

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Note	The Group		The Bank	
		30 September 2024 RM'000	31 December 2023 RM'000	30 September 2024 RM'000	31 December 2023 RM'000
ASSETS					
Cash and short-term funds	A6	5,831,408	10,517,811	5,831,408	10,517,811
Reverse Collateralised Commodity Murabahah		1,423,119	700,067	1,423,119	700,067
Deposits and placements with banks and other financial institutions	A6	-	138,065	-	138,065
Financial investments at fair value through profit or loss	A7	6,014,996	3,754,473	6,014,996	3,754,473
Debt instruments at fair value through other comprehensive income	A8	6,790,879	5,362,764	6,790,879	5,362,764
Debt instruments at amortised cost	A9	13,870,149	13,995,085	13,870,149	13,995,085
Islamic derivative financial instruments	A27(i)	1,737,274	357,161	1,737,274	357,161
Financing, advances and other financing/loans	A10	128,885,262	121,476,487	128,885,262	121,476,487
Other assets	A11	521,090	349,993	521,090	349,993
Amount due from holding company and ultimate holding company		861,125	635,013	861,125	635,013
Amount due from related companies		148	40	148	40
Tax recoverable		123,301	84,999	123,301	84,999
Deferred taxation		216,902	282,971	216,902	282,971
Statutory deposits with Bank Negara Malaysia		1,792,250	1,870,210	1,792,250	1,870,210
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		410	503	410	503
Right-of-use assets		142	569	142	569
Intangible assets		2,226	3,550	2,226	3,550
Goodwill		136,000	136,000	136,000	136,000
TOTAL ASSETS		168,206,681	159,665,761	168,206,692	159,665,772
LIABILITIES AND EQUITY					
Deposits from customers	A12	105,488,743	110,831,744	105,488,743	110,831,744
Investment accounts of customers	A13	20,847,300	18,984,125	20,847,300	18,984,125
Deposits and placements of banks and other financial institutions	A14	4,616,618	5,533,506	4,616,618	5,533,506
Collateralised Commodity Murabahah		3,874,268	2,229,121	3,874,268	2,229,121
Investment accounts due to designated financial institutions	A15	2,956,559	3,424,851	2,956,559	3,424,851
Financial liabilities designated at fair value through profit or loss	A16	3,142,247	2,821,784	3,142,247	2,821,784
Islamic derivative financial instruments	A27(i)	1,904,063	433,440	1,904,063	433,440
Amount due to subsidiaries		-	-	46	46
Amount due to related companies		908	976	908	976
Other liabilities	A17	1,980,574	818,080	1,980,574	818,080
Lease liabilities		152	786	152	786
Recourse obligation on loans and financing sold to Cagamas		3,627,766	2,822,998	3,627,766	2,822,998
Senior Sukuk		7,601,218	1,009,474	7,601,218	1,009,474
Subordinated Sukuk		1,505,832	1,109,424	1,505,832	1,109,424
TOTAL LIABILITIES		157,546,248	150,020,309	157,546,294	150,020,355
EQUITY					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		9,310,433	8,295,452	9,310,398	8,295,417
		10,310,433	9,295,452	10,310,398	9,295,417
Perpetual preference shares		350,000	350,000	350,000	350,000
TOTAL EQUITY		10,660,433	9,645,452	10,660,398	9,645,417
TOTAL EQUITY AND LIABILITIES		168,206,681	159,665,761	168,206,692	159,665,772
RESTRICTED AGENCY INVESTMENT ACCOUNT (*)	A29	16,222,119	15,482,815	16,222,119	15,482,815
TOTAL ISLAMIC BANKING ASSET		184,428,800	175,148,576	184,428,811	175,148,587
COMMITMENTS AND CONTINGENCIES	A27(ii)	91,382,446	68,795,415	91,382,446	68,795,415
Net assets per ordinary share attributable to owners of the Parent (RM)		10.31	9.30	10.31	9.30

* 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 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2024

	Note	The Group and the Bank			
		3rd Quarter Ended		Nine Months Ended	
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A18	1,914,717	1,346,275	4,740,995	3,679,981
Income derived from investment of investment account	A19	307,471	291,097	931,088	804,742
Income derived from investment of shareholder's funds	A20	(156,346)	188,084	390,617	856,159
Modification loss	A21	-	(4)	(1)	(77)
Expected credit losses on financing, advances and other financing/loans	A22(a)	(21,024)	(85,009)	(148,978)	(243,210)
Expected credit losses written back/(made) for commitments and contingencies		2,901	10,840	37,798	(25,911)
Other expected credit losses written back/(made)	A22(b)	384	97	(36,228)	393
Total distributable income		2,048,103	1,751,380	5,915,291	5,072,077
Income attributable to depositors and others	A23	(1,006,210)	(925,168)	(2,975,490)	(2,675,457)
Profit distributed to investment account holder	A24	(203,446)	(200,465)	(631,398)	(544,534)
Total net income		838,447	625,747	2,308,403	1,852,086
Personnel expenses	A25	(8,313)	(7,961)	(24,185)	(22,956)
Other overheads and expenditures	A26	(338,168)	(285,580)	(995,266)	(945,884)
Profit before taxation and zakat		491,966	332,206	1,288,952	883,246
Taxation		(120,409)	(75,787)	(317,546)	(218,699)
Profit for the financial period		371,557	256,419	971,406	664,547
Earnings per share (sen)	B3	37.16	25.64	97.14	66.45

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2024

	The Group and the Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	371,557	256,419	971,406	664,547
Other comprehensive income/(expense):				
<i>Items that will not reclassified to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net (loss)/gain from change in fair value	(422)	86	2,510	(671)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	24,258	(8,169)	40,888	64,799
- Net gain/(loss) from change in fair value	34,009	(7,029)	63,338	89,458
- Realised gain transferred to statement of income on disposal	(1,536)	(3,605)	(9,575)	(5,125)
- Changes in expected credit losses	(422)	(87)	28	706
- Income tax effects	(7,793)	2,552	(12,903)	(20,240)
Other comprehensive income/(expense) for the period, net of tax	23,836	(8,083)	43,398	64,128
Total comprehensive income for the financial period	395,393	248,336	1,014,804	728,675

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

The Group	← Attributable to owners of the Parent →										
	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	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 September 2024											
At 1 January 2024	1,000,000	(54,640)	(2,457)	458	210,633	(477)	4,212	8,137,723	9,295,452	350,000	9,645,452
Profit for the financial period	-	-	-	-	-	-	-	971,406	971,406	-	971,406
Other comprehensive income (net of tax)	-	40,888	-	-	-	2,510	-	-	43,398	-	43,398
- debt instruments at fair value through other comprehensive income	-	40,888	-	-	-	-	-	-	40,888	-	40,888
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	2,510	-	-	2,510	-	2,510
Total comprehensive income for the financial period	-	40,888	-	-	-	2,510	-	971,406	1,014,804	-	1,014,804
Share-based payment expense	-	-	-	-	-	-	177	-	177	-	177
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	177	-	177	-	177
Transfer to regulatory reserve	-	-	-	-	277,405	-	-	(277,405)	-	-	-
At 30 September 2024	1,000,000	(13,752)	(2,457)	458	488,038	2,033	4,389	8,831,724	10,310,433	350,000	10,660,433

*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 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

The Group	← Attributable to owners of the Parent →											
	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'001	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 September 2023												
At 1 January 2023	1,000,000	(150,405)	(2,457)	458	184,715	112	22	2,514	7,271,332	8,306,291	350,000	8,656,291
Profit for the financial period	-	-	-	-	-	-	-	-	664,547	664,547	-	664,547
Other comprehensive expense (net of tax)	-	64,799	-	-	-	(671)	-	-	-	64,128	-	64,128
- debt instruments at fair value through other comprehensive income	-	64,799	-	-	-	-	-	-	-	64,799	-	64,799
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(671)	-	-	-	(671)	-	(671)
Total comprehensive income for the financial period	-	64,799	-	-	-	(671)	-	-	664,547	728,675	-	728,675
Share-based payment expense	-	-	-	-	-	-	6	1,274	-	1,280	-	1,280
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(9)	1,274	-	1,265	-	1,265
Transfer to regulatory reserve	-	-	-	-	105,291	-	-	-	(105,291)	-	-	-
At 30 September 2023	1,000,000	(85,606)	(2,457)	458	290,006	(559)	13	3,788	7,830,588	9,036,231	350,000	9,386,231

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CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

The Bank	← 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'001	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 September 2024											
At 1 January 2024	1,000,000	(54,640)	(2,457)	458	210,633	(477)	4,212	8,137,688	9,295,417	350,000	9,645,417
Profit for the financial period	-	-	-	-	-	-	-	971,406	971,406	-	971,406
Other comprehensive income (net of tax)	-	40,888	-	-	-	2,510	-	-	43,398	-	43,398
- debt instruments at fair value through other comprehensive income	-	40,888	-	-	-	-	-	-	40,888	-	40,888
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	2,510	-	-	2,510	-	2,510
Total comprehensive income for the financial period	-	40,888	-	-	-	2,510	-	971,406	1,014,804	-	1,014,804
Share-based payment expense	-	-	-	-	-	-	177	-	177	-	177
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	177	-	177	-	177
Transfer to regulatory reserve	-	-	-	-	277,405	-	-	(277,405)	-	-	-
At 30 September 2024	1,000,000	(13,752)	(2,457)	458	488,038	2,033	4,389	8,831,689	10,310,398	350,000	10,660,398

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

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CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

The Bank	← 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'001	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 September 2023												
At 1 January 2022	1,000,000	(150,405)	(2,457)	458	184,715	112	22	2,514	7,271,297	8,306,256	350,000	8,656,256
Profit for the financial period	-	-	-	-	-	-	-	-	664,547	664,547	-	664,547
Other comprehensive expense (net of tax)	-	64,799	-	-	-	(671)	-	-	-	64,128	-	64,128
- debt instruments at fair value through other comprehensive income	-	64,799	-	-	-	-	-	-	-	64,799	-	64,799
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(671)	-	-	-	(671)	-	(671)
Total comprehensive income for the financial period	-	64,799	-	-	-	(671)	-	-	664,547	728,675	-	728,675
Share-based payment expense	-	-	-	-	-	-	6	1,274	-	1,280	-	1,280
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(15)	-	-	(15)	-	(15)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(9)	1,274	-	1,265	-	1,265
Transfer to regulatory reserve	-	-	-	-	105,291	-	-	-	(105,291)	-	-	-
At 30 September 2023	1,000,000	(85,606)	(2,457)	458	290,006	(559)	13	3,788	7,830,553	9,036,196	350,000	9,386,196

*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 2023.

CIMB ISLAMIC BANK BERHAD
Registration No: 200401032872 (671380-H)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	The Group		The Bank	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Profit before taxation and zakat	1,288,952	883,246	1,288,952	883,246
Adjustments for non-cash items	(441,188)	(107,690)	(441,188)	(107,690)
Operating profit before changes in working capital	847,764	775,556	847,764	775,556
Net changes in operating assets	(10,845,387)	(12,771,265)	(10,845,387)	(12,771,265)
Net changes in operating liabilities	(1,268,818)	6,105,515	(1,268,818)	6,105,515
Taxation paid	(302,683)	(266,500)	(302,683)	(266,500)
Net cash flows used in operating activities	(11,569,124)	(6,156,694)	(11,569,124)	(6,156,694)
Cash flows from investing activities				
Profit income received from financial investments	596,292	462,197	596,292	462,197
Net purchase of financial investments	(1,206,661)	(4,861,134)	(1,206,661)	(4,861,134)
Net purchase of property, plant and equipment	(72)	(64)	(72)	(64)
Net purchase of intangible assets	(490)	(2,564)	(490)	(2,564)
Net cash flows used in investing activities	(610,931)	(4,401,565)	(610,931)	(4,401,565)
Cash flows from financing activities				
Profit expense paid on recourse obligation on loans and financing sold to Cagamas	(90,537)	(3,401)	(90,537)	(3,401)
Profit expense paid on Sukuk	(87,258)	-	(87,258)	-
Profit expense paid on subordinated Sukuk	(37,412)	(37,248)	(37,412)	(37,248)
Redemption of subordinated Sukuk	400,000	-	400,000	-
Proceeds from issuance of senior sukuk	6,500,000	-	6,500,000	-
Redemption of recourse obligation on loans and financing sold to Cagamas	(487,979)	-	(487,979)	-
Proceeds from recourse obligation on loans and financing sold to Cagamas	1,273,000	988,000	1,273,000	988,000
Other financing activities	2,008	(456)	2,008	(456)
Net cash flows generated from financing activities	7,471,822	946,895	7,471,822	946,895
Net decrease in cash and cash equivalents	(4,708,233)	(9,611,364)	(4,708,233)	(9,611,364)
Effects of exchange rate differences (MFRS107)	(116,235)	38,229	(116,235)	38,229
Cash and cash equivalents at beginning of the financial period	10,655,876	15,308,885	10,655,876	15,308,885
Cash and cash equivalents at end of the financial period	5,831,408	5,735,750	5,831,408	5,735,750
Cash and cash equivalents comprise :				
Cash and short-term funds	5,831,408	5,646,050	5,831,408	5,646,050
Deposits and placements with banks and other financial institutions	-	89,700	-	89,700
Cash and cash equivalents at end of the financial period	5,831,408	5,735,750	5,831,408	5,735,750

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023.

PART A - EXPLANATORY NOTES

A1. Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 2024 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 are measured at fair value.

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

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

The material accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2023, and modified for the adoption of the following accounting standards and amendments to published standards applicable for financial periods beginning on or after 1 January 2024:

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

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

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.

PART A - EXPLANATORY NOTES (CONTINUED)

A3. Issuance and repayment of debt and equity securities

- a) On 27 March 2024, the Bank issued RM250.0 million 3-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.75% per annum payable semi-annually, will mature on 26 March 2027.
- b) On 27 March 2024, the Bank issued RM300.0 million 5-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.86% per annum payable semi-annually, will mature on 27 March 2029.
- c) On 27 March 2024, the Bank issued RM1,450.0 million 7-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.03% per annum payable semi-annually, will mature on 27 March 2031.
- d) On 27 March 2024, the Bank issued RM1,500.0 million 10-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.13% per annum payable semi-annually, will mature on 27 March 2034.
- e) On 30 July 2024, the Bank issued RM125.0 million 5-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 3.85% per annum payable semi-annually, will mature on 30 July 2029.
- f) On 30 July 2024, the Bank issued RM700.0 million 8-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.00% per annum payable semi-annually, will mature on 30 July 2032.
- g) On 30 July 2024, the Bank issued RM2,175.0 million 11-year fixed rate senior sukuk under its RM10.0 billion Sukuk Wakalah Programme. The senior sukuk, which bears a profit rate of 4.07% per annum payable semi-annually, will mature on 30 July 2035.
- h) On 25 September 2024, CIMB Islamic issued RM1.2 billion 10-year non-callable 5-year Tier 2 Junior Sukuk under its RM5.0 billion Tier 2 Junior Sukuk Programme. The Sukuk, which bears a coupon rate of 3.84% per annum payable semi-annually, will mature on 25 September 2034, with the first call date on 25 September 2029.
- i) On 25 September 2024, CIMB Islamic redeemed its existing RM800 million 10-year non-callable 5-year Tier 2 Junior Sukuk issued under RM5.0 billion Tier 2 Junior Sukuk Programme from CIMB Bank Berhad on the first call date.

A4. Proposed dividend

There were no dividends paid or proposed for the financial period ended 30 September 2024.

A5. Events during the reporting period/Significant events after the reporting period

There are no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 30 September 2024 and the date of this announcement.

PART A - EXPLANATORY NOTES (CONTINUED)

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

As at 30 September 2024, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are both RMNil respectively (2023: both RMNil respectively). The 12-month expected credit losses made in the income statement during the financial period amounted to RMNil (30 September 2023: RM5,000).

	The Group and the Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
A7 Financial assets at fair value through profit or loss		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Malaysian Government treasury bills	546,185	637,980
Bank Negara Malaysia monetary notes	815,627	152,491
Islamic negotiable instruments of deposits	2,340,419	1,389,444
Islamic commercial papers	838,855	528,475
Government Investment Issues	717,480	542,492
Islamic Cagamas bonds	355,655	328,536
	5,614,221	3,579,418
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	400,775	175,055
	6,014,996	3,754,473

PART A - EXPLANATORY NOTES (CONTINUED)

A8 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	2,190,145	1,694,051
Islamic Cagamas bonds	76,559	50,695
	2,266,704	1,744,746
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	4,524,175	3,618,018
	6,790,879	5,362,764

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.

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 2024	1,594	-	-	1,594
Total charge to Statement of Income:	28	-	-	28
New financial assets purchased	8,425	-	-	8,425
Financial assets that have been derecognised	(322)	-	-	(322)
Change in credit risk	(8,075)	-	-	(8,075)
At 30 September 2024	1,622	-	-	1,622

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 2023	998	-	-	998
Total charge to Statement of Income:	596	-	-	596
New financial assets purchased	5,460	-	-	5,460
Financial assets that have been derecognised	(274)	-	-	(274)
Change in credit risk	(4,590)	-	-	(4,590)
At 31 December 2023	1,594	-	-	1,594

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
A9 Debt instruments at amortised cost		
Money market instruments		
Unquoted		
<u>In Malaysia</u>		
Government Investment Issues	6,046,431	6,161,751
Islamic Cagamas bonds	20,359	35,201
	6,066,790	6,196,952
Unquoted securities		
<u>In Malaysia</u>		
Corporate Sukuk	7,811,146	7,803,553
Amortisation of premium net of accretion of discount	(7,419)	(4,951)
Less: Expected credit loss	(368)	(469)
	13,870,149	13,995,085

(a) Included in debt instruments at amortised cost are exposures to Restricted Profit Sharing Investment Accounts (“RPSIA”), as part of an arrangement between CIMB Islamic Bank Berhad and third party amounting to RM570,493,000 (31 December 2023: RM592,587,000).

Expected credit losses movement for debt instruments 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 2024	469	-	-
Total charge to Statement of Income:	(101)	-	-	(101)
New financial assets purchased	-	-	-	-
Change in credit risk	(101)	-	-	(101)
At 30 September 2024	368	-	-	368

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 2023	418	-	-
Total charge to Statement of Income:	51	-	-	51
New financial assets purchased	2,440	-	-	2,440
Change in credit risk	(2,389)	-	-	(2,389)
At 31 December 2023	469	-	-	469

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 2024	594,678	594,678
Other movements	29,229	29,229
Exchange fluctuation	(50,801)	(50,801)
At 30 September 2024	573,106	573,106

	The Group and the Bank	
	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
	RM'000	RM'000
At 1 January 2023	501,772	501,772
Other movements	71,956	71,956
Exchange fluctuation	20,950	20,950
At 31 December 2023	594,678	594,678

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract

30 September 2024

	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 Muntahiah Bi-al- Tamlik * RM'000	Al-Ijarah Thumma Al-Bai' # RM'000	Qard RM'000	Ujrah RM'000	
At amortised cost										
Cash line^	-	-	732	-	1,737,489	-	-	6,597	-	1,744,818
Term financing										
House Financing	-	3,357,423	-	-	49,417,050	938,669	-	-	-	53,713,142
Syndicated Financing	-	-	-	-	1,255,488	-	-	-	-	1,255,488
Hire purchase receivables	-	-	-	-	-	-	19,430,626	-	-	19,430,626
Other term financing	-	663,012	863,230	-	42,508,964	29,413	-	-	-	44,064,619
Bills receivable	973,142	-	-	46,681	-	-	-	-	-	1,019,823
Islamic trust receipts	17,402	-	-	-	-	-	-	-	-	17,402
Claims on customers under acceptance credits	1,393,873	-	-	56,489	-	-	-	-	-	1,450,362
Staff financing**	-	-	-	-	335,672	-	-	-	-	335,672
Revolving credits	-	-	-	-	7,070,912	-	-	-	-	7,070,912
Credit card receivables	-	-	-	-	-	-	-	-	473,195	473,195
Gross financing, advances and other financing/loans, at amortised cost	2,384,417	4,020,435	863,962	103,170	102,325,575	968,082	19,430,626	6,597	473,195	130,576,059
Fair value changes arising from fair value hedge										(252)
										130,575,807
Less: Expected credit losses										(1,690,545)
Net financing, advances and other financing/loans, at amortised cost										128,885,262
At fair value through profit or loss										
Term financing										
Syndicated Financing	-	-	-	-	-	-	-	-	-	-
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Total net financing, advances and other financing/loans										128,885,262

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2023

	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
		Ajil RM'000	Muntahiah Bi al- Tamlik *				Thumma Al-Bai' #				
At amortised cost											
Cash line [^]	-	100	157	-	1,600,152	-	-	11,639	-	1,612,048	
Term financing											
House Financing	-	3,646,653	-	-	43,691,549	995,640	-	-	-	48,333,842	
Syndicated Financing	-	-	-	-	2,050,549	-	-	-	-	2,050,549	
Hire purchase receivables	-	-	-	-	-	-	17,998,019	-	-	17,998,019	
Other term financing	-	757,895	1,058,383	-	40,912,823	32,457	-	-	-	42,761,558	
Bills receivable	1,069,061	-	-	21,017	-	-	-	-	-	1,090,078	
Islamic trust receipts	21,065	-	-	-	-	-	-	-	-	21,065	
Claims on customers under acceptance credits	1,101,828	-	-	124,175	-	-	-	-	-	1,226,003	
Staff financing**	-	-	-	-	310,822	-	-	-	-	310,822	
Revolving credits	-	-	-	-	7,186,785	-	-	-	-	7,186,785	
Credit card receivables	-	-	-	-	-	-	-	-	302,377	302,377	
Gross financing, advances and other, at amortised cost financing/loans	2,191,954	4,404,648	1,058,540	145,192	95,752,680	1,028,097	17,998,019	11,639	302,377	122,893,146	
Fair value changes arising from fair value hedges										(934)	
Less: Expected credit losses										122,892,212	
At amortised cost										(1,689,858)	
- Expected credit losses on financing, advances and other financing/loans											
Net financing, advances and other financing/loans, at amortised cost										121,202,354	
At fair value through profit or loss:											
Term financing											
Syndicated Financing	-	-	-	-	274,133	-	-	-	-	274,133	
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	274,133	-	-	-	-	274,133	
Total net financing, advances and other financing/loans										121,476,487	

[^] 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 RM4,011,715 (2023: RM2,236,259).

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 September 2024	31 December 2023
	RM'000	RM'000
Total Gross financing, advances and other financing/loans		
- At amortised cost	130,576,059	122,893,146
- At fair value through profit or loss	-	274,133
	<u>130,576,059</u>	<u>123,167,279</u>

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM20,184,000 (2023: RM36,682,000) 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 September 2024, the gross carrying amount to RPSIA financing is RM2,957,284,000 (31 December 2023: RM3,425,929,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM347,000 (31 December 2023: RM415,000) is recognised in the Financial Statements of CIMB Bank Berhad.

(c) Movement of Qard financing

	The Group and the Bank	
	30 September 2024	31 December 2023
	RM'000	RM'000
At 1 January	11,639	12,917
New disbursement	1,297	6,252
Repayment	(6,339)	(7,530)
As at 30 September/31 December	<u>6,597</u>	<u>11,639</u>
Sources of Qard fund:		
Depositors' fund	6,122	10,825
Shareholders' fund	475	814
	<u>6,597</u>	<u>11,639</u>
Uses of Qard fund:		
Personal use	361	5,410
Business purpose	6,236	6,229
	<u>6,597</u>	<u>11,639</u>

(ii) By geographical distribution:

Malaysia	130,576,059	123,167,279
	<u>130,576,059</u>	<u>123,167,279</u>

PART A - EXPLANATORY NOTES (CONTINUED)

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

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
(iii) By type of customer:		
Domestic non-bank financial institutions	2,999,685	2,697,204
Domestic business enterprises		
- Small medium enterprises	22,698,135	20,101,501
- Others	10,812,404	12,549,489
Government and statutory bodies	1,842,910	1,778,885
Individuals	90,269,126	84,082,470
Other domestic entities	1,080,438	968,574
Foreign entities	873,361	989,156
Gross financing, advances and other financing/loans	<u>130,576,059</u>	<u>123,167,279</u>
(iv) By profit rate sensitivity:		
Fixed rate		
- House financing	555,913	571,778
- Hire purchase receivables	16,754,840	15,550,009
- Others	4,307,421	4,351,912
Variable rate		
- House financing	53,157,229	47,762,064
- Others	55,800,656	54,931,516
Gross financing, advances and other financing/loans	<u>130,576,059</u>	<u>123,167,279</u>
(v) By economic purpose:		
Personal use	2,238,834	2,148,152
Credit card	473,195	302,377
Construction	1,942,950	1,835,359
Residential property	54,778,930	49,429,715
Non-residential property	15,863,765	13,371,150
Purchase of fixed assets other than land and building	814,649	1,128,934
Merger and acquisition	-	226,166
Purchase of securities	10,370,520	11,972,504
Purchase of transport vehicles	19,809,838	18,415,703
Working capital	23,273,636	22,309,785
Other purpose	1,009,742	2,027,434
Gross financing, advances and other financing/loans	<u>130,576,059</u>	<u>123,167,279</u>
(vi) By economic sector:		
Primary agriculture	3,395,819	4,073,957
Mining and quarrying	136,304	616,484
Manufacturing	4,938,772	4,594,901
Electricity, gas and water supply	399,207	1,527,275
Construction	4,165,788	3,708,735
Transport, storage and communications	3,587,254	3,658,743
Education, health and others	2,793,326	2,719,435
Wholesale and retail trade, and restaurants and hotels	8,980,478	7,398,277
Finance, insurance/takaful, real estate and business activities	11,595,094	10,457,727
Household	90,575,277	84,401,296
Others	8,740	10,449
Gross financing, advances and other financing/loans	<u>130,576,059</u>	<u>123,167,279</u>

PART A - EXPLANATORY NOTES (CONTINUED)

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

	The Group and the Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
(vii) By residual contractual maturity:		
Within one year	12,892,531	12,671,995
One year to less than three years	2,504,674	2,671,603
Three years to less than five years	8,827,323	6,401,660
Five years and more	106,351,531	101,422,021
Gross financing, advances and other financing/loans	<u>130,576,059</u>	<u>123,167,279</u>
(viii) Credit impaired financing by economic purpose:		
Personal use	21,129	27,607
Credit card	5,565	3,171
Residential property	982,536	1,143,198
Non-residential property	185,413	183,026
Purchase of fixed assets other than land & building	6,917	6,561
Purchase of securities	700	1,374
Purchase of transport vehicles	176,007	169,394
Working capital	208,004	153,551
Other purpose	69,497	87,992
Gross credit impaired financing, advances and other financing/loans	<u>1,655,768</u>	<u>1,775,874</u>
(ix) Credit impaired financing by geographical distribution:		
Malaysia	1,655,768	1,775,874
	<u>1,655,768</u>	<u>1,775,874</u>
(x) Credit impaired financing by economic sector:		
Primary agriculture	572	12,600
Mining and quarrying	1	1
Manufacturing	33,712	20,072
Electricity, gas and water supply	2,613	1
Construction	113,988	59,876
Transport, storage and communications	5,664	8,390
Education, health and others	18,743	17,941
Wholesale and retail trade, and restaurants and hotels	171,018	175,589
Finance, insurance/takaful, real estate and business activities	83,285	76,414
Household	1,225,800	1,404,914
Others	372	76
Gross credit impaired financing, advances and other financing/loans	<u>1,655,768</u>	<u>1,775,874</u>

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 2024	772,112	368,166	549,580	1,689,858
Changes in expected credit losses due to transferred within stages:	151,567	(60,963)	(90,604)	-
Transferred to Stage 1	288,177	(266,093)	(22,084)	-
Transferred to Stage 2	(136,313)	453,755	(317,442)	-
Transferred to Stage 3	(297)	(248,625)	248,922	-
Total charge to Statement of Income:	(396,375)	128,266	493,409	225,300
New financial assets originated	82,658	2,026	1,134	85,818
Financial assets that have been derecognised	(56,774)	(26,875)	-	(83,649)
Writeback in respect of full recoveries	-	-	(33,089)	(33,089)
Change in credit risk	(422,259)	153,115	525,364	256,220
Write-offs	-	(163)	(246,674)	(246,837)
Other movements	(106)	67	22,263	22,224
At 30 September 2024	527,198	435,373	727,974	1,690,545

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 2023	163,249	892,799	431,605	1,487,653
Changes in expected credit losses due to transferred within stages:	665,357	(586,700)	(78,657)	-
Transferred to Stage 1	830,582	(804,974)	(25,608)	-
Transferred to Stage 2	(158,233)	572,238	(414,005)	-
Transferred to Stage 3	(6,992)	(353,964)	360,956	-
Total charge to Statement of Income:	(56,519)	62,174	452,827	458,482
New financial assets originated	94,042	2,995	22,062	119,099
Financial assets that have been derecognised	(53,357)	(31,812)	-	(85,169)
Writeback in respect of full recoveries	-	-	(39,614)	(39,614)
Change in credit risk	(97,204)	90,991	470,379	464,166
Write-offs	-	-	(280,984)	(280,984)
Other movements	25	(107)	24,789	24,707
At 31 December 2023	772,112	368,166	549,580	1,689,858

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 2024	1,775,874	1,775,874
Transfer within stages	239,081	239,081
New financial assets originated	2,939	2,939
Write-offs	(246,674)	(246,674)
Amount fully recovered	(92,056)	(92,056)
Other movements	(23,396)	(23,396)
At 30 September 2024	1,655,768	1,655,768

	The Group and the Bank	
	Lifetime expected	
	credit losses	
	-Credit impaired	
	(Stage 3)	Total
	RM'000	RM'000
At 1 January 2023	1,409,337	1,409,337
Transfer within stages	717,079	717,079
New financial assets originated	34,616	34,616
Write-offs	(280,984)	(280,984)
Amount fully recovered	(112,071)	(112,071)
Other movements	7,897	7,897
At 31 December 2023	1,775,874	1,775,874

	The Group and the Bank	
	30 September	31 December
	2024	2023
Ratio of credit impaired financing to total financing, advances and other financing/loans	1.27%	1.44%

PART A - EXPLANATORY NOTES (CONTINUED)

A11 Other assets

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Sundry debtors net of expected credit losses *, deposits and prepayme	205,338	241,243
Collateral pledged for derivative transactions	25,250	25,250
Treasury related receivables	285,355	77,890
Clearing accounts	5,147	5,610
	521,090	349,993

* net of expected credit losses of RM54,854,000 (2023: RM18,553,000).

A12 Deposits from customers

(i) By type of deposit

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
Savings deposits	9,371,512	8,944,308
Commodity Murabahah (via Tawarruq arrangement)*	9,371,512	8,944,308
Demand deposits	20,726,350	21,623,729
Qard	18,894,299	19,637,587
Commodity Murabahah (via Tawarruq arrangement)*	1,832,051	1,986,142
Term deposits	74,991,761	80,057,417
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	41,208,350	50,166,877
Fixed Deposits-i (via Tawarruq arrangement)*	33,037,522	29,394,871
Negotiable Islamic Debt Certificate (NIDC) Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	745,889	495,669
Specific investment account	25,057	25,160
Mudharabah	25,057	25,160
Others	374,063	181,130
Qard	374,063	181,130
	105,488,743	110,831,744

*included Qard contract of RM1,013,873,000 (2023:RM890,124,000)

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
A12 Deposits from customers (continued)		
(ii) Maturity structures of term deposits and investment accounts.		
Due within six months	63,694,303	63,759,645
Six months to less than one year	10,071,502	15,272,085
One year to less than three years	366,352	173,634
Three years to less than five years	874,291	866,737
Five years and more	10,370	10,476
	75,016,818	80,082,577

(iii) By type of customer

Government and statutory bodies	7,170,980	7,469,522
Business enterprises	37,173,745	43,657,808
Individuals	35,623,371	32,074,557
Others	25,520,647	27,629,857
	105,488,743	110,831,744

	The Group and the Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
A13 Investment accounts of customers		
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	1,908,836	1,665,728
Daily Investment Account-i	92,865	17,698
-with maturity		
Term Investment Account-i	18,162,241	16,659,812
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	112,865	48,300
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	570,493	592,587
	20,847,300	18,984,125

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

	The Group and the Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
A14 Deposits and placements of banks and other financial institutions		
Licensed Islamic banks	451,094	400,329
Licensed investment banks	757,711	645,848
Licensed banks	2,744,466	3,760,466
Bank Negara Malaysia	5,000	5,000
Other financial institutions	658,347	721,863
	4,616,618	5,533,506

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

Due within six months	4,025,026	5,364,448
Six months to less than one year	418,303	-
One year to three years	173,289	169,058
	4,616,618	5,533,506

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
A15 Investment accounts due to designated financial institutions		
Restricted investment accounts		
Mudharabah	<u>2,956,559</u>	<u>3,424,851</u>
By type of counterparty		
Licensed banks	<u>2,956,559</u>	<u>3,424,851</u>

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

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
A16 Financial liabilities designated at fair value through profit or loss		
Deposits from customers - structured investments	<u>3,142,247</u>	<u>2,821,784</u>

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 accounting mismatch. These instruments are managed by the Group and the Bank on the basis of their fair value, and/or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 30 September 2024 of financial liabilities designated at fair value were RM64,760,000 (31 December 2023: RM75,260,000) lower than the contractual amount at maturity.

	The Group and the Bank	
	30 September 2024 RM'000	31 December 2023 RM'000
A17 Other liabilities		
Accruals and other payables	328,901	109,569
Clearing accounts	44,776	344,969
Expected credit losses for commitments and contingencies	55,196	93,333
Collateral received for derivative transactions	1,201,223	42,374
Structured deposits	23,131	26,116
Treasury related payables	273,460	132,415
Others	53,887	69,304
	<u>1,980,574</u>	<u>818,080</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 2024	75,142	10,474	7,717	93,333
Changes in expected credit losses due to transferred within stages:	4,088	(7,078)	2,990	-
Transferred to Stage 1	8,828	(8,762)	(66)	-
Transferred to Stage 2	(4,738)	10,821	(6,083)	-
Transferred to Stage 3	(2)	(9,137)	9,139	-
Total charge to Statement of Income:	(51,106)	5,138	8,170	(37,798)
New exposures	37,135	-	-	37,135
Exposures derecognised or matured	(25,126)	(4,471)	(3,096)	(32,693)
Change in credit risk	(63,115)	9,609	11,266	(42,240)
Other movements	16	(61)	(294)	(339)
At 30 September 2024	28,140	8,473	18,583	55,196

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 2023	25,092	12,017	8,038	45,147
Changes in expected credit losses due to transferred within stages:	10,339	(11,039)	700	-
Transferred to Stage 1	17,009	(14,047)	(2,962)	-
Transferred to Stage 2	(6,633)	12,413	(5,780)	-
Transferred to Stage 3	(37)	(9,405)	9,442	-
Total charge to Statement of Income:	39,701	9,452	(1,027)	48,126
New exposures	44,486	264	-	44,750
Exposures derecognised or matured	(35,435)	(4,030)	(4,907)	(44,372)
Change in credit risk	30,650	13,218	3,880	47,748
Other movements	10	44	6	60
At 31 December 2023	75,142	10,474	7,717	93,333

As at 30 September 2024, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM87,329,000 (2023: RM54,837,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
A18 Income derived from investment of depositors' funds and others				
The Group and the Bank				
Income derived from investment of :				
a) General investment deposits	1,141,723	917,677	2,944,419	2,530,834
b) Specific investment deposits	245	878	745	2,696
c) Other deposits	772,749	427,720	1,795,831	1,146,451
	1,914,717	1,346,275	4,740,995	3,679,981
a) Income derived from investment of general investment deposits				
Financing, advances and other financing/loans				
- Profit income	707,258	689,531	2,125,473	2,028,124
- Unwinding income [^]	5,867	10,239	21,676	27,418
Debt instruments at fair value through other comprehensive income	37,445	34,637	110,516	100,352
Debt instrument at amortised cost	77,907	87,021	245,733	229,737
Money at call and deposit with financial institutions	48,212	50,930	133,210	193,472
Reverse Collateralised Commodity Murabahah	5,662	5,636	16,404	9,770
	882,351	877,994	2,653,012	2,588,873
Accretion of discount less amortisation of premium	(5,351)	(4,538)	(16,771)	(15,708)
	877,000	873,456	2,636,241	2,573,165
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	(6,524)	14,264	23,090	45,980
- Financing, advances and other financing/loans	194	-	3,717	-
- Net accretion of discount less amortisation of premium	25,521	22,004	76,096	45,878
Total finance income and hibah	896,191	909,724	2,739,144	2,665,023
Other operating income				
- Net gain arising from financial investments at fair value through profit or loss:	3,479	3,990	6,485	16,481
- realised	2,808	2,807	5,811	14,179
- unrealised	671	1,183	674	2,302
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	850	2,283	5,608	3,258
- Net gain from maturity of financial assets measured at amortised cost	235	-	235	-
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	46	-	1,282	-
- Net gain/(loss) from foreign exchange transactions	237,559	(1,792)	185,106	(163,490)
	242,169	4,481	198,716	(143,751)
Fee and commission income				
- Guarantee fee	3,363	3,472	6,559	9,562
	1,141,723	917,677	2,944,419	2,530,834
b) Income derived from investment of specific investment deposits				
Money at call and deposit with financial institutions	245	878	745	2,696

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

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
A18 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	478,691	321,383	1,282,657	918,067
- Unwinding income [^]	3,971	4,773	12,916	12,435
Debt instruments at fair value through other comprehensive income	25,344	16,144	66,833	45,437
Debt instrument at amortised cost	52,730	40,559	147,844	104,208
Money at call and deposit with financial institutions	32,631	23,738	80,830	87,231
Reverse Collateralised Commodity Murabahah	3,833	2,626	9,943	4,472
	597,200	409,223	1,601,023	1,171,850
Accretion of discount less amortisation of premium	(3,621)	(2,115)	(10,103)	(7,095)
	593,579	407,108	1,590,920	1,164,755
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	(4,415)	6,648	12,255	20,785
- Financing, advances and other financing/loans	131	-	2,097	-
- Net accretion of discount less amortisation of premium	17,273	10,256	46,130	20,918
Total finance income and hibah	606,568	424,012	1,651,402	1,206,458
Other operating income				
- Net gain arising from financial investments at fair value through profit or loss:	2,356	1,861	4,071	7,410
- realised	1,901	1,309	3,577	6,367
- unrealised	455	552	494	1,043
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	576	1,064	3,274	1,501
- Net gain from maturity of financial assets measured at amortised cost	159	-	159	-
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	31	-	714	-
- Net gain/(loss) from foreign exchange transactions	160,786	(835)	132,189	(73,245)
	163,908	2,090	140,407	(64,334)
Fee and commission income				
- Guarantee fee	2,273	1,618	4,022	4,327
	772,749	427,720	1,795,831	1,146,451

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

A19 Income derived from investment of investment account

The Group and the Bank

Financing, advances and other financing/loans				
- Profit income	299,604	276,762	891,956	763,900
- Unwinding income [^]	5	1	9	8
Debt instrument at amortised cost	9,303	11,925	34,916	33,117
	308,912	288,688	926,881	797,025
Accretion of discount less amortisation of premium	(1,121)	2,167	3,733	6,675
	307,791	290,855	930,614	803,700
Other operating income				
- Net gain from sale of securities at amortised cost	-	-	-	65
- Net (loss)/gain from foreign exchange transactions	(750)	23	(619)	229
	(750)	23	(619)	294
Fees and commission income				
- Service charges and fees	429	218	1,090	746
Other income	1	1	3	2
	307,471	291,097	931,088	804,742

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

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
A20 Income derived from investment of shareholder's funds				
The Group and the Bank				
Financing, advances and other financing/loans				
- Profit income	92,107	77,787	265,883	225,816
- Unwinding income [^]	764	1,155	2,700	3,057
Debt instruments at fair value through other comprehensive income	4,877	3,908	13,835	11,175
Debt instrument at amortised cost	10,146	9,817	30,708	25,615
Money at call and deposit with financial institutions	6,279	5,745	16,695	21,487
Reverse Collateralised Commodity Murabahah	737	636	2,055	1,094
	114,910	99,048	331,876	288,244
Accretion of discount less amortisation of premium	(697)	(512)	(2,097)	(1,747)
	114,213	98,536	329,779	286,497
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	(850)	1,609	2,771	5,116
- Financing, advances and other financing/loans	25	-	455	-
- Net accretion of discount less amortisation of premium	3,323	2,482	9,533	5,132
Total finance income and hibah	116,711	102,627	342,538	296,745
Other operating income				
- Net gain arising from financial assets at fair value through profit or loss:	453	451	822	1,823
- realised	366	317	732	1,569
- unrealised	87	134	90	254
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	111	257	694	366
- Net gain from maturity of financial assets measured at amortised cost	31	-	31	-
- Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	6	-	156	-
- Net gain/(loss) from foreign exchange transactions	30,938	(202)	24,588	(18,241)
- Net gain arising from hedging activities	212	73	254	160
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	(28,487)	25,755	5,795	(21,187)
- realised	4,803	6,373	18,805	53,187
- unrealised	(33,290)	19,382	(13,010)	(74,374)
- Net (loss)/gain arising from derivative financial instrument	(340,365)	(725)	(184,378)	393,730
- realised	(177,831)	249,649	(6,191)	206,517
- unrealised	(162,534)	(250,374)	(178,187)	187,213
	(337,101)	25,609	(152,038)	356,651
Fee and commission income				
- Guarantee fee	438	391	825	1,062
- Service charge and fee	36,744	32,872	103,361	89,471
- Commission fee	42,177	39,064	138,146	139,834
Total fee and commission income	79,359	72,327	242,332	230,367
Less : fee and commission expense	(15,847)	(12,860)	(43,950)	(28,729)
Net fee and commission income	63,512	59,467	198,382	201,638
Other income	532	381	1,735	1,125
	(156,346)	188,084	390,617	856,159

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

A21 Modification loss

The Group and the Bank

Loss on modification of cash flows	-	4	1	77
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PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
A22(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	48,977	102,033	225,300	292,741
Credit impaired financing, advances and other financing/loans:				
- recovered	(31,417)	(18,101)	(82,286)	(52,241)
- written off	3,464	1,077	5,964	2,710
	<u>21,024</u>	<u>85,009</u>	<u>148,978</u>	<u>243,210</u>
A22(b) Other expected credit losses made				
The Group and the Bank				
Expected credit losses (written back)/made on:				
- Debt instrument at fair value through other comprehensive income	(422)	(87)	28	706
- Debt instrument at amortised cost	-	100	(101)	95
- Deposits and placements with banks and other financial institutions	-	6	-	5
- Other receivables	38	(116)	36,301	(1,199)
	<u>(384)</u>	<u>(97)</u>	<u>36,228</u>	<u>(393)</u>
A23 Income attributable to depositors and others				
The Group and the Bank				
Deposits from customers				
- Mudharabah	245	878	745	2,696
- Non-Mudharabah	772,124	801,404	2,372,262	2,284,072
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	70,573	63,496	210,710	221,487
Others				
- Financial liabilities designated at fair value through profit or loss	25,448	25,774	75,814	75,737
- Recourse obligation on loans and financing sold to Cagamas	34,692	5,308	90,220	5,308
- Senior Sukuk	64,820	-	120,084	-
- Subordinated Sukuk	11,531	11,267	33,820	33,433
- Structured deposits	35	40	110	105
- Collateralised Commodity Murabahah	26,740	16,964	71,715	52,562
- Others	2	37	10	57
	<u>1,006,210</u>	<u>925,168</u>	<u>2,975,490</u>	<u>2,675,457</u>
A24 Profit distributed to investment account holder				
The Group and the Bank				
- Restricted	39,703	45,090	135,021	130,633
- Unrestricted	163,743	155,375	496,377	413,901
	<u>203,446</u>	<u>200,465</u>	<u>631,398</u>	<u>544,534</u>

PART A - EXPLANATORY NOTES (CONTINUED)

3rd Quarter Ended		Nine Months Ended	
30 September	30 September	30 September	30 September
2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000

A25 Personnel expenses

The Group and the Bank

Salaries, allowances and bonuses	6,670	5,916	19,588	17,845
Pension costs (defined contribution plan)	780	674	2,244	1,978
Staff incentives and other staff payments	160	145	465	579
Medical expenses	85	75	335	304
Share-based expense ¹	102	424	177	1,273
Others	516	727	1,376	977
	8,313	7,961	24,185	22,956

¹ The 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. 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.

A26 Other overheads and expenditures

The Group and the Bank

Establishment

Depreciation of property, plant equipment	44	88	166	261
Depreciation of right-of-use assets	143	141	241	427
Rental	164	234	338	413
Amortisation of intangible assets	595	316	1,814	799
Repairs and maintenance	186	121	303	326
Utility expenses	7	8	22	22
Others	1,921	1,445	5,196	3,861
	3,060	2,353	8,080	6,109

Marketing

Advertisement and publicity	1,665	1,897	4,372	3,904
Others	81	147	430	315
	1,746	2,044	4,802	4,219

General expenses

Consultancy and professional fees	663	978	3,312	1,912
Legal expenses	(159)	251	-	37
Stationery	127	162	265	272
Postages	70	39	194	129
Donation	4	302	999	2,403
Incidental expenses on banking operations	1,028	1,175	2,692	3,290
Takaful	758	748	2,585	2,342
Group service expense	329,676	274,533	965,467	916,579
Others	1,195	2,995	6,870	8,592
	333,362	281,183	982,384	935,556
	338,168	285,580	995,266	945,884

PART A - EXPLANATORY NOTES (CONTINUED)

A27 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 September 2024			31 December 2023		
	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	18,937,684	462,529	(1,362,442)	12,193,722	126,388	(182,555)
- Less than one year	18,563,432	436,751	(1,343,140)	11,819,764	75,442	(138,394)
- One year to three years	96,213	3,399	(1,552)	95,919	14,935	(12,638)
- More than three years	278,039	22,379	(17,750)	278,039	36,011	(31,523)
Currency swaps	19,265,446	1,054,473	(369,745)	11,840,682	128,735	(99,383)
- Less than one year	19,175,502	1,053,778	(368,852)	11,840,682	128,735	(99,383)
- One year to three years	89,944	695	(893)	-	-	-
Currency spots	248,984	518	(705)	117,214	291	(343)
- Less than one year	248,984	518	(705)	117,214	291	(343)
Currency options	134,300	6,441	(6,436)	280,105	2,561	(2,614)
- Less than one year	134,300	6,441	(6,436)	232,379	1,731	(1,784)
- 1 year to 3 years	-	-	-	47,726	830	(830)
Cross currency profit rate swaps	833,346	54,889	(52,649)	964,055	39,344	(37,018)
- Less than one year	362,196	18,591	(18,487)	237,125	2,372	(2,327)
- One year to three years	251,910	8,765	(8,490)	507,690	30,378	(29,931)
- More than three years	219,240	27,533	(25,672)	219,240	6,594	(4,760)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	9,653,891	30,379	(93,452)	7,896,745	26,667	(103,561)
- Less than one year	791,955	841	(1,354)	463,377	191	(482)
- One year to three years	4,351,492	8,218	(36,367)	3,040,513	6,825	(38,996)
- More than three years	4,510,444	21,320	(55,731)	4,392,855	19,651	(64,083)
<u>Equity related derivatives</u>						
Equity options	49,115	859	(859)	27,130	510	(510)
- Less than one year	33,755	569	(569)	1,873	60	(60)
- One year to three years	15,360	290	(290)	25,257	450	(450)
<u>Credit related contracts</u>						
Total return swaps	39,800	285	(285)	39,800	610	(610)
- One year to three years	39,800	285	(285)	39,800	610	(610)
<u>Commodity related derivatives</u>						
Commodity Swap	-	-	-	732	15	(10)
- Less than one year	-	-	-	732	15	(10)
Commodity options	530,468	9,516	(9,516)	17,035	22	(22)
- Less than one year	530,468	9,516	(9,516)	17,035	22	(22)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	9,589,928	117,385	(7,974)	3,761,373	32,018	(6,814)
- Less than one year	-	-	-	55,000	425	-
- One year to three years	1,344,928	8,215	(2,164)	911,373	8,568	(509)
- More than three years	8,245,000	109,170	(5,810)	2,795,000	23,025	(6,305)
Total derivative assets/(liabilities)	59,282,962	1,737,274	(1,904,063)	37,138,593	357,161	(433,440)

PART A - EXPLANATORY NOTES (CONTINUED)

A27 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, commodity 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 September 2024, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM1,737,274,000 (31 December 2023: RM357,161,000). 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 September 2024, the Group has posted cash collateral of RM25,250,000 (31 December 2023: RM25,250,000) 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 2023.

PART A - EXPLANATORY NOTES (CONTINUED)

A27 Islamic derivative financial instruments, commitments and contingencies (continued)

(ii) Commitments and contingencies

	30 September 2024 Principal amount	31 December 2023 Principal amount
The Group and the Bank	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	456,958	518,387
Transaction-related contingent items	1,234,237	1,052,177
Short-term self-liquidating trade-related contingencies	111,455	144,821
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	19,024,143	17,029,337
- maturity exceeding one year	11,100,325	12,864,150
Miscellaneous commitments and contingencies	172,366	47,950
Total credit-related commitments and contingencies	<u>32,099,484</u>	<u>31,656,822</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	38,484,414	24,247,165
- one year to five years	632,577	714,796
- more than five years	302,769	433,817
Profit rate related contracts :		
- less than one year	791,955	518,377
- one year to five years	12,165,450	9,511,626
- more than five years	6,286,414	1,628,115
Equity related contracts :		
- less than one year	33,755	1,873
- one year to five years	15,360	25,257
Credit related contracts:		
- one year to five years	39,800	39,800
Commodity related contracts :		
- less than one year	530,468	17,767
Total treasury-related commitments and contingencies	<u>59,282,962</u>	<u>37,138,593</u>
	<u>91,382,446</u>	<u>68,795,415</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A28 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 14 June 2024. The revised guidelines took effect on 14 June 2024 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 Group and the Bank are computed in accordance with the CAFIB (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 18 December 2023.

The Internal Ratings Based ("IRB") Approach adopted by the 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 September 2024	31 December 2023	30 September 2024	31 December 2023
Common equity tier 1 ratio	13.759%	12.996%	13.759%	12.996%
Tier 1 ratio	14.286%	13.522%	14.286%	13.522%
Total capital ratio	16.942%	15.545%	16.941%	15.545%

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

	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	RM'000	RM'000	RM'000	RM'000
Credit risk	59,695,248	60,587,492	59,695,385	60,587,629
Market risk	998,003	759,406	998,003	759,406
Operational risk	5,652,601	5,308,225	5,652,601	5,307,380
Total risk-weighted assets	66,345,852	66,655,123	66,345,989	66,654,415

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

	30 September 2024	31 December 2023	30 September 2024	31 December 2023
	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	8,973,618	8,295,452	8,973,583	8,295,417
Common Equity Tier 1 capital before regulatory adjustments	9,973,618	9,295,452	9,973,583	9,295,417
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(1,924)	(3,283)	(1,924)	(3,283)
Deferred tax assets	(217,205)	(283,238)	(217,205)	(283,238)
Regulatory reserve	(488,038)	(210,633)	(488,038)	(210,633)
Others	(2,033)	477	(2,033)	477
Common Equity Tier 1 capital after regulatory adjustments	9,128,418	8,662,775	9,128,383	8,662,740
Additional Tier 1 capital				
Perpetual preference shares	350,000	350,000	350,000	350,000
Total Tier 1 capital	9,478,418	9,012,775	9,478,383	9,012,740
Tier 2 capital				
Subordinated Sukuk	1,500,000	1,100,000	1,500,000	1,100,000
Surplus of eligible provisions over expected loss	176,042	167,724	176,042	167,721
General provisions ^	85,566	81,031	85,568	81,033
Total Tier 2 capital	1,761,608	1,348,755	1,761,610	1,348,754
Total capital	11,240,026	10,361,530	11,239,993	10,361,494

^ Total capital of the Group and the Bank has excluded general provisions from Tier 2 capital of RM61.5 million (2023: RM48.8million).

PART A - EXPLANATORY NOTES (CONTINUED)

A30 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 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)

A30 Segmental reporting (continued)

The Group	Wholesale	Consumer	Commercial	Group	Total
30 September 2024	Banking	Banking	Banking	Funding	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income - after modification loss					
- external (expense)/income	(829,153)	2,015,621	713,173	157,913	2,057,554
- inter-segment income/(expense)	1,132,503	(1,011,814)	(129,652)	8,963	-
	303,350	1,003,807	583,521	166,876	2,057,554
Other operating income	101,156	195,685	99,607	1,809	398,257
Total income	404,506	1,199,492	683,128	168,685	2,455,811
Overhead expenses	(137,668)	(536,084)	(141,201)	(204,498)	(1,019,451)
of which					
- Depreciation of property, plant and equipment	(6)	(1)	-	(159)	(166)
- Amortisation of intangible assets	(438)	(509)	(867)	-	(1,814)
Profit/(loss) before allowances	266,838	663,408	541,927	(35,813)	1,436,360
Expected credit losses made on financing, advances and other financing/loans	(13,354)	(125,704)	(9,908)	(12)	(148,978)
Expected credit losses (made)/written back for commitments and contingencies	(1,116)	47,200	(8,286)	-	37,798
Other expected credit losses written back/(made)	93	-	-	(36,321)	(36,228)
Segment results	252,461	584,904	523,733	(72,146)	1,288,952
Taxation					(317,546)
Profit for the financial period					971,406

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group	Wholesale	Consumer	Commercial	Group	Total
30 September 2023	Banking	Banking	Banking	Funding	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income - after modification loss					
- external (expense)/income	(843,726)	1,724,880	556,255	317,145	1,754,554
- inter-segment income/(expense)	1,096,750	(804,286)	(46,366)	(246,098)	-
	253,024	920,594	509,889	71,047	1,754,554
Other operating income	106,504	196,276	87,058	(23,578)	366,260
Total income	359,528	1,116,870	596,947	47,469	2,120,814
Overhead expenses	(133,640)	(527,102)	(110,398)	(197,700)	(968,840)
of which					
- Depreciation of property, plant and equipment	(3)	(1)	-	(257)	(261)
- Amortisation of intangible assets	(411)	(387)	-	(1)	(799)
Profit before allowances	225,888	589,768	486,549	(150,231)	1,151,974
Expected credit losses written back/(made) on financing, advances and other financing/loans	1,250	(168,758)	(75,699)	(3)	(243,210)
Expected credit losses written back/(made) for commitments and contingencies	5,105	(29,519)	(1,497)	-	(25,911)
Other expected credit losses written back/(made)	1,178	-	-	(785)	393
Segment results	233,421	391,491	409,353	(151,019)	883,246
Taxation					(218,699)
Profit for the financial period					664,547

PART A - EXPLANATORY NOTES (CONTINUED)

A30 Segmental reporting (continued)

The Group 30 September 2024	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Segment assets	33,921,974	89,342,703	25,967,450	17,249,762	166,481,889
Unallocated assets					1,724,792
Total assets					168,206,681
Segment liabilities	68,624,866	55,320,752	19,442,712	12,176,284	155,564,614
Unallocated liabilities					1,981,634
Total liabilities					157,546,248
Other segment items					
Capital expenditure	121	138	234	69	562
<hr/>					
The Group 31 December 2023	Wholesale Banking RM'000	Consumer Banking RM'000	Commercial Banking RM'000	Group Funding RM'000	Total RM'000
Segment assets	35,943,310	83,162,739	23,179,158	16,022,916	158,308,123
Unallocated assets					1,357,638
Total assets					159,665,761
Segment liabilities	67,646,988	49,882,929	19,500,716	12,169,834	149,200,467
Unallocated liabilities					819,842
Total liabilities					150,020,309
Other segment items					
Capital expenditure	780	773	1,482	74	3,109

PART A - EXPLANATORY NOTES (CONTINUED)

A31 Fair Value Estimation

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

A31 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 September 2024 and 31 December 2023.

The Group and the Bank	30 September 2024			31 December 2023		
	Fair Value			Fair Value		
	(Level 2)	(Level 3)	Total	(Level 2)	(Level 3)	Total
	RM'000	RM'000	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	5,614,221	-	5,614,221	3,579,418	-	3,579,418
-Unquoted securities	400,775	-	400,775	175,055	-	175,055
Debt instruments at fair value through other comprehensive income						
-Money market instruments	2,266,704	-	2,266,704	1,744,746	-	1,744,746
-Unquoted securities	4,524,175	-	4,524,175	3,618,018	-	3,618,018
Derivative financial instruments						
-Trading derivatives	1,619,030	859	1,619,889	324,633	510	325,143
-Hedging derivatives	117,385	-	117,385	32,018	-	32,018
Financing, advances and other financing/loans at fair value through profit or loss						
	-	-	-	274,133	-	274,133
Total	14,542,290	859	14,543,149	9,748,021	510	9,748,531
<i>Recurring fair value measurements</i>						
<u>Financial liabilities</u>						
Derivative financial instruments						
-Trading derivatives	1,895,230	859	1,896,089	426,116	510	426,626
-Hedging derivatives	7,974	-	7,974	6,814	-	6,814
Financial liabilities designated at fair value through profit or loss						
	3,142,247	-	3,142,247	2,821,784	-	2,821,784
Total	5,045,451	859	5,046,310	3,254,714	510	3,255,224

PART A-EXPLANATORY NOTES (CONTINUED)

A31 Fair Value Estimation (continued)

The following represents the changes in Level 3 instruments for the financial period/year ended 30 September 2024 and 31 December 2023 for the Group and the Bank:

	30 September 2024				31 December 2023			
	Financial Assets		Financial Liabilities		Financial Assets		Financial Liabilities	
	Derivative financial instruments		Derivative financial instruments		Derivative financial instruments		Derivative financial instruments	
	Trading derivatives	Total	Trading derivatives	Total	Trading derivatives	Total	Trading derivatives	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group and the Bank								
2024								
At 1 January 2024/2023	510	510	(510)	(510)	-	-	-	-
Total (loss)/gain recognised in statement of income	(14)	(14)	57	57	205	205	(141)	(141)
Purchases	422	422	(486)	(486)	342	342	(423)	(423)
Settlements	(59)	(59)	79	79	(37)	(37)	54	54
As at 30 September/31 December	859	859	(859)	(859)	510	510	(510)	(510)
Total (loss)/gain recognised in statement of income for financial period/year ended 30 September 2024 and 31 December 2023 under:								
- net other income	(14)	(14)	57	57	205	205	(141)	(141)
Change in unrealised gain/(loss) recognised in statement of income relating to assets held on 30 September 2024/31 December 2023 under "net other income"	23	23	34	34	227	227	(148)	(148)

PART B

B1 Group performance review

The Group recorded a pre-tax profit of RM1,289.0 million for the financial period ended 30 September 2024, an increase of RM405.7 million or 45.9% compared to the previous corresponding period.

Total income increased by RM721.8 million or 13.5% to RM6,062.7 million from previous corresponding period, comprising of increase of income derived from investments of depositors' funds and others and income derived from investment of investment account by RM1,061.0 million, and RM126.3 million respectively, offset by decrease of income derived from shareholder's funds by RM465.5 million.

For the nine months ended 30 September 2024, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM149.0 million compared to RM243.2 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 RM67.4 million and higher impaired financings recovered by RM30.0 million.

The income attributable to depositors increased by RM300.0 million while profit distributed to investment account holder increased by RM86.9 million.

The Group's gross financing, advances and other financing/loans increased by 6.02% to RM130.6 billion for the nine months period ended 30 September 2024. As at 30 September 2024, deposits from customers stood at RM105.5 billion, a decrease of RM5.3 billion while investment accounts of customers stood at RM20.8 billion, an increase of RM1.9 billion as compared to 31 December 2023.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 13.759%, 14.286% and 16.942% respectively.

B2 Prospects for the current financial year

The Bank remains cautious in view of the geopolitical tensions, economic uncertainty in China, potential global political shifts and monetary easing following the US Fed interest rate cut. Nonetheless, domestic growth prospects remain positive, driven by strong spending, export recovery, and increased investment activity. Key focus areas include strengthening CASA, driving profitable financing growth, growing Preferred and Wealth segments, expanding other income, optimising Net Financing Margin (NFM), and maintaining asset quality. The Bank emphasises prudent cost management and investment in technology for digital resiliency with sustainability at the forefront. The Bank is confident of capturing the positive tailwinds for an improved financial performance and achieving its ROE target for 2024.

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 and the Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period (RM '000)	371,557	256,419	971,406	664,547
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)	37.16	25.64	97.14	66.45

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2024 and 30 September 2023.