

Registration No: 197401001266 (18417-M)

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

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CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

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CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Directors' Report for the financial year ended 31 December 2025

The Directors have pleasure in submitting their Report and the Audited Financial Statements of CIMB Investment Bank Berhad (“the Bank”) including the Consolidated Financial Statements of the Bank and its subsidiaries (“the Group”) for the financial year ended 31 December 2025.

Principal activities

The principal activities of the Bank during the financial year are investment banking and the provision of related financial services. The principal activities of the subsidiaries during the financial year, as set out in Note 9 to the Financial Statements, consist mainly of the provision of stockbroking activities and nominee services.

Financial results

| | The Group | The Bank |
|---------------------------|------------------|-----------------|
| | RM'000 | RM'000 |
| Net profit after taxation | <u>96,727</u> | <u>89,785</u> |

Dividends

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

| | RM'000 |
|---|--------|
| <u>In respect of the financial year ended 31 December 2023:</u> | |
| Dividend on 100,000,000 ordinary shares, paid on 15 March 2024: | |
| - single-tier interim dividend of 41.10 sen per ordinary share | 41,100 |
| <u>In respect of the financial year ended 31 December 2024:</u> | |
| Dividend on 100,000,000 ordinary shares, paid on 17 March 2025: | |
| - single-tier interim dividend of 81.40 sen per ordinary share | 81,400 |

The Directors have proposed a single-tier interim dividend of 89.78 sen per ordinary share on 100,000,000 ordinary shares amounting to RM89,780,000 in respect of the financial year ended 31 December 2025, which was approved by the Board of Directors in a resolution dated 27 January 2026.

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

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

There were no changes to the issued and paid up capital of the Bank during the financial year.

Share-based employee benefit plan

The Bank's employee benefit schemes are explained in Note 33 to the Financial Statements.

Bad and doubtful debts

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 the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this Report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts, or the amount of the allowance for doubtful debts 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, 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.

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 the Bank misleading or inappropriate.

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

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 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 35 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.

Directors

The names of 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:

Raymond Yeoh Cheng Seong
Nor Masliza Sulaiman (appointed on 24 January 2025)
Dato' Lee Kok Kwan
Tan Ting Min
Dr. Adrian Toho Parada Panggabean
Tracy Chen Wee Keng (appointed on 1 January 2026)

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

In accordance with Articles 84 of the Bank's Constitution Tan Ting Min and Tracy Chen Wee Keng will retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

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 42 to the Financial Statements.

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 in Malaysia, the beneficial interests of the Directors who held office at the end of the financial year, in the shares, share options and debentures of the ultimate holding company or its related companies during the financial year are as follows:

| | Number of ordinary shares | | | As at 31 December 2025 |
|--|---------------------------|-----------------------|----------|------------------------------|
| | As at 1 January 2025 | Additions | Disposal | |
| <u>Ultimate holding company</u> | | | | |
| CIMB Group Holdings Berhad | | | | |
| Nor Masliza Sulaiman | 872,871 | 81,634 ^(a) | - | 954,505 |
| Dato' Lee Kok Kwan * | 481,208 | - | - | 481,208 |

* Include 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

| | Number of ordinary shares | | | As at 31 December 2025 |
|-------------------------------|---------------------------|-----------|----------|------------------------------|
| | As at 1 January 2025 | Additions | Disposal | |
| <u>Related company</u> | | | | |
| PT Bank CIMB Niaga Tbk | | | | |
| Dato' Lee Kok Kwan * | 427,305 | - | - | 427,305 |

* Include 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 |

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

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

Other than as disclosed in the previous page, 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, option over shares and debentures of the Bank, the holding company, the ultimate holding company or its related companies during the financial year.

Long Term Incentive Plan ("LTIP")

CIMB Group Holdings Berhad ("CIMB Group") implemented a Long Term Incentive Plan ("LTIP") on 9 June 2021, which was approved by the shareholders of CIMB Group 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 of CIMB Group.

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.

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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") (Continued)

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"). (Continued)

- The SGP is a restricted share unit scheme where vesting is subject to 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 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 33 to the Financial Statements.

(i) Details of ESOS shares awarded:

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

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

| Award Date | As at | Movement during the year | | Outstanding | Exercisable |
|------------------------------|----------------------------------|--------------------------|--------------------------------------|---|---|
| | 1 January 2025 (Units'000) | Exercised (Units'000) | Expired/ Forfeited (Units'000) | as at 31 December 2025 (Units'000) | as at 31 December 2025 (Units'000) |
| 9 June 2021 - First grant | 4,220 | (184) | - | 4,036 | 4,036 |
| 31 March 2022 - Second grant | 241 | - | - | 241 | 241 |

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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") (Continued)

(ii) Details of SGP shares awarded:

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

* *Subject to performance conditions*

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

| Award Date | Movement during the year | | | As at 31 December 2025 (Units'000) |
|------------------------------|---|-----------------------|--------------------------|---|
| | As at 1 January 2025 (Units'000) | Vested (Units'000) | Forfeited (Units'000) | |
| | 9 June 2021 - First grant | 170 | (145) | |
| 31 March 2022 - Second grant | 26 | (23) | (3) | - |

Executive Directors and Key Management Personnel who have been awarded with the ESOS and SGP during the financial year ended 31 December 2025 are listed below:

| Name | The Group | | The Bank | |
|--------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | No of ESOS Awarded (Units'000) | No of SGP Awarded (Units'000) | No of ESOS Awarded (Units'000) | No of SGP Awarded (Units'000) |
| Key Management Personnel | - | - | - | - |

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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 | 3,062 | 13,868 | 3,062 | 13,868 |
| - Benefits-in-kind | 9 | 40 | 9 | 40 |
| Non-executive Directors | | | | |
| - Fees and other remuneration | 1,555 | 1,358 | 1,435 | 1,250 |
| - Benefits-in-kind | 24 | 21 | 24 | 21 |
| | <u>4,650</u> | <u>15,287</u> | <u>4,530</u> | <u>15,179</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 RM1,500 (2024: RM1,418).

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 Directors' remuneration disclosed in Note 27 to the Financial Statements) by reason of a contract made by the Bank or a related company 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 Equity Ownership Plan and Long Term Incentive Plan of the ultimate holding company (see Note 33 of the Financial Statements) as disclosed in this Report.

Subsidiaries

(a) Details of subsidiaries

Details of subsidiaries are as set out in Note 9 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 9 to the Financial Statements.

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

Auditors' Remuneration

Auditors' remuneration of the Group and the Bank are RM852,000 and RM554,000 respectively. Details of auditors' remuneration are as set out in Note 26 to the Financial Statements.

2025 Business Review

The Group comprises three key businesses; Investment Banking ("IB"), Private Banking and Equities, which are part of CIMB Group's Wholesale Banking franchise. The Equities business operates under CIMB Securities Sdn Bhd ("CIMB Securities"), a subsidiary of the Bank.

Facing a market environment notably impacted by macroeconomic challenges, The Group's IB franchise remained resilient, executing landmark transactions across its home markets of Malaysia, Indonesia, Singapore and Thailand. Key transactions during the year include Southeast Asia's largest block trade, Thailand's biggest initial public offering by deal value, the largest corporate Sustainability Sukuk issuance, as well as a major Indonesian telecommunications merger. In aggregate, the Group's IB division delivered a total deal value of USD17.7 billion regionally, representing a 36.5% Year-on-Year ("YoY") increase.

The Group's strong regional performance was mirrored domestically, with the Bank ranked as Malaysia's number one investment bank for Equity Capital Markets ("ECM") and Debt Capital Markets ("DCM") in 2025. Collectively, the Malaysian ECM and DCM teams completed deals with a combined deal value of USD10.4 billion in 2025, reflecting a 32.8% YoY increase. Both, the ECM and DCM businesses achieved market shares of 26.0% in Malaysia.

The Private Banking business delivered a robust performance in 2025, registering growth in both Assets Under Management ("AUM") and non-interest income compared to the previous financial year. This performance reflects the continued success of client acquisition initiatives and AUM expansion strategies, reinforcing the Group's position as a trusted partner to high-net-worth clients.

The Equities business, through CIMB Securities, delivered a resilient performance in 2025 amid a softer trading environment. Despite moderated market activity, the franchise strengthened its underlying business flows and institutional positioning. CIMB Securities continued to enhance execution competitiveness and service delivery, maintaining its Top Tier-1 broker standing with key institutional clients, and further strengthened its presence within the local institutional segment.

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

2025 Business Review (Continued)

For the financial year ended 31 December 2025 ("FY 2025"), the Group recorded a Profit Before Taxation ("PBT") of RM131.8 million, representing an 8.8% YoY increase. This was driven by robust and resilient contributions from Investment Banking, Private Banking and Equities businesses, supported by disciplined cost management. In FY2025, net income increased by 0.9%YoY to RM371.2 million, while overheads declined by 3.3% YoY to RM239.3 million.

**All references to market share and market position were sourced from Dealogic.*

Outlook for 2026

The Group maintains an optimistic view on the macroeconomic and business outlook for 2026, supported by the resilient ASEAN economies, sustained domestic consumption as well as the tapered global interest rate environment. Nevertheless, we continue to exercise a measured and cautious 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, the Investment Banking franchise continues to leverage on our ASEAN network strength while further developing innovative and bespoke solutions for our clients across the Wholesale Banking business. The Group anticipates a resilient financial performance in 2026, underscored by enhanced market leadership, strengthened Private Banking proposition across key markets and improved profitability at CIMB Securities in line with the positive market outlook and strong deal flows.

Ratings by External Rating Agencies

Details of the ratings of the Bank are as follows:

| Rating Agency | Rating Date | Rating Classification | Rating Accorded | Outlook |
|---------------------------|-------------|---|-----------------|---------|
| RAM Rating Services | May 2025 | Long-term Financial Institution Rating Short-term Financial Institution Rating | AAA P1 | Stable |
| Moody's Investors Service | July 2025 | Long-term Issuer Rating Short-term Issuer Rating | A3 P-2 | Stable |

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

Board Shariah Committee

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

The main responsibility of the BSC is to assist the Board in the oversight and management of all Shariah matters relating to the Islamic banking and finance business of the Bank and its subsidiaries 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 its business 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's Islamic banking and finance 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 topics:

- (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
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.

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

Board Shariah Committee (Continued)

Board Engagement and Trainings Attended (Continued)

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

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

- 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

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

Board Shariah Committee (Continued)

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.

Significant events during the financial year

Significant events during the financial year are disclosed in Note 35 to the Financial Statements.

Subsequent events after the financial year end

Significant event subsequent to the financial year end 31 December 2025 is disclosed in Note 36 to the Financial Statements.

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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.



Raymond Yeoh Cheng Seong
Chairman



Nor Masliza Sulaiman
Director

13 March 2026

CIMB Investment Bank Berhad

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

We, Raymond Yeoh Cheng Seong and Nor Masliza Sulaiman, being two of the Directors of CIMB Investment Bank Berhad, hereby state that, in the opinion of the Directors, the Financial Statements set out on pages 27 to 194 are drawn up so as to give a true and fair view of the financial position of the Group and the Bank as at 31 December 2025 and financial performance of the Group and the Bank for the financial year ended 31 December 2025, in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 13 March 2026.



Raymond Yeoh Cheng Seong
Chairman



Nor Masliza Sulaiman
Director

13 March 2026

CIMB Investment Bank Berhad

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Statutory Declaration

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

I, Mustafa Shafiq Razalli, being the Officer primarily responsible for the financial management of CIMB Investment Bank Berhad, do solemnly and sincerely declare that the Financial Statements set out on pages 27 to 194 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.



Mustafa Shafiq Razalli
MIA No. 31988

Subscribed and solemnly declared by the abovenamed Mustafa Shafiq Razalli at Kuala Lumpur before me, on 13 March 2026.

Commissioner for Oaths



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

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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 Bank Berhad, 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 to provide 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.

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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee’s Report (Continued)

Effective Shariah governance is supported mainly by qualified Shariah officers consist 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.

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 (“BU”s) and Business Enablers (“BE”s) 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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee’s Report (Continued)

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 (“GCI A”), 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 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.

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 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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

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 and nothing has come to the BSC's attention that causes the committee to believe that the aims and operations, business, affairs and activities of the Bank's Islamic banking and finance business involve any material Shariah non-compliances.

In our opinion:

1. The contracts, transactions and dealings entered into by the Bank during the financial year ended 31 December 2025 that were presented to us were done in compliance with Shariah;
2. There were no earnings that were realised from sources or by means prohibited by Shariah principle.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

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.

We, the members of the BSC, are of the opinion that the operations of the Bank 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 INVESTMENT BANK BERHAD
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB Investment 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 27 to 194.

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.

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.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB INVESTMENT BANK BERHAD (CONTINUED)**
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

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.

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.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

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.
- (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 INVESTMENT BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 197401001266 (18417-M)

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 Investment Bank Berhad

(Incorporated in Malaysia)

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

| | 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 |
| Assets | | | | | |
| Cash and short-term funds | 2 | 293,623 | 305,797 | 185,235 | 200,886 |
| Deposits and placements with banks and other financial institutions | 3 | 5,329 | 10 | - | - |
| Debt instruments at fair value through other comprehensive income | 4 | 175,450 | 180,902 | 175,450 | 180,902 |
| Equity instruments at fair value through other comprehensive income | 5 | 1,557 | 1,099 | - | - |
| Debt instruments at amortised cost | 6 | 122,117 | 122,283 | 122,117 | 122,283 |
| Other assets | 7 | 205,058 | 183,142 | 63,939 | 57,764 |
| Amount due from ultimate holding company, related companies and subsidiaries | 31 | 7,505 | 7,964 | 10,443 | 4,371 |
| Tax recoverable | | 11,135 | 7,211 | 9,676 | 7,210 |
| Deferred tax assets | 8 | 8,756 | 11,544 | 8,474 | 10,993 |
| Investment in subsidiaries | 9 | - | - | 144,736 | 144,736 |
| Investment in associates | 10 | 5,396 | 4,622 | - | - |
| Property, plant and equipment | 11 | 4,192 | 3,439 | 986 | 1,425 |
| Right-of-use assets | 12 | 1,521 | 312 | 678 | 291 |
| Goodwill | 13 | 41,538 | 41,538 | - | - |
| Intangible assets | 14 | 34,635 | 33,325 | 28,414 | 28,713 |
| Total assets | | 917,812 | 903,188 | 750,148 | 759,574 |
| Liabilities | | | | | |
| Deposits from customers | 15 | - | 4,803 | - | 4,803 |
| Deposits and placements of banks and other financial institutions | 16 | 750 | - | 750 | - |
| Other liabilities | 17 | 222,850 | 223,457 | 85,034 | 91,393 |
| Lease liabilities | 18 | 1,549 | 322 | 686 | 299 |
| Amount due to ultimate holding company, related companies and subsidiaries | 31 | 3,111 | 365 | 3,099 | 11,158 |
| Provision for taxation | | 1 | 818 | - | - |
| Total liabilities | | 228,261 | 229,765 | 89,569 | 107,653 |
| Equity | | | | | |
| Ordinary share capital | 19 | 100,000 | 100,000 | 100,000 | 100,000 |
| Redeemable preference shares | 20 | 10 | 10 | 10 | 10 |
| Reserves | 21 | 589,541 | 573,413 | 560,569 | 551,911 |
| Total equity | | 689,551 | 673,423 | 660,579 | 651,921 |
| Total equity and liabilities | | 917,812 | 903,188 | 750,148 | 759,574 |
| Net assets per ordinary share attributable to owner of the Parent (RM) | | 6.90 | 6.73 | 6.61 | 6.52 |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**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 | 22 | 18,859 | 19,128 | 16,247 | 16,388 |
| Interest expense | 23 | (380) | (485) | (286) | (267) |
| Net interest income | | 18,479 | 18,643 | 15,961 | 16,121 |
| Income from Islamic Banking operations | 41 | 68,185 | 40,144 | 68,185 | 40,144 |
| | | 86,664 | 58,787 | 84,146 | 56,265 |
| Fee and commission income | 25(a) | 292,788 | 317,798 | 230,217 | 256,482 |
| Fee and commission expense | 25(b) | (18,687) | (17,363) | (10,860) | (13,189) |
| Net fee and commission income | | 274,101 | 300,435 | 219,357 | 243,293 |
| Other non-interest income | 25(c) | 10,418 | 8,594 | 10,609 | 10,969 |
| Net income | | 371,183 | 367,816 | 314,112 | 310,527 |
| Overheads | 26 | (239,346) | (247,593) | (193,387) | (203,103) |
| Profit before expected credit losses | | 131,837 | 120,223 | 120,725 | 107,424 |
| Other expected credit losses and impairment allowances (made)/written back | 24 | (771) | 4 | (771) | 4 |
| Profit after expected credit losses | | 131,066 | 120,227 | 119,954 | 107,428 |
| Share of results of associates | 10 | 774 | 995 | - | - |
| Profit before taxation | | 131,840 | 121,222 | 119,954 | 107,428 |
| Taxation | 28 | (35,113) | (29,117) | (30,169) | (26,001) |
| Profit for the financial year attributable to owner of the Parent | | 96,727 | 92,105 | 89,785 | 81,427 |
| Basic and diluted earnings per share (sen), attributable to owner of the Parent | 29 | 96.73 | 92.11 | 89.79 | 81.43 |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**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 | 96,727 | 92,105 | 89,785 | 81,427 |
| <u>Other comprehensive income/(expense):</u> | | | | |
| Items that will not be reclassified to profit or loss: | | | | |
| Equity instruments at fair value through other comprehensive income | 458 | 275 | - | - |
| - Net gain from change in fair value | 458 | 275 | - | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Debt instruments at fair value through other comprehensive income/(expense) | 135 | (1,644) | 135 | (1,644) |
| - Net gain from change in fair value | 5,770 | 1,285 | 5,770 | 1,285 |
| - Realised gain transferred to statement of income on disposal | (5,592) | (3,026) | (5,592) | (3,026) |
| - Income tax effect | (43) | 97 | (43) | 97 |
| Other comprehensive income/(expense) for the financial year, net of tax | 593 | (1,369) | 135 | (1,644) |
| Total comprehensive income for the financial year, attributable to owner of the Parent | 97,320 | 90,736 | 89,920 | 79,783 |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

| | ← Attributable to Owner of the Parent → | | | | | | | | Total |
|---|---|------------------------------------|---|---|-----------------------------------|--|----------------------|--------------------|--------|
| | Ordinary share capital | Redeemable preference shares | Debt instruments at fair value through comprehensive income | Equity instruments at fair value through other comprehensive income | Share-based payment reserve | Capital contribution by ultimate holding company | Retained earnings | Fair value reserve | |
| Note | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| The Group | | | | | | | | | |
| At 1 January 2024 | 100,000 | 10 | 1,336 | (6,011) | 226 | 3,978 | 523,905 | 623,444 | |
| Profit for the financial year | - | - | - | - | - | - | 92,105 | 92,105 | |
| Other comprehensive (expense)/income, net of tax | - | - | (1,644) | 275 | - | - | - | (1,369) | |
| Debt instruments at fair value through other comprehensive income | - | - | (1,644) | - | - | - | - | (1,644) | |
| Equity instruments at fair value through other comprehensive income | - | - | - | 275 | - | - | - | 275 | |
| Total comprehensive income for the financial year | - | - | (1,644) | 275 | - | - | 92,105 | 90,736 | |
| Share-based payment expense | 33 | - | - | - | 645 | 29 | - | 674 | |
| Shares released under Equity Ownership Plan | 33 | - | - | - | (331) | - | - | (331) | |
| Interim dividend paid in respect of the financial year ended 31 December 2023 | 30 | - | - | - | - | - | (41,100) | (41,100) | |
| At 31 December 2024 | <u>100,000</u> | <u>10</u> | <u>(308)</u> | <u>(5,736)</u> | <u>540</u> | <u>4,007</u> | <u>574,910</u> | <u>673,423</u> | |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

| Note | Non-distributable | | | | Distributable | | | Total RM'000 |
|--|--|--|--|---|---|--|--------------------------------|-----------------|
| | Ordinary share capital RM'000 | Redeemable preference shares RM'000 | Fair value reserve | | Share-based payment reserve RM'000 | Capital contribution by ultimate holding company RM'000 | Retained earnings RM'000 | |
| | | | Debt instruments at fair value through other comprehensive income RM'000 | Equity instruments at fair value through other comprehensive income RM'000 | | | | |
| The Bank | | | | | | | | |
| At 1 January 2025 | 100,000 | 10 | (308) | (6,331) | 540 | 4,007 | 554,003 | 651,921 |
| Profit for the financial year | - | - | - | - | - | - | 89,785 | 89,785 |
| Other comprehensive income, net of tax | - | - | 135 | - | - | - | - | 135 |
| Debt instruments at fair value through other comprehensive income | - | - | 135 | - | - | - | - | 135 |
| Total comprehensive income for the financial year | - | - | 135 | - | - | - | 89,785 | 89,920 |
| Share-based payment expense | 33 | - | - | - | 862 | (250) | - | 612 |
| Shares released under Equity Ownership Plan | 33 | - | - | - | (474) | - | - | (474) |
| Interim dividend paid in respect of the financial year ended 31 December 2024 | 30 | - | - | - | - | - | (81,400) | (81,400) |
| At 31 December 2025 | 100,000 | 10 | (173) | (6,331) | 928 | 3,757 | 562,388 | 660,579 |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

| Note | | | ← Non-distributable → | | | | ← Distributable → | | Total RM'000 |
|--|--|--|---|---|---|--|--------------------------------|----------|-----------------|
| | Ordinary share capital RM'000 | Redeemable preference shares RM'000 | Fair value reserve | | Share-based payment reserve RM'000 | Capital contribution by ultimate holding company RM'000 | Retained earnings RM'000 | | |
| | | | Debt instruments at fair value through other comprehensive income RM'000 | Equity instruments at fair value through other comprehensive income RM'000 | | | | | |
| The Bank | | | | | | | | | |
| At 1 January 2024 | 100,000 | 10 | 1,336 | (6,331) | 226 | 3,978 | 513,676 | 612,895 | |
| Profit for the financial year | - | - | - | - | - | - | 81,427 | 81,427 | |
| Other comprehensive expense, net of tax | - | - | (1,644) | - | - | - | - | (1,644) | |
| Debt instruments at fair value through other comprehensive income | - | - | (1,644) | - | - | - | - | (1,644) | |
| Total comprehensive income for the financial year | - | - | (1,644) | - | - | - | 81,427 | 79,783 | |
| Share-based payment expense | - | - | - | - | 645 | 29 | - | 674 | |
| Shares released under Equity Ownership Plan | - | - | - | - | (331) | - | - | (331) | |
| Interim dividend paid in respect of the financial year ended 31 December 2023 | - | - | - | - | - | - | (41,100) | (41,100) | |
| At 31 December 2024 | 100,000 | 10 | (308) | (6,331) | 540 | 4,007 | 554,003 | 651,921 | |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**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 |
| Operating activities | | | | | |
| Profit before taxation | | 131,840 | 121,222 | 119,954 | 107,428 |
| Adjustments for : | | | | | |
| Interest income on debt instruments at fair value through other comprehensive income | 22 | (5,982) | (6,716) | (5,982) | (6,716) |
| Interest income on debt instruments at amortised cost | 22 | (5,042) | (4,932) | (5,042) | (4,932) |
| Interest expenses on lease liabilities | 23 | 118 | 48 | 61 | 35 |
| Interest expense on borrowings | 23 | 37 | 205 | - | - |
| Depreciation of right-of-use assets | 26 | 3,323 | 2,926 | 2,449 | 1,849 |
| Depreciation of property, plant and equipment | 26 | 1,586 | 1,381 | 694 | 859 |
| Amortisation of intangible assets | 26 | 6,588 | 4,282 | 5,475 | 3,976 |
| Other expected credit losses and impairment allowances made/(written back) | 24 | 771 | (4) | 771 | (4) |
| Amortisation of premium, net of accretion of discounts | 22 | 360 | 127 | 360 | 127 |
| Gain on sale of debt instruments at fair value through other comprehensive income | 25 | (5,592) | (3,026) | (5,592) | (3,026) |
| Loss on disposal of property, plant and equipment | 25 | 2 | - | 2 | - |
| Dividends from equity instruments at fair value through other comprehensive income | 25 | (235) | - | - | - |
| Unrealised loss/(gain) on foreign exchange | | 1,066 | 975 | 607 | (35) |
| Share of results of associates | 10 | (774) | (995) | - | - |
| Share-based payment expense | 26 | 682 | 674 | 612 | 674 |
| Cash flow from operating profit before changes in operating assets and liabilities | | 128,748 | 116,167 | 114,369 | 100,235 |
| Decrease/(increase) in operating assets | | | | | |
| Deposits and placements with banks and other financial institutions | | (5,319) | - | - | - |
| Other assets | | (25,175) | (89,625) | (8,488) | (25,990) |
| Amount due from related companies | | 493 | 26,677 | (1,517) | 30,270 |
| Amount due from ultimate holding company | | (34) | (9) | (34) | (9) |
| Amount due from subsidiaries | | - | - | (4,521) | - |
| | | (30,035) | (62,957) | (14,560) | 4,271 |
| Increase/(decrease) in operating liabilities | | | | | |
| Deposits from customers | | (4,803) | (1,639) | (4,803) | (1,639) |
| Deposits and placements of banks and other financial institutions | | 750 | - | 750 | - |
| Other liabilities | | (604) | 76,657 | (6,365) | (1,073) |
| Amount due to related companies | | 2,746 | 165 | 2,745 | 182 |
| Amount due to subsidiaries | | - | - | (10,804) | 10,804 |
| Cash generated from operating activities | | 96,802 | 128,393 | 81,332 | 112,780 |
| Taxation paid | | (37,108) | (19,794) | (30,157) | (20,518) |
| Net cash generated from operating activities | | 59,694 | 108,599 | 51,175 | 92,262 |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**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 |
| Investing activities | | | | | |
| Dividends from equity instruments at fair value through other comprehensive income | | 235 | - | - | - |
| Interest income received from debt instruments at fair value through other comprehensive income | | 5,963 | 2,037 | 5,963 | 2,037 |
| Interest income received from debt instruments at amortised cost | | 5,041 | 1,427 | 5,041 | 1,427 |
| Purchase of intangible assets | 14 | (7,898) | (12,963) | (5,176) | (10,100) |
| Purchase of property, plant and equipment | 11 | (2,342) | (2,884) | (258) | (762) |
| Net purchase of rights of use assets | | - | (501) | - | (160) |
| Proceeds from disposal of intangible assets | | - | 7,145 | - | 7,145 |
| Net purchase of debt instruments at fair value through other comprehensive income | | 11,047 | 7,947 | 11,047 | 7,947 |
| Net purchase of debt instruments at amortised cost | | 2 | (229) | 2 | (229) |
| Proceeds from disposal of property, plant and equipment | | 1 | - | 1 | - |
| Acquisition of CIMB Securities Sdn Bhd | 39 | - | (35,327) | - | (129,912) |
| Dividend received from subsidiary | | - | - | - | 4,756 |
| Net cash generated from/(used in) investing activities | | 12,049 | (33,348) | 16,620 | (117,851) |
| Financing activities | | | | | |
| Repayment of lease liabilities | | (3,307) | (2,690) | (2,569) | (1,919) |
| Dividends paid | | (81,400) | (41,100) | (81,400) | (41,100) |
| Interest paid on borrowings | | (37) | (205) | - | - |
| Net drawdown borrowings | | - | 3,224 | - | - |
| Repayment on borrowings | | - | (3,224) | - | - |
| Net cash used in financing activities | | (84,744) | (43,995) | (83,969) | (43,019) |
| Net (decrease)/increase in cash and cash equivalents during the financial year | | (13,001) | 31,256 | (16,174) | (68,608) |
| Cash and cash equivalents at beginning of the financial year | | 305,797 | 273,247 | 200,886 | 268,904 |
| Effects of exchange rate changes | | 827 | 1,294 | 523 | 590 |
| Cash and cash equivalents at end of the financial year | | 293,623 | 305,797 | 185,235 | 200,886 |
| Cash and cash equivalents comprise the following: | | | | | |
| Cash and short-term funds | 2 | 293,623 | 305,797 | 185,235 | 200,886 |
| Deposits and placements with banks and other financial institutions | 3 | 5,329 | 10 | - | - |
| | | 298,952 | 305,807 | 185,235 | 200,886 |
| Less: Cash and short-term funds and deposits and with placements financial institutions, with original maturity of more than three months | | (5,329) | (10) | - | - |
| Cash and cash equivalents | | 293,623 | 305,797 | 185,235 | 200,886 |

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

| | Lease liabilities | | | |
|--|-------------------|----------------|----------------|----------------|
| | The Group | | The Bank | |
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| As at 1 January | 322 | 2,182 | 299 | 2,182 |
| Repayment and redemption | (3,307) | (2,690) | (2,569) | (1,919) |
| Additions arising from acquisition of a subsidiary | - | 782 | - | - |
| Other non cash movement | 4,534 | 48 | 2,956 | 36 |
| At 31 December | 1,549 | 322 | 686 | 299 |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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 and equity instruments at fair value through other comprehensive income.

The Financial Statements incorporate those activities relating to the Islamic banking business which are undertaken by the Group. Islamic banking business refers generally to the provision of Investment Banking, dealing in Islamic Securities and related financial services which comply with Shariah principles.

The preparation of 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 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 38.

(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 did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

(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 new standard on the financial statements of the Group and the Bank is ongoing.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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 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(Continued)

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

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

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the 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 K(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in statement of income on the acquisition date.

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

CIMB Investment 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 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.

(b) Disposal of subsidiaries

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

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

(c) 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.

CIMB Investment 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)

(c) Associates (Continued)

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

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

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

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

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.

CIMB Investment 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)

(d) Interests in subsidiaries and associates

In the Bank's separate Financial Statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiary 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.

C Recognition of interest/profit income and interest/profit expense

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

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

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

CIMB Investment 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. 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. 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.

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

Directly related expenses typically include broker-related expenses, 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.

Brokerage fees are recognised as income based on inception of such 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, associated companies and equity instruments 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 Investment Bank Berhad

(Incorporated in Malaysia)

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

E 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 Investment Bank Berhad

(Incorporated in Malaysia)

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

E Financial assets (Continued)

(a) Classification (Continued)

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

- (i) Financial assets at fair value through OCI comprise:
 - 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 Investment Bank Berhad

(Incorporated in Malaysia)

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

E 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 off 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 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/profit income using the effective interest/profit rate method.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

E Financial assets (Continued)

(c) Subsequent measurement (Continued)

Debt instruments (Continued)

(ii) Fair Value through Other Comprehensive Income (“FVOCI”)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses or reversal of impairment losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in non-interest income. Interest income from these financial assets is included in interest income using the effective interest rate method.

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 instruments at FVOCI. Where the Group’s and the Bank’s management have elected to present fair value gains and losses on equity investments in OCI, 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 asset. 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 of business model. Such designations are irrevocable.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

F Financial liabilities

Financial liabilities that are not classified as fair value through profit or loss fall into financial liabilities at amortised cost and are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from customers deposits and placements of banks and other financial institutions, sundry creditors and trade creditors.

G Derecognition of financial assets and financial liabilities

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 retain substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

H Offsetting financial instruments

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

I 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 and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

- (i) Financial assets accounted for at amortised cost and FVOCI

The Group and the Bank use general 3-stage approach for financial assets accounted for at amortised cost and FVOCI which reflect their credit risk and how the ECL is determined for each of those categories.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

I Impairment of financial assets (Continued)

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 the Bank consider historical loss rates for each category of customers, and adjust for forward looking macroeconomic data.

(ii) Other assets

For the other assets that are within the scope of MFRS 15 such as amount due from broker and clients, trade receivables 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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

J 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 year in which they are incurred.

Capital work-in-progress is 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:

| | |
|--|---------------|
| Office equipment, furniture & fittings | |
| - office equipment | 3 to 10 years |
| - furniture and fixtures | 5 to 10 years |
| Renovations | 5-10 years |
| Computer equipment and hardware | 3 - 7 years |
| Motor vehicles | 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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

K Intangible assets

(a) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred 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 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.

(b) Other intangible assets

Other intangible assets consists of computer software licences and stockbroking licence. Other intangible assets are 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. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software to use.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

K Intangible assets (Continued)

(b) Other intangible assets (Continued)

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.

Computer software licenses are amortised over their finite useful lives of 3-15 years.

Stockbroking licence relates to the 1+1 broker status acquired by subsidiary of the Bank, CIMB Securities Sdn Bhd in 2009 and is stated at cost less accumulated impairment losses, if any. Intangible assets with an indefinite useful life are not amortised but are tested annually for impairment.

L 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 and the Bank (i.e. the commencement date).

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

(i) Lease term

In determining the lease term, the Group and the Bank 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 and the Bank reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank and affects whether the Group and the Bank 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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

L Leases – The Group and the Bank as lessee (Continued)

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

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

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Bank are 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.

(iii) 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 and the Bank under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Bank is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank 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 and the Bank, an incremental borrowing rate is used in determining the discount rate which assumes the interest rate that the Group and the Bank 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 and the Bank presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liabilities is presented under net interest income in the statement of income.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

L Leases – The Group and the Bank as lessee (Continued)

(iv) Short-term leases and leases of low value assets

The Group and the Bank 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 USD 5,000) 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.

M Leases – the Group and the Bank as lessor

As a lessor, the Group and the Bank determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Bank 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 and the Bank 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 and the Bank 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 and the Bank 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 and the Bank 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 and the Bank revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Operating lease

The Group and the Bank 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 and the Bank 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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

N Currency translations

(a) Functional and presentation currency

Items included in the Financial Statements of the Bank and its subsidiaries 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

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.

O 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.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

O Income and deferred taxes (Continued)

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 and associates except where the timing of the reversal of the temporary difference can be controlled by the Group and the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

P 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 with discretionary dividends are recognised as a liability when the shareholders' right to receive the dividend is established.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(d) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(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 Investment Bank Berhad

(Incorporated in Malaysia)

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

Q 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 period 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 a defined contribution plan for its employees.

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. 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.

(c) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the 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 entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits.

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

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

Q Employee benefits (Continued)

(d) Share-based compensation benefits

Long Term Incentive Plan (“LTIP”)

The Group implements a Long Term Incentive Plan, 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 of CIMB Group 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 33(b).

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

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

Employee Ownership Plan (“EOP”)

CIMB Group operates an equity-settled, share-based compensation plan, where ordinary shares of CIMB Group 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 Investment Bank Berhad

(Incorporated in Malaysia)

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

R 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.

S 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 Investment Bank Berhad

(Incorporated in Malaysia)

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

T Cash and cash equivalents

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

U 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 and the Bank. As this may result in the recognition of income that may never be realised, contingent assets are not recognised in the Group's and the Bank'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 and the Bank; 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.

V Trust activities

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

The Group and the Bank have disclosed the carrying amounts of the cash held in trust for clients as at the reporting date in Note 43.

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

1 General information

The principal activities of the Bank are investment banking and the provision of related financial services. The principal activities of its subsidiaries, as set out in Note 9 to the Financial Statements, consist mainly of the provision of stockbroking and nominee services.

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

The Bank is a public 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 Cash and short-term funds

| | The Group | | The Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM’000 | 31 December 2024 RM’000 | 31 December 2025 RM’000 | 31 December 2024 RM’000 |
| Cash and balances with banks and other financial institutions | 15,714 | 18,866 | 10,052 | 10,730 |
| Money at call and deposit placements maturing within one month | 277,909 | 286,931 | 175,183 | 190,156 |
| | <u>293,623</u> | <u>305,797</u> | <u>185,235</u> | <u>200,886</u> |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

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

3 Deposits and placements with banks and other financial institutions

| | The Group | | The Bank | |
|---------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Licensed bank | <u>5,329</u> | <u>10</u> | <u>-</u> | <u>-</u> |

4 Debt instruments at fair value through other comprehensive income

| | The Group and the Bank | |
|----------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Fair value | | |
| Money market instruments: | | |
| Unquoted | | |
| Malaysian Government Securities | 31,259 | - |
| Government Investment Issues | 20,680 | 20,322 |
| | 51,939 | 20,322 |
| Unquoted securities: | | |
| <i>In Malaysia:</i> | | |
| Corporate bond and sukuk | 123,511 | 160,580 |
| | 175,450 | 180,902 |

CIMB Investment Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****5 Equity instruments at fair value through other comprehensive income**

| | The Group | | The Bank | |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| <i>At fair value</i> | | | | |
| <i>Unquoted securities :</i> | | | | |
| <i>Outside Malaysia</i> | | | | |
| Shares | 1,557 | 1,099 | - | - |
| | <u>1,557</u> | <u>1,099</u> | <u>-</u> | <u>-</u> |

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

| | The Group | | The Bank | |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| <i>Unquoted securities</i> | | | | |
| PT Commerce Kapital | 1,557 | 1,099 | - | - |
| | <u>1,557</u> | <u>1,099</u> | <u>-</u> | <u>-</u> |

CIMB Investment Bank Berhad

(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****6 Debt instruments at amortised cost**

| | The Group and the Bank | |
|---|--|--|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Money market instruments: | | |
| Unquoted securities | | |
| <i>In Malaysia</i> | | |
| Corporate bond and sukuk | 122,469 | 122,470 |
| Amortisation of premium, net of accretion of discount | <u>(352)</u> | <u>(187)</u> |
| | <u>122,117</u> | <u>122,283</u> |

7 Other assets

| | The Group | | The Bank | |
|---|--|--|--|--|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Due from brokers and clients | 126,449 | 118,966 | - | - |
| Trade and other receivables, net of expected credit losses of RM9,034,000 (2024: RM8,263,000) | (a) 59,048 | 52,957 | 58,773 | 52,915 |
| Deposits, prepayments and others | <u>19,561</u> | <u>11,219</u> | <u>5,166</u> | <u>4,849</u> |
| | <u>205,058</u> | <u>183,142</u> | <u>63,939</u> | <u>57,764</u> |

(a) Movement of lifetime expected credit losses using simplified approach on other assets are as follows:

| | Note | The Group and the Bank | |
|--|-------------|-------------------------------|------------------------|
| | | 2025 RM'000 | 2024 RM'000 |
| At 1 January | | 8,263 | 9,376 |
| Net expected credit losses made/(written back) during the financial year | 24 | 771 | (4) |
| Written off | | - | (1,109) |
| At 31 December | | <u>9,034</u> | <u>8,263</u> |

CIMB Investment Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 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 | |
|---------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 | 31 December 2025 | 31 December 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deferred tax assets | <u>8,756</u> | <u>11,544</u> | <u>8,474</u> | <u>10,993</u> |

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

| | The Group | | The Bank | |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 | 31 December 2025 | 31 December 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deferred tax assets (before offsetting) | | | | |
| Expected credit losses | 2,168 | 1,983 | 2,168 | 1,983 |
| Fair value reserve - Debt instruments at fair value through other comprehensive income | 54 | 97 | 54 | 97 |
| Post employment benefit obligations | 223 | 129 | 223 | 129 |
| Provision for expenses | 11,588 | 12,950 | 10,335 | 12,286 |
| Lease liabilities | 165 | 72 | 165 | 72 |
| Other temporary differences | 1,255 | 1,222 | 1,254 | 1,222 |
| Property, plant and equipment | 1,887 | - | 2,859 | - |
| | <u>17,340</u> | <u>16,453</u> | <u>17,058</u> | <u>15,789</u> |
| Offsetting | <u>(8,584)</u> | <u>(4,909)</u> | <u>(8,584)</u> | <u>(4,796)</u> |
| Deferred tax assets (after offsetting) | <u>8,756</u> | <u>11,544</u> | <u>8,474</u> | <u>10,993</u> |
| Deferred tax liabilities (before offsetting) | | | | |
| Property, plant and equipment | - | (205) | - | (92) |
| Right-of-use assets | (163) | (70) | (163) | (70) |
| Intangible assets | (8,421) | (4,634) | (8,421) | (4,634) |
| | <u>(8,584)</u> | <u>(4,909)</u> | <u>(8,584)</u> | <u>(4,796)</u> |
| Offsetting | <u>8,584</u> | <u>4,909</u> | <u>8,584</u> | <u>4,796</u> |
| 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)

8 Deferred taxation (Continued)

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

| The Group | Note | Expected credit losses RM'000 | Accelerated tax depreciation RM'000 | Revaluation | Right-of-use assets RM'000 | Other | Intangible assets RM'000 | Provision for expenses RM'000 | Lease liabilities RM'000 | Post | Total |
|---|------|-------------------------------------|---|---|----------------------------------|------------------------------------|--------------------------------|-------------------------------------|--------------------------------|--|--------------|
| | | | | reserve- debts at FVOCI RM'000 | | temporary differences RM'000 | | | | employment benefit obligations RM'000 | |
| <u>Deferred tax assets/(liabilities)</u> | | | | | | | | | | | |
| At 1 January 2025 | | 1,983 | (205) | 97 | (70) | 1,222 | (4,634) | 12,950 | 72 | 129 | 11,544 |
| Credited/(charged) to statements of income | 28 | 185 | 2,522 | - | (93) | 33 | (3,787) | (3,120) | 93 | 94 | (4,073) |
| Under/over provision in prior year | | - | (430) | - | - | - | - | 1,758 | - | - | 1,328 |
| Transferred from equity | | - | - | (43) | - | - | - | - | - | - | (43) |
| At 31 December 2025 | | 2,168 | 1,887 | 54 | (163) | 1,255 | (8,421) | 11,588 | 165 | 223 | 8,756 |

| The Group | Note | Expected credit losses RM'000 | Accelerated tax depreciation RM'000 | Revaluation | Right-of-use assets RM'000 | Other | Intangible assets RM'000 | Provision for expenses RM'000 | Lease liabilities RM'000 | Post | Total |
|---|------|-------------------------------------|---|---|----------------------------------|------------------------------------|--------------------------------|-------------------------------------|--------------------------------|--|---------------|
| | | | | reserve- debts at FVOCI RM'000 | | temporary differences RM'000 | | | | employment benefit obligations RM'000 | |
| <u>Deferred tax assets/(liabilities)</u> | | | | | | | | | | | |
| At 1 January 2024 | | 2,250 | (26) | - | (476) | 1,778 | (3,518) | 11,012 | 524 | 54 | 11,598 |
| (Charged)/credited to statements of income | 28 | (191) | 18 | - | 406 | (385) | (1,116) | 1,274 | (452) | 75 | (371) |
| Under provision in prior year | | (76) | (84) | - | - | (171) | - | - | - | - | (331) |
| Arising from acquisition of a subsidiary | 39 | - | (113) | - | - | - | - | 664 | - | - | 551 |
| Transferred from equity | | - | - | 97 | - | - | - | - | - | - | 97 |
| At 31 December 2024 | | 1,983 | (205) | 97 | (70) | 1,222 | (4,634) | 12,950 | 72 | 129 | 11,544 |

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

8 Deferred taxation (Continued)

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

| The Bank | Note | Expected credit losses RM'000 | Accelerated tax depreciation RM'000 | Revaluation | Right-of-use assets RM'000 | Other | Intangible assets RM'000 | Provision for expenses RM'000 | Lease liabilities RM'000 | Post | Total RM'000 |
|---|------|-------------------------------------|---|---|----------------------------------|------------------------------------|--------------------------------|-------------------------------------|--------------------------------|--|-----------------|
| | | | | reserve- debts at FVOCI RM'000 | | temporary differences RM'000 | | | | employment benefit obligations RM'000 | |
| <u>Deferred tax assets/(liabilities)</u> | | | | | | | | | | | |
| At 1 January 2025 | | 1,983 | (92) | 97 | (70) | 1,222 | (4,634) | 12,286 | 72 | 129 | 10,993 |
| Credited/(charged) to statements of income | 28 | 185 | 2,948 | - | (93) | 32 | (3,787) | (1,951) | 93 | 94 | (2,479) |
| Over provision in prior year | | - | 3 | - | - | - | - | - | - | - | 3 |
| Transferred from equity | | - | - | (43) | - | - | - | - | - | - | (43) |
| At 31 December 2025 | | 2,168 | 2,859 | 54 | (163) | 1,254 | (8,421) | 10,335 | 165 | 223 | 8,474 |

| The Bank | | Expected credit losses RM'000 | Accelerated tax depreciation RM'000 | Revaluation | Right-of-use assets RM'000 | Other | Intangible assets RM'000 | Provision for expenses RM'000 | Lease liabilities RM'000 | Post | Total RM'000 |
|---|----|-------------------------------------|---|---|----------------------------------|------------------------------------|--------------------------------|-------------------------------------|--------------------------------|--|-----------------|
| | | | | reserve- debts at FVOCI RM'000 | | temporary differences RM'000 | | | | employment benefit obligations RM'000 | |
| <u>Deferred tax assets/(liabilities)</u> | | | | | | | | | | | |
| At 1 January 2024 | | 2,250 | (26) | - | (476) | 1,778 | (3,518) | 11,012 | 524 | 54 | 11,598 |
| (Charged)/credited to statements of income | 28 | (191) | 18 | - | 406 | (385) | (1,116) | 1,274 | (452) | 75 | (371) |
| Under provision in prior year | | (76) | (84) | - | - | (171) | - | - | - | - | (331) |
| Transferred from equity | | - | - | 97 | - | - | - | - | - | - | 97 |
| At 31 December 2024 | | 1,983 | (92) | 97 | (70) | 1,222 | (4,634) | 12,286 | 72 | 129 | 10,993 |

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

9 Investment in subsidiaries

| | The Bank | |
|---------------------------|-----------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 |
| | RM'000 | RM'000 |
| Unquoted shares, at cost* | <u>144,736</u> | <u>144,736</u> |

The subsidiaries of the Bank, all of which are incorporated in Malaysia, are as follows:

| Name of subsidiaries | Principal activities | Note | Percentage of equity held directly by the Bank | | Percentage of equity held directly by the Bank's subsidiary | |
|--|----------------------|------|--|------------------|---|------------------|
| | | | 31 December 2025 | 31 December 2024 | 31 December 2025 | 31 December 2024 |
| | | | % | % | % | % |
| CIMB Holdings Sdn. Bhd. | Investment holding | | 100 | 100 | - | - |
| CIMSEC Nominees (Tempatan) Sdn. Bhd. | Nominee services | | 100 | 100 | - | - |
| CIMSEC Nominees (Asing) Sdn. Bhd. | Nominee services | | 100 | 100 | - | - |
| CIMB EOP Management Sdn. Bhd. | Nominee services | | 100 | 100 | - | - |
| CIMB Securities Sdn. Bhd.* | Stockbroking | 35 | 100 | 100 | - | - |
| CIMB Securities Nominees (Tempatan) Sdn. Bhd.* | Nominee services | 35 | - | - | 100 | 100 |
| CIMB Securities Nominees (Asing) Sdn. Bhd.* | Nominee services | 35 | - | - | 100 | 100 |

* During the financial year 2024, the Bank has completed the acquisition of CIMB Securities Sdn. Bhd. as disclosed in Note 39.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****10 Investment in associates**

| | The Group | |
|--|---------------------|--------------|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| At 1 January | 4,622 | 4,627 |
| Share of profit for the financial year | 774 | 995 |
| Dividend paid | - | (1,000) |
| At 31 December | <u>5,396</u> | <u>4,622</u> |

(a) Information about associates:

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

The associates held through CIMB Holdings Sdn. Bhd. are:

| Name of associates | Principal activities | Percentage of equity held | |
|------------------------------|-----------------------------|----------------------------------|-------------|
| | | 31 December | 31 December |
| | | 2025 | 2024 |
| | | % | % |
| CIMB Commerce Trustee Berhad | Trustee services | 20 | 20 |
| CIMB Islamic Trustee Berhad | Trustee services | 20 | 20 |

(b) The summarised financial information below represents amounts shown in the associates' Financial Statements prepared in accordance with MFRS (adjusted by the Group for equity accounting purposes).

| | CIMB Commerce Trustee Berhad | |
|-------------------|-------------------------------------|---------------|
| | As at 31 December | |
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Total assets | 21,938 | 19,412 |
| Total liabilities | (2,424) | (2,454) |
| Net assets | <u>19,514</u> | <u>16,958</u> |

| | Year ended 31 December | |
|-------------------------------|-------------------------------|--------------|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Income | 15,377 | 16,080 |
| Expenses | (11,923) | (10,746) |
| Profit before taxation | <u>3,454</u> | 5,334 |
| Taxation | (898) | (1,218) |
| Profit for the financial year | <u>2,556</u> | <u>4,116</u> |

CIMB Investment Bank Berhad

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****10 Investment in associates (Continued)**

- (b) The summarised financial information below represents amounts shown in the associates' Financial Statements prepared in accordance with MFRS (adjusted by the Group for equity accounting purposes). (Continued)

| | CIMB Islamic Trustee Berhad | |
|-------------------|------------------------------------|--------------|
| | As at 31 December | |
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Total assets | 7,461 | 6,397 |
| Total liabilities | <u>(559)</u> | <u>(811)</u> |
| Net assets | <u>6,902</u> | <u>5,586</u> |

| | Year ended 31 December | |
|-------------------------------|-------------------------------|----------------|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Income | 4,579 | 4,194 |
| Expenses | <u>(2,823)</u> | <u>(3,109)</u> |
| Profit before taxation | 1,756 | 1,085 |
| Taxation | <u>(440)</u> | <u>(227)</u> |
| Profit for the financial year | <u>1,316</u> | <u>858</u> |

- (c) Reconciliation of the summarised financial information to the carrying amount of the interest in the associates recognised in the Consolidated Financial Statements:

| | CIMB Commerce | | CIMB Islamic | | Total | |
|---------------------------------|-----------------------|----------------|-----------------------|--------------|----------------------|----------------|
| | Trustee Berhad | | Trustee Berhad | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Net assets</u> | | | | | | |
| As at 1 January | 16,958 | 17,842 | 5,586 | 4,728 | 22,544 | 22,570 |
| Profit for the financial year | 2,556 | 4,116 | 1,316 | 858 | 3,872 | 4,974 |
| Dividends paid | - | <u>(5,000)</u> | - | - | - | <u>(5,000)</u> |
| As at 31 December | <u>19,514</u> | <u>16,958</u> | <u>6,902</u> | <u>5,586</u> | <u>26,416</u> | <u>22,544</u> |
| Interest in associates (%) | 20 | 20 | 20 | 20 | 20 | 20 |
| Interest in associates (RM'000) | 3,903 | 3,392 | 1,380 | 1,117 | 5,283 | 4,509 |
| Premium on acquisition (RM'000) | 2,803 | 2,803 | - | - | 2,803 | 2,803 |
| Impairment (RM'000) | <u>(2,690)</u> | <u>(2,690)</u> | <u>-</u> | <u>-</u> | <u>(2,690)</u> | <u>(2,690)</u> |
| Carrying value (RM'000) | <u>4,016</u> | <u>3,505</u> | <u>1,380</u> | <u>1,117</u> | <u>5,396</u> | <u>4,622</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****11 Property, plant and equipment**

| The Group | | Office equipment and furniture and fittings | Computer equipment and hardware | Motor vehicles | Renovation | Total |
|--|-------------|--|--|---------------------------|-------------------|---------------|
| 2025 | Note | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Cost | | | | | | |
| At 1 January 2025 | | 12,385 | 12,983 | 490 | 37,811 | 63,669 |
| Additions | | 149 | 2,192 | - | 1 | 2,342 |
| Disposals/written off | | (226) | (275) | - | - | (501) |
| At 31 December 2025 | | 12,308 | 14,900 | 490 | 37,812 | 65,510 |
| Accumulated depreciation | | | | | | |
| At 1 January 2025 | | 12,169 | 10,317 | 65 | 37,679 | 60,230 |
| Charge for the financial year | 26 | 78 | 1,372 | 98 | 38 | 1,586 |
| Disposals/written off | | (226) | (272) | - | - | (498) |
| At 31 December 2025 | | 12,021 | 11,417 | 163 | 37,717 | 61,318 |
| Net book value as at 31 December 2025 | | 287 | 3,483 | 327 | 95 | 4,192 |

| The Group | | Office equipment and furniture and fittings | Computer equipment and hardware | Motor vehicles | Renovation | Total |
|--|----|--|--|---------------------------|-------------------|---------------|
| 2024 | | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Cost | | | | | | |
| At 1 January 2024 | | 11,898 | 9,779 | - | 37,775 | 59,452 |
| Additions | | 143 | 2,179 | 490 | 72 | 2,884 |
| Disposals/written off | | (6) | (265) | - | (36) | (307) |
| Arising from acquisition of a subsidiary | 39 | 350 | 1,290 | - | - | 1,640 |
| At 31 December 2024 | | 12,385 | 12,983 | 490 | 37,811 | 63,669 |
| Accumulated depreciation | | | | | | |
| At 1 January 2024 | | 11,731 | 8,645 | - | 37,554 | 57,930 |
| Charge for the financial year | 26 | 119 | 1,036 | 65 | 161 | 1,381 |
| Disposals/written off | | (5) | (266) | - | (36) | (307) |
| Arising from acquisition of a subsidiary | 39 | 324 | 902 | - | - | 1,226 |
| At 31 December 2024 | | 12,169 | 10,317 | 65 | 37,679 | 60,230 |
| Net book value as at 31 December 2024 | | 216 | 2,666 | 425 | 132 | 3,439 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****11 Property, plant and equipment (Continued)**

| The Bank | Office equipment and furniture and fittings | Computer equipment and hardware | Motor vehicles | Renovation | Total | |
|--|--|--|---------------------------|-------------------|---------------|-----|
| 2025 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Cost | | | | | | |
| At 1 January 2025 | 12,022 | 9,630 | 490 | 37,765 | 59,907 | |
| Additions | 107 | 150 | - | 1 | 258 | |
| Disposals/written off | (226) | (257) | - | - | (483) | |
| At 31 December 2025 | 11,903 | 9,523 | 490 | 37,766 | 59,682 | |
| Accumulated depreciation | | | | | | |
| At 1 January 2025 | 11,827 | 8,917 | 65 | 37,673 | 58,482 | |
| Charge for the financial year | 26 | 62 | 505 | 98 | 29 | 694 |
| Disposals/written off | (226) | (254) | - | - | (480) | |
| At 31 December 2025 | 11,663 | 9,168 | 163 | 37,702 | 58,696 | |
| Net book value as at 31 December 2025 | 240 | 355 | 327 | 64 | 986 | |

| The Bank | Office equipment and furniture and fittings | Computer equipment and hardware | Motor vehicles | Renovation | Total | |
|--|--|--|---------------------------|-------------------|---------------|-----|
| 2024 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Cost | | | | | | |
| At 1 January 2024 | 11,898 | 9,779 | - | 37,775 | 59,452 | |
| Additions | 130 | 116 | 490 | 26 | 762 | |
| Disposals/written off | (6) | (265) | - | (36) | (307) | |
| At 31 December 2024 | 12,022 | 9,630 | 490 | 37,765 | 59,907 | |
| Accumulated depreciation | | | | | | |
| At 1 January 2024 | 11,731 | 8,645 | - | 37,554 | 57,930 | |
| Charge for the financial year | 26 | 101 | 538 | 65 | 155 | 859 |
| Disposals/written off | (5) | (266) | - | (36) | (307) | |
| At 31 December 2024 | 11,827 | 8,917 | 65 | 37,673 | 58,482 | |
| Net book value as at 31 December 2024 | 195 | 713 | 425 | 92 | 1,425 | |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****12 Right-of-use assets**

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

| | The Group | | The Bank | |
|--------------------|--|-------------------------------|--|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Buildings | 1,512 | 291 | 678 | 291 |
| Computer equipment | 9 | 21 | - | - |
| | 1,521 | 312 | 678 | 291 |

Addition during the financial year for the Group and the Bank are RM556,000 and Nil respectively (2024: RM501,000 and RM113,000). Depreciation charge during the financial year for right-of-use assets for the Group and the Bank are RM3,323,000 and RM2,449,000 respectively (2024: RM2,926,000 and RM1,849,000).

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 and the Bank | |
|---------------------------------|--|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Low-value lease expenses | 3 | 4 |
| Variable lease payment expenses | (117) | 366 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****13 Goodwill**

| | Note | The Group | |
|---|------|-------------------------------|-------------------------------|
| | | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Cost | | | |
| At 1 January | | 41,538 | - |
| Goodwill arising from business combinations: | | | |
| - Arising from the acquisition of CIMB Securities Sdn Bhd | 39 | - | 41,538 |
| At 31 December | | <u>41,538</u> | <u>41,538</u> |

Allocation of goodwill to cash generating units

Goodwill has been allocated to the following Cash Generating Unit (“CGU”).

| CGU | The Group | |
|-------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Equities business | <u>41,538</u> | <u>41,538</u> |

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 years 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****13 Goodwill (Continued)**

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 |
| Equities | <u>4.00%</u> | <u>8.34%</u> | <u>4.08%</u> | <u>9.18%</u> |

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.

14 Intangible assets

| | Note | Computer software and work-in-progress RM'000 | Stockbroking license RM'000 | Total RM'000 |
|---|------|--|-----------------------------------|-----------------|
| The Group | | | | |
| 2025 | | | | |
| Cost | | | | |
| At 1 January | | 78,040 | 2,000 | 80,040 |
| Additions during the financial year | | 7,898 | - | 7,898 |
| Disposals/written off during the financial year | | (1,461) | - | (1,461) |
| At 31 December | | <u>84,477</u> | <u>2,000</u> | <u>86,477</u> |
| Accumulated amortisation and impairment | | | | |
| At 1 January | | 46,715 | - | 46,715 |
| Amortisation during the financial year | 26 | 6,588 | - | 6,588 |
| Disposals/written off during the financial year | | (1,461) | - | (1,461) |
| At 31 December | | <u>51,842</u> | <u>-</u> | <u>51,842</u> |
| Net book value at 31 December 2025 | | <u>32,635</u> | <u>2,000</u> | <u>34,635</u> |

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

14 Intangible assets (Continued)

| The Group | Note | Computer software and work-in-progress RM'000 | Stockbroking license RM'000 | Total RM'000 |
|---|------|--|-----------------------------------|-----------------|
| 2024 | | | | |
| Cost | | | | |
| At 1 January | | 72,260 | - | 72,260 |
| Additions during the financial year | | 12,963 | - | 12,963 |
| Disposals/written off during the financial year | | (8,079) | - | (8,079) |
| Arising from acquisition of a subsidiary | 39 | 896 | 2,000 | 2,896 |
| At 31 December | | 78,040 | 2,000 | 80,040 |
| Accumulated amortisation and impairment | | | | |
| At 1 January | | 41,592 | - | 41,592 |
| Amortisation during the financial year | 26 | 4,282 | - | 4,282 |
| Amortisation arising from acquisition of a subsidiary | 39 | 841 | - | 841 |
| At 31 December | | 46,715 | - | 46,715 |
| Net book value at 31 December 2024 | | 31,325 | 2,000 | 33,325 |

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

| The Bank | Note | Computer software and work-in-progress RM'000 | Total RM'000 |
|---|-------------|--|-------------------------|
| 2025 | | | |
| Cost | | | |
| At 1 January | | 74,281 | 74,281 |
| Additions during the financial year | | 5,176 | 5,176 |
| Disposals/write off during the financial year | | (1,461) | (1,461) |
| At 31 December | | <u>77,996</u> | <u>77,996</u> |
| Accumulated amortisation | | | |
| At 1 January | | 45,568 | 45,568 |
| Amortisation during the financial year | 26 | 5,475 | 5,475 |
| Disposals/write off during the financial year | | (1,461) | (1,461) |
| At 31 December | | <u>49,582</u> | <u>49,582</u> |
| Net book value at 31 December 2025 | | <u><u>28,414</u></u> | <u><u>28,414</u></u> |

| The Bank | Note | Computer software and work-in-progress RM'000 | Total RM'000 |
|---|-------------|--|-------------------------|
| 2024 | | | |
| Cost | | | |
| At 1 January | | 72,260 | 72,260 |
| Additions during the financial year | | 10,100 | 10,100 |
| Disposals/write off during the financial year | | (8,079) | (8,079) |
| At 31 December | | <u>74,281</u> | <u>74,281</u> |
| Accumulated amortisation | | | |
| At 1 January | | 41,592 | 41,592 |
| Amortisation during the financial year | 26 | 3,976 | 3,976 |
| At 31 December | | <u>45,568</u> | <u>45,568</u> |
| Net book value at 31 December 2024 | | <u><u>28,713</u></u> | <u><u>28,713</u></u> |

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

14 Intangible assets (Continued)

The above intangible assets include the software under construction at cost for the Group and the Bank of RM1,637,000 and RM684,000 respectively (2024:RM9,022,000 and RM8,731,000).

The remaining amortisation periods of the intangible assets are as follows:

| | |
|-------------------|----------------------|
| Computer software | 2.3 months – 5 years |
|-------------------|----------------------|

The intangible asset on stockbroking licence relates to payment made to the Securities Commission to enable the subsidiary of the Bank to be accorded the status of 1+1 broker. The 1+1 broker status is deemed to have an indefinite useful life as there is no expiry date. For annual impairment testing purposes, the recoverable amount of the CGU is based on fair value less cost of disposal of the subsidiary.

15 Deposits from customers

| | The Group and the Bank | |
|------------------------------------|-------------------------------|--------------------|
| | 31 December | 31 December |
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| (i) By type of deposits | | |
| - short-term money market deposits | - | 4,803 |
| | <u>-</u> | <u>4,803</u> |
| (ii) By type of customers | | |
| - Business enterprises | - | 4,803 |
| | <u>-</u> | <u>4,803</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****16 Deposits and placements of banks and other financial institutions**

| | The Group and the Bank | |
|----------------|--|--|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Licensed banks | <u>750</u> | <u>-</u> |
| | <u>750</u> | <u>-</u> |

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

| | The Group and the Bank | |
|-----------------------|--|--|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Due within six months | <u>750</u> | <u>-</u> |

17 Other liabilities

| | The Group | | The Bank | |
|----------------------------|--|--|--|--|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Due to brokers and clients | 126,165 | 118,687 | - | - |
| Trade and sundry creditors | 25,357 | 40,070 | 24,412 | 27,209 |
| Expenditure payable | 57,896 | 55,207 | 47,768 | 55,174 |
| Others | 13,432 | 9,493 | 12,854 | 9,010 |
| | <u>222,850</u> | <u>223,457</u> | <u>85,034</u> | <u>91,393</u> |

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

18 Lease liabilities

| | The Group | | The Bank | |
|--------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Buildings | 1,539 | 299 | 686 | 299 |
| Computer equipment | 10 | 23 | - | - |
| | <u>1,549</u> | <u>322</u> | <u>686</u> | <u>299</u> |

19 Ordinary share capital

| | The Group and the Bank | |
|------------------------------|------------------------|----------------|
| | 2025 RM'000 | 2024 RM'000 |
| Issued and fully paid shares | | |
| At 1 January/31 December | <u>100,000</u> | <u>100,000</u> |

CIMB Investment Bank Berhad

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

20 Redeemable preference shares

| | The Group and the Bank | |
|---|-------------------------------|------------------|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Issued and fully paid redeemable preference shares | | |
| At 1 January/31 December | <u>10</u> | <u>10</u> |

On 30 January 2008, the Bank had allotted and issued 1,000,000 Redeemable Preference Shares (“RPS”) of RM0.01 each to its ultimate holding company, CIMB Group Holdings Berhad.

The main features of the RPS are as follows:

- (i) The RPS do not carry any fixed dividends;
- (ii) The RPS will rank superior to ordinary shares in the event of winding up or liquidation of the Bank;
- (iii) The RPS rank pari passu in all aspects among themselves;
- (iv) The RPS carry no right to vote at any general meeting of the ordinary shareholders of the Bank;
- (v) The RPS are not convertible to ordinary shares of the Bank; and
- (vi) The RPS may only be redeemed subject to BNM’s approval at the option of the Bank (but not the holder) at anytime from the issue date.

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

| | The Group | | The Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Fair value reserve : | | | | |
| - Equity instruments at fair value through other comprehensive income | (i) (5,278) | (5,736) | (6,331) | (6,331) |
| - Debt instruments at fair value through other comprehensive income | (ii) (173) | (308) | (173) | (308) |
| Retained earnings | 590,237 | 574,910 | 562,388 | 554,003 |
| Share-based payment reserve | (iii) 998 | 540 | 928 | 540 |
| Capital contribution by ultimate holding company | (iv) 3,757 | 4,007 | 3,757 | 4,007 |
| | <u>589,541</u> | <u>573,413</u> | <u>560,569</u> | <u>551,911</u> |

- (i) The Group and the Bank had 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.
- (ii) 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.
- (iii) The share-based payment reserve arose from the Equity Ownership Plan (“EOP”).
- (iv) Capital contribution by ultimate holding company is the cost of the ordinary shares and share options of CIMB Group awarded to eligible employees of the Group and the Bank pursuant to the Long Term Incentive Plan (“LTIP”).

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

| | The Group | | The Bank | |
|--|----------------|----------------|----------------|----------------|
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| Money at call and deposits placements with banks and other financial institutions | 6,768 | 6,954 | 4,156 | 4,214 |
| Debt instruments at fair value through other comprehensive income | 5,982 | 6,716 | 5,982 | 6,716 |
| Debt instruments at amortised cost | 5,042 | 4,932 | 5,042 | 4,932 |
| Others | 1,427 | 653 | 1,427 | 653 |
| | <u>19,219</u> | <u>19,255</u> | <u>16,607</u> | <u>16,515</u> |
| Amortisation of premium, net of accretion of discount | (360) | (127) | (360) | (127) |
| | <u>18,859</u> | <u>19,128</u> | <u>16,247</u> | <u>16,388</u> |

23 Interest expense

| | The Group | | The Bank | |
|--|----------------|----------------|----------------|----------------|
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| Deposits and placements of banks and other financial institutions | 141 | 110 | 141 | 110 |
| Deposits from customers | 84 | 122 | 84 | 122 |
| Lease liabilities | 118 | 48 | 61 | 35 |
| Borrowings | 37 | 205 | - | - |
| | <u>380</u> | <u>485</u> | <u>286</u> | <u>267</u> |

24 Other expected credit losses and impairment allowances

| | Note | The Group and the Bank | |
|---|------|------------------------|----------------|
| | | 2025 RM'000 | 2024 RM'000 |
| Other expected credit losses and impairment allowances made/(written back) | | | |
| - Other assets | 7 | <u>771</u> | <u>(4)</u> |
| | | <u>771</u> | <u>(4)</u> |

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(Incorporated in Malaysia)

**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****25 Net non-interest income**

| | The Group | | The Bank | |
|---|----------------|----------------|----------------|----------------|
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| (a) Fee and commission income | | | | |
| Commissions | 64,583 | 60,807 | 64,583 | 60,807 |
| Service charges and fees | 117,020 | 88,182 | 114,108 | 85,554 |
| Advisory and arrangement fees | 15,711 | 32,178 | 15,711 | 32,178 |
| Placement, book running and related fees | 16,907 | 64,537 | 14,453 | 56,201 |
| Gross brokerage income | 54,478 | 48,404 | - | - |
| Other fee income | 24,089 | 23,690 | 21,362 | 21,742 |
| | 292,788 | 317,798 | 230,217 | 256,482 |
| (b) Fee and commission expense | | | | |
| Less : Fee and commission, brokerage expense and other direct expenses | (18,687) | (17,363) | (10,860) | (13,189) |
| Net fee and commission income | 274,101 | 300,435 | 219,357 | 243,293 |
| (c) Other non-interest income | | | | |
| (i) Gross dividend income from: | | | | |
| <u>Outside Malaysia</u> | | | | |
| Equity instruments at fair value through other comprehensive income | 235 | - | - | - |
| (ii) Net gain from sale of investment in debt instruments at fair value through other comprehensive income | 5,592 | 3,026 | 5,592 | 3,026 |
| (iii) Net (loss)/gain arising from derivative financial instruments: | | | | |
| - realised (loss)/gain | (23) | 5 | (23) | 5 |
| (iv) Other income: | | | | |
| Income from securities services | 4,796 | 7,218 | 4,796 | 7,218 |
| Foreign exchange (loss)/gain | (1,085) | (2,164) | (391) | 254 |
| Loss on disposal of property, plant and equipment | (2) | - | (2) | - |
| Other non-operating income | 905 | 509 | 637 | 466 |
| | 4,614 | 5,563 | 5,040 | 7,938 |
| Total other non-interest income | 10,418 | 8,594 | 10,609 | 10,969 |
| Total non-interest income | 284,519 | 309,029 | 229,966 | 254,262 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****26 Overheads**

| | The Group | | The Bank | |
|---|----------------|----------------|----------------|----------------|
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| Personnel costs | | | | |
| - Salaries, allowances and bonuses * | 121,131 | 130,163 | 103,251 | 110,798 |
| - Pension cost (defined contribution plan) | 13,402 | 13,470 | 11,319 | 11,494 |
| - Share-based expense ¹ | (250) | 29 | (250) | 29 |
| - Others | 12,033 | 11,817 | 10,241 | 8,386 |
| | 146,316 | 155,479 | 124,561 | 130,707 |
| Establishment costs | | | | |
| - Depreciation of property, plant and equipment | 1,586 | 1,381 | 694 | 859 |
| - Depreciation of right-of-use assets | 3,323 | 2,926 | 2,449 | 1,849 |
| - Amortisation of intangible assets | 6,588 | 4,282 | 5,475 | 3,976 |
| - Equipment and other rental | 7,095 | 6,558 | 5,066 | 4,906 |
| - Others | 16,838 | 17,254 | 7,620 | 9,987 |
| | 35,430 | 32,401 | 21,304 | 21,577 |
| Marketing expenses | | | | |
| - Advertisement and entertainment expenses | 3,735 | 3,608 | 2,031 | 2,102 |
| - Others | 1,447 | 1,215 | 1,178 | 1,157 |
| | 5,182 | 4,823 | 3,209 | 3,259 |
| Administration and general expenses | | | | |
| - Legal and professional fees | 2,160 | 1,808 | 1,305 | 1,199 |
| - Communication | 714 | 841 | 198 | 594 |
| - Printing and stationery | 185 | 281 | 168 | 132 |
| - Administrative vehicle, travelling and insurance expenses | 653 | 697 | 610 | 433 |
| - Service expenses | 35,522 | 35,926 | 33,508 | 36,947 |
| - Others | 13,184 | 15,337 | 8,524 | 8,255 |
| | 52,418 | 54,890 | 44,313 | 47,560 |
| Total overhead expenses | 239,346 | 247,593 | 193,387 | 203,103 |

* Included in salaries, allowances and bonuses is share-based payment expenses ("EOP") of the Group and the Bank amounted to RM932,000 and RM862,000 respectively (2024: RM645,000 and RM645,000). Refer to Note 33(a).

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. Refer Note 33(b).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****26 Overheads (Continued)**

The expenditure includes the following statutory disclosures:

| | The Group | | The Bank | |
|---|----------------|----------------|----------------|----------------|
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| The above expenditure includes the following disclosures: | | | | |
| Directors' remuneration (Note 27) | 4,650 | 15,287 | 4,530 | 15,179 |
| Rental of premises | 38 | 105 | 29 | 36 |
| Hire of equipment | 5,990 | 5,768 | 4,289 | 4,184 |
| Auditors' remuneration | | | | |
| PricewaterhouseCoopers PLT (audit) | | | | |
| - Statutory audit | 670 | 710 | 439 | 539 |
| PricewaterhouseCoopers Malaysia (non audit) | | | | |
| - Tax services | 173 | 169 | 106 | 105 |
| - Others | - | 8 | - | 8 |
| Other auditors' remuneration | | | | |
| - Statutory audit | 6 | 7 | 6 | 7 |
| - Tax services | 3 | 3 | 3 | 3 |

27 Directors' remuneration

The Directors of the Bank in office during the financial year were as follows:

Non-Executive Directors

Raymond Yeoh Cheng Seong

Dato' Lee Kok Kwan

Tan Ting Min

Dr. Adrian Toho Parada Panggabean

Tracy Chen Wee Keng (appointed on 1 January 2026)

Executive Director

Nor Masliza Sulaiman (appointed on 24 January 2025)

The Directors of the Group and the Bank and their total remuneration during the financial year are analysed below:

| | The Group | | The Bank | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| Executive Director | | | | |
| - Salary and other remuneration | 3,062 | 13,868 | 3,062 | 13,868 |
| - Benefits-in-kind | 9 | 40 | 9 | 40 |
| Non-executive Directors | | | | |
| - Fees and other remuneration | 1,555 | 1,358 | 1,435 | 1,250 |
| - Benefits-in-kind | 24 | 21 | 24 | 21 |
| | 4,650 | 15,287 | 4,530 | 15,179 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Directors' remuneration (Continued)**

The Directors of the Group and the Bank and their total remuneration during the financial year are analysed below: (Continued)

| 2025 | The Group | | | | The Bank | | | |
|-----------------------------------|----------------|---|--------------------------------|-----------------|----------------|---|--------------------------------|-----------------|
| | Fees RM'000 | Salary and/or other remuneration RM'000 | Benefits- in-kind RM'000 | Total RM'000 | Fees RM'000 | Salary and/or other remuneration RM'000 | Benefits- in-kind RM'000 | Total RM'000 |
| Executive Director | | | | | | | | |
| Nor Masliza Sulaiman * | - | 3,062 | 9 | 3,071 | - | 3,062 | 9 | 3,071 |
| | - | 3,062 | 9 | 3,071 | - | 3,062 | 9 | 3,071 |
| Non-Executive Directors | | | | | | | | |
| Raymond Yeoh Cheng Seong | 183 | 177 | 24 | 384 | 183 | 177 | 24 | 384 |
| Dato' Lee Kok Kwan | 183 | 45 | - | 228 | 183 | 45 | - | 228 |
| Tan Ting Min | 350 | 255 | - | 605 | 250 | 235 | - | 485 |
| Dr. Adrian Toho Parada Panggabean | 217 | 145 | - | 362 | 217 | 145 | - | 362 |
| | 933 | 622 | 24 | 1,579 | 833 | 602 | 24 | 1,459 |
| | 933 | 3,684 | 33 | 4,650 | 833 | 3,664 | 33 | 4,530 |

* Compensation shown in the table includes an amount of RM0.3 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 24 January to 31 December 2025. The related share based expenses have been recognised over the period of LTIP scheme.

| 2024 | The Group | | | | The Bank | | | |
|-----------------------------------|----------------|---|--------------------------------|-----------------|----------------|---|--------------------------------|-----------------|
| | Fees RM'000 | Salary and/or other remuneration RM'000 | Benefits- in-kind RM'000 | Total RM'000 | Fees RM'000 | Salary and/or other remuneration RM'000 | Benefits- in-kind RM'000 | Total RM'000 |
| Executive Director | | | | | | | | |
| Muhammad Novan Amirudin * | - | 13,868 | 40 | 13,908 | - | 13,868 | 40 | 13,908 |
| | - | 13,868 | 40 | 13,908 | - | 13,868 | 40 | 13,908 |
| Non-Executive Directors | | | | | | | | |
| Raymond Yeoh Cheng Seong | 140 | 250 | 21 | 411 | 140 | 250 | 21 | 411 |
| Dato' Lee Kok Kwan | 140 | 60 | - | 200 | 140 | 60 | - | 200 |
| Tan Ting Min | 230 | 288 | - | 518 | 140 | 270 | - | 410 |
| Dr. Adrian Toho Parada Panggabean | 49 | 50 | - | 99 | 49 | 50 | - | 99 |
| Manu Bhaskaran | 58 | 70 | - | 128 | 58 | 70 | - | 128 |
| Surina Shukri | 23 | - | - | 23 | 23 | - | - | 23 |
| | 640 | 718 | 21 | 1,379 | 550 | 700 | 21 | 1,271 |
| | 640 | 14,586 | 61 | 15,287 | 550 | 14,568 | 61 | 15,179 |

* The salary, other remuneration and benefits in kind totalling RM13,908,000 for the previous CEO was paid by CIMB Bank. Compensation shown in the table for the Executive Director in 2024 was in relation to his role as Group Chief Executive Officer of CIMB Group.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Directors' remuneration (Continued)**

Pursuant to Bank Negara Malaysia's letter dated 4 June 2024, Muhammad Novan Amirudin resigned as CEO on 25 July 2024, and as Executive Director on 31 December 2024, respectively. Nor Masliza Sulaiman was subsequently appointed as the CEO and the Executive Director of the Bank, effective 24 January 2025.

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 RM1,500 (2024: RM1,418).

28 Taxation**(i) Tax expense for the financial year**

| | The Group | | The Bank | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax | | | | |
| - Malaysian income tax | 29,953 | 29,765 | 27,426 | 26,649 |
| - Foreign tax | 27 | 4 | 3 | 4 |
| Deferred tax (Note 8) | 4,073 | 371 | 2,479 | 371 |
| Over/(Under) provision in prior years | 1,060 | (1,023) | 261 | (1,023) |
| | <u>35,113</u> | <u>29,117</u> | <u>30,169</u> | <u>26,001</u> |

(ii) Numerical reconciliation of income tax expense

| | The Group | | The Bank | |
|---|----------------|----------------|----------------|----------------|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before taxation | 131,840 | 121,222 | 119,954 | 107,428 |
| Less : Share of results of associates | (774) | (995) | - | - |
| | <u>131,066</u> | <u>120,227</u> | <u>119,954</u> | <u>107,428</u> |
| Tax calculated at a tax rate of 24% (2024: 24%) | 31,456 | 28,854 | 28,789 | 25,783 |
| Income not subject to tax | (56) | - | - | - |
| Expenses not deductible for tax purposes | 2,625 | 1,282 | 1,116 | 1,237 |
| Over/(Under) provision in prior years | 1,061 | (1,023) | 261 | (1,023) |
| Foreign withholding tax | 27 | 4 | 3 | 4 |
| Tax expense | <u>35,113</u> | <u>29,117</u> | <u>30,169</u> | <u>26,001</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****29 Earnings per share**

(a) Basic earnings per share

Basic earnings per share of the Group and the Bank are calculated by dividing the net profit attributable to owner of the Group and the Bank by the weighted average number of ordinary shares in issue during the financial year.

| | The Group | | The Bank | |
|--|---------------|---------------|---------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| Profit for the financial year | <u>96,727</u> | <u>92,105</u> | <u>89,785</u> | <u>81,427</u> |
| Weighted average number of ordinary shares in issue ('000) | 100,000 | 100,000 | 100,000 | 100,000 |
| Total basic earnings per share attributable to equity shareholders (sen) | <u>96.73</u> | <u>92.11</u> | <u>89.79</u> | <u>81.43</u> |

(b) Diluted earnings per share

There were no dilutive potential ordinary shares outstanding as at 31 December 2025 and 31 December 2024.

30 Dividends

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

| | RM'000 |
|---|--------|
| <u>In respect of the financial year ended 31 December 2023:</u> | |
| Dividend on 100,000,000 ordinary shares, paid on 15 March 2024: | |
| - single-tier interim dividend of 41.10 sen per ordinary share | 41,100 |
| <u>In respect of the financial year ended 31 December 2024:</u> | |
| Dividend on 100,000,000 ordinary shares, paid on 17 March 2025: | |
| - single-tier interim dividend of 81.40 sen per ordinary share | 81,400 |

The Directors have proposed a single-tier interim dividend of 89.78 sen per ordinary share on 100,000,000 ordinary shares amounting to RM89,780,000 in respect of the financial year ended 31 December 2025, which was approved by the Board of Directors in a resolution dated 27 January 2026.

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

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2025.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****31 Amount due from/(to) ultimate holding company, related companies and subsidiaries**

The amount due from/(to) related companies are unsecured, interest free and callable on demand.

| | The Group | | The Bank | |
|----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2025 RM'000 | 31 December 2024 RM'000 | 31 December 2025 RM'000 | 31 December 2024 RM'000 |
| Amount due from: | | | | |
| - subsidiaries | - | - | 4,521 | - |
| - ultimate holding company | 180 | 146 | 180 | 146 |
| - related companies | 7,325 | 7,818 | 5,742 | 4,225 |
| | <u>7,505</u> | <u>7,964</u> | <u>10,443</u> | <u>4,371</u> |
| Amount due to: | | | | |
| - subsidiaries | - | - | - | (10,804) |
| - related companies | (3,111) | (365) | (3,099) | (354) |
| | <u>(3,111)</u> | <u>(365)</u> | <u>(3,099)</u> | <u>(11,158)</u> |

32 Significant related party transactions and balances**(a) Related parties and relationship**

For the purposes of these Financial Statements, parties 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.

The related parties of, and their relationship with the Group, are as follows:

| <u>Related parties</u> | <u>Relationship</u> |
|---|--|
| 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 companies |
| Subsidiaries of the Bank as disclosed in Note 9 | Subsidiaries |
| Associates of the Bank as disclosed in Note 10 | Associates |
| Key management personnel | Refer to below |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****32 Significant related party transactions and balances (Continued)****(a) Related parties and relationship (Continued)**

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 Group who make certain critical decisions in relation to the strategic direction of the Group.

(b) Related party transactions

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. Interest rates on fixed and short-term deposits were at normal commercial rates.

| The Group 2025 | Ultimate holding company RM'000 | Other related companies RM'000 | |
|--|--|---|---|
| Income: | | | |
| Service charges and fee income | 600 | 138,633 | |
| Interest income | - | 2,742 | |
| Commission income | - | 23,366 | |
| Fee and commission expense and other direct expenses | - | (2,199) | |
| Non operating income | 3 | 11 | |
| Income from securities services | 300 | 487 | |
| Net Income from Islamic Banking operations | <u>62</u> | <u>(248)</u> | |
| | <u>965</u> | <u>162,792</u> | |
| Expenditure: | | | |
| Interest expense | - | 32 | |
| Establishment - others | - | 647 | |
| Service expenses | - | 35,237 | |
| Administration and general expenses - others | - | 567 | |
| | <u>-</u> | <u>36,483</u> | |
| | | | |
| The Bank 2025 | Ultimate holding company RM'000 | Subsidiary companies RM'000 | Other related companies RM'000 |
| Income: | | | |
| Service charges and fee income | 600 | 2,438 | 135,721 |
| Interest income | - | - | 260 |
| Commission income | - | - | 23,366 |
| Fee and commission expense and other direct expenses | - | - | (2,199) |
| Non operating income | 3 | - | 11 |
| Income from securities services | 300 | - | 487 |
| Net Income from Islamic Banking operations | <u>62</u> | <u>6,774</u> | <u>(248)</u> |
| | <u>965</u> | <u>9,212</u> | <u>157,398</u> |
| Expenditure: | | | |
| Interest expense | - | - | 23 |
| Establishment - others | - | - | 647 |
| Service expenses | - | 1,355 | 31,908 |
| | <u>-</u> | <u>1,355</u> | <u>32,578</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****32 Significant related party transactions and balances (Continued)****(b) Related party transactions (Continued)**

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. Interest rates on fixed and short-term deposits were at normal commercial rates. (Continued)

| The Group | Ultimate holding company | Other related companies |
|--|-----------------------------|----------------------------|
| 2024 | RM'000 | RM'000 |
| Income: | | |
| Service charges and fee income | 3,000 | 112,569 |
| Interest income | - | 1,264 |
| Commission income | - | 23,641 |
| Fee and commission expense and other direct expenses | - | (6,872) |
| Income from securities services | 300 | 562 |
| Net Income from Islamic Banking operations | 60 | 21,674 |
| | <u>3,360</u> | <u>152,838</u> |
| Expenditure: | | |
| Interest expense | - | 201 |
| Establishment - others | - | 685 |
| Service expenses | - | 35,569 |
| Administration and general expenses - others | - | 1,147 |
| | <u>-</u> | <u>37,602</u> |

| The Bank | Ultimate holding company | Subsidiary companies | Other related companies |
|--|-----------------------------|-------------------------|----------------------------|
| 2024 | RM'000 | RM'000 | RM'000 |
| Income: | | | |
| Service charges and fee income | 3,000 | 28,379 | 108,977 |
| Interest income | - | - | 242 |
| Commission income | - | - | 23,641 |
| Fee and commission expense and other direct expenses | - | - | (6,872) |
| Income from securities services | 300 | - | 562 |
| Net Income from Islamic Banking operations | 60 | 4,425 | 21,674 |
| | <u>3,360</u> | <u>32,804</u> | <u>148,224</u> |
| Expenditure: | | | |
| Interest expense | - | - | 17 |
| Establishment - others | - | - | 685 |
| Service expenses | - | 1,051 | 35,569 |
| | <u>-</u> | <u>1,051</u> | <u>36,271</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****32 Significant related party transactions and balances (Continued)****(c) Related party balances**

| | 31 December | 31 December |
|---|--------------------|----------------|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| The Group | | |
| Amount due from: | | |
| Cash and balances with banks and other financial institutions | 2,869 | 1,841 |
| Money at call and deposit placements maturing within one month | 196,903 | 172,733 |
| Other assets | - | 833 |
| | <u>199,772</u> | <u>175,407</u> |
| Amount due to: | | |
| Deposits and placements of banks and other financial institutions | 750 | - |
| Other liabilities | 1,000 | - |
| | <u>1,750</u> | <u>-</u> |
| The Bank | | |
| Amount due from: | | |
| Cash and balances with banks and other financial institutions | 486 | 202 |
| Money at call and deposit placements maturing within one month | 94,177 | 80,146 |
| Other assets | - | 833 |
| | <u>94,663</u> | <u>81,181</u> |
| Amount due to: | | |
| Deposits and placements of banks and other financial institutions | 750 | - |

Other related party balances are unsecured, non-interest bearing and repayable on demand.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****32 Significant related party transactions and balances (Continued)****(d) Key management personnel**

| <u>Key management compensation</u> | The Group | | The Bank | |
|--|------------------|---------------|-----------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Salaries and other employee benefits [#] | 74,365 | 88,740 | 41,120 | 56,844 |
| | The Group | | The Bank | |
| | 2025 | 2024 | 2025 | 2024 |
| | units | units | units | units |
| Shares of ultimate holding company awarded from EOP | 2,885,868 | 254,535 | 454,856 | 313,993 |
| Shares of ultimate holding company awarded from LTIP | | | | |
| - ESOS | - | - | - | - |
| - SGP | - | 250,000 | - | - |

[#] Includes compensation paid by other related companies

Included in the above table is the Executive Directors' compensation which is disclosed in Note 27. The share options and shares granted are on the same terms and conditions as those offered to other employees of the Group and the Bank as disclosed in Note 33 to the Financial Statements.

During the financial year, share based payment expenses to key management personnel of the Group and the Bank amounted to RM29,201,000 and RM5,749,000 respectively (2024: RM29,366,000 and RM10,586,000).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****32 Significant related party transactions and balances (Continued)****(e) Credit transactions and exposures with connected parties**

Credit exposures with connected parties as per Bank Negara Malaysia's revised "Guidelines on Credit Transactions and Exposures with Connected Parties" are as follows:

| | The Group and the Bank | |
|---|-------------------------------|-------------|
| | 31 December | 31 December |
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Outstanding credit exposures with connected parties | 7,446 | 4,519 |
| Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures | 1.6% | 0.9% |
| Percentage of outstanding credit exposures with connected parties which is impaired or in default | 0.0% | 0.0% |

(f) Transactions with shareholders and Government

Khazanah Nasional Berhad ("KNB"), the major shareholder of the 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 on agreed terms and consistently applied in accordance with the Group's and the Bank's internal policies and processes. These rates do not depend on whether the counterparties are government-related entities or not.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****33 Employee benefits****(a) 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 Holdings Berhad to selected employees in the Group. Under the EOP, earmarked portions of variable remuneration of selected employees of the Group will be utilised to purchase ordinary shares of CIMB Group Holdings Berhad 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 continue 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 dates. 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 RM932,000 and RM862,000 respectively (31 December 2024: RM645,000 and RM645,000).

The weighted average fair value of shares awarded under EOP which were purchased over a period of 10 trading days was RM6.86 per ordinary share (31 December 2024: RM6.88 per ordinary share), based on observable market price.

Movements in the number of the ultimate holding company’s ordinary shares awarded are as follows:

| | The Group | | The Bank | |
|----------------|------------------|-------------|-----------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Shares | Unit | Unit | Unit | Unit |
| | '000 | '000 | '000 | '000 |
| At 1 January | 148 | 57 | 148 | 57 |
| Awarded | 188 | 133 | 166 | 133 |
| Released | (76) | (42) | (76) | (42) |
| At 31 December | 260 | 148 | 238 | 148 |

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

33 Employee benefits (Continued)

(b) Long Term Incentive Plan (“LTIP”)

CIMB Group Holdings Berhad (“CIMB Group”) implemented a Long Term Incentive Plan (“LTIP”) on 9 June 2021, which was approved by the shareholders of CIMB Group 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 of CIMB Group.

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.

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 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 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)****33 Employee benefits (Continued)****(b) Long Term Incentive Plan (“LTIP”) (Continued)****(i) Details of ESOS shares awarded:**

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

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

| Award Date | As at | Movement during the year | | Outstanding | Exercisable |
|------------------------------|----------------------------------|--------------------------|--------------------------------------|------------------------------------|------------------------------------|
| | 1 January 2025 (Units'000) | Exercised (Units'000) | Expired/ Forfeited (Units'000) | 31 December 2025 (Units'000) | 31 December 2025 (Units'000) |
| 9 June 2021 - First grant | 4,220 | (184) | - | 4,036 | 4,036 |
| 31 March 2022 - Second grant | 241 | - | - | 241 | 241 |

The fair value of ESOS shares awarded was determined using the Black Scholes model based on the terms and conditions of ESOS awards. The fair value of ESOS shares measured, closing share price at grant date and the valuation assumptions are as follows:

| | Award Date | | | |
|--|---|---|---|---|
| | 9 June 2021 - First grant | 31 March 2022 - Second grant | 8 September 2022 - Third grant | 8 December 2022 - Fourth grant |
| Fair value of ESOS shares (RM) | 0.45 | 0.75 | 0.74 | 0.81 |
| Exercise Price (RM) | 4.96 | 5.58 | 5.75 | 5.93 |
| Closing share price at award date (RM) | 4.65 | 5.33 | 5.40 | 5.61 |
| Option term | From award date until 8 June 2028 |
| 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 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****33 Employee benefits (Continued)****(b) Long Term Incentive Plan (“LTIP”) (Continued)****(ii) Details of SGP shares awarded**

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

* *Subject to performance conditions*

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

| Award Date | Movement during the year | | | As at 31 December 2025 (Units'000) |
|------------------------------|---|-------------------------------|----------------------------------|---|
| | As at 1 January 2025 (Units'000) | Vested (Units'000) | Forfeited (Units'000) | |
| 9 June 2021 - First grant | 170 | (145) | (25) | - |
| 31 March 2022 - Second grant | 26 | (23) | (3) | - |

The fair value of SGP shares awarded was determined using the closing market price of CIMB shares on the award date, as shown below:

| | Award Date | | | | |
|--|--------------------------------------|---|---|---|--|
| | 9 June 2021 - First grant | 31 March 2022 - Second grant | 8 September 2022 - Third grant | 8 December 2022 - Fourth grant | 12 January 2024 - Fifth grant |
| Fair value of SGP Shares (RM) | 4.65 | 5.33 | 5.40 | 5.61 | 5.92 |
| Closing share price at award date (RM) | 4.65 | 5.33 | 5.40 | 5.61 | 5.92 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****34 Capital commitments**

Capital expenditure approved by Directors but not provided for in the Financial Statements are 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 |
| Authorised and contracted for | 4,550 | 151 | 4,550 | 151 |
| Authorised but not contracted for | 38,752 | 20,885 | 35,456 | 18,848 |
| | 43,302 | 21,036 | 40,006 | 18,999 |
| The capital commitments are attributed to: | | | | |
| - Property, plant and equipment | 9,976 | 5,945 | 9,811 | 3,908 |
| - Computer software | 33,326 | 15,091 | 30,195 | 15,091 |
| | 43,302 | 21,036 | 40,006 | 18,999 |

35 Significant events during the financial year

There are no significant events during the financial year.

36 Significant events subsequent to the financial year

On 5 January 2026, the Bank was served with an Amended Writ of Summons and Amended Statement of Claim re-dated 2 January 2026 (“the Suit”) by solicitors acting for 14 Plaintiffs, in relation to the Islamic Medium Term Notes under the Shariah principle of Murabahah issued in 2016 by the 1st Defendant, MEX II Sdn Bhd (In Receivership) (“MEX II”), for the construction of the MEX Highway from Putrajaya to KLIA / KLIA 2 (“MEX II Highway”). The Bank has been named as one of the 12 Defendants in the Suit.

The Plaintiffs alleged that as registered holders, custodians, fund trustees, beneficial owners and/or fund managers and their representatives of the Sukuk Murabahah, they have suffered loss and damage as a result of MEX II having defaulted on the principal repayments and periodic profit payments of the Sukuk Murabahah.

The Suit alleged that the Bank in its various roles of Principal Adviser, Lead Arranger, Lead Manager and Facility Agent for the Sukuk Murabahah failed to discharge various pre and post-issuance duties and obligations, resulting in grossly insufficient funds being ring-fenced for the completion of the MEX II Highway. The Suit also alleged that the Bank is jointly and severally liable with the other Defendants for all losses suffered by the Plaintiffs for the “Dissolution Amount” amounting to RM1.38 billion as at 3 January 2022 or such other sums as adjudged by the Court.

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

36 Significant events subsequent to the financial year (Continued)

On 6 March 2026, the Bank filed and served its Defence to the Plaintiffs. On the same date, the Bank was served with a copy of the Defence and Counterclaim by Maju Lingkaran Development Sdn Bhd, Maju Holdings Sdn Bhd, Tan Sri Abu Sahid Bin Mohamed, Puan Sri Noor Azrina Binti Mohd Azmi and Mohd Faiq Bin Abu Sahid (collectively, “Maju Counterclaiming Group”) seeking indemnity or contribution from the Bank and other parties in connection with the Suit.

Other than the above, there were no other significant events subsequent to the financial year ended 31 December 2025.

37 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 on-going and future activities that consume or create capital, and ensuring that the minimum target for capital adequacy is met. Quarterly updates on capital position of the Group and the Bank are also provided to the Board of Directors.

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

The capital adequacy framework applicable is based on the Bank Negara Malaysia (“BNM”) Capital Adequacy Framework (“CAF”) (“Capital Components”) and Capital Adequacy Framework for Islamic Banks (“CAFIB”) (“Capital Components”) of which the latest revisions were issued on 14 June 2024. The revised guidelines took effect on 14 June 2024 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) and CAFIB (Basel II – Risk Weighted Assets) of which the latest revisions were issued on 18 December 2023.

The Standardised Approach is applied for Credit Risk and Market Risk. With effect from 1 January 2025, Operational Risk for the Group and the Bank is based on Standardised Approach as stipulated by Capital Adequacy Framework (Operational Risk) issued by BNM on 15 December 2023.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****37 Capital adequacy (Continued)**

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

| | The Group | | The Bank | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2025 | 31 December 2024 | 31 December 2025 | 31 December 2024 |
| Before deducting proposed dividend | | | | |
| Common Equity Tier 1 ("CET") ratio | 81.827% | 86.561% | 82.055% | 82.178% |
| Tier 1 ratio | 81.827% | 86.561% | 82.055% | 82.178% |
| Total capital ratio | 81.827% | 86.561% | 82.055% | 82.178% |
| After deducting proposed dividend | | | | |
| CET 1 ratio | 69.535% | 74.440% | 66.674% | 67.869% |
| Tier 1 ratio | 69.535% | 74.440% | 66.674% | 67.869% |
| Total capital ratio | 69.535% | 74.440% | 66.674% | 67.869% |

(b) The breakdown of risk-weighted assets ("RWA") by each major risk category 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 |
| Credit risk | 162,381 | 139,686 | 87,336 | 77,000 |
| Market risk | 16,345 | 13,765 | 10,266 | 9,727 |
| Operational risk | 551,671 | 518,078 | 486,124 | 482,161 |
| Total RWAs | 730,397 | 671,529 | 583,726 | 568,888 |

(c) Components of Common Equity Tier 1 and Tier 2 capitals are 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 |
| <u>CET 1 capital</u> | | | | |
| Ordinary share capital | 100,000 | 100,000 | 100,000 | 100,000 |
| Other reserves | 589,541 | 573,413 | 560,569 | 551,911 |
| Less : Proposed dividends | (89,780) | (81,400) | (89,780) | (81,400) |
| CET 1 capital before regulatory adjustments | 599,761 | 592,013 | 570,789 | 570,511 |
| <u>Less : Regulatory adjustments</u> | | | | |
| Goodwill | (41,538) | (41,538) | - | - |
| Deferred tax assets | (17,177) | (16,178) | (16,895) | (15,627) |
| Investments in capital instruments of unconsolidated financial entities | (6,953) | (5,721) | (144,706) | (144,706) |
| Intangible assets | (26,214) | (28,691) | (19,993) | (24,079) |
| CET 1 capital/Total Tier 1 Capital | 507,879 | 499,885 | 389,195 | 386,099 |

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

38 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*

The expected credit loss allowance for financial assets at amortised cost 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 40.1 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****39 Acquisition of a subsidiary**

In the previous financial year, the Bank had completed the acquisition of the entire equity interest in KESB on 8 February 2024, from KAFSC, for an adjusted final purchase consideration of RM144,706,000.

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

The Group had accounted for the Acquisition in the previous financial year, in accordance with MFRS 3 “Business Combination”. The effect of the acquisitions on the cash flows and fair value of the assets and liabilities acquired were as follows:

| | Note | RM'000 |
|---|------|-----------------|
| Cash and short-term funds | | 94,585 |
| Other assets | | 61,636 |
| Taxation recoverable | | 3,013 |
| Deferred tax assets | 8 | 551 |
| Property, plant and equipments | 11 | 414 |
| Intangible assets | 14 | 2,055 |
| Right use of assets “ROUA” | | 769 |
| Other liabilities | | (59,073) |
| Lease liabilities | | (782) |
| Net identifiable assets and liabilities acquired | | <u>103,168</u> |
| Add: Goodwill on acquisition | 13 | <u>41,538</u> |
| Net assets acquired | | <u>144,706</u> |
| | | |
| Purchase consideration | | 144,706 |
| Less: cash and cash equivalents acquired | | <u>(94,585)</u> |
| Net cash flow on acquisition | | 50,121 |
| Less : Deposit in relation to the Acquisition paid in the prior financial year ended 31 December 2023 | | <u>(14,794)</u> |
| Net cash outflow on acquisition during the previous financial year | | <u>35,327</u> |

The acquired subsidiary contributed revenue of RM58,230,000 and net profit of RM9,651,000 to the Group for the previous financial period from 8 February 2024 to 31 December 2024. If the acquisition had occurred on 1 January 2024, the subsidiary would have contributed revenue and net profit of RM60,372,000 and RM7,890,000 respectively as at 31 December 2024.

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

40 Financial Risk Management

(a) Financial risk management objectives and policies

The Group and the Bank embrace risk management as an integral part of CIMB Group’s strategy, business, operations and decision-making process. 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, 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 EWRM framework (“Group EWRM Framework”) as a standardised approach to effectively manage its risk and opportunities. The Group EWRM framework provides the Board and its 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, 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)

40 Financial Risk Management (Continued)

(b) Enterprise Wide Risk Management Framework (“EWRM”) (Continued)

The design of the Group EWRM framework incorporates a complementary ‘top-down strategic’ and ‘bottom-up tactical’ risk management approach.

The key features of the Group EWRM framework include:

i) **Risk Culture:**

The Group embraces risk management as an integral part of its culture and decision-making processes. The Group’s risk management philosophy is embodied in the Three Lines-of-Defence approach, whereby risks are managed initially from the onset of risk-taking activities. There is clear accountability of risk ownership across the Group.

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 directions, 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.

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

40 Financial Risk Management (Continued)

(b) Enterprise Wide Risk Management Framework (“EWRM”) (Continued)

iv) Risk Management Process: (Continued)

- Risk Identification & Assessment: Risks are systematically identified and assessed through the robust application of the Group’s risk frameworks, policies, methodologies/standards and procedures.
- Risk Measurement: Risks are measured and aggregated using the Group-wide methodologies across each of the risk types, including stress testing.
- Risk Management and Control: Risk management limits and controls are used to manage risk exposures within the risk appetite set by the Board. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. 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 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)

40 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 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 made by the GRCC.

To facilitate the effective implementation of the 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, Group Market and Conduct Risks Committee, Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee, Group Asset Quality Committee, Group Basel Steering Committee, Management Product Approval Committee for Treasury Products, and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following:

- (i) Credit risk, defined as the possibility of losses due to an obligor, market counterparty or an issuer of securities or other instruments held, failing to perform its contractual obligations to the Group.
- (ii) Market risk, defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates/profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.
- (iii) Liquidity and Funding risk, defined as the current and potential risk to earnings, shareholders' funds or reputation arising from the inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they come due, which may adversely affect its daily operations and incur unacceptable losses.

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

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The responsibility of risk management supervision and control is delegated to the GRCC, which reports directly to the BRCC. The GRCC, comprising senior management of the Group, performs the oversight function for the overall management of risks. The GRCC is supported by specialised delegated/sub-risk committees, namely Group Credit Committee, Group Market and Conduct Risks Committee, Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee, Group Asset Quality Committee, Group Basel Steering Committee, Management Product Approval Committee for Treasury Products, and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following (Continued):

- (iv) Interest rate risk/rate of return risk in the banking book, which is the current and potential risk to the Group's earnings and economic value arising from movements in interest rates/profit rates;
- (v) 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.

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

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The responsibility of risk management supervision and control is delegated to the GRCC, which reports directly to the BRCC. The GRCC, comprising senior management of the Group, performs the oversight function for the overall management of risks. The GRCC is supported by specialised delegated/sub-risk committees, namely Group Credit Committee, Group Market and Conduct Risks Committee, Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee, Group Asset Quality Committee, Group Basel Steering Committee, Management Product Approval Committee for Treasury Products, and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following (Continued):

- (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.
- (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.

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

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The responsibility of risk management supervision and control is delegated to the GRCC, which reports directly to the BRCC. The GRCC, comprising senior management of the Group, performs the oversight function for the overall management of risks. The GRCC is supported by specialised delegated/sub-risk committees, namely Group Credit Committee, Group Market and Conduct Risks Committee, Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee, Group Asset Quality Committee, Group Basel Steering Committee, Management Product Approval Committee for Treasury Products, and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following (Continued):

- (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 the Group may suffer arising from failure to comply with Shariah requirements determined by Shariah Advisory Council (“SAC”) of 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 of the 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 ethical issues stemming from transactions and/tivities associated with a business relation and its operations, and/or the Group’s own internal operations and employees.

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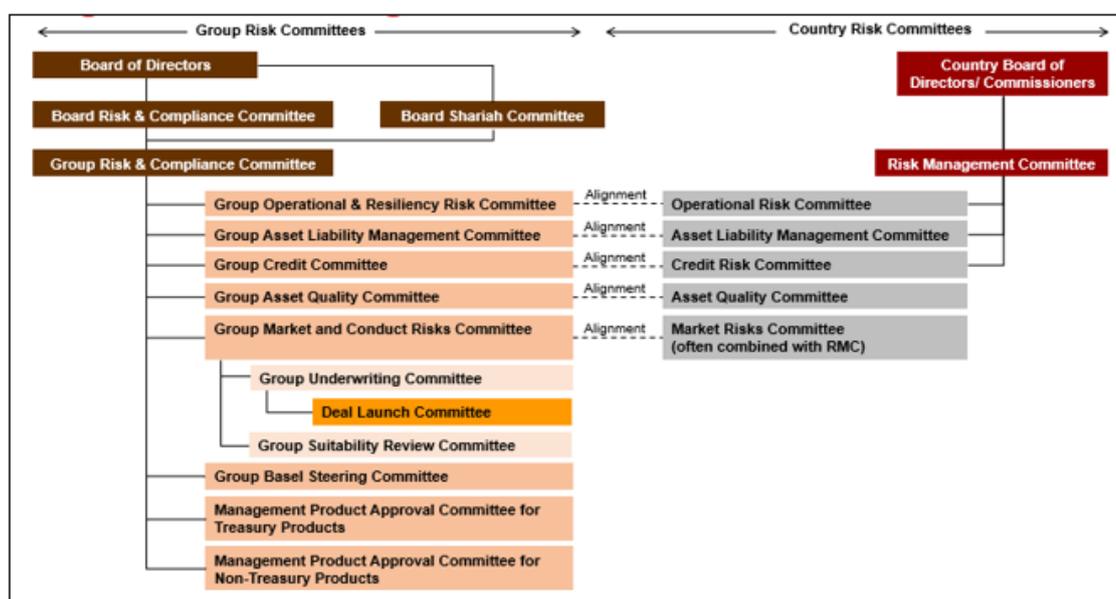
Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The responsibility of risk management supervision and control is delegated to the GRCC, which reports directly to the BRCC. The GRCC, comprising senior management of the Group, performs the oversight function for the overall management of risks. The GRCC is supported by specialised delegated/sub-risk committees, namely Group Credit Committee, Group Market and Conduct Risks Committee, Group Operational and Resiliency Risk Committee, Group Asset Liability Management Committee, Group Asset Quality Committee, Group Basel Steering Committee, Management Product Approval Committee for Treasury Products, and Management Product Approval Committee for Non-Treasury Products, each addressing one or more of the following (Continued):

The structure of CIMB Group Risk Committees is depicted in the following chart:



The overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance with local requirements, the Group strives to ensure a consistent and standardised approach in its risk governance process. As such, Group and Regional committees have consultative and advisory responsibilities on regional matters across the Group as regulators allow. This structure increases regional communication regarding 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.

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

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

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 our Group’s sustainability strategy, frameworks, policies and group-wide targets and to monitor progress against our 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 are responsible for providing relevant updates and inputs to the various Board Committees and entity boards on a periodic basis.

Three Lines-of-Defence

The Group’s risk management culture is embodied through the adoption of the Three Lines-of-Defence philosophy, whereby risks are managed initially from the onset of risk-taking activities. This is to ensure clear accountability of risk and control management across the Group and Group Risk as an enabler of business units. As the first line-of-defence, the line management (including key business pillars and enablers) is primarily responsible for risk management on a day-to-day basis by taking appropriate actions to mitigate risk through effective controls 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 CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”)

Within the second line-of-defence is Group Risk Division, a function independent of business units. It assists the Group’s management and stakeholders in the monitoring and controlling of risk exposures within the Board-approved risk appetite statement.

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

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The Roles of CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”) (Continued)

Group Risk Division 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.

The organisational structure of GRD is made up of two major components, namely the Chief Risk Officers (“CRO”) and the Risk Centres of Excellence (“CoE”):

(i) CRO

- The Group CRO is supported by the CROs, who oversee the risk management functions of the regional offices e.g. branches.
- CRO’s main function is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under his/her purview.
- For countries where a CRO is not present and/or not required, a local Head of Risk Management is appointed to be the overall risk coordinator for that country.

(ii) Risk Centres of Excellence

- These are specialised teams of risk officers responsible for the active oversight of Group-wide functional risk management and the teams support respective CROs across various geographies.
- The Risk CoEs consist of Asset Liability Management, Credit Risk, Market Risk, Non-Financial Risk Management (comprising Operational, Business Continuity, Technology, Third party and Fraud Risk Management), Shariah Risk Management and Enterprise Risk and Infrastructure CoEs.

(a) Asset Liability Management CoE

The Asset Liability Management CoE recommends the framework and policies for the independent assessment, measurement, monitoring and reporting of liquidity and funding risk and interest rate/rate of return risk in the banking book.

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

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The Roles of CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”) (Continued)

The organisational structure of Group Risk is made of two major components, namely the Chief Risk Officers (“CRO”) and the Risk Centres of Excellence (“CoE”) (Continued):

(ii) Risk Centres of Excellence (Continued)

(a) Asset Liability Management CoE (Continued)

It conducts regular stress testing on the Group’s liquidity and interest rate risk/rate of return profile, by leveraging on the standardised infrastructure it has designed, built and implemented across the region. It provides the framework and tools for maintenance of the early warning system indicators and contingency funding plan by business owners across the CIMB Group.

(b) Credit Risk CoE

The Credit Risk CoE function include areas ranging from development of credit risk policies, procedures and standards to advance portfolio analytics, and use of credit risk modelling (including rollout of alternative credit underwriting models leveraging on machine learning techniques for retail portfolios).

(c) 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 (“VaR”) and market risk capital as well as performing stress testing.

(d) Non-Financial Risk Management CoE

The Non-Financial Risk Management (“NFRM”) CoE ensures that the first line-of-defence manages their non-financial risks (which comprise Operational, Technology, Outsourcing, Business Continuity and Fraud risks) effectively by providing frameworks that enables them to identify, assess, manage and report their non-financial risks. The team provides independent feedback, advisory and assessment to the first line-of-defence’s execution of the non-financial risk frameworks.

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

40 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

The Roles of CIMB Group Chief Risk Officer (“Group CRO”) and CIMB Group Risk Division (“GRD”) (Continued)

The organisational structure of Group Risk is made of two major components, namely the Chief Risk Officers (“CRO”) and the Risk Centres of Excellence (“CoE”) (Continued):

(ii) Risk Centres of Excellence (Continued)

(e) Shariah Risk Management CoE

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

(f) Enterprise Risk And Infrastructure CoE

The Enterprise Risk and Infrastructure CoE ensures the Group’s compliance to capital adequacy and single counterparty exposure limit regulatory requirements, including Basel and underwriting model development, implementation and validation of risk models, and management of risk data for credit risk measurement and risk reporting across the Group. In addition, the climate risk unit within the CoE is responsible for working with Group Sustainability, various risk CoEs and business units to implement climate risk management at an enterprise level, in support of the Group’s 2050 net zero ambition, which is to transition all operational and attributable greenhouse gas emissions from the Group’s financing and investment portfolios in alignment with net zero pathways by 2050.

Sustainability risk (including climate risk) is recognised as a principal and cross-cutting risk that manifests itself through existing risk types. Due to the cross-cutting nature of Sustainability risk, the implementation of Group-wide Sustainability Governance Framework is currently spearheaded and managed by Group Sustainability as the Sustainability CoE, which sits outside of Group Risk. Refer to the section on Sustainability Risk for further details. Notwithstanding this, Sustainability risk has been and will continue to be integrated into the Group’s existing risk management frameworks.

Strategies and Processes for Various Risk Management

This information are available in later sections for each Credit Risk, Market Risk and Liquidity Risk.

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

40 Financial Risk Management (Continued)

40.1 Credit risk

Credit risk is defined as the possibility of losses due to an obligor or market counterparty or an issuer of securities or other instruments held, failing to perform its contractual obligations to the Group.

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 the 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 the specific individuals.

The Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities between business units and Group Risk, to the various credit committees. The credit approving committees are set up to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units.

The GRCC with the support of GCC, GAQC, 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.

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

40 Financial Risk Management (Continued)

40.1 Credit risk (Continued)

Credit Risk Management (Continued)

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.

It is the Group policy that all exposures must be rated or scored based on the appropriate internal rating models, where available. These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's exposures.

Credit reviews and rating are conducted on the credit exposures at minimum on an annual basis and more frequently when material information on the obligor or other external factors is made available.

The exposures are actively monitored, reviewed on a regular basis and reported regularly to the GRCC and BRCC. Asset quality is closely monitored so that deteriorating exposures are identified, analysed and discussed with the relevant business units for appropriate remedial actions including recovery actions, if required.

The Group recognises that our financing activities may have an impact on the environment and society and such impact may in turn result in potential financial and reputational risks to the Group. Our sustainable financing approach integrates environmental, social and economic/ethical considerations into our credit risk assessment process for our financing practices and capital raising transactions, whereby clients and transactions identified to have high sustainability risk or potential concern are subject to a structured due diligence and escalation process.

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

40 Financial Risk Management (Continued)

40.1 Credit risk (Continued)

Credit Risk Management (Continued)

The Group quantifies credit concentration risk by leveraging on the credit VaR engine, CreditMetrics. Using the CreditMetrics approach, the portfolio's Value at Risk is estimated after taking into account effects of portfolio diversification across obligors and sectors. Hence, the risk computed covers both default/credit migration risk as well as credit concentration risk (single name and sector concentration).

Credit Risk Mitigation

The employment of various credit risk mitigation techniques such as appropriate credit structuring, and posting of collateral and/or third party support, form an integral part of the credit risk management process. Credit risk mitigants are taken, where possible, and are considered secondary recourse to the obligor for the credit risk underwritten.

i) Collaterals/Securities

All extension of secured credit facilities deemed prudent, must be appropriately and adequately collateralised. A credit proposal is considered secured only when the entire proposal is fully covered by approved collateral/securities within their approved margins as set out in the relevant credit policy/standard. GCC or the relevant credit approving authority is empowered to approve any inclusion of new acceptable collaterals/securities.

Recognised collaterals include both financial and physical assets. Financial collaterals consist of mainly cash deposits, quoted shares, unit trusts and debt securities, while physical collateral includes land and 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.

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

40 Financial Risk Management (Continued)

40.1 Credit risk (Continued)

Credit Risk Mitigation (Continued)

ii) Collateral Valuation and Management

The Group has in place policies which govern the determination of eligibility of various collaterals including credit protection, to be considered for credit risk mitigation which includes the minimum operational requirements that are required for the specific collaterals to be considered as effective risk mitigants. The collateral is valued periodically ranging from daily to annually, depending on the type of collateral.

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 its portfolios through a number of measures. Amongst others, there are guidelines in place relating to maximum exposure to any products, counterparty, sectors and country.

Credit Risk Measurement

The measurement of expected credit loss allowance under the MFRS 9's three-stage approach is to recognise lifetime expected credit loss allowance for financial instrument for which there has been a significant increase in credit risk since initial origination or is credit-impaired as at the reporting date. The financial instrument which has not undergone any significant deterioration in credit risk shall be recognised with 12-month expected credit loss allowance.

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

40 Financial Risk Management (Continued)

40.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

Under the three-stage approach, the financial instrument is allocated into three stages based on the relative movement of the credit risk.

- Stage 1 includes financial instruments that neither have a significant increase in credit risk since initial recognition nor credit-impaired as at reporting date. For these assets, 12-month expected credit loss allowance are recognised.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. For these assets, lifetime expected credit loss allowance are recognised.
- Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard on the measurement of allowances are:

(i) **Significant Increase in Credit Risk (“SICR”)**

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. The Group uses simplified approach on receivables where the entity do not require to track changes in credit risk but instead requires an entity to recognized a loss allowance based on lifetime ECL at each reporting date. The Group applies a provision matrix which uses historical loss experience on its trade receivables and adjust historical loss rate to reflect (i) information about current conditions and (ii) reasonable and supportable forecasts of future economic conditions.

(ii) **Measuring ECL - inputs, assumptions and estimation techniques**

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)

40 Financial Risk Management (Continued)

40.1 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: (Continued)

(ii) Measuring ECL - inputs, assumptions and estimation techniques (Continued)

For collective assessment, the ECL is determined by projecting the Probability of Default, Loss Given Default and Exposure at Default 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 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 (“PD”)

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.

Loss Given Default (“LGD”)

LGD represents the Group’s expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.

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

40 Financial Risk Management (Continued)

40.1 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: (Continued)

(ii) Measuring ECL - inputs, assumptions and estimation techniques (Continued)

- 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.

(iii) 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 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 and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables are sourced from Group's Economics team and external research house.

The Group applies three economic scenarios to reflect an unbiased probability-weighted range of possible future outcome in estimating ECL:

Base case: This represents "most likely outcome" of future economic conditions which is aligned with information used by the Group for other purposes such as budgeting and stress testing.

Best and Worst case: This represent the "upside" and "downside" outcome of future economic conditions.

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

40 Financial Risk Management (Continued)

40.1 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: (Continued)

(iii) 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 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.

(iv) 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 CIMB Group Credit Risk and Modelling team.

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 receivable is deemed uncollectible, it is written off against the related allowance for impairment. Such receivables 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.

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

40 Financial Risk Management (Continued)

40.1 Credit risk (Continued)

Credit Risk Measurement (Continued)

Modification of receivables

The Group and the Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- If the receivable is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the receivable 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.
- Significant extension of the credit term when the receivable is not in financial difficulty.
- Change in the currency the receivable is denominated in.
- Insertion of collateral, other security or credit enhancements that significant affect the credit risk associated with the receivable.

The risk of default of such receivable 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 debt. The Group monitors the subsequent performance of modified assets.

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

40 Financial Risk Management (Continued)

40.1 Credit risk (Continued)

40.1.1 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 credit related commitments and contingents that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

All financial assets of the Group are subject to credit risk except for cash in hands as well as non-financial assets.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for clients' and brokers' balances is 100% (31.12.2024: Nil).

Most transaction with the counterparties are settled on a Delivery-Verses Payment ("DVP") basis, whereby transactions are settled or paid for upon delivery. Such DVP transactions are considered fully collateralised and sufficient to mitigate the Company's credit risk exposures.

The Bank's subsidiary exposure to credit risk on amount due from brokers is mitigated with the subsidiary's participation in Clearing Guarantee Fund ("CGF") and Equities Margin ("EM") implemented by Bursa Malaysia Berhad ("Bursa"). Bursa through its wholly-owned subsidiary Bursa Malaysia Securities Clearing Sdn. Bhd. has implemented CGF and EM framework for securities clearing and settlement. CGF & EM framework is established by the securities clearing house to deal with potentially large credit and/or liquidity risks that may arise through the payment or delivery default of its Trading Clearing Participants ("TCPs") on any settlement day.

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 for the Group as at 31 December 2025 and 31 December 2024 are as follows:

| 31 December 2025 | The Group | | | | | Total RM'000 |
|---|--------------------|---------------------|--------------------|---------------------|---------------------------|-----------------|
| | Malaysia RM'000 | Indonesia RM'000 | Thailand RM'000 | Singapore RM'000 | Other countries RM'000 | |
| Cash and short-term funds | 281,356 | - | - | 9,553 | 2,709 | 293,618 |
| Deposits and placements with banks and other financial institutions | 5,329 | - | - | - | - | 5,329 |
| Debt instruments at fair value through other comprehensive income | 175,450 | - | - | - | - | 175,450 |
| Debt instruments at amortised cost | 122,117 | - | - | - | - | 122,117 |
| Other assets | 189,469 | 505 | 4,989 | 12 | 380 | 195,355 |
| Amount due from ultimate holding company and related companies | 6,541 | 964 | - | - | - | 7,505 |
| Total credit exposures | 780,262 | 1,469 | 4,989 | 9,565 | 3,089 | 799,374 |

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 for the Group as at 31 December 2025 and 31 December 2024 are as follows: (Continued)

| 31 December 2024 | The Group | | | | | Total RM'000 |
|---|--------------------|---------------------|--------------------|---------------------|---------------------------|-----------------|
| | Malaysia RM'000 | Indonesia RM'000 | Thailand RM'000 | Singapore RM'000 | Other countries RM'000 | |
| Cash and short-term funds | 291,138 | - | - | 12,475 | 2,179 | 305,792 |
| Deposits and placements with banks and other financial institutions | 10 | - | - | - | - | 10 |
| Debt instruments at fair value through other comprehensive income | 180,902 | - | - | - | - | 180,902 |
| Debt instruments at amortised cost | 122,283 | - | - | - | - | 122,283 |
| Other assets | 177,944 | 323 | 16 | 2 | - | 178,285 |
| Amount due from ultimate holding company and related companies | 7,000 | 964 | - | - | - | 7,964 |
| Total credit exposures | 779,277 | 1,287 | 16 | 12,477 | 2,179 | 795,236 |

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 for the Bank as at 31 December 2025 and 31 December 2024 are as follows:

| 31 December 2025 | The Bank | | | | | Total RM'000 |
|---|--------------------|---------------------|--------------------|---------------------|---------------------------|-----------------|
| | Malaysia RM'000 | Indonesia RM'000 | Thailand RM'000 | Singapore RM'000 | Other countries RM'000 | |
| Cash and short-term funds | 175,710 | - | - | 6,811 | 2,709 | 185,230 |
| Debt instruments at fair value through other comprehensive income | 175,450 | - | - | - | - | 175,450 |
| Debt instruments at amortised cost | 122,117 | - | - | - | - | 122,117 |
| Other assets | 58,375 | 505 | 66 | 12 | 380 | 59,338 |
| Amount due from ultimate holding company and related companies | 10,443 | - | - | - | - | 10,443 |
| Total credit exposures | 542,095 | 505 | 66 | 6,823 | 3,089 | 552,578 |

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 for the Bank as at 31 December 2025 and 31 December 2024 are as follows: (Continued)

| 31 December 2024 | The Bank | | | | | Total RM'000 |
|---|--------------------|---------------------|--------------------|---------------------|---------------------------|-----------------|
| | Malaysia RM'000 | Indonesia RM'000 | Thailand RM'000 | Singapore RM'000 | Other countries RM'000 | |
| Cash and short-term funds | 190,382 | - | - | 8,320 | 2,179 | 200,881 |
| Debt instruments at fair value through other comprehensive income | 180,902 | - | - | - | - | 180,902 |
| Debt instruments at amortised cost | 122,283 | - | - | - | - | 122,283 |
| Other assets | 53,754 | 323 | 16 | 2 | - | 54,095 |
| Amount due from ultimate holding company and related companies | 4,371 | - | - | - | - | 4,371 |
| Total credit exposures | 551,692 | 323 | 16 | 8,322 | 2,179 | 562,532 |

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 positions as at 31 December 2025 and 31 December 2024, based on the industry sectors are as follows:

The Group

| | Cash and short-term funds | Deposits and placements with banks and other financial institutions | Debt instruments at fair value through other comprehensive income | Debt instruments at amortised cost | Other financial assets * | Total |
|---|---------------------------------|---|---|---|-----------------------------|----------------|
| 31 December 2025 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Primary agriculture | - | - | - | - | 365 | 365 |
| Manufacturing | - | - | - | - | 163 | 163 |
| Electricity, gas and water | - | - | - | 30,112 | 7,033 | 37,145 |
| Construction | - | - | - | - | 2,182 | 2,182 |
| Wholesale & Retail trade, and Restaurant & Hotels | - | - | - | - | 1,087 | 1,087 |
| Transport, storage and communications | - | - | - | - | 1,971 | 1,971 |
| Finance, insurance and business services | 293,618 | 5,329 | 47,573 | 92,005 | 189,904 | 628,429 |
| Education and health | - | - | - | - | 146 | 146 |
| Household | - | - | - | - | 9 | 9 |
| Others | - | - | 127,877 | - | - | 127,877 |
| | 293,618 | 5,329 | 175,450 | 122,117 | 202,860 | 799,374 |

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 positions as at 31 December 2025 and 31 December 2024, based on the industry sectors are as follows: (Continued)

| | The Group | | | | | Total |
|--|----------------------------------|--|--|---|---------------------------------|----------------|
| | Cash and short-term funds | Deposits and placements with banks and other financial institutions | Debt instruments at fair value through other comprehensive income | Debt instruments at amortised cost | Other financial assets * | |
| 31 December 2024 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Primary agriculture | - | - | - | - | 24 | 24 |
| Manufacturing | - | - | - | - | 689 | 689 |
| Electricity, gas and water | - | - | 30,052 | 30,108 | 6,065 | 66,225 |
| Construction | - | - | 30,860 | - | 2,243 | 33,103 |
| Transport, storage and communications | - | - | - | - | 897 | 897 |
| Finance, insurance and business services | 305,792 | 10 | 58,025 | 92,175 | 175,821 | 631,823 |
| Education and health | - | - | - | - | 499 | 499 |
| Household | - | - | - | - | 11 | 11 |
| Others | - | - | 61,965 | - | - | 61,965 |
| | 305,792 | 10 | 180,902 | 122,283 | 186,249 | 795,236 |

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 positions as at 31 December 2025 and 31 December 2024, based on the industry sectors are as follows: (Continued)

| | The Bank | | | | Total |
|---|----------------------------------|--|---|---------------------------------|----------------|
| | Cash and short-term funds | Debt instruments at fair value through other comprehensive income | Debt instruments at amortised cost | Other financial assets * | |
| 31 December 2025 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Primary agriculture | - | - | - | 365 | 365 |
| Manufacturing | - | - | - | 163 | 163 |
| Electricity, gas and water | - | - | 30,112 | 7,033 | 37,145 |
| Construction | - | - | - | 2,182 | 2,182 |
| Wholesale & Retail trade, and Restaurant & Hotels | - | - | - | 1,087 | 1,087 |
| Transport, storage and communications | - | - | - | 1,971 | 1,971 |
| Finance, insurance and business services | 185,230 | 47,573 | 92,005 | 56,825 | 381,633 |
| Education and health | - | - | - | 146 | 146 |
| Household | - | - | - | 9 | 9 |
| Others | - | 127,877 | - | - | 127,877 |
| | 185,230 | 175,450 | 122,117 | 69,781 | 552,578 |

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.2 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 positions as at 31 December 2025 and 31 December 2024, based on the industry sectors are as follows: (Continued)

The Bank

| | Cash and short-term funds | Debt instruments at fair value through other comprehensive income | Debt instruments at amortised cost | Other financial assets * | Total |
|--|---------------------------------|--|---|-----------------------------|---------|
| 31 December 2024 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Primary agriculture | - | - | - | 24 | 24 |
| Manufacturing | - | - | - | 689 | 689 |
| Electricity, gas and water | - | 30,052 | 30,108 | 6,065 | 66,225 |
| Construction | - | 30,860 | - | 2,243 | 33,103 |
| Transport, storage and communications | - | - | - | 897 | 897 |
| Finance, insurance and business services | 200,881 | 58,025 | 92,175 | 48,038 | 399,119 |
| Education and health | - | - | - | 499 | 499 |
| Household | - | - | - | 11 | 11 |
| Others | - | 61,965 | - | - | 61,965 |
| | 200,881 | 180,902 | 122,283 | 58,466 | 562,532 |

* Other financial assets include other assets and amounts due from ultimate holding company and related companies.

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.3 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:

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 includes cash and short-term funds, deposits and placement with banks and other financial institutions, reverse repurchase agreements at amortised cost and amounts due from ultimate holding company and related companies.

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 assets 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)****40 Financial Risk Management (Continued)****40.1 Credit Risk (Continued)****40.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an Expected Credit Losses allowance (“ECL”) is recognised.

| The Group 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 | Purchase or Originated credit- impaired RM'000 | Total RM'000 |
|---|-------------------------------------|--|--|---|-----------------|
| Cash and short-term fund and deposits and placements with banks and other financial institutions | | | | | |
| Sovereign | 81,049 | - | - | - | 81,049 |
| Investment grade | 217,898 | - | - | - | 217,898 |
| Gross carrying amount | 298,947 | - | - | - | 298,947 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 298,947 | - | - | - | 298,947 |
| Debt instruments at FVOCI | | | | | |
| Sovereign | 51,940 | - | - | - | 51,940 |
| Investment grade | 123,510 | - | - | - | 123,510 |
| Gross carrying amount | 175,450 | - | - | - | 175,450 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 175,450 | - | - | - | 175,450 |
| Debt investment securities at amortised cost | | | | | |
| Investment grade | 122,117 | - | - | - | 122,117 |
| Gross carrying amount | 122,117 | - | - | - | 122,117 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 122,117 | - | - | - | 122,117 |
| Amount due from ultimate holding company and related companies | | | | | |
| No rating | 7,505 | - | - | - | 7,505 |
| Gross carrying amount | 7,505 | - | - | - | 7,505 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 7,505 | - | - | - | 7,505 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.1 Credit Risk (Continued)****40.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an Expected Credit Losses allowance (“ECL”) is recognised. (Continued)

| The Group 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 | Purchase or Originated credit- impaired RM'000 | Total RM'000 |
|---|-------------------------------------|--|--|---|-----------------|
| Cash and short-term fund and deposits and placements with banks and other financial institutions | | | | | |
| Sovereign | 110,033 | - | - | - | 110,033 |
| Investment grade | 195,769 | - | - | - | 195,769 |
| Gross carrying amount | 305,802 | - | - | - | 305,802 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 305,802 | - | - | - | 305,802 |
| Debt instruments at FVOCI | | | | | |
| Sovereign | 20,322 | - | - | - | 20,322 |
| Investment grade | 160,580 | - | - | - | 160,580 |
| Gross carrying amount | 180,902 | - | - | - | 180,902 |
| Total ECL ^^ | - | - | - | - | - |
| Net carrying amount | 180,902 | - | - | - | 180,902 |
| Debt investment securities at amortised cost | | | | | |
| Investment grade | 122,283 | - | - | - | 122,283 |
| Gross carrying amount | 122,283 | - | - | - | 122,283 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 122,283 | - | - | - | 122,283 |
| Amount due from ultimate holding company and related companies | | | | | |
| No rating | 7,964 | - | - | - | 7,964 |
| Gross carrying amount | 7,964 | - | - | - | 7,964 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 7,964 | - | - | - | 7,964 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.1 Credit Risk (Continued)****40.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an Expected Credit Losses allowance (“ECL”) is recognised. (Continued)

| The 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 | Purchase or Originated credit- impaired RM'000 | Total RM'000 |
|---|-------------------------------------|--|--|---|-----------------|
| Cash and short-term fund and deposits and placements with banks and other financial institutions | | | | | |
| Sovereign | 81,049 | - | - | - | 81,049 |
| Investment grade | 104,181 | - | - | - | 104,181 |
| Gross carrying amount | 185,230 | - | - | - | 185,230 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 185,230 | - | - | - | 185,230 |
| Debt instruments at FVOCI | | | | | |
| Sovereign | 51,940 | - | - | - | 51,940 |
| Investment grade | 123,510 | - | - | - | 123,510 |
| Gross carrying amount | 175,450 | - | - | - | 175,450 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 175,450 | - | - | - | 175,450 |
| Debt investment securities at amortised cost | | | | | |
| Investment grade | 122,117 | - | - | - | 122,117 |
| Gross carrying amount | 122,117 | - | - | - | 122,117 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 122,117 | - | - | - | 122,117 |
| Amount due from ultimate holding company and related companies | | | | | |
| No rating | 10,443 | - | - | - | 10,443 |
| Gross carrying amount | 10,443 | - | - | - | 10,443 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 10,443 | - | - | - | 10,443 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.1 Credit Risk (Continued)****40.1.3 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

The following tables are analysis of the credit risk exposure of financial assets for which an Expected Credit Losses allowance (“ECL”) is recognised. (Continued)

| The 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 | Purchase or Originated credit- impaired RM'000 | Total RM'000 |
|---|-------------------------------------|--|--|---|-----------------|
| Cash and short-term fund and deposits and placements with banks and other financial institutions | | | | | |
| Sovereign | 110,033 | - | - | - | 110,033 |
| Investment grade | 90,848 | - | - | - | 90,848 |
| Gross carrying amount | 200,881 | - | - | - | 200,881 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 200,881 | - | - | - | 200,881 |
| Debt instruments at FVOCI | | | | | |
| Sovereign | 20,322 | - | - | - | 20,322 |
| Investment grade | 160,580 | - | - | - | 160,580 |
| Gross carrying amount | 180,902 | - | - | - | 180,902 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 180,902 | - | - | - | 180,902 |
| Debt investment securities at amortised cost | | | | | |
| Investment grade | 122,283 | - | - | - | 122,283 |
| Gross carrying amount | 122,283 | - | - | - | 122,283 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 122,283 | - | - | - | 122,283 |
| Amount due from ultimate holding company and related companies | | | | | |
| No rating | 4,371 | - | - | - | 4,371 |
| Gross carrying amount | 4,371 | - | - | - | 4,371 |
| Total ECL | - | - | - | - | - |
| Net carrying amount | 4,371 | - | - | - | 4,371 |

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

40 Financial Risk Management (Continued)

40.1 Credit Risk (Continued)

40.1.3 Credit quality of financial assets (Continued)

(b) Financial assets using simplified approach

(i) Analysis of other assets by credit rating

The credit quality of other assets are assessed by reference to internal rating system adopted by the Group. Where internal rating system is not applied, external credit rating by major credit rating agencies will be adopted, as summarised below:

The Group and the 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 |

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)****40 Financial Risk Management (Continued)****40.1 Credit Risk (Continued)****40.1.3 Credit quality of financial assets (Continued)****(b) Financial assets using simplified approach (Continued)****(i) Analysis of other assets by credit rating (Continued)**

The following tables are analysis of the credit risk exposure of other assets using simplified approach:

| The Group 2025 | Gross carrying amount | | | Net carrying amount |
|-------------------|-----------------------|----------------|----------------|---------------------|
| | No rating | | ECL | |
| | RM'000 | RM'000 | RM'000 | |
| Other assets | 204,389 | 204,389 | (9,034) | 195,355 |
| Total | 204,389 | 204,389 | (9,034) | 195,355 |

| The Group 2024 | Gross carrying amount | | | Net carrying amount |
|-------------------|-----------------------|----------------|----------------|---------------------|
| | No rating | | ECL | |
| | RM'000 | RM'000 | RM'000 | |
| Other assets | 186,548 | 186,548 | (8,263) | 178,285 |
| Total | 186,548 | 186,548 | (8,263) | 178,285 |

| The Bank 2025 | Gross carrying amount | | | Net carrying amount |
|------------------|-----------------------|---------------|----------------|---------------------|
| | No rating | | ECL | |
| | RM'000 | RM'000 | RM'000 | |
| Other assets | 68,372 | 68,372 | (9,034) | 59,338 |
| Total | 68,372 | 68,372 | (9,034) | 59,338 |

| The Bank 2024 | Gross carrying amount | | | Net carrying amount |
|------------------|-----------------------|---------------|----------------|---------------------|
| | No rating | | ECL | |
| | RM'000 | RM'000 | RM'000 | |
| Other assets | 62,358 | 62,358 | (8,263) | 54,095 |
| Total | 62,358 | 62,358 | (8,263) | 54,095 |

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

40 Financial Risk Management (Continued)

40.2 Market Risk

Market risk is defined as fluctuation 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 volatilities.

Market Risk Management (“MRM”)

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 trading exposures as at financial year are shown in Note 40.2.1.

Stress testing is conducted to capture the potential market risk exposures from an unexpected market movement. In formulating stress scenarios, consideration is given to various aspects of the market; for example, identification of areas where unexpected losses can occur and areas where historical correlation may no longer hold true.

In addition to the above, Market Risk CoE undertakes the monitoring and oversight process at Treasury & Markets’ trading floors, which include reviewing and analysing treasury trading activities vis-à-vis changes in the financial markets, monitoring limit usage, assessing limit adequacy and verifying transaction prices.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.2 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).

40.2.1 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 as below:

| | The Group | |
|---|-----------------------------|-----------------------------|
| | 31 December 2025 | 31 December 2024 |
| | RM’000 | RM’000 |
| VaR | | |
| Foreign exchange risk | <u>136</u> | <u>166</u> |
| Total | <u>136</u> | <u>166</u> |
| Total shareholders fund (RM’000) | 689,551 | 673,423 |
| Percentage of shareholders funds | 0.02% | 0.02% |

| | The Bank | |
|---|-----------------------------|-----------------------------|
| | 31 December 2025 | 31 December 2024 |
| | RM’000 | RM’000 |
| VaR | | |
| Foreign exchange risk | <u>86</u> | <u>128</u> |
| Total | <u>86</u> | <u>128</u> |
| Total shareholders fund (RM’000) | 660,579 | 651,921 |
| Percentage of shareholders funds | 0.01% | 0.02% |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk

Interest rate risk relates to the potential adverse impact on the net interest income arising from changes in market rates. One of the primary sources of interest rate risk is the repricing mismatches between interest earning assets and interest bearing liabilities. Interest rate risk is measured and reported at various levels through various techniques including Earnings-at-Risk (“EaR”).

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates

The table below 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 | | | | | | | Total RM’000 |
|---|----------------------------|-----------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|-------------------------------------|-----------------|
| | Non-trading book | | | | | | | |
| 31 December 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 | Non-interest sensitive RM’000 | |
| Financial assets | | | | | | | | |
| Cash and short-term funds | 277,896 | - | - | - | - | - | 15,727 | 293,623 |
| Deposits and placements with banks and other financial institutions | - | 5,326 | - | - | - | - | 3 | 5,329 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | 75,775 | 97,657 | 2,018 | 175,450 |
| Equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | 1,557 | 1,557 |
| Debt instruments at amortised cost | - | - | - | - | 55,084 | 65,607 | 1,426 | 122,117 |
| Other assets | 7,329 | - | - | - | - | - | 188,026 | 195,355 |
| Amount due from ultimate holding company and related companies | - | - | - | - | - | - | 7,505 | 7,505 |
| Total financial assets | 285,225 | 5,326 | - | - | 130,859 | 163,264 | 216,262 | 800,936 |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below 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 | | | | | | | Total RM'000 |
|---|----------------------------|-----------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|-------------------------------------|-----------------|
| | Non-trading book | | | | | | | |
| 31 December 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 | Non-interest sensitive RM'000 | |
| Financial liabilities | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | 750 |
| Other liabilities | - | - | - | - | - | - | 218,158 | 218,158 |
| Lease liabilities | 74 | 149 | 226 | 88 | 1,012 | - | - | 1,549 |
| Amount due to subsidiaries and related companies | - | - | - | - | - | - | 3,111 | 3,111 |
| Total financial liabilities | 824 | 149 | 226 | 88 | 1,012 | - | 221,269 | 223,568 |
| Net interest sensitivity gap | 284,401 | 5,177 | (226) | (88) | 129,847 | 163,264 | | |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below 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 Non-trading book | | | | | | | 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 | |
| 31 December 2024 | | | | | | | | |
| Financial assets | | | | | | | | |
| Cash and short-term funds | 286,913 | - | - | - | - | - | 18,884 | 305,797 |
| Deposits and placements with banks and other financial institutions | - | 10 | - | - | - | - | - | 10 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | - | 178,865 | 2,037 | 180,902 |
| Equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | 1,099 | 1,099 |
| Debt instruments at amortised cost | - | - | - | - | 25,108 | 95,748 | 1,427 | 122,283 |
| Other assets | - | - | - | - | - | - | 178,285 | 178,285 |
| Amount due from ultimate holding company and related companies | - | - | - | - | - | - | 7,964 | 7,964 |
| Total financial assets | 286,913 | 10 | - | - | 25,108 | 274,613 | 209,696 | 796,340 |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below 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 | | | | | | | Total RM'000 |
|--|----------------------------|-----------------------------|-----------------------------|------------------------------|----------------------------|---------------------------|-------------------------------------|-----------------|
| | ← | Non-trading book | | | | | → | |
| 31 December 2024 | Up to 1 month RM'000 | > 1 – 3 months RM'000 | > 3 – 6 months RM'000 | > 6 – 12 months RM'000 | > 1 – 5 years RM'000 | Over 5 years RM'000 | Non-interest sensitive RM'000 | |
| Financial liabilities | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | 4,803 |
| Other liabilities | - | - | - | - | - | - | 223,452 | 223,452 |
| Lease liabilities | - | - | 5 | 188 | 129 | - | - | 322 |
| Amount due to subsidiaries and related companies | - | - | - | - | - | - | 365 | 365 |
| Total financial liabilities | 4,803 | - | 5 | 188 | 129 | - | 223,817 | 228,942 |
| Net interest sensitivity gap | 282,110 | 10 | (5) | (188) | 24,979 | 274,613 | | |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below 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 Non-trading book → | | | | | | | 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 | |
| 31 December 2025 | | | | | | | | |
| Financial assets | | | | | | | | |
| Cash and short-term funds | 175,169 | - | - | - | - | - | 10,066 | 185,235 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | 75,775 | 97,657 | 2,018 | 175,450 |
| Debt instruments at amortised cost | - | - | - | - | 55,084 | 65,607 | 1,426 | 122,117 |
| Other assets | - | - | - | - | - | - | 59,338 | 59,338 |
| Amount due from ultimate holding company and related companies | - | - | - | - | - | - | 10,443 | 10,443 |
| Total financial assets | 175,169 | - | - | - | 130,859 | 163,264 | 83,291 | 552,583 |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below 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 Non-trading book → | | | | | | | 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 | |
| 31 December 2025 | | | | | | | | |
| Financial liabilities | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | 750 |
| Other liabilities | - | - | - | - | - | - | 79,738 | 79,738 |
| Lease liabilities | - | - | - | 31 | 655 | - | - | 686 |
| Amount due to subsidiaries and related companies | - | - | - | - | - | - | 3,099 | 3,099 |
| Total financial liabilities | 750 | - | - | 31 | 655 | - | 82,837 | 84,273 |
| Net interest sensitivity gap | 174,419 | - | - | (31) | 130,204 | 163,264 | | |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below 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 Non-trading book | | | | | | | 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 | |
| 31 December 2024 | | | | | | | | |
| Financial assets | | | | | | | | |
| Cash and short-term funds | 190,140 | - | - | - | - | - | 10,746 | 200,886 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | - | 178,864 | 2,038 | 180,902 |
| Debt instruments at amortised cost | - | - | - | - | 25,108 | 95,748 | 1,427 | 122,283 |
| Other assets | - | - | - | - | - | - | 54,095 | 54,095 |
| Amount due from ultimate holding company and related companies | - | - | - | - | - | - | 4,371 | 4,371 |
| Total financial assets | 190,140 | - | - | - | 25,108 | 274,612 | 72,677 | 562,537 |

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

40 Financial Risk Management (Continued)

40.2 Market Risk (Continued)

40.2.2 Interest rate risk (Continued)

(a) Financial assets and financial liabilities analysed by the earlier of contractual repricing or maturity dates (Continued)

The table below 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 Non-trading book → | | | | | | | 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 | |
| 31 December 2024 | | | | | | | | |
| Financial liabilities | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | 4,803 |
| Other liabilities | - | - | - | - | - | - | 91,388 | 91,388 |
| Lease liabilities | - | - | - | 171 | 128 | - | - | 299 |
| Amount due to subsidiaries and related companies | - | - | - | - | - | - | 11,158 | 11,158 |
| Total financial liabilities | 4,803 | - | - | 171 | 128 | - | 102,546 | 107,648 |
| Net interest sensitivity gap | 185,337 | - | - | (171) | 24,980 | 274,612 | | |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.2 Market Risk (Continued)****40.2.2 Interest rate risk (Continued)****(b) Sensitivity of profit**

The table below shows the sensitivity of the Group's and the Bank's profit/loss to movement in interest rates:

| | The Group | | | |
|------------------------------|----------------------------|-------------------------|----------------------------|-------------------------|
| | 31 December 2025 | | 31 December 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) | 2,030 | (2,030) | 2,054 | (2,054) |

| | The Bank | | | |
|------------------------------|----------------------------|-------------------------|----------------------------|-------------------------|
| | 31 December 2025 | | 31 December 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) | 1,251 | (1,251) | 1,346 | (1,346) |

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)****40 Financial Risk Management (Continued)****40.2 Market Risk (Continued)****40.2.3 Foreign exchange risk**

The Group and the 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

The table below shows the sensitivity of the Group's and the Bank's profit to movement in foreign exchange rates:

| | The Group and the Bank | | | |
|------------------------------|---|---|---|---|
| | 31 December 2025 | | 31 December 2024 | |
| | Increase/(decrease) | | Increase/(decrease) | |
| | 1% appreciation in foreign currency RM'000 | 1% depreciation in foreign currency RM'000 | 1% appreciation in foreign currency RM'000 | 1% depreciation in foreign currency RM'000 |
| Impact to profit (after tax) | 75 | (75) | 73 | (73) |
| USD | 42 | (42) | 42 | (42) |
| HKD | 16 | (16) | 18 | (18) |
| THB | 11 | (11) | 12 | (12) |
| SGD | 5 | (5) | 1 | (1) |
| Others | 1 | (1) | - | - |

The impact on profit arises from transactional exposures.

The projection assumes that foreign exchange rates 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)****41 Financial Risk Management (Continued)****40.2 Market Risk (Continued)****40.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank.

| 31 December 2025 | The Group | | | | | | | Total non-MYR RM'000 | Grand total RM'000 |
|---|----------------|---------------|---------------|---------------|---------------|---------------|------------------|-------------------------|-----------------------|
| | MYR RM'000 | IDR RM'000 | THB RM'000 | SGD RM'000 | USD RM'000 | AUD RM'000 | Others RM'000 | | |
| Financial assets | | | | | | | | | |
| Cash and short-term funds | 281,360 | - | - | 7,082 | 3,536 | 13 | 1,632 | 12,263 | 293,623 |
| Deposits and placements with banks and other financial institutions | 5,329 | - | - | - | - | - | - | - | 5,329 |
| Debt instruments at fair value through other comprehensive income | 175,450 | - | - | - | - | - | - | - | 175,450 |
| Equity instruments at fair value through other comprehensive income | - | 1,557 | - | - | - | - | - | 1,557 | 1,557 |
| Debt instruments at amortised cost | 122,117 | - | - | - | - | - | - | - | 122,117 |
| Other assets | 190,425 | - | 4,924 | - | - | - | 6 | 4,930 | 195,355 |
| Amount due from ultimate holding company and related companies | 4,759 | 964 | - | - | 1,782 | - | - | 2,746 | 7,505 |
| | 779,440 | 2,521 | 4,924 | 7,082 | 5,318 | 13 | 1,638 | 21,496 | 800,936 |
| Financial liabilities | | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | - | 750 |
| Other liabilities | 215,894 | - | - | 969 | 1,295 | - | - | 2,264 | 218,158 |
| Lease liabilities | 1,549 | - | - | - | - | - | - | - | 1,549 |
| Amount due to subsidiaries and related companies | 3,111 | - | - | - | - | - | - | - | 3,111 |
| | 221,304 | - | - | 969 | 1,295 | - | - | 2,264 | 223,568 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 Financial Risk Management (Continued)****40.2 Market Risk (Continued)****40.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank. (Continued)

| 31 December 2024 | The Group | | | | | | Total non-MYR RM'000 | Grand total RM'000 | |
|---|----------------|--------------|------------|--------------|--------------|------------|----------------------|--------------------|----------------|
| | MYR RM'000 | IDR RM'000 | THB RM'000 | SGD RM'000 | USD RM'000 | AUD RM'000 | | | Others RM'000 |
| Financial assets | | | | | | | | | |
| Cash and short-term funds | 291,144 | - | - | 8,507 | 4,529 | 13 | 1,604 | 14,653 | 305,797 |
| Deposits and placements with banks and other financial institutions | 10 | - | - | - | - | - | - | - | 10 |
| Debt instruments at fair value through other comprehensive income | 180,902 | - | - | - | - | - | - | - | 180,902 |
| Equity instruments at fair value through other comprehensive income | - | 1,099 | - | - | - | - | - | 1,099 | 1,099 |
| Debt instruments at amortised cost | 122,283 | - | - | - | - | - | - | - | 122,283 |
| Other assets | 162,150 | - | - | - | 170 | - | 15,965 | 16,135 | 178,285 |
| Amount due from ultimate holding company and related companies | 7,964 | - | - | - | - | - | - | - | 7,964 |
| | <u>764,453</u> | <u>1,099</u> | <u>-</u> | <u>8,507</u> | <u>4,699</u> | <u>13</u> | <u>17,569</u> | <u>31,887</u> | <u>796,340</u> |
| Financial liabilities | | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | - | 4,803 |
| Other liabilities | 222,195 | - | - | 1,072 | 87 | - | 98 | 1,257 | 223,452 |
| Lease liabilities | 322 | - | - | - | - | - | - | - | 322 |
| Amount due to subsidiaries and related companies | 365 | - | - | - | - | - | - | - | 365 |
| | <u>227,685</u> | <u>-</u> | <u>-</u> | <u>1,072</u> | <u>87</u> | <u>-</u> | <u>98</u> | <u>1,257</u> | <u>228,942</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.2 Market Risk (Continued)****40.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank. (Continued)

| 31 December 2025 | The Bank | | | | | | Total non-MYR RM'000 | Grand total RM'000 | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|-------------------------|-----------------------|------------------|
| | MYR RM'000 | IDR RM'000 | THB RM'000 | SGD RM'000 | USD RM'000 | AUD RM'000 | | | Others RM'000 |
| Financial assets | | | | | | | | | |
| Cash and short-term funds | 175,715 | - | - | 6,811 | 2,383 | - | 326 | 9,520 | 185,235 |
| Debt instruments at fair value through other comprehensive income | 175,450 | - | - | - | - | - | - | - | 175,450 |
| Debt instruments at amortised cost | 122,117 | - | - | - | - | - | - | - | 122,117 |
| Other assets | 59,332 | - | - | - | - | - | 6 | 6 | 59,338 |
| Amount due from ultimate holding company and related companies | 8,661 | - | - | - | 1,782 | - | - | 1,782 | 10,443 |
| | 541,275 | - | - | 6,811 | 4,165 | - | 332 | 11,308 | 552,583 |
| Financial liabilities | | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | - | 750 |
| Other liabilities | 77,474 | - | - | 969 | 1,295 | - | - | 2,264 | 79,738 |
| Lease liabilities | 686 | - | - | - | - | - | - | - | 686 |
| Amount due to subsidiaries and related companies | 3,099 | - | - | - | - | - | - | - | 3,099 |
| | 82,009 | - | - | 969 | 1,295 | - | - | 2,264 | 84,273 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.2 Market Risk (Continued)****40.2.3 Foreign exchange risk (Continued)**

(b) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies of the Group and the Bank. (Continued)

| 31 December 2024 | The Bank | | | | | | Total non-MYR RM'000 | Grand total RM'000 | |
|---|----------------|---------------|---------------|---------------|---------------|---------------|-------------------------|-----------------------|------------------|
| | MYR RM'000 | IDR RM'000 | THB RM'000 | SGD RM'000 | USD RM'000 | AUD RM'000 | | | Others RM'000 |
| Financial assets | | | | | | | | | |
| Cash and short-term funds | 190,386 | - | - | 8,320 | 1,804 | - | 376 | 10,500 | 200,886 |
| Debt instruments at fair value through other comprehensive income | 180,902 | - | - | - | - | - | - | - | 180,902 |
| Debt instruments at amortised cost | 122,283 | - | - | - | - | - | - | - | 122,283 |
| Other assets | 53,919 | - | - | - | 170 | - | 6 | 176 | 54,095 |
| Amount due from ultimate holding company and related companies | 4,371 | - | - | - | - | - | - | - | 4,371 |
| | 551,861 | - | - | 8,320 | 1,974 | - | 382 | 10,676 | 562,537 |
| Financial liabilities | | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | - | 4,803 |
| Other liabilities | 90,131 | - | - | 1,072 | 87 | - | 98 | 1,257 | 91,388 |
| Lease liabilities | 299 | - | - | - | - | - | - | - | 299 |
| Amount due to subsidiaries and related companies | 11,158 | - | - | - | - | - | - | - | 11,158 |
| | 106,391 | - | - | 1,072 | 87 | - | 98 | 1,257 | 107,648 |

40.3 Liquidity Risk

Liquidity and risk is defined as the current and potential risk to earnings, shareholder's fund or the Group's 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.

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

40 Financial Risk Management (Continued)

40.3 Liquidity Risk (Continued)

The objective of the Group's liquidity risk management is to ensure that the Group can meet its cash obligations in a timely and cost-effective manner. To this end, the Group's liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business-as-usual ("BAU") and stress conditions. Due to its large delivery network and marketing focus, the Group is able to maintain a diversified core deposit base comprising savings, demand and term deposits, thus providing the Group with a stable large funding base. 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 is delegated to the CIMB Group Asset Liability Management Committee ("GALCO"). GALCO meets at least once a month to discuss the liquidity risk and funding profile of the Group. The key liquidity risk metrics comprise of internal liquidity gaps or cashflow maturity profile mismatches under business-as-usual and stress scenarios, regulatory Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which are measured and monitored regularly. LCR is a quantitative regulatory requirement which seeks to ensure that banking institutions hold sufficient High Quality Liquid Assets ("HQLA") to withstand an acute liquidity stress scenario over a 30-calendar-days horizon. Our 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, our Group maintains the LCR and NSFR above the regulatory requirements. In addition, liquidity risk stress testing under various scenarios covering bank-specific (idiosyncratic), market-wide and combined crises is performed regularly to identify sources of potential liquidity strain. Liquidity risk positions based on balance sheet forecasts and relevant risk drivers are projected to help in business planning.

In addition to regulatory limits, liquidity risk undertaken by the Group is governed by a set of established liquidity risk appetite and limits. Management Action Triggers ("MATs") have been established to alert the management to potential and emerging liquidity pressures. 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 Group Treasury and Markets in its surveillance on market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key providers of funds. Group Treasury and Markets only acts as a global provider of funds on a need-to or contingency basis. The Group 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 and review.

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities

(a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines:

| 31 December 2025 | The Group | | | | | | No-specific maturity 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 | | |
| Assets | | | | | | | | |
| Cash and short-term funds | 293,623 | - | - | - | - | - | - | 293,623 |
| Deposits and placements with banks and other financial institutions | - | 5,329 | - | - | - | - | - | 5,329 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | 76,811 | 98,639 | - | 175,450 |
| Equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | 1,557 | 1,557 |
| Debt instruments at amortised cost | - | - | - | - | 55,425 | 66,692 | - | 122,117 |
| Other assets | 199,833 | - | - | 5,225 | - | - | - | 205,058 |
| Amount due from ultimate holding company and related companies | 7,505 | - | - | - | - | - | - | 7,505 |
| Tax recoverable | - | - | - | - | - | - | 11,135 | 11,135 |
| Deferred tax assets | - | - | - | - | - | - | 8,756 | 8,756 |
| Investment in associates | - | - | - | - | - | - | 5,396 | 5,396 |
| Property, plant and equipment | - | - | - | - | - | - | 4,192 | 4,192 |
| Right-of-use assets | - | - | - | - | - | - | 1,521 | 1,521 |
| Goodwill | - | - | - | - | - | - | 41,538 | 41,538 |
| Intangible assets | - | - | - | - | - | - | 34,635 | 34,635 |
| Total assets | 500,961 | 5,329 | - | 5,225 | 132,236 | 165,331 | 108,730 | 917,812 |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities (Continued)

- (a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

| | The Group | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2025 | | | | | | | | |
| Liabilities | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | 750 |
| Other liabilities | 222,850 | - | - | - | - | - | - | 222,850 |
| Lease liabilities | - | - | 391 | 41 | 1,117 | - | - | 1,549 |
| Provision for taxation | 1 | - | - | - | - | - | - | 1 |
| Amount due to subsidiaries and related companies | 3,111 | - | - | - | - | - | - | 3,111 |
| Total liabilities | 226,712 | - | 391 | 41 | 1,117 | - | - | 228,261 |
| Net liquidity gap | 274,249 | 5,329 | (391) | 5,184 | 131,119 | 165,331 | 108,730 | |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities (Continued)

(a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

| | The Group | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2024 | | | | | | | | |
| Assets | | | | | | | | |
| Cash and short-term funds | 305,797 | - | - | - | - | - | - | 305,797 |
| Deposits and placements with banks and other financial institutions | - | 10 | - | - | - | - | - | 10 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | - | 180,902 | - | 180,902 |
| Equity instruments at fair value through other comprehensive income | - | - | - | - | - | - | 1,099 | 1,099 |
| Debt instruments at amortised cost | - | - | - | - | 25,337 | 96,946 | - | 122,283 |
| Other assets | 178,108 | 4,999 | - | 35 | - | - | - | 183,142 |
| Amount due from ultimate holding company and related companies | 7,964 | - | - | - | - | - | - | 7,964 |
| Tax recoverable | - | - | - | - | - | - | 7,211 | 7,211 |
| Deferred tax assets | - | - | - | - | - | - | 11,544 | 11,544 |
| Investment in associates | - | - | - | - | - | - | 4,622 | 4,622 |
| Property, plant and equipment | - | - | - | - | - | - | 3,439 | 3,439 |
| Right-of-use assets | - | - | - | - | - | - | 312 | 312 |
| Goodwill | - | - | - | - | - | - | 41,538 | 41,538 |
| Intangible assets | - | - | - | - | - | - | 33,325 | 33,325 |
| Total assets | 491,869 | 5,009 | - | 35 | 25,337 | 277,848 | 103,090 | 903,188 |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities (Continued)

(a) The table below analyses the assets and liabilities of the Group based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

| | The Group | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2024 | | | | | | | | |
| Liabilities | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | 4,803 |
| Other liabilities | 210,093 | 13,240 | - | 124 | - | - | - | 223,457 |
| Lease liabilities | - | - | 5 | 188 | 129 | - | - | 322 |
| Provision for taxation | 818 | - | - | - | - | - | - | 818 |
| Amount due to subsidiaries and related companies | 365 | - | - | - | - | - | - | 365 |
| Total liabilities | 216,079 | 13,240 | 5 | 312 | 129 | - | - | 229,765 |
| Net liquidity gap | 275,790 | (8,231) | (5) | (277) | 25,208 | 277,848 | 103,090 | |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities (Continued)

(b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines:

| 31 December 2025 | The Bank | | | | | | | 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 | No-specific maturity RM'000 | |
| Assets | | | | | | | | |
| Cash and short-term funds | 185,235 | - | - | - | - | - | - | 185,235 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | 76,811 | 98,639 | - | 175,450 |
| Debt instruments at amortised cost | - | - | - | - | 55,425 | 66,692 | - | 122,117 |
| Other assets | 63,939 | - | - | - | - | - | - | 63,939 |
| Amount due from ultimate holding company and related companies | 10,443 | - | - | - | - | - | - | 10,443 |
| Tax recoverable | - | - | - | - | - | - | 9,676 | 9,676 |
| Deferred tax assets | - | - | - | - | - | - | 8,474 | 8,474 |
| Investment in subsidiaries | - | - | - | - | - | - | 144,736 | 144,736 |
| Property, plant and equipment | - | - | - | - | - | - | 986 | 986 |
| Right-of-use assets | - | - | - | - | - | - | 678 | 678 |
| Intangible assets | - | - | - | - | - | - | 28,414 | 28,414 |
| Total assets | 259,617 | - | - | - | 132,236 | 165,331 | 192,964 | 750,148 |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities (Continued)

(b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

| | The Bank | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2025 | | | | | | | | |
| Liabilities | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | 750 |
| Other liabilities | 85,034 | - | - | - | - | - | - | 85,034 |
| Lease liabilities | - | - | - | 31 | 655 | - | - | 686 |
| Amount due to subsidiaries and related companies | 3,099 | - | - | - | - | - | - | 3,099 |
| Total liabilities | 88,883 | - | - | 31 | 655 | - | - | 89,569 |
| Net liquidity gap | 170,734 | - | - | (31) | 131,581 | 165,331 | 192,964 | |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities (Continued)

(b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

| | The Bank | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2024 | | | | | | | | |
| Assets | | | | | | | | |
| Cash and short-term funds | 200,886 | - | - | - | - | - | - | 200,886 |
| Debt instruments at fair value through other comprehensive income | - | - | - | - | - | 180,902 | - | 180,902 |
| Debt instruments at amortised cost | - | - | - | - | 25,337 | 96,946 | - | 122,283 |
| Other assets | 57,764 | - | - | - | - | - | - | 57,764 |
| Amount due from ultimate holding company and related companies | 4,371 | - | - | - | - | - | - | 4,371 |
| Tax recoverable | - | - | - | - | - | - | 7,210 | 7,210 |
| Deferred tax assets | - | - | - | - | - | - | 10,993 | 10,993 |
| Investment in subsidiaries | - | - | - | - | - | - | 144,736 | 144,736 |
| Property, plant and equipment | - | - | - | - | - | - | 1,425 | 1,425 |
| Right-of-use assets | - | - | - | - | - | - | 291 | 291 |
| Intangible assets | - | - | - | - | - | - | 28,713 | 28,713 |
| Total assets | 263,021 | - | - | - | 25,337 | 277,848 | 193,368 | 759,574 |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.1 Contractual maturity of assets and liabilities (Continued)

(b) The table below analyses the assets and liabilities of the Bank based on the remaining period at the end of the reporting period to the contractual maturity date in accordance with the requirement of BNM guidelines (Continued):

| | The Bank | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2024 | | | | | | | | |
| Liabilities | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | 4,803 |
| Other liabilities | 91,393 | - | - | - | - | - | - | 91,393 |
| Lease liabilities | - | - | - | 170 | 129 | - | - | 299 |
| Amount due to subsidiaries and related companies | 11,158 | - | - | - | - | - | - | 11,158 |
| Total liabilities | 107,354 | - | - | 170 | 129 | - | - | 107,653 |
| Net liquidity gap | 155,667 | - | - | (170) | 25,208 | 277,848 | 193,368 | |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.2 Contractual maturity of financial liabilities on an undiscounted basis

Non-derivative financial liabilities

The tables below present the cash flows payable by the Group 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 | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2025 | | | | | | | | |
| Non-derivative financial liabilities | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | 750 |
| Other liabilities | 218,158 | - | - | - | - | - | - | 218,158 |
| Lease liabilities | 74 | 233 | 310 | 224 | 737 | - | - | 1,578 |
| Amount due to subsidiaries and related companies | 3,111 | - | - | - | - | - | - | 3,111 |
| | 222,093 | 233 | 310 | 224 | 737 | - | - | 223,597 |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.2 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 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 | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2024 | | | | | | | | |
| Non-derivative financial liabilities | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | 4,803 |
| Other liabilities | 210,088 | 13,240 | - | 124 | - | - | - | 223,452 |
| Lease liabilities | - | 61 | 60 | 126 | 77 | - | - | 324 |
| Amount due to subsidiaries and related companies | 365 | - | - | - | - | - | - | 365 |
| | 215,256 | 13,301 | 60 | 250 | 77 | - | - | 228,944 |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.2 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 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 Bank | | | | | | No-specific maturity | Total |
|---|------------------|-------------------|-------------------|--------------------|------------------|-----------------|-------------------------|---------------|
| | Up to 1 month | > 1 – 3 months | > 3 – 6 months | > 6 – 12 months | > 1 – 5 years | Over 5 years | | |
| 31 December 2025 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-derivative financial liabilities | | | | | | | | |
| Deposits and placements of banks and other financial institutions | 750 | - | - | - | - | - | - | 750 |
| Other liabilities | 79,738 | - | - | - | - | - | - | 79,738 |
| Lease liabilities | - | 84 | 84 | 167 | 380 | - | - | 715 |
| Amount due to subsidiaries and related companies | 3,099 | - | - | - | - | - | - | 3,099 |
| | 83,587 | 84 | 84 | 167 | 380 | - | - | 84,302 |

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

40 Financial Risk Management (Continued)

40.3 Liquidity risk (Continued)

40.3.2 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 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 | | | | | | | 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 | No-specific maturity RM'000 | |
| 31 December 2024 | | | | | | | | |
| Non-derivative financial liabilities | | | | | | | | |
| Deposits from customers | 4,803 | - | - | - | - | - | - | 4,803 |
| Other liabilities | 91,388 | - | - | - | - | - | - | 91,388 |
| Lease liabilities | - | 61 | 55 | 108 | 77 | - | - | 301 |
| Amount due to subsidiaries and related companies | 11,158 | - | - | - | - | - | - | 11,158 |
| | 107,349 | 61 | 55 | 108 | 77 | - | - | 107,650 |

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

40 Financial Risk Management (Continued)

40.4 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.

40.4.1 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.

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.

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

40 Financial Risk Management (Continued)

40.4 Fair value estimation (Continued)

40.4.1 Determination of fair value and fair value hierarchy (Continued)

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

Valuation model review and approval

- Fair valuation of financial instruments is determined either through Mark-to-Market or Mark-to-Model methodology, as appropriate;
- Market Risk Management is mandated to perform Mark-to-Market, Mark-to-Model and rate reasonableness verification. Market price and/or rate sources for Mark-to-Market are validated by Market Risk Management as part and parcel of market data reasonableness verification;
- Valuation methodologies for the purpose of determining Mark-to-Model prices will be verified by Group Risk Management Quantitative analysts before submitting to 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)

40 Financial Risk Management (Continued)

40.4 Fair value estimation (Continued)

40.4.1 Determination of fair value and fair value hierarchy (Continued)

The following table represents financial assets measured at fair value and classified by level with the following fair value hierarchy:

| | The Group Fair Value | | | | The Bank Fair Value | | | |
|--|-------------------------|-------------------|-------------------|------------------------------|------------------------|-------------------|-------------------|------------------------------|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Carrying amount RM'000 | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Carrying amount RM'000 |
| 31 December 2025 | | | | | | | | |
| <i>Recurring fair value measurement</i> | | | | | | | | |
| <u>Financial assets</u> | | | | | | | | |
| Debt instruments at fair value through other comprehensive income | | | | | | | | |
| - Money market instruments | - | 51,939 | - | 51,939 | - | 51,939 | - | 51,939 |
| - Unquoted securities | - | 123,511 | - | 123,511 | - | 123,511 | - | 123,511 |
| Equity instruments at fair value through other comprehensive income | | | | | | | | |
| - Unquoted securities | - | - | 1,557 | 1,557 | - | - | - | - |
| Total | - | 175,450 | 1,557 | 177,007 | - | 175,450 | - | 175,450 |

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

40 Financial Risk Management (Continued)

40.4 Fair value estimation (Continued)

40.4.1 Determination of fair value and fair value hierarchy (Continued)

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

| | The Group Fair Value | | | | The Bank Fair Value | | | |
|--|-------------------------|-------------------|-------------------|------------------------------|------------------------|-------------------|-------------------|------------------------------|
| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Carrying amount RM'000 | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Carrying amount RM'000 |
| 31 December 2024 | | | | | | | | |
| <i>Recurring fair value measurement</i> | | | | | | | | |
| <u>Financial assets</u> | | | | | | | | |
| Debt instruments at fair value through other comprehensive income | | | | | | | | |
| - Money market instruments | - | 20,322 | - | 20,322 | - | 20,322 | - | 20,322 |
| - Unquoted securities | - | 160,580 | - | 160,580 | - | 160,580 | - | 160,580 |
| Equity instruments at fair value through other comprehensive income | | | | | | | | |
| - Unquoted securities | - | - | 1,099 | 1,099 | - | - | - | - |
| Total | - | 180,902 | 1,099 | 182,001 | - | 180,902 | - | 180,902 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.4 Fair value estimation (Continued)****40.4.1 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.

| | The Group Financial Investments - Equity instruments at fair value through other comprehensive income | Total |
|---|--|---------------|
| | RM'000 | RM'000 |
| 2025 | | |
| At 1 January | 1,099 | 1,099 |
| Total gain recognised in Other Comprehensive Income | 458 | 458 |
| At 31 December | <u>1,557</u> | <u>1,557</u> |
| | | |
| Total gain recognised in Other Comprehensive Income for the financial year ended 31 December 2025 under "fair value reserves" | <u>458</u> | <u>458</u> |

| | The Group Financial Investments - Equity instruments at fair value through other comprehensive income | Total |
|---|--|---------------|
| | RM'000 | RM'000 |
| 2024 | | |
| At 1 January | 824 | 824 |
| Total gain recognised in Other Comprehensive Income | 275 | 275 |
| At 31 December | <u>1,099</u> | <u>1,099</u> |
| | | |
| Total gain recognised in Other Comprehensive Income for the financial year ended 31 December 2024 under "fair value reserves" | <u>275</u> | <u>275</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****40 Financial Risk Management (Continued)****40.4 Fair value estimation (Continued)****40.4.2 Fair value of financial assets and liabilities measured at amortised cost**

The following tables analyse within the fair value hierarchy the Group and 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:

| | The Group and The Bank | | | Total |
|------------------------------------|------------------------|-------------------|-------------------|----------------|
| | Carrying value | Fair Value | | |
| 31 December 2025 | RM'000 | Level 1 RM'000 | Level 2 RM'000 | RM'000 |
| Financial assets | | | | |
| Debt instruments at amortised cost | 122,117 | - | 125,421 | 125,421 |
| Total | 122,117 | - | 125,421 | 125,421 |

| | The Group and The Bank | | | Total |
|------------------------------------|------------------------|-------------------|-------------------|----------------|
| | Carrying value | Fair Value | | |
| 31 December 2024 | RM'000 | Level 1 RM'000 | Level 2 RM'000 | RM'000 |
| Financial assets | | | | |
| Debt instruments at amortised cost | 122,283 | - | 123,425 | 123,425 |
| Total | 122,283 | - | 123,425 | 123,425 |

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

40 Financial Risk Management (Continued)

40.4 Fair value estimation (Continued)

40.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)

The fair values are based on the following methodologies and assumptions:

Short-term funds and placements with financial institutions and reverse repurchase agreements

For short-term funds, placements with financial institutions and reverse repurchase agreements 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 expected credit losses at the statement of financial position date.

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

40 Financial Risk Management (Continued)

40.4 Fair value estimation (Continued)

40.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)

The fair values are based on the following methodologies and assumptions (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 callable 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.

Other liabilities

The fair value of liabilities approximates the carrying value at the statement of financial position date.

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.

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

40 Financial Risk Management (Continued)

40.4 Fair value estimation (Continued)

40.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

The Group 31 December 2025

| Description | Fair value assets (RM'000) | Valuation technique(s) | Unobservable input | Range of unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|----------------------------|------------------------|--------------------|------------------------------|---|
| Equity instruments at fair value through other comprehensive income | 1,557 | Net tangible asset | Net tangible asset | Not applicable | Higher net tangible assets results in higher fair value |

31 December 2024

| Description | Fair value assets (RM'000) | Valuation technique(s) | Unobservable input | Range of unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|----------------------------|------------------------|--------------------|------------------------------|---|
| Equity instruments at fair value through other comprehensive income | 1,099 | Net tangible asset | Net tangible asset | Not applicable | Higher net tangible assets results in higher fair value |

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

40 Financial Risk Management (Continued)

40.4 Fair value estimation (Continued)

40.4.3 Quantitative information about fair value measurements using significant unobservable inputs (Level 3) (Continued)

The Bank 31 December 2025

| Description | Fair value assets (RM'000) | Valuation technique(s) | Unobservable input | Range of unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|----------------------------|------------------------|--------------------|------------------------------|---|
| Equity instruments at fair value through other comprehensive income | - | Net tangible asset | Net tangible asset | Not applicable | Higher net tangible assets results in higher fair value |

31 December 2024

| Description | Fair value assets (RM'000) | Valuation technique(s) | Unobservable input | Range of unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|----------------------------|------------------------|--------------------|------------------------------|---|
| Equity instruments at fair value through other comprehensive income | - | Net tangible asset | Net tangible asset | Not applicable | Higher net tangible assets results in higher fair value |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking****Statements of Financial Position as at 31 December 2025**

| | The Group and the Bank | |
|--|-------------------------------|-----------------------------|
| | 31 December 2025 | 31 December 2024 |
| Note | RM'000 | RM'000 |
| Assets | | |
| Cash and short-term funds | (a) 104,195 | 89,460 |
| Other assets | (b) 14,923 | 8,068 |
| Amount due from related companies | (c) 97 | 152 |
| Deferred tax assets | (d) 517 | 228 |
| Total assets | 119,732 | 97,908 |
| Liabilities | | |
| Amount due to related companies | (c) 3,588 | 773 |
| Other liabilities | (e) 2,242 | 889 |
| Total liabilities | 5,830 | 1,662 |
| Islamic Banking capital funds | 55,000 | 55,000 |
| Reserves | 58,902 | 41,246 |
| | 113,902 | 96,246 |
| Total liabilities and Islamic Banking capital funds | 119,732 | 97,908 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)****Statements of Income and Comprehensive Income for the financial year ended 31 December 2025**

| | Note | The Group and the Bank | |
|--|------|------------------------|---------------|
| | | 2025 | 2024 |
| | | RM'000 | RM'000 |
| Income derived from investment of shareholders' funds | (f) | 68,195 | 40,144 |
| Expected credit losses written back/(made) on trade receivables | | 4 | (52) |
| Total attributable income | | 68,199 | 40,092 |
| Income attributable to the depositors and others | (g) | (10) | - |
| Other overheads and expenditures | (h) | (19,815) | (11,085) |
| Profit before taxation | | 48,374 | 29,007 |
| Taxation | (i) | (11,718) | (7,016) |
| Profit after taxation/total comprehensive income for the financial year | | 36,656 | 21,991 |
| Total net income | | 68,189 | 40,092 |
| Add : Expected credit losses (made)/written back on trade receivables | | (4) | 52 |
| Income from Islamic Banking operations | | 68,185 | 40,144 |

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

41 The operations of Islamic Banking (Continued)

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

| | Islamic Banking capital fund RM'000 | Retained earnings RM'000 | Total RM'000 |
|--|--|--------------------------------|-----------------|
| The Group and the Bank | | | |
| At 1 January 2025 | 55,000 | 41,246 | 96,246 |
| Profit and total comprehensive income | - | 36,656 | 36,656 |
| Interim dividend paid in respect of the financial year ended 31 December 2024 | - | (19,000) | (19,000) |
| At 31 December 2025 | 55,000 | 58,902 | 113,902 |
| | | | |
| At 1 January 2024 | 55,000 | 44,505 | 99,505 |
| Profit and total comprehensive income | - | 21,991 | 21,991 |
| Interim dividend paid in respect of the financial year ended 31 December 2023 | - | (25,250) | (25,250) |
| At 31 December 2024 | 55,000 | 41,246 | 96,246 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)****Statements of Cash Flows for the financial year ended 31 December 2025**

| | Note | The Group and the Bank | |
|---|------|------------------------|----------------|
| | | 2025 RM'000 | 2024 RM'000 |
| Operating activities | | | |
| Profit before taxation from : | | 48,374 | 29,007 |
| Add/(less) adjustments: | | | |
| Unrealised loss/(gain) on foreign exchange | | 1 | (7) |
| Expected credit losses (written back)/made on other receivables | | (4) | 52 |
| Cash flow from operating profit before changes in operating assets and liabilities | | 48,371 | 29,052 |
| (Increase)/decrease in operating assets | | | |
| Other assets | | (6,852) | (1,311) |
| Amount due from related companies | | 55 | 28 |
| Increase/(decrease) in operating liabilities | | | |
| Other liabilities | | (10,654) | (6,987) |
| Amount due to related companies | | 2,815 | (645) |
| Net cash generated from operating activities | | 33,735 | 20,137 |
| Financing activities | | | |
| Dividends paid | | (19,000) | (25,250) |
| Net cash used in financing activities | | (19,000) | (25,250) |
| Net increase/(decrease) in cash and cash equivalents during the financial year | | 14,735 | (5,113) |
| Cash and cash equivalents at beginning of the financial year | | 89,460 | 94,573 |
| Cash and cash equivalents at end of the financial year | (a) | 104,195 | 89,460 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)****(d) 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 statement of financial position, after offsetting:

| | The Group and the Bank | |
|---------------------|-------------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 |
| | RM'000 | RM'000 |
| Deferred tax assets | 517 | 228 |

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

| | The Group and the Bank | |
|-----------------------------|-------------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 |
| | RM'000 | RM'000 |
| Deferred tax assets | | |
| Expected credit losses | 28 | 29 |
| Other temporary differences | 376 | 199 |
| Provision for expenses | 113 | - |
| | 517 | 228 |

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

| | Notes | Other | | | Total |
|---|-------|-----------------------------------|----------------------------------|-----------------------------------|---------------|
| | | Expected credit losses | temporary differences | Provision for expenses | |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| The Group and the Bank | | | | | |
| <u>Deferred tax assets</u> | | | | | |
| At 1 January 2025 | | 29 | 199 | - | 228 |
| Charged/credited to statement of income | (i) | (1) | 177 | 113 | 289 |
| At 31 December 2025 | | 28 | 376 | 113 | 517 |

| | | Other | | | Total |
|---|-----|-----------------------------------|----------------------------------|-----------------------------------|---------------|
| | | Expected credit losses | temporary differences | Provision for expenses | |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| The Group and the Bank | | | | | |
| <u>Deferred tax assets</u> | | | | | |
| At 1 January 2024 | | 25 | 204 | - | 229 |
| Charged/credited to statement of income | (i) | 4 | (5) | - | (1) |
| At 31 December 2024 | | 29 | 199 | - | 228 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)**

| | | The Group and the Bank | |
|--------------|--|-------------------------------|--------------------|
| | | 31 December | 31 December |
| | | 2025 | 2024 |
| | | RM'000 | RM'000 |
| (e) | Other liabilities | | |
| | Sundry Creditors | 192 | 62 |
| | Other liabilities | 2,050 | 827 |
| | | <u>2,242</u> | <u>889</u> |
| | | The Group and the Bank | |
| | | 2025 | 2024 |
| | | RM'000 | RM'000 |
| (f) | Income derived from investment of shareholders' funds | | |
| | Finance income and hibah: | | |
| | Money at call and deposit and placements with financial institutions | 2,569 | 2,598 |
| (i) | Fee and commission income | | |
| | Advisory and arrangement fees | 40,051 | 3,980 |
| | Placement, book running and related fees | 37,690 | 14,735 |
| | Service charges and fees | 720 | 7,500 |
| | Others | 25,905 | 14,370 |
| | | 104,366 | 40,585 |
| (ii) | Fee and commission expense | | |
| | Fee and commission expense and other direct expenses | (38,773) | (3,171) |
| | Net fee and commission income | <u>65,593</u> | <u>37,414</u> |
| (iii) | Other non-interest income | | |
| | Foreign exchange (loss)/gain | (1) | 6 |
| | Others | 34 | 126 |
| | | 33 | 132 |
| | Total non-interest income | <u>68,195</u> | <u>40,144</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)**

| | The Group and the Bank | |
|---|-------------------------------|---------------|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| (i) Taxation | | |
| (i) Tax expense for the financial year | | |
| Current year tax | | |
| - Malaysian income tax | 12,007 | 7,015 |
| Deferred tax (Note d) | (289) | 1 |
| | 11,718 | 7,016 |

(ii) Numerical reconciliation of income tax expense

The explanation on the relationship between tax expense and profit before taxation is as follows:

| | The Group and the Bank | |
|--|-------------------------------|---------------|
| | 2025 | 2024 |
| | RM'000 | RM'000 |
| Profit before taxation | 48,374 | 29,007 |
| Tax calculated at tax rate of 24% (2024:24%) | 11,610 | 6,962 |
| Expenses not deductible for tax purposes | 108 | 54 |
| Tax expense | 11,718 | 7,016 |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)****(j) Related party transactions and balances****(i) Related parties and relationships**

The related parties of, and their relationship with the Bank, is disclosed in Note 32(a).

(ii) Significant related party transactions and balances (Continued)

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. Interest rates on fixed and short-term deposits were at normal commercial rates.

| 31 December 2025 | Ultimate holding company RM'000 | Other related companies RM'000 | |
|--|---------------------------------------|--------------------------------------|--------------------------------------|
| The Group | | | |
| Income: | | | |
| Fee income | 61 | 31,054 | |
| Dividend income | - | 2,271 | |
| Non operating income | 1 | 3 | |
| Fee and commission expense and other direct expenses | - | (33,566) | |
| | <u>62</u> | <u>(238)</u> | |
| Expenses: | | | |
| Interest expense | - | 10 | |
| Dividend paid | - | 19,000 | |
| | <u>-</u> | <u>19,010</u> | |
| | | | |
| | Ultimate holding company RM'000 | Subsidiary companies RM'000 | Other related companies RM'000 |
| The Bank | | | |
| Income: | | | |
| Fee income | 61 | 6,774 | 31,054 |
| Dividend income | - | - | 2,271 |
| Non operating income | 1 | - | 3 |
| Fee and commission expense and other direct expenses | - | - | (33,566) |
| | <u>62</u> | <u>6,774</u> | <u>(238)</u> |
| Expenses: | | | |
| Interest expense | - | - | 10 |
| Dividend paid | - | - | 19,000 |
| | <u>-</u> | <u>-</u> | <u>19,010</u> |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)****(j) Related party transactions and balances****(ii) Significant related party transactions and balances (Continued)**

In addition to related party disclosures mentioned elsewhere in the Financial Statements, set out below are other significant related party transactions. Interest rates on fixed and short-term deposits were at normal commercial rates.

| 31 December 2024 | Ultimate holding company RM'000 | Other related companies RM'000 | |
|--|---|---|--------------------------------------|
| The Group | | | |
| Income: | | | |
| Fee income | 60 | 22,628 | |
| Dividend income | - | 2,217 | |
| Fee and commission expense and other direct expenses | - | (3,171) | |
| | <u>60</u> | <u>21,674</u> | |
| Expenses: | | | |
| Dividend paid | - | 25,250 | |
| | <u>-</u> | <u>25,250</u> | |
| | Ultimate holding company RM'000 | Subsidiary companies RM'000 | Other related companies RM'000 |
| The Bank | | | |
| Income: | | | |
| Fee income | 60 | 4,425 | 22,628 |
| Dividend income | - | - | 2,217 |
| Fee and commission expense and other direct expenses | - | - | (3,171) |
| | <u>60</u> | <u>4,425</u> | <u>21,674</u> |
| Expenses: | | | |
| Dividend paid | - | - | 25,250 |
| | <u>-</u> | <u>-</u> | <u>25,250</u> |
| | 31 December 2025 | 31 December 2024 | |
| The Group and the Bank | Other related companies RM'000 | Other related companies RM'000 | |
| Amount due from: | | | |
| Cash and short-term funds | <u>94,177</u> | <u>79,446</u> | |

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****41 The operations of Islamic Banking (Continued)****(k) Capital adequacy ratio**

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

| | The Group and the Bank | |
|---|-------------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 |
| Before deducting proposed dividend | | |
| CET 1 Ratio | 90.499% | 97.025% |
| Tier 1 ratio | 90.499% | 97.025% |
| Total capital ratio | 90.499% | 97.025% |
| After deducting proposed dividend | | |
| CET 1 Ratio | 61.287% | 77.826% |
| Tier 1 ratio | 61.287% | 77.826% |
| Total capital ratio | 61.287% | 77.826% |

(b) ("RWA") by each major risk category is as follows:

| | The Group and the Bank | |
|------------------|-------------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 |
| | RM'000 | RM'000 |
| Credit risk | 23,711 | 19,547 |
| Operational risk | 101,577 | 79,415 |
| Total RWAs | 125,288 | 98,962 |

(c) Components of CET 1 and Tier 2 capitals are as follows :

| | The Group and the Bank | |
|---|-------------------------------|---------------------|
| | 31 December 2025 | 31 December 2024 |
| | RM'000 | RM'000 |
| <u>Tier 1 capital</u> | | |
| Islamic Banking capital funds | 55,000 | 55,000 |
| Other reserves | 58,902 | 41,246 |
| Less : Proposed dividends | (36,600) | (19,000) |
| CET 1 capital before regulatory adjustments | 77,302 | 77,246 |
| <u>Less: Regulatory adjustments</u> | | |
| Deferred tax assets | (517) | (228) |
| CET 1 capital / Total Tier 1 capital | 76,785 | 77,018 |
| Total capital base | 76,785 | 77,018 |

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

42 Directors of subsidiaries of the Bank

The following is the list of Directors who served on the Boards of the subsidiaries of the Group since the beginning of the current financial year to the date of the Directors' report:

| Names of Subsidiaries | Names of Directors |
|---|---|
| CIMB EOP Management Sdn Bhd | 1. Tan Sri Mohd Nasir Ahmad 2. Gurdip Singh Sidhu Gurbachan Singh |
| CIMB Holdings Sdn Bhd | 1. Khairulanwar Rifaie 2. Datin Rossaya Mohd Nashir |
| CIMSEC Nominees (Asing) Sdn Bhd | 1. Rosmawarni Abdul Samad 2. Tok Puan Datin Ezreen Eliza Zulkiplee |
| CIMSEC Nominees (Tempatan) Sdn Bhd | 1. Rosmawarni Abdul Samad 2. Tok Puan Datin Ezreen Eliza Zulkiplee |
| CIMB Securities Sdn Bhd | 1. Stephen John Watson Hagger 2. Julia Hashim 3. Ruzi Rani Ajith 4. Tan Ting Min 5. Nor Masliza Sulaiman (appointed on 24 January 2025) |
| CIMB Securities Nominees (Tempatan) Sdn Bhd | 1. Ruzi Rani Ajith 2. Liew Kuo Aun (resigned on 4 September 2025) 3. Mustafa Shafiq Razalli (appointed on 4 September 2025) |
| CIMB Securities Nominees (Asing) Sdn Bhd | 1. Ruzi Rani Ajith 2. Liew Kuo Aun (resigned on 4 September 2025) 3. Mustafa Shafiq Razalli (appointed on 4 September 2025) |

43 Client trust accounts

As at 31 December 2025, cash held in trust for clients by the Group and the Bank amounted to RM11,927,821,072 and RM11,926,983,920 respectively (31 December 2024: RM13,936,591,382 and RM13,935,593,433 respectively). These amounts are not recognised in the Financial Statements as the Group and the Bank held them in a fiduciary capacity.

44 Authorisation for issue of Financial Statements

The Financial Statements have been authorised for issue in accordance with a resolution of the Board of Directors on 13 March 2026.