all credit applications are evaluated and approved by Consumer Credit Operations according to the designated delegated authority with higher limits submitted to joint delegated authority or relevant committees for approval.

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

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

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

CREDIT RISK MANAGEMENT (CONTINUED)

It is the Group policy that all exposures must be rated or scored based on the appropriate internal rating models, where available. Retail exposures are managed on a portfolio basis and the risk rating models are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts, performed by way of statistical analysis from credit bureau and demographic information of the obligors. The risk rating models for non-retail exposures are designed to assess the credit worthiness of the corporations or entities in paying their obligations, derived from both quantitative and qualitative risk factors such as financial history and demographics or company profile. These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's retail and non-retail exposures.

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

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

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

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

Credit Risk

SUMMARY OF CREDIT EXPOSURES

I) GROSS CREDIT EXPOSURES BY GEOGRAPHIC DISTRIBUTION

The geographic distribution is based on the country in which the portfolio is geographically managed.

The following tables represent the Group's credit exposures by geographic region:

TABLE 3(A): GEOGRAPHIC DISTRIBUTION OF CREDIT EXPOSURES FOR CIMBBG

	CIMBBG				
(RM'000) Exposure Class	**Malaysia**	**Singapore**	**Thailand**	**Other Countries**	**Total**
2024					
Sovereign	**80,592,500**	**17,678,767**	**11,100,160**	**1,672,082**	**111,043,510**
PSE	**12,744,726**	**–**	**–**	**–**	**12,744,726**
Bank	**31,221,129**	**3,360,143**	**8,748,364**	**5,809,307**	**49,138,944**
Corporate	**129,809,219**	**46,551,071**	**18,731,793**	**10,980,400**	**206,072,483**
Mortgage/RRE Financing	**115,530,642**	**8,109,667**	**15,062,684**	**–**	**138,702,992**
HPE	**25,403,252**	**–**	**–**	**–**	**25,403,252**
QRRE	**12,349,532**	**2,775,217**	**–**	**–**	**15,124,749**
Other Retail	**67,969,974**	**8,899,131**	**6,338,714**	**1,748,760**	**84,956,578**
Other Exposures	**6,010,130**	**944,350**	**10,578,061**	**3,557,650**	**21,090,191**
Total Gross Credit Exposure	**481,631,104**	**88,318,346**	**70,559,776**	**23,768,200**	**664,277,426**
2023					
Sovereign	85,251,310	13,850,888	10,752,304	990,471	110,844,973
PSE	12,673,652	–	–	–	12,673,652
Bank	25,646,345	2,983,782	8,301,352	4,923,298	41,854,777
Corporate	131,683,342	42,331,142	20,923,933	7,649,783	202,588,199
Mortgage/RRE Financing	108,953,242	9,564,758	14,416,089	–	132,934,090
HPE	23,612,853	–	–	–	23,612,853
QRRE	11,413,977	2,991,556	–	–	14,405,532
Other Retail	72,310,713	8,210,961	6,630,653	1,726,821	88,879,148
Other Exposures	6,198,649	891,615	10,330,068	3,277,927	20,698,259
Total Gross Credit Exposure	477,744,083	80,824,702	71,354,399	18,568,300	648,491,483

Credit Risk

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

I) GROSS CREDIT EXPOSURES BY GEOGRAPHIC DISTRIBUTION (CONTINUED)

TABLE 3(B): GEOGRAPHIC DISTRIBUTION OF CREDIT EXPOSURES FOR CIMBISLG

	CIMBISLG				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
2024					
Sovereign	**23,592,171**	**–**	**–**	**–**	**23,592,171**
PSE	**3,158,886**	**–**	**–**	**–**	**3,158,886**
Bank	**4,724,901**	**–**	**–**	**–**	**4,724,901**
Corporate	**41,531,650**	**–**	**–**	**–**	**41,531,650**
RRE Financing	**51,480,588**	**–**	**–**	**–**	**51,480,588**
HPE	**19,825,730**	**–**	**–**	**–**	**19,825,730**
QRRE	**1,125,566**	**–**	**–**	**–**	**1,125,566**
Other Retail	**36,592,508**	**–**	**–**	**–**	**36,592,508**
Other Exposures	**185,894**	**–**	**–**	**–**	**185,894**
Total Gross Credit Exposure	**182,217,893**	**–**	**–**	**–**	**182,217,893**
2023					
Sovereign	25,751,378	–	–	–	25,751,378
PSE	3,075,973	–	–	–	3,075,973
Bank	2,831,390	–	–	–	2,831,390
Corporate	38,552,548	–	–	–	38,552,548
RRE Financing	44,556,075	–	–	–	44,556,075
HPE	18,061,019	–	–	–	18,061,019
QRRE	597,995	–	–	–	597,995
Other Retail	40,025,231	–	–	–	40,025,231
Other Exposures	261,846	–	–	–	261,846
Total Gross Credit Exposure	173,713,454	–	–	–	173,713,454

Credit Risk

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

I) GROSS CREDIT EXPOSURES BY GEOGRAPHIC DISTRIBUTION (CONTINUED)

TABLE 3(C): GEOGRAPHIC DISTRIBUTION OF CREDIT EXPOSURES FOR CIMBIBG

	CIMBIBG				
(RM'000) Exposure Class	Malaysia	Singapore	Thailand	Other Countries	Total
2024					
Sovereign	**413,217**	**–**	**–**	**–**	**413,217**
Bank	**–**	**–**	**–**	**–**	**–**
Corporate	**209,126**	**–**	**–**	**–**	**209,126**
Mortgage	**15,859**	**–**	**–**	**–**	**15,859**
HPE	**–**	**–**	**–**	**–**	**–**
QRRE	**–**	**–**	**–**	**–**	**–**
Other Retail	**–**	**–**	**–**	**–**	**–**
Other Exposures	**49,378**	**–**	**–**	**–**	**49,378**
Total Gross Credit Exposure	**687,580**	**–**	**–**	**–**	**687,580**
2023					
Sovereign	451,626	–	–	–	451,626
Bank	–	–	–	–	–
Corporate	157,782	–	–	–	157,782
Mortgage	16,139	–	–	–	16,139
HPE	–	–	–	–	–
QRRE	–	–	–	–	–
Other Retail	–	–	–	–	–
Other Exposures	35,256	–	–	–	35,256
Total Gross Credit Exposure	660,803	–	–	–	660,803

Credit Risk

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

II) GROSS CREDIT EXPOSURES BY SECTOR

The following tables represent the Group's credit exposures analysed by sector:

TABLE 4(A): DISTRIBUTION OF CREDIT EXPOSURES BY SECTOR FOR CIMBBG

	CIMBBG											
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance/ Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
2024												
Sovereign	**-**	**-**	**-**	**872,127**	**8,797,199**	**-**	**6,578,564**	**11,619,398**	**79,375,601**	**-**	**3,800,621**	**111,043,510**
PSE	**4,000**	**-**	**-**	**-**	**-**	**-**	**-**	**113,924**	**12,626,713**	**-**	**89**	**12,744,726**
Bank								**48,428,244**	**710,699**	**-**	**-**	**49,138,944**
Corporate	**6,610,389**	**7,180,204**	**18,431,466**	**15,535,725**	**17,551,175**	**28,048,038**	**16,580,547**	**68,664,570**	**13,192,264**	**7,829,917**	**6,448,187**	**206,072,483**
Mortgage/RRE Financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**138,702,992**	**-**	**138,702,992**
HPE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,403,252**	**-**	**25,403,252**
QRRE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,124,749**	**-**	**15,124,749**
Other Retail	**181,665**	**39,123**	**2,035,851**	**45,285**	**1,022,153**	**5,455,402**	**543,899**	**4,622,983**	**781,206**	**70,229,011**	**-**	**84,956,578**
Other Exposures	**0**	**-**	**1,274**	**240,104**	**-**	**18**	**110,935**	**434,377**	**922,919**	**-**	**19,380,564**	**21,090,191**
Total Gross Credit Exposure	**6,796,054**	**7,219,327**	**20,468,591**	**16,693,240**	**27,370,527**	**33,503,459**	**23,813,945**	**133,883,497**	**107,609,402**	**257,289,921**	**29,629,462**	**664,277,426**
2023												
Sovereign	–	–	–	858,191	8,950,061	–	6,692,044	17,190,371	73,349,888	–	3,804,418	110,844,973
PSE	32,277	–	–	–	–	–	–	55,790	12,585,459	–	126	12,673,652
Bank	–	–	–	–	–	–	–	41,203,078	651,699	–	–	41,854,777
Corporate	7,872,764	8,310,221	19,870,438	15,283,412	16,436,560	27,362,344	18,432,292	63,589,538	10,238,980	7,981,989	7,209,661	202,588,199
Mortgage/RRE Financing	–	–	–	–	–	–	–	–	–	132,934,090	–	132,934,090
HPE	–	–	–	–	–	–	–	–	–	23,612,853	–	23,612,853
QRRE	–	–	–	–	–	–	–	–	–	14,405,532	–	14,405,532
Other Retail	239,878	38,738	1,988,457	46,231	1,151,601	5,458,140	548,767	4,418,137	864,466	74,124,734	–	88,879,148
Other Exposures	0	–	1,739	292,695	–	25	24,725	423,909	855,338	–	19,099,829	20,698,259
Total Gross Credit Exposure	8,144,919	8,348,959	21,860,634	16,480,528	26,538,222	32,820,509	25,697,828	126,880,822	98,545,831	253,059,197	30,114,034	648,491,483

* *Others are exposures which are not elsewhere classified.*

Credit Risk

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

II) GROSS CREDIT EXPOSURES BY SECTOR (CONTINUED)

TABLE 4(B): DISTRIBUTION OF CREDIT EXPOSURES BY SECTOR FOR CIMBISLG

	CIMBISLG											
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Islamic Finance, Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
2024												
Sovereign	**-**	**-**	**-**	**578,889**	**2,863,960**	**-**	**2,132,417**	**8,076,647**	**8,799,830**	**-**	**1,140,428**	**23,592,171**
PSE	**3,241**	**-**	**-**	**-**	**-**	**-**	**-**	**113,498**	**3,042,148**	**-**	**-**	**3,158,886**
Bank	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,724,901**	**-**	**-**	**-**	**4,724,901**
Corporate	**2,641,930**	**1,196,163**	**4,155,304**	**1,713,986**	**6,317,929**	**6,565,246**	**4,799,017**	**12,100,565**	**2,015,116**	**10,321**	**16,072**	**41,531,650**
RRE Financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**51,480,588**	**-**	**51,480,588**
HPE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19,825,730**	**-**	**19,825,730**
QRRE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,125,566**	**-**	**1,125,566**
Other Retail	**81,058**	**19,892**	**1,157,175**	**22,206**	**492,803**	**3,461,390**	**325,719**	**1,731,022**	**386,811**	**28,909,154**	**5,278**	**36,592,508**
Other Exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**185,894**	**185,894**
Total Gross Credit Exposure	**2,726,230**	**1,216,055**	**5,312,479**	**2,315,081**	**9,674,693**	**10,026,636**	**7,257,152**	**26,746,633**	**14,243,905**	**101,351,358**	**1,347,672**	**182,217,893**
2023												
Sovereign	-	-	-	554,348	2,665,430	-	2,082,796	11,038,390	8,298,913	-	1,111,499	25,751,378
PSE	18,718	-	-	-	-	-	-	55,343	3,001,912	-	-	3,075,973
Bank	-	-	-	-	-	-	-	2,831,390	-	-	-	2,831,390
Corporate	3,505,964	1,719,101	4,075,980	2,322,110	4,954,247	5,041,871	5,233,242	10,918,755	758,176	10,126	12,975	38,552,548
RRE Financing	-	-	-	-	-	-	-	-	-	44,556,075	-	44,556,075
HPE	-	-	-	-	-	-	-	-	-	18,061,019	-	18,061,019
QRRE	-	-	-	-	-	-	-	-	-	597,995	-	597,995
Other Retail	103,345	13,665	1,014,750	23,186	517,243	3,186,525	295,897	1,679,902	381,245	32,799,600	9,874	40,025,231
Other Exposures	-	-	-	-	-	-	-	-	-	-	261,846	261,846
Total Gross Credit Exposure	3,628,027	1,732,766	5,090,730	2,899,644	8,136,920	8,228,396	7,611,934	26,523,781	12,440,246	96,024,815	1,396,195	173,713,454

Note: *All sectors above are Shariah compliant.*

* *Others are exposures which are not elsewhere classified.*

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

II) GROSS CREDIT EXPOSURES BY SECTOR (CONTINUED)

TABLE 4(C): DISTRIBUTION OF CREDIT EXPOSURES BY SECTOR FOR CIMBIBG

	CIMBIBG											
(RM'000) Exposure Class	Primary Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water Supply	Construction	Wholesale and Retail Trade, and Restaurants and Hotels	Transport, Storage and Communication	Finance, Insurance/ Takaful, Real Estate and Business Activities	Education, Health and Others	Household	Others*	Total
2024												
Sovereign	**-**	**-**	**-**	**60,160**	**42,700**	**-**	**113,022**	**110,033**	**45,659**	**-**	**41,643**	**413,217**
Bank	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**209,126**	**-**	**-**	**-**	**209,126**
Corporate	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**12,267**	**-**	**-**	**3,592**	**15,859**
Mortgage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
QRRE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Retail	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**49,378**	**49,378**
Total Gross Credit Exposure	**-**	**-**	**-**	**60,160**	**42,700**	**-**	**113,022**	**331,425**	**45,659**	**-**	**94,613**	**687,580**
2023												
Sovereign	–	–	–	40,227	15,969	–	102,299	150,065	143,065	–	–	451,626
Bank	–	–	–	–	–	–	–	157,402	–	–	380	157,782
Corporate	–	–	–	–	–	–	–	16,137	–	–	2	16,139
Mortgage	–	–	–	–	–	–	–	–	–	–	–	–
HPE	–	–	–	–	–	–	–	–	–	–	–	–
QRRE	–	–	–	–	–	–	–	–	–	–	–	–
Other Retail	–	–	–	–	–	–	–	–	–	–	–	–
Other Exposures	–	–	–	–	–	–	–	–	–	–	35,256	35,256
Total Gross Credit Exposure	–	–	–	40,227	15,969	–	102,299	323,604	143,065	–	35,637	660,803

* *Others are exposures which are not elsewhere classified.*

Credit Risk

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

III) GROSS CREDIT EXPOSURES BY RESIDUAL CONTRACTUAL MATURITY

The following tables represent the Group's credit exposures analysed by residual contractual maturity:

TABLE 5(A): DISTRIBUTION OF CREDIT EXPOSURES BY RESIDUAL CONTRACTUAL MATURITY FOR CIMBBG

	CIMBBG			
(RM'000) Exposure Class	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2024				
Sovereign	**25,498,818**	**26,614,597**	**58,930,095**	**111,043,510**
PSE	**448,681**	**998,366**	**11,297,679**	**12,744,726**
Bank	**23,460,469**	**20,412,532**	**5,265,943**	**49,138,944**
Corporate	**67,378,573**	**77,024,379**	**61,669,530**	**206,072,483**
Mortgage/RRE Financing	**154,054**	**884,266**	**137,664,673**	**138,702,992**
HPE	**165,239**	**6,761,767**	**18,476,246**	**25,403,252**
QRRE	**15,124,749**	**–**	**–**	**15,124,749**
Other Retail	**7,077,731**	**10,235,992**	**67,642,855**	**84,956,578**
Other Exposures	**10,407,547**	**220,661**	**10,461,983**	**21,090,191**
Total Gross Credit Exposure	**149,715,861**	**143,152,561**	**371,409,004**	**664,277,426**
2023				
Sovereign	28,485,292	26,509,148	55,850,533	110,844,973
PSE	86,857	1,291,472	11,295,323	12,673,652
Bank	23,542,425	14,279,379	4,032,973	41,854,777
Corporate	60,545,539	81,804,444	60,238,216	202,588,199
Mortgage/RRE Financing	155,735	875,237	131,903,118	132,934,090
HPE	162,675	5,702,759	17,747,419	23,612,853
QRRE	14,405,532	–	–	14,405,532
Other Retail	6,337,613	10,189,099	72,352,436	88,879,148
Other Exposures	10,696,855	330,606	9,670,798	20,698,259
Total Gross Credit Exposure	144,418,523	140,982,144	363,090,816	648,491,483

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

III) GROSS CREDIT EXPOSURES BY RESIDUAL CONTRACTUAL MATURITY (CONTINUED)

TABLE 5(B): DISTRIBUTION OF CREDIT EXPOSURES BY RESIDUAL CONTRACTUAL MATURITY FOR CIMBISLG

	CIMBISLG			
(RM'000) Exposure Class	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2024				
Sovereign	**7,738,145**	**4,410,615**	**11,443,411**	**23,592,171**
PSE	**447,786**	**992,126**	**1,718,974**	**3,158,886**
Bank	**3,146,384**	**1,407,276**	**171,241**	**4,724,901**
Corporate	**11,747,719**	**11,627,481**	**18,156,450**	**41,531,650**
RRE Financing	**3,727**	**112,443**	**51,364,417**	**51,480,588**
HPE	**67,116**	**5,290,674**	**14,467,940**	**19,825,730**
QRRE	**1,125,566**	**–**	**–**	**1,125,566**
Other Retail	**125,023**	**1,628,205**	**34,839,280**	**36,592,508**
Other Exposures	**–**	**10,274**	**175,620**	**185,894**
Total Gross Credit Exposure	**24,401,466**	**25,479,092**	**132,337,335**	**182,217,893**
2023				
Sovereign	9,882,068	5,334,775	10,534,535	25,751,378
PSE	73,981	1,285,162	1,716,831	3,075,973
Bank	1,714,941	996,901	119,548	2,831,390
Corporate	8,155,051	13,108,365	17,289,133	38,552,548
RRE Financing	2,934	103,110	44,450,032	44,556,075
HPE	44,735	4,068,590	13,947,694	18,061,019
QRRE	597,995	–	–	597,995
Other Retail	111,118	1,527,154	38,386,959	40,025,231
Other Exposures	5,090	10,264	246,492	261,846
Total Gross Credit Exposure	20,587,911	26,434,320	126,691,223	173,713,454

Credit Risk

SUMMARY OF CREDIT EXPOSURES (CONTINUED)

III) GROSS CREDIT EXPOSURES BY RESIDUAL CONTRACTUAL MATURITY (CONTINUED)

TABLE 5(C): DISTRIBUTION OF CREDIT EXPOSURES BY RESIDUAL CONTRACTUAL MATURITY FOR CIMBIBG

	CIMBIBG			
(RM'000) Exposure Class	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2024				
Sovereign	**110,009**	**25,337**	**277,871**	**413,217**
Bank	**100,132**	**–**	**108,994**	**209,126**
Corporate	**–**	**–**	**15,859**	**15,859**
Mortgage	**–**	**–**	**–**	**–**
HPE	**–**	**–**	**–**	**–**
QRRE	**–**	**–**	**–**	**–**
Other Retail	**–**	**–**	**–**	**–**
Other Exposures	**–**	**–**	**49,378**	**49,378**
Total Gross Credit Exposure	**210,141**	**25,337**	**452,102**	**687,580**
2023				
Sovereign	150,037	–	301,589	451,626
Bank	118,967	–	38,814	157,782
Corporate	–	–	16,139	16,139
Mortgage	–	–	–	–
HPE	–	–	–	–
QRRE	–	–	–	–
Other Retail	–	–	–	–
Other Exposures	–	–	35,256	35,256
Total Gross Credit Exposure	269,004	–	391,799	660,803

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING

I) PAST DUE BUT NOT IMPAIRED

A loan/financing is considered past due when any payment due under strict contractual terms is received late or missed. Late processing and other administrative delays on the side of the borrower/customer can lead to a financial asset being past due but not impaired. Therefore, loans/financing and advances less than 90 days past due are not usually considered impaired, unless other information is available to indicate the contrary. For the purposes of this analysis, an asset is considered past due and included below when any payment due under strict contractual terms is received late or missed. The amount included is the entire financial asset, not just the payment, of principal or interest/profit or both, overdue.

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

I) PAST DUE BUT NOT IMPAIRED (CONTINUED)

The following tables provide an analysis of the outstanding balances as at 31 December 2024 and 31 December 2023 which were past due but not impaired by sector and geographical respectively:

TABLE 6(A): PAST DUE BUT NOT IMPAIRED LOANS, ADVANCES AND FINANCING BY SECTOR FOR CIMBBG

	CIMBBG	
(RM'000)	**2024**	**2023**
Primary Agriculture	**39,896**	31,497
Mining and Quarrying	**2,707**	10,512
Manufacturing	**189,242**	96,392
Electricity, Gas and Water Supply	**3,236**	1,965
Construction	**125,208**	135,739
Wholesale and Retail Trade, and Restaurants and Hotels	**325,149**	316,769
Transport, Storage and Communication	**30,987**	23,270
Finance, Insurance/Takaful, Real Estate and Business Activities	**460,422**	318,076
Education, Health and Others	**57,743**	69,306
Household	**17,814,209**	16,004,600
Others*	**105,095**	19,688
Total	**19,153,894**	17,027,814

* *Others are exposures which are not elsewhere classified.*

TABLE 6(B): PAST DUE BUT NOT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING BY SECTOR FOR CIMBISLG

	CIMBISLG	
(RM'000)	**2024**	**2023**
Primary Agriculture	**14,123**	4,636
Mining and Quarrying	**236**	78
Manufacturing	**69,100**	32,553
Electricity, Gas and Water Supply	**2,978**	1,332
Construction	**28,255**	38,580
Wholesale and Retail Trade, and Restaurants and Hotels	**115,381**	75,223
Transport, Storage and Communication	**9,034**	8,191
Finance, Takaful, Real Estate and Business Activities	**111,364**	87,018
Education, Health and Others	**25,996**	23,054
Household	**8,709,195**	7,260,034
Others*	**370**	323
Total	**9,086,032**	7,531,022

Note: *All sectors above are Shariah compliant.*
* *Others are exposures which are not elsewhere classified*

TABLE 6(C): PAST DUE BUT NOT IMPAIRED LOANS, ADVANCES AND FINANCING BY SECTOR FOR CIMBIBG

There are no loans, advances and financing exposures in CIMBIBG as at 31 December 2024 and 31 December 2023.

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

I) PAST DUE BUT NOT IMPAIRED (CONTINUED)

TABLE 7(A): PAST DUE BUT NOT IMPAIRED LOANS, ADVANCES AND FINANCING BY GEOGRAPHIC DISTRIBUTION FOR CIMBBG

	CIMBBG	
(RM'000)	2024	2023
Malaysia	**16,657,436**	14,395,654
Singapore	**499,521**	625,336
Thailand	**1,777,749**	1,915,264
Other Countries	**219,188**	91,560
Total	**19,153,894**	17,027,814

TABLE 7(B): PAST DUE BUT NOT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING BY GEOGRAPHIC DISTRIBUTION FOR CIMBISLG

	CIMBISLG	
(RM'000)	2024	2023
Malaysia	**9,086,032**	7,531,022
Singapore	**–**	–
Thailand	**–**	–
Other Countries	**–**	–
Total	**9,086,032**	7,531,022

TABLE 7(C): PAST DUE BUT NOT IMPAIRED LOANS, ADVANCES AND FINANCING BY GEOGRAPHIC DISTRIBUTION FOR CIMBIBG

There are no loans, advances and financing exposures in CIMBIBG as at 31 December 2024 and 31 December 2023.

II) CREDIT IMPAIRED LOANS/FINANCING

The Group classifies a loan, advances and financing as credit impaired when it meets one or more of the following criteria:

(a) Where the principal or interest/profit or both of the credit facility is past due for more than 90 days or 3 months;

(b) In the case of revolving credit facilities (e.g. overdraft facilities), where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days or 3 months;

(c) Where the amount is past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, and the credit facility exhibits weaknesses in accordance with the Group's internal credit risk rating framework; or

(d) As soon as a default occurs where the principal and/or interest/profit repayments/payments are scheduled on intervals of 3 months or longer. For the purpose of ascertaining the period in arrears:

- Repayment/payment on each of the instalment amount must be made in full. A partial repayment/payment made on an instalment amount shall be deemed to be still in arrears; and
- Where a moratorium on credit facilities is granted in relation to the rescheduling and restructuring exercise due to specific and exceptional circumstances as set in the Group's internal policy, the determination of period in arrears shall exclude the moratorium period granted.

(e) Force Impaired Credit Facilities

The credit facility is force impaired due to various reasons which may include the following: PN17 classification by Bursa, bankruptcy/winding up orders, appointment of Independent Financial Advisor/Liquidator/Receivers & Managers, ceased operations and/or suspended with no likelihood of resuming in the next 12 months, business viability is affected with repayment/payment capability in doubt resulting in going concern issue in the near term, etc. In the event where a credit facility is not in default or past due but force impaired, the credit facility shall be classified as impaired upon approval by GAQC.

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

II) CREDIT IMPAIRED LOANS/FINANCING (CONTINUED)

(f) Cross Default

When an obligor/counterparty has multiple credit facilities with the Group and cross default obligation applies, an assessment of provision is required under which default of one debt/financing obligation triggers default on another debt/financing obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual credit facility level instead of consolidated obligor/counterparty level.

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its loans, advances and financing. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The 12-month or lifetime ECL reflects multiple forward-looking scenarios and is weighted based on the probability of occurrence for each scenario. The ECL can be assessed and measured either on collective or individual basis.

For collective assessment, the ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. The three components are multiplied together to calculate an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest/profit rate or an approximation thereof.

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

The following tables provide an analysis of the outstanding balances as at 31 December 2024 and 31 December 2023 which were credit impaired by sector and geographical respectively:

TABLE 8(A): CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING BY SECTOR FOR CIMBBG

	CIMBBG	
(RM'000)	**2024**	**2023**
Primary Agriculture	**6,975**	68,828
Mining and Quarrying	**936,147**	1,060,401
Manufacturing	**218,112**	260,440
Electricity, Gas and Water Supply	**1,597**	496
Construction	**363,310**	184,571
Wholesale and Retail Trade, and Restaurants and Hotels	**480,165**	705,968
Transport, Storage and Communications	**55,245**	262,471
Finance, Takaful, Real Estate and Business Activities	**543,983**	480,496
Education, Health and Others	**109,374**	106,086
Household	**3,330,259**	3,992,429
Others*	**126,097**	145,670
Total	**6,171,264**	7,267,856

* *Others are exposures which are not elsewhere classified.*

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

II) CREDIT IMPAIRED LOANS/FINANCING (CONTINUED)

TABLE 8(B): CREDIT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING BY SECTOR FOR CIMBISLG

	CIMBISLG	
(RM'000)	**2024**	**2023**
Primary Agriculture	**4**	12,600
Mining and Quarrying	**644**	1
Manufacturing	**106,196**	20,072
Electricity, Gas and Water Supply	**1**	1
Construction	**122,591**	59,876
Wholesale and Retail Trade, and Restaurants and Hotels	**113,507**	175,589
Transport, Storage and Communications	**6,544**	8,390
Finance, Takaful, Real Estate and Business Activities	**72,531**	76,414
Education, Health and Others	**16,913**	17,941
Household	**1,172,922**	1,404,914
Others*	**377**	76
Total	**1,612,230**	1,775,874

Note: *All sectors above are Shariah compliant.*
* *Others are exposures which are not elsewhere classified.*

TABLE 8(C): CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING BY SECTOR FOR CIMBIBG

There are no loans, advances and financing exposures in CIMBIBG as at 31 December 2024 and 31 December 2023.

TABLE 9(A): CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING BY GEOGRAPHIC DISTRIBUTION FOR CIMBBG

	CIMBBG	
(RM'000)	**2024**	**2023**
Malaysia	**4,522,668**	5,384,932
Singapore	**380,773**	354,493
Thailand	**1,036,860**	1,308,420
Other Countries	**230,963**	220,011
Total	**6,171,264**	7,267,856

TABLE 9(B): CREDIT IMPAIRED FINANCING, ADVANCES AND OTHER FINANCING BY GEOGRAPHIC DISTRIBUTION FOR CIMBISLG

	CIMBISLG	
(RM'000)	**2024**	**2023**
Malaysia	**1,612,230**	1,775,874
Singapore	**–**	–
Thailand	**–**	–
Other Countries	**–**	–
Total	**1,612,230**	1,775,874

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

II) CREDIT IMPAIRED LOANS/FINANCING (CONTINUED)

TABLE 9(C): CREDIT IMPAIRED LOANS, ADVANCES AND FINANCING BY GEOGRAPHIC DISTRIBUTION FOR CIMBIBG

There are no loans, advances and financing exposures in CIMBIBG as at 31 December 2024 and 31 December 2023.

III) EXPECTED CREDIT LOSSES

TABLE 10(A): EXPECTED CREDIT LOSSES (STAGE 1, 2 AND 3, AND PURCHASED CREDIT IMPAIRED) BY SECTOR FOR CIMBBG

	CIMBBG				
(RM'000)	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
2024					
Primary Agriculture	**47,608**	**595**	**6,000**	**–**	**54,203**
Mining and Quarrying	**16,260**	**213**	**724,750**	**–**	**741,223**
Manufacturing	**67,816**	**52,419**	**168,665**	**–**	**288,900**
Electricity, Gas and Water Supply	**41,051**	**89**	**840**	**–**	**41,980**
Construction	**11,056**	**36,518**	**254,422**	**–**	**301,996**
Wholesale and Retail Trade, and Restaurants and Hotels	**97,841**	**146,211**	**182,399**	**–**	**426,451**
Transport, Storage and Communications	**14,215**	**11,060**	**51,797**	**–**	**77,072**
Finance, Insurance/Takaful, Real Estate and Business Activities	**210,674**	**21,862**	**244,602**	**–**	**477,138**
Education, Health and Others	**13,989**	**4,763**	**75,804**	**–**	**94,556**
Household	**1,475,780**	**1,023,647**	**1,412,416**	**–**	**3,911,843**
Others*	**68,975**	**15,630**	**114,340**	**–**	**198,945**
Total	**2,065,265**	**1,313,007**	**3,236,035**	**–**	**6,614,307**
2023					
Primary Agriculture	39,983	945	48,881	–	89,809
Mining and Quarrying	28,541	1,136	791,889	–	821,566
Manufacturing	81,823	71,080	158,274	–	311,177
Electricity, Gas and Water Supply	31,012	225	233	–	31,470
Construction	15,211	22,737	128,072	–	166,020
Wholesale and Retail Trade, and Restaurants and Hotels	114,466	190,471	292,453	–	597,390
Transport, Storage and Communications	13,425	7,163	126,534	–	147,122
Finance, Insurance/Takaful, Real Estate and Business Activities	182,088	67,163	137,704	–	386,955
Education, Health and Others	25,164	8,692	52,290	–	86,146
Household	1,838,838	948,118	1,239,249	1,863	4,028,068
Others*	85,152	17,081	101,520	–	203,753
Total	2,455,703	1,334,811	3,077,099	1,863	6,869,476

* *Others are exposures which are not elsewhere classified.*

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 10(B): EXPECTED CREDIT LOSSES (STAGE 1, 2 AND 3, AND PURCHASED CREDIT IMPAIRED) BY SECTOR FOR CIMBISLG

	CIMBISLG				
(RM'000)	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
2024					
Primary Agriculture	**723**	**569**	**375**	**–**	**1,667**
Mining and Quarrying	**206**	**63**	**281**	**–**	**550**
Manufacturing	**6,199**	**5,209**	**86,766**	**–**	**98,174**
Electricity, Gas and Water Supply	**546**	**55**	**209**	**–**	**810**
Construction	**3,816**	**4,715**	**44,214**	**–**	**52,745**
Wholesale and Retail Trade, and Restaurants and Hotels	**16,785**	**63,751**	**72,680**	**–**	**153,216**
Transport, Storage and Communications	**3,845**	**5,854**	**4,890**	**–**	**14,589**
Finance, Takaful, Real Estate and Business Activities	**8,718**	**5,298**	**12,328**	**–**	**26,344**
Education, Health and Others	**1,448**	**1,581**	**7,927**	**–**	**10,956**
Household	**554,730**	**403,791**	**453,344**	**–**	**1,411,865**
Others*	**8**	**–**	**376**	**–**	**384**
Total	**597,024**	**490,886**	**683,390**	**–**	**1,771,300**
2023					
Primary Agriculture	3,134	770	12,644	–	16,548
Mining and Quarrying	964	660	1	–	1,625
Manufacturing	16,345	4,395	11,617	–	32,357
Electricity, Gas and Water Supply	1,097	–	–	–	1,097
Construction	5,975	2,767	26,848	–	35,590
Wholesale and Retail Trade, and Restaurants and Hotels	34,940	6,838	124,782	–	166,560
Transport, Storage and Communications	5,405	1,497	4,666	–	11,568
Finance, Takaful, Real Estate and Business Activities	15,267	4,615	16,841	–	36,723
Education, Health and Others	3,922	982	9,296	–	14,200
Household	685,022	345,571	342,851	–	1,373,444
Others*	41	71	34	–	146
Total	772,112	368,166	549,580	–	1,689,858

Note: *All sectors above are Shariah compliant.*
** Others are exposures which are not elsewhere classified.*

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 10(C): EXPECTED CREDIT LOSSES (STAGE 1, 2 AND 3, AND PURCHASED CREDIT IMPAIRED) BY SECTOR FOR CIMBIBG

There are no expected credit losses for CIMBIBG as at 31 December 2024 and 31 December 2023.

TABLE 11(A): EXPECTED CREDIT LOSSES (STAGE 1, 2 AND 3, AND PURCHASED CREDIT IMPAIRED) BY GEOGRAPHIC DISTRIBUTION FOR CIMBBG

	CIMBBG				
(RM'000)	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
2024					
Malaysia	**1,311,947**	**1,015,110**	**2,366,613**	**–**	**4,693,670**
Singapore	**339,018**	**61,937**	**236,115**	**–**	**637,070**
Thailand	**342,163**	**228,767**	**500,841**	**–**	**1,071,771**
Other Countries	**72,137**	**7,193**	**132,466**	**–**	**211,796**
Total	**2,065,265**	**1,313,007**	**3,236,035**	**–**	**6,614,307**
2023					
Malaysia	1,767,583	895,222	2,160,066	–	4,822,871
Singapore	346,722	118,494	213,333	–	678,549
Thailand	276,357	311,030	594,336	1,863	1,183,586
Other Countries	65,041	10,065	109,364	–	184,470
Total	2,455,703	1,334,811	3,077,099	1,863	6,869,476

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 11(B): EXPECTED CREDIT LOSSES (STAGE 1, 2 AND 3, AND PURCHASED CREDIT IMPAIRED) BY GEOGRAPHIC DISTRIBUTION FOR CIMBISLG

	CIMBISLG				
(RM'000)	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
2024					
Malaysia	**597,024**	**490,886**	**683,390**	**–**	**1,771,300**
Singapore	**–**	**–**	**–**	**–**	**–**
Thailand	**–**	**–**	**–**	**–**	**–**
Other Countries	**–**	**–**	**–**	**–**	**–**
Total	**597,024**	**490,886**	**683,390**	**–**	**1,771,300**
2023					
Malaysia	772,112	368,166	549,580	–	1,689,858
Singapore	–	–	–	–	–
Thailand	–	–	–	–	–
Other Countries	–	–	–	–	–
Total	772,112	368,166	549,580	–	1,689,858

TABLE 11(C): EXPECTED CREDIT LOSSES (STAGE 1, 2 AND 3, AND PURCHASED CREDIT IMPAIRED) BY GEOGRAPHIC DISTRIBUTION FOR CIMBIBG

There are no expected credit losses for CIMBIBG as at 31 December 2024 and 31 December 2023.

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 12(A): EXPECTED CREDIT LOSSES CHARGES/(WRITEBACK) AND WRITE-OFF FOR STAGE 3 AND PURCHASED CREDIT IMPAIRED FOR CIMBBG

	CIMBBG			
	Charges/(writeback)		Write-off	
(RM'000)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired
2024				
Primary Agriculture	**(1,803)**	**–**	**12,074**	**–**
Mining and Quarrying	**102,186**	**–**	**224,519**	**–**
Manufacturing	**31,739**	**–**	**87,908**	**–**
Electricity, Gas and Water Supply	**235**	**–**	**25**	**–**
Construction	**142,418**	**–**	**13,701**	**–**
Wholesale and Retail Trade, and Restaurants and Hotels	**21,797**	**–**	**51,988**	**–**
Transport, Storage and Communications	**24,960**	**–**	**8,785**	**–**
Finance, Insurance/Takaful, Real Estate and Business Activities	**43,603**	**–**	**60,357**	**–**
Education, Health and Others	**23,795**	**–**	**5,212**	**–**
Household	**1,609,312**	**(587)**	**1,205,682**	**945**
Others*	**321,237**	**–**	**383,986**	**–**
Total	**2,319,479**	**(587)**	**2,054,237**	**945**
2023				
Primary Agriculture	18,097	–	17,348	–
Mining and Quarrying	58,870	–	14,869	–
Manufacturing	30,270	–	19,837	–
Electricity, Gas and Water Supply	54	–	66	–
Construction	41,786	–	34,793	–
Wholesale and Retail Trade, and Restaurants and Hotels	126,865	–	356,386	–
Transport, Storage and Communications	30,294	–	7,769	–
Finance, Insurance/Takaful, Real Estate and Business Activities	8,426	–	85,178	–
Education, Health and Others	22,499	–	208,460	–
Household	1,201,791	–	986,454	–
Others*	409,853	–	950,531	–
Total	1,948,805	–	2,681,691	–

* *Others are exposures which are not elsewhere classified.*

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 12(B): EXPECTED CREDIT LOSSES CHARGES/(WRITEBACK) AND WRITE-OFF FOR STAGE 3 AND PURCHASED CREDIT IMPAIRED FOR CIMBISLG

	CIMBISLG			
	Charges/(writeback)		Write-off	
(RM'000)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired
2024				
Primary Agriculture	**(1,189)**	**–**	**11,597**	**–**
Mining and Quarrying	**108**	**–**	**–**	**–**
Manufacturing	**6,993**	**–**	**6,120**	**–**
Electricity, Gas and Water Supply	**(45)**	**–**	**–**	**–**
Construction	**37,623**	**–**	**4,395**	**–**
Wholesale and Retail Trade, and Restaurants and Hotels	**(2,813)**	**–**	**10,038**	**–**
Transport, Storage and Communications	**2,862**	**–**	**818**	**–**
Finance, Takaful, Real Estate and Business Activities	**5,530**	**–**	**10,959**	**–**
Education, Health and Others	**1,056**	**–**	**3,482**	**–**
Household	**533,204**	**–**	**303,308**	**–**
Others*	**256**	**–**	**–**	**–**
Total	**583,585**	**–**	**350,717**	**–**
2023				
Primary Agriculture	14,239	–	6,154	–
Mining and Quarrying	–	–	–	–
Manufacturing	3,037	–	258	–
Electricity, Gas and Water Supply	–	–	–	–
Construction	5,675	–	1,255	–
Wholesale and Retail Trade, and Restaurants and Hotels	76,414	–	30,690	–
Transport, Storage and Communications	2,620	–	5,308	–
Finance, Takaful, Real Estate and Business Activities	3,565	–	2,756	–
Education, Health and Others	7,749	–	741	–
Household	339,246	–	233,822	–
Others*	282	–	–	–
Total	452,827	–	280,984	–

Note: *All sectors above are Shariah compliant.*
* *Others are exposures which are not elsewhere classified.*

TABLE 12(C): EXPECTED CREDIT LOSSES CHARGES/(WRITEBACK) AND WRITE-OFF FOR STAGE 3 AND PURCHASED CREDIT IMPAIRED FOR CIMBIBG

There are no expected credit losses charges/(writeback) and write-off for Stage 3 and purchased credit impaired for CIMBIBG as at 31 December 2024 and 31 December 2023.

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 13(A): ANALYSIS OF MOVEMENT IN THE EXPECTED CREDIT LOSSES FOR LOANS, ADVANCES AND FINANCING FOR CIMBBG

	CIMBBG				
	2024				
(RM'000)	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
At 1 January 2024	2,455,703	1,334,811	3,077,099	1,863	6,869,476
Changes in expected credit losses due to transferred within stages	477,634	(445,886)	(31,748)	–	–
Transferred to Stage 1	1,050,982	(979,350)	(71,632)	–	–
Transferred to Stage 2	(503,562)	1,451,172	(947,610)	–	–
Transferred to Stage 3	(69,786)	(917,708)	987,494	–	–
Total charge to Statement of Income	(833,887)	437,201	2,319,479	(587)	1,922,206
New financial assets originated	1,060,319	143,908	81,098	–	1,285,325
Financial assets that have been derecognised	(933,686)	(291,533)	–	–	(1,225,219)
Writeback in respect of full recoveries	–	–	(424,831)	(587)	(425,418)
Change in credit risk	(960,520)	584,826	2,663,212	–	2,287,518
Write-offs	(411)	(827)	(2,054,237)	(945)	(2,056,420)
Disposal of loans, advances and financing	–	–	(231,612)	–	(231,612)
Exchange fluctuation	(32,627)	(12,269)	(51,338)	(48)	(96,332)
Other movements	(1,097)	(23)	208,392	283	206,989
Total	2,065,265	1,313,007	3,236,035	–	6,614,307

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 13(A): ANALYSIS OF MOVEMENT IN THE EXPECTED CREDIT LOSSES FOR LOANS, ADVANCES AND FINANCING FOR CIMBBG (CONTINUED)

	CIMBBG				
	2023				
(RM'000)	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
At 1 January 2023	1,112,032	2,940,456	3,665,331	1,771	7,719,590
Changes in expected credit losses due to transferred within stages	1,874,579	(1,763,634)	(110,945)	–	–
Transferred to Stage 1	2,409,154	(2,278,733)	(130,421)	–	–
Transferred to Stage 2	(516,860)	1,572,531	(1,055,671)	–	–
Transferred to Stage 3	(17,715)	(1,057,432)	1,075,147	–	–
Total charge to Statement of Income	(542,314)	139,707	1,948,805	–	1,546,198
New financial assets originated	918,088	212,278	64,386	–	1,194,752
Financial assets that have been derecognised	(503,819)	(343,062)	–	–	(846,881)
Writeback in respect of full recoveries	–	–	(238,840)	–	(238,840)
Change in credit risk	(956,583)	270,491	2,123,259	–	1,437,167
Write-offs	(95)	(598)	(2,681,691)	–	(2,682,384)
Exchange fluctuation	32,680	23,344	134,168	92	190,284
Other movements	(21,179)	(4,464)	121,431	–	95,788
Total	2,455,703	1,334,811	3,077,099	1,863	6,869,476

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 13(B): ANALYSIS OF MOVEMENT IN THE EXPECTED CREDIT LOSSES FOR FINANCING, ADVANCES AND OTHER FINANCING FOR CIMBISLG

	CIMBISLG				
	2024				
(RM'000)	12-month expected credit losses (Stage 1)	Lifetime expected credit losses – not credit impaired (Stage 2)	Lifetime expected credit losses – credit impaired (Stage 3)	Purchased credit impaired	Total
At 1 January 2024	772,112	368,166	549,580	–	1,689,858
Changes in expected credit losses due to transferred within stages	206,221	(77,025)	(129,196)	–	–
Transferred to Stage 1	384,972	(359,846)	(25,126)	–	–
Transferred to Stage 2	(178,369)	613,879	(435,510)	–	–
Transferred to Stage 3	(382)	(331,058)	331,440	–	–
Total charge to Statement of Income	(381,205)	199,836	583,585	–	402,216
New financial assets originated	108,718	2,474	1,255	–	112,447
Financial assets that have been derecognised	(81,014)	(35,679)	–	–	(116,693)
Writeback in respect of full recoveries	–	–	(50,625)	–	(50,625)
Change in credit risk	(408,909)	233,041	632,955	–	457,087
Write-offs	–	(164)	(350,717)	–	(350,881)
Other movements	(104)	73	30,138	–	30,107
Total	597,024	490,886	683,390	–	1,771,300

Credit Risk

CREDIT QUALITY OF LOANS, ADVANCES & FINANCING (CONTINUED)

III) EXPECTED CREDIT LOSSES (CONTINUED)

TABLE 13(B): ANALYSIS OF MOVEMENT IN THE EXPECTED CREDIT LOSSES FOR FINANCING, ADVANCES AND OTHER FINANCING FOR CIMBISLG (CONTINUED)

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

TABLE 13(C): ANALYSIS OF MOVEMENT IN THE EXPECTED CREDIT LOSSES FOR LOANS, ADVANCES AND FINANCING FOR CIMBIBG

There are no expected credit losses for loans, advances and financing for CIMBIBG as at 31 December 2024 and 31 December 2023.

CAPITAL TREATMENT FOR CREDIT RISK

Details on RWA and capital requirements related to Credit Risk are disclosed separately for CIMBBG, CIMBISLG and CIMBIBG in Tables 2 (a), (b) and (c). Details on the disclosure for portfolios under the SA and the IRB Approach are in the sections that followed.

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA

Credit exposures under SA are mainly exposures where the IRB Approach is not applicable or exposures that will eventually adopt the IRB Approach. Under SA, the regulator prescribes the risk weights for all asset types.

Exposures which are rated externally relate to sovereign and central banks while the unrated exposures relate to personal financing and other exposures. The Group applies external ratings for credit exposures under SA from S&P, Moody's, Fitch, RAM, MARC and R&I. CIMB Group follows the process prescribed under BNM's guidelines on CAF (Basel II – Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets) to map the ratings to the relevant risk weights for computation of regulatory capital.

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA (CONTINUED)

The following tables present the credit exposures by risk weights and after credit risk mitigation:

TABLE 14(A): DISCLOSURE BY RISK WEIGHT UNDER SA FOR CIMBBG

CIMBBG													
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages/ RRE Financing	Higher Risk Assets	Other Assets	Securitisation*	Equity	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk-Weighted Assets
2024													
0%	**108,096,809**	**12,410,286**	**298,514**	**-**	**2,198,527**	**479,852**	**-**	**-**	**13,318,552**	**-**	**-**	**136,802,539**	**-**
6%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
20%	**1,055,868**	**219,000**	**124,056**	**204,012**	**687,694**	**4,554,190**	**-**	**-**	**153,419**	**318,362**	**-**	**7,316,602**	**1,463,320**
35%	**-**	**-**	**-**	**-**	**-**	**-**	**10,870,833**	**-**	**-**		**-**	**10,870,833**	**3,804,792**
50%	**1,797,693**	**115,387**	**2,557,967**	**1,985,960**	**5,430,569**	**7,490,218**	**3,790,696**	**-**	**-**	**-**	**-**	**23,168,489**	**11,584,245**
75%	**-**	**-**	**-**	**-**	**693**	**13,579,527**	**11**	**-**	**1,984,415**		**-**	**15,564,646**	**11,673,484**
100%	**0**	**-**	**0**	**2,298,515**	**23,119,504**	**1,921,024**	**3,160,045**	**-**	**3,439,459**	**-**	**54**	**33,938,601**	**33,938,601**
125%	**-**	**-**	**-**	**-**	**-**	**230,058**	**-**	**-**	**-**		**-**	**230,058**	**287,572**
150%	**-**	**-**	**-**	**-**	**204,412**	**171,877**	**-**	**1,875,930**	**-**	**-**	**-**	**2,252,220**	**3,378,330**
150%< RW < 1250%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1250%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**110,950,370**	**12,744,673**	**2,980,536**	**4,488,486**	**31,641,399**	**28,426,745**	**17,821,586**	**1,875,930**	**18,895,845**	**318,362**	**54**	**230,143,987**	**66,130,344**
Average Risk Weight	**1%**	**1%**	**44%**	**74%**	**83%**	**61%**	**50%**	**150%**	**26%**	**20%**	**100%**	**29%**	
Deduction from Capital Base													
2023													
0%	109,224,964	12,430,043	316,788	-	2,300,770	716,083	-	-	13,495,302	-	-	138,483,951	-
6%	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	400,183	188,508	228,906	376,234	676,965	4,656,636	-	-	111	409,415	-	6,936,958	1,387,392
35%	-	-	-	-	-	-	10,433,425	-	-	-	-	10,433,425	3,651,699
50%	1,168,795	55,038	2,068,092	2,148,592	4,006,300	6,274,532	3,534,164	-	-	-	-	19,255,512	9,627,756
75%	-	-	-	-	993	13,550,185	1,045	-	1,586,264	-	-	15,138,487	11,353,865
100%	51,030	-	0	1,593,951	23,842,186	1,760,243	3,053,649	-	3,487,870	-	60	33,788,990	33,788,990
125%	-	-	-	-	-	128,159	-	-	-	-	-	128,159	160,198
150%	-	-	-	-	437,287	198,409	-	1,719,237	-	-	-	2,354,933	3,532,399
150%< RW < 1250%	-	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	110,844,973	12,673,589	2,613,785	4,118,777	31,264,501	27,284,247	17,022,283	1,719,237	18,569,547	409,415	60	226,520,414	63,502,299
Average Risk Weight	1%	1%	41%	67%	85%	60%	50%	150%	25%	20%	100%	28%	
Deduction from Capital Base													

* *The total includes the portion which is deducted from Capital Base, if any.*

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA (CONTINUED)

TABLE 14(B): DISCLOSURE BY RISK WEIGHT UNDER SA FOR CIMBISLG

CIMBISLG

(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Takaful Operators, Securities Firms & Fund Managers	Corporate	Regulatory Retail	RRE Financing	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk-Weighted Assets
2024												
0%	23,592,171	2,910,286	-	-	190	-	-	-	897	-	26,503,545	-
20%	-	133,213	88	-	220,846	1,589,346	-	-	-	10,274	1,953,767	390,753
35%	-	-	-	-	-	-	45,172	-	-		45,172	15,810
50%	-	115,387	-	-	3,854,379	4,934,044	461,124	-	-	-	9,364,933	4,682,467
75%	-	-	-	-	-	1,124,930	-	-	-		1,124,930	843,698
100%	-	-	-	944	868,397	796,625	6,368	-	174,723	-	1,847,057	1,847,057
100%< RW < 1250%	-	-	-	-	2,661	15,831	-	-	-	-	18,492	27,738
1250%	-	-	-	-	-	-	-	-	-		-	-
Total	23,592,171	3,158,886	88	944	4,946,472	8,460,776	512,664	-	175,620	10,274	40,857,896	7,807,522
Average Risk Weight	-	3%	20%	100%	57%	53%	49%	-	99%	20%	19%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	0	-	
2023												
0%	25,751,378	2,930,043	-	-	-	110	-	-	864	-	28,682,395	-
20%	-	90,892	10	-	91,194	1,483,460	-	-	-	15,354	1,680,911	336,182
35%	-	-	-	-	-	-	29,432	-	-		29,432	10,301
50%	-	55,038	-	-	2,950,081	4,615,465	397,666	-	-	-	8,018,250	4,009,125
75%	-	-	-	-	-	1,188,320	-	-	-		1,188,320	891,240
100%	-	-	-	0	718,104	973,578	15,957	-	245,628	-	1,953,266	1,953,266
100%< RW < 1250%	-	-	-	-	3,451	13,990	-	-	-	-	17,441	26,161
1250%	-	-	-	-	-	-	-	-	-		-	-
Total	25,751,378	3,075,973	10	0	3,762,831	8,274,923	443,055	-	246,492	15,354	41,570,015	7,226,277
Average Risk Weight	-	1%	20%	100%	59%	54%	51%	-	100%	20%	17%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	0	-	

* *The total includes the portion which is deducted from Capital Base, if any.*

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA (CONTINUED)

TABLE 14(C): DISCLOSURE BY RISK WEIGHT UNDER SA FOR CIMBIBG

CIMBIBG												
(RM'000) Risk Weights	Sovereign/ Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporate	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation*	Total Exposures after Netting and Credit Risk Mitigation*	Total Risk-Weighted Assets
2024												
0%	**413,217**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6**	**-**	**413,223**	**-**
20%	**-**	**-**	**100,360**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100,360**	**20,072**
35%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
50%	**-**	**-**	**108,766**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**108,766**	**54,383**
75%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
100%	**-**	**-**	**-**	**-**	**15,859**	**-**	**-**	**-**	**49,372**	**-**	**65,231**	**65,231**
100%<RW < 1250%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1250%	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**413,217**	**-**	**209,126**	**-**	**15,859**	**-**	**-**	**-**	**49,378**	**-**	**687,580**	**139,686**
Average Risk Weight	**-**	**-**	**36%**	**-**	**100%**	**-**	**-**	**-**	**100%**	**-**	**20%**	
Deduction from Capital Base	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
2023												
0%	451,626	-	-	-	-	-	-	-	16	-	451,642	-
20%	-	-	118,967	-	-	-	-	-	-	-	118,967	23,793
35%	-	-	-	-	-	-	-	-	-		-	-
50%	-	-	38,814	-	-	-	-	-	-	-	38,814	19,407
75%	-	-	-	-	-	-	-	-	-		-	-
100%	-	-	-	-	16,139	-	-	-	35,240	-	51,379	51,379
100%<RW < 1250%	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	-	-	-	-	-	-	-	-
Total	451,626	-	157,782	-	16,139	-	-	-	35,256	-	660,803	94,580
Average Risk Weight	-	-	27%	-	100%	-	-	-	100%	-	14%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	

* *The total includes the portion which is deducted from Capital Base, if any.*

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA (CONTINUED)

The following tables present the non-retail credit exposures before the effect of credit risk mitigation, according to ratings by ECAIs:

TABLE 15(A): DISCLOSURES OF RATED AND UNRATED NON-RETAIL EXPOSURES UNDER SA ACCORDING TO RATINGS BY ECAIS FOR CIMBBG

(RM'000) Exposure Class	CIMBBG Investment Grade	Non-Investment Grade	No Rating	Total
2024				
On and Off-Balance-Sheet Exposures				
Public Sector Entities	**–**	**–**	**12,744,726**	**12,744,726**
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	**2,787,687**	**–**	**2,469,507**	**5,257,195**
Corporate	**459,738**	**115,884**	**36,292,229**	**36,867,850**
Sovereign/Central Banks	**92,100,447**	**–**	**18,943,063**	**111,043,510**
Banks, MDBs and DFIs	**1,634,834**	**–**	**1,345,702**	**2,980,536**
Total	**96,982,706**	**115,884**	**71,795,228**	**168,893,818**
2023				
On and Off-Balance-Sheet Exposures				
Public Sector Entities	–	–	12,673,652	12,673,652
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	3,002,593	–	1,975,851	4,978,444
Corporate	571,640	128,418	35,504,647	36,204,706
Sovereign/Central Banks	92,335,764	–	18,509,208	110,844,973
Banks, MDBs and DFIs	1,751,595	–	862,190	2,613,785
Total	97,661,593	128,418	69,525,548	167,315,560

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA (CONTINUED)

TABLE 15(B): DISCLOSURES OF RATED AND UNRATED NON-RETAIL EXPOSURES UNDER SA ACCORDING TO RATINGS BY ECAIS FOR CIMBISLG

	CIMBISLG			
(RM'000) Exposure Class	**Investment Grade**	**Non-Investment Grade**	**No Rating**	**Total**
2024				
On and Off-Balance-Sheet Exposures				
Public Sector Entities	**–**	**–**	**3,158,886**	**3,158,886**
Takaful Operators, Securities Firms & Fund Managers	**–**	**–**	**944**	**944**
Corporate	**10**	**5,153**	**5,082,001**	**5,087,165**
Sovereign/Central Banks	**21,360,412**	**–**	**2,231,759**	**23,592,171**
Banks, MDBs and DFIs	**88**	**–**	**–**	**88**
Total	**21,360,511**	**5,153**	**10,473,590**	**31,839,255**
2023				
On and Off-Balance-Sheet Exposures				
Public Sector Entities	–	–	3,075,973	3,075,973
Takaful Operators, Securities Firms & Fund Managers	–	–	0	0
Corporate	1	–	3,818,275	3,818,276
Sovereign/Central Banks	23,558,212	–	2,193,166	25,751,378
Banks, MDBs and DFIs	10	–	–	10
Total	23,558,223	–	9,087,414	32,645,637

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA (CONTINUED)

TABLE 15(C): DISCLOSURES OF RATED AND UNRATED NON-RETAIL EXPOSURES UNDER SA ACCORDING TO RATINGS BY ECAIS FOR CIMBIBG

	CIMBIBG			
(RM'000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
2024				
On and Off-Balance-Sheet Exposures				
Public Sector Entities	**–**	**–**	**–**	**–**
Insurance Cos, Securities Firms & Fund Managers	**–**	**–**	**–**	**–**
Corporate	**–**	**–**	**15,859**	**15,859**
Sovereign/Central Banks	**392,564**	**–**	**20,653**	**413,217**
Banks, MDBs and DFIs	**123,461**	**–**	**85,665**	**209,126**
Total	**516,025**	**–**	**122,178**	**638,202**
2023				
On and Off-Balance-Sheet Exposures				
Public Sector Entities	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–
Corporate	–	–	16,139	16,139
Sovereign/Central Banks	430,952	–	20,674	451,626
Banks, MDBs and DFIs	54,652	–	103,129	157,782
Total	485,605	–	139,942	625,547

TABLE 16(A): DISCLOSURES OF SECURITISATION UNDER SA ACCORDING TO RATINGS BY ECAIS FOR CIMBBG

	CIMBBG			
(RM'000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
2024				
On and Off-Balance-Sheet Exposures				
Securitisation	**318,362**	**–**	**–**	**318,362**
2023				
On and Off-Balance-Sheet Exposures				
Securitisation	409,415	–	–	409,415

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE SA (CONTINUED)

TABLE 16(B): DISCLOSURES OF SECURITISATION UNDER SA ACCORDING TO RATINGS BY ECAIS FOR CIMBISLG

	CIMBISLG			
(RM'000) Exposure Class	Investment Grade	Non-Investment Grade	No Rating	Total
2024				
On and Off-Balance-Sheet Exposures				
Securitisation	**10,274**	**–**	**–**	**10,274**
2023				
On and Off-Balance-Sheet Exposures				
Securitisation	15,354	–	–	15,354

As at 31 December 2024 and 31 December 2023, there is no Securitisation under SA according to Ratings by ECAIs for CIMBIBG.

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH

CIMBBG and CIMBISLG adopt the A-IRB Approach for its retail exposures and F-IRB Approach for its non-retail exposures. The IRB Approach allows CIMBBG and CIMBISLG to adopt various rating systems to measure its credit risk for both retail and non-retail exposures. The internal risk rating systems are used not only for regulatory capital purposes, but also for credit approval and risk management reporting.

For retail exposures, application scorecards are integral to the credit approval process. Credit officers use scorecard outputs in the determination of approval of a credit application. Behavioural scorecards are used to determine the future conduct of the account for collection and portfolio management purposes.

For non-retail exposures, internal ratings are used to assist approving committees in making informed decisions for credit applications.

Models used in internal rating systems are subject to strict governance and controls. Models are developed and maintained by Group Risk with input from business units and Credit Risk CoE to ensure that relevant material risks are captured. Models are also subject to Model Risk Management Working Group deliberation followed by internal model governance prior to implementation. Post-implementation, models are subject to regular performance monitoring to ensure that they continue to perform as expected and associated risk parameters remain appropriate.

New models are assessed by the Validation Team, which is independent from the development team, to ensure robustness of the model development process, completeness of the documentation, and accuracy of the risk estimates. The validation exercise also ensures that the models meet regulatory standards. Existing models are assessed on an annual basis by the validation team to ensure that the models continue to be appropriate and the risk estimates continue to be accurate.

RETAIL EXPOSURES

Retail exposures is a portfolio large in numbers and are similarly managed due to its homogeneous characteristics. This applies to both exposures to individuals as well as exposures to small businesses which are managed on a pooled basis. The exposure of a single retail facility is typically low and usually referred to as program lending/financing.

Retail exposures covered under the A-IRB Approach include Credit Cards, Auto Financing, Xpress Cash Financing-i, Residential Mortgages, Business Premises Loans/Financing and ASB Financing. The PDs of these exposures are typically estimated from the outputs of application scorecards for new customers and behavioural scorecards for existing customers. The models deployed for retail portfolios include application, behavioural, PD, LGD and EAD segmentation models.

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

RETAIL EXPOSURES (CONTINUED)

A) PD, LGD AND EAD SEGMENTATION MODELS FOR RETAIL EXPOSURES

The risk estimates are generally developed based on internal historical data and complies with BNM guidelines on CAF (Basel II - Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets). However, in instances of insufficient historical data, the respective model risk estimate is developed based on expert judgment or available industry data with margin of conservatism.

PD Calibration

- PD is defined as the probability of a borrower/customer defaulting within a one-year time horizon.
- PD estimated for each pool must be representative of the long term average. In the event the internal historical data is not sufficient to cover an economic cycle, appropriate adjustment (via Cycle Scaling Factor) will be incorporated based on proxy data which are relevant and of longer history to derive the long term average PD, which is normally referred to as "Central Tendency".

EAD Estimation

- EAD represents the expected level of usage of the facility when default occurs.
- The EAD for retail exposures is generally based on the respective portfolio's summed outstanding exposure including any undrawn balances, and for revolving exposures such as credit cards the EAD estimation includes the estimated net additional drawings over the next 12 months.

LGD Estimation

- LGD is the estimated amount of loss expected if a loan/financing defaults, calculated as a percentage of EAD. The value depends on the collateral (if any) and other factors such as internal, external, direct and indirect costs associated with recoveries.
- LGD for retail exposures is estimated based on historical internal data and the following sources of recoveries are incorporated into the estimation:
  (i) Regularisation of defaulted accounts.
  (ii) Sale proceeds from collaterals.
  (iii) Cash receipts from borrowers/customers.

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

RETAIL EXPOSURES (CONTINUED)

The following tables summarise the retail credit exposures measured under A-IRB Approach as at 31 December 2024 and 31 December 2023:

TABLE 17(A): RETAIL CREDIT EXPOSURES BY PD BAND FOR CIMBBG

	CIMBBG			
(RM'000) **PD Range of Retail Exposures**	**0% ≤ PD < 2%**	**2% ≤ PD < 100%**	**100% or Default**	**Total**
2024				
Total Retail Exposure	**156,897,245**	**55,998,518**	**3,949,045**	**216,844,809**
Residential Mortgage/RRE Financing	**104,996,389**	**13,095,651**	**2,778,101**	**120,870,141**
QRRE	**10,501,822**	**4,449,639**	**173,288**	**15,124,749**
Hire Purchase	**7,769,272**	**17,317,795**	**316,185**	**25,403,252**
Other Retail	**33,629,762**	**21,135,433**	**681,472**	**55,446,666**
Exposure Weighted Average LGD				
Residential Mortgage/RRE Financing	**20%**	**24%**	**34%**	
QRRE	**89%**	**89%**	**89%**	
Hire Purchase	**44%**	**57%**	**55%**	
Other Retail	**22%**	**21%**	**40%**	
Exposure Weighted Average Risk Weight				
Residential Mortgage/RRE Financing	**11%**	**87%**	**207%**	
QRRE	**19%**	**119%**	**471%**	
Hire Purchase	**52%**	**89%**	**321%**	
Other Retail	**17%**	**35%**	**150%**	
2023				
Total Retail Exposure	152,595,939	56,813,500	4,976,916	214,386,356
Residential Mortgage/RRE Financing	100,804,640	11,521,505	3,584,922	115,911,067
QRRE	9,975,600	4,267,053	162,879	14,405,532
Hire Purchase	6,383,894	16,898,699	330,261	23,612,853
Other Retail	35,431,805	24,126,244	898,855	60,456,904
Exposure Weighted Average LGD				
Residential Mortgage/RRE Financing	20%	24%	33%	
QRRE	89%	89%	89%	
Hire Purchase	44%	58%	56%	
Other Retail	23%	20%	37%	
Exposure Weighted Average Risk Weight				
Residential Mortgage/RRE Financing	11%	88%	281%	
QRRE	19%	120%	505%	
Hire Purchase	52%	91%	352%	
Other Retail	18%	34%	168%	

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

RETAIL EXPOSURES (CONTINUED)

TABLE 17(B): RETAIL CREDIT EXPOSURES BY PD BAND FOR CIMBISLG

	CIMBISLG			
(RM'000) PD Range of Retail Exposures	0% ≤ PD < 2%	2% ≤ PD < 100%	100% or Default	Total
2024				
Total Retail Exposure	**62,819,997**	**35,327,899**	**1,831,919**	**99,979,816**
RRE Financing	**42,881,473**	**6,712,854**	**1,373,597**	**50,967,923**
QRRE	**665,660**	**448,817**	**11,089**	**1,125,566**
Hire Purchase	**5,280,818**	**14,307,709**	**237,203**	**19,825,730**
Other Retail	**13,992,047**	**13,858,519**	**210,031**	**28,060,597**
Exposure Weighted Average LGD				
RRE Financing	**22%**	**25%**	**36%**	
QRRE	**90%**	**90%**	**90%**	
Hire Purchase	**44%**	**58%**	**56%**	
Other Retail	**24%**	**12%**	**40%**	
Exposure Weighted Average Risk Weight				
RRE Financing	**12%**	**93%**	**226%**	
QRRE	**21%**	**113%**	**528%**	
Hire Purchase	**52%**	**89%**	**338%**	
Other Retail	**21%**	**18%**	**207%**	
2023				
Total Retail Exposure	57,023,192	35,172,700	2,236,645	94,432,537
RRE Financing	36,977,686	5,388,525	1,746,810	44,113,021
QRRE	336,659	255,524	5,813	597,995
Hire Purchase	4,255,872	13,572,537	232,610	18,061,019
Other Retail	15,452,976	15,956,115	251,412	31,660,503
Exposure Weighted Average LGD				
RRE Financing	22%	26%	36%	
QRRE	90%	90%	90%	
Hire Purchase	44%	59%	58%	
Other Retail	25%	12%	41%	
Exposure Weighted Average Risk Weight				
RRE Financing	13%	95%	307%	
QRRE	22%	110%	667%	
Hire Purchase	52%	91%	384%	
Other Retail	23%	19%	245%	

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

RETAIL EXPOSURES (CONTINUED)

TABLE 18(A): RETAIL EXPOSURES UNDER THE IRB APPROACH BY EXPECTED LOSS RANGE FOR CIMBBG

	CIMBBG			
(RM'000) EL Range of Retail Exposures	EL ≤ 1%	1% < EL < 100%	EL = 100%	Total
2024				
Total Retail Exposure	**180,639,753**	**36,087,605**	**117,451**	**216,844,809**
Residential Mortgage/RRE Financing	**112,961,735**	**7,883,694**	**24,712**	**120,870,141**
QRRE	**10,338,790**	**4,783,073**	**2,886**	**15,124,749**
Hire Purchase	**10,593,591**	**14,786,742**	**22,919**	**25,403,252**
Other Retail	**46,745,637**	**8,634,096**	**66,933**	**55,446,666**
Exposure Weighted Average LGD				
Residential Mortgage/RRE Financing	**20%**	**29%**	**40%**	
QRRE	**89%**	**89%**	**90%**	
Hire Purchase	**42%**	**61%**	**55%**	
Other Retail	**19%**	**40%**	**65%**	
2023				
Total Retail Exposure	177,272,635	37,039,514	74,208	214,386,356
Residential Mortgage/RRE Financing	108,143,186	7,759,753	8,129	115,911,067
QRRE	9,761,054	4,641,749	2,729	14,405,532
Hire Purchase	9,188,204	14,405,652	18,997	23,612,853
Other Retail	50,180,191	10,232,361	44,353	60,456,904
Exposure Weighted Average LGD				
Residential Mortgage/RRE Financing	20%	30%	36%	
QRRE	89%	89%	90%	
Hire Purchase	42%	62%	51%	
Other Retail	19%	38%	74%	

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

RETAIL EXPOSURES (CONTINUED)

TABLE 18(B): RETAIL EXPOSURES UNDER THE IRB APPROACH BY EXPECTED LOSS RANGE FOR CIMBISLG

	CIMBISLG			
(RM'000) **EL Range of Retail Exposures**	**EL ≤ 1%**	**1% < EL < 100%**	**EL = 100%**	**Total**
2024				
Total Retail Exposure	**79,616,164**	**20,323,619**	**40,033**	**99,979,816**
RRE Financing	**46,931,501**	**4,029,462**	**6,960**	**50,967,923**
QRRE	**589,371**	**536,180**	**14**	**1,125,566**
Hire Purchase	**7,348,136**	**12,462,328**	**15,266**	**19,825,730**
Other Retail	**24,747,156**	**3,295,648**	**17,792**	**28,060,597**
Exposure Weighted Average LGD				
RRE Financing	**22%**	**31%**	**41%**	
QRRE	**90%**	**90%**	**90%**	
Hire Purchase	**42%**	**62%**	**57%**	
Other Retail	**17%**	**25%**	**67%**	
2023				
Total Retail Exposure	74,300,406	20,101,262	30,869	94,432,537
RRE Financing	40,332,401	3,778,402	2,218	44,113,021
QRRE	290,887	307,107	–	597,995
Hire Purchase	6,183,672	11,866,265	11,082	18,061,019
Other Retail	27,493,445	4,149,488	17,569	31,660,503
Exposure Weighted Average LGD				
RRE Financing	23%	33%	36%	
QRRE	90%	90%	–	
Hire Purchase	42%	63%	55%	
Other Retail	17%	25%	60%	

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

NON-RETAIL EXPOSURES

Non-retail exposures covered under the F-IRB Approach include corporates (Specialised Lending/Financing uses supervisory slotting criteria), SMEs and banks. The PDs of these exposures are estimated from internal ratings assigned across a spectrum of risk levels on a master scale. Each internal rating has a corresponding 1-year average PD and a likely corresponding regulatory loan/financing classification. The LGDs of these exposures are assigned as per the CAF (Basel II - Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets); that is an LGD of 45% for senior exposures and 75% for subordinated exposures, with appropriate adjustments for eligible collateral.

The process by which an internal rating is assigned to an obligor is governed by the Group Credit Risk Rating Methodology. Firstly, a risk model uses a weighted combination of quantitative and qualitative risk factors to generate an initial rating. The quantitative risk factors and weights are derived through statistical techniques and the qualitative risk factors and weights are derived through deliberation with credit experts. The initial rating may subsequently be upgraded or downgraded based on a predefined set of criteria, such as quality of financial statements and support from a parent entity. Finally, an approving authority deliberates before deciding on a final rating. If a facility is guaranteed by one or more corporate guarantors, then the framework recognises the credit risk mitigation by substituting the obligor rating with the corporate guarantor's rating.

The following tables summarise the Group's non-retail credit exposures measured under F-IRB Approach as at 31 December 2024 and 31 December 2023:

TABLE 19(A): CREDIT EXPOSURES SUBJECT TO SUPERVISORY RISK WEIGHT UNDER IRB APPROACH FOR CIMBBG

(RM'000)			CIMBBG			
Supervisory Categories	Strong	Good	Satisfactory	Weak	Default	Total
2024						
Project Finance	**816,036**	**6,248,080**	**96,140**	**176**	**–**	**7,160,433**
Object Finance	**–**	**–**	**–**	**–**	**–**	**–**
Commodities Finance	**–**	**–**	**–**	**–**	**–**	**–**
Income Producing Real Estate	**3,167,898**	**10,825,543**	**669,016**	**824,229**	**98,022**	**15,584,709**
RWA	**2,152,267**	**12,412,090**	**789,667**	**2,061,012**	**–**	**17,415,037**
2023						
Project Finance	845,775	6,179,891	131,361	788	–	7,157,816
Object Finance	–	–	–	–	–	–
Commodities Finance	–	–	–	–	–	–
Income Producing Real Estate	1,772,868	9,778,940	1,124,791	919,425	145,180	13,741,203
RWA	1,346,013	11,142,148	1,322,231	2,300,533	–	16,110,926

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

NON-RETAIL EXPOSURES (CONTINUED)

TABLE 19(B): CREDIT EXPOSURES SUBJECT TO SUPERVISORY RISK WEIGHT UNDER IRB APPROACH FOR CIMBISLG

(RM'000) Supervisory Categories	CIMBISLG					
	Strong	Good	Satisfactory	Weak	Default	Total
2024						
Project Finance	**210,043**	**370,882**	**78,489**	**176**	**–**	**659,591**
Object Finance	**–**	**–**	**–**	**–**	**–**	**–**
Commodities Finance	**–**	**–**	**–**	**–**	**–**	**–**
Income Producing Real Estate	**588,543**	**2,141,870**	**102,719**	**188,487**	**0**	**3,021,619**
RWA	**401,803**	**1,991,156**	**118,126**	**471,659**	**–**	**2,982,744**
2023						
Project Finance	214,348	442,397	106,386	455	–	763,586
Object Finance	–	–	–	–	–	–
Commodities Finance	–	–	–	–	–	–
Income Producing Real Estate	447,858	1,983,625	104,801	183,458	0	2,719,743
RWA	367,794	1,912,515	120,521	459,783	–	2,860,614

CIMBBG and CIMBISLG have no exposure to High Volatility Commercial Real Estate and Equities under the Supervisory Slotting Criteria.

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

NON-RETAIL EXPOSURES (CONTINUED)

TABLE 20(A): NON-RETAIL EXPOSURES UNDER IRB APPROACH BY RISK GRADES FOR CIMBBG

	CIMBBG				
(RM'000) **Internal Risk Grading**	**1 – 7**	**8 – 15**	**16 – 25**	**Default**	**Total**
2024					
Total Non-Retail Exposure	**63,891,745**	**92,434,124**	**26,987,031**	**4,047,804**	**187,360,704**
Sovereign/Central Banks	**–**	**–**	**–**	**–**	**–**
Bank	**32,141,162**	**13,549,627**	**467,443**	**175**	**46,158,407**
Corporate (excluding Specialised Lending/Financing)	**31,750,582**	**78,884,497**	**26,519,588**	**4,047,629**	**141,202,296**
Exposure Weighted Average LGD					
Sovereign/Central Banks	**–**	**–**	**–**	**–**	
Bank	**43%**	**44%**	**45%**	**45%**	
Corporate (excluding Specialised Lending/Financing)	**44%**	**40%**	**36%**	**43%**	
Exposure Weighted Average Risk Weight					
Sovereign/Central Banks	**–**	**–**	**–**	**–**	
Bank	**15%**	**34%**	**134%**	**–**	
Corporate (excluding Specialised Lending/Financing)	**20%**	**60%**	**106%**	**–**	
2023					
Total Non-Retail Exposure	59,159,844	87,139,186	29,357,626	4,090,366	179,747,022
Sovereign/Central Banks	–	–	–	–	–
Bank	27,249,807	11,952,949	38,219	17	39,240,991
Corporate (excluding Specialised Lending/Financing)	31,910,037	75,186,237	29,319,407	4,090,349	140,506,030
Exposure Weighted Average LGD					
Sovereign/Central Banks	–	–	–	–	
Bank	43%	44%	44%	45%	
Corporate (excluding Specialised Lending/Financing)	44%	39%	36%	43%	
Exposure Weighted Average Risk Weight					
Sovereign/Central Banks	–	–	–	–	
Bank	15%	27%	136%	–	
Corporate (excluding Specialised Lending/Financing)	19%	64%	103%	–	

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

NON-RETAIL EXPOSURES (CONTINUED)

TABLE 20(B): NON-RETAIL EXPOSURES UNDER IRB APPROACH BY RISK GRADES FOR CIMBISLG

	CIMBISLG				
(RM'000) Internal Risk Grading	1 – 7	8 – 15	16 – 25	Default	Total
2024					
Total Non-Retail Exposure	**9,411,074**	**17,151,773**	**9,924,605**	**999,693**	**37,487,144**
Bank	**3,702,733**	**1,022,058**	**–**	**23**	**4,724,813**
Corporate (excluding Specialised Financing)	**5,708,341**	**16,129,715**	**9,924,605**	**999,670**	**32,762,331**
Exposure Weighted Average LGD					
Bank	**41%**	**45%**	**–**	**45%**	
Corporate (excluding Specialised Financing)	**44%**	**41%**	**38%**	**43%**	
Exposure Weighted Average Risk Weight					
Bank	**16%**	**20%**	**207%**	**0%**	
Corporate (excluding Specialised Financing)	**10%**	**68%**	**111%**	**0%**	
2023					
Total Non-Retail Exposure	8,533,267	16,547,568	8,066,929	934,559	34,082,323
Bank	1,956,575	874,777	27	1	2,831,380
Corporate (excluding Specialised Financing)	6,576,692	15,672,791	8,066,902	934,558	31,250,943
Exposure Weighted Average LGD					
Bank	45%	45%	45%	45%	
Corporate (excluding Specialised Financing)	45%	41%	38%	43%	
Exposure Weighted Average Risk Weight					
Bank	16%	20%	207%	0%	
Corporate (excluding Specialised Financing)	10%	68%	111%	0%	

Credit Risk

CREDIT RISK – DISCLOSURE FOR PORTFOLIOS UNDER THE IRB APPROACH (CONTINUED)

EXPECTED LOSSES VERSUS ACTUAL LOSSES BY PORTFOLIO TYPES

The following table summarises the expected losses versus actual losses by portfolio type:

TABLE 21(A): ANALYSIS OF EXPECTED LOSS VERSUS ACTUAL LOSSES BY PORTFOLIO TYPES FOR CIMBBG

	CIMBBG			
	2024		2023	
(RM'000) Exposure Class	Regulatory Expected Losses as at 31 December 2023	Actual Losses for the year ended 31 December 2024	Regulatory Expected Losses as at 31 December 2022	Actual Losses for the year ended 31 December 2023
Sovereign	–	–	–	–
Bank	20,039	0	18,583	0
Corporate	903,640	101,436	905,273	224,846
Mortgage/RRE Financing	468,198	623,479	508,869	243,740
HPE	851,119	198,893	592,766	235,779
QRRE	365,644	92,943	311,047	117,269
Other Retail	310,466	98,763	357,882	120,286
Total	**2,919,107**	**1,115,513**	2,694,421	941,920

TABLE 21(B): ANALYSIS OF EXPECTED LOSS VERSUS ACTUAL LOSSES BY PORTFOLIO TYPES FOR CIMBISLG

	CIMBISLG			
	2024		2023	
(RM'000) Exposure Class	Regulatory Expected Losses as at 31 December 2023	Actual Losses for the year ended 31 December 2024	Regulatory Expected Losses as at 31 December 2022	Actual Losses for the year ended 31 December 2023
Sovereign	–	–	–	–
Bank	1,240	–	702	–
Corporate	215,169	19,923	180,505	85,082
RRE Financing	217,770	319,964	215,066	112,952
HPE	483,252	148,365	336,028	156,572
QRRE	17,078	7,911	9,499	4,877
Other Retail	198,863	48,012	219,385	56,390
Total	**1,133,371**	**544,175**	961,185	415,873

Actual loss refers to impairment provisions and direct write-offs, if any during the year.

On the other hand, EL measures the loss expected from non-defaulted exposures at the start of the year. It is computed based on the risk parameters of the adopted IRB Approach. While a comparison of actual losses and EL provides some insight of the predictive power of the IRB Approach models used by the Group, the two metrics are not directly comparable due to the differences in methodology.

OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK (CCR)

Off-Balance Sheet exposures are exposures such as derivatives, trade facilities and undrawn commitments. The Group adopts the Current Exposure method to compute the capital requirement for CCR under BNM's guidelines on CAF (Basel II - Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets).

I) CREDIT RISK MITIGATION

For credit derivatives and swaps transactions, the Group enters into master agreement with counterparties, whenever possible. Further, the Group may also enter into CSA with counterparties. The net credit exposure with each counterparty is monitored based on the threshold agreed in the master agreement and the Group may request for additional margin for any exposures above the agreed threshold, in accordance with the terms specified in the relevant CSA or the master agreement. The eligibility of collaterals and frequency calls are negotiated with the counterparty and endorsed by GCC or the relevant credit approving authority.

II) TREATMENT OF RATING DOWNGRADE

In the event of a one-notch downgrade of rating, based on the terms of the existing Credit Support Annexes, International Swaps and Derivatives Association Agreement and exposure as at 31 December 2024 and 31 December 2023 there was no requirement for additional collateral to be posted.

On the other hand, counterparty rating is being monitored and in the event of a rating downgrade, remedial actions such as revision of the counterparty credit limit, suspension of the limit or the request for additional collateral may be taken.

The following tables disclose the Off-Balance Sheet exposures and CCR as at 31 December 2024 and 31 December 2023:

TABLE 22(A): DISCLOSURE ON OFF-BALANCE SHEET EXPOSURES AND CCR FOR CIMBBG

2024	**CIMBBG**			
(RM'000) Description	**Principal Amount**	**Positive Fair Value of Derivative Contracts**	**Credit Equivalent Amount**	**Risk-Weighted Assets**
Direct Credit Substitutes	**4,083,395**		**4,083,395**	**2,064,559**
Transaction Related Contingent Items	**6,299,494**		**3,149,747**	**1,977,328**
Short Term Self Liquidating Trade Related Contingencies	**3,614,188**		**722,838**	**230,697**
Assets Sold With Recourse	**–**			**–**
Forward Asset Purchases	**–**			**–**
Obligations under an On-going Underwriting Agreement	**–**		**–**	**–**
Lending/Financing of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/ borrowing transactions)/Commitments to buy back Islamic securities under Sales and Buy Back Agreement	**4,069,540**		**4,069,569**	**242,993**
Foreign Exchange Related Contracts				
One year or less	**38,122,687**	**324,268**	**771,769**	**376,804**
Over one year to five years	**387,258**	**2,896**	**28,185**	**31,743**
Over five years	**–**	**–**	**–**	**–**
Interest/Profit Rate Related Contracts				
One year or less	**4,231,532**	**3,845**	**18,131**	**12,737**
Over one year to five years	**12,370,141**	**51,476**	**405,140**	**226,806**
Over five years	**949,973**	**7,798**	**81,650**	**59,195**

Credit Risk

OFF-BALANCE SHEET EXPOSURES AND CCR (CONTINUED)

TABLE 22(A): DISCLOSURE ON OFF-BALANCE SHEET EXPOSURES AND CCR FOR CIMBBG (CONTINUED)

2024	CIMBBG			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Equity Related Contracts				
One year or less	122,052	799	8,122	7,287
Over one year to five years	673,479	1,354	55,233	58,185
Over five years	–	–	–	–
Commodity Contracts				
One year or less	2,272	369	596	579
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Credit Derivative Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	1,661,367,011	4,229,257	22,039,329	6,499,070
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	42,292,309		36,246,711	13,248,282
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	330,282		66,056	52,569
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's/customer's creditworthiness	125,914,780		–	–
Unutilised credit card lines	26,789,202		7,599,262	2,052,962
Off-balance sheet items for securitisation exposures	–		–	–
Off-balance sheet exposures due to early amortisation provisions	–		–	–
Total	**1,931,619,597**	**4,622,063**	**79,345,734**	**27,141,795**

OFF-BALANCE SHEET EXPOSURES AND CCR (CONTINUED)

TABLE 22(A): DISCLOSURE ON OFF-BALANCE SHEET EXPOSURES AND CCR FOR CIMBBG (CONTINUED)

2023	CIMBBG			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	4,604,042		4,604,042	2,097,827
Transaction Related Contingent Items	6,157,807		3,078,904	1,771,725
Short Term Self Liquidating Trade Related Contingencies	2,417,386		483,477	121,279
Assets Sold With Recourse	–		–	–
Forward Asset Purchases	–		–	–
Obligations under an On-going Underwriting Agreement	–		–	–
Lending/Financing of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)/Commitments to buy back Islamic securities under Sales and Buy Back Agreement	4,315,886		4,315,973	196,882
Foreign Exchange Related Contracts				
One year or less	33,975,860	226,916	633,155	439,652
Over one year to five years	850,170	1,566	53,188	49,134
Over five years	–	–	–	–
Interest/Profit Rate Related Contracts				
One year or less	3,593,267	13,977	22,072	17,509
Over one year to five years	7,615,472	69,952	349,342	215,308
Over five years	1,123,547	12,204	103,250	88,459
Equity Related Contracts				
One year or less	421,781	16,126	41,432	39,626
Over one year to five years	237,101	16,110	35,078	43,731
Over five years	–	–	–	–
Commodity Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Credit Derivative Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	1,399,585,404	3,944,810	18,866,644	6,244,523
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	44,934,922		39,083,202	13,258,228
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	345,810		69,162	54,621
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's/customer's creditworthiness	120,302,942		–	–
Unutilised credit card lines	26,444,018		7,288,957	2,048,502
Off-balance sheet items for securitisation exposures	–		–	–
Off-balance sheet exposures due to early amortisation provisions	–		–	–
Total	1,656,925,416	4,301,658	79,027,877	26,687,005

Credit Risk

OFF-BALANCE SHEET EXPOSURES AND CCR (CONTINUED)

TABLE 22(B): DISCLOSURE ON OFF-BALANCE SHEET EXPOSURES AND CCR FOR CIMBISLG

2024	CIMBISLG			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	650,649		650,649	418,722
Transaction Related Contingent Items	1,252,135		626,067	334,314
Short Term Self Liquidating Trade Related Contingencies	148,950		29,790	17,205
Assets Sold With Recourse	–		–	–
Forward Asset Purchases	–		–	–
Obligations under an On-going Underwriting Agreement	–		–	–
Commitments to buy back Islamic securities under Sales and Buy Back agreement	174,957		174,957	28,173
Foreign Exchange Related Contracts				
One year or less	2,562,038	57,397	91,324	60,222
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Profit Rate Related Contracts				
One year or less	1,344	2	23	33
Over one year to five years	1,517,618	2,882	33,145	16,401
Over five years	111,894	1,493	7,088	4,490
Commodity contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	59,363,346	176,150	1,143,731	282,875
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	15,018,742		12,967,234	4,582,757
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	–		–	–
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	15,719,257		–	–
Unutilised credit card lines	1,178,219		570,892	230,706
Off-balance sheet items for securitisation exposures	–		–	–
Total	**97,699,149**	**237,924**	**16,294,901**	**5,975,899**

OFF-BALANCE SHEET EXPOSURES AND CCR (CONTINUED)

TABLE 22(B): DISCLOSURE ON OFF-BALANCE SHEET EXPOSURES AND CCR FOR CIMBISLG (CONTINUED)

2023	**CIMBISLG**			
(RM'000) Description	**Principal Amount**	**Positive Fair Value of Derivative Contracts**	**Credit Equivalent Amount**	**Risk-Weighted Assets**
Direct Credit Substitutes	511,711		511,711	312,465
Transaction Related Contingent Items	1,052,036		526,018	293,056
Short Term Self Liquidating Trade Related Contingencies	111,852		22,370	11,589
Assets Sold With Recourse	–		–	–
Forward Asset Purchases	–		–	–
Obligations under an On-going Underwriting Agreement	–		–	–
Commitments to buy back Islamic securities under Sales and Buy Back agreement	66,585		66,585	11,659
Foreign Exchange Related Contracts				
One year or less	2,373,156	10,809	35,727	39,048
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Profit Rate Related Contracts				
One year or less	324,151	2,029	2,431	1,381
Over one year to five years	1,065,212	2,972	34,624	19,152
Over five years	125,233	5,036	12,445	8,108
Commodity contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	35,115,307	79,195	484,123	125,951
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	18,207,192		16,130,824	5,516,238
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	–		–	–
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	13,506,131		–	–
Unutilised credit card lines	649,190		297,489	123,773
Off-balance sheet items for securitisation exposures	–		–	–
Total	73,107,757	100,041	18,124,348	6,462,420

Credit Risk

OFF-BALANCE SHEET EXPOSURES AND CCR (CONTINUED)

TABLE 22(C): DISCLOSURE ON OFF-BALANCE SHEET EXPOSURES AND CCR FOR CIMBIBG

2024	CIMBIBG			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	–		–	–
Transaction Related Contingent Items	–		–	–
Short Term Self Liquidating Trade Related Contingencies	–		–	–
Assets Sold With Recourse	–		–	–
Forward Asset Purchases	–		–	–
Obligations under an On-going Underwriting Agreement	–		–	–
Lending/Financing of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/ reverse repurchase and securities lending/borrowing transactions)	–		–	–
Foreign Exchange Related Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Commodity Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Credit Derivative Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	–	–	–	–
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	–		–	–
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	–		–	–
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	–		–	–
Unutilised credit card lines	–		–	–
Off-balance sheet items for securitisation exposures	–		–	–
Off-balance sheet exposures due to early amortisation provisions	–		–	–
Total	–	–	–	–

OFF-BALANCE SHEET EXPOSURES AND CCR (CONTINUED)

TABLE 22(C): DISCLOSURE ON OFF-BALANCE SHEET EXPOSURES AND CCR FOR CIMBIBG (CONTINUED)

2023	CIMBIBG			
(RM'000) Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes	–		–	–
Transaction Related Contingent Items	–		–	–
Short Term Self Liquidating Trade Related Contingencies	–		–	–
Assets Sold With Recourse	–		–	–
Forward Asset Purchases	–		–	–
Obligations under an On-going Underwriting Agreement	87,500		43,750	43,750
Lending/Financing of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/ reverse repurchase and securities lending/borrowing transactions)	–		–	–
Foreign Exchange Related Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Commodity Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
Credit Derivative Contracts				
One year or less	–	–	–	–
Over one year to five years	–	–	–	–
Over five years	–	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	–	–	–	–
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	–		–	–
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	–		–	–
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	–		–	–
Unutilised credit card lines	–		–	–
Off-balance sheet items for securitisation exposures	–		–	–
Off-balance sheet exposures due to early amortisation provisions	–		–	–
Total	87,500	–	43,750	43,750

Credit Risk

OFF-BALANCE SHEET EXPOSURES AND CCR (CONTINUED)

The tables below show the credit derivative transactions that create exposures to CCR (notional value) segregated between own use and client intermediation activities:

TABLE 23(A): DISCLOSURE ON CREDIT DERIVATIVE TRANSACTIONS FOR CIMBBG

	CIMBBG			
	2024		2023	
	Notional of Credit Derivatives			
(RM'000)	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	**118,888**	**1,381,187**	266,981	1,388,509
Client Intermediation Activities	**–**	**–**	–	–
Total	**118,888**	**1,381,187**	266,981	1,388,509
Credit Default Swaps	**118,888**	**1,381,187**	266,981	1,388,509
Total Return Swaps	–	–	–	–
Total	**118,888**	**1,381,187**	266,981	1,388,509

TABLE 23(B): DISCLOSURE ON CREDIT DERIVATIVE TRANSACTIONS FOR CIMBISLG

	CIMBISLG			
	2024		2023	
	Notional of Credit Derivatives			
(RM'000)	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	**–**	**–**	–	–
Client Intermediation Activities	**–**	**19,900**	–	19,900
Total	**–**	**19,900**	–	19,900
Credit Default Swaps	**–**	**–**	–	–
Total Return Swaps	**–**	**19,900**	–	19,900
Total	**–**	**19,900**	–	19,900

TABLE 23(C): DISCLOSURE ON CREDIT DERIVATIVE TRANSACTIONS FOR CIMBIBG

	CIMBIBG			
	2024		2023	
	Notional of Credit Derivatives			
(RM'000)	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Own Credit Portfolio	**–**	**–**	–	–
Client Intermediation Activities	**–**	**–**	–	–
Total	**–**	**–**	–	–
Credit Default Swaps	**–**	**–**	–	–
Total Return Swaps	**–**	**–**	–	–
Total	**–**	**–**	–	–

CREDIT RISK MITIGATION

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

I) COLLATERALS/SECURITIES

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

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

II) COLLATERAL VALUATION AND MANAGEMENT

The Group has in place policies which govern the determination of eligibility of various collaterals including credit protection, to be considered for credit risk mitigation which includes the minimum operational requirements that are required for the specific collaterals to be considered as effective risk mitigants.

The collateral is valued periodically ranging from daily to annually, depending on the type of collateral. Specifically for real estate properties, a procedure for valuation of real estate properties is established to ensure adequate policies and procedures are in place for efficient and proper conduct of valuation of real estate properties and other related activities in relation to the interpretation, monitoring and management of valuation of real estate properties.

III) NETTING

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

IV) PORTFOLIO DIVERSIFICATION FOR BETTER CLARITY

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

Credit Risk

CREDIT RISK MITIGATION (CONTINUED)

The following tables summarise the extent of which exposures are covered by eligible credit risk mitigants as at 31 December 2024 and 31 December 2023:

TABLE 24(A): DISCLOSURE ON CREDIT RISK MITIGATION FOR CIMBBG

2024	CIMBBG			
(RM'000) **Exposure Class**	**Exposures before CRM**	**Exposures Covered by Guarantees/ Credit Derivatives**	**Exposures Covered by Eligible Financial Collateral**	**Exposures Covered by Other Eligible Collateral**
Performing Exposures				
Sovereign/Central Banks	**111,043,510**	**–**	**93,139**	**–**
Public Sector Entities	**12,744,726**	**12,410,286**	**53**	**–**
Banks, DFIs & MDBs	**49,138,768**	**463,682**	**2,189,320**	**–**
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	**5,257,195**	**–**	**768,709**	**–**
Corporate	**196,351,951**	**7,594,007**	**14,089,371**	**23,874,200**
Residential Mortgages/RRE Financing	**135,452,611**	**–**	**11,266**	**–**
Qualifying Revolving Retail	**14,951,461**	**–**	**–**	**–**
Hire Purchase	**25,087,067**	**–**	**–**	**–**
Other Retail	**83,986,221**	**6,586,712**	**1,081,692**	**–**
Securitisation	**318,362**	**–**	**–**	**–**
Equity	**54**	**–**	**–**	**–**
Higher Risk Assets	**1,875,930**	**–**	**–**	**–**
Other Assets	**18,895,845**	**–**	**–**	**–**
Defaulted Exposures	**5,886,665**	**35,954**	**42,066**	**599,732**
Total Exposures	**660,990,368**	**27,090,641**	**18,275,615**	**24,473,933**

The type of collateral recognised in each asset class is in accordance to the approach adopted in computing the RWA. The CRM shown is computed after taking into account the haircut as prescribed by the guidelines. For assets under SA, only financial collateral and guarantee are recognised. For assets under F-IRB Approach, guarantee, financial collateral and other eligible collateral are recognised. For assets under A-IRB Approach, the collateral has been taken into consideration in the computation of LGD, hence, excluded from the CRM disclosure.

Credit Risk

CREDIT RISK MITIGATION (CONTINUED)

TABLE 24(A): DISCLOSURE ON CREDIT RISK MITIGATION FOR CIMBBG (CONTINUED)

2023	CIMBBG			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	110,844,905	–	–	–
Public Sector Entities	12,673,652	12,430,043	63	–
Banks, DFIs & MDBs	41,854,760	450,265	1,938,408	–
Insurance Cos/Takaful Operators, Securities Firms & Fund Managers	4,978,444	–	859,667	–
Corporate	192,824,562	9,844,372	14,902,373	24,961,311
Residential Mortgages/RRE Financing	128,929,887	–	740	–
Qualifying Revolving Retail	14,242,653	–	–	–
Hire Purchase	23,282,592	–	–	–
Other Retail	87,677,550	6,476,843	1,135,857	–
Securitisation	409,415	–	–	–
Equity	60	–	–	–
Higher Risk Assets	1,719,237	–	–	–
Other Assets	18,569,547	–	–	–
Defaulted Exposures	7,620,930	44,717	60,935	699,765
Total Exposures	645,628,195	29,246,240	18,898,043	25,661,076

The type of collateral recognised in each asset class is in accordance to the approach adopted in computing the RWA. The CRM shown is computed after taking into account the haircut as prescribed by the guidelines. For assets under SA, only financial collateral and guarantee are recognised. For assets under F-IRB Approach, guarantee, financial collateral and other eligible collateral are recognised. For assets under A-IRB Approach, the collateral has been taken into consideration in the computation of LGD, hence, excluded from the CRM disclosure.

Credit Risk

CREDIT RISK MITIGATION (CONTINUED)

TABLE 24(B): DISCLOSURE ON CREDIT RISK MITIGATION FOR CIMBISLG

2024	CIMBISLG			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	**23,592,171**	**–**	**–**	**–**
Public Sector Entities	**3,158,886**	**2,910,286**	**–**	**–**
Banks, DFIs & MDBs	**4,724,878**	**–**	**359,230**	**–**
Takaful Operators, Securities Firms & Fund Managers	**944**	**–**	**–**	**–**
Corporate	**40,488,335**	**1,284,556**	**1,094,803**	**9,838,405**
RRE Financing	**50,095,887**	**–**	**–**	**–**
Qualifying Revolving Retail	**1,114,477**	**–**	**–**	**–**
Hire Purchase	**19,588,527**	**–**	**–**	**–**
Other Retail	**36,312,115**	**1,589,346**	**70,495**	**–**
Securitisation	**10,274**	**–**	**–**	**–**
Higher Risk Assets	**–**	**–**	**–**	**–**
Other Assets	**175,620**	**–**	**–**	**–**
Defaulted Exposures	**2,349,236**	**2,722**	**4,947**	**154,341**
Total Exposures	**181,611,350**	**5,786,911**	**1,529,475**	**9,992,746**

2023	CIMBISLG			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	25,751,378	–	–	–
Public Sector Entities	3,075,973	2,930,043	–	–
Banks, DFIs & MDBs	2,831,389	–	2	–
Takaful Operators, Securities Firms & Fund Managers	0	–	–	–
Corporate	37,590,758	3,184,843	807,254	9,248,739
RRE Financing	42,788,092	–	–	–
Qualifying Revolving Retail	592,182	–	–	–
Hire Purchase	17,828,409	–	–	–
Other Retail	39,723,896	1,483,570	88,290	–
Securitisation	15,354	–	–	–
Higher Risk Assets	–	–	–	–
Other Assets	246,492	–	–	–
Defaulted Exposures	2,771,436	797	6,331	123,323
Total Exposures	173,215,359	7,599,253	901,877	9,372,061

The type of collateral recognised in each asset class is in accordance to the approach adopted in computing the RWA. The CRM shown is computed after taking into account the haircut as prescribed by the guidelines. For assets under SA, only financial collateral and guarantee are recognised. For assets under F-IRB Approach, guarantee, financial collateral and other eligible collateral are recognised. For assets under A-IRB Approach, the collateral has been taken into consideration in the computation of LGD, hence, excluded from the CRM disclosure.

CREDIT RISK MITIGATION (CONTINUED)

TABLE 24(C): DISCLOSURE ON CREDIT RISK MITIGATION FOR CIMBIBG

2024	CIMBIBG			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	**413,217**	–	–	–
Public Sector Entities	–	–	–	–
Banks, DFIs & MDBs	**209,126**	–	–	–
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–
Corporate	**15,859**	–	–	–
Residential Mortgages	–	–	–	–
Qualifying Revolving Retail	–	–	–	–
Hire Purchase	–	–	–	–
Other Retail	–	–	–	–
Securitisation	–	–	–	–
Higher Risk Assets	–	–	–	–
Other Assets	**49,378**	–	–	–
Defaulted Exposures	–	–	–	–
Total Exposures	**687,580**	–	–	–

2023	CIMBIBG			
(RM'000) Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Performing Exposures				
Sovereign/Central Banks	451,626	–	–	–
Public Sector Entities	–	–	–	–
Banks, DFIs & MDBs	157,782	–	–	–
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–
Corporate	16,139	–	–	–
Residential Mortgages	–	–	–	–
Qualifying Revolving Retail	–	–	–	–
Hire Purchase	–	–	–	–
Other Retail	–	–	–	–
Securitisation	–	–	–	–
Higher Risk Assets	–	–	–	–
Other Assets	35,256	–	–	–
Defaulted Exposures	–	–	–	–
Total Exposures	660,803	–	–	–

The type of collateral recognised in each asset class is in accordance to the approach adopted in computing the RWA. The CRM shown is computed after taking into account the haircut as prescribed by the guidelines. For assets under SA, only financial collateral and guarantee are recognised. For assets under F-IRB Approach, guarantee, financial collateral and other eligible collateral are recognised. For assets under A-IRB Approach, the collateral has been taken into consideration in the computation of LGD, hence, excluded from the CRM disclosure.

Securitisation

THE ROLE CIMB PLAYS IN THE SECURITISATION PROCESS

In the course of its business, CIMB Group has undertaken securitisations of its own originated assets as a means of diversifying funding source, as well as advised on securitisations of third party assets as part of its regional debt capital markets services for its clients.

CIMB Group securitises its own assets in order to, amongst others, manage credit risk and to manage term funding for CIMB Group's balance sheet. Typically, CIMB Group undertakes the following roles in the securitisation activities (either singularly or in combination):

- Originator and servicer of securitised assets
- Asset-backed securities marketing, syndication and trading
- Provider of liquidity facilities to self-originated and third-party transactions
- Investor of third-party securitisations (where CIMB is not originator or sponsor)

DISCLOSURE ON SECURITISATION FOR BANKING BOOK

The following tables show the disclosure on Securitisation for Banking Book for 31 December 2024 and 31 December 2023:

TABLE 25(A): DISCLOSURE ON SECURITISATION FOR BANKING BOOK FOR CIMBBG

	CIMBBG			
(RM'000) Underlying Asset	**Total Exposures Securitised**	**Past Due**	**Credit Impaired**	**Gains/(Losses) Recognised during the year**
2024				
TRADITIONAL SECURITISATION (Banking Book)				
Originated by the Banking Institution				
Hire Purchase Exposure	–	–	–	–
2023				
TRADITIONAL SECURITISATION (Banking Book)				
Originated by the Banking Institution				
Hire Purchase Exposure	11,406	2,156	1,151	(127)

TABLE 25(B): DISCLOSURE ON SECURITISATION FOR BANKING BOOK FOR CIMBISLG

	CIMBISLG			
(RM'000) Underlying Asset	**Total Exposures Securitised**	**Past Due**	**Credit Impaired**	**Gains/(Losses) Recognised during the year**
2024				
TRADITIONAL SECURITISATION (Banking Book)				
Originated by the Banking Institution				
Hire Purchase Exposure	–	–	–	–
2023				
TRADITIONAL SECURITISATION (Banking Book)				
Originated by the Banking Institution				
Hire Purchase Exposure	–	–	–	–

There were no outstanding exposures securitised by CIMBIBG as at 31 December 2024 and 31 December 2023.

Securitisation

DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK

The tables below represent the disclosure on Securitisation under the SA for Banking Book:

TABLE 26(A): DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK EXPOSURES FOR CIMBBG

2024	CIMBBG											
			Distribution of Exposures after CRM according to Applicable Risk Weights									
			Rated Securitisation Exposures							Unrated (Look Through)		
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	Risk-Weighted Assets
Traditional Securitisation (Banking Book)												
Non-originating Banking Institution												
On-Balance Sheet												
Most senior	318,362	-	-	-	318,362	-	-	-	-			63,672
Mezzanine	-	-	-	-	-	-	-	-	-			-
First loss	-	-	-	-	-	-	-	-	-			-
Off-Balance Sheet												
Rated eligible liquidity facilities	-	-			-	-	-	-	-			-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-			-	-	-	-	-			-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-			-	-	-	-	-			-
Eligible servicer cash advance facilities	-	-			-	-	-	-	-			-
Eligible underwriting facilities	-	-			-	-	-	-	-			-
Guarantees and credit derivatives	-	-			-	-	-	-	-			-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-			-	-	-	-	-			-
Originating Banking Institution												
On-Balance Sheet												
Most senior	-	-	-	-	-	-	-	-	-			-
Mezzanine	-	-	-	-	-	-	-	-	-			-
First loss	-	-	-	-	-	-	-	-	-			-
Off-Balance Sheet												
Rated eligible liquidity facilities	-	-			-	-	-	-	-			-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-			-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-			-	-	-	-	-			-
Eligible servicer cash advance facilities	-	-			-	-	-	-	-			-
Eligible underwriting facilities	-	-			-	-	-	-	-			-
Guarantees and credit derivatives	-	-			-	-	-	-	-			-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-			-	-	-	-	-			-
Total Exposures	318,362	-	-	-	318,362	-	-	-	-	-	-	63,672

Securitisation

DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK (CONTINUED)

TABLE 26(A): DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK EXPOSURES FOR CIMBBG (CONTINUED)

2023	CIMBBG											
	Distribution of Exposures after CRM according to Applicable Risk Weights											
			Rated Securitisation Exposures							Unrated (Look Through)		
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	Risk-Weighted Assets
Traditional Securitisation (Banking Book)												
Non-originating Banking Institution												
On-Balance Sheet												
Most senior	409,415	–	–	–	409,415	–	–	–	–			81,883
Mezzanine	–	–	–	–	–	–	–	–	–			–
First loss	–	–	–	–	–	–	–	–	–			–
Off-Balance Sheet												
Rated eligible liquidity facilities	–	–			–	–	–	–	–			–
Unrated eligible liquidity facilities (with original maturity > 1 year)	–	–			–	–	–	–	–			–
Unrated eligible liquidity facilities (with original maturity < 1 year)	–	–			–	–	–	–	–			–
Eligible servicer cash advance facilities	–	–			–	–	–	–	–			–
Eligible underwriting facilities	–	–			–	–	–	–	–			–
Guarantees and credit derivatives	–	–			–	–	–	–	–			–
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	–	–			–	–	–	–	–			–
Originating Banking Institution												
On-Balance Sheet												
Most senior	–	–	–	–	–	–	–	–	–			–
Mezzanine	–	–	–	–	–	–	–	–	–			–
First loss	–	–	–	–	–	–	–	–	–			–
Off-Balance Sheet												
Rated eligible liquidity facilities	–	–			–	–	–	–	–			–
Unrated eligible liquidity facilities (with original maturity > 1 year)	–	–			–	–	–	–	–	–	–	–
Unrated eligible liquidity facilities (with original maturity < 1 year)	–	–			–	–	–	–	–			–
Eligible servicer cash advance facilities	–	–			–	–	–	–	–			–
Eligible underwriting facilities	–	–			–	–	–	–	–			–
Guarantees and credit derivatives	–	–			–	–	–	–	–			–
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	–	–			–	–	–	–	–			–
Total Exposures	409,415	–	–	–	409,415	–	–	–	–	–	–	81,883

Securitisation

DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK (CONTINUED)

TABLE 26(B): DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK EXPOSURES FOR CIMBISLG

2024	CIMBISLG											
	Distribution of Exposures after CRM according to Applicable Risk Weights											
			Rated Securitisation Exposures							Unrated (Look Through)		
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	Risk-Weighted Assets
Traditional Securitisation (Banking Book)												
Non-originating Banking Institution												
On-Balance Sheet												
Most senior	10,274	-	-	-	10,274	-	-	-	-			2,055
Mezzanine	-	-	-	-	-	-	-	-	-			-
First loss	-	-	-	-	-	-	-	-	-			-
Off-Balance Sheet												
Rated eligible liquidity facilities	-	-			-	-	-	-	-			-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-			-	-	-	-	-			-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-			-	-	-	-	-			-
Eligible servicer cash advance facilities	-	-			-	-	-	-	-			-
Eligible underwriting facilities	-	-			-	-	-	-	-			-
Guarantees and credit derivatives	-	-			-	-	-	-	-			-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-			-	-	-	-	-			-
Originating Banking Institution												
On-Balance Sheet												
Most senior	-	-	-	-	-	-	-	-	-			-
Mezzanine	-	-	-	-	-	-	-	-	-			-
First loss	-	-	-	-	-	-	-	-	-			-
Off-Balance Sheet												
Rated eligible liquidity facilities	-	-			-	-	-	-	-			-
Unrated eligible liquidity facilities (with original maturity > 1 year)	-	-			-	-	-	-	-	-	-	-
Unrated eligible liquidity facilities (with original maturity < 1 year)	-	-			-	-	-	-	-			-
Eligible servicer cash advance facilities	-	-			-	-	-	-	-			-
Eligible underwriting facilities	-	-			-	-	-	-	-			-
Guarantees and credit derivatives	-	-			-	-	-	-	-			-
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	-	-			-	-	-	-	-			-
Total Exposures	**10,274**	-	-	-	**10,274**	-	-	-	-			**2,055**

Securitisation

DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK (CONTINUED)

TABLE 26(B): DISCLOSURE ON SECURITISATION UNDER THE SA FOR BANKING BOOK EXPOSURES FOR CIMBISLG (CONTINUED)

2023	CIMBISLG Distribution of Exposures after CRM according to Applicable Risk Weights											
			Rated Securitisation Exposures							Unrated (Look Through)		
(RM'000) Exposure Class	Net Exposure After CRM	Exposures subject to deduction	0%	10%	20%	50%	100%	350%	1250%	Weighted Average RW	Exposure Amount	Risk-Weighted Assets
Traditional Securitisation (Banking Book)												
Non-originating Banking Institution												
On-Balance Sheet												
Most senior	15,354	–	–	–	15,354	–	–	–	–			3,071
Mezzanine	–	–	–	–	–	–	–	–	–			–
First loss	–	–	–	–	–	–	–	–	–			–
Off-Balance Sheet												
Rated eligible liquidity facilities	–	–			–	–	–	–	–			–
Unrated eligible liquidity facilities (with original maturity > 1 year)	–	–			–	–	–	–	–			–
Unrated eligible liquidity facilities (with original maturity < 1 year)	–	–			–	–	–	–	–			–
Eligible servicer cash advance facilities	–	–			–	–	–	–	–			–
Eligible underwriting facilities	–	–			–	–	–	–	–			–
Guarantees and credit derivatives	–	–			–	–	–	–	–			–
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	–	–			–	–	–	–	–			–
Originating Banking Institution												
On-Balance Sheet												
Most senior	–	–	–	–	–	–	–	–	–			–
Mezzanine	–	–	–	–	–	–	–	–	–			–
First loss	–	–	–	–	–	–	–	–	–			–
Off-Balance Sheet												
Rated eligible liquidity facilities	–	–			–	–	–	–	–			–
Unrated eligible liquidity facilities (with original maturity > 1 year)	–	–			–	–	–	–	–	–	–	–
Unrated eligible liquidity facilities (with original maturity < 1 year)	–	–			–	–	–	–	–			–
Eligible servicer cash advance facilities	–	–			–	–	–	–	–			–
Eligible underwriting facilities	–	–			–	–	–	–	–			–
Guarantees and credit derivatives	–	–			–	–	–	–	–			–
Other off-balance sheet securitisation exposures (excl. guarantees and credit derivatives)	–	–			–	–	–	–	–			–
Total Exposures	15,354	–	–	–	15,354	–	–	–	–	–	–	3,071

As at 31 December 2024 and 31 December 2023, CIMBIBG has no Securitisation under the SA for Banking Book Exposures.

SECURITISATION UNDER THE SA FOR TRADING BOOK EXPOSURES SUBJECT TO MARKET RISK CAPITAL CHARGE

The tables below present the Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge:

TABLE 27(A): DISCLOSURE ON SECURITISATION UNDER THE SA FOR TRADING BOOK EXPOSURES SUBJECT TO MARKET RISK CAPITAL CHARGE FOR CIMBBG

2024	CIMBBG				
(RM'000) Securitisation Exposures	Total Exposure Value of Positions Purchased or Retained	Exposures subject to deduction	General Risk Charge	Specific Risk Charge	Risk-Weighted Assets
TRADITIONAL SECURITISATION					
Originated by Third Party					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Sub-total	–	–	–	–	–
Originated by Banking Institution					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Sub-total	–	–	–	–	–
Securitisation subject to Early Amortisation					
Seller's interest					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Investor's interest					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Sub-total	–	–	–	–	–
TOTAL (TRADITIONAL SECURITISATION)	–	–	–	–	–

Securitisation

SECURITISATION UNDER THE SA FOR TRADING BOOK EXPOSURES SUBJECT TO MARKET RISK CAPITAL CHARGE (CONTINUED)

TABLE 27(A): DISCLOSURE ON SECURITISATION UNDER THE SA FOR TRADING BOOK EXPOSURES SUBJECT TO MARKET RISK CAPITAL CHARGE FOR CIMBBG (CONTINUED)

2023	CIMBBG				
(RM'000) Securitisation Exposures	Total Exposure Value of Positions Purchased or Retained	Exposures subject to deduction	General Risk Charge	Specific Risk Charge	Risk-Weighted Assets
TRADITIONAL SECURITISATION					
Originated by Third Party					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Sub-total	–	–	–	–	–
Originated by Banking Institution					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Sub-total	–	–	–	–	–
Securitisation subject to Early Amortisation					
Seller's interest					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Investor's interest					
On-Balance Sheet	–	–	–	–	–
Off-Balance Sheet	–	–	–	–	–
Sub-total	–	–	–	–	–
TOTAL (TRADITIONAL SECURITISATION)	–	–	–	–	–

As at 31 December 2024 and 31 December 2023, CIMBISLG and CIMBIBG have no Securitisation under the SA for Trading Book Exposures subject to Market Risk Capital Charge.

Market Risk

Market risk is defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.

MARKET RISK MANAGEMENT

The Group hedges the exposures to market risk by employing various strategies, including the use of derivative instruments.

The Group adopts various measures as part of the risk management process. The GRCC with the assistance of GMCRC and its delegated committees ensure that the risk exposures undertaken by the Group is within the risk appetite approved by the Board.

Market Risk CoE is responsible for measuring and controlling the Group's market risk through robust measurement and market risk limit monitoring while facilitating business growth within a controlled and transparent risk management framework. Market Risk CoE evaluates the market exposures using the applicable market price and pricing model. The valuation process is carried out with the independent price verification requirements to ensure that financial assets/liabilities are recorded at fair value. The valuation methods and models used are validated by Market Risk Management quantitative analysts to assess their applicability relative to market conditions.

The Group adopts the VaR methodology as an approach in the measurement of market risk. VaR is a statistical measure of the potential losses that could occur as a result of movements in market rates and prices over a specified time horizon within a given confidence level.

Stress testing is conducted to capture the potential market risk exposures from an unexpected market movement. In formulating stress scenarios, consideration is given to various aspects of the market; for example, identification of areas where unexpected losses can occur and areas where historical correlation may no longer hold true.

In addition to the above, Market Risk CoE undertakes the monitoring and oversight process at Treasury & Markets' trading floors, which include reviewing and analysing treasury trading activities vis-à-vis changes in the financial markets, monitoring limit usage, assessing limit adequacy and verifying transaction prices.

CAPITAL TREATMENT FOR MARKET RISK

At present, the Group adopts the Standardised Approach to compute market risk capital requirement under BNM's guidelines on CAF (Basel II - Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets).

Details on RWA and capital requirements related to Market Risk are disclosed separately for CIMBBG, CIMBISLG and CIMBIBG for the following in Tables 2(a), (b) and (c):

- Interest Rate Risk/Profit Rate Risk;
- Foreign Currency Risk;
- Equity Risk;
- Commodity Risk; and
- Options Risk.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed processes, people and systems, or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks.

OPERATIONAL RISK MANAGEMENT OVERSIGHT

The NFRM CoE, within Group Risk, provides the methodology, tools and processes for the identification, assessment, reporting and management of operational risks by the respective risk owners across the Group. Identified risks are rated using a defined risk rating methodology applied across the Group's Three Lines-of-Defence. The NFRM CoE also independently oversees the identification and monitoring of operational risk and controls that reside within the first line-of-defence.

Monitoring of the identified risks is primarily done through the Operational Risk Committee or relevant risk management committees operating in each material geography. These committees report to the relevant functional or country level committees.

The Group Operational and Resiliency Risk Management Committee (GORRC) is the committee established at the Group-level that is tasked to oversee the operational risk framework and policies to ensure they are appropriate for the size and complexity of the current and future operations of CIMB Group and make recommendation to the GRCC for approval. GORRC oversees and monitors the overall operational risk control environment of CIMB Group and reports to the GRCC on material operational and reputational risks. Reputation risk is defined as current or prospective risk to earnings and capital arising from the adverse perception by the stakeholders about the Group's business practices, conduct or financial condition.

OPERATIONAL RISK MANAGEMENT APPROACH

CIMB Group recognises that the key determinant for a well-managed banking operation is to cultivate an organisation-wide risk management discipline and culture. The Group manages operational risks through the following key measures:

i) Sound risk management practices in accordance with Basel regulatory guidelines;
ii) Management oversight;
iii) Well-defined responsibilities for all personnel concerned;
iv) Establishment of a risk management culture; and
v) Deployment of Operational Risk Management (ORM) tools that include:
   - Operational Event and Loss Data Management;
   - Risk & Control Self-Assessment;
   - Control Issue Management;
   - Key Risk Indicators;
   - Product Approval Process; and
   - Scenario Analysis.

OPERATIONAL RISK MANAGEMENT APPROACH (CONTINUED)

These tools form part of the operational risk framework that allows the Group to effectively identify, measure, mitigate and report its operational risks. Each material division of the Group self-assesses on their internal risk and control environment rating and report key control deficiencies with remediation plans.

NFRM CoE continues to leverage on data analytics via its established Group-wide Operational Risk Dashboards to facilitate regional standardisation and prioritisation of risk issues. Comprehensive Key Risk Indicator dashboards that significantly enhance risk sensing, particularly emerging risk trends and monitoring coverage capabilities are also in place to facilitate oversight over key risk areas. These Dashboards are continuously enhanced and calibrated to strengthen risk management by generating pre-emptive actionable insights.

Each new product and product variation, including changes to the product related process flow is subjected to rigorous risk review, where all critical and relevant areas of risk are being appropriately identified and assessed independently from the risk takers or product owners.

The promotion of a risk management culture within the Group, whereby the demand for integrity and honesty is non-negotiable, and remains the core theme in our operational risk awareness program. Additionally, the e-learning module on operational risk management has enhanced the awareness of operational risk amongst the staff.

CAPITAL TREATMENT FOR OPERATIONAL RISK

The Group adopts the Basic Indicator Approach to compute operational risk capital requirement under BNM's guidelines on CAF (Basel II - Risk-Weighted Assets) and CAFIB (Risk-Weighted Assets).

Details on RWA and capital requirements related to Operational Risk are disclosed separately for CIMBBG, CIMBISLG and CIMBIBG in Tables 2 (a), (b) and (c).

Equity Exposures in Banking Book

The Group's banking book equity investments consist of:

i) Strategic stakes in entities held as part of growth initiatives and/or in support of business operations; and

ii) Investments held for yield and/or long-term capital gains.

The Group's and CIMB's banking book equity investments are measured at fair value in accordance with Malaysian Financial Reporting Standards.

Realised and unrealised gains or losses arising from sales and liquidations of equities for the year ended 31 December 2024 and 31 December 2023 are as follows:

TABLE 28(A): REALISED GAINS/(LOSSES) FROM SALES AND LIQUIDATIONS, AND UNREALISED GAINS OF EQUITIES FOR CIMBBG

	CIMBBG	
(RM'000)	2024	2023
Realised loss		
Shares, private equity funds and unit trusts	**–**	–
Unrealised gains		
Shares, private equity funds and unit trusts	**122.984**	36,024

There were no realised and unrealised gained or losses for equity holdings in banking book for CIMBISLG and CIMBIBG as at 31 December 2024 and 31 December 2023.

The following table shows an analysis of equity investments by appropriate equity groupings and Risk-Weighted assets as at 31 December 2024 and 31 December 2023 for the Group:

TABLE 29(A): ANALYSIS OF EQUITY INVESTMENTS BY GROUPING AND RWA FOR CIMBBG

	CIMBBG			
	2024		2023	
(RM'000)	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	**1,860,747**	**2,791,121**	1,704,921	2,557,381
Publicly traded	**54**	**54**	60	60
Total	**1,860,801**	**2,791,175**	1,704,981	2,557,442

TABLE 29(B): ANALYSIS OF EQUITY INVESTMENTS BY GROUPING AND RWA FOR CIMBISLG

	CIMBISLG			
	2024		2023	
(RM'000)	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	**–**	**–**	–	–
Publicly traded	**–**	**–**	–	–
Total	**–**	**–**	–	–

Equity Exposures in Banking Book

TABLE 29(C): ANALYSIS OF EQUITY INVESTMENTS BY GROUPING AND RWA FOR CIMBIBG

	CIMBIBG			
	2024		2023	
(RM'000)	Exposures subject to Risk-Weighting	RWA	Exposures subject to Risk-Weighting	RWA
Privately held	–	–	–	–
Publicly traded	–	–	–	–
Total	–	–	–	–

Interest Rate Risk/Rate of Return Risk in the Banking Book

IRRBB/RORBB is defined as the current and potential risk to the Group's earnings and economic value arising from movement of interest rates/profit rates.

IRRBB/RORBB MANAGEMENT

The Group manages its banking book exposure to fluctuations in the interest rates/profit rates through policies established by GALCO. The GALCO is a board-delegated committee which reports to the GRCC. IRRBB/RORBB undertaken by the Group is governed by an established risk appetite that defines the acceptable level of risk to be assumed by the Group. The risk appetite is established by the Board. With the support from ALM COE under Group Risk, EXCO Balance Sheet Management under Group Corporate Treasury and Capital Management under Group Finance, the GALCO is responsible for steering the Group's balance sheet and hedging strategies, the overall interest rate risk/rate of return risk in the banking book profile and ensuring that such risk profile is within the established risk appetite. Interest rate risk/rate of return risk in the banking book exposure based on balance sheet forecasts and relevant risk drivers are projected to help in business and hedging strategies planning. Treasury & Markets, together with EXCO Balance Sheet Management and Capital Management, are responsible for the day-to-day management of exposures and gapping activities including execution of hedging strategies.

IRRBB/RORBB is measured by:

- **ECONOMIC VALUE OF EQUITY SENSITIVITY:**

  Measures the long-term impact of sudden interest rate/profit rate movement across the full maturity spectrum of the Group's assets and liabilities. It defines and quantifies interest rate risk/rate of return risk as the change in the economic value of equity (e.g. present value of potential future earnings and capital) as asset portfolio values and liability portfolio values would rise and fall with changes in interest rates/profit rates. This measure helps the Group to quantify the risk and impact on capital with the focus on current banking book positions.

For the purpose of this disclosure, the impact under an instantaneous 100 bps parallel interest rate/profit rate shock is applied. The treatments and assumptions applied are based on the contractual repricing maturity and remaining maturity of the products, whichever is earlier. Items with indefinite repricing are profiled based on core balance assumptions. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and so forth.

The tables below illustrate the Group's IRRBB/RORBB under a 100 bps parallel upward interest rate/profit rate shock from economic value perspective:

TABLE 30(A): IRRBB – IMPACT ON ECONOMIC VALUE FOR CIMBBG

	CIMBBG	
	2024	**2023**
(RM'000) **Currency**	**+100bps Increase/(Decline) in Economic Value (Value in RM Equivalent)**	
Ringgit Malaysia	**(3,312,287)**	(3,565,302)
US Dollar	**(357,531)**	(239,374)
Thai Baht	**(749,925)**	(617,898)
Singapore Dollar	**(190,008)**	(171,138)
Others	**(127,207)**	(107,321)
Total	**(4,736,958)**	(4,701,033)

IRRBB/RORBB MANAGEMENT (CONTINUED)

- **ECONOMIC VALUE OF EQUITY SENSITIVITY: (CONTINUED)**

TABLE 30(B): RORBB – IMPACT ON ECONOMIC VALUE FOR CIMBISLG

	CIMBISLG	
	2024	**2023**
(RM'000) **Currency**	**+100bps** **Increase/(Decline) in Economic Value** **(Value in RM Equivalent)**	
Ringgit Malaysia	**(793,909)**	(1,036,801)
US Dollar	**(4,141)**	(17,166)
Thai Baht	**–**	2
Singapore Dollar	**3**	2
Others	**(254)**	(2,470)
Total	**(798,301)**	(1,056,433)

TABLE 30(C): IRRBB – IMPACT ON ECONOMIC VALUE FOR CIMBIBG

	CIMBIBG	
	2024	**2023**
(RM'000) **Currency**	**+100bps** **Increase/(Decline) in Economic Value** **(Value in RM Equivalent)**	
Ringgit Malaysia	**(13,299)**	(13,586)
US Dollar	**–**	–
Thai Baht	**–**	–
Singapore Dollar	**–**	–
Others	**–**	–
Total	**(13,299)**	(13,586)

- **EARNINGS-AT-RISK:**

The potential impact of interest/profit rate changes on the Bank's accruing or reported earnings. It focuses on risk-to-earnings in the near term, typically the next one year. Fluctuations in interest rates/profit rates generally affect reported earnings through changes in the Bank's net interest/profit income, which is the difference between total interest/profit income earned from assets and total interest/profit expense incurred from liabilities. The Group's EAR is applied to the flat balance sheet position with product pricing strategies.

For the purpose of this disclosure, the impact under an instantaneous 100 bps parallel interest rate/profit rate shock is applied to the static balance sheet positions. The treatments and assumptions applied are based on the contractual repricing maturity and remaining maturity of the products, whichever is earlier. Items with indefinite repricing are profiled based on core balance assumptions. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and so forth.

Interest Rate Risk/Rate of Return Risk in the Banking Book

IRRBB/RORBB MANAGEMENT (CONTINUED)

- **EARNINGS-AT-RISK: (CONTINUED)**

The tables below illustrate the Group's IRRBB/RORBB under a 100 bps parallel upward interest rate/profit rate shock from the earnings perspective:

TABLE 31(A): IRRBB – IMPACT ON EARNINGS FOR CIMBBG

	CIMBBG	
	2024	**2023**
(RM'000) **Currency**	**+100bps** **Increase/(Decline) in Earnings** **(Value in RM Equivalent)**	
Ringgit Malaysia	**154,623**	42,989
US Dollar	**(326,539)**	(355,351)
Thai Baht	**(184,478)**	(137,136)
Singapore Dollar	**(113,692)**	20,085
Others	**57,341**	89,211
Total	**(412,745)**	(340,202)

TABLE 31(B): RORBB – IMPACT ON EARNINGS FOR CIMBISLG

	CIMBISLG	
	2024	**2023**
(RM'000) **Currency**	**+100bps** **Increase/(Decline) in Earnings** **(Value in RM Equivalent)**	
Ringgit Malaysia	**96,091**	26,612
US Dollar	**(52,263)**	(30,380)
Thai Baht	**9**	(52)
Singapore Dollar	**(68)**	(44)
Others	**(2,367)**	(3,178)
Total	**41,402**	(7,042)

TABLE 31(C): IRRBB – IMPACT ON EARNINGS FOR CIMBIBG

	CIMBIBG	
	2024	**2023**
(RM'000) **Currency**	**+100bps** **Increase/(Decline) in Earnings** **(Value in RM Equivalent)**	
Ringgit Malaysia	**2,703**	2,360
US Dollar	**–**	–
Thai Baht	**–**	–
Singapore Dollar	**–**	–
Others	**–**	–
Total	**2,703**	2,360

Sustainability Risk

Sustainability risk is defined as the risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with a business relation and its operations, and/or the Group's own internal operations and employee.

The Sustainability Governance Framework defines the roles and responsibilities of Board, management and the rest of the organisation in fulfilling our aspiration to become a high performing purpose-driven organisation to help advance customers and society. The framework also aims to ensure that sustainability-related risks are effectively identified, assessed and managed in a timely manner, while improving transparency through disclosures and reporting to promote overall accountability. The Sustainability Governance Framework, including the sustainability operating model, sustainability risk management framework, as well as policies and procedures, are regularly reviewed and strengthened to ensure continued relevance in view of emerging risks and evolving stakeholder priorities.

Three main policies ensure proper governance and management of sustainability risks across the Group. These are:

- Group Sustainability Policy (GSP), which outlines our overarching principles and approach to sustainability and sustainability risk management.
- Group Sustainable Financing Policy (GSFP) governs the handling of environmental and social risks in non-retail financing and capital raising transactions for clients. CIMB has identified 148 sub-sectors, within 10 main industries, that are classified as high sustainability risk. We have developed seven Sector Guides that cover palm oil, forestry, oil and gas, construction and infrastructure, coal, mining and quarrying, and manufacturing sectors.
- Group Human Rights Policy (GHR), which lays out our overarching commitments, principles and approaches to respecting Human Rights

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