

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	The Group	
		31 March 2024 RM'000	31 December 2023 RM'000
Assets			
Cash and short term funds		295,452	273,247
Deposits and placements with banks and other financial institutions		10	10
Debt instruments at fair value through other comprehensive income	A7	147,440	182,936
Equity instruments at fair value through other comprehensive income	A8	824	824
Debt instruments at amortised cost	A9	118,452	118,624
Other assets	A10	102,375	48,255
Amounts due from ultimate holding company		4	137
Amounts due from related companies		7,159	33,560
Tax recoverable		15,260	12,000
Deferred taxation		6,752	11,598
Investment in associates		4,812	4,627
Property, plant and equipment		1,793	1,522
Right-of-use assets		2,210	1,982
Goodwill	A4	39,542	-
Intangible assets		26,351	30,668
Total assets		768,436	719,990
Liabilities			
Deposits from customers	A11	4,714	6,442
Other liabilities	A12	159,348	87,722
Borrowings		3,224	-
Lease liabilities		2,381	2,182
Amounts due to related companies		3,977	200
Total liabilities		173,644	96,546
Capital and reserves attributable to equity holder of the Parent			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		494,782	523,434
Total equity		594,792	623,444
Total equity and liabilities		768,436	719,990
Net assets per ordinary share (RM)		5.95	6.23

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	The Bank	
		31 March 2024 RM'000	31 December 2023 RM'000
Assets			
Cash and short term funds		161,836	268,904
Debt instruments at fair value through other comprehensive income	A7	147,440	182,936
Debt instruments at amortised cost	A9	118,452	118,624
Other assets	A10	38,433	47,447
Amounts due from subsidiaries		23,760	-
Amounts due from ultimate holding company		4	137
Amounts due from related companies		7,155	33,560
Tax recoverable		12,481	11,989
Deferred taxation		6,201	11,598
Investment in subsidiaries		144,736	30
Property, plant and equipment		1,397	1,522
Right-of-use assets		1,609	1,982
Intangible assets		24,303	30,668
Total assets		687,807	709,397
Liabilities			
Deposits from customers	A11	4,714	6,442
Other liabilities	A12	94,346	87,706
Lease liabilities		1,768	2,182
Amounts due to related companies		3,977	172
Total liabilities		104,805	96,502
Capital and reserves attributable to equity holder of the Parent			
Ordinary share capital		100,000	100,000
Redeemable preference shares		10	10
Reserves		482,992	512,885
Total equity		583,002	612,895
Total equity and liabilities		687,807	709,397
Net assets per ordinary share (RM)		5.83	6.13

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	Notes	The Group			
		1st quarter ended		Three months ended	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	A13	4,430	3,334	4,430	3,334
Interest expense	A14	(344)	(49)	(344)	(49)
Net interest income		4,086	3,285	4,086	3,285
Income from Islamic Banking operations	A20b	5,236	8,151	5,236	8,151
Fee and commission income	A15(a)	74,654	37,099	74,654	37,099
Fee and commission expense	A15(b)	(11,320)	(2,544)	(11,320)	(2,544)
Net fee and commission income		63,334	34,555	63,334	34,555
Other non-interest income	A15(c)	3,375	1,731	3,375	1,731
Net income		76,031	47,722	76,031	47,722
Overheads	A16	(58,275)	(44,046)	(58,275)	(44,046)
Profit before expected credit losses		17,756	3,676	17,756	3,676
Other expected credit losses and impairment allowances written back/(made)	A17	209	(2,351)	209	(2,351)
		17,965	1,325	17,965	1,325
Share of results of associates		185	485	185	485
Profit before taxation		18,150	1,810	18,150	1,810
Taxation		(5,107)	(1,097)	(5,107)	(1,097)
Profit for the financial period, attributable to owner of the Parent		13,043	713	13,043	713
Basic and diluted earnings per share (sen), attributable to owner of the Parent	B3	13.04	0.71	13.04	0.71

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	13,043	713	13,043	713
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(915)	-	(915)	-
- Net gain from change in fair value	735	-	735	-
- Realised gain transferred to statement of income on disposal	(1,650)	-	(1,650)	-
Other comprehensive income, for the financial period, net of tax	(915)	-	(915)	-
Total comprehensive income for the financial period, attributable to owner of the Parent	12,128	713	12,128	713

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	Notes	The Bank			
		1st quarter ended		Three months ended	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	A13	3,924	3,311	3,924	3,311
Interest expense	A14	(60)	(49)	(60)	(49)
Net interest income		3,864	3,262	3,864	3,262
Income from Islamic Banking operations	A20b	5,236	8,151	5,236	8,151
Fee and commission income	A15(a)	66,434	37,099	66,434	37,099
Fee and commission expense	A15(b)	(11,320)	(2,544)	(11,320)	(2,544)
Net fee and commission income		55,114	34,555	55,114	34,555
Other non-interest income	A15(c)	3,529	1,731	3,529	1,731
Net income		67,743	47,699	67,743	47,699
Overheads	A16	(51,377)	(44,016)	(51,377)	(44,016)
Profit before expected credit losses		16,366	3,683	16,366	3,683
Other expected credit losses and impairment allowances written back/(made)	A17	209	(2,351)	209	(2,351)
Profit before taxation		16,575	1,332	16,575	1,332
Taxation		(4,773)	(1,091)	(4,773)	(1,091)
Profit for the financial period, attributable to owner of the Parent		11,802	241	11,802	241
Basic and diluted earnings per share (sen), attributable to owner of the Parent	B3	11.80	0.24	11.80	0.24

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	The Bank			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	11,802	241	11,802	241
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(915)	-	(915)	-
- Net gain from change in fair value	735	-	735	-
- Realised gain transferred to statement of income on disposal	(1,650)	-	(1,650)	-
Other comprehensive income, for the financial period, net of tax	(915)	-	(915)	-
Total comprehensive income for the financial period, attributable to owner of the Parent	10,887	241	10,887	241

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

The Group	Attributable to Owner of the Parent							Total
	Ordinary share capital	Redeemable preference shares	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Retained profits	
31 March 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	100,000	10	1,336	(6,011)	226	3,978	523,905	623,444
Profit for the financial period	-	-	-	-	-	-	13,043	13,043
Other comprehensive income, net of tax	-	-	(915)	-	-	-	-	(915)
Total comprehensive income for the financial period	-	-	(915)	-	-	-	13,043	12,128
Share-based payment expense	-	-	-	-	52	424	-	476
Shares released under Equity Ownership Plan	-	-	-	-	(156)	-	-	(156)
Interim dividend paid in respect of financial year ended 31 December 2023	-	-	-	-	-	-	(41,100)	(41,100)
At 31 March 2024	100,000	10	421	(6,011)	122	4,402	495,848	594,792

The Group	Attributable to Owner of the Parent							Total
	Ordinary share capital	Redeemable preference shares	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Share-based payment reserve	Capital contribution by ultimate holding company	Retained profits	
31 March 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	100,000	10	-	(6,011)	126	2,282	499,345	595,752
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	713	713
Share-based payment expense	-	-	-	-	58	424	-	482
Shares released under Equity Ownership Plan	-	-	-	-	(128)	-	-	(128)
Interim dividend paid in respect of financial year ended 31 December 2022	-	-	-	-	-	-	(17,720)	(17,720)
At 31 March 2023	100,000	10	-	(6,011)	56	2,706	482,338	579,099

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	← Non-distributable →					← Distributable →			
	Ordinary share capital RM'000	Redeemable preference shares RM'000	Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained profits RM'000	Total RM'000	
The Bank									
31 March 2024									
At 1 January 2024	100,000	10	1,336	(6,331)	226	3,978	513,676	612,895	
Profit for the financial period	-	-	-	-	-	-	11,802	11,802	
Other comprehensive income, net of tax	-	-	(915)	-	-	-	-	(915)	
Total comprehensive income for the financial period	-	-	(915)	-	-	-	11,802	10,887	
Share-based payment expense	-	-	-	-	52	424	-	476	
Shares released under Equity Ownership Plan	-	-	-	-	(156)	-	-	(156)	
Interim dividend paid in respect of financial year ended 31 December 2023	-	-	-	-	-	-	(41,100)	(41,100)	
At 31 March 2024	100,000	10	421	(6,331)	122	4,402	484,378	583,002	

	← Non-distributable →					← Distributable →			
	Ordinary share capital RM'000	Redeemable preference shares RM'000	Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained profits RM'000	Total RM'000	
The Bank									
31 March 2023									
At 1 January 2023	100,000	10	-	(6,331)	126	2,282	490,213	586,300	
Net profit/total comprehensive income for the financial period	-	-	-	-	-	-	241	241	
Share-based payment expense	-	-	-	-	58	424	-	482	
Share released under Equity Ownership Plan	-	-	-	-	(128)	-	-	(128)	
Interim dividend paid in respect of financial year ended 31 December 2022	-	-	-	-	-	-	(17,720)	(17,720)	
At 31 March 2023	100,000	10	-	(6,331)	56	2,706	472,734	569,175	

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 2023.

CIMB INVESTMENT BANK BERHAD
Registration No: 197401001266 (18417-M)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	The Group		The Bank	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Operating activities				
Profit before taxation	18,150	1,810	16,575	1,332
Adjustments for non-operating and non-cash items	(2,829)	5,155	(2,788)	5,640
Cash flow from operating profit before changes in operating assets and liabilities	15,321	6,965	13,787	6,972
Net changes in operating assets	26,861	49,814	4,647	49,814
Net changes in operating liabilities	16,596	16,569	8,716	16,564
Cash generated from operating activities	58,778	73,348	27,150	73,350
Taxation paid	(89)	(6)	-	-
Net cash generated from operating activities	58,689	73,342	27,150	73,350
Investing activities				
Net purchase of property, plant and equipment	(92)	(136)	(85)	(136)
Net purchase of intangible assets	(1,634)	(1,388)	(1,633)	(1,388)
Net proceeds from sale of debt instruments at fair value through other comprehensive	36,333	-	36,333	-
Interest income on debt instruments at fair value through other comprehensive income	1,652	-	1,652	-
Interest income on debt instruments at amortised cost	1,224	-	1,224	-
Acquisition of a subsidiary	(35,327)	-	(129,912)	-
Net cash used in investing activities	2,156	(1,524)	(92,421)	(1,524)
Financing activities				
Net repayment of lease liabilities	(585)	(520)	(518)	(520)
Interest paid on borrowings	(282)	-	-	-
Net drawdown on borrowings	3,506	-	-	-
Dividends paid	(41,100)	(17,720)	(41,100)	(17,720)
Net cash used in financing activities	(38,461)	(18,240)	(41,618)	(18,240)
Net increase/(decrease) in cash and cash equivalents during the financial period	22,384	53,578	(106,889)	53,586
Cash and cash equivalents at the beginning of the financial period	273,247	308,043	268,904	303,737
Effects of exchange rate changes	(179)	(252)	(179)	(252)
Cash and cash equivalents at the end of the financial period	295,452	361,369	161,836	357,071
Cash and cash equivalents comprise the following:				
Cash and short term funds	295,452	361,369	161,836	357,071
Deposits and placements with banks and other financial institutions	10	10	-	-
	295,462	361,379	161,836	357,071
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 the end of the financial period	295,452	361,369	161,836	357,071

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 2023.

PART A - EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 31 March 2024 have been prepared under the historical cost convention, except for debt instruments at fair value through other comprehensive income and equity instruments at fair value through other comprehensive income that are measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

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

The material accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2023, except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRS") which are effective for annual periods beginning on or after 1 January 2024:

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

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

The unaudited condensed interim financial statements include those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the provision of investment banking and related financial services which comply with 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 in estimates during the quarter ended 31 March 2024.

A3. Dividends paid and proposed

On 24 January 2024, the Board of Directors declared a single-tier interim dividend of 41.10 sen per ordinary share on 100,000,000 ordinary shares amounting to RM41,100,000 in respect of the financial year ended 31 December 2023. The dividend was paid on 15 March 2024.

No dividend has been proposed during the financial period ended 31 March 2024.

PART A - EXPLANATORY NOTES

A4. Status of Corporate Proposal

Acquisition of 80,000,000 ordinary shares in KAF Equities Sdn Bhd (“KESB”), representing 100% equity interest in KESB (“Acquisition”)

On 8 February 2024, the Bank completed the acquisition of the entire equity interest in KESB, from KAF - Seagrott & Campbell Berhad ("KAFSC" or "Seller"), for an adjusted final purchase consideration of RM144,706,000. This Acquisition is part of the Bank's strategy to expand its in-house capabilities which complements CIMB Group's Wholesale Banking business in Malaysia.

Following the completion of the Acquisition, KESB became a wholly owned subsidiary of the Bank. On 11 March 2024, KESB changed its name to CIMB Securities Sdn Bhd.

The Group has accounted for the Acquisition of KESB in accordance with MFRS 3 'Business Combination' and the following are the accounting effects of the Acquisition:

	RM '000
Provisional fair value of identifiable net assets and liabilities acquired	105,164
Goodwill (provisional)	39,542
Purchase consideration	<u>144,706</u>
Less : cash and cash equivalents acquired	<u>(94,585)</u>
Net cash outflow on acquisition	50,121
Less : Deposit in relation to the Acquisition paid in the previous financial year (Note A10)	<u>(14,794)</u>
Net cash outflow on acquisition during the financial period	<u>35,327</u>

The fair value of net assets and goodwill as disclosed above are provisional and will be adjusted, where applicable, upon completion of the purchase price allocation as allowed under MFRS 3.

A5. Significant events during the financial period

There were no other significant events that had occurred other than disclosed under Status of Corporate Proposal.

A6. Significant events after the financial period

There were no significant events that had occurred between 31 March 2024 and the date of this announcement.

PART A - EXPLANATORY NOTES (CONTINUED)

A7. Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
<u>At fair value</u>		
Money market instruments:		
<i>Unquoted:</i>		
Malaysian Government Securities	60,772	61,055
Government Investment Issues	50,724	31,217
	111,496	92,272
<i>Unquoted securities:</i>		
<i>In Malaysia:</i>		
Corporate bond and sukuk	35,944	90,664
	147,440	182,936

A8. Equity instruments at fair value through other comprehensive income

	The Group	
	31 March	31 December
	2024	2023
	RM'000	RM'000
<u>At fair value</u>		
<i>Unquoted securities :</i>		
<i>Outside Malaysia</i>		
Shares	824	824
Total equity instruments at fair value through other comprehensive income	824	824

A9. Debt instruments at amortised cost

	The Group and the Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
<u>Money market instruments</u>		
<i>Unquoted securities:</i>		
<i>In Malaysia:</i>		
Corporate bond and sukuk	118,509	118,639
Amortisation of premium, net of accretion of discount	(57)	(15)
	118,452	118,624

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
A10. Other assets				
Due from brokers and clients	54,689	-	-	-
Trade and other receivables, net of expected credit losses of RM8,606,000 (2023: RM9,376,000)	32,159	28,911	31,335	28,911
Deposits, prepayments and others #	15,527	19,344	7,098	18,536
	102,375	48,255	38,433	47,447

Included within deposits, prepayment and others in the previous financial year was a deposit of RM14,794,000 paid by the Bank to an escrow account in relation to the Acquisition. Following the completion of the Acquisition on 8 February 2024, the deposit in the escrow account was released to the Seller on the same day.

	The Group and the Bank	
	31 March 2024	31 December 2023
	RM'000	RM'000
A11. Deposits from customers		
<u>(i) By type of deposits</u>		
Short term money market deposits	4,714	6,442
<u>(ii) By type of customers</u>		
Business enterprises	4,714	6,442

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
A12. Other liabilities				
Due to brokers and clients	53,988	-	-	-
Trade and sundry creditors	44,843	26,967	36,189	26,967
Expenditure payable	52,989	51,073	52,968	51,057
Others	7,528	9,682	5,189	9,682
	159,348	87,722	94,346	87,706

PART A - EXPLANATORY NOTES (CONTINUED)

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
A13. Interest income				
<u>The Group</u>				
Money at call and deposits placements with banks and other financial institutions	1,452	2,005	1,452	2,005
Reverse repurchase agreements	-	1,329	-	1,329
Debt instruments at fair value through other comprehensive income	1,652	-	1,652	-
Debt instruments at amortised cost	1,224	-	1,224	-
Others	176	-	176	-
	4,504	3,334	4,504	3,334
Amortisation of premium	(74)	-	(74)	-
	4,430	3,334	4,430	3,334
<u>The Bank</u>				
Money at call and deposits placements with banks and other financial institutions	946	1,982	946	1,982
Reverse repurchase agreements	-	1,329	-	1,329
Debt instruments at fair value through other comprehensive income	1,652	-	1,652	-
Debt instruments at amortised cost	1,224	-	1,224	-
Others	176	-	176	-
	3,998	3,311	3,998	3,311
Amortisation of premium	(74)	-	(74)	-
	3,924	3,311	3,924	3,311
A14. Interest expense				
<u>The Group</u>				
Deposits and placements of banks and other financial institutions	14	22	14	22
Deposits from customers	32	-	32	-
Borrowings	282	-	282	-
Lease liabilities	16	27	16	27
	344	49	344	49
<u>The Bank</u>				
Deposits and placements of banks and other financial institutions	14	22	14	22
Deposits from customers	32	-	32	-
Lease liabilities	14	27	14	27
	60	49	60	49

PART A - EXPLANATORY NOTES (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
A15. Non-interest income				
<u>The Group</u>				
a) Fee and commission income				
Commissions	12,462	7,559	12,462	7,559
Service charges and fees	18,922	17,102	18,922	17,102
Advisory and arrangement fees	8,762	8,938	8,762	8,938
Placement, book running and related fees	24,563	2,881	24,563	2,881
Net brokerage income	7,986	-	7,986	-
Other fee income	1,959	619	1,959	619
	74,654	37,099	74,654	37,099
b) Fee and commission expense				
Less : Fee, commission expense and direct expenses	(11,320)	(2,544)	(11,320)	(2,544)
Net fee and commission income	63,334	34,555	63,334	34,555
c) Other non-interest income				
Net loss arising from derivative financial instrument :				
- realised loss	(2)	-	(2)	-
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	1,650	-	1,650	-
Other income:				
Income from securities services	1,723	1,455	1,723	1,455
Foreign exchange (loss)/gain	(4)	171	(4)	171
Other non-operating income	8	105	8	105
	1,727	1,731	1,727	1,731
Total other non-interest income	3,375	1,731	3,375	1,731
Total non-interest income	66,709	36,286	66,709	36,286

PART A - EXPLANATORY NOTES (CONTINUED)

	1st quarter ended		Three months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
A15. Non-interest income				
<u>The Bank</u>				
a) Fee and commission income				
Commissions	12,462	7,559	12,462	7,559
Service charges and fees	18,922	17,102	18,922	17,102
Advisory and arrangement fees	8,762	8,938	8,762	8,938
Placement, book running and related fees	24,563	2,881	24,563	2,881
Other fee income	1,725	619	1,725	619
	66,434	37,099	66,434	37,099
b) Fee and commission expense				
Less : Fee, commission expense and direct expenses	(11,320)	(2,544)	(11,320)	(2,544)
Net fee and commission income	55,114	34,555	55,114	34,555
c) Other non-interest income				
Net gain arising from derivative financial instrument :				
- realised loss	(2)	-	(2)	-
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	1,650	-	1,650	-
Other income:				
Income from securities services	1,723	1,455	1,723	1,455
Foreign exchange gain	150	171	150	171
Other non-operating income	8	105	8	105
	1,881	1,731	1,881	1,731
Total other non-interest income	3,529	1,731	3,529	1,731
Total non-interest income	58,643	36,286	58,643	36,286

PART A - EXPLANATORY NOTES (CONTINUED)**A16. Overheads**

The Group	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	30,033	18,232	30,033	18,232
- Pension cost (defined contribution plan)	3,236	2,792	3,236	2,792
- Share-based expenses ¹	424	424	424	424
- Others	1,898	2,199	1,898	2,199
	35,591	23,647	35,591	23,647
Establishment costs				
- Depreciation of property, plant and equipment	236	1,228	236	1,228
- Depreciation of right-of-use assets	571	466	571	466
- Amortisation of intangible assets	862	1,362	862	1,362
- Equipment and other rental	1,300	1,126	1,300	1,126
- Others	3,822	1,775	3,822	1,775
	6,791	5,957	6,791	5,957
Marketing expenses				
- Advertisement and entertainment expenses	697	698	697	698
- Others	256	158	256	158
	953	856	953	856
Administration and general expenses				
- Legal and professional fees	372	239	372	239
- Service expenses	8,118	10,898	8,118	10,898
- Others	6,450	2,449	6,450	2,449
	14,940	13,586	14,940	13,586
Total overhead expenses	58,275	44,046	58,275	44,046

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

PART A - EXPLANATORY NOTES (CONTINUED)**A16. Overheads (Continued)**

	1st quarter ended		Three months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonus	28,747	18,232	28,747	18,232
- Pension cost (defined contribution plan)	3,069	2,792	3,069	2,792
- Share-based expenses ¹	424	424	424	424
- Others	1,789	2,199	1,789	2,199
	34,029	23,647	34,029	23,647
Establishment costs				
- Depreciation of property, plant and equipment	210	1,228	210	1,228
- Depreciation of right-of-use assets	462	466	462	466
- Amortisation of intangible assets	853	1,362	853	1,362
- Equipment and other rental	1,037	1,126	1,037	1,126
- Others	3,170	1,775	3,170	1,775
	5,732	5,957	5,732	5,957
Marketing expenses				
- Advertisement and entertainment expenses	673	698	673	698
- Others	252	158	252	158
	925	856	925	856
Administration and general expenses				
- Legal and professional fees	354	236	354	236
- Service expenses	8,118	10,872	8,118	10,872
- Others	2,219	2,448	2,219	2,448
	10,691	13,556	10,691	13,556
Total overhead expenses	51,377	44,016	51,377	44,016

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

A17. Other expected credit losses and impairment allowances**The Group and the Bank**

Other expected credit losses and impairment allowances (written back)/made on:

- Other assets	(209)	2,351	(209)	2,351
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PART A - EXPLANATORY NOTES (CONTINUED)

A18. Capital Adequacy

The capital adequacy ratios of the Bank and the Group are calculated based on BNM's Capital Adequacy Framework (Capital Components) of which the latest revision was issued on 15 December 2023. The revised guidelines took effect on 15 December 2023. The revised guideline sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

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

The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

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

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Before deducting proposed dividend				
Common Equity Tier 1 ("CET") ratio	78.155%	106.562%	72.666%	105.998%
Tier 1 ratio	78.155%	106.562%	72.666%	105.998%
Total capital ratio	78.155%	106.562%	72.666%	105.998%
After deducting proposed dividend				
CET 1 ratio	78.155%	98.955%	72.666%	98.363%
Tier 1 ratio	78.155%	98.955%	72.666%	98.363%
Total capital ratio	78.155%	98.955%	72.666%	98.363%

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

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Credit risk	163,915	94,580	87,740	92,778
Market risk	33,153	12,607	15,389	12,607
Operational risk	447,114	433,078	441,806	432,947
Total RWAs	644,182	540,265	544,935	538,332

c) Components of the Group and the Bank capital are as follows :

	The Group		The Bank	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
CET 1 capital				
Ordinary share capital	100,000	100,000	100,000	100,000
Other reserves	481,739	523,434	471,190	512,885
Less : Proposed dividends	-	(41,100)	-	(41,100)
CET 1 capital before regulatory adjustments	581,739	582,334	571,190	571,785
<u>Less: Regulatory adjustments</u>				
Goodwill	(39,542)	-	-	-
Deferred tax assets	(10,553)	(15,116)	(10,002)	(15,116)
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(5,634)	(5,449)	(144,706)	-
Intangible assets	(22,550)	(27,150)	(20,502)	(27,150)
CET 1 capital/Total Tier 1 Capital	503,460	534,619	395,980	529,519
Total capital	503,460	534,619	395,980	529,519

PART A - EXPLANATORY NOTES (CONTINUED)

A19. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

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

Valuation model review and approval

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

PART A - EXPLANATORY NOTES (CONTINUED)

A19. 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 2024 and 31 December 2023.

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Group</u>				
31 March 2024				
<i>Recurring fair value measurement</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	111,496	-	111,496
- Unquoted securities	-	35,944	-	35,944
Equity instruments at fair value through other comprehensive income				
- Unquoted securities	-	-	824	824
Total	-	147,440	824	148,264

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Group</u>				
31 December 2023				
<i>Recurring fair value measurement</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	92,272	-	92,272
- Unquoted securities	-	90,664	-	90,664
Equity instruments at fair value through other comprehensive income				
- Unquoted securities	-	-	824	824
Total	-	182,936	824	183,760

PART A - EXPLANATORY NOTES (CONTINUED)

A19. 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 2024 and 31 December 2023.

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Bank</u>				
31 March 2024				
<i>Recurring fair value measurement</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	111,496	-	111,496
- Unquoted securities	-	35,944	-	35,944
Total	-	147,440	-	147,440

	Fair Value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<u>The Bank</u>				
31 December 2023				
<i>Recurring fair value measurement</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	92,272	-	92,272
- Unquoted securities	-	90,664	-	90,664
Total	-	182,936	-	182,936

PART A - EXPLANATORY NOTES (CONTINUED)

A19. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2024 and 31 December 2023 for the Group.

	<u>Financial Investments -</u> Equity instruments at fair value through other comprehensive income RM'000	Total RM'000
The Group		
<u>31 March 2024</u>		
At 1 January 2024/31 March 2024	824	824

	<u>Financial Investments -</u> Equity instruments at fair value through other comprehensive income RM'000	Total RM'000
The Group		
<u>31 December 2023</u>		
At 1 January 2023/31 December 2023	824	824

PART A - EXPLANATORY NOTES (CONTINUED)

A20. The operations of Islamic Banking

A20a. Unaudited Statements of Financial Position as at 31 March 2024

	The Group and the Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Assets		
Cash and short-term funds	77,212	94,573
Other assets	4,156	6,810
Amount due from ultimate holding company	1	-
Amount due from related companies	63	180
Deferred tax assets	-	229
Total assets	81,432	101,792
Liabilities and Islamic Banking capital funds		
Other liabilities	759	869
Amount due to related companies	1,716	1,418
Deferred tax liabilities	985	-
Total liabilities	3,460	2,287
Islamic Banking capital funds	55,000	55,000
Reserves	22,972	44,505
Total Islamic Banking capital funds	77,972	99,505
	81,432	101,792

PART A - EXPLANATORY NOTES (CONTINUED)

A20. The operations of Islamic Banking (Continued)

A20b. Unaudited Statements of Comprehensive Income for the financial period ended 31 March 2024

	The Group and the Bank			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of shareholder's funds	5,236	8,151	5,236	8,151
Expected credit losses written back on trade receivables	12	63	12	63
Total net income	5,248	8,214	5,248	8,214
Personnel expenses	-	(37)	-	(37)
Other overheads and expenditures	(317)	(4,726)	(317)	(4,726)
Profit before taxation	4,931	3,451	4,931	3,451
Taxation	(1,213)	(847)	(1,213)	(847)
Profit after taxation/total comprehensive income for the period	3,718	2,604	3,718	2,604
<u>Income from Islamic operations (per page 3)</u>				
Total net income	5,248	8,214	5,248	8,214
Less : Expected credit losses on other assets written back	(12)	(63)	(12)	(63)
	5,236	8,151	5,236	8,151

PART A - EXPLANATORY NOTES (CONTINUED)

A20c. Capital Adequacy

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

	The Group and the Bank	
	31 March	31 December
	2024	2023
Before deducting proposed dividend		
CET 1 Ratio	84.508%	110.345%
Tier 1 ratio	84.508%	110.345%
Total capital ratio	84.508%	110.345%
After deducting proposed dividend		
CET 1 Ratio	84.508%	82.279%
Tier 1 ratio	84.508%	82.279%
Total capital ratio	84.508%	82.279%

(b) The breakdown of RWAs by each major risk category is as follows:

	The Group and the Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Credit risk	14,481	18,301
Operational risk	73,386	71,668
Total RWAs	87,867	89,969

c) Components of capital for the Group and the Bank are as follows :

	The Group and the Bank	
	31 March	31 December
	2024	2023
	RM'000	RM'000
Tier 1 capital		
Islamic Banking capital funds	55,000	55,000
Other reserves	19,255	44,505
Less : Proposed dividends	-	(25,250)
CET 1 capital before regulatory adjustments	74,255	74,255
<u>Less: Regulatory adjustments</u>		
Deferred Tax Assets	-	(229)
CET 1 capital / Total Tier 1 capital	74,255	74,026
Total capital base	74,255	74,026

PART B - EXPLANATORY NOTES

B1. Group Performance Review

The Group reported a profit before taxation of RM18.2 million for the financial period ended 31 March 2024, a ten-fold increase from the RM1.8 million reported in the previous corresponding period ended 31 March 2023. The increase in profit before tax was primarily due to higher net income of RM76 million, which grew by 59.3% from the previous corresponding period. This growth was driven by strong performance in the Group's Investment Banking due to increased activities in mergers & acquisitions ("M&A") and equity capital markets ("ECM"), and higher net new monies generated from its Private Banking business. The increase in net income was partially offset by higher overhead expenses during the current period.

B2. Prospects for the Current Financial Year

The Bank maintains its cautious outlook for the year given the global economic headwinds with escalating geopolitical tensions, likelihood of prolonged elevated interest rates and continued competitive banking environment in Malaysia and regionally. As such, the Investment Banking, Private Banking and Stockbroking businesses, which are part of the wider Wholesale Banking franchise, will continue to drive its "One Bank" strategy to provide curated solutions for our clients to navigate through these volatile markets.

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 2024	31 March 2023	31 March 2024	31 March 2023
Net profit (RM '000)	<u>13,043</u>	<u>713</u>	<u>13,043</u>	<u>713</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 owner of the Parent (expressed in sen per share)	<u>13.04</u>	<u>0.71</u>	<u>13.04</u>	<u>0.71</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 2024	31 March 2023	Three months ended 31 March 2024	31 March 2023
Net profit (RM '000)	11,802	241	11,802	241
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 owner of the Parent (expressed in sen per share)	11.80	0.24	11.80	0.24

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2024 and 31 March 2023 respectively.