

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	The Group		The Bank	
		30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
ASSETS					
Cash and short term funds	A6	12,279,328	12,294,211	12,279,283	12,294,165
Deposits and placements with banks and other financial institutions	A6	66,167	179,331	66,167	179,331
Financial investments at fair value through profit or loss	A7	3,057,284	5,222,390	3,057,284	5,222,390
Debt instruments at fair value through other comprehensive income	A8	5,032,330	5,065,382	5,032,330	5,065,382
Debt instruments at amortised cost	A9	8,609,481	8,852,502	8,609,481	8,852,502
Islamic derivative financial instruments	A28(i)	408,947	241,287	408,947	241,287
Financing, advances and other financing/loans	A10	97,587,061	90,609,415	97,587,061	90,609,415
Other assets	A11	879,171	323,341	879,171	323,341
Deferred taxation		229,635	173,233	229,635	173,233
Amount due from holding company and ultimate holding company		614,622	283,487	614,622	283,487
Amount due from related companies		154	320	154	320
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		842	1,010	842	1,010
Right-of-use assets		1,289	1,613	1,289	1,613
Intangible assets		1,169	19,473	1,169	19,473
Goodwill		136,000	136,000	136,000	136,000
TOTAL ASSETS		128,903,480	123,402,995	128,903,446	123,402,960
LIABILITIES AND EQUITY					
Deposits from customers	A12	95,827,427	96,001,736	95,827,427	96,001,736
Investment accounts of customers	A13	12,060,415	10,427,167	12,060,415	10,427,167
Deposits and placements of banks and other financial institutions	A14	3,603,413	2,309,269	3,603,413	2,309,269
Collateralised Commodity Murabahah		1,115,659	328,821	1,115,659	328,821
Investment accounts due to designated financial institutions	A15	3,652,002	3,919,753	3,652,002	3,919,753
Financial liabilities designated at fair value through profit or loss	A16	2,388,068	799,686	2,388,068	799,686
Islamic derivative financial instruments	A28(i)	564,254	271,954	564,254	271,954
Amount due to subsidiaries		-	-	1	-
Amount due to related companies		668	455	668	455
Other liabilities	A17	424,119	396,506	424,119	396,506
Lease liabilities		1,478	1,775	1,478	1,775
Provision for taxation		126,404	51,387	126,404	51,387
Subordinated Sukuk	A18	1,108,171	1,108,045	1,108,171	1,108,045
TOTAL LIABILITIES		120,872,078	115,616,554	120,872,079	115,616,554
EQUITY					
Capital and reserves attributable to equity holder of the Bank					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		6,681,402	6,366,441	6,681,367	6,366,406
Perpetual preference shares		350,000	420,000	350,000	420,000
TOTAL EQUITY		8,031,402	7,786,441	8,031,367	7,786,406
TOTAL EQUITY AND LIABILITIES		128,903,480	123,402,995	128,903,446	123,402,960
RESTRICTED AGENCY INVESTMENT ACCOUNT (*)	A30	12,753,129	12,748,755	12,753,129	12,748,755
TOTAL ISLAMIC BANKING ASSET		141,656,609	136,151,750	141,656,575	136,151,715
COMMITMENTS AND CONTINGENCIES	A28(ii)	51,635,957	45,338,343	51,635,957	45,338,343
Net assets per ordinary share attributable to owners of the Parent (RM)		7.68	7.37	7.68	7.37

* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institutions.
The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2022

	Note	The Group			
		2nd Quarter Ended		Six Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Income derived from investment of depositors' funds and others	A19	799,224	933,864	1,660,889	1,835,355
Income derived from investment of investment account	A20	181,214	78,716	351,484	145,747
Income derived from investment of shareholder's funds	A21	245,787	127,358	395,886	299,811
Modification loss	A22	(136)	-	(2,843)	-
Expected credit losses on financing, advances and other financing/loans	A23(a)	(170,506)	(106,997)	(173,053)	(181,742)
Expected credit losses (made)/written back for commitments and contingencies		(45)	(15,521)	31,094	(19,013)
Other expected credit losses	A23(b)	(21,513)	(3,564)	(19,227)	(3,808)
Total distributable income		1,034,025	1,013,856	2,244,230	2,076,350
Income attributable to depositors and others	A24	(430,648)	(418,431)	(826,258)	(858,116)
Profit distributed to investment account holder	A25	(89,230)	(44,542)	(172,020)	(79,580)
Total net income		514,147	550,883	1,245,952	1,138,654
Personnel expenses	A26	(6,506)	(3,293)	(15,924)	(9,640)
Other overheads and expenditures	A27	(252,659)	(293,542)	(564,761)	(555,872)
Profit before taxation and zakat		254,982	254,048	665,267	573,142
Taxation		(101,423)	(61,436)	(228,683)	(138,402)
Profit for the financial period		153,559	192,612	436,584	434,740

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2022

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	153,559	192,612	436,584	434,740
Other comprehensive income/(expense):				
Items that will not reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(3)	-	(6)	-
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(77,266)	28,591	(122,070)	(81,676)
- Net (loss)/gain from change in fair value	(116,103)	42,141	(173,741)	(75,954)
- Realised loss/(gain) transferred to statement of income on disposal	14,649	(8,995)	15,644	(36,391)
- Changes in expected credit losses	(161)	3,400	(1,916)	3,706
- Income tax effects	24,349	(7,955)	37,943	26,963
Other comprehensive income for the period, net of tax	(77,269)	28,591	(122,076)	(81,676)
Total comprehensive income for the financial period	76,290	221,203	314,508	353,064
Earnings per share (sen)	B3	15.36	19.26	43.66

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

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2022

	Note	The Bank			
		2nd Quarter Ended		Six Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Income derived from investment of depositors' funds and others	A19	799,224	933,864	1,660,889	1,835,355
Income derived from investment of investment account	A20	181,214	78,716	351,484	145,747
Income derived from investment of shareholder's funds	A21	245,787	127,599	395,886	300,310
Modification loss	A22	(136)	-	(2,843)	-
Expected credit losses on financing, advances and other financing/loans	A23(a)	(170,506)	(106,997)	(173,053)	(181,742)
Expected credit losses (made)/written back for commitments and contingencies		(45)	(15,521)	31,094	(19,013)
Other expected credit losses	A23(b)	(21,513)	(3,564)	(19,227)	(3,808)
Total distributable income		1,034,025	1,014,097	2,244,230	2,076,849
Income attributable to depositors and others	A24	(430,648)	(419,212)	(826,258)	(858,572)
Profit distributed to investment account holder	A25	(89,230)	(44,542)	(172,020)	(79,580)
Total net income		514,147	550,343	1,245,952	1,138,697
Personnel costs	A26	(6,506)	(3,293)	(15,924)	(9,640)
Other overheads and expenditures	A27	(252,659)	(293,519)	(564,761)	(555,823)
Profit before taxation and zakat		254,982	253,531	665,267	573,234
Taxation		(101,423)	(61,436)	(228,683)	(138,402)
Profit for the financial period		153,559	192,095	436,584	434,832

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2022

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	153,559	192,095	436,584	434,832
Other comprehensive income/(expense):				
Items that will not reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(3)	-	(6)	-
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(77,266)	28,591	(122,070)	(81,676)
- Net (loss)/gain from change in fair value	(116,103)	42,141	(173,741)	(75,954)
- Realised loss/(gain) transferred to statement of income on disposal	14,649	(8,995)	15,644	(36,391)
- Changes in expected credit losses	(161)	3,400	(1,916)	3,706
- Income tax effects	24,349	(7,955)	37,943	26,963
Other comprehensive income for the period, net of tax	(77,269)	28,591	(122,076)	(81,676)
Total comprehensive income for the financial period	76,290	220,686	314,508	353,156
Earnings per share basis (sen)	B3 15.36	19.21	43.66	43.48

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

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

← Attributable to owners of the Parent →

The Group	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
At 1 January 2022	1,000,000	(87,101)	(2,457)	458	-	(4)	587	944	6,454,014	7,366,441	420,000	7,786,441
Profit for the financial period	-	-	-	-	-	-	-	-	436,584	436,584	-	436,584
Other comprehensive expense (net of tax)	-	(122,070)	-	-	-	(6)	-	-	-	(122,076)	-	(122,076)
- debt instruments at fair value through other comprehensive income	-	(122,070)	-	-	-	-	-	-	-	(122,070)	-	(122,070)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(6)	-	-	-	(6)	-	(6)
Total comprehensive income for the financial period	-	(122,070)	-	-	-	(6)	-	-	436,584	314,508	-	314,508
Redemption of shares	-	-	-	-	-	-	-	-	-	-	(70,000)	(70,000)
Share-based payment expense	-	-	-	-	-	-	129	734	-	863	-	863
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(410)	-	-	(410)	-	(410)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(281)	734	-	453	(70,000)	(69,547)
Transfer to regulatory reserve	-	-	-	-	619	-	-	-	(619)	-	-	-
At 30 June 2022	1,000,000	(209,171)	(2,457)	458	619	(10)	306	1,678	6,889,979	7,681,402	350,000	8,031,402

*The regulatory reserve is maintained by the Bank to meet the local regulatory requirement.

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

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

← Attributable to owners of the Parent →

The Group	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
At 1 January 2021	1,000,000	31,312	(2,457)	458	213,032	1,225	-	5,369,202	6,612,772	420,000	7,032,772
Profit for the financial period	-	-	-	-	-	-	-	434,740	434,740	-	434,740
Other comprehensive income (net of tax)	-	(81,676)	-	-	-	-	-	-	(81,676)	-	(81,676)
- debt instruments at fair value through other comprehensive income	-	(81,676)	-	-	-	-	-	-	(81,676)	-	(81,676)
Total comprehensive income for the financial period	-	(81,676)	-	-	-	-	-	434,740	353,064	-	353,064
Share-based payment expense	-	-	-	-	-	427	145	-	572	-	572
Shares released under Equity Ownership Plan	-	-	-	-	-	(857)	-	-	(857)	-	(857)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(430)	145	-	(285)	-	(285)
Transfer to regulatory reserve	-	-	-	-	(205,382)	-	-	205,382	-	-	-
At 30 June 2021	1,000,000	(50,364)	(2,457)	458	7,650	795	145	6,009,324	6,965,551	420,000	7,385,551

*The regulatory reserve is maintained by the Bank to meet the local regulatory requirement.

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

CIMB ISLAMIC BANK BERHAD
 Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	← Non-distributable →						Distributable					
	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
The Bank												
30 June 2022												
At 1 January 2022	1,000,000	(87,101)	(2,457)	458	-	(4)	587	944	6,453,979	7,366,406	420,000	7,786,406
Profit for the financial period	-	-	-	-	-	-	-	-	436,584	436,584	-	436,584
Other comprehensive expense (net of tax)	-	(122,070)	-	-	-	(6)	-	-	-	(122,076)	-	(122,076)
- debt instruments at fair value through other comprehensive income	-	(122,070)	-	-	-	-	-	-	-	(122,070)	-	(122,070)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(6)	-	-	-	(6)	-	(6)
Total comprehensive income for the financial period	-	(122,070)	-	-	-	(6)	-	-	436,584	314,508	-	314,508
Redemption of shares	-	-	-	-	-	-	-	-	-	-	(70,000)	(70,000)
Share-based payment expense	-	-	-	-	-	-	129	734	-	863	-	863
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(410)	-	-	(410)	-	(410)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(281)	734	-	453	(70,000)	(69,547)
Transfer to regulatory reserve	-	-	-	-	619	-	-	-	(619)	-	-	-
At 30 June 2022	1,000,000	(209,171)	(2,457)	458	619	(10)	306	1,678	6,889,944	7,681,367	350,000	8,031,367

*The regulatory reserve is maintained by the Bank to meet the local regulatory requirement.

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

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

← Non-distributable → Distributable

The Bank	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
30 June 2021											
At 1 January 2021	1,000,000	31,312	(2,457)	458	213,032	1,225	-	5,370,464	6,614,034	420,000	7,034,034
Profit for the financial period	-	-	-	-	-	-	-	434,832	434,832	-	434,832
Other comprehensive income (net of tax)	-	(81,676)	-	-	-	-	-	-	(81,676)	-	(81,676)
- debt instruments at fair value through other comprehensive income	-	(81,676)	-	-	-	-	-	-	(81,676)	-	(81,676)
Total comprehensive income for the period	-	(81,676)	-	-	-	-	-	434,832	353,156	-	353,156
Share-based payment expense	-	-	-	-	-	427	145	-	572	-	572
Shares released under Equity Ownership Plan	-	-	-	-	-	(857)	-	-	(857)	-	(857)
Total transactions with owners recognised directly in equity	-	-	-	-	-	(430)	145	-	(285)	-	(285)
Transfer to regulatory reserve	-	-	-	-	(205,382)	-	-	205,382	-	-	-
At 30 June 2021	1,000,000	(50,364)	(2,457)	458	7,650	795	145	6,010,678	6,966,905	420,000	7,386,905

*The regulatory reserve is maintained by the Bank to meet the local regulatory requirement.

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

CIMB ISLAMIC BANK BERHAD
Company No: 200401032872
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	The Group		The Bank	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Profit before taxation and zakat	665,267	573,142	665,267	573,234
Adjustments for non-cash items	<u>(162,952)</u>	<u>(155,905)</u>	<u>(162,952)</u>	<u>(158,819)</u>
Operating profit before changes in working capital	502,315	417,237	502,315	414,415
Net changes in operating assets	<u>(5,771,857)</u>	<u>(978,676)</u>	<u>(5,771,857)</u>	<u>(1,017,616)</u>
Net changes in operating liabilities	<u>5,209,702</u>	<u>2,061,237</u>	<u>5,209,703</u>	<u>2,064,041</u>
Taxation paid	<u>(172,125)</u>	<u>(161,311)</u>	<u>(172,125)</u>	<u>(161,311)</u>
Net cash (used in)/generated from operating activities	(231,965)	1,338,487	(231,964)	1,299,529
Cash flows from investing activities				
Profit income received from financial investments	<u>135,524</u>	<u>238,917</u>	<u>135,524</u>	<u>238,917</u>
Net purchase of financial investments	<u>206,942</u>	<u>(1,231,897)</u>	<u>206,942</u>	<u>(1,231,897)</u>
Net purchase of property, plant and equipment	<u>(40)</u>	<u>(43)</u>	<u>(40)</u>	<u>(43)</u>
Net purchase of intangible assets	<u>(748)</u>	<u>(221)</u>	<u>(748)</u>	<u>(221)</u>
Net cash flows generated/(used in) from investing activities	<u>341,678</u>	<u>(993,244)</u>	<u>341,678</u>	<u>(993,244)</u>
Cash flows from financing activities				
Profit expense paid on Sukuk	<u>-</u>	<u>(74,958)</u>	<u>-</u>	<u>-</u>
Profit expense paid on subordinated Sukuk	<u>(21,743)</u>	<u>(22,134)</u>	<u>(21,743)</u>	<u>(22,134)</u>
Redemption of preference shares	<u>(70,000)</u>	<u>-</u>	<u>(70,000)</u>	<u>-</u>
Redemption of Sukuk	<u>-</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
Other financing activities	<u>(62)</u>	<u>(1,496)</u>	<u>(62)</u>	<u>(1,496)</u>
Net cash flows used in from financing activities	<u>(91,805)</u>	<u>(62,588)</u>	<u>(91,805)</u>	<u>(23,630)</u>
Net increase in cash and cash equivalents	17,908	282,655	17,909	282,655
Cash and cash equivalents at beginning of the financial period	<u>12,327,587</u>	<u>12,627,512</u>	<u>12,327,541</u>	<u>12,627,466</u>
Cash and cash equivalents at end of the financial period	<u>12,345,495</u>	<u>12,910,167</u>	<u>12,345,450</u>	<u>12,910,121</u>
Cash and cash equivalents comprise :				
Cash and short-term funds	<u>12,279,328</u>	<u>12,769,897</u>	<u>12,279,283</u>	<u>12,769,851</u>
Deposits and placements with banks and other financial institutions	<u>66,167</u>	<u>140,270</u>	<u>66,167</u>	<u>140,270</u>
Cash and cash equivalents at end of the financial period	<u>12,345,495</u>	<u>12,910,167</u>	<u>12,345,450</u>	<u>12,910,121</u>

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

PART A - EXPLANATORY NOTES

A1 Basis of preparation

- a) The unaudited condensed interim financial statements for the financial period ended 30 June 2022 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, derivative financial instruments and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

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

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

- Amendment to MFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021”
- Amendments to MFRS 116 “Proceeds before intended use”
- Amendments to MFRS 3 “Reference to Conceptual Framework”
- Amendments to MFRS 137 “Onerous Contracts –Cost of Fulfilling a Contract”
- Annual improvements to MFRS 9 “Fees in the 10% test for derecognition of financial liabilities”
- Annual Improvements to MFRS 1 “Subsidiary as First-time Adopter”
- Annual Improvements to Illustrative Example accompanying MFRS 16 Leases: Lease Incentives

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

- b) While Covid-19 cases remain elevated, high vaccination rates have translated to an easing of concerns, reopening of economies and lifting of global travel restrictions. The trend of governments progressively tightening fiscal and monetary policies to rein in inflation, is expected to continue for the rest of 2022. Nevertheless, the continued recurrence of Covid-19 variants coupled with geopolitical tensions, rising inflation and the threat of a global recession are headwinds to the recovery momentum.

The Bank had supported customers impacted by the pandemic by providing targeted assistance programs. As most customers have since migrated out of these programs, various prevailing uncertainties will continue to be monitored and the Bank will remain cognisant of asset quality.

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

A2 Changes in estimates

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed other than those disclosed under the basis of preparation.

PART A - EXPLANATORY NOTES (CONTINUED)

A3 Issuance and repayment of debt and equity securities

On 14 January 2022, the Bank has redeemed RM70 million Basel II Additional Tier 1 Perpetual Preference Shares from CIMB Bank Berhad.

A4 Proposed dividend

There were no dividends paid or proposed for the financial period ended 30 June 2022.

A5 Significant events after the reporting period

There were no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 30 June 2022 and the date of this announcement.

A6 Cash and short-term funds and Deposits and placements with banks and other financial institutions

As at 30 June 2022, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RMNil (2021: both RMNil respectively). The 12-month expected credit losses made in the income statement during the financial period is amounting to RMNil (2021: RMNil).

A7 Financial assets at fair value through profit or loss

Money market instruments

Unquoted

In Malaysia

Malaysian Government treasury bills	335,295	62,959
Islamic negotiable instruments of deposits	1,348,560	2,444,411
Islamic commercial papers	297,515	1,299,801
Government Investment Issues	466,372	584,426
Islamic Cagamas bonds	223,632	104,948
	<u>2,671,374</u>	<u>4,496,545</u>

Unquoted securities

In Malaysia

Corporate Sukuk	385,910	703,546
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Outside Malaysia

Corporate Sukuk	-	22,299
	<u>3,057,284</u>	<u>5,222,390</u>

The Group and the Bank	
30 June	31 December
2022	2021
RM'000	RM'000

PART A - EXPLANATORY NOTES (CONTINUED)

A8 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	1,486,256	1,247,287
Islamic Cagamas bonds	20,050	5,119
Islamic commercial papers	4,933	-
	1,511,239	1,252,406
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	3,521,091	3,777,378
<u>Outside Malaysia</u>		
Corporate Sukuk	-	35,598
	5,032,330	5,065,382

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

The following expected credit losses is not recognised in the statement of financial position as the carrying amount of debt instruments at fair value through other comprehensive income is equivalent to their fair value.

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
The Group and the Bank				
At 1 January 2022	3,140	-	-	3,140
Total charge to Statement of Income:	(1,916)	-	-	(1,916)
New financial assets purchased	1,270	-	-	1,270
Financial assets that have been derecognised	(71)	-	-	(71)
Change in credit risk	(3,115)	-	-	(3,115)
At 30 June 2022	1,224	-	-	1,224

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
The Group and the Bank				
At 1 January 2021	1,914	-	-	1,914
Total charge to Statement of Income:	1,226	-	-	1,226
New financial assets purchased	16,892	-	-	16,892
Financial assets that have been derecognised	(1,137)	-	-	(1,137)
Change in credit risk	(14,529)	-	-	(14,529)
At 31 December 2021	3,140	-	-	3,140

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
A9 Debt instruments at amortised cost		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	3,280,006	3,323,269
Islamic Cagamas bonds	30,116	30,117
Malaysian Government Sukuk	101,341	101,341
Khazanah bonds	89,047	89,047
	3,500,510	3,543,774
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	5,110,492	5,315,624
Amortisation of premium net of accretion of discount	(1,099)	(6,216)
Less: Expected credit loss	(422)	(680)
	8,609,481	8,852,502

(a) Included in debt instruments at amortised cost is exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and third party amounting to RM498,556,000 (31 December 2021: RM 462,331,000).

Expected credit losses movement for debt instruments at amortised cost:

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
The Group and the Bank				
At 1 January 2022	680	-	-	680
Total charge to Statement of Income:	(258)	-	-	(258)
New financial assets purchased	871	-	-	871
Change in credit risk	(1,129)	-	-	(1,129)
At 30 June 2022	422	-	-	422

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
The Group and the Bank				
At 1 January 2021	184	-	-	184
Total charge to Statement of Income:	496	-	-	496
New financial assets purchased	1,002	-	-	1,002
Change in credit risk	(506)	-	-	(506)
At 31 December 2021	680	-	-	680

PART A - EXPLANATORY NOTES (CONTINUED)

A9 Debt instruments at amortised cost (continued)

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

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2022	462,399	462,399
Transfer within stages	-	-
Other movements	10,597	10,597
Foreign exchange differences	25,997	25,997
At 30 June 2022	498,993	498,993

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2021	-	-
Transfer within stages	465,530	465,530
Other movements	2,385	2,385
Foreign exchange differences	(5,516)	(5,516)
At 31 December 2021	462,399	462,399

PART A - EXPLANATORY NOTES (CONTINUED)

A10 (i) By type and Shariah contract

30 June 2022

	The Group and the Bank									Total RM'000
	Sale-based contracts				Lease-based contracts			Loan contract	Others	
	Murabahah RM'000	Bai' Bithaman Ajil RM'000	Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah Muntabiah Bi-al- Tamluk * RM'000	Al-Ijarah Thumma Al- Bai' # RM'000	Qard RM'000	Ujrah RM'000	
At amortised cost										
Cash line^	-	202	1,700	-	1,194,588	-	-	17,622	-	1,214,112
Term financing										
House Financing	-	4,266,483	-	-	30,584,642	1,111,403	-	-	-	35,962,528
Syndicated Financing	-	-	10,762	-	1,538,693	-	-	-	-	1,549,455
Hire purchase receivables	-	-	-	-	-	-	14,196,928	-	-	14,196,928
Other term financing	-	961,377	1,488,785	-	36,207,566	38,139	-	-	-	38,695,867
Bills receivable	517,242	-	-	22,619	-	-	-	262	-	540,123
Islamic trust receipts	29,359	-	-	-	-	-	-	-	-	29,359
Claims on customers under acceptance credits	772,756	-	-	125,274	-	-	-	-	-	898,030
Staff financing**	-	-	-	-	250,776	-	-	-	-	250,776
Revolving credits	-	-	-	-	5,466,922	-	-	-	-	5,466,922
Credit card receivables	-	-	-	-	-	-	-	-	155,110	155,110
Gross financing, advances and other financing/loans, at amortised cost	1,319,357	5,228,062	1,501,247	147,893	75,243,187	1,149,542	14,196,928	17,884	155,110	98,959,210
Fair value changes arising from fair value hedge										(1,068)
										<u>98,958,142</u>
Less: Expected credit losses										(1,371,081)
Net financing, advances and other financing/loans, at amortised cost										<u>97,587,061</u>
Total net financing, advances and other financing/loans										<u><u>97,587,061</u></u>

^ Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

** Includes financing to Directors of the Group and the Bank amounting to RM2,295,104 (2021:RM2,312,571).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2021

	The Group and the Bank											
	Sale-based contracts					Lease-based contracts			Loan contract	Others	Total RM'000	
	Murabahah RM'000	Bai' Bithaman		Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah	Al-Ijarah		Qard RM'000		Ujrah RM'000
		Muntahiah Bi al-	Tamlik *				Thumma Al-Bai'	#				
RM'000		RM'000	RM'000				RM'000					
At amortised cost												
Cash line^	-	295	866	-	1,119,047	-	-	-	8,118	-	1,128,326	
Term financing												
House Financing	-	4,498,841	-	-	27,289,680	1,150,034	-	-	-	-	32,938,555	
Syndicated Financing	-	-	20,275	-	1,568,517	-	-	-	-	-	1,588,792	
Hire purchase receivables	-	-	-	-	-	-	12,935,554	-	-	-	12,935,554	
Other term financing	-	1,030,219	1,654,204	-	34,282,169	39,728	-	-	-	-	37,006,320	
Bills receivable	641,132	-	-	17,755	-	-	-	-	458	-	659,345	
Islamic trust receipts	32,482	-	-	-	-	-	-	-	-	-	32,482	
Claims on customers under acceptance credits	688,422	-	-	71,233	-	-	-	-	-	-	759,655	
Staff financing**	-	-	-	-	225,183	-	-	-	-	-	225,183	
Revolving credits	-	-	-	-	4,395,247	-	-	-	-	-	4,395,247	
Credit card receivables	-	-	-	-	-	-	-	-	-	145,587	145,587	
Gross financing, advances and other, at amortised cost financing/loans	1,362,036	5,529,355	1,675,345	88,988	68,879,843	1,189,762	12,935,554	8,576	145,587		91,815,046	
Fair value changes arising from fair value hedges											1,565	
Less: Expected credit losses											91,816,611	
Total net financing, advances and other financing/loans											<u>(1,207,196)</u>	
											<u>90,609,415</u>	

^ Includes current account in excess

* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing

The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

** Includes financing to Directors of the Group and the Bank amounting to RM2,295,104 (2021:RM2,312,571).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

(i) By type and Shariah contract (continued)

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Total Gross financing, advances and other financing/loans		
- At amortised cost	98,959,210	91,815,046
	98,959,210	91,815,046

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM61,007,000 (2021: RM65,935,000) using Islamic profit rate swaps.

(b) Included in financing, advances and other financing/loans are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the expected credit losses for financing arising thereon.

As at 30 June 2022, the gross carrying amount to RPSIA financing is RM3,653,233,000 (31 December 2021: RM3,844,040,000) and expected credit losses relating to this RPSIA amounting to RM1,098,000 (31 December 2021: RM1,506,000) is recognised in the Financial Statements of CIMB Bank Berhad.

(c) Movement of Qard financing

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
At 1 January 2022/2021	8,576	8,907
New disbursement	11,977	7,102
Repayment	(2,669)	(7,433)
As at 31 March/31 December	17,884	8,576
Sources of Qard fund:		
Depositors' fund	16,597	8,028
Shareholders' fund	1,287	548
	17,884	8,576
Uses of Qard fund:		
Personal use	592	620
Business purpose	17,292	7,956
	17,884	8,576

(ii) By geographical distribution:

Malaysia	98,959,210	91,815,046
	98,959,210	91,815,046

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
(iii) By type of customer:		
Domestic non-bank financial institutions	2,559,966	2,390,409
Domestic business enterprises		
- Small medium enterprises	14,654,042	13,129,102
- Others	9,064,666	8,567,057
Government and statutory bodies	1,397,994	1,406,573
Individuals	70,287,517	65,610,553
Other domestic entities	521,326	211,648
Foreign entities	473,699	499,704
Gross financing, advances and other financing/loans	<u>98,959,210</u>	<u>91,815,046</u>
(iv) By profit rate sensitivity:		
Fixed rate		
- House financing	413,743	205,339
- Hire purchase receivables	13,191,612	11,966,416
- Others	3,838,910	3,786,694
Variable rate		
- House financing	35,548,785	32,733,216
- Others	45,966,160	43,123,381
Gross financing, advances and other financing/loans	<u>98,959,210</u>	<u>91,815,046</u>
(v) By economic purpose:		
Personal use	2,024,541	2,078,010
Credit card	155,110	145,587
Construction	1,566,466	1,588,035
Residential property	36,854,340	33,782,539
Non-residential property	9,659,752	8,621,137
Purchase of fixed assets other than land and building	378,958	361,100
Merger and acquisition	336,633	350,779
Purchase of securities	15,192,231	14,911,564
Purchase of transport vehicles	14,742,922	13,225,131
Working capital	15,829,568	14,222,897
Other purpose	2,218,689	2,528,267
Gross financing, advances and other financing/loans	<u>98,959,210</u>	<u>91,815,046</u>
(vi) By economic sector:		
Primary agriculture	3,288,292	2,825,431
Mining and quarrying	593,976	637,045
Manufacturing	3,598,584	3,356,093
Electricity, gas and water supply	266,089	366,745
Construction	2,035,692	1,691,522
Transport, storage and communications	2,567,673	2,065,701
Education, health and others	2,252,918	2,239,110
Wholesale and retail trade, and restaurants and hotels	4,575,737	3,886,791
Finance, insurance/takaful, real estate and business activities	9,080,351	8,697,579
Household	70,649,439	65,984,997
Others	50,459	64,032
Gross financing, advances and other financing/loans	<u>98,959,210</u>	<u>91,815,046</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

The Group and the Bank
30 June 2022 **31 December 2021**
RM'000 **RM'000**

(vii) By residual contractual maturity:

Within one year	8,731,026	7,452,366
One year to less than three years	1,121,547	1,241,013
Three years to less than five years	5,035,828	4,894,836
Five years and more	84,070,809	78,226,831
Gross financing, advances and other financing/loans	98,959,210	91,815,046

(viii) Credit impaired financing by economic purpose:

Personal use	25,396	13,229
Credit card	1,758	1,820
Construction	619	672
Residential property	435,746	240,304
Non-residential property	142,014	105,668
Purchase of fixed assets other than land & building	2,182	-
Purchase of securities	13,173	5,509
Purchase of transport vehicles	86,289	133,839
Working capital	148,996	107,735
Other purpose	30,701	30,723
Gross credit impaired financing, advances and other financing/loans	886,874	639,499

(ix) Credit impaired financing by geographical distribution:

Malaysia	886,874	639,499
	886,874	639,499

(x) Credit impaired financing by economic sector:

Primary agriculture	20,087	20,844
Manufacturing	22,333	28,132
Electricity, gas and water supply	1	-
Construction	55,547	20,267
Transport, storage and communications	8,384	1,877
Education, health and others	7,551	6,268
Wholesale and retail trade, and restaurants and hotels	105,168	83,351
Finance, insurance/takaful, real estate and business activities	50,004	51,161
Household	617,797	427,598
Others	2	1
Gross credit impaired financing, advances and other financing/loans	886,874	639,499

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	248,701	727,401	231,094	1,207,196
Changes in expected credit losses due to transferred within stages:	85,641	(97,813)	12,172	-
Transferred to Stage 1	124,162	(114,131)	(10,031)	-
Transferred to Stage 2	(37,479)	92,621	(55,142)	-
Transferred to Stage 3	(1,042)	(76,303)	77,345	-
Total charge to Statement of Income:	(63,829)	167,291	108,820	212,282
New financial assets originated	40,730	104	7,190	48,024
Financial assets that have been derecognised	(19,227)	(13,730)	-	(32,957)
Writeback in respect of full recoveries	-	-	(13,017)	(13,017)
Change in credit risk	(85,332)	180,917	114,647	210,232
Write-offs	-	(1)	(50,917)	(50,918)
Exchange fluctuation	11	62	-	73
Other movements	16	1	2,431	2,448
	270,540	796,941	303,600	1,371,081

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	254,404	381,846	339,153	975,403
Changes in expected credit losses due to transferred within stages:	364,538	(186,388)	(178,150)	-
Transferred to Stage 1	561,551	(528,988)	(32,563)	-
Transferred to Stage 2	(196,770)	504,511	(307,741)	-
Transferred to Stage 3	(243)	(161,911)	162,154	-
Total charge to Statement of Income:	(370,211)	531,763	205,987	367,539
New financial assets originated	71,955	1,772	44,235	117,962
Financial assets that have been derecognised	(38,129)	(27,304)	-	(65,433)
Writeback in respect of full recoveries	-	-	(70,138)	(70,138)
Change in credit risk	(404,037)	557,295	231,890	385,148
Write-offs	-	(4)	(160,014)	(160,018)
Other movements	(30)	184	24,118	24,272
	248,701	727,401	231,094	1,207,196

For the financial year ended 31 December 2021, the overlays and post-model adjustments have been applied to determine a sufficient overall level of ECL. These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults arising from the escalation of credit risk on certain segments of the targeted repayment assistance financing.

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

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

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

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2022	639,499	639,499
Transfer within stages	352,121	352,121
New financial assets originated	9,175	9,175
Write-offs	(50,917)	(50,917)
Amount fully recovered	(43,079)	(43,079)
Other movements	(19,925)	(19,925)
At 30 June 2022	886,874	886,874

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2021	1,497,242	1,497,242
Transfer within stages	(545,048)	(545,048)
New financial assets originated	180,792	180,792
Write-offs	(160,014)	(160,014)
Amount fully recovered	(322,210)	(322,210)
Other movements	(11,263)	(11,263)
At 31 December 2021	639,499	639,499

	The Group and the Bank	
	30 June 2022	31 December 2021
Ratio of credit impaired financing to total financing, advances and other financing/loans	0.90%	0.70%

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Other assets

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
Sundry debtors net of expected credit losses of RM21,673,000 (2021:RM271,000), deposits and prepayments	265,094	234,602
Collateral pledged for derivative transactions	309,830	49,640
Treasury related receivables	288,828	29,645
Clearing accounts	15,419	9,454
	879,171	323,341

The Group and the Bank	
30 June 2022 RM'000	31 December 2021 RM'000

A12 Deposits from customers

(i) By type of deposit

Savings deposits	7,371,434	6,872,193
Commodity Murabahah (via Tawarruq arrangement)*	7,371,434	6,872,193
Demand deposits	16,675,042	16,783,396
Qard	14,509,367	14,491,756
Commodity Murabahah (via Tawarruq arrangement)*	2,165,675	2,291,640
Term deposits	71,617,992	72,202,583
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	45,464,197	45,323,655
Fixed Return Income Account-i (via Tawarruq arrangement)*	26,054,651	26,430,641
Negotiable Islamic Debt Certificate (NIDC) Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	99,144	448,287
Specific investment account	99,862	99,600
Mudharabah	99,862	99,600
Others	63,097	43,964
Qard	63,097	43,964
	95,827,427	96,001,736

*included Qard contract of RM791,934,000 (2021:RM603,416,000)

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
A12 Deposits from customers (continued)		
(ii) Maturity structures of term deposits and investment accounts.		
Due within six months	61,470,890	62,451,968
Six months to less than one year	10,029,346	9,677,387
One year to less than three years	187,068	143,696
Three years to less than five years	6,285	5,473
Five years and more	24,265	23,659
	<u>71,717,854</u>	<u>72,302,183</u>
(iii) By type of customer		
Government and statutory bodies	4,114,009	4,880,028
Business enterprises	35,633,714	33,347,868
Individuals	29,539,608	29,214,733
Others	26,540,096	28,559,107
	<u>95,827,427</u>	<u>96,001,736</u>

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
A13 Investment accounts of customers		
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	1,066,228	892,710
-with maturity		
Term Investment Account-i	10,464,647	9,023,282
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	30,984	48,844
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	498,556	462,331
	<u>12,060,415</u>	<u>10,427,167</u>

The underlying assets for the investments are hire purchase, house financing, other term financing and marketable securities.

	The Group and the Bank	
	30 June 2022 RM'000	31 December 2021 RM'000
A14 Deposits and placements of banks and other financial institutions		
Licensed Islamic banks	801,024	-
Licensed investment banks	166,461	387,882
Licensed banks	2,229,771	1,636,410
Bank Negara Malaysia	5,000	5,000
Other financial institutions	401,157	279,977
	<u>3,603,413</u>	<u>2,309,269</u>

The maturity structure of deposits and placements from financial institutions are as follows:

Due within six months	3,332,435	2,150,982
Six months to less than one year	110,066	-
Three years to five years	160,912	158,287
	<u>3,603,413</u>	<u>2,309,269</u>

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
A15 Investment accounts due to designated financial institutions		
Restricted investment accounts		
Mudharabah	<u>3,652,002</u>	<u>3,919,753</u>
By type of counterparty		
Licensed banks	<u>3,652,002</u>	<u>3,919,753</u>

The underlying assets for the investments are deposit placement with financial institutions, syndicated term financing, revolving credit and other term financing.

A16 Financial liabilities designated at fair value through profit or loss

Deposits from customers - structured investments	<u>2,388,068</u>	<u>799,686</u>
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The Group and the Bank have issued structured investments, and have designated them at fair value in accordance with MFRS9. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 30 June 2022 of financial liabilities designated at fair value were RM 234,444,000 lower (31 December 2021:RM39,988,000 lower) than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

	The Group and the Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
A17 Other liabilities		
Accruals and other payables	85,815	58,847
Clearing accounts	13,725	37,456
Expected credit losses for commitments		
and contingencies	74,438	105,256
Collateral received for derivative transactions	3,302	21,476
Structured deposits	33,451	28,833
Treasury related payables	171,404	116,376
Others	41,984	28,262
	<u>424,119</u>	<u>396,506</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A17 Other liabilities (continued)

(a) Expected credit losses movement of financing commitments and financial guarantee contracts are as follows:

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2022	62,268	39,180	3,808	105,256
Changes in expected credit losses due to transferred within stages:	12,317	(13,313)	996	-
Transferred to Stage 1	13,476	(13,082)	(394)	-
Transferred to Stage 2	(1,116)	1,799	(683)	-
Transferred to Stage 3	(43)	(2,030)	2,073	-
Total charge to Statement of Income:	(20,520)	(9,415)	(1,159)	(31,094)
New exposures	44,468	22	-	44,490
Exposures derecognised or matured	(21,413)	(4,166)	(708)	(26,287)
Change in credit risk	(43,575)	(5,271)	(451)	(49,297)
Foreign exchange differences	43	141	-	184
Other movements	(29)	115	6	92
At 30 June 2022	54,079	16,708	3,651	74,438

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
At 1 January 2021	46,852	23,066	6,532	76,450
Changes in expected credit losses due to transferred within stages:	31,151	(27,109)	(4,042)	-
Transferred to Stage 1	36,250	(33,508)	(2,742)	-
Transferred to Stage 2	(5,054)	10,020	(4,966)	-
Transferred to Stage 3	(45)	(3,621)	3,666	-
Total charge to Statement of Income:	(15,698)	43,175	1,306	28,783
New exposures	69,269	69	-	69,338
Exposures derecognised or matured	(37,382)	(8,263)	(4,216)	(49,861)
Change in credit risk	(47,585)	51,369	5,522	9,306
Other movements	(37)	48	12	23
At 31 December 2021	62,268	39,180	3,808	105,256

As at 30 June 2022, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM23,220,000 (2021: RM15,517,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18 Subordinated sukuk

The Group and the Bank

a) On 21 September 2016, the Bank had issued RM10 million Tier 2 Junior Sukuk ("the Sukuk") at par and is due on 21 September 2026, with optional redemption on 21 September 2021 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.55% per annum.

The Sukuk is part of the Basel III Tier 2 Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier 2 capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM10 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

The Bank redeemed in full, the Sukuk of RM10 million on its first optional redemption date of 21 September 2021.

b) On 28 December 2017, the Bank had issued RM300 million Tier 2 Junior Sukuk ("the Sukuk") at par and is due on 28 December 2027, with optional redemption on 28 December 2022 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.70% per annum.

The Sukuk is part of the Basel III Tier 2 Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier 2 capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

c) On 25 September 2019, the Bank had issued RM800 million Tier 2 Junior Sukuk ("the Sukuk") at par and is due on 25 September 2029, with optional redemption on 25 September 2024 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.75% per annum.

The Sukuk is part of the Basel III Tier 2 Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier 2 capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM800 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
A19 Income derived from investment of depositors' funds and others				
The Group and the Bank				
Income derived from investment of :				
a) General investment deposits	554,117	685,756	1,154,181	1,357,706
b) Specific investment deposits	491	478	995	951
c) Other deposits	244,616	247,630	505,713	476,698
	799,224	933,864	1,660,889	1,835,355
a) Income derived from investment of general investment deposits				
Financing, advances and other financing/loans				
- Profit income	494,906	524,266	967,138	1,054,328
- Unwinding income [^]	3,121	6,799	5,671	13,556
Debt instruments at fair value through other comprehensive income	30,892	24,746	62,448	47,923
Debt instrument at amortised cost	51,094	62,186	104,454	123,371
Money at call and deposit with financial institutions	41,794	40,398	78,383	82,195
Reverse Collateralised Commodity Murabahah	275	-	324	3
Other financing income	(21)	-	-	-
	622,061	658,395	1,218,418	1,321,376
Accretion of discount less amortisation of premium	(5,770)	(5,977)	(12,083)	(11,462)
	616,291	652,418	1,206,335	1,309,914
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	11,177	10,308	24,112	20,565
- Financing, advances and other financing/loans	-	-	-	908
- Net accretion of discount less amortisation of premium	8,165	17,233	17,553	35,190
Total finance income and hibah	635,633	679,959	1,248,000	1,366,577
Other operating income				
- Net (loss)/gain arising from financial investments at fair value through profit or loss:	(5,008)	6,129	(6,384)	(1,637)
- realised	(4,041)	4,369	(2,980)	3,781
- unrealised	(967)	1,760	(3,404)	(5,418)
- Net (loss)/gain from sale of investment in debt instruments at fair value through comprehensive income	(9,430)	6,194	(10,074)	25,343
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	-	-	-	3,603
- Net loss from foreign exchange transactions	(68,400)	(8,202)	(81,538)	(40,415)
	(82,838)	4,121	(97,996)	(13,106)
Fee and commission income				
- Guarantee fee	1,322	1,676	4,177	4,235
	554,117	685,756	1,154,181	1,357,706
b) Income derived from investment of specific investment deposits				
Money at call and deposit with financial institutions	491	478	995	951

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
A19 Income derived from investment of depositors funds and others (continued)				
The Group and the Bank				
c) Income derived from investment of other deposits				
Financing, advances and other financing/loans				
- Profit income	218,478	189,316	423,953	370,014
- Unwinding income [^]	1,377	2,455	2,487	4,759
Debt instruments at fair value through other comprehensive income	13,637	8,936	27,368	16,837
Debt instrument at amortised cost	22,555	22,456	45,773	43,314
Money at call and deposit with financial institutions	18,450	14,588	34,370	28,837
Reverse Collateralised Commodity Murabahah	122	-	143	-
Other financing income	(9)	-	-	-
	274,610	237,751	534,094	463,761
Accretion of discount less amortisation of premium	(2,547)	(2,158)	(5,294)	(4,028)
	272,063	235,593	528,800	459,733
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	4,934	3,722	10,562	7,219
- Financing, advances and other financing/loans	-	-	-	310
- Net accretion of discount less amortisation of premium	3,604	6,223	7,689	12,344
Total finance income and hibah	280,601	245,538	547,051	479,606
Other operating income				
- Net (loss)/gain arising from financial investments at fair value through profit or loss:	(2,211)	2,212	(2,809)	(435)
- realised	(1,784)	1,577	(1,322)	1,377
- unrealised	(427)	635	(1,487)	(1,812)
- Net (loss)/gain from sale of investment in debt instruments at fair value through comprehensive income	(4,163)	2,236	(4,443)	8,764
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	-	-	-	1,228
- Net loss from foreign exchange transactions	(30,195)	(2,962)	(35,912)	(13,943)
	(36,569)	1,486	(43,164)	(4,386)
Fee and commission income				
- Guarantee fee	584	606	1,826	1,478
	244,616	247,630	505,713	476,698

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

A20 Income derived from investment of investment account

The Group and The Bank

Financing, advances and other financing/loans				
- Profit income	172,860	74,739	335,162	140,764
- Unwinding income [^]	10	1	50	1
Debt instrument at amortised cost	5,881	1,498	9,757	1,498
Money at call and deposit with financial institutions	12	852	110	1,810
	178,763	77,090	345,079	144,073
Accretion of discount less amortisation of premium	2,149	1,622	6,011	1,642
	180,912	78,712	351,090	145,715
Other operating income				
- Net gain from foreign exchange transactions	60	-	65	-
	60	-	65	-
Fees and commission income				
- Service charges and fees	242	4	329	32
	181,214	78,716	351,484	145,747

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
A21 Income derived from investment of shareholder's funds				
The Group				
Financing, advances and other financing/loans				
- Profit income	55,322	47,871	107,762	95,444
- Unwinding income [^]	349	621	632	1,227
Debt instruments at fair value through other comprehensive income	3,453	2,260	6,957	4,340
Debt instrument at amortised cost	5,711	5,679	11,637	11,170
Money at call and deposit with financial institutions	4,672	3,689	8,735	7,440
Reverse Collateralised Commodity Murabahah	31	-	36	-
Other financing income	(2)	-	-	-
	69,536	60,120	135,759	119,621
Accretion of discount less amortisation of premium	(645)	(546)	(1,346)	(1,038)
	68,891	59,574	134,413	118,583
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	1,250	941	2,686	1,862
- Financing, advances and other financing/loans	-	-	-	81
- Net accretion of discount less amortisation of premium	912	1,573	1,955	3,185
Total finance income and hibah	71,053	62,088	139,054	123,711
Other operating income				
- Net (loss)/gain arising from financial assets at fair value through profit or loss:	(560)	559	(713)	(138)
- realised	(452)	399	(334)	346
- unrealised	(108)	160	(379)	(484)
- Net (loss)/gain from sale of investment in debt instruments at fair value through comprehensive income	(1,055)	565	(1,126)	2,284
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	-	-	-	323
- Net loss from foreign exchange transactions	(7,646)	(749)	(9,105)	(3,640)
- Net (loss)/gain arising from hedging activities	(99)	6	(45)	2
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	129,735	4,001	188,485	11,652
- realised	(3,357)	(427)	(5,978)	(649)
- unrealised	133,092	4,428	194,463	12,301
- Net (loss)/gain arising from derivative financial instrument	(6,774)	14,433	(42,421)	69,307
- realised	105,059	38,889	131,064	24,497
- unrealised	(111,833)	(24,456)	(173,485)	44,810
	113,601	18,815	135,075	79,790
Fee and commission income				
- Guarantee fee	148	153	465	383
- Service charge and fee	25,217	37,508	52,091	58,890
- Commission fee	33,658	15,046	69,987	50,317
Total fee and commission income	59,023	52,707	122,543	109,590
Less : fee and commission expense	1,704	(6,402)	(1,556)	(13,543)
Net fee and commission income	60,727	46,305	120,987	96,047
Other income	406	150	770	263
	245,787	127,358	395,886	299,811

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
A21 Income derived from investment of shareholder's funds (continued)				
The Bank				
Financing, advances and other financing/loans				
- Profit income	55,322	47,871	107,762	95,444
- Unwinding income [^]	349	621	632	1,227
Debt instruments at fair value through other comprehensive income	3,453	2,260	6,957	4,340
Debt instrument at amortised cost	5,711	5,679	11,637	11,170
Money at call and deposit with financial institutions	4,672	3,689	8,735	7,440
Reverse Collateralised Commodity Murabahah	31	-	36	-
Other financing income	(2)	-	-	-
	69,536	60,120	135,759	119,621
Accretion of discount less amortisation of premium	(645)	(546)	(1,346)	(1,038)
	68,891	59,574	134,413	118,583
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	1,250	941	2,686	1,862
- Financing, advances and other financing/loans	-	-	-	81
- Net accretion of discount less amortisation of premium	912	1,573	1,955	3,185
Total finance income and hibah	71,053	62,088	139,054	123,711
Other operating income				
- Net (loss)/gain arising from financial assets at fair value through profit or loss:	(560)	559	(713)	(138)
- realised	(452)	399	(334)	346
- unrealised	(108)	160	(379)	(484)
- Net (loss)/gain from sale of investment in debt instruments at fair value through comprehensive income	(1,055)	565	(1,126)	2,284
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	-	-	-	323
- Net loss from foreign exchange transactions	(7,646)	(749)	(9,105)	(3,640)
- Net (loss)/gain arising from hedging activities	(99)	6	(45)	2
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	129,735	4,001	188,485	11,652
- realised	(3,357)	(427)	(5,978)	(649)
- unrealised	133,092	4,428	194,463	12,301
- Net (loss)/gain arising from derivative financial instrument	(6,774)	14,433	(42,421)	69,307
- realised	105,059	38,889	131,064	24,497
- unrealised	(111,833)	(24,456)	(173,485)	44,810
	113,601	18,815	135,075	79,790
Fee and commission income				
- Guarantee fee	148	153	465	383
- Service charge and fee	25,217	37,749	52,091	59,389
- Commission fee	33,658	15,045	69,987	50,317
Total fee and commission income	59,023	52,947	122,543	110,089
Less : fee and commission expense	1,704	(6,402)	(1,556)	(13,543)
Net fee and commission income	60,727	46,545	120,987	96,546
Other income				
- Sundry income	406	151	770	263
	245,787	127,599	395,886	300,310

[^] Unwinding income is income earned on credit impaired financing, advances and other financing/loans.

A22 Modification loss

In light of the COVID-19 outbreak, BNM and the Malaysian Ministry of Finance have introduced several relief measures to assist customers affected by the pandemic. These measures aim to ensure that the financial intermediation function of the financial sector remains intact, accessibility to financial services continues to be available, and banking institutions remain focused on supporting the economy during these exceptional circumstances.

Modification loss is the Day-1 loss arising from granting the payment relief on all financing, advances and other financing/loans repayment.

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
A23(a) Expected credit losses on financing, advances and other financing/loans				
The Group and the Bank				
Expected credit losses on financing, advances and other financing/loans at amortised cost:				
- Expected credit losses on financing, advances and other financing/loans	189,805	118,956	212,282	210,410
Credit impaired financing, advances and other financing/loans :				
- recovered	(19,836)	(12,423)	(40,093)	(29,551)
- written off	537	464	864	883
	170,506	106,997	173,053	181,742

A23(b) Other expected credit losses made/(written back)

The Group and the Bank

Expected credit losses made/(written back) on:

- Debt instrument at fair value through other comprehensive income	(161)	3,400	(1,916)	3,706
- Debt instrument at amortised cost	287	170	(258)	107
- Money at call and deposits and placements with banks and other financial institutions	(10)	-	-	-
- Other receivables	21,397	(6)	21,401	(5)
	21,513	3,564	19,227	3,808

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
A24 Income attributable to depositors and others				
The Group				
Deposits from customers				
- Mudharabah	491	478	995	951
- Non-Mudharabah	395,222	397,454	764,881	815,407
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	12,068	4,982	19,478	11,273
Others				
- Financial liabilities designated at fair value through profit or loss	8,712	1,547	13,575	1,895
- Sukuk	-	827	-	2,914
- Subordinated Sukuk	10,995	11,108	21,869	22,095
- Structured deposits	70	33	126	81
- Collateralised Commodity Murabahah	3,075	1,980	5,288	3,457
- Others	15	22	46	43
	430,648	418,431	826,258	858,116
The Bank				
Deposits from customers				
- Mudharabah	491	478	995	951
- Non-Mudharabah	395,222	397,454	764,881	815,407
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	12,068	4,982	19,478	11,273
Others				
- Financial liabilities designated at fair value through profit or loss	8,712	1,547	13,575	1,895
- Subordinated Sukuk	10,995	11,108	21,869	22,095
- Structured deposits	70	33	126	81
- Collateralised Commodity Murabahah	3,075	1,980	5,288	3,457
- Others	15	1,630	46	3,413
	430,648	419,212	826,258	858,572
A25 Profit distributed to investment account holder				
The Group and the Bank				
-Restricted	27,272	25,849	53,194	50,499
-Unrestricted	61,958	18,693	118,826	29,081
	89,230	44,542	172,020	79,580

PART A - EXPLANATORY NOTES (CONTINUED)

2nd Quarter Ended		Six Months Ended	
30 June	30 June	30 June	30 June
2022	2021	2022	2021
RM'000	RM'000	RM'000	RM'000

A26 Personnel expenses

The Group and the Bank

Salaries, allowances and bonuses	5,112	2,222	13,050	7,442
Pension costs (defined contribution plan)	605	569	1,185	1,079
Staff incentives and other staff payments	229	135	542	523
Medical expenses	67	44	130	108
Share-based expense ¹	329	145	734	145
Others	164	178	283	343
	6,506	3,293	15,924	9,640

¹The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings ("CIMBGH") in June 2021. The LTIP awards ordinary shares and share options of CIMBGH 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 CIMBGH and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.

A27 Other overheads and expenditures

The Group

Establishment

Depreciation of property, plant equipment	104	122	208	249
Depreciation of right-of-use assets	142	138	293	277
Rental	82	192	260	197
Amortisation of intangible assets	9,709	16,690	19,052	18,707
Repairs and maintenance	(598)	339	(221)	658
Utility expenses	6	4	10	8
Others	1,113	115	2,195	1,005
	10,558	17,600	21,797	21,101

Marketing

Advertisement and publicity	1,142	475	1,935	180
Others	22	5	38	64
	1,164	480	1,973	244

General expenses

Consultancy and professional fees	299	641	574	767
Legal expenses	(872)	505	(754)	508
Stationery	57	24	111	25
Postages	91	54	186	122
Donation	235	100	700	100
Incidental expenses on banking operations	998	704	1,976	1,932
Takaful	(3,718)	3,956	1,619	7,124
Group service expense	242,884	267,158	533,473	519,573
Others	963	2,320	3,106	4,376
	240,937	275,462	540,991	534,527
	252,659	293,542	564,761	555,872

PART A - EXPLANATORY NOTES (CONTINUED)

	2nd Quarter Ended		Six Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
A27 Other overheads and expenditures (continued)				
The Bank				
Establishment				
Depreciation of property, plant equipment	104	122	208	249
Depreciation of right-of-use assets	142	138	293	277
Rental	82	192	260	197
Amortisation of intangible assets	9,709	16,690	19,052	18,707
Repairs and maintenance	(598)	339	(221)	658
Utility expenses	6	4	10	8
Others	1,113	115	2,195	1,005
	10,558	17,600	21,797	21,101
Marketing				
Advertisement and publicity	1,142	475	1,935	180
Others	22	5	38	64
	1,164	480	1,973	244
General expenses				
Consultancy and professional fees	299	641	574	767
Legal expenses	(872)	505	(754)	508
Stationery	57	24	111	25
Postages	91	54	186	122
Donation	235	100	700	100
Incidental expenses on banking operations	998	704	1,976	1,932
Takaful	(3,718)	3,956	1,619	7,124
Group service expense	242,884	267,158	533,473	519,573
Others	963	2,297	3,106	4,327
	240,937	275,439	540,991	534,478
	252,659	293,519	564,761	555,823

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Islamic derivative financial instruments, commitments and contingencies

(i) Islamic derivative financial instruments

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

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

The Group and the Bank	30 June 2022			31 December 2021		
	Principal Amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000	Principal amount RM'000	Fair values assets RM'000	Fair values liabilities RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	10,236,137	245,979	(164,144)	9,522,898	109,042	(112,920)
- Less than one year	9,830,033	191,480	(116,012)	9,031,157	46,071	(58,556)
- One year to three years	41,783	5,712	(4,982)	85,637	10,886	(8,885)
- More than three years	364,321	48,787	(43,150)	406,104	52,085	(45,479)
Currency swaps	9,462,709	65,918	(91,216)	7,602,865	33,087	(24,204)
- Less than one year	9,462,709	65,918	(91,216)	7,602,226	33,087	(24,082)
- One year to three years	-	-	-	639	-	(122)
Currency spots	45,182	85	(6)	60,108	65	(85)
- Less than one year	45,182	85	(6)	60,108	65	(85)
Currency options	179,377	1,121	(1,109)	235,665	1,244	(1,214)
- Less than one year	179,377	1,121	(1,109)	235,665	1,244	(1,214)
Cross currency profit rate swaps	861,329	47,589	(43,235)	891,991	50,104	(46,899)
- Less than one year	119,893	1,160	(1,132)	149,811	613	(570)
- One year to three years	255,780	23,060	(22,864)	-	-	-
- More than three years	485,656	23,369	(19,239)	742,180	49,491	(46,329)
	20,784,734	360,692	(299,710)	18,313,527	193,542	(185,322)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	5,297,804	28,997	(262,513)	4,429,348	42,531	(80,345)
- Less than one year	729,952	4,096	(3,886)	600,645	3,573	(3,456)
- One year to three years	1,560,058	6,328	(25,383)	1,767,522	19,891	(19,824)
- More than three years	3,007,794	18,573	(233,244)	2,061,181	19,067	(57,065)
<u>Equity related derivatives</u>						
Equity options	13,002	511	(504)	19,513	229	(219)
- Less than one year	13,002	511	(504)	19,513	229	(219)
<u>Credit related contracts</u>						
Total return swaps	41,000	577	(577)	41,000	1,248	(1,248)
- More than three years	41,000	577	(577)	41,000	1,248	(1,248)
<u>Commodity related derivatives</u>						
Commodity Swap	-	-	-	23,481	1,133	(978)
- Less than one year	-	-	-	23,481	1,133	(978)
Commodity options	824,212	57	(57)	46,640	65	(65)
- Less than one year	824,212	57	(57)	46,640	65	(65)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	766,007	18,113	(893)	640,613	2,539	(3,777)
- Less than one year	140,000	115	-	140,000	126	-
- One year to three years	55,000	1,286	-	55,000	407	-
- More than three years	571,007	16,712	(893)	445,613	2,006	(3,777)
Total derivative assets/(liabilities)	27,726,759	408,947	(564,254)	23,514,122	241,287	(271,954)

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Islamic derivative financial instruments, commitments and contingencies (continued)

(i) Islamic derivative financial instruments (continued)

The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

Market Risk

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 June 2022, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM408,947,000 (31 December 2021: RM241,287,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2022, the Group has posted cash collateral of RM309,830,000 (31 December 2021: RM49,640,000) on their derivative contracts.

There have been no changes since the end of the previous financial year in respect of the following:

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited annual financial statements for the financial year ended 31 December 2021.

PART A - EXPLANATORY NOTES (CONTINUED)

A28 Islamic derivative financial instruments, commitments and contingencies (continued)

(ii) Commitments and contingencies

	30 June 2022	31 December 2021
	Principal amount	Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	299,857	282,545
Transaction-related contingent items	725,268	730,082
Short-term self-liquidating trade-related contingencies	63,665	81,410
- maturity not exceeding one year	11,604,974	11,681,141
- maturity exceeding one year	10,632,591	9,020,531
Miscellaneous commitments and contingencies	582,843	28,512
Total credit-related commitments and contingencies	23,909,198	21,824,221
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	19,637,194	17,078,967
- one year to five years	635,755	722,031
- more than five years	511,785	512,529
Profit rate related contracts :		
- less than one year	869,952	740,645
- one year to five years	4,302,357	3,109,318
- more than five years	891,502	1,219,998
Equity related contracts :		
- less than one year	13,002	19,513
Credit related contracts:		
- one year to five years	41,000	41,000
Commodity related contracts :		
- less than one year	824,212	70,121
Total treasury-related commitments and contingencies	27,726,759	23,514,122
	51,635,957	45,338,343

PART A - EXPLANATORY NOTES (CONTINUED)

A29 Capital Adequacy

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia ("BNM") Capital Adequacy Framework for Islamic Banks ("CAFIB") (Capital Components), of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Bank Group and the Bank are computed in accordance with the CAFIB (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 3 May 2019.

The Internal Ratings Based ("IRB") Approach adopted by CIMB Islamic Bank is applied for the major credit exposures with retail exposures on Advanced IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach.

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

	The Group		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Common equity tier 1 ratio	14.019%	15.109%	14.019%	15.109%
Tier 1 ratio	14.689%	15.875%	14.690%	15.875%
Total capital ratio	17.241%	18.853%	17.241%	18.853%

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

	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Credit risk	47,224,064	41,619,100	47,224,179	41,619,215
Market risk	484,651	802,478	484,651	802,478
Operational risk	4,464,871	4,159,336	4,464,054	4,158,559
Total risk-weighted assets	52,173,586	46,580,914	52,172,884	46,580,252

(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capitals are as follows:

	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier 1 capital				
Ordinary share capital	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	6,681,402	6,366,441	6,681,367	6,366,406
Common Equity Tier 1 capital before regulatory adjustments	7,681,402	7,366,441	7,681,367	7,366,406
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(892)	(19,104)	(892)	(19,104)
Deferred tax assets	(229,912)	(173,602)	(229,912)	(173,602)
Regulatory reserve	(619)	-	(619)	-
Others	10	4	10	4
Common Equity Tier 1 capital after regulatory adjustments	7,313,989	7,037,739	7,313,954	7,037,704
Additional Tier 1 capital				
Perpetual preference shares	350,000	357,000	350,000	357,000
Total Tier 1 capital	7,663,989	7,394,739	7,663,954	7,394,704
Tier 2 capital				
Subordinated notes	1,100,000	1,100,000	1,100,000	1,100,000
Surplus eligible provisions over expected loss	151,404	215,326	151,402	215,326
General provisions ^	79,596	71,643	79,597	71,644
Total Tier 2 capital	1,331,000	1,386,969	1,330,999	1,386,970
Total capital	8,994,989	8,781,708	8,994,953	8,781,674

^ Total capital of the Group and the Bank has excluded general provisions from Tier 2 capital of RM51.1 million (2021: RM36.1 million).

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Restricted Agency Investment Account -RAIA

The details of the Restricted Agency Investment Account (“RAIA”) financing are as below. The exposures and corresponding risk weighted amount are reported in investors’ financial statements.

	The Group and the Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
<u>RAIA arrangement</u>		
Financing and advances	11,253,129	10,248,755
Commitments and contingencies	1,500,000	2,500,000
	<u>12,753,129</u>	<u>12,748,755</u>

	The Group and the Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Total RWA for Credit Risk	781,504	1,227,746
	<u>781,504</u>	<u>1,227,746</u>

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank has transferred substantially all the risk and rewards of ownership of the Investment (i.e. the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting

Definition of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Executive Committee as its chief operating decision-maker.

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure.

Business segment reporting

Definition of segments:

The Group has four major operation divisions that form the basis on which the Group reports its segment information.

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, remittance and foreign exchange, deposits and internet banking services.

Commercial Banking

Commercial Banking offers products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include banking credit facilities, trade financing, cash management, online business banking platform, remittance and foreign exchange, as well as general deposit products.

Wholesale Banking

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking and Private Banking.

Investment Banking includes end-to-end client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and financial institutional clients whereas advisory offers financial advisory services to corporations on issuance of debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of Islamic funding solutions ranging from trade, working capital lines and capital expenditure to leveraging, merger and acquisition, leveraged and project financing. Corporate Banking's client managers partner with product specialists within the Group to provide a holistic funding solution, from cash management, trade finance, foreign exchange, custody and corporate financings, to derivatives, structured products and debt capital market.

Treasury and Markets focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Transaction Banking comprises Trade Finance and Cash Management which provide various trade facilities and cash management solutions.

Private Banking offers a full suite of wealth management solutions to high net worth individuals with access to a complete range of private banking services, extending from investment to securities financing to trust services.

Group Funding

Group Funding encompasses a wide range of activities from capital, balance sheet and fixed income investments and management, as well as the funding and incubation of corporate ventures and projects.

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting (continued)

The Group 30 June 2022	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Net financing income:					
- external	(254,442)	1,014,267	269,260	255,987	1,285,072
- inter-segment	451,949	(323,096)	19,851	(148,704)	-
	<u>197,507</u>	<u>691,171</u>	<u>289,111</u>	<u>107,283</u>	<u>1,285,072</u>
Other operating income	(23,156)	113,023	45,986	(13,787)	122,066
Total income	<u>174,351</u>	<u>804,194</u>	<u>335,097</u>	<u>93,496</u>	<u>1,407,138</u>
Overhead expenses	(71,318)	(299,030)	(62,610)	(147,727)	(580,685)
Consist of :					
Depreciation of property, plant and equipment	(23)	-	-	(185)	(208)
Amortisation of intangible assets	(751)	(66)	-	(18,235)	(19,052)
Profit/(loss) before allowances	<u>103,033</u>	<u>505,164</u>	<u>272,487</u>	<u>(54,231)</u>	<u>826,453</u>
Expected credit losses made on financing, advances and other financing/loans	(567)	(159,037)	(13,446)	(3)	(173,053)
Expected credit losses written back for commitments and contingencies	17,438	12,244	1,412	-	31,094
Other expected credit losses made	(197)	(7,819)	-	(11,211)	(19,227)
Segment results	<u>119,707</u>	<u>350,552</u>	<u>260,453</u>	<u>(65,445)</u>	<u>665,267</u>
Taxation					(228,683)
Net profit for the financial period					<u><u>436,584</u></u>

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting (continued)

The Group 30 June 2021	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Net financing income:					
- external	(268,555)	906,122	242,507	298,790	1,178,864
- inter-segment	473,715	(296,869)	12,140	(188,986)	-
	205,160	609,253	254,647	109,804	1,178,864
Other operating income	3,236	90,244	34,999	35,874	164,353
Total income	208,396	699,497	289,646	145,678	1,343,217
Overhead expenses	(75,595)	(301,776)	(53,254)	(134,887)	(565,512)
Consist of :					
Depreciation of property, plant and equipment	(22)	-	-	(227)	(249)
Amortisation of intangible assets	(766)	(29)	-	(17,912)	(18,707)
Profit before allowances	132,801	397,721	236,392	10,791	777,705
Expected credit losses written back/(made) on financing, advances and other financing/loans	7,448	(152,497)	(36,684)	(9)	(181,742)
Expected credit losses written back/(made) for commitments and contingencies	(616)	(17,456)	(941)	-	(19,013)
Other expected credit losses written back/(made)	(3,026)	4	-	(786)	(3,808)
Segment results	136,607	227,772	198,767	9,996	573,142
Taxation					(138,402)
Net profit for the financial period					434,740

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Segmental reporting (continued)

The Group 30 June 2022	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Segment assets	29,722,185	69,447,499	17,457,540	10,549,374	127,176,598
Unallocated assets					<u>1,726,882</u>
Total assets					<u><u>128,903,480</u></u>
Segment liabilities	55,418,375	41,144,160	15,038,173	8,720,179	120,320,887
Unallocated liabilities					<u>551,191</u>
Total liabilities					<u><u>120,872,078</u></u>
Other segment items					
Capital expenditure	34	3	-	751	788
<hr/>					
The Group 31 December 2021	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Segment assets	31,339,707	64,846,731	15,782,389	10,631,691	122,600,518
Unallocated assets					<u>802,477</u>
Total assets					<u><u>123,402,995</u></u>
Segment liabilities	55,668,496	39,566,853	14,150,821	5,782,036	115,168,206
Unallocated liabilities					<u>448,348</u>
Total liabilities					<u><u>115,616,554</u></u>
Other segment items					
Capital expenditure	41	2	-	847	890

PART A - EXPLANATORY NOTES (CONTINUED)

A32 Fair Value Estimation

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters. The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

Valuation Model Review and Approval

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

PART A - EXPLANATORY NOTES (CONTINUED)

A32 Fair Value Estimation (continued)

- (i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 30 June 2022 and 31 December 2021.

The Group and the Bank	30 June 2022		31 December 2021	
	Fair Value	Fair Value	Fair Value	Fair Value
	(Level 2)	Total	(Level 2)	Total
	RM'000	RM'000	RM'000	RM'000
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss				
-Money market instruments	2,671,374	2,671,374	4,496,545	4,496,545
-Unquoted securities	385,910	385,910	725,845	725,845
Debt instruments at fair value through other comprehensive income				
-Money market instruments	1,511,239	1,511,239	1,252,406	1,252,406
-Unquoted securities	3,521,091	3,521,091	3,812,976	3,812,976
Derivative financial instruments				
-Trading derivatives	390,834	390,834	238,748	238,748
-Hedging derivatives	18,113	18,113	2,539	2,539
Total	8,498,561	8,498,561	10,529,059	10,529,059
<i>Recurring fair value measurements</i>				
<u>Financial liabilities</u>				
Derivative financial instruments				
-Trading derivatives	563,361	563,361	268,177	268,177
-Hedging derivatives	893	893	3,777	3,777
Financial liabilities designated at fair value through profit or loss				
	2,388,068	2,388,068	799,686	799,686
Total	2,952,322	2,952,322	1,071,640	1,071,640

PART A - EXPLANATORY NOTES (CONTINUED)

A33 Credit transactions and exposures with connected parties

	The Group and the Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
Outstanding credit exposures with connected parties	1,629,529	1,006,177
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	1.1%	0.7%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.0%	0.0%

PART B

B1 Group performance review

The Group recorded a pre-tax profit of RM665.3 million for the financial period ended 30 June 2022, an increase of RM92.1 million or 16.1% compared to the previous corresponding period.

Total income increased by RM127.3 million or 5.6% to RM2,408.3 million from previous corresponding period, comprising of increase of income derived from investment of investment account and income derived from shareholder's funds by RM205.7 million and RM96.1 million respectively, offset by decrease in income derived from investments of depositors funds and others by RM174.5 million.

For the months ended 30 June 2022, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM173.1 million compared to RM181.7 million in the corresponding period last year. The decrease in net allowance charged was mainly due to lower expected credit losses made on financing by RM1.9 million and higher impaired financings recovered by RM10.5 million.

The income attributable to depositors decreased by RM31.9 million while profit distributed to investment account holder increased by RM92.4 million.

The Group's gross financing, advances and other financing/loans increased by 7.78% to RM99.0 billion for the six months period ended 30 June 2022. As at 30 June 2022, deposits from customers and investment accounts of customers stood at RM95.8 billion and RM12.1 billion, a decrease of RM0.2 billion and an increase of RM1.6 billion respectively as compared to 31 December 2021.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 14.019%, 14.689% and 17.241% respectively.

B2 Prospects for the current financial year

The Bank is optimistic of a better financial performance in 2022 on the back of economic recovery and improved business prospects. Nevertheless, the outlook for the second half of 2022 is cautious in line with the tapering of global economic growth driven by rising inflation and profit rates, continued geopolitical risks, global supply disruptions, continued recurrence of Covid-19 variants and also the threat of a global recession. The Forward23+ strategic plan will continue to drive the Bank's focus on targeted growth segments, Risk-Adjusted Return On Capital (RAROC) optimisation, Sustainability initiatives and cost management. The Bank continues to invest in technology to improve operational resiliency and digital capabilities via CIMB Bank Berhad under the dual banking leverage model. Credit risk and asset quality management remains utmost priority across all segments.

B3 Computation of earnings per share (EPS)

a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	153,559	192,612	436,584	434,740
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	15.36	19.26	43.66	43.47

	The Bank			
	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	153,559	192,095	436,584	434,832
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	15.36	19.21	43.66	43.48

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 June 2022 and 30 June 2021.