

Registration No: 197201001799 (13491-P)

CIMB Bank Berhad

(Incorporated in Malaysia)

Reports and Financial Statements for the financial year ended 31 December 2025

CIMB Bank Berhad

(Incorporated in Malaysia)

Reports and Financial Statements for the financial year ended 31 December 2025

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Directors' Report for the financial year ended 31 December 2025

The Directors have pleasure in submitting their Report and the audited Financial Statements of the Group and CIMB Bank Berhad ("CIMB Bank" or "the Bank") for the financial year ended 31 December 2025.

Principal activities

The principal activities of the Bank during the financial year are commercial banking and the provision of related financial services, including Islamic banking. The principal activities of the significant subsidiaries as set out in Note 16 to the Financial Statements, consist of Islamic banking, offshore banking, debt factoring, trustees and nominee services, and property ownership and management. There was no significant change in the nature of these activities during the financial year.

Financial results

	The Group	The Bank
	RM'000	RM'000
Profit after taxation and zakat attributable to:		
- Owners of the Parent	6,258,544	5,170,046
- Non-controlling interests	17,149	-
	<u>6,275,693</u>	<u>5,170,046</u>

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Dividends

The dividends on ordinary shares paid or declared by the Bank since 31 December 2024 are as follow:

	RM'000
In respect of the financial year ended 31 December 2024:	
Single tier 2nd interim dividend of 24.40 sen per ordinary share, paid on 17 March 2025	<u>1,641,481</u>
In respect of the financial year ended 31 December 2025:	
Single tier 1st interim dividend of 33.49 sen per ordinary share, paid on 9 September 2025	<u>2,252,999</u>

The Directors have proposed a single tier second interim dividend of approximately 28.90 sen per share on 6,727,379,733 ordinary shares, amounting to RM1,944 million in respect of the financial year ended 31 December 2025. The single tier second interim dividend was approved by the Board of Directors in a resolution dated 29 January 2026.

The Directors have proposed a single tier special dividend of RM1,000 million in respect of the financial year ended 31 December 2025. The proposed single tier special dividend was approved by the Board of Directors on 29 January 2026.

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

The Directors do not recommend the payment of any final dividend on ordinary shares or Redeemable Preference Shares for the financial year ended 31 December 2025.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

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

The Bank did not issue share capital during the financial year.

Bad and doubtful debts, and financing

Before the Financial Statements of the Group and of the Bank were prepared, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and 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 Bank, inadequate to any substantial extent.

Current assets

Before the Financial Statements of the Group and of the Bank were prepared, the Directors took reasonable steps to ascertain that any current assets, other than debts 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 Bank, had been written down to an amount which the current assets might be expected so to realise.

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

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Directors' Report for the financial year ended 31 December 2025 (Continued)

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 Bank misleading or inappropriate.

Contingent and other liabilities

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

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

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

Change of circumstances

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

Items of an unusual nature

In the opinion of the Directors:

- (a) the results of the Group's and the Bank's operations for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 53 to the Financial Statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Bank for the financial year in which this Report is made other than those disclosed in Note 54 to the Financial Statements.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Directors

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

Directors

Dato' Lee Kok Kwan

Mr. Chu Hong Keong

Mr. Sukanta Kumar Dutt

Ms. Ong Soo Chan

Ms. Kee E-Lene

Encik Muhammad Novan Amirudin

YM Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz

Puan Marina Abdul Kahar (Appointed 27 January 2025)

Mr. Choo Yoo Kwan @ Choo Yee Kwan (Appointed 27 January 2025)

Datuk Syed Zaid Syed Jaffar Albar (Appointed on 18 June 2025)

Tan Sri Mohd Nasir Ahmad (Retired on 19 July 2025)

Dr. Nurmazilah Mahzan (Retired on 2 August 2025)

In accordance with Article 108 of the Bank's Constitution, the following Directors will retire from the Board at the forthcoming Annual General Meeting ("AGM") and being eligible, offer themselves for re-election:

Mr. Sukanta Kumar Dutt

Ms. Kee E-Lene

In accordance with Article 113 of the Bank's Constitution, the following Directors will retire from the Board at the forthcoming AGM and being eligible, offer themselves for re-election:

Datuk Syed Zaid Syed Jaffar Albar

The names of the Directors of the Bank's subsidiaries in office since the beginning of the financial year to the date of this report are disclosed in Note 59 to the financial statements.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

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 ultimate holding company and its related corporation during the financial year are as follows:

	Number of ordinary shares			As at 31 December 2025
	As at 1 January 2025	Additions	Disposal	
Ultimate holding company				
CIMB Group Holdings Berhad ("CIMB Group")				
Direct interest				
Encik Muhammad Novan Amirudin	637,220	1,482,484 (a)	(1,445,984) (b)	673,720
Dato' Lee Kok Kwan*	481,208	-	-	481,208

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

	Number of ordinary shares			As at 31 December 2025
	As at 1 January 2025	Additions	Disposal	
*Datin Rosemary Yvonne Fong	95,498	-	-	95,498

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

(b) Includes shares released from EOP account and transferred into Director's personal account

	Number of ordinary shares			As at 31 December 2025
	As at 1 January 2025	Additions	Disposal	
Related Company - PT Bank CIMB Niaga Tbk				
Direct interest				
Dato' Lee Kok Kwan*	427,305	-	-	427,305

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

	Number of ordinary shares			As at 31 December 2025
	As at 1 January 2025	Additions	Disposal	
*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 of the Bank, the holding company, the ultimate holding company and the Bank's related corporations during the financial year.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

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

Long Term Incentive Plan ("LTIP")

CIMB 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 fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the directors) is subject to the approval of the shareholders at a general meeting. Total awards under the LTIP is subject to a maximum of 2.5% of issued ordinary shares of CIMB Group Holdings Berhad.

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

Details of LTIP are as set out in Note 45(g) to the Financial Statements.

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**Directors' Report
for the financial year ended 31 December 2025 (Continued)****Directors' interests in shares, share options and debentures (Continued)**

(i) Details of ESOS shares awarded:

Award Date	Fair Value	Awarded	Vesting Dates
	RM	(Units'000)	
9-Jun-21	0.45	216,758	31-Mar-24
			31-Mar-25
31-Mar-22	0.75	8,991	31-Mar-24
			31-Mar-25
8-Sep-22	0.74	3,430	31-Mar-24
			31-Mar-25
8-Dec-22	0.81	660	31-Mar-24
			31-Mar-25

The following table indicates the number and movement of ESOS shares during the financial year ended 31 December 2025:

CIMB Bank Group						
Award Date	As at	Movement during the year			Outstanding as at	Exercisable as at
	1 January 2025	Awarded	Exercised	Expired / Forfeited	31 December 2025	31 December 2025
	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	96,669	-	(47,348)	(645)	48,677	48,677
31-Mar-22	3,027	-	(983)	-	2,044	2,044
8-Sep-22	1,881	-	(1,259)	-	622	622
8-Dec-22	330	-	(330)	-	-	-

CIMB Bank						
Award Date	As at	Movement during the year			Outstanding as at	Exercisable as at
	1 January 2025	Awarded	Exercised	Expired / Forfeited	31 December 2025	31 December 2025
	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	78,246	-	(36,378)	(645)	41,224	41,224
31-Mar-22	2,599	-	(775)	-	1,824	1,824
8-Sep-22	1,534	-	(1,197)	-	337	337
8-Dec-22	330	-	(330)	-	-	-

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**Directors' Report
for the financial year ended 31 December 2025 (Continued)****Directors' interests in shares, share options and debentures (Continued)**

(ii) Details of SGP shares awarded:

Award Date	Fair Value	Awarded	Vesting Dates	
	RM	(Units'000)		
9-Jun-21	4.65	15,748	31-Mar-24	<i>Subject to performance conditions</i>
			31-Mar-25	
31-Mar-22	5.33	1,965	31-Mar-24	
			31-Mar-25	
8-Sep-22	5.40	736	31-Mar-24	
			31-Mar-25	
8-Dec-22	5.61	142	31-Mar-24	
			31-Mar-25	
12-Jan-24	5.92	250	-	
			31-Mar-25	

The following table indicates the number and movement of SGP shares during the financial year ended 31 December 2025:

Award Date	CIMB Bank Group				
	As at	Movement during the year			As at
	1 January 2025	Awarded	Vested [added]	Forfeited	31 December 2025
	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	5,061	-	(4,377)	(684)	-
31-Mar-22	524	-	(460)	(64)	-
8-Sep-22	330	-	(291)	(39)	-
8-Dec-22	71	-	(60)	(11)	-
12-Jan-24	250	-	(210)	(40)	-

Award Date	CIMB Bank				
	As at	Movement during the year			As at
	1 January 2025	Awarded	Vested [added]	Forfeited	31 December 2025
	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	4,044	-	(3,507)	(537)	-
31-Mar-22	472	-	(416)	(56)	-
8-Sep-22	292	-	(257)	(35)	-
8-Dec-22	71	-	(60)	(11)	-
12-Jan-24	250	-	(210)	(40)	-

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Directors' Report for the financial year ended 31 December 2025 (Continued)

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

Executive Director and Key Management Personnel who have been awarded with the ESOS and SGP by the Bank and other related companies during the financial year ended 31 December 2025 and 31 December 2024 are listed below:

CIMB Bank Group	2025		2024	
	No of ESOS Awarded	No of SGP Awarded	No of ESOS Awarded	No of SGP Awarded
Name	(Units'000)	(Units'000)	(Units'000)	(Units'000)
Muhammad Novan bin Amirudin	-	-	-	-
Key management Personnel (including Executive Director)	-	-	-	250

CIMB Bank	2025		2024	
	No of ESOS Awarded	No of SGP Awarded	No of ESOS Awarded	No of SGP Awarded
Name	(Units'000)	(Units'000)	(Units'000)	(Units'000)
Muhammad Novan bin Amirudin	-	-	-	-
Key management Personnel (including Executive Director)	-	-	-	-

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Directors' remuneration

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

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Director				
- Salary and other remuneration	11,654	13,588	11,654	13,588
- Benefits-in-kind	89	177	89	177
	<u>11,743</u>	<u>13,765</u>	<u>11,743</u>	<u>13,765</u>
Non-Executive Directors				
- Fees	2,298	1,246	2,173	1,125
- Other remuneration	2,587	2,061	2,164	1,755
	<u>4,885</u>	<u>3,307</u>	<u>4,337</u>	<u>2,880</u>
	<u>16,628</u>	<u>17,072</u>	<u>16,080</u>	<u>16,645</u>

The Directors and Officers of the Group and of the Bank are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year for the Group and the Bank amounted to RM1,285,161 (2024: RM1,209,437) and RM820,676 (2024: RM863,818) respectively.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Directors' benefits

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by Directors shown in Note 46 to the Financial Statements or the fixed salary as a full time employee of the Bank) by reason of a contract made by the Bank 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 Bank is a party, with the object or objects of enabling Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate, other than the Management Equity Scheme, Equity Ownership Plan and Long Term Incentive Plan of the ultimate holding company (shown in Note 45 to the Financial Statements) as disclosed in this Report.

Subsidiaries

(a) Details of subsidiaries

Details of subsidiaries are as set out in Note 16 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 16 to the Financial Statements.

Auditors' Remuneration

Auditors' remuneration of the Group and the Bank are RM17,037,000 and RM13,460,000 respectively. Details of auditors' remuneration are as set out in Note 42 to the Financial Statements.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

2025 Business Plan and Strategy

The Bank navigated a dynamic operating environment in 2025, shaped by moderating global growth and market volatility driven by geopolitical and macroeconomic developments. The Bank's business direction was guided by the Group's new Forward30 strategic plan, with a sharpened focus on deposits & CASA growth, RAROC optimisation and wealth management, while maintaining disciplined cost management and safeguarding operational efficiency.

We further accelerated digital expansion, embedding digitalisation across operations, product innovation, sales enablement, and customer acquisition. These initiatives are designed to ensure sustainable franchise growth and to strengthen our competitive positioning in an increasingly digital-first marketplace.

Operational resiliency remained a priority, with enhanced efforts in structure, governance, processes, and controls to reinforce risk management capabilities and support healthier credit conditions.

We remain steadfast in our commitment to sustainability. We expanded initiatives to promote sustainable products and services across markets, while also providing targeted support to customers impacted by climate-related events, underscoring our role as a responsible financial partner.

The Group posted a profit before taxation and zakat ("PBT") of RM8,278 million for the financial year ended 31 December 2025, RM405 million or 5.1% higher as compared to the PBT of RM7,873 million the previous corresponding year. The higher PBT is attributed by the positive pre-provision operating profit and reduced provisions during the year.

Operating income improved 3.2% year-on-year ("YoY") to RM17.5 billion. Net interest income (inclusive of net financing income from Islamic Banking operations) grew 2.5% YoY to RM11.8 billion. Net non-interest income expanded by 4.7% YoY to RM5.6 billion. Operating expenses rise 4.3% YoY to RM8.1 billion while expected credit losses ("ECL") on loans, advances and financing increased 8.7% YoY to RM1.2 billion. This is offset by the write back of other ECL of RM124 million in the current financial year as opposed to ECL made of RM348 million in the previous financial year.

The two main operating subsidiaries of the Bank are CIMB Islamic Bank Berhad and CIMB Thai Bank Public Company Limited ("CIMB Thai"). Their total assets contributed approximately 27.6% (2024: 26.7%) and 10.1% (2024: 10.4%) respectively to the Bank consolidated total assets and their profit before taxation and zakat contributed approximately 22.6% (2024: 20.6%) and 4.5% (2024: 5.9%) to the Bank's consolidated profit before taxation.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Outlook for 2026

The Bank is cautiously optimistic on the macroeconomic and business outlook for 2026, underpinned by resilient ASEAN economies, sustained domestic consumption as well as the tapered global interest rate environment. Nevertheless, we continue to exercise a measured approach given the sustained global uncertainties surrounding tariffs and geopolitics, subdued global trade and heightened market volatility.

Building on the momentum of our Forward30 programme, which prioritises deposit-led growth, we aim to optimise capital allocation through a disciplined focus on Risk-Adjusted Return on Capital, while accelerating cross-selling opportunities particularly in wealth management by leveraging our ASEAN network and customer franchise. We are committed to broadening our digital capabilities and strengthening sustainability efforts to foster long-term value creation while maintaining high standards of operational resilience.

The Bank will strive toward a stronger core financial performance in 2026, driven by prudent asset growth across all principal markets, targeted net interest margin (NIM) management, strategies to increase non-interest income (NOII), disciplined credit risk oversight and sustained cost control measures. CIMB Malaysia's performance is expected to align with the nation's positive economic and investment outlook through NIM preservation and further development of digital capabilities. CIMB Singapore is projected to further benefit from its position as the Group's ASEAN Treasury hub in 2026, while CIMB Thai will continue to leverage ASEAN network flows and reshape its consumer finance operations.

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Ratings by External Rating Agencies

Details of the ratings of the Bank and its debt securities are as follows:

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Malaysian Rating Corporation Berhad ("MARC")	May 2025	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Tier II Basel III Compliant Subordinated Debt Programme 	<p>AAA MARC-1</p> <p>AA+</p>	Stable
RAM Rating Services Berhad ("RAM")	May 2025	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. Proposed RM10.0 billion Commercial Papers Programme 4. RM10.0 billion Tier II Basel III Compliant Subordinated Debt Programme <ul style="list-style-type: none"> - Issuances on or after 1 January 2016 with non-viability events linked to CIMB Bank Berhad as well as CIMB Group Holdings Berhad and its subsidiaries 5. RM10.0 billion Additional Tier I Capital Securities Programme 6. RM20.0 billion Medium Term Notes Programme 7. RM15.0 billion Sukuk Wakalah Programme 8. RM15.0 billion Tier-2 Subordinated Sukuk Wakalah Programme 9. RM15.0 billion Additional Tier-1 Sukuk Wakalah Programme 	<p>AAA P1 P1</p> <p>AA₂ A₁ AAA AAA AA₂ A₁</p>	Stable

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Ratings by External Rating Agencies (Continued)

Details of the ratings of the Bank and its debt securities are as follows (Continued):

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Moody's Investors Service ("Moody's")	August 2025	<ol style="list-style-type: none"> 1. Long-term Foreign Currency Bank Deposits Rating 2. Short-term Foreign Currency Bank Deposits Rating 3. Long-term Domestic Currency Bank Deposits Rating 4. Short-term Domestic Currency Bank Deposits Rating 5. USD1.0 billion Multi-Currency Euro Medium Term Notes Programme 6. Senior Unsecured Notes 7. USD5.0 billion Euro Medium Term Note Programme (Senior Unsecured/ Subordinated) 	<p>A3</p> <p>P-2</p> <p>A3</p> <p>P-2</p> <p>(P)A3</p> <p>A3</p> <p>(P)A3/(P)Baa3</p>	Stable
Standard & Poor's Ratings Services ("S&P")	October 2025	<ol style="list-style-type: none"> 1. Long-term Foreign Currency Rating 2. Short-term Foreign Currency Rating 3. Long-term Local Currency Rating 4. Short-term Local Currency Rating 	<p>A-</p> <p>A-2</p> <p>A-</p> <p>A-2</p>	Stable

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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 the Islamic Financial Services Act 2013, the Board of Directors (the "Board") is ultimately responsible and accountable for the oversight and management of Shariah matters in the Bank's Islamic banking and finance operations as well as those Islamic business undertaken under its subsidiaries or Islamic banking window that it has management control. In undertaking its duties and responsibilities relating to Shariah, the Board relies on the advice of the Board Shariah Committee ("BSC") of CIMB Group as established under CIMB Islamic Bank Berhad ("CIMB Islamic"), the core Islamic banking and finance operating entity of the Group.

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

All decisions by the Board on Shariah matters relating to the Islamic banking and finance business of the Bank and its subsidiaries or Islamic banking window shall be made based on the decisions, views and opinions of the BSC.

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

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

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

The BSC members are as follows:

1. Dr. Mohamed Fairouz Abdul Khir (Chairman)
2. Professor Dr. Aishath Muneeza
3. Dr. Ahmad Sufian Che Abdullah
4. Dr. Mohammad Mahbubi Ali
5. En. Jalalullail Othman
6. Prof. Dr Yousef Abdullah Al-Shubaily (effective 1st August 2025)

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Directors' Report for the financial year ended 31 December 2025 (Continued)

Board Shariah Committee (Continued)

The Board hereby affirms that based on advice of the BSC, the operations of the Bank and its subsidiaries or Islamic banking window that it has management control in 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

The BSC convened 10 meetings during the financial year 2025 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 2025:

Two Joint Board and BSC meetings were held in June and November 2025 respectively.

The first meeting was held on 3 June 2025 deliberated the following topic:

- i. Regulatory Updates: BNM Townhall on Ujrah-based Credit Card-i Transition and Hajah and Darurah PD Implementation
- ii. Updates from Shariah Control Functions: Shariah Control Functions Initiatives 2025
- iii. Updates from Board Shariah Committee / Shariah Advisory Council ("SAC") of BNM & SC and Product Development and Innovation

The second Joint Board and BSC meeting held on 17 November 2025 discussed the followings:

- i. Regulatory Updates: BNM's Shariah-related Regulatory Documents
- ii. Updates from Shariah Control Functions: Shariah Control Functions Updates 2025 & Initiatives 2026
- iii. Updates from Board Shariah Committee / Shariah Advisory Council ("SAC") of BNM & SC and Product Development and Innovation

Management had invited Prof. Dr. Engku Rabiah Adawiyah, currently Professor at Institute of Islamic Banking & Finance ("IiBF") International Islamic University Malaysia ("IIUM") to deliver a training on Shariah Decision Making Methodology with Reference to SAC's Resolution

In addition, in December 2025 BSC had also organised an Off-Site Meeting.

As guided by Guidelines on Islamic Capital Market Products and Services, BSC members had fulfilled the minimum three Securities Industry Development Corporation's ("SIDC") Continuing Professional Education ("CPE") approved courses on capital market during the financial year 2025.

CIMB Bank Berhad

(Incorporated in Malaysia)

Directors' Report for the financial year ended 31 December 2025 (Continued)

Board Shariah Committee (Continued)

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

- 3rd Nadwah of Shariah Advisers in Islamic Capital Market 2025
- Capital Market Director Programme (“CMDP”) Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors
- Capital Market Director Programme (“CMDP”) Module 4: Emerging and Current Regulatory Issues in the Capital Market

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

- The Cooler Earth Shariah Leadership in Sustainability Conference
- 20th International Shariah Scholars Forum in Islamic Finance
- Shariah Decision Making Methodology with reference to Shariah Advisory Council (“SAC”)’s Resolution
- Muzakarah Nusantara 2025
- Dallah al-Barakah Forum 2025

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 2025.

CIMB Bank Berhad

(Incorporated in Malaysia)

Directors' Report for the financial year ended 31 December 2025 (Continued)

Board Shariah Committee (Continued)

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.

The obligation and responsibility for specific payment of zakat on depositors fund lies with its Muslim customers only. The aforesaid is subject to the jurisdictional requirements on zakat payment as may be applicable from time to time on the Bank 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.

Significant events during the financial year

Significant events during the financial year are disclosed in Note 53 to the Financial Statements.

Subsequent event after the financial year end

Significant event after the financial year is disclosed in Note 54 to the Financial Statements.

CIMB Bank Berhad

(Incorporated in Malaysia)

Directors' Report for the financial year ended 31 December 2025 (Continued)

Statement of Directors' Responsibility

In preparing the Financial Statements, the Directors have ensured that Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), and the requirements of the Companies Act 2016 have been complied with and reasonable and prudent judgements and estimates have been made.

It is the responsibility of the Directors to ensure that the Financial Statements of the Group and the Bank present a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025 and financial performance of the Group and of the Bank for the financial year ended 31 December 2025.

The Financial Statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept so as to enable the preparation of the Financial Statements with reasonable accuracy.

The Directors have also overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Bank and for the implementation and continued operation of adequate accounting and internal control systems for the prevention and detection of fraud and other irregularities. The system of internal controls is designed to provide reasonable and not absolute assurance for achieving certain internal control standards and helps the Group and the Bank manage the risk of failure to achieve business.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out on page 23 of the Directors' Report.

CIMB Bank Berhad

(Incorporated in Malaysia)

Directors' Report for the financial year ended 31 December 2025 (Continued)

Ultimate holding company

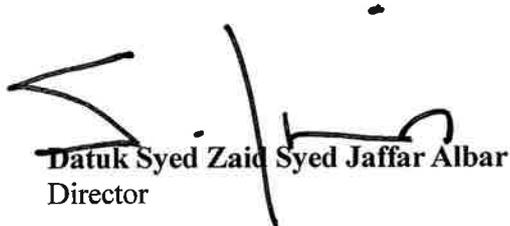
The Directors regard CIMB Group Holdings Berhad, a quoted company incorporated in Malaysia, as the Bank's ultimate holding company.

Auditors

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

This report was approved by the Board of Directors on 13 March 2026.

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



Datuk Syed Zaid Syed Jaffar Albar
Director



Muhammad Novan Amirudin
Director

Kuala Lumpur
13 March 2026

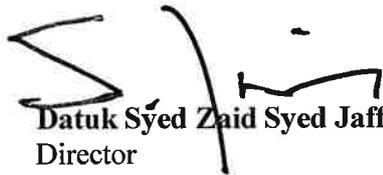
CIMB Bank Berhad

(Incorporated in Malaysia)

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

We, Datuk Syed Zaid Syed Jaffar Albar and Muhammad Novan Amirudin, being two of the Directors of CIMB Bank Berhad, hereby state that, in the opinion of the Directors, the Financial Statements set out on pages 36 to 457 are drawn up so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025 and financial performance of the Group and of the Bank for the financial year ended 31 December 2025, in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), and the requirements of the Companies Act 2016 in Malaysia.

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



Datuk Syed Zaid Syed Jaffar Albar
Director



Muhammad Novan Amirudin
Director

Kuala Lumpur
13 March 2026

CIMB Bank Berhad

(Incorporated in Malaysia)

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 Bank Berhad, do solemnly and sincerely declare that the Financial Statements set out on pages 36 to 457 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 13 March 2026.

Commissioner for Oaths



**1-30, Jalan Pandan Prima 2,
Dataran Pandan Prima,
55100 Kuala Lumpur.**

CIMB Bank Berhad

(Incorporated in Malaysia)

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 Bank. Although the Board is ultimately responsible and accountable for all Shariah matters under the Bank, the Board relies on our independent advice on the same.

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

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

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

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

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

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. Under the Group Enterprise-Wide Risk Management ("EWRM") Framework, Shariah Non-Compliance (SNC) risk is identified as one of the material risks for CIMB Group, specifically in relation to its Islamic banking business. To reflect the Group's seriousness in managing SNC risk, Group Risk Library captures SNC risk as Level 1 risk like credit, market and operational risks.

CIMB Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

In addition, CIMB Group has established the Shariah Risk Management Policy (“SRMP”) in accordance with BNM’s Shariah Governance Policy Document (“SGPD”), which articulates the objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by the Group in managing SNC risk. Shariah Risk Management Procedure has also been developed to provide explanation/illustration that could facilitate Risk Control Unit (“RCU”) and Designated Compliance & Operational Risk Officers (“DCORO”) of Business Units (“BUs”) and Business Enablers (“BEs”) in identifying, assessing, controlling and monitoring SNC risk inherent in their Islamic products and day-to-day activities.

To ensure inherent SNC risk in Islamic banking products and business processes is adequately assessed, SRM also performs independent assessment and provides support to BU/BEs. SRM continued to conduct Shariah Risk Awareness program for RCUs and DCOROs as one of the SNC risk mitigation measures as well as to keep BU/BEs abreast with the latest development of SNC risk experience by the Group. In this regards, Shariah Risk Awareness is part of the On-Boarding Risk & Compliance Training and RCU Forum for RCUs and DCOROs that is conducted on a quarterly basis.

Regular report was submitted to the Senior Management and Board Committees to provide analysis and latest trend of SNC risk experience by the Group.

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

The Bank also continues Shariah Capacity Building programs to inculcate strong Shariah knowledge within the Bank. The Bank has supported CIMB Islamic and CIMB Bank staff to enroll in relevant certification programs such as Certified Shariah Advisor (“CSA”), Certified Professional Shariah Auditor (“CPSA”), Associate Qualification in Islamic Finance (“AQIF”), Intermediate Qualification in Islamic Finance (“IQIF”), Islamic Financial Planner – Challenge Status Certification (“IFP-CS”) and others. The Bank had also organised a sharing session on Sustainability from Islamic Perspectives; Drawing insights from the book ‘40 Hadiths on Sustainability’ published by the Securities Commission of Malaysia which was delivered by Dr. Mohamed Fairouz Abdul Khir.

All in all, the Management of the Bank is responsible and accountable to the Board to ensure that the Islamic banking and finance businesses of the Bank and its subsidiaries or Islamic banking window are conducted in accordance with the requirement of Shariah. It is our responsibility to form an independent opinion of the state of Shariah compliancy of the business and its operations and advise the Board accordingly. Based on the internal controls that have been put in place by the Management, in our opinion, to the best of our knowledge, the Bank has complied with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and by all other financial regulators (where relevant), as well as Shariah decisions made by us, the overall aims and operations, business, affairs and activities of the Bank’s Islamic banking and finance business or Islamic banking window 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 Bank and in the process of being rectified.

Details of the Shariah Non-Compliant events is as follows:

1. Collection of “Profit” arising from Incidental Qard, due to non-execution of Tawarruq (renewal) for Accepted Bill-i (“AB-I”) & Multi Currency Trade Financing (“MCTF-I”) at facility level. The rectification measures to address the event are currently ongoing. The measures include, among others, execution of Tawarruq for the impacted account and income earned from the transactions amounting to approximately RMRM269,309.97 will be channeled to the charitable bodies.

Apart from the above, CIMB Bank 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 58 (al) to the Financial Statements.

CIMB Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

In our opinion:

1. The contracts, transactions and dealings entered into by the Group during the financial year ended 31 December 2025 that were presented to us were done in compliance with Shariah save and except for the contracts involved in the abovementioned Shariah Non-Compliant event; and
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; and
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 Bank. We are satisfied that the Management has planned and performed the necessary review and audit so as to obtain all the information and explanations which are considered necessary to provide us with sufficient evidence to give reasonable assurance that the Bank has not violated Shariah.

CIMB Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

We, the members of the BSC, are of the opinion that the operations of the Bank's Islamic banking and finance business for the financial year ended 31 December 2025 were conducted in conformity with Shariah.

On behalf of the Board Shariah Committee



Dr. Mohamed Fairouz Abdul Khir
Chairman



Dr. Ahmad Sufian Che Abdullah
Member

Kuala Lumpur
13 March 2026



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197201001799 (13491-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB Bank Berhad (“the Bank”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 36 to 457.

Basis for opinion

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

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

Independence and other ethical responsibilities

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



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197201001799 (13491-P)

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB BANK BERHAD (CONTINUED)**
(Incorporated in Malaysia)
Registration No. 197201001799 (13491-P)

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB BANK BERHAD (CONTINUED)**
(Incorporated in Malaysia)
Registration No. 197201001799 (13491-P)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197201001799 (13491-P)

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 16 to the financial statements.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

LEE TZE WOON KELVIN
03482/01/2028 J
Chartered Accountant

Kuala Lumpur
13 March 2026

CIMB Bank Berhad

(Incorporated in Malaysia)

**Statements of Financial Position
as at 31 December 2025**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Cash and short-term funds	2(a)	23,677,976	26,218,269	16,291,298	17,801,178
Reverse repurchase agreements/ Reverse Collateralised Commodity Murabahah	4	13,956,044	10,433,820	11,869,483	8,574,863
Deposits and placements with banks and other financial institutions	2(b)	4,205,170	4,497,333	4,351,433	5,045,166
Investment account placement	3	-	-	2,800,834	2,927,281
Financial investments at fair value through profit or loss	5	58,852,520	46,335,177	46,028,882	32,599,130
Debt instruments at fair value through other comprehensive income	6	72,125,609	62,880,242	49,693,181	46,684,128
Equity instruments at fair value through other comprehensive income	7	576,029	366,709	454,069	275,644
Debt instruments at amortised cost	8	77,630,872	74,284,787	60,594,402	57,061,404
Derivative financial instruments	27	15,090,158	14,703,828	7,458,358	7,591,511
Loans, advances and financing	9	387,504,148	380,075,496	208,740,242	210,516,683
Other assets	10	10,460,829	8,931,151	6,710,327	6,373,209
Amounts due from holding company and ultimate holding company	11	6,295	7,237	6,295	7,227
Amounts due from subsidiaries	12	-	-	4,749	11,378
Amounts due from related companies	13	5,313,223	4,707,543	5,308,120	4,702,380
Tax recoverable		285,972	175,076	49,416	-
Deferred tax assets	14	1,023,122	1,291,929	730,022	879,346
Statutory deposits with central banks	15	5,374,427	7,875,409	3,564,952	5,051,789
Investment in subsidiaries	16	-	-	6,523,544	6,510,537
Investment in joint venture	17	151,773	146,208	125,000	125,000
Property, plant and equipment	18	1,761,991	859,672	1,516,512	588,095
Right-of-use assets	19	361,857	440,687	288,892	361,060
Investment properties	20	8,338	8,485	-	-
Goodwill	21	3,940,946	3,945,365	3,555,075	3,555,075
Intangible assets	22	1,387,347	1,317,748	1,229,381	1,153,649
Total assets		683,694,646	649,502,171	437,894,467	418,395,733

CIMB Bank Berhad

(Incorporated in Malaysia)

**Statements of Financial Position
as at 31 December 2025 (Continued)**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Liabilities					
Deposits from customers	23	420,023,304	408,230,634	267,448,624	257,056,372
Investment accounts of customers	24	32,291,771	24,443,310	-	-
Deposits and placements of banks and other financial institutions	25	48,208,093	43,872,150	42,265,377	39,290,714
Repurchase agreements/Collateralised Commodity Murabahah		39,960,394	44,093,953	30,424,736	34,489,619
Financial liabilities at fair value through profit or loss	26	7,755,679	6,594,338	2,154,758	2,053,440
Derivative financial instruments	27	15,555,718	14,182,348	7,677,625	7,019,986
Bills and acceptances payable		1,531,794	1,367,783	825,606	603,997
Other liabilities	28	20,768,971	17,136,701	16,206,860	13,817,845
Lease liabilities	29	326,433	467,319	247,256	381,153
Recourse obligation on loans and financing sold to Cagamas	30	5,071,980	4,934,842	1,422,481	1,321,350
Amounts due to ultimate holding company	11	17	-	-	-
Amounts due to subsidiaries	12	-	-	1,219,073	638,276
Amounts due to related companies	13	3,950	8,694	2,996	4,731
Provision for taxation and zakat		23,353	74,722	-	73,623
Deferred tax liabilities	14	658	706	-	-
Bonds, Sukuk and debentures	31	16,216,835	13,938,972	7,415,593	5,851,900
Other borrowings	32	7,729,397	4,841,483	7,728,804	4,839,166
Subordinated obligations	33	11,290,820	10,292,623	10,625,099	9,628,945
Total liabilities		626,759,167	594,480,578	395,664,888	377,071,117
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital	34	24,539,214	24,539,214	24,539,214	24,539,214
Reserves	36	31,844,960	29,936,796	17,490,365	16,585,402
		56,384,174	54,476,010	42,029,579	41,124,616
Perpetual preference shares	35	200,000	200,000	200,000	200,000
Non-controlling interests		351,305	345,583	-	-
Total equity		56,935,479	55,021,593	42,229,579	41,324,616
Total equity and liabilities		683,694,646	649,502,171	437,894,467	418,395,733
Commitments and contingencies	51	2,022,456,849	1,909,082,278	1,344,811,574	1,150,671,012
Net assets per ordinary share attributable to owners of the Parent (RM)		8.38	8.10	6.25	6.11

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**Statements of Income
for the financial year ended 31 December 2025**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income	37	18,365,627	19,581,243	16,266,020	17,199,900
Interest income for financial assets at fair value through profit or loss	38	1,375,962	1,295,594	1,128,406	1,014,555
Interest expense	39	(11,309,965)	(12,578,425)	(10,110,564)	(11,247,778)
Net interest income (before modification loss)		8,431,624	8,298,412	7,283,862	6,966,677
Modification loss	40	(55,984)	(2,718)	-	-
Net interest income (after modification loss)		8,375,640	8,295,694	7,283,862	6,966,677
Income from Islamic banking operations	58	4,161,415	3,806,202	214,569	224,294
		12,537,055	12,101,896	7,498,431	7,190,971
Fee and commission income	41(a)	2,503,256	2,422,956	3,481,361	3,354,193
Fee and commission expense	41(b)	(732,686)	(747,744)	(715,631)	(737,590)
Net fee and commission income		1,770,570	1,675,212	2,765,730	2,616,603
Other non-interest income	41(c)	3,169,665	3,151,189	3,529,195	2,979,243
Net income		17,477,290	16,928,297	13,793,356	12,786,817
Overheads	42	(8,115,035)	(7,778,757)	(6,811,830)	(6,522,008)
Profit before expected credit losses		9,362,255	9,149,540	6,981,526	6,264,809
Expected credit losses on loans, advances and financing	43	(1,208,818)	(1,111,738)	(540,771)	(619,012)
Expected credit losses on commitments and contingencies (made)/written back	28(b)	(4,959)	189,318	(10,443)	97,050
Other expected credit losses and impairment allowances written back/(made)	44	124,046	(347,990)	166,259	(81,296)
Profit after expected credit losses		8,272,524	7,879,130	6,596,571	5,661,551
Share of results of joint venture	17	5,565	(6,103)	-	-
Profit before taxation and zakat		8,278,089	7,873,027	6,596,571	5,661,551
Taxation and zakat	47	(2,002,396)	(1,797,154)	(1,426,525)	(1,260,943)
Profit after taxation and zakat		6,275,693	6,075,873	5,170,046	4,400,608
Profit for the financial year attributable to:					
Owners of the Parent		6,258,544	6,054,377	5,170,046	4,400,608
Non-controlling interests		17,149	21,496	-	-
		6,275,693	6,075,873	5,170,046	4,400,608
Earnings per share attributable to ordinary equity holders of the Parent - basic/diluted (sen)	48	93.03	90.66	76.85	65.89

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**Statements of Comprehensive Income
for the financial year ended 31 December 2025**

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year	6,275,693	6,075,873	5,170,046	4,400,608
Other comprehensive (expense)/income:				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	(6,242)	14,277	-	-
- Actuarial (loss)/gain	(7,579)	17,715	-	-
- Income tax effects	1,516	(3,543)	-	-
- Currency translation difference	(179)	105	-	-
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(11,669)	44,540	(3,948)	(25)
- Net (loss)/gain from change in fair value	(12,869)	54,099	(3,948)	(25)
- Income tax effects	925	(11,312)	-	-
- Currency translation difference	275	1,753	-	-
Equity instruments at fair value through other comprehensive income	(49,095)	922	(75,135)	1,558
- Net (loss)/gain from change in fair value	(67,691)	404	(100,333)	1,757
- Income tax effects	17,310	(716)	24,070	(799)
- Currency translation difference	1,286	1,234	1,128	600
Revaluation reserve	(101)	5,790	-	-
- Net gain on revaluation reserve	-	5,741	-	-
- Currency translation difference	(101)	49	-	-
	(67,107)	65,529	(79,083)	1,533
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	452,616	184,355	345,571	105,165
- Net gain from change in fair value	1,416,775	476,517	780,172	286,138
- Realised gain transferred to statement of income on disposal	(838,920)	(257,194)	(312,029)	(147,608)
- Changes in expected credit losses	(3,617)	6,057	(25,176)	(9,028)
- Income tax effects	(117,272)	(41,339)	(93,045)	(24,648)
- Currency translation difference	(4,350)	314	(4,351)	311
Net investment hedge	343,032	134,203	249,957	110,712
Cash flow hedge	105,228	9,853	102,825	10,291
- Net gain from change in fair value	104,687	10,731	101,708	10,882
- Income tax effects	504	(520)	1,117	(591)
- Currency translation difference	37	(358)	-	-
Exchange fluctuation reserve	(1,176,684)	(756,443)	(882,583)	(528,876)
Deferred hedging cost	(115,633)	(93,368)	(108,877)	(58,846)
- Net loss from change in fair value	(113,532)	(93,368)	(106,776)	(58,846)
- Currency translation difference	(2,101)	-	(2,101)	-
	(391,441)	(521,400)	(293,107)	(361,554)
Other comprehensive expense during the financial year, net of tax	(458,548)	(455,871)	(372,190)	(360,021)
Total comprehensive income for the financial year	5,817,145	5,620,002	4,797,856	4,040,587
Total comprehensive income attributable to:				
Owners of the Parent	5,801,902	5,600,015	4,797,856	4,040,587
Non-controlling interests	15,243	19,987	-	-
	5,817,145	5,620,002	4,797,856	4,040,587

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Statements of Changes in Equity for the financial year ended 31 December 2025

The Group	Attributable to owners of the Parent																			
	Fair value reserve																			
	Debt instruments					Equity instruments					Capital contribution					Perpetual				
	Ordinary	Statutory	Exchange	through other	through other	Merger	Capital	Hedging	Costs of	Share-based	Own credit	Defined	by ultimate	Revaluation	Retained	Total	Non-controlling	Total		
capital	reserve	fluctuation	comprehensive	comprehensive	deficit	reserve	reserve	hedging	payment	reserve	reserve	reserve	reserve	earnings	shares	interests	Equity			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2025	24,539,214	118,852	2,653,617	(336,413)	85,252	(1,085,928)	1,021,482	(1,795,761)	98,814	13,636	1,777,092	(11,966)	14,109	135,396	5,790	27,242,824	54,476,010	200,000	345,583	55,021,593
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,258,544	6,258,544	-	17,149	6,275,693
Other comprehensive (expense)/income(net of tax)	-	-	(1,169,305)	449,157	(50,441)	-	-	448,618	(115,633)	(225)	-	(11,492)	(5,919)	(1,301)	(101)	-	(456,642)	-	(1,906)	(458,548)
- debt instruments at fair value through other comprehensive income	-	-	-	449,157	-	-	-	-	-	-	-	-	-	-	-	-	449,157	-	3,459	452,616
- equity instruments at fair value through other comprehensive income	-	-	-	-	(50,441)	-	-	-	-	-	-	-	-	-	-	-	(50,441)	-	1,346	(49,095)
- net investment hedge	-	-	-	-	-	-	-	343,032	-	-	-	-	-	-	-	-	343,032	-	-	343,032
- cash flow hedge	-	-	-	-	-	-	-	105,586	-	-	-	-	-	-	-	-	105,586	-	(358)	105,228
- currency translation difference	-	-	(1,169,305)	-	-	-	-	-	-	(225)	-	-	-	(1,301)	-	-	(1,170,831)	-	(5,853)	(1,176,684)
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	(5,919)	-	-	-	(5,919)	-	(323)	(6,242)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(11,492)	-	-	-	-	-	(11,492)	-	(177)	(11,669)
- deferred hedging cost	-	-	-	-	-	-	-	-	(115,633)	-	-	-	-	-	-	-	(115,633)	-	-	(115,633)
-net gain on revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(101)	-	(101)	-	-	(101)
Total comprehensive (expense)/income for the financial year	-	-	(1,169,305)	449,157	(50,441)	-	-	448,618	(115,633)	(225)	-	(11,492)	(5,919)	(1,301)	(101)	6,258,544	5,801,902	-	15,243	5,817,145
Second interim dividend for the financial year ending 31 December 2024	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,641,481)	(1,641,481)	-	-	(1,641,481)
First interim dividend for the financial year ending 31 December 2025	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,252,999)	(2,252,999)	-	-	(2,252,999)
Share-based payment expense	-	-	-	-	-	-	-	-	-	29,413	-	-	-	(11,241)	-	-	18,172	-	-	18,172
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	(17,430)	-	-	-	-	-	-	(17,430)	-	(9)	(17,439)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	11,983	-	-	-	(11,241)	-	(3,894,480)	(3,893,738)	-	(9)	(3,893,747)
Transfer to statutory reserve	36	-	29,375	-	-	-	-	-	-	-	-	-	-	-	-	(29,375)	-	-	-	-
Transfer to regulatory reserve	36	-	-	-	-	-	-	-	-	-	622,826	-	-	-	-	(622,826)	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,512)	(9,512)
Transfer of realised loss to retained earnings	-	-	-	-	-	-	-	-	-	-	-	22	-	-	-	(22)	-	-	-	-
At 31 December 2025	24,539,214	148,227	1,484,312	112,744	34,811	(1,085,928)	1,021,482	(1,347,143)	(16,819)	25,394	2,399,918	(23,436)	8,190	122,854	5,689	28,954,665	56,384,174	200,000	351,305	56,935,479

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Statements of Changes in Equity for the financial year ended 31 December 2025 (Continued)

The Group	Attributable to owners of the Parent																																																											
	Fair value reserve										Capital contribution																																																	
	Debt instruments at fair value					Equity instruments at fair value					Costs of hedging					Share-based payment					Own credit risk					Defined benefits					by ultimate holding company					Revaluation reserve					Retained earnings					Perpetual preference shares					Non-controlling interests					Total Equity				
	Ordinary Share capital	Statutory reserve	Exchange fluctuation reserve	through other comprehensive income	through other comprehensive income	Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Share-based payment reserve	Regulatory reserve	Own credit risk reserve	Defined benefits reserve	by ultimate holding company	Revaluation reserve	Retained earnings	Total	shares	Non-controlling interests	Total Equity																																								
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000																																								
At 1 January 2024	23,039,242	101,216	3,400,876	(517,623)	(1,072)	(1,085,928)	916,232	(1,940,291)	192,182	11,794	1,102,571	(57,415)	570	119,941	-	27,144,779	52,427,074	200,000	328,009	52,955,083																																								
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,054,377	6,054,377	-	21,496	6,075,873																																								
Other comprehensive (expense)/income (net of tax)	-	-	(747,259)	181,210	956	-	-	144,530	(93,368)	(492)	-	42,110	13,539	(1,378)	5,790	-	(454,362)	-	(1,509)	(455,871)																																								
- debt instruments at fair value through other comprehensive income	-	-	-	181,210	-	-	-	-	-	-	-	-	-	-	-	-	181,210	-	3,145	184,355																																								
- equity instruments at fair value through other comprehensive income	-	-	-	-	956	-	-	-	-	-	-	-	-	-	-	-	956	-	(34)	922																																								
- net investment hedge	-	-	-	-	-	-	-	134,203	-	-	-	-	-	-	-	-	134,203	-	-	134,203																																								
- cash flow hedge	-	-	-	-	-	-	-	10,327	-	-	-	-	-	-	-	-	10,327	-	(474)	9,853																																								
- currency translation difference	-	-	(747,259)	-	-	-	-	-	(492)	-	-	-	(1,378)	-	-	-	(749,129)	-	(7,314)	(756,443)																																								
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	13,539	-	-	-	-	13,539	-	738	14,277																																								
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	42,110	-	-	-	-	-	42,110	-	2,430	44,540																																								
- deferred hedging cost	-	-	-	-	-	-	-	(93,368)	-	-	-	-	-	-	-	-	(93,368)	-	-	(93,368)																																								
- net gain on revaluation reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	5,790	-	-	5,790	-	-	5,790																																								
Total comprehensive (expense)/income for the financial year	-	-	(747,259)	181,210	956	-	-	144,530	(93,368)	(492)	-	42,110	13,539	(1,378)	5,790	6,054,377	5,600,015	-	19,987	5,620,002																																								
Second interim dividend for the financial year ending 31 December 2023	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,693,307)	(1,693,307)	-	-	(1,693,307)																																								
First interim dividend for the financial year ending 31 December 2024	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,876,939)	(1,876,939)	-	-	(1,876,939)																																								
Distribution of special dividend via issuance of new shares	34,49	1,499,972	-	-	-	-	-	-	-	-	-	-	-	-	(1,499,972)	-	-	-	-	-																																								
Share-based payment expense	-	-	-	-	-	-	-	-	14,650	-	-	-	-	16,833	-	-	31,483	-	-	31,483																																								
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	(12,316)	-	-	-	-	-	-	(12,316)	-	-	(13)	(12,329)																																								
Total transactions with owners recognised directly in equity	1,499,972	-	-	-	-	-	-	-	2,334	-	-	-	16,833	-	(5,070,218)	(3,551,079)	-	(13)	(3,551,092)																																									
Transfer to statutory reserve	36	-	17,636	-	-	-	-	-	-	-	-	-	-	-	(17,636)	-	-	-	-	-																																								
Transfer to regulatory reserve	36	-	-	-	-	-	-	-	-	674,521	-	-	-	-	(674,521)	-	-	-	-	-																																								
Transfer to capital reserve	36	-	-	-	-	105,250	-	-	-	-	-	-	-	-	(105,250)	-	-	-	-	-																																								
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,400)	(2,400)																																								
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	85,368	-	-	-	-	-	-	-	-	-	(85,368)	-	-	-	-	-																																								
Transfer of realised loss to retained earnings	-	-	-	-	-	-	-	-	-	-	3,339	-	-	-	(3,339)	-	-	-	-	-																																								
At 31 December 2024	24,539,214	118,852	2,653,617	(336,413)	85,252	(1,085,928)	1,021,482	(1,795,761)	98,814	13,636	1,777,092	(11,966)	14,109	135,396	5,790	27,242,824	54,476,010	200,000	345,583	55,021,593																																								

CIMB Bank Berhad

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Statements of Changes in Equity for the financial year ended 31 December 2025 (Continued)

The Bank	Note	Non-distributable														Distributable		Perpetual preference shares	Total Equity
		Fair value reserve		Fair value reserve		Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Share-based payment reserve	Regulatory reserve	Own credit risk reserve	Capital contribution by ultimate holding company	Retained earnings	Total				
		Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Exchange fluctuation reserve	Ordinary Share capital														
		RM'000	RM'000	RM'000	RM'000														
At 1 January 2025		24,539,214	1,211,835	(295,465)	112,683	(1,047,872)	746,852	(1,271,086)	134,818	12,427	1,379,870	(147)	111,010	15,490,477	41,124,616	200,000	41,324,616		
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	-	-	5,170,046	5,170,046	-	5,170,046		
Other comprehensive (expense)/income (net of tax)		-	(881,740)	345,571	(75,135)	-	-	352,782	(108,877)	(205)	-	(3,948)	(638)	-	(372,190)	-	(372,190)		
- debt instruments at fair value through other comprehensive income		-	-	345,571	-	-	-	-	-	-	-	-	-	-	345,571	-	345,571		
- equity instruments at fair value through other comprehensive income		-	-	-	(75,135)	-	-	-	-	-	-	-	-	-	(75,135)	-	(75,135)		
- net investment hedge		-	-	-	-	-	-	249,957	-	-	-	-	-	-	249,957	-	249,957		
- cash flow hedge		-	-	-	-	-	-	102,825	-	-	-	-	-	-	102,825	-	102,825		
- currency translation difference		-	(881,740)	-	-	-	-	-	(205)	-	-	-	(638)	-	(882,583)	-	(882,583)		
- fair value changes on financial liabilities designated at fair value relating to own credit risk		-	-	-	-	-	-	-	-	-	(3,948)	-	-	-	(3,948)	-	(3,948)		
- deferred hedging cost		-	-	-	-	-	-	(108,877)	-	-	-	-	-	-	(108,877)	-	(108,877)		
Total comprehensive (expense)/income for the financial year		-	(881,740)	345,571	(75,135)	-	-	352,782	(108,877)	(205)	-	(3,948)	(638)	5,170,046	4,797,856	-	4,797,856		
Second interim dividend for the financial year ending 31 December 2024	49	-	-	-	-	-	-	-	-	-	-	-	-	(1,641,481)	(1,641,481)	-	(1,641,481)		
First interim dividend for the financial year ending 31 December 2025	49	-	-	-	-	-	-	-	-	-	-	-	-	(2,252,999)	(2,252,999)	-	(2,252,999)		
Share-based payment expense		-	-	-	-	-	-	-	27,423	-	-	-	(9,840)	-	17,583	-	17,583		
Shares released under Equity Ownership Plan		-	-	-	-	-	-	-	(15,996)	-	-	-	-	-	(15,996)	-	(15,996)		
Total transactions with owners recognised directly in equity		-	-	-	-	-	-	-	11,427	-	-	-	(9,840)	(3,894,480)	(3,892,893)	-	(3,892,893)		
Transfer to regulatory reserve	36	-	-	-	-	-	-	-	-	377,128	-	-	-	(377,128)	-	-	-		
At 31 December 2025		24,539,214	330,095	50,106	37,548	(1,047,872)	746,852	(918,304)	25,941	23,649	1,756,998	(4,095)	100,532	16,388,915	42,029,579	200,000	42,229,579		

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Statements of Changes in Equity for the financial year ended 31 December 2025 (Continued)

The Bank	Note	← Non-distributable → Distributable															
		Fair value reserve		Non-distributable										Distributable			
		Ordinary Share capital	Exchange fluctuation reserve	Fair value reserve		Merger deficit	Capital reserve	Hedging reserve	Costs of hedging reserve	Share-based payment reserve	Regulatory reserve	Own credit risk reserve	Capital contribution by ultimate holding company		Retained earnings	Perpetual preference shares	Total Equity
				Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income								RM'000	RM'000			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 January 2024		23,039,242	1,739,678	(400,630)	25,855	(1,047,872)	746,852	(1,392,089)	193,664	10,340	891,938	(122)	97,523	16,733,289	40,637,668	200,000	40,837,668
Profit for the financial year		-	-	-	-	-	-	-	-	-	-	-	-	4,400,608	4,400,608	-	4,400,608
Other comprehensive (expense)/income (net of tax)		-	(527,843)	105,165	1,558	-	-	121,003	(58,846)	(72)	-	(25)	(961)	-	(360,021)	-	(360,021)
- debt instruments at fair value through other comprehensive income		-	-	105,165	-	-	-	-	-	-	-	-	-	-	105,165	-	105,165
- equity instruments at fair value through other comprehensive income		-	-	-	1,558	-	-	-	-	-	-	-	-	-	1,558	-	1,558
- net investment hedge		-	-	-	-	-	-	110,712	-	-	-	-	-	-	110,712	-	110,712
- cash flow hedge		-	-	-	-	-	-	10,291	-	-	-	-	-	-	10,291	-	10,291
- currency translation difference		-	(527,843)	-	-	-	-	-	(72)	-	-	-	(961)	-	(528,876)	-	(528,876)
- fair value changes on financial liabilities designated at fair value relating to own credit risk		-	-	-	-	-	-	-	-	-	(25)	-	-	-	(25)	-	(25)
- deferred hedging cost		-	-	-	-	-	-	(58,846)	-	-	-	-	-	-	(58,846)	-	(58,846)
Total comprehensive income/(expense) for the financial year		-	(527,843)	105,165	1,558	-	-	121,003	(58,846)	(72)	-	(25)	(961)	4,400,608	4,040,587	-	4,040,587
Second interim dividend for the financial year ending 31 December 2023	49	-	-	-	-	-	-	-	-	-	-	-	-	(1,693,307)	(1,693,307)	-	(1,693,307)
First interim dividend for the financial year ending 31 December 2024	49	-	-	-	-	-	-	-	-	-	-	-	-	(1,876,939)	(1,876,939)	-	(1,876,939)
Distribution of special dividend via issuance of new shares	34,49	1,499,972	-	-	-	-	-	-	-	-	-	-	-	(1,499,972)	-	-	-
Share-based payment expense		-	-	-	-	-	-	-	-	13,489	-	-	14,448	-	27,937	-	27,937
Shares released under Equity Ownership Plan		-	-	-	-	-	-	-	-	(11,330)	-	-	-	-	(11,330)	-	(11,330)
Total transactions with owners recognised directly in equity		1,499,972	-	-	-	-	-	-	-	2,159	-	-	14,448	(5,070,218)	(3,553,639)	-	(3,553,639)
Transfer to regulatory reserve	36	-	-	-	-	-	-	-	-	-	487,932	-	-	(487,932)	-	-	-
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings		-	-	-	85,270	-	-	-	-	-	-	-	-	(85,270)	-	-	-
At 31 December 2024		24,539,214	1,211,835	(295,465)	112,683	(1,047,872)	746,852	(1,271,086)	134,818	12,427	1,379,870	(147)	111,010	15,490,477	41,124,616	200,000	41,324,616

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**Statements of Cash Flows
for the financial year ended 31 December 2025**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		8,278,089	7,873,027	6,596,571	5,661,551
Adjustments for:					
Depreciation of property, plant and equipment	42	160,740	171,557	124,226	128,460
Depreciation of right-of-use assets	42	187,101	209,187	157,934	177,400
Amortisation of intangible assets	42	400,993	400,135	336,833	333,314
Gain on disposal of property, plant and equipment/ assets held for sale	41	(2,099)	(1,761)	(598)	(624)
(Gain)/loss on disposal of foreclosed assets	41	(1,119)	6,816	-	-
Intangible assets written off	42	25,424	7,502	25,393	7,502
Property, plant and equipment written off	42	964	2,771	57	2,641
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	41	(766,012)	(243,038)	(311,349)	(147,608)
Gain on disposal of loans, advances and financing instruments	41	(72,247)	(42,518)	(70,744)	(31,910)
Loss/(gain) from sale of derivative financial instruments	41	729,919	(887,958)	682,328	(1,679,964)
Loss/(gain) on sale of financial investments at fair value through profit or loss	41	51,683	(89,546)	185,829	150,736
Net gain from redemption of debt instruments at amortised cost	41	(638)	(365)	(629)	(365)
Net loss/(gain) from hedging activities	41	336,206	(6,458)	(18,383)	(35,169)
Unrealised gain from financial investments at fair value through profit or loss	41	(307,321)	(898,486)	(42,043)	(312,137)
Unrealised loss/(gain) from financial liabilities at fair value through profit or loss	41	116,362	(50,513)	64,568	(14,182)
Unrealised loss/(gain) from derivative financial instruments	41	498,577	(762,074)	255,527	(618,887)
Unrealised gain on foreign exchange	41	(3,533,208)	(61,137)	(3,454,453)	(79,488)
Expected credit losses on loans, advances and financing	43	2,102,092	1,957,668	1,190,221	1,129,583
Other expected credit losses and impairment allowances	44	(8,923)	347,990	(51,136)	81,296
Interest income on debt instruments at fair value through other comprehensive income	37	(2,195,008)	(2,169,617)	(1,952,093)	(1,942,618)
Interest income on debt instruments at amortised cost	37	(1,944,653)	(1,870,785)	(1,918,356)	(1,846,714)
Interest expense on subordinated obligations	39	442,140	414,619	422,450	418,160
Interest expense on bonds, Sukuk and debentures	39	284,440	501,813	278,764	490,284
Interest expense on other borrowings	39	347,247	257,848	347,209	264,491
Interest expense on lease liabilities	39	13,895	18,770	11,197	15,468
Interest expense on recourse obligation on loans and financing sold to Cagamas	39	58,216	53,015	58,216	53,015
Accretion of discount less amortisation of premium	37,38	(311,822)	(665,805)	(400,328)	(691,154)
Loss/(gain) on liquidation of a subsidiary	41	-	51	-	(17)
Dividend income	41	(68,825)	(75,962)	(671,045)	(197,177)
Expected credit losses for commitments and contingencies written back	28(b)	4,959	(189,318)	10,443	(97,050)
Share-based payment expense		18,172	31,483	17,583	27,937
Share of results of joint venture	17	(5,565)	6,103	-	-
Modification loss	40	55,984	2,718	-	-
		4,895,763	4,247,732	1,874,192	1,246,774

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Statements of Cash Flows for the financial year ended 31 December 2025 (Continued)

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Increase)/Decrease in operating assets					
Reverse repurchase agreements/ reverse Collateralised Commodity Murabahah		(3,522,224)	(2,324,730)	(3,294,620)	(1,512,029)
Deposits and placements with banks and other financial institutions with original maturity of more than three months		226,907	(137,566)	508,713	1,101,213
Cash and short-term funds with original maturity of more than three months		994,060	(886,171)	611,516	(682,984)
Financial investments at fair value through profit or loss		(12,033,515)	(1,918,171)	(13,308,017)	(1,104,919)
Loans, advances and financing		(9,476,480)	(13,593,435)	694,966	(2,452,777)
Amount due from holding company and ultimate holding company		942	10,273	932	10,282
Amount due from subsidiaries		-	-	6,629	4,510
Amount due from related companies		(605,680)	(835,711)	(605,740)	(837,474)
Other assets		517,704	(1,243,574)	1,849,030	(2,789)
Statutory deposits with central banks		2,500,982	(291,818)	1,486,837	(142,530)
Increase/(Decrease) in operating liabilities					
Deposits from customers		11,791,601	6,331,204	10,391,182	4,592,644
Deposits and placements of banks and other financial institutions		4,335,847	4,032,576	2,974,567	4,279,194
Investment account of customers		7,848,461	5,459,185	-	-
Repurchase agreements/Collateralised Commodity Murabahah		(4,133,559)	800,848	(4,064,883)	299,592
Derivative financial instruments		(544,361)	734,138	(153,717)	1,723,789
Bills and acceptances payable		164,011	(57,721)	221,609	(1,691)
Financial liabilities at fair value through profit or loss		1,032,424	(69,383)	32,802	810,553
Amount due to ultimate holding company		17	-	-	-
Amount due to subsidiaries		-	-	580,797	(467)
Amount due to related companies		(4,744)	(25,834)	(1,735)	(27,700)
Other liabilities		4,155,940	1,736,166	2,338,409	1,154,910
Cash flows generated from operations		8,144,096	1,968,008	2,143,469	8,458,101
Taxation and zakat paid*		(1,975,090)	(2,081,116)	(1,417,513)	(1,445,368)
Net cash generated from/(used in) operating activities		6,169,006	(113,108)	725,956	7,012,733
Cash flows from investing activities					
Dividend income	41	68,825	75,962	671,045	197,177
Investment in subsidiaries		-	-	(44,001)	(60,977)
Capital repayment from a subsidiary		-	-	-	350,569
Interest income received from debt instruments at fair value through other comprehensive income		2,463,410	2,396,804	1,904,795	1,916,296
Net purchase of debt instruments at fair value through other comprehensive income		(8,081,198)	(4,594,319)	(2,051,816)	(3,627,858)
Net purchase of equity instruments at fair value through other comprehensive income		(277,071)	-	(277,630)	-
Interest income received from debt instruments at amortised cost		2,796,455	2,557,050	1,905,797	1,944,647
Net purchase of debt instruments at amortised cost		(3,953,153)	(1,930,788)	(3,256,660)	(800,058)
Purchase of property, plant and equipment	18	(1,088,926)	(139,140)	(1,071,223)	(106,420)
Proceeds from disposal of property, plant and equipment/assets held for sale		17,393	6,698	14,250	5,650
Proceeds from disposal of intangible assets		239	-	-	-
Purchase of intangible assets	22	(484,796)	(474,234)	(420,718)	(409,053)
Right-of-use assets		(90,751)	(18,959)	(80,048)	(12,954)
Net cash used in investing activities		(8,629,573)	(2,120,926)	(2,706,209)	(602,981)

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**Statements of Cash Flows
for the financial year ended 31 December 2025 (Continued)**

Note	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities				
Dividends paid	(3,903,992)	(3,572,646)	(3,894,480)	(3,570,246)
Interest expense paid on subordinated obligations (i)	(410,727)	(429,135)	(390,800)	(416,607)
Interest expense paid on other borrowings (i)	(340,464)	(250,615)	(340,428)	(250,518)
Interest expense paid on bonds, Sukuk and debentures (i)	(585,466)	(668,714)	(274,480)	(541,625)
Interest expense paid on recourse obligation on loans and financing sold to Cagamas (i)	(196,250)	(174,854)	(59,164)	(49,589)
Proceeds from issuance of bonds, Sukuk and debentures (i)	3,605,687	8,306,954	1,981,101	1,342,938
Proceeds from other borrowings (i)	4,400,908	1,066,510	4,400,908	1,066,510
Proceeds from issuance of subordinated obligations (i)	4,050,000	2,257,969	4,050,000	2,000,000
Proceeds from issuance of recourse obligation on loans and financing sold to Cagamas (i)	820,000	1,943,025	330,000	670,002
Repayment of recourse obligation on loans and financing sold to Cagamas (i)	(698,013)	(1,001,286)	(225,013)	(512,000)
Repayment of bonds, Sukuk and debentures (i)	(992,185)	(6,354,112)	-	(5,426,957)
Repayment of other borrowing (i)	(1,068,019)	(2,183)	(1,066,401)	-
Repayment of subordinated obligations (i)	(3,050,000)	(2,100,000)	(3,050,000)	(2,000,000)
Repayment of lease liabilities (i)	(172,526)	(197,582)	(151,037)	(170,359)
Net cash generated/(used) in financing activities	1,458,953	(1,176,669)	1,310,206	(7,858,451)
Net decrease in cash and cash equivalents during the financial year				
	(1,001,614)	(3,410,703)	(670,047)	(1,448,699)
Effects of exchange rate differences	(574,189)	(642,395)	(504,269)	(593,549)
Cash and cash equivalents at beginning of financial year	26,566,508	30,619,606	21,269,473	23,311,721
Cash and cash equivalents at end of financial year	24,990,705	26,566,508	20,095,157	21,269,473
Cash and cash equivalents comprise:				
Cash and short-term funds 2(a)	23,677,976	26,218,269	16,291,298	17,801,178
Deposits and placements with banks and other financial institutions 2(b)	4,205,170	4,497,333	4,351,433	5,045,166
Investment account placement 3	-	-	2,800,834	2,927,281
	27,883,146	30,715,602	23,443,565	25,773,625
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(2,356,153)	(3,577,368)	(2,812,120)	(3,932,426)
Restricted cash 2(a)(i)	(536,288)	(571,726)	(536,288)	(571,726)
Cash and cash equivalents at end of financial year	24,990,705	26,566,508	20,095,157	21,269,473

* Included in taxation and zakat paid during the financial year is payment of zakat amounting to RM16.2 million (2024: RM12 million).

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**Statements of Cash Flows
for the financial year ended 31 December 2025 (Continued)**

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

	Bonds, Sukuk and debentures	Other borrowings	Subordinated obligations	Lease liabilities	Recourse obligation on loans and financing sold to Cagamas	Total
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	13,938,972	4,841,483	10,292,623	467,319	4,934,842	34,475,239
Proceeds from issuance	3,605,687	4,400,908	4,050,000	-	820,000	12,876,595
Repayment and redemption	(992,185)	(1,068,019)	(3,050,000)	(172,526)	(698,013)	(5,980,743)
Interest paid	(585,466)	(340,464)	(410,727)	-	(196,250)	(1,532,907)
Exchange fluctuation	(407,851)	(451,759)	2,280	-	-	(857,330)
Other non cash movement	657,678	347,248	406,644	31,640	211,401	1,654,611
At 31 December 2025	16,216,835	7,729,397	11,290,820	326,433	5,071,980	40,635,465
At 1 January 2024	12,232,122	3,863,149	10,097,469	544,972	3,986,749	30,724,461
Proceeds from issuance	8,306,954	1,066,510	2,257,969	-	1,943,025	13,574,458
Repayment and redemption	(6,354,112)	(2,183)	(2,100,000)	(197,582)	(1,001,286)	(9,655,163)
Interest paid	(668,714)	(250,615)	(429,135)	-	(174,854)	(1,523,318)
Exchange fluctuation	(334,500)	(93,227)	25,344	-	-	(402,383)
Other non cash movement	757,222	257,849	440,976	119,929	181,208	1,757,184
At 31 December 2024	13,938,972	4,841,483	10,292,623	467,319	4,934,842	34,475,239
The Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	5,851,900	4,839,166	9,628,945	381,153	1,321,350	22,022,514
Proceeds from issuance	1,981,101	4,400,908	4,050,000	-	330,000	10,762,009
Repayment and redemption	-	(1,066,401)	(3,050,000)	(151,037)	(225,013)	(4,492,451)
Interest paid	(274,480)	(340,428)	(390,800)	-	(59,164)	(1,064,872)
Exchange fluctuation	(402,891)	(451,651)	-	-	-	(854,542)
Other non cash movement	259,963	347,210	386,954	17,140	55,308	1,066,575
At 31 December 2025	7,415,593	7,728,804	10,625,099	247,256	1,422,481	27,439,233
At 1 January 2024	10,291,731	3,857,862	9,601,035	444,099	1,163,751	25,358,478
Proceeds from issuance	1,342,938	1,066,510	2,000,000	-	670,002	5,079,450
Repayment and redemption	(5,426,957)	-	(2,000,000)	(170,359)	(512,000)	(8,109,316)
Interest paid	(541,625)	(250,518)	(416,607)	-	(49,589)	(1,258,339)
Exchange fluctuation	(336,007)	(92,437)	-	-	-	(428,444)
Other non cash movement	521,820	257,749	444,517	107,413	49,186	1,380,685
At 31 December 2024	5,851,900	4,839,166	9,628,945	381,153	1,321,350	22,022,514

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Summary of Material Accounting Policies for the financial year ended 31 December 2025

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

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

The Financial Statements incorporate those activities relating to Islamic banking which have been undertaken by the Bank and its wholly-owned subsidiaries, CIMB Islamic Bank Berhad (“CIMB Islamic”) and CIMB Bank (L) Limited. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic Securities in compliance with 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 Bank’s accounting policies. Although these estimates and judgement are based on the Directors’ best knowledge of current events and actions, actual results may differ from those estimates.

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

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

A Basis of preparation (Continued)

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

The new accounting standards, amendments to published standards and interpretation that are effective and applicable to the Group and the Bank for the financial year beginning 1 January 2025 are as follows:

- Amendments to MFRS 121 ‘Lack of Exchangeability’

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 to existing standards that are applicable to the Group and the Bank but not yet effective

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

- (i) Financial year beginning on/after 1 January 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 new amendments on the financial statements of the Group and the Bank is ongoing.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

A Basis of preparation (Continued)

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

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

(ii) 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 amendments on the financial statements of the Group and the Bank is ongoing.

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

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

Income and expenses are classified into 3 new main categories:

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

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

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

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

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

The amendments shall be applied retrospectively.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

B Economic entities in the Group

(a) Subsidiaries

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

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

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

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

B Economic entities in the Group (Continued)

(a) Subsidiaries (Continued)

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. 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 and any corresponding gain or loss is 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.

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 statement of income, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

B Economic entities in the Group (Continued)

(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 have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of income. The fair value is 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.

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(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

B Economic entities in the Group (Continued)

(d) Joint arrangements (Continued)

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 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.

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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

B Economic entities in the Group (Continued)

(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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

B Economic entities in the Group (Continued)

(e) Associates (Continued)

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

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

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

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

(f) Interests in subsidiaries, joint arrangements and associates

In the Bank'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 Bank does not expect repayment in the foreseeable future are considered as part of the Bank's investments in the subsidiaries.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

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. For purchased or originated credit-impaired ('POCI') financial assets – assets that are credit-impaired at initial recognition - the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

Interest/profit income is calculated by applying effective interest/profit rate to the gross carrying amount of a financial asset except for POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset and financial assets that are not 'POCI' but have subsequently become credit-impaired, for which the effective interest/profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

D Recognition of fees income and expenses and other income

The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates or amount agreed with customers as the expenses are presented at gross at face. 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.

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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

E Sale and repurchase agreements/collateralised commodity murabahah

Securities purchased under resale agreements (“reverse repurchase agreements”) are securities which the Group and the Bank 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 and the Bank 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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

F Financial assets

(a) Classification

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

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

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

Business model assessment

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

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

F Financial assets (Continued)

(a) Classification (Continued)

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

- (i) Financial assets at fair value through OCI comprise of:
 - equity securities which are not held for trading, and for which the Group and the Bank have made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss, and
 - debt securities where the contractual cash flows are solely principal and interest and the objective of the Group's and the Bank's business model is achieved both by collecting contractual cash flows and selling financial assets.
- (ii) The Group and the Bank classify their financial assets at amortised cost only if both of the following criteria are met:
 - the asset is held within a business model with the objective of collecting the contractual cash flows, and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.
- (iii) The Group and the Bank classify the following financial assets at fair value through profit or loss:
 - debt investments that do not qualify for measurement at either amortised cost or fair value through comprehensive income;
 - equity investments that are held for trading, and
 - equity investments for which the entity has not elected to recognise at fair value through other comprehensive income.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

F Financial assets (Continued)

(b) Recognition and initial measurement

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

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

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

(c) Subsequent measurement

Debt instruments

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

(i) Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through profit or loss are measured at amortised cost using 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.

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

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversal of impairment losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in non-interest income. Where the Group and the Bank hold more than one investment in the same security, they are deemed to be disposed of on a first-in, first-out basis. Interest/profit income from these financial assets is included in interest/finance income using the effective interest/profit rate method.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

F Financial assets (Continued)

(c) Subsequent measurement (Continued)

Debt instruments (Continued)

(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 Bank 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 Bank’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 Bank’s right to receive payments is established.

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

(d) Reclassification of financial assets

The Group and the Bank reclassify financial assets when and only when their business model for managing those assets changes. In such cases, the Group and the Bank are required to reclassify all affected financial 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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

F Financial assets (Continued)

(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.

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 40. The 'phase 2' amendments for financial assets affected by IBOR reform is disclosed in Note K.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

G 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 Bank accounting policy on derivatives is detailed in Note K.

The financial liabilities measured at fair value through profit or 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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

G Financial liabilities (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

The Group and the Bank 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 and the Bank 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.

The fair value designation, once made, is irrevocable. Designated financial liabilities are recognised when the Group and the Bank 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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

G Financial liabilities (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

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 the 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 other items.

(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, other financial liabilities in other liabilities, bonds, Sukuk and debentures, other borrowings, subordinated obligations, lease liabilities, 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 27.

The 'phase 2' amendments for financial liabilities affected by IBOR reform is disclosed in Note K.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

H 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 Bank test control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

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

I 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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

J Impairment of financial assets

The Group and the Bank assess on a forward looking basis the expected credit losses (“ECL”) associated with its financial assets carried at amortised cost, 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 Bank 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 Bank’s expected credit loss model is as follows:

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

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

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

J Impairment of financial assets (Continued)

(ii) Purchased or originated credit-impaired (“POCI”) financial assets

POCI financial assets are those recognised as credit-impaired at the date of initial recognition. Such assets are initially recognised at fair value, with a credit-adjusted effective interest rate applied to subsequent measurements.

No ECL is recognised on initial recognition. Thereafter, changes in ECL are recognised in profit or loss as impairment gains or losses. POCI financial assets are always measured on a lifetime ECL basis and do not migrate between impairment stages.

This application of POCI financial assets is accounted for prospectively and the detail is disclosed in Note 9.

(iii) 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 Bank apply simplified approach as permitted by MFRS 9, which requires an entity to recognise a loss allowance based on lifetime ECL at each reporting date. MFRS 9 allows the use of practical expedients when measuring ECL and states that a provision matrix is an example of such expedient for trade receivables. An entity that applies a provision matrix may use historical loss experience on its trade receivables, and adjust historical loss rates to reflect information about current conditions and reasonable and supportable forecasts of future economic conditions.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

K 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 and the Bank recognise the fair value of derivatives in the statement of income immediately.

The Group and the Bank designate 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 and the Bank documents at the inception of the hedging transaction, the risk management objective & 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 27.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

K Derivative financial instruments and hedge accounting (Continued)

(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 the 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 and the Bank assess the recoverability of the balance in one or more future periods when the cash flow hedge reserve is in a loss position.

(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 as deferred hedging cost 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 and the Bank assess the recoverability of the balance in one or more future periods when the net investment hedge reserve is in a loss position.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

K Derivative financial instruments and hedge accounting (Continued)

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 new alternative 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 2023. The remaining one-, three- and six-month KLIBOR tenors, will continue to reflect an active underlying market.

On 16 October 2025, BNM announced the transition from KLIBOR to the Malaysia Overnight Rate ('MYOR') and Malaysia Islamic Overnight Rate ('MYOR-i') with the following key milestones:

- By 1 October 2026 - Financial institutions must be operationally ready to offer products referencing MYOR and MYOR-i.
- By 1 July 2027 - KLIBOR will cease for new trades, and MYOR-i will be mandated for all new Islamic financial products.
- By 30 June 2028 - all existing KLIBOR based contracts must be converted to MYOR or MYOR-i where possible, and any remaining contracts shall incorporate robust fallback provisions.
- Effective 1 January 2029 - KLIBOR will be fully discontinued.

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**Summary of Material Accounting Policies
for the financial year ended 31 December 2025 (Continued)****K Derivative financial instruments and hedge accounting (Continued)**Impact of IBOR reform on the Group's and the Bank's hedging relationship

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

The Group's and the Bank's risk exposures that are directly affected by the interest rate benchmark reform are the fair value hedge of the following financial instruments. These hedging relationships are designated using interest rate swaps, for changes attributable to MYR KLIBOR that are respective current benchmark interest rate. Additional information about the Group's exposure to IBOR reform is presented in Note 27.

Fair value hedge	2025	
	The Group	The Bank
Hedged items		
Fixed rate liabilities	MYR10,299,999,233	MYR7,200,000,000
Fixed rate senior bonds	MYR7,875,000,000	MYR800,000,000
Fixed rate financial investments at fair value through other comprehensive income	MYR8,459,000,000	MYR7,614,000,000
Fixed rate financial investments at amortised cost	MYR50,000,000	MYR50,000,000
Fixed rate loans	MYR1,329,000,000	MYR1,329,000,000

Fair value hedge	2024	
	The Group	The Bank
Hedged items		
Fixed rate liabilities	MYR8,925,000,000	MYR5,825,000,000
Fixed rate senior bonds	MYR7,875,000,000	MYR800,000,000
Fixed rate financial investments at fair value through other comprehensive income	MYR9,861,000,000	MYR9,051,000,000
Fixed rate financial investments at amortised cost	MYR50,000,000	MYR50,000,000
Fixed rate loans	MYR1,329,000,000	MYR1,329,000,000

The Group will continue to record any ongoing hedge ineffectiveness, including that generated by changes as a result of interest rate reform, within the Statement of Income. 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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

K Derivative financial instruments and hedge accounting (Continued)

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 which includes the assessment and actions necessary to accommodate the transition to RFRs as they apply to internal processes 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 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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

K Derivative financial instruments and hedge accounting (Continued)

Hedge relationships (Continued)

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 IBORs are: updating systems and processes which capture IBORs referenced contracts; amendments to those contracts, or existing fallback/transition clauses not operating as anticipated; mismatches in timing of derivatives and loans transitioning from IBORs 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 IBORs 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).

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 is 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.

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**Summary of Material Accounting Policies
for the financial year ended 31 December 2025 (Continued)****K Derivative financial instruments and hedge accounting (Continued)**Effect of IBOR reform

The following tables contain details of all financial instruments that the Group and the Bank holds at 31 December 2025 and 31 December 2024 which are referenced to MYR KLIBOR have not yet transitioned to alternative benchmark rates.

	The Group		The Bank	
	Notional amount of which: Have yet to transition to an alternative benchmark rate as at 31 December 2025			
2025	MYR KLIBOR		MYR KLIBOR	
	RM'000	RM'000	RM'000	RM'000
	Asset	Liability	Asset	Liability
Non-derivatives assets and liabilities				
Bonds/Sukuk and notes	370,000	320,000	370,000	-
Loans/financing	6,345,060	-	900,028	-
Recourse obligation on loans and financing sold to Cagamas	-	160,021	-	160,021
Derivatives	150,822,498	152,791,228	153,853,743	164,521,339
	The Group		The Bank	
	Notional amount of which: Have yet to transition to an alternative benchmark rate as at 31 December 2024			
2024	MYR KLIBOR		MYR KLIBOR	
	RM'000	RM'000	RM'000	RM'000
	Asset	Liability	Asset	Liability
Non-derivatives assets and liabilities				
Bonds/Sukuk and notes	575,000	120,000	575,000	-
Loans/financing	2,023,506	-	753,535	-
Recourse obligation on loans and financing sold to Cagamas	-	160,021	-	160,021
Derivatives	122,565,562	89,255,328	123,140,659	99,838,630

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

L Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the statement of income during the financial 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
Building 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 - 10 years or over the period of the tenancy, whichever is shorter
Computer equipment and hardware:	
- servers and hardware	3 - 7 years
- ATM machine	5 - 10 years
Motor vehicles	5 - 6 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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

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 credit card customer relationships, core deposits, computer software and license. 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 Bank. The value of intangible assets which are acquired in a business combination is generally determined using fair value at acquisition date. 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 financial 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 financial 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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

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

Computer software 3 - 15 years

Core deposits 8 - 20 years

N Leases – the Group and the Bank as lessee

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

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

N Leases – the Group and the Bank as lessee (Continued)

ROU assets (Continued)

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.

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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

O Leases – the Group and the Bank 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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

P 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 ("RM"), which is the Group's and the Bank's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial 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 or other changes not relating to amortised cost of debt instruments at fair value through other comprehensive income

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.

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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

P Currency translations (Continued)

(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 statement 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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

Q 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. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, except for; where both an asset and a liability are recognised at the same time such as leases.

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

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, 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. The debt instruments at FVOCI 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 end of the reporting period 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 47.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

R Share capital

(a) Classification

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

(b) Share issue costs

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

(c) Dividends

Dividends on ordinary shares and Redeemable Preference Shares 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) Earnings per share

Basic earnings per share is calculated by dividing:

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

(e) Diluted earnings per share

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

S Employee benefits

(a) Short term employee benefits

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

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

(b) Post-employment benefits

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

Defined contribution plans

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

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

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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

S Employee benefits (Continued)

(b) Post-employment benefits (Continued)

Defined benefit plans (Continued)

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 Thai government zero-coupon bond 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 financial year 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.

(d) Termination benefits

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

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

S Employee benefits (Continued)

(e) Share-based compensation benefits

Long Term Incentive Plan (“LTIP”)

CIMB 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 fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the directors) is subject to the approval of the shareholders at a general meeting.

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme (“ESOS”) and the Share Grant Plan (“SGP”). Details of the key features of ESOS and SGP are set out in Note 45(g).

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, CIMB Group revises its estimates of the number of share options and shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statements of income, with a corresponding adjustment to share-based payment reserve in equity.

Employee Ownership Plan (“EOP”)

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

T Impairment of non-financial assets

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

U Foreclosed assets

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

V Provisions

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

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

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

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

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

W Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group and the Bank 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 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

X Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and deposit placements with original maturity of 3 months or less.

Y 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.

Z Non-current assets held for sale

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

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

AA 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 Bank.

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.

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.

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.

CIMB Bank Berhad

(Incorporated in Malaysia)

Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

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 Bills and acceptances payable

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

AD 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".

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Notes to the Financial Statements for the financial year ended 31 December 2025

1 General information

The Bank is principally engaged in all aspects of commercial banking and in the provision of related financial services, including Islamic banking. The principal activities of the significant subsidiaries as set out in Note 16 in the Financial Statements, consist of Islamic banking, offshore banking, debt factoring, trustees and nominee services, and property ownership and management. There was no significant change in the nature of these activities during the financial year.

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

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

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

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

2(a) Cash and short-term funds

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and balances with banks and other financial institutions		8,608,458	8,028,822	7,779,988	7,001,642
Money at call and deposit placements maturing within one month		15,070,265	18,189,983	8,511,310	10,799,536
		<u>23,678,723</u>	<u>26,218,805</u>	<u>16,291,298</u>	<u>17,801,178</u>
Expected credit losses movement	2(c)	(747)	(536)	-	-
		<u>23,677,976</u>	<u>26,218,269</u>	<u>16,291,298</u>	<u>17,801,178</u>

(i) Balances with other financial institutions amounting to RM536,288,000 (2024: RM571,726,000) are not available for use in the Group’s and the Bank’s day-to-day operations because of the legal restriction in foreign jurisdiction.

CIMB Bank Berhad

(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****2(b) Deposits and placements with banks and other financial institutions**

	The Group		The Bank	
	2025	2024	2025	2024
Note	RM'000	RM'000	RM'000	RM'000
Licensed banks	4,099,376	4,277,901	4,351,849	5,045,514
Other central banks	26,409	20,164	-	-
Other financial institutions	80,095	200,042	-	-
	4,205,880	4,498,107	4,351,849	5,045,514
Expected credit losses movement	2(c) (710)	(774)	(416)	(348)
	4,205,170	4,497,333	4,351,433	5,045,166

2(c) Expected credit losses movement

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

The Group	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	1,310	-	-	1,310
Total charge to Statement of Income:	248	-	-	248
New financial assets originated	3,185	-	-	3,185
Financial assets that have been derecognised	(139)	-	-	(139)
Change in credit risk	(2,798)	-	-	(2,798)
Exchange fluctuation	(101)	-	-	(101)
At 31 December 2025	1,457	-	-	1,457

The Group	12-month expected credit losses (Stage 1)	Lifetime expected credit losses - not credit impaired (Stage 2)	Lifetime expected credit losses - Credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	2,854	-	-	2,854
Total charge to Statement of Income:	(1,496)	-	-	(1,496)
New financial assets originated	1,921	-	-	1,921
Financial assets that have been derecognised	(174)	-	-	(174)
Change in credit risk	(3,243)	-	-	(3,243)
Exchange fluctuation	(48)	-	-	(48)
At 31 December 2024	1,310	-	-	1,310

CIMB Bank Berhad

(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****2(c) Expected credit losses movement (Continued)**

Expected credit losses movement for money at call and deposits and placement with banks and other financial institutions: (Continued)

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2025	348	-	-	348
Total charge to Statement of Income:	77	-	-	77
New financial assets originated	2,158	-	-	2,158
Financial assets that have been derecognised	(53)	-	-	(53)
Change in credit risk	(2,028)	-	-	(2,028)
Exchange fluctuation	(9)	-	-	(9)
At 31 December 2025	416	-	-	416

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	56	-	-	56
Total charge to Statement of Income:	317	-	-	317
New financial assets originated	1,649	-	-	1,649
Financial assets that have been derecognised	(79)	-	-	(79)
Change in credit risk	(1,253)	-	-	(1,253)
Exchange fluctuation	(25)	-	-	(25)
At 31 December 2024	348	-	-	348

CIMB Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****3 Investment account placement**

The investment account are exposures to Restricted Profit Sharing Investment Accounts (“RPSIA”), as part of an arrangement with CIMB Islamic. The RPSIA is a contract based on Shariah concept of Mudharabah between the Bank and CIMB Islamic to finance a specific business venture where the Bank solely provides capital and the business ventures are managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on a pre-agreed ratio and management fees.

The underlying assets of CIMB Islamic for the RPSIA are as follows:

	The Bank	
	2025	2024
	RM'000	RM'000
Term financing	798,343	924,431
Revolving credit	2,003,226	2,003,664
	<u>2,801,569</u>	<u>2,928,095</u>

As at 31 December 2025, the RPSIA placements have an average rate of return ranging between 3.28% to 3.77% (2024: 3.68% to 4.30%) per annum.

4 Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Reverse repurchase agreements - at amortised cost	13,956,044	10,433,820	11,869,483	8,574,863

The reverse repurchase agreements/ Reverse Collateralised Commodity Murabahah of the Group and the Bank that are pledged as collaterals for obligations on securities sold under repurchase agreements/Collateralised Commodity Murabahah amounted to RM2,433,053,000 and RM2,433,053,000 (31 December 2024: RM4,221,046,000 and RM4,043,679,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****5 Financial investments at fair value through profit or loss**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	5,500,573	4,869,610	5,500,573	4,869,610
Cagamas bonds	476,721	985,174	461,658	631,637
Malaysian Government treasury bills	759,385	445,427	587,907	167,997
Bank Negara Malaysia Monetary Notes	2,180,443	3,750,808	1,777,757	2,220,121
Negotiable instruments of deposit	2,144,803	2,591,400	800,039	799,949
Other Government securities	12,790,984	10,093,347	4,590,821	2,712,959
Government Investment Issues	7,239,105	4,209,007	6,813,967	3,870,462
Other Government treasury bills	12,997,307	7,350,836	12,997,307	7,350,836
Promissory Notes	273,451	301,267	273,451	301,267
Commercial papers	1,114,780	1,811,580	622,317	966,265
	45,477,552	36,408,456	34,425,797	23,891,103
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,971,686	1,573,525	1,971,686	1,573,525
<u>Outside Malaysia</u>				
Shares	765,892	417,593	765,892	417,593
	2,737,578	1,991,118	2,737,578	1,991,118
Unquoted securities:				
<u>In Malaysia</u>				
Shares	1,186,625	1,133,741	1,170,985	1,118,920
Corporate bond and Sukuk	4,714,828	3,112,566	3,771,050	2,690,678
	5,901,453	4,246,307	4,942,035	3,809,598
<u>Outside Malaysia</u>				
Corporate bond	4,705,571	3,635,969	3,893,106	2,853,984
Private equity funds	30,366	53,327	30,366	53,327
	4,735,937	3,689,296	3,923,472	2,907,311
	58,852,520	46,335,177	46,028,882	32,599,130

The financial investments at fair value through profit or loss of the Group and the Bank that are pledged as collaterals for obligations on securities sold under repurchase agreements/Collateralised Commodity Murabahah amounted to RM2,516,014,000 (31 December 2024: RM1,432,355,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****6 Debt instruments at fair value through other comprehensive income**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	5,665,469	6,720,835	5,665,469	6,720,835
Cagamas bonds	728,475	447,572	596,816	371,684
Other government treasury bills	277,999	227,371	277,999	227,371
Other government securities	14,494,576	9,802,445	5,487,319	3,228,573
Government investment issues	9,034,785	9,087,127	5,824,669	6,823,731
Negotiable instruments of deposit	1,017,885	224,198	1,017,885	224,198
	31,219,189	26,509,548	18,870,157	17,596,392
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	27,691,616	24,138,853	19,506,572	19,244,639
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	13,214,804	12,231,841	11,316,452	9,843,097
	13,214,804	12,231,841	11,316,452	9,843,097
	72,125,609	62,880,242	49,693,181	46,684,128

Securities and money market instruments amounting to RM7,165 million (2024: RM7,009 million) are invested by asset management companies on behalf of the Group and the Bank.

The financial investments at fair value through other comprehensive income of the Group and the Bank that are pledged as collaterals for obligations on securities sold under repurchase agreements/ Collateralised Commodity Murabahah amounted to RM4,492,576,000 and RM4,492,576,000 (31 December 2024: RM7,038,932,000 and RM7,038,932,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****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	Total RM'000
At 1 January 2025	47,171	17,149	64,320
Changes in expected credit losses due to transferred within stages:			
Transferred to Stage 2	(84)	84	-
Total charge to Statement of Income:	(23,132)	19,515	(3,617)
New financial assets purchased	131,455	-	131,455
Financial assets that have been derecognised	(35,387)	(3,243)	(38,630)
Change in credit risk	(119,200)	22,758	(96,442)
Exchange fluctuation	(765)	(636)	(1,401)
At 31 December 2025	23,190	36,112	59,302

The Group	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	59,876	748	60,624
Changes in expected credit losses due to transferred within stages:			
Transferred to Stage 1	484	(484)	-
Transferred to Stage 2	721	(721)	-
Total charge to Statement of Income:	(10,742)	16,799	6,057
New financial assets purchased	108,330	-	108,330
Financial assets that have been derecognised	(28,065)	(29)	(28,094)
Change in credit risk	(91,007)	16,828	(74,179)
Exchange fluctuation	(2,447)	86	(2,361)
At 31 December 2024	47,171	17,149	64,320

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****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 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. (Continued)

The Bank	12-month expected	Lifetime expected	Total
	credit losses	credit losses - not	
	(Stage 1)	credit impaired	
	RM'000	RM'000	RM'000
At 1 January 2025	44,582	2,022	46,604
Changes in expected credit losses due to transferred within stages:			
Transferred to Stage 2	(84)	84	-
	(84)	84	-
Total charge to Statement of Income:	(23,333)	(1,843)	(25,176)
New financial assets purchased	109,588	-	109,588
Financial assets that have been derecognised	(34,596)	(3,208)	(37,804)
Change in credit risk	(98,325)	1,365	(96,960)
Exchange fluctuation	(756)	(87)	(843)
At 31 December 2025	20,409	176	20,585

The Bank	12-month expected	Lifetime expected	Total
	credit losses	credit losses - not	
	(Stage 1)	credit impaired	
	RM'000	RM'000	RM'000
At 1 January 2024	57,409	686	58,095
Changes in expected credit losses due to transferred within stages:			
Transferred to Stage 1	484	(484)	-
Transferred to Stage 2	721	(721)	-
	(237)	237	-
Total charge to Statement of Income:	(10,888)	1,860	(9,028)
New financial assets purchased	96,082	-	96,082
Financial assets that have been derecognised	(27,088)	-	(27,088)
Change in credit risk	(79,882)	1,860	(78,022)
Exchange fluctuation	(2,423)	(40)	(2,463)
At 31 December 2024	44,582	2,022	46,604

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

6 Debt instruments at fair value through other comprehensive income (Continued)

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

	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Group and the Bank		
At 1 January/31 December 2025	-	-
The Group and the Bank		
At 1 January/31 December 2024	-	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

6 Debt instruments at fair value through other comprehensive income (Continued)

Impact of movements in gross carrying amount on expected credit losses

2025:

Stage 1 ECL decreased by RM24.0 million and RM24.3 million for the Group and the Bank respectively mainly due to change in credit risk and derecognition of the financial assets, offset by newly purchased financial assets.

Stage 2 ECL increased by RM19.0 million for the Group and decreased RM1.8 million for the Bank mainly due to change in credit risk and derecognition of the financial assets.

2024:

Stage 1 ECL decreased by RM12.7 million and RM12.8 million for the Group and the Bank respectively mainly due to change in credit risk and derecognition of the financial assets, offset by newly purchased financial assets.

Stage 2 ECL increased by RM16.4 million for the Group and RM1.3 million for the Bank mainly due to the change in credit risk.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****7 Equity instruments at fair value through other comprehensive income**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Quoted securities:				
<u>In Malaysia</u>				
Shares	79,393	-	79,393	-
<u>Outside Malaysia</u>				
Shares	119,515	1,265	125	54
	198,908	1,265	79,518	54
Unquoted securities:				
<u>In Malaysia</u>				
Shares	368,852	270,908	368,490	270,546
<u>Outside Malaysia</u>				
Shares	8,269	94,536	6,061	5,044
	377,121	365,444	374,551	275,590
	576,029	366,709	454,069	275,644

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

	Note	The Group		The Bank	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Quoted securities					
Compact Metal Industries Ltd		125	54	125	54
Premier Products Limited		825	1,211	-	-
Thai Airways International PCL		118,565	-	-	-
Vantris Energy Berhad		79,393	-	79,393	-
		198,908	1,265	79,518	54
Unquoted securities					
Tabung Pemulihan Perumahan Terbangkalai		95,531	93,210	95,531	93,210
Swift		6,061	5,044	6,061	5,044
Financial Park (Labuan) Sdn Bhd		179,593	169,932	179,593	169,932
Global Maritime Ventures Bhd		4,011	3,683	4,011	3,683
Perbadanan Nasional Berhad		3,776	3,721	3,776	3,721
Thai Airways International PCL		-	86,352	-	-
Vantris Redeemable Convertible Unsecured Islamic Debt Securities (RCUIDS)		85,579	-	85,579	-
Others	(a)	2,570	3,502	-	-
		377,121	365,444	374,551	275,590
Total equity investments at fair value through other comprehensive income comprise		576,029	366,709	454,069	275,644

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 Debt instruments at amortised cost**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	11,951,942	11,386,220	11,951,942	11,386,220
Cagamas bonds	518,454	554,784	432,518	534,633
Malaysian Government treasury bills	65,184	-	-	-
Other Government treasury bills	10,771,493	10,493,897	10,771,493	10,493,897
Other Government's securities	6,056,454	5,096,374	2,511,532	1,593,959
Malaysian Government Investment Issue	22,312,726	17,990,472	14,206,937	12,012,361
Khazanah bonds	112,980	112,980	112,980	112,980
Commercial papers	184,521	317,573	184,521	136,888
	51,973,754	45,952,300	40,171,923	36,270,938
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	21,801,948	24,373,857	16,881,815	17,476,694
Loan stock	20,900	20,900	20,900	20,900
	21,822,848	24,394,757	16,902,715	17,497,594
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	4,027,545	4,596,045	3,655,594	3,953,322
Amortisation of premium net of accretion of discount	(188,904)	(70,838)	(129,284)	(59,832)
Less : Expected credit losses	(4,371)	(587,477)	(6,546)	(600,618)
	77,630,872	74,284,787	60,594,402	57,061,404

Securities and money market instruments amounting to RM1,412 million (2024: RM1,384 million) are invested by asset management companies on behalf of the Group and the Bank.

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

On 30 September 2025, DNS collateral was no longer required and was withdrawn with BNM’s approval following the successful implementation of the Near Real-Time Settlement (“NRTS”) mechanism.

The debt instruments at amortised cost of the Group and the Bank that are pledged as collaterals for obligations on securities sold under repurchase agreements/Collateralised Commodity Murabahah amounted to RM31,533,766,000 and RM22,181,242,000 (31 December 2024: RM33,802,776,000 and RM24,378,560,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****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 2025	6,868	1,198	579,411	587,477
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 2	(2)	2	-	-
Total charge to Statement of Income:	(2,820)	(787)	(43,787)	(47,394)
New financial assets purchased	25,065	-	-	25,065
Financial assets that have been derecognised	(12,891)	-	(71,042)	(83,933)
Change in credit risk	(14,994)	(787)	27,255	11,474
Write-offs	-	-	(80,114)	(80,114)
Exchange fluctuation	(172)	(70)	(3)	(245)
Other movements	-	-	(455,353)*	(455,353)
At 31 December 2025	3,874	343	154	4,371

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	11,650	-	606,306	617,956
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 1	(285)	285	-	-
Transferred to Stage 2	88	(88)	-	-
Transferred to Stage 3	(373)	373	-	-
Total charge to Statement of Income:	(4,244)	934	69,380	66,070
New financial assets purchased	39,405	-	-	39,405
Financial assets that have been derecognised	(10,359)	-	-	(10,359)
Change in credit risk	(33,290)	934	69,380	37,024
Write-offs	-	-	(134,535)	(134,535)
Exchange fluctuation	(253)	(21)	(4)	(278)
Other movements	-	-	38,264	38,264
At 31 December 2024	6,868	1,198	579,411	587,477

* The other movement which is in relation to sukuk restructuring adjustments amounting to RM454 million for the financial year ended 31 December 2025.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 Debt instruments at amortised cost (Continued)**

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2025	20,166	1,198	579,254	600,618
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 2	(2)	2	-	-
Total charge to Statement of Income:	(13,789)	(787)	(43,787)	(58,363)
New financial assets purchased	24,646	-	-	24,646
Financial assets that have been derecognised	(12,891)	-	(71,042)	(83,933)
Change in credit risk	(25,544)	(787)	27,255	924
Write-offs	-	-	(80,114)	(80,114)
Exchange fluctuation	(172)	(70)	-	(242)
Other movements	-	-	(455,353) *	(455,353)
At 31 December 2025	6,203	343	-	6,546

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	26,000	-	599,125	625,125
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 1	88	(88)	-	-
Transferred to Stage 2	(373)	373	-	-
Total charge to Statement of Income:	(5,296)	934	69,380	65,018
New financial assets purchased	35,918	-	-	35,918
Financial assets that have been derecognised	(10,359)	-	-	(10,359)
Change in credit risk	(30,855)	934	69,380	39,459
Write-offs	-	-	(127,515)	(127,515)
Exchange fluctuation	(253)	(21)	-	(274)
Other movements	-	-	38,264	38,264
At 31 December 2024	20,166	1,198	579,254	600,618

* The other movement which is in relation to sukuk restructuring adjustments amounting to RM454 million for the financial year ended 31 December 2025.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 Debt instruments at amortised cost (Continued)**

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

The Group	Lifetime expected credit losses - credit impaired (Stage 3)	Purchased credit impaired	Total
	RM'000	RM'000	RM'000
At 1 January 2025	1,417,787	-	1,417,787
New financial assets purchased	-	134,429	134,429
Financial assets that have been derecognised	(715,155)	-	(715,155)
Other changes in debts instruments	(56,011)	1,273	(54,738)
Amount fully recovered	(510,741)	(40,598)	(551,339)
Write-offs	(108,262)	-	(108,262)
Exchange fluctuation	(27,461)	-	(27,461)
At 31 December 2025	157	95,104	95,261

The Group	Lifetime expected credit losses - credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2024	1,457,754	1,457,754
Other changes in debts instruments	106,924	106,924
Write-offs	(134,535)	(134,535)
Exchange fluctuation	(12,356)	(12,356)
At 31 December 2024	1,417,787	1,417,787

The Bank	Lifetime expected credit losses - credit impaired (Stage 3)	Purchased credit impaired	Total
	RM'000	RM'000	RM'000
At 1 January 2025	782,778	-	782,778
New financial assets purchased	-	134,429	134,429
Financial assets that have been derecognised	(715,155)	-	(715,155)
Other changes in debts instruments	40,639	1,273	41,912
Amount fully recovered	-	(40,598)	(40,598)
Write-offs	(108,262)	-	(108,262)
At 31 December 2025	-	95,104	95,104

The Bank	Lifetime expected credit losses - credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2024	855,895	855,895
Other changes in debts instruments	54,398	54,398
Write-offs	(127,515)	(127,515)
At 31 December 2024	782,778	782,778

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

8 Debt instruments at amortised cost (Continued)

Impact of movements in gross carrying amount on expected credit losses

2025:

Stage 1 ECL decreased by RM3.0 million for the Group and RM14.0 million for the Bank mainly due to change in credit risk and derecognition of the financial assets, offset by newly purchased financial assets.

Stage 2 ECL decreased by RM0.9 million for the Group and the Bank respectively mainly due to change in credit risk.

Stage 3 ECL decreased by RM579.3 million for the Group and the Bank mainly due to a derecognition of a credit impaired sukuk amounting to RM715 million and write-off of RM108 million at Group and Bank level as a result of a debt restructuring scheme with substantial modification of contractual terms. Upon recognition, the Group and the Bank recognised new financial assets originated as POCI, which consist of sukuk amounting to RM134 million as debt instruments at amortised cost. In addition, quoted and unquoted shares amounting to RM61 million and RM66 million respectively were also recognised as equity instruments at FVOCI (Note 7).

2024:

Stage 1 ECL decreased by RM4.8 million for the Group and RM5.8 million for the Bank mainly due to derecognition of the financial assets, offset by newly purchased financial assets.

Stage 2 ECL increased by RM1.2 million for both the Group and the Bank respectively mainly due to financial assets migrated from Stage 1 to Stage 2 due to deterioration in credit quality.

Stage 3 ECL decreased by RM26.9 million for the Group and RM19.9 million for the Bank mainly due to financial assets being written off during the year.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing**

(i) By type:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<i>At amortised cost</i>				
Overdrafts	5,506,743	5,360,277	2,397,524	2,464,774
Term loans/financing				
- Housing loan/financing	141,066,201	137,137,039	66,651,827	66,075,757
- Syndicated term loan	25,599,239	23,799,374	23,501,146	22,533,986
- Other term loans/financing	128,403,489	133,047,351	69,062,900	74,746,889
- Factoring receivables	4,777	4,246	-	-
- Hire purchase receivables	26,773,358	25,982,336	735,018	1,086,851
Bills receivable	8,239,619	7,118,172	5,233,973	4,162,966
Trust receipts	1,624,829	2,065,795	823,556	832,630
Claim on customers under acceptance credit	3,303,806	3,278,450	2,005,710	2,021,173
Staff loans	1,487,772	1,520,425	997,866	1,035,367
Credit card receivables	8,742,045	8,170,765	7,885,565	7,579,309
Revolving credit	42,229,154	39,215,819	32,238,867	31,694,172
Share margin financing	34,019	22,637	34,019	22,637
Gross loans, advances and financing at amortised cost	393,015,051	386,722,686	211,567,971	214,256,511
Fair value changes arising from fair value hedges	8,939	(32,883)	3,343	(34,299)
	393,023,990	386,689,803	211,571,314	214,222,212
Less:				
- Expected credit losses	(5,519,842)	(6,614,307)	(2,831,072)	(3,705,529)
Net loans, advances and financing at amortised cost	387,504,148	380,075,496	208,740,242	210,516,683
Total gross loans, advances and financing				
- At amortised cost	393,015,051	386,722,686	211,567,971	214,256,511

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

9 Loans, advances and financing (Continued)

(i) By type: (Continued)

- (a) Included in the Group's and the Bank's loans, advances and financing balances are RM13,790,000 (2024: RM15,517,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatements of these loans have been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.
- (b) The Group and the Bank have undertaken fair value hedge and cash flow hedge on the interest rate risk and foreign currency risk of loans, advances and financing of RM6,185,841,000 and RM5,699,839,000 respectively (2024: RM2,617,767,000 and RM1,994,302,000) using interest rate swaps and cross currency interest rate swaps.
- (c) As part of an arrangement with CIMB Islamic in relation to the RPSIA, the Bank records as deposits and placements with banks and other financial institutions, its exposure in the arrangement (See Note 3), whereas CIMB Islamic records its exposure as loans, advances and financing. The RPSIA arrangement exposes the Bank to the risks and rewards on the financing and accordingly, the Bank accounts for all the expected credit losses arising from the RPSIA financing.

As at 31 December 2025, the gross exposure relating to RPSIA financing in the Group are RM2,801,569,000 (2024: RM2,928,095,000) and the expected credit losses recognised in the Group and the Bank are RM198,000 (2024: RM352,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

(i) By type: (Continued)

(d) Included in the loans, advances and financing of the Group and the Bank as at 31 December 2025 are financing relating to “Restricted Agency Investment Account. The details are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Syndicated term loan	1,532,275	1,532,005	1,532,275	1,532,005
Revolving credit	1,606,445	-	1,606,445	-
Other term loan	11,051,059	10,750,279	11,051,059	10,750,279
	<u>14,189,779</u>	<u>12,282,284</u>	<u>14,189,779</u>	<u>12,282,284</u>

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

(ii) By type of customer:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Domestic banking institutions	40,317	340,615	10,605	164,510
Domestic non-bank financial institutions				
- stockbroking companies	201,303	73,458	201,303	19,621
- others	7,138,088	7,261,730	3,218,429	3,731,198
Domestic business enterprises				
- small medium enterprises	46,449,240	45,234,629	19,649,665	20,029,528
- others	43,961,124	42,363,667	21,458,052	22,025,905
Government and statutory bodies	12,416,001	11,690,013	9,820,805	9,853,284
Individuals	231,200,669	223,868,726	108,036,008	105,592,502
Other domestic entities	1,758,319	2,998,253	538,785	889,693
Foreign entities	49,849,990	52,891,595	48,634,319	51,950,270
Gross loans, advances and financing	393,015,051	386,722,686	211,567,971	214,256,511

(iii) By interest rate sensitivity:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans	6,490,128	5,085,535	664,895	568,818
- Hire-purchase receivables	21,472,093	22,516,759	601,154	893,028
- Other fixed rate loans	42,753,391	41,931,546	31,229,768	30,836,236
Variable rate				
- BLR/BFR	67,393,541	68,687,644	35,550,254	39,438,060
- Cost-plus	61,365,378	58,437,463	40,513,195	40,764,701
- Other variable rates	193,540,520	190,063,739	103,008,705	101,755,668
Gross loans, advances and financing	393,015,051	386,722,686	211,567,971	214,256,511

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

(iv) By economic purpose:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Personal use	25,136,890	23,790,286	20,741,338	19,269,600
Credit card	8,742,045	8,170,765	7,885,565	7,579,309
Purchase of consumer durables	740,404	752,192	25,924	28,955
Construction	10,150,722	9,016,985	5,536,917	5,246,613
Residential property (Housing)	142,381,763	138,576,589	66,444,519	65,760,934
Non-residential property	44,731,029	41,866,500	27,137,916	25,521,742
Purchase of fixed assets other than land and building	3,347,275	3,787,395	2,141,896	2,634,881
Merger and acquisition	1,413,185	1,731,227	1,413,072	1,730,161
Purchase of securities	14,161,061	17,419,553	4,193,950	7,032,518
Purchase of transport vehicles	26,704,270	26,016,573	686,881	1,070,830
Working capital	84,848,272	87,340,181	55,185,565	59,646,795
Other purpose	30,658,135	28,254,440	20,174,428	18,734,173
Gross loans, advances and financing	393,015,051	386,722,686	211,567,971	214,256,511

(v) By geographical distribution:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	285,340,665	273,805,487	139,793,765	140,279,142
Indonesia	2,709,245	2,699,426	2,709,245	2,699,426
Thailand	31,261,993	35,018,062	903,816	1,391,845
Singapore	46,681,155	47,506,861	46,681,155	47,506,861
United Kingdom	3,791,680	6,601,978	3,791,680	6,601,978
Hong Kong	1,941,670	2,173,007	1,941,670	2,173,007
China	4,945,698	4,657,391	4,945,698	4,657,391
Other countries	16,342,945	14,260,474	10,800,942	8,946,861
Gross loans, advances and financing	393,015,051	386,722,686	211,567,971	214,256,511

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

(vi) By economic sector:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	4,861,108	7,804,965	2,922,262	4,228,496
Mining and quarrying	1,893,880	3,379,783	1,756,415	2,911,392
Manufacturing	16,764,936	18,024,438	8,591,141	10,009,048
Electricity, gas and water supply	9,049,809	6,703,164	4,784,656	4,246,631
Construction	12,456,195	11,508,866	7,190,478	6,997,433
Transport, storage and communications	9,027,923	8,769,635	4,394,506	4,575,710
Education, health and others	18,832,702	18,916,261	14,299,411	15,371,505
Wholesale and retail trade, and restaurants and hotels	26,756,536	29,917,494	13,874,101	16,686,342
Finance, insurance/takaful, real estate and business activities	60,803,124	57,448,457	42,839,231	41,560,314
Household	226,495,466	219,261,251	104,959,258	102,780,130
Others	6,073,372	4,988,372	5,956,512	4,889,510
Gross loans, advances and financing	393,015,051	386,722,686	211,567,971	214,256,511

(vii) By residual contractual maturity:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	77,318,038	76,030,665	55,270,414	56,111,939
One year to less than three years	28,819,716	26,362,367	19,457,781	18,920,354
Three years to less than five years	37,177,231	38,692,087	22,624,084	24,745,361
Five years and more	249,700,066	245,637,567	114,215,692	114,478,857
Gross loans, advances and financing	393,015,051	386,722,686	211,567,971	214,256,511

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

(viii) Credit impaired loans, advances and financing by economic purpose:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Personal use	291,240	333,804	186,067	228,609
Credit card	156,275	153,964	140,825	143,575
Purchase of consumer durables	431	319	-	-
Construction	164,764	232,803	13,060	21,296
Residential property (Housing)	2,151,921	2,384,001	825,438	927,609
Non-residential property	372,696	356,119	189,955	183,803
Purchased of fixed assets other than land and building	19,954	18,520	12,972	-
Purchase of securities	557	1,135	137	286
Purchase of transport vehicles	353,313	323,401	18,130	29,778
Working capital	840,124	1,563,578	513,239	1,262,542
Merger and acquisition	45,254	44,619	45,254	44,619
Other purpose	704,518	759,001	563,508	557,241
Gross credit impaired loans, advances and financing	<u>5,101,047</u>	<u>6,171,264</u>	<u>2,508,585</u>	<u>3,399,358</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

(ix) Credit impaired loans, advances and financing by geographical distribution:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	3,491,580	4,380,520	1,859,137	2,756,143
Indonesia	2,522	3,182	2,522	3,182
Thailand	802,702	1,036,970	31	110
Singapore	169,022	204,670	169,022	204,670
United Kingdom	45,573	45,862	45,573	45,862
Hong Kong	163,178	154,732	163,178	154,732
China	10,575	10,691	10,575	10,691
Other countries	415,895	334,637	258,547	223,968
Gross credit impaired loans, advances and financing	<u>5,101,047</u>	<u>6,171,264</u>	<u>2,508,585</u>	<u>3,399,358</u>

(x) Credit impaired loans, advances and financing by economic sector:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	13,154	6,975	259	6,919
Mining and quarrying	188,527	936,147	149,480	926,260
Manufacturing	184,497	218,112	91,041	97,409
Electricity, gas and water supply	5,112	1,597	63	1,597
Construction	222,599	363,310	141,342	152,589
Transport, storage and communications	59,484	55,245	49,430	47,672
Education, health and others	34,270	109,374	12,061	31,065
Wholesale and retail trade, and restaurants and hotels	430,497	480,165	197,122	257,250
Finance, insurance/takaful, real estate and business activities	771,147	543,983	490,180	325,783
Household	3,028,821	3,330,259	1,214,670	1,428,606
Others	162,939	126,097	162,937	124,208
Gross credit impaired loans, advances and financing	<u>5,101,047</u>	<u>6,171,264</u>	<u>2,508,585</u>	<u>3,399,358</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

9 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	Total RM'000
At 1 January 2025	2,065,265	1,313,007	3,236,035	6,614,307
Changes in expected credit losses due to transferred within stages:	459,633	(553,985)	94,352	-
Transferred to Stage 1	1,082,458	(1,028,335)	(54,123)	-
Transferred to Stage 2	(561,129)	1,481,137	(920,008)	-
Transferred to Stage 3	(61,696)	(1,006,787)	1,068,483	-
Total charge to Statement of Income:	(971,398)	710,263	2,309,459	2,048,324
New financial assets originated	905,547	214,519	99,064	1,219,130
Financial assets that have been derecognised	(667,435)	(376,351)	(90,283)	(1,134,069)
Writeback in respect of full recoveries	-	-	(298,366)	(298,366)
Change in credit risk	(1,209,510)	872,095	2,599,044	2,261,629
Write-offs	(893)	(1,724)	(2,356,151)	(2,358,768)
Disposal of loans, advances and financing	-	-	(105,510)	(105,510)
Exchange fluctuation	(29,922)	(9,979)	(88,923)	(128,824)
Other movements	(179)	138	(549,646) *	(549,687)
At 31 December 2025	1,522,506	1,457,720	2,539,616	5,519,842

* The other movement which is in relation to loan restructuring adjustments amounting to RM549 million for the financial year ended 31 December 2025.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

9 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
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	(32,677)	(12,269)	(51,338)	(48)	(96,332)
Other movements	(1,097)	(23)	208,392	(283)	206,989
At 31 December 2024	2,065,265	1,313,007	3,236,035	-	6,614,307

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

9 Loans, advances and financing (Continued)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2025	1,097,670	589,055	2,018,804	3,705,529
Changes in expected credit losses due to transferred within stages:	255,050	(383,167)	128,117	-
Transferred to Stage 1	596,261	(572,836)	(23,425)	-
Transferred to Stage 2	(280,317)	724,053	(443,736)	-
Transferred to Stage 3	(60,894)	(534,384)	595,278	-
Total charge to Statement of Income:	(650,055)	493,368	1,304,499	1,147,812
New financial assets originated	689,592	118,992	96,211	904,795
Financial assets that have been derecognised	(540,637)	(160,960)	(90,283)	(791,880)
Writeback in respect of full recoveries	-	-	(150,971)	(150,971)
Change in credit risk	(799,010)	535,336	1,449,542	1,185,868
Write-offs	(888)	(431)	(1,484,279)	(1,485,598)
Exchange fluctuation	(20,480)	(4,222)	(72,924)	(97,626)
Other movements	(179)	138	(439,004) *	(439,045)
At 31 December 2025	681,118	694,741	1,455,213	2,831,072

* The other movement which is in relation to loan restructuring adjustments amounting to RM549 million for the financial year ended 31 December 2025.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

9 Loans, advances and financing (Continued)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	1,387,514	650,622	1,903,724	3,941,860
Changes in expected credit losses due to transferred within stages:	294,210	(296,332)	2,122	-
Transferred to Stage 1	587,375	(547,880)	(39,495)	-
Transferred to Stage 2	(224,301)	704,288	(479,987)	-
Transferred to Stage 3	(68,864)	(452,740)	521,604	-
Total charge to Statement of Income:	(556,361)	240,151	1,419,054	1,102,844
New financial assets originated	837,071	130,336	22,686	990,093
Financial assets that have been derecognised	(805,890)	(191,027)	-	(996,917)
Writeback in respect of full recoveries	-	-	(222,828)	(222,828)
Change in credit risk	(587,542)	300,842	1,619,196	1,332,496
Write-offs	(408)	(282)	(1,415,711)	(1,416,401)
Exchange fluctuation	(26,314)	(5,008)	(39,381)	(70,703)
Other movements	(971)	(96)	148,996	147,929
At 31 December 2024	1,097,670	589,055	2,018,804	3,705,529

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

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

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

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2025	6,171,264	-	6,171,264
Transfer within stages	2,380,339	-	2,380,339
New financial assets originated	97,123	162,437	259,560
Write-offs	(2,368,089)	-	(2,368,089)
Amount fully recovered	(356,061)	(48,895)	(404,956)
Financial assets that have been derecognised	(863,710)	-	(863,710)
Other changes in loans, advances and financing	162,753	1,318	164,071
Disposal of loans, advances and financing	(159,643)	-	(159,643)
Exchange fluctuation	(77,789)	-	(77,789)
At 31 December 2025	4,986,187	114,860	5,101,047

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2024	7,261,739	6,117	7,267,856
Transfer within stages	1,793,543	-	1,793,543
New financial assets originated	40,653	-	40,653
Write-offs	(2,054,237)	(945)	(2,055,182)
Amount fully recovered	(597,456)	-	(597,456)
Other changes in loans, advances and financing	209,387	(5,033)	204,354
Disposal of loans, advances and financing	(418,123)	-	(418,123)
Exchange fluctuation	(64,242)	(139)	(64,381)
At 31 December 2024	6,171,264	-	6,171,264

	The Group	
	2025	2024
Ratio of credit impaired loans to total gross loans, advances and financing	1.30%	1.60%

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Loans, advances and financing (Continued)**

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

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

	The Bank		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2025	3,399,358	-	3,399,358
Transfer within stages	1,193,840	-	1,193,840
New financial assets originated	92,043	162,437	254,480
Write-offs	(1,496,217)	-	(1,496,217)
Amount fully recovered	(177,240)	(48,895)	(226,135)
Financial assets that have been derecognised	(863,710)	-	(863,710)
Other changes in loans, advances and financing	294,963	1,318	296,281
Exchange fluctuation	(49,312)	-	(49,312)
At 31 December 2025	2,393,725	114,860	2,508,585

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	4,085,846	4,085,846
Transfer within stages	830,638	830,638
New financial assets originated	37,127	37,127
Write-offs	(1,415,711)	(1,415,711)
Amount fully recovered	(317,506)	(317,506)
Other changes in loans, advances and financing	211,360	211,360
Exchange fluctuation	(32,396)	(32,396)
At 31 December 2024	3,399,358	3,399,358

	The Bank	
	2025	2024
Ratio of credit impaired loans to total gross loans, advances and financing	1.19%	1.59%

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

9 Loans, advances and financing (Continued)

Impact of movements in gross carrying amount on expected credit losses

2025:

Stage 1 ECL decreased by RM543 million for the Group and RM417 million for the Bank mainly due to loans, advances and 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 amounting to RM164,693 million for the Group and RM104,177 million for the Bank, offset by newly originated loans and accounts migrated from Stage 2 or Stage 3 to Stage 1 due to improvement in credit quality amounting to RM172,957 million for the Group and RM104,711 million for the Bank.

Stage 2 ECL increased by RM145 million for the Group and RM106 million for the Bank as a result of RM26,143 million and RM12,934 million of the Group's and the Bank's loans, advances and financing that were transferred to Stage 2 due to credit quality deterioration. This is offset by the loans, advances and financing that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 2 to Stage 1 due to improved credit quality amounting to RM33,564 million for the Group and RM18,605 million for the Bank.

Stage 3 ECL decreased by RM696 million for the Group and RM564 million for the Bank mainly due to a derecognition of a credit impaired loan amounting to RM864 million and write-off of RM45 million at Group and Bank level as a result of a debt restructuring scheme with substantial modification of contractual terms. Upon recognition, the Group and the Bank recognised new financial assets originated as POCI, which consist of term loans amounting to RM162 million in the loans, financing and advances. In addition, quoted and unquoted shares amounting to RM73 million and RM79 million respectively were also recognised as equity instruments at FVOCI (Note 7).

The amount of loans, advances and financing whose cash flows were modified of the Group and the Bank during the financial year were RM1,748,874,000 and RMNil.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

9 Loans, advances and financing (Continued)

Impact of movements in gross carrying amount on expected credit losses (Continued)

2024:

Stage 1 ECL decreased by RM390 million for the Group and RM290 million for the Bank mainly due to loans, advances and 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 amounting to RM162,529 million for the Group and RM105,189 million for the Bank, offset by newly originated loans and accounts migrated from Stage 2 or Stage 3 to Stage 1 due to improvement in credit quality amounting to RM177,550 million for the Group and RM110,866 million for the Bank.

Stage 2 ECL decreased by RM22 million for the Group and RM62 million for the Bank as a result of loans, advances and financing that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 2 to Stage 1 due to improved credit quality amounting to RM33,393 million for the Group and RM20,241 million for the Bank, offset by accounts migrated from Stage 1 to Stage 2 due to deterioration in credit quality.

Stage 3 ECL increased by RM159 million for the Group and RM115 million for the Bank as a result of RM5,715 million and RM2,933 million of the Group's and the Bank's loans, advances and financing that were transferred to Stage 3 due to credit quality deterioration. This is however offset by the loans that were fully repaid, having movement in the existing account balances during the financial year, and transferred to Stage 1 or Stage 2 due to improvement in credit quality. Changes in S3 ECL is also due to loans, advances and financing which ECL mostly fully provided for that were written off during the financial year.

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****10 Other assets**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Foreclosed assets, net of allowance for impairment losses of RM10,160,000 (2024: RM33,990,000)	(a)	123,556	139,494	-	-
Due from brokers		21,024	26,669	21,024	26,669
Structured financing		320,141	707,501	320,141	707,501
Cash collateral pledged for derivative transactions		5,119,436	4,318,096	2,789,518	2,775,071
Treasury related receivables		2,830,703	1,518,341	1,897,453	1,130,047
Settlement accounts		405,925	698,339	386,604	641,144
Other debtors net of expected credit losses*, deposits and prepayments	(b)	1,640,044	1,522,711	1,295,587	1,092,777
		10,460,829	8,931,151	6,710,327	6,373,209

* net of expected credit losses of RM610,059,000 (2024: RM611,853,000) for the Group and RM553,833,000 (2024: RM555,573,000) for the Bank (see Note 10(b))

- (a) Movements of allowance on impairment for foreclosed assets during the financial year are as follows:

	The Group	
	2025 RM'000	2024 RM'000
At 1 January	33,990	63,024
Net allowance made during the financial year	8,714	215,335
Disposed during the financial year	(32,268)	(242,698)
Exchange difference	(276)	(1,671)
At 31 December	10,160	33,990

Foreclosed properties 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 2025. The fair values are within Level 2 of the fair value hierarchy. The fair values have been derived using the sale comparison approach. Sale price of comparable land and building in close proximity are adjusted for differences in key attributes such as property size.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****10 Other assets (Continued)**

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

(i) Under simplified approach

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At 1 January	3,871	8,605	2,298	6,035
Net expected credit losses charge/(writeback) during the financial year	33,360	1,675	32,446	900
Write-offs	(34,651)	(8,065)	(33,780)	(4,522)
Exchange difference	(308)	1,656	(286)	(115)
At 31 December	2,272	3,871	678	2,298

(ii) Under general approach

The Group	12-month expected credit losses	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - Credit impaired	Total
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	90,368	-	517,614	607,982
Total charge to Statement of Income:	-	-	(195)	(195)
Writeback in respect of recoveries	-	-	(120)	(120)
Change in credit risk	-	-	(75)	(75)
At 31 December 2025	90,368	-	517,419	607,787

The Group	12-month expected credit losses	Lifetime expected credit losses - not credit impaired	Lifetime expected credit losses - Credit impaired	Total
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	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 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

Included in the ECL provided in the current and previous financial year under general approach is related to settlement of debit card balances.

CIMB Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****10 Other assets (Continued)**

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

(ii) Under general approach (Continued)

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2025	36,196	-	517,079	553,275
Total charge to Statement of Income:	-	-	(120)	(120)
Writeback in respect of recoveries	-	-	(120)	(120)
At 31 December 2025	36,196	-	516,959	553,155

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	11,839	2,000	517,347	531,186
Total charge to Statement of Income:	24,357	-	(268)	24,089
Writeback in respect of recoveries	-	-	(268)	(268)
Change in credit risk	24,357	-	-	24,357
Write-offs	-	(2,000)	-	(2,000)
At 31 December 2024	36,196	-	517,079	553,275

CIMB Bank Berhad

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

10 Other assets (Continued)

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

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

The Group	Lifetime expected credit losses - credit impaired (Stage 3)	
	2025	2024
	RM'000	RM'000
At 1 January	517,614	517,882
Other changes	(195)	(268)
At 31 December	<u>517,419</u>	<u>517,614</u>

The Bank	Lifetime expected credit losses - credit impaired (Stage 3)	
	2025	2024
	RM'000	RM'000
At 1 January	517,079	517,347
Other changes	(120)	(268)
At 31 December	<u>516,959</u>	<u>517,079</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

10 Other assets (Continued)

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

2025:

No movement in Stage 1 and Stage 2 ECL.

Stage 3 ECL decreased by RM0.2 million for the Group and RM0.1 million for the Bank mainly due to recoveries and change in credit risk.

2024:

Stage 1 ECL increased by RM60.6 million and RM24.4 million for the Group and the Bank respectively due to change in credit risk.

Stage 2 ECL decreased by RM2.0 million for the Group and the Bank respectively due to write-offs during the year.

Stage 3 ECL decreased by RM0.3 million for the Group and the Bank respectively due to recoveries.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****11 Amounts due from/(to) holding company and ultimate holding company**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amounts due from:				
- ultimate holding company	5,009	6,034	5,009	6,024
- holding company	1,286	1,203	1,286	1,203
	<u>6,295</u>	<u>7,237</u>	<u>6,295</u>	<u>7,227</u>
Amount due to:				
- ultimate holding company	(17)	-	-	-

The amounts due from holding company and ultimate holding company are unsecured, interest free and callable on demand.

12 Amounts due from/(to) subsidiaries

	The Bank	
	2025	2024
	RM'000	RM'000
Amounts due from subsidiaries	<u>4,749</u>	<u>11,378</u>
Amounts due to subsidiaries	<u>(1,219,073)</u>	<u>(638,276)</u>

The amounts due from/(to) subsidiaries are unsecured, interest free and callable on demand.

13 Amounts due from/(to) related companies

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amounts due from related companies	<u>5,313,223</u>	<u>4,707,543</u>	<u>5,308,120</u>	<u>4,702,380</u>
Amounts due to related companies	<u>(3,950)</u>	<u>(8,694)</u>	<u>(2,996)</u>	<u>(4,731)</u>

Included in amount due from related companies is an amount of RM5,230,724,000 (2024: RM4,613,966,000) due from Proton Commerce Sdn. Bhd. ("PCSB"). These comprise of the funding to PCSB for the hire purchase business.

Other than the above, the amounts from/(to) related companies are unsecured, interest free and callable on demand.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****14 Deferred taxation**

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

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	1,023,122	1,291,929	730,022	879,346
Deferred tax liabilities	(658)	(706)	-	-
	1,022,464	1,291,223	730,022	879,346

Further breakdown are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets (before offsetting)				
Expected credit losses	560,844	733,184	270,004	377,162
Right-of-use assets	28,736	-	33,834	-
Fair value reserve - Debt instruments at fair value through other comprehensive income	-	82,815	-	91,196
Unutilised tax losses	17,401	24,542	-	-
Post employment benefit obligations	36,820	37,904	-	-
Provision for expenses	545,414	482,376	507,124	452,492
Cash flow hedge reserve	-	-	7	-
Own credit risk reserve	4,063	3,227	-	-
Lease liabilities	-	51,971	-	36,987
Other temporary differences	65,229	79,530	100,300	74,707
	1,258,507	1,495,549	911,269	1,032,544
Offsetting	(235,385)	(203,620)	(181,247)	(153,198)
Deferred tax assets (after offsetting)	1,023,122	1,291,929	730,022	879,346
Deferred tax liabilities (before offsetting)				
Fair value reserve - Debt instruments at fair value through other comprehensive income	(21,994)	-	(1,214)	-
Fair value reserve - Equity instruments at fair value through other comprehensive income	(22,130)	(39,535)	(15,224)	(39,294)
Right-of-use assets	-	(31,077)	-	(17,158)
Property, plant and equipment	(73,832)	(56,073)	(43,900)	(25,473)
Intangible assets	(111,543)	(76,176)	(105,531)	(70,163)
Lease liabilities	(5,574)	-	(15,378)	-
Cash flow hedge reserve	(970)	(1,465)	-	(1,110)
	(236,043)	(204,326)	(181,247)	(153,198)
Offsetting	235,385	203,620	181,247	153,198
Deferred tax liabilities (after offsetting)	(658)	(706)	-	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

14 Deferred taxation (Continued)

The movements in deferred tax assets and liabilities during the financial year comprise the following:

The Group	Note	Expected credit losses	Accelerated tax depreciation	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Intangible assets	Post employment benefit obligations	Provision for expenses	Cash flow hedge	Own credit risk	Right-of-use assets	Lease liabilities	Unutilised tax losses	Other temporary differences	Total
Deferred tax assets/(liabilities)															
At 1 January 2025		733,184	(56,073)	82,815	(39,535)	(76,176)	37,904	482,376	(1,465)	3,227	(31,077)	51,971	24,542	79,530	1,291,223
(Charged)/credited to statements of income	47	(175,154)	(17,546)	11,471	-	(34,024)	(1,772)	52,510	-	(21)	58,140	(52,668)	(2,675)	(17,537)	(179,276)
Over/(under) provision in prior financial year		4,649	(176)	-	-	(1,717)	-	(1,569)	-	-	1,249	(4,218)	439	2,799	1,456
Transferred to equity		-	-	(117,272)	17,310	-	1,516	-	504	925	-	-	-	(41)	(97,058)
Exchange difference		(1,835)	(37)	992	95	374	(828)	12,097	(9)	(68)	424	(659)	(4,905)	478	6,119
At 31 December 2025		560,844	(73,832)	(21,994)	(22,130)	(111,543)	36,820	545,414	(970)	4,063	28,736	(5,574)	17,401	65,229	1,022,464
Deferred tax assets/(liabilities)															
At 1 January 2024		805,108	(51,572)	145,787	(38,827)	(44,862)	44,548	426,045	(1,034)	14,910	(58,916)	73,049	14,957	127,402	1,456,595
(Charged)/credited to statements of income	47	(48,455)	(6,367)	(20,944)	-	(29,612)	(2,023)	39,919	-	65	25,982	(17,749)	6,182	(45,467)	(98,469)
(Under)/over provision in prior financial year		(20,631)	1,364	-	-	(1,799)	-	(1,208)	-	-	957	(2,801)	4,310	325	(19,483)
Transferred to equity		-	-	(41,339)	(716)	-	(3,543)	-	(520)	(11,312)	-	-	-	(42)	(57,472)
Exchange difference		(2,838)	502	(689)	8	97	(1,078)	17,620	89	(436)	900	(528)	(907)	(2,688)	10,052
At 31 December 2024		733,184	(56,073)	82,815	(39,535)	(76,176)	37,904	482,376	(1,465)	3,227	(31,077)	51,971	24,542	79,530	1,291,223

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

14 Deferred taxation (Continued)

The movements in deferred tax assets and liabilities during the financial year comprise the following (Continued):

The Bank	Note	Expected credit losses	Accelerated tax depreciation	Debt instruments	Equity	Intangible assets	Provision for expenses	Cash flow hedge	Right-of-use assets	Lease liabilities	Other temporary differences	Total
				at fair value through other comprehensive income	instruments at fair value through other comprehensive income							
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax assets/(liabilities)												
At 1 January 2025		377,162	(25,473)	91,196	(39,294)	(70,163)	452,492	(1,110)	(17,158)	36,987	74,707	879,346
(Charged)/credited to statements of income	47	(111,668)	(18,771)	-	-	(33,650)	39,231	-	50,683	(48,742)	28,482	(94,435)
Over/(under) provision in prior financial year		4,526	(123)	-	-	(1,718)	3,140	-	-	(3,313)	31	2,543
Transferred to equity		-	-	(93,045)	24,070	-	-	1,117	-	-	-	(67,858)
Exchange difference		(16)	467	635	-	-	12,261	-	309	(310)	(2,920)	10,426
At 31 December 2025		270,004	(43,900)	(1,214)	(15,224)	(105,531)	507,124	7	33,834	(15,378)	100,300	730,022

The Bank	Note	Expected credit losses	Accelerated tax depreciation	Debt instruments	Equity	Intangible assets	Provision for expenses	Cash flow hedge	Right-of-use assets	Lease liabilities	Other temporary differences	Total
				at fair value through other comprehensive income	instruments at fair value through other comprehensive income							
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deferred tax assets/(liabilities)												
At 1 January 2024		421,312	(20,805)	115,985	(38,495)	(40,988)	402,738	(519)	(42,026)	55,072	38,935	891,209
(Charged)/credited to statements of income	47	(23,974)	(6,150)	-	-	(27,401)	35,031	-	24,227	(15,968)	35,507	21,272
(Under)/over provision in prior financial year		(20,248)	863	-	-	(1,774)	(2,933)	-	-	(1,865)	328	(25,629)
Transferred to equity		-	-	(24,648)	(799)	-	-	(591)	-	-	-	(26,038)
Exchange difference		72	619	(141)	-	-	17,656	-	641	(252)	(63)	18,532
At 31 December 2024		377,162	(25,473)	91,196	(39,294)	(70,163)	452,492	(1,110)	(17,158)	36,987	74,707	879,346

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****15 Statutory deposits with central banks**

The non-interest bearing statutory deposits maintained with Bank Negara Malaysia (“BNM”) are 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 foreign subsidiaries and foreign branches are maintained with respective central banks in compliance with the applicable legislation.

16 Investments in subsidiaries

		The Bank	
		2025	2024
		RM'000	RM'000
Unquoted shares, at cost	Note		
- ordinary shares	(a)	6,186,995	6,142,994
- preference shares		350,000	350,000
		6,536,995	6,492,994
Fair values arising from fair value hedge		20,264	51,258
Less: Allowance for impairment losses		(33,715)	(33,715)
		6,523,544	6,510,537

The Bank has undertaken fair value hedge on the foreign exchange risk arising from its investment in CIMB Bank PLC. The fair value hedge on CIMB Bank PLC is accounted for as net investment hedge at Group level.

(a) Additional investment in subsidiaries

On 24 December 2025, the Bank increase its capital contribution in CIMB Bank (Vietnam) Limited via capital injection of VND286 billion.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****16 Investments in subsidiaries (Continued)**

The table below shows the movements in allowance for impairment losses during the financial year for the Bank:

	The Bank	
	2025	2024
	RM'000	RM'000
At 1 January	33,715	34,075
Liquidation of a subsidiary	-	(360)
At 31 December	33,715	33,715

(a) The subsidiaries of the Bank are as follows:

Name	Principal activities	Percentage of equity held:			
		Directly by the Bank		Through subsidiary company	
		2025	2024	2025	2024
		%	%	%	%
CIMB Group Nominees (Tempatan) Sdn. Bhd.	Provision of nominee services	100	100	-	-
CIMB Group Nominees (Asing) Sdn. Bhd.	Provision of nominee services	100	100	-	-
Bumiputra-Commerce Corporate Services Limited (Incorporated in the Federal Territory of Labuan) ~	Nominee services	-	-	100	100
BC Management Services Ltd. (Incorporated in the Federal Territory of Labuan) ~	Nominee services	-	-	100	100
CIMB Islamic Trustee Berhad	Trustee to unit trust funds, public debt financing issues and private trusts and other corporate trusts	20	20	40	40
CIMB Trust Limited (Incorporated in the Federal Territory of Labuan)	Trustee services	100	100	-	-
CIMB FactorLease Berhad	Leasing, hire purchase financing, debt factoring, loan management and property management	100	100	-	-
CIMB Bank (L) Limited (Incorporated in the Federal Territory of Labuan)	Carrying on business of a Labuan bank	100	100	-	-
iCIMB (Malaysia) Sdn. Bhd.	Provision of outsourcing services	100	100	-	-

CIMB Bank Berhad

(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****16 Investments in subsidiaries (Continued)**

(a) The subsidiaries of the Bank are as follows (Continued):

Name	Principal activities	Percentage of equity held:			
		Directly by the Bank		Through subsidiary company	
		2025	2024	2025	2024
		%	%	%	%
CIMB Islamic Bank Berhad	Islamic banking and related financial services	100	100	-	-
S.B. Venture Capital Corporation Sdn. Bhd.	Investment holding and provision of management services	100	100	-	-
CIMB Islamic Nominees (Tempatan) Sdn. Bhd.	Provision of nominee services	-	-	100	100
CIMB Islamic Nominees (Asing) Sdn. Bhd.	Provision of nominee services	-	-	100	100
CIMB Commerce Trustee Berhad	Provision of trustee, custodian and nominees services	20	20	40	40
S.B. Properties Sdn. Bhd.	Property ownership and management	100	100	-	-
BHLB Properties Sdn. Bhd.	To own and manage premises and other immovable properties	100	100	-	-
SIBB Berhad	Investment dealing	80	80	-	-
Perdana Nominees (Tempatan) Sdn. Bhd.	Provision of nominee services	-	-	80	80
SFB Auto Berhad	Financial services	100	100	-	-
SFB Development Sdn. Bhd.	Property investment	100	100	-	-
CIMB Thai Bank Public Company Limited (Incorporated in the Kingdom of Thailand) ^a	Commercial Banking	94.83	94.83	-	-
CIMB Bank PLC (Incorporated in Cambodia) ^{@@}	Commercial banking and related financial services	100	100	-	-
CIMB Bank (Vietnam) Limited (Incorporated in Vietnam) ^{@@}	Banking activities	100	100	-	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

16 Investments in subsidiaries (Continued)

(a) The subsidiaries of the Bank are as follows (Continued):

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

Name	Principal activities	Percentage of equity held:	
		2025 %	2024 %
CIMB Thai Auto Co. Ltd (Incorporated in the Kingdom of Thailand) ^α	Hire purchase sale & leaseback and financial lease	99.99	99.99
Worldlease Company Limited (Incorporated in the Kingdom of Thailand) ^α	Hire purchase of motorcycles	99.99	99.99

^α 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

All the subsidiaries, unless otherwise stated, are incorporated in Malaysia.

Impairment test of investment in subsidiaries

As at 31 December 2025, the net assets of CIMB Vietnam was below its carrying amount. Accordingly, the Bank had undertaken an impairment test on the carrying amount of the investments in CIMB Vietnam.

CIMB Vietnam

The recoverable amount of the investment in CIMB Vietnam was determined based on the higher of fair value less costs of disposal and value-in-use. No impairment is required as the value-in-use exceeded the carrying amount.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****16 Investments 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 allocated to non- controlling interests		Accumulated non-controlling interests	
	2025	2024	2025	2024	2025	2024
	%	%	RM'000	RM'000	RM'000	RM'000
CIMB Thai Bank Public Company Limited and its subsidiaries (incorporated in the Kingdom of Thailand)	5.17	5.17	15,392	19,230	337,684	333,717
Individually immaterial subsidiaries with non-controlling interests					13,621	11,866
					<u>351,305</u>	<u>345,583</u>

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.

	CIMB Thai Bank Public Company Limited Group	
	2025	2024
	RM'000	RM'000
Total assets	69,156,351	66,407,411
Total liabilities	(62,517,301)	(59,843,820)
Net assets	<u>6,639,050</u>	<u>6,563,591</u>
	Year ended 31 December	
	2025	2024
	RM'000	RM'000
Revenue	<u>1,642,573</u>	<u>1,776,719</u>
Profit before taxation	373,301	464,197
Taxation	(75,581)	(92,251)
Other comprehensive expense	(37,239)	(27,460)
Total comprehensive income	<u>260,481</u>	<u>344,486</u>
Profit allocated to non-controlling interest	<u>15,392</u>	<u>19,230</u>
Net cash (used in)/generated from operating activities	(523,548)	167,512
Net cash (used in)/generated from investing activities	(1,104,087)	1,540,816
Net cash generated from/(used in) financing activities	<u>1,600,000</u>	<u>(1,871,002)</u>
Net decrease in cash and cash equivalents	<u>(27,635)</u>	<u>(162,674)</u>

CIMB Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****17 Investment in joint venture**

	The Group	
	2025	2024
	RM'000	RM'000
At 1 January	146,208	152,311
Share of profit/(loss)	<u>5,565</u>	<u>(6,103)</u>
At 31 December	<u>151,773</u>	<u>146,208</u>

	The Bank	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	<u>125,000</u>	<u>125,000</u>

(a) Information about joint venture:

The principal place of business and country of incorporation of the joint venture is Malaysia. The joint venture is measured using the equity method. There is no available quoted market price of the investment in the joint venture.

The direct joint venture of the Bank is:

Name	Principal activity	Percentage of equity held	
		2025	2024
		%	%
Proton Commerce Sdn. Bhd.	Financing of vehicles	50	50

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 the Bank and the subsequent capital reduction exercise undertaken by BCF in 2006, the BCF PPS were cancelled, and the Bank issued RM200 million PPS to PCSB.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****17 Investment in joint venture (Continued)**

- (b) 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	
	2025	2024
	RM'000	RM'000
Non-current assets	5,198,281	4,711,946
Current assets	908,168	832,834
Current liabilities (non-trade)	(5,776,225)	(5,234,821)
Non-current liabilities (non-trade)	(26,679)	(17,543)
Net assets	303,545	292,416
The above amounts of assets include the following:		
Cash and cash equivalents	25,067	47,351
	2025	2024
	RM'000	RM'000
Revenue	286,060	249,585
Gain(loss) for the financial year/Total comprehensive income/(expense) for the financial year	11,129	(12,206)
The above income/(loss) for the financial year include the following:		
Interest income	290,597	250,064
Interest expense	(177,001)	(153,916)
Taxation	(1,008)	4,174

- (c) 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	
	2025	2024
	RM'000	RM'000
Opening net assets as at 1 January	292,416	304,622
Gain/(loss) for the financial year	11,129	(12,206)
Closing net assets as at 31 December	303,545	292,416
Interest in joint venture	50%	50%
Interest in joint venture (RM'000)	151,773	146,208

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****18 Property, plant and equipment**

The Group		Freehold land	Buildings on freehold land	Buildings on leasehold land 50 years or more	Buildings on leasehold land less than 50 years	Renovations, work-in- progress, office equipment, plant and machinery and furniture and fittings	Computer equipment and hardware	Motor vehicles	Total
2025	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January		118,884	388,790	32,166	4,118	1,005,391	1,159,882	18,067	2,727,298
Additions*		302,575	619,915	26,560	-	36,988	102,294	594	1,088,926
Disposals/write-offs		(624)	(6,763)	-	-	(56,756)	(124,254)	(1,253)	(189,650)
Reclassifications		-	-	-	-	(4,370)	4,370	-	-
Exchange fluctuation		(808)	(3,178)	(483)	-	(18,395)	(10,136)	(936)	(33,936)
At 31 December		420,027	998,764	58,243	4,118	962,858	1,132,156	16,472	3,592,638
Accumulated depreciation and impairment									
At 1 January		2,565	166,879	10,465	3,938	701,669	968,162	13,948	1,867,626
Charge for the financial year	42	-	12,623	1,369	63	39,697	105,226	1,762	160,740
Disposals/write-off		-	(4,710)	-	-	(45,780)	(121,560)	(1,253)	(173,303)
Reversal of impairment		-	(89)	-	-	-	-	-	(89)
Other reclassifications		-	-	(202)	(23)	-	-	-	(225)
Exchange fluctuation		(45)	(2,240)	(207)	-	(11,871)	(8,914)	(825)	(24,102)
At 31 December		2,520	172,463	11,425	3,978	683,715	942,914	13,632	1,830,647
Net book value at 31 December 2025		417,507	826,301	46,818	140	279,143	189,242	2,840	1,761,991

* During the year, the Bank completed the acquisition of buildings and land from a related company for a total consideration of RM680 million, disclosed as addition to the “Freehold land” and “Buildings on freehold land”.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****18 Property, plant and equipment (Continued)**

The Group		Freehold land	Buildings on freehold land	Buildings on leasehold land 50 years or more	Buildings on leasehold land less than 50 years	Renovations, work-in- progress, office equipment, plant and machinery and furniture and fittings	Computer equipment and hardware	Motor vehicles	Total
2024	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
As 1 January		120,623	361,233	32,810	4,118	1,001,253	1,090,277	22,748	2,633,062
Additions		-	-	-	-	40,629	98,099	412	139,140
Disposals/write-offs		(640)	(2,862)	-	-	(19,924)	(25,175)	(4,201)	(52,802)
Reclassified to investment properties	20	-	-	-	-	-	-	-	-
Reclassifications		-	-	-	-	(2,440)	2,440	-	-
Reclassified from/(to) intangible assets	22	-	-	-	-	-	1,008	-	1,008
Reclassified to non-current assets held for sale		-	7,853	-	-	-	-	-	7,853
Exchange fluctuation		(1,099)	22,566	(644)	-	(14,127)	(6,767)	(892)	(963)
At 31 December		118,884	388,790	32,166	4,118	1,005,391	1,159,882	18,067	2,727,298
Accumulated depreciation and impairment									
At 1 January		2,625	134,737	11,662	3,898	672,900	886,016	17,240	1,729,078
Charge for the financial year	42	-	7,047	938	63	45,593	115,871	2,045	171,557
Disposals/write-off		-	(2,862)	-	-	(13,075)	(24,728)	(4,201)	(44,866)
Reversal of impairment		-	-	-	-	(229)	-	-	(229)
Other reclassifications		-	1,688	(1,890)	(23)	-	-	-	(225)
Reclassified from non-current assets held for sale		-	2,269	-	-	-	-	-	2,269
Exchange fluctuation		(60)	24,000	(245)	-	(3,520)	(8,997)	(1,136)	10,042
At 31 December		2,565	166,879	10,465	3,938	701,669	968,162	13,948	1,867,626
Net book value at 31 December 2024		116,319	221,911	21,701	180	303,722	191,720	4,119	859,672

Work-in-progress amounted to RM185,332,939 (2024: RM188,623,259) for the Group.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****18 Property, plant and equipment (Continued)**

The Bank		Freehold land	Buildings on freehold land	Buildings on leasehold land 50 years or more	Buildings on leasehold land less than 50 years	Renovations, work-in- progress, office equipment, plant and machinery and furniture and fittings	Computer equipment and hardware	Motor vehicles	Total
2025	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 January		68,635	133,140	31,880	3,607	768,919	930,891	1,713	1,938,785
Additions*		302,575	619,915	26,560	-	25,533	96,543	97	1,071,223
Disposals/write-off		-	-	-	-	(29,497)	(101,943)	-	(131,440)
Exchange fluctuation		-	(154)	(456)	-	(8,126)	(3,958)	(1)	(12,695)
At 31 December		371,210	752,901	57,984	3,607	756,829	921,533	1,809	2,865,873
Accumulated depreciation									
At 1 January		-	41,003	10,189	3,429	519,529	774,831	1,709	1,350,690
Charge for the financial year	42	-	9,210	1,362	63	23,834	89,747	10	124,226
Disposals/write off		-	-	-	-	(18,250)	(99,482)	-	(117,732)
Other reclassifications		-	-	(202)	(23)	-	-	-	(225)
Exchange fluctuation		-	(29)	(181)	-	(3,929)	(3,458)	(1)	(7,598)
At 31 December		-	50,184	11,168	3,469	521,184	761,638	1,718	1,349,361
Net book value at 31 December 2025		371,210	702,717	46,816	138	235,645	159,895	91	1,516,512

* During the year, the Bank completed the acquisition of buildings and land from a related company for a total consideration of RM680 million, disclosed as addition to the “Freehold land” and “Buildings on freehold land”.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****18 Property, plant and equipment (Continued)**

The Bank 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		68,635	125,502	32,517	3,607	769,980	867,367	1,980	1,869,588
Additions		-	-	-	-	17,823	88,597	-	106,420
Disposals/write-off		-	-	-	-	(10,407)	(21,553)	(261)	(32,221)
Reclassified from non-current assets held for sale		-	7,853	-	-	-	-	-	7,853
Exchange fluctuation		-	(215)	(637)	-	(8,477)	(3,520)	(6)	(12,855)
At 31 December		68,635	133,140	31,880	3,607	768,919	930,891	1,713	1,938,785
Accumulated depreciation									
At 1 January		-	33,447	11,386	3,389	497,552	703,293	1,964	1,251,031
Charge for the financial year	42	-	3,640	931	63	27,823	95,991	12	128,460
Disposals/write off		-	-	-	-	(3,114)	(21,179)	(261)	(24,554)
Other reclassifications		-	1,688	(1,890)	(23)	-	-	-	(225)
Reclassified from non-current assets held for sale		-	2,269	-	-	-	-	-	2,269
Exchange fluctuation		-	(41)	(238)	-	(2,732)	(3,274)	(6)	(6,291)
At 31 December		-	41,003	10,189	3,429	519,529	774,831	1,709	1,350,690
Net book value at 31 December 2024		68,635	92,137	21,691	178	249,390	156,060	4	588,095

Work-in-progress amounted to RM179,757,667 (2024: RM185,993,373) for the Bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****19 Right-of-use assets**

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

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Buildings	215,114	323,010	160,212	256,455
Leasehold land	53,510	7,295	53,193	6,968
Computer equipment	92,074	109,996	75,487	97,637
Motor vehicles	1,159	386	-	-
	361,857	440,687	288,892	361,060

Additions to the right-of-use assets and depreciation charge during the financial year for the Group and the Bank are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Additions	96,689	230,116	69,778	214,471
Charge for the financial year:				
Buildings	143,500	159,910	119,923	133,614
Leasehold land	831	43	821	33
Computer equipment	42,367	48,746	37,190	43,688
Motor vehicles	403	488	-	65
	187,101	209,187	157,934	177,400

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 Bank are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Short-term lease expenses	7,278	649	6,935	649
Low-value lease expenses	5,621	5,891	5,620	5,889
Variable lease payment expenses	10,571	42,504	10,274	41,848

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

20 Investment properties

	Freehold land RM'000	Building on freehold land RM'000	Total RM'000
The Group			
2025			
At 1 January	6,591	1,894	8,485
Exchange fluctuation	(114)	(33)	(147)
Fair value at 31 December	6,477	1,861	8,338

	Freehold land RM'000	Building on freehold land RM'000	Total RM'000
The Group			
2024			
Cost			
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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****21 Goodwill**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 January	5,164,562	5,170,494	3,559,075	3,559,075
Exchange fluctuation	(4,419)	(5,932)	-	-
At 31 December	5,160,143	5,164,562	3,559,075	3,559,075
Impairment				
At 1 January/31 December	(1,219,197)	(1,219,197)	(4,000)	(4,000)
Net book value at 31 December	3,940,946	3,945,365	3,555,075	3,555,075

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:

CGU	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Consumer Banking				
Retail Financial Services	1,262,272	1,262,272	1,262,272	1,262,272
Islamic Banking	136,000	136,000	-	-
Group Cards	425,803	425,803	425,803	425,803
Commercial Banking	911,000	911,000	911,000	911,000
Wholesale Banking				
Corporate Banking	419,000	419,000	419,000	419,000
Treasury	537,000	537,000	537,000	537,000
Foreign Banking operations				
Thailand	198,339	198,339	-	-
Exchange fluctuation	51,532	55,951	-	-
	3,940,946	3,945,365	3,555,075	3,555,075

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****21 Goodwill (Continued)**

In respect to the foreign banking operation in Thailand, goodwill without exchange fluctuation is allocated to the following CGUs; Consumer Banking and Wholesale Banking of RM51,165,000 and RM147,174,000 respectively, as at 31 December 2024 and 31 December 2025.

Impairment test for goodwillValue-in-use

The recoverable amount of CGU is determined based on the value-in-use calculations. These calculations use pre-tax cash flow projections based on the 2026 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 (2026-2029), 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. 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:

	2025		2024	
	Terminal Growth rate	Discount rate	Terminal Growth rate	Discount rate
Malaysia				
Retail Finance Services	4.00%	8.33%	4.08%	9.66%
Islamic Banking	4.00%	8.33%	4.08%	9.66%
Group Cards	4.00%	8.33%	4.08%	9.66%
Commercial Banking	4.00%	8.33%	4.08%	9.66%
Corporate Banking	4.00%	8.33%	4.08%	9.66%
Treasury	4.00%	8.33%	4.08%	9.66%
Thailand				
Wholesale Banking	1.97%	6.58%	1.79%	8.63%
Consumer Banking	1.97%	6.58%	1.79%	8.63%

Management believes that no reasonably possible change in any of the key assumptions including those used in preparing the cash flow projections would cause the carrying value of any CGU to exceed its recoverable amount.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****22 Intangible assets**

The Group 2025	Note	Computer software and work-in-progress			Total RM'000
		Customer relationships RM'000	Core deposits RM'000	work-in-progress RM'000	
Cost					
At 1 January		162,503	264,662	5,180,801	5,607,966
Additions		-	-	484,796	484,796
Disposals/write-off		-	-	(176,716)	(176,716)
Exchange fluctuation		-	-	(56,148)	(56,148)
At 31 December		162,503	264,662	5,432,733	5,859,898
Amortisation					
At 1 January		162,503	264,662	3,863,053	4,290,218
Amortisation during the financial year	42	-	-	400,993	400,993
Impairment writeback during the financial year	43	-	-	(39)	(39)
Disposals/write-off		-	-	(176,640)	(176,640)
Exchange fluctuation		-	-	(41,981)	(41,981)
At 31 December		162,503	264,662	4,045,386	4,472,551
Net book value at 31 December 2025		-	-	1,387,347	1,387,347

The Group 2024	Note	Computer software and work-in-progress			Total RM'000
		Customer relationships RM'000	Core deposits RM'000	work-in-progress RM'000	
Cost					
At 1 January		162,503	264,662	4,763,507	5,190,672
Additions		-	-	474,234	474,234
Disposals/write-off		-	-	(7,038)	(7,038)
Net reclassified to property, plant and equipment	18	-	-	(1,008)	(1,008)
Exchange fluctuation		-	-	(48,894)	(48,894)
At 31 December		162,503	264,662	5,180,801	5,607,966
Amortisation					
At 1 January		162,503	264,662	3,507,491	3,934,656
Amortisation during the financial year	42	-	-	400,135	400,135
Disposals/write-off		-	-	(7,038)	(7,038)
Exchange fluctuation		-	-	(37,535)	(37,535)
At 31 December		162,503	264,662	3,863,053	4,290,218
Net book value at 31 December 2024		-	-	1,317,748	1,317,748

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****22 Intangible assets (Continued)**

	Note	Customer relationships RM'000	Core deposits RM'000	Computer software and work-in-progress RM'000	Total RM'000
The Bank					
2025					
Cost					
At 1 January		153,091	263,612	4,448,547	4,865,250
Additions		-	-	420,718	420,718
Disposals/write-off		-	-	(157,616)	(157,616)
Exchange fluctuation		-	-	(34,875)	(34,875)
At 31 December		153,091	263,612	4,676,774	5,093,477
Amortisation					
At 1 January		153,091	263,612	3,294,898	3,711,601
Amortisation during the financial year	42	-	-	336,833	336,833
Disposals/write-off		-	-	(157,779)	(157,779)
Exchange fluctuation		-	-	(26,559)	(26,559)
At 31 December		153,091	263,612	3,447,393	3,864,096
Net book value at 31 December 2025		-	-	1,229,381	1,229,381
The Bank					
2024					
Cost					
At 1 January		153,091	263,612	4,080,019	4,496,722
Additions		-	-	409,053	409,053
Disposals/write-off		-	-	(6,952)	(6,952)
Exchange fluctuation		-	-	(33,573)	(33,573)
At 31 December		153,091	263,612	4,448,547	4,865,250
Amortisation					
At 1 January		153,091	263,612	2,995,976	3,412,679
Amortisation during the financial year	42	-	-	333,314	333,314
Disposals/write-off		-	-	(6,952)	(6,952)
Exchange fluctuation		-	-	(27,440)	(27,440)
At 31 December		153,091	263,612	3,294,898	3,711,601
Net book value at 31 December 2024		-	-	1,153,649	1,153,649

Work-in-progress for the Group and the Bank amounted to RM447,540,896 (2024: RM602,960,267) and RM443,078,359 (2024: RM595,890,703) respectively.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

22 Intangible assets (Continued)

The valuation of customer relationships 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 customer 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 in the form of net interest savings 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 periods of the intangible assets are as follows:

Computer software	1 month – 10 years
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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****23 Deposits from customers**

(a) By type of deposit

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Demand deposits	101,764,664	101,372,822	75,826,483	77,780,571
Saving deposits	73,140,728	69,378,203	37,875,542	35,351,436
Fixed deposits	153,967,385	158,182,668	109,844,144	109,358,812
Negotiable instruments of deposit	2,182,054	1,027,496	52,353	-
Short term money market deposits	86,975,493	77,004,625	42,969,500	33,849,414
Others	1,992,980	1,264,820	880,602	716,139
	420,023,304	408,230,634	267,448,624	257,056,372

The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

	The Group		The Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Due within six months	134,724,185	135,823,379	96,856,193	95,537,058
Six months to less than one year	20,062,666	21,928,080	12,703,813	13,643,825
One year to less than three years	1,321,288	1,435,580	297,403	157,119
Three years to less than five years	41,300	23,125	39,088	20,810
	156,149,439	159,210,164	109,896,497	109,358,812

(b) By type of customer

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	19,940,051	14,335,545	10,295,582	8,282,816
Business enterprises	166,358,848	150,459,635	114,134,350	94,246,274
Individuals	161,865,864	170,813,840	101,412,303	110,602,548
Others	71,858,541	72,621,614	41,606,389	43,924,734
	420,023,304	408,230,634	267,448,624	257,056,372

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****24 Investment accounts of customers**

	Note	The Group		The Bank	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts	58(o)	32,291,771	24,443,310	-	-
		32,291,771	24,443,310	-	-

25 Deposits and placements of banks and other financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Licensed banks	30,914,525	27,886,769	28,751,733	27,795,752
Licensed finance companies	6,107,383	4,912,434	4,625,512	3,200,655
Licensed investment banks	392,887	397,529	228,266	115,272
Bank Negara Malaysia (“BNM”)	1,317,899	1,314,775	1,317,899	1,314,775
Other financial institutions	9,475,399	9,360,643	7,341,967	6,864,260
	48,208,093	43,872,150	42,265,377	39,290,714

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

	The Group		The Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Due within six months	46,916,733	41,293,073	41,160,017	36,998,993
Six months to less than one year	617,697	1,156,673	477,732	982,861
One year to less than three years	54,315	772,719	8,280	659,175
Three years to less than five years	619,348	203,133	619,348	203,133
Five years and more	-	446,552	-	446,552
	48,208,093	43,872,150	42,265,377	39,290,714

Included in deposits and placements by BNM are amounts received by the Group and the Bank 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 5.6 months to 4.4 years (2024: 1.5 to 5.4 years).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****26 Financial liabilities at fair value through profit or loss**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Designated at fair value through profit or loss (Note a)</u>				
Deposits from customers - structured investments	4,304,767	5,179,163	2,136,963	2,053,440
Debentures	184,992	73,492	-	-
Bills payable	1,411,719	1,341,683	-	-
	5,901,478	6,594,338	2,136,963	2,053,440
<u>Held for trading</u>				
Malaysian Government Securities	3,984	-	3,984	-
Other Government Securities	1,836,406	-	-	-
Government investment issues	13,811	-	13,811	-
	1,854,201	-	17,795	-
	7,755,679	6,594,338	2,154,758	2,053,440

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

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 31 December 2025 were RM40,955,000 higher (2024: RM54,044,000 lower) and RM68,922,000 (2024: RM407,000) higher than the contractual amount at maturity for the structured investments, RM7,898,000 (2024: RM6,801,000) higher than the contractual amount at maturity for the debentures and RM152,251,000 (2024: RM106,786,000) higher than the contractual amount at maturity for the bills payable.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Derivative financial instruments**

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

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

	The Group			The Bank		
	Principal	Fair values		Principal	Fair values	
2025	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
Foreign exchange derivatives						
Currency forward	75,654,583	366,027	(1,574,149)	46,073,882	222,551	(760,374)
Currency swaps	472,721,773	3,943,070	(3,523,743)	316,472,317	2,378,285	(2,599,163)
Currency spots	10,325,537	12,441	(8,586)	9,928,771	11,576	(6,270)
Currency options	7,588,027	38,675	(40,831)	7,417,611	37,724	(40,535)
Cross currency interest rate swaps	124,840,029	4,686,603	(3,473,611)	37,615,484	1,481,363	(621,864)
	691,129,949	9,046,816	(8,620,920)	417,508,065	4,131,499	(4,028,206)
Interest rate derivatives						
Interest rate swaps	1,066,660,634	4,682,042	(4,523,880)	731,536,367	2,325,670	(2,283,893)
Interest rate futures	1,827,693	7,511	(324)	1,827,693	7,511	(324)
Interest rate options	3,639,625	11,744	(14,956)	3,639,625	11,744	(14,956)
	1,072,127,952	4,701,297	(4,539,160)	737,003,685	2,344,925	(2,299,173)
Equity related derivatives						
Equity swaps	635,343	38,391	(18,765)	635,343	38,391	(18,765)
Equity options	5,205,864	250,683	(356,391)	5,120,606	249,784	(355,492)
Equity futures	239,167	19	(460)	239,167	19	(460)
	6,080,374	289,093	(375,616)	5,995,116	288,194	(374,717)
Commodity related derivatives						
Commodity swaps	5,616,022	156,397	(155,181)	5,616,022	156,397	(155,181)
Commodity futures	249,612	1,141	(13,021)	249,612	1,141	(13,021)
Commodity options	7,448,197	183,853	(174,260)	7,448,197	183,853	(174,321)
	13,313,831	341,391	(342,462)	13,313,831	341,391	(342,523)
Credit related contracts						
Credit default swaps	2,416,050	14,858	(18,786)	2,416,827	14,856	(18,706)
Total return swaps	19,900	-	(436)	19,900	-	(436)
	2,435,950	14,858	(19,222)	2,436,727	14,856	(19,142)
Bond contracts						
Bond Forward	10,480,291	118,529	(881,665)	205,296	15,392	-
<u>Hedging derivatives</u>						
Currency forward	490,345	-	(38,946)	490,345	-	(38,946)
Currency swaps	7,060,014	147,606	(77,928)	6,381,576	133,828	(77,928)
Cross currency interest rate swaps	6,729,474	6,666	(313,806)	4,184,624	4,677	(247,404)
Interest rate swaps	57,945,228	423,902	(345,993)	39,501,239	183,596	(249,586)
Total derivatives assets/(liabilities)	1,867,793,408	15,090,158	(15,555,718)	1,227,020,504	7,458,358	(7,677,625)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Derivative financial instruments (Continued)**

	The Group			The Bank		
	Principal	Fair values		Principal	Fair values	
		Assets	Liabilities		Assets	Liabilities
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Trading derivatives</u>						
Foreign exchange derivatives						
Currency forward	52,469,265	717,972	(616,384)	33,579,063	416,312	(425,804)
Currency swaps	511,332,750	5,807,264	(5,398,516)	305,423,379	3,269,715	(3,097,955)
Currency spots	4,557,256	6,761	(4,877)	4,432,611	6,498	(4,672)
Currency options	10,801,699	84,713	(83,609)	10,746,351	84,522	(83,560)
Cross currency interest rate swaps	118,629,305	2,966,213	(3,159,143)	32,426,808	1,022,472	(936,516)
	697,790,275	9,582,923	(9,262,529)	386,608,212	4,799,519	(4,548,507)
Interest rate derivatives						
Interest rate swaps	953,834,367	4,043,083	(3,342,046)	571,669,590	1,931,648	(1,654,000)
Interest rate futures	1,138,409	14,425	(1,117)	1,138,409	14,425	(1,117)
Interest rate options	2,543,696	16,641	(16,696)	2,478,298	16,244	(16,696)
	957,516,472	4,074,149	(3,359,859)	575,286,297	1,962,317	(1,671,813)
Equity related derivatives						
Equity swaps	587,820	30,533	(15,233)	587,820	30,533	(15,233)
Equity options	3,930,115	94,785	(266,938)	3,760,538	93,843	(267,481)
Equity futures	15,642	56	-	15,642	56	-
	4,533,577	125,374	(282,171)	4,364,000	124,432	(282,714)
Commodity related derivatives						
Commodity swaps	1,758,630	29,463	(31,474)	1,758,630	29,463	(31,474)
Commodity futures	277,899	2,703	(5,318)	277,899	2,703	(5,318)
Commodity options	3,408,330	64,430	(36,947)	3,408,330	64,385	(36,947)
	5,444,859	96,596	(73,739)	5,444,859	96,551	(73,739)
Credit related contracts						
Credit default swaps	2,659,303	14,513	(12,687)	2,666,040	14,514	(12,728)
Total return swaps	19,900	-	(450)	19,900	-	(450)
	2,679,203	14,513	(13,137)	2,685,940	14,514	(13,178)
Bond contracts						
Bond Forward	6,506,962	18,508	(600,678)	-	-	-
<u>Hedging derivatives</u>						
Currency swaps	8,038,818	135,463	(127,581)	7,267,960	135,004	(109,387)
Cross currency interest rate swaps	3,450,533	80,483	(65,653)	1,739,363	-	(58,020)
Interest rate swaps	48,921,030	575,819	(397,001)	31,534,564	459,174	(262,628)
Total derivatives assets/(liabilities)	1,734,881,729	14,703,828	(14,182,348)	1,014,931,195	7,591,511	(7,019,986)

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

(i) Fair value hedge

The Group and the Bank use 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, subordinated obligations, 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 rates.

The Group and the Bank use 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 and the Bank establish 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.

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

(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, bills and acceptances payable, USD capital expenditures, other borrowings, subordinated obligations and debt instruments at FVOCI. 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 swaps and cross currency swaps 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 of interest rate swaps and cross currency swaps but not the hedged items.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

(iii) Net investment hedge

The Group and the Bank use 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 non MYR.

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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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

The Group and the Bank uses the following items as hedging instruments:

			The Group				
			Maturity				
			Less than 1 month	1 - 3 months	More than 3 months to less than 1 year	1 - 5 years	More than 5 years
			RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2025	Risk	Hedge type					
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	2,164,884	4,403,058	6,754,456	26,679,054	17,943,776
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	-	2,617,116	3,889,110	223,248
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & net investment hedge	500,329	1,796,845	4,072,215	690,625	-
Currency forward	Foreign currency	Cash flow hedge	536	487,906	229	1,674	-

			The Group				
			Maturity				
			Less than 1 month	1 - 3 months	More than 3 months to less than 1 year	1 - 5 years	More than 5 years
			RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2024	Risk	Hedge type					
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	8,952	244,055	4,810,859	26,447,474	17,409,690
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	45,344	195,600	3,098,453	111,136
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & net investment hedge	1,875,452	2,540,417	2,862,071	760,878	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

The Group and the Bank uses the following items as hedging instruments: (Continued)

			The Bank				
			Maturity				
			Less than 1 month	1 - 3 months	More than 3 months to less than 1 year	1 - 5 years	More than 5 years
			RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2025	Risk	Hedge type					
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	2,164,884	4,403,058	5,574,681	18,523,122	8,835,494
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	-	1,103,833	3,080,791	-
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & net investment hedge	453,179	1,696,630	3,541,142	690,625	-
Currency forward	Foreign currency	Cash flow hedge	536	487,906	229	1,674	-

			The Bank				
			Maturity				
			Less than 1 month	1 - 3 months	More than 3 months to less than 1 year	1 - 5 years	More than 5 years
			RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2024	Risk	Hedge type					
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	8,952	244,055	4,793,934	19,103,715	7,383,908
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	-	-	1,739,363	-
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & net investment hedge	1,586,887	2,252,413	2,667,782	760,878	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

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

	The Group	
	31 December 2025	31 December 2024
CNH:MYR	0.593	-
SGD:MYR	3.213	3.280
USD:MYR	4.308	4.398
USD:THB	33.531	33.277

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

	The Group	
	31 December 2025	31 December 2024
MYR interest rates	3.53%	3.52%
SGD interest rates	1.65%	1.69%
USD interest rates	3.64%	3.49%
THB interest rates	1.81%	2.40%

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

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

	The Bank	
	31 December 2025	31 December 2024
CNH:MYR	0.593	-
SGD:MYR	3.213	3.280
USD:MYR	4.329	4.398

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

	The Bank	
	31 December 2025	31 December 2024
MYR interest rates	3.53%	3.52%
SGD interest rates	1.65%	1.69%
USD interest rates	3.64%	3.49%

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

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

			The Group							
31 December 2025	Risk	Hedge type	Fair values*		Changes in fair value used for calculating hedge ineffectiveness	Hedge ineffectiveness recognised in profit or loss**	Changes in fair value recognised in other comprehensive income	Amount reclassified from hedge reserve to profit or loss***	Nominal amount directly impacted by IBOR reform	
			Assets	Liabilities						
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	57,945,228	423,902	(345,993)	(406,295)	(345,626)	19,433	-	28,743,000
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	6,729,474	6,666	(313,806)	(166,793)	8,761	(3,108)	(77,789)	-
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & net investment hedge	7,060,014	147,606	(77,928)	413,285	-	(413,285)	(85,058)	-
Currency forward	Foreign currency	Cash flow hedge	490,345	-	(38,946)	44,445	-	(44,445)	-	-

Of the RM28,743,000,000 nominal of interest rate swaps above, RM28,743,000,000 related to MYR interest rate swaps and RM13,953,000,000 will mature before the anticipated MYR KLIBOR replacement in 2029.

			The Group							
31 December 2024	Risk	Hedge type	Fair values*		Changes in fair value used for calculating hedge ineffectiveness	Hedge ineffectiveness recognised in profit or loss**	Changes in fair value recognised in other comprehensive income	Amount reclassified from hedge reserve to profit or loss***	Nominal amount directly impacted by IBOR reform	
			Assets	Liabilities						
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	48,921,030	575,819	(397,001)	12,030	2,133	(15,238)	-	28,245,000
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	3,450,533	80,483	(65,653)	(42,415)	3,825	(3,348)	(144,183)	-
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & 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 hedge & net investment hedge	-	-	-	6,157	-	6,157	-	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

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

			The Bank							
31 December 2025	Risk	Hedge type	Nominal amount RM'000	Fair values*		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 other comprehensive income RM'000	Amount reclassified from hedge reserve to profit or loss*** RM'000	Nominal amount directly impacted by IBOR reform RM'000
				Assets RM'000	Liabilities RM'000					
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	39,501,239	183,596	(249,586)	(202,528)	9,685	19,433	-	17,033,000
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	4,184,624	4,677	(247,404)	(175,528)	8,698	(6,443)	(85,491)	-
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & net investment hedge	6,381,576	133,828	(77,928)	351,205	-	(320,210)	(85,058)	-
Currency forward	Foreign currency	Cash flow hedge	490,345	-	(38,946)	44,445	-	(44,445)	-	-

Of the RM17,033,000,000 nominal of interest rate swaps above, RM17,033,000,000 related to MYR interest rate swaps and RM9,708,000,000 will mature before the anticipated MYR KLIBOR replacement in 2029.

			The Bank							
31 December 2024	Risk	Hedge type	Nominal amount RM'000	Fair values*		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 other comprehensive income RM'000	Amount reclassified from hedge reserve to profit or loss*** RM'000	Nominal amount directly impacted by IBOR reform RM'000
				Assets RM'000	Liabilities RM'000					
Interest rate swaps	Interest rate	Fair value hedge & cash flow hedge	31,534,564	459,174	(262,628)	122,551	31,344	(14,498)	-	17,225,000
Cross currency interest rate swaps	Interest rate & foreign currency	Fair value hedge & cash flow hedge	1,739,363	-	(58,020)	(52,752)	3,825	(4,494)	(44,403)	-
Currency swaps	Foreign currency	Fair value hedge, cash flow hedge & net investment hedge	7,267,960	135,004	(109,387)	111,096	-	(102,603)	(47,346)	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

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

*All hedging instruments are included in the derivative asset and derivative liabilities line item in the statement of financial position.

**All hedge ineffectiveness and reclassification recognised in the 'Net non-interest income' in the statement of income.

***All hedge ineffectiveness and reclassification from the 'Hedge reserve' to profit or loss are recognised in the 'Net non interest income' in the statement of income.

Effect of IBOR Reform - significant assumption

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 MFRS 9 6.8 where applicable
- The Group will cease applying 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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

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

The Group										
Hedged items	Risk	Hedge type	Carrying amount		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	Balance in hedge reserve for continuing hedges	Balance remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied		
			Assets	Liabilities					Assets	Liabilities
			RM'000	RM'000					RM'000	RM'000
31 December 2025										
Loans, advances and financing	Interest rate & foreign currency	Fair value hedge & cash flow hedge	6,194,780	-	25,321	(16,382)	4,931	-	(703)	-
Bonds and debentures	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	(14,138,467)	186,447	(112,241)	(44,957)	-	73,928	-
Deposits and placement of bank and other financial institutions	Interest rate	Fair value hedge	-	(284,787)	-	(96)	(96)	-	-	-
Other borrowings	Interest rate & foreign currency	Cash flow hedge	-	(817,361)	-	-	11,546	-	37,636	-
Subordinated obligations	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	(8,069,561)	62,306	(30,081)	23,876	-	(9,361)	-
Debt instruments at fair value through other comprehensive income	Interest rate & foreign currency	Fair value hedge & cash flow hedge	27,414,699	-	213,239	(80,096)	148,492	502	-	-
Debt instruments at amortised cost	Interest rate	Fair value hedge	58,330	-	-	(314)	697	-	-	-
Recourse obligation on loans and financing sold to Cagamas	Interest rate	Fair value hedge	-	(3,416,047)	-	(47,616)	(16,509)	-	-	-
Deposits from customers	Interest rate	Fair value hedge	-	(3,709,574)	126	(717)	(1,069)	-	-	-
GBP net investment	Foreign currency	Net investment hedge	-	(75,840)	-	-	(2,022)	-	(813)	-
HKD net investment	Foreign currency	Net investment hedge	-	(393,526)	-	-	(31,651)	-	10,221	-
SGD net investment	Foreign currency	Net investment hedge	-	(2,687,804)	-	-	(109,325)	-	(312,922)	-
USD net investment	Foreign currency	Net investment hedge	-	(2,364,375)	-	-	(200,034)	-	(691,109)	(467,272)
Bills and acceptances payable	Foreign currency	Cash flow hedge	-	(442,438)	-	-	(4,644)	-	4,752	-
USD capital expenditures	Foreign currency	Cash flow hedge	-	-	-	-	105	-	(105)	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Derivative financial instruments (Continued)**

The amounts relating to items designated as hedged items were as follows: (Continued)

			The Group								
31 December 2024	Hedged items	Risk	Hedge type	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	Balance in hedge reserve for continuing hedges	Balance remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied
				Assets	Liabilities	Assets	Liabilities				
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Loans, advances and financing	Interest rate & foreign currency	Fair value hedge & cash flow hedge	2,584,884	-	7,996	(40,879)	34,023	-	(11,832)	-
	Bonds and debentures	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	(11,204,255)	188,254	(52,868)	(18,281)	-	(5,406)	-
	Deposits and placement of bank and other financial institutions	Interest rate	Fair value hedge	-	-	-	-	19,353	-	-	-
	Other borrowings	Interest rate & foreign currency	Cash flow hedge	-	-	-	-	5,872	-	292	-
	Subordinated obligations	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	(6,465,777)	18,559	(21,830)	(36,966)	-	2,299	-
	Debt instruments at fair value through other comprehensive income	Interest rate	Fair value hedge	26,025,843	-	224,820	(253,686)	42,338	(1,240)	-	-
	Debt instruments at amortised cost	Interest rate	Fair value hedge	114,540	-	26	(1,172)	1,098	-	-	-
	Recourse obligation on loans and financing sold to Cagamas	Interest rate	Fair value hedge	-	(3,624,884)	-	(31,106)	(1,781)	-	-	-
	Deposits from customers	Interest rate	Fair value hedge	-	(249,156)	472	-	483	-	-	-
	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	-	-	-	-	(21,883)	-	(880,018)	(467,272)
	Bills and acceptances payable	Foreign currency	Cash flow hedge	-	(484,554)	-	-	210	-	9,647	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

The amounts relating to items designated as hedged items were as follows: (Continued)

			The Bank							
			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	Balance in hedge reserve for continuing hedges	Balance remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied
			Assets	Liabilities	Assets	Liabilities				
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2025										
Hedged items	Risk	Hedge type								
Loans, advances and financing	Interest rate & foreign currency	Fair value hedge & cash flow hedge	5,703,182	-	19,725	(16,382)	(6,954)	-	(703)	-
Bonds and debentures	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	(6,869,048)	186,447	(7,432)	35,028	-	73,928	-
Deposits and placement of bank and other financial institutions	Interest rate	Fair value hedge	-	(284,787)	-	(96)	(96)	-	-	-
Other borrowings	Interest rate & foreign currency	Cash flow hedge	-	(817,361)	-	-	11,546	-	37,636	-
Recourse obligation on loans and financing sold to Cagamas	Interest rate	Fair value hedge	-	(257,113)	-	(5,828)	2,908	-	-	-
Subordinated obligations	Interest rate	Fair value hedge	-	(6,993,366)	62,306	(30,081)	35,496	-	-	-
Debt instruments at fair value through other comprehensive income	Interest rate & foreign currency	Fair value hedge & cash flow hedge	19,136,579	-	140,278	(78,473)	204,081	502	-	-
Debt instruments at amortised cost	Interest rate	Fair value hedge	58,330	-	-	(314)	697	-	-	-
Deposits from customers	Interest rate	Fair value hedge	-	(3,709,574)	126	(717)	(1,069)	-	-	-
Investment in subsidiary	Foreign currency	Fair value hedge	258,709	-	20,264	-	(30,994)	-	-	-
GBP net investment	Foreign currency	Net investment hedge	-	(75,840)	-	-	(2,022)	-	(813)	-
HKD net investment	Foreign currency	Net investment hedge	-	(393,526)	-	-	(31,651)	-	10,221	-
SGD net investment	Foreign currency	Net investment hedge	-	(2,687,804)	-	-	(109,325)	-	(312,922)	-
USD net investment	Foreign currency	Net investment hedge	-	(1,381,250)	-	-	(106,959)	-	(700,234)	(25,320)
USD capital expenditures	Foreign currency	Cash flow hedge	-	-	-	-	105	-	(105)	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

27 Derivative financial instruments (Continued)

The amounts relating to items designated as hedged items were as follows: (Continued)

			The Bank							
			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	Balance in hedge reserve for continuing hedges	Balance remaining in the hedge reserve from hedging relationships for which hedge accounting is no longer applied
			Assets	Liabilities	Assets	Liabilities				
			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2024										
Hedged items	Risk	Hedge type								
Loans, advances and financing	Interest rate & foreign currency	Fair value hedge	1,960,004	-	6,393	(40,692)	31,547	-	(4,019)	-
Bonds and debentures	Interest rate & foreign currency	Fair value hedge & cash flow hedge	-	(3,880,300)	173,869	(13,658)	415	-	(5,321)	-
Deposits and placement of bank and other financial institutions	Interest rate	Fair value hedge	-	-	-	-	19,353	-	-	-
Other borrowings	Interest rate & foreign currency	Cash flow hedge	-	-	-	-	5,872	-	292	-
Recourse obligation on loans and financing sold to Cagamas	Interest rate	Fair value hedge	-	(486,167)	-	(8,736)	3,828	-	-	-
Subordinated obligations	Interest rate	Fair value hedge	-	(5,395,647)	18,559	(21,830)	(26,357)	-	-	-
Other liabilities	Interest rate	Fair value hedge	-	-	-	-	333	-	-	-
Debt instruments at fair value through other comprehensive income	Interest rate	Fair value hedge	19,013,295	-	94,235	(249,641)	(63,091)	(1,240)	-	-
Debt instruments at amortised cost	Interest rate	Fair value hedge	114,540	-	26	(1,172)	1,098	-	-	-
Deposits from customers	Interest rate	Fair value hedge	-	(249,156)	472	-	483	-	-	-
Investment in subsidiary	Foreign currency	Fair value hedge	289,703	-	51,258	-	(8,494)	-	-	-
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	-	-	-	-	1,608	-	(832,514)	(25,320)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Derivative financial instruments (Continued)****(iv) Reconciliation of components of equity**

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

	The Group	
	Cash flow hedge reserve	Net investment hedge reserve
	RM'000	RM'000
At 1 January 2025	86,310	(1,783,257)
Effective portion of changes in fair value		
-Interest rate/foreign currency risk	105,045	-
Net gain on hedge of net investment in foreign operations	-	343,032
Cost of hedging	(102,620)	(13,013)
Income tax effects	504	-
Exchange fluctuation	37	-
At 31 December 2025	89,276	(1,453,238)

	The Group	
	Cash flow hedge reserve	Net investment hedge reserve
	RM'000	RM'000
At 1 January 2024	60,756	(1,808,865)
Effective portion of changes in fair value		
-Interest rate/foreign currency risk	11,205	-
Net gain on hedge of net investment in foreign operations	-	134,203
Cost of hedging	15,227	(108,595)
Income tax effects	(520)	-
Exchange fluctuation	(358)	-
At 31 December 2024	86,310	(1,783,257)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Derivative financial instruments (Continued)****(iv) Reconciliation of components of equity (Continued)**

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

The Bank	
Cash flow hedge reserve	Net investment hedge reserve
RM'000	RM'000
At 1 January 2025	85,083
Effective portion of changes in fair value	(1,221,352)
-Interest rate/foreign currency risk	101,708
Net gain on hedge of net investment in foreign operations	-
Cost of hedging	249,957
Income tax effects	(6,257)
	1,117
At 31 December 2025	85,288
	(977,652)

The Bank	
Cash flow hedge reserve	Net investment hedge reserve
RM'000	RM'000
At 1 January 2024	59,566
Effective portion of changes in fair value	(1,257,992)
-Interest rate/foreign currency risk	10,882
Net gain on hedge of net investment in foreign operations	-
Cost of hedging	110,712
Income tax effects	(74,072)
	(591)
At 31 December 2024	85,083
	(1,221,352)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Other liabilities**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Due to brokers		14,436	23,586	14,436	23,586
Post employment benefit obligations	(a)	229,696	232,708	54,806	52,311
Sundry creditors		1,248,864	1,186,688	1,165,096	951,453
Expenditure payable		2,474,226	2,230,404	2,061,018	1,910,014
Expected credit losses for loan commitments and financial guarantee contracts	(b)	335,137	333,463	252,891	244,830
Provision for legal claims		77,985	50,601	36,214	35,955
Credit card expenditure payable		112,986	115,891	110,030	114,452
Cash collateral received for derivative transactions		4,930,210	3,657,287	2,200,030	2,121,968
Structured deposits		4,817,813	3,697,288	4,797,715	3,676,287
Treasury related payables		4,935,183	3,491,453	4,321,590	3,070,678
Settlement accounts		517,899	1,075,863	501,398	963,738
Others		1,074,536	1,041,469	691,636	652,573
		20,768,971	17,136,701	16,206,860	13,817,845

(a) Post employment benefit obligations

		The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Defined contribution plan – Employer Provident Fund ("EPF")	(i)	56,770	54,272	54,806	52,311
Defined benefit plans	(ii)	172,926	178,436	-	-
		229,696	232,708	54,806	52,311

(i) Defined contribution plan

Group companies incorporated in Malaysia contribute to the EPF, the national defined contribution plan. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Other liabilities (Continued)****(a) Post employment benefit obligations (Continued)****(ii) Defined benefit plans**

CIMB Thai Bank operates final salary defined benefit plans for employees. The latest actuarial valuation of the plans for CIMB Thai Bank was carried out as at 31 December 2025.

The amounts recognised in the statements of financial position in respect of defined benefit plans are determined as follows:

	The Group	
	2025	2024
	RM'000	RM'000
Present value of unfunded obligations	172,926	178,436
Liability	172,926	178,436

The amount recognised in the statements of income and statements of comprehensive income in respect of defined benefit plans are as follows:

	The Group	
	2025	2024
	RM'000	RM'000
Service cost:		
Current service costs	13,262	16,619
Past service costs and gain from settlements	(303)	(14,848)
Net interest expense	3,799	5,745
Others	(43)	(30)
Components of defined benefits costs recognised in statements of income	16,715	7,486
Remeasurement:		
- Actuarial loss/(gain):		
- from changes in financial assumptions	7,298	(11,392)
- Experience adjustments	282	(6,323)
Components of defined benefits costs recognised in statements of comprehensive income	7,580	(17,715)
	24,295	(10,229)

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

28 Other liabilities (Continued)

(a) Post employment benefit obligations (Continued)

(ii) Defined benefit plans (Continued)

Movements in the defined benefit obligation over the financial year are as follows:

	The Group	
	2025	2024
	RM'000	RM'000
At 1 January	178,436	209,802
Current services costs	13,262	16,619
Past service costs and gain from settlements	(303)	(14,848)
Interest costs	3,799	5,745
Others	(43)	(30)
	195,151	217,288
Remeasurement:		
- Actuarial (loss)/gain:		
- from changes in financial assumptions	7,298	(11,392)
- Experience adjustments	282	(6,323)
	7,580	(17,715)
Exchange fluctuation	(3,068)	(5,007)
Benefits paid	(26,737)	(16,130)
At 31 December	172,926	178,436

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Other liabilities (Continued)****(a) Post employment benefit obligations (Continued)****(ii) Defined benefit plans (Continued)**

The principal actuarial assumptions used in respect of the Group's defined benefit plans were as follows:

	The Group	
	2025	2024
	%	%
Discount rates	1.90	2.50
Future salary increases:		
- eligible employees	4.00	2.00
- others	-	4.00
Rate of price inflation - other fixed allowance	2.00	2.00

The sensitivity of defined benefit obligations to changes in the weighted principal assumption is:

	Impact on defined benefit obligations		
	Change in assumption	Increase in assumption	Decrease in assumption
2025			
Discount rates	0.5%	Decreased by 3.49%	Increased by 3.73%
Future salary increases	1.0%	Increased by 8.48%	Decreased by 7.56%
2024			
Discount rates	0.5%	Decreased by 3.19%	Increased by 3.39%
Future salary increases	1.0%	Increased by 7.84%	Decreased by 7.02%

Projected unit credit method is used in calculating the sensitivity of the defined benefit obligations 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 methods and types of assumption used in preparing the sensitivity analysis did not change compared to the previous period.

The expected contribution to post-employment benefits plan for the financial year ended 31 December 2025 to the Group is RM14,696,000 (2024: RM23,292,000).

The weighted average duration of the defined benefit obligations of the Group is 7.19 years (2024: 6.58 years).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Other liabilities (Continued)****(b) Expected credit losses for loan commitments and financial guarantee contracts**

Movement 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 2025	183,897	71,948	77,618	333,463
Changes in expected credit losses due to transferred within stages:	87,245	(81,441)	(5,804)	-
Transferred to Stage 1	110,590	(107,548)	(3,042)	-
Transferred to Stage 2	(23,096)	59,578	(36,482)	-
Transferred to Stage 3	(249)	(33,471)	33,720	-
Total charge to Statement of Income:	(118,206)	106,077	17,088	4,959
New exposures	199,531	9,672	671	209,874
Exposures derecognised or matured	(172,906)	(32,632)	(16,804)	(222,342)
Change in credit risk	(144,831)	129,037	33,221	17,427
Exchange fluctuation	(1,879)	(245)	(900)	(3,024)
Other movements	(250)	(10)	(1)	(261)
At 31 December 2025	150,807	96,329	88,001	335,137

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Other liabilities (Continued)****(b) Expected credit losses for loan commitments and financial guarantee contracts (Continued)**

Movement in the expected credit losses for loan commitments and financial guarantee contracts 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	Total RM'000
At 1 January 2024	300,347	61,943	170,922	533,212
Changes in expected credit losses due to transferred within stages:	86,539	(85,265)	(1,274)	-
Transferred to Stage 1	115,707	(113,968)	(1,739)	-
Transferred to Stage 2	(28,984)	63,590	(34,606)	-
Transferred to Stage 3	(184)	(34,887)	35,071	-
Total charge to Statement of Income:	(199,541)	96,370	(86,147)	(189,318)
New exposures	198,094	5,359	406	203,859
Exposures derecognised or matured	(194,323)	(25,341)	(34,509)	(254,173)
Change in credit risk	(203,312)	116,352	(52,044)	(139,004)
Exchange fluctuation	(4,028)	(634)	(1,989)	(6,651)
Other movements	580	(466)	(3,894)	(3,780)
At 31 December 2024	183,897	71,948	77,618	333,463

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Other liabilities (Continued)****(b) Expected credit losses for loan commitments and financial guarantee contracts (Continued)**

Movement in the expected credit losses for loan commitments and financial guarantee contracts are as follows (Continued):

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2025	150,148	62,116	32,566	244,830
Changes in expected credit losses due to transferred within stages:	85,368	(79,535)	(5,833)	-
Transferred to Stage 1	97,780	(94,766)	(3,014)	-
Transferred to Stage 2	(12,168)	42,296	(30,128)	-
Transferred to Stage 3	(244)	(27,065)	27,309	-
Total charge to Statement of Income:	(111,248)	99,173	22,518	10,443
New exposures	151,097	5,111	700	156,908
Exposures derecognised or matured	(145,779)	(23,904)	(9,057)	(178,740)
Change in credit risk	(116,566)	117,966	30,875	32,275
Exchange fluctuation	(1,715)	(163)	(241)	(2,119)
Other movements	(252)	(10)	(1)	(263)
At 31 December 2025	122,301	81,581	49,009	252,891

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Other liabilities (Continued)****(b) Expected credit losses for loan commitments and financial guarantee contracts (Continued)**

Movement in the expected credit losses for loan commitments and financial guarantee contracts are as follows (Continued):

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2024	202,436	47,887	99,184	349,507
Changes in expected credit losses due to transferred within stages:	83,139	(79,157)	(3,982)	-
Transferred to Stage 1	102,691	(101,105)	(1,586)	-
Transferred to Stage 2	(19,373)	45,930	(26,557)	-
Transferred to Stage 3	(179)	(23,982)	24,161	-
Total charge to Statement of Income:	(132,647)	94,307	(58,710)	(97,050)
New exposures	141,674	4,901	-	146,575
Exposures derecognised or matured	(156,328)	(19,074)	(5,691)	(181,093)
Change in credit risk	(117,993)	108,480	(53,019)	(62,532)
Exchange fluctuation	(3,282)	(517)	(46)	(3,845)
Other movements	502	(404)	(3,880)	(3,782)
At 31 December 2024	150,148	62,116	32,566	244,830

As at 31 December 2025, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM231,943,000 (2024: RM254,143,000) and RM171,158,000 (2024: RM154,756,000) respectively.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****29 Lease liabilities**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Buildings	230,320	354,544	169,120	281,355
Computer equipments	94,940	112,384	78,136	99,798
Motor vehicles	1,173	391	-	-
	<u>326,433</u>	<u>467,319</u>	<u>247,256</u>	<u>381,153</u>

30 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 Bank and its wholly-owned subsidiary, CIMB Islamic Bank Berhad. Under these agreements, the Bank and its subsidiary undertake 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****31 Bonds, Sukuk and debentures**

	Note	The Group		The Bank	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Structured debentures	(a)	155,705	214,111	-	-
Short term debentures	(a)	122,262	135,301	-	-
RM800 million notes (2017/2027)	(b)	804,533	804,532	804,533	804,532
USD20 million notes (2021/2026)	(c)	81,488	89,778	81,488	89,778
USD20 million notes (2021/2026)	(d)	81,750	90,066	81,750	90,066
HKD640 million notes (2021/2026)	(e)	349,499	349,678	349,499	349,678
HKD128 million notes (2021/2026)	(f)	70,007	70,081	70,007	70,081
USD500 million notes (2022/2027)	(g)	2,048,766	2,255,795	2,048,766	2,255,795
USD130 million notes (2023/2028)	(h)	532,873	587,820	532,873	587,820
USD100 million notes (2023/2026)	(i)	470,472	470,647	470,472	470,647
RM100 million senior sukuk (2023/2026)	(j)	100,368	100,357	-	-
RM600 million senior sukuk (2023/2028)	(k)	602,247	602,180	-	-
RM300 million senior sukuk (2023/2030)	(l)	301,204	301,169	-	-
USD50 million notes (2024/2029)	(m)	204,160	225,063	204,160	225,063
USD120 million notes (2024/2029)	(n)	489,718	539,986	489,718	539,986
RM250 million senior sukuk (2024/2027)	(o)	252,414	252,466	-	-
RM300 million senior sukuk (2024/2029)	(p)	302,982	303,045	-	-
RM1,450 million senior sukuk (2024/2031)	(q)	1,465,049	1,465,369	-	-
RM1,500 million senior sukuk (2024/2034)	(r)	1,515,954	1,516,293	-	-
USD10 million notes (2024/2029)	(s)	41,098	45,353	41,098	45,353
USD37 million notes (2024/2029)	(t)	151,655	167,270	151,655	167,270
RM125 million senior sukuk (2024/2029)	(u)	127,043	127,043	-	-
RM700 million senior sukuk (2024/2032)	(v)	711,890	711,891	-	-
RM2,175 million senior sukuk (2024/2035)	(w)	2,212,592	2,212,592	-	-
USD40 million notes (2024/2029)	(x)	163,894	180,791	163,894	180,791
USD30 million notes (2024/2029)	(y)	122,646	135,251	122,646	135,251
RM120 million senior sukuk (2024/2027)	(z)	120,390	120,430	-	-
RM200 million notes (2025/2035)	(aa)	202,148	-	202,148	-
RM500 million senior sukuk (2025/2035)	(ab)	505,330	-	-	-
RM200 million senior sukuk (2025/2027)	(ac)	201,003	-	-	-
RMB3 billion bond (2025/2028)	(ad)	1,779,901	-	1,779,901	-
		16,291,041	14,074,358	7,594,608	6,012,111
Fair value changes arising from fair value hedges		(74,206)	(135,386)	(179,015)	(160,211)
		16,216,835	13,938,972	7,415,593	5,851,900

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(a) Structured debentures and short term debentures

- (i) In 2025, CIMB Thai issued various unsecured structured debentures amounting to THB6.1 billion with tenures ranging between 1 month to 10 years from the respective issuance dates. It bears both fixed and variable interest rates, payable at respective maturity dates.

During the financial year, CIMB Thai Bank has redeemed unsecured structured debentures amounting to THB6.5 billion.

- (ii) In 2025, CIMB Thai issued unsecured short term debentures amounting to THB1.0 billion. It bears fixed interest rates, payable at maturity dates.

During the financial year, CIMB Thai Bank has redeemed unsecured short term debentures amounting to THB1.1 billion.

(b) RM800 million notes

On 18 May 2017, the Bank issued RM800 million 10-year senior medium term notes (“the MTN”) under its senior medium term notes Programme of RM20.0 billion. The MTN, which bears a coupon rate of 4.70% per annum payable semi-annually, will mature on 18 May 2027.

The Bank has undertaken fair value hedge on the interest rate risk of the MTN using interest rate swaps.

(c) USD20 million notes

On 27 April 2021, the Bank issued USD20 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 bears 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).

The Bank has undertaken fair value hedge on the interest rate risk of the Notes using interest rate swaps.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(d) USD20 million notes

On 21 July 2021, the Bank issued USD20 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 bears 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).

(e) HKD640 million notes

On 27 July 2021, the 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 bears 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).

The 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.

(f) HKD128 million notes

On 4 August 2021, the 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 bears 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).

The 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.

(g) USD500 million notes

On 20 January 2022, the Bank issued USD500 million 5-year fixed rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears a coupon rate of 2.125% per annum payable semi-annually, will mature on 20 July 2027.

The Bank has undertaken fair value hedge on the interest rate risk of the Notes using interest rate swaps.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(h) USD130 million notes

On 28 July 2023, the Bank issued USD130 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears 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.

The Bank has undertaken cash flow hedge on the currency risk of the Notes using cross currency interest rate swaps.

(i) USD100 million notes

On 3 October 2023, the Bank issued USD100 million 35 months fixed rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears a coupon rate of 5.45% per annum payable quarterly, will mature on 3 September 2026.

The Bank has undertaken fair value hedge on the currency risk and interest rate risk of the Notes using cross currency interest rate swaps.

(j) RM100 million senior sukuk

On 30 November 2023, CIMB Islamic 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(k) RM600 million senior sukuk

On 30 November 2023, CIMB Islamic 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.

(l) RM300 million senior sukuk

On 30 November 2023, CIMB Islamic 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.

(m) USD50 million floating rate notes

On 23 February 2024, the Bank issued USD50 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears 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.

The Bank has undertaken cash flow hedge on the currency risk of the Notes using cross currency interest rate swaps.

(n) USD120 million floating rate notes

On 27 February 2024, the Bank issued USD120 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears 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.

The Bank has undertaken cash flow hedge on the currency risk of the Notes using currency forwards.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(o) RM250 million fixed rate senior sukuk

On 27 March 2024, CIMB Islamic Bank issued RM250 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.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(p) RM300 million fixed rate senior sukuk

On 27 March 2024, CIMB Islamic Bank issued RM300 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.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(q) 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 RM10.0 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.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

(r) 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 RM10.0 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.

CIMB Islamic has undertaken fair value hedge on the profit rate risk of the senior sukuk using Islamic profit rate swaps.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(s) USD10 million floating rate notes

On 8 April 2024, the Bank issued USD10 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears 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.

The Bank has undertaken cash flow hedge on the currency risk of the Notes using cross currency interest rate swaps.

(t) USD37 million floating rate notes

On 26 April 2024, the Bank issued USD37 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears 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.

The Bank has undertaken cash flow hedge on the currency risk the Notes using cross currency interest rate swaps.

(u) RM125 million fixed rate senior sukuk

On 30 July 2024, CIMB Islamic Bank 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.

(v) RM700 million fixed rate senior sukuk

On 30 July 2024, CIMB Islamic Bank 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(w) RM2,175 million fixed rate senior sukuk

On 30 July 2024, CIMB Islamic Bank 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.

(x) USD40 million floating rate notes

On 29 October 2024, the Bank issued USD40 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears 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.

The 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.

(y) USD30 million floating rate notes

On 14 November 2024, the Bank issued USD30 million 5-year floating rate notes (“the Notes”) under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bears 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.

The 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.

(z) RM120 million floating rate senior sukuk

On 28 November 2024, CIMB Islamic Bank 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

31 Bonds, Sukuk and debentures (Continued)

(aa) RM200 million notes

On 25 March 2025, the Bank issued RM200 million senior medium term notes (“the MTN”) under its RM20.0 billion Senior Medium Term Note Programme. The MTN, which bears a coupon rate of 4.00% per annum will mature on 23 March 2035.

(ab) RM500 million fixed rate senior sukuk

On 25 March 2025, CIMB Islamic Bank issued RM500 million 10-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.97% per annum payable semi-annually will mature on 23 March 2035.

(ac) RM200 million floating rate senior sukuk

On 8 August 2025, CIMB Islamic Bank issued RM200 million 2.25-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 0.30% per annum payable quarterly will mature on the profit payment date falling on or nearest to 8 November 2027.

(ad) RMB3 billion bond

On 27 October 2025, the Bank issued Renminbi 3.0 billion, 3-year bond in the China Inter-bank Bond Market. The bond bears a coupon rate of 2.18% per annum that will mature on 27 October 2028.

The Bank has undertaken fair value hedge on the currency risk and interest rate risk of the Bond using cross currency interest rate swaps.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****32 Other borrowings**

	Note	The Group		The Bank	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Term loans	(a)	4,327,554	4,774,148	4,326,961	4,771,831
Commercial papers	(b)	3,401,843	67,335	3,401,843	67,335
		<u>7,729,397</u>	<u>4,841,483</u>	<u>7,728,804</u>	<u>4,839,166</u>

- (a) These unsecured loans were undertaken by the Bank from various financial institutions for working capital purposes. The loans have maturities ranging between 4 December 2026 being the earliest to mature and 23 August 2029 being the latest to mature. Interest rates charged are between 4.49% to 4.85% per annum (2024: 4 December 2026 to 23 August 2029, 5.17% to 5.55% per annum).
- (b) In 2025, CIMB Bank issued a nominal value of RM4.4 billion commercial papers in aggregate under its RM10.0 billion Commercial Papers Programme. The commercial papers, with maturities ranging between 89 to 365 days from the respective issuance dates, bear discount rates ranging between 3.16% to 3.75% per annum.

A total of RM1.1 billion commercial papers matured during the year.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****33 Subordinated obligations**

	Note	The Group		The Bank	
		31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
Subordinated Debts 2020/2030 RM2.45 billion	(a)	-	2,460,572	-	2,460,572
Additional Tier 1 Securities RM550 million and RM200 million	(b)	200,636	752,209	200,636	752,209
Subordinated Debts 2020/2030 RM50 million	(c)	-	50,039	-	50,039
Subordinated Debts 2021/2031 RM660 million	(d)	265,497	260,497	-	-
Sustainability Sukuk Wakalah 2021/2031 RM100 million	(e)	100,031	100,021	100,031	100,021
Sukuk Wakalah 2022/2032 RM1.5 billion	(f)	1,520,795	1,520,613	1,520,795	1,520,613
Sustainability Sukuk Wakalah 2022/2032 RM1.0 billion	(g)	1,004,068	1,004,068	1,004,068	1,004,068
Sustainability Sukuk Wakalah 2023/2033 RM400 million	(h)	405,419	405,372	405,419	405,372
Subordinated Notes 2023/2033 RM415 million	(i)	141,394	139,774	-	-
Additional Tier 1 Sustainability Sukuk Wakalah 2023/2121 RM400 million	(j)	403,644	403,644	403,644	403,644
Sustainability Sukuk Wakalah 2023/2033 RM900 million	(k)	907,525	907,526	907,525	907,526
Tier 2 Sukuk Wakalah 2024/2036 RM1,850 million	(l)	1,870,059	1,870,059	1,870,059	1,870,059
Tier 2 Sukuk Wakalah 2024/2034 RM150 million	(m)	151,551	151,551	151,551	151,551
Tier 2 Subordinated Green Bonds 2024/2034 THB2 billion	(n)	258,830	263,407	-	-
Tier 2 Sukuk Wakalah 2025/2038 RM2,350 million	(o)	2,386,570	-	2,386,570	-
Tier 2 Sukuk Wakalah 2025/2035 RM150 million	(p)	152,165	-	152,165	-
Tier 2 Sukuk Wakalah 2025/2035 RM225 million	(q)	225,680	-	225,680	-
Tier 2 Sukuk Wakalah 2025/2037 RM775 million	(r)	777,420	-	777,420	-
Additional Tier 1 Sukuk Wakalah 2025/2030 RM550 million	(s)	551,761	-	551,761	-
		11,323,045	10,289,352	10,657,324	9,625,674
Fair value changes arising from fair value hedges		(32,225)	3,271	(32,225)	3,271
		11,290,820	10,292,623	10,625,099	9,628,945

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

33 Subordinated obligations (Continued)

(a) Subordinated debts 2020/2030 RM2.45 billion

On 12 November 2020, the Bank issued RM2.45 billion 10 years non-callable 5 years Tier 2 subordinated debt to CIMB Group bearing a fixed rate coupon of 3.15% p.a., payable on a semi-annual basis. The said subordinated debt was issued from the existing RM10.0 billion Tier 2 subordinated debt programme.

The Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 subordinated debt using interest rate swaps.

On 12 November 2025, the Bank redeemed its existing RM2.45 billion 10 years non-callable 5 years Tier 2 subordinated debt issued under RM10.0 billion Tier 2 subordinated debt programme on the first call date.

(b) Additional Tier 1 Securities RM550 million and RM200 million

On 3 December 2020, the Bank issued RM550 million perpetual non-callable 5 years Additional Tier 1 Capital Securities and RM200 million perpetual non-callable 10 years Additional Tier 1 Capital Securities to CIMBGH bearing a fixed rate coupon of 3.60% p.a. and 4.00% p.a. respectively, payable on a semi-annual basis. The said capital securities were issued from the existing RM10.0 billion AT1 Capital Securities programme.

On 3 December 2025, the Bank redeemed its existing RM550 million perpetual non-callable 5 years Additional Tier 1 Capital Securities issued under RM10.0 billion AT1 Capital Securities programme on the first call date.

(c) Subordinated debts 2020/2030 RM50 million

On 23 December 2020, the Bank issued RM50 million 10 years non-callable 5 years Tier 2 subordinated debt to CIMBGH bearing a fixed rate coupon of 3.15% p.a., payable on a semi-annual basis. The said subordinated debt was issued from the existing RM10.0 billion Tier 2 subordinated debt programme.

On 23 December 2025, the Bank redeemed its existing RM50 million 10 years non-callable 5 years Tier 2 subordinated debt issued under RM10.0 billion Tier 2 subordinated debt programme on the first call date.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

33 Subordinated obligations (Continued)

(d) 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 (2024: RM407 million) which was held by the Bank, hence the amount was eliminated at consolidated level.

CIMB Thai has undertaken cash flow hedge on the currency risk and interest rate risk of the Notes using cross currency interest rate swaps.

(e) Sustainability Sukuk Wakalah 2021/2031 RM100 million

On 29 December 2021, the Bank issued RM100 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah to CIMB Group 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 Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 Sustainability Sukuk Wakalah using interest rate swaps.

(f) Sukuk Wakalah 2022/2032 RM1.5 billion

On 8 September 2022, the Bank issued RM1.5 billion 10 years non-callable 5 years Tier 2 Sukuk Wakalah to CIMB Group 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 Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 Sukuk Wakalah using interest rate swaps.

(g) Sustainability Sukuk Wakalah 2022/2032 RM1.0 billion

On 2 December 2022, the Bank issued RM1.0 billion 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah to CIMB Group 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

33 Subordinated obligations (Continued)

(h) Sustainability Sukuk Wakalah 2023/2033 RM400 million

On 8 March 2023, the Bank issued RM400 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah to CIMB Group 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.

(i) 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.

Included in the RM415 million subordinated notes is RM278 million (2024: RM278 million) held by the Bank, hence the amount was eliminated at consolidated level.

CIMB Thai has undertaken cash flow hedge on the currency risk and interest rate risk of the Notes using cross currency interest rate swaps.

(j) Additional Tier 1 Sustainability Sukuk Wakalah 2023/2121 RM400 million

On 23 October 2023, the Bank issued RM400 million Perpetual non-callable 5 years Additional Tier 1 Sustainability Sukuk Wakalah to CIMB Group, 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 Bank has undertaken fair value hedge on the interest rate risk of the Additional Tier 1 Sustainability Sukuk Wakalah using interest rate swaps.

(k) Sustainability Sukuk Wakalah 2023/2033 RM900 million

On 23 October 2023, the Bank issued RM900 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah to CIMB Group, 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 Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 Sustainability Sukuk Wakalah using interest rate swaps.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

33 Subordinated obligations (Continued)

(l) Tier 2 Sukuk Wakalah 2024/2036 RM1,850 million

On 26 September 2024, the Bank issued RM1,850 million 12-year non-callable 7-year Tier 2 Sukuk Wakalah to CIMB Group, 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.

(m) Tier 2 Sukuk Wakalah 2024/2034 RM150 million

On 26 September 2024, the Bank issued RM150 million 10-year non-callable 5-year Tier 2 Sukuk Wakalah to CIMB Group, 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.

(n) Tier 2 Subordinated Green Bonds 2024/2034 THB2 billion

On 28 October 2024, CIMB Thai 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.

(o) Tier 2 Sukuk Wakalah 2025/2038 RM2,350 million

On 12 August 2025, the Bank issued RM2,350 million 13-year non-callable 8-year Tier 2 Sukuk Wakalah to CIMB Group, bearing a periodic distribution rate of 4.00% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

The Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 Sukuk Wakalah using interest rate swaps.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

33 Subordinated obligations (Continued)

(p) Tier 2 Sukuk Wakalah 2025/2035 RM150 million

On 12 August 2025, the Bank issued RM150 million 10-year non-callable 5-year Tier 2 Sukuk Wakalah to CIMB Group, bearing a periodic distribution rate of 3.71% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

The Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 Sukuk Wakalah using interest rate swaps.

(q) Tier 2 Sukuk Wakalah 2025/2035 RM225 million

On 3 December 2025, the Bank issued RM225 million 10-year non-callable 5-year Tier 2 Sukuk Wakalah to CIMB Group, bearing a periodic distribution rate of 3.80% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

The Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 Sukuk Wakalah using interest rate swaps.

(r) Tier 2 Sukuk Wakalah 2025/2037 RM775 million

On 3 December 2025, the Bank issued RM775 million 12 years non-callable 7 years Tier 2 Sukuk Wakalah to CIMB Group, bearing a periodic distribution rate of 3.93% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

The Bank has undertaken fair value hedge on the interest rate risk of the Tier 2 Sukuk Wakalah using interest rate swaps.

(s) Additional Tier 1 Sukuk Wakalah 2025/2030 RM550 million

On 3 December 2025, the Bank issued RM550 million Perpetual non-callable 5-year Additional Tier 1 Sukuk Wakalah to CIMB Group, bearing a periodic distribution rate of 4.03% per annum, payable on a semi-annual basis. The said Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

The Bank has undertaken fair value hedge on the interest rate risk of the Additional Tier 1 Sukuk Wakalah using interest rate swaps.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

34 Ordinary share capital

	The Group and The Bank	
	2025	2024
	RM'000	RM'000
Issued and fully paid shares:		
At 1 January	24,539,214	23,039,242
Issue of shares during the financial year	-	1,499,972
At 31 December	<u>24,539,214</u>	<u>24,539,214</u>

Increase in issued and paid-up capital

On 15 March 2024, the Bank distributed RM1,500 million in special dividends, settled via the issuance of 239,612,121 new shares at RM6.26 per share. The issuance resulted in a RM1,500 million increase in ordinary shares.

35 Perpetual preference shares

	The Group and The Bank	
	2025	2024
	RM'000	RM'000
Issued and fully paid		
Perpetual preference shares:		
At 1 January/31 December	<u>200,000</u>	<u>200,000</u>

The main features of the Perpetual Preference Shares (“PPS”) are as follows:

- (a) The PPS have no right to dividends.
- (b) In the event of liquidation, dissolution or winding-up of the 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 the Bank.
- (c) The PPS rank *pari passu* in all aspects among themselves.
- (d) The 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

36 Reserves

The detailed breakdown of the reserves are shown in the Statements of Changes in Equity of the Group and the Bank respectively.

- (a) The statutory reserve is maintained in compliance with BNM guidelines. 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 of the Group are in compliance with rules and regulations of the respective authorities.

- (b) Exchange translation differences have arisen from translation of net assets of foreign subsidiaries, Labuan offshore banking subsidiary and the Bank's foreign branches. These translation differences are shown under exchange fluctuation reserve.
- (c) Capital reserves, which are non-distributable, relate to the retained earnings of Bumiputra-Commerce Finance Berhad (now known as Mutiara Aset Berhad) and CIMB Investment Bank Berhad, and the four months profit of SBB Berhad (formerly known as Southern Bank Berhad) from 1 July 2006 to 31 October 2006 which were transferred to the Bank, arising from the business combinations under common control using the predecessor basis of accounting in financial year 2006.

A foreign subsidiary of the Bank 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 1 capital following the local regulatory requirement.

- (d) Merger deficit, which is non-distributable, relates to the difference between the cost of the merger between the Bank and CIMB Investment Bank Berhad and SBB Berhad (formerly known as Southern Bank Berhad) in 2006 and the value of the net assets and reserves transferred to the Group and the Bank.
- (e) Hedging reserve mainly arise from net investment hedge activities undertaken by the Group and the Bank 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. The Group and the Bank have also 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

36 Reserves (Continued)

- (f) Regulatory reserve of the Group is maintained by the Bank and 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 2025, the regulatory reserve is maintained by the Bank and the banking subsidiaries in Malaysia to meet the local regulatory requirement.

- (g) Share-based payment reserve arose from Employee Ownership Plan, Long Term Incentive Plan (“LTIP”), the Group’s and the Bank’s share-based compensation benefits.
- (h) Defined benefit reserves relate to the cumulative actuarial gains and losses on defined benefit plans.
- (i) For debt instruments at 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.
- (j) The Group and the Bank have elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the financial assets at FVOCI reserve within equity. The Group and the Bank transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- (k) The Group and the Bank designate the spot component of foreign currency swap contracts as hedging instruments in net investment hedge relationships. The Group and the Bank defer changes in the forward element of foreign currency swap contracts and the currency basis from the cross currency interest rate swaps contracts in the cost of hedging reserve.
- (l) Changes in fair value of financial liabilities designated at fair value relating to the Group’s and the Bank’s own credit risk are recognised in other comprehensive income. These changes are also accumulated within own credit risk reserve within equity.
- (m) Capital contribution by ultimate holding company is the cost of the ordinary shares and share options of the Group's and the Bank's awarded to eligible employees of the Group and the Bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****37 Interest income**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- interest income	12,590,036	13,757,778	10,580,594	11,512,025
- unwinding income [^]	73,865	100,703	62,923	84,126
Money at call and deposits with financial institutions	890,222	810,557	1,038,386	939,398
Reverse repurchase agreements	409,961	427,157	404,859	417,244
Debt instruments at fair value through other comprehensive income	2,195,008	2,169,617	1,952,093	1,942,618
Debt instruments at amortised cost	1,944,653	1,870,785	1,918,356	1,846,714
Others	178,241	155,548	173,993	155,548
	18,281,986	19,292,145	16,131,204	16,897,673
Net accretion of discount less amortisation of premium	83,641	289,098	134,816	302,227
	18,365,627	19,581,243	16,266,020	17,199,900

[^] Unwinding income is interest income earned on credit impaired financial assets**38 Interest income for financial assets at fair value through profit or loss**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through profit or loss	1,147,781	918,887	862,894	625,628
Net accretion of discount less amortisation of premium	228,181	376,707	265,512	388,927
	1,375,962	1,295,594	1,128,406	1,014,555

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****39 Interest expense**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	1,194,408	1,479,734	1,102,576	1,390,888
Deposits from customers	7,329,080	7,849,328	6,422,698	6,862,333
Repurchase agreements	1,351,205	1,637,320	1,234,198	1,473,100
Financial liabilities at fair value through profit or loss	102,869	118,944	66,995	57,664
Negotiable certificates of deposits	76,329	77,628	77,200	77,101
Recourse obligation on loan and financing sold to Cagamas	58,216	53,015	58,216	53,015
Bonds, Sukuk and debentures	284,440	501,813	278,764	490,284
Subordinated obligations	442,140	414,619	422,450	418,160
Other borrowings	347,247	257,848	347,209	264,491
Structured deposits	88,964	145,177	88,964	145,177
Lease liabilities	13,895	18,770	11,197	15,468
Others	21,172	24,229	97	97
	11,309,965	12,578,425	10,110,564	11,247,778

40 Modification loss

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Loss on modification of cash flows	55,984	2,718	-	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 Net non-interest income**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(a) Fee and commission income				
Commissions	995,268	873,577	769,218	631,996
Fee on loans and advances	640,424	604,692	621,470	584,342
Service charges and fees	631,105	649,757	1,871,883	1,867,475
Guarantee fees	53,456	39,879	44,533	31,194
Other fee income	183,003	255,051	174,257	239,186
Fee and commission income	2,503,256	2,422,956	3,481,361	3,354,193
(b) Fee and commission expense	(732,686)	(747,744)	(715,631)	(737,590)
Net fee and commission income	1,770,570	1,675,212	2,765,730	2,616,603
(c) Other non-interest income				
Gross dividend income from:				
<u>In Malaysia</u>				
Financial investments at fair value through profit or loss	65,059	71,290	64,969	71,200
Equity instruments at fair value through other comprehensive income	1,609	1,625	1,609	1,600
Subsidiaries	-	-	430,000	124,377
	66,668	72,915	496,578	197,177
<u>Outside Malaysia</u>				
Equity instruments at fair value through other comprehensive income	2,157	3,047	-	-
Subsidiaries	-	-	174,467	-
	2,157	3,047	174,467	-
Net gain/(loss) arising from financial investments at fair value through profit or loss				
- realised	(51,683)	89,546	(185,829)	(150,736)
- unrealised	307,321	898,486	42,043	312,137
	255,638	988,032	(143,786)	161,401
Net (loss)/gain arising from derivative financial instruments				
- realised	(729,919)	887,958	(682,328)	1,679,964
- unrealised	(498,577)	762,074	(255,527)	618,887
	(1,228,496)	1,650,032	(937,855)	2,298,851
Net gain arising from loans, advances and financing at fair value through profit or loss				
- realised	-	12,113	-	12,113
	-	12,113	-	12,113
Net (loss)/gain arising from financial liabilities at fair value through profit or loss				
- realised	(18,087)	(65,241)	(6,098)	(2,505)
- unrealised	(116,362)	50,513	(64,568)	14,182
	(134,449)	(14,728)	(70,666)	11,677

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 Net non-interest income (Continued)**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net (loss)/gain arising from hedging activities	(336,206)	6,458	18,383	35,169
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	766,012	243,038	311,349	147,608
Net gain from redemption of debt instruments at amortised cost	638	365	629	365
Other non-interest income				
Foreign exchange gain	3,549,589	69,541	3,470,938	20,014
Rental income	15,474	11,417	13,681	8,483
Gain on disposal of property, plant and equipment/assets held for sale	2,099	1,761	598	624
Gain/(loss) on disposal of foreclosed assets	1,119	(6,816)	-	-
Gain on disposal of loans, advances and financing	72,247	42,518	70,744	31,910
(Loss)/gain on liquidation of a subsidiary	-	(51)	-	17
Others	137,175	71,547	124,135	53,834
	3,777,703	189,917	3,680,096	114,882
Total other non-interest income	3,169,665	3,151,189	3,529,195	2,979,243
Total net non-interest income	4,940,235	4,826,401	6,294,925	5,595,846

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****42 Overheads**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses ²	3,732,381	3,725,658	3,058,512	3,052,998
- Pension cost (defined contribution plan)	389,812	375,837	357,054	343,035
- Pension cost (defined benefit plan)	16,715	7,486	-	-
- Share-based expense ¹	(11,241)	16,833	(9,840)	14,448
- Overtime	18,463	19,681	13,317	13,296
- Staff incentives and other staff payments	219,828	198,976	189,715	167,296
- Medical expenses	104,318	99,753	96,429	91,442
- Others	202,057	130,626	166,404	105,628
	4,672,333	4,574,850	3,871,591	3,788,143
Establishment costs				
- Depreciation of property, plant and equipment	160,740	171,557	124,226	128,460
- Depreciation of right-of-use assets	187,101	209,187	157,934	177,400
- Amortisation of intangible assets	400,993	400,135	336,833	333,314
- Rental	120,597	127,553	63,495	67,128
- Repairs and maintenance	731,351	702,463	667,592	646,175
- Outsourced services	80,405	75,207	50,410	43,963
- Security expenses	75,580	73,143	70,528	67,831
- Utility expenses	43,715	44,033	36,391	35,689
- Intangible assets written off	25,424	7,502	25,393	7,502
- Others	68,868	99,178	53,999	85,188
	1,894,774	1,909,958	1,586,801	1,592,650
Marketing expenses				
- Advertisement	174,143	154,747	141,627	121,977
- Others	295,058	150,961	290,999	143,130
	469,201	305,708	432,626	265,107
Administration and general expenses				
- Communication	106,541	90,907	65,345	61,222
- Consultancy and professional fees	139,189	112,021	123,888	96,654
- Legal expenses	74,269	65,844	33,215	50,378
- Stationery	18,641	20,560	13,781	14,377
- Postages	30,917	27,452	22,619	20,505
- Administrative travelling and vehicle expenses	25,473	27,673	17,820	18,959
- Incidental expenses on banking operations	53,103	50,324	27,863	27,890
- Insurance	14,158	13,311	9,514	9,175
- Others	616,436	580,149	606,767	576,948
	1,078,727	988,241	920,812	876,108
	8,115,035	7,778,757	6,811,830	6,522,008

¹ The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings in June 2021. The LTIP awards ordinary shares and share options of CIMB Group to eligible employees of the Group and the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions. Refer Note 45(g).

² Included in salaries, allowances and bonus is shared-based payment expense of RM29,413,000 and RM27,423,000 (2024: RM14,650,000 and RM13,489,000) for the Group and the Bank respectively. Refer Note 45(f).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****42 Overheads (Continued)**

The above expenditure includes the following statutory disclosures:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 46)	16,628	17,072	16,080	16,645
Hire of equipment	48,491	47,657	47,519	46,934
Lease rental	-	11	-	11
Auditors' remuneration:				
<u>PricewaterhouseCoopers PLT* (audit)</u>				
- statutory audit	7,064	6,222	6,235	5,450
- limited review	1,170	1,160	1,076	1,066
- other audit related	590	-	430	-
<u>PricewaterhouseCoopers Malaysia (non audit)</u>				
- Tax services	457	429	279	273
- Reporting accountant, regulatory-related services and others	203	284	203	37
<u>Other member firms of PricewaterhouseCoopers</u>				
- statutory audit	3,655	3,479	2,742	2,472
- limited review	1,218	1,224	193	181
- other audit related	778	495	692	495
<u>Other member firms of PricewaterhouseCoopers International Limited* (non audit)</u>				
- Tax services	482	744	482	744
- Reporting accountant, regulatory-related services and others	1,128	358	1,128	358
<u>Other auditors' remuneration</u>				
- Statutory audit	292	366	-	4
Property, plant and equipment written off	964	2,771	57	2,641

* PricewaterhouseCoopers PLT and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****43 Expected credit losses on loans, advances and financing**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Expected credit losses on loans, advances and financing at amortised cost	2,048,324	1,922,206	1,147,812	1,102,844
Credit impaired loans, advances and financing:				
- recovered	(893,274)	(845,930)	(649,450)	(510,571)
- written off	53,768	35,462	42,409	26,739
	<u>1,208,818</u>	<u>1,111,738</u>	<u>540,771</u>	<u>619,012</u>

44 Other expected credit losses and impairment allowances (written back)/made

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other expected credit losses (written back)/made on:				
- Debt instrument at fair value through other comprehensive income	(3,617)	6,057	(25,176)	(9,028)
- Debt instrument at amortised cost *	(162,517)	66,070	(173,486)	65,018
- Money at call and deposits and placements with banks and other financial institutions	248	(1,496)	77	317
- Other assets	41,879	277,359	32,326	24,989
- Intangible assets	(39)	-	-	-
	<u>(124,046)</u>	<u>347,990</u>	<u>(166,259)</u>	<u>81,296</u>

* includes bad debt recovered and ECL written off amounting to RM115,123,000 (2024: RMNil) and RM28,148,000 (2024: RMNil) respectively, for the financial year ended 31 December 2025.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

45 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 Bank has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Bank and the party are subject to common control or common significant influence.

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

(a) The related parties of, and their relationship with the Bank, are as follows:

Related parties	Relationship
CIMB Group Holdings Berhad (“CIMB Group”)	Ultimate holding company
CIMB Group Sdn. Bhd. (“CIMBG”)	Immediate holding company
Subsidiaries of CIMB Group and CIMBG as disclosed in their Financial Statements	Subsidiaries of ultimate holding and immediate holding company
Subsidiaries of the Bank as disclosed in Note 16	Subsidiaries
Joint venture of the Bank as disclosed in Note 17	Joint venture
Joint ventures of CIMB Group as disclosed in their Financial Statements	Joint ventures of ultimate holding company
Associates of CIMB Group as disclosed in their Financial Statements	Associates of ultimate holding company
Key management personnel	Refer to below

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)****(b) Related party transactions**

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits, derivative transactions and other financial instruments. These transactions were carried out on agreed terms with the related party.

	← The Group and the Bank →			The Group	← The Bank →	
	Holding and Ultimate Holding Company	Other related companies	Joint venture	Key management personnel	Subsidiaries	Key management personnel
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025						
Income						
Interest on deposits and placements with financial institutions	-	52	-	-	287,120	-
Interest on loans, advances and financing and reverse repurchase agreements	1,104	9	-	20,707	-	210
Interest on securities	-	-	-	-	96,923	-
Dividends	-	-	-	-	604,467	-
Others	868	47,351	206,529	2	1,445	2
Service charges and fees	18,014	136,985	-	-	1,299,458	-
Expenditure						
Interest on deposits from customers and securities sold under repurchase agreements	12,845	17,910	1,372	533	11,010	103
Interest on deposits and placements of banks and other financial institutions	-	260	-	-	50,278	-
Interest on other borrowing	-	-	-	-	-	-
Interest on subordinated obligations	414,016	-	-	-	-	-
Dividend paid	3,894,480	-	-	-	-	-
Others	1,742	195,358	-	-	187,005	-
2024						
Income						
Interest on deposits and placements with financial institutions	-	170	-	-	319,383	-
Interest on loans, advances and financing and reverse repurchase agreements	-	189	-	11,558	-	138
Interest on securities	-	-	-	-	95,389	-
Dividends	-	-	-	-	126,377	-
Others	781	50,850	99,919	2	1,279	-
Service charges and fees	19,098	141,941	-	-	1,271,948	-
Expenditure						
Interest on deposits from customers and securities sold under repurchase agreements	19,143	12,417	1,287	71	15,822	100
Interest on deposits and placements of banks and other financial institutions	-	242	-	-	90,767	-
Interest on other borrowing	-	-	-	-	3,489	-
Interest on subordinated obligations	392,560	-	-	-	-	-
Dividend paid	5,070,218	-	-	-	-	-
Others	-	178,416	-	-	188,382	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)****(c) Related party balances**

	← The Group and the Bank →			The Group	← The Bank →	
	Holding and Ultimate Holding Company	Other related companies	Joint venture	Key management personnel	Subsidiaries	Key management personnel
2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Amounts due from						
Current accounts, deposits and placements with banks and other financial institutions	-	19,068	-	-	3,518,354	-
Placement from Investment Account	-	-	-	-	2,800,834	-
Loans, advances and financing and reverse repurchase agreement	-	-	-	34,402	-	5,769
Derivative financial instruments	-	-	-	-	548,097	-
Investments securities	-	-	-	-	2,532,257	-
Cash collateral pledged for derivative transaction	-	-	-	-	1,083,730	-
Others	4,735	25,210	5,230,724	-	14,236	-
Amounts due to						
Deposits from customers and securities sold under repurchase agreements	415,276	1,252,176	-	49,857	336,407	18,574
Deposits and placements of banks and other financial institutions	-	-	-	-	1,124,540	-
Other borrowings	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	1,367,503	-
Subordinated obligations	10,667,485	-	-	-	-	-
Reverse repurchase agreements	-	-	-	-	-	-
Cash collateral received for derivative transaction	-	-	-	-	247,943	-
Others	20	23,483	-	-	341,606	-
Commitment and contingencies						
Foreign exchange related contracts	-	-	-	-	35,470,727	-
Equity related contracts	-	-	-	-	2,335	-
Commodity related derivatives	-	-	-	-	3,528,134	-
Interest rate related contracts	-	-	-	-	38,790,286	-
Credit related contracts	-	-	-	-	713,134	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)**

(c) Related party balances (Continued)

	← The Group and the Bank →			The Group	← The Bank →	
	Holding and Ultimate Company	Other related companies	Joint venture	Key management personnel	Subsidiaries	Key management personnel
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024						
Amounts due from						
Current accounts, deposits and placements with banks and other financial institutions	-	25,448	-	-	2,842,845	-
Placement from Investment Account	-	-	-	-	2,927,281	-
Loans, advances and financing and reverse repurchase agreement	-	-	-	18,890	-	7,417
Derivative financial instruments	-	-	-	-	477,352	-
Investments securities	-	-	-	-	2,344,079	-
Others	3,616	29,799	4,613,966	-	89,848	-
Amounts due to						
Deposits from customers and securities sold under repurchase agreements	470,760	582,419	-	18,448	482,222	17,334
Deposits and placements of banks and other financial institutions	-	-	-	-	1,273,294	-
Other borrowings	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	549,781	-
Subordinated obligations	9,627,646	-	-	-	-	-
Reverse repurchase agreements	-	10,390	-	-	-	-
Others	-	42,103	-	-	365,328	-
Commitment and contingencies						
Foreign exchange related contracts	-	-	-	-	25,386,302	-
Equity related contracts	-	-	-	-	28,092	-
Commodity related derivatives	-	-	-	-	1,263,369	-
Interest rate related contracts	-	-	-	-	31,705,318	-
Credit related contracts	-	-	-	-	755,720	-

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

Pursuant to the service level agreement (“SLA”) entered by the Bank with its subsidiary, CIMB Islamic Berhad (“CIMB Islamic”), CIMB Islamic has the right to seek indemnity from the Bank against all claims, demands, fines, penalties, payment, losses, costs, damages, charges and expenses as a results of the Bank breach of the terms of the SLA, except in the case of any gross negligence or willful default on the part of CIMB Islamic or its Directors, officers, employees or agents.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)**

(d) The breakdown of expenditure by geographical is as follows:

2025	← The Group and the Bank →			← The Bank →		
	Interest expense RM'000	Dividends RM'000	Others RM'000	Interest expense RM'000	Dividends RM'000	Others RM'000
Malaysia	445,958	3,894,480	196,721	461,241	3,894,480	377,726
Singapore	445	-	-	445	-	-
Cambodia	-	-	-	38,568	-	-
Thailand	-	-	-	-	-	6,000
Others	-	-	379	7,437	-	379
	446,403	3,894,480	197,100	507,691	3,894,480	384,105

2024	← The Group and the Bank →			← The Bank →		
	Interest expense RM'000	Dividends RM'000	Others RM'000	Interest expense RM'000	Dividends RM'000	Others RM'000
Malaysia	424,863	5,070,218	178,275	470,659	5,070,218	359,399
Singapore	787	-	-	787	-	-
Cambodia	-	-	-	45,828	-	-
Thailand	-	-	-	-	-	7,257
Others	-	-	142	18,452	-	142
	425,650	5,070,218	178,417	535,726	5,070,218	366,798

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)**

(e) Key management personnel

Key management compensation

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Salaries and other short term employee benefits [#]	79,433	92,923	56,843	69,408
	The Group		The Bank	
	2025	2024	2025	2024
	Units	Units	Units	Units
Shares of the ultimate holding company awarded from EOP	-	254,535	-	276,741
Shares of the ultimate holding company awarded from LTIP				
- ESOS	-	-	-	-
- SGP	-	250,000	-	-

[#] includes compensation paid by subsidiaries and other related companies

Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM7,584,087 (2024: RM7,692,182) and RM5,524,244 (2024: RM3,669,677) respectively. Loans made to Directors and other key management personnel of the Group and the Bank are on similar terms and conditions generally available to other employees within the Group.

During the financial year, share based payment expenses to key management personnel of the Group and the Bank amounted to RM29,194,000 (2024: RM29,366,000) and RM16,429,000 (2024: RM14,823,000) respectively.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)****(f) Equity Ownership Plan (“EOP”)**

The EOP was introduced on 1 April 2011 by CIMB Group where CIMB Group will grant ordinary shares of CIMB Group to selected employees of the Group and the Bank. Under the EOP, earmarked portions of variable remuneration of the selected employees of the Group and the Bank will be utilised to purchase ordinary shares of CIMB Group 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 related company will act on behalf of CIMB Group to administer the EOP and to hold the shares in trust up to the pre-determined transfer date. The eligibility of participation in the EOP shall be at the discretion of the Group Nomination and Remuneration Committee of CIMB Group.

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

The total share-based payment expense recognised in statement of income for the Group and the Bank during the financial year amounted to RM29,413,000 (2024: RM14,650,000) and RM27,423,000 (2024: RM13,489,000) respectively.

The weighted average fair value of shares awarded under EOP which were purchased over a period of 10 trading days was RM6.91 per ordinary share (2024: RM6.88 per ordinary share), based on observable market price.

Movements in the number of CIMB Group’s ordinary shares awarded are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	Units	Units	Units	Units
	'000	'000	'000	'000
At 1 January	3,828	4,414	3,471	3,906
Awarded	6,528	1,912	6,087	1,797
Released	(3,570)	(2,498)	(3,302)	(2,232)
At 31 December	6,786	3,828	6,256	3,471

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

45 Significant related party transactions and balances (Continued)

(g) Long Term Incentive Plan (“LTIP”)

CIMB 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 fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the Directors) is subject to the approval of the shareholders at a general meeting.

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

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)**

(g) Long Term Incentive Plan (“LTIP”) (Continued)

(i) Details of ESOS shares awarded:

Award Date	Fair Value	Awarded	Vesting Dates
	RM	(Units'000)	
9-Jun-21	0.45	216,758	31-Mar-24
			31-Mar-25
31-Mar-22	0.75	8,991	31-Mar-24
			31-Mar-25
8-Sep-22	0.74	3,430	31-Mar-24
			31-Mar-25
8-Dec-22	0.81	660	31-Mar-24
			31-Mar-25

The following table indicates the number and movement of ESOS shares during the financial year ended 31 December 2025:

CIMB Bank Group						
Award Date	As at	Movement during the year			Outstanding as at	Exercisable as at
	1 January 2025	Awarded	Exercised	Expired / Forfeited	31 December 2025	31 December 2025
	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	96,669	-	(47,348)	(645)	48,676	48,676
31-Mar-22	3,027	-	(983)	-	2,044	2,044
8-Sep-22	1,881	-	(1,259)	-	622	622
8-Dec-22	330	-	(330)	-	-	-

CIMB Bank						
Award Date	As at	Movement during the year			Outstanding as at	Exercisable as at
	1 January 2025	Awarded	Exercised	Expired / Forfeited	31 December 2025	31 December 2025
	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	78,246	-	(36,378)	(645)	41,223	41,223
31-Mar-22	2,599	-	(775)	-	1,824	1,824
8-Sep-22	1,534	-	(1,197)	-	337	337
8-Dec-22	330	-	(330)	-	-	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)****(g) Long Term Incentive Plan (“LTIP”) (Continued)****(i) Details of ESOS shares awarded: (Continued)**

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	Award Date	Award Date	Award Date
	9-Jun-21	31-Mar-22	8-Sep-22	8-Dec-22
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			
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

(ii) Details of SGP shares awarded:

Award Date	Fair Value	Awarded	Vesting Dates	
	RM	(Units'000)		
9-Jun-21	4.65	15,748	31-Mar-24	<i>Subject to performance conditions</i>
			31-Mar-25	
31-Mar-22	5.33	1,965	31-Mar-24	
			31-Mar-25	
8-Sep-22	5.40	736	31-Mar-24	
			31-Mar-25	
8-Dec-22	5.61	142	31-Mar-24	
			31-Mar-25	
12-Jan-24	5.92	250	-	
			31-Mar-25	

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)**

(g) Long Term Incentive Plan (“LTIP”) (Continued)

(ii) Details of SGP shares awarded: (Continued)

The following table indicates the number and movement of SGP shares during the financial year ended 31 December 2025:

CIMB Bank Group					
	As at	Movement during the year			As at
	1 January 2025	Awarded	Vested [added]	Forfeited	31 December 2025
Award Date	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	5,061	-	(4,377)	(684)	-
31-Mar-22	524	-	(460)	(64)	-
8-Sep-22	330	-	(291)	(39)	-
8-Dec-22	71	-	(60)	(11)	-
12-Jan-24	250	-	(210)	(40)	-

CIMB Bank					
	As at	Movement during the year			As at
	1 January 2025	Awarded	Vested [added]	Forfeited	31 December 2025
Award Date	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9-Jun-21	4,044	-	(3,507)	(537)	-
31-Mar-22	472	-	(416)	(56)	-
8-Sep-22	292	-	(257)	(35)	-
8-Dec-22	71	-	(60)	(11)	-
12-Jan-24	250	-	(210)	(40)	-

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-Jun-21	31-Mar-22	8-Sep-22	8-Dec-22	12-Jan-24
Fair value of SGP Shares (RM)	4.65	5.33	5.40	5.61	5.92
Closing share price at award date (RM)	4.65	5.33	5.40	5.61	5.92

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****45 Significant related party transactions and balances (Continued)**

(h) Credit transactions and exposures with connected parties

Credit exposures with connected parties as per BNM's revised "Guidelines on Credit Transactions and Exposures with Connected Parties" which became effective in 2008 are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Outstanding credit exposures with connected parties	23,620,807	15,893,194	18,904,524	12,504,867
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.6%	2.6%	4.2%	2.9%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.0%	0.0%	0.0%	0.0%

(i) Transactions with shareholders and Government

Khazanah Nasional Berhad ("KNB"), the major shareholder of the ultimate holding company, owns 21.42% of the issued capital of the ultimate holding company (2024: 21.54%). KNB is an entity controlled by the Malaysian Government. The Group and the Bank consider that, for the purpose of MFRS 124 "Related Party Disclosures", KNB and the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Bank.

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

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

These transactions are conducted in the ordinary course of the Group's and the Bank's business based on agreed terms.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

46 Directors' remuneration

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

Executive Director

Encik Muhammad Novan Amirudin

Non-Executive Directors

Dato' Lee Kok Kwan

Mr. Chu Hong Keong

Mr. Sukanta Kumar Dutt

Ms. Ong Soo Chan

Ms. Kee E-Lene

YM Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz

Puan Marina Abdul Kahar (Appointed 27 January 2025)

Mr. Choo Yoo Kwan @ Choo Yee Kwan (Appointed 27 January 2025)

Datuk Syed Zaid Syed Jaffar Albar (Appointed on 18 June 2025)

Tan Sri Mohd Nasir Ahmad (Retired on 19 July 2025)

Dr. Nurmazilah Mahzan (Retired on 2 August 2025)

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

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Executive Director				
- Salary and other remuneration	11,654	13,588	11,654	13,588
- Benefits-in-kind	89	177	89	177
	<u>11,743</u>	<u>13,765</u>	<u>11,743</u>	<u>13,765</u>
Non-Executive Directors				
- Fees	2,298	1,246	2,173	1,125
- Other remuneration	2,587	2,061	2,164	1,755
	<u>4,885</u>	<u>3,307</u>	<u>4,337</u>	<u>2,880</u>
	<u>16,628</u>	<u>17,072</u>	<u>16,080</u>	<u>16,645</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Directors' remuneration (Continued)**

	The Group			The Bank				
	Fees	Salary and/or other remuneration	Benefits-in- kind	Total	Fees	Salary and/or other remuneration	Benefits- in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025								
Executive Director								
Encik Muhammad Novan Amirudin *	-	11,654	89	11,743	-	11,654	89	11,743
	-	11,654	89	11,743	-	11,654	89	11,743
Non-Executive Directors								
Dato' Lee Kok Kwan	230	140	-	370	230	140	-	370
Mr. Chu Hong Keong	263	245	-	508	263	245	-	508
Mr. Sukanta Kumar Dutt	251	263	-	514	251	263	-	514
Ms. Ong Soo Chan	230	190	-	420	230	190	-	420
Ms. Kee E-Lene	263	275	-	538	263	275	-	538
YM Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	275	458	-	733	197	83	-	280
Puan Marina Abdul Kahar	253	313	-	566	253	313	-	566
Mr. Choo Yoo Kwan @ Choo Yee Kwan	220	175	-	395	220	175	-	395
Datuk Syed Zaid Syed Jaffar Albar	36	175	-	211	36	175	-	211
Tan Sri Mohd Nasir Ahmad	145	145	-	290	98	97	-	195
Dr. Nurmazilah Mahzan	132	208	-	340	132	208	-	340
	2,298	2,587	-	4,885	2,173	2,164	-	4,337
	2,298	14,241	89	16,628	2,173	13,818	89	16,080

* Compensation shown in the table for the Executive Director in 2025 is in relation to his role as Group Chief Executive Officer of CIMB Group. The compensation includes an amount of RM2.3 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 January to 31 December 2025. The related share based expenses have been recognised over the period of LTIP scheme.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Directors' remuneration (Continued)**

	The Group			The Bank				
	Fees	Salary and/or other remuneration	Benefits-in- kind	Total	Fees	Salary and/or other remuneration	Benefits- in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Executive Director								
Encik Muhammad Novan Amirudin *	-	6,902	35	6,937	-	6,902	35	6,937
Dato' Abdul Rahman Ahmad **	-	6,686	142	6,828	-	6,686	142	6,828
	-	13,588	177	13,765	-	13,588	177	13,765
Non-Executive Directors								
Tan Sri Mohd Nasir Ahmad	236	323	-	559	150	240	-	390
Dato' Lee Kok Kwan	150	145	-	295	150	145	-	295
Mr. Chu Hong Keong	150	245	-	395	150	245	-	395
Mr. Sukanta Kumar Dutt	150	245	-	395	150	215	-	365
Ms. Ong Soo Chan	150	180	-	330	150	180	-	330
Ms. Kee E-Lene	150	315	-	465	150	315	-	465
Dr. Nurmazilah Mahzan	150	388	-	538	150	365	-	515
YM Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	110	220	-	330	75	50	-	125
	1,246	2,061	-	3,307	1,125	1,755	-	2,880
	1,246	15,649	177	17,072	1,125	15,343	177	16,645

* Compensation shown in the table for the Executive Director in 2024 is in relation to his role as Group Chief Executive Officer of CIMB Group. The compensation includes an amount of 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 for the Executive Director in 2024 is in relation to his role as Group Chief Executive Officer of CIMB Group. The compensation includes an amount of 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.

The Directors and Officers of the Group and of the Bank are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year for the Group and the Bank amounted to RM1,285,161 (2024: RM1,209,437) and RM820,676 (2024: RM863,818) respectively.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****47 Taxation and zakat**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Taxation based on the profit for the financial year:				
- Malaysian income tax	1,496,066	1,490,030	1,043,196	1,094,651
- Foreign tax	312,831	231,048	282,128	213,397
Deferred taxation (Note 14)	179,276	98,469	94,435	(21,272)
(Over)/under provision in prior financial years	(1,977)	(34,393)	6,766	(25,833)
	1,986,196	1,785,154	1,426,525	1,260,943
Zakat	16,200	12,000	-	-
	2,002,396	1,797,154	1,426,525	1,260,943

Reconciliation between tax expense and the Malaysian tax rate

Profit before taxation and zakat	8,278,089	7,873,027	6,596,571	5,661,551
Less:				
Share of results of joint venture	(5,565)	6,103	-	-
	8,272,524	7,879,130	6,596,571	5,661,551
Tax calculated at a rate of 24%	1,985,406	1,890,991	1,583,177	1,358,772
- different tax rates in Labuan and other countries	(2,201)	(10,971)	19,019	18,771
- expenses not deductible for tax purposes	202,777	189,821	153,254	176,552
- income not subject to tax	(197,809)	(250,294)	(335,691)	(267,319)
- (Over)/under provision in prior financial years	(1,977)	(34,393)	6,766	(25,833)
Tax expense	1,986,196	1,785,154	1,426,525	1,260,943

Pillar Two legislation was enacted in Malaysia on 29 December 2023 and is effective for in-scope multinational groups from financial years beginning 1 January 2025. Pillar Two introduces a global minimum Effective Tax Rate (ETR) via a system where multinational groups with consolidated revenue over EUR 750 million (in at least two of the last four years immediately preceding the tested year) are subject to a minimum ETR of 15% on income arising in low-tax jurisdictions. CIMB Group meets the conditions, and hence, is within the scope of Pillar Two legislation.

As provided in the amendments to MFRS 112 – Income Taxes, the Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

47 Taxation and zakat (Continued)

The Group is subject to Pillar Two rules in Australia, the United Kingdom and Vietnam, where the local Pillar Two legislation became effective on 1 January 2024. In addition, the Pillar Two rules came into effect on 1 January 2025 for Malaysia, Hong Kong, Singapore and Thailand. Although British Virgin Islands, Cambodia, China, India, the Philippines, Sri Lanka and the Cayman Islands have not yet enacted Pillar Two legislation, an assessment is still required for these jurisdictions as any Pillar Two tax exposure will be picked up by the Ultimate Parent Entity in Malaysia.

Based on the Group's assessment, the application of the Pillar 2 legislation has no material impact to the Group's annual effective tax rate.

48 Earnings per share

(a) Basic earnings per share

The basic earnings per ordinary share for the Group have been calculated based on the net profit attributable to ordinary equity holders of the Group of RM6,258,544,000 (2024: RM6,054,377,000). For the Bank, the basic earnings per ordinary share have been calculated based on the net profit attributable to ordinary equity holders of the Bank of RM5,170,046,000 (2024: RM4,400,608,000).

Ordinary shares issued arising from business combinations under common control are included in the calculation of the weighted average number of shares from the date the business combination had been effected. The weighted average number of shares in issue during the financial year of 6,727,380,000 (2024: 6,678,279,000) is used for the computation.

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding as at 31 December 2025 and 31 December 2024.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****49 Dividends**

The gross and net dividend declared per share for each financial year are as follows:

	2025			2024		
	Gross per share sen	Net per share sen	Amount of dividend net of tax RM'000	Gross per share sen	Net per share sen	Amount of dividend net of tax RM'000
Dividends recognised as distributions to equity holders:						
<u>Interim dividend - for the financial year ended 31 December 2025</u>						
Per ordinary shares - single tier	33.49	33.49	2,252,999	-	-	-
<u>Interim dividend - for the financial year ended 31 December 2024</u>						
Per ordinary shares - single tier	24.40	24.40	1,641,481	27.90	27.90	1,876,939
<u>Interim dividend - for the financial year ended 31 December 2023</u>						
Per ordinary shares - single tier	-	-	-	26.10	26.10	1,693,307
<u>Special dividend - for the financial year ended 31 December 2023</u>						
Per ordinary shares - single tier	-	-	-	23.12	23.12	1,499,972
	57.89	57.89	3,894,480	77.12	77.12	5,070,218

The Directors have proposed a single tier second interim dividend of approximately 28.90 sen per share on 6,727,379,733 ordinary shares, amounting to RM1,944 million in respect of the financial year ended 31 December 2025. The single tier second interim dividend was approved by the Board of Directors in a resolution dated 29 January 2026.

The Directors have proposed a single tier special dividend of RM1,000 million in respect of the financial year ended 31 December 2025. The proposed single tier special dividend was approved by the Board of Directors on 29 January 2026.

The Directors do not recommend the payment of any final dividend on ordinary shares or Redeemable Preference Shares for the financial year ended 31 December 2025.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

50 Capital commitments

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
- authorised and contracted for	281,554	117,932	260,349	80,500
- authorised but not contracted for	1,186,301	1,098,809	1,063,681	983,980
	1,467,855	1,216,741	1,324,030	1,064,480

Analysed as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	661,679	474,122	602,792	377,042
Computer software	806,176	742,619	721,238	687,438
	1,467,855	1,216,741	1,324,030	1,064,480

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****51 Commitments and contingencies**

In the normal course of business, the Group and the Bank 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 Bank, 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 27.

The notional/principal amount of the commitments and contingencies constitute the following:

	The Group		The Bank	
	2025	2024	2025	2024
	Principal	Principal	Principal	Principal
	RM'000	RM'000	RM'000	RM'000
<u>Credit-related</u>				
Direct credit substitutes	4,225,410	4,090,893	3,550,736	3,499,250
Transaction-related contingent items	6,385,220	5,880,987	4,056,721	3,612,076
Short-term self-liquidating trade-related contingencies	5,167,707	5,764,298	3,574,522	4,276,914
Obligations under underwriting agreement	286,479	173,002	-	-
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	103,421,200	121,871,706	82,238,134	98,974,924
- maturity exceeding one year	34,784,548	33,039,876	24,225,477	22,236,475
Miscellaneous commitments and contingencies	392,877	3,379,787	145,480	3,140,178
Total credit-related commitments and contingencies	154,663,441	174,200,549	117,791,070	135,739,817

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****51 Commitments and contingencies (Continued)**

	The Group		The Bank	
	2025	2024	2025	2024
	Principal RM'000	Principal RM'000	Principal RM'000	Principal RM'000
<u>Treasury-related</u>				
Foreign exchange related contracts :				
- less than one year	607,690,026	622,353,552	394,180,097	366,052,164
- one year to five years	79,221,633	72,785,685	32,817,798	27,200,216
- more than five years	18,498,123	14,140,389	1,566,715	2,363,155
	705,409,782	709,279,626	428,564,610	395,615,535
Interest rate related contracts :				
- less than one year	584,320,491	520,385,180	418,134,565	299,337,313
- one year to five years	442,473,457	394,000,186	296,368,750	252,628,661
- more than five years	103,279,232	92,052,136	62,001,609	54,854,887
	1,130,073,180	1,006,437,502	776,504,924	606,820,861
Equity related contracts:				
- less than one year	4,856,557	3,819,271	4,856,558	3,743,513
- one year to five years	1,223,817	626,997	1,138,558	620,487
- more than five years	-	87,309	-	-
	6,080,374	4,533,577	5,995,116	4,364,000
Credit related contracts :				
- less than one year	751,376	889,891	751,742	891,709
- one year to five years	1,451,504	1,665,053	1,451,537	1,668,457
- more than five years	233,070	124,259	233,448	125,774
	2,435,950	2,679,203	2,436,727	2,685,940
Commodity related contracts:				
- less than one year	10,747,585	5,254,413	10,747,584	5,254,413
- one year to five years	2,566,246	190,446	2,566,247	190,446
	13,313,831	5,444,859	13,313,831	5,444,859
Bond contracts:				
- less than one year	4,461,393	1,825,118	-	-
- one year to five years	5,813,602	4,681,844	-	-
- more than five years	205,296	-	205,296	-
	10,480,291	6,506,962	205,296	-
Total treasury-related commitments and contingencies				
	1,867,793,408	1,734,881,729	1,227,020,504	1,014,931,195
	2,022,456,849	1,909,082,278	1,344,811,574	1,150,671,012

The 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

51 Commitments and contingencies (Continued)

Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account (refer Note 9(i)(d) for more details) as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	Principal RM'000	Principal RM'000	Principal RM'000	Principal RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	2,100,000	3,700,000	2,100,000	3,700,000
- maturity exceeding one year	-	500,000	-	500,000
	<u>2,100,000</u>	<u>4,200,000</u>	<u>2,100,000</u>	<u>4,200,000</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

52 Capital adequacy

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

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

The capital adequacy framework applicable 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 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 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. With effect from 1 January 2025, Operational Risk for CIMB Bank and CIMB Islamic Bank is based on Standardised Approach as stipulated by Capital Adequacy Framework (Operational Risk) issued by BNM on 15 December 2023.

The capital adequacy ratios of CIMB Thai Bank are 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 CIMB Bank PLC are based on National Bank of Cambodia (NBC) Prakas B7-024-745, B7-023-337, B7-023-338, B7-024-471 and B7-024-299. Credit Risk and Operational Risk are based on Standardised Approach while Market Risk is based on Simplified Standardised Approach.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****52 Capital adequacy (Continued)**

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.

Capital Structure and Adequacy

The table below sets out the summary of the sources of capital and the capital adequacy ratios of the Group and the Bank as at 31 December 2025.

The respective banking subsidiaries as listed in Note 52(d) have complied with the capital requirements in accordance with the local regulatory requirements for the financial year ended 31 December 2025 and 31 December 2024.

31 December 2025 - Basel III

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

Before deducting proposed dividends	The Group	The Bank*
Common equity tier 1 ratio	15.202%	14.356%
Tier 1 ratio	15.578%	14.756%
Total capital ratio	<u>19.259%</u>	<u>18.775%</u>
After deducting proposed dividends		
Common equity tier 1 ratio	14.582%	13.383%
Tier 1 ratio	14.959%	13.783%
Total capital ratio	<u>18.639%</u>	<u>17.803%</u>

The Directors have proposed a single tier second interim dividend of approximately 28.90 sen per share on 6,727,379,733 ordinary shares, amounting to RM1,944 million in respect of the financial year ended 31 December 2025. The single tier second interim dividend was approved by the Board of Directors in a resolution dated 29 January 2026.

The Directors have proposed a single tier special dividend of RM1,000 million in respect of the financial year ended 31 December 2025. The proposed single tier special dividend was approved by the Board of Directors on 29 January 2026.

On 29 January 2026, the Directors have approved the proposed new issuance of 159,950,181 ordinary shares by CIMB Bank at an issue price of RM6.25 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

52 Capital adequacy (Continued)

31 December 2025 - Basel III (Continued)

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

	The Group	The Bank*
	RM’000	RM’000
Credit risk ⁽¹⁾	254,663,651	156,496,052
Market risk	25,576,105	17,099,354
Large exposure risk requirements	1,349,742	1,349,742
Operational risk	32,150,152	24,930,598
Total risk-weighted assets	<u>313,739,650</u>	<u>199,875,746</u>

⁽¹⁾ The RWA for credit risk relating to the Restricted Agency Investment Account (refer Note 9(i)(d) for more details) are as follows:

	The Group	The Bank*
	RM’000	RM’000
Under Restricted Agency Investment Account arrangement	<u>1,550,186</u>	<u>1,550,186</u>
	<u>1,550,186</u>	<u>1,550,186</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****52 Capital adequacy (Continued)****31 December 2025 - Basel III (Continued)**

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary shares capital	24,539,214	24,539,214
Other reserves	31,844,960	17,578,590
Qualifying non-controlling interests	153,787	-
Less: Proposed dividends	<u>(1,944,213)</u>	<u>(1,944,213)</u>
Common Equity Tier 1 capital before regulatory adjustments	54,593,748	40,173,591
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,940,946)	(3,555,075)
Intangible assets	(1,275,804)	(1,123,850)
Deferred tax assets	(1,134,007)	(835,553)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(6,071,693)
Regulatory reserve	(2,399,918)	(1,756,998)
Others	<u>(93,681)</u>	<u>(81,097)</u>
Common Equity Tier 1 capital after regulatory adjustments	<u>45,749,392</u>	<u>26,749,325</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,150,000	1,150,000
Qualifying capital instruments held by third parties	32,110	-
Additional Tier 1 capital before regulatory adjustments	<u>1,182,110</u>	<u>1,150,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(350,000)
Additional Tier 1 capital after regulatory adjustments	<u>1,182,110</u>	<u>800,000</u>
Total Tier 1 capital	<u>46,931,502</u>	<u>27,549,325</u>
Tier 2 capital		
Subordinated obligations	9,400,000	9,400,000
Qualifying capital instruments held by third parties	207,822	-
Surplus of eligible provisions over expected loss	1,135,835	745,533
General provision [^]	<u>803,372</u>	<u>394,199</u>
Tier 2 capital before regulatory adjustments	11,547,029	10,539,732
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,505,764)
Total Tier 2 capital	<u>11,547,029</u>	<u>8,033,968</u>
Total capital	<u>58,478,531</u>	<u>35,583,293</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****52 Capital adequacy (Continued)****31 December 2025 - Basel III (Continued)**

(d) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows:

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	14.863%	16.825%	14.415%	42.701%
Tier 1 ratio	15.350%	16.825%	14.415%	42.701%
Total capital ratio	18.105%	21.384%	17.631%	43.125%

31 December 2024 - Basel III

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

Before deducting proposed dividends	The Group	The Bank*
Common equity tier 1 ratio	15.642%	15.089%
Tier 1 ratio	16.042%	15.517%
Total capital ratio	<u>19.592%</u>	<u>19.353%</u>

After deducting proposed dividends		
Common equity tier 1 ratio	15.088%	14.210%
Tier 1 ratio	15.487%	14.638%
Total capital ratio	<u>19.037%</u>	<u>18.474%</u>

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

	The Group RM’000	The Bank* RM’000
Credit risk ⁽¹⁾	244,454,914	148,111,112
Market risk	21,471,826	15,864,820
Large exposure risk requirements	1,306,841	1,306,841
Operational risk	28,842,989	21,524,651
Total risk-weighted assets	<u>296,076,570</u>	<u>186,807,424</u>

⁽¹⁾ The RWA for credit risk relating to the Restricted Agency Investment Account (refer Note 9(i)(d) for more details) are as follows:

	The Group RM’000	The Bank* RM’000
Under Restricted Agency Investment Account arrangement	<u>1,241,607</u>	<u>1,241,607</u>
	<u>1,241,607</u>	<u>1,241,607</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****52 Capital adequacy (Continued)****31 December 2024 - Basel III (Continued)**

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

	The Group	The Bank*
	RM'000	RM'000
Common Equity Tier 1 capital		
Ordinary shares capital	24,539,214	24,539,214
Other reserves	29,936,796	16,680,691
Qualifying non-controlling interests	162,120	-
Less: Proposed dividends	(1,641,481)	(1,641,481)
Common Equity Tier 1 capital before regulatory adjustments	<u>52,996,649</u>	<u>39,578,424</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,945,365)	(3,555,075)
Intangible assets	(1,241,572)	(1,083,486)
Deferred tax assets	(1,367,399)	(949,509)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(6,058,685)
Regulatory reserve	(1,777,092)	(1,379,870)
Others	5,801	(6,018)
Common Equity Tier 1 capital after regulatory adjustments	<u>44,671,022</u>	<u>26,545,781</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,150,000	1,150,000
Qualifying capital instruments held by third parties	33,398	-
Additional Tier 1 capital before regulatory adjustments	<u>1,183,398</u>	<u>1,150,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(350,000)
Additional Tier 1 capital after regulatory adjustments	<u>1,183,398</u>	<u>800,000</u>
Total Tier 1 capital	<u>45,854,420</u>	<u>27,345,781</u>
Tier 2 capital		
Subordinated obligations	8,400,000	8,400,000
Qualifying capital instruments held by third parties	218,983	-
Surplus of eligible provisions over expected loss	1,074,626	707,665
General provision ^	816,883	377,087
Tier 2 capital before regulatory adjustments	<u>10,510,492</u>	<u>9,484,752</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,319,469)
Total Tier 2 capital	<u>10,510,492</u>	<u>7,165,283</u>
Total capital	<u>56,364,912</u>	<u>34,511,064</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

52 Capital adequacy (Continued)

31 December 2024 - Basel III (Continued)

(d) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows:

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	14.543%	16.327%	N/A	N/A
Tier 1 ratio	15.065%	16.327%	N/A	N/A
Total capital ratio	<u>17.749%</u>	<u>21.014%</u>	<u>18.766%</u>	<u>52.959%</u>

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

^ The total capital of the Group and the Bank has excluded general provision/portfolio impairment allowance on impaired loans restricted from Tier 2 capital of RM434 million (2024: RM433 million) and RM172 million (2024: RM226 million) respectively.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

53 Significant events during the financial year

(a) Full redemption of subordinated obligations

- (i) On 12 November 2025, the Bank redeemed its existing RM2.45 billion 10 years non-callable 5 years Tier 2 subordinated debt issued under RM10.0 billion Tier 2 subordinated debt programme on the first call date as disclosed in Note 33(a).
- (ii) On 3 December 2025, the Bank redeemed its existing RM550 million perpetual non-callable 5 years Additional Tier 1 Capital Securities issued under RM10.0 billion AT1 Capital Securities programme on the first call date as disclosed in Note 33(b).
- (iii) On 23 December 2025, the Bank redeemed its existing RM50 million 10 years non-callable 5 years Tier 2 subordinated debt issued under RM10.0 billion Tier 2 subordinated debt programme on the first call date as disclosed in Note 33(c).

(b) Issuance of bonds/Sukuk

- (i) On 25 March 2025, the Bank issued RM200 million senior medium term notes under its RM20.0 billion Senior Medium Term Note Programme as disclosed in Note 31(aa).
- (ii) On 25 March 2025, CIMB Islamic Bank issued RM500 million 10-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme as disclosed in Note 31(ab).
- (iii) On 8 August 2025, CIMB Islamic Bank issued RM200 million 2.25-year floating rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme as disclosed in Note 31(ac).
- (iv) On 27 October 2025, the Bank issued Renminbi 3.0 billion, 3-year bond in the China Inter-bank Bond Market as disclosed in Note 31(ad).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

53 Significant events during the financial year (Continued)

(c) Issuance of subordinated obligations

Issuance during the financial year are as follows:

- (i) On 12 August 2025, the Bank issued RM2,350 million 13-year non-callable 8-year Tier 2 Sukuk Wakalah to CIMB Group as disclosed in Note 33(o).
- (ii) On 12 August 2025, the Bank issued RM150 million 10-year non-callable 5-year Tier 2 Sukuk Wakalah to CIMB Group as disclosed in Note 33(p).
- (iii) On 3 December 2025, the Bank issued RM225 million 10 years non-callable 5 years Tier 2 Sukuk Wakalah to CIMB Group as disclosed in Note 33(q).
- (iv) On 3 December 2025, the Bank issued RM775 million 12 years non-callable 7 years Tier 2 Sukuk Wakalah to CIMB Group as disclosed in Note 33(r).
- (v) On 3 December 2025, the Bank issued RM550 million perpetual non-callable 5 years Additional Tier 1 Sukuk Wakalah to CIMB Group as disclosed in Note 33(s).

54 Significant event subsequent to the financial year

(a) 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 THB382 million with tenures ranges between 1 month to 2 years from respective issuance dates. It bears both fixed and variable interest rates, payable at respective maturity dates.

CIMB Thai had also redeemed various unsecured structured debentures amounting to THB804 million subsequent to the financial year.

(b) Issuance of RMB3 billion bond

On 9 February 2026, the Bank issued Renminbi 3.0 billion, 2-year bond in the China Inter-bank Bond Market. The bond bears a coupon rate of 1.98% per annum that will mature on 9 February 2028.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

55 Critical accounting estimates and judgements in applying accounting policies

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

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

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

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

Refer to Section 57.1 *Credit risk measurement* for details on the key judgements and assumptions of the estimation of expected credit loss allowance for financial assets at amortised cost and FVOCI.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

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

(b) Fair value of financial instruments

The majority of the Group's and the Bank'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 57.4.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

56 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.

(i) Business segment reporting

Definition of segments

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

Consumer Banking

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

Commercial Banking

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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

56 Segment reporting (Continued)

(i) Business segment reporting (Continued)

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 derivative unit which develops and issues new equity derivative 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.

The equities business/unit provides broking services to corporate, institutional and retail clients.

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

CIMB Digital Assets & Group Funding

CIMB Digital Assets comprises CIMB's portfolio of digital businesses and ventures, which includes CIMB's digital banking businesses in the Philippines and Vietnam. This segment focuses on value creation in these franchises through equity and non-equity partnerships, in addition to driving strategy, growth and overseeing the execution of these businesses. 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****56 Segment reporting (Continued)****(i) Business segment reporting (Continued)**

2025 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	3,938,639	549,458	1,606,368	2,281,175	8,375,640
- inter-segment	(340,250)	1,026,754	92,859	(779,363)	-
	<u>3,598,389</u>	<u>1,576,212</u>	<u>1,699,227</u>	<u>1,501,812</u>	<u>8,375,640</u>
Income from Islamic banking operations	1,687,373	1,129,820	655,241	688,981	4,161,415
Net non-interest income	<u>1,610,591</u>	<u>512,386</u>	<u>2,418,430</u>	<u>398,828</u>	<u>4,940,235</u>
	<u>6,896,353</u>	<u>3,218,418</u>	<u>4,772,898</u>	<u>2,589,621</u>	<u>17,477,290</u>
Overheads	(3,819,439)	(1,439,311)	(1,986,946)	(869,339)	(8,115,035)
of which:					
Depreciation of property, plant and equipment	(43,097)	(2,094)	(6,691)	(108,858)	(160,740)
Amortisation of intangible assets	<u>(103,615)</u>	<u>(12,274)</u>	<u>(65,256)</u>	<u>(219,848)</u>	<u>(400,993)</u>
	<u>3,076,914</u>	<u>1,779,107</u>	<u>2,785,952</u>	<u>1,720,282</u>	<u>9,362,255</u>
Profit before expected credit losses	3,076,914	1,779,107	2,785,952	1,720,282	9,362,255
Expected credit losses on loans, advances and financing (made)/written back	(785,978)	(178,548)	314,920	(559,212)	(1,208,818)
Expected credit losses written back/(made) on commitments and contingencies	1,252	(6,308)	94	3	(4,959)
Other expected credit losses and impairment allowances	<u>(14,226)</u>	<u>(1,781)</u>	<u>165,641</u>	<u>(25,588)</u>	<u>124,046</u>
	<u>2,277,962</u>	<u>1,592,470</u>	<u>3,266,607</u>	<u>1,135,485</u>	<u>8,272,524</u>
Segment results	2,277,962	1,592,470	3,266,607	1,135,485	8,272,524
Share of results of joint venture	5,565	-	-	-	5,565
Profit before taxation and zakat	<u>2,283,527</u>	<u>1,592,470</u>	<u>3,266,607</u>	<u>1,135,485</u>	<u>8,278,089</u>
Taxation and zakat					<u>(2,002,396)</u>
Net profit after taxation					<u><u>6,275,693</u></u>

2025 Group	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	221,250,630	57,487,696	281,233,963	104,705,707	664,677,996
Unallocated assets					<u>19,016,650</u>
Total assets					<u><u>683,694,646</u></u>
Segment liabilities	190,391,569	82,343,292	300,642,206	32,004,104	605,381,171
Unallocated liabilities					<u>21,377,996</u>
Total liabilities					<u><u>626,759,167</u></u>
Other segment items					
Capital expenditure	401,745	29,603	109,426	1,032,948	1,573,722
Investment in joint venture	<u>151,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,773</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****56 Segment reporting (Continued)****(i) Business segment reporting (Continued)**

2024 Group	Consumer	Commercial	Wholesale	CIMB Digital	Total
	Banking	Banking	Banking	Assets & Group	
	RM'000	RM'000	RM'000	Funding	RM'000
				RM'000	
Net interest income					
- external	3,674,971	477,412	1,980,991	2,162,320	8,295,694
- inter-segment	114,296	1,163,318	(581,288)	(696,326)	-
	<u>3,789,267</u>	<u>1,640,730</u>	<u>1,399,703</u>	<u>1,465,994</u>	<u>8,295,694</u>
Income from Islamic banking operations	1,606,317	1,062,170	570,430	567,285	3,806,202
Net non-interest income	<u>1,324,884</u>	<u>506,738</u>	<u>2,633,848</u>	<u>360,931</u>	<u>4,826,401</u>
	6,720,468	3,209,638	4,603,981	2,394,210	16,928,297
Overheads	<u>(3,816,199)</u>	<u>(1,380,061)</u>	<u>(1,981,499)</u>	<u>(600,998)</u>	<u>(7,778,757)</u>
of which:					
Depreciation of property, plant and equipment	(57,028)	(2,343)	(7,004)	(105,182)	(171,557)
Amortisation of intangible assets	<u>(123,608)</u>	<u>(12,544)</u>	<u>(67,872)</u>	<u>(196,111)</u>	<u>(400,135)</u>
Profit before expected credit losses	2,904,269	1,829,577	2,622,482	1,793,212	9,149,540
Expected credit losses on loans, advances and financing (made)/written back	(778,405)	20,223	19,217	(372,773)	(1,111,738)
Expected credit losses written back/(made) on commitments and contingencies	112,756	(10,843)	87,402	3	189,318
Other expected credit losses and impairment allowances	<u>(210,111)</u>	<u>(5,785)</u>	<u>(70,429)</u>	<u>(61,665)</u>	<u>(347,990)</u>
Segment results	2,028,509	1,833,172	2,658,672	1,358,777	7,879,130
Share of results of joint venture	<u>(6,103)</u>	-	-	-	<u>(6,103)</u>
Profit before taxation and zakat	2,022,406	1,833,172	2,658,672	1,358,777	7,873,027
Taxation and zakat					<u>(1,797,154)</u>
Net profit after taxation					<u>6,075,873</u>

2024 Group	Consumer	Commercial	Wholesale	CIMB Digital	Total
	Banking	Banking	Banking	Assets & Group	
	RM'000	RM'000	RM'000	Funding	RM'000
				RM'000	
Segment assets	213,822,663	57,825,663	266,480,139	94,175,933	632,304,398
Unallocated assets					17,197,773
Total assets					<u>649,502,171</u>
Segment liabilities	189,007,976	80,026,323	282,793,313	25,039,548	576,867,160
Unallocated liabilities					17,613,418
Total liabilities					<u>594,480,578</u>
Other segment items					
Capital expenditure	198,629	16,813	89,639	308,293	613,374
Investment in joint venture	<u>146,208</u>	-	-	-	<u>146,208</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****56 Segment reporting (Continued)****(i) Business segment reporting (Continued)***Basis of pricing for inter-segment transfers:*

Intersegmental charges are computed on the interest-bearing assets and liabilities of each business segment with rates applied based on the interest yield curve according to the term structure of maturity.

(ii) Geographic segment reporting

The Group operates in two main geographical areas:

- Malaysia, the home country of the Group, which includes all the areas of operations in the business segments.
- Overseas operations, which include branch and subsidiary operations in Thailand, Cambodia, Singapore, United Kingdom, Hong Kong, Shanghai, Philippines and Vietnam. The overseas operations are involved mainly in corporate lending and borrowing activities. With the exception of Malaysia, Singapore and Thailand, no other individual country contributed more than 10% of the net interest income or of total assets.

	2025			
	Net interest income RM'000	Total non-current assets RM'000	Total assets RM'000	Total liabilities RM'000
The Group				
Malaysia	5,145,761	6,825,212	472,640,727	434,524,895
Thailand	1,131,256	288,377	69,156,351	62,517,301
Singapore	975,853	269,486	103,592,088	96,431,841
Overseas operations	1,122,770	229,175	38,305,480	33,285,130
	8,375,640	7,612,250	683,694,646	626,759,167

	2024			
	Net interest income RM'000	Total non-current assets RM'000	Total assets RM'000	Total liabilities RM'000
The Group				
Malaysia	4,906,512	5,924,742	458,497,139	415,543,183
Thailand	1,332,333	308,102	66,407,411	59,843,820
Singapore	1,133,929	255,602	102,792,045	96,586,965
Overseas operations	922,920	229,719	21,805,576	22,506,610
	8,295,694	6,718,165	649,502,171	594,480,578

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 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 scenario analysis, credit evaluations, new product assessments and quantification of capital requirements and risk return analysis/simulations. These inputs enable the business units to assess the risk-vs-reward of their propositions.

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

The Group employs a Group 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:



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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

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

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

The key features of the Group’s EWRM framework include:

(i) Risk Culture

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

(ii) Governance & Organisation

A strong governance structure is important to ensure an effective and consistent implementation of the Group EWRM framework. The Board is ultimately responsible for the Group’s strategic 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 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

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

(iv) Risk Management Process (Continued)

- **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. Corrective actions are taken to mitigate risks. 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.

(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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

(c) Risk Governance

At the apex of the governance structure are the Boards of the respective entities within the Group, which determine each entity's risk appetite in alignment with its business strategies. The Board Risk & Compliance Committee ("BRCC") reports directly to the respective Boards and is responsible for the supervision of risk management and control activities on behalf of the respective Boards. The BRCC determines the relevant entity's risk strategies and policies, ensuring they align with the principles within the risk appetite. The BRCC also oversees the implementation of the Group EWRM framework, provides strategic guidance and reviews the decisions of the Group Risk & Compliance Committee ("GRCC").

To facilitate the effective implementation of the Group EWRM framework, the BRCC has established various delegated/sub-risk committees within the Group, each with distinct lines of responsibilities and functions.

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 ("GCC"), Group Market and Conduct Risk Committee ("GMCRC"), 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/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/profit rates;

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

- (v) 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;
- (vi) 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;
- (vii) Financial Crime Risk, defined as the risk that typically arises from illicit activities including money laundering, fraud, corruption, organised crime, smuggling, drug trafficking, terrorism financing and proliferation financing. It carries potential regulatory and legal consequences, and may result in regulatory actions, financial losses, and serious reputational damage, which in turn threatens the integrity of the financial system and undermines stakeholder trust;
- (viii) Data management risk, defined as the risk of failing to appropriately manage and maintain data (including customer data, employee data, and the Group's proprietary data), and non-compliance with relevant data regulations;
- (ix) Conduct risk, defined as the risk of failing to have behaviours and practices that deliver suitable, fair and clear outcomes for the Group's employee, and customers while maintaining market integrity;
- (x) Tax and regulatory reporting risk, defined as the risk of failing to meet statutory reporting and tax payments/ filing requirements;
- (xi) Enterprise-wide risk, defined as the risk that arises from events which may affect achieving objectives due to changing risk profiles as dictated by changes in business strategies, operating and regulatory environment, and functional activities;
- (xii) Strategic risk, defined as the risk of current and/ or prospective impact on the Group's earnings, reputation or position arising from changes in the environment that the Group operates in and from adverse strategic decisions, improper implementation of strategic initiatives, new business lines or markets or the lack of responsiveness to industry, economic or technological changes;
- (xiii) Business risk, defined as the probability of loss inherent in the Group's operations and environment that may impair its ability to provide expected returns on investments;

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

- (xiv) Investment performance risk, defined as the risk that the return achieved on an investment will be different from that expected or its intended financial objective, and the size of the difference. This includes the possibility of losing some or all of the original investment;
- (xv) Geopolitical risk, defined as the risk that an investment's returns could suffer as a result of political changes or instability in a country, or at the regional and/ or global level. Instability affecting investment returns could stem from, but are not limited to, the following: a change in government, legal and political institutions, tensions between countries affecting the global and regional political and economic environment, and military conflict;
- (xvi) 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;
- (xvii) 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;
- (xviii) 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 CIMB Islamic Bank or other Shariah regulatory authorities of the jurisdictions where the Group operates;
- (xix) 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
- (xx) Sustainability risk, defined as the risk of financial and non-financial impact arising from environmental, social and economic/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.

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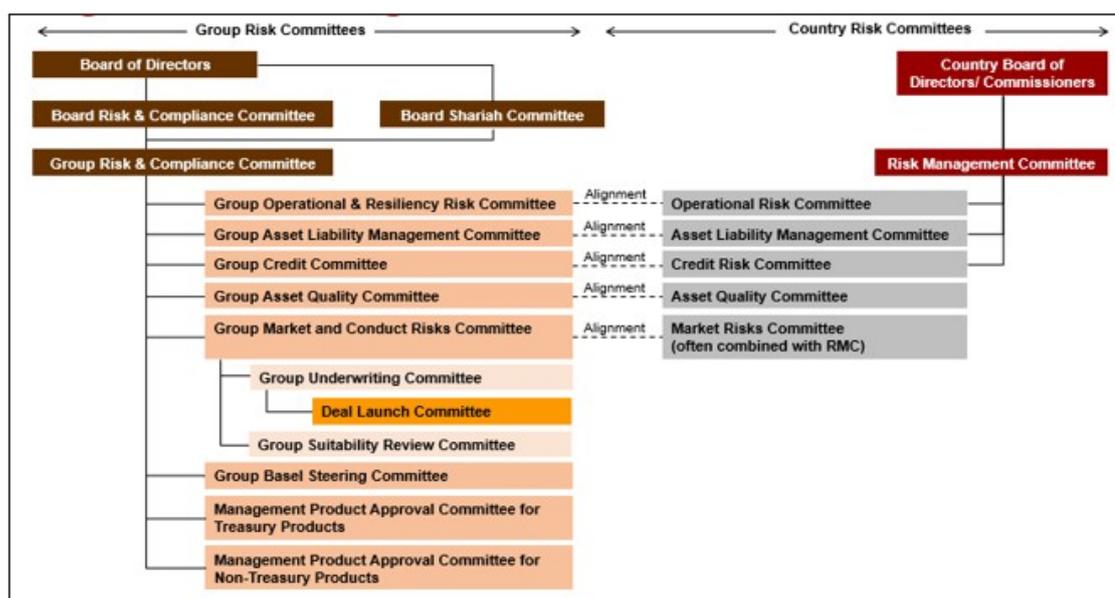
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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The structure of CIMB Group Risk Committees is depicted as follows:



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, the 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 allowing the Board to have comprehensive view of the activities within the Group.

In addition to the CIMB Group Risk Committees, the Group has established a Board Group Sustainability Committee ("BGSC") consisting of Independent Directors to assist the Board in fulfilling its responsibilities to review and guide the Group's sustainability strategy, frameworks, policies and group-wide targets and to monitor progress against the Group's climate transition plan. 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 BGSC, selected business enablers 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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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 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 risk and control management 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 and within the agreed risk limits / appetite. There is an embedded Risk Control Unit ("RCU") within the first line-of-defence, which provides independent advice, support, and assurance for risk & compliance related matters within the Business Pillars and Enablers (the first line-of-defence), integrating business, risk & compliance knowledge. 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 risk appetite and is in compliance with regulations. The third line-of-defence is the Group Corporate Assurance Division who provides independent assurance of the adequacy and effectiveness of the governance, 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 GRD, a function independent of business units that assists the Group's management and stakeholders in the monitoring and controlling of risk exposures within the Board-approved risk appetite statement.

GRD 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 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 up of two major components, namely the CRO and the Risk Centres of Excellence (“CoE”):

(a) CRO

- The Group 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.

(b) 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 across various geographies. The Risk CoEs consist of Asset Liability Management, Credit Risk, Market Risk, Non-Financial Risk Management (comprising Operational Risk, Business Continuity, Technology Risk, Third Party Risk and Fraud Risk Management), Shariah Risk Management and Enterprise Risk and Infrastructure CoEs.

(i) 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

(c) Risk Governance (continued)

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

(b) Risk Centres of Excellence (Continued)

(i) Enterprise Risk And Infrastructure CoE (Continued)

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.

(ii) 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.

(iii) 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 of Operational, Technology, Third Party, Business Continuity and Fraud risks) effectively by providing frameworks that enable them to identify, assess, manage and report their non-financial risks. The NFRM CoE provides independent feedback, advisory and assessment to the execution of the non-financial risk frameworks by the first line-of-defence.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

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

(b) Risk Centres of Excellence (Continued)

(iv) 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.

(v) 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.

(vi) 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 includes 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).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

Strategies and Processes for Various Risk Management

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

57.1 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Management (Continued)

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 global counterparty limits, are approaches adopted to address concentration risk relating to any large sector or industry, or to a particular counterparty group or individual and country. To align with tightening climate-related regulatory expectations and support the Group's 2050 Net Zero commitment by 2050, a Sustainability Overlay - currently based on sector sensitivities to transition risks using the Transition Risk Heatmap developed by the United Nations Environment Programme Finance Initiative (UNEP-FI) was incorporated into Group Risk's Country Sector Limit Methodology since 2022. The Sustainability Overlay is reviewed and refreshed annually by Group Sustainability and/or the climate risk unit, integrating emerging insights, including those from climate risk stress testing exercises. In order to ensure sustainability considerations are accounted for in the early stages of business planning, an Overall Sustainability Rating has been applied alongside other risk factors as part of the Risk Posture setting since 2022, and annually updated, to set the 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 Division, which aggregates 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 Division.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

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 the financing activities may have an impact on the environment and society and such impact may in turn result in potential financial and reputational risks to the Group. The sustainable financing approach integrates environmental, social and economic/ethical considerations, into the 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).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Mitigation (Continued)

(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 the 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 MFRS9'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).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

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

(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 and 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.

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 regularised within the stipulated period (applicable to option premium financing only).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

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

The Group has not used the low credit risk exemption for any financial instruments for the year ended 31 December 2025 and 31 December 2024. 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 classified 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, such as bankruptcy, appointment of Independent Financial Advisor, 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 Group Asset Quality Committee (“GAQC”).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

(ii) Definition of credit impaired (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.

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 Group Asset Quality Committee 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).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

(iii) Definition of default (Continued)

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.

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

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

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 application 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.

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

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

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.

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

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

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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

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

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

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

The key economic variables used for the ECL sensitivity assessment:

	Changes (+/- bps) 2025	Changes (+/- bps) 2024
GDP growth	75	75
Equity market index & Share Price Index	300	300
Housing Price Index ("HPI")	75	75
Overnight policy rate ("OPR")	25 - 50	25
Exchange Rate	30	25
Interbank rate	10	25
Crude oil price	400	150
Consumer Price Index, CPI*	-	50
Export*	-	50
Leading indicator*	50	50
Private consumption	50	50
Labour Rate*	50	50
Household debt*	50	50
Unemployment rate*	50	-

* applicable for the Group only

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****Credit Risk Measurement (Continued)**

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

	The Group			
	Made/(writeback)		Made/(writeback)	
	RM'000	RM'000	RM'000	RM'000
	2025		2024	
	+	-	+	-
Impact on expected credit losses	<u>(54,519)</u>	<u>65,722</u>	<u>36,431</u>	<u>1,991</u>

	The Bank			
	Made/(writeback)		Made/(writeback)	
	RM'000	RM'000	RM'000	RM'000
	2025		2024	
	+	-	+	-
Impact on expected credit losses	<u>(31,714)</u>	<u>36,632</u>	<u>51,948</u>	<u>(24,718)</u>

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 Modelling team.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

Credit Risk Measurement (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 and the Bank may write-off loan or debt instruments that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off for the Group and the Bank during the year ended 31 December 2025 were RM2,133 million and RM1,325 million respectively (2024: RM1,907 million and RM1,325 million respectively).

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 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 monitors the subsequent performance of modified assets. The Group 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

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 Credit Support Annexes, International Swaps and Derivatives Association Agreement (“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 CSA and exposure as at 31 December 2025 and 31 December 2024, 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.1 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 Bank 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 and the Bank are subject to Credit Risk except for cash in hands, equity instruments in financial investments at fair value through profit or loss, equity instruments at fair value through other comprehensive income, statutory deposits with central banks as well as non-financial assets.

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial guarantees	7,327,354	7,428,134	5,178,349	5,699,131
Credit related commitments and contingencies	147,336,087	166,772,415	112,612,721	130,040,686
	154,663,441	174,200,549	117,791,070	135,739,817

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 and the Bank is 67.1% (2024: 67.5%) and 64.0% (2024: 64.7%) respectively while the financial effect of collateral for derivatives for the Group and the Bank is 96.0% (2024: 83.9%) and 76.1% (2024: 65.7%) respectively. 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 2025 for the Group and the Bank is 84.2% (2024: 81.9%) and 81.3% (2024: 70.8%) respectively.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.2 Offsetting financial assets and financial liabilities

(a) Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements – by type

	The Group						The Bank					
				Related amounts not offsetted in the statement of financial position						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 RM'000	Net amount RM'000	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 RM'000	Net amount RM'000
2025												
Financial assets												
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	13,956,044	-	13,956,044	(1,963,643)	(11,750,549)	241,852	11,869,483	-	11,869,483	(1,706,582)	(9,933,237)	229,664
Derivatives	15,090,158	-	15,090,158	(9,373,195)	(3,032,076)	2,684,887	7,458,358	-	7,458,358	(4,140,136)	(1,217,052)	2,101,170
Share margin financing	34,019	-	34,019	-	(33,038)	981	34,019	-	34,019	-	(33,038)	981
Total	29,080,221	-	29,080,221	(11,336,838)	(14,815,663)	2,927,720	19,361,860	-	19,361,860	(5,846,718)	(11,183,327)	2,331,815
2024												
Financial assets												
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	10,433,820	-	10,433,820	(3,914,501)	(6,278,987)	240,332	8,574,863	-	8,574,863	(3,914,501)	(4,566,221)	94,141
Derivatives	14,703,828	-	14,703,828	(9,460,040)	(1,929,977)	3,313,811	7,591,511	-	7,591,511	(4,374,961)	(527,332)	2,689,218
Share margin financing	22,637	-	22,637	-	(21,593)	1,044	22,637	-	22,637	-	(21,593)	1,044
Total	25,160,285	-	25,160,285	(13,374,541)	(8,230,557)	3,555,187	16,189,011	-	16,189,011	(8,289,462)	(5,115,146)	2,784,403

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.2 Offsetting financial assets and financial liabilities (Continued)

(b) Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements – by type

	The Group						The Bank					
				Related amounts not offsetted in the statement of financial position						Related amounts not offsetted in the statement of financial position		
	Gross amounts of recognised financial liabilities in the statement of financial position	Gross amounts of offsetted financial assets in the statement of financial position	Net amounts of financial liabilities in the statement of financial position	Financial instruments	Financial collateral	Net amount	Gross amounts of recognised financial liabilities in the statement of financial position	Gross amounts of offsetted financial assets in the statement of financial position	Net amounts of financial liabilities in the statement of financial position	Financial instruments	Financial collateral	Net amount
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
2025												
<u>Financial liabilities</u>												
Repurchase agreements/												
Collateralised Commodity Murabahah	39,960,394	-	39,960,394	(39,551,420)	-	408,974	30,424,736	-	30,424,736	(30,266,219)	-	158,517
Derivatives	15,555,718	-	15,555,718	(9,281,840)	(2,426,184)	3,847,694	7,677,625	-	7,677,625	(4,146,344)	(1,203,946)	2,327,335
Amount due to brokers	23,878	(9,442)	14,436	-	-	14,436	23,878	(9,442)	14,436	-	-	14,436
Total	55,539,990	(9,442)	55,530,548	(48,833,260)	(2,426,184)	4,271,104	38,126,239	(9,442)	38,116,797	(34,412,563)	(1,203,946)	2,500,288
2024												
<u>Financial liabilities</u>												
Repurchase agreements/												
Collateralised Commodity Murabahah	44,093,953	-	44,093,953	(43,880,722)	-	213,231	34,489,619	-	34,489,619	(34,449,828)	-	39,791
Derivatives	14,182,348	-	14,182,348	(9,434,872)	(1,797,453)	2,950,023	7,019,986	-	7,019,986	(4,376,754)	(666,182)	1,977,050
Amount due to brokers	52,026	(28,440)	23,586	-	-	23,586	52,026	(28,440)	23,586	-	-	23,586
Total	58,328,327	(28,440)	58,299,887	(53,315,594)	(1,797,453)	3,186,840	41,561,631	(28,440)	41,533,191	(38,826,582)	(666,182)	2,040,427

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.3 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 as at 31 December 2025 and 31 December 2024 are as follows:

The Group 2025	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	10,520,881	18,184	48,202	1,983,280	859,292	2,292,507	667,173	230,968	3,236,936	19,857,423
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	6,690,409	3,711	405,513	1,425,060	1,938,294	107,069	675,090	7,955	2,702,943	13,956,044
Deposits and placements with banks and other financial institutions	2,664,180	-	-	746,244	-	-	405,565	122,416	266,765	4,205,170
Financial investments at fair value through profit or loss	24,130,638	1,054,316	9,064,188	13,238,503	749,708	647,248	45,506	288,660	5,679,184	54,897,951
Debt instruments at fair value through other comprehensive income	43,872,413	1,543,492	10,922,962	3,876,846	1,805,584	1,372,950	1,288,141	1,002,086	6,441,135	72,125,609
Debt instruments at amortised cost	56,695,680	438,805	4,792,408	14,402,199	32,982	347,710	60,562	-	860,526	77,630,872
Derivative financial instruments	3,381,706	7,782	6,941,883	1,232,092	12,098	2,522,149	124,544	40,482	827,422	15,090,158
Loans, advances and financing	281,691,027	2,705,401	30,336,363	46,449,341	441,136	3,745,329	1,778,151	4,893,363	15,464,037	387,504,148
Other assets	1,883,308	114,429	3,980,544	1,394,306	493,195	1,365,699	225,196	4,317	319,304	9,780,298
Amounts due from holding company and ultimate holding company	6,295	-	-	-	-	-	-	-	-	6,295
Amounts due from related companies	5,311,260	23	1,889	-	51	-	-	-	-	5,313,223
Financial guarantees	3,242,906	185,547	1,076	1,925,280	-	-	36,122	218,919	1,717,504	7,327,354
Credit related commitments and contingencies	113,905,495	497,145	4,249,497	15,438,143	9,522	2,553,882	1,679,502	3,998,143	5,004,758	147,336,087
Total credit exposures	553,996,198	6,568,835	70,744,525	102,111,294	6,341,862	14,954,543	6,985,552	10,807,309	42,520,514	815,030,632

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.3 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 as at 31 December 2025 and 31 December 2024 are as follows: (Continued)

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	11,560,195	26,662	48,806	3,190,182	1,260,197	1,305,496	800,659	663,743	3,434,897	22,290,837
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	5,991,794	2,914	124,352	2,440,459	27,299	87,680	448,454	10,637	1,300,231	10,433,820
Deposits and placements with banks and other financial institutions	961,336	-	-	2,157,754	-	-	326,651	142,269	909,323	4,497,333
Financial investments at fair value through profit or loss	21,775,572	656,982	8,203,479	8,416,601	265,315	473,577	86,232	211,013	3,068,220	43,156,991
Debt instruments at fair value through other comprehensive income	40,394,386	2,112,017	9,363,415	2,590,100	526,291	852,564	1,527,310	817,567	4,696,592	62,880,242
Debt instruments at amortised cost	54,010,581	608,545	4,964,039	13,750,948	-	223,214	80,183	185,796	461,481	74,284,787
Derivative financial instruments	2,841,136	7,515	5,644,445	865,408	3,588	3,563,859	272,812	73,026	1,432,039	14,703,828
Loans, advances and financing	269,219,243	2,689,625	33,933,398	47,064,026	568,951	6,542,336	2,083,531	4,649,267	13,325,119	380,075,496
Other assets	1,568,202	106,649	1,757,899	1,286,917	633,081	962,774	96,160	3,687	1,680,140	8,095,509
Amounts due from holding company and ultimate holding company	7,237	-	-	-	-	-	-	-	-	7,237
Amounts due from related companies	4,705,013	25	2,474	-	31	-	-	-	-	4,707,543
Financial guarantees	3,020,059	17,400	2,838	2,931,988	-	-	-	104,686	1,351,163	7,428,134
Credit related commitments and contingencies	129,360,995	645,902	3,875,388	14,353,650	225,524	655,536	2,283,916	4,074,023	11,297,481	166,772,415
Total credit exposures	545,415,749	6,874,236	67,920,533	99,048,033	3,510,277	14,667,036	8,005,908	10,935,714	42,956,686	799,334,172

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.3 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 as at 31 December 2025 and 31 December 2024 as follows: (Continued)

The Bank 2025	Malaysia	Indonesia	Thailand	Singapore	United	United	Hong Kong	China	Others	Total
	RM'000	RM'000	RM'000	RM'000	States RM'000	Kingdom RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	5,373,746	16,614	23,799	1,489,497	775,228	2,250,575	667,042	230,878	1,872,665	12,700,044
Reverse repurchase agreements	5,009,361	3,711	-	1,425,060	1,938,294	107,069	675,090	7,955	2,702,943	11,869,483
Deposits and placements with banks and other financial institutions	3,252,232	-	-	571,220	-	-	405,565	122,416	-	4,351,433
Investment account placement	2,800,834	-	-	-	-	-	-	-	-	2,800,834
Financial investments at fair value through profit or loss	20,335,269	1,054,316	51,559	13,238,503	749,708	647,248	45,506	288,660	5,679,184	42,089,953
Debt instruments at fair value through other comprehensive income	31,593,527	1,543,492	769,420	3,876,846	1,805,584	1,372,950	1,288,141	1,002,086	6,441,135	49,693,181
Debt instruments at amortised cost	43,573,401	438,805	801,843	14,402,199	32,982	347,710	60,562	-	936,900	60,594,402
Derivative financial instruments	3,492,671	7,782	354,498	1,128,684	10,996	1,748,035	122,915	40,482	552,295	7,458,358
Loans, advances and financing	137,824,475	2,705,401	901,191	46,449,341	441,136	3,745,329	1,778,151	4,893,363	10,001,855	208,740,242
Other assets	2,714,326	114,429	80,452	1,328,496	492,910	1,131,274	189,277	3,458	255,520	6,310,142
Amounts due from holding company and ultimate holding company	6,295	-	-	-	-	-	-	-	-	6,295
Amounts due from subsidiaries	2,503	-	205	-	-	-	-	-	2,041	4,749
Amounts due from related companies	5,308,069	-	-	-	51	-	-	-	-	5,308,120
Financial guarantees	2,621,528	185,547	153	1,925,280	-	-	36,122	218,919	190,800	5,178,349
Credit related commitments and contingencies	85,087,665	496,111	23,949	15,342,184	9,522	2,553,882	1,677,403	3,997,533	3,424,472	112,612,721
Total credit exposures	348,995,902	6,566,208	3,007,069	101,177,310	6,256,411	13,904,072	6,945,774	10,805,750	32,059,810	529,718,306

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.3 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 as at 31 December 2025 and 31 December 2024 are as follows: (Continued)

The Bank 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	5,289,862	23,954	26,722	2,632,288	1,179,371	1,260,215	777,919	663,148	2,332,819	14,186,298
Reverse repurchase agreements	4,257,189	2,914	-	2,440,459	27,299	87,680	448,454	10,637	1,300,231	8,574,863
Deposits and placements with banks and other financial institutions	2,217,352	-	-	1,928,817	-	-	326,651	142,269	430,077	5,045,166
Investment account placement	2,927,281	-	-	-	-	-	-	-	-	2,927,281
Financial investments at fair value through profit or loss	16,216,719	656,982	41,106	8,416,601	265,315	473,577	86,232	211,013	3,068,220	29,435,765
Debt instruments at fair value through other comprehensive income	33,160,888	2,112,017	400,799	2,590,100	526,291	852,564	1,527,310	817,567	4,696,592	46,684,128
Debt instruments at amortised cost	40,924,701	608,545	751,846	13,750,948	-	223,214	80,183	185,796	536,171	57,061,404
Derivative financial instruments	2,928,278	7,515	125,304	749,936	-	2,561,826	265,972	73,026	879,654	7,591,511
Loans, advances and financing	137,478,614	2,689,625	1,377,028	47,064,026	568,951	6,542,336	2,083,531	4,649,267	8,063,305	210,516,683
Other assets	1,501,692	106,649	90,865	1,245,495	532,128	809,406	11,263	3,687	1,648,777	5,949,962
Amounts due from holding company and ultimate holding company	7,227	-	-	-	-	-	-	-	-	7,227
Amounts due from subsidiaries	10,828	-	96	-	-	-	-	-	454	11,378
Amounts due from related companies	4,702,349	-	-	-	31	-	-	-	-	4,702,380
Financial guarantees	2,521,418	17,400	-	2,931,988	-	-	-	104,686	123,639	5,699,131
Credit related commitments and contingencies	97,738,498	645,798	175,523	14,285,831	225,524	654,794	2,283,055	4,072,467	9,959,196	130,040,686
Total credit exposures	351,882,896	6,871,399	2,989,289	98,036,489	3,324,910	13,465,612	7,890,570	10,933,563	33,039,135	528,433,863

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.3 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 items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows:

The Group
2025

	Cash and short term funds RM'000	Reverse repurchase agreements/ Reverse 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 financial assets * RM'000	Total RM'000
Primary agriculture	-	-	-	106,697	510,106	49,977	6,468	4,687,956	-	5,361,204
Mining and quarrying	-	-	-	105,842	827,566	101,987	58,584	1,759,302	-	2,853,281
Manufacturing	-	-	-	228,119	644,686	75,519	139,772	16,607,281	-	17,695,377
Electricity, gas and water supply	-	-	-	1,104,140	5,191,535	1,859,224	199,759	9,024,220	-	17,378,878
Construction	-	-	-	1,704,112	1,439,490	1,560,616	43,272	12,041,886	-	16,789,376
Transport, storage and communications	-	-	-	289,537	2,906,915	3,281,192	120,103	8,901,044	436	15,499,227
Education, health and others	-	-	-	-	-	-	909	18,702,297	-	18,703,206
Wholesale and retail trade, and restaurants and hotels	-	-	-	5,683	185,274	-	33,878	26,219,464	-	26,444,299
Finance, insurance/takaful, real estate and business activities	19,706,709	12,815,247	4,205,170	16,439,137	27,698,997	20,678,493	14,212,875	60,311,688	12,362,573	188,430,889
<i>Others</i>	-	-	-	-	-	-	973	223,463,356	-	223,464,329
Household	-	-	-	-	-	-	-	-	-	-
Others	150,714	1,140,797	-	34,914,684	32,721,040	50,023,864	273,565	5,785,654	2,736,807	127,747,125
	19,857,423	13,956,044	4,205,170	54,897,951	72,125,609	77,630,872	15,090,158	387,504,148	15,099,816	660,367,191

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.3 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 items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows: (Continued)

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 financial assets * RM'000	Total RM'000
Primary agriculture	-	-	-	-	294,042	55,075	1,398	7,752,521	-	8,103,036
Mining and quarrying	-	-	-	80,587	716,210	904,072	41,824	2,636,855	-	4,379,548
Manufacturing	-	-	-	142,994	753,513	48,220	102,459	17,750,824	-	18,798,010
Electricity, gas and water supply	-	-	-	921,704	4,901,445	1,997,024	99,651	6,663,177	26,687	14,609,688
Construction	-	-	-	1,244,561	1,201,326	1,614,821	8,390	11,095,728	17	15,164,843
Transport, storage and communications	-	-	-	371,147	3,495,062	3,418,595	43,603	8,753,571	64	16,082,042
Education, health and others	-	-	-	-	-	-	740	18,799,125	-	18,799,865
Wholesale and retail trade, and restaurants and hotels	-	-	-	36,833	335,813	-	4,774	29,318,351	1,327	29,697,098
Finance, insurance/takaful, real estate and business activities	22,290,837	9,191,478	4,497,333	17,229,825	22,545,666	22,373,020	14,075,877	56,644,044	11,137,095	179,985,175
<i>Others</i>										
Household	-	-	-	-	-	-	244	215,642,220	-	215,642,464
Others	-	1,242,342	-	23,129,340	28,637,165	43,873,960	324,868	5,019,080	1,645,099	103,871,854
	22,290,837	10,433,820	4,497,333	43,156,991	62,880,242	74,284,787	14,703,828	380,075,496	12,810,289	625,133,623

* Other financial assets include amount due from holding company and ultimate holding company, amount due from related companies and other financial assets

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.3 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 items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows: (Continued)

The Bank
2025

	Cash and short term funds	Reverse repurchase agreements	Deposits and placements with banks and other financial institutions	Investment account placement	Financial investments at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Derivative financial instruments	Loans, advances and financing	Other financial assets *	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	-	106,697	286,479	29,789	6,463	2,754,293	-	3,183,721
Mining and quarrying	-	-	-	-	75,107	706,271	101,987	37,189	1,650,007	-	2,570,561
Manufacturing	-	-	-	-	20,438	401,931	75,519	53,076	8,549,133	-	9,100,097
Electricity, gas and water supply	-	-	-	-	872,720	4,313,281	1,204,854	58,895	4,769,631	-	11,219,381
Construction	-	-	-	-	1,077,099	770,033	907,407	43,027	6,859,683	-	9,657,249
Transport, storage and communications	-	-	-	-	262,742	1,782,143	2,104,222	114,702	4,295,746	-	8,559,555
Education, health and others	-	-	-	-	-	-	-	-	14,202,137	-	14,202,137
Wholesale and retail trade, and restaurants and hotels	-	-	-	-	-	28,028	-	5,192	13,615,084	-	13,648,304
Finance, insurance/takaful, real estate and business activities	12,549,330	10,728,686	4,351,433	2,800,834	13,899,760	21,773,004	19,231,888	6,899,031	42,467,017	9,855,059	144,556,042
<u>Others</u>	-	-	-	-	-	-	-	-	103,906,987	-	103,906,987
Household	150,714	1,140,797	-	-	25,775,390	19,632,011	36,938,736	240,783	5,670,524	1,774,247	91,323,202
Others	-	-	-	-	-	-	-	-	-	-	-
	12,700,044	11,869,483	4,351,433	2,800,834	42,089,953	49,693,181	60,594,402	7,458,358	208,740,242	11,629,306	411,927,236

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.3 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 items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows: (Continued)

The Bank
2024

	Cash and short term funds RM'000	Reverse repurchase agreements RM'000	Deposits and placements with banks and other financial institutions RM'000	Investment account placement 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 financial assets [*] RM'000	Total RM'000
Primary agriculture	-	-	-	-	-	223,841	29,726	1,398	4,180,078	-	4,435,043
Mining and quarrying	-	-	-	-	67,856	588,787	269,220	35,802	2,172,245	-	3,133,910
Manufacturing	-	-	-	-	2,109	513,308	48,220	23,586	9,897,698	-	10,484,921
Electricity, gas and water supply	-	-	-	-	625,717	4,095,625	1,282,318	4,859	4,223,179	-	10,231,698
Construction	-	-	-	-	379,427	841,788	961,625	8,365	6,740,942	-	8,932,147
Transport, storage and communications	-	-	-	-	353,735	2,280,786	1,942,505	39,548	4,579,717	21	9,196,312
Education, health and others	-	-	-	-	-	-	-	-	15,315,966	-	15,315,966
Wholesale and retail trade, and restaurants and hotels	-	-	-	-	-	219,556	-	201	16,354,746	-	16,574,503
Finance, insurance/takaful, real estate and business activities	14,186,298	7,449,785	5,045,166	2,927,281	12,834,454	18,909,156	19,951,922	7,383,278	40,999,402	9,618,925	139,305,667
<i>Others</i>											
Household	-	-	-	-	-	-	-	-	101,286,356	-	101,286,356
Others	-	1,125,078	-	-	15,172,467	19,011,281	32,575,868	94,474	4,766,354	1,052,001	73,797,523
	14,186,298	8,574,863	5,045,166	2,927,281	29,435,765	46,684,128	57,061,404	7,591,511	210,516,683	10,670,947	392,694,046

* Other financial assets include amount due from holding company and ultimate holding company, amount due from subsidiaries, amount due from related companies and other financial asset

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.3 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 financial guarantees and credit related commitments and contingencies, based on the industry sectors are as follows:

	The Group			
	2025		2024	
	Financial guarantees RM'000	Credit related commitments and contingencies RM'000	Financial guarantees RM'000	Credit related commitments and contingencies RM'000
Primary agriculture	31,304	2,892,644	44,334	2,177,034
Mining and quarrying	82,815	5,102,870	106,109	5,009,441
Manufacturing	879,434	11,389,275	695,656	12,277,389
Electricity, gas and water supply	450,779	5,092,760	485,738	8,640,722
Construction	906,405	13,910,355	626,752	11,898,049
Transport, storage and communications	164,275	5,304,325	316,843	5,208,663
Education, health and others	79,865	6,143,605	71,733	7,157,396
Wholesale and retail trade, and restaurants and hotels	3,722,599	15,001,996	4,199,265	14,487,345
Finance, insurance/takaful, real estate and business activities	829,378	28,326,979	720,829	47,836,780
<u>Others</u>				
Household	112,124	51,979,388	124,262	50,699,716
Others	68,376	2,191,890	36,613	1,379,880
	7,327,354	147,336,087	7,428,134	166,772,415

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.3 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 financial guarantees and credit related commitments and contingencies, based on the industry sectors are as follows: (Continued)

	The Bank			
	2025		2024	
	Financial guarantees RM'000	Credit related commitments and contingencies RM'000	Financial guarantees RM'000	Credit related commitments and contingencies RM'000
Primary agriculture	28,530	944,857	40,311	1,185,166
Mining and quarrying	66,820	4,795,317	96,515	4,749,175
Manufacturing	675,928	8,569,134	539,962	9,175,017
Electricity, gas and water supply	415,090	3,056,593	462,203	4,609,140
Construction	598,720	9,371,700	361,662	7,101,326
Transport, storage and communications	143,318	3,888,609	299,210	3,233,940
Education, health and others	74,697	5,734,339	58,531	6,240,255
Wholesale and retail trade, and restaurants and hotels	2,280,297	10,054,041	3,010,189	10,189,665
Finance, insurance/takaful, real estate and business activities	789,548	22,036,633	693,899	41,929,562
<u>Others</u>				
Household	89,307	42,072,898	103,949	40,328,756
Others	16,094	2,088,600	32,700	1,298,684
	5,178,349	112,612,721	5,699,131	130,040,686

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.4 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 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

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/reverse Collateralised Commodity Murabahah at amortised cost, debt instruments at fair value through other comprehensive income ("FVOCI"), debt instruments at amortised cost, amount due from intercompany balances and other assets.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.4 Credit quality of financial assets (Continued)

(a) Financial assets using General 3-stage approach (Continued)

Credit quality description can be summarised as follows:

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

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

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

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

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

Impaired – Refers to the asset that is being impaired.

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised.

The Group 2025	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 fund and deposits and placement with banks and other financial institutions					
Sovereign	1,205,489	-	-	-	1,205,489
Investment grade	12,685,578	-	-	-	12,685,578
Non-investment grade	2,046	-	-	-	2,046
No rating	10,170,937	-	-	-	10,170,937
Gross carrying amount	24,064,050	-	-	-	24,064,050
Total ECL	(1,457)	-	-	-	(1,457)
Net carrying amount	24,062,593	-	-	-	24,062,593
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah, at amortised cost					
Sovereign	4,825,665	-	-	-	4,825,665
Investment grade	1,443,857	-	-	-	1,443,857
No rating	7,686,522	-	-	-	7,686,522
Gross carrying amount	13,956,044	-	-	-	13,956,044
Total ECL	-	-	-	-	-
Net carrying amount	13,956,044	-	-	-	13,956,044
Debt instruments at FVOCI					
Sovereign	35,602,804	-	-	-	35,602,804
Investment grade	25,837,158	-	-	-	25,837,158
Non-investment grade	8,164,458	124,914	-	-	8,289,372
No rating	2,396,275	-	-	-	2,396,275
Gross carrying amount*	72,000,695	124,914	-	-	72,125,609
Total ECL, ^^	(23,190)	(36,112)	-	-	(59,302)
Debt instruments at amortised cost					
Sovereign	66,545,893	-	-	-	66,545,893
Investment grade	6,186,324	29,020	-	-	6,215,344
Non-investment grade	4,392,004	1,005	-	-	4,393,009
Impaired	-	-	157	95,104	95,261
No rating	385,736	-	-	-	385,736
Gross carrying amount	77,509,957	30,025	157	95,104	77,635,243
Total ECL	(3,874)	(343)	(154)	-	(4,371)
Net carrying amount	77,506,083	29,682	3	95,104	77,630,872

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised. (Continued)

The Group 2025	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
Loans, advances and financing at amortised cost (i)					
Good	248,493,428	3,665,340	-	-	252,158,768
Satisfactory	46,582,119	15,754,167	-	-	62,336,286
Impaired	-	-	4,986,187	114,860	5,101,047
No rating	70,761,759	2,666,130	-	-	73,427,889
Gross carrying amount	365,837,306	22,085,637	4,986,187	114,860	393,023,990
Total ECL	(1,522,506)	(1,457,720)	(2,539,616)	-	(5,519,842)
Net carrying amount	364,314,800	20,627,917	2,446,571	114,860	387,504,148
Other assets					
Sovereign	1,383,725	-	-	-	1,383,725
Investment grade	5,455,610	-	-	-	5,455,610
Non-investment grade	94,157	-	-	-	94,157
Impaired	-	-	517,419	-	517,419
No rating	2,324,148	-	-	-	2,324,148
Gross carrying amount	9,257,640	-	517,419	-	9,775,059
Total ECL	(90,368)	-	(517,419)	-	(607,787)
Net carrying amount	9,167,272	-	-	-	9,167,272
Intercompany balances					
Investment grade	18,690	-	-	-	18,690
No rating	5,300,828	-	-	-	5,300,828
Gross carrying amount	5,319,518	-	-	-	5,319,518
Total ECL	-	-	-	-	-
Net carrying amount	5,319,518	-	-	-	5,319,518
Loan commitments and financial guarantee contracts					
Good	119,607,431	509,596	-	-	120,117,027
Satisfactory	9,327,451	2,849,204	-	-	12,176,655
Impaired	-	-	187,492	-	187,492
No rating	22,132,776	44,616	4,875	-	22,182,267
Gross exposure	151,067,658	3,403,416	192,367	-	154,663,441
Total ECL	(150,807)	(96,329)	(88,001)	-	(335,137)
Net exposure	150,916,851	3,307,087	104,366	-	154,328,304

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised. (Continued)

The Group 2024	12-month ECL (Stage 1) RM'000	Lifetime ECL - not credit impaired (Stage 2) RM'000	Lifetime ECL - credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Cash and short-term fund and deposits and placement with banks and other financial institutions					
Sovereign	1,553,289	-	-	-	1,553,289
Investment grade	12,427,304	-	-	-	12,427,304
Non-investment grade	2,318	-	-	-	2,318
No rating	12,806,569	-	-	-	12,806,569
Gross carrying amount	26,789,480	-	-	-	26,789,480
Total ECL	(1,310)	-	-	-	(1,310)
Net carrying amount	26,788,170	-	-	-	26,788,170
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah, at amortised cost					
Investment grade	2,111,272	-	-	-	2,111,272
Non-investment grade	-	-	-	-	-
No rating	8,322,548	-	-	-	8,322,548
Gross carrying amount	10,433,820	-	-	-	10,433,820
Total ECL	-	-	-	-	-
Net carrying amount	10,433,820	-	-	-	10,433,820
Debt instruments at FVOCI					
Sovereign	31,686,537	-	-	-	31,686,537
Investment grade	23,765,809	20,510	-	-	23,786,319
Non-investment grade	6,796,313	38,384	-	-	6,834,697
No rating	572,689	-	-	-	572,689
Gross carrying amount*	62,821,348	58,894	-	-	62,880,242
Total ECL ^^	(47,171)	(17,149)	-	-	(64,320)
Debt instruments at amortised cost					
Sovereign	62,353,646	-	-	-	62,353,646
Investment grade	7,189,431	31,269	-	-	7,220,700
Non-investment grade	3,348,801	-	-	-	3,348,801
Impaired	-	-	1,417,787	-	1,417,787
No rating	531,330	-	-	-	531,330
Gross carrying amount	73,423,208	31,269	1,417,787	-	74,872,264
Total ECL	(6,868)	(1,198)	(579,411)	-	(587,477)
Net carrying amount	73,416,340	30,071	838,376	-	74,284,787

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised. (Continued)

The Group 2024	12-month ECL (Stage 1) RM'000	Lifetime ECL - not credit impaired (Stage 2) RM'000	Lifetime ECL - credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost (i)					
Good	227,132,115	3,570,142	-	-	230,702,257
Satisfactory	53,559,543	17,068,532	-	-	70,628,075
Impaired	-	-	6,171,264	-	6,171,264
No rating	76,841,370	2,346,837	-	-	79,188,207
Gross carrying amount	357,533,028	22,985,511	6,171,264	-	386,689,803
Total ECL	(2,065,265)	(1,313,007)	(3,236,035)	-	(6,614,307)
Net carrying amount	355,467,763	21,672,504	2,935,229	-	380,075,496
Other assets					
Sovereign	871,015	-	-	-	871,015
Investment grade	4,885,512	-	-	-	4,885,512
Non-investment grade	67,736	-	-	-	67,736
Impaired	-	-	517,614	-	517,614
No rating	1,810,821	-	-	-	1,810,821
Gross carrying amount	7,635,084	-	517,614	-	8,152,698
Total ECL	(90,368)	-	(517,614)	-	(607,982)
Net carrying amount	7,544,716	-	-	-	7,544,716
Intercompany balances					
Investment grade	11,021	-	-	-	11,021
No rating	4,703,759	-	-	-	4,703,759
Gross carrying amount	4,714,780	-	-	-	4,714,780
Total ECL	-	-	-	-	-
Net carrying amount	4,714,780	-	-	-	4,714,780
Loan commitments and financial guarantee contracts					
Good	106,346,424	1,229,960	-	-	107,576,384
Satisfactory	8,187,529	2,702,040	-	-	10,889,569
Impaired	-	-	252,398	-	252,398
No rating	55,430,776	50,527	895	-	55,482,198
Gross exposure	169,964,729	3,982,527	253,293	-	174,200,549
Total ECL	(183,897)	(71,948)	(77,618)	-	(333,463)
Net exposure	169,780,832	3,910,579	175,675	-	173,867,086

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised. (Continued)

The Bank 2025	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 fund and deposits and placement with banks and other financial institutions					
Sovereign	839,478	-	-	-	839,478
Investment grade	11,662,310	-	-	-	11,662,310
Non-investment grade	249	-	-	-	249
No rating	4,549,856	-	-	-	4,549,856
Gross carrying amount	17,051,893	-	-	-	17,051,893
Total ECL	(416)	-	-	-	(416)
Net carrying amount	17,051,477	-	-	-	17,051,477
Investment account placement					
No rating	2,800,834	-	-	-	2,800,834
Gross carrying amount	2,800,834	-	-	-	2,800,834
Total ECL	-	-	-	-	-
Net carrying amount	2,800,834	-	-	-	2,800,834
Reverse repurchase agreements, at amortised cost					
Sovereign	4,825,665	-	-	-	4,825,665
Investment grade	602,767	-	-	-	602,767
No rating	6,441,051	-	-	-	6,441,051
Gross carrying amount	11,869,483	-	-	-	11,869,483
Total ECL	-	-	-	-	-
Net carrying amount	11,869,483	-	-	-	11,869,483
Debt instruments at FVOCI					
Sovereign	20,265,443	-	-	-	20,265,443
Investment grade	21,507,144	-	-	-	21,507,144
Non-investment grade	5,403,447	124,402	-	-	5,527,849
No rating	2,392,745	-	-	-	2,392,745
Gross carrying amount*	49,568,779	124,402	-	-	49,693,181
Total ECL	(20,409)	(176)	-	-	(20,585)
Debt instruments at amortised cost					
Sovereign	48,866,601	-	-	-	48,866,601
Investment grade	7,305,061	29,020	-	-	7,334,081
Non-investment grade	3,564,468	1,005	-	-	3,565,473
Impaired	-	-	-	95,104	95,104
No rating	739,689	-	-	-	739,689
Gross carrying amount	60,475,819	30,025	-	95,104	60,600,948
Total ECL	(6,203)	(343)	-	-	(6,546)
Net carrying amount	60,469,616	29,682	-	95,104	60,594,402

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised. (Continued)

The Bank 2025	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
Loans, advances and financing at amortised cost (i)					
Good	151,983,381	2,003,628	-	-	153,987,009
Satisfactory	13,468,562	7,483,173	-	-	20,951,735
Impaired	-	-	2,393,725	114,860	2,508,585
No rating	33,297,028	826,957	-	-	34,123,985
Gross carrying amount	198,748,971	10,313,758	2,393,725	114,860	211,571,314
Total ECL	(681,118)	(694,741)	(1,455,213)	-	(2,831,072)
Net carrying amount	198,067,853	9,619,017	938,512	114,860	208,740,242
Other assets					
Sovereign	217,977	-	-	-	217,977
Investment grade	3,397,316	-	-	-	3,397,316
Impaired	-	-	516,959	-	516,959
No rating	2,238,466	-	-	-	2,238,466
Gross carrying amount	5,853,759	-	516,959	-	6,370,718
Total ECL	(36,196)	-	(516,959)	-	(553,155)
Net carrying amount	5,817,563	-	-	-	5,817,563
Intercompany balances					
Investment grade	9,978	-	-	-	9,978
No rating	5,309,186	-	-	-	5,309,186
Gross carrying amount	5,319,164	-	-	-	5,319,164
Total ECL	-	-	-	-	-
Net carrying amount	5,319,164	-	-	-	5,319,164
Loan commitments and financial guarantee contracts					
Good	95,116,648	823,887	-	-	95,940,535
Satisfactory	5,832,378	1,740,844	-	-	7,573,222
Impaired	-	-	130,996	-	130,996
No rating	14,099,622	41,820	4,875	-	14,146,317
Gross exposure	115,048,648	2,606,551	135,871	-	117,791,070
Total ECL	(122,301)	(81,581)	(49,009)	-	(252,891)
Net exposure	114,926,347	2,524,970	86,862	-	117,538,179

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised. (Continued)

The Bank 2024	12-month ECL (Stage 1) RM'000	Lifetime ECL - not credit impaired (Stage 2) RM'000	Lifetime ECL - credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Cash and short-term fund and deposits and placement with banks and other financial institutions					
Sovereign	1,126,645	-	-	-	1,126,645
Investment grade	12,129,993	-	-	-	12,129,993
Non-investment grade	241	-	-	-	241
No rating	5,974,933	-	-	-	5,974,933
Gross carrying amount	19,231,812	-	-	-	19,231,812
Total ECL	(348)	-	-	-	(348)
Net carrying amount	19,231,464	-	-	-	19,231,464
Investment account placement					
No rating	2,927,281	-	-	-	2,927,281
Gross carrying amount	2,927,281	-	-	-	2,927,281
Total ECL	-	-	-	-	-
Net carrying amount	2,927,281	-	-	-	2,927,281
Reverse repurchase agreements, at amortised cost					
Investment grade	1,986,920	-	-	-	1,986,920
No rating	6,587,943	-	-	-	6,587,943
Gross carrying amount	8,574,863	-	-	-	8,574,863
Total ECL	-	-	-	-	-
Net carrying amount	8,574,863	-	-	-	8,574,863
Debt instruments at FVOCI					
Sovereign	19,932,178	-	-	-	19,932,178
Investment grade	20,984,424	20,510	-	-	21,004,934
Non-investment grade	5,177,857	-	-	-	5,177,857
No rating	569,159	-	-	-	569,159
Gross carrying amount*	46,663,618	20,510	-	-	46,684,128
Total ECL	(44,582)	(2,022)	-	-	(46,604)
Debt instruments at amortised cost					
Sovereign	45,914,665	-	-	-	45,914,665
Investment grade	5,567,674	31,269	-	-	5,598,943
Non-investment grade	2,980,498	-	-	-	2,980,498
Impaired	-	-	782,778	-	782,778
No rating	2,385,138	-	-	-	2,385,138
Gross carrying amount	56,847,975	31,269	782,778	-	57,662,022
Total ECL	(20,166)	(1,198)	(579,254)	-	(600,618)
Net carrying amount	56,827,809	30,071	203,524	-	57,061,404

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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 (“ECL”) is recognised. (Continued)

The Bank 2024	12-month ECL (Stage 1) RM'000	Lifetime ECL - not credit impaired (Stage 2) RM'000	Lifetime ECL - credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost (i)					
Good	145,408,911	2,813,325	-	-	148,222,236
Satisfactory	17,208,415	8,980,194	-	-	26,188,609
Impaired	-	-	3,399,358	-	3,399,358
No rating	35,560,533	851,476	-	-	36,412,009
Gross carrying amount	198,177,859	12,644,995	3,399,358	-	214,222,212
Total ECL	(1,097,670)	(589,055)	(2,018,804)	-	(3,705,529)
Net carrying amount	197,080,189	12,055,940	1,380,554	-	210,516,683
Other assets					
Sovereign	153,415	-	-	-	153,415
Investment grade	3,650,898	-	-	-	3,650,898
Impaired	-	-	517,079	-	517,079
No rating	1,750,794	-	-	-	1,750,794
Gross carrying amount	5,555,107	-	517,079	-	6,072,186
Total ECL	(36,196)	-	(517,079)	-	(553,275)
Net carrying amount	5,518,911	-	-	-	5,518,911
Intercompany balances					
Investment grade	8,866	-	-	-	8,866
No rating	4,712,119	-	-	-	4,712,119
Gross carrying amount	4,720,985	-	-	-	4,720,985
Total ECL	-	-	-	-	-
Net carrying amount	4,720,985	-	-	-	4,720,985
Loan commitments and financial guarantee contracts					
Good	85,656,321	1,109,542	-	-	86,765,863
Satisfactory	4,910,974	2,326,864	-	-	7,237,838
Impaired	-	-	141,152	-	141,152
No rating	41,545,494	48,575	895	-	41,594,964
Gross exposure	132,112,789	3,484,981	142,047	-	135,739,817
Total ECL	(150,148)	(62,116)	(32,566)	-	(244,830)
Net exposure	131,962,641	3,422,865	109,481	-	135,494,987

* This represents the fair value of the securities

^^ The ECL is recognised in other comprehensive income instead of in the statement of financial position as the carrying amount of debt instruments at FVOCI are equivalent to their fair value.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.4 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

The Group
2025

Loans, advances and financing at amortised cost

	Overdraft RM'000	Term loans / financing RM'000	Bills receivable RM'000	Trust receipts RM'000	Claims on customers under acceptance		Credit card receivables RM'000	Revolving credits RM'000	Share margin financing RM'000	Total gross carrying amount RM'000
					credits RM'000	Staff loans RM'000				
12-month ECL (Stage 1)	4,385,067	300,676,068	7,174,177	1,510,257	2,506,216	1,485,620	8,283,251	39,782,631	34,019	365,837,306
- Good	1,500,803	207,457,794	6,605,820	1,246,161	2,160,341	1,329,617	4,244,955	23,947,937	-	248,493,428
- Satisfactory	361,586	40,017,250	268,546	79,171	286,868	647	3,702,413	1,865,638	-	46,582,119
- No rating	2,522,678	53,201,024	299,811	184,925	59,007	155,356	335,883	13,969,056	34,019	70,761,759
Lifetime ECL - not credit impaired (Stage 2)	895,747	16,732,658	1,014,461	98,287	737,751	1,486	328,023	2,277,224	-	22,085,637
- Good	214,760	2,034,902	309,241	65,429	308,508	238	1,785	730,477	-	3,665,340
- Satisfactory	617,300	12,140,670	703,034	23,125	429,034	1,243	321,077	1,518,684	-	15,754,167
- No rating	63,687	2,557,086	2,186	9,733	209	5	5,161	28,063	-	2,666,130
Lifetime ECL - credit impaired (Stage 3)	225,929	4,332,417	50,981	16,285	59,839	666	130,771	169,299	-	4,986,187
- Impaired	225,929	4,332,417	50,981	16,285	59,839	666	130,771	169,299	-	4,986,187
Purchase credit impaired	-	114,860	-	-	-	-	-	-	-	114,860
- Impaired	-	114,860	-	-	-	-	-	-	-	114,860
Total	5,506,743	321,856,003	8,239,619	1,624,829	3,303,806	1,487,772	8,742,045	42,229,154	34,019	393,023,990

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.4 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)

The Group
2024

Loans, advances and financing at amortised cost

	Overdraft RM'000	Term loans / financing RM'000	Bills receivable RM'000	Trust receipts RM'000	Claims on customers under acceptance		Credit card receivables RM'000	Revolving credits RM'000	Share margin financing RM'000	Total gross carrying amount RM'000
					credits RM'000	Staff loans RM'000				
12-month ECL (Stage 1)	4,242,318	296,930,026	6,180,177	1,585,038	2,587,358	1,519,055	7,795,479	36,670,940	22,637	357,533,028
- Good	1,437,476	194,590,978	4,133,352	1,157,037	1,190,174	1,346,699	3,912,244	19,364,155	-	227,132,115
- 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	55,467,597	1,552,554	286,846	1,202,886	171,381	338,187	15,351,272	22,637	76,841,370
Lifetime ECL - not credit impaired (Stage 2)	914,769	17,440,469	903,822	463,678	587,269	597	258,063	2,416,844	-	22,985,511
- Good	218,076	2,079,882	130,040	415,423	122,513	-	1,667	602,541	-	3,570,142
- Satisfactory	630,398	13,197,065	772,796	34,695	464,756	597	252,156	1,716,069	-	17,068,532
- No rating	66,295	2,163,522	986	13,560	-	-	4,240	98,234	-	2,346,837
Lifetime ECL - credit impaired (Stage 3)	203,190	5,566,968	34,173	17,079	103,823	773	117,223	128,035	-	6,171,264
- Impaired	203,190	5,566,968	34,173	17,079	103,823	773	117,223	128,035	-	6,171,264
Total	5,360,277	319,937,463	7,118,172	2,065,795	3,278,450	1,520,425	8,170,765	39,215,819	22,637	386,689,803

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 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)**The Bank
2025

Loans, advances and financing at amortised cost

	Term loans /		Bills receivable	Trust receipts	Claims on customers under acceptance		Credit card		Share margin financing	Total gross carrying amount
	Overdraft	financing			credits	Staff loans	receivables	Revolving credits		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12-month ECL (Stage 1)	1,778,642	150,854,922	4,714,642	802,218	1,578,403	997,042	7,479,922	30,509,161	34,019	198,748,971
- Good	654,647	124,656,099	4,342,373	753,771	1,429,683	972,637	3,890,247	15,283,924	-	151,983,381
- Satisfactory	117,585	8,160,586	123,346	35,120	105,398	647	3,281,931	1,643,949	-	13,468,562
- No rating	1,006,410	18,038,237	248,923	13,327	43,322	23,758	307,744	13,581,288	34,019	33,297,028
Lifetime ECL - not credit impaired (Stage 2)	473,188	7,084,564	495,481	13,304	377,890	290	290,218	1,578,823	-	10,313,758
- Good	111,737	1,090,977	60,254	816	70,178	238	1,626	667,802	-	2,003,628
- Satisfactory	332,711	5,223,885	433,917	12,488	307,503	47	283,700	888,922	-	7,483,173
- No rating	28,740	769,702	1,310	-	209	5	4,892	22,099	-	826,957
Lifetime ECL - credit impaired (Stage 3)	145,694	1,899,888	23,850	8,034	49,417	534	115,425	150,883	-	2,393,725
- Impaired	145,694	1,899,888	23,850	8,034	49,417	534	115,425	150,883	-	2,393,725
Purchased credit impaired	-	114,860	-	-	-	-	-	-	-	114,860
- Impaired	-	114,860	-	-	-	-	-	-	-	114,860
Total	2,397,524	159,954,234	5,233,973	823,556	2,005,710	997,866	7,885,565	32,238,867	34,019	211,571,314

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.4 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)

The Bank
2024

Loans, advances and financing at amortised cost

	Overdraft RM'000	Term loans / financing RM'000	Bills receivable RM'000	Trust receipts RM'000	Claims on customers under acceptance		Credit card receivables RM'000	Revolving credits RM'000	Share margin financing RM'000	Total gross carrying amount RM'000
					credits RM'000	Staff loans RM'000				
12-month ECL (Stage 1)	1,780,568	152,488,481	3,680,369	446,284	1,574,895	1,034,573	7,233,723	29,916,329	22,637	198,177,859
- Good	625,812	122,269,347	2,209,002	319,570	754,293	1,008,424	3,689,731	14,532,732	-	145,408,911
- Satisfactory	139,523	11,494,345	256,810	49,164	87,691	975	3,230,314	1,949,593	-	17,208,415
- No rating	1,015,233	18,724,789	1,214,557	77,550	732,911	25,174	313,678	13,434,004	22,637	35,560,533
Lifetime ECL - not credit impaired (Stage 2)	550,252	8,912,738	463,977	380,070	402,106	350	238,736	1,696,766	-	12,644,995
- Good	130,254	1,714,098	42,130	352,359	85,219	-	1,518	487,747	-	2,813,325
- Satisfactory	389,125	6,477,000	421,847	27,006	316,887	350	233,165	1,114,814	-	8,980,194
- No rating	30,873	721,640	-	705	-	-	4,053	94,205	-	851,476
Lifetime ECL - credit impaired (Stage 3)	133,954	3,007,965	18,620	6,276	44,172	444	106,850	81,077	-	3,399,358
- Impaired	133,954	3,007,965	18,620	6,276	44,172	444	106,850	81,077	-	3,399,358
Total	2,464,774	164,409,184	4,162,966	832,630	2,021,173	1,035,367	7,579,309	31,694,172	22,637	214,222,212

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 Credit quality of financial assets (Continued)****(b) Financial assets using simplified approach**

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

The Group and the Bank

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

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

**The Group
2025**

	Sovereign	Investment grade	No rating	Gross carrying amount	ECL	Net carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other assets	-	11,228	604,070	615,298	(2,272)	613,026
	-	11,228	604,070	615,298	(2,272)	613,026

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	Sovereign	Investment grade	No rating	Gross carrying amount	ECL	Net carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other assets	-	36,201	518,463	554,664	(3,871)	550,793
	-	36,201	518,463	554,664	(3,871)	550,793

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.1 Credit risk (Continued)****57.1.4 Credit quality of financial assets (Continued)****(b) Financial assets using simplified approach (Continued)**

The following tables are analysis of the credit risk exposure of other asset using simplified approach: (Continued)

The Bank 2025				Gross		Net
	Sovereign	Investment	No rating	carrying	ECL	carrying
	RM'000	grade	RM'000	amount	RM'000	amount
Other assets	-	5,093	488,164	493,257	(678)	492,579
	-	5,093	488,164	493,257	(678)	492,579

2024				Gross		Net
	Sovereign	Investment	No rating	carrying	ECL	carrying
	RM'000	grade	RM'000	amount	RM'000	amount
Other assets	-	25,430	407,919	433,349	(2,298)	431,051
	-	25,430	407,919	433,349	(2,298)	431,051

Credit quality description can be summarised below:

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

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

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

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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.5 Repossessed collateral

The Group obtained assets by taking possession of collateral held as security as follows:

	The Group Carrying amount	
	2025	2024
Nature of assets	RM'000	RM'000
Industrial and residential properties, development land and motor vehicles	123,556	139,494

Repossessed collaterals are sold as soon as practicable. The Group does not utilise the repossessed collaterals for its business use.

57.1.6 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 ECL – not credit impaired (Stage 2):

	The Group	
	2025	2024
	RM'000	RM'000
Amortised cost before modification	449,882	230,250
Modification loss	(18,226)	(1,396)
Amortised cost after modification	431,656	228,854

Gross carrying amounts of loans, advances and financing of the Group as at 31 December 2025, for which loss allowance has changed to 12-month measurement (Stage 1) of the Group during the financial year amounting to RM7,516,000 (2024: RM3,472,000).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.1 Credit risk (Continued)

57.1.7 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 2025.

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 RM867.3 million (2024: RM1,138.0 million) and RM430.1 million (2024: RM340.6 million) of the Group's and the Bank's ECL on loans, advances and 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 and financing as at 31 December 2025.

In addition, the Group has performed climate risk assessment on property backed financing exposures in Malaysia, focusing on physical climate risks using forward looking climate scenarios commonly applied in climate risk analysis. The results of the assessment were considered as part of management's forward looking credit risk evaluation. Based on the assessment, management concluded that the climate related physical risks are not expected to have a material impact on expected credit losses as at the reporting date, and accordingly no additional expected credit losses were recognised.

The Group recognises that climate related risks, data and methodologies continue to evolve and will continue to enhance its monitoring of both physical and transition climate risks across its operating geographies. Adjustments to expected credit losses will be incorporated where future assessments indicate a material impact on the Group's carrying amounts of financial assets. This approach is consistent with the requirements of MFRS 9 and aligns with the disclosure objectives of IFRS S2, ensuring that climate related risks are appropriately considered within the Group's governance, strategy, risk management and metrics frameworks.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 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 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 and the Bank’s trading exposures as at 31 December 2025 is shown in table 57.2.1.

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 in relation to changes in the financial markets, monitoring limit usage, assessing limit adequacy and verifying transaction prices.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****Market Risk Management (“MRM”) (Continued)***Capital Treatment for Market Risk*

At present, the Group adopts the Standardised Approach to compute market risk capital requirement under BNM’s guidelines on Capital Adequacy Framework (“CAF”) (Basel II – Risk Weighted Assets) and Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Risk-Weighted Assets).

57.2.1 VaR

The usage of market VaR by risk type based on 1-day holding period of the Group’s and the Bank’s trading exposures are set out below:

	The Group		The Bank *	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Foreign exchange risk	11,384	22,893	8,330	17,493
Interest rate risk	18,740	15,474	12,789	12,172
Equity risk	5,184	2,667	5,184	2,667
Commodity risk	256	171	256	171
Total	35,564	41,205	26,559	32,503
Total shareholder's fund	56,384,174	54,476,010	42,029,579	41,124,616
Percentage over shareholder's funds	0.06%	0.08%	0.06%	0.08%

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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.2 Interest rate risk

Interest rate risk relates to the potential adverse impact on the net interest income arising from the 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) The tables below summarise the Group’s financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates:

The Group 2025	Non-trading book							Trading book RM’000	Total RM’000
	Up to 1 month RM’000	> 1 – 3 months RM’000	> 3 – 6 months RM’000	> 6 – 12 months RM’000	> 1 – 5 years RM’000	Over 5 years RM’000	Non-interest sensitive RM’000		
Financial assets									
Cash and short-term funds	17,782,439	203,365	-	-	-	-	5,692,172	-	23,677,976
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	11,673,358	2,245,386	-	-	-	-	37,300	-	13,956,044
Deposits and placements with banks and other financial institutions	-	3,150,261	994,384	42,983	-	-	17,542	-	4,205,170
Financial investments at fair value through profit or loss	-	-	-	-	-	-	1,490,442	57,362,078	58,852,520
Debt instruments at fair value through other comprehensive income	805,813	2,362,042	1,834,943	2,847,746	33,292,620	30,332,149	650,296	-	72,125,609
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	576,029	-	576,029
Debt instruments at amortised cost	4,069,873	7,580,976	4,380,601	3,915,952	28,938,205	28,131,866	613,399	-	77,630,872
Derivative financial instruments	13,656	29,693	99,885	18,333	183,885	232,722	-	14,511,984	15,090,158
Loans, advances and financing	306,692,118	10,039,952	6,220,956	5,495,194	24,293,346	34,726,155	36,427	-	387,504,148
Other assets	5,320,270	11	570	-	106	-	4,459,341	-	9,780,298
Amounts due from holding company and ultimate holding company	-	-	-	-	-	-	6,295	-	6,295
Amounts due from related companies	-	-	-	-	-	-	5,313,223	-	5,313,223
Total financial assets	346,357,527	25,611,686	13,531,339	12,320,208	86,708,162	93,422,892	18,892,466	71,874,062	668,718,342

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.2 Interest rate risk (Continued)**

- (a) The tables below summarise the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Group 2025	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Financial liabilities									
Deposits from customers	211,809,125	76,847,988	43,852,560	40,354,394	1,744,306	638,133	44,776,798	-	420,023,304
Investment accounts of customers	9,745,587	13,299,060	7,614,839	1,137,556	856	-	493,873	-	32,291,771
Deposits and placements with banks and other financial institutions	29,995,284	12,829,667	3,190,897	550,089	899,980	465,959	276,217	-	48,208,093
Repurchase agreements/Collateralised Commodity Murabahah	17,637,699	18,595,289	3,573,924	-	-	-	153,482	-	39,960,394
Financial liabilities at fair value through profit or loss	208,867	939,856	750,860	360,668	5,061,556	181,747	45,850	206,275	7,755,679
Derivative financial instruments	5,528	52,899	9,027	137,167	437,000	135,052	-	14,779,045	15,555,718
Bills and acceptances payable	998,622	304,403	178,599	-	-	-	50,170	-	1,531,794
Other liabilities	5,907,984	1,624,191	459,598	1,275,752	961,904	10,010	9,547,047	-	19,786,486
Lease liabilities	2,688	7,167	12,671	28,032	257,788	17,661	426	-	326,433
Recourse obligation on loans and financing sold to Cagamas	-	157,923	330,000	541,821	2,528,841	1,489,107	24,288	-	5,071,980
Amounts due to related companies	-	9	-	-	-	-	3,941	-	3,950
Bonds, Sukuk and debentures	203,404	434,194	1,733,905	971,534	6,107,923	6,617,043	148,832	-	16,216,835
Other borrowings	932,581	4,330,248	1,958,390	387,986	493	-	119,699	-	7,729,397
Subordinated obligations	-	-	-	99,697	5,699,759	5,364,114	127,250	-	11,290,820
Total financial liabilities	277,447,369	129,422,894	63,665,270	45,844,696	23,700,406	14,918,826	55,767,873	14,985,320	625,752,654
Net interest sensitivity gap	68,910,158	(103,811,208)	(50,133,931)	(33,524,488)	63,007,756	78,504,066		56,888,742	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	7,327,354	-	7,327,354
Credit related commitments and contingencies	-	-	-	-	-	-	147,336,087	-	147,336,087
Treasury related commitments and contingencies (hedging)	9,023,481	4,404,083	10,143,560	-	30,486,914	18,167,023	-	-	72,225,061
Net interest sensitivity gap	9,023,481	4,404,083	10,143,560	-	30,486,914	18,167,023	154,663,441	-	226,888,502

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.2 Interest rate risk (Continued)

(a) The tables below summarise the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Group 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Financial assets									
Cash and short-term funds	20,001,864	-	-	-	-	-	6,216,405	-	26,218,269
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah	7,914,882	1,078,570	447,673	953,672	-	-	39,023	-	10,433,820
Deposits and placements with banks and other financial institutions	-	3,680,593	777,899	21,097	-	-	17,744	-	4,497,333
Financial investments at fair value through profit or loss	-	-	-	-	-	-	1,488,335	44,846,842	46,335,177
Debt instruments at fair value through other comprehensive income	611,706	1,806,488	1,626,665	2,203,869	25,652,250	30,437,973	541,291	-	62,880,242
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	366,709	-	366,709
Debt instruments at amortised cost	2,749,790	7,514,659	5,447,038	3,608,215	22,409,111	31,844,708	711,266	-	74,284,787
Derivative financial instruments	54,659	30,685	49,123	10,378	339,713	307,207	-	13,912,063	14,703,828
Loans, advances and financing	301,533,922	10,411,193	4,752,602	6,471,840	23,751,767	33,113,209	40,963	-	380,075,496
Other assets	5,663,177	-	-	-	405	-	2,431,927	-	8,095,509
Amounts due from holding company and ultimate holding company	-	-	-	-	-	-	7,237	-	7,237
Amounts due from related companies	-	-	-	-	-	-	4,707,543	-	4,707,543
Total financial assets	338,530,000	24,522,188	13,101,000	13,269,071	72,153,246	95,703,097	16,568,443	58,758,905	632,605,950

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for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.2 Interest rate risk (Continued)**

(a) The tables below summarise the Group's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Group 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Financial liabilities									
Deposits from customers	209,162,934	69,535,258	49,220,278	32,933,309	1,473,914	422,113	45,482,828	-	408,230,634
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	24,430,592	13,363,051	2,983,937	1,330,416	975,842	446,552	341,760	-	43,872,150
Repurchase agreements/Collateralised Commodity Murabahah	16,997,757	22,667,674	3,634,541	585,252	-	-	208,729	-	44,093,953
Financial liabilities at fair value through profit or loss	201,075	924,305	581,471	83,021	4,725,337	1,072	34,535	43,522	6,594,338
Derivative financial instruments	31,567	29,405	65,342	26,578	303,367	133,976	-	13,592,113	14,182,348
Bills and acceptances payable	624,858	350,421	352,459	37	-	-	40,008	-	1,367,783
Other liabilities	4,680,572	1,418,584	446,850	738,104	684,923	12,680	7,791,917	-	15,773,630
Lease liabilities	20,440	5,995	11,131	31,107	279,050	110,182	9,414	-	467,319
Recourse obligation on loans and financing sold to Cagamas	-	160,021	-	699,772	2,573,037	1,477,627	24,385	-	4,934,842
Amounts due to related companies	-	-	-	-	-	-	8,694	-	8,694
Bonds, Sukuk and debentures	231,092	242,474	1,826,306	34,975	5,319,295	6,148,869	135,961	-	13,938,972
Other borrowings	-	3,177,783	1,615,511	18,305	2,225	-	27,659	-	4,841,483
Subordinated obligations	-	-	-	3,032,592	4,470,680	2,694,769	94,582	-	10,292,623
Total financial liabilities	260,312,126	118,411,097	68,109,669	45,174,232	21,429,065	11,447,840	54,522,415	13,635,635	593,042,079
Net interest sensitivity gap	78,217,874	(93,888,909)	(55,008,669)	(31,905,161)	50,724,181	84,255,257		45,123,270	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	7,428,134	-	7,428,134
Credit related commitments and contingencies	-	-	-	-	-	-	166,772,415	-	166,772,415
Treasury related commitments and contingencies (hedging)	1,884,404	2,829,816	1,949,785	5,918,745	30,306,805	17,520,826	-	-	60,410,381
Net interest sensitivity gap	1,884,404	2,829,816	1,949,785	5,918,745	30,306,805	17,520,826	174,200,549	-	234,610,930

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.2 Interest rate risk (Continued)**

(b) The tables below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates:

The Bank 2025	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Financial assets									
Cash and short-term funds	11,413,367	-	-	-	-	-	4,877,931	-	16,291,298
Reverse repurchase agreements	9,793,662	2,042,505	-	-	-	-	33,316	-	11,869,483
Deposits and placements with banks and other financial institutions	-	2,976,042	1,339,686	16,994	-	-	18,711	-	4,351,433
Investment account placement	2,797,195	-	-	-	-	-	3,639	-	2,800,834
Financial investments at fair value through profit or loss	-	-	-	-	-	-	1,474,802	44,554,080	46,028,882
Debt instruments at fair value through other comprehensive income	797,465	2,333,535	1,625,299	2,239,115	22,159,430	20,048,722	489,615	-	49,693,181
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	454,069	-	454,069
Debt instruments at amortised cost	4,001,107	7,232,317	4,008,237	2,499,041	22,242,097	20,151,652	459,951	-	60,594,402
Derivative financial instruments	13,656	29,857	100,544	6,102	96,102	75,840	-	7,136,257	7,458,358
Loans, advances and financing	172,578,983	7,052,893	2,864,469	1,283,783	12,501,254	12,458,860	-	-	208,740,242
Other assets	2,994,191	-	-	-	-	-	3,315,951	-	6,310,142
Amounts due from holding company and ultimate holding company	-	-	-	-	-	-	6,295	-	6,295
Amounts due from subsidiaries	-	-	-	-	-	-	4,749	-	4,749
Amounts due from related companies	-	-	-	-	-	-	5,308,120	-	5,308,120
Total financial assets	204,389,626	21,667,149	9,938,235	6,045,035	56,998,883	52,735,074	16,447,149	51,690,337	419,911,488

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.2 Interest rate risk (Continued)

(b) The tables below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Bank 2025	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Financial liabilities									
Deposits from customers	126,989,032	52,489,223	22,980,840	21,298,861	747,398	627,694	42,315,576	-	267,448,624
Deposits and placements of banks and other financial institutions	25,075,819	12,320,614	2,977,810	385,431	854,361	465,959	185,383	-	42,265,377
Repurchase agreements	12,527,286	15,146,671	2,613,968	-	-	-	136,811	-	30,424,736
Financial liabilities at fair value through profit or loss	-	111,711	121,124	289,871	1,543,142	479	19,509	68,922	2,154,758
Derivative financial instruments	5,528	53,062	12,185	114,613	368,230	60,246	-	7,063,761	7,677,625
Bills and acceptances payable	825,534	-	-	-	-	-	72	-	825,606
Other liabilities	3,162,452	1,622,946	459,454	1,275,752	961,904	10,010	8,343,037	-	15,835,555
Lease liabilities	2,669	6,298	11,566	27,108	185,072	14,117	426	-	247,256
Recourse obligation on loans and financing sold to Cagamas	-	160,021	330,000	-	255,838	670,002	6,620	-	1,422,481
Amounts due to subsidiaries	-	-	-	-	-	-	1,219,073	-	1,219,073
Amounts due to related company	-	-	-	-	-	-	2,996	-	2,996
Bonds	-	40,625	1,733,907	876,388	4,515,306	200,000	49,367	-	7,415,593
Other borrowing	932,581	4,330,248	1,958,390	387,886	-	-	119,699	-	7,728,804
Subordinated obligations	-	-	-	99,697	5,499,760	4,918,319	107,323	-	10,625,099
Total financial liabilities	169,520,901	86,281,419	33,199,244	24,755,607	14,931,011	6,966,826	52,505,892	7,132,683	395,293,583
Net interest sensitivity gap	34,868,725	(64,614,270)	(23,261,009)	(18,710,572)	42,067,872	45,768,248		44,557,654	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	5,178,349	-	5,178,349
Credit related commitments and contingencies	-	-	-	-	-	-	112,612,721	-	112,612,721
Treasury related commitments and contingencies (hedging)	8,343,336	4,403,058	-	7,450,386	21,522,663	8,838,341	-	-	50,557,784
Net interest sensitivity gap	8,343,336	4,403,058	-	7,450,386	21,522,663	8,838,341	117,791,070	-	168,348,854

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.2 Interest rate risk (Continued)**

- (b) The tables below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity date: (Continued)

The Bank 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Financial assets									
Cash and short-term funds	12,619,055	-	-	-	-	-	5,182,123	-	17,801,178
Reverse repurchase agreements	6,675,150	777,292	447,673	644,647	-	-	30,101	-	8,574,863
Deposits and placements with banks and other financial institutions	-	3,868,407	674,133	478,748	-	-	23,878	-	5,045,166
Investment account placement	2,923,061	-	-	-	-	-	4,220	-	2,927,281
Financial investments at fair value through profit or loss	-	-	-	-	-	-	1,473,514	31,125,616	32,599,130
Debt instruments at fair value through other comprehensive income	574,048	1,743,625	1,513,956	1,571,846	18,600,462	22,237,394	442,797	-	46,684,128
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	275,644	-	275,644
Debt instruments at amortised cost	2,602,686	7,023,028	5,056,939	2,776,669	14,529,428	24,625,274	447,380	-	57,061,404
Derivative financial instruments	54,601	30,685	47,822	10,152	229,774	221,144	-	6,997,333	7,591,511
Loans, advances and financing	175,001,001	6,875,656	3,322,592	1,727,227	11,711,710	11,878,497	-	-	210,516,683
Other assets	4,003,985	-	-	-	-	-	1,945,977	-	5,949,962
Amounts due from holding company and ultimate holding company	-	-	-	-	-	-	7,227	-	7,227
Amounts due from subsidiaries	-	-	-	-	-	-	11,378	-	11,378
Amounts due from related companies	-	-	-	-	-	-	4,702,380	-	4,702,380
Total financial assets	204,453,587	20,318,693	11,063,115	7,209,289	45,071,374	58,962,309	14,546,619	38,122,949	399,747,935

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.2 Interest rate risk (Continued)

(b) The tables below summarise the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Bank 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000		
Financial liabilities									
Deposits from customers	125,005,352	42,654,879	27,535,945	17,778,800	197,483	411,805	43,472,108	-	257,056,372
Deposits and placements of banks and other financial institutions	20,673,169	13,179,461	2,940,081	978,020	862,308	446,552	211,123	-	39,290,714
Repurchase agreements	12,402,801	18,924,880	2,397,608	585,252	-	-	179,078	-	34,489,619
Financial liabilities at fair value through profit or loss	-	258,849	87,438	74,032	1,619,901	1,071	11,742	407	2,053,440
Derivative financial instruments	18,555	26,970	61,063	21,243	267,972	34,232	-	6,589,951	7,019,986
Bills and acceptances payable	545,480	34,972	23,495	37	-	-	13	-	603,997
Other liabilities	3,028,082	1,416,554	446,680	738,104	665,023	12,680	6,841,834	-	13,148,957
Lease liabilities	2,705	5,802	10,233	26,242	224,382	102,375	9,414	-	381,153
Recourse obligation on loans and financing sold to Cagamas	-	160,021	-	226,773	256,984	670,002	7,570	-	1,321,350
Amounts due to subsidiaries	-	-	-	-	-	-	638,276	-	638,276
Amounts due to related company	-	-	-	-	-	-	4,731	-	4,731
Bonds	-	44,758	1,821,629	-	3,939,574	-	45,939	-	5,851,900
Other borrowing	-	3,177,783	1,615,511	18,214	-	-	27,658	-	4,839,166
Subordinated obligations	-	-	-	3,032,592	4,470,679	2,050,000	75,674	-	9,628,945
Total financial liabilities	161,676,144	79,884,929	36,939,683	23,479,309	12,504,306	3,728,717	51,525,160	6,590,358	376,328,606
Net interest sensitivity gap	42,777,443	(59,566,236)	(25,876,568)	(16,270,020)	32,567,068	55,233,592		31,532,591	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	5,699,131	-	5,699,131
Credit related commitments and contingencies	-	-	-	-	-	-	130,040,686	-	130,040,686
Treasury related commitments and contingencies (hedging)	1,595,839	2,496,468	1,180,865	6,280,851	21,603,956	7,383,908	-	-	40,541,887
Net interest sensitivity gap	1,595,839	2,496,468	1,180,865	6,280,851	21,603,956	7,383,908	135,739,817	-	176,281,704

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.2 Interest rate risk (Continued)****(c) Sensitivity of profit**

The table below shows the sensitivity of the Group's and the Bank's banking book to movement in interest rates:

	The Group			
	2025		2024	
	Increase/(Decrease)		Increase/(Decrease)	
	+100 basis point	-100 basis point	+100 basis point	-100 basis point
	RM'000	RM'000	RM'000	RM'000
Impact to profit (after tax)	(457,304)	457,304	(350,911)	350,911
	The Bank			
	2025		2024	
	Increase/(Decrease)		Increase/(Decrease)	
	+100 basis point	-100 basis point	+100 basis point	-100 basis point
	RM'000	RM'000	RM'000	RM'000
Impact to profit (after tax)	(311,124)	311,124	(223,190)	223,190

Sensitivity is measured using the EaR methodology. The treatments and assumptions applied are based on the contractual repricing and remaining maturity of the products, whichever is earlier. Items with indefinite repricing 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 others.

A 100 bps parallel rate movement is applied to the yield curve to model the potential impact on profit in the next 12 months from policy rate change.

The projection assumes that interest rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.2 Interest rate risk (Continued)****(d) Sensitivity of reserves**

The table below shows the sensitivity of the Group's and the Bank's banking book to movement in interest rates:

	The Group			
	2025		2024	
	Increase/(Decrease)		Increase/(Decrease)	
	+100 basis point	-100 basis point	+100 basis point	-100 basis point
	RM'000	RM'000	RM'000	RM'000
Impact to fair value reserve - debt instruments at fair value through other comprehensive income	(3,283,031)	3,283,031	(3,215,336)	3,215,336

	The Bank			
	2025		2024	
	Increase/(Decrease)		Increase/(Decrease)	
	+100 basis point	-100 basis point	+100 basis point	-100 basis point
	RM'000	RM'000	RM'000	RM'000
Impact to fair value reserve - debt instruments at fair value through other comprehensive income	(2,132,802)	2,132,802	(2,280,962)	2,280,962

A 100 bps parallel rate movement is applied to the yield curve to model the potential impact on reserve 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 and the Bank would take to mitigate the impact of this interest rate risk. In practice, the Group and the Bank proactively seeks to mitigate the effect of prospective interest movements.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.3 Foreign exchange risk**

The Group and Bank are exposed to transactional foreign exchange exposures which are exposures on assets and liabilities denominated in currencies other than the functional currency of the transacting entity.

The Group and the Bank take minimal exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group manages its exposure to foreign exchange currencies at each entity level.

(a) Sensitivity of profit and reserves

The table below shows the sensitivity of the Group's and the Bank's profit and reserves to movement in foreign exchange rates:

2025	The Group		The Bank	
	1% appreciation in foreign currency Increase/(decrease) RM'000	1% depreciation in foreign currency Increase/(decrease) RM'000	1% appreciation in foreign currency Increase/(decrease) RM'000	1% depreciation in foreign currency Increase/(decrease) RM'000
Impact to profit (after tax)	(185)	185	(4,071)	4,071
USD	(1,102)	1,102	(4,391)	4,391
THB	131	(131)	124	(124)
HKD	(594)	594	(588)	588
GBP	641	(641)	638	(638)
JPY	261	(261)	326	(326)
SGD	(401)	401	(438)	438
EUR	(280)	280	(217)	217
AUD	609	(609)	612	(612)
IDR	266	(266)	239	(239)
KHR	731	(731)	-	-
Others	(447)	447	(376)	376
Impact to reserves	(55,215)	55,215	(48,430)	48,430
USD	(23,644)	23,644	(16,859)	16,859
SGD	(26,878)	26,878	(26,878)	26,878
GBP	(758)	758	(758)	758
HKD	(3,935)	3,935	(3,935)	3,935

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.3 Foreign exchange risk (Continued)****(a) Sensitivity of profit and reserves (Continued)**

The table below shows the sensitivity of the Group's and the Bank's profit and reserves to movement in foreign exchange rates: (Continued)

2024	The Group		The Bank	
	1% appreciation in foreign currency Increase/(decrease) RM'000	1% depreciation in foreign currency Increase/(decrease) RM'000	1% appreciation in foreign currency Increase/(decrease) RM'000	1% depreciation in foreign currency Increase/(decrease) RM'000
Impact to profit (after tax)	67	(67)	(2,307)	2,307
USD	(1,791)	1,791	(3,909)	3,909
THB	233	(233)	227	(227)
HKD	(594)	594	(587)	587
GBP	399	(399)	393	(393)
JPY	(45)	45	76	(76)
SGD	553	(553)	529	(529)
EUR	(42)	42	(8)	8
AUD	730	(730)	792	(792)
IDR	242	(242)	210	(210)
KHR	440	(440)	-	-
Others	(58)	58	(30)	30
Impact to reserves	(54,619)	54,619	(48,264)	48,264
USD	(24,348)	24,348	(17,993)	17,993
SGD	(26,791)	26,791	(26,791)	26,791
GBP	(857)	857	(857)	857
HKD	(2,623)	2,623	(2,623)	2,623

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.3 Foreign exchange risk (Continued)

(b) The table below summarises the net foreign exchange positions of the Group by major currencies profile of the Group:

The Group 2025	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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets														
Cash and short-term funds	10,962,268	29,146	161,188	1,053,087	5,343,514	480,932	677,603	452,139	206,582	354,036	142,857	3,814,624	12,715,708	23,677,976
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	4,491,486	-	405,513	725,559	7,298,970	356,509	32,768	2,994	-	140,754	9,777	491,714	9,464,558	13,956,044
Deposits and placements with banks and other financial institutions	941,127	-	-	-	1,342,699	1,088,144	437,303	129,821	201,024	-	-	65,052	3,264,043	4,205,170
Financial investments at fair value through profit or loss	24,430,045	425,910	9,012,629	13,784,609	5,278,180	1,323,085	12,612	3,522,716	366,690	448,322	247,722	-	34,422,475	58,852,520
Debt instruments at fair value through other comprehensive income	42,656,635	-	10,153,541	2,849,993	10,350,549	3,029,083	556,958	20,716	41,520	379,134	2,028,900	58,580	29,468,974	72,125,609
Equity instruments at fair value through other comprehensive income	448,245	-	121,528	125	-	-	-	-	-	6,131	-	-	127,784	576,029
Debt instruments at amortised cost	56,803,868	-	3,993,436	14,604,240	2,174,505	-	-	-	-	-	-	54,823	20,827,004	77,630,872
Derivative financial instruments	68,375,390	616,219	101,947,099	(11,523,690)	(134,310,129)	1,647,927	7,797,378	(13,626,021)	9,543,537	(2,435,612)	(7,313,536)	(5,628,404)	(53,285,232)	15,090,158
Loans, advances and financing	273,593,598	-	28,836,177	38,640,563	23,039,738	1,106,100	7,456,478	611,216	2,752,852	813,396	1,915,360	8,738,670	113,910,550	387,504,148
Other assets	1,463,193	768,685	4,235,465	417,433	2,157,046	43,342	21,550	32,439	5,175	363,386	94,390	178,194	8,317,105	9,780,298
Amounts due from holding company and ultimate holding company	6,295	-	-	-	-	-	-	-	-	-	-	-	-	6,295
Amounts due from related companies	5,311,311	-	1,889	-	23	-	-	-	-	-	-	-	1,912	5,313,223
	489,483,461	1,839,960	158,868,465	60,551,919	(77,324,905)	9,075,122	16,992,650	(8,853,980)	13,117,380	69,547	(2,874,530)	7,773,253	179,234,881	668,718,342

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.2 Market risk (Continued)****57.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group by major currencies profile of the Group: (Continued)

The Group
2025

	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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities														
Deposits from customers	266,975,101	123	30,657,199	46,866,905	53,722,868	2,245,100	2,809,275	467,220	1,049,988	1,047,675	9,602,145	4,579,705	153,048,203	420,023,304
Investment accounts of customers	32,291,771	-	-	-	-	-	-	-	-	-	-	-	-	32,291,771
Deposits and placements of banks and other financial institutions	5,815,198	1,596	3,860,268	4,604,285	21,915,951	18,847	995,187	1,795,189	4,367,921	196,787	3,081,387	1,555,477	42,392,895	48,208,093
Repurchase agreements/Collateralised Commodity Murabahah	26,360,911	-	6,211,502	19,804	5,237,108	924,815	-	1,035,363	-	-	146,942	23,949	13,599,483	39,960,394
Financial liabilities at fair value through profit or loss	4,322,562	-	3,433,117	-	-	-	-	-	-	-	-	-	3,433,117	7,755,679
Derivatives financial instruments	80,627,676	539,733	106,148,514	2,199,518	(164,169,175)	5,668,295	13,068,229	(12,800,289)	4,681,189	(1,191,164)	(15,394,408)	(3,822,400)	(65,071,958)	15,555,718
Bills and acceptances payable	387,452	-	273,060	213,871	646,008	-	25	-	72	5,745	-	5,561	1,144,342	1,531,794
Other liabilities	8,582,535	767,341	2,297,023	3,220,755	3,705,481	90,273	31,810	75,720	13,781	39,807	196,589	765,371	11,203,951	19,786,486
Lease liabilities	186,675	-	32,310	56,539	14,750	-	426	-	3,661	-	10,187	21,885	139,758	326,433
Recourse obligation on loans and financing sold to Cagamas	5,071,980	-	-	-	-	-	-	-	-	-	-	-	-	5,071,980
Amounts due to related companies	2,933	-	376	-	-	-	-	-	-	-	504	137	1,017	3,950
Bonds, Sukuk and debentures	9,537,389	-	59,130	-	4,353,175	-	-	122,262	1,746,023	-	398,856	-	6,679,446	16,216,835
Other borrowings	3,401,843	-	-	-	4,327,554	-	-	-	-	-	-	-	4,327,554	7,729,397
Subordinated obligations	11,031,990	-	258,830	-	-	-	-	-	-	-	-	-	258,830	11,290,820
	454,596,016	1,308,793	153,231,329	57,181,677	(70,246,280)	8,947,330	16,904,952	(9,304,535)	11,862,635	98,850	(1,957,798)	3,129,685	171,156,638	625,752,654
Financial guarantees	3,276,415	-	1,551	473,767	3,275,349	4,532	14,891	301	197,910	59,126	-	23,512	4,050,939	7,327,354
Credit related commitments and contingencies	106,542,900	73,178	4,574,903	12,609,373	16,781,850	361,581	1,800,152	74,382	1,230,040	491,179	1,623,584	1,172,965	40,793,187	147,336,087
	109,819,315	73,178	4,576,454	13,083,140	20,057,199	366,113	1,815,043	74,683	1,427,950	550,305	1,623,584	1,196,477	44,844,126	154,663,441

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.3 Foreign exchange risk (Continued)

(b) The table below summarises the net foreign exchange positions of the Group by major currencies profile of the Group: (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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets														
Cash and short-term funds	11,407,790	35,849	200,608	1,318,328	6,276,381	1,333,159	928,047	2,045,483	107,109	297,677	147,332	2,120,506	14,810,479	26,218,269
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	4,267,692	-	124,352	1,495,445	3,693,442	144,112	349,644	9,749	-	1,560	1,839	345,985	6,166,128	10,433,820
Deposits and placements with banks and other financial institutions	213,804	-	-	-	2,399,306	897,836	-	504,674	373,232	-	-	108,481	4,283,529	4,497,333
Financial investments at fair value through profit or loss	20,050,875	-	8,162,374	8,790,265	5,768,596	797,571	-	1,851,229	220,244	390,960	303,063	-	26,284,302	46,335,177
Debt instruments at fair value through other comprehensive income	39,322,618	-	8,962,617	2,290,466	8,267,224	2,282,463	-	135,500	-	172,719	1,385,121	61,514	23,557,624	62,880,242
Equity instruments at fair value through other comprehensive income	270,908	-	90,635	54	-	-	-	-	-	5,112	-	-	95,801	366,709
Debt instruments at amortised cost	53,513,136	-	4,217,869	13,921,158	2,490,001	-	-	28,880	-	44,947	-	68,796	20,771,651	74,284,787
Derivative financial instruments	(36,699,781)	(133,542)	22,531,025	(35,791,422)	132,858,688	(8,491,752)	(23,019,725)	(23,191,482)	(4,516,050)	(4,521,581)	2,023,216	(6,343,766)	51,403,609	14,703,828
Loans, advances and financing	261,901,508	-	31,399,135	38,815,487	25,834,920	579,221	6,822,220	823,226	2,858,750	859,708	2,202,377	7,978,944	118,173,988	380,075,496
Other assets	1,680,782	259,613	2,195,056	211,714	3,150,774	20,053	1,330	23,887	3,626	271,431	76,977	200,266	6,414,727	8,095,509
Amounts due from holding company and ultimate holding company	7,237	-	-	-	-	-	-	-	-	-	-	-	-	7,237
Amounts due from related companies	4,705,044	-	2,474	-	25	-	-	-	-	-	-	-	2,499	4,707,543
	360,641,613	161,920	77,886,145	31,051,495	190,739,357	(2,437,337)	(14,918,484)	(17,768,854)	(953,089)	(2,477,467)	6,139,925	4,540,726	271,964,337	632,605,950

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.3 Foreign exchange risk (Continued)

(b) The table below summarises the net foreign exchange positions of the Group by major currencies profile of the Group: (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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities														
Deposits from customers	248,930,214	116	34,917,002	50,565,002	57,057,503	2,365,159	1,785,269	370,075	1,047,698	970,377	5,990,016	4,232,203	159,300,420	408,230,634
Investment accounts of customers	23,811,559	-	-	-	631,751	-	-	-	-	-	-	-	631,751	24,443,310
Deposits and placements of banks and other financial institutions	9,056,561	2,499	3,421,196	2,736,864	20,000,114	50,765	104,821	10,992	5,802,477	299,381	2,178,160	208,320	34,815,589	43,872,150
Repurchase agreements/Collateralised Commodity Murabahah	25,512,765	-	5,254,602	411,777	8,243,898	3,526,323	-	1,144,588	-	-	-	-	18,581,188	44,093,953
Financial liabilities at fair value through profit or loss	5,179,163	-	1,415,175	-	-	-	-	-	-	-	-	-	1,415,175	6,594,338
Derivatives financial instruments	(12,207,142)	(34,550)	25,535,866	(29,038,470)	90,394,129	(8,581,404)	(16,654,339)	(19,324,768)	(8,070,433)	(3,969,246)	(2,337,138)	(1,530,157)	26,389,490	14,182,348
Bills and acceptances payable	320,451	-	267,922	170,710	608,628	-	56	-	12	-	-	4	1,047,332	1,367,783
Other liabilities	6,523,516	259,887	1,554,634	2,969,970	3,508,424	85,246	61,231	67,364	40,636	81,755	120,132	500,835	9,250,114	15,773,630
Lease liabilities	290,875	-	25,249	82,962	23,046	-	2,177	-	-	-	16,396	26,614	176,444	467,319
Recourse obligation on loans and financing sold to Cagamas	4,934,842	-	-	-	-	-	-	-	-	-	-	-	-	4,934,842
Amounts due to related companies	2,265	-	1,830	-	-	-	-	-	-	-	2,803	1,796	6,429	8,694
Bonds, Sukuk and debentures	8,549,991	-	186,860	-	4,641,201	-	-	135,301	-	-	425,619	-	5,388,981	13,938,972
Other borrowings	67,335	-	-	-	4,774,148	-	-	-	-	-	-	-	4,774,148	4,841,483
Subordinated obligations	10,029,216	-	263,407	-	-	-	-	-	-	-	-	-	263,407	10,292,623
	331,001,611	227,952	72,843,743	27,898,815	189,882,842	(2,553,911)	(14,700,785)	(17,596,448)	(1,179,610)	(2,617,733)	6,395,988	3,439,615	262,040,468	593,042,079
Financial guarantees	3,032,575	-	3,492	410,418	3,686,006	-	19,302	538	183,856	48,362	-	43,585	4,395,559	7,428,134
Credit related commitments and contingencies	128,007,361	59,873	3,630,157	11,773,124	15,975,779	1,267,296	794,535	67,747	610,225	850,696	1,297,066	2,438,556	38,765,054	166,772,415
	131,039,936	59,873	3,633,649	12,183,542	19,661,785	1,267,296	813,837	68,285	794,081	899,058	1,297,066	2,482,141	43,160,613	174,200,549

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.3 Foreign exchange risk (Continued)

(c) The table below summarises the net foreign exchange positions of the Bank by major currencies profile of the Bank:

The Bank
2025

	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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets														
Cash and short-term funds	3,847,636	25,750	47,834	1,089,812	5,253,913	746,795	848,522	420,685	225,132	321,427	141,292	3,322,500	12,443,662	16,291,298
Reverse repurchase agreements	2,810,438	-	-	725,559	7,298,970	356,509	32,768	2,994	-	140,754	9,777	491,714	9,059,045	11,869,483
Deposits and placements with banks and other financial institutions	1,151,607	-	-	-	1,341,180	1,088,144	439,657	129,821	201,024	-	-	-	3,199,826	4,351,433
Investment account placement	2,800,834	-	-	-	-	-	-	-	-	-	-	-	-	2,800,834
Financial investments at fair value through profit or loss	21,390,421	425,910	-	13,784,610	4,506,794	1,323,085	12,612	3,522,716	366,690	448,322	247,722	-	24,638,461	46,028,882
Debt instruments at fair value through other comprehensive income	30,377,749	-	-	2,849,993	10,350,548	3,029,083	556,958	20,716	41,520	379,134	2,028,900	58,580	19,315,432	49,693,181
Equity instruments at fair value through other comprehensive income	447,883	-	-	125	-	-	-	-	-	6,061	-	-	6,186	454,069
Debt instruments at amortised cost	43,672,090	-	-	14,604,239	2,318,073	-	-	-	-	-	-	-	16,922,312	60,594,402
Derivative financial instruments	71,064,461	616,219	(156,548)	(11,688,223)	(43,433,777)	1,349,883	7,768,388	(12,042,881)	9,351,128	(2,366,798)	(7,305,580)	(5,697,914)	(63,606,103)	7,458,358
Loans, advances and financing	130,834,104	-	-	38,640,563	17,963,348	455,603	7,384,465	611,216	2,752,720	658,009	1,915,360	7,524,854	77,906,138	208,740,242
Other assets	2,752,854	768,685	278,206	417,431	1,368,944	43,342	21,510	32,439	5,159	363,385	94,390	163,797	3,557,288	6,310,142
Amounts due from holding company and ultimate holding company	6,295	-	-	-	-	-	-	-	-	-	-	-	-	6,295
Amounts due from subsidiaries	4,749	-	-	-	-	-	-	-	-	-	-	-	-	4,749
Amounts due from related companies	5,308,120	-	-	-	-	-	-	-	-	-	-	-	-	5,308,120
	316,469,241	1,836,564	169,492	60,424,109	6,967,993	8,392,444	17,064,880	(7,302,294)	12,943,373	(49,706)	(2,868,139)	5,863,531	103,442,247	419,911,488

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.3 Foreign exchange risk (Continued)

(c) The table below summarises the net foreign exchange positions of the Bank by major currencies profile of the Bank: (Continued)

The Bank
2025

	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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities														
Deposits from customers	154,163,283	69	130,798	46,847,286	45,552,409	2,168,768	2,741,889	408,532	1,005,346	779,098	9,599,819	4,051,327	113,285,341	267,448,624
Deposits and placements of banks and other financial institutions	4,835,082	1,596	109	5,161,413	20,666,246	18,847	974,937	1,795,187	4,371,464	196,243	3,081,401	1,162,852	37,430,295	42,265,377
Repurchase agreements	23,060,704	-	-	19,804	5,237,108	924,815	-	1,035,363	-	-	146,942	-	7,364,032	30,424,736
Financial liabilities at fair value through profit or loss	2,154,758	-	-	-	-	-	-	-	-	-	-	-	-	2,154,758
Derivatives financial instruments	82,396,877	539,733	(237,772)	2,055,197	(68,469,291)	5,065,475	13,202,485	(11,060,061)	4,701,366	(1,106,174)	(15,385,862)	(4,024,348)	(74,719,252)	7,677,625
Bills and acceptances payable	387,450	-	-	213,871	212,909	-	-	-	72	5,745	-	5,559	438,156	825,606
Other liabilities	8,675,546	767,336	256,744	3,219,920	1,764,004	90,270	31,729	75,032	13,236	39,650	196,448	705,640	7,160,009	15,835,555
Lease liabilities	171,521	-	-	56,539	-	-	426	-	3,661	-	10,187	4,922	75,735	247,256
Recourse obligation on loans and financing sold to Cagamas	1,422,481	-	-	-	-	-	-	-	-	-	-	-	-	1,422,481
Amounts due to subsidiaries	1,208,739	-	-	44	10,104	-	158	-	-	-	-	28	10,334	1,219,073
Amounts due to related companies	2,492	-	-	-	-	-	-	-	-	-	504	-	504	2,996
Bonds	1,014,114	-	-	-	4,256,600	-	-	-	1,746,023	-	398,856	-	6,401,479	7,415,593
Other borrowings	3,401,843	-	-	-	4,326,961	-	-	-	-	-	-	-	4,326,961	7,728,804
Subordinated obligations	10,625,099	-	-	-	-	-	-	-	-	-	-	-	-	10,625,099
	293,519,989	1,308,734	149,879	57,574,074	13,557,050	8,268,175	16,951,624	(7,745,947)	11,841,168	(85,438)	(1,951,705)	1,905,980	101,773,594	395,293,583
Financial guarantees	2,678,602	-	-	473,767	1,777,972	-	-	9	197,910	43,807	-	6,282	2,499,747	5,178,349
Credit related commitments and contingencies	78,430,162	73,178	395,412	12,607,193	14,964,512	361,434	1,800,152	41,147	996,151	478,189	1,623,584	841,607	34,182,559	112,612,721
	81,108,764	73,178	395,412	13,080,960	16,742,484	361,434	1,800,152	41,156	1,194,061	521,996	1,623,584	847,889	36,682,306	117,791,070

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.3 Foreign exchange risk (Continued)

(c) The table below summarises the net foreign exchange positions of the Bank by major currencies profile of the Bank: (Continued)

The Bank
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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial assets														
Cash and short-term funds	3,921,278	31,722	60,684	1,348,277	5,799,180	1,316,191	1,018,122	2,021,771	133,824	265,018	146,596	1,738,515	13,879,900	17,801,178
Reverse repurchase agreements	2,845,719	-	-	1,495,445	3,693,442	144,112	37,012	9,749	-	1,560	1,839	345,985	5,729,144	8,574,863
Deposits and placements with banks and other financial institutions	655,225	-	-	-	2,301,673	897,836	312,526	504,674	373,232	-	-	-	4,389,941	5,045,166
Investment account placement	2,927,281	-	-	-	-	-	-	-	-	-	-	-	-	2,927,281
Financial investments at fair value through profit or loss	16,354,418	-	-	8,790,265	3,891,380	797,571	-	1,851,229	220,244	390,960	303,063	-	16,244,712	32,599,130
Debt instruments at fair value through other comprehensive income	32,089,121	-	-	2,290,466	8,267,224	2,282,463	-	135,500	-	172,719	1,385,121	61,514	14,595,007	46,684,128
Equity instruments at fair value through other comprehensive income	270,546	-	-	54	-	-	-	-	-	5,044	-	-	5,098	275,644
Debt instruments at amortised cost	41,065,151	-	-	13,921,158	2,001,268	-	-	28,880	-	44,947	-	-	15,996,253	57,061,404
Derivative financial instruments	(37,554,529)	(133,542)	56,611	(35,728,237)	143,301,916	(7,853,598)	(22,953,981)	(20,791,042)	(4,727,560)	(2,256,317)	2,019,010	(5,787,220)	45,146,040	7,591,511
Loans, advances and financing	130,956,364	-	-	38,815,487	20,201,156	380,796	6,807,045	823,226	2,858,666	709,219	2,202,377	6,762,347	79,560,319	210,516,683
Other assets	1,947,811	259,611	269,663	211,813	2,427,493	20,018	1,379	23,893	3,606	271,467	76,977	436,231	4,002,151	5,949,962
Amounts due from holding company and ultimate holding company	7,227	-	-	-	-	-	-	-	-	-	-	-	-	7,227
Amounts due from subsidiaries	11,375	-	-	3	-	-	-	-	-	-	-	-	3	11,378
Amounts due from related companies	4,702,380	-	-	-	-	-	-	-	-	-	-	-	-	4,702,380
	200,199,367	157,791	386,958	31,144,731	191,884,732	(2,014,611)	(14,777,897)	(15,392,120)	(1,137,988)	(395,383)	6,134,983	3,557,372	199,548,568	399,747,935

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.2 Market risk (Continued)

57.2.3 Foreign exchange risk (Continued)

(c) The table below summarises the net foreign exchange positions of the Bank by major currencies profile of the Bank: (Continued)

The Bank
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	EUR RM'000	HKD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities														
Deposits from customers	145,766,811	110	131,770	50,547,970	44,698,855	2,224,649	1,746,415	330,613	1,046,760	766,036	5,988,279	3,808,104	111,289,561	257,056,372
Deposits and placements of banks and other financial institutions	7,733,394	2,499	556	3,398,977	19,659,262	50,765	103,857	10,990	5,818,001	291,940	2,201,266	19,207	31,557,320	39,290,714
Repurchase agreements	21,163,033	-	-	411,777	8,243,898	3,526,323	-	1,144,588	-	-	-	-	13,326,586	34,489,619
Financial liabilities at fair value through profit or loss	2,053,440	-	-	-	-	-	-	-	-	-	-	-	-	2,053,440
Derivatives financial instruments	(15,561,583)	(34,550)	(32,823)	(28,954,543)	106,033,565	(8,020,246)	(16,474,730)	(16,761,846)	(8,030,499)	(1,616,281)	(2,341,324)	(1,185,154)	22,581,569	7,019,986
Bills and acceptances payable	320,451	-	-	170,710	112,824	-	-	-	12	-	-	-	283,546	603,997
Other liabilities	6,408,958	259,855	269,664	2,957,205	2,402,216	82,971	61,195	53,749	17,246	33,059	120,132	482,707	6,739,999	13,148,957
Lease liabilities	271,293	-	-	82,962	1,088	-	2,177	-	-	-	16,396	7,237	109,860	381,153
Recourse obligation on loans and financing sold to Cagamas	1,321,350	-	-	-	-	-	-	-	-	-	-	-	-	1,321,350
Amounts due to subsidiaries	630,189	-	-	-	8,056	-	-	-	-	-	-	31	8,087	638,276
Amounts due to related companies	1,928	-	-	-	-	-	-	-	-	-	2,803	-	2,803	4,731
Bonds	812,331	-	-	-	4,613,950	-	-	-	-	-	425,619	-	5,039,569	5,851,900
Other borrowings	67,335	-	-	-	4,771,831	-	-	-	-	-	-	-	4,771,831	4,839,166
Subordinated obligations	9,628,945	-	-	-	-	-	-	-	-	-	-	-	-	9,628,945
	180,617,875	227,914	369,167	28,615,058	190,545,545	(2,135,538)	(14,561,086)	(15,221,906)	(1,148,480)	(525,246)	6,413,171	3,132,132	195,710,731	376,328,606
Financial guarantees	2,540,821	-	-	410,418	2,488,241	-	11,099	538	183,856	34,995	-	29,163	3,158,310	5,699,131
Credit related commitments and contingencies	97,200,814	57,099	402	11,770,822	14,101,641	1,266,995	794,535	39,213	414,783	838,845	1,297,066	2,258,471	32,839,872	130,040,686
	99,741,635	57,099	402	12,181,240	16,589,882	1,266,995	805,634	39,751	598,639	873,840	1,297,066	2,287,634	35,998,182	135,739,817

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk

Liquidity and funding risk is defined as the current and potential risk to earnings, shareholders' funds 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 are 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 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, which subsequently reports to Group Asset Liability Management Committee. The Group Asset Liability Management Committee 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-day 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 Bank 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

In addition to regulatory limits, liquidity risk undertaken by the Group is governed by a set of established liquidity risk appetite and limits. Management Action Triggers (“MATs”) have been established to alert the management to potential and emerging liquidity pressures. Any trigger of liquidity risk appetite, limits or MATs will be escalated to the board and management in accordance to the approved framework. The Group’s Liquidity Risk Management Policy is subjected to periodic review. The assumptions, risk limits and appetite are regularly reviewed in response to regulatory changes, changing business needs and market conditions.

The Asset Liability Management function, which is responsible for the independent monitoring of the Group’s liquidity risk profile, works closely with 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. 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM Guidelines:

The Group 2025	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	23,141,688	-	-	-	-	-	536,288	23,677,976
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	11,698,109	2,257,106	829	-	-	-	-	13,956,044
Deposits and placements with banks and other financial institutions	3,117	3,181,745	1,000,532	19,776	-	-	-	4,205,170
Financial investments at fair value through profit or loss	8,319,351	8,517,224	2,883,469	6,360,407	14,802,402	14,015,098	3,954,569	58,852,520
Debt instruments at fair value through other comprehensive income	601,880	1,446,035	1,922,899	2,792,338	34,695,757	30,666,700	-	72,125,609
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	576,029	576,029
Debt instruments at amortised cost	2,973,899	6,049,429	4,509,832	3,540,106	27,390,922	33,166,684	-	77,630,872
Derivative financial instruments	2,309,518	2,699,346	510,009	1,528,587	5,358,505	2,684,193	-	15,090,158
Loans, advances and financing	65,343,123	10,502,131	7,421,949	14,229,529	67,610,577	222,396,839	-	387,504,148
Other assets	10,059,262	223,049	163,511	1,363	13,540	104	-	10,460,829
Amounts due from holding company and ultimate holding company	6,295	-	-	-	-	-	-	6,295
Amounts due from related companies	5,313,223	-	-	-	-	-	-	5,313,223
Tax recoverable	-	-	-	-	-	-	285,972	285,972
Deferred tax assets	-	-	-	-	-	-	1,023,122	1,023,122
Statutory deposits with central banks	-	-	-	-	-	-	5,374,427	5,374,427
Investment in joint venture	-	-	-	-	-	-	151,773	151,773
Property, plant and equipment	-	-	-	-	-	-	1,761,991	1,761,991
Right-of-use assets	-	-	-	-	-	-	361,857	361,857
Investment properties	-	-	-	-	-	-	8,338	8,338
Goodwill	-	-	-	-	-	-	3,940,946	3,940,946
Intangible assets	-	-	-	-	-	-	1,387,347	1,387,347
Total assets	129,769,465	34,876,065	18,413,030	28,472,106	149,871,703	302,929,618	19,362,659	683,694,646

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM Guidelines: (Continued)

**The Group
2025**

	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	254,572,279	76,520,829	44,078,087	41,258,729	2,954,776	638,604	-	420,023,304
Investment accounts of customers	10,239,460	13,299,060	7,614,839	1,137,556	856	-	-	32,291,771
Deposits and placements of banks and other financial institutions	30,154,354	12,770,676	3,163,522	549,933	1,103,649	465,959	-	48,208,093
Repurchase agreements/Collateralised Commodity Murabahah	17,693,458	18,659,109	3,607,827	-	-	-	-	39,960,394
Financial liabilities at fair value through profit or loss	888,092	1,146,612	302,687	386,882	4,522,226	509,180	-	7,755,679
Derivative financial instruments	2,144,359	2,615,845	937,931	1,467,707	5,607,179	2,782,697	-	15,555,718
Bills and acceptances payable	868,777	232,627	-	210,469	12,412	207,509	-	1,531,794
Other liabilities	16,193,894	657,354	463,510	1,280,493	1,099,635	1,074,085	-	20,768,971
Lease liabilities	4,248	9,963	17,361	48,044	235,405	11,412	-	326,433
Recourse obligation on loans and financing sold to Cagamas	11,851	11,151	331,285	541,821	2,528,843	1,647,029	-	5,071,980
Amounts due to ultimate holding company	17	-	-	-	-	-	-	17
Amounts due to related companies	3,941	9	-	-	-	-	-	3,950
Provision for taxation and zakat	23,353	-	-	-	-	-	-	23,353
Deferred tax liabilities	-	-	-	-	-	-	658	658
Bonds, Sukuk and debentures	243,622	124,779	89,058	994,624	8,132,430	6,632,322	-	16,216,835
Other borrowings	965,915	1,508,385	554,992	799,512	3,900,593	-	-	7,729,397
Subordinated obligations	6,814	98,631	20,765	99,697	5,498,993	5,565,920	-	11,290,820
Total liabilities	334,014,434	127,655,030	61,181,864	48,775,467	35,596,997	19,534,717	658	626,759,167
Net liquidity gap	(204,244,969)	(92,778,965)	(42,768,834)	(20,303,361)	114,274,706	283,394,901	19,362,001	

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM 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
Assets								
Cash and short-term funds	25,665,429	-	-	-	-	-	552,840	26,218,269
Reverse repurchase agreements/Reverse Collateralised Commodity Murabahah	7,935,800	1,083,700	449,131	965,189	-	-	-	10,433,820
Deposits and placements with banks and other financial institutions	-	3,697,773	778,461	21,099	-	-	-	4,497,333
Financial investments at fair value through profit or loss	5,465,483	8,580,211	3,463,520	2,204,851	11,803,281	11,639,645	3,178,186	46,335,177
Debt instruments at fair value through other comprehensive income	373,688	934,719	1,788,994	2,207,939	26,983,938	30,590,964	-	62,880,242
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	366,709	366,709
Debt instruments at amortised cost	2,227,623	6,073,056	5,592,537	3,619,492	19,767,373	37,004,706	-	74,284,787
Derivative financial instruments	2,991,745	2,574,675	1,188,962	1,571,518	3,969,298	2,407,630	-	14,703,828
Loans, advances and financing	100,092,709	8,444,460	4,962,038	16,254,423	48,092,108	202,229,758	-	380,075,496
Other assets	8,191,243	88,991	54,566	1,276	594,968	107	-	8,931,151
Amounts due from holding company and ultimate holding company	7,237	-	-	-	-	-	-	7,237
Amounts due from related companies	4,707,543	-	-	-	-	-	-	4,707,543
Tax recoverable	-	-	-	-	-	-	175,076	175,076
Deferred tax assets	-	-	-	-	-	-	1,291,929	1,291,929
Statutory deposits with central banks	-	-	-	-	-	-	7,875,409	7,875,409
Investment in joint venture	-	-	-	-	-	-	146,208	146,208
Property, plant and equipment	-	-	-	-	-	-	859,672	859,672
Right-of-use assets	-	-	-	-	-	-	440,687	440,687
Investment properties	-	-	-	-	-	-	8,485	8,485
Goodwill	-	-	-	-	-	-	3,945,365	3,945,365
Intangible assets	-	-	-	-	-	-	1,317,748	1,317,748
Total assets	157,658,500	31,477,585	18,278,209	26,845,787	111,210,966	283,872,810	20,158,314	649,502,171

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM Guidelines: (Continued)

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	253,045,499	70,237,259	49,606,340	33,462,275	1,457,148	422,113	-	408,230,634
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	24,732,564	13,567,268	2,996,743	1,153,172	975,851	446,552	-	43,872,150
Repurchase agreements/Collateralised Commodity Murabahah	16,958,999	22,898,315	3,643,710	592,929	-	-	-	44,093,953
Financial liabilities at fair value through profit or loss	21,637	266,282	136,091	83,815	5,001,639	1,084,874	-	6,594,338
Derivative financial instruments	2,501,289	2,749,967	1,081,379	1,687,755	3,949,232	2,212,726	-	14,182,348
Bills and acceptances payable	579,991	34,972	157,140	37	481,991	113,652	-	1,367,783
Other liabilities	13,672,832	333,198	447,786	749,235	801,591	1,132,059	-	17,136,701
Lease liabilities	22,226	10,080	18,037	49,546	266,960	100,470	-	467,319
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
Amounts due to related companies	8,694	-	-	-	-	-	-	8,694
Provision for taxation and zakat	74,722	-	-	-	-	-	-	74,722
Deferred tax liabilities	-	-	-	-	-	-	706	706
Bonds, Sukuk and debentures	250,872	81,086	85,328	58,172	7,318,413	6,145,101	-	13,938,972
Other borrowings	-	19,883	56,748	18,332	4,746,520	-	-	4,841,483
Subordinated obligations	13,962	52,543	28,078	3,032,592	4,470,679	2,694,769	-	10,292,623
Total liabilities	316,141,006	116,805,679	65,631,654	47,248,396	32,664,459	15,988,678	706	594,480,578
Net liquidity gap	(158,482,506)	(85,328,094)	(47,353,445)	(20,402,609)	78,546,507	267,884,132	20,157,608	

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM Guidelines: (Continued)

The Bank 2025	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	15,755,010	-	-	-	-	-	536,288	16,291,298
Reverse repurchase agreements	9,815,452	2,053,202	829	-	-	-	-	11,869,483
Deposits and placements with banks and other financial institutions	-	2,986,183	1,347,865	17,385	-	-	-	4,351,433
Investment account placement	2,800,834	-	-	-	-	-	-	2,800,834
Financial investments at fair value through profit or loss	7,385,204	7,338,875	2,169,420	6,178,396	13,408,489	5,609,569	3,938,929	46,028,882
Debt instruments at fair value through other comprehensive income	566,926	1,339,067	1,661,174	2,183,707	23,562,565	20,379,742	-	49,693,181
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	454,069	454,069
Debt instruments at amortised cost	2,865,011	5,642,064	4,086,617	2,123,194	23,035,880	22,841,636	-	60,594,402
Derivative financial instruments	1,300,323	1,456,128	885,510	538,603	2,421,037	856,757	-	7,458,358
Loans, advances and financing	57,054,421	8,330,293	5,598,046	7,188,029	40,784,437	89,785,016	-	208,740,242
Other assets	6,326,901	220,814	161,622	165	728	97	-	6,710,327
Amounts due from holding company and ultimate holding company	6,295	-	-	-	-	-	-	6,295
Amounts due from subsidiaries	4,749	-	-	-	-	-	-	4,749
Amounts due from related companies	5,308,120	-	-	-	-	-	-	5,308,120
Tax recoverable	-	-	-	-	-	-	49,416	49,416
Deferred tax assets	-	-	-	-	-	-	730,022	730,022
Statutory deposits with central banks	-	-	-	-	-	-	3,564,952	3,564,952
Investment in subsidiaries	-	-	-	-	-	-	6,523,544	6,523,544
Investment in joint venture	-	-	-	-	-	-	125,000	125,000
Property, plant and equipment	-	-	-	-	-	-	1,516,512	1,516,512
Right-of-use assets	-	-	-	-	-	-	288,892	288,892
Goodwill	-	-	-	-	-	-	3,555,075	3,555,075
Intangible assets	-	-	-	-	-	-	1,229,381	1,229,381
Total assets	109,189,246	29,366,626	15,911,083	18,229,479	103,213,136	139,472,817	22,512,080	437,894,467

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM Guidelines: (Continued)

The Bank 2025	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	167,959,682	52,096,364	23,153,804	21,653,054	1,957,555	628,165	-	267,448,624
Deposits and placements of banks and other financial institutions	25,215,053	12,353,606	2,990,721	385,677	854,361	465,959	-	42,265,377
Repurchase agreements	12,574,595	15,203,958	2,646,183	-	-	-	-	30,424,736
Financial liabilities at fair value through profit or loss	19,522	112,755	121,217	315,835	1,584,950	479	-	2,154,758
Derivative financial instruments	1,238,715	1,578,989	1,124,385	500,881	2,407,901	826,754	-	7,677,625
Bills and acceptances payable	825,606	-	-	-	-	-	-	825,606
Other liabilities	11,708,703	643,962	461,365	1,280,493	1,052,266	1,060,071	-	16,206,860
Lease liabilities	3,215	7,158	12,844	29,417	180,505	14,117	-	247,256
Recourse obligation on loans and financing sold to Cagamas	-	5,335	331,286	-	255,838	830,022	-	1,422,481
Amounts due to subsidiaries	1,219,073	-	-	-	-	-	-	1,219,073
Amounts due to related companies	2,996	-	-	-	-	-	-	2,996
Bonds	27,761	7,894	85,239	885,329	6,209,370	200,000	-	7,415,593
Other borrowings	965,915	1,508,385	554,992	799,512	3,900,000	-	-	7,728,804
Subordinated obligations	-	86,558	20,765	99,697	5,499,760	4,918,319	-	10,625,099
Total liabilities	221,760,836	83,604,964	31,502,801	25,949,895	23,902,506	8,943,886	-	395,664,888
Net liquidity gap	(112,571,590)	(54,238,338)	(15,591,718)	(7,720,416)	79,310,630	130,528,931	22,512,080	

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM Guidelines: (Continued)

The Bank 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	17,248,338	-	-	-	-	-	552,840	17,801,178
Reverse repurchase agreements	6,692,001	781,174	449,131	652,557	-	-	-	8,574,863
Deposits and placements with banks and other financial institutions	-	3,887,669	675,248	482,249	-	-	-	5,045,166
Investment account placement	2,927,281	-	-	-	-	-	-	2,927,281
Financial investments at fair value through profit or loss	4,132,624	5,864,290	2,578,477	1,893,103	10,735,920	4,231,351	3,163,365	32,599,130
Debt instruments at fair value through other comprehensive income	320,163	831,264	1,637,785	1,575,915	19,932,150	22,386,851	-	46,684,128
Equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	275,644	275,644
Debt instruments at amortised cost	2,052,926	5,405,056	5,135,168	2,779,115	14,232,917	27,456,222	-	57,061,404
Derivative financial instruments	1,810,039	1,307,767	855,425	688,783	2,082,516	846,981	-	7,591,511
Loans, advances and financing	93,932,066	5,726,090	3,192,148	8,749,759	24,664,114	74,252,506	-	210,516,683
Other assets	5,651,678	88,559	50,800	111	581,961	100	-	6,373,209
Amounts due from holding company and ultimate holding company	7,227	-	-	-	-	-	-	7,227
Amounts due from subsidiaries	11,378	-	-	-	-	-	-	11,378
Amounts due from related companies	4,702,380	-	-	-	-	-	-	4,702,380
Deferred tax assets	-	-	-	-	-	-	879,346	879,346
Statutory deposits with central banks	-	-	-	-	-	-	5,051,789	5,051,789
Investment in subsidiaries	-	-	-	-	-	-	6,510,537	6,510,537
Investment in joint venture	-	-	-	-	-	-	125,000	125,000
Property, plant and equipment	-	-	-	-	-	-	588,095	588,095
Right-of-use assets	-	-	-	-	-	-	361,060	361,060
Goodwill	-	-	-	-	-	-	3,555,075	3,555,075
Intangible assets	-	-	-	-	-	-	1,153,649	1,153,649
Total assets	139,488,101	23,891,869	14,574,182	16,821,592	72,229,578	129,174,011	22,216,400	418,395,733

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity date in accordance with the requirements of BNM Guidelines: (Continued)

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	167,670,236	43,073,297	27,774,679	17,926,619	199,735	411,806	-	257,056,372
Deposits and placements of banks and other financial institutions	20,811,839	13,234,272	2,952,882	982,861	862,308	446,552	-	39,290,714
Repurchase agreements	12,476,252	19,015,245	2,405,193	592,929	-	-	-	34,489,619
Financial liabilities at fair value through profit or loss	11,750	258,902	87,463	74,686	1,619,567	1,072	-	2,053,440
Derivative financial instruments	1,646,813	1,633,548	659,801	637,789	1,751,902	690,133	-	7,019,986
Bills and acceptances payable	545,493	34,972	23,495	37	-	-	-	603,997
Other liabilities	10,487,387	315,316	447,559	749,138	700,535	1,117,910	-	13,817,845
Lease liabilities	3,673	7,996	13,017	31,714	226,261	98,492	-	381,153
Recourse obligation on loans and financing sold to Cagamas	-	5,137	2,431	226,773	256,987	830,022	-	1,321,350
Provision for taxation	73,623	-	-	-	-	-	-	73,623
Amounts due to subsidiaries	638,276	-	-	-	-	-	-	638,276
Amounts due to related companies	4,731	-	-	-	-	-	-	4,731
Bonds	31,814	7,048	4,795	2,282	5,805,961	-	-	5,851,900
Other borrowings	-	19,883	56,748	18,240	4,744,295	-	-	4,839,166
Subordinated obligations	-	47,595	28,078	3,032,592	4,470,680	2,050,000	-	9,628,945
Total liabilities	214,401,887	77,653,211	34,456,141	24,275,660	20,638,231	5,645,987	-	377,071,117
Net liquidity gap	(74,913,786)	(53,761,342)	(19,881,959)	(7,454,068)	51,591,347	123,528,024	22,216,400	

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.2 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 Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow:

The Group 2025	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	254,804,051	76,889,044	44,391,920	42,118,840	3,035,764	645,299	-	421,884,918
Investment accounts of customers	10,250,852	13,377,336	7,709,143	1,162,638	880	-	-	32,500,849
Deposits and placements of banks and other financial institutions	30,582,449	12,838,885	3,197,083	558,004	1,105,421	465,959	-	48,747,801
Repurchase agreements/Collateralised Commodity Murabahah	17,699,186	18,636,757	3,607,827	-	-	-	-	39,943,770
Bills and acceptances payable	869,197	233,985	3,469	222,715	64,522	236,650	-	1,630,538
Financial liabilities at fair value through profit or loss	29,778	202,328	347,241	438,375	6,615,685	743,002	-	8,376,409
Other liabilities	15,243,469	658,129	456,783	1,282,942	1,154,776	1,420,073	-	20,216,172
Lease liabilities	4,644	33,185	36,954	78,901	169,718	571	-	323,973
Recourse obligation on loans and financing sold to Cagamas	13,535	34,530	365,369	636,767	2,985,535	1,817,295	-	5,853,031
Amounts due to related companies	3,950	-	-	-	-	-	-	3,950
Bonds, Sukuk and debentures	259,406	170,552	147,957	1,270,989	9,592,045	7,427,287	-	18,868,236
Other borrowings	965,915	1,532,785	576,181	808,659	4,332,221	-	-	8,215,761
Subordinated obligations	10,063	172,271	127,543	406,745	6,987,518	6,261,017	-	13,965,157
Financial guarantees	3,993,770	947,014	121,105	1,975,734	286,305	3,426	-	7,327,354
Credit related commitments and contingencies	93,455,440	3,485,353	4,400,867	8,630,342	10,119,818	27,244,267	-	147,336,087
	428,185,705	129,212,154	65,489,442	59,591,651	46,450,208	46,264,846	-	775,194,006

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.2 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 Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow: (Continued)

The 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	254,505,039	70,576,013	50,097,483	34,118,297	1,580,310	431,494	-	411,308,636
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	24,982,254	13,670,541	3,033,654	1,189,832	968,181	446,552	-	44,291,014
Repurchase agreements/Collateralised Commodity Murabahah	16,991,090	22,903,886	3,643,710	592,929	-	-	-	44,131,615
Bills and acceptances payable	580,123	36,911	165,237	14,918	535,210	126,410	-	1,458,809
Financial liabilities at fair value through profit or loss	18,361	294,523	179,439	172,125	5,504,466	1,214,772	-	7,383,686
Other liabilities	12,489,621	334,085	448,958	750,690	861,860	1,575,249	-	16,460,463
Lease liabilities	4,695	37,403	43,152	88,646	300,066	16,523	-	490,485
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
Amounts due to related companies	8,694	-	-	-	-	-	-	8,694
Bonds, Sukuk and debentures	268,014	126,901	150,066	323,029	8,980,486	7,143,003	-	16,991,499
Other borrowings	3,177	62,735	54,931	29,949	5,566,631	-	-	5,717,423
Subordinated obligations	16,809	103,534	117,598	3,284,789	5,431,071	3,263,440	-	12,217,241
Financial guarantees	4,073,642	1,310,873	107,496	1,685,333	216,806	33,984	-	7,428,134
Credit related commitments and contingencies	115,901,178	2,319,256	4,006,582	8,524,933	8,580,559	27,439,907	-	166,772,415
	434,122,903	118,392,612	69,558,468	57,381,118	42,354,489	43,567,582	-	765,377,172

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.2 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 Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow: (Continued)

The Bank 2025	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	168,155,981	52,334,052	23,214,990	21,981,727	1,954,832	628,100	-	268,269,682
Deposits and placements of banks and other financial institutions	25,640,340	12,415,314	3,017,876	391,676	854,760	465,959	-	42,785,925
Repurchase agreements	12,580,155	15,205,554	2,646,183	-	-	-	-	30,431,892
Bills and acceptances payable	825,605	-	-	-	-	-	-	825,605
Financial liabilities at fair value through profit or loss	12,977	130,403	138,944	308,856	1,736,389	694	-	2,328,263
Other liabilities	11,333,791	644,737	454,637	1,282,942	1,107,420	1,406,059	-	16,229,586
Lease liabilities	3,346	30,605	32,548	61,673	128,895	524	-	257,591
Recourse obligation on loans and financing sold to Cagamas	-	11,499	339,234	23,045	403,257	882,504	-	1,659,539
Amounts due to subsidiaries	1,219,073	-	-	-	-	-	-	1,219,073
Amounts due to related companies	2,996	-	-	-	-	-	-	2,996
Bonds	33,376	19,435	125,579	1,006,745	6,563,525	239,978	-	7,988,638
Other borrowings	965,915	1,532,785	576,181	808,659	4,331,534	-	-	8,215,074
Subordinated obligations	-	132,497	90,604	322,607	6,752,737	5,337,055	-	12,635,500
Financial guarantees	3,372,393	941,558	121,105	453,563	286,305	3,425	-	5,178,349
Credit related commitments and contingencies	73,426,585	2,416,448	3,891,626	6,909,224	7,265,529	18,703,309	-	112,612,721
	297,572,533	85,814,887	34,649,507	33,550,717	31,385,183	27,667,607	-	510,640,434

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.2 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 Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow: (Continued)

The Bank 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	168,091,440	43,254,501	27,992,541	18,159,392	202,819	413,168	-	258,113,861
Deposits and placements of banks and other financial institutions	21,059,439	13,328,250	2,992,312	1,010,358	862,308	446,552	-	39,699,219
Repurchase agreements	12,508,202	19,019,616	2,405,193	592,929	-	-	-	34,525,940
Bills and acceptances payable	545,493	34,972	23,495	37	-	-	-	603,997
Financial liabilities at fair value through profit or loss	8,141	276,445	104,242	110,925	1,785,905	1,314	-	2,286,972
Other liabilities	9,832,207	316,202	448,729	750,592	760,804	1,561,100	-	13,669,634
Lease liabilities	3,464	33,952	36,676	69,072	247,768	12,742	-	403,674
Recourse obligation on loans and financing sold to Cagamas	-	8,729	11,943	255,729	419,317	919,897	-	1,615,615
Amounts due to subsidiaries	638,276	-	-	-	-	-	-	638,276
Amounts due to related companies	4,731	-	-	-	-	-	-	4,731
Bonds	38,546	18,525	50,541	111,914	6,308,651	-	-	6,528,177
Other borrowings	3,177	62,735	54,931	29,849	5,564,062	-	-	5,714,754
Subordinated obligations	-	81,804	109,122	3,225,081	5,280,840	2,208,960	-	10,905,807
Financial guarantees	3,575,001	1,308,036	107,496	457,809	216,806	33,983	-	5,699,131
Credit related commitments and contingencies	93,638,098	1,573,341	2,681,804	7,850,106	6,686,465	17,610,872	-	130,040,686
	309,946,215	79,317,108	37,019,025	32,623,793	28,335,745	23,208,588	-	510,450,474

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a net basis:

The Group 2025	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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(206,064)	-	-	-	-	-	-	(206,064)
- Interest rate derivatives	(4,539,160)	-	-	-	-	-	-	(4,539,160)
- Equity related derivatives	(375,616)	-	-	-	-	-	-	(375,616)
- Commodity related derivatives	(342,462)	-	-	-	-	-	-	(342,462)
- Credit related contracts	(19,222)	-	-	-	-	-	-	(19,222)
- Bond forward	(881,665)	-	-	-	-	-	-	(881,665)
Hedging derivatives								
- Interest rate derivatives	(7,675)	1,816	(44,295)	(53,902)	(184,580)	(164,627)	-	(453,263)
	<u>(6,371,864)</u>	<u>1,816</u>	<u>(44,295)</u>	<u>(53,902)</u>	<u>(184,580)</u>	<u>(164,627)</u>	<u>-</u>	<u>(6,817,452)</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a net basis: (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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(855,985)	-	-	-	-	-	-	(855,985)
- Interest rate derivatives	(3,359,859)	-	-	-	-	-	-	(3,359,859)
- Equity related derivatives	(282,171)	-	-	-	-	-	-	(282,171)
- Commodity related derivatives	(73,739)	-	-	-	-	-	-	(73,739)
- Credit related contracts	(13,137)	-	-	-	-	-	-	(13,137)
- Bond forward	(600,678)	-	-	-	-	-	-	(600,678)
Hedging derivatives								
- Interest rate derivatives	(12,179)	(19,257)	(36,405)	(72,104)	(157,000)	(100,056)	-	(397,001)
	(5,197,748)	(19,257)	(36,405)	(72,104)	(157,000)	(100,056)	-	(5,582,570)

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a net basis: (Continued)

The Bank 2025	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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(201,688)	-	-	-	-	-	-	(201,688)
- Interest rate derivatives	(2,299,173)	-	-	-	-	-	-	(2,299,173)
- Equity related derivatives	(374,717)	-	-	-	-	-	-	(374,717)
- Commodity related derivatives	(342,523)	-	-	-	-	-	-	(342,523)
- Credit related contracts	(19,142)	-	-	-	-	-	-	(19,142)
Hedging derivatives								
- Interest rate derivatives	(7,481)	3,535	(39,134)	(43,943)	(144,656)	(31,788)	-	(263,467)
	(3,244,724)	3,535	(39,134)	(43,943)	(144,656)	(31,788)	-	(3,500,710)

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a net basis: (Continued)

The Bank 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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(853,410)	-	-	-	-	-	-	(853,410)
- Interest rate derivatives	(1,671,813)	-	-	-	-	-	-	(1,671,813)
- Equity related derivatives	(282,714)	-	-	-	-	-	-	(282,714)
- Commodity related derivatives	(73,739)	-	-	-	-	-	-	(73,739)
- Credit related contracts	(13,178)	-	-	-	-	-	-	(13,178)
Hedging derivatives								
- Interest rate derivatives	(11,949)	(18,782)	(29,651)	(60,772)	(105,939)	(35,535)	-	(262,628)
	(2,906,803)	(18,782)	(29,651)	(60,772)	(105,939)	(35,535)	-	(3,157,482)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.3 Liquidity risk (Continued)****57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)****Derivative financial liabilities (Continued)**

The Group's and the Bank's derivatives that will be settled on a gross basis include foreign exchange derivatives, such as currency forward, currency swap, and cross currency interest rate swaps.

The table below analyses the Group's and the Bank's derivative financial liabilities that will be settled on a gross basis into relevant maturity groupings by expected maturity at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow:

The Group 2025	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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(8,414,856)	-	-	-	-	-	-	(8,414,856)
Hedging derivatives								
Foreign exchange derivatives								
- Outflow	(460,983)	(1,325,065)	(1,432,826)	(1,727,639)	(4,145,921)	(251,867)	-	(9,344,301)
- Inflow	468,723	1,270,407	1,428,380	1,621,254	3,919,052	240,257	-	8,948,073
	(8,407,116)	(54,658)	(4,446)	(106,385)	(226,869)	(11,610)	-	(8,811,084)

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's derivative financial liabilities that will be settled on a gross basis into relevant maturity groupings by expected maturity at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow: (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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(8,406,544)	-	-	-	-	-	-	(8,406,544)
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
	(8,437,891)	(24,046)	(73,162)	8,876	(31,846)	(1,182)	-	(8,559,251)

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's derivative financial liabilities that will be settled on a gross basis into relevant maturity groupings by expected maturity at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow: (Continued)

The Bank 2025	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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(3,826,518)	-	-	-	-	-	-	(3,826,518)
Derivative financial liabilities								
Hedging derivatives								
Foreign exchange derivatives								
- Outflow	(458,834)	(1,316,576)	(1,430,626)	(1,486,904)	(3,692,420)	-	-	(8,385,360)
- Inflow	440,926	1,268,497	1,417,443	1,392,343	3,467,628	-	-	7,986,837
	<u>(3,844,426)</u>	<u>(48,079)</u>	<u>(13,183)</u>	<u>(94,561)</u>	<u>(224,792)</u>	<u>-</u>	<u>-</u>	<u>(4,225,041)</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.3 Liquidity risk (Continued)

57.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's derivative financial liabilities that will be settled on a gross basis into relevant maturity groupings by expected maturity at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow: (Continued)

The Bank 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
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(3,695,097)	-	-	-	-	-	-	(3,695,097)
Derivative financial liabilities								
Hedging derivatives								
Foreign exchange derivatives								
- Outflow	(395,555)	(1,949,969)	(2,648,207)	(35,127)	(2,270,161)	-	-	(7,299,019)
- Inflow	376,593	1,918,101	2,576,416	37,515	2,256,964	-	-	7,165,589
	<u>(3,714,059)</u>	<u>(31,868)</u>	<u>(71,791)</u>	<u>2,388</u>	<u>(13,197)</u>	<u>-</u>	<u>-</u>	<u>(3,828,527)</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 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.

57.4.1 Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• Quoted prices for similar assets and liabilities in active markets; or• Quoted prices for identical or similar assets and liabilities in non-active markets; or• Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. |
| Level 3 | One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

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

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

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

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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.1 Determination of fair value and fair value hierarchy (Continued)

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. 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.1 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 Fair Value				Carrying amount RM'000	The Bank Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000		Level 2 RM'000	Level 3 RM'000		
2025									
<i>Recurring fair value measurements</i>									
Financial assets									
Financial investments at fair value through profit or loss									
-Money market instruments	-	45,204,101	273,451	45,477,552	-	34,152,346	273,451	34,425,797	
-Quoted securities	2,737,578	-	-	2,737,578	2,737,578	-	-	2,737,578	
-Unquoted securities	-	9,420,399	1,216,991	10,637,390	-	7,664,156	1,201,351	8,865,507	
Debt instruments at fair value through other comprehensive income									
-Money market instruments	-	31,219,189	-	31,219,189	-	18,870,157	-	18,870,157	
-Unquoted securities	-	40,906,420	-	40,906,420	-	30,823,024	-	30,823,024	
Equity instruments at fair value through other comprehensive income									
-Quoted securities	80,343	-	118,565*	198,908	79,518	-	-	79,518	
-Unquoted securities	-	85,579	291,542	377,121	-	85,579	288,972	374,551	
Derivative financial instruments									
-Trading derivatives	8,738	14,250,653	252,593	14,511,984	8,738	6,877,291	250,228	7,136,257	
-Hedging derivatives	-	578,174	-	578,174	-	322,101	-	322,101	
Total	2,826,659	141,664,515	2,153,142	146,644,316	2,825,834	98,794,654	2,014,002	103,634,490	
<i>Recurring fair value measurements</i>									
Financial liabilities									
Derivative financial instruments									
-Trading derivatives	103,416	14,402,953	272,676	14,779,045	103,416	6,687,712	272,633	7,063,761	
-Hedging derivatives	-	776,673	-	776,673	-	613,864	-	613,864	
Financial liabilities at fair value through profit or loss									
-	-	7,755,679	-	7,755,679	-	2,154,758	-	2,154,758	
Total	103,416	22,935,305	272,676	23,311,397	103,416	9,456,334	272,633	9,832,383	

* the quoted security is subject to trading restriction

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.1 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 Fair Value				Carrying amount RM'000	The Bank Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000		Level 2 RM'000	Level 3 RM'000		
2024									
Recurring fair value measurements									
Financial assets									
Financial investments at fair value through profit or loss									
-Money market instruments	-	36,107,189	301,267	36,408,456	-	23,589,836	301,267	23,891,103	
-Quoted securities	1,991,118	-	-	1,991,118	1,991,118	-	-	1,991,118	
-Unquoted securities	-	6,748,535	1,187,068	7,935,603	-	5,544,662	1,172,247	6,716,909	
Debt instruments at fair value through other comprehensive income									
-Money market instruments	-	26,509,548	-	26,509,548	-	17,596,392	-	17,596,392	
-Unquoted securities	-	36,370,694	-	36,370,694	-	29,087,736	-	29,087,736	
Equity instruments at fair value through other comprehensive income									
-Quoted securities	1,265	-	-	1,265	54	-	-	54	
-Unquoted securities	-	86,352	279,092	365,444	-	-	275,590	275,590	
Derivative financial instruments									
-Trading derivatives	17,514	13,799,238	95,311	13,912,063	17,514	6,885,416	94,403	6,997,333	
-Hedging derivatives	-	791,765	-	791,765	-	594,178	-	594,178	
Total	2,009,897	120,413,321	1,862,738	124,285,956	2,008,686	83,298,220	1,843,507	87,150,413	
Recurring fair value measurements									
Financial liabilities									
Derivative financial instruments									
-Trading derivatives	122,577	13,314,786	154,750	13,592,113	122,577	6,308,743	158,631	6,589,951	
-Hedging derivatives	-	590,235	-	590,235	-	430,035	-	430,035	
Financial liabilities at fair value through profit or loss									
-	-	6,594,338	-	6,594,338	-	2,053,440	-	2,053,440	
Total	122,577	20,499,359	154,750	20,776,686	122,577	8,792,218	158,631	9,073,426	

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.1 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 2025 and 31 December 2024 for the Group and the Bank:

	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	Total	Derivative financial instruments	Total
	Money market instruments and unquoted securities	Quoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group							
2025							
At 1 January	1,488,335	-	279,092	95,311	1,862,738	(154,750)	(154,750)
Total gains/(losses) recognised in statement of income	41,767	-	-	157,709	199,476	(63,803)	(63,803)
Total gains recognised in other comprehensive income	-	34,171	12,226	-	46,397	-	-
Purchases	-	-	266	14,870	15,136	(424,745)	(424,745)
Sales and redemptions	(7,898)	-	-	-	(7,898)	-	-
Settlements	-	-	-	(8,733)	(8,733)	364,068	364,068
Transfers into level 3	-	86,003*	-	-	86,003	-	-
Exchange fluctuation	(31,762)	(1,609)	(42)	(6,564)	(39,977)	6,554	6,554
At 31 December	1,490,442	118,565	291,542	252,593	2,153,142	(272,676)	(272,676)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2025 under:							
- net non-interest income	41,767	-	-	157,709	199,476	(63,803)	(63,803)
Total gains recognised in other comprehensive income for financial year ended 31 December 2025 under "revaluation reserves"	-	34,171	12,226	-	46,397	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2025 under "net non-interest income"	41,807	-	-	527,157	568,964	(313,420)	(313,420)

* the quoted security is subject to trading restriction

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.1 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 2025 and 31 December 2024 for the Group and the Bank: (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	Total	Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group						
2024						
At 1 January	1,433,306	277,282	128,102	1,838,690	(146,236)	(146,236)
Total gains/(losses) recognised in statement of income	82,531	-	(31,154)	51,377	(11,290)	(11,290)
Total gains recognised in other comprehensive income	-	1,915	-	1,915	-	-
Purchases	108	-	12,108	12,216	(318,489)	(318,489)
Sales and redemptions	(18,545)	-	-	(18,545)	-	-
Settlements	-	-	(11,989)	(11,989)	319,673	319,673
Exchange fluctuation	(9,065)	(105)	(1,756)	(10,926)	1,592	1,592
At 31 December	1,488,335	279,092	95,311	1,862,738	(154,750)	(154,750)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2024 under:						
- net non-interest income	82,531	-	(31,154)	51,377	(11,290)	(11,290)
Total gains recognised in other comprehensive income for financial year ended 31 December 2024 under "revaluation reserves"	-	1,915	-	1,915	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2024 under "net non-interest income"	82,875	-	186,610	269,485	(99,287)	(99,287)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.1 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 2025 and 31 December 2024 for the Group and the Bank: (Continued)

	Financial Assets			Total	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	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank						
2025						
At 1 January	1,473,514	275,590	94,403	1,843,507	(158,631)	(158,631)
Total gains/(losses) recognised in statement of income	40,948	-	155,527	196,475	(59,735)	(59,735)
Total gains recognised in other comprehensive income	-	13,382	-	13,382	-	-
Purchases	-	-	14,767	14,767	(424,728)	(424,728)
Sales and redemptions	(7,898)	-	-	(7,898)	-	-
Settlements	-	-	(7,936)	(7,936)	363,938	363,938
Exchange fluctuation	(31,762)	-	(6,533)	(38,295)	6,523	6,523
At 31 December	1,474,802	288,972	250,228	2,014,002	(272,633)	(272,633)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2025 under:						
- net non-interest income	40,948	-	155,527	196,475	(59,735)	(59,735)
Total gains recognised in other comprehensive income for financial year ended 31 December 2025 under "revaluation reserves"	-	13,382	-	13,382	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2025 under "net non-interest income"	40,987	-	524,813	565,800	(309,388)	(309,388)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.1 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 2025 and 31 December 2024 for the Group and the Bank: (Continued)

	Financial Assets			Total	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	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank						
2024						
At 1 January	1,419,321	272,729	127,711	1,819,761	(151,337)	(151,337)
Total gains/(losses) recognised in statement of income	81,695	-	(31,227)	50,468	(10,138)	(10,138)
Total gains recognised in other comprehensive income	-	2,861	-	2,861	-	-
Purchases	108	-	11,603	11,711	(318,401)	(318,401)
Sales and redemptions	(18,545)	-	-	(18,545)	-	-
Settlements	-	-	(11,928)	(11,928)	319,653	319,653
Exchange fluctuation	(9,065)	-	(1,756)	(10,821)	1,592	1,592
At 31 December	1,473,514	275,590	94,403	1,843,507	(158,631)	(158,631)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2024 under:						
- net non-interest income	81,695	-	(31,227)	50,468	(10,138)	(10,138)
Total gains recognised in other comprehensive income for financial year ended 31 December 2024 under "revaluation reserves"	-	2,861	-	2,861	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2024 under "net non-interest income"	82,039	-	186,539	268,578	(98,111)	(98,111)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.2 Fair value of financial assets and liabilities measured at amortised cost**

The following tables analyse within the fair value hierarchy the Group's assets' and liabilities' fair value at 31 December 2025 and 31 December 2024 where the fair value does not approximate to carrying amount in the statement of financial position:

	Carrying amount RM'000	The Group Fair Value		
		Level 1 RM'000	Level 2 RM'000	Total RM'000
2025				
Financial assets				
Deposits and placements with banks and other financial institutions	4,205,170	-	4,205,285	4,205,285
Debt instruments at amortised cost	77,630,872	-	78,912,791	78,912,791
Loans, advances and financing at amortised cost	387,504,148	-	387,972,271	387,972,271
Total	469,340,190	-	471,090,347	471,090,347
Financial liabilities				
Deposits from customers	420,023,304	-	419,249,872	419,249,872
Investment accounts of customer	32,291,771	-	32,287,963	32,287,963
Deposits and placements of banks and other financial institutions	48,208,093	-	48,198,229	48,198,229
Recourse obligation on loans and financing sold to Cagamas	5,071,980	-	5,086,991	5,086,991
Bonds, Sukuk and debentures	16,216,835	-	16,368,116	16,368,116
Other borrowings	7,729,397	-	7,726,319	7,726,319
Subordinated obligations	11,290,820	-	11,496,750	11,496,750
Total	540,832,200	-	540,414,240	540,414,240

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)**

The following tables analyse within the fair value hierarchy the Group's assets' and liabilities' fair value at 31 December 2025 and 31 December 2024 where the fair value does not approximate to carrying amount in the statement of financial position: (Continued)

	Carrying amount RM'000	The Group Fair Value		
		Level 1 RM'000	Level 2 RM'000	Total RM'000
2024				
Financial assets				
Deposits and placements with banks and other financial institutions	4,497,333	-	4,495,466	4,495,466
Reverse repurchase agreements	10,433,820	-	10,476,660	10,476,660
Debt instruments at amortised cost	74,284,787	-	74,565,091	74,565,091
Loans, advances and financing at amortised cost	380,075,496	-	376,769,307	376,769,307
Total	469,291,436	-	466,306,524	466,306,524
Financial liabilities				
Deposits from customers	408,230,634	-	408,181,231	408,181,231
Investment accounts of customer	24,443,310	-	24,468,488	24,468,488
Deposits and placements of banks and other financial institutions	43,872,150	-	43,799,450	43,799,450
Repurchase agreements	44,093,953	-	44,060,444	44,060,444
Recourse obligation on loans and financing sold to Cagamas	4,934,842	-	4,925,290	4,925,290
Bonds, Sukuk and debentures	13,938,972	-	14,004,618	14,004,618
Other borrowings	4,841,483	-	4,851,968	4,851,968
Subordinated obligations	10,292,623	-	10,253,554	10,253,554
Total	554,647,967	-	554,545,043	554,545,043

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)**

The following tables analyse within the fair value hierarchy the Bank's assets' and liabilities' fair value at 31 December 2025 and 31 December 2024 where the fair value does not approximate to carrying amount in the statement of financial position:

	Carrying amount RM'000	The Bank Fair Value		
		Level 1 RM'000	Level 2 RM'000	Total RM'000
2025				
Financial assets				
Deposits and placement with banks and other financial institutions	4,351,433	-	4,351,546	4,351,546
Debt instruments at amortised cost	60,594,402	-	61,334,625	61,334,625
Loans, advances and financing at amortised cost	208,740,242	-	209,314,897	209,314,897
Total	273,686,077	-	275,001,068	275,001,068
Financial liabilities				
Deposits from customers	267,448,624	-	268,785,017	268,785,017
Deposits and placements of banks and other financial institutions	42,265,377	-	42,254,644	42,254,644
Recourse obligation on loans and financing sold to Cagamas	1,422,481	-	1,435,844	1,435,844
Bonds	7,415,593	-	7,574,656	7,574,656
Other borrowings	7,728,804	-	7,725,726	7,725,726
Subordinated obligations	10,625,099	-	10,757,658	10,757,658
Total	336,905,978	-	338,533,545	338,533,545

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)**

The following tables analyse within the fair value hierarchy the Bank's assets' and liabilities' fair value at 31 December 2025 and 31 December 2024 where the fair value does not approximate to carrying amount in the statement of financial position: (Continued)

	Carrying amount RM'000	The Bank Fair Value		
		Level 1 RM'000	Level 2 RM'000	Total RM'000
2024				
Financial assets				
Deposits and placement with banks and other financial institutions	5,045,166	-	5,043,299	5,043,299
Reverse repurchase agreements	8,574,863	-	8,617,703	8,617,703
Debt instruments at amortised cost	57,061,404	-	57,117,346	57,117,346
Loans, advances and financing at amortised cost	210,516,683	-	208,252,479	208,252,479
Total	281,198,116	-	279,030,827	279,030,827
Financial liabilities				
Deposits from customers	257,056,372	-	256,996,608	256,996,608
Deposits and placements of banks and other financial institutions	39,290,714	-	39,223,101	39,223,101
Repurchase agreements	34,489,619	-	34,456,110	34,456,110
Recourse obligation on loans and financing sold to Cagamas	1,321,350	-	1,324,865	1,324,865
Bonds	5,851,900	-	5,999,111	5,999,111
Other borrowings	4,839,166	-	4,849,651	4,849,651
Subordinated obligations	9,628,945	-	9,589,821	9,589,821
Total	352,478,066	-	352,439,267	352,439,267

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.2 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

For short-term funds and placements with financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities of six months and above, the estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Debt instruments at amortised cost

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, the Group and the Bank establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Other assets

The fair value of other assets approximates the carrying value less 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)

Amount due (to)/from subsidiaries and related companies and amount due from holding company and ultimate holding company

The estimated fair values of the amount due (to)/from subsidiaries and related companies and amount due from ultimate holding company approximate the carrying values as the balances are either 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 placements from investment accounts 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.

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)

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 acceptances 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.

Lease liabilities

The estimated fair values of lease 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 bonds, Sukuk and debentures and other 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)

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.

57.4.3 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 calculating 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3) (Continued)

- 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3) (Continued)

2025 Description	Fair value assets RM'000	Fair value liabilities RM'000	Valuation technique(s)	Unobservable inputs	Range of unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments						
- Credit derivatives (The Group)	487	(4,439)	Discounted Cash Flow, Stochastic Default and FX Correlation Model	Credit default / FX correlation	-45.00% to +25.92%	Given a short correlation position, an increase in correlation, in isolation, would generally result in a decrease in fair value measurement.
- Credit derivatives (The Bank)	510	(6,752)				
- Equity derivatives (The Group)	252,106	(268,237)	Option pricing	Equity volatility	7.25% to 68.07%	Higher volatility results in higher/lower fair value depending on the net long/short positions.
- Equity derivatives (The Bank)	249,718	(265,881)				
Financial investments at fair value through profit or loss						
- Unquoted shares and private equity funds (The Group)	1,216,991	Not applicable	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value.
- Promissory notes (The Group and The Bank)	273,451	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 result 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 (The Bank)	1,201,351	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						
- Quoted shares (The Group)	118,565	Not applicable	Adjusted market price	Liquidity adjustment	Not applicable	Higher liquidity adjustment assigned would result in lower fair value.
- Unquoted shares and private equity funds (The Group)	291,542	Not applicable	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value.
- Unquoted shares and private equity funds (The Bank)	288,972					

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

57 Financial Risk Management (Continued)

57.4 Fair value estimation (Continued)

57.4.3 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 inputs	Range of unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments						
- Credit derivatives (The Group)	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.
- Credit derivatives (The Bank)	891	(7,291)				
- Equity derivatives (The Group)	94,420	(151,491)	Option pricing	Equity volatility	7.21% to 71.99%	Higher volatility results in higher/lower fair value depending on the net long/short positions.
- Equity derivatives (The Bank)	93,512	(151,340)				
Financial investments at fair value through profit or loss						
- Unquoted shares and private equity funds (The Group)	1,187,068	Not applicable	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value.
- Promissory notes (The Group and The Bank)	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 (The Bank)	1,172,247	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 (The Group)	279,092	Not applicable	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value.
- Unquoted shares and private equity funds (The Bank)	275,590	Not applicable				

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3) (Continued)****Sensitivity analysis for Level 3****The Group**

2025	Sensitivity of significant unobservable input	Effect of reasonably possible alternative assumptions to:	
		Favorable changes RM'000	Profit or loss / Other Comprehensive Income Unfavorable changes RM'000
Derivative financial instruments			
Trading derivatives			
- Credit derivatives	+10%	4	-
	-10%	-	(5)
- Equity derivatives	+25%	30,455	-
	-25%	-	(37,330)
Financial investments at fair value through profit or loss			
Promissory notes			
	+10%*	17,013	-
	-10%*	-	(17,013)
Equity instruments at fair value through other comprehensive income			
Quoted shares			
	+0.5%	-	(593)
	-0.5%	593	-
Total		48,065	(54,941)

2024	Sensitivity of significant unobservable input	Effect of reasonably possible alternative assumptions to:	
		Favorable changes RM'000	Profit or loss Unfavorable changes RM'000
Derivative financial instruments			
Trading derivatives			
- 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)

* 10% stress is applied to the estimated revenue of underlying assets

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****57 Financial Risk Management (Continued)****57.4 Fair value estimation (Continued)****57.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3) (Continued)****Sensitivity analysis for Level 3 (Continued)****The Bank**

2025	Sensitivity of significant unobservable input	Effect of reasonably possible alternative assumptions to:	
		Profit or loss Favorable changes RM'000	Unfavorable changes RM'000
Derivative financial instruments			
Trading derivatives			
- Credit derivatives	+10%	4	-
	-10%	-	(5)
- Equity derivatives	+25%	30,455	-
	-25%	-	(37,330)
Financial investments at fair value through profit or loss			
Promissory notes	+10%*	17,013	-
	-10%*	-	(17,013)
Total		47,472	(54,348)
2024			
Derivative financial instruments			
Trading derivatives			
- 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)

* 10% stress is applied to the estimated revenue of underlying assets

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking****Statements of Financial Position as at 31 December 2025**

	Note	The Group		The Bank	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short-term funds	(a)	10,046,375	9,934,285	3,072,506	2,419,051
Reverse Collateralised Commodity Murabahah		1,681,048	1,734,605	-	-
Deposits and placements with banks and other financial institutions	(b)	787,353	603,136	609,419	811,037
Financial investments at fair value through profit or loss	(c)	3,972,798	5,592,074	176,661	31,957
Debt instruments at fair value through other comprehensive income	(d)	11,575,938	7,317,641	52,649	87,673
Debt instruments at amortised cost	(e)	14,833,648	14,609,802	-	26,897
Islamic derivative financial instruments	(f)(i)	1,346,809	793,338	3,516	9,972
Financing, advances and other financing/loans	(g)	149,741,481	136,454,694	6,194,004	5,040,609
Other assets	(h)	974,889	1,030,396	626,931	752,876
Deferred taxation	(i)	218,955	253,132	-	-
Tax recoverable		202,819	172,994	-	-
Amount due from conventional operations		2,483,899	1,906,937	-	-
Amount due from related companies		21,412,581	17,808,620	21,410,688	17,808,572
Statutory deposits with Bank Negara Malaysia	15	987,000	1,829,850	-	-
Goodwill	(j)	136,000	136,000	-	-
Intangible assets	(k)	8,039	1,182	206	7
Property, plant and equipment	(l)	768	712	19	330
Right-of-use assets	(m)	53	122	53	122
Total assets		220,410,453	200,179,520	32,146,652	26,989,103
Liabilities					
Deposits from customers	(n)	119,946,174	113,698,928	5,392,344	4,646,504
Investment accounts of customers	(o)	32,291,771	24,443,310	-	-
Deposits and placements of banks and other financial institutions	(p)	5,419,475	3,204,310	2,157,407	223,703
Collateralised Commodity Murabahah		3,300,207	4,349,732	-	-
Investment accounts due to designated financial institutions	(q)	2,800,834	2,927,281	-	-
Financial liabilities at fair value through profit or loss	(r)	2,167,804	3,125,723	-	-
Islamic derivative financial instruments	(f)(i)	1,191,350	629,666	1,999	163
Other liabilities	(s)	24,523,784	21,320,240	23,007,074	20,670,750
Lease liabilities	(t)	184	269	184	269
Recourse obligation on loans and financing sold to Cagamas		3,651,597	3,614,777	-	-
Senior Sukuk	(u)	8,528,486	7,741,429	-	-
Amount due to related companies		351,875	380,906	265,599	275,067
Amount due to conventional operations		172,437	77,751	172,437	77,751
Subordinated Sukuk	(v)	1,714,781	1,513,741	-	-
Total liabilities		206,060,759	187,028,063	30,997,044	25,894,207
Equity					
Ordinary share capital	(w)	1,000,000	1,000,000	-	-
Perpetual preference shares	(x)	350,000	350,000	-	-
Reserves	(y)	12,999,694	11,801,457	1,149,608	1,094,896
Total equity		14,349,694	13,151,457	1,149,608	1,094,896
Total equity and liabilities		220,410,453	200,179,520	32,146,652	26,989,103
Restricted Agency Investment Account(*)	(z)	16,289,779	16,482,284	-	-
Total Islamic Banking Assets		236,700,232	216,661,804	32,146,652	26,989,103
Commitment and contingencies	(f)(ii)	116,874,486	106,936,871	2,620,367	10,055,167

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****Statements of Income for the financial year ended 31 December 2025**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds and others	(aa)	6,380,999	6,267,669	238,904	224,224
Income derived from investment of investment accounts	(ab)	1,615,774	1,264,446	-	-
Net income derived from investment of shareholders' funds	(ac)	821,862	819,402	55,843	77,963
Modification loss	(ad)	-	(1)	-	-
Expected credit losses made on financing, advances and other financing/loans	(ae)	(364,627)	(389,102)	(17,349)	(103,790)
Expected credit losses written back/(made) for commitments and contingencies	(s)(i)	5,547	26,002	514	(1,443)
Other expected credit losses and impairment allowances (made)/written back	(af)	(1,656)	(36,824)	(1,978)	74
Total distributable income		8,457,899	7,951,592	275,934	197,028
Income attributable to depositors	(ag)	(3,938,015)	(3,987,404)	(91,730)	(77,893)
Profit distributed to investment account holder	(ah)	(1,042,572)	(852,394)	-	-
Total net income	(am)	3,477,312	3,111,794	184,204	119,135
Personnel expenses	(ai)	(90,262)	(38,648)	(51,533)	(6,595)
Other overheads and expenditures	(aj)	(1,410,907)	(1,336,777)	(29,838)	(112)
Profit before taxation and zakat		1,976,143	1,736,369	102,833	112,428
Taxation and zakat	(ak)	(472,327)	(404,217)	-	-
Profit after taxation and zakat		1,503,816	1,332,152	102,833	112,428

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****Statements of Comprehensive Income for the financial year ended 31 December 2025**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	1,503,816	1,332,152	102,833	112,428
Other comprehensive (expense)/income:				
<i>Items that will not be reclassified to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(4,273)	903	-	-
	(4,273)	903	-	-
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	39,892	24,887	(240)	6,524
- Net gain from change in fair value	125,670	38,499	447	1,014
- Realised (loss)/gain transferred to statement of income on disposal	(72,908)	(8,644)	(680)	5,511
- Changes in expected credit losses	(151)	631	(7)	(1)
- Income tax effects	(12,719)	(5,599)	-	-
Exchange fluctuation reserves	(41,670)	(52,319)	(47,881)	(54,988)
Deferred hedging cost	-	(4,454)	-	(4,454)
- Net loss from change in fair value	-	(4,454)	-	(4,454)
	(1,778)	(31,886)	(48,121)	(52,918)
Other comprehensive expense for the financial year, net of tax	(6,051)	(30,983)	(48,121)	(52,918)
Total comprehensive income for the financial year	1,497,765	1,301,169	54,712	59,510
<i>Reconciliation to the Income from Islamic Banking operations as presented in the Statements of Income</i>				
Total net income	(am) 3,477,312	3,111,794	184,204	119,135
Add:				
Expected credit losses made on financing, advances and other financing/loans	364,627	389,102	17,349	103,790
Expected credit losses (written back)/made for commitments and contingencies	(5,547)	(26,002)	(514)	1,443
Other expected credit losses and impairment allowances made/(written back)	1,656	36,824	1,978	(74)
	3,838,048	3,511,718	203,017	224,294
Elimination for transactions with conventional operations	323,367	294,484	11,552	-
Income from Islamic Banking operations	4,161,415	3,806,202	214,569	224,294

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

Statements of Changes in Equity for the financial year ended 31 December 2025

	Share capital RM'000	Perpetual preference shares RM'000	Exchange fluctuation reserves RM'000	Debt instruments at fair value through other comprehensive income RM'000	Capital contribution by ultimate holding company RM'000	Costs of Hedging reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000
The Group											
At 1 January 2025	1,000,000	350,000	29,548	(34,074)	4,557	-	397,222	426	-	11,403,778	13,151,457
Profit for the financial year	-	-	-	-	-	-	-	-	-	1,503,816	1,503,816
Other comprehensive (expense)/income, net of tax	-	-	(41,670)	39,892	-	-	-	(4,273)	-	-	(6,051)
- debt instruments at fair value through other comprehensive income	-	-	-	39,892	-	-	-	-	-	-	39,892
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	(4,273)	-	-	(4,273)
- currency translation difference	-	-	(41,670)	-	-	-	-	-	-	-	(41,670)
Total comprehensive (expense)/income for the financial year	-	-	(41,670)	39,892	-	-	-	(4,273)	-	1,503,816	1,497,765
Share-based payment expense	-	-	-	-	(230)	-	-	-	702	-	472
First interim dividend for the financial year ending 31 December 2025	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)
Total transactions with owners recognised directly in equity	-	-	-	-	(230)	-	-	-	702	(300,000)	(299,528)
Transfer from regulatory reserve	-	-	-	-	-	-	245,698	-	-	(245,698)	-
At 31 December 2025	1,000,000	350,000	(12,122)	5,818	4,327	-	642,920	(3,847)	702	12,361,896	14,349,694

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

Statements of Changes in Equity for the financial year ended 31 December 2025 (Continued)

	Share capital RM'000	Perpetual preference shares RM'000	Exchange fluctuation reserves RM'000	Debt instruments at fair value through other comprehensive income RM'000	Capital contribution by ultimate holding company RM'000	Costs of Hedging reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Total RM'000
The Group											
At 1 January 2024	1,000,000	350,000	81,867	(58,961)	4,212	4,454	210,633	(477)	2	10,258,215	11,849,945
Profit for the financial year	-	-	-	-	-	-	-	-	-	1,332,152	1,332,152
Other comprehensive (expense)/income, net of tax	-	-	(52,319)	24,887	-	(4,454)	-	903	-	-	(30,983)
- debt instruments at fair value through other comprehensive income	-	-	-	24,887	-	-	-	-	-	-	24,887
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	903	-	-	903
- deferred hedging cost	-	-	-	-	-	(4,454)	-	-	-	-	(4,454)
- currency translation difference	-	-	(52,319)	-	-	-	-	-	-	-	(52,319)
Total comprehensive (expense)/income for the financial year	-	-	(52,319)	24,887	-	(4,454)	-	903	-	1,332,152	1,301,169
Share-based payment expense	-	-	-	-	345	-	-	-	-	-	345
Shares released under Equity Ownership plan	-	-	-	-	-	-	-	-	(2)	-	(2)
Total transactions with owners recognised directly in equity	-	-	-	-	345	-	-	-	(2)	-	343
Transfer from regulatory reserve	-	-	-	-	-	-	186,589	-	-	(186,589)	-
At 31 December 2024	1,000,000	350,000	29,548	(34,074)	4,557	-	397,222	426	-	11,403,778	13,151,457

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****Statements of Changes in Equity for the financial year ended 31 December 2025 (Continued)**

	<u>Non-distributable</u>		Debt instruments at fair value through other comprehensive income	<u>Distributable</u>	Total RM'000
	Exchange fluctuation reserves RM'000	Costs of Hedging reserve RM'000		Retained earnings RM'000	
The Bank					
At 1 January 2025	63,895	-	348	1,030,653	1,094,896
Profit for the financial year	-	-	-	102,833	102,833
Other comprehensive expense, net of tax	(47,881)	-	(240)	-	(48,121)
- currency translation difference	(47,881)	-	-	-	(47,881)
- debt instruments at fair value through other comprehensive income	-	-	(240)	-	(240)
At 31 December 2025	16,014	-	108	1,133,486	1,149,608

	<u>Non-distributable</u>		Debt instruments at fair value through other comprehensive income	<u>Distributable</u>	Total RM'000
	Exchange fluctuation reserves RM'000	Costs of Hedging reserve RM'000		Retained earnings RM'000	
The Bank					
At 1 January 2024	118,883	4,454	(6,176)	918,225	1,035,386
Profit for the financial year	-	-	-	112,428	112,428
Other comprehensive (expense)/income, net of tax	(54,988)	(4,454)	6,524	-	(52,918)
- currency translation difference	(54,988)	-	-	-	(54,988)
- deferred hedging cost	-	(4,454)	-	-	(4,454)
- debt instruments at fair value through other comprehensive income	-	-	6,524	-	6,524
At 31 December 2024	63,895	-	348	1,030,653	1,094,896

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****Statements of Cash Flow for the financial year ended 31 December 2025**

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	1,976,143	1,736,369	102,833	112,428
Adjustments for:				
Depreciation of property, plant and equipment	217	225	15	17
Property, plant and equipment written off	10	-	10	-
Amortisation of intangible assets	1,947	2,943	136	29
Depreciation of right-of-use assets	712	453	67	70
Other expected credit losses and impairment allowances made/(written back)	1,656	36,824	1,978	(74)
Share-based payment expense	472	345	-	-
Unrealised loss/(gain) from financial investments at fair value through profit or loss	3,829	383	(45)	(5)
Unrealised loss/(gain) on Islamic derivative financial instruments	82,346	(139,403)	(13)	627
Unrealised (gain)/loss on foreign exchange	(286,993)	(177,092)	(7,256)	12,951
Expected credit losses on financing, advances and other financing/loans	503,863	524,422	25,489	113,560
Unrealised loss from financial liabilities designated fair value through profit and loss	22,210	21,713	-	-
Profit expense on recourse obligation on loans and financing sold to Cagamas	135,863	125,126	-	-
Accretion of discount less amortisation of premium	(42,341)	(138,957)	404	2,976
Profit income from debt instruments at fair value through other comprehensive income	(382,490)	(275,652)	(4,604)	(13,447)
Profit income from debt instruments at amortised cost	(659,258)	(615,806)	(543)	(2,083)
Net (gain)/loss from sale of debt instruments at fair value through other comprehensive income	(72,908)	(8,644)	(680)	5,511
Net (gain)/loss from hedging activities	(344)	(486)	14	(324)
Profit expense on subordinated Sukuk	61,820	49,140	-	-
Profit expense on senior Sukuk	310,614	189,627	-	-
Expected credit losses (written back)/made for commitments and contingencies	(5,547)	(26,002)	(514)	1,443
Modification loss	-	1	-	-
	1,651,821	1,305,529	117,291	233,679

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****Statements of Cash Flow for the financial year ended 31 December 2025 (Continued)**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Decrease/(Increase) in operating assets				
Deposits and placements with banks and other financial institutions	22	(74)	(10)	12
Cash and short-term funds with original maturity of more than three months	19,804	(154,045)	-	-
Reverse Collateralised Commodity Murabahah	53,557	(1,034,538)	-	-
Financial investments at fair value through profit or loss	1,710,909	(1,665,187)	(144,659)	(31,952)
Financing, advances and other financing/loans	(13,812,377)	(12,083,456)	(1,200,793)	(1,735,764)
Other assets	23,769	(262,009)	123,940	(212,871)
Amount due from conventional operations	(576,962)	6,512	-	-
Amount due from related companies	(3,603,961)	(3,001,226)	(3,602,116)	(3,001,218)
Statutory deposits with Bank Negara Malaysia	842,850	40,360	-	-
Right-of-use assets	(643)	195	2	9
Increase/(Decrease) in operating liabilities				
Deposits from customers	6,247,246	(1,443,873)	745,840	335,447
Investment accounts of customers	7,848,461	5,459,185	-	-
Deposits and placements of banks and other financial institutions	2,215,165	(1,395,637)	1,933,704	200,709
Collateralised Commodity Murabahah	(1,049,525)	2,120,611	-	-
Investment accounts due to designated financial institutions	(126,447)	(497,570)	-	-
Islamic derivative financial instruments	31,414	(62,589)	16,506	664
Financial liabilities designated at fair value through profit or loss	(984,402)	282,226	-	-
Amount due to conventional operations	94,686	(85,605)	94,686	(85,605)
Amount due to related companies	(29,031)	(39,039)	(9,468)	(35,740)
Other liabilities	3,525,908	4,534,069	2,344,095	4,401,862
Lease liabilities	572	(271)	(85)	(95)
Cash flows generated from/(used in) from operations	4,082,836	(7,976,432)	418,933	69,137
Taxation and zakat paid *	(480,693)	(466,212)	-	-
Cash flows generated from/(used in) operating activities	3,602,143	(8,442,644)	418,933	69,137

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****Statements of Cash Flow for the financial year ended 31 December 2025 (Continued)**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Net purchase of debt instruments at fair value through other comprehensive income	(4,114,897)	(1,651,082)	34,950	180,692
Net purchase of debt instruments at amortised cost	(367,738)	(535,966)	11,963	15,000
Profit income from debt instruments at fair value through other comprehensive income	336,553	255,944	4,768	11,230
Profit income from debt instruments at amortised cost	775,394	569,511	8,054	1,701
Purchase of property, plant and equipment	(590)	(163)	(21)	(77)
Purchase of intangible assets	(8,500)	(539)	(32)	-
Cash flows (used in)/generated from investing activities	(3,379,778)	(1,362,295)	59,682	208,546
Cash flows from financing activities				
Dividends paid	(300,000)	-	-	-
Proceeds from issuance of subordinated Sukuk	200,000	1,200,000	-	-
Proceeds from issuance of recourse obligation on loans and financing sold to Cagamas	490,000	1,273,023	-	-
Repayment of recourse obligation on loans and financing sold to Cagamas	(472,978)	(488,000)	-	-
Issuance of senior Sukuk	700,000	6,620,000	-	-
Profit expense paid on recourse obligation on loans and financing sold to Cagamas	(136,295)	(125,264)	-	-
Profit expense paid on subordinated Sukuk	(60,780)	(44,823)	-	-
Profit expense paid on senior Sukuk	(304,984)	(100,384)	-	-
Repayment of subordinated Sukuk	-	(800,000)	-	-
Repayment of lease liabilities	(657)	(610)	-	-
Cash flows generated from financing activities	114,306	7,533,942	-	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****Statements of Cash Flow for the financial year ended 31 December 2025 (Continued)**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	336,671	(2,270,997)	478,615	277,683
Effects of exchange rate differences	(20,560)	(35,617)	(26,778)	(38,264)
Cash and cash equivalents at beginning of financial year	10,337,379	12,643,993	3,230,088	2,990,669
Cash and cash equivalents at end of financial year	10,653,490	10,337,379	3,681,925	3,230,088
Cash and cash equivalents comprise:				
Cash and short-term funds	(a) 10,046,375	9,934,285	3,072,506	2,419,051
Deposits and placements with banks and other financial institutions	(b) 787,353	603,136	609,419	811,037
	10,833,728	10,537,421	3,681,925	3,230,088
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(180,238)	(200,042)	-	-
Cash and cash equivalents at end of financial year	10,653,490	10,337,379	3,681,925	3,230,088

* Included in taxation and zakat paid during the financial year is payment of zakat amounting to RM16 million (2024: RM12 million).

(i) An analysis of debt movements for the financial year ended 31 December 2025 and 31 December 2024 is as follows:

The Group	Senior Sukuk	Recourse obligation on loans and financing sold to Cagamas	Subordinated Sukuk	Lease Liabilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	7,741,429	3,614,777	1,513,741	269	12,870,216
Proceeds from issuance	700,000	490,000	200,000	-	1,390,000
Repayment and redemption	-	(472,978)	-	(657)	(473,635)
Profit paid	(304,984)	(136,295)	(60,780)	-	(502,059)
Other non cash movement	392,041	156,093	61,820	572	610,526
At 31 December 2025	8,528,486	3,651,597	1,714,781	184	13,895,048
The Group	Senior Sukuk	Recourse obligation on loans and financing sold to Cagamas	Subordinated Sukuk	Lease Liabilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	1,009,474	2,822,998	1,109,424	1,150	4,943,046
Proceeds from issuance	6,620,000	1,273,023	1,200,000	-	9,093,023
Repayment and redemption	-	(488,000)	(800,000)	(610)	(1,288,610)
Profit paid	(100,384)	(125,264)	(44,823)	-	(270,471)
Other non cash movement	212,339	132,020	49,140	(271)	393,228
At 31 December 2024	7,741,429	3,614,777	1,513,741	269	12,870,216

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(a) Cash and short-term funds**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,122,981	2,036,108	2,000,653	1,953,152
Money at call and deposit placements maturing within one month	7,923,394	7,898,177	1,071,853	465,899
	<u>10,046,375</u>	<u>9,934,285</u>	<u>3,072,506</u>	<u>2,419,051</u>

(b) Deposits and placements with banks and other financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Licensed Islamic banks	707,330	403,191	609,439	811,048
Other financial institutions	80,095	200,042	-	-
	<u>787,425</u>	<u>603,233</u>	<u>609,439</u>	<u>811,048</u>
Less: Expected credit loss	(72)	(97)	(20)	(11)
	<u>787,353</u>	<u>603,136</u>	<u>609,419</u>	<u>811,037</u>

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	Total RM'000
At 1 January 2025	97	97
Total charge to Statement of Income:	(22)	(22)
New financial assets originated	824	824
Financial assets that have been derecognised	(86)	(86)
Change in credit risk	(760)	(760)
Exchange fluctuation	(3)	(3)
At 31 December 2025	<u>72</u>	<u>72</u>

The Group	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 originated	180	180
Financial assets that have been derecognised	(95)	(95)
Change in credit risk	(11)	(11)
Exchange fluctuation	(1)	(1)
At 31 December 2024	<u>97</u>	<u>97</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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: (Continued)

The Bank	12-month expected credit losses	
	(Stage 1) RM'000	Total RM'000
At 1 January 2025	11	11
Total charge to Statement of Income:	10	10
Change in credit risk	10	10
Exchange fluctuation	(1)	(1)
At 31 December 2025	20	20

The Bank	12-month expected credit losses	
	(Stage 1) RM'000	Total RM'000
At 1 January 2024	24	24
Total charge to Statement of Income:	(12)	(12)
Change in credit risk	(12)	(12)
Exchange fluctuation	(1)	(1)
At 31 December 2024	11	11

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(c) Financial investments at fair value through profit or loss**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Unquoted:				
Government investment issue	425,138	338,545	-	-
Malaysian Government treasury bills	171,478	277,430	-	-
Bank Negara Malaysia monetary notes	402,685	1,530,686	-	-
Islamic Cagamas bonds	15,064	353,537	-	-
Islamic negotiable instruments of deposit	1,344,764	1,791,452	-	-
Islamic commercial paper	492,463	845,315	-	-
	2,851,592	5,136,965	-	-
Unquoted securities:				
<u>In Malaysia</u>				
Corporate Sukuk	1,121,206	455,109	176,661	31,957
	3,972,798	5,592,074	176,661	31,957

(d) Debt instruments at fair value through other comprehensive income

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Unquoted:				
Government Investment Issues	3,210,116	2,263,396	-	-
Islamic Cagamas bonds	131,659	75,888	-	-
	3,341,775	2,339,284	-	-
Unquoted securities:				
<u>In Malaysia</u>				
Corporate Sukuk	8,234,163	4,978,357	52,649	87,673
	11,575,938	7,317,641	52,649	87,673

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 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.

The Group	12-month expected credit losses (Stage 1) RM'000	Total RM'000
Debt instruments at fair value through other comprehensive income		
At 1 January 2025	2,234	2,234
Total charge to Statement of Income:	(151)	(151)
New financial assets purchased	20,513	20,513
Financial assets that have been derecognised	(333)	(333)
Change in credit risk	(20,331)	(20,331)
At 31 December 2025	2,083	2,083

The Group	12-month expected credit losses (Stage 1) RM'000	Total RM'000
Debt instruments at fair value through other comprehensive income		
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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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: (Continued)

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. (Continued)

The Bank	12-month expected credit losses (Stage 1) RM'000	Total RM'000
Debt instruments at fair value through other comprehensive income		
At 1 January 2025	9	9
Total charge to Statement of Income:	(7)	(7)
Change in credit risk	(7)	(7)
At 31 December 2025	2	2

The Bank	12-month expected credit losses (Stage 1) RM'000	Total RM'000
Debt instruments at fair value through other comprehensive income		
At 1 January 2024	10	10
Total charge to Statement of Income:	(1)	(1)
Change in credit risk	(1)	(1)
At 31 December 2024	9	9

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(e) Debt instruments at amortised cost

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Unquoted:				
Islamic Cagamas bonds	85,935	20,151	-	-
Other Government's securities	-	26,927	-	26,927
Government Investment Issue	8,105,789	5,978,111	-	-
Commercial papers	-	180,685	-	-
Malaysian Government treasury bills	65,184	-	-	-
	8,256,908	6,205,874	-	26,927
Unquoted securities:				
<u>In Malaysia</u>				
Corporate Sukuk	6,634,915	8,410,904	-	-
Amortisation of premium net of accretion of discount	(57,856)	(6,573)	-	-
Less : Expected credit losses	(319)	(403)	-	(30)
	14,833,648	14,609,802	-	26,897

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(e) 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	Total RM'000
At 1 January 2025	403	403
Total charge to Statement of Income:	(84)	(84)
New financial assets purchased	418	418
Change in credit risk	(502)	(502)
At 31 December 2025	319	319

The Group	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

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(e) Debt instruments at amortised cost (Continued)

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

The Bank	12-month expected	Total
	credit losses (Stage 1)	
	RM'000	RM'000
At 1 January 2025	30	30
Total charge to Statement of Income:	(30)	(30)
Change in credit risk	(30)	(30)
At 31 December 2025	-	-

The Bank	12-month expected	Total
	credit losses (Stage 1)	
	RM'000	RM'000
At 1 January 2024	94	94
Total charge to Statement of Income:	(61)	(61)
Change in credit risk	(61)	(61)
Exchange fluctuation	(3)	(3)
At 31 December 2024	30	30

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(e) Debt instruments at amortised cost (Continued)

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 2025	634,852	634,852
Amount fully recovered	(510,741)	(510,741)
Other movements	(96,651)	(96,651)
Exchange fluctuation	(27,460)	(27,460)
At 31 December 2025	-	-

The Group	Lifetime expected credit losses - credit impaired	
	(Stage 3) RM'000	Total RM'000
Debt instruments at amortised cost		
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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 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 statement 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.

	The Group			The Bank		
	Fair values			Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
At 31 December 2025						
<u>Trading derivatives</u>						
Foreign exchange derivatives						
Currency forward	25,235,029	58,027	(803,945)	949,653	1,234	(1,260)
Currency swaps	32,209,045	801,551	(108,235)	1,459,995	813	(739)
Currency spot	364,458	561	(325)	-	-	-
Currency option	404,563	3,930	(3,930)	-	-	-
Cross currency profit rate swaps	2,178,709	67,822	(42,728)	-	-	-
	60,391,804	931,891	(959,163)	2,409,648	2,047	(1,999)
<u>Profit rate derivatives</u>						
Islamic profit rate swaps	8,228,601	25,574	(57,581)	-	-	-
<u>Equity related derivatives</u>						
Equity options	4,670	101	(101)	-	-	-
<u>Commodity related derivatives</u>						
Commodity options	7,056,268	166,480	(166,419)	-	-	-
<u>Credit related contracts</u>						
Total return swaps	39,800	436	(436)	-	-	-
<u>Hedging derivatives</u>						
Islamic profit rate swaps	11,071,594	222,327	(7,650)	51,594	1,469	-
Total derivative assets/(liabilities)	86,792,737	1,346,809	(1,191,350)	2,461,242	3,516	(1,999)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(f) Islamic derivative financial instruments, commitments and contingencies (Continued)****(i) Islamic derivative financial instruments (Continued)**

At 31 December 2024	The Group Fair values			The Bank Fair values		
	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
Foreign exchange derivatives						
Currency forward	18,172,427	327,042	(216,697)	-	-	-
Currency swaps	31,995,184	235,159	(249,998)	9,690,883	200	(163)
Currency spot	406,338	284	(494)	-	-	-
Currency option	97,548	935	(935)	-	-	-
Cross currency profit rate swaps	836,319	55,848	(53,758)	-	-	-
	51,507,816	619,268	(521,882)	9,690,883	200	(163)
<u>Profit rate derivatives</u>						
Islamic profit rate swaps	8,752,818	17,174	(73,774)	-	-	-
<u>Equity related derivatives</u>						
Equity swap	56,184	996	(996)	-	-	-
<u>Commodity related derivatives</u>						
Commodity options	2,526,737	26,279	(26,234)	-	-	-
<u>Credit related contracts</u>						
Total return swaps	39,800	450	(450)	-	-	-
<u>Hedging derivatives</u>						
Islamic profit rate swaps	11,124,202	129,171	(6,330)	87,277	9,772	-
Total derivative assets/(liabilities)	74,007,557	793,338	(629,666)	9,778,160	9,972	(163)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 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 and the Bank entered into various commitments and incurred certain contingent liabilities with legal recourse to their customers.

These commitments and contingencies are not secured over the assets of the Group and the Bank, 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.

The notional/principal amount of the commitments and contingencies constitute the following:

	The Group		The Bank	
	2025	2024	2025	2024
	Principal	Principal	Principal	Principal
	RM'000	RM'000	RM'000	RM'000
<u>Credit related</u>				
Direct credit substitutes	854,368	592,823	-	895
Certain transaction-related contingent items	1,382,023	1,252,135	-	-
Short-term self-liquidating trade-related contingencies	95,877	232,200	-	-
Irrevocable commitments to extend credit:				
- maturity not exceeding one year	18,665,960	20,539,916	138,596	77,553
- maturity exceeding one year	8,836,124	10,072,631	20,529	198,559
Miscellaneous commitments and contingencies	247,397	239,609	-	-
Total credit-related commitments and contingencies	30,081,749	32,929,314	159,125	277,007

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(f) Islamic derivative financial instruments, commitments and contingencies (Continued)****(ii) Commitments and contingencies (Continued)**

	The Group		The Bank	
	2025	2024	2025	2024
	Principal	Principal	Principal	Principal
	RM'000	RM'000	RM'000	RM'000
<u>Treasury related</u>				
Foreign exchange related contracts:				
- less than one year	58,273,615	50,741,587	2,409,648	9,690,883
- one year to less than five years	1,626,920	463,460	-	-
- five years and above	491,269	302,769	-	-
	60,391,804	51,507,816	2,409,648	9,690,883
Profit rate related contracts:				
- less than one year	4,010,073	1,155,255	-	-
- one year to less than five years	8,669,244	11,002,237	51,594	56,842
- five years and above	6,620,878	7,719,528	-	30,435
	19,300,195	19,877,020	51,594	87,277
Equity related contracts:				
- less than one year	4,670	50,914	-	-
- one year to less than five years	-	5,270	-	-
	4,670	56,184	-	-
Commodity related contracts:				
- less than one year	7,056,268	2,526,737	-	-
	7,056,268	2,526,737	-	-
Credit related contracts:				
- less than one year	39,800	-	-	-
- one year to less than five years	-	39,800	-	-
	39,800	39,800	-	-
Total treasury-related commitments and contingencies	86,792,737	74,007,557	2,461,242	9,778,160
	116,874,486	106,936,871	2,620,367	10,055,167

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(g) Financing, advances and other financing/loans

(i) By type and Shariah contract:

The Group
At 31 December 2025

	Bai' Bithaman		Bai' al-'inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al- Bai #		Qard	Ujrah	Total
	Murabahah	Ajil					RM'000	RM'000			
At amortised cost											
Cash line^	-	-	-	-	2,061,399	-	-	7,499	-	-	2,068,898
Term financing											
- House financing	-	2,937,740	-	-	55,098,871	855,210	-	-	-	-	58,891,821
- Syndicated financing	-	-	-	-	2,098,092	-	-	-	-	-	2,098,092
- Hire purchase receivables	-	-	-	-	-	-	21,643,050	-	-	-	21,643,050
- Other term financing	916,376	520,977	679,647	-	50,079,473	25,107	-	-	-	-	52,221,580
Bills receivable	-	-	-	326,384	1,452,217	-	-	-	-	-	1,778,601
Islamic trust receipts	-	-	-	-	17,609	-	-	-	-	-	17,609
Claims on customers under acceptance credits	-	-	-	-	1,297,961	-	-	-	-	-	1,297,961
Staff financing	-	-	-	-	358,176	-	-	-	-	-	358,176
Revolving credits	-	-	-	-	10,316,846	-	-	-	-	-	10,316,846
Credit card receivables	-	-	-	-	-	-	-	-	-	825,866	825,866
Gross financing, advances and other financing/loans, at amortised cost	916,376	3,458,717	679,647	326,384	122,780,644	880,317	21,643,050	7,499	825,866	-	151,518,500
Less: Expected credit losses											(1,777,019)
Net financing, advances and other financing/loans											149,741,481

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(g) Financing, advances and other financing/loans (Continued)

(i) By type and Shariah contract: (Continued)

The Group
At 31 December 2024

At amortised cost	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al- Bai #	Qard	Ujrah	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line [^]	-	-	-	-	1,890,281	-	-	7,386	-	1,897,667
Term financing										
- House financing	-	3,269,654	-	-	50,904,382	921,601	-	-	-	55,095,637
- Syndicated financing	-	-	-	-	1,265,388	-	-	-	-	1,265,388
- Hire purchase receivables	-	-	-	-	-	-	19,830,538	-	-	19,830,538
- Other term financing	91,283	631,260	887,419	-	47,132,376	28,766	-	-	-	48,771,104
Bills receivable	-	-	-	102,171	1,097,863	-	-	-	-	1,200,034
Islamic trust receipts	-	-	-	-	15,826	-	-	-	-	15,826
Claims on customers under acceptance credits	-	-	-	-	1,208,563	-	-	-	-	1,208,563
Staff financing	-	-	-	-	338,903	-	-	-	-	338,903
Revolving credits	-	-	-	-	8,186,099	-	-	-	-	8,186,099
Credit card receivables	-	-	-	-	-	-	-	-	558,518	558,518
Gross financing, advances and other financing/loans	91,283	3,900,914	887,419	102,171	112,039,681	950,367	19,830,538	7,386	558,518	138,368,277
Fair value changes arising from fair value hedge										(187)
Less: Expected credit losses										138,368,090
Net financing, advances and other financing/loans										(1,913,396)
										136,454,694

[^] Includes current account in excess

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)****(i) By type and Shariah contract: (Continued)****The Bank**

At 31 December 2025

	Sale-based contracts			Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	
At amortised cost				
Cash line [^]	-	-	282	282
Term financing				
- Other term financing	916,376	-	4,310,160	5,226,536
Bills receivable	-	326,384	44	326,428
Revolving credits	-	-	746,280	746,280
Gross financing, advances and other financing/loans, at amortised cost	916,376	326,384	5,056,766	6,299,526
Less: Expected credit losses				(105,522)
Net financing, advances and other financing/loans				6,194,004

At 31 December 2024

	Sale-based contracts			Total RM'000
	Murabahah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	
At amortised cost				
Cash line [^]	-	-	152	152
Term financing				
- Other term financing	91,283	-	4,014,492	4,105,775
Bills receivable	-	102,171	46	102,217
Revolving credits	-	-	974,560	974,560
Gross financing, advances and other financing/loans	91,283	102,171	4,989,250	5,182,704
Less: Expected credit losses				(142,095)
Net financing, advances and other financing/loans				5,040,609

[^] Includes current account in excess

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)****(i) By type and Shariah contract: (Continued)**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	151,518,500	138,368,277	6,299,526	5,182,704

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(g) Financing, advances and other financing/loans (Continued)

(i) By type and Shariah contract: (Continued)

- 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.

Loan contracts

- 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.

Ujrah

Arrangement that involves payment of a service fee in exchange for the services rendered to customers

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(g) Financing, advances and other financing/loans (Continued)

(i) By type and Shariah contract: (Continued)

(a) During the financial year, the Group has undertaken fair value hedges on the profit rate risk of RM Nil (2024: RM17,195,000) financing using Islamic profit rate swaps.

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

As at 31 December 2025, the gross exposure and expected credit losses relating to RPSIA financing are RM2,801,569,000 (2024: RM2,928,095,000) and RM198,000 (2024: RM352,000) respectively.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)**

(i) By type and Shariah contract: (Continued)

(c) Movement in Qard financing:

	The Group	
	2025	2024
	RM'000	RM'000
As at 1 January	7,386	11,639
New disbursement	2,037	1,857
Repayment	(1,924)	(6,110)
As at 31 December	7,499	7,386
Sources of Qard fund:		
Depositors' fund	6,894	6,850
Shareholders' fund	605	536
	7,499	7,386
Uses of Qard fund:		
Personal use	483	446
Business purpose	7,016	6,940
	7,499	7,386

(ii) By type of customer:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	3,585,352	3,007,855	-	-
Domestic business enterprises				
- small medium enterprises	25,080,948	23,726,144	-	-
- others	14,649,774	10,550,118	-	-
Government and statutory bodies	2,595,196	1,836,729	-	-
Individuals	98,581,402	92,655,926	147,405	288,432
Other domestic entities	191,287	1,047,914	282	151
Foreign entities	6,834,541	5,543,591	6,151,839	4,894,121
	151,518,500	138,368,277	6,299,526	5,182,704

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)****(iii) By profit rate sensitivity:**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- House financing	906,140	627,836	-	-
- Hire-purchase receivables	16,867,890	16,887,334	-	-
- other financing/loans	5,781,090	5,300,445	1,109,745	821,217
Variable rate				
- House financing	57,985,681	54,467,802	-	-
- Others	69,977,699	61,084,860	5,189,781	4,361,487
	151,518,500	138,368,277	6,299,526	5,182,704

(iv) By economic purposes:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Personal use	2,178,348	2,505,705	140,790	288,559
Credit card	825,866	558,518	-	-
Purchase of consumer durables	5,034	5,627	-	-
Residential property	60,803,670	56,161,122	828,157	-
Non residential property	20,303,345	18,515,168	2,710,880	2,171,800
Purchase of fixed assets other than land and building	849,333	776,090	-	-
Construction	3,258,630	2,160,150	-	-
Purchase of securities	10,346,670	10,782,005	379,559	394,970
Purchase of transport vehicles	21,963,809	20,199,304	-	-
Working capital	27,918,437	25,407,029	1,716,562	2,027,033
Other purpose	3,065,358	1,297,559	523,578	300,342
	151,518,500	138,368,277	6,299,526	5,182,704

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)****(v) By economic sector:**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	1,766,590	3,362,171	50,380	55,547
Mining and quarrying	122,979	155,539	-	44,870
Manufacturing	5,572,968	5,308,371	449,570	428,501
Electricity, gas and water supply	3,291,655	1,302,068	614,842	663,127
Construction	5,302,164	4,374,672	594,745	412,705
Transport, storage and communications	4,117,435	3,622,835	106,496	105,815
Education, health and others	3,610,825	2,861,336	-	-
Wholesale and retail trade, and restaurants and hotels	10,955,610	10,392,549	1,408,346	1,134,339
Finance, insurance/takaful, real estate and business activities	17,583,949	13,784,845	2,675,033	1,818,564
Household	98,936,147	92,969,857	142,187	291,339
Others	258,178	234,034	257,927	227,897
	151,518,500	138,368,277	6,299,526	5,182,704

(vi) By geographical distribution:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	145,219,234	133,186,206	260	633
Indonesia	1,424	245	1,424	245
Singapore	5,049,088	4,978,362	5,049,088	4,978,362
Other countries	1,248,754	203,464	1,248,754	203,464
	151,518,500	138,368,277	6,299,526	5,182,704

(vii) By residual contractual maturity:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Within one year	18,301,651	14,132,857	1,934,651	1,211,631
One year to less than three years	4,908,677	2,996,480	347,700	372,019
Three years to less than five years	10,120,186	9,377,325	526,800	597,681
Five years and more	118,187,986	111,861,615	3,490,375	3,001,373
	151,518,500	138,368,277	6,299,526	5,182,704

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)**

(viii) Credit impaired financing, advances and other financing/loans by economic purposes:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Personal uses	24,333	51,529	3,018	32,013
Credit card	13,569	7,911	-	-
Purchase of consumer durables	227	4	-	-
Residential property	908,082	930,353	-	-
Non residential property	194,841	172,316	12,100	-
Purchased of fixed assets other than land & building	452	7,005	-	-
Purchase of securities	420	850	-	-
Purchase of transport vehicles	231,937	177,890	-	-
Working capital	240,500	235,587	9,860	6,695
Other	124,039	158,779	88,219	91,285
	1,738,400	1,742,224	113,197	129,993

(ix) Credit impaired financing, advances and other financing/loans by economic sector:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	12,842	4	-	-
Mining and quarrying	30,496	644	-	-
Manufacturing	43,401	106,677	-	481
Electricity, gas and water supply	33	1	-	-
Construction	138,138	213,875	89,099	91,283
Transport, storage and communications	9,930	6,544	879	-
Education, health and others	20,650	16,913	-	-
Wholesale, retail trade, restaurants and hotels	128,084	114,904	3,610	1,397
Finance, insurance/takaful, real estate and business activities	142,743	76,444	16,591	3,913
Household	1,212,083	1,204,935	3,018	32,013
Others	-	1,283	-	906
	1,738,400	1,742,224	113,197	129,993

(x) Credit impaired financing, advances and other financing/loans by geographical distribution:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,625,203	1,612,308	-	77
Singapore	24,979	38,564	24,979	38,564
Other countries	88,218	91,352	88,218	91,352
	1,738,400	1,742,224	113,197	129,993

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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:

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 2025	608,999	494,011	810,383	1,913,393
Changes in expected credit losses due to transferred within stages:	219,486	(129,877)	(89,609)	-
Transferred to Stage 1	412,886	(395,417)	(17,469)	-
Transferred to Stage 2	(193,015)	621,443	(428,428)	-
Transferred to Stage 3	(385)	(355,903)	356,288	-
Total charge to Statement of Income:	(329,970)	104,540	717,935	492,505
New financial assets originated	110,459	75,649	2,238	188,346
Financial assets that have been derecognised	(72,406)	(145,385)	-	(217,791)
Writeback in respect of full recoveries	-	-	(26,293)	(26,293)
Change in credit risk	(368,023)	174,276	741,990	548,243
Write-offs	-	(930)	(650,832)	(651,762)
Exchange fluctuation	(214)	(90)	(10,857)	(11,161)
Other movements	-	-	34,044	34,044
At 31 December 2025	498,301	467,654	811,064	1,777,019

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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: (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	Total RM'000
At 1 January 2024	781,017	380,501	573,220	1,734,738
Changes in expected credit losses due to transferred within stages:	206,221	(87,561)	(118,660)	-
Transferred to Stage 1	384,972	(359,846)	(25,126)	-
Transferred to Stage 2	(178,369)	613,880	(435,511)	-
Transferred to Stage 3	(382)	(341,595)	341,977	-
Total charge to Statement of Income:	(377,497)	201,587	691,685	515,775
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	(405,201)	234,792	741,055	570,646
Write-offs	-	(164)	(354,562)	(354,726)
Exchange fluctuation	(614)	(426)	(14,254)	(15,294)
Other movements	(126)	73	32,956	32,903
At 31 December 2024	609,001	494,010	810,385	1,913,396

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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: (Continued)

The Bank	12-month	Lifetime expected	Lifetime expected	Total
	expected credit losses (Stage 1)	credit losses - not credit impaired (Stage 2)	credit losses - credit impaired (Stage 3)	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	11,979	3,128	126,988	142,095
Total charge to Statement of Income:	(7,235)	(967)	33,691	25,489
New financial assets originated	330	-	-	330
Change in credit risk	(7,565)	(967)	33,691	25,159
Write-offs	-	-	(53,900)	(53,900)
Exchange fluctuation	(208)	(88)	(10,857)	(11,153)
Other movements	-	-	2,991	2,991
At 31 December 2025	4,536	2,073	98,913	105,522

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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: (Continued)

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	8,908	12,338	23,634	44,880
Changes in expected credit losses due to transferred	-	(10,536)	10,536	-
Transferred to Stage 3	-	(10,536)	10,536	-
Total charge to Statement of Income:	3,707	1,752	108,101	113,560
Change in credit risk	3,707	1,752	108,101	113,560
Write-offs	-	-	(3,846)	(3,846)
Exchange fluctuation	(636)	(426)	(14,254)	(15,316)
Other movements	-	-	2,817	2,817
At 31 December 2024	11,979	3,128	126,988	142,095

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)**

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

The Group	Lifetime expected credit losses - credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2025	1,742,224	1,742,224
Transfer within stages	831,006	831,006
New financial assets originated	4,390	4,390
Write-offs	(650,832)	(650,832)
Amount fully recovered	(96,929)	(96,929)
Other changes in financing, advances and other financing/loans	(81,513)	(81,513)
Exchange fluctuation	(9,946)	(9,946)
At 31 December 2025	1,738,400	1,738,400

The Group	Lifetime expected credit losses - credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2024	1,801,259	1,801,259
Transfer within stages	469,695	469,695
New financial assets originated	3,300	3,300
Write-offs	(354,562)	(354,562)
Amount fully recovered	(149,407)	(149,407)
Other changes in financing, advances and other financing/loans	(26,668)	(26,668)
Exchange fluctuation	(1,393)	(1,393)
At 31 December 2024	1,742,224	1,742,224

	The Group	
	31 December 2025	31 December 2024
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	1.15%	1.26%

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(g) Financing, advances and other financing/loans (Continued)**

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

The Bank	Lifetime expected credit losses	
	- Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2025	129,993	129,993
Transfer within stages	21,331	21,331
Write-offs	(53,900)	(53,900)
Other changes in financing, advances and other financing/loans	25,719	25,719
Exchange fluctuation	(9,946)	(9,946)
At 31 December 2025	<u>113,197</u>	<u>113,197</u>

The Bank	Lifetime expected credit losses	
	- Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	25,385	25,385
Transfer within stages	93,290	93,290
Write-offs	(3,846)	(3,846)
Amount recovered	(156)	(156)
Other changes in financing, advances and other financing/loans	16,713	16,713
Exchange fluctuation	(1,393)	(1,393)
At 31 December 2024	<u>129,993</u>	<u>129,993</u>

	The Bank	
	31 December 2025	31 December 2024
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	<u>1.80%</u>	<u>2.51%</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(h) Other assets**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deposits and prepayments	15,914	10,676	-	-
Sundry debtors net of expected credit losses*	759,940	923,039	626,931	752,876
Treasury related receivables	143,160	45,064	-	-
Collateral pledged for derivative transactions	47,558	27,369	-	-
Clearing accounts	8,317	24,248	-	-
	<u>974,889</u>	<u>1,030,396</u>	<u>626,931</u>	<u>752,876</u>

* Sundry debtors net of expected credit losses of the group of RM54,737,000 (2024: RM54,829,000).

(a) Movements of expected credit losses on sundry debtors are as follows:**(i) Under simplified approach**

	The Group	
	2025	2024
	RM'000	RM'000
At 1 January	123	106
Expected credit losses made during the financial year	(17)	17
At 31 December	<u>106</u>	<u>123</u>

(ii) Under general approach

The Group	12-month expected	Lifetime expected	Total
	credit losses	credit losses	
	(Stage 1)	- credit impaired	
	RM'000	(Stage 3)	RM'000
	RM'000	RM'000	RM'000
At 1 January 2025	54,172	534	54,706
Total charge to Income Statement:	-	(75)	(75)
Change in credit risk	-	(75)	(75)
At 31 December 2025	<u>54,172</u>	<u>459</u>	<u>54,631</u>

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(h) Other assets (Continued)

(ii) Under general approach (Continued)

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

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

	The Group Lifetime expected credit losses - credit impaired (Stage 3)	
	2025 RM'000	2024 RM'000
At 1 January	534	534
Other changes	(75)	-
At 31 December	459	534

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

2025

Stage 1 ECL increased by RM0.075 million for the Group and the Bank due to change in credit risk.

2024

Stage 1 ECL increased by RM36.3 million for the Group and the Bank due to change in credit risk.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 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 are offset and shown in the statements of financial position, after offsetting:

	The Group		The Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	<u>218,955</u>	<u>253,132</u>	<u>-</u>	<u>-</u>

Further breakdown are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets (before offsetting)				
Provision for expenses	25,221	17,609	-	-
Expected credit losses	194,938	223,789	-	-
Fair value reserve - Debt instruments at fair value through other comprehensive income	-	12,158	-	-
Other temporary differences	168	-	-	-
	<u>220,327</u>	<u>253,556</u>	<u>-</u>	<u>-</u>
Offsetting	(1,372)	(424)	-	-
Deferred tax assets (after offsetting)	<u>218,955</u>	<u>253,132</u>	<u>-</u>	<u>-</u>

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(14)	-	-	-
Fair value reserve - Debt instruments at fair value through other comprehensive income	(561)	-	-	-
Intangible assets	(797)	(424)	-	-
	<u>(1,372)</u>	<u>(424)</u>	<u>-</u>	<u>-</u>
Offsetting	1,372	424	-	-
Deferred tax liabilities (after offsetting)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 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:

The Group	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Debt 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	Lease liabilities RM'000	Provision for expenses RM'000	Total RM'000
Deferred tax assets/(liabilities)										
At 1 January 2025		223,789	-	12,158	-	-	(424)	-	17,609	253,132
(Charged)/credited to statement of income	(ak)	(28,872)	(25)	-	-	168	(374)	-	7,612	(21,491)
Over provision in prior years		21	11	-	-	-	1	-	-	33
Transferred to equity		-	-	(12,719)	-	-	-	-	-	(12,719)
At 31 December 2025		194,938	(14)	(561)	-	168	(797)	-	25,221	218,955

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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: (Continued)

The Group	Note	Expected credit losses RM'000	Accelerated tax depreciation RM'000	Debt 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	Lease liabilities RM'000	Provision for expenses RM'000	Total RM'000
Deferred tax assets/(liabilities)										
At 1 January 2024		253,060	23	17,757	(136)	-	(268)	189	12,346	282,971
(Charged)/credited to statement of income	(ak)	(29,271)	(16)	-	136	(29)	(131)	(189)	4,739	(24,761)
(Under)/over provision in prior years		-	(7)	-	-	29	(25)	-	524	521
Transferred to equity		-	-	(5,599)	-	-	-	-	-	(5,599)
At 31 December 2024		<u>223,789</u>	<u>-</u>	<u>12,158</u>	<u>-</u>	<u>-</u>	<u>(424)</u>	<u>-</u>	<u>17,609</u>	<u>253,132</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(j) Goodwill**

	The Group	
	2025 RM'000	2024 RM'000
Cost		
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.

Impairment test for goodwillValue-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 2026 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 (2026 to 2029), revised for current economic conditions. Cash flows beyond the four years period are extrapolated using an estimated terminal growth rate and discounted using pre-tax discount rates. 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:

	2025		2024	
	Terminal Growth rate	Discount rate	Terminal Growth rate	Discount rate
Malaysia				
Islamic Banking	4.00%	8.33%	4.08%	9.66%

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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(k) Intangible assets**

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Computer software				
Cost				
At 1 January	145,444	144,989	1,294	1,378
Additions	8,500	539	32	-
Disposal/Written-off	(6,121)	-	-	-
Reclassified from property, plant and equipment (Note 1)	298	-	298	-
Exchange fluctuation	(50)	(84)	(50)	(84)
At 31 December	<u>148,071</u>	<u>145,444</u>	<u>1,574</u>	<u>1,294</u>
Amortisation				
At 1 January	144,262	141,402	1,287	1,341
Charge for the financial year	1,947	2,943	136	29
Disposal/Written-off	(6,121)	-	-	-
Exchange fluctuation	(56)	(83)	(55)	(83)
At 31 December	<u>140,032</u>	<u>144,262</u>	<u>1,368</u>	<u>1,287</u>
Net book value at 31 December	<u>8,039</u>	<u>1,182</u>	<u>206</u>	<u>7</u>

The remaining amortisation period of the intangible assets is between 4.0 months and 4.6 years.

The above intangible assets include computer software under construction at cost of the Group of RM371,536 (2024: RM46,124).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(l) Property, plant and equipment**

The Group 2025	Renovations, work-in- progress, office and plant equipment, furniture and fittings RM'000	Computer equipments RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January	3,789	20,283	387	24,459
Additions	-	93	497	590
Written-off	-	(4,165)	-	(4,165)
Reclassified to intangible assets (Note k)	-	(298)	-	(298)
Exchange fluctuation	-	(14)	-	(14)
At 31 December	<u>3,789</u>	<u>15,899</u>	<u>884</u>	<u>20,572</u>
Accumulated depreciation				
At 1 January	3,506	19,854	387	23,747
Charge for the financial year	66	93	58	217
Written-off	-	(4,155)	-	(4,155)
Exchange fluctuation	-	(5)	-	(5)
At 31 December	<u>3,572</u>	<u>15,787</u>	<u>445</u>	<u>19,804</u>
Net book value at 31 December	<u>217</u>	<u>112</u>	<u>439</u>	<u>768</u>

The Group 2024	Renovations, work-in-progress, office and plant equipment, furniture and fittings RM'000	Computer equipments RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January	3,779	20,161	387	24,327
Additions	10	153	-	163
Written-off	-	(14)	-	(14)
Exchange fluctuation	-	(17)	-	(17)
At 31 December	<u>3,789</u>	<u>20,283</u>	<u>387</u>	<u>24,459</u>
Accumulated depreciation				
At 1 January	3,392	19,760	387	23,539
Charge for the financial year	114	111	-	225
Written-off	-	(14)	-	(14)
Exchange fluctuation	-	(3)	-	(3)
At 31 December	<u>3,506</u>	<u>19,854</u>	<u>387</u>	<u>23,747</u>
Net book value at 31 December	<u>283</u>	<u>429</u>	<u>-</u>	<u>712</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(l) Property, plant and equipment (Continued)**

The Bank 2025	Renovations, work-in- progress, office and plant equipment, furniture and fittings RM'000	Computer equipments RM'000	Total RM'000
Cost			
At 1 January	1	389	390
Additions	-	21	21
Written-off	-	(10)	(10)
Reclassified to intangible assets (Note k)	-	(298)	(298)
Exchange fluctuation	-	(14)	(14)
At 31 December	<u>1</u>	<u>88</u>	<u>89</u>
Accumulated depreciation			
At 1 January	1	59	60
Charge for the financial year	-	15	15
Exchange fluctuation	-	(5)	(5)
At 31 December	<u>1</u>	<u>69</u>	<u>70</u>
Net book value at 31 December	<u>-</u>	<u>19</u>	<u>19</u>

The Bank 2024	Renovations, work-in-progress, office and plant equipment, furniture and fittings RM'000	Computer equipments RM'000	Total RM'000
Cost			
At 1 January	1	329	330
Additions	-	77	77
Exchange fluctuation	-	(17)	(17)
At 31 December	<u>1</u>	<u>389</u>	<u>390</u>
Accumulated depreciation			
At 1 January	1	45	46
Charge for the financial year	-	17	17
Exchange fluctuation	-	(3)	(3)
At 31 December	<u>1</u>	<u>59</u>	<u>60</u>
Net book value at 31 December	<u>-</u>	<u>330</u>	<u>330</u>

No work-in-progress for the Group and the Bank in 2025 and 2024.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(m) Right-of-use assets

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

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Buildings	<u>53</u>	<u>122</u>	<u>53</u>	<u>122</u>

No additions to the right-of-use assets during the financial year of the Group and the Bank in 2025 and 2024. Depreciation charge during the financial year for right-of-use assets of the Group and the Bank are RM712,000 and RM67,000 respectively (2024: RM453,000 and RM70,000).

At 31 December 2025, the short-term leases expense and low-value leases expense that are not included in lease liabilities are written back of RM21,000 (2024: RM267,000) and RMNil in 2025 and 2024 respectively.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(n) Deposits from customers****(i) By type of deposits**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Savings deposits				
Commodity Murabahah (via Tawarruq arrangement)*	12,137,024	10,831,142	1,079,959	1,060,694
Demand deposits				
Qard	21,649,660	19,521,051	13,774	6,689
Commodity Murabahah (via Tawarruq arrangement)*	4,524,760	4,437,070	2,607,615	2,465,044
Term deposits				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	45,101,634	43,879,864	908,942	569,961
Fixed Return Income Account-i (via Tawarruq arrangement)*	33,347,201	33,489,634	782,038	544,116
Negotiable Islamic Debt Certificate ("NIDC") Hybrid (Bai' Bithamin Ajil ("BBA") and Bai' al-Dayn)	2,129,214	991,570	-	-
Fixed Deposit-i				
Commodity Murabahah	16	-	16	-
Specific investment account				
Mudharabah	25,121	24,971	-	-
Others				
Qard	1,031,544	523,626	-	-
	119,946,174	113,698,928	5,392,344	4,646,504

*Included Qard contract of the Group and of the Bank of RM4,415,724,000 and RM3,691,395,000 respectively (2024: RM4,295,352,000 and RM3,538,390,000).

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(n) Deposits from customers (Continued)

(ii) By maturity structures of term deposits and investment account are as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Due within six months	62,823,144	64,014,348	1,590,427	1,041,279
Six months to less than one year	16,195,151	13,232,576	100,537	72,043
One year to less than three years	1,573,061	1,111,828	32	755
Three years to less than five years	1,308	16,888	-	-
Five years and more	10,522	10,399	-	-
	80,603,186	78,386,039	1,690,996	1,114,077

(iii) By type of customer

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	9,574,862	6,046,635	212	195
Business enterprises	43,100,782	42,097,231	3,141,839	2,750,830
Individuals	38,158,602	37,757,761	1,934,497	1,683,533
Others	29,111,928	27,797,301	315,796	211,946
	119,946,174	113,698,928	5,392,344	4,646,504

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(n) Deposits from customers (Continued)

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 name as Tawarruq because the buyer purchased the asset on credit with no intention of benefitting 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 categorized 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(n) Deposits from customers (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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(o) Investment accounts of customers**

	Note	The Group	
		2025 RM'000	2024 RM'000
<u>Mudharabah</u>			
Unrestricted investment accounts (Mudharabah)			
-without maturity			
Special Mudharabah Investment Account		2,338,694	2,007,761
Saving Mudharabah		301,223	178,745
-with maturity			
Term Investment Account-i		28,808,082	21,492,133
Unrestricted investment accounts (Wakalah)			
-without maturity			
Daily Investment Account-i		843,772	132,920
Restricted investment accounts (Mudharabah)			
-with maturity			
Restricted Profit Sharing Investment Account ("RPSIA")		-	631,751
	24	<u>32,291,771</u>	<u>24,443,310</u>

(i) Movement in the investment accounts

	Mudharabah		Wakalah	Total
	Unrestricted Investment Account RM'000	Restricted Investment Account RM'000	Unrestricted Investment Account RM'000	
The Group				
As at 1 January 2025	23,678,639	631,751	132,920	24,443,310
Funding inflows/outflows				
New placement during the financial year	36,085,993	-	772,759	36,858,752
Redemption during the financial year	(29,213,483)	(634,646)	(65,233)	(29,913,362)
Income from investment	1,416,377	-	19,267	1,435,644
CIMB Islamic Bank's share of profit				
Profit distributed to mudarib	(519,527)	(286)	(15,941)	(535,754)
Incentive fee	-	3,181	-	3,181
As at 31 December 2025	<u>31,447,999</u>	<u>-</u>	<u>843,772</u>	<u>32,291,771</u>
Investment asset:				
House financing	8,423,022	-	-	8,423,022
Hire purchase receivables	16,738,096	-	-	16,738,096
Other term financing	6,223,099	-	843,772	7,066,871
Miscellaneous other assets	63,782	-	-	63,782
Total investment	<u>31,447,999</u>	<u>-</u>	<u>843,772</u>	<u>32,291,771</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(o) Investment accounts of customers (Continued)****(i) Movement in the investment accounts (Continued)**

	Mudharabah		Wakalah	Total
	Unrestricted Investment Account RM'000	Restricted Investment Account RM'000	Unrestricted Investment Account RM'000	
The Group				RM'000
As At 1 January 2024	18,343,238	592,587	48,300	18,984,125
Funding inflows/outflows				
New placement during the financial year	26,743,825	-	108,573	26,852,398
Redemption during the financial year	(22,081,956)	-	(24,481)	(22,106,437)
Income from investment	981,491	40,211	3,284	1,024,986
CIMB Islamic Bank's share of profit				
Profit distributed to mudarib	(307,959)	(454)	(2,756)	(311,169)
Incentive fee	-	(593)	-	(593)
As at 31 December 2024	23,678,639	631,751	132,920	24,443,310
Investment asset:				
House financing	6,822,278	-	-	6,822,278
Hire purchase receivables	14,309,842	-	-	14,309,842
Other term financing	2,518,899	-	132,920	2,651,819
Marketable securities	-	631,141	-	631,141
Miscellaneous other assets	27,620	610	-	28,230
Total investment	23,678,639	631,751	132,920	24,443,310

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(o) Investment accounts of customers (Continued)

(ii) Profit Sharing Ratio and Rate of Return

	2025		2024	
	Investment account holder		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	6.37	0.27	8.38	0.30
- less than 1 year	69.15	3.51	71.89	3.75
- more than 1 year	69.69	3.01	69.45	2.80

	2025			2024		
	Investment account holder			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	4.39	0.72	99.00	4.51	0.78

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(o) Investment accounts of customers (Continued)****(iii) By type of customers**

	The Group	
	2025	2024
	RM'000	RM'000
Government and statutory bodies	5,310	2,010
Business enterprises	3,593,958	3,007,896
Individuals	27,827,550	20,754,595
Others	864,953	678,809
	<u>32,291,771</u>	<u>24,443,310</u>

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 (“URIA”) 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 URIA.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(p) Deposits and placements of banks and other financial institutions**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Licensed banks	2,642,311	1,639,003	896,884	190,565
Licensed Islamic Banks	404,392	100,712	-	-
Licensed investment banks	164,620	282,258	-	-
Other financial institutions	2,208,152	1,182,337	1,260,523	33,138
	5,419,475	3,204,310	2,157,407	223,703

(q) Investment accounts due to designated financial institutions

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Restricted investment accounts				
Mudharabah	2,800,834	2,927,281	-	-
By type of counterparty				
Licensed banks	2,800,834	2,927,281	-	-

(i) Movement in the investment accounts

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Mudharabah</u>				
Restricted Profit Sharing Investment Account				
As at 1 January	2,927,281	3,424,851	-	-
Funding inflows/outflows				
Redemption during the financial year	(232,203)	(623,344)	-	-
Income from investment	131,230	155,508	-	-
CIMB Islamic Bank's share of profit				
Profit distributed to mudarib	(1,312)	(1,555)	-	-
Incentive fee	(24,162)	(28,179)	-	-
As at 31 December	2,800,834	2,927,281	-	-
Investment asset:				
Other term financing	2,385,282	2,537,282	-	-
Miscellaneous other assets	415,552	389,999	-	-
Total investment	2,800,834	2,927,281	-	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(q) Investment accounts due to designated financial institutions (Continued)****(ii) Profit Sharing Ratio, Rate of Return and Performance Incentive Fee**

	2025			2024		
	Investment account holder			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
	(%)	(%)	(%)	(%)	(%)	(%)
less than 1 year	99.00	4.23	0.65	99.00	4.51	0.78

Included in the investment accounts due to designated financial institutions is the Restricted Profit-Sharing Investment Account (“RPSIA”) placed by CIMB Bank amounting to RM2,800,834,000 (2024: RM2,927,381,000) for tenures within 1 month (2024: within 1 month) at indicative profit rates from 3.28% to 3.77% per annum (2024: 3.68% to 4.30% 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(r) Financial liabilities designated at fair value through profit or loss**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Designated at fair value through profit or loss:</u>				
Deposits from customers - structured investments	2,167,804	3,125,723	-	-

The Group has issued structured investments 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 the Group as at 31 December 2025 of financial liabilities designated at fair value was RM27,968,000 (2024: RM54,450,000) lower than the contractual amount at maturity.

(s) Other liabilities

	The Group		The Bank	
Note	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Clearing accounts	11,509,645	10,308,455	11,497,977	10,308,455
Accruals and other payables	151,132	27,894	2,788	27,894
Expected credit losses for loan commitments and financial guarantee contracts	(i) 62,877	69,162	2,722	3,482
Others	12,800,130	10,914,729	11,503,587	10,330,919
	24,523,784	21,320,240	23,007,074	20,670,750

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(s) Other liabilities (Continued)

(i) Expected credit losses for loan commitments and financial guarantee contracts

Movement 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 2025	33,428	5,382	30,352	69,162
Changes in expected credit losses due to transferred within stages:	1,949	175	(2,124)	-
Transferred to Stage 1	12,647	(12,621)	(26)	-
Transferred to Stage 2	(10,693)	17,047	(6,354)	-
Transferred to Stage 3	(5)	(4,251)	4,256	-
Total charge to Statement of Income:	(9,768)	6,849	(2,628)	(5,547)
New exposures	42,710	3,547	2,817	49,074
Exposures derecognised or matured	(24,499)	(8,358)	(5,553)	(38,410)
Change in credit risk	(27,979)	11,660	108	(16,211)
Exchange fluctuation	(73)	135	(800)	(738)
At 31 December 2025	25,536	12,541	24,800	62,877

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(s) Other liabilities (Continued)****(i) Expected credit losses for loan commitments and financial guarantee contracts (Continued)**

Movement in the expected credit losses for loan commitments and financial guarantee contracts 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	Total RM'000
At 1 January 2024	77,302	10,470	7,715	95,487
Changes in expected credit losses due to transferred within stages:	6,142	(11,033)	4,891	-
Transferred to Stage 1	11,886	(11,773)	(113)	-
Transferred to Stage 2	(5,741)	13,778	(8,037)	-
Transferred to Stage 3	(3)	(13,038)	13,041	-
Total charge to Statement of Income:	(49,929)	6,007	17,920	(26,002)
New exposures	49,683	-	375	50,058
Exposures derecognised or matured	(32,959)	(5,361)	(3,989)	(42,309)
Change in credit risk	(66,653)	11,368	21,534	(33,751)
Exchange fluctuation	(164)	-	(159)	(323)
Other movements	77	(62)	(15)	-
At 31 December 2024	33,428	5,382	30,352	69,162

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(s) Other liabilities (Continued)

(i) Expected credit losses for loan commitments and financial guarantee contracts (Continued)

Movement in the expected credit losses for loan commitments and financial guarantee contracts are as follows: (Continued)

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2025	1,244	(2,252)	4,490	3,482
Total charge to Statement of Income:	(1,189)	-	675	(514)
New financial assets originated	-	-	2,817	2,817
Change in credit risk	(1,189)	-	(2,142)	(3,331)
Exchange fluctuation	(6)	208	(448)	(246)
At 31 December 2025	49	-	2,673	2,722

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(s) Other liabilities (Continued)

(i) Expected credit losses for loan commitments and financial guarantee contracts (Continued)

Movement in the expected credit losses for loan commitments and financial guarantee contracts are as follows: (Continued)

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2024	856	1,301	-	2,157
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 3	-	(2,453)	2,453	-
Total charge to Statement of Income:	452	(1,092)	2,083	1,443
Change in credit risk	452	(1,092)	2,083	1,443
Exchange fluctuation	(67)	(9)	(42)	(118)
At 31 December 2024	1,241	(2,253)	4,494	3,482

As at 31 December 2025, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM50,215,000 (2024: RM87,575,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(t) Lease liabilities**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Buildings	184	269	184	269

(u) Senior Sukuk

	Note	The Group		The Bank	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
RM100 million Senior Sukuk (2023/2026)	(a)	100,368	100,357	-	-
RM600 million Senior Sukuk (2023/2028)	(b)	602,247	602,181	-	-
RM300 million Senior Sukuk (2023/2030)	(c)	301,204	301,169	-	-
RM250 million Senior Sukuk (2024/2027)	(d)	252,414	252,466	-	-
RM300 million Senior Sukuk (2024/2029)	(e)	302,982	303,046	-	-
RM1,450 million Senior Sukuk (2024/2031)	(f)	1,465,049	1,465,369	-	-
RM1,500 million Senior Sukuk (2024/2034)	(g)	1,515,954	1,516,294	-	-
RM125 million Senior Sukuk (2024/2029)	(h)	127,044	127,044	-	-
RM700 million Senior Sukuk (2024/2032)	(i)	711,890	711,890	-	-
RM2,175 million Senior Sukuk (2024/2035)	(j)	2,212,592	2,212,592	-	-
RM120 million Senior Sukuk (2024/2027)	(k)	120,390	120,430	-	-
RM500 million Senior Sukuk (2025/2035)	(l)	505,330	-	-	-
RM200 million Senior Sukuk (2025/2027)	(m)	201,003	-	-	-
		8,418,467	7,712,838	-	-
Fair value changes arising from fair value hedges		110,019	28,591	-	-
		8,528,486	7,741,429	-	-

- (a) On 30 November 2023, CIMB Islamic 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.
- (b) On 30 November 2023, CIMB Islamic 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.
- (c) On 30 November 2023, CIMB Islamic 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.
- (d) On 27 March 2024, CIMB Islamic 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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(u) Senior Sukuk (Continued)

- (e) On 27 March 2024, CIMB Islamic 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.
- (f) On 27 March 2024, CIMB Islamic 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.
- (g) On 27 March 2024, CIMB Islamic 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.
- (h) On 30 July 2024, CIMB Islamic 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.
- (i) On 30 July 2024, CIMB Islamic 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.
- (j) On 30 July 2024, CIMB Islamic 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.
- (k) On 28 November 2024, CIMB Islamic 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.
- (l) On 25 March 2025, CIMB Islamic issued RM500 million 10-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3.97% per annum payable semi-annually will mature on the profit payment date falling on or nearest to 23 March 2035.
- (m) On 8 August 2025, CIMB Islamic issued RM200.0 million 2.25-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 0.30% per annum payable quarterly will mature on the profit payment date falling on or nearest to 8 November 2027.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(v) Subordinated Sukuk**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subordinated Sukuk 2022/2032 RM300 million	(a)	301,369	301,369	-	-
Subordinated Sukuk 2024/2034 RM1,200 million	(b)	1,212,372	1,212,372	-	-
Subordinated Sukuk 2025/2035 RM200 million	(c)	201,040	-	-	-
		1,714,781	1,513,741	-	-

- (a) On 28 November 2022, CIMB Islamic 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, CIMB Islamic 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 CIMB Islamic.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(v) Subordinated Sukuk (Continued)

- (b) On 25 September 2024, CIMB Islamic 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 RM1,200 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

- (c) On 10 November 2025, CIMB Islamic had issued RM200 million Tier 2 Junior Sukuk (“the Sukuk”) at par and is due on 9 November 2035, with optional redemption on 11 November 2030 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.65% 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 RM200 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(w) Ordinary share capital

	The Group	
	2025	2024
	RM'000	RM'000
Issued and fully paid		
At 1 January/31 December	<u>1,000,000</u>	<u>1,000,000</u>

(x) Perpetual preference shares

	The Group	
	2025	2024
	RM'000	RM'000
Issued and fully paid		
Perpetual preference shares:		
At 1 January/31 December	<u>350,000</u>	<u>350,000</u>

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.

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 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, 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 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(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.

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financing and advances	14,189,779	12,282,284	-	-
Commitments and contingencies	2,100,000	4,200,000	-	-
	<u>16,289,779</u>	<u>16,482,284</u>	<u>-</u>	<u>-</u>
	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Total RWA for Credit Risk	<u>1,550,186</u>	<u>1,241,607</u>	<u>-</u>	<u>-</u>

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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(z) Restricted Agency Investment Account (Continued)****(ii) Movement in the Investment Account**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Wakalah				
Restricted Agency Investment Account - RAIA				
1 January	12,282,284	12,882,815	-	-
<u>Funding inflows/outflows</u>				
New placement during the year	4,500,000	600,000	-	-
Redemption during the year	(3,152,948)	(2,228,388)	-	-
Income from investment	560,443	1,027,857	-	-
31 December	14,189,779	12,282,284	-	-
<u>Investment asset:</u>				
Trade financing	1,532,275	1,532,005	-	-
Revolving credit	1,606,445	-	-	-
Other term financing	11,051,059	10,750,279	-	-
Total investment	14,189,779	12,282,284	-	-

(iii) Rate of Return

	2025	2024
	Investment account holder	
	Average rate of return	
	(%)	(%)
Restricted investment accounts:		
1 month or less	4.59	3.95
more than 1 month to 3 months	4.03	3.83
more than 4 years to 5 years	4.26	4.21
more than 5 years	4.24	4.20

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(aa) Income derived from investment of depositors' funds and others

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income derived from investment of:				
(i) General investment deposits	3,807,174	3,918,584	236,396	224,226
(ii) Specific investment deposits	956	988	-	-
(iii) Other deposits	2,572,869	2,348,097	2,508	(2)
	<u>6,380,999</u>	<u>6,267,669</u>	<u>238,904</u>	<u>224,224</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(aa) Income derived from investment of depositors' funds and others (Continued)****(i) Income derived from investment of general investment deposits**

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financing, advances and other financing/loans				
- profit income	2,750,971	2,967,163	179,326	148,527
- unwinding income [^]	22,970	27,261	-	-
Money at call and deposits with financial institutions	160,526	176,547	30,605	61,402
Debt instruments at fair value through other comprehensive income	206,318	162,156	4,604	12,452
Debt instrument at amortised cost	337,513	327,119	506	1,937
Reverse Collateralised Commodity Murabahah	30,371	23,495	-	-
Other financing income	57	-	-	-
	3,508,726	3,683,741	215,041	224,318
Accretion of discount less amortisation of premium	(31,158)	(24,869)	(403)	(2,620)
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	35,380	32,150	1,813	555
- Financing, advances and other financing/loans at fair value through profit or loss	743	3,717	-	-
- Net accretion of discount less amortisation of premium	51,996	98,739	-	-
Total finance income and hibah	3,565,687	3,793,478	216,451	222,253
Other operating income				
- Foreign exchange gain/(loss)	155,119	90,971	6,336	(10,935)
- Net gain/(loss) from sale of investment in debt instruments at fair value through other comprehensive income	38,986	3,415	680	(4,720)
- Net gain from maturity of financial assets measured at amortised cost	-	235	-	-
- Net gain arising from financing, advances and other financings at fair value through profit or loss				
-unrealised	-	1,282	-	-
- Net gain/(loss) arising from sale of financial investments at fair value through profit or loss				
-realised	15,148	5,615	-	-
-unrealised	(2,061)	(234)	-	-
	207,192	101,284	7,016	(15,655)
Fee and commission income	21,069	23,822	12,929	17,628
Other income	13,226	-	-	-
	3,807,174	3,918,584	236,396	224,226

[^] Unwinding income is income earned on impaired financial assets

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(aa) Income derived from investment of depositors' funds and others (Continued)

(ii) Income derived from specific investment deposits

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Money at call and deposit with financial institutions	<u>956</u>	<u>988</u>	<u>-</u>	<u>-</u>
	<u>956</u>	<u>988</u>	<u>-</u>	<u>-</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 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**

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financing, advances and other financing/loans				
- profit income	1,829,793	1,754,507	-	-
- unwinding income [^]	16,381	16,718	-	-
Money at call and deposits with financial institutions	114,256	110,330	-	-
Securities purchased under resale agreement	21,804	14,770	-	-
Debt instruments at fair value through other comprehensive income	145,511	93,509	-	-
Debt instrument at amortised cost	241,415	201,926	-	-
Other financing income	44	-	-	-
Financing, advances and other financing/loans	562	2,097	-	-
	2,369,766	2,193,857	-	-
Accretion of discount less amortisation of premium	(22,362)	(13,832)	-	-
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	24,131	18,044	-	-
- Net accretion of discount less amortisation of premium	35,690	61,544	-	-
Total finance income and hibah	2,407,225	2,259,613	-	-
Other operating income				
- Foreign exchange gain/(loss)	109,871	75,539	(58)	(15)
- Net gain from sale of investment in debt instruments at fair value through other comprehensive income	28,064	4,994	-	-
- Net gain from maturity of financial assets measured at amortised cost	-	159	-	-
- Net gain arising from financing, advances and other financings at fair value through profit or loss				
-unrealised	-	714	-	-
- Net gain/(loss) arising from financial investments at fair value through profit or loss:				
-realised	10,840	3,444	-	-
-unrealised	(1,507)	(125)	-	-
	147,268	84,725	(58)	(15)
Fee and commission income	8,241	3,774	2,567	28
Other income	10,135	(15)	(1)	(15)
	2,572,869	2,348,097	2,508	(2)

[^] Unwinding income is income earned on impaired financial assets

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(ab) Income derived from investment of investment account

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financing, advances and other financing/loans				
- Profit income	1,577,499	1,209,520	-	-
- Unwinding income [^]	24	16	-	-
Debt instrument at amortised cost	29,157	45,450	-	-
	<u>1,606,680</u>	<u>1,254,986</u>	<u>-</u>	<u>-</u>
Accretion of discount less amortisation of premium	5,085	8,036	-	-
	<u>1,611,765</u>	<u>1,263,022</u>	<u>-</u>	<u>-</u>
Other operating income				
- Net loss from foreign exchange transactions	(607)	(88)	-	-
	<u>(607)</u>	<u>(88)</u>	<u>-</u>	<u>-</u>
Fees and commission income				
- Service charges and fees	4,605	1,508	-	-
Other income	11	4	-	-
	<u>1,615,774</u>	<u>1,264,446</u>	<u>-</u>	<u>-</u>

[^] Unwinding income is income earned on impaired financial assets

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(ac) Net income derived from investment of shareholders' funds**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financing, advances and other financing/loans				
- profit income	420,087	381,289	30,778	24,179
- unwinding income [^]	3,480	3,435	-	-
Money at call and deposits with financial institutions	24,294	22,398	4,919	9,384
Debt instruments at fair value through other comprehensive income	30,661	19,987	-	995
Debt instrument at amortised cost	51,173	41,311	37	146
Reverse Collateralised Commodity Murabahah	4,600	2,988	-	-
Others	9	-	-	-
	534,304	471,408	35,734	34,704
Accretion of discount less amortisation of premium	(4,686)	(3,174)	(1)	(356)
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	5,433	3,983	332	93
- Financing, advances and other financing/loans at fair value through profit or loss	117	455	-	-
- Net accretion of discount less amortisation of premium	7,776	12,513	-	-
Total finance income and hibah	542,944	485,185	36,065	34,441
Other operating income				
- Net gain/(loss) from hedging activities	344	486	(14)	324
- Foreign exchange gain/(loss)	24,035	11,633	976	(2,005)
- Net gain/(loss) from sale of investment in debt instruments at fair value through other comprehensive income	5,858	235	-	(791)
- Net gain from maturity of financial assets measured at amortised cost	-	31	-	-
- Net gain arising from financing, advances and other financings at fair value through profit or loss				
- Unrealised	-	156	-	-
- Net gain/(loss) arising from financial investments at fair value through profit or loss:				
- Realised	4,206	1,687	1,899	981
- Unrealised	(261)	(24)	45	5
- Net gain/(loss) arising from financial liabilities designated at fair value				
- Realised	11,362	22,447	-	-
- Unrealised	(22,210)	(21,713)	-	-
- Net gain/(loss) from derivative financial instruments				
- Realised	57,283	(75,167)	14,503	42,692
- Unrealised	(82,346)	139,403	13	(627)
	(1,729)	79,174	17,422	40,579
Fee and commission income	354,289	321,715	2,356	2,943
Fee and commission expense	(77,300)	(68,950)	-	-
Net fee and commission income	276,989	252,765	2,356	2,943
Other income	3,658	2,278	-	-
	821,862	819,402	55,843	77,963

[^] Unwinding income earned on impaired financial assets

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(ad) Modification loss**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Loss on modification of cash flows	-	1	-	-

(ae) Expected credit losses for impairment losses on financing, advances and other financing/loans

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	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	492,505	515,775	25,489	113,560
Credit impaired financing, advances and other financing/loans:				
- recovered	(139,236)	(135,320)	(8,140)	(9,770)
- written off	11,358	8,647	-	-
	<u>364,627</u>	<u>389,102</u>	<u>17,349</u>	<u>103,790</u>

(af) Other expected credit losses and impairment allowances

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Expected credit losses (written back)/made on:				
- Debt instrument at fair value through other comprehensive income	(151)	631	(7)	(1)
- Debt instrument at amortised cost	(84)	(157)	(30)	(61)
- Money at call and deposits and placements with banks and other financial institutions	(22)	74	10	(12)
- Other receivables	1,913	36,276	2,005	-
	<u>1,656</u>	<u>36,824</u>	<u>1,978</u>	<u>(74)</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(ag) Income attributable to depositors**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah	956	988	-	-
- Non-Mudharabah	3,013,170	3,210,962	64,489	74,330
- Other	2,699	1,886	2,699	1,886
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	194,658	197,093	11,548	1,312
- Other	12,992	361	12,992	361
Financial liabilities designated at fair value	74,481	102,982	-	-
Subordinated Sukuk	61,820	49,140	-	-
Recourse obligation on loan and financing sold to Cagamas	135,863	125,126	-	-
Sukuk	310,614	189,627	-	-
Structured deposits	12	132	-	-
Lease liabilities	14	14	2	4
Collateralised Commodity Murabahah	130,471	109,093	-	-
Other	265	-	-	-
	3,938,015	3,987,404	91,730	77,893

(ah) Profit distributed to investment account holder

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
- Restricted	142,892	178,212	-	-
- Unrestricted	899,680	674,182	-	-
	1,042,572	852,394	-	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(ai) Personnel expenses**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses ²	36,259	29,555	3,801	3,703
Pension costs (defined contribution plan)	3,700	3,430	343	383
Staff incentives and other staff payments	3,845	3,008	3,410	2,464
Medical expenses	474	528	17	14
Share-based expense ¹	(230)	345	-	-
Others	46,214	1,782	43,962	31
	90,262	38,648	51,533	6,595

¹ The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings in June 2021. The LTIP awards ordinary shares and share options of CIMB Group to eligible employees of the Group and the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions. Refer note 45(g).

² Included in salaries, allowances and bonuses is shared-based payment expense (EOP) of RM701,730 (2024: RM Nil) for the group. Refer note 45(f).

Included in the personnel costs are fees paid to the Shariah Committee's members amounting to RM800,000 (2024: RM676,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(aj) Other overheads and expenditures**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Establishment costs				
Rental	574	524	1	1
Depreciation of property, plant and equipment	217	225	15	17
Repairs and maintenance	842	459	(14)	26
Depreciation of Right-of-use assets	712	453	67	70
Amortisation of intangible assets	1,947	2,943	136	29
Utility expenses	36	40	7	10
Others	21,338	7,736	13,234	1
Marketing expenses				
Advertisement and publicity	9,169	5,906	(240)	131
Others	4,143	2,270	3,500	1,370
Administration and general expenses				
Consultancy and professional fees	3,321	4,265	516	151
Legal expenses	201	(3,020)	-	(1,789)
Stationery	769	347	486	1
Incidental expenses on banking operations	3,589	3,535	-	-
Postage	563	287	-	-
Service expense	1,289,719	1,268,626	-	-
Others	73,767	42,181	12,130	94
	1,410,907	1,336,777	29,838	112

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****58 The operations of Islamic Banking (Continued)****(ak) Taxation and zakat****(i) Tax expense for the financial year**

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Taxation based on the profit for the financial year:				
- Malaysian income tax	439,080	371,894	-	-
Deferred taxation (Note i)	21,491	24,761	-	-
Over provision in prior financial year	(4,444)	(4,438)	-	-
	456,127	392,217	-	-
Zakat	16,200	12,000	-	-
	472,327	404,217	-	-

(ii) Numerical reconciliation of income tax expense

The explanation on the relationship between tax expense and profit before taxation and zakat is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	1,976,143	1,736,369	102,833	112,428
Tax calculated at a tax rate of @ 24%	474,273	416,729	24,680	26,983
- effect of different tax rates in other countries	(180)	15,632	(180)	15,632
- income not subject to tax	(24,500)	(42,615)	(24,500)	(42,615)
- expenses not deductible for tax purposes	10,978	6,909	-	-
Over provision in prior financial year	(4,444)	(4,438)	-	-
	456,127	392,217	-	-

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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

58 The operations of Islamic Banking (Continued)

(a) Sources and uses of charity funds

Earnings that were realised from sources or by means prohibited by Shariah have been considered for disposal to charitable causes.

	The Group		The Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Sources of charity funds				
Balance as at 1 January	-	-	-	-
Shariah non-compliance income	30	17	-	-
Total sources of charity funds during the year	<u>30</u>	<u>17</u>	<u>-</u>	<u>-</u>
Uses of charity funds				
Contribution to non-profit organisation	30	17	-	-
Total uses of charity funds during the year	<u>30</u>	<u>17</u>	<u>-</u>	<u>-</u>
Undistributed charity funds as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****59 Directors of subsidiaries of the Group**

Name of Company	Name of Directors
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 (retired w.e.f. 3 July 2025) 2. Mustafa Shafiq Razalli 3. Chew Ker Chee (appointed w.e.f. 4 July 2025)
CIMB BANK (VIETNAM) LIMITED	1. Ahmed Baqar Rehman 2. Effendy Shahul Hamid (Resigned w.e.f. 27 May 2025) 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 (Retired w.e.f. 31 July 2025) 2. Aisyah Lam Abdullah 3. Long Beang 4. Cheong Weng Teong (Resigned w.e.f. 6 February 2025) 5. Ahmad Shazli Kamarulzaman (Resigned w.e.f. 6 February 2025) 6. Bun Yin 7. Mohd Haniz Mohd Nazlan (Appointed w.e.f. 6 February 2025) 8. Ankur Sehgal (Appointed w.e.f. 6 February 2025)
CIMB COMMERCE TRUSTEE BERHAD	1. Zahardin Omardin (Retired w.e.f. 31 May 2025) 2. Paul Gui Eng Hock (Retired w.e.f. 30 April 2025) 3. Tok Puan Datin Ezreen Eliza Zulkiplee 4. Chew Ker Chee (Appointed w.e.f. 1 June 2025) 5. Michael Yee Weng Kuan (Appointed w.e.f. 1 June 2025)
CIMB FACTORLEASE BERHAD	1. Yew Teik Beng 2. Ahmad Shazli Kamarulzaman
CIMB GROUP NOMINEES (ASING) SDN BHD	1. Rosmawarni Abdul Samad 2. Tok Puan Datin Ezreen Eliza Zulkiplee
CIMB GROUP NOMINEES (TEMPATAN) SDN BHD	1. Rosmawarni Abdul Samad 2. Tok Puan Datin Ezreen Eliza Zulkiplee
CIMB ISLAMIC BANK BERHAD	1. Dato' Mohamed Ross Mohd Din (Retired w.e.f. 18 April 2025) 2. Ahmed Baqar Rehman 3. Jalalullail Othman 4. Dr. Azura Othman 5. Ahmad Shahrizan Mohd Shariff 6. Zuhaida Zulkifli 7. Datin Azlina Mahmad
CIMB ISLAMIC NOMINEES (ASING) SDN BHD	1. Rosmawarni Abdul Samad 2. Tok Puan Datin Ezreen Eliza Zulkiplee
CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD	1. Rosmawarni Abdul Samad 2. Tok Puan Datin Ezreen Eliza Zulkiplee
CIMB ISLAMIC TRUSTEE BERHAD	1. Zahardin Omardin (Retired w.e.f. 31 May 2025) 2. Tok Puan Datin Ezreen Eliza Zulkiplee 3. Chew Ker Chee (Appointed w.e.f. 1 June 2025) 4. Michael Yee Weng Kuan (Appointed w.e.f. 1 June 2025)

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****59 Directors of subsidiaries of the Group (Continued)**

Name of Company	Name of Directors
CIMB THAI AUTO COMPANY LIMITED	1. Tan Keat Jin 2. Visit Phuengpornasawan (Resigned w.e.f 1 July 2025) 3. Vijay K Manoharan (Resigned w.e.f 19 August 2025) 4. Arthit Masathirakul 5. Ankit Gutgutia 6. Kriangpop Panurach (Appointed w.e.f 8 September 2025)
CIMB THAI BANK PUBLIC COMPANY LIMITED	1. Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz 2. Paul Wong Chee Kin (resigned w.e.f 19 May 2025) 3. Anon Sirisaengtaksin 4. Oranuch Apisaksirikul 5. Natasak Rodjanapiches 6. Worapong Janyangyuen 7. Vera Handajani 8. Muhammad Novan Bin Amirudin (Appointed w.e.f 17 April 2025) 9. Wut Thanittiraporn (Appointed w.e.f 19 May 2025)
CIMB TRUST LIMITED	1. Zahardin Oмарdin (Retired w.e.f. 25 June 2025) 2. Paul Gui Eng Hock (Retired w.e.f. 30 April 2025) 3. Tok Puan Datin Ezreen Eliza Zulkiplee (Appointed w.e.f. 25 June 2025) 4. Chew Ker Chee (Appointed w.e.f. 26 June 2025) 5. 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 2. Datin Rossaya Mohd Nashir
SFB DEVELOPMENT SDN BHD	1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir
SIBB BERHAD	1. Wong Joon Hian 2. Khairulanwar Rifaie
WORLDLEASE COMPANY LIMITED	1. Yeong Thian Lim 2. Buppha Chaipin 3. Naranont Lewchalermwongs (Appointed w.e.f. 2 January 2025)

CIMB Bank Berhad

(Incorporated in Malaysia)

Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

60 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 13 March 2026.