

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	The Group	
		31 March 2022 RM'000	31 December 2021 RM'000
Assets			
Cash and short term funds		592,831	593,252
Deposits and placements with banks and other financial institutions		10	10
Equity instruments at fair value through other comprehensive income	A6	867	867
Other assets	A7	36,744	26,831
Tax recoverable		22,361	24,624
Deferred taxation		12,839	11,431
Amounts due from related companies		8,873	9,761
Amounts due from ultimate holding company		49	-
Statutory deposits with Bank Negara Malaysia		50	50
Investment in associates		6,374	6,304
Property, plant and equipment		8,627	9,877
Right-of-use assets		4,675	6,337
Intangible assets		32,234	31,659
		<u>726,534</u>	<u>721,003</u>
Non-current assets held for sale		15,832	15,832
Total assets		<u>742,366</u>	<u>736,835</u>
Liabilities			
Deposits from customers	A8	35,011	35,032
Deposits and placements of banks and other financial institutions	A9	12,634	10,822
Other liabilities	A10	98,714	63,563
Lease liabilities		5,074	7,016
Provision for taxation		2	-
Amounts due to related companies		10,554	9,694
Total liabilities		<u>161,989</u>	<u>126,127</u>
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		480,367	510,698
Total equity		<u>580,377</u>	<u>610,708</u>
Total equity and liabilities		<u>742,366</u>	<u>736,835</u>
Net assets per ordinary share (RM)		<u>5.80</u>	<u>6.11</u>

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

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	The Bank	
		31 March 2022 RM'000	31 December 2021 RM'000
Assets			
Cash and short term funds		588,567	588,975
Other assets	A7	35,933	26,020
Tax recoverable		22,361	24,624
Deferred taxation		12,839	11,431
Amounts due from related companies		8,873	9,761
Amounts due from ultimate holding company		49	-
Statutory deposits with Bank Negara Malaysia		50	50
Investment in subsidiaries		40	50
Property, plant and equipment		8,627	9,877
Right-of-use assets		4,675	6,337
Intangible assets		32,234	31,659
		714,248	708,784
Non-current assets held for sale		15,832	15,832
Total assets		730,080	724,616
Liabilities			
Deposits from customers	A8	35,011	35,032
Deposits and placements of banks and other financial institutions	A9	12,634	10,822
Other liabilities	A10	98,688	63,536
Lease liabilities		5,074	7,016
Amounts due to subsidiaries		10	-
Amounts due to related companies		10,554	9,687
Total liabilities		161,971	126,093
Capital and reserves attributable to equity holders of the Bank			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		468,099	498,513
Total equity		568,109	598,523
Total equity and liabilities		730,080	724,616
Net assets per ordinary share (RM)		5.68	5.99

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

CIMB INVESTMENT BANK BERHAD

Company Number 197401001266

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Notes	The Group			
		1st quarter ended		Three months ended	
		31 March	31 March	31 March	31 March
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A11	2,493	2,312	2,493	2,312
Interest income for financial assets at fair value through profit and loss	A12	-	24	-	24
Interest expense	A13	(365)	(424)	(365)	(424)
Net interest income		2,128	1,912	2,128	1,912
Income from Islamic Banking operations	A19b	4,321	2,487	4,321	2,487
Non-interest income	A14	41,378	47,523	41,378	47,523
Total income		47,827	51,922	47,827	51,922
Overheads	A15	(44,007)	(45,133)	(44,007)	(45,133)
Profit before expected credit losses		3,820	6,789	3,820	6,789
Expected credit losses (made)/written back on trade receivables	A16	(2,568)	921	(2,568)	921
		1,252	7,710	1,252	7,710
Share of results of associates		71	234	71	234
Profit before taxation		1,323	7,944	1,323	7,944
Taxation		(858)	(2,503)	(858)	(2,503)
Profit for the financial period		465	5,441	465	5,441
Profit for the financial period attributable to : Owners of the Group		465	5,441	465	5,441
Basic earnings per share for profit attributable to ordinary equity holders (sen)	B3	0.47	5.44	0.47	5.44

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

CIMB INVESTMENT BANK BERHAD

Company Number 197401001266

CONDENSED INTERIM FINANCIAL STATEMENTS

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH
2022**

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	465	5,441	465	5,441

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

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Notes	The Bank			
		1st quarter ended		Three months ended	
		31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Interest income	A11	2,477	2,308	2,477	2,308
Interest income for financial assets at fair value through profit and loss	A12	-	24	-	24
Interest expense	A13	(365)	(424)	(365)	(424)
Net interest income		2,112	1,908	2,112	1,908
Income from Islamic Banking operations	A19b	4,321	2,487	4,321	2,487
Non-interest income	A14	41,378	47,523	41,378	47,523
Total income		47,811	51,918	47,811	51,918
Overheads	A15	(44,008)	(45,136)	(44,008)	(45,136)
Profit before expected credit losses		3,803	6,782	3,803	6,782
Expected credit losses (made)/written back on trade receivables	A16	(2,568)	921	(2,568)	921
Profit before taxation		1,235	7,703	1,235	7,703
Taxation		(854)	(2,502)	(854)	(2,502)
Profit for the financial period		381	5,201	381	5,201
Profit for the financial period attributable to : Owners of the Bank		381	5,201	381	5,201
Basic earnings per share for profit attributable to ordinary equity holders (sen)	B3	0.38	5.20	0.38	5.20

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

CIMB INVESTMENT BANK BERHAD

Company Number 197401001266

CONDENSED INTERIM FINANCIAL STATEMENTS

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH
2022**

	The Bank			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit/total comprehensive income for the financial period	381	5,201	381	5,201

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

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	← Attributable to Equity Holder of The Group →							Total
	Ordinary share capital	Redeemable preference shares	Reserve - equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Regulatory reserve	Retained profits	
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2022								
At 1 Jan 2022	100,000	10	(5,968)	1,238	643	93	514,691	610,707
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	465	465
Share-based payment expense	-	-	-	572	368	-	-	940
Shares released under Equity Ownership Plan	-	-	-	(1,255)	-	-	-	(1,255)
Transfer to regulatory reserve	-	-	-	-	-	(18)	18	-
Interim dividend paid in respect of the financial year ended 31 December 2021	-	-	-	-	-	-	(30,480)	(30,480)
At 31 March 2022	100,000	10	(5,968)	555	1,011	75	484,694	580,377

	← Attributable to Equity Holder of The Group →							Total
	Ordinary share capital	Redeemable preference shares	Reserve - equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Regulatory reserve	Retained profits	
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2021								
At 1 January 2021	100,000	10	(5,968)	2,709	-	-	534,206	630,957
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	5,441	5,441
Share-based payment expense	-	-	-	690	-	-	-	690
Shares released under Equity Ownership Plan	-	-	-	(1,928)	-	-	-	(1,928)
Transfer to regulatory reserve	-	-	-	-	-	70	(70)	-
Interim dividend paid in respect of the financial year ended 31 December 2020	-	-	-	-	-	-	(50,820)	(50,820)
At 31 March 2021	100,000	10	(5,968)	1,471	-	70	488,757	584,340

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

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	← Attributable to Equity Holder of The Bank →							Total
	Ordinary share capital	Redeemable preference shares	Share-based payment reserve	Capital contribution by ultimate holding company	Reserve - equity instruments at fair value through other comprehensive income	Regulatory reserve	Retained profits	
The Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2022								
At 1 January 2021	100,000	10	1,238	643	(6,331)	93	502,870	598,523
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	381	381
Share-based payment expense	-	-	572	368	-	-	-	940
Shares released under Equity Ownership Plan	-	-	(1,255)	-	-	-	-	(1,255)
Transfer to regulatory reserve	-	-	-	-	-	(18)	18	-
Interim dividend paid in respect of the financial year ended 31 December 2021	-	-	-	-	-	-	(30,480)	(30,480)
At 31 March 2022	100,000	10	555	1,011	(6,331)	75	472,789	568,109

	← Attributable to Equity Holder of The Bank →							Total
	Ordinary share capital	Redeemable preference shares	Share-based payment reserve	Capital contribution by ultimate holding company	Reserve - equity instruments at fair value through other comprehensive income	Regulatory reserve	Retained profits	
The Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2021								
At 1 January 2021	100,000	10	2,709	-	(6,331)	-	523,303	619,691
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	5,201	5,201
Share-based payment expense	-	-	690	-	-	-	-	690
Share released under Equity Ownership Plan	-	-	(1,928)	-	-	-	-	(1,928)
Transfer to regulatory reserve	-	-	-	-	-	70	(70)	-
Interim dividend paid in respect of the financial year ended 31 December 2020	-	-	-	-	-	-	(50,820)	(50,820)
At 31 March 2021	100,000	10	1,471	-	(6,331)	70	477,614	572,834

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

CIMB INVESTMENT BANK BERHAD
Company Number 197401001266
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	The Group		The Bank	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Operating activities				
Profit before taxation	1,323	7,944	1,235	7,703
Adjustments for non-operating and non-cash items	6,395	1,829	6,467	2,063
Cash flow from operating profit before changes in operating assets and liabilities	7,718	9,773	7,702	9,766
Net changes in operating assets	(11,573)	3,919	(11,573)	3,919
Net changes in operating liabilities	36,355	(20,647)	36,383	(20,622)
Cash generated from/(used in) operating activities	32,500	(6,955)	32,512	(6,937)
Taxation (paid)/refund	(2)	2,446	-	2,447
Net cash generated from/(used in) operating activities	32,498	(4,509)	32,512	(4,490)
Investing activities				
Net purchase of property, plant and equipment	(858)	(60)	(858)	(60)
Net purchase of intangible assets	(1,058)	(403)	(1,058)	(403)
Net cash used in investing activities	(1,916)	(463)	(1,916)	(463)
Financing activities				
Net repayment of lease liabilities	(522)	(119)	(522)	(119)
Dividends paid	(30,480)	(50,820)	(30,480)	(50,820)
Net cash used in financing activities	(31,002)	(50,939)	(31,002)	(50,939)
Net decrease in cash and cash equivalents during the financial period	(420)	(55,911)	(406)	(55,892)
Cash and cash equivalents at beginning of the financial period	593,251	544,605	588,973	543,664
Cash and cash equivalents at end of the financial period	592,831	488,694	588,567	487,772
Cash and cash equivalents comprise the following:				
Cash and short term funds	592,831	488,694	588,567	487,772
Deposits and placements with banks and other financial institutions	10	10	-	-
	592,841	488,704	588,567	487,772
Less : Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(10)	(10)	-	-
Cash and cash equivalents at end of the financial period	592,831	488,694	588,567	487,772

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

PART A - EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 31 March 2022 have been prepared under the historical cost convention, except for equity instruments at fair value through other comprehensive income that have been measured at fair value.

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

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

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

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

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

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

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

A2. Changes in estimates

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

A3. Dividends paid and proposed

An interim dividend of 30.48 sen per ordinary share, amounting to RM30,480,000 in respect of the financial year ended 31 December 2021, which was approved by the Board of Directors on 26 January 2022, was paid on 15 March 2022.

No dividend has been proposed during the financial period ended 31 March 2022.

PART A - EXPLANATORY NOTES (CONTINUED)

A4. Significant events during the financial period

There was no significant events that had occurred during the current reporting period.

A5. Significant events after the financial period

There is no significant events that had occurred between 31 March 2022 and the date of this announcement.

A6. Equity instruments at fair value through other comprehensive income

	The Group		The Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Unquoted securities :				
<i>Outside Malaysia</i>				
Shares	867	867	-	-
Total equity instruments at fair value through other comprehensive income	867	867	-	-

	The Group		The Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
A7. Other assets				
Trade and other receivables, net of expected credit losses of RM14,509,000 (2021: RM11,942,000)	17,385	11,298	17,385	11,298
Deposits, prepayments and others	19,359	15,533	18,548	14,722
	36,744	26,831	35,933	26,020

PART A - EXPLANATORY NOTES (CONTINUED)

The Group and the Bank

31 March 31 December
2022 2021

RM'000 **RM'000**

A8. Deposits from customers

(i) By type of deposits

Short term money market deposits

35,011 35,032

(ii) By type of customers

Local government and statutory bodies

35,011 35,032

The Group and the Bank

31 March 31 December
2022 2021

RM'000 **RM'000**

A9. Deposits and placements of banks and other financial institutions

Licensed banks

2,632 801

Other financial institutions

10,002 10,021

12,634 10,822

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

Due within six months

12,634 10,822

The Group

31 March 31 December
2022 2021

RM'000 **RM'000**

The Bank

31 March 31 December
2022 2021

RM'000 **RM'000**

A10. Other liabilities

Trade and sundry creditors

23,973 12,643 **23,973** 12,643

Expenditure payable

67,752 45,197 **67,737** 45,190

Others

6,989 5,723 **6,978** 5,703

98,714 63,563 **98,688** 63,536

PART A - EXPLANATORY NOTES (CONTINUED)

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March 2021
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
A11. Interest income				
<u>The Group</u>				
Money at call and deposits placements with banks and other financial institutions	2,493	2,034	2,493	2,034
Reverse repurchase agreements	-	234	-	234
Others	-	44	-	44
	2,493	2,312	2,493	2,312
<u>The Bank</u>				
Money at call and deposits placements with banks and other financial institutions	2,477	2,030	2,477	2,030
Reverse repurchase agreements	-	234	-	234
Others	-	44	-	44
	2,477	2,308	2,477	2,308
A12. Interest income for financial assets at fair value through profit and loss				
<u>The Group and The Bank</u>				
Financial investments at fair value through profit or loss	-	27	-	27
Net accretion of discount less amortisation of premium	-	(3)	-	(3)
	-	24	-	24
A13. Interest expense				
<u>The Group and The Bank</u>				
Deposits and placements of banks and other financial institutions	71	124	71	124
Deposits from customers	267	199	267	199
Lease liabilities	27	101	27	101
	365	424	365	424

PART A - EXPLANATORY NOTES (CONTINUED)

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
A14. Non interest income				
<u>The Group and The Bank</u>				
a) Net fee income and commission income:				
Commissions	8,937	15,366	8,937	15,366
Service charges and fees	14,648	17,838	14,648	17,838
Advisory and arrangement fees	3,855	7,885	3,855	7,885
Underwriting fees	147	-	147	-
Placement, book running and related fees	7,534	2,285	7,534	2,285
Other fee income	372	93	372	93
	35,493	43,467	35,493	43,467
b) Net loss arising from financial investments at fair value through profit or loss :				
- unrealised loss	-	(1)	-	(1)
	-	(1)	-	(1)
c) Other income:				
Foreign exchange gain	1,587	1,579	1,587	1,579
Other non-operating income	2,801	997	2,801	997
	4,388	2,576	4,388	2,576
d) Income from asset management and securities services	1,497	1,481	1,497	1,481
Total non interest income	41,378	47,523	41,378	47,523

PART A - EXPLANATORY NOTES (CONTINUED)**A15. Overheads**

<u>The Group</u>	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	23,745	27,481	23,745	27,481
- Pension cost (defined contribution plan)	2,777	3,136	2,777	3,136
- Transformation initiative expenses	-	2,073	-	2,073
- Share-based expense ¹	368	-	368	-
- Others	1,541	870	1,541	870
	28,431	33,560	28,431	33,560
Establishment costs				
- Depreciation of property, plant and equipment	1,195	1,210	1,195	1,210
- Depreciation of investment property	-	129	-	129
- Depreciation of right-of-use assets	451	706	451	706
- Amortisation of intangible assets	1,396	240	1,396	240
- Equipment and other rental	993	549	993	549
- Others	1,019	2,421	1,019	2,421
	5,054	5,255	5,054	5,255
Marketing expenses				
- Advertisement and entertainment expenses	420	(700)	420	(700)
- Others	100	149	100	149
	520	(551)	520	(551)
Administration and general expenses				
- Legal and professional fees	374	261	374	261
- Communication	45	89	45	89
- Printing and stationery	5	36	5	36
- Administrative vehicle, travelling and insurance expenses	77	105	77	105
- Service expenses	7,746	5,581	7,746	5,581
- Others	1,755	797	1,755	797
	10,002	6,869	10,002	6,869
Total overhead expenses	44,007	45,133	44,007	45,133

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

PART A - EXPLANATORY NOTES (CONTINUED)**A15. Overheads (Continued)**

	1st quarter ended		Three months ended	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
<u>The Bank</u>				
Personnel costs				
- Salaries, allowances and bonus	23,745	27,481	23,745	27,481
- Pension cost (defined contribution plan)	2,777	3,136	2,777	3,136
- Transformation initiative expenses	-	2,073	-	2,073
- Share-based expense ¹	368	-	368	-
- Others	1,541	870	1,541	870
	28,431	33,560	28,431	33,560
Establishment costs				
- Depreciation of property, plant and equipment	1,195	1,210	1,195	1,210
- Depreciation of investment property	-	129	-	129
- Depreciation of right-of-use assets	451	706	451	706
- Amortisation of intangible assets	1,396	240	1,396	240
- Equipment and other rental	993	549	993	549
- Others	1,019	2,421	1,019	2,421
	5,054	5,255	5,054	5,255
Marketing expenses				
- Advertisement and entertainment expenses	420	(700)	420	(700)
- Others	100	149	100	149
	520	(551)	520	(551)
Administration and general expenses				
- Legal and professional fees	373	260	373	260
- Communication	45	89	45	89
- Printing and stationery	5	36	5	36
- Administrative vehicle, travelling and insurance expenses	77	105	77	105
- Service expenses	7,739	5,585	7,739	5,585
- Others	1,764	797	1,764	797
	10,003	6,872	10,003	6,872
Total overhead expenses	44,008	45,136	44,008	45,136

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

PART A - EXPLANATORY NOTES (CONTINUED)

**A16. Expected credit losses made/(written back)
on trade receivables**

The Group and The Bank

Expected credit losses made/(written back) on:
- Trade receivables

2,568	(921)	2,568	(921)
2,568	(921)	2,568	(921)

PART A - EXPLANATORY NOTES (CONTINUED)

A17. Capital Adequacy

The capital adequacy ratios of the Bank and the Group are calculated based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components) of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020. The revised guideline 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 3 May 2019.

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

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

	The Group		The Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Before deducting proposed dividend				
Common Equity Tier 1 ratio	94.182%	93.350%	93.883%	93.285%
Tier 1 ratio	94.182%	93.350%	93.883%	93.285%
Total capital ratio	94.196%	93.365%	93.897%	93.301%
After deducting proposed dividend				
Common Equity Tier 1 ratio	94.182%	88.272%	93.883%	88.165%
Tier 1 ratio	94.182%	88.272%	93.883%	88.165%
Total capital ratio	94.196%	88.288%	93.897%	88.181%

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

	The Group		The Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Credit risk	119,601	117,258	117,964	115,739
Market risk	13,969	32,214	13,969	32,214
Operational risk	426,508	450,794	424,663	447,351
Total risk-weighted assets	560,078	600,266	556,596	595,304

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

	The Group		The Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Common Equity Tier 1 capital				
Ordinary share capital	100,000	100,000	100,000	100,000
Other reserves	479,884	510,698	467,699	498,513
Less : Proposed dividends	-	(30,480)	-	(30,480)
Common Equity Tier 1 capital before regulatory adjustments	579,884	580,218	567,699	568,033
<u>Less: Regulatory adjustments</u>				
Deferred tax assets	(16,622)	(11,431)	(16,622)	(11,431)
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(7,240)	(7,169)	-	-
Regulatory reserve	(75)	(93)	(75)	(93)
Intangible assets	(28,452)	(31,659)	(28,452)	(31,659)
Common equity Tier 1 capital after regulatory adjustments / Total Tier 1 Capital	527,495	529,866	522,550	524,850
Tier 2 capital				
Redeemable Preference Shares	-	1	-	1
Regulatory reserve	75	93	75	93
Tier 2 capital before regulatory adjustments	75	94	75	94
<u>Less: Regulatory adjustments</u>				
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	-	-
Total Tier 2 capital	75	94	75	94
Total capital	527,570	529,960	522,625	524,944

PART A - EXPLANATORY NOTES (CONTINUED)

A18. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters.

The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

Valuation model review and approval

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

PART A - EXPLANATORY NOTES (CONTINUED)

A18. FAIR VALUE ESTIMATION (CONTINUED)

The following table represents The Group's and The Bank's financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2022 and 31 December 2021.

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Group</u>				
31 March 2022				
<i>Recurring fair value measurement</i>				
<u>Financial assets</u>				
Equity instruments at fair value through other comprehensive income				
- Unquoted securities	-	-	867	867
Total	<u>-</u>	<u>-</u>	<u>867</u>	<u>867</u>

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Group</u>				
31 December 2021				
<i>Recurring fair value measurement</i>				
<u>Financial assets</u>				
Equity instruments at fair value through other comprehensive income				
- Unquoted securities	-	-	867	867
Total	<u>-</u>	<u>-</u>	<u>867</u>	<u>867</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A18. FAIR VALUE ESTIMATION (CONTINUED)

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

	<u>Financial Investments -</u> Equity instruments at fair value through other comprehensive income RM'000	Total RM'000
The Group <u>31 March 2022</u> At 1 January 2022/ 31 March 2022	867	867

	<u>Financial Investments -</u> Equity instruments at fair value through other comprehensive income RM'000	Total RM'000
The Group <u>31 December 2021</u> At 1 January 2021/31 December 2021	867	867

PART A - EXPLANATORY NOTES (CONTINUED)

A19. The operations of Islamic Banking

A19a. Unaudited Statements of Financial Position as at 31 March 2022

	The Group and The Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Assets		
Cash and short-term funds	75,750	87,417
Other assets	510	878
Deferred taxation	75	104
Property, plant and equipment	3	3
Intangible assets	-	-
Amount due from related companies	142	82
Total assets	76,480	88,484
Liabilities and Islamic Banking capital funds		
Deposits and placements of banks and other financial institutions	2,632	-
Other liabilities	8,322	8,503
Amount due to related companies	868	727
Total liabilities	11,822	9,230
Islamic Banking capital funds	55,696	55,696
Reserves	8,962	23,558
Total Islamic Banking capital funds	64,658	79,254
Total liabilities and Islamic Banking capital funds	76,480	88,484

PART A - EXPLANATORY NOTES (CONTINUED)**A19. The operations of Islamic Banking (Continued)****A19b. Unaudited Statements of Income for the financial period ended 31 March 2022**

	The Group and The Bank			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	148	-	148	-
Income derived from investment of shareholders' funds	4,175	2,487	4,175	2,487
Expected credit losses written back/(made) on trade receivables	5	(23)	5	(23)
Total attributable income	4,328	2,464	4,328	2,464
Income attributable to the depositors and others	(2)	-	(2)	-
Total net income	4,326	2,464	4,326	2,464
Personnel expenses	(72)	(173)	(72)	(173)
Other overheads and expenditures	(3,680)	(690)	(3,680)	(690)
Profit before taxation	574	1,601	574	1,601
Taxation	(170)	(404)	(170)	(404)
Profit after taxation/total comprehensive income for the period	404	1,197	404	1,197
<u>Income from Islamic operations (per page 3 and page 5)</u>				
Total net income	4,326	2,464	4,326	2,464
Less : Expected credit losses (written back)/made on trade receivables	(5)	23	(5)	23
	4,321	2,487	4,321	2,487

PART A - EXPLANATORY NOTES (CONTINUED)

A19c. Capital Adequacy

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

	The Group and The Bank	
	31 March 2022	31 December 2021
Before deducting proposed dividend		
Common Equity Tier 1 Ratio	104.427%	115.139%
Tier 1 ratio	104.427%	115.139%
Total capital ratio	104.427%	115.139%
After deducting proposed dividend		
Common Equity Tier 1 Ratio	104.427%	93.319%
Tier 1 ratio	104.427%	93.319%
Total capital ratio	104.427%	93.319%

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

	The Group and The Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
Credit risk	15,678	17,638
Operational risk	45,780	51,105
Total risk-weighted assets	61,458	68,743

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

	The Group and The Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
Common Equity Tier 1 capital		
Islamic Banking capital funds	55,696	55,696
Other reserves	8,558	23,558
Less : Proposed dividends	-	(15,000)
Common Equity Tier 1 capital / Total Tier 1 Capital	64,254	64,254
<u>Less: Regulatory adjustments</u>		
Deferred Tax Assets	(75)	(104)
Common Equity Tier 1 capital after regulatory adjustments / Total Tier 1 capital	64,179	64,150
Total capital base	64,179	64,150

PART B - EXPLANATORY NOTES

B1. Group Performance Review

The Group reported a profit before taxation of RM1.3 million for the financial period ended 31 March 2022 compared to RM7.9 million for the same period in the preceding year. The lower current year profit was due to lower fee income by RM8 million and higher expected credit losses by RM3.5 million. Nevertheless this was mitigated by higher Income from Islamic Banking Operations by RM1.8 million and lower overhead by RM1.1 million in this quarter.

B2. Prospects for the Current Financial Year

Despite the recent moderation in economic activity, the Bank is upbeat on the business prospects for the remainder of 2022 on the back of anticipated regional economic recovery. The Bank remains cognisant of the threat of new Covid-19 mutations, upward pressure on interest rates in response to rising inflation, heightened geopolitical risks from the Russian-Ukraine conflict and risk of prolonged global supply disruptions. The Malaysian investment banking business is witnessing heightened market volatility, while increased economic activity is expected to drive an active capital market for the remaining nine months of the year.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

Basic earnings per share of The Group and The Bank are calculated by dividing the net profit attributable to owners of The Group and The Bank by the weighted average number of ordinary shares issued during the financial period.

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
Net profit (RM '000)	<u>465</u>	<u>5,441</u>	<u>465</u>	<u>5,441</u>
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	<u>0.47</u>	<u>5.44</u>	<u>0.47</u>	<u>5.44</u>

PART B - EXPLANATORY NOTES (CONTINUED)

B3. COMPUTATION OF EARNINGS PER SHARE (EPS) (Continued)

a) Basic EPS (Continued)

Basic earnings per share of The Group and The Bank are calculated by dividing the net profit attributable to owners of The Group and The Bank by the weighted average number of ordinary shares issued during the financial period. (Continued)

	The Bank			
	1st quarter ended 31 March 2022	31 March 2021	Three months ended 31 March 2022	31 March 2021
Net profit (RM '000)	381	5,201	381	5,201
Weighted average number of ordinary shares in issue ('000)	100,000	100,000	100,000	100,000
Total basic earnings per share for profit attributable to equity shareholders (expressed in sen per share)	0.38	5.20	0.38	5.20

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2022 and 31 March 2021 respectively.