

Registration No: 200401032872 (671380-H)

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

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

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

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

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CIMB Islamic Bank Berhad

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Directors' Report for the financial year ended 31 December 2025

The Directors have pleasure in submitting their Report and the Audited Financial Statements of the Group and CIMB Islamic Bank Berhad ("CIMB Islamic" or "the Bank") for the financial year ended 31 December 2025.

Principal activities

The principal activities of the Bank during the financial year are Islamic banking and finance business and the provision of related financial services. The principal activities of the subsidiaries as set out in Note 15 to the Financial Statements, consist of Islamic nominees services. There was no significant change in the nature of these activities during the financial year.

Financial results

	The Group and the Bank RM'000
Profit after taxation and zakat	<u><u>1,400,979</u></u>

Dividend

The dividends on ordinary shares paid or declared by the Bank since 31 December 2024 are as follow:

	RM'000
In respect of the financial year ended 31 December 2025:	
Single-tier interim dividend of 30.00 sen per ordinary share, paid on 8 September 2025	<u>300,000</u>

The Board of Directors have proposed a single-tier first interim dividend of 30.00 sen per ordinary share, on 1,000,000,000 ordinary shares amounting to RM300 million in respect of the financial year ended 31 December 2025. On 8 September 2025, the single-tier first interim dividend amounting to RM300 million was paid.

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

Reserves, provisions and allowances

There were no material transfers to or from reserves or provisions or allowances during the financial year other than those disclosed in the Financial Statements and notes to the Financial Statements.

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

Share-based employee benefit plan

The Group's and the Bank's employee benefit schemes are explained in Note 46 to the Financial Statements.

Bad and doubtful financing

Before the Financial Statements of the Group and of the Bank were prepared, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad financing and the making of allowance for doubtful financing and satisfied themselves that all known bad financing had been written off and that adequate allowance had been made for doubtful financing.

At the date of this Report, the Directors are not aware of any circumstances which would render the amounts written off for bad financing, or the amount of the allowance for doubtful financing in the Financial Statements of the Group and of the Bank, inadequate to any substantial extent.

Current assets

Before the Financial Statements of the Group and of the Bank were prepared, the Directors took reasonable steps to ascertain that any current assets, other than financing, which were unlikely to realise in the ordinary course of business, including the values of current assets as shown in the accounting records of the Group and of the Bank had been written down to an amount which the current assets might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the Financial Statements of the Group and of the Bank misleading.

Valuation methods

At the date of this Report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.

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

Contingent and other liabilities

At the date of this Report, there does not exist:

- (a) any charge on the assets of the Group or the Bank which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or the Bank which has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability in the Group or the Bank has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Bank and its subsidiaries to meet their obligations when they fall due.

Change of circumstances

At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in this Report or the Financial Statements of the Group and of the Bank, that would render any amount stated in the Financial Statements misleading.

Items of an unusual nature

In the opinion of the Directors:

- (a) the results of the Group's and the Bank's operations for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in Note 51 to the Financial Statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Bank for the financial year in which this Report is made.

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

Directors

The Directors of the Bank who have held office during the financial year and during the period from the end of the financial year to the date of the Report are:

Datin Azlina Mahmud
Ahmed Baqar Rehman
Jalalullail Othman
Ahmad Shahrman Mohd Shariff
Dr Azura Othman
Zuhaida Zulkifli
Dato' Mohamed Ross Mohd Din (retired on 18 April 2025)

In accordance with Article 80(a) of the Bank's Constitution, Encik Ahmad Shahrman Mohd Shariff shall retire from the Board at the forthcoming Annual General Meeting ("AGM") and being eligible, offer himself for re-election.

In accordance with Article 88 and 89 of the Bank's Constitution, Encik Jalalullail shall retire from the Board at the forthcoming AGM and being eligible, offer himself for re-election.

The names of the Directors of the Bank's subsidiaries in office since the beginning of the financial year to the date of this report are disclosed in Note 54 to the Financial Statements.

Directors' interests in shares and share options

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the beneficial interests of Directors who held office at the end of the financial year in the shares, share options and debentures of the ultimate holding company and its related corporation during the financial year are as follows:

	Number of ordinary shares			
	As at 1 January 2025	Additions	Disposal	As at 31 December 2025
Ultimate holding company				
CIMB Group Holdings Berhad				
Direct interest				
Ahmad Shahrman Mohd Shariff	507	2,054,048 (a)	(1,749,140) (b)	305,415

(a) Includes shares granted/released under Equity Ownership Plan ("EOP")/vested for ESOS and SGP under LTIP

(b) Includes shares released from EOP account and transferred into Director's personal account

Other than as disclosed above, according to the Register of Directors' Shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares, options over shares and debentures of the Bank, the holding company, the ultimate holding company and the Bank's related corporations during the financial year.

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

Directors' interests in shares and share options (Continued)

Long Term Incentive Plan ("LTIP")

The CIMB Group implemented a Long Term Incentive Plan ("LTIP") on 9 June 2021, which was approved by the shareholders at the Extraordinary General Meeting held on 15 April 2021. The LTIP is governed by the LTIP by-laws and is administered by the LTIP Committee of CIMB Group.

The LTIP is awarded to employees who hold senior management positions and key roles within the CIMB Group and its subsidiary companies, and who fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the directors) is subject to the approval of the shareholders at a general meeting.

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme ("ESOS") and the Share Grant Plan ("SGP").

- The ESOS is a share option scheme with a premium on the exercise price, where vesting is subject to service conditions. The LTIP Committee may, at any time within the duration of the LTIP, grant an ESOS award to eligible employees, subject to the terms and conditions of the by-laws. The ESOS shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.
- The SGP is a restricted share unit scheme where vesting is subject to service and performance conditions (based on return on equity targets and individual performance). The LTIP Committee may, at any time within the duration of the LTIP, grant an SGP award to eligible employees, subject to the terms and conditions of the by-laws. The SGP shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.

Details of LTIP are set out in Note 46 to the Financial Statements.

(i) Details of ESOS shares awarded:

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

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**Directors' Report
for the financial year ended 31 December 2025 (Continued)****Directors' interests in shares and share options (Continued)**

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

	As at	Movement during the year			Outstanding as at	Exercisable as at
	1 January 2025	Awarded	Exercised	Expired/ Forfeited	31 December 2025	31 December 2025
Award Date	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9 June 2021	2,601	-	(1,802)	-	799	799
31 March 2022	50	-	(19)	-	31	31
8 September 2022	62	-	(62)	-	-	-
8 December 2022	-	-	-	-	-	-

(ii) Details of SGP shares awarded

Award Date	Fair Value	Awarded	Vesting Dates	
	RM	(Units'000)		
9 June 2021	4.65	15,748	31 March 2024	<i>Subject to performance conditions</i>
			31 March 2025	
31 March 2022	5.33	1,965	31 March 2024	
			31 March 2025	
8 September 2022	5.40	736	31 March 2024	
			31 March 2025	
8 December 2022	5.61	142	31 March 2024	
			31 March 2025	
12 January 2024	5.92	250	-	
			31 March 2025	

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

	As at	Movement during the year			As at
	1 January 2025	Awarded	Vested	Forfeited	31 December 2025
Award Date	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9 June 2021	189	-	(170)	(19)	-
31 March 2022	11	-	(9)	(2)	-
8 September 2022	7	-	(6)	(1)	-
8 December 2022	-	-	-	-	-
12 January 2024	-	-	-	-	-

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

Directors' remuneration

The remuneration in aggregate for Directors of the Group and the Bank for the financial year are as follows:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Executive Director		
- Salary and other remuneration	8,013	11,074
- Benefits-in-kind	7	7
Non-Executive Directors		
- Fees	1,225	747
- Other remuneration	1,197	1,445
- Benefits-in-kind	26	26
Shariah Committee members		
- Fees	584	495
- Other remuneration	216	181
	<u>11,268</u>	<u>13,975</u>

The Directors and officers of the Group and of the Bank are covered by Directors and Officers liability takaful for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The takaful contribution paid during the financial year for the Group and the Bank amounted to RM332,570 (2024: RM345,365) respectively.

Directors' benefits

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in Note 43 to the Financial Statements or the fixed salary as a full time employees of the Bank) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any other arrangements to which the Bank is a party with the object or objects of enabling Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate other than Equity Ownership Plan ("EOP") and Long Term Incentive Plan of the ultimate holding company (shown in Note 46 to the Financial Statements).

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

Subsidiaries

- (a) Details of subsidiaries

Details of subsidiaries are as set out in Note 15 to the Financial Statements.

- (b) Subsidiaries' holding of shares in other related corporations

Details of subsidiaries' holding of shares in other related corporations are as set out in Note 15 to the Financial Statements.

Auditors' Remuneration

Auditors' remuneration of the Group and the Bank are RM830,000 and RM815,000 respectively. Details of auditors' remuneration are as set out in Note 42 to the Financial Statements.

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

2025 Business Plan and Strategy

In 2025, we navigated a dynamic operating environment shaped by moderating global growth and evolving market conditions. During the year, our business embarked on Group's Forward30 strategic plan, with a sharpened focus on growing financing and CASA, optimising risk-adjusted returns in line with prudent and ethical principles, and strengthening our wealth management offerings, while maintaining disciplined cost management to preserve operational efficiency.

We further accelerated our digital expansion, embedding digitalisation across operations, product development, sales enablement, and customer acquisition. These initiatives are designed to support sustainable and responsible franchise growth, enhance financial inclusion, and strengthen our competitive positioning in an increasingly digital-first marketplace.

Operational resilience remained a key priority, underpinned by strengthened structures, governance, processes, and controls, including robust Shariah governance and risk management frameworks. These efforts support sound asset quality, prudent financing practices, and healthier credit conditions.

Our commitment to sustainability and value-based intermediation remains steadfast. We expanded initiatives to promote sustainable and Shariah-compliant products and services across our markets, while providing targeted support to customers affected by climate-related events. This reflects our responsibility as a trusted Islamic financial institution, contributing to long-term socio-economic well-being.

Outlook for 2026

The Bank is cautiously optimistic on the macroeconomic and business outlook for 2026 underpinned by resilient ASEAN economies, sustained domestic consumption as well as the tapered global interest rate environment. Nevertheless, we continue to exercise a measured approach given the sustained global uncertainties surrounding tariffs and geopolitics, subdued global trade and heightened market volatility.

Building on the momentum of our Forward30 programme, which prioritises deposit-led growth, we aim to optimise capital allocation by focusing on Risk-Adjusted Return on Capital and ethical principles, while accelerating cross-selling opportunities particularly in wealth management. We are committed to broadening our digital capabilities and strengthening sustainability efforts, guided by the principles of value-based intermediation. We aim to foster long-term value creation while maintaining high standards of operational resilience including robust Shariah governance and risk management frameworks.

The Bank will strive toward a stronger core financial performance in 2026, driven by prudent asset growth across all principal markets, targeted net profit margin ("NPM") management, strategies to increase other income ("OI"), disciplined credit risk oversight, and sustained cost control measures. We will continue driving Shariah-compliant and sustainable products and services, reflecting our responsibility as a trusted Islamic financial institution.

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**Directors' Report
for the financial year ended 31 December 2025 (Continued)****Rating by External Rating Agencies**

Details of the ratings of the Bank and its debt securities are as follows:

Rating Agency	Rating Date	Rating Classification	Rating Accorded	Outlook
Malaysian Rating Corporation Berhad ("MARC")	May 2025	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Senior Sukuk Wakalah Programme 4. RM5.0 billion Tier 2 Junior Sukuk Programme 	<p>AAA</p> <p>MARC-1</p> <p>AAA_{IS}</p> <p>AA+_{IS}</p>	Stable
RAM Rating Services Berhad ("RAM")	May 2025	<ol style="list-style-type: none"> 1. Long-term Financial Institution Rating 2. Short-term Financial Institution Rating 3. RM10.0 billion Senior Sukuk Wakalah Programme 4. Proposed RM10.0 billion Islamic Commercial Papers Programme 	<p>AAA</p> <p>P1</p> <p>AAA</p> <p>P1</p>	Stable
Moody's Investors Service ("Moody's")	August 2025	<ol style="list-style-type: none"> 1. Long-term Foreign Currency Bank Deposits Rating 2. Short-term Foreign Currency Bank Deposits Rating 3. Long-term Domestic Currency Bank Deposits Rating 4. Short-term Domestic Currency Bank Deposits Rating 	<p>A3</p> <p>P-2</p> <p>A3</p> <p>P-2</p>	Stable

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

Board Shariah Committee

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

The main responsibility of the BSC is to assist the Board in the oversight and management of all Shariah matters relating to the Islamic banking and finance business of the Bank and its subsidiaries that it has management control. The BSC operates on the authority as delegated and empowered to it by the Board and as attributed to it under relevant financial regulations and legislations.

All decisions by the Board on Shariah matters relating to its business shall be made based on the decisions, views, and opinions of the BSC.

In due regard to the decisions and advice of the BSC on Shariah matters, the Board shall give sufficient attention to the facts and basis for the Shariah decisions as well as providing fair consideration to the implications of implementing the Shariah decisions made by the BSC.

Any decision of the Board on Shariah matter shall be made based on the final decisions, views, and opinions of the BSC. All decisions of the Board and the BSC on Shariah matters shall at all times be subordinated to the decision of the Shariah Advisory Council of the relevant Malaysian financial regulators and shall take into consideration the relevant authority on Shariah matters in the relevant jurisdiction it is doing business.

The BSC shall at all times advise the Board to ensure that the Group’s Islamic banking and finance business does not have elements or activities which are not permissible under Shariah.

The BSC members are as follows:

1. Dr. Mohamed Fairouz Abdul Khir (Chairman)
2. Professor Dr. Aishath Muneeza
3. Dr. Ahmad Sufian Che Abdullah
4. Dr. Mohammad Mahbubi Ali
5. En. Jalalullail Othman
6. Prof. Dr Yousef Abdullah Al-Shubaily (effective 1st August 2025)

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

Board Shariah Committee (Continued)

The Board hereby affirms that based on advice of the BSC, the operation of the Bank and its subsidiaries that it has management control in has been done in a manner that does not contradict with Shariah save and except for those that have been specifically disclosed in this financial report (if any). This affirmation by the Board is independently verified and confirmed by the BSC in a separate BSC Report made herein.

Meetings and Attendance

BSC convened 10 meetings during the financial year 2025 including two special meetings to cater for urgent business proposals. All BSC members have satisfied the minimum 75% attendance requirement under BNM Shariah Governance Policy Document.

Board Engagement and Trainings Attended

As part of the initiatives to strengthen the good governance and oversight function of the Board over Shariah matters, the following activities were carried out in 2025:

Two Joint Board and BSC meetings were held in June and November 2025 respectively.

The first meeting was held on 3 June 2025 deliberated the following topics:

- i. Regulatory Updates: BNM Townhall on Ujrah-based Credit Card-i Transition and Hajah and Darurah PD Implementation
- ii. Updates from Shariah Control Functions: Shariah Control Functions Initiatives 2025
- iii. Updates from Board Shariah Committee / Shariah Advisory Council (“SAC”) of BNM & SC and Product Development and Innovation

The second Joint Board and BSC meeting held on 17 November 2025 discussed the followings:

- i. Regulatory Updates: BNM’s Shariah-related Regulatory Documents
- ii. Updates from Shariah Control Functions: Shariah Control Functions Updates 2025 & Initiatives 2026
- iii. Updates from Board Shariah Committee / Shariah Advisory Council (“SAC”) of BNM & SC and Product Development and Innovation

Management had invited Prof. Dr. Engku Rabiah Adawiyah, currently Professor at Institute of Islamic Banking & Finance (“IiBF”) International Islamic University Malaysia (“IIUM”) to deliver a training on Shariah Decision Making Methodology with Reference to SAC’s Resolution

In addition, in December 2025 BSC had also organised an Offsite Meeting.

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

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

Board Shariah Committee (Continued)

Board Engagement and Trainings Attended (Continued)

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

- 3rd Nadwah of Shariah Advisers in Islamic Capital Market 2025
- Capital Market Director Programme (“CMDP”) Module 3: Risk Oversight and Compliance – Action Plan for Board of Directors
- Capital Market Director Programme (“CMDP”) Module 4: Emerging and Current Regulatory Issues in the Capital Market

In addition to the above training programmes, the BSC members also attended and participated in the following events and training:

- The Cooler Earth Shariah Leadership in Sustainability Conference
- 20th International Shariah Scholars Forum in Islamic Finance
- Shariah Decision Making Methodology with reference to Shariah Advisory Council (“SAC”)’s Resolution
- Muzakarah Nusantara 2025
- Dallah al-Barakah Forum 2025

BSC Assessment

In compliance with BNM Shariah Governance Policy Document, the BSC undergoes the process of assessing the effectiveness of each individual BSC members and the committee as a whole annually.

Pursuant to CIMB’s Annual Evaluation Manual and BNM’s Corporate Governance Policy Document, CIMB is to obtain an independent perspective on the Board’s effectiveness to gain insights on the Board’s performance against peer Boards and best practices, once every three years. While BSC Effectiveness Assessment (“BEA”) is facilitated annually by Group Company Secretarial and assisted by Secretariat of Board Shariah Committee (“BSC Secretariat”) as per the CIMB Group Annual Evaluation Manual where it was conducted in 2025.

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

Board Shariah Committee (Continued)

Zakat obligations

The Bank pays business zakat by adopting the Adjusted Growth Method in line with the methodology approved by the BSC. However, the amount payable by the Bank is at the discretion of the Management and it is the Shareholder's responsibility to ensure that their own zakat obligations are fulfilled in relation to their ownership of the share.

The obligation and responsibility for specific payment of zakat on depositors fund lies with its Muslim customers only. The aforesaid is subject to the jurisdictional requirements on zakat payment as may be applicable from time to time on the Bank and its subsidiaries arising from changes to local legislation, regulation, law or market convention as the case may be. Accrual of zakat expenses (if any) in the Financial Statement of the Bank is reflective of this.

The beneficiaries of the zakat fund are determined by relevant internal CIMB policy and procedure and guideline as approved by the BSC.

Significant event during the financial year

Significant event during the financial year is disclosed in Note 51 to the Financial Statements.

Subsequent events after the financial year end

There were no other significant events subsequent to the financial year ended 31 December 2025.

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

Statement of Directors' Responsibility

In preparing the Financial Statements, the Directors have ensured that the Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 have been complied with and reasonable and prudent judgements and estimates have been made.

It is the responsibility of the Directors to ensure that the Financial Statements of the Group and the Bank present a true and fair view of the financial position of the Group and the Bank as at 31 December 2025 and financial performance of the Group and the Bank for the financial year ended 31 December 2025.

The Financial Statements are prepared on a going concern basis and the Directors have ensured that proper accounting records are kept so as to enable the preparation of the Financial Statements with reasonable accuracy.

The Directors have also overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Bank and for the implementation and continued operation of adequate accounting and internal control systems for the prevention and detection of fraud and other irregularities. The system of internal controls is designed to provide reasonable and not absolute assurance for achieving certain internal control standards and helps the Group and the Bank manage the risk of failure to achieve business.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out on page 17 of the Financial Statements.

Ultimate holding company

The Directors regard CIMB Group Holdings Berhad, a quoted company incorporated in Malaysia, as the Bank's ultimate holding company.

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

Statement of Directors' Responsibility (Continued)

Auditors

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 13 March 2026.

Signed on behalf of the Board of Directors



Datin Azlina Mahmud
Director



Ahmad Shahrizan Mohd Shariff
Director

Kuala Lumpur
13 March 2026

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

We, Datin Azlina Mahmud and Ahmad Shahrman Mohd Shariff, being two of the Directors of CIMB Islamic Bank Berhad, state that, in the opinion of the Directors, the Financial Statements set out on pages 27 to 284 are drawn up so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025 and financial performance of the Group and of the Bank for the financial year ended 31 December 2025, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution.



Datin Azlina Mahmud
Director



Ahmad Shahrman Mohd Shariff
Director

Kuala Lumpur
13 March 2026

CIMB Islamic Bank Berhad
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Statutory Declaration
Pursuant to Section 251(1) of the Companies Act 2016

I, Mohamad Ashraff Ahmad, being the person primarily responsible for the financial management of CIMB Islamic Bank Berhad, do solemnly and sincerely declare the Financial Statements set out on pages 27 to 284 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.



Mohamad Ashraff Ahmad

Subscribed and solemnly declared by the above named Mohamad Ashraff Ahmad at Kuala Lumpur before me, on 13 March 2026.

Commissioner for Oaths



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

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Board Shariah Committee's Report

In the name of Allah, the Most Beneficent, the Most Merciful.

We, the members of the CIMB Group Board Shariah Committee (“BSC”) as established under the Bank, are responsible to advise the Board in the oversight and management of Shariah matters in the operation of the Bank. Although the Board is ultimately responsible and accountable for all Shariah matters under the Bank, the Board relies on our independent advice on the same.

Our main responsibility and accountability is to assist the Board in ensuring that the Bank’s business does not have elements or activities which are not permissible under Shariah. In undertaking our duties, we shall follow and adhere to the decisions, views and opinions of the Shariah Advisory Council of the relevant Malaysian financial regulators for businesses undertaken in Malaysia and for businesses outside Malaysia. We shall take into consideration the decisions, views and opinions of the relevant authority on Shariah matters (if any, sanctioned by law or regulation to be followed by the Bank) in the relevant jurisdiction that the Bank is doing business.

As members of the BSC, we are responsible for providing an independent assessment and confirmation in this financial report that the operations of the Bank has been done in conformity with Shariah as has been decided and opined by us and with those Notices, Rules, Standards, Guidelines and Frameworks on Shariah matters as announced and implemented by Malaysian regulators and where relevant by the financial regulators in the relevant jurisdictions that the Bank’s businesses were undertaken during the period being reported.

Our independent assessment and confirmation has been used as the basis for the Board’s affirmation of the same in the Director’s Report herein before.

In making our independent assessment and confirmation, we have always recognised the importance of the Bank maintaining and reinforcing the highest possible standards of conduct in all of its actions, including the preparation and dissemination of statements presenting fairly the Shariah compliant status of its businesses.

In this regard, sufficient internal controls are in place to ensure that any new Islamic financial transaction is properly authorised; the Bank’s assets and liabilities under its statements of financial position are safeguarded against possible Shariah non-compliance; and that the day to day conduct of its operations does not contradict with Shariah principles.

In addition to the necessary policies and procedures the Bank has a well-defined division of responsibility by Management and the communication of Shariah policies and guidelines of business conduct to all staff.

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

Effective Shariah governance is supported mainly by qualified Shariah officers consisting of Shariah researchers as well as the advisory and consultancy function under Shariah Advisory & Governance department of Group Islamic Banking Division that supports us in our decision and deliberations, providing check and balance for all Shariah matters as presented to us by the Management. Shariah Advisory and Board Shariah Committee Secretariat Policy and Procedure are two main documents in governing the daily function of Shariah Advisory & Governance department.

CIMB Group Shariah Review Policy and Procedure were established to set out the policies for Shariah review applicable to the Islamic financial services of CIMB Group in ensuring compliance to Shariah and Islamic regulatory requirements, and handling of Shariah Non-Compliance ("SNC") events. In addition, it also sets out the procedures for Shariah review planning, execution, and SNC events reporting.

In ensuring that the activities and operations of CIMB Group are Shariah-compliant, Shariah Review conducts post review of CIMB Group's activities and operations in accordance with the annual Shariah review work plan approved by us and the respective Boards of Directors of CIMB Group. Additionally, Shariah Review conducts verification on issues escalated by the stakeholders to determine whether any particular issue contain Shariah concerns. and performs ad-hoc review as required from time to time by us and the regulators.

As for effective risk management and control, the Group adopted the strategic implementation of tiered model i.e. Three Lines of Risk Defense in governing and managing Shariah Non-Compliant risk. Under the Group Enterprise-Wide Risk Management ("EWRM") Framework, Shariah Non-compliance ("SNC") risk is identified as one of the material risks for CIMB Group, specifically in relation to its Islamic banking business. To reflect the Group's seriousness in managing SNC risk, Group Risk Library captures SNC risk as Level 1 risk like credit, market and operational risks.

In addition, CIMB Group has established the Shariah Risk Management Policy ("SRMP") in accordance with BNM's Shariah Governance Policy Document ("SGPD"), which articulates the objectives, mission, guiding principles, governance structure as well as methodology and approach adopted by the Group in managing SNC risk. Shariah Risk Management Procedure has also been developed to provide explanation/illustration that could facilitate Risk Control Unit ("RCU") and Designated Compliance & Operational Risk Officers ("DCORO") of Business Units ("BUs") and Business Enablers ("BEs") in identifying, assessing, controlling and monitoring SNC risk inherent in their Islamic products and day-to-day activities.

To ensure inherent SNC risk in Islamic banking products and business processes is adequately assessed, SRM also performs independent assessment and provides support to BU/BEs. SRM continued to conduct Shariah Risk Awareness program for RCUs and DCOROs as one of the SNC risk mitigation measures as well as to keep BU/BEs abreast with the latest development of SNC risk experience by the Group. In this regards, Shariah Risk Awareness is part of the On-Boarding Risk & Compliance Training and RCU Forum for RCUs and DCOROs that is conducted on a quarterly basis.

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Board Shariah Committee's Report (Continued)

Regular report was submitted to the Senior Management and Board Committees to provide analysis and latest trend of SNC risk experience by the Group.

Lastly, there is also a team of internal auditors who conduct periodic Shariah audits of all the Bank's banking and finance operations on a scheduled basis. The Group Corporate Assurance Division ("GCAD"), headed by the Group Chief Internal Auditor ("GCIA"), reports independently to the CIMB Group Audit Committee ("AC") and the Banking Group Audit Committee ("Banking Group AC"). GCAD operates independent of the business activities and other support units. In addition, GCAD reports on matters related to Islamic Banking and Shariah audits to the BSC. The primary responsibility of GCAD is to independently assess the adequacy, efficiency and effectiveness of the risk management, control and governance processes implemented by Management. GCAD's scope of audit coverage encompasses all business and support units, including subsidiaries and overseas branches with independent audit units. The selection of audit areas within the audit universe is based on an annual audit plan approved by the CIMB Group AC and the Banking Group AC. The annual audit plan is developed based on assessment of risks, exposures and CIMB Group strategies using a risk-based assessment methodology. GCAD also undertakes investigations and ad-hoc reviews upon request from Management, the Board, or regulators. In addition, GCAD provides audit opinion on the state of governance, internal controls, risk management practices and audit conclusion based on Level of Conformance in relation to regulatory audit or reviews, and whether objectives were met for assignments that are based on specific audit or review objectives.

To strengthen the compliance towards Shariah, the Bank has continuously instilled a Shariah Compliance Culture by adopting a holistic top-down approach within the organisation. At the apex, the Bank set an appropriate 'tone from the top', where the Board and BSC play their oversight role on the Shariah governance in the Bank. The Bank also held Board and BSC engagement sessions or Joint Board meeting between Board of Directors and BSC which serve as a platform for effective communication between the Board, BSC and Senior Management on oversight over Shariah governance.

The Bank also continues Shariah Capacity Building programs to inculcate strong Shariah knowledge within the Bank. The Bank has supported CIMB Islamic and CIMB Bank staff to enroll in relevant certification programs such as, Certified Shariah Advisor ("CSA"), Certified Professional Shariah Auditor ("CPSA"), Associate Qualification in Islamic Finance ("AQIF"), Intermediate Qualification in Islamic Finance ("IQIF"), Islamic Financial Planner – Challenge Status Certification ("IFP-CS") and others. The Bank had also organised a sharing session on Sustainability from Islamic Perspectives; Drawing insights from the book '40 Hadiths on Sustainability' published by the Securities Commission of Malaysia which was delivered by Dr. Mohamed Fairouz Abdul Khir.

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

All in all, the Management of the Bank is responsible and accountable to the Board to ensure that the businesses of the Bank are conducted in accordance with the requirement of Shariah. It is our responsibility to form an independent opinion of the state of Shariah compliance of the business and its operations and advise the Board accordingly. Based on the internal controls that have been put in place by the Management, in our opinion, to the best of our knowledge, the Bank has complied with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia and by all other financial regulators (where relevant), as well as Shariah decisions made by us, and the overall aims and operations, business, affairs and activities of CIMB Islamic are in compliance with Shariah but it has come to the BSC's attention that a material Shariah Non-Compliant event(s) has occurred within the Bank and in the process of being rectified. Details of the Shariah Non-Compliant events is as follows:

1. Collection of "Profit" arising from Incidental Qard, due to non-execution of Tawarruq (renewal) for Accepted Bill-i ("AB-i") & Multi Currency Trade Financing ("MCTF-i") at facility level. The rectification measures to address the event are currently ongoing. The measures include, among others, execution of Tawarruq for the impacted account and income earned from the transactions amounting to approximately RM269,309.97 will be channeled to the charitable bodies.

Apart from the above, CIMB Islamic Bank Berhad has instituted several rectification measures relating to processes and procedures to enhance control mechanism and minimise recurrence of Shariah Non-Compliant incidents.

Details of the SNC income are set out in Note 50 to the Financial Statements.

In our opinion:

1. The contracts, transactions and dealings entered into by the Bank during the financial year ended 31 December 2025 that were presented to us were done in compliance with Shariah save and except for the contracts involved in the abovementioned Shariah Non-Compliant event;
2. The allocation of profit and charging of losses relating to investment accounts conformed to the basis that were approved by us in accordance with Shariah;
3. All earnings that were realised from sources or by means prohibited by Shariah will be purified according to Shariah principle; and
4. The zakat calculation is in compliance with Shariah principles.

We have assessed the independent work carried out for Shariah review and Shariah audit functions by the relevant functionaries under the established system of internal control, which included the examination, on a test basis, of each type of transaction, of relevant documentation and procedures adopted by the Bank. We are satisfied that the Management has planned and performed the necessary review and audit so as to obtain all the information and explanations which are considered necessary to provide us with sufficient evidence to give reasonable assurance that the Bank has not violated Shariah.

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

Board Shariah Committee's Report (Continued)

We, the members of the BSC, are of the opinion that the operations of the Bank for the financial year ended 31 December 2025 were conducted in conformity with Shariah.

On behalf of the Board Shariah Committee.



Dr. Mohamed Fairouz Abdul Khir
Chairman



Dr. Ahmad Sufian Che Abdullah
Member

Kuala Lumpur
13 March 2026



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB ISLAMIC BANK BERHAD
(Incorporated in Malaysia)
Registration No. 200401032872 (671380-H)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of CIMB Islamic Bank Berhad (“the Bank”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 27 to 284.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors’ report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors’ Report and Board Shariah Committee’s Report, but does not include the financial statements of the Group and of the Bank and our auditors’ report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB ISLAMIC BANK BERHAD (CONTINUED)**
(Incorporated in Malaysia)
Registration No. 200401032872 (671380-H)

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF CIMB ISLAMIC BANK BERHAD (CONTINUED)
(Incorporated in Malaysia)
Registration No. 200401032872 (671380-H)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the member of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants


LEE TZE VOON KELVIN
03482/01/2028 J
Chartered Accountant

Kuala Lumpur
13 March 2026

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

Statements of Financial Position as at 31 December 2025

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Cash and short-term funds	2	8,127,683	8,176,370	8,127,683	8,176,370
Reverse Collateralised Commodity Murabahah	3	1,681,048	1,734,605	1,681,048	1,734,605
Deposits and placements with banks and other financial institutions	4	787,373	603,136	787,373	603,136
Financial investments at fair value through profit or loss	5	3,796,137	5,560,117	3,796,137	5,560,117
Debt instruments at fair value through other comprehensive income	6	11,523,289	7,229,968	11,523,289	7,229,968
Debt instruments at amortised cost	7	14,833,648	14,582,905	14,833,648	14,582,905
Islamic derivative financial instruments	24(a)	1,343,293	783,366	1,343,293	783,366
Financing, advances and other financing/loans	8	143,547,477	131,414,085	143,547,477	131,414,085
Other assets	9	475,653	292,310	475,653	292,310
Tax recoverable		201,058	171,233	201,058	171,233
Deferred taxation	10	218,955	253,132	218,955	253,132
Amount due from holding company and ultimate holding company	11	1,205,463	628,501	1,205,463	628,501
Amounts due from related companies	12	1,893	51	1,893	51
Statutory deposits with Bank Negara Malaysia	14	987,000	1,829,850	987,000	1,829,850
Investment in subsidiaries	15	-	-	11	11
Property, plant and equipment	16	749	382	749	382
Intangible assets	17	7,833	1,176	7,833	1,176
Goodwill	18	136,000	136,000	136,000	136,000
Total assets		188,874,552	173,397,187	188,874,563	173,397,198
Liabilities					
Deposits from customers	19	114,553,830	109,052,424	114,553,830	109,052,424
Investment accounts of customers	20	32,291,771	24,443,310	32,291,771	24,443,310
Deposits and placements of banks and other financial institutions	21	5,025,321	4,452,779	5,025,321	4,452,779
Collateralised Commodity Murabahah		3,300,207	4,349,732	3,300,207	4,349,732
Investment accounts due to designated financial institutions	22	2,800,834	2,927,281	2,800,834	2,927,281
Financial liabilities designated at fair value through profit or loss	23	2,167,804	3,125,723	2,167,804	3,125,723
Islamic derivative financial instruments	24(a)	1,189,351	629,503	1,189,351	629,503
Amount due to ultimate holding company	11	-	4	-	4
Amounts due to subsidiaries	13	-	-	46	46
Amounts due to related companies	12	440	348	440	348
Other liabilities	25	1,628,034	661,350	1,628,034	661,350
Recourse obligation on loans and financing sold to Cagamas	26	3,651,597	3,614,777	3,651,597	3,614,777
Senior Sukuk	27	8,528,486	7,741,429	8,528,486	7,741,429
Subordinated Sukuk	28	1,714,781	1,513,741	1,714,781	1,513,741
Total liabilities		176,852,456	162,512,401	176,852,502	162,512,447

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

**Statements of Financial Position
as at 31 December 2025 (Continued)**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capital and reserves attributable to equity holder of the Bank					
Perpetual preference shares	29	350,000	350,000	350,000	350,000
Ordinary share capital	30	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	31	10,672,096	9,534,786	10,672,061	9,534,751
Total equity		12,022,096	10,884,786	12,022,061	10,884,751
Total equity and liabilities		188,874,552	173,397,187	188,874,563	173,397,198
Restricted Agency Investment Account (*)	32	16,289,779	16,482,284	16,289,779	16,482,284
Total Islamic Banking assets		205,164,331	189,879,471	205,164,342	189,879,482
Commitments and contingencies	24(b)	114,254,119	96,881,704	114,254,119	96,881,704
Net assets per ordinary share attributable to owners of the Parent (RM)		11.67	10.53	11.67	10.53

* The disclosure is in accordance with the requirements of Bank Negara Malaysia's Guideline on Financial Reporting for Islamic Banking Institutions.

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

Statements of Income for the financial year ended 31 December 2025

		The Group and the Bank	
		2025	2024
		RM'000	RM'000
	Note		
Income derived from investment of depositors' funds and others	33	6,172,804	6,104,805
Income derived from investment of investment account	34	1,615,774	1,264,446
Income derived from investment of shareholder's funds	35	770,938	750,823
Modification loss	36	-	(1)
Expected credit losses on financing, advances and other financing/loans	37	(347,278)	(285,313)
Expected credit losses written back for commitments and contingencies	25	5,033	27,445
Other expected credit losses written back/(made)	38	322	(36,898)
Total distributable income		<u>8,217,593</u>	<u>7,825,307</u>
Income attributable to depositors and others	39	(3,881,913)	(3,980,254)
Profit distributed to investment account holder	40	<u>(1,042,572)</u>	<u>(852,394)</u>
Total net income		3,293,108	2,992,659
Personnel costs	41	(38,729)	(32,052)
Other overheads and expenditures	42	<u>(1,381,073)</u>	<u>(1,336,667)</u>
Profit before taxation and zakat		1,873,306	1,623,940
Taxation and zakat	44	<u>(472,327)</u>	<u>(404,217)</u>
Profit after taxation and zakat		<u>1,400,979</u>	<u>1,219,723</u>
Earnings per share (sen)			
- Basic / Diluted	45	<u>140.10</u>	<u>121.97</u>

Statements of Comprehensive Income for the financial year ended 31 December 2025

		The Group and the Bank	
		2025	2024
		RM'000	RM'000
Profit for the financial year		1,400,979	1,219,723
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		(4,273)	903
Items that may be reclassified subsequently to profit or loss			
Debt instruments at fair value through other comprehensive income		40,132	18,363
- Net gain from change in fair value		125,223	37,485
- Realised gain transferred to statement of income on disposal		(72,228)	(14,155)
- Changes in expected credit losses		(144)	632
- Income tax effects		(12,719)	(5,599)
Other comprehensive income during the financial year, net of tax		35,859	19,266
Total comprehensive income for the financial year		<u>1,436,838</u>	<u>1,238,989</u>

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

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

The Group	← Attributable to owners of the Parents →											
	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 profits RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
Note												
At 1 January 2025	1,000,000	(36,277)	(2,457)	458	397,222	426	-	4,557	9,170,857	10,534,786	350,000	10,884,786
Profit for the financial year	-	-	-	-	-	-	-	-	1,400,979	1,400,979	-	1,400,979
Other comprehensive expense (net of tax)	-	40,132	-	-	-	(4,273)	-	-	-	35,859	-	35,859
- debt instruments at fair value through other comprehensive income	-	40,132	-	-	-	-	-	-	-	40,132	-	40,132
- fair value changes on financial liabilities designated at fair value attributable to own credit risk reserve	-	-	-	-	-	(4,273)	-	-	-	(4,273)	-	(4,273)
Total comprehensive income for the financial year	-	40,132	-	-	-	(4,273)	-	-	1,400,979	1,436,838	-	1,436,838
First interim dividend for the financial year ending 31 December 2025	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
Share-based payment expense	-	-	-	-	-	-	702	(230)	-	472	-	472
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	702	(230)	(300,000)	(299,528)	-	(299,528)
Transfer to regulatory reserve	-	-	-	-	245,698	-	-	-	(245,698)	-	-	-
As at 31 December 2025	1,000,000	3,855	(2,457)	458	642,920	(3,847)	702	4,327	10,026,138	11,672,096	350,000	12,022,096

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

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

	← Attributable to owners of the Parents →										
	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 profits RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
The Group											
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 year	-	-	-	-	-	-	-	1,219,723	1,219,723	-	1,219,723
Other comprehensive income (net of tax)	-	18,363	-	-	-	903	-	-	19,266	-	19,266
- debt instruments at fair value through other comprehensive income	-	18,363	-	-	-	-	-	-	18,363	-	18,363
- fair value changes on financial liabilities designated at fair value attributable to own credit risk reserve	-	-	-	-	-	903	-	-	903	-	903
Total comprehensive income/(expenses) for the financial year	-	18,363	-	-	-	903	-	1,219,723	1,238,989	-	1,238,989
Share-based payment expense	-	-	-	-	-	-	345	-	345	-	345
Shares released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	345	-	345	-	345
Transfer to regulatory reserve	-	-	-	-	186,589	-	-	(186,589)	-	-	-
As at 31 December 2024	1,000,000	(36,277)	(2,457)	458	397,222	426	4,557	9,170,857	10,534,786	350,000	10,884,786

Note

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CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

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

The Bank	← Non-distributable → Distributable										Total Equity RM'000	
	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 profits RM'000	Total RM'000		Perpetual preference shares RM'000
Note												
At 1 January 2025	1,000,000	(36,277)	(2,457)	458	397,222	426	-	4,557	9,170,822	10,534,751	350,000	10,884,751
Profit for the financial year	-	-	-	-	-	-	-	-	1,400,979	1,400,979	-	1,400,979
Other comprehensive expense (net of tax)	-	40,132	-	-	-	(4,273)	-	-	-	35,859	-	35,859
- debt instruments at fair value through other comprehensive income	-	40,132	-	-	-	-	-	-	-	40,132	-	40,132
- fair value changes on financial liabilities designated at fair value attributable to own credit risk reserve	-	-	-	-	-	(4,273)	-	-	-	(4,273)	-	(4,273)
Total comprehensive income for the financial year	-	40,132	-	-	-	(4,273)	-	-	1,400,979	1,436,838	-	1,436,838
First interim dividend for the financial year ending 31 December 2025	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
Share-based payment expense	-	-	-	-	-	-	702	(230)	-	472	-	472
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	702	(230)	(300,000)	(299,528)	-	(299,528)
Transfer to regulatory reserve	-	-	-	-	245,698	-	-	-	(245,698)	-	-	-
As at 31 December 2025	1,000,000	3,855	(2,457)	458	642,920	(3,847)	702	4,327	10,026,103	11,672,061	350,000	12,022,061

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Statements of Cash Flows for the financial year ended 31 December 2025

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		1,873,306	1,623,940	1,873,306	1,623,940
Adjustments for:					
Depreciation of property, plant and equipment	42	202	208	202	208
Depreciation of right-of-use assets	42	645	383	645	383
Amortisation of intangible assets	42	1,811	2,914	1,811	2,914
Profit income from debt instruments at fair value through other comprehensive income	33-35	(377,886)	(262,205)	(377,886)	(262,205)
Profit income from debt instruments at amortised cost	33-35	(658,715)	(613,723)	(658,715)	(613,723)
Profit expense on lease liabilities	39	12	10	12	10
Profit expense on senior Sukuk	39	310,614	189,627	310,614	189,627
Profit expense on subordinated Sukuk	39	61,820	49,140	61,820	49,140
Profit expense on recourse obligation on loans and financing sold to Cagamas	39	135,863	125,126	135,863	125,126
Gain from disposal of debt instruments at fair value through other comprehensive income	33-35	(72,228)	(14,155)	(72,228)	(14,155)
Net gain from hedging derivatives	35	(358)	(162)	(358)	(162)
Unrealised gain on foreign exchange		(279,736)	(190,043)	(279,736)	(190,043)
Unrealised loss from revaluation of financial assets designated at fair value through profit or loss	33-35	3,874	388	3,874	388
Unrealised loss arising from financial liabilities designated at fair value through profit and loss	35	22,210	21,713	22,210	21,713
Unrealised loss/(gain) from revaluation of Islamic derivative financial instruments	35	82,359	(140,030)	82,359	(140,030)
Accretion of discount less amortisation of premium	33-35	(42,745)	(141,933)	(42,745)	(141,933)
Expected credit losses on financing, advances and other financing/loans	37	478,374	410,863	478,374	410,863
Other expected credit losses and impairment allowances (written back)/made	38	(322)	36,898	(322)	36,898
Expected credit losses written back for commitments and contingencies	25(a)	(5,033)	(27,445)	(5,033)	(27,445)
Share-based payment expense		472	345	472	345
Modification loss	36	-	1	-	1
		1,534,539	1,071,860	1,534,539	1,071,860
(Increase)/Decrease in operating assets					
Financing, advances and other financing/loans		(12,611,579)	(10,347,715)	(12,611,579)	(10,347,715)
Reverse repurchase agreements		53,557	(1,034,538)	53,557	(1,034,538)
Other assets		(183,251)	21,407	(183,251)	21,407
Statutory deposits with Bank Negara Malaysia		842,850	40,360	842,850	40,360
Deposits and placements with banks and other financial institutions		19,836	(200,128)	19,836	(200,128)
Financial assets at fair value through profit or loss		1,855,568	(1,633,236)	1,855,568	(1,633,236)
Amounts due from holding company and ultimate holding company		(576,962)	6,512	(576,962)	6,512
Amounts due from related companies		(1,842)	(11)	(1,842)	(11)
Increase/(Decrease) in operating liabilities					
Deposits from customers		5,501,406	(1,779,320)	5,501,406	(1,779,320)
Investment accounts of customers		7,848,461	5,459,185	7,848,461	5,459,185
Deposits and placements from banks and other financial institutions		572,542	(1,080,727)	572,542	(1,080,727)
Collateralised Commodity Murabahah		(1,049,525)	2,120,611	(1,049,525)	2,120,611
Investment accounts due to designated financial institutions		(126,447)	(497,570)	(126,447)	(497,570)
Financial liabilities designated at fair value through profit and loss		(984,402)	283,129	(984,402)	283,129
Islamic derivative financial instruments		14,909	(63,253)	14,909	(63,253)
Amounts due to ultimate holding company		(4)	4	(4)	4
Amount due to related companies		92	(628)	92	(628)
Other liabilities		1,325,848	80,983	1,325,848	80,983
		4,035,596	(7,553,075)	4,035,596	(7,553,075)
Taxation and zakat paid*		(480,693)	(466,212)	(480,693)	(466,212)
Net cash flows generated from/(used in) operating activities		3,554,903	(8,019,287)	3,554,903	(8,019,287)

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**Statements of Cash Flows
for the financial year ended 31 December 2025 (Continued)**

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from investing activities					
Net purchase of debt instruments at amortised cost		(379,700)	(550,965)	(379,700)	(550,965)
Net purchase of debt instruments at fair value through other comprehensive income		(4,216,135)	(1,831,774)	(4,216,135)	(1,831,774)
Profit income received from purchase of debt instruments at fair value through other comprehensive income		398,072	244,715	398,072	244,715
Profit income received from debt instruments at amortised cost		767,340	567,810	767,340	567,810
Purchase of property, plant and equipment	16	(569)	(87)	(569)	(87)
Purchase of intangible assets	17	(8,468)	(540)	(8,468)	(540)
Net cash flows used in investing activities		<u>(3,439,460)</u>	<u>(1,570,841)</u>	<u>(3,439,460)</u>	<u>(1,570,841)</u>
Cash flows from financing activities					
Dividends paid		(300,000)	-	(300,000)	-
Profit expense paid on subordinated Sukuk		(60,780)	(44,822)	(60,780)	(44,822)
Proceeds from issuance of subordinated Sukuk		200,000	1,200,000	200,000	1,200,000
Redemption of subordinated Sukuk		-	(800,000)	-	(800,000)
Profit expense paid on senior Sukuk		(304,984)	(100,384)	(304,984)	(100,384)
Proceeds from issuance of senior Sukuk		700,000	6,620,000	700,000	6,620,000
Repayment of lease liabilities		(657)	(609)	(657)	(609)
Profit expense paid on recourse obligation on loans and financing sold to Cagamas		(136,295)	(125,264)	(136,295)	(125,264)
Proceeds from recourse obligation on loans and financing sold to Cagamas		490,000	1,273,000	490,000	1,273,000
Redemption of recourse obligation on loans and financing sold to Cagamas		(472,978)	(487,978)	(472,978)	(487,978)
Net cash flows generated from financing activities		<u>114,306</u>	<u>7,533,943</u>	<u>114,306</u>	<u>7,533,943</u>
Net increase/(decrease) in cash and cash equivalents		229,749	(2,056,185)	229,749	(2,056,185)
Effects of exchange rate differences		(74,395)	(20,227)	(74,395)	(20,227)
Cash and cash equivalents at beginning of the financial year		8,579,464	10,655,876	8,579,464	10,655,876
Cash and cash equivalents at end of the financial year		<u>8,734,818</u>	<u>8,579,464</u>	<u>8,734,818</u>	<u>8,579,464</u>
Cash and cash equivalents comprise :					
Cash and short-term funds	2	8,127,683	8,176,370	8,127,683	8,176,370
Deposits and placements with banks and other financial institutions	4	787,373	603,136	787,373	603,136
		8,915,056	8,779,506	8,915,056	8,779,506
Less: Deposits and placements with financial institutions, with original maturity of more than three months		(180,238)	(200,042)	(180,238)	(200,042)
Cash and cash equivalents at end of the financial year		<u>8,734,818</u>	<u>8,579,464</u>	<u>8,734,818</u>	<u>8,579,464</u>

* Included in taxation and zakat paid during the financial year is payment of zakat amounting to RM16 million (2024: RM12 million).

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**Statements of Cash Flows
for the financial year ended 31 December 2025 (Continued)**

An analysis of changes in liabilities arising from financing activities for the financial year ended 31 December 2025 and 31 December 2024 are as follows:

	Senior Sukuk RM'000	Subordinated Sukuk RM'000	Lease Liabilities RM'000	Recourse obligation on loans and financing sold to Cagamas RM'000	Total RM'000
The Group and the Bank					
At 1 January 2025	7,741,429	1,513,741	-	3,614,777	12,869,947
Proceeds from issuance	700,000	200,000	-	490,000	1,390,000
Payment and redemption	-	-	(657)	(472,978)	(473,635)
Profit paid	(304,984)	(60,780)	-	(136,295)	(502,059)
Other non cash movement	392,041	61,820	657	156,093	610,611
At 31 December 2025	8,528,486	1,714,781	-	3,651,597	13,894,864

	Senior Sukuk RM'000	Subordinated Sukuk RM'000	Lease Liabilities RM'000	Recourse obligation on loans and financing sold to Cagamas RM'000	Total RM'000
The Group and the Bank					
At 1 January 2024	1,009,474	1,109,424	786	2,822,998	4,942,682
Proceeds from issuance	6,620,000	1,200,000	-	1,273,000	9,093,000
Payment and redemption	-	(800,000)	(609)	(487,978)	(1,288,587)
Profit paid	(100,384)	(44,822)	-	(125,264)	(270,470)
Other non cash movement	212,339	49,139	(177)	132,021	393,322
At 31 December 2024	7,741,429	1,513,741	-	3,614,777	12,869,947

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

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the Financial Statements, except as disclosed in the Financial Statements.

A Basis of preparation

The Financial Statements of the Group and the Bank have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), and the requirements of the Companies Act 2016 in Malaysia.

The Financial Statements have been prepared under historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivatives financial instruments and financial liabilities designated at fair value through profit of loss.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 52.

CIMB Islamic Bank Berhad

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

A Basis of preparation (Continued)

(a) Standards and amendments to published standards and interpretation that are effective and applicable to the Group and the Bank

The new accounting standards, amendments to published standards and interpretation that are effective and applicable to the Group and the Bank for the financial year beginning 1 January 2025 are as follows:

- Amendments to MFRS 121 ‘Lack of Exchangeability’

The adoption of the above amendments to published standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Standards, amendments to published standards and interpretations that are applicable to the Group and the Bank but not yet effective

The Group and the Bank will apply these standards, amendments to published standards from:

- (i) Financial year beginning on/after 1 January 2026

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to MFRS 9 and MFRS 7

The amendments require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met).

The amendments clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion, add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets), and update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).

The impact assessment of the new amendments on the Financial Statements of the Group and the Bank is ongoing.

CIMB Islamic Bank Berhad

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

A Basis of preparation (Continued)

(b) Standards, amendments to published standards and interpretations that are applicable to the Group and the Bank but not yet effective (Continued)

The Group and the Bank will apply these standards, amendments to published standards from: (Continued)

(ii) Financial year beginning on/after 1 January 2027

- MFRS 19 Subsidiaries without Public Accountability

MFRS 19 Subsidiaries without Public Accountability allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.

The impact assessment of the amendments on the Financial Statements of the Group and the Bank is ongoing.

- MFRS 18 Presentation and Disclosure in Financial Statements (replaces MFRS 101 Presentation of Financial Statements)

The new MFRS introduces a new structure of profit or loss statement.

Income and expenses are classified into 3 new main categories:

- Operating category which typically includes results from the main business activities
- Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
- Financing category that presents income and expenses from financing liabilities

The Group and the Bank are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Management-defined performance measures ("MPMs") are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The impact assessment of the new standard on the Financial Statements of the Group and the Bank is ongoing.

The amendments shall be applied retrospectively.

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

B Economic entities in the Group

(a) Subsidiaries

The consolidated Financial Statements include the Financial Statements of the Bank and all its subsidiaries made up to the end of the financial year.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations.

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

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

CIMB Islamic Bank Berhad

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

B Economic entities in the Group (Continued)

(a) Subsidiaries (Continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in acquiree (if any), and the fair value of the Group's previously held equity interest in acquiree (if any), over the fair value of the acquiree's identifiable net assets acquired is recorded as goodwill. The accounting policy for goodwill is set out in Note L. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in statement of income on the acquisition date.

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

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

All material transactions, balances and unrealised gains on transactions between group companies are eliminated and the consolidated Financial Statements reflect external transactions only. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of income, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

CIMB Islamic Bank Berhad

(Incorporated in Malaysia)

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

B Economic entities in the Group (Continued)

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss in control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

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

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

(d) Interests in subsidiaries

In the Bank's separate Financial Statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in statement of income.

The amounts due from subsidiaries of which the Bank does not expect repayment in the foreseeable future are considered as part of the Bank's investments in the subsidiaries.

CIMB Islamic Bank Berhad

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

C Recognition of profit income and profit expense

Profit income and profit expense for all profit-bearing financial instruments are recognised within “profit income” and “profit expense” in the statement of income using the effective profit method.

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

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

(a) Financing

Tawarruq vis-à-vis Commodity Murabahah

Tawarruq structure for CIMB Islamic financing product consists of three (3) sales and purchases transaction. The first involves, the purchase of a commodity by the Bank from Commodity Trader 1, on cash and spot basis. Secondly, the Bank will sell the commodity using Murabahah contract, to customer on deferred basis. Subsequently, the customer will sell the commodity to Commodity Trader 2 on cash and spot basis. Finally, the customer will get a cash to finance the customer’s needs.

Ijarah

A lease contract that transfers the ownership of a usufruct of an asset to another party for a specified period in exchange for a rental. Ijarah contract may end with the transfer of the legal title of the leased asset to the lessee is called Ijarah Muntahia bi al-Tamlik (“IMBT”). Effective transfer of the legal title is a consequent to the conclusion of the lease arrangement that can be in the form of a sale or a gift of the asset to the lessee. Al-Ijarah Thumma al-Bai’ is a form of IMBT where the sale of asset to the lessee is executed at the completion of the lease period. Income is recognised on effective profit rate basis over the lease term.

Ujrah

Arrangement that involves payment of a service fee in exchange for the services rendered to customers.

CIMB Islamic Bank Berhad

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

C Recognition of profit income and profit expense (Continued)

(a) Financing (Continued)

Murabahah

A contract of sale of assets at a mark-up price, which includes a profit margin as agreed by the contracting parties. The price, costs and profit margin in Murabahah shall be made transparent and agreed upon between buyer and seller. Income is recognised on effective profit rate basis over the expected life of the contract based on the principal amounts outstanding.

Bai' Bithaman Ajil

A contract of sale and purchase of an asset in which the payment of price is deferred either be paid in lump-sum or instalment basis within an agreed period of time. Income from financing shall be recognised on effective profit rate basis over the expected life of the contract based on principal amount outstanding. Meanwhile, profit expense from deposits shall be recognised on accrual basis by maturity date.

Bai' al-'inah

A contract of sale and purchase of an asset whereby the seller sells to buyer in cash and subsequently buys back the asset at a marked up and deferred. Income is recognised on effective profit rate basis over the expected life of the contract based on principal amount outstanding.

Qard

A contract of lending a fungible asset to a customer who is bound to return an equivalent replacement. No income from financing/profit expense from deposits shall be generated/paid from the transactions.

Bai' al- Dayn

A contract of trading of debt and the outstanding debt may be sold to the debtor or to a third party on cash basis. Income from financing shall be recognised on effective profit rate basis over the expected life of the contract based on principal amount outstanding. Meanwhile, profit expense from deposits shall be recognised on accrual basis by maturity date.

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

C Recognition of profit income and profit expense (Continued)

(b) Deposits from customers

Tawarruq vis-à-vis Commodity Murabahah

Tawarruq structure for the Bank's deposit product consists of three (3) sales and purchases transaction. The first involves, the purchase of a commodity by customer from Commodity Trader 1, on cash and spot basis. Secondly, the customer will sell the commodity using Murabahah contract, to the Bank on deferred basis. Subsequently, the Bank will sell the commodity to Commodity Trader 2 on cash and spot basis. Finally, Bank will get a cash to finance the Bank's activities and generate income.

Qard

A contract of lending a fungible asset to a customer who is bound to return an equivalent replacement. No income from financing/profit expense from deposits shall be generated/paid from the transactions.

(c) Placements from investment accounts

Mudharabah

A contract between a capital provider (Rabbul Mal) and an entrepreneur (Mudharib) under which the rabbul mal provides capital to be managed by the mudharib and any profit generated from the capital is shared between the rabbul mal and mudharib according to mutually agreed Profit Sharing Ratio whilst financial losses are borne by the rabbul mal provided that such losses are not due to the mudharib's negligence (taqsir), negligence (taqsir) or breach of specified terms (mukhalafah al-shurut). Mudharabah contract shall not stipulate a pre-determined fixed amount of profit to one contracting party. This contract is categorised into two types:

i) Unrestricted Mudharabah (Mudharabah Mutlaqah) is a contract in which the rabbul mal permits the mudharib to manage the venture without any specific restriction.

ii) Restricted Mudharabah (Mudharabah Muqayyadah) is a contract in which the rabbul mal imposes specific restriction on the mudharabah terms such as determination of location, period for investment, type of project and commingling of funds.

Profit shall be recognised on accrual basis by actual liquidation of assets of mudharabah contract or constructive basis according to acceptable profit recognition method which may include valuation according to acceptable market methodology, independent valuation or valuation based on estimated figures.

CIMB Islamic Bank Berhad

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

C Recognition of profit income and profit expense (Continued)

(c) Placements from investment accounts (Continued)

Wakalah

A contract where a party, as principal (muwakkil) authorizes another party as his agent (wakil) to perform a particular task on matters that may be delegated, with or without imposition of a fee. The profit distribution is after deducting the agency fee and any agreed performance incentive fee to the agent. The Wakalah contract may take the following forms:

- i) Unrestricted agency (Wakalah Mutlaqah): an agency contract in which the principal appoints someone as agent to perform a particular task without any specific restriction or condition; or
- ii) Restricted agency (Wakalah Muqayyadah): an agency contract in which the principal appoints someone as agent to perform a particular task with specific restriction or condition.

D Recognition of fees and other income

(a) Income from financing and receivables based on mutual accounting policy on Shariah contracts according to the nature of the transactions

Financing arrangement fees and commissions are recognised as income when all conditions precedent is fulfilled.

(b) Fee and other income recognition

The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group have satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates or amount agreed with customers, and net of expenses directly related to it. The Group generally satisfy its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include fees related to the completion of corporate advisory transactions, commissions, service charges and fees, credit card related fees and fees on financing, advances and other financing/loans. These fees constitute a single performance obligation.

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

D Recognition of fees and other income (Continued)

(b) Fee and other income recognition (Continued)

- For a service that is provided over a period of time, fee and commission income is recognised on an equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services will be billed periodically over time. Such fees include guarantee fees.

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

Directly related expenses typically include card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Islamic derivative financial instruments are developed using Bai' Sarf contract which is a buying and selling of foreign currencies and wa'ad which is a promise for delivery or fulfillment at a future date. The derivatives products may also be structured with other contracts such as Bai' al-'Inah and Commodity Murabahah. The other income recognised comprises of mark-to-market changes on derivatives and realised gains or losses recognised upon early termination of the derivatives.

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

E Collateralised Commodity Murabahah

Securities obtained through Reverse Collateralised Commodity Murabahah are securities which has been transferred to the Group and the Bank as collateral with a commitment under the agreement to return back the securities at future dates. The commitment to return the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities transferred through Collateralised Commodity Murabahah as collateral, are securities which the Group and the Bank had transferred from their portfolio with a commitment under the agreement to be transferred back at future dates. Such financing transactions and the obligation for the securities to be transferred back are reflected as a liability on the statements of financial position.

The difference between the transfer and return price is treated as profit and accrued over the life of the Collateralised Commodity Murabahah transactions using the effective yield method.

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(Incorporated in Malaysia)

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

F Financial assets

(a) Classification

The Group and the Bank classify their financial assets into the following measurement categories:

- Fair value (either through other comprehensive income (“OCI”), or through profit or loss), and
- Amortised cost.

The classification depends on the Group’s and the Bank’s business model for managing the financial assets and the contractual terms of the cash flows.

Business model assessment

The Group and the Bank conduct assessment of the objective of a business model to align with how an asset held within a portfolio is being managed. Factors that are being considered include the key objectives of a portfolio whether the business strategy is to earn contractual profit revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising a portfolio through sale of assets. Other factors considered also include the frequency and volume of sales in prior periods, how the asset’s performance is evaluated and reported to key management personnel.

Assessment whether contractual cash flows are solely payments of principal and profit (“SPPI”)

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Group and the Bank any assess whether the financial assets’ contractual cash flows represent solely payment of principal and profit. In applying the SPPI test, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. profit includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and profit.

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

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(Incorporated in Malaysia)

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

F Financial assets (Continued)

(a) Classification (Continued)

(i) Financial assets at fair value through OCI comprise of:

- Equity securities which are not held for trading, and for which the Group and the Bank have made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss, and
- Debt securities where the contractual cash flows are solely principal and profit and the objective of the Group's and the Bank's business model is achieved both by collecting contractual cash flows and selling financial assets.

(ii) The Group and the Bank classify their financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows, and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal outstanding.

(iii) The Group and the Bank classify the following financial assets at fair value through profit or loss:

- Debt investments that do not qualify for measurement at either amortised cost or fair value through comprehensive income;
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise at fair value through other comprehensive income.

(b) Recognition and initial measurement

A financial asset is recognised in the statement of financial position when the Group and the Bank become parties to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Bank commit to purchase and sell the assets.

At initial recognition, the Group and the Bank measure financial assets at their fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and profit.

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

F Financial assets (Continued)

(c) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Bank's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories in which the Group and the Bank classify their debt instruments.

(i) Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, are measured at amortised cost. Any gain or loss on a debt investment that measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Profit income from these financial assets is included in finance income using the effective profit rate method.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and profit, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, profit income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating income. When the Group and the Bank hold more than one investment in the same security, they are deemed to be disposed of on a first-in, first-out basis. Profit income from these financial assets is included in finance income using the effective profit rate method.

(iii) Fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for amortised cost or FVOCI or financial assets held for trading are measured at fair value through profit or loss. The Group and the Bank may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other operating income in the period which it arises. Profit income from these financial assets continue to be recognised in profit or loss as profit income as disclosed in its respective note.

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(Incorporated in Malaysia)

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

F Financial assets (Continued)

(c) Subsequent measurement (Continued)

Equity instruments

The Group and the Bank subsequently measure all equity investments at fair value except where the management has elected, at initial recognition to irrevocably designate at equity instrument at FVOCI. Where the Group's and the Bank's management have elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's and the Bank's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other operating income in the statement of income as applicable.

(d) Reclassification of financial assets

The Group and the Bank reclassify financial assets when and only when their business model for managing those assets changes. In such cases, the Group and the Bank are required to reclassify all affected financial assets. However, it will be inappropriate to reclassify financial assets that have been designated at FVTPL, or equity instrument that have been designated at FVOCI even when there is a change in business model. Such designation are irrevocable.

(e) Modification of financing, advances and other financing/loans

The Group and the Bank may renegotiate or otherwise modify the contractual cash flows of financing, advances and other financing/loans to customers. When this happens, the Group and the Bank assesses whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- If the customer is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the customer is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the financing, advances and other financing/loans.
- Significant extension of the financing, advances and other financing/loans term when the customers is not in financial difficulty.
- Significant change in the profit rate.
- Change in the currency the financing, advances and other financing/loans is denominated in.

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(Incorporated in Malaysia)

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

F Financial assets (Continued)

(e) Modification of financing, advances and other financing/loans (Continued)

- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the financing, advances and other financing/loans.

If the terms are substantially different, the Group and the Bank derecognises the original financial asset and recognises a “new” asset at fair value and recalculates a new effective profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group and the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in statements of income as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in statements of income. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets).

The impact of modifications of financial assets is disclosed in Note 36. The ‘phase 2’ amendments for financial assets affected by IBOR reform is disclosed in Note O.

G Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are initially recognised at fair value less transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in statement of income. Financial liabilities are derecognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated at fair value through profit or loss upon initial recognition.

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(Incorporated in Malaysia)

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

G Financial liabilities (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated and effective as hedging instruments. The specific Group and Bank accounting policy on derivatives is detailed in Note O.

The financial liabilities measured at fair value through profit or loss upon initial recognition are trading derivatives and financial liabilities designated at fair value.

Financial liabilities, other than those held for trading, are classified as financial liabilities designated at fair value through profit or loss if they meet one or more of the criteria set out below, and are so designated by management.

The Group and the Bank may designate financial liabilities at fair value through profit or loss when the designation:

- Eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise from measuring financial assets or financial liabilities, or recognising gains and losses on them, on different bases. Certain structured investments with embedded callable range accrual swaps are designated by the Group and the Bank under this criterion. The profit payable on these structured investments has been hedged with trading derivatives. An accounting mismatch would arise if the structured investments were accounted for at amortised cost, because the related derivatives are measured at fair value with changes in the fair value recognised in the statements of income. By designating the structured investments at fair value, the movement in the fair value of the structured investments will also be recognised in the statement of income.
- Applies to groups of financial liabilities that are managed, and their performance evaluated, on a fair value basis in accordance with a documented risk management or investment strategy; and
- Relates to financial liabilities containing one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments.

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

G Financial liabilities (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

The fair value designation, once made is irrevocable. Designated financial liabilities are recognised when the Group and the Bank enter into the contractual provisions of the arrangements with counterparties, which is generally on trade date, and are normally derecognised when extinguished (liabilities). Measurement is initially at fair value, with transaction costs taken to the statements of income. Subsequently, the fair values are remeasured, and gains and losses from changes therein are recognised in the statements of income.

The component of fair value changes relating to the Group's and the Bank's own credit risk is recognised in OCI. Amounts recorded in OCI related to credit risk are not subject to recycling to profit or loss, but are transferred to retained earnings when realised.

The Group and the Bank determines the amount of fair value changes which are attributable to credit risk, by first determining the changes due to market conditions which give rise to market risk, and then deducting those changes from the total change in fair value of the convertible debentures. Market conditions which give rise to market risk include changes in the benchmark interest rate. Fair value movements on the conversion option embedded derivative are excluded from the assessment of market risk fair value changes.

The Group and the Bank believes that this approach most faithfully represents the amount of change in fair value due to the Group's and the Bank's own credit risk, as the changes in factors contributing to the fair value of the items other than the changes in the benchmark interest rate are not deemed to be significant.

(b) Financial liabilities at amortised cost

Financial liabilities that are not classified as fair value through profit or loss fall into this category and are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from customers, investment accounts of customers, deposits and placements of banks and other financial institutions, Collateralised Commodity Murabahah, other financial liabilities in other liabilities, Senior Sukuk, subordinated Sukuk, lease liabilities and recourse obligations on financing sold to Cagamas and structured deposits. Structured deposits with embedded derivatives which are not closely related to the host contract are bifurcated and the derivatives are separately accounted for under derivatives in Note 24(a).

Deposit from customers consists of Tawarruq vis-à-vis Commodity Murabahah, Mudharabah and Qard contracts. Investment accounts of customers and investment accounts due to designated financial institutions consist of Mudharabah contracts.

The 'phase 2' amendments for financial liabilities affected by IBOR reform is disclosed in Note O.

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

H Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred (that is, if substantially all the risks and rewards have not been transferred, the Group and the Bank test control to ensure that continuing involvement on the basis of any retained powers of control does not prevent derecognition). Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Collateral furnished by the Group and the Bank under standard Collateralised Commodity Murabahah transactions is not derecognised because the Group and the Bank retain substantially all the risks and rewards on the basis of the predetermined return price, and the criteria for de-recognition are therefore not met.

I Offsetting financial instruments

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

J Impairment of financial assets

The Group and the Bank assess on a forward looking basis the expected credit losses (“ECL”) associated with its financial assets carried at amortised cost, FVOCI and with the exposure arising from financing commitments and financial guarantee contracts. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

- (i) Financial assets accounted for at amortised cost, FVOCI and with the exposure arising from financing commitments and financial guarantee contracts.

The Group and the Bank use general 3-stage approach for financial assets accounted for at amortised cost, FVOCI and with the exposure arising from financing commitments and financial guarantee contracts which reflect their credit risk and how the ECL is determined for each of those categories.

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

J Impairment of financial assets (Continued)

- (i) Financial assets accounted for at amortised cost, FVOCI and with the exposure arising from financing commitments and financial guarantee contracts. (Continued)

A summary of the assumptions underpinning the Group's and the Bank's expected credit loss model is as follows:

(a) Stage 1: 12-months ECL

Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-month ECL is recognised and profit income is calculated on the gross carrying amount of the financial assets.

(b) Stage 2: Lifetime ECL – not credit impaired

Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and profit income is calculated on the gross carrying amount of the financial assets.

(c) Stage 3: Lifetime ECL – credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and profit income is calculated on the net carrying amount of the financial assets.

The Group and the Bank account for their credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group and the Bank consider historical loss rates for each category of customers, and adjusts for forward looking macroeconomic data.

- (ii) Other assets

The Group and the Bank apply simplified approach as permitted by MFRS 9, which requires an entity to recognise a loss allowance based on lifetime ECL at each reporting date. MFRS 9 allows the use of practical expedients when measuring ECL and states that a provision matrix is an example of such expedient for trade receivables. An entity that applies a provision matrix may use historical loss experience on its trade receivables, and adjust historical loss rates to reflect information about current conditions and reasonable and supportable forecasts of future economic conditions.

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

K Property, plant and equipment

Property, plant and equipment are initially stated at cost, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the statement of income during the financial period in which they are incurred.

Capital work-in-progress are not depreciated. Other property, plant and equipment are depreciated on a straight line basis to allocate the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Renovations	5 – 10 years or over the period of the tenancy, whichever is shorter
Office equipment, furniture and fittings:	
- Office equipment	3 – 10 years
- Furniture and fittings	5 – 10 years
General plant and machinery	5 years
Computer equipment and hardware:	
- Servers and hardware	3 – 7 years
- ATM machine	5 – 10 years
Motor vehicles	5 years

Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment are reviewed for impairment at the end of each reporting period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are included in other operating income.

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

L Intangible assets

(a) Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units (“CGU”), or groups of CGUs, that is expected to benefit from the business combination in which goodwill arose, identified according to operating segment.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Other intangible assets

Other intangible assets include computer software. Other intangible assets are initially recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, when it is probable that future economic benefits attributable to the assets will flow to the Group and the Bank. Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Intangible assets that have an indefinite useful life, or are not yet ready for use, are tested for impairment annually. This impairment test may be performed at any time during the year, provided it is performed at the same time every year. An intangible asset recognised during the current period is tested before the end of the current financial year.

Intangible assets that have a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, and are amortised over their estimated useful lives.

Intangible assets are amortised over their finite useful lives as follows:

Computer software	3 – 15 years
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Summary of Material Accounting Policies for the financial year ended 31 December 2025 (Continued)

M Leases – the Group and the Bank as lessee

Leases are recognised as right-of-use (“ROU”) asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Bank (i.e. the commencement date).

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

Lease term

In determining the lease term, the Group and the Bank considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank and affects whether the Group and the Bank is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

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

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group and the Bank is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset’s useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

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

M Leases – the Group and the Bank as lessee (Continued)

Lease liabilities (Continued)

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Amounts expected to be payable by the Group and the Bank under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Bank is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option.

Lease payments are discounted using the profit rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, an incremental financing rate is used in determining the discount rate which assumes the profit rate that the Group and the Bank would have to pay to obtain financing over a similar term, the funds necessary to obtain the asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of profit on the remaining balance of the liability for each period.

The Group and the Bank presents the lease liabilities as a separate line item in the statement of financial position. Profit expense on the lease liability is presented under net financing income in the statement of income.

Short term leases and leases of low value assets

The Group and the Bank elects to apply MFRS 16 recognition exemption such as short-term leases and leases for which the underlying asset is of low value. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low-value assets comprise IT equipment and small items of office furniture with value of RM20,000 (or equivalent to USD5,000) or below. Payments associated with short-term leases of equipment and vehicles and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss.

N Leases – the Group and the Bank as lessor

As a lessor, the Group and the Bank determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

N Leases – the Group and the Bank as lessor (Continued)

(a) Finance lease

The Group and the Bank classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Bank derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment. In addition, the Group and the Bank reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Bank revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Operating lease

The Group and the Bank classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Bank recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term. When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

O Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate except for assets/liabilities that are classified as Level 3 fair value hierarchy. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in the statement of income.

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

O Derivative financial instruments and hedge accounting (Continued)

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group and the Bank recognise the fair value of derivatives in the statement of income immediately.

The Group and the Bank designate certain derivatives to manage its exposure to profit rate risks. The instruments used included Islamic profit rate swap

The Group and the Bank document at the inception of the hedging transaction, the risk management objective & strategy and the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 24(a).

Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to the statement of income over the period to maturity based on recalculated effective profit rate method over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains as part of the carrying amount until the disposal of the equity security.

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

O Derivative financial instruments and hedge accounting (Continued)

Interbank offered rates

Interbank offered rates (“IBORs”), such as the London Interbank Offered Rate (“LIBOR”), play a critical role in global financial markets, serving as reference rates for derivatives, financing and securities, and as parameters in the valuation of financial instruments.

In recent years, regulators, central banks and market participants have been working towards a transition to alternative risk-free benchmark reference rates (“RFRs”) and market-led working groups in respective jurisdictions have recommended alternative risk-free reference rates, which are gradually being adopted in replacement of IBORs.

In response to the uncertainty about the long-term viability of these benchmark rates, and LIBOR in particular, the International Accounting Standards Board (“IASB”) has established a project to consider the financial reporting implications of the reform. The transition from IBORs is expected to have an impact on various elements of financial instrument accounting, including hedge accounting, as well as fair value methodologies and disclosures.

BNM has announced the launch of the Malaysia Overnight Rate (“MYOR”) as the new alternative risk-free benchmark reference rates (“RFRs”) for Malaysia and the MYOR will run in parallel to the existing Kuala Lumpur Interbank Offered Rate (“KLIBOR”) with periodic reviews to ensure that the financial benchmark rates remain robust and reflective of an active underlying market. The Group and the Bank have discontinued the publication of the 2- and 12-month KLIBOR tenors, which are the least referenced rates in the market for financial contracts, on 1 January 2023. The remaining one-, three- and six-month KLIBOR tenors, will continue to reflect an active underlying market.

On 16 October 2025, BNM announced the transition from KLIBOR to the Malaysia Overnight Rate (“MYOR”) and Malaysia Islamic Overnight Rate (“MYOR-i”) with the following key milestones:

By 1 October 2026 - Financial institutions must be operationally ready to offer products referencing MYOR and MYOR-i.

By 1 July 2027 - KLIBOR will cease for new trades, and MYOR-i will be mandated for all new Islamic financial products.

By 30 June 2028 - all existing KLIBOR based contracts must be converted to MYOR or MYOR-i where possible, and any remaining contracts shall incorporate robust fallback provisions.

Effective 1 January 2029 - KLIBOR will be fully discontinued.

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

O Derivative financial instruments and hedge accounting (Continued)

Impact of IBOR reform on Group's and the Bank's hedging relationship

The Group and the Bank have hedge accounted relationships referencing IBORs, with the most significant interest rate benchmarks to which the Group's and the Bank's hedging relationships are exposed to are MYR KLIBOR.

The Group's and the Bank's risk exposure that is directly affected by the interest rate benchmark reform is its fair value hedge of the following financial instruments. These hedging relationships are designated using profit rate swaps, for changes attributable to MYR KLIBOR that are respective current benchmark interest rate. Additional information about the Group's and the Bank's exposure to IBOR reform is presented in Note 24(a).

Hedged items	The Group and the Bank	
	2025	2024
Fixed rate liabilities	MYR 3,099,999,233	MYR3,100,000,000
Fixed rate senior bonds	MYR 7,075,000,000	MYR7,075,000,000
Fixed rate financial investments at fair value through other comprehensive income	MYR 845,000,000	MYR810,000,000

The Group and the Bank will continue to record any ongoing hedge ineffectiveness, including that generated by changes as a result of interest rate reform, within the Income Statement. One of the source of ineffectiveness would be due to the IBOR reform takes effect at a different time and have a different impact on the hedged items and hedging instruments.

Managing the process to transition

The Group and the Bank have established a steering committee to oversee the Group's and the Bank's IBORs transition plan. This steering committee has put in place a transition project which includes the assessment and actions necessary to accommodate the transition to RFRs as they apply internal process and systems in pricing, risk management, and valuation models, as well as managing related tax and accounting implications. The Group and the Bank are continuing to monitor market developments in relation to the transition to RFRs from IBOR rates and their impact on the Group's and the Bank's financial assets and liabilities to ensure that there are no unexpected consequences or disruption from the transition.

The Group adopted the Phase 2 amendments and applied the practical expedient to update the effective profit rate for instruments measured at amortised cost to account for the changes in contractual cash flows that is a direct consequence of interbank offered rate ("IBOR") reform. As a result, no immediate gain or loss is recognised in profit or loss.

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

O Derivative financial instruments and hedge accounting (Continued)

Managing the process to transition (Continued)

The amendments also provide reliefs that enable and require the Group to continue the MFRS 9 hedge accounting in circumstances when the Group updates the hedge documentation to reflect changes in hedged items and hedging instruments which are required by IBOR reform.

Hedge relationships

Since 2021, the Group and the Bank have adopted the hedge accounting reliefs provided by 'phase 2' of the amendments for hedge designation. When the phase 1 amendments cease to apply, the Group and the Bank will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of these changes:

- (i) designate an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
- (ii) amend the description of the hedged item, including the description of the designated portion of the fair value being hedged; or
- (iii) amend the description of the hedging instrument. The Group and the Bank will update its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made.

These amendments to the hedge documentation do not require the Group and the Bank to discontinue its hedge relationships. The Group and the Bank have not made any amendments to its hedge documentation in the reporting period relating to IBOR reform.

Since 2021, changes required to systems, processes and models have been identified and fully implemented. The Group and the Bank have identified that the areas of most significant risk arising from the replacement of LIBORs are: updating systems and processes which capture LIBORs referenced contracts; amendments to those contracts, or existing fallback/transition clauses not operating as anticipated; mismatches in timing of derivatives and financing transitioning from LIBORs and the resulting impact on economic risk management; and updating hedge designations. The Group and the Bank continues to engage with industry participants and the regulator authorities, to ensure an orderly transition to RFRs and to minimise the risks arising from transition, and it will continue to identify and assess risks associated with LIBORs replacement.

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

O Derivative financial instruments and hedge accounting (Continued)

Financial instruments measured using amortised cost measurement

‘Phase 2’ of the amendments requires that, for financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (that is, the basis immediately preceding the change).

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument’s effective interest rate. Any additional changes are accounted for in the normal way (that is, assessed for modification or derecognition, with the resulting modification gain / loss recognised immediately in profit or loss where the instrument is not derecognised).

Since 2021, the Group and the Bank have applied the practical expedients offered under ‘phase 2’ of the amendments on the financial instruments in the following section.

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**Summary of Material Accounting Policies
for the financial year ended 31 December 2025 (Continued)****O Derivative financial instruments and hedge accounting (Continued)**Effect of IBOR reform

The following tables contain details of all financial instruments that the Group and the Bank holds at 31 December 2025 and 31 December 2024 which are referenced to MYR KLIBOR have not yet transitioned to alternative benchmark rates.

	The Group and the Bank	
	Notional amount of which: Have yet to transition to an alternative benchmark rate as at 31 December 2025	
	MYR KLIBOR	
	RM'000	RM'000
	Asset	Liability
Non-derivatives assets and liabilities		
Bonds/Sukuk and notes	-	320,000
Fixed rate financing, advances and other financing/loans	5,445,032	-
Derivatives	13,510,801	5,411,935

	The Group and the Bank	
	Notional amount of which: Have yet to transition to an alternative benchmark rate as at 31 December 2024	
	MYR KLIBOR	
	RM'000	RM'000
	Asset	Liability
Non-derivatives assets and liabilities		
Bonds/Sukuk and notes	-	120,000
Fixed rate financing, advances and other financing/loans	1,269,971	-
Derivatives	16,221,400	6,213,195

CIMB Islamic Bank Berhad

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

P Currency translations

(a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Financial Statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Bank's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments at fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in statement of income, and other changes in the carrying amount are recognised in equity.

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

Q Income and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in statement of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of Malaysia and includes all taxes based upon the taxable profits.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, except for; where both an asset and a liability are recognised at the same time such as leases.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences unused tax losses can be utilised.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled by the Group and the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is determined using tax rates (and tax laws) that have been enacted at the end of each reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

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

R Share capital

(a) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the contractual arrangement of the particular instrument.

(b) Share issue costs

Incremental external costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(c) Dividends

Dividends on ordinary shares and non-redeemable preference shares with discretionary dividends are recognised as a liability when the shareholders' right to receive the dividend is established.

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

(d) Earnings per share

Basic earnings per share is calculated by dividing:

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

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

R Share capital (Continued)

(e) Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- The after income tax effect of profit and other financing costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

S Employee benefits

(a) Short-term employee benefits

The Group and the Bank recognise a liability and an expense for bonuses. The Group and the Bank recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Bank.

(b) Post employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group and the Bank pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's and the Bank's contributions to a defined contribution plan are charged to the statement of income. Once the contributions have been paid, the Group and the Bank have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Other long-term employee benefits

The cost of long-term employee benefits (for example, long-term service leave) is accrued to match the rendering of services by the employees concerned using an accounting methodology similar to that for defined benefit plans for the liability which is not expected to be settled within 12 months, except that remeasurements are recognised immediately in profit or loss.

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

S Employee benefits (Continued)

(d) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Bank recognise termination benefits at the earlier of the following dates:

- (a) when the Group and the Bank can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits.

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

(e) Share-based compensation benefits

Long Term Incentive Plan ("LTIP")

The Group implements a Long Term Incentive Plan ("LTIP"), which is awarded to employees who hold senior management positions and key roles within the CIMB Group and its subsidiary companies, and who fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the directors) is subject to the approval of the shareholders at a general meeting.

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme ("ESOS") and the Share Grant Plan ("SGP"). Details of the key features of ESOS and SGP are set out in Note 46(h).

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

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

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

S Employee benefits (Continued)

(e) Share-based compensation benefits (Continued)

Employee Ownership Plan (“EOP”)

CIMB Group operates an equity-settled, share-based compensation plan, where ordinary shares of CIMB Group are purchased from the market at market value and awarded to the eligible executive employees.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the award is fully released to relevant employees (‘the final release date’). The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense in statement of income over the period of release, based on the best available estimate of the number of shares expected to be released at each of the relevant release date. On the final release date, the estimate will be revised to equal the actual number of shares that are ultimately released to the employees.

T Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (‘cash-generating units’). Non financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the statement of income unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the statements of income unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

CIMB Islamic Bank Berhad

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

U Provisions

Provisions are recognised by the Group and the Bank when all of the following conditions have been met:

- (i) the Group and the Bank have a present legal or constructive obligation as a result of past events;
- (ii) it is probable that an outflow of resources to settle the obligation will be required; and
- (iii) a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present values of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as a profit expense.

V Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group and the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified customer fails to make payments when due, in accordance with the terms of an instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure financing and other banking facilities.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Subsequent to initial recognition, financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 “Financial instruments” and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 “Revenue from Contracts with Customers”, where appropriate.

Any increase in the liability relating to guarantees is reported in the statement of income within ECL for commitments and contingencies.

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

W Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposit placements with original maturity of 3 months or less.

X Segment reporting

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.

Intra-segment revenue and costs are eliminated at head office. Income and expenses directly associated with each segment are included in determining business segment performance.

Y Contingent assets and contingent liabilities

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group and the Bank. As this may result in the recognition of income that may never be realised, contingent assets are not recognised in the Group's and the Bank's Financial Statements but disclosed where inflows of economic benefits are probable but not virtually certain.

Contingent liabilities, which do not include financial guarantee contracts are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the control of the Group and the Bank; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require the outflow of economic benefits, or because the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognised in the Financial Statements but are disclosed unless the probability of settlement is remote.

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

Z Investment Accounts

Mudharabah

This category comprises restricted and unrestricted investment accounts. The placements from investment accounts that are used to fund specific financing are called Restricted Profit Sharing Investment Accounts (“RPSIA”). The RPSIA and Unrestricted Investment Accounts (“URIA”) are a contract based on the Shariah concept of Mudharabah between two parties, i.e. investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture will be shared based on pre-agreed ratios with the Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by investors.

Wakalah

Daily Investment Account-i is a daily investment account based on a Wakalah bi al-istithmar contract, agreed between the customers as capital providers (principal) and the Bank as an investment agent whereby the Bank will channel the funds in investment assets which are Shariah compliant. The profit distribution is after deducting the agency fee and any agreed performance incentive fee to the Bank (if any). The principal may agree to the agent retaining all or part of the excess profit as performance incentive fee if the actual profit is higher than the indicative profit. Any losses (if any) shall be borne by the customer, provided that such losses are not due to the Bank’s misconduct (Ta’addi), negligence (Taqsir), or breach of specific terms (Mukhalafah al-Shurut). Daily Investment Account-i is classified as URIA.

AA Financing assistance scheme

Financing under a government scheme is recognised and measured in accordance with MFRS 9 Financial Instruments, with the benefit at a below market and concession rate measured as the difference between the initial carrying amount or fair value of the financing and the amount received.

The benefit of government schemes that addresses identified costs or expenses incurred by the Group and the Bank is recognised in the profit or loss in the same financial period when the cost or expenses are recognised, when the required conditions are fulfilled in accordance with MFRS 120 Accounting for Government Grants and Disclosure of Government Assistance.

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

1 General information

The Bank is principally engaged in all aspects of Islamic banking and finance business and in the provision of related financial services. The principal activities of the significant subsidiaries as set out in Note 15 in the Financial Statements are providing Islamic nominee and custody services. Islamic banking and finance business refers generally to the acceptance of deposits and granting of financing and all other activities allowed under the Islamic Financial Services Act 2013 done in accordance with Shariah.

The immediate holding company of the Bank is CIMB Bank Berhad, a licensed bank incorporated in Malaysia and the Directors regard CIMB Group Holdings Berhad (“CIMB Group”), a quoted company incorporated in Malaysia, as the Bank’s ultimate holding company.

The Bank is a licensed Islamic Bank under the Islamic Financial Services Act 2013, incorporated and domiciled in Malaysia.

The address of the Bank’s registered office is at 13th Floor, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The Bank’s principal place of business is at 17th Floor, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

2 Cash and short-term funds

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Cash and balances with banks and other financial institutions	127,848	87,628
Money at call and deposit placements maturing within one month	7,999,835	8,088,742
	<u>8,127,683</u>	<u>8,176,370</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****3 Reverse Collateralised Commodity Murabahah**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Reverse Collateralised Commodity Murabahah		
- at amortised cost	1,681,048	1,734,605
	<u>1,681,048</u>	<u>1,734,605</u>

The reverse repurchase agreements/ Reverse Collateralised Commodity Murabahah of the Group and the Bank are pledged as collaterals for obligations on securities sold under repurchase agreements/ Collateralised Commodity Murabahah amounted to RM Nil (2024: RM177,367,000).

4 Deposits and placements with banks and other financial institutions

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Licensed Islamic banks	707,330	403,180
Other financial institutions	80,095	200,042
	<u>787,425</u>	<u>603,222</u>
Expected credit losses	(52)	(86)
	<u>787,373</u>	<u>603,136</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****4 Deposits and placements with banks and other financial institutions
(Continued)**

Expected credit losses movement for money at call and deposits and placements with banks and other financial institutions:

	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
The Group and the Bank				
At 1 January 2025	86	-	-	86
Total charge to Statement of Income:	(32)	-	-	(32)
New financial assets originated	824	-	-	824
Financial assets that have been derecognised	(86)	-	-	(86)
Change in credit risk	(770)	-	-	(770)
Other movements	(2)	-	-	(2)
At 31 December 2025	52	-	-	52
The Group and the Bank				
At 1 January 2024	-	-	-	-
Total charge to Statement of Income:	86	-	-	86
New financial assets originated	181	-	-	181
Financial assets that have been derecognised	(95)	-	-	(95)
Change in credit risk	-	-	-	-
Other movements	-	-	-	-
At 31 December 2024	86	-	-	86

5 Financial investments at fair value through profit or loss

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Money market instruments		
Unquoted:		
Malaysian Government treasury bills	171,478	277,430
Bank Negara monetary notes	402,685	1,530,686
Islamic negotiable instruments of deposits	1,344,764	1,791,452
Government Investment Issues	425,138	338,545
Islamic Cagamas bonds	15,064	353,537
Islamic Commercial Paper	492,463	845,315
	2,851,592	5,136,965
Unquoted securities:		
In Malaysia		
Corporate sukuk	944,545	423,152
	3,796,137	5,560,117

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****6 Debt instruments at fair value through other comprehensive income**

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Money market instruments		
Unquoted:		
Government Investment Issues	3,210,116	2,263,396
Islamic Cagamas bonds	131,659	75,888
	<u>3,341,775</u>	<u>2,339,284</u>
Unquoted securities:		
<u>In Malaysia</u>		
Corporate sukuk	8,181,514	4,890,684
	<u>11,523,289</u>	<u>7,229,968</u>

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

The carrying amount of debt instruments at fair value through other comprehensive income is equivalent to their fair value. The loss allowance is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

	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
	RM'000	RM'000	RM'000	RM'000
The Group and the Bank				
At 1 January 2025	2,226	-	-	2,226
Total charge to Statement of Income:	(144)	-	-	(144)
New financial assets purchased	20,513	-	-	20,513
Financial assets that have been derecognised	(333)	-	-	(333)
Change in credit risk	(20,324)	-	-	(20,324)
At 31 December 2025	<u>2,082</u>	<u>-</u>	<u>-</u>	<u>2,082</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****6 Debt instruments at fair value through other comprehensive income
(Continued)**

	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
The Group and the Bank				
At 1 January 2024	1,594	-	-	1,594
Total charge to Statement of Income:	632	-	-	632
New financial assets purchased	11,894	-	-	11,894
Financial assets that have been derecognised	(369)	-	-	(369)
Change in credit risk	(10,893)	-	-	(10,893)
At 31 December 2024	2,226	-	-	2,226

Impact of movements in gross carrying amount on expected credit losses2025

Net expected credit losses (“ECL”) decreased by RM144,000 for the Group and the Bank mainly due to change in credit risk and financial assets that have been derecognised, offsetted by recognition of gross carrying amounts (“GCA”) from new financial assets purchased.

2024

Net expected credit losses (“ECL”) increased by RM632,000 for the Group and the Bank mainly due to recognition of gross carrying amounts (“GCA”) from new financial assets purchased, offsetted by change in credit risk and financial assets that have been derecognized.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****7 Debt instruments at amortised cost**

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Money market instruments		
Unquoted:		
Government Investment Issue	8,105,789	5,978,111
Islamic Cagamas bonds	85,935	20,151
Commercial papers	-	180,685
Malaysian Government treasury bills	65,184	-
	8,256,908	6,178,947
Unquoted securities:		
<u>In Malaysia</u>		
Corporate sukuk	6,634,915	8,410,904
Amortisation of premium net of accretion of discount	(57,856)	(6,573)
Less : Expected credit losses	(319)	(373)
	14,833,648	14,582,905

The 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 amounted to RM Nil (2024: RM631,751,000).

The debts instruments at amortised cost of the Group and the Bank are pledged as collaterals for obligations on securities sold under repurchase agreements/ Collateralised Commodity Murabahah amounted to RM3,367,530,000 (2024: RM4,343,053,000).

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)	Total RM'000
			RM'000	
At 1 January 2025	373	-	-	373
Total charge to Statement of Income:	(54)	-	-	(54)
New financial assets purchased	419	-	-	419
Change in credit risk	(473)	-	-	(473)
At 31 December 2025	319	-	-	319

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****7 Debt instruments at amortised cost (Continued)**

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
Debt instruments at amortised cost				
At 1 January 2024	469	-	-	469
Total charge to Statement of Income:	(96)	-	-	(96)
New financial assets purchased	3,487	-	-	3,487
Change in credit risk	(3,583)	-	-	(3,583)
At 31 December 2024	373	-	-	373

Impact of movements in gross carrying amount on expected credit losses2025

The net ECL decreased by RM54,000 for the Group and the Bank is mainly due to change in credit risk, offsetted by recognition of gross carrying amounts (“GCA”) from new financial assets purchased.

2024

The net ECL decreased by RM96,000 for the Group and the Bank is mainly due to change in credit risk, offsetted by recognition of gross carrying amounts (“GCA”) from new financial assets purchased.

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 2025	Total 2024
	RM'000	RM'000
At 1 January	634,852	594,678
Amount fully recovered	(510,741)	-
Other movements	(96,651)	52,526
Exchange fluctuation	(27,460)	(12,352)
At 31 December	-	634,852

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

8 Financing, advances and other financing/loans

31 December 2025

At amortised cost:

	The Group and the Bank							
	Sale-based contracts			Lease-based contracts		Loan contract	Others	Total RM'000
	Bai' Bithaman Ajil	Bai' al-'inah	Tawarruq	Ijarah Muntahiah Bi al-Tamlik*	Al-Ijarah Thumma Al-Bai'#	Qard	Ujrah	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Cash line^	-	-	2,061,117	-	-	7,499	-	2,068,616
Term financing								
House Financing	2,937,740	-	55,098,871	855,210	-	-	-	58,891,821
Syndicated Financing	-	-	2,098,092	-	-	-	-	2,098,092
Hire purchase receivables	-	-	-	-	21,643,050	-	-	21,643,050
Other term financing	520,977	679,647	45,769,313	25,107	-	-	-	46,995,044
Bills receivable	-	-	1,452,173	-	-	-	-	1,452,173
Islamic trust receipts	-	-	17,609	-	-	-	-	17,609
Claims on customers under acceptance credits	-	-	1,297,961	-	-	-	-	1,297,961
Staff financing**	-	-	358,176	-	-	-	-	358,176
Credit card receivables	-	-	-	-	-	-	825,866	825,866
Revolving credits	-	-	9,570,566	-	-	-	-	9,570,566
Gross financing, advances and other financing/loans, at amortised cost	3,458,717	679,647	117,723,878	880,317	21,643,050	7,499	825,866	145,218,974
Fair value changes arising from fair value hedge								-
								145,218,974
Less: Expected credit losses								(1,671,497)
Net financing, advances and other financing/loans, at amortised cost								143,547,477

^ 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 RM 2,059,843 (2024:RM 3,766,850).

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

8 Financing, advances and other financing/loans (Continued)

31 December 2024

At amortised cost:

	The Group and the Bank							
	Sale-based contracts			Lease-based contracts		Loan contract	Others	Total
	Bai' Bithaman Ajil	Bai' al-'inah	Tawarruq	Ijarah Muntahiah Bi al-Tamlik*	Al-Ijarah Thumma Al-Bai'#	Qard	Ujrah	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Cash line^	-	-	1,890,129	-	-	7,386	-	1,897,515
Term financing								
House Financing	3,269,654	-	50,904,382	921,601	-	-	-	55,095,637
Syndicated Financing	-	-	1,265,388	-	-	-	-	1,265,388
Hire purchase receivables	-	-	-	-	19,830,538	-	-	19,830,538
Other term financing	631,260	887,419	43,117,883	28,766	-	-	-	44,665,328
Bills receivable	-	-	1,097,817	-	-	-	-	1,097,817
Islamic trust receipts	-	-	15,826	-	-	-	-	15,826
Claims on customers under acceptance credits	-	-	1,208,563	-	-	-	-	1,208,563
Staff financing**	-	-	338,903	-	-	-	-	338,903
Credit card receivables	-	-	-	-	-	-	558,518	558,518
Revolving credits	-	-	7,211,539	-	-	-	-	7,211,539
Gross financing, advances and other financing/loans, at amortised cost	3,900,914	887,419	107,050,430	950,367	19,830,538	7,386	558,518	133,185,572

Fair value changes arising from fair value hedge

(187)

Less: Expected credit losses

Total net financing, advances and other financing/loans

133,185,385

(1,771,300)

131,414,085

^ 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 RM 2,059,843 (2024:RM 3,766,850).

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

8 Financing, advances and other financing/loans (Continued)

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Total gross financing, advances and other financing/loans		
- At amortised cost	145,218,974	133,185,572
	<u>145,218,974</u>	<u>133,185,572</u>

(i) By type and Shariah contracts:

(a) The Group and the Bank have undertaken fair value hedge on the profit rate risk of RM Nil (2024: RM17,195,000) financing 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 the Bank and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the portfolio and individual impairment for bad and doubtful financing arising thereon.

As at 31 December 2025, the gross exposure and expected credit losses relating to RPSIA financing are RM2,801,569,000 (2024: RM2,928,095,000) and RM198,000 (2024: RM352,000) respectively.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 Financing, advances and other financing/loans (Continued)**

(i) By type and Shariah contracts: (Continued)

(c) Movement of Qard financing

	The Group and the Bank	
	2025	2024
	RM'000	RM'000
At 1 January	7,386	11,639
New disbursement	2,037	1,857
Repayment	(1,924)	(6,110)
At 31 December	<u>7,499</u>	<u>7,386</u>
Sources of Qard fund:		
Depositors' fund	6,894	6,850
Shareholders' fund	605	536
	<u>7,499</u>	<u>7,386</u>
Uses of Qard fund:		
Personal use	483	446
Business purpose	7,016	6,940
	<u>7,499</u>	<u>7,386</u>

(ii) By type of customer:

	The Group and the Bank	
	31 December	31 December
	2025	2024
	RM'000	RM'000
Domestic non-bank financial institutions	3,585,352	3,007,855
Domestic business enterprises		
- Small medium enterprises	25,080,948	23,726,144
- Others	14,649,774	10,550,118
Government and statutory bodies	2,595,196	1,836,729
Individuals	98,433,997	92,367,494
Other domestic entities	191,005	1,047,763
Foreign entities	682,702	649,469
Gross financing, advances and other financing/loans	<u>145,218,974</u>	<u>133,185,572</u>

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

8 Financing, advances and other financing/loans (Continued)

(iii) By profit rate sensitivity:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Fixed rate		
- house financing	906,140	627,836
- hire purchase receivables	16,867,890	16,887,334
- others	4,671,345	4,479,228
Variable rate		
- house financing	57,985,681	54,467,801
- others	64,787,918	56,723,373
Gross financing, advances and other financing/loans	<u>145,218,974</u>	<u>133,185,572</u>

(iv) By economic purpose:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Personal use	2,037,558	2,217,146
Credit card	825,866	558,518
Construction	3,258,630	2,160,150
Residential property	59,975,513	56,161,122
Non-residential property	17,592,465	16,343,368
Purchase of fixed assets other than land and building	849,333	776,090
Purchase of securities	9,967,111	10,387,035
Purchase of transport vehicles	21,963,809	20,199,304
Working capital	26,201,875	23,379,996
Other purpose	2,546,814	1,002,843
Gross financing, advances and other financing/loans	<u>145,218,974</u>	<u>133,185,572</u>

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

8 Financing, advances and other financing/loans (Continued)

(v) By geographical distribution:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Malaysia	<u>145,218,974</u>	<u>133,185,572</u>

(vi) By economic sector:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Primary agriculture	1,716,211	3,306,624
Mining and quarrying	122,979	110,669
Manufacturing	5,123,398	4,879,870
Electricity, gas and water supply	2,676,813	638,941
Construction	4,707,419	3,961,967
Transport, storage and communications	4,010,939	3,517,021
Education, health and others	3,610,825	2,861,336
Wholesale and retail trade, and restaurants and hotels	9,547,265	9,258,210
Finance, insurance/takaful, real estate and business activities	14,908,916	11,966,281
Household	98,793,960	92,678,518
Others	249	6,135
Gross financing, advances and other financing/loans	<u>145,218,974</u>	<u>133,185,572</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 Financing, advances and other financing/loans (Continued)**

(vii) By residual contractual maturity:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Within one year	16,367,001	12,921,226
One year to less than three years	4,560,977	2,624,461
Three years to less than five years	9,593,386	8,779,644
Five years and more	<u>114,697,610</u>	<u>108,860,241</u>
Gross financing, advances and other financing/loans	<u><u>145,218,974</u></u>	<u><u>133,185,572</u></u>

(viii) Credit impaired financing, advances and other financing/loans by economic purpose:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Personal use	21,315	19,516
Credit cards	13,569	7,911
Residential property	908,082	930,353
Non-residential property	182,741	172,316
Purchase of fixed assets other than land and building	452	7,005
Purchase of securities	420	850
Purchase of transport vehicles	231,937	177,890
Working capital	230,640	228,892
Other purpose	<u>36,045</u>	<u>67,497</u>
Gross credit impaired financing, advances and other financing/loans	<u><u>1,625,201</u></u>	<u><u>1,612,230</u></u>

(ix) Credit impaired financing, advances and other financing/loans by geographical distribution:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Malaysia	<u><u>1,625,201</u></u>	<u><u>1,612,230</u></u>

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

8 Financing, advances and other financing/loans (Continued)

(x) Credit impaired financing, advances and other financing/loans by economic sector:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Primary agriculture	12,842	4
Mining and quarrying	30,496	644
Manufacturing	43,401	106,196
Electricity, gas and water supply	33	1
Construction	49,039	122,591
Transport, storage and communications	9,051	6,544
Education, health and others	20,650	16,913
Wholesale and retail trade, and restaurants and hotels	124,474	113,507
Finance, insurance/takaful, real estate and business activities	126,152	72,531
Household	1,209,063	1,172,922
Others	-	377
Gross credit impaired financing, advances and other financing/loans	<u><u>1,625,201</u></u>	<u><u>1,612,230</u></u>

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

8 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 2025	597,024	490,886	683,390	1,771,300
Changes in expected credit losses due to transferred within stages:	219,487	(129,878)	(89,609)	-
Transferred to Stage 1	412,886	(395,417)	(17,469)	-
Transferred to Stage 2	(193,014)	621,442	(428,428)	-
Transferred to Stage 3	(385)	(355,903)	356,288	-
Total charge to Statement of Income:	(322,736)	105,507	684,245	467,016
New financial assets originated	110,129	75,649	2,238	188,016
Financial assets that have been derecognised	(72,406)	(145,385)	-	(217,791)
Writeback in respect of full recoveries	-	-	(26,293)	(26,293)
Change in credit risk	(360,459)	175,243	708,300	523,084
Write-offs	-	(930)	(596,933)	(597,863)
Other movements	(6)	(2)	31,052	31,044
At 31 December 2025	493,769	465,583	712,145	1,671,497

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 Financing, advances and other financing/loans (Continued)**

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

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

The Group and the Bank (Continued)	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:	206,221	(77,025)	(129,196)	-
Transferred to Stage 1	384,972	(359,846)	(25,126)	-
Transferred to Stage 2	(178,369)	613,879	(435,510)	-
Transferred to Stage 3	(382)	(331,058)	331,440	-
Total charge to Statement of Income:	(381,205)	199,836	583,585	402,216
New financial assets originated	108,718	2,474	1,255	112,447
Financial assets that have been derecognised	(81,014)	(35,679)	-	(116,693)
Writeback in respect of full recoveries	-	-	(50,625)	(50,625)
Change in credit risk	(408,909)	233,041	632,955	457,087
Write-offs	-	(164)	(350,717)	(350,881)
Other movements	(104)	73	30,138	30,107
At 31 December 2024	597,024	490,886	683,390	1,771,300

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****8 Financing, advances and other financing/loans (Continued)**

(xii) Movements in credit impaired for 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)	
	2025	2024
	RM'000	RM'000
At 1 January	1,612,230	1,775,874
Transfer within stages	809,675	376,405
New financial assets originated	4,390	3,300
Write-offs	(596,933)	(350,717)
Amount fully recovered	(96,929)	(141,232)
Other movements	(107,232)	(51,400)
At 31 December	<u>1,625,201</u>	<u>1,612,230</u>

	The Group and the Bank	
	31 December	31 December
	2025	2024
Ratio of credit impaired financing to total gross financing, advances and other financing/loans	<u>1.12%</u>	<u>1.21%</u>

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

8 Financing, advances and other financing/loans (Continued)

Impact of movements in gross carrying amount on expected credit losses

2025

Stage 1 ECL decreased by RM102 million for the Group and the Bank as a result of RM48,448 million financing, advances and other financing/loans that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 1 to Stage 2 or Stage 3 due to deterioration in credit quality offset by financing, advances and other financing/loans that were newly originated or migrated into Stage 1 from Stage 2 or Stage 3 due to credit quality improvement.

Stage 2 ECL decreased by RM25 million for the Group and the Bank as a result of RM14,162 million financing, advances and other financing/loans that were fully repaid, having movement in the existing account balances during the financial year, and transferred into Stage 1 or Stage 3 offset by RM12,506 million financing, advances and other financing/loans that migrated from Stage 1 to Stage 2 due to deterioration in credit quality or from Stage 3 to Stage 2 due to credit quality improvement.

Stage 3 ECL increased by RM29 million for the Group and Bank as a result of RM2,218 million financing, advances and other financing/loans that were transferred into Stage 3 due to credit quality deterioration for the Group and the Bank respectively, offset by RM1,505 million financing, advances and other financing/loans for the Group and the Bank that were fully repaid, and transferred to Stage 1 or Stage 2. Changes in Stage 3 ECL is also due to financing, advances and other financing/loans which ECL mostly fully provided for that were written off during the financial year.

The amount of financing, advances and other financing/loans whose cash flows were modified of the Group and the Bank during the financial year were both RM Nil respectively.

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

8 Financing, advances and other financing/loans (Continued)

Impact of movements in gross carrying amount on expected credit losses (Continued)

2024

Stage 1 ECL decreased by RM175 million for the Group and the Bank as a result of RM48,632 million financing, advances and other financing/loans that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 1 to Stage 2 or Stage 3 due to deterioration in credit quality offset by financing, advances and other financing/loans that were newly originated or migrated into Stage 1 from Stage 2 or Stage 3 due to credit quality improvement.

Stage 2 ECL increased by RM123 million for the Group and the Bank as a result of RM14,522 million of financing, advances and other financing/loans migrating into Stage 2 and additional disbursement, offset by financing, advances and other financing/loans that were fully repaid, having movement in the existing account balances during the financial year, and accounts migrated from Stage 2 to Stage 3 due to deterioration in credit quality and migrated to Stage 1 as a result of improved credit quality.

Stage 3 ECL increased by RM134 million for the Group and Bank as a result of RM2,026 million financing, advances and other financing/loans that were transferred into Stage 3 due to credit quality deterioration for the Group and the Bank respectively, offset by RM1,790 million financing, advances and other financing/loans for the Group and the Bank that were fully repaid, and transferred to Stage 1 or Stage 2. Changes in Stage 3 ECL is also due to financing, advances and other financing/loans which ECL mostly fully provided for that were written off during the financial year.

The amount of financing, advances and other financing/loans whose cash flows were modified of the Group and the Bank during the financial year were both RM4,308,000 respectively.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****9 Other assets**

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Deposits and prepayments	15,914	10,676
Sundry debtors net of expected credit losses*	146,456	170,165
Cash collateral pledged for derivative transactions	47,558	27,369
Treasury related receivables	257,408	59,852
Clearing accounts	8,317	24,248
	<u>475,653</u>	<u>292,310</u>

* Sundry debtors net of expected credit losses of RM54,737,000 (2024: RM54,829,000).

(a) Movements of expected credit losses on sundry debtors are as follows:

(i) Under simplified approach

	The Group and the Bank	
	2025	2024
	RM'000	RM'000
At 1 January	123	106
Expected credit losses (written back)/made during the financial year	(17)	17
At 31 December	106	123

(ii) Under general approach

	12-month expected	Lifetime expected credit	Lifetime expected	Total
	credit losses	losses - not credit	credit losses	
The Group and the Bank	(Stage 1)	impaired	- credit impaired	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	54,172	-	534	54,706
Total charge to Income Statement:	-	-	(75)	(75)
Change in credit risk	-	-	(75)	(75)
At 31 December 2025	54,172	-	459	54,631

	12-month expected	Lifetime expected credit	Lifetime expected	Total
	credit losses	losses - not credit	credit losses	
The Group and the Bank	(Stage 1)	impaired	- credit impaired	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	17,913	-	534	18,447
Total charge to Income Statement:	36,259	-	-	36,259
Change in credit risk	36,259	-	-	36,259
At 31 December 2024	54,172	-	534	54,706

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

9 Other assets (Continued)

(a) Movements of expected credit losses on sundry debtors are as follows: (Continued)

(iii) Gross carrying amount movement of other assets classified as credit impaired under general approach:

Gross carrying amount movement	The Group and the Bank	
	Lifetime expected credit losses - credit impaired (Stage 3)	
	2025	2024
	RM'000	RM'000
At 1 January	534	534
Other changes	(75)	-
At 31 December	<u>459</u>	<u>534</u>

Impact of movements in gross carrying amount on expected credit losses:

2025

Stage 3 ECL decreased by RM0.075 million for the Group and the Bank due to change in credit risk.

2024

Stage 1 ECL increased by RM36.3 million for the Group and the Bank due to change in credit risk.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****10 Deferred taxation**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts are shown in the statements of financial position, after offsetting:

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Deferred tax assets	218,955	253,132
Further breakdown are as follows:		
Deferred tax assets (before offsetting)		
Expected credit losses	194,938	223,789
Fair value reserve - Debt instruments at fair value through other comprehensive income	-	12,158
Provision for expenses	25,221	17,609
Other temporary differences	168	-
	220,327	253,556
Offsetting	(1,372)	(424)
Deferred tax assets (after offsetting)	218,955	253,132
Deferred tax liabilities (before offsetting)		
Property, plant and equipment	(14)	-
Fair value reserve - Debt instruments at fair value through other comprehensive income	(561)	-
Intangible assets	(797)	(424)
	(1,372)	(424)
Offsetting	1,372	424
Deferred tax liabilities (after offsetting)	-	-

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

10 Deferred taxation (Continued)

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

The Group and the Bank		Expected credit losses	Accelerated tax depreciation	Debt instruments at fair value through other comprehensive income	Intangible assets	Provision for expenses	Other temporary differences	Total
<u>Deferred tax assets/(liabilities)</u>	Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2025		223,789	-	12,158	(424)	17,609	-	253,132
(Charged)/credited to statements of income	44	(28,872)	(25)	-	(374)	7,612	168	(21,491)
Over provision in prior financial year		21	11	-	1	-	-	33
Transferred to equity		-	-	(12,719)	-	-	-	(12,719)
At 31 December 2025		194,938	(14)	(561)	(797)	25,221	168	218,955

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****10 Deferred taxation (Continued)**

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

		Expected credit losses	Accelerated tax depreciation	Debt instruments at fair value through other comprehensive income	Intangible assets	Provision for expenses	Right-of-use assets	Lease liabilities	Other temporary differences	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group and the Bank										
<u>Deferred tax assets/(liabilities)</u>	Note									
At 1 January 2024		253,060	23	17,757	(268)	12,346	(136)	189	-	282,971
Credited/(charged) to statements of income	44	(29,271)	(16)	-	(131)	4,739	136	(189)	(29)	(24,761)
Over/(under) provision in prior financial year		-	(7)	-	(25)	524	-	-	29	521
Transferred to equity		-	-	(5,599)	-	-	-	-	-	(5,599)
At 31 December 2024		223,789	-	12,158	(424)	17,609	-	-	-	253,132

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****11 Amounts due from/(to) holding company and ultimate holding company**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Amounts due from :		
- ultimate holding company	-	10
- holding company	1,205,463	628,491
	<u>1,205,463</u>	<u>628,501</u>
Amounts due to :		
- ultimate holding company	-	(4)
	<u>-</u>	<u>(4)</u>

The amounts due from holding company are unsecured, interest-free and recallable on demand.

12 Amounts due from/(to) related companies

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Amounts due from :		
- related companies	1,893	51
	<u>1,893</u>	<u>51</u>
Amounts due to :		
- related companies	(440)	(348)
	<u>(440)</u>	<u>(348)</u>

The amounts due from/(to) related companies are unsecured, interest-free and recallable on demand.

13 Amounts due to subsidiaries

	The Group		The Bank	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
Amounts due to :				
- subsidiaries	-	-	46	46
	<u>-</u>	<u>-</u>	<u>46</u>	<u>46</u>

Note : There is no amount due from subsidiaries

The amounts due to subsidiaries are unsecured, interest-free and recallable on demand.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****14 Statutory deposits with Bank Negara Malaysia**

The non-profit bearing statutory deposits maintained with Bank Negara Malaysia are in compliance with Section 26 (2)(c) of the Central Bank of Malaysia Act 2009, the amounts of which are determined at set percentages of total eligible liabilities.

15 Investment in subsidiaries

	The Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Unquoted shares, at cost	20	20
Less: Allowance for impairment losses	(9)	(9)
	11	11

The table below shows the movements in allowance for impairment losses during the financial year for the Bank:

	The Bank	
	2025	2024
	RM'000	RM'000
At 1 January/31 December	9	9

(a) The subsidiaries of the Bank are as follows:

Name	Principal activities	Percentage of equity held directly by the Bank	
		31 December 2025	31 December 2024
		%	%
CIMB Islamic Nominees (Tempatan) Sdn. Bhd.	Nominee services	100	100
CIMB Islamic Nominees (Asing) Sdn. Bhd.	Nominee services	100	100

All the subsidiaries are incorporated in Malaysia.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****16 Property, plant and equipment**

The Group and the Bank					
2025	Note	Renovations, work-in-progress, office equipment, plant and machinery, furniture and fittings RM'000	Motor vehicles RM'000	Computer equipment and hardware RM'000	Total RM'000
Cost					
At 1 January		3,464	387	19,904	23,755
Additions		-	497	72	569
Disposals/Written off		(1)	-	(4,154)	(4,155)
At 31 December		<u>3,463</u>	<u>884</u>	<u>15,822</u>	<u>20,169</u>
Accumulated depreciation					
At 1 January		3,182	387	19,804	23,373
Charge for the financial year	42	65	58	79	202
Disposals/Written off		(1)	-	(4,154)	(4,155)
At 31 December		<u>3,246</u>	<u>445</u>	<u>15,729</u>	<u>19,420</u>
Net book value at 31 December		<u>217</u>	<u>439</u>	<u>93</u>	<u>749</u>

The Group and the Bank					
2024	Note	Renovations, work-in-progress, office equipment, plant and machinery, furniture and fittings RM'000	Motor vehicles RM'000	Computer equipment and hardware RM'000	Total RM'000
Cost					
At 1 January		3,454	387	19,841	23,682
Additions		10	-	77	87
Disposals/Written off		-	-	(14)	(14)
At 31 December		<u>3,464</u>	<u>387</u>	<u>19,904</u>	<u>23,755</u>
Accumulated depreciation					
At 1 January		3,069	387	19,723	23,179
Charge for the financial year	42	113	-	95	208
Disposals/Written off		-	-	(14)	(14)
At 31 December		<u>3,182</u>	<u>387</u>	<u>19,804</u>	<u>23,373</u>
Net book value at 31 December		<u>282</u>	<u>-</u>	<u>100</u>	<u>382</u>

No work-in-progress for the Group and the Bank in 2025 and 2024.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****17 Intangible assets**

	Note	The Group and the Bank	
		2025 RM'000	2024 RM'000
Computer software and work-in-progress			
Cost			
At 1 January		144,148	143,608
Additions		8,468	540
Written off		(6,122)	-
At 31 December		<u>146,494</u>	<u>144,148</u>
Accumulated amortisation			
At 1 January		142,972	140,058
Amortisation for the financial year	42	1,811	2,914
Written off		(6,122)	-
At 31 December		<u>138,661</u>	<u>142,972</u>
Net book value at 31 December		<u><u>7,833</u></u>	<u><u>1,176</u></u>

The remaining amortisation period of the intangible assets is between 4.0 months and 4.6 years.

The above intangible assets include computer software under construction at cost of the Group and the Bank of RM371,536 (2024: RM46,124).

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

18 Goodwill

	The Group and the Bank	
	2025	2024
	RM'000	RM'000
Cost		
At 1 January/At 31 December	136,000	136,000

Goodwill is wholly allocated to the consumer banking cash-generating unit (“CGU”). This CGUs do not carry any intangible assets with indefinite useful life.

Impairment test for goodwill

Value-in-use

The recoverable amount of CGU is determined based on the value-in-use calculations. These calculations use pre-tax cash flow projections based on the 2026 financial budgets approved by the Board of Directors, projected for four years based on the average historical Gross Domestic Product (“GDP”) growth of the country covering a four-year period (2026-2029), revised for current economic conditions. Cash flows beyond the four years period are extrapolated using the estimated terminal growth rates and discounted using pre-tax discount rates. The cash flow projections are derived based on a number of key factors including the past performance and management’s expectation of market developments.

The estimated terminal growth rates and discount rates used for value-in-use calculations are as follows:

	2025		2024	
	Terminal Growth rate	Discount rate	Terminal Growth rate	Discount rate
Malaysia				
Islamic Banking	4.00%	8.33%	4.08%	9.66%

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of any CGU to exceed its recoverable amount.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****19 Deposits from customers**

(i) By type of deposits:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
a) Savings deposit	11,057,065	9,770,448
Commodity Murabahah (via Tawarruq arrangement)*	11,057,065	9,770,448
b) Demand deposit	23,553,031	21,486,388
Qard	21,635,886	19,514,363
Commodity Murabahah (via Tawarruq arrangement)*	1,917,145	1,972,025
c) Term deposit	78,887,069	77,246,991
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	44,192,692	43,309,903
Fixed Return Income Account-i (via Tawarruq arrangement)*	32,565,163	32,945,518
Negotiable Islamic Debt Certificate ("NIDC") Hybrid (Bai' Bithamin Ajil ("BBA") and Bai' al-Dayn)	2,129,214	991,570
d) Specific investment account	25,121	24,971
Mudharabah	25,121	24,971
e) Others	1,031,544	523,626
Qard	1,031,544	523,626
	114,553,830	109,052,424

*included Qard contract of RM724,329,000 (31 December 2024:RM756,962,000)

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

19 Deposits from customers (Continued)

(i) By type of deposits: (Continued)

The maturity structure of term deposits and specific investment accounts are as follows:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Due within six months	61,232,717	62,973,071
Six months to less than one year	16,094,614	13,160,533
One year to less than three years	1,573,029	1,111,072
Three years to less than five years	1,308	16,888
Five years and more	10,522	10,398
	<u>78,912,190</u>	<u>77,271,962</u>

(ii) By type of customers:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Government and statutory bodies	9,574,650	6,046,440
Business enterprises	39,958,943	39,346,401
Individuals	36,224,105	36,074,228
Others	28,796,132	27,585,355
	<u>114,553,830</u>	<u>109,052,424</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****20 Investment accounts of customers**

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	2,338,694	2,007,761
Daily Investment Account-i	301,223	178,745
-with maturity		
Term Investment Account-i	28,808,082	21,492,133
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	843,772	132,920
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	-	631,751
	32,291,771	24,443,310

i) **Movement in the investment accounts of customers:**

	The Group and the Bank 2025				The Group and the Bank 2024			
	Mudharabah Unrestricted Investment Account RM'000	Restricted Investment Account RM'000	Wakalah Unrestricted Investment Account RM'000	Total RM'000	Mudharabah Unrestricted Investment Account RM'000	Restricted Investment Account RM'000	Wakalah Unrestricted Investment Account RM'000	Total RM'000
As at 1 January	23,678,639	631,751	132,920	24,443,310	18,343,238	592,587	48,300	18,984,125
<i>Funding inflows/outflows</i>								
New placement during the financial year	36,085,993	-	772,759	36,858,752	26,743,825	-	108,573	26,852,398
Redemption during the financial year	(29,213,483)	(634,646)	(65,233)	(29,913,362)	(22,081,956)	-	(24,481)	(22,106,437)
Income from investment	1,416,377	-	19,267	1,435,644	981,491	40,211	3,284	1,024,986
<i>Company's share of profit</i>								
Profit distributed to mudarib	(519,527)	(286)	(15,941)	(535,754)	(307,959)	(454)	(2,756)	(311,169)
Incentive fee	-	3,181	-	3,181	-	(593)	-	(593)
As at 31 December	31,447,999	-	843,772	32,291,771	23,678,639	631,751	132,920	24,443,310
<i>Investment asset:</i>								
House financing	8,423,022	-	-	8,423,022	6,822,278	-	-	6,822,278
Hire purchase receivables	16,738,096	-	-	16,738,096	14,309,842	-	-	14,309,842
Other term financing	6,223,099	-	843,772	7,066,871	2,518,899	-	132,920	2,651,819
Marketable securities	-	-	-	-	-	631,141	-	631,141
Miscellaneous Other Assets	63,782	-	-	63,782	27,620	610	-	28,230
Total investment	31,447,999	-	843,772	32,291,771	23,678,639	631,751	132,920	24,443,310

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

20 Investment accounts of customers (Continued)

ii) Profit Sharing Ratio and Rate of Return:

	2025		2024	
	Investment account holder Average profit sharing ratio (%)	Average rate of return (%)	Investment account holder Average profit sharing ratio (%)	Average rate of return (%)
Unrestricted investment accounts:				
- no specific tenure	6.37	0.27	8.38	0.30
- within 1 year	69.15	3.51	71.89	3.75
- more than 1 year	69.69	3.01	69.45	2.80

	2025			2024		
	Investment account holder Average profit sharing ratio (%)	Average rate of return (%)	Performance incentive fee (%)	Investment account holder Average profit sharing ratio (%)	Average rate of return (%)	Performance incentive fee (%)
Restricted investment accounts:						
- more than 5 years	99.00	4.39	0.72	99.00	4.51	0.78

iii) By type of customers:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Government and statutory bodies	5,310	2,010
Business enterprises	3,593,958	3,007,896
Individuals	27,827,550	20,754,595
Others	864,953	678,809
	32,291,771	24,443,310

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****21 Deposits and placements of banks and other financial institutions**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Licensed investment banks	164,620	282,258
Licensed Islamic banks	404,392	100,712
Licensed banks	3,508,679	2,920,611
Other financial institutions	947,630	1,149,198
	<u>5,025,321</u>	<u>4,452,779</u>

The maturity structure of deposits and placement of banks and other financial institutions are as follows:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Due within six months	5,025,321	3,970,530
Six months to one year	-	482,249
	<u>5,025,321</u>	<u>4,452,779</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****22 Investment accounts due to designated financial institutions**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Restricted investment accounts		
Mudharabah	2,800,834	2,927,281
	2,800,834	2,927,281
By type of counterparty		
Licensed banks	2,800,834	2,927,281

i) Movement in the investment accounts due to designated financial institutions

<u>Mudharabah</u>	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Restricted Profit Sharing Investment Account -RPSIA		
1 January	2,927,281	3,424,851
<u>Funding inflows/outflows</u>		
Redemption during the financial year	(232,203)	(623,344)
Income from investment	131,230	155,508
<u>Bank's share of profit</u>		
Profit distributed to mudarib	(1,312)	(1,555)
Incentive fee	(24,162)	(28,179)
31 December	2,800,834	2,927,281
<u>Investment asset:</u>		
Other term financing	2,385,282	2,537,282
Miscellaneous other assets	415,552	389,999
Total investment	2,800,834	2,927,281

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****22 Investment accounts due to designated financial institutions (Continued)**

ii) Profit Sharing Ratio, Rate of Return and Performance Incentive Fee

	2025			2024		
	Investment account holder			Investment account holder		
	Average profit sharing ratio (%)	Average rate of return (%)	Performance incentive fee (%)	Average profit sharing ratio (%)	Average rate of return (%)	Performance incentive fee (%)
Restricted investment accounts:						
- within 1 year	99.00	4.23	0.65	99.00	4.51	0.78

These placements are the RPSIA placed by CIMB Bank Berhad amounting to RM2,800,834,000 (2024: RM2,927,281,000) for tenures within 1 month (2024: within 1 month) at indicative profit rates from 3.28% to 3.77% per annum (2024: 3.68% to 4.30% per annum). These placements are used to fund certain specific financing. The RPSIA is a contract based on the Shariah concept of Mudharabah between two parties, i.e. investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses shall be borne solely by the investors.

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

23 Financial liabilities designated at fair value through profit or loss

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Deposits from customers - structured investments	<u>2,167,804</u>	<u>3,125,723</u>

The Group and the Bank have issued structured investments and have designated them at fair value in accordance with MFRS 9. The Group and the Bank have the option to designate 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 financial liabilities designated at fair value of the Group and the Bank as at 31 December 2025 were RM27,968,000 (2024: RM54,450,000) lower than the contractual amount at maturity.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****24(a) Islamic derivative financial instruments**

The following tables summarise the contractual 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 date of statement of financial position and do not represent amounts at 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					
	31 December 2025			31 December 2024		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forwards	24,285,376	56,792	(802,685)	18,043,857	319,666	(216,697)
Currency swaps	30,749,050	800,738	(107,496)	22,432,871	242,334	(249,835)
Currency spot	364,458	561	(325)	406,338	284	(494)
Currency option	404,563	3,930	(3,930)	97,548	935	(935)
Cross currency profit rate swaps	2,178,709	67,822	(42,728)	836,319	55,848	(53,758)
	57,982,156	929,843	(957,164)	41,816,933	619,067	(521,719)
<u>Profit rate derivatives</u>						
Islamic profit rate swaps	8,228,601	25,575	(57,581)	8,752,818	17,175	(73,774)
<u>Equity related derivatives</u>						
Equity options	4,670	101	(101)	56,184	996	(996)
<u>Credit related contracts</u>						
Total return swaps	39,800	436	(436)	39,800	450	(450)
<u>Commodity derivatives</u>						
Commodity options	7,056,268	166,480	(166,419)	2,526,737	26,279	(26,234)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	11,020,000	220,858	(7,650)	11,036,925	119,399	(6,330)
Total derivative assets/(liabilities)	<u>84,331,495</u>	<u>1,343,293</u>	<u>(1,189,351)</u>	<u>64,229,397</u>	<u>783,366</u>	<u>(629,503)</u>

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

24(a) Islamic derivative financial instruments (Continued)

Fair value hedge

The Group and the Bank use Islamic profit rate swaps to hedge its exposure to changes in the fair value of debt instruments at fair value through other comprehensive income, fixed rate financing, recourse obligation on loans and financing sold to Cagamas and bonds and debentures.

The Group's hedge accounting policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. The hedge effectiveness is assessed by comparing changes in the fair value of the hedged items attributable to changes in the benchmark rate of profit with changes in the fair value of the Islamic profit rate swaps.

The Group and the Bank establish the hedge ratio by matching the notional of the derivatives with the principal of the underlying being hedged. Ineffectiveness is recognised on hedge where the change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of the above profit rate risk, this may arise if differences arise between the credit risk inherent within the hedged item and the hedging instrument. The Group uses collateral/credit enhancement to mitigate the risk. However, the remaining risk can result in hedge ineffectiveness.

The main source of ineffectiveness that are expected to affect the hedging relationship during the financial year are:

- The effect of the counterparty and the Group's own credit risk on the fair value of the Islamic profit rate swaps which is not reflected in the fair value of the hedged item attributable to the change in profit rate; and
- Differences in maturities and reset dates of the Islamic profit rate swaps and the fixed rate financing.

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

24(a) Islamic derivative financial instruments (Continued)

Fair value hedge (Continued)

The Group and the Bank use the following items as hedging instruments in fair value hedges:

31 December 2025	Risk	Hedge type	The Group and the Bank				
			Less than 1 month RM'000	1-3 months RM'000	Maturity More than 3 months to less than 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
Islamic profit rate swaps	Profit rate	Fair value Hedge	-	-	875,000	3,945,000	6,200,000

31 December 2024	Risk	Hedge type	The Group and the Bank				
			Less than 1 month RM'000	1-3 months RM'000	Maturity More than 3 months to less than 1 year RM'000	1-5 years RM'000	More than 5 years RM'000
Islamic profit rate swaps	Profit rate	Fair value Hedge	-	-	16,925	4,520,000	6,500,000

The average executed rate for profit rate swaps in hedge accounting relationships for major currencies is as follows:

	The Group and the Bank	
	31 December 2025	31 December 2024
MYR profit rates	3.73%	3.73%
USD profit rates	-	3.03%

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

24(a) Islamic derivative financial instruments (Continued)

Fair value hedge (Continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

	Risk	Hedge type	Nominal amount RM'000	The Group and the Bank				Nominal amount directly impacted by IBOR reform RM'000
				Fair values*		Changes in fair value used for calculating hedge ineffectiveness RM'000	Hedge ineffectiveness recognised in profit or loss** RM'000	
				Assets RM'000	Liabilities RM'000			
31 December 2025								
Islamic profit rate swaps	Profit rate	Fair value hedge	11,020,000	220,858	(7,650)	97,347	358	11,020,000

	Risk	Hedge type	Nominal amount RM'000	The Group and the Bank				Nominal amount directly impacted by IBOR reform RM'000
				Fair values*		Changes in fair value used for calculating hedge ineffectiveness RM'000	Hedge ineffectiveness recognised in profit or loss** RM'000	
				Assets RM'000	Liabilities RM'000			
31 December 2024								
Islamic profit rate swaps	Profit rate	Fair value hedge	11,036,925	119,399	(6,330)	26,859	162	11,020,000

Of the RM11,020,000,000 nominal of islamic profit rate swaps above, RM11,020,000,000 related to MYR profit rate swaps and RM3,975,000,000 will mature before the anticipated MYR KLIBOR replacement in 2029.

*All hedging instruments are included in the derivative asset and derivative liabilities line item in the statement of financial position.

**All hedge ineffectiveness are recognised in the 'Income derived from investment of shareholder's fund' in the statement of income.

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

24(a) Islamic derivative financial instruments (Continued)

Fair value hedge (Continued)

Effect of IBOR Reform - significant assumption.

In calculating the change in fair value attributable to the hedged risk for the fixed-rate financing, the Group and the Bank have made the following assumptions that reflect its current expectations:

- The Group and the Bank have applied the assumptions afforded by MFRS 9 6.8 where applicable.
- The Group and the Bank will cease applying MFRS 9 6.8 prospectively when the uncertainty arises from IBOR reform is no longer exist and/or when the hedging relationship discontinued.
- No other changes to the terms of the hedged items are anticipated.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****24(a) Islamic derivative financial instruments (Continued)****Fair value hedge (Continued)**

The amounts relating to items designated as hedged items were as follows:

			The Group and the Bank					
			Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Change in fair value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging gains and losses
Hedged items	Risk	Hedge type	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	RM'000	RM'000
31 December 2025								
Debt instruments at FVOCI	Profit rate	Fair value hedge	866,178	-	8,622	(1,623)	4,481	-
Financing, advances and other financing/loans	Profit rate	Fair value hedge	-	-	-	-	187	-
Recourse obligation on loans and financing sold to Cagamas	Profit rate	Fair value hedge	-	(3,158,934)	-	(43,885)	(20,230)	-
Bonds and debentures	Profit rate	Fair value hedge	-	(7,269,418)	-	(110,018)	(81,427)	-

			The Group and the Bank					
			Carrying amount		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Change in fair value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging gains and losses
Hedged items	Risk	Hedge type	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	RM'000	RM'000
31 December 2024								
Debt instruments at FVOCI	Profit rate	Fair value hedge	817,583	-	6,564	(4,045)	2,163	-
Financing, advances and other financing/loans	Profit rate	Fair value hedge	17,008	-	-	(187)	747	-
Recourse obligation on loans and financing sold to Cagamas	Profit rate	Fair value hedge	-	(3,138,717)	-	(23,655)	(6,895)	-
Bonds and debentures	Profit rate	Fair value hedge	-	(7,188,653)	10,618	(39,209)	(22,712)	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****24(b) Commitments and contingencies**

In the normal course of business, the Group and the Bank enter into various commitments and incur certain contingent liabilities with legal recourse to their customers.

These commitments and contingencies are not secured over the assets of the Group and the Bank, except for certain financial assets at fair value through profit or loss being pledged as credit support assets for certain over-the-counter derivative contracts.

Treasury related derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in “Derivative Financial Instruments” Assets and Liabilities respectively.

The notional/principal amount of the commitments and contingencies constitute the following:

	The Group and the Bank	
	31 December 2025	31 December 2024
	Principal amount RM'000	Principal amount RM'000
<u>Credit-related</u>		
Direct credit substitutes	854,368	591,928
Transaction-related contingent items	1,382,023	1,252,135
Short-term self-liquidating trade-related contingencies	95,877	232,200
Irrevocable commitments to extend credit:		
- maturity not exceeding one year	18,527,364	20,462,363
- maturity exceeding one year	8,815,595	9,874,072
Miscellaneous commitments and contingencies	247,397	239,609
Total credit-related commitments and contingencies	29,922,624	32,652,307

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****24(b) Commitments and contingencies (Continued)**

	The Group and the Bank	
	31 December 2025	31 December 2024
	Principal amount RM'000	Principal amount RM'000
<u>Treasury-related</u>		
Foreign exchange related contracts:		
- less than one year	55,863,967	41,050,704
- one year to five years	1,626,920	463,460
- more than five years	491,269	302,769
	57,982,156	41,816,933
Profit rate related contracts:		
- less than one year	4,010,073	1,155,255
- one year to five years	8,617,650	10,945,395
- more than five years	6,620,878	7,689,093
	19,248,601	19,789,743
Equity related contracts:		
- less than one year	4,670	50,914
- one year to five years	-	5,270
	4,670	56,184
Commodity related contract:		
- less than one year	7,056,268	2,526,737
	7,056,268	2,526,737
Credit related contracts:		
- less than one year	39,800	-
- one year to five years	-	39,800
	39,800	39,800
Total treasury-related commitments and contingencies	84,331,495	64,229,397
	114,254,119	96,881,704

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****25 Other liabilities**

	Note	The Group and the Bank	
		31 December 2025 RM'000	31 December 2024 RM'000
Accruals and other payables		148,344	248,199
Clearing accounts		11,668	47,365
Expected credit losses for financing commitments and financial guarantee contracts	(a)	60,158	65,683
Cash collateral received for derivative transactions		1,110,797	88,930
Structured deposits		20,099	21,001
Treasury related payables		201,330	130,827
Others		75,638	59,345
		<u>1,628,034</u>	<u>661,350</u>

- (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) 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 2025	30,882	8,937	25,864	65,683
Changes in expected credit losses due to transferred within stages:	1,949	(1,869)	(80)	-
Transferred to Stage 1	12,647	(12,621)	(26)	-
Transferred to Stage 2	(10,693)	17,047	(6,354)	-
Transferred to Stage 3	(5)	(6,295)	6,300	-
Total charge to Income Statement:	(8,578)	6,849	(3,304)	(5,033)
New exposures	42,710	3,547	-	46,257
Exposures derecognised or matured	(24,498)	(8,358)	(5,554)	(38,410)
Change in credit risk	(26,790)	11,660	2,250	(12,880)
Other movements	(67)	(73)	(352)	(492)
At 31 December 2025	24,186	13,844	22,128	60,158

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****25 Other liabilities (Continued)**

- (a) Expected credit losses movement of financing commitments and contingencies are as follows: (Continued)

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	75,142	10,474	7,717	93,333
Changes in expected credit losses due to transferred within stages:	6,144	(8,582)	2,438	-
Transferred to Stage 1	11,887	(11,774)	(113)	-
Transferred to Stage 2	(5,740)	13,777	(8,037)	-
Transferred to Stage 3	(3)	(10,585)	10,588	-
Total charge to Income Statement:	(50,381)	7,099	15,837	(27,445)
New exposures	49,684	-	375	50,059
Exposures derecognised or matured	(32,960)	(5,361)	(3,989)	(42,310)
Change in credit risk	(67,105)	12,460	19,451	(35,194)
Other movements	(23)	(54)	(128)	(205)
At 31 December 2024	30,882	8,937	25,864	65,683

As at 31 December 2025, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM50,215,000 (2024: RM87,575,000).

26 Recourse obligation on loans and financing sold to Cagamas

This represents the proceeds received from house financing sold directly to Cagamas Berhad with recourse to the Bank. Under this agreement, the Bank undertakes to administer the financing on behalf of Cagamas Berhad and to buy-back any financing which are regarded as defective based on prudential criteria set by Cagamas Berhad. These financial liabilities are stated at amortised cost.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****27 Senior Sukuk**

		The Group and the Bank	
		31 December 2025	31 December 2024
		RM'000	RM'000
	Note		
RM100 million Senior Sukuk (2023/2026)	(a)	100,368	100,357
RM600 million Senior Sukuk (2023/2028)	(b)	602,247	602,181
RM300 million Senior Sukuk (2023/2030)	(c)	301,204	301,169
RM250 million Senior Sukuk (2024/2027)	(d)	252,414	252,466
RM300 million Senior Sukuk (2024/2029)	(e)	302,982	303,046
RM1,450 million Senior Sukuk (2024/2031)	(f)	1,465,049	1,465,369
RM1,500 million Senior Sukuk (2024/2034)	(g)	1,515,954	1,516,294
RM125 million Senior Sukuk (2024/2029)	(h)	127,044	127,044
RM700 million Senior Sukuk (2024/2032)	(i)	711,890	711,890
RM2,175 million Senior Sukuk (2024/2035)	(j)	2,212,592	2,212,592
RM120 million Senior Sukuk (2024/2027)	(k)	120,390	120,430
RM500 million Senior Sukuk (2025/2035)	(l)	505,330	-
RM200 million Senior Sukuk (2025/2027)	(m)	201,003	-
		8,418,467	7,712,838
Fair value changes arising from fair value hedges		110,019	28,591
		8,528,486	7,741,429

(a) RM100 million Senior Sukuk (2023/2026)

On 30 November 2023, the Bank issued RM100 million 3-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bear a profit rate of 3.95% per annum payable semi-annually, will mature on 30 November 2026.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

(b) RM600 million Senior Sukuk (2023/2028)

On 30 November 2023, the Bank issued RM600 million 5-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bear a profit rate of 4.02% per annum payable semi-annually, will mature on 30 November 2028.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

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

27 Senior Sukuk (Continued)

(c) RM300 million Senior Sukuk (2023/2030)

On 30 November 2023, the Bank issued RM300 million 7-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bear a profit rate of 4.31% per annum payable semi-annually, will mature on 29 November 2030.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

(d) RM250 million Senior Sukuk (2024/2027)

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.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

(e) RM300 million Senior Sukuk (2024/2029)

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.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

(f) RM1,450 million Senior Sukuk (2024/2031)

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.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

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

27 Senior Sukuk (Continued)

(g) RM1,500 million Senior Sukuk (2024/2034)

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.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

(h) RM125 million Senior Sukuk (2024/2029)

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.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

(i) RM700 million Senior Sukuk (2024/2032)

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.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

(j) RM2,175 million Senior Sukuk (2024/2035)

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.

The Bank has undertaken fair value hedge on the profit rate risk of the Senior Sukuk using Islamic profit rate swaps.

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

27 Senior Sukuk (Continued)

(k) RM120 million Senior Sukuk (2024/2027)

On 28 November 2024, the Bank issued RM120.0 million 3-year floating rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3 month KLIBOR + plus 0.23% per annum payable quarterly will mature on the profit payment date falling on or nearest to 26 November 2027.

(l) RM500 million Senior Sukuk (2025/2035)

On 25 March 2025, the Bank issued RM500 million 10-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3.97% per annum payable semi-annually will mature on the profit payment date falling on or nearest to 23 March 2035.

(m) RM200 million Senior Sukuk (2025/2027)

On 8 August 2025, the Bank issued RM200.0 million 2.25-year floating rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme. The Senior Sukuk, which bears a profit rate of 3 month KLIBOR plus 0.30% per annum payable quarterly will mature on the profit payment date falling on or nearest to 8 November 2027.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****28 Subordinated Sukuk**

		The Group and the Bank	
		31 December 2025	31 December 2024
		RM'000	RM'000
	Note		
Subordinated Sukuk 2022/2032 RM300 million	(a)	301,369	301,369
Subordinated Sukuk 2024/2034 RM1,200 million	(b)	1,212,372	1,212,372
Subordinated Sukuk 2025/2035 RM200 million	(c)	201,040	-
		1,714,781	1,513,741

(a) Subordinated Sukuk 2022/2032 RM300 million

On 28 November 2022, the Bank issued RM300 million Tier 2 Junior Sukuk (“the Sukuk”) at par and is due on 26 November 2032, with optional redemption on 29 November 2027 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.90% 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 RM300 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

(b) Subordinated Sukuk 2024/2034 RM1,200 million

On 25 September 2024, the Bank issued RM1,200 million Tier 2 Junior Sukuk (“the Sukuk”) at par and is due on 25 September 2034, with optional redemption on 25 September 2029 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.84% 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 RM1,200 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

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

28 Subordinated Sukuk (Continued)

(c) Subordinated Sukuk 2025/2035 RM200 million

On 10 November 2025, the Bank issued RM200 million Tier 2 Junior Sukuk (“the Sukuk”) at par and is due on 9 November 2035, with optional redemption on 11 November 2030 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.65% 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 RM200 million Sukuk qualify as Tier 2 Capital for the purpose of the total capital ratio computation of the Bank.

29 Perpetual preference shares

	The Group and the Bank	
	2025	2024
	RM'000	RM'000
Issued and fully paid		
Perpetual preference shares:		
At 1 January/31 December	<u>350,000</u>	<u>350,000</u>

The preference shares shall rank pari passu among themselves, and in priority to the ordinary shares.

Each preference share shall on a winding-up or other return of capital confer on its holder the right to receive, in priority to the holders of ordinary shares, the cash payment in full the nominal amount and premium payable of that preference share after the payment and discharge of all debts and liabilities of the Bank and the costs of winding up or such capital reduction exercise.

A preference share shall not entitle its holder to participate in the surplus assets and profits of the Bank beyond such redemption rights as are expressly set out in these Articles.

The Bank may declare dividends on any of the preference shares.

The preference shares are not convertible to ordinary shares or any other class of share of the Bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****30 Ordinary share capital**

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

31 Reserves

	Note	The Group		The Bank	
		31 December	31 December	31 December	31 December
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Merger reserve	(a)	(2,457)	(2,457)	(2,457)	(2,457)
Capital reserve	(b)	458	458	458	458
Regulatory reserve	(c)	642,920	397,222	642,920	397,222
Share-based payment reserve	(d)	702	-	702	-
Capital contribution by ultimate holding company	(e)	4,327	4,557	4,327	4,557
Fair value reserve					
-Debt instruments at fair value through other comprehensive income	(f)	3,855	(36,277)	3,855	(36,277)
Other reserves					
- Own credit risk reserve	(g)	(3,847)	426	(3,847)	426
Retained earnings		10,026,138	9,170,857	10,026,103	9,170,822
		<u>10,672,096</u>	<u>9,534,786</u>	<u>10,672,061</u>	<u>9,534,751</u>

- (a) Merger reserves, which are non-distributable, relate to the difference between the cost of the merger between the Bank and the Islamic banking operation of CIMB Bank Berhad, and the value of the net assets and reserves transferred to the Bank.
- (b) Capital reserves, which are non-distributable, relate to the retained earnings of the Islamic banking business of CIMB Bank Berhad which were transferred to the Bank, arising from the business combination under common control using the predecessor basis of accounting in the financial year 2007.
- (c) Regulatory reserve of the Group is maintained by the Bank, which is transferred from the retained earnings, as an additional credit risk absorbent to ensure robustness on the financing impairment assessment methodology with the adoption of MFRS 9 beginning 1 January 2018.

BNM guideline on Financial Reporting for Islamic Banking Institutions requires banking institutions to maintain in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserve of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

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

31 Reserves (Continued)

- (d) Share-based payment reserve arose from Employee Ownership Plan, Long Term Incentive Plan (“LTIP”), the Group’s and the Bank’s share-based compensation benefits.
- (e) Capital contribution by ultimate holding company is the cost of the ordinary shares and share options of the Group’s and the Bank’s awarded to eligible employees of the Group and the Bank.
- (f) For debt instruments at FVOCI, changes in fair value are accumulated within the financial assets at FVOCI reserve within equity. The accumulated changes in fair value are transferred to profit and loss when the investment is disposed of.
- (g) Changes in fair value of financial liabilities designated at fair value relating to the Group’s and the Bank’s own credit risk are recognised in other comprehensive income. These changes are also accumulated within own credit risk reserve within equity.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****32 Restricted Agency Investment Account (Continued)**

ii) Movement in the Restricted Agency Investment Account

<u>Wakalah</u>	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Restricted Agency Investment Account -RAIA		
As at 1 January	12,282,284	12,882,815
<u>Funding inflows/outflows</u>		
New placement during the financial year	4,500,000	600,000
Redemption during the financial year	(3,152,948)	(2,228,388)
Income from investment	560,443	1,027,857
As at 31 December	<u>14,189,779</u>	<u>12,282,284</u>
<u>Investment asset:</u>		
Syndicated financing	1,532,275	1,532,005
Revolving credit	1,606,445	-
Other term financing	11,051,059	10,750,279
Total investment	<u>14,189,779</u>	<u>12,282,284</u>

iii) Rate of Return

	Investment account holder	
	Average rate of return	
	2025 %	2024 %
Restricted investment accounts:		
1 month or less	4.59	3.95
more than 1 month to 3 months	4.03	3.83
more than 4 years to 5 years	4.26	4.21
more than 5 years	4.24	4.20

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****33 Income derived from investment of depositors' funds and others**

	Note	The Group and the Bank	
		31 December 2025 RM'000	31 December 2024 RM'000
Income derived from investment of:			
- General investment deposits	(i)	3,601,487	3,755,718
- Specific investment deposits	(ii)	956	988
- Other deposits	(iii)	2,570,361	2,348,099
		<u>6,172,804</u>	<u>6,104,805</u>

(i) Income derived from investment of general investment deposits

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Financing, advances and other financing/loans:		
- Profit income	2,571,645	2,818,636
- Unwinding income*	22,970	27,261
Debt instruments at fair value through other comprehensive income	201,714	149,704
Debt instruments at amortised cost	337,007	325,182
Money at call and deposit with financial institutions	160,526	176,547
Reverse Collateralised Commodity Murabahah	30,371	23,495
Other financing income	57	-
	<u>3,324,290</u>	<u>3,520,825</u>
Accretion of discount less amortisation of premium	(30,755)	(22,249)
Other finance income for financial assets at fair value through profit or loss		
- Financial assets at fair value through profit or loss	33,567	31,595
- Financing, advances and other financing/loans	743	3,717
- Net accretion of discount less amortisation of premium	51,996	98,739
Total finance income and hibah	<u>3,379,841</u>	<u>3,632,627</u>
Other operating income		
Net gain/(loss) from financial assets at fair value through profit or loss:		
- realised	15,148	5,615
- unrealised	(2,061)	(234)
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	38,306	8,135
Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	-	1,282
Net gain from maturity of financial assets measured at amortised cost	-	235
Net gain from foreign exchange transactions	148,783	101,906
	<u>200,176</u>	<u>116,939</u>
Fee and commission income		
- Guarantee fee	8,244	6,152
Other income		
- Gain on disposal of financing, advances and other financing/loans	13,226	-
	<u>3,601,487</u>	<u>3,755,718</u>

*Unwinding income is income earned on impaired financial assets.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****33 Income derived from investment of depositors' fund and others
(Continued)****(ii) Income derived from investment of specific investment deposits**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Money at call and deposit with financial institutions	<u>956</u>	<u>988</u>

(iii) Income derived from investment of other deposits

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Financing, advances and other financing/loans:		
- Profit income	1,829,793	1,754,507
- Unwinding income*	16,381	16,718
Debt instruments at fair value through other comprehensive income	145,511	93,509
Debt instruments at amortised cost	241,415	201,926
Money at call and deposit with financial institutions	114,256	110,330
Reverse Collateralised Commodity Murabahah	21,804	14,770
Other financing income	44	-
	<u>2,369,204</u>	<u>2,191,760</u>
Accretion of discount less amortisation of premium	(22,362)	(13,832)
Other finance income for financial assets at fair value through profit or loss		
- Financial assets at fair value through profit or loss	24,131	18,044
- Financing, advances and other financing/loans	562	2,097
- Net accretion of discount less amortisation of premium	35,690	61,544
Total finance income and hibah	<u>2,407,225</u>	<u>2,259,613</u>
Other operating income		
Net gain/(loss) from financial assets at fair value through profit or loss:		
- realised	10,840	3,444
- unrealised	(1,507)	(125)
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	28,064	4,994
Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	-	714
Net gain from maturity of financial assets measured at amortised cost	-	159
Net gain from foreign exchange transactions	109,929	75,554
	<u>147,326</u>	<u>84,740</u>
Fees and commission income		
- Guarantee fee	5,674	3,746
Other income		
- Gain on disposal of financing, advances and other financing/loans	10,136	-
	<u>2,570,361</u>	<u>2,348,099</u>

*Unwinding income is income earned on impaired financial assets.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****34 Income derived from investment of investment account**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Financing, advances and other financing/loans:		
- Profit income	1,577,499	1,209,520
- Unwinding income*	24	16
Debt instrument at amortised cost	<u>29,157</u>	<u>45,450</u>
	<u>1,606,680</u>	<u>1,254,986</u>
Accretion of discount less amortisation of premium	<u>5,085</u>	<u>8,036</u>
	<u>1,611,765</u>	<u>1,263,022</u>
Other operating income		
Net loss from foreign exchange transactions	(607)	(88)
Fees and commission income		
- Service charge and fee	4,605	1,508
- Commission fee	11	4
	<u>1,615,774</u>	<u>1,264,446</u>

*Unwinding income is income earned on impaired financial assets.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****35 Income derived from investment of shareholder's fund**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Financing, advances and other financing/loans:		
- Profit income	389,309	357,110
- Unwinding income*	3,480	3,435
Debt instruments at fair value through other comprehensive income	30,661	18,992
Debt instruments at amortised cost	51,136	41,165
Money at call and deposits with financial institutions	24,294	22,398
Reverse Collateralised Commodity Murabahah	4,600	2,988
Other financing income	9	-
	<u>503,489</u>	<u>446,088</u>
Accretion of discount less amortisation of premium	(4,685)	(2,818)
Other finance income for financial assets at fair value through profit or loss		
- Financial assets at fair value through profit or loss	5,101	3,890
- Financing, advances and other financing/loans	117	455
- Net accretion of discount less amortisation of premium	7,776	12,513
Total finance income and hibah	<u>511,798</u>	<u>460,128</u>
Other operating income		
Net gain/(loss) from financial assets at fair value through profit or loss:		
- realised	2,307	706
- unrealised	(306)	(29)
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	5,858	1,026
Net unrealised gain arising from financing, advances and other financings at fair value through profit or loss	-	156
Net gain from maturity of financial assets measured at amortised cost	-	31
Net gain from foreign exchange transactions	23,059	13,638
Net gain from hedging activities	358	162
Net gain/(loss) from derivative financial instruments:		
- realised	42,780	(117,859)
- unrealised	(82,359)	140,030
Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss		
- realised	11,362	22,447
- unrealised	(22,210)	(21,713)
	<u>(19,151)</u>	<u>38,595</u>
Fees and commission income		
- Guarantee fee	1,233	772
- Service charge and fee	175,915	144,025
- Commission fee	174,785	173,975
Total fee and commission income	<u>351,933</u>	<u>318,772</u>
Less : Fee and commission expense	<u>(77,300)</u>	<u>(68,950)</u>
Net fees and commission income	274,633	249,822
Other income		
-Gain on disposal of financing, advances and other financing/loans	2,028	-
-Sundry income	1,630	2,278
	<u>770,938</u>	<u>750,823</u>

*Unwinding income is income earned on impaired financial assets.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****36 Modification loss**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Loss on modification of cash flows	-	1

37 Expected credit losses on financing, advances and other financing/loans

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Expected credit losses on financing, advances and other financing/loans at amortised cost	467,016	402,216
Impaired financing, advances and other financing/loans:		
- recovered	(131,096)	(125,550)
- written off	11,358	8,647
	<u>347,278</u>	<u>285,313</u>

38 Other expected credit losses (written back)/made

	Note	The Group and the Bank	
		31 December 2025 RM'000	31 December 2024 RM'000
Expected credit losses (written back)/made on:			
- Debt instruments at fair value through other comprehensive income	6	(144)	632
- Debt instruments at amortised cost	7	(54)	(96)
- Money at call and deposits and placements with banks and other financial institutions	4	(32)	86
- Other assets	9	(92)	36,276
		<u>(322)</u>	<u>36,898</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****39 Income attributable to depositors and others**

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Deposits from customers:		
- Mudharabah	956	988
- Non-Mudharabah	2,948,681	3,136,633
Deposits and placements of banks and other financial institutions:		
- Non-Mudharabah	218,739	266,523
Others		
- Financial liabilities designated at fair value through profit or loss	74,481	102,982
- Subordinated Sukuk	61,820	49,140
- Recourse obligation on loans and financing sold to Cagamas	135,863	125,126
- Structured deposits	12	132
- Lease liabilities	12	10
- Collateralised Commodity Murabahah	130,471	109,093
- Senior Sukuk	310,614	189,627
- Others	264	-
	<u>3,881,913</u>	<u>3,980,254</u>

40 Profit distributed to investment account holder

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
- Restricted	142,892	178,212
- Unrestricted	899,680	674,182
	<u>1,042,572</u>	<u>852,394</u>

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

41 Personnel costs

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Salaries, allowances and bonuses ²	32,458	25,852
Pension costs (defined contribution plan)	3,357	3,047
Staff incentives and other staff payments	435	544
Medical expenses	457	514
Share-based expense ¹	(230)	345
Others	2,252	1,750
	<u>38,729</u>	<u>32,052</u>

¹ The long term incentive plan ("LTIP") was implemented by CIMB Group Holdings Bhd ("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. Refer note 46(h).

² Included in salaries, allowances and bonuses is shared-based payment expense (EOP) of RM701,730 (2024: RM Nil). Refer note 46(g).

42 Other overheads and expenditures

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Establishment costs		
Depreciation of property, plant and equipment	202	208
Amortisation of intangible assets	1,811	2,914
Depreciation of rights-of-use assets	645	383
Rental	573	523
Repairs and maintenance	856	433
Utility expenses	29	30
Others	8,105	7,735
Marketing expenses		
Advertisement and publicity	9,409	5,775
Others	643	900
Administration and general expenses		
Consultancy and professional fees	2,805	4,114
Legal expenses	201	(1,231)
Stationery	283	346
Postages	563	287
Donation	5,439	3,609
Incidental expenses on banking operations	3,589	3,535
Takaful	3,881	3,422
Group service expense	1,289,719	1,268,626
Others	52,320	35,058
	<u>1,381,073</u>	<u>1,336,667</u>

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

42 Other overheads and expenditures (Continued)

The personnel expenses and other overhead and expenditures include the following statutory disclosures:

	The Group		The Bank	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
Directors remuneration (Note 43)	10,468	13,299	10,468	13,299
Auditors' remuneration :				
<u>PricewaterhouseCoopers PLT (audit)</u>				
- statutory audit	523	524	516	517
- limited review	94	94	94	94
- other audit related	160	-	160	-
<u>PricewaterhouseCoopers Malaysia (non audit)</u>				
- tax services	53	49	45	43
- others	-	1	-	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

43 Directors and Shariah Committee Members remuneration

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

Executive Director

Ahmad Shahrman Mohd Shariff

Non-Executive Directors

Dato' Mohamed Ross Mohd Din (retired on 18 April 2025)

Ahmed Baqar Rehman

Jalalullail Othman

Dr Azura Othman

Zuhaida Zulkifli

Datin Azlina Mahmud

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

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Executive Director		
- Salary and other remuneration	8,013	11,074
- Benefits-in-kind	7	7
Non-Executive Directors		
- Fees	1,225	747
- Other remuneration	1,197	1,445
- Benefits-in-kind	26	26
Shariah Committee members		
- Fees	584	495
- Other remuneration	216	181
	<u>11,268</u>	<u>13,975</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****43 Directors and Shariah Committee Members remuneration (Continued)**

	The Group and the Bank Salary and/or other remuneration			Benefits- in-kind	Total
	Fees RM'000	RM'000	RM'000	RM'000	RM'000
2025					
Executive Directors					
Ahmad Shahrinan Mohd Shariff [#]	-	8,013	7		8,020
Non-Executive Directors					
Dato' Mohamed Ross Mohd Din	42	59	8		109
Ahmed Baqar Rehman	283	393	-		676
Jalalullail Othman	217	165	-		382
Dr. Azura Othman	250	270	-		520
Zuhaida Zulkifli	250	185	-		435
Datin Azlina Mahmad	183	125	18		326
	1,225	1,197	26		2,448
Shariah Committee members					
Associate Prof Dr Mohamed Fairouz Abdul Khir	135	32	-		167
Associate Professor Dr. Aishath Muneeza	90	32	-		122
Dr Mohammad Mahbubi Ali	90	35	-		125
En Jalalullail Othman	90	30	-		120
Dr Ahmad Sufian Che Abdullah	90	33	-		123
Professor Dr. Yousef Abdullah Al Shubaily	89	54	-		143
	584	216	-		800
	1,809	9,426	33		11,268

[#] Compensation shown in the table includes an amount of RM4.6 million which arose from LTIP allocations that were attributed to the 3-year period from 2021 to 2023, and were vested/exercised in the period from 1 January to 31 December 2025. The related share based expenses have been recognised over the period of LTIP scheme.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****43 Directors and Shariah Committee Members remuneration (Continued)**

	The Group and the Bank			Total RM'000
	Fees RM'000	Salary and/or other remuneration RM'000	Benefits- in-kind RM'000	
2024				
Executive Directors				
Ahmad Shahrman Mohd Shariff *	-	11,074	7	11,081
Non-Executive Directors				
Dato' Mohamed Ross Mohd Din	140	240	26	406
Ahmed Baqar Rehman	140	445	-	585
Jalalullail Othman	140	195	-	335
Dr. Azura Othman	140	340	-	480
Zuhaida Zulkifli	140	195	-	335
Datin Azlina Mahmad	47	30	-	77
	747	1,445	26	2,218
Shariah Committee members				
Associate Prof Dr Mohamed Fairouz Abdul Khir	135	37	-	172
Associate Professor Dr. Aishath Muneeza	90	35	-	125
Dr Mohammad Mahbubi Ali	90	38	-	128
En Jalalullail Othman	90	31	-	121
Dr Ahmad Sufian Che Abdullah	90	40	-	130
	495	181	-	676
	1,242	12,700	33	13,975

* Compensation shown in the table includes an amount of RM5.3 million which arose from LTIP allocations that were attributed to the 3-year period from 2021 to 2023, and were vested/exercised in 2024. The related share based expenses have been recognised over the period of LTIP scheme.

Note: The Directors and officers of the Group and of the Bank are covered by Directors and Officers liability takaful for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The takaful contribution paid during the financial year for the Group and the Bank amounted to RM332,570 (2024: RM345,365) respectively.

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

44 Taxation and zakat

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Taxation based on profit for the financial year:		
- Malaysian income tax	439,080	371,894
Deferred taxation (Note 10)	21,491	24,761
Over provision in prior years	(4,444)	(4,438)
	456,127	392,217
Zakat	16,200	12,000
	472,327	404,217
 Reconciliation between tax expense and the Malaysian tax rate		
Profit before taxation and zakat	1,873,306	1,623,940
Tax calculated at a tax rate of 24% (2024: 24%)	449,593	389,746
Tax effects:		
- expenses not deductible for tax purposes	10,978	6,909
Over provision in prior years	(4,444)	(4,438)
Tax expense	456,127	392,217

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

45 Earnings per share

(a) Basic earnings per share

The basic earnings per ordinary share for the Group and the Bank are calculated based on the net profit for the financial year of RM1,400,979,000 (2024: RM1,219,723,000) respectively divided by the weighted average number of ordinary shares of 1,000,000,000 (2024: 1,000,000,000) in issue during the financial year respectively.

(b) Diluted earnings per share

The Group and the Bank has no dilution in its earnings per ordinary share in the current and previous financial year as there are no dilutive potential ordinary shares.

46 Significant related party transactions and balances

For the purposes of these Financial Statements, parties (both companies and key management personnel) are considered to be related to the Group if the Group or the Bank has the ability, directly or indirectly to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Bank and the party are subject to common control or common significant influence.

The Group and the Bank have related party relationships with their holding companies, subsidiaries, associates and joint ventures of holding companies and key management personnel.

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

46 Significant related party transactions and balances (Continued)

(a) Related parties and relationship

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

Related parties	Relationship
CIMB Group Holdings Berhad	Ultimate holding company
CIMB Group Sdn. Bhd.	Penultimate holding company
CIMB Bank Berhad	Immediate holding company
CIMB Islamic Nominees (Tempatan) Sdn. Bhd.	Subsidiary
CIMB Islamic Nominees (Asing) Sdn. Bhd.	Subsidiary
Subsidiaries of CIMB Group Holdings Berhad as disclosed in its financial statements	Subsidiaries of ultimate holding company
Subsidiaries of CIMB Group Sdn. Bhd. as disclosed in its financial statements	Subsidiaries of penultimate holding company
Subsidiaries of CIMB Bank Berhad as disclosed in its financial statements	Subsidiaries of immediate holding company
Associates and joint venture of CIMB Group Holdings Berhad as disclosed in its financial statements	Associates and joint venture of ultimate holding company
Associates and joint venture of CIMB Group Sdn. Bhd. as disclosed in its financial statements	Associates and joint venture of penultimate holding company
Joint venture of CIMB Bank Berhad as disclosed in its financial statements	Joint venture of immediate holding company
Key management personnel	See below

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Bank either directly or indirectly. The key management personnel of the Bank include all the Directors of the Bank and its employees who make certain critical decisions in relation to the strategic direction of the Bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(b) Related party transactions and balances of the Group and the Bank**

A number of banking transactions are entered into with related parties in the normal course of business. These include financing, advances and other financing/loans, deposits, derivative transactions and other financial instruments. These transactions were carried out on agreed terms with the related party.

	Immediate and ultimate holding company	Other related companies	Key management personnel
The Group and the Bank	RM'000	RM'000	RM'000
2025			
Income			
Fee income	-	20,434	-
Profit income on deposits and placement with banks and other financial institutions	5,165	10	-
Profit income on financing, advances and other financing/loans	-	-	2,379
Service charges and fees	339	1,926	-
Expenditure			
Profit expense on deposits and placements of banks and other financial institutions	165,818	2,271	-
Profit expense on deposits from customers and Collateralised Commodity Murabahah	-	4,523	46
Profit expense on Investment accounts due to designated financial institutions	105,756	-	-
Profit expense on subordinated sukuk	61,820	-	-
Dividend paid	300,000	-	-
Group services expense	1,279,858	9,861	-
Others - Professional Fee, profit paid on CSA & fee sharing on financing sell down	15,207	92	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(b) Related party transactions and balances of the Group and the Bank (Continued)**

A number of banking transactions are entered into with related parties in the normal course of business. These include financing, advances and other financing/loans, deposits, derivative transactions and other financial instruments. These transactions were carried out on agreed terms with the related party.
(Continued)

	Immediate and ultimate holding company	Other related companies	Key management personnel
The Group and the Bank 2024	RM'000	RM'000	RM'000
Income			
Profit income on deposits and placement with banks and other financial institutions	2,166	-	-
Profit income on financing, advances and other financing/loans	-	-	5,724
Service charges and fees	254	24	-
Expenditure			
Profit expense on deposits and placements of banks and other financial institutions	186,829	2,217	-
Profit expense on deposits from customers and Collateralised Commodity Murabahah	-	6,855	95
Profit expense on Investment accounts due to designated financial institutions	125,774	-	-
Profit expense on subordinated sukuk	49,140	-	-
Group services expense	1,256,624	12,002	-
Others - Professional Fee, profit paid on CSA & fee sharing on financing sell down	6,182	1,177	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(b) Related party transactions and balances of the Group and the Bank
(Continued)**

A number of banking transactions are entered into with related parties in the normal course of business. These include financing, advances and other financing/loans, deposits, derivative transactions and other financial instruments. These transactions were carried out on agreed terms with the related party.
(Continued)

	Immediate and ultimate holding company RM'000	Other related companies RM'000	Key management personnel RM'000
The Group and the Bank 2025			
Amounts due from			
Current accounts, deposits and placements with banks and other financial institutions	158,131	2,084	-
Financing, advances and other financing/loans and Reverse Collateralised Commodity Murabahah	-	-	4,750
Derivatives	1,254,360	-	-
Others	171,243	-	-
Amounts due to			
Deposit from customers and Collateralised Commodity Murabahah	-	159,328	4,440
Deposits and placements of banks and other financial institutions	3,511,685	94,177	-
Investment accounts due to designated financial institutions	2,800,834	-	-
Subordinated sukuk	1,714,781	-	-
Derivatives	191,192	-	-
Cash collateral received for derivative transactions	1,083,730	-	-
Others	14,236	-	-
Commitment and contingencies			
Foreign exchange related contracts	30,072,243	-	-
Equity related contracts	2,335	-	-
Profit rate related contracts	16,212,575	-	-
Commodity related contracts	3,528,134	-	-
Credit related contract	19,900	-	-

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(b) Related party transactions and balances of the Group and the Bank (Continued)**

A number of banking transactions are entered into with related parties in the normal course of business. These include financing, advances and other financing/loans, deposits, derivative transactions and other financial instruments. These transactions were carried out on agreed terms with the related party.
(Continued)

	Immediate and ultimate holding company	Other related companies	Key management personnel
	RM'000	RM'000	RM'000
The Group and the Bank			
2024			
Amounts due from			
Current accounts, deposits and placements with banks and other financial institutions	233,712	4,314	-
Financing, advances and other financing/loans and Reverse Collateralised Commodity Murabahah	-	-	8,534
Derivatives	492,856	-	-
Others	33,945	-	-
Amounts due to			
Deposit from customers and Collateralised Commodity Murabahah	-	132,870	6,762
Deposits and placements of banks and other financial institutions	2,828,985	79,446	-
Investment accounts due to designated financial institutions	2,927,281	-	-
Subordinated sukuk	1,513,741	-	-
Derivatives	358,862	-	-
Others	89,761	-	-
Commitment and contingencies			
Foreign exchange related contracts	23,350,091	-	-
Equity related contracts	28,092	-	-
Profit rate related contracts	16,970,074	-	-
Commodity related contracts	1,263,369	-	-
Credit related contract	19,900	-	-

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

Pursuant to the service level agreement (“SLA”) entered by the Bank with its immediate holding company, CIMB Bank Berhad (“CIMB Bank”), the Bank has the right to seek indemnity from CIMB Bank against all claims, demands, fines, penalties, payment, losses, costs, damages, charges and expenses as a results of the Bank breach of the terms of the SLA, except in the case of any gross negligence or willful default on the part of the Bank or its directors, officers, employees or agents.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(c) Related party expenses transaction by geographical**

	31 December 2025		
	Profit Expense	The Group and the Bank Group services expense	Others
	RM'000	RM'000	RM'000
Malaysia	340,234	1,289,719	15,298
	<u>340,234</u>	<u>1,289,719</u>	<u>15,298</u>
	31 December 2024		
	Profit Expense	The Group and the Bank Group services expense	Others
	RM'000	RM'000	RM'000
Malaysia	370,870	1,268,626	7,359
	<u>370,870</u>	<u>1,268,626</u>	<u>7,359</u>

(d) Key management personnelKey management compensation

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Salaries and other employee benefits [#]	24,974	29,162
	<u>24,974</u>	<u>29,162</u>
	The Group and the Bank	
	31 December 2025 units	31 December 2024 units
Shares of the ultimate holding company awarded from EOP	371,392	7,854
	<u>371,392</u>	<u>7,854</u>

includes compensation paid by holding and other related companies

During the financial year, share based payment expenses to key management personnel of the Group and the Bank amounted to RM4,303,000 (2024: RM2,813,000).

Financing to Directors of the Bank amounting to RM2,059,843 (2024: RM3,766,850). Financing made to other key management personnel of the Group and the Bank are on similar terms and conditions generally available to other employees within the Group.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(e) Credit transactions and exposures with connected parties**

Credit exposures with connected parties as per Bank Negara Malaysia's revised 'Guidelines on Credit Transactions and Exposures with Connected Parties' which became effective in 2008 are as follows:

	The Group and the Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Outstanding credit exposures with connected parties	4,716,283	3,388,327
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	2.3%	1.8%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>0.0%</u>	<u>0.0%</u>

(f) Transactions with shareholders and Government

Khazanah Nasional Berhad ("KNB"), the major shareholder of the ultimate holding company, owns 21.42% of the issued capital of the ultimate holding company (2024: 21.54%). KNB is an entity controlled by the Malaysian Government. The Group and the Bank consider that, for the purpose of MFRS 124 "Related Party Disclosures", KNB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Bank.

The Group and the Bank have collectively, but not individually, entered into significant transactions with other government-related entities which include but not limited to the following:

- Purchase of securities issued by government-related entities
- Financing to government-related entities
- Deposit placing with and deposit taking from government-related entities

These transactions are conducted in the ordinary course of the Group's and the Bank's business on agreed terms.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(g) Equity Ownership Plan (“EOP”)**

The EOP was introduced on 1 April 2011 by CIMB Group where CIMB Group will grant ordinary shares of CIMB Group Holdings Berhad to selected employees of the Bank. Under the EOP, earmarked portions of variable remuneration of selected employees of the Bank will be utilised to purchase ordinary shares of CIMB Group Holdings Berhad from the open market. The purchased shares will be released progressively to the eligible employees at various dates after the purchase date, subject to continued employment. A related company will act on behalf of CIMB Group to administer the EOP and to hold the shares in trust up to the pre-determined transfer dates. The eligibility of participation in the EOP shall be at the discretion of the Group Nomination and Remuneration Committee of CIMB Group.

Upon termination of employment other than retirement, disability or death, any unreleased shares will cease to be transferable to the employee and will be disposed accordingly. In the event of retirement, disability or death of the eligible employee, the release of shares will be accelerated to the date of termination of employment and the shares will be assigned to the designated beneficiary.

The total share-based payment expense recognised in statement of income for the Group and the Bank during the financial year amounted to RM701,730 (2024: RM Nil).

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

Movements in the number of CIMB Group’s ordinary shares awarded are as follows:

	The Group and the Bank	
	2025	2024
	Unit	Unit
	'000	'000
Shares :		
At 1 January	-	-
Awarded	220	-
Released	-	-
At 31 December	<u>220</u>	<u>-</u>

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

46 Significant related party transactions and balances (Continued)

(h) Long Term Incentive Plan (“LTIP”)

The CIMB Group implemented a Long Term Incentive Plan (“LTIP”) on 9 June 2021, which was approved by the shareholders at the Extraordinary General Meeting held on 15 April 2021. The LTIP is governed by the LTIP by-laws and is administered by the LTIP Committee of CIMB Group.

The LTIP is awarded to employees who hold senior management positions and key roles within the CIMB Group and its subsidiary companies, and who fulfill the eligibility criteria and have been approved for participation by the LTIP Committee. Any LTIP awards made to Executive Directors (or any persons connected to the directors) is subject to the approval of the shareholders at a general meeting.

The LTIP, which is valid for 7 years from the implementation date, comprises of 2 performance-based plans – the Employee Share Option Scheme (“ESOS”) and the Share Grant Plan (“SGP”).

- The ESOS is a share option scheme with a premium on the exercise price, where vesting is subject to service conditions. The LTIP Committee may, at any time within the duration of the LTIP, grant an ESOS award to eligible employees, subject to the terms and conditions of the by-laws. The ESOS shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.
- The SGP is a restricted share unit scheme where vesting is subject to service and performance conditions (based on return on equity targets and individual performance). The LTIP Committee may, at any time within the duration of the LTIP, grant an SGP award to eligible employees, subject to the terms and conditions of the by-laws. The SGP shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the by-laws.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(h) Long Term Incentive Plan (“LTIP”) (Continued)****(i) Details of ESOS shares awarded:**

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

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

	As at	Movement during the year			Outstanding as at	Exercisable as at
	1 January 2025	Awarded	Exercised	Expired/ Forfeited	31 December 2025	31 December 2025
Award Date	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9 June 2021	2,602	-	(1,802)	-	800	800
31 March 2022	51	-	(19)	-	32	32
8 September 2022	62	-	(62)	-	-	-
8 December 2022	-	-	-	-	-	-

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

	Award Date	Award Date	Award Date	Award Date
	9 June 2021	31 March 2022	8 September 2022	8 December 2022
Fair value of ESOS shares (RM)	0.45	0.75	0.74	0.81
Exercise Price (RM)	4.96	5.58	5.75	5.93
Closing share price at award date (RM)	4.65	5.33	5.40	5.61
Option term	From award date until 8 June 2028			
Expected volatility (%)	23.60	24.85	25.04	25.62
Risk-free rate (%)	2.87	3.50	3.82	3.69
Discounted dividend flow	2.05	1.72	1.67	1.63

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****46 Significant related party transactions and balances (Continued)****(h) Long Term Incentive Plan (“LTIP”) (Continued)****(ii) Details of SGP shares awarded**

Award Date	Fair Value	Awarded	Vesting Dates	
	RM	(Units'000)		
9 June 2021	4.65	15,748	31 March 2024	<i>Subject to performance conditions</i>
			31 March 2025	
31 March 2022	5.33	1,965	31 March 2024	
			31 March 2025	
8 September 2022	5.40	736	31 March 2024	
			31 March 2025	
8 December 2022	5.61	142	31 March 2024	
			31 March 2025	
12 January 2024	5.92	250	-	
			31 March 2025	

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

Award Date	As at	Movement during the year			As at
	1 January 2025	Awarded	Vested	Forfeited	31 December 2025
	(Units'000)	(Units'000)	(Units'000)	(Units'000)	(Units'000)
9 June 2021	189	-	(170)	(19)	-
31 March 2022	11	-	(9)	(2)	-
8 September 2022	7	-	(6)	(1)	-
8 December 2022	-	-	-	-	-
12 January 2024	-	-	-	-	-

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

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

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

47 Capital commitments

Capital expenditure approved by Directors but not provided for in the Financial Statements are as follows:

	The Group and the Bank	
	31 December	31 December
	2025	2024
	RM'000	RM'000
Capital expenditure:		
- authorised and contracted for	64	-
- authorised but not contracted for	<u>8,229</u>	<u>14,136</u>
	<u><u>8,293</u></u>	<u><u>14,136</u></u>

Analysed as follows:

	The Group and the Bank	
	31 December	31 December
	2025	2024
	RM'000	RM'000
Property, plant and equipment	619	638
Computer software	<u>7,674</u>	<u>13,498</u>
	<u><u>8,293</u></u>	<u><u>14,136</u></u>

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

48 Segment reporting

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.

Segment information is presented in respect of the Group's business segment. The Group's operations are principally conducted in Malaysia and accordingly no analysis in respect of geographical segments has been presented.

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

(i) 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.

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

48 Segment reporting (Continued)

(i) Business segment reporting (Continued)

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.

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

48 Segment reporting (Continued)

(i) Business segment reporting (Continued)

Wholesale Banking (Continued)

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

- 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.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****48 Segment reporting (Continued)****(i) Business segment reporting (Continued)**

31 December 2025	Commercial	Consumer	Wholesale	Group	
The Group	Banking	Banking	Banking	Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income after modification loss:					
- external	1,095,932	2,609,540	(833,463)	115,092	2,987,101
- inter-segment	(240,056)	(1,140,474)	1,217,679	162,851	-
	855,876	1,469,066	384,216	277,943	2,987,101
Other operating income	169,304	256,900	184,362	37,364	647,930
Total income	1,025,180	1,725,966	568,578	315,307	3,635,031
Overhead expenses	(196,415)	(732,294)	(201,195)	(289,898)	(1,419,802)
Consist of :					
Depreciation of property, plant and equipment	-	(1)	(8)	(193)	(202)
Amortisation of intangible assets	193	(1,384)	(617)	(3)	(1,811)
Profit before expected credit losses	828,765	993,672	367,383	25,409	2,215,229
Expected credit losses made on					
financing, advances and other financing/loans	(158,977)	(187,032)	(1,258)	(11)	(347,278)
Expected credit losses (made)/written back					
for commitments and contingencies	(7,346)	5,536	6,843	-	5,033
Other expected credit losses (made)/written back	-	-	(22)	344	322
Segment results	662,442	812,176	372,946	25,742	1,873,306
Taxation and zakat					(472,327)
Net profit for the financial year					1,400,979
Segment assets	28,053,322	97,665,211	39,066,008	21,979,156	186,763,697
Unallocated assets					2,110,855
Total assets					188,874,552
Segment liabilities	22,995,343	67,152,563	64,565,800	20,510,276	175,223,982
Unallocated liabilities					1,628,474
Total liabilities					176,852,456
Other segment items					
Capital expenditure	4,255	2,914	1,319	549	9,037

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****48 Segment reporting (Continued)****(i) Business segment reporting (Continued)**

31 December 2024	Commercial	Consumer	Wholesale	Group	
The Group	Banking	Banking	Banking	Funding	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Net financing income:					
- external	973,747	2,701,358	(1,069,879)	178,504	2,783,730
- inter-segment	(180,317)	(1,354,440)	1,469,584	65,173	-
	793,430	1,346,918	399,705	243,677	2,783,730
Other operating income	133,192	237,271	128,630	4,602	503,695
Total income	926,622	1,584,189	528,335	248,279	3,287,425
Overhead expenses	(188,360)	(724,423)	(186,607)	(269,329)	(1,368,719)
Consist of :					
Depreciation of property, plant and equipment	-	(1)	(8)	(199)	(208)
Amortisation of intangible assets	(1,157)	(1,170)	(587)	-	(2,914)
Profit before expected credit losses	738,262	859,766	341,728	(21,050)	1,918,706
Expected credit losses made on					
financing, advances and other financing/loans	(40,320)	(239,578)	(5,402)	(13)	(285,313)
Expected credit losses (made)/written back					
for commitments and contingencies	(19,673)	50,866	(3,748)	-	27,445
Other expected credit losses written back/(made)	-	-	51	(36,949)	(36,898)
Segment results	678,269	671,054	332,629	(58,012)	1,623,940
Taxation					(404,217)
Net profit for the financial year					1,219,723
Segment assets	26,932,588	91,399,744	36,580,665	17,137,787	172,050,784
Unallocated assets					1,346,403
Total assets					173,397,187
Segment liabilities	20,729,852	59,418,041	62,259,894	19,442,912	161,850,699
Unallocated liabilities					661,702
Total liabilities					162,512,401
Other segment items					
Capital expenditure	215	218	112	82	627

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

48 Segment reporting (Continued)

(i) Business segment reporting (Continued)

Basis of pricing for inter-segment transfers:

Intersegmental charges are computed on the profit-bearing assets and liabilities of each business segment with rates applied based on the profit yield curve according to the term structure of maturity.

(ii) Geographic segment reporting

	31 December 2025			
	Net financing income RM'000	Total non- current assets RM'000	Total assets RM'000	Total liabilities RM'000
Malaysia	<u>2,987,101</u>	<u>144,582</u>	<u>188,874,552</u>	<u>176,852,456</u>
	31 December 2024			
	Net financing income RM'000	Total non- current assets RM'000	Total assets RM'000	Total liabilities RM'000
Malaysia	<u>2,783,730</u>	<u>137,558</u>	<u>173,397,187</u>	<u>162,512,401</u>

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

49 Capital adequacy

The key driving principles of the Group's and the Bank's capital management policies are to diversify its sources of capital to allocate capital efficiently, and achieve and maintain an optimal and efficient capital structure of the Group and the Bank, with the objective of balancing the need to meet the requirements of all key constituencies, including regulators, shareholders and rating agencies.

This is supported by the Capital Management Plan which is centrally supervised by the CIMB Group Executive Committee who periodically assesses and reviews the capital requirements and source of capital across the Group, taking into account all on-going and future activities that consume or create capital, and ensuring that the minimum target for capital adequacy is met. Quarterly updates on capital position of the Group and the Bank are also provided to the Board of Directors.

The capital adequacy ratios of the banking subsidiaries of the Group are computed as follows:

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 out the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the 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 18 December 2023.

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

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****49 Capital adequacy (Continued)***Capital Structure and Adequacy*

The table below sets out the summary of the sources of capital and the capital adequacy ratios of the Group and the Bank as at 31 December 2025. The Group and the Bank issued various capital instruments pursuant to the respective regulatory guidelines that qualify as capital pursuant to the CAFIB (Capital Components) issued by BNM.

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

	The Group		The Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Common equity tier 1 ratio	14.863%	14.543%	14.863%	14.543%
Tier 1 ratio	15.351%	15.066%	15.350%	15.065%
Total capital ratio	<u>18.105%</u>	<u>17.749%</u>	<u>18.105%</u>	<u>17.749%</u>

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

	The Group		The Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Credit risk	65,175,350	60,540,585	65,175,488	60,540,722
Market risk	683,467	736,474	683,467	736,474
Operational risk	5,917,744	5,742,135	5,917,744	5,742,135
Total risk-weighted assets	<u>71,776,561</u>	<u>67,019,194</u>	<u>71,776,699</u>	<u>67,019,331</u>

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****49 Capital adequacy (Continued)**

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

	The Group		The Bank	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier 1 capital				
Ordinary shares capital	1,000,000	1,000,000	1,000,000	1,000,000
Other reserves	10,672,096	9,534,786	10,672,061	9,534,751
Common Equity Tier 1 capital before regulatory adjustments	<u>11,672,096</u>	<u>10,534,786</u>	<u>11,672,061</u>	<u>10,534,751</u>
<u>Less: Regulatory adjustments</u>				
Goodwill	(136,000)	(136,000)	(136,000)	(136,000)
Intangible assets	(7,036)	(752)	(7,036)	(752)
Deferred tax assets	(219,752)	(253,556)	(219,752)	(253,556)
Regulatory reserve	(642,920)	(397,222)	(642,920)	(397,222)
Others	1,726	(426)	1,726	(426)
Common Equity Tier 1 capital after regulatory adjustments	<u>10,668,114</u>	<u>9,746,830</u>	<u>10,668,079</u>	<u>9,746,795</u>
Additional Tier 1 capital				
Perpetual preference shares	350,000	350,000	350,000	350,000
Additional Tier 1 capital before regulatory adjustments	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
<u>Less: Regulatory adjustments</u>	-	-	-	-
Additional Tier 1 capital after regulatory adjustments	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Total Tier 1 capital	<u>11,018,114</u>	<u>10,096,830</u>	<u>11,018,079</u>	<u>10,096,795</u>
Tier 2 capital				
Subordinated Sukuk	1,700,000	1,500,000	1,700,000	1,500,000
Surplus of eligible provisions over expected loss	188,514	210,788	188,514	210,788
General provisions ^	88,601	87,847	88,603	87,849
Total Tier 2 capital	<u>1,977,115</u>	<u>1,798,635</u>	<u>1,977,117</u>	<u>1,798,637</u>
Total capital	<u>12,995,229</u>	<u>11,895,465</u>	<u>12,995,196</u>	<u>11,895,432</u>

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

49 Capital adequacy (Continued)

^ Total capital of the Group and the Bank as at 31 December 2025 have excluded general provision/portfolio impairment allowance on impaired financings restricted from Tier II capital of RM82.8 million (2024: RM62.5 million) respectively.

In accordance with BNM's guidelines on the recognition and Measurement of Profit Sharing Investment Account ("PSIA") as Risk Absorbent, the credit and market risks on the assets funded by the PSIA are excluded from Total Capital Ratio calculation.

As at 31 December 2025, RPSIA and URIA assets excluded from the Total Capital Ratio calculation amounted to RM34,886,300,000 (2024: RM27,091,589,000).

50 Sources and uses of charity funds

Earnings that were realised from sources or by means prohibited by Shariah have been considered for disposal to charitable causes.

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Sources of charity funds		
Balance as at 1 January	-	-
Shariah non-compliance income	<u>30</u>	<u>17</u>
Total sources of charity funds during the year	<u>30</u>	<u>17</u>
Uses of charity funds		
Contribution to non-profit organisation	<u>30</u>	<u>17</u>
Total uses of charity funds during the year	<u>30</u>	<u>17</u>
Undistributed charity funds as at 31 December	<u>-</u>	<u>-</u>

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

51 Significant events during the financial year

(a) Issuance of Senior Sukuk

- (i) On 25 March 2025, the Bank issued RM500 million 10-year fixed rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme as disclosed in Note 27(l).
- (ii) On 8 August 2025, the Bank issued RM200.0 million 2.25-year floating rate Senior Sukuk under its RM10.0 billion Sukuk Wakalah Programme as disclosed in Note 27(m).

(b) Issuance of subordinated Sukuk

- (i) On 10 November 2025, the Bank issued RM200 million Tier 2 Junior Sukuk under its RM5.0 billion Tier 2 Junior Sukuk Programme as disclosed in Note 28(c).

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

52 Critical accounting estimates and judgements in applying accounting policies

The Group and the Bank make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Bank's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

(a) *Expected credit loss allowance on financial assets at amortised cost*

The expected credit loss allowance for financial assets at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Significant judgements are required in applying the accounting requirements for measuring expected credit loss, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of expected credit loss;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated expected credit loss; and
- Establishing groups of similar financial assets for the purposes of measuring expected credit loss.

Refer to Note 53.1 Credit risk measurement for details on the key judgements and assumptions of the estimation of expected credit loss allowance for financial assets at amortised cost.

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

52 Critical accounting estimates and judgements in applying accounting policies (Continued)

(b) Fair value of financial instruments

The majority of the Group's and the Bank's financial instruments reported at fair value are based on quoted and observable market prices. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, payment rates and default rate assumptions for asset backed securities. The valuation of financial instruments is described in more detail in Note 53.4.

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

53 Financial Risk Management

(a) Financial risk management objectives and policies

The Group embraces risk management as an integral part of the Group’s strategy, business, operations and decision-making process. In ensuring that the Group achieves optimum returns whilst operating within a sound business environment, the risk management teams are involved at the early stage of the strategy discussion and risk-taking process by providing independent inputs, including relevant valuations and analysis, credit evaluations, new product assessments and quantification of capital requirements and risk return analysis/simulations. These inputs enable the business units to assess the risk-vs-reward of their propositions.

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

The Group employs a Group Enterprise-Wide Risk Management (“EWRM”) framework as a standardised approach to effectively manage its risk and opportunities. The Group EWRM framework provides the Board and management with tools to anticipate and manage both the existing and potential risks, taking into consideration evolving risk profiles as dictated by changes in business strategies, the external environment and/or regulatory environment.

The key components of the Group’s EWRM framework are represented in the diagram below:



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

53 Financial Risk Management (Continued)

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

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

The key features of the Group EWRM include:

- a) **Risk Culture**: The Group embraces risk management as an integral part of its culture and decision-making processes. The Group’s risk management philosophy is embodied in the Three Lines-of-Defence approach, whereby risks are managed initially from the onset of risk-taking activity. There is clear accountability of risk ownership across the Group.
- b) **Governance & Organisation**: A strong governance structure is important to ensure an effective and consistent implementation of the Group EWRM framework. The Board is ultimately responsible for the Group’s strategic direction, which is supported by the risk appetite and relevant risk management frameworks, policies, methodologies/standards and procedures. The Board is assisted by various risk committees and control functions in ensuring that the Group’s risk management framework is effectively implemented.
- c) **Risk Appetite**: It is defined as the amount and type of risks that the Group is able and willing to accept in pursuit of its strategic and business objectives. Risk appetite is set in conjunction with the annual strategy and business planning process to ensure appropriate alignment between strategy, growth aspirations, operating plans, capital and risk.
- d) **Risk Management Process**:
 - **Business Planning**: Risk management is central to the business planning process, including setting frameworks for risk appetite, risk posture and new products/business activities.
 - **Risk Identification & Assessment**: Risks are systematically identified and assessed through the robust application of the Group’s risk frameworks, policies, methodologies/standards and procedures.
 - **Risk Measurement**: Risks are measured and aggregated using the Group-wide methodologies across each of the risk types, including stress testing.

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

53 Financial Risk Management (Continued)

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

d) Risk Management Process: (Continued)

- Risk Management and Control: Risk management limits and controls are used to manage risk exposures within the risk appetite set by the Board. Risk management limits and controls are regularly monitored and reviewed in the face of evolving business needs, market conditions and regulatory changes. Corrective actions are taken to mitigate risks. This can be achieved by positioning various control tools to reduce the likelihood of an occurrence or the impact of the risk. The various control tools are accepting, treating, transferring and/or terminating the risk.
- Risk Monitoring and Reporting: Risks on an individual exposure, as well as on a portfolio basis, are monitored on a daily basis and periodically and/or ad-hoc basis in tandem with market developments and reported to the Group Risk & Compliance Committee (“GRCC”) and the Board Risk & Compliance Committee (“BRCC”) on a monthly basis or need basis to ensure they remain within the Group’s risk appetite.

e) Risk Management Infrastructure:

- Risk Frameworks, Policies, Methodologies/Standards and Procedures addressing all areas of material risks: Frameworks provide broad objectives and overarching risk management architecture for managing risks. Well-defined risk policies by risk type provide the principles by which the Group manages its risks. Methodologies/Standards provide specific directions that help support and enforce policies. Procedures provide more detailed guidance to assist with the implementation of policies.
- People: Attracting the right talent and skill is key to ensuring a well-functioning Group EWRM Framework. The organization continuously evolves and proactively responds to the increasing complexity of the Group as well as the economic and regulatory environment.
- Technology and Data: Appropriate technology and sound data management support risk management activities.

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

53 Financial Risk Management (Continued)

(c) Risk Governance

At the apex of the governance structure are the Boards of the respective Boards of entities within the Group, which decides on the entity's risk appetite in alignment with its business strategies. Each BRCC reports directly to the respective Boards and assume responsibility on behalf of the respective Boards for the supervision of risk management and control activities. Each BRCC determines the relevant entity's risk strategies and policies, keeping them aligned with the principles within the risk appetite. Each BRCC also oversees the implementation of the Group EWRM Framework, provides strategic guidance and reviews the decisions made by the GRCC.

To facilitate the effective implementation of the Group EWRM framework, the BRCC has established various specialised/sub-risk committees within the Group, each with distinct lines of responsibilities and functions, which are clearly defined in the terms of reference.

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

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

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

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

- Model risk is defined as the type of risk that the method used to measure or quantify the bank's material risk is not accurate due to deterioration of model, hence limiting the usefulness and application of the model itself. It also covers improper implementation and improper usage of methods developed to quantify risk;
- Operational risk, defined as the risk of loss resulting from inadequate or failed processes, people and systems, or from external events. It includes legal risk but excludes strategic and Shariah non-compliance risks;
- Financial Crime Risk, defined as the risk that typically arises from illicit activities including money laundering, fraud, corruption, organised crime, smuggling, drug trafficking, terrorism financing and proliferation financing. It carries potential regulatory and legal consequences, and may result in regulatory actions, financial losses, and serious reputational damage, which in turn threatens the integrity of the financial system and undermines stakeholder trust;
- Data management risk, defined as the risk of failing to appropriately manage and maintain data (including customer data, employee data, and the Group's proprietary data), and non-compliance with relevant data regulations;
- Conduct risk, defined as the risk of failing to have behaviours and practices that deliver suitable, fair and clear outcomes for the Group's employee, and customers while maintaining market integrity;
- Tax and regulatory reporting risk, defined as the risk of failing to meet statutory reporting and tax payments/ filing requirements;
- Enterprise-wide risk, defined as the risk that arises from events which may affect achieving objectives due to changing risk profiles as dictated by changes in business strategies, operating and regulatory environment, and functional activities;
- Strategic risk, defined as the risk of current and/ or prospective impact on the Group's earnings, reputation or position arising from changes in the environment that the Group operates in and from adverse strategic decisions, improper implementation of strategic initiatives, new business lines or markets or the lack of responsiveness to industry, economic or technological changes;
- Business risk, defined as the probability of loss inherent in the Group's operations and environment that may impair its ability to provide expected returns on investments;
- Investment performance risk, defined as the risk that the return achieved on an investment will be different from that expected or its intended financial objective, and the size of the difference. This includes the possibility of losing some or all of the original investment;

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

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

- Geopolitical risk, defined as the risk that an investment's returns could suffer as a result of political changes or instability in a country, or at the regional and/ or global level. Instability affecting investment returns could stem from, but are not limited to, the following: a change in government, legal and political institutions, tensions between countries affecting the global and regional political and economic environment, and military conflict;
- Reputation risk is defined as the current or prospective risk to earnings and capital arising from the adverse perception by the stakeholders about the Group's business practices, conduct or financial condition. Such adverse perception, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business, revenue or share price;
- Technology risk, is the risk of loss resulting from inadequate or weaknesses in strategy, people, process, technology (including emerging technologies e.g. Cloud Artificial Intelligence etc.) or external events, which includes cyber risks, financial risk, regulatory/ compliance risk and the risk of reputational loss/damage;
- Shariah Non-Compliance ("SNC") risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which CIMB Group may suffer arising from failure to comply with Shariah requirements determined by Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM") and Securities Commission ("SC"), including standards on Shariah matters issued by BNM pursuant to Section 29(1) of the Islamic Financial Services Act ("IFSA"); or decisions or advice by Board Shariah Committee ("BSC") of CIMB Islamic Bank or other Shariah regulatory authorities of the jurisdictions where the Group operates;
- Regulatory compliance risk, defined as the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which CIMB Group may suffer arising from possible failure to comply with the applicable laws and regulations of the jurisdictions in which the Group operates; and
- Sustainability risk, defined as the risk of financial and non-financial impact arising from environmental, social and ethical issues stemming from transactions and/or activities associated with a business relation and its operations, and/or the Group's own internal operations and employees.

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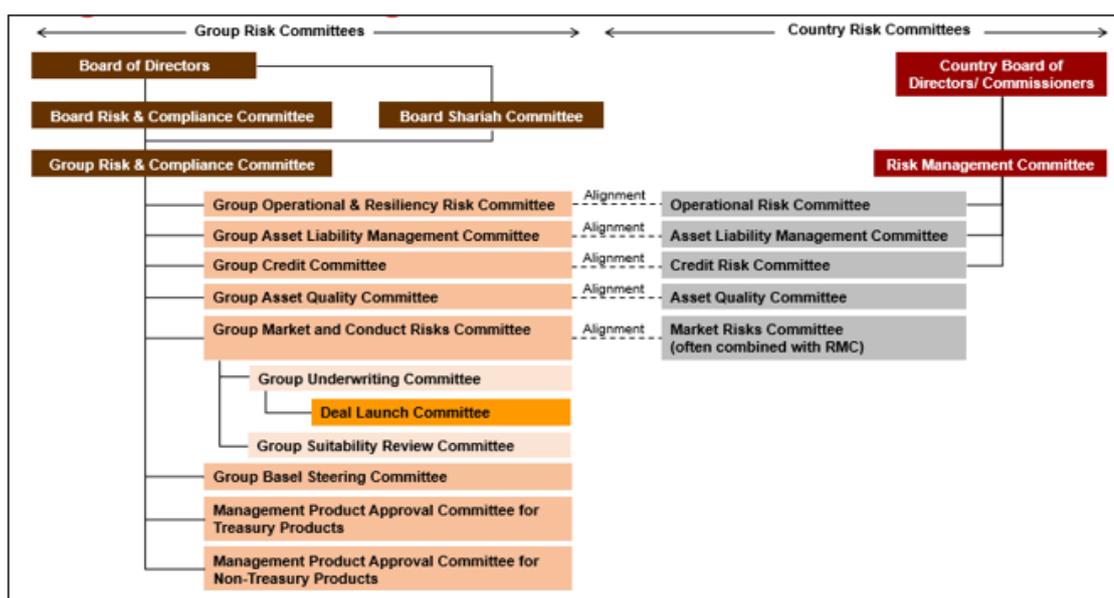
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Notes to the Financial Statements for the financial year ended 31 December 2025 (Continued)

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

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



The overseas subsidiaries' risk committees are set-up in a similar structure in their respective jurisdictions. Whilst recognising the autonomy of the local jurisdiction and compliance to local requirements, the Group strives to ensure a consistent and standardised approach in its risk governance process. As such, the Group and regional committees have consultative and advisory responsibilities on regional matters across the Group as regulators allow. This structure increases regional communication and sharing of technical knowledge and best practice. It further enhances support towards managing and responding to risk management issues, thus allowing the Board to have comprehensive view of the activities within the Group.

In addition to the CIMB Group Risk Committees, the Group has established a Board Group Sustainability Committee ("BGSC") consisting of Independent Directors to assist the Board in fulfilling its responsibilities to review and guide our Group's sustainability strategy, frameworks, policies and group-wide targets and to monitor progress against our Group's climate transition plan.

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

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

Sustainability is also embedded in the roles and responsibilities of various Board Committees. To ensure information-symmetry and consensus across all Board Committees and entity boards, with regards to the direction and progress of the Group's sustainability and climate change strategy deliberated at the BGSC, selected business enablers are responsible for providing relevant updates and inputs to the various Board Committees and entity boards on a periodic basis.

Three Lines-of-Defence

The Group's risk management culture is embodied through the adoption of the Three Lines-of-Defence philosophy, whereby risks are managed initially from the onset of risk-taking activities. This is to ensure clear accountability of risk and control management across the Group and Group Risk as an enabler of business units. As the first line-of-defence, the line management (including key business pillars and enablers) is primarily responsible for risk management on a day-to-day basis by taking appropriate actions to mitigate risk through effective controls and within the agreed risk limits / appetite. There is an embedded Risk Control Unit ("RCU") within the first line-of-defence, which provides independent advice, support, and assurance for risk & compliance related matters within the Business Pillars and Enablers (the first line-of-defence), integrating business, risk & compliance knowledge. The second line-of-defence provides oversight and performs independent monitoring of business activities with reporting to the Board and management to ensure that the Group conducts business and operates within the approved risk appetite and is in compliance with regulations. The third line-of-defence is the Group Corporate Assurance Division who provides independent assurance of the adequacy and effectiveness of the governance, internal controls and risk management processes.

The Roles of Group Chief Risk Officer ("CRO") and Group Risk Division ("GRD")

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

GRD is headed by the Group CRO, appointed by the Board to lead the Group-wide risk management functions, including implementation of the Group EWRM framework. The Group CRO:

- a) Actively engages the respective Boards and senior management on risk management issues and initiatives; and

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

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

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

- b) Maintains an oversight on risk management functions across all entities within the Group. In each key country of operations, there is a local CRO or Head of Risk Management, whose main functions are to assess and manage the enterprise risk and liaise with regulators in the respective countries.

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

a) CRO

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

b) Risk Centres of Excellence

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

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

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

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

b) Risk Centres of Excellence (Continued)

i. Enterprise Risk and Infrastructure CoE

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

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

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

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

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

b) Risk Centres of Excellence (Continued)

ii. Market Risk CoE

The Market Risk CoE recommends the framework and policies for the independent assessment, measurement and monitoring of market risk. This is operationalised through the review of treasury positions versus limits framework, performing mark-to-market valuation, validation of financial models, calculating Value-at-Risk and market risk capital, as well as performing stress testing.

iii. Non-Financial Risk Management (“NFRM”) CoE

The NFRM CoE ensures that the first line-of-defence manages their non-financial risks (which comprise of Operational, Technology, Third Party, Business Continuity and Fraud risks) effectively by providing frameworks that enable them to identify, assess, manage and report their non-financial risks. The NFRM CoE provides independent feedback, advisory and assessment to the execution of the non-financial risk frameworks by the first line-of-defence.

iv. Shariah Risk Management CoE

The Shariah Risk Management (“SRM”) CoE facilitates the process of identifying, measuring, controlling and monitoring SNC risks inherent in the Group’s Islamic banking businesses and services. It formulates, recommends and implements appropriate SRM policies and procedures ; as well as develops and implements processes to mitigate SNC risk and conducts training to enhance level of awareness on SNC risk.

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

53 Financial Risk Management (Continued)

(c) Risk Governance (Continued)

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

b) Risk Centres of Excellence (Continued)

v. Asset Liability Management CoE

The Asset Liability Management CoE recommends the framework and policies for the independent assessment, measurement, monitoring and reporting of liquidity and funding risk and interest rate risk/rate of return risk in the banking book. It conducts regular stress testing on the Group’s liquidity and interest rate risk/rate of return risk profile, by leveraging on the standardised infrastructure it has designed, built and implemented across the region. It provides the framework and tools for maintenance of the early warning system indicators and contingency funding plan by business owners across the Group.

vi. Credit Risk CoE

The Credit Risk CoE consists of Retail and Non-Retail credit risk and is dedicated to the identification and assessment, measurement, management, monitoring and reporting of credit risk in the Group. The scope under the CoE function includes areas ranging from development of credit risk policies, procedures and standards to advance portfolio analytics, and use of credit risk modelling (including rollout of alternative credit underwriting models leveraging on machine learning techniques for retail portfolios).

Strategies and Processes for Various Risk Management

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

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53 Financial Risk Management (Continued)

53.1 Credit Risk

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

Credit risk is inherent in banking activities and arises from traditional financing activities through financing facilities, trade finance as well as commitments to support client's obligation to third parties, e.g. guarantees or kafalah contracts. In derivatives, sales and trading activities, credit risk arises from the possibility that the Group's counterparties will be unable or unwilling to fulfil their obligation on transactions on or before settlement dates.

Credit Risk Management

Without effective credit risk management, the impact of the potential losses can be overwhelming. The purpose of credit risk management is to keep credit risk exposure to an acceptable level vis-à-vis the capital, and to ensure the returns commensurate with risks.

Consistent with the Three Lines-of-Defence model on risk management where risks are managed initially from the onset of risk-taking activities, the Group implemented the risk-based delegated authority framework. This promotes clarity of risk accountability whereby the business unit, being the first line-of-defence, manages risk in a proactive manner and Group Risk being independent from the business units, functions as the second line-of-defence. This enhances the collaboration between Group Risk and the business units.

The risk-based delegated authority framework encompasses joint delegated authority, enhanced credit approval process and a clear set of policies and procedures that defines the limits and types of authority designated to specific individuals.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Management (Continued)

The Group adopts a multi-tiered credit approving authority spanning from the delegated authorities at business level, joint delegated authorities between business units and Group Risk, to the various credit committees. The credit approving committees are set up to enhance the efficiency and effectiveness of the credit oversight as well as the credit approval process for all credit applications originating from the business units. For corporate, commercial and private banking financing, credit applications are independently evaluated by Credit Risk (Non-Retail) CoE team prior to submission to the joint delegated authority or the relevant committees for approval; certain business units' officers are delegated with credit approving authority to approve low valued credit facilities. In addition, for financing to sectors and clients that are exposed to high environmental and social risks, the Sustainability CoE conducts due diligence from an environmental and social point of view. For retail financing, Consumer Credit Operations evaluates and approves the credit applications according to the designated delegated authority; higher financing limits will be approved by joint delegated authority or relevant committees.

The GRCC, with the support of Group Credit Committee, Group Asset Quality Committee, other relevant credit committees as well as Group Risk, is responsible for ensuring adherence to the Board's approved risk appetite and risk posture. This, amongst others, includes reviewing and analysing portfolio trends, asset quality, watch-list reporting and policy reviews. It is also responsible for articulating key credit risks and mitigating controls.

Adherence to and compliance with country sector limit, single customer and global counterparty limits, are approaches adopted to address concentration risk relating to any large sector or industry, or to a particular counterparty group or individual and country. To align with tightening climate-related regulatory expectations and support the Group's 2050 Net Zero commitment by 2050, a Sustainability Overlay - currently based on sector sensitivities to transition risks using the Transition Risk Heatmap developed by the United Nations Environment Programme Finance Initiative (UNEP-FI) was incorporated into Group Risk's Country Sector Limit Methodology since 2022. The Sustainability Overlay is reviewed and refreshed annually by Group Sustainability and/or the climate risk unit, integrating emerging insights, including those from climate risk stress testing exercises. In order to ensure sustainability considerations are accounted for in the early stages of business planning, an Overall Sustainability Rating has been applied alongside other risk factors as part of the Risk Posture setting since 2022, and annually updated, to set the risk direction for the Group and its entities before the formal budget process starts.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Management (Continued)

Adherence to the above established credit limits is monitored daily by Group Risk Division, which aggregates all exposures for each counterparty or group, including off balance sheet items and potential exposures. For retail products, portfolio limits are monitored monthly by Group Risk Division.

It is the Group policy that all exposures must be rated or scored based on the appropriate internal rating models, where available. Retail exposures are managed on a portfolio basis and the risk rating models are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts, performed by way of statistical analysis from credit bureau and demographic information of the obligors. The risk rating models for non-retail exposures are designed to assess the credit worthiness of the corporations or entities in paying their obligations, derived from both quantitative and qualitative risk factors such as financial history and demographics or company profile. These rating models are developed and implemented to standardise and enhance the credit underwriting and decision-making process for the Group's retail and non-retail exposures.

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

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

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

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Management (Continued)

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

Credit Risk Mitigation

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

i) Collaterals/Securities

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

Recognised collaterals include both financial and physical assets. Financial collaterals consist of mainly cash deposits, quoted shares, unit trusts and sukuk/securities, while physical collateral includes land, buildings and vehicles. Guarantors accepted are in line with BNM’s CAFIB (Risk-Weighted Assets) guidelines. Eligible credit protection is also used to mitigate credit losses in the event that the obligor/counterparty defaults.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Mitigation (Continued)

ii) Collateral Valuation and Management

The Group has in place policies which govern the determination of eligibility of various collaterals including credit protection, to be considered for credit risk mitigation which includes the minimum operational requirements that are required for the specific collaterals to be considered as effective risk mitigants.

The collateral is valued periodically ranging from daily to annually, depending on the type of collateral. Specifically for real estate properties, a procedure for valuation of real estate properties is established to ensure adequate policies and procedures are in place for efficient and proper conduct of valuation of real estate properties and other related activities in relation to the interpretation, monitoring and management of valuation of real estate properties.

iii) Netting

In mitigating the counterparty credit risks in foreign exchange and derivative transactions, the Group enters into master agreements that provide for closeout netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates greater legal certainty that the netting of outstanding obligations can be enforced upon termination of outstanding transactions if an event of default occurs.

iv) Portfolio diversification for better clarity

The Group avoids unwanted credit or market risk concentrations by diversifying the portfolios through a number of measures. Amongst others, there are guidelines in place relating to maximum exposure to any products, counterparty, sectors and country.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement

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

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

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

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

(i) Significant increase in credit risk ("SICR")

The assessment of SICR shall be a multifactor and holistic analysis and based on a mixture of quantitative and/or qualitative information. To determine whether the risk of default of a financing has increased significantly since initial recognition, the current risk of default at the reporting date is compared with the risk of default at initial recognition.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

(i) Significant increase in credit risk (“SICR”) (Continued)

Retail

A retail financing, advances and other financing/loans is perceived to have experienced significant increase in credit risk when the asset meets one of the following criteria:

- Past due for more than 1 month on its contractual payment;
- Habitual delinquent;
- Modified under Agensi Kaunseling dan Pengurusan Kredit (“AKPK”) scheme and subject to monitoring period.

Non-retail

The stage allocation will be performed at customer level. A customer is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

- Significant downgrade of internal rating;
- Customer on watchlist and exhibits weaknesses which, if uncorrected, will potentially become a non-performing account in the next 12 months;
- Past due for more than 1 month on its contractual payment;
- Habitual delinquent.

Treasury

A debt instrument is considered to have credit risk increased significantly since initial recognition if any of the following criteria is met:

- Significant downgrade of internal rating;
- Customer on watchlist and exhibits weaknesses which will potentially become a non-performing account in the next 12 months;
- Margin call or force selling trigger not regularised within the stipulated period (applicable to option premium financing only).

The Group has not used the low credit risk exemption for any financial instruments for the financial year ended 31 December 2025 and 31 December 2024. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the Management.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

(ii) Definition of credit impaired

Financing, advances and other financing/loans

The Group classified a financing, advances and other financing/loans as impaired when it meets one or more of the following criteria:

- (a) Where the principal or profit or both of the credit facility is past due for more than 90 days or 3 months;
- (b) In the case of revolving credit facilities (e.g. cashline facilities), where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days or 3 months;
- (c) Where the amount is past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, and the credit facility exhibits weaknesses in accordance with the Group's internal credit risk rating framework; or
- (d) As soon as a default occurs where the principal and /or profit payments are scheduled on intervals of 3 months or longer.

For the purpose of ascertaining the period in arrears:

- Payment on each of the instalment amount must be made in full. A partial payment made on an instalment amount shall be deemed to be still in arrears; and
- Where a moratorium on credit facilities is granted in relation to the rescheduling and restructuring exercise due to specific and exceptional circumstances as set in the Group's internal policy, the determination of period in arrears shall exclude the moratorium period granted.

(e) Force Impaired Credit Facilities

The credit facility is force impaired due to various reasons which may include the following: Practice Note 17 ("PN17") classification by Bursa, bankruptcy/winding up orders, appointment of Independent Financial Advisor/Liquidator/Receivers & Managers, ceased operations and/or suspended with no likelihood of resuming in the next 12 months, business viability is affected with payment capability in doubt resulting in going concern issue in the near term, etc. In the event where a credit facility is not in default or past due but force impaired, the credit facility shall be classified as impaired upon approval by Group Asset Quality Committee ("GAQC").

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

(ii) Definition of credit impaired (Continued)

Financing, advances and other financing/loans (Continued)

(f) Cross Default

When an obligor/counterparty has multiple credit facilities with the Group and cross default obligation applies, an assessment of provision is required under which default of one debt/financing obligation triggers default on another debt/financing obligation (cross default). Where there is no right to set off clause is available, assessment of provision needs to be performed on individual credit facility level instead of consolidated obligor/counterparty level.

Sukuk and other debt instruments measured at amortised cost or FVOCI

The financial instruments are classified as impaired when it meets one or more of the following criteria:

- Sukuk that have an internal rating of 14 and above shall be classified as impaired upon approval by relevant approval authority. Impaired credits must be graded / classified with the appropriate regulatory financing grading(s).
- Sukuk which are force impaired and approved by Group Asset Quality Committee will be subject to individual impairment assessment.
- When an obligor/counterparty has multiple financing, advances and other financing/loans/sukuk with the Group and cross default obligation applies, an assessment of provision is required under which default of one debt obligation triggers default on another debt obligation (cross default). Where there is no right to set off clause is available, an assessment of provision needs to be performed on individual financing, advances and other financing/loans/sukuk level instead of consolidated obligor/counterparty level.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

(iii) Definition of default

Financing, advances and other financing/loans

The Group defines a financial instrument as in default when it meets one or more of the following criteria:

- Credit-impaired;
- Restructured accounts by AKPK scheme;
- Write-off / charged-off accounts;
- Repossessed accounts (applicable for hire purchase financings only);
- Force disposed accounts (applicable for non-voluntary Amanah Saham Bumiputera (“ASB”) financing only).

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss given Default (“LGD”) throughout the Group’s expected loss calculations for financing, advances and other financing/loans.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

Sukuk and other debt instruments measured at amortised cost or FVOCI

The default criteria is fully aligned with external rating agency’s default definition as the Group has chosen to benchmark external data for modelling purposes:

- Failure to make principal and/or profit payment under the contractual terms, which is not remedied within the grace period.
- Bankruptcy filings, administration, receivership, liquidation, winding-up or cessation of business of issuer/obligor.
- Failure to honor corporate-guarantee obligations provided to subsidiaries.
- Distressed exchange offer (e.g. extended maturities, lower coupons and etc.).
- Change in payment terms of a credit arrangement or indenture imposed by the sovereign that results in a diminished financial obligation.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

(iv) Measuring ECL - inputs, assumptions and estimation techniques

The Group assesses on a forward looking basis the Expected Credit Losses (“ECL”) associated with its advances and financing. The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. The 12-month or lifetime ECL reflects multiple forward-looking scenarios and is weighted based on the probability of occurrence for each scenario. The ECL can be assessed and measured either on collective or individual basis.

For collective assessment, the ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. The three components are multiplied together to calculate an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective profit rate or an approximation thereof.

For individual assessment, the ECL allowance is determined by comparing the outstanding exposure with the present value of cash flow which is expected to be received from the customer.

Probability of Default

The PD represents the likelihood of a customer will be unable to meet its financial obligation either over the next 12 months (12-month PD) or over the remaining lifetime (Lifetime PD) of the obligation.

The PD is derived based on the modelling approach of which statistical analysis and expert judgement was performed to identify the risk parameters which correlate with the historical observed default. The model relies on the risk parameters and its correlation with the historical observed default to predict the 12-month PD. The Lifetime PD is developed using forecasted Macroeconomic Variables (“MEV”) with the application of survival probabilities up to maturity of the financing facility.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

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

Exposure at Default

EAD is the total amount that the Group is exposed to at the time the customer defaults.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment financings, this is based on the contractual repayments owed by the customer over a 12 month or remaining maturity.
- For revolving products the exposure at default is predicted by taking current disbursed balance and adding a “credit conversion factor” which allows for the expected disbursement of the remaining limit by the time of default.

Loss Given Default

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

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

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGD’s are typically set at product level due to the limited differentiation in recoveries achieved across different customers. These LGD’s are influenced by collection strategies, including contracted debt sales and price.

The assumptions underlying the ECL calculation are monitored and reviewed periodically. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

(v) Forward-looking information incorporated into the ECL models

The estimation of ECL incorporates forward-looking information. The Group has performed statistical analysis based on historical experience and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The relationship of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of PD and LGD. These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables are sourced from Group's Economics team and external research house.

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

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

Best and Worst case: This represents the 'upside' and 'downside' outcome of future economic conditions.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to some degree of inherent uncertainty and therefore the actual outcomes may be different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios. The scenario weightage, number of scenarios and their attributes are reassessed periodically.

The Group and the Bank have also identified the key economic variables and carried out sensitivity assessment of ECL for financing, advances and other financing/loans (including undisbursed financing, advances and other financing/loans) and treasury sukuk in relation to the changes in these key economic variables whilst keeping other variables unchanged.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****Credit Risk Measurement (Continued)****(v) Forward-looking information incorporated into the ECL models (Continued)**

The key economic variables used for the ECL sensitivity assessment:

Key variables:	31 December 2025		31 December 2024	
	Changes (+/- bps)		Changes (+/- bps)	
GDP growth	75		75	
Equity market index	300		300	
Housing Price Index ("HPI")	75		75	
Overnight policy rate ("OPR")	25		25	

	The Group and the Bank (Writeback)/made 31 December 2025		The Group and the Bank (Writeback)/made 31 December 2024	
	RM'000	RM'000	RM'000	RM'000
	+	-	+	-
Impact on expected credit losses	(19,702)	25,957	(13,957)	25,127

The impact captures the non-linearity and offsetting effect arising from the correlation of variables with the ECL and does not reflect any overlay or adjustment which could potentially be put in place as a result of the change in macroeconomics.

(vi) Grouping of exposure for ECL measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the Group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

The appropriateness of groupings is monitored and reviewed on a periodic basis by the Credit Risk and Modelling team.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

Write off policy

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a financing, advances and other financing/loans or debt instrument is deemed uncollectible, it is written off against the related allowance for impairment. Such financing, advances and other financing/loans are either written off in full or partially after taking into consideration the realisable value of collateral (if any) and when in the judgement of the Management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

The Group and the Bank may write-off financing, advances and other financing/loans or debt instrument that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the financial year ended 31 December 2025 was RM572 million (2024: RM326 million) for the Group and the Bank.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

Modification of financing, advances and other financing/loans

Where the original contractual terms of a financial asset have been modified and the instrument has not been derecognised, the resulting modification loss is recognised in the income statements with a corresponding decrease in the gross carrying value of the asset.

If the modification involved a concession that the Group would not otherwise consider, the instrument is considered to be credit impaired and is considered forborne. ECL for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk.

These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification. The risk of default of such financing, advances and other financing/loans after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original financing, advances and other financing/loans. The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

Credit Risk Measurement (Continued)

Off-Balance Sheet Exposures and Counterparty Credit Risk (“CCR”)

Off-Balance Sheet exposures are exposures such as derivatives, trade facilities and undisbursed commitments. The Group adopts the Current Exposure method to compute the capital requirement for CCR under BNM’s guidelines on CAFIB (Risk-Weighted Assets).

i) Credit Risk Mitigation

For credit derivatives and swaps transactions, the Group enters into master agreement with counterparties, whenever possible. Further, the Group may also enter into Credit Support Annexes (“CSA”) with counterparties. The net credit exposure with each counterparty is monitored based on the threshold agreed in the master agreement and the Group may request for additional margin for any exposures above the agreed threshold, in accordance with the terms specified in the relevant CSA or the master agreement. The eligibility of collaterals and frequency calls are negotiated with the counterparty and endorsed by GCC or the relevant credit approving authority.

ii) Treatment of Rating Downgrade

In the event of a one-notch downgrade of rating, based on the terms of the existing CSA and exposure as at 31 December 2025 and 31 December 2024, there was no requirement for additional collateral to be posted.

On the other hand, counterparty rating is being monitored and in the event of a rating downgrade, remedial actions such as revision of the counterparty credit limit, suspension of the limit or the request for additional collateral may be taken.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.1 Maximum exposure to credit risk (without taking into account any collateral held or other credit enhancements)

For financial assets reflected in the statement of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees and similar contract granted, it is the maximum amount that the Group and the Bank would have to pay if the guarantees were called upon. For credit related commitments and contingents that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

All financial assets of the Group and the Bank are subject to credit risk except for statutory deposits with central banks as well as non-financial assets.

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Financial guarantees	621,378	498,641
Credit related commitments and contingencies	29,301,246	32,153,666
	<u>29,922,624</u>	<u>32,652,307</u>

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for net financing, advances and other financing/loans for the Group and the Bank is 75.2% (2024: 76.4%) while the financial effect of collateral for derivatives for the Group and the Bank is 97.7% (2024: 80.0%). The financial effects of collateral held for the remaining financial assets are insignificant.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for net financing, advances and other financing/loans that are credit impaired as at 31 December 2025 for the Group and the Bank is 83.8% (2024: 81.5%).

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for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.2 Offsetting financial assets and financial liabilities****(a) Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements - by type**

	Gross amounts of recognised financial assets in the statement of financial position RM'000	Gross amounts of offsetted financial liabilities in the statement of financial position RM'000	Net amounts of financial assets in the statement of financial position RM'000	Related amounts not offsetted in the statement of financial position		Net amount RM'000
				Financial instruments RM'000	Financial collaterals RM'000	
The Group and the Bank						
31 December 2025						
<u>Financial assets</u>						
Reverse Collateralised Commodity Murabahah	1,681,048	-	1,681,048	-	(1,670,102)	10,946
Derivative assets	1,343,293	-	1,343,293	(229,700)	(1,082,915)	30,678
Total	3,024,341	-	3,024,341	(229,700)	(2,753,017)	41,624
31 December 2024						
<u>Financial assets</u>						
Reverse Collateralised Commodity Murabahah	1,734,605	-	1,734,605	-	(1,588,414)	146,191
Derivative assets	783,366	-	783,366	(562,229)	(64,283)	156,854
Total	2,517,971	-	2,517,971	(562,229)	(1,652,697)	303,045

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.2 Offsetting financial assets and financial liabilities (Continued)****(b) Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements - by type**

	Gross amounts of recognised financial liabilities in the statement of financial position RM'000	Gross amounts of offsetted financial assets in the statement of financial position RM'000	Net amounts of financial liabilities in the statement of financial position RM'000	Related amounts not offsetted in the statement of financial position		
				Financial instruments RM'000	Financial collaterals RM'000	Net amount RM'000
The Group and the Bank						
31 December 2025						
<u>Financial liabilities</u>						
Collateralised Commodity Murabahah	3,300,207	-	3,300,207	(3,300,207)	-	-
Derivative liabilities	1,189,351	-	1,189,351	(229,700)	-	959,651
Total	4,489,558	-	4,489,558	(3,529,907)	-	959,651
31 December 2024						
<u>Financial liabilities</u>						
Collateralised Commodity Murabahah	4,349,732	-	4,349,732	(4,349,732)	-	-
Derivative liabilities	629,503	-	629,503	(562,229)	-	67,274
Total	4,979,235	-	4,979,235	(4,911,961)	-	67,274

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.3 Concentration of risks of financial assets with credit risk exposure**

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

(a) Geographical sectors

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty as at 31 December 2025 and 31 December 2024 are as follows:

	The Group						Total
	31 December 2025						
	Malaysia	Indonesia	Singapore	United States	United Kingdom	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	7,986,567	992	5,519	4,001	924	129,680	8,127,683
Reverse Collateralised Commodity Murabahah	1,681,048	-	-	-	-	-	1,681,048
Deposits and placements with banks and other financial institutions	787,373	-	-	-	-	-	787,373
Financial investments at fair value through profit or loss	3,796,137	-	-	-	-	-	3,796,137
Debt instruments at fair value through other comprehensive income	11,523,289	-	-	-	-	-	11,523,289
Debt instruments at amortised cost	14,833,648	-	-	-	-	-	14,833,648
Islamic derivative financial instruments	1,334,587	-	-	-	-	8,706	1,343,293
Financing, advances and other financing/loans	143,547,477	-	-	-	-	-	143,547,477
Other assets	285,599	-	107,320	-	-	-	392,919
Amount due from holding company	1,205,463	-	-	-	-	-	1,205,463
Amount due from related companies	1,733	-	152	-	8	-	1,893
Financial guarantees	621,378	-	-	-	-	-	621,378
Credit related commitments and contingencies	28,969,309	1,034	78,060	-	-	252,843	29,301,246
Total credit exposures	216,573,608	2,026	191,051	4,001	932	391,229	217,162,847

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)****(a) Geographical sectors (Continued)**

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty as at 31 December 2025 and 31 December 2024 are as follows: (Continued)

	The Group						Total
	31 December 2024						
	Malaysia	Indonesia	Singapore	United States	United Kingdom	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	8,155,438	2,466	4,600	5,825	467	7,574	8,176,370
Reverse Collateralised Commodity Murabahah	1,734,605	-	-	-	-	-	1,734,605
Deposits and placements with banks and other financial institutions	603,136	-	-	-	-	-	603,136
Financial investments at fair value through profit or loss	5,560,117	-	-	-	-	-	5,560,117
Debt instruments at fair value through other comprehensive income	7,229,968	-	-	-	-	-	7,229,968
Debt instruments at amortised cost	14,582,905	-	-	-	-	-	14,582,905
Islamic derivative financial instruments	764,577	-	-	-	-	18,789	783,366
Financing, advances and other financing/loans	131,414,085	-	-	-	-	-	131,414,085
Other assets	174,637	-	8,446	-	-	170	183,253
Amount due from holding company and ultimate holding company	628,501	-	-	-	-	-	628,501
Amount due from related companies	4	-	46	-	1	-	51
Financial guarantees	498,641	-	-	-	-	-	498,641
Credit related commitments and contingencies	31,632,049	105	49,603	-	742	471,167	32,153,666
Total credit exposures	202,978,663	2,571	62,695	5,825	1,210	497,700	203,548,664

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)****(a) Geographical sectors (Continued)**

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty as at 31 December 2025 and 31 December 2024 are as follows: (Continued)

	The Bank 31 December 2025						Total RM'000
	Malaysia RM'000	Indonesia RM'000	Singapore RM'000	United States RM'000	United Kingdom RM'000	Others RM'000	
Cash and short-term funds	7,986,567	992	5,519	4,001	924	129,680	8,127,683
Reverse Collateralised Commodity Murabahah	1,681,048	-	-	-	-	-	1,681,048
Deposits and placements with banks and other financial institutions	787,373	-	-	-	-	-	787,373
Financial investments at fair value through profit or loss	3,796,137	-	-	-	-	-	3,796,137
Debt instruments at fair value through other comprehensive income	11,523,289	-	-	-	-	-	11,523,289
Debt instruments at amortised cost	14,833,648	-	-	-	-	-	14,833,648
Islamic derivative financial instruments	1,334,587	-	-	-	-	8,706	1,343,293
Financing, advances and other financing/loans	143,547,477	-	-	-	-	-	143,547,477
Other assets	285,599	-	107,320	-	-	-	392,919
Amount due from holding company	1,205,463	-	-	-	-	-	1,205,463
Amount due from related companies	1,733	-	152	-	8	-	1,893
Financial guarantees	621,378	-	-	-	-	-	621,378
Credit related commitments and contingencies	28,969,309	1,034	78,060	-	-	252,843	29,301,246
Total credit exposures	216,573,608	2,026	191,051	4,001	932	391,229	217,162,847

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)****(a) Geographical sectors (Continued)**

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) based on the location of the counterparty as at 31 December 2025 and 31 December 2024 are as follows: (Continued)

	The Bank 31 December 2024						Total RM'000
	Malaysia RM'000	Indonesia RM'000	Singapore RM'000	United States RM'000	United Kingdom RM'000	Others RM'000	
Cash and short-term funds	8,155,438	2,466	4,600	5,825	467	7,574	8,176,370
Reverse Collateralised Commodity Murabahah	1,734,605	-	-	-	-	-	1,734,605
Deposits and placements with banks and other financial institutions	603,136	-	-	-	-	-	603,136
Financial investments at fair value through profit or loss	5,560,117	-	-	-	-	-	5,560,117
Debt instruments at fair value through other comprehensive income	7,229,968	-	-	-	-	-	7,229,968
Debt instruments at amortised cost	14,582,905	-	-	-	-	-	14,582,905
Islamic derivative financial instruments	764,577	-	-	-	-	18,789	783,366
Financing, advances and other financing/loans	131,414,085	-	-	-	-	-	131,414,085
Other assets	174,637	-	8,446	-	-	170	183,253
Amount due from holding company and ultimate holding company	628,501	-	-	-	-	-	628,501
Amount due from related companies	4	-	46	-	1	-	51
Financial guarantees	498,641	-	-	-	-	-	498,641
Credit related commitments and contingencies	31,632,049	105	49,603	-	742	471,167	32,153,666
Total credit exposures	202,978,663	2,571	62,695	5,825	1,210	497,700	203,548,664

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows:

The Group
31 December 2025

	Cash and short-term funds	Reverse Collateralised Commodity Murabahah	Deposits and placements with banks and other financial institutions	Financial investments at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Islamic derivative financial instruments	Other financial assets [*]	Financing, advances and other financing/loans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	-	223,627	20,187	5	-	1,712,484	1,956,303
Mining and quarrying	-	-	-	-	121,295	-	21,394	-	94,842	237,531
Manufacturing	-	-	-	-	116,335	-	2,302	-	5,064,548	5,183,185
Electricity, gas and water supply	-	-	-	-	632,440	654,370	-	-	2,675,151	3,961,961
Construction	-	-	-	613,633	617,462	653,209	245	-	4,658,466	6,543,015
Transport, storage and communications	-	-	-	-	407,357	284,701	3,383	-	3,985,931	4,681,372
Education, health and others	-	-	-	-	-	-	-	-	3,590,936	3,590,936
Wholesale and retail trade, and restaurants and hotels	-	-	-	-	-	-	-	-	9,352,355	9,352,355
Finance, takaful, real estate and business activities	8,127,683	1,681,048	787,373	2,191,954	5,175,288	3,618,292	1,302,678	1,600,275	14,846,652	39,331,243
<i>Others</i>										
Household	-	-	-	-	-	-	-	-	97,565,866	97,565,866
Others	-	-	-	990,550	4,229,485	9,602,889	13,286	-	246	14,836,456
	8,127,683	1,681,048	787,373	3,796,137	11,523,289	14,833,648	1,343,293	1,600,275	143,547,477	187,240,223

*Other financial assets include amount due from holding company, related companies and other financial assets.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows: (Continued)

The Group
31 December 2024

	Cash and short-term funds	Reverse Collateralised Commodity Murabahah	Deposits and placements with banks and other financial institutions	Financial investments at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Islamic derivative financial instruments	Other financial assets *	Financing, advances and other financing/loans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	-	70,201	25,349	-	-	3,305,407	3,400,957
Mining and quarrying	-	-	-	-	127,424	634,852	6,022	-	110,096	878,394
Manufacturing	-	-	-	-	100,567	-	959	-	4,784,954	4,886,480
Electricity, gas and water supply	-	-	-	-	649,689	714,706	-	-	638,071	2,002,466
Construction	-	-	-	855,490	303,293	653,196	4	-	3,892,815	5,704,798
Transport, storage and communications	-	-	-	-	145,975	305,281	121	-	3,502,480	3,953,857
Education, health and others	-	-	-	-	-	-	-	-	2,850,492	2,850,492
Wholesale and retail trade, and restaurants and hotels	-	-	-	-	-	-	-	-	9,081,671	9,081,671
Finance, takaful, real estate and business activities	8,176,370	1,617,341	603,136	4,088,653	2,780,809	4,268,238	585,044	811,805	11,939,160	34,870,556
<u>Others</u>										
Household	-	-	-	-	-	-	-	-	91,303,217	91,303,217
Others	-	117,264	-	615,974	3,052,010	7,981,283	191,216	-	5,722	11,963,469
	8,176,370	1,734,605	603,136	5,560,117	7,229,968	14,582,905	783,366	811,805	131,414,085	170,896,357

*Other financial assets include amount due from holding company, related companies and other financial assets.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows: (Continued)

The Bank 31 December 2025										
	Cash and short- term funds	Reverse Collateralised Commodity Murabahah	Deposits and placements with banks and other financial institutions	Financial investments at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Islamic derivative financial instruments	Other financial assets *	Financing, advances and other financing/ loans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	-	223,627	20,187	5	-	1,712,484	1,956,303
Mining and quarrying	-	-	-	-	121,295	-	21,394	-	94,842	237,531
Manufacturing	-	-	-	-	116,335	-	2,302	-	5,064,548	5,183,185
Electricity, gas and water supply	-	-	-	-	632,440	654,370	-	-	2,675,151	3,961,961
Construction	-	-	-	613,633	617,462	653,209	245	-	4,658,466	6,543,015
Transport, storage and communications	-	-	-	-	407,357	284,701	3,383	-	3,985,931	4,681,372
Education, health and others	-	-	-	-	-	-	-	-	3,590,936	3,590,936
Wholesale and retail trade, and restaurants and hotels	-	-	-	-	-	-	-	-	9,352,355	9,352,355
Finance, takaful, real estate and business activities	8,127,683	1,681,048	787,373	2,191,954	5,175,288	3,618,292	1,302,678	1,600,275	14,846,652	39,331,243
<i>Others</i>										
Household	-	-	-	-	-	-	-	-	97,565,866	97,565,866
Others	-	-	-	990,550	4,229,485	9,602,889	13,286	-	246	14,836,456
	8,127,683	1,681,048	787,373	3,796,137	11,523,289	14,833,648	1,343,293	1,600,275	143,547,477	187,240,223

* Other financial assets include amount due from holding company, related companies and other financial assets.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)

(b) Industry sectors (Continued)

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for items recognised in the statements of financial position as at 31 December 2025 and 31 December 2024 based on the industry sectors are as follows: (Continued)

The Bank
31 December 2024

	Cash and short-term funds	Reverse Collateralised Commodity Murabahah	Deposits and placements with banks and other financial institutions	Financial investments at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Debt instruments at amortised cost	Islamic derivative financial instruments	Other financial assets *	Financing, advances and other financing/loans	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary agriculture	-	-	-	-	70,201	25,349	-	-	3,305,407	3,400,957
Mining and quarrying	-	-	-	-	127,424	634,852	6,022	-	110,096	878,394
Manufacturing	-	-	-	-	100,567	-	959	-	4,784,954	4,886,480
Electricity, gas and water supply	-	-	-	-	649,689	714,706	-	-	638,071	2,002,466
Construction	-	-	-	855,490	303,293	653,196	4	-	3,892,815	5,704,798
Transport, storage and communications	-	-	-	-	145,975	305,281	121	-	3,502,480	3,953,857
Education, health and others	-	-	-	-	-	-	-	-	2,850,492	2,850,492
Wholesale and retail trade, and restaurants and hotels	-	-	-	-	-	-	-	-	9,081,671	9,081,671
Finance, takaful, real estate and business activities	8,176,370	1,617,341	603,136	4,088,653	2,780,809	4,268,238	585,044	811,805	11,939,160	34,870,556
<i>Others</i>										
Household	-	-	-	-	-	-	-	-	91,303,217	91,303,217
Others	-	117,264	-	615,974	3,052,010	7,981,283	191,216	-	5,722	11,963,469
	8,176,370	1,734,605	603,136	5,560,117	7,229,968	14,582,905	783,366	811,805	131,414,085	170,896,357

* Other financial assets include amount due from holding company, related companies and other financial assets.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.3 Concentration of risks of financial assets with credit risk exposure (Continued)****(b) Industry sectors (Continued)**

The analysis of credit risk concentrations (without taking into account any collateral held or other credit enhancements) for financial guarantees and credit related commitments and contingencies, based on the industry sectors are as follows:

	The Group and the Bank			
	31 December 2025		31 December 2024	
	Financial guarantees	Credit related commitments and contingencies	Financial guarantees	Credit related commitments and contingencies
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	2,773	1,521,918	4,024	906,790
Mining and quarrying	15,995	304,353	9,594	259,190
Manufacturing	99,352	2,563,989	88,423	2,682,418
Electricity, gas and water supply	35,689	2,003,749	23,535	3,959,332
Construction	187,912	4,236,103	152,250	4,485,542
Transport, storage and communications	20,957	1,353,626	17,634	1,907,662
Education, health and others	5,168	400,472	13,202	911,640
Wholesale and retail trade, and restaurants and hotels	218,417	3,647,145	165,742	3,449,373
Finance, takaful, real estate and business activities	32,407	3,984,090	24,092	3,702,488
<u>Others</u>				
Household	2,708	9,285,801	145	9,888,546
Others	-	-	-	685
	621,378	29,301,246	498,641	32,153,666

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.4 Credit quality of financial assets

(a) Financial assets using General 3-stage approach

Where expected credit loss model is applied, the credit quality of financial instruments subject to credit risk are assessed by reference to internal rating system adopted by the Group and the Bank, as summarised below:

Financing, advances and other financing/loans and financing commitment and financial guarantees

Rating classification	Internal rating label
Good	1 to 17
Satisfactory	18 to 25
Impaired	26 and above

Other financial instruments

Rating classification	Internal rating label
Investment grade (IG)	1 to 10
Non-investment grade	11 to 25
Impaired	26 and above

Other financial instruments include cash and short-term funds, deposits and placements with banks and other financial institutions, reverse collateralised Commodity Murabahah, debt instruments at fair value through other comprehensive income, debt instruments at amortised cost, amount due from intercompany balances and other assets.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.4 Credit quality of financial assets (Continued)

(a) Financial assets using General 3-stage approach (Continued)

Credit quality description can be summarised as follows:

Good – There is a high likelihood of the asset being recovered in full and therefore, of no cause for concern to the Group and the Bank.

Satisfactory – There is concern over the counterparty's ability to make payments when due. However, these have not yet converted to actual delinquency and the counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and profit.

Investment Grade – It refers to the credit quality of the financial asset where there is a relatively low risk of credit default as the issuer of the financial asset has a high likelihood to meet payment obligations.

Non-investment Grade – There is concern over the credit quality of the financial asset due to the issuer's ability to repay its obligation when due.

No rating – This includes exposures under the Standardised Approach and those where ratings are not available and portfolio average were applied.

Impaired – Refers to the asset that is being impaired.

Sovereign – Refers to exposures relate to government and central bank.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.4 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

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

The Group and the Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL-not credit impaired (Stage 2) RM'000	Lifetime ECL-credit impaired (Stage 3) RM'000	Total RM'000
Cash and short-term fund and deposits and placement with banks and other financial institutions				
2025				
Sovereign	1,452	-	-	1,452
Investment grade	901,026	-	-	901,026
Non-investment grade	1,797	-	-	1,797
No rating	8,010,833	-	-	8,010,833
Gross carrying amount	8,915,108	-	-	8,915,108
Total ECL	(52)	-	-	(52)
Net carrying amount	8,915,056	-	-	8,915,056
2024				
Sovereign	220	-	-	220
Investment grade	185,911	-	-	185,911
Non-investment grade	2,077	-	-	2,077
No rating	8,591,384	-	-	8,591,384
Gross carrying amount	8,779,592	-	-	8,779,592
Total ECL	(86)	-	-	(86)
Net carrying amount	8,779,506	-	-	8,779,506

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for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.4 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

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

The Group and the Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL-not credit impaired (Stage 2) RM'000	Lifetime ECL-credit impaired (Stage 3) RM'000	Total RM'000
Reverse Collateralised Commodity Murabahah, at amortised cost				
2025				
Investment grade	435,576	-	-	435,576
No rating	1,245,472	-	-	1,245,472
Gross carrying amount	1,681,048	-	-	1,681,048
Total ECL	-	-	-	-
Net carrying amount	1,681,048	-	-	1,681,048
2024				
No rating	1,734,605	-	-	1,734,605
Gross carrying amount	1,734,605	-	-	1,734,605
Total ECL	-	-	-	-
Net carrying amount	1,734,605	-	-	1,734,605

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

The Group and the Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL-not credit impaired (Stage 2) RM'000	Lifetime ECL-credit impaired (Stage 3) RM'000	Total RM'000
Debt instruments at fair value through other comprehensive income				
2025				
Sovereign	5,547,821	-	-	5,547,821
Investment grade	3,528,068	-	-	3,528,068
Non-investment grade	2,447,400	-	-	2,447,400
Gross carrying amount*	11,523,289	-	-	11,523,289
Total ECL ^^	(2,082)	-	-	(2,082)
Net carrying amount	11,521,207	-	-	11,521,207
2024				
Sovereign	3,841,992	-	-	3,841,992
Investment grade	2,044,107	-	-	2,044,107
Non-investment grade	1,343,869	-	-	1,343,869
Gross carrying amount*	7,229,968	-	-	7,229,968
Total ECL ^^	(2,226)	-	-	(2,226)
Net carrying amount	7,227,742	-	-	7,227,742

* This represents the fair value of the securities.

^^ The ECL is recognised in other comprehensive income instead of in the statement of financial position as the carrying amount of debt instruments at fair value through other comprehensive income are equivalent to their fair value.

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

The Group and the Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL-not credit impaired (Stage 2) RM'000	Lifetime ECL-credit impaired (Stage 3) RM'000	Total RM'000
Debt instruments at amortised cost				
2025				
Sovereign	13,000,477	-	-	13,000,477
Investment grade	874,116	-	-	874,116
Non-investment grade	959,374	-	-	959,374
Gross carrying amount	14,833,967	-	-	14,833,967
Total ECL	(319)	-	-	(319)
Net carrying amount	14,833,648	-	-	14,833,648
2024				
Sovereign	11,642,691	-	-	11,642,691
Investment grade	1,792,782	-	-	1,792,782
Non-investment grade	512,953	-	-	512,953
Impaired	-	-	634,852	634,852
Gross carrying amount	13,948,426	-	634,852	14,583,278
Total ECL	(373)	-	-	(373)
Net carrying amount	13,948,053	-	634,852	14,582,905

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

The Group and the Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL-not credit impaired (Stage 2) RM'000	Lifetime ECL-credit impaired (Stage 3) RM'000	Total RM'000
Financing, advances and other financing/loans at amortised cost				
2025				
Good	87,676,129	1,404,297	-	89,080,426
Satisfactory	32,213,277	8,077,554	-	40,290,831
Impaired	-	-	1,625,201	1,625,201
No rating	13,948,638	273,878	-	14,222,516
Gross carrying amount	133,838,044	9,755,729	1,625,201	145,218,974
Total ECL	(493,769)	(465,583)	(712,145)	(1,671,497)
Net carrying amount	133,344,275	9,290,146	913,056	143,547,477
2024				
Good	75,756,704	625,055	-	76,381,759
Satisfactory	31,318,604	7,518,795	-	38,837,399
Impaired	-	-	1,612,230	1,612,230
No rating	16,124,461	229,536	-	16,353,997
Gross carrying amount	123,199,769	8,373,386	1,612,230	133,185,385
Total ECL	(597,024)	(490,886)	(683,390)	(1,771,300)
Net carrying amount	122,602,745	7,882,500	928,840	131,414,085
Other assets				
2025				
Sovereign	116,341	-	-	116,341
Investment grade	243,656	-	-	243,656
Impaired	-	-	459	459
No rating	71,683	-	-	71,683
Gross carrying amount	431,680	-	459	432,139
Total ECL	(54,172)	-	(459)	(54,631)
Net carrying amount	377,508	-	-	377,508
2024				
Sovereign	116,266	-	-	116,266
Investment grade	76,951	-	-	76,951
Impaired	-	-	534	534
No rating	28,884	-	-	28,884
Gross carrying amount	222,101	-	534	222,635
Total ECL	(54,172)	-	(534)	(54,706)
Net carrying amount	167,929	-	-	167,929

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

The Group and the Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL-not credit impaired (Stage 2) RM'000	Lifetime ECL-credit impaired (Stage 3) RM'000	Total RM'000
Intercompany balances				
2025				
Investment grade	1,207,356	-	-	1,207,356
Gross carrying amount	1,207,356	-	-	1,207,356
Total ECL	-	-	-	-
Net carrying amount	1,207,356	-	-	1,207,356
2024				
Investment grade	628,552	-	-	628,552
Gross carrying amount	628,552	-	-	628,552
Total ECL	-	-	-	-
Net carrying amount	628,552	-	-	628,552

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for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.4 Credit quality of financial assets (Continued)****(a) Financial assets using General 3-stage approach (Continued)**

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

The Group and the Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL-not credit impaired (Stage 2) RM'000	Lifetime ECL-credit impaired (Stage 3) RM'000	Total RM'000
Financing commitments and financial guarantee contracts				
2025				
Good	21,155,040	137,861	-	21,292,901
Satisfactory	2,883,257	406,266	-	3,289,523
Impaired	-	-	34,459	34,459
No rating	5,303,906	1,835	-	5,305,741
Gross carrying amount	29,342,203	545,962	34,459	29,922,624
Total ECL	(24,186)	(13,844)	(22,128)	(60,158)
Net carrying amount	29,318,017	532,118	12,331	29,862,466
2024				
Good	18,691,111	110,906	-	18,802,017
Satisfactory	2,156,403	329,579	-	2,485,982
Impaired	-	-	81,779	81,779
No rating	11,281,321	1,208	-	11,282,529
Gross carrying amount	32,128,835	441,693	81,779	32,652,307
Total ECL	(30,882)	(8,937)	(25,864)	(65,683)
Net carrying amount	32,097,953	432,756	55,915	32,586,624

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.4 Credit quality of financial assets (Continued)

(a) Financial assets using General 3-stage approach (Continued)

(i) Analysis of credit quality of financing, advances and other financing/loans by product

The Group and the Bank
2025

Financing, advances and other financing/loans at amortised cost

	Cashline RM'000	Term financing RM'000	Bill receivable RM'000	Claims on customers under acceptance		Staff financing RM'000	Credit card receivables RM'000	Revolving credits RM'000	Total gross carrying amount RM'000
				Islamic trust receipts RM'000	credits RM'000				
12-month ECL (Stage 1)	1,645,904	120,276,371	977,129	10,046	927,813	356,980	775,351	8,868,450	133,838,044
- Good	803,936	75,952,035	805,881	7,916	730,659	356,980	354,709	8,664,013	87,676,129
- Satisfactory	186,063	31,111,001	127,913	766	181,470	-	401,627	204,437	32,213,277
- No rating	655,905	13,213,335	43,335	1,364	15,684	-	19,015	-	13,948,638
Lifetime ECL not credit-impaired (Stage 2)	373,448	7,828,965	455,699	7,563	359,861	1,196	36,973	692,024	9,755,729
- Good	100,582	754,206	248,344	-	238,330	-	159	62,676	1,404,297
- Satisfactory	259,634	6,814,135	207,355	7,563	121,531	1,196	36,792	629,348	8,077,554
- No rating	13,232	260,624	-	-	-	-	22	-	273,878
Lifetime ECL credit-impaired (Stage 3)	49,264	1,522,671	19,345	-	10,287	-	13,542	10,092	1,625,201
- Impaired	49,264	1,522,671	19,345	-	10,287	-	13,542	10,092	1,625,201
Total	2,068,616	129,628,007	1,452,173	17,609	1,297,961	358,176	825,866	9,570,566	145,218,974

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.4 Credit quality of financial assets (Continued)

(a) Financial assets using General 3-stage approach (Continued)

(i) Analysis of credit quality of financing, advances and other financing/loans by product (Continued)

The Group and the Bank
2024

	Financing, advances and other financing/loans at amortised cost								
	Claims on customers								
	Cashline	Term financing	Bill receivable	Islamic trust receipts	under acceptance credits	Staff financing	Credit card receivables	Revolving credits	Total gross carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12-month ECL (Stage 1)	1,537,318	112,529,395	784,802	11,791	1,012,461	338,656	532,369	6,452,977	123,199,769
- Good	764,583	68,749,851	410,454	3,726	435,880	338,275	222,512	4,831,423	75,756,704
- Satisfactory	170,966	30,693,217	46,562	946	106,607	-	294,386	5,920	31,318,604
- No rating	601,769	13,086,327	327,786	7,119	469,974	381	15,471	1,615,634	16,124,461
Lifetime ECL not credit-impaired (Stage 2)	320,755	6,823,199	306,588	3,131	185,164	247	18,253	716,049	8,373,386
- Good	85,223	365,748	21,846	-	37,295	-	149	114,794	625,055
- Satisfactory	221,047	6,242,427	284,742	3,131	147,869	247	18,077	601,255	7,518,795
- No rating	14,485	215,024	-	-	-	-	27	-	229,536
Lifetime ECL credit-impaired (Stage 3)	39,442	1,504,110	6,427	904	10,938	-	7,896	42,513	1,612,230
- Impaired	39,442	1,504,110	6,427	904	10,938	-	7,896	42,513	1,612,230
Total	1,897,515	120,856,704	1,097,817	15,826	1,208,563	338,903	558,518	7,211,539	133,185,385

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.4 Credit quality of financial assets (Continued)

(b) Financial assets using simplified approach

Analysis of other assets by credit rating

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

The Group and the Bank

Rating classification	Internal rating label	External credit rating
Investment grade (IG)	1 to 10	AAA to BBB-
Non-investment grade	11 to 28	BB+ and below

Credit quality description can be summarised below:

Investment Grade – It refers to the credit quality of the financial asset where there is a relatively low risk of credit default as the issuer of the financial asset has a high likelihood to meet payment obligations.

Non-investment Grade – There is concern over the credit quality of the financial asset due to the issuer’s ability to repay its obligation when due.

No rating – This includes exposures where ratings are not available and portfolio average were applied.

Sovereign – Refers to exposures relate to government and central bank.

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for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.1 Credit Risk (Continued)****53.1.4 Credit quality of financial assets (Continued)****(b) Financial assets using simplified approach (Continued)****Analysis of other assets by credit rating (Continued)**

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

The Group and the Bank

	Investment grade (AAA to BBB-) RM'000	No rating RM'000	Gross carrying amount RM'000	ECL RM'000	Net carrying amount RM'000
2025					
Other assets	-	15,517	15,517	(106)	15,411
Total	-	15,517	15,517	(106)	15,411
2024					
Other assets	-	15,447	15,447	(123)	15,324
Total	-	15,447	15,447	(123)	15,324

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.5 Repossessed collateral

The Group and the Bank have not taken possession of any collateral held as security.

53.1.6 Modification of financing, advances and other financing/loans

The following table provides information on financial assets that were modified while they had a loss allowance measured at an amount equal to lifetime ECL – not credit impaired (Stage 2):

	The Group and the Bank	
	31 December 2025	31 December 2024
	RM'000	RM'000
Amortised cost before modification	-	4,308
Modification loss	-	(1)
Amortised cost after modification	-	4,307

Gross carrying amounts of financing, advances and other financing/loans of the Group and the Bank as at 31 December 2025, for which loss allowance has changed to 12-month measurement during the financial year amounting to RM Nil (31 December 2024: RM Nil) respectively.

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

53 Financial Risk Management (Continued)

53.1 Credit Risk (Continued)

53.1.7 Overlays and adjustments for expected credit losses

In the post-COVID-19 environment, the Group continued to apply overlays and post-model adjustments to address economic uncertainties and external risks including, but not limited to, international trade trends, the prevailing effects of high policy rates and inflation, as well as the potential consequences of global geopolitical tensions for the adequacy of the overall level of ECL for the financial year ended 31 December 2025.

These overlays and post-model adjustments were applied to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact on delinquencies and defaults arising from the potential risks mentioned above.

The overlays and post-model adjustments involved a significant level of judgement and have reflected the management's views on the severity of post-pandemic impacts and paths to recovery in the forward-looking assessment of ECL estimation.

The impact of these overlays and post-model adjustments is estimated at the portfolio level, which remains outside the core MFRS 9 process and amounts to RM296.6 million (2024: RM366.0 million) of the Group's ECL on financing, advances and other financing/loans (including undisbursed financing, advances and other financing/loans). Total overlays for ECL inclusive of the macro-economic adjustments is maintained by the Group within financing, advances and other financing/loans as at 31 December 2025.

In addition, the Group has performed climate risk assessment on property-backed financing exposures in Malaysia, focusing on physical climate risks using forward-looking climate scenarios commonly applied in climate risk analysis. The results of the assessment were considered as part of management's forward-looking credit risk evaluation. Based on the assessment, management concluded that the climate-related physical risks are not expected to have a material impact on expected credit losses as at the reporting date, and accordingly no additional expected credit losses were recognised.

The Group recognises that climate-related risks, data and methodologies continue to evolve and will continue to enhance its monitoring of both physical and transition climate risks across its operating geographies. Adjustments to expected credit losses will be incorporated where future assessments indicate a material impact on the Group's carrying amounts of financial assets. This approach is consistent with the requirements of MFRS 9 and aligns with the disclosure objectives of IFRS S2, ensuring that climate-related risks are appropriately considered within the Group's governance, strategy, risk management and metrics frameworks.

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

53 Financial Risk Management (Continued)

53.2 Market Risk

Market risk is defined as fluctuations in the value of financial instruments due to changes in market risk factors such as profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility.

Market Risk Management (“MRM”)

The Group hedges the exposures to market risk by employing various strategies, including the use of derivative instruments.

The Group adopts various measures as part of the risk management process. The GRCC with the assistance of GMCRC and its delegated committees ensure that the risk exposures undertaken by the Group is within the risk appetite approved by the Board.

Market Risk CoE is responsible for measuring and controlling the Group’s market risk through robust measurement and market risk limit monitoring while facilitating business growth within a controlled and transparent risk management framework.

Market Risk CoE evaluates the market exposures using the applicable market price and pricing model. The valuation process is carried out with the independent price verification requirements to ensure that financial assets/liabilities are recorded at fair value. The valuation methods and models used are validated by Market Risk Management quantitative analysts to assess their applicability relative to market conditions.

The Group adopts the VaR methodology as an approach in the measurement of market risk. VaR is a statistical measure of the potential losses that could occur as a result of movements in market rates and prices over a specified time horizon within a given confidence level. The usage of market VaR by risk type based on 1-day holding period of the Group’s and the Bank’s trading exposures as at 31 December 2025 is shown in Note 53.2.1.

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

Market Risk Management (“MRM”) (Continued)

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

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

Capital Treatment for Market Risk

At present, the Group adopts the Standardised Approach to compute market risk capital requirement under BNM’s guidelines on Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Risk-Weighted Assets).

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.1 VaR**

The usage of market VaR by risk type based on 1-day holding period of the Group's and the Bank's trading exposures are set out below:

	The Group		The Bank	
	31 December 2025 RM'000	31 December 2024 RM'000	31 December 2025 RM'000	31 December 2024 RM'000
VaR				
Foreign exchange risk	813	221	813	221
Profit rate risk	830	854	830	854
Total	1,643	1,075	1,643	1,075
Total shareholder's funds	12,022,096	10,884,786	12,022,061	10,884,751
Percentage over shareholder's funds	0.01%	0.01%	0.01%	0.01%

53.2.2 Profit rate risk

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

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

(a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates:

The Group 31 December 2025	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial assets									
Cash and short-term funds	8,118,425	-	-	-	-	-	9,258	-	8,127,683
Reverse Collateralised Commodity Murabahah	1,474,208	202,881	-	-	-	-	3,959	-	1,681,048
Deposits and placements with banks and other financial institutions	-	606,250	179,948	-	-	-	1,175	-	787,373
Financial investments at fair value through profit or loss	-	-	-	-	-	-	-	3,796,137	3,796,137
Debt instruments at fair value through other comprehensive income	-	5,017	145,172	326,853	5,617,444	5,312,623	116,180	-	11,523,289
Debt instruments at amortised cost	65,354	150,125	370,135	600,794	5,234,467	8,272,285	140,488	-	14,833,648
Islamic derivative financial instruments	-	-	164	3,429	49,104	168,163	-	1,122,433	1,343,293
Financing, advances and other financing/loans	116,047,415	2,385,154	2,785,210	507,712	6,636,340	15,185,646	-	-	143,547,477
Other assets	47,558	-	-	-	-	-	345,361	-	392,919
Amount due from holding company	-	-	-	-	-	-	1,205,463	-	1,205,463
Amount due from related companies	-	-	-	-	-	-	1,893	-	1,893
Total financial assets	125,752,960	3,349,427	3,480,629	1,438,788	17,537,355	28,938,717	1,823,777	4,918,570	187,240,223

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

(a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Group 31 December 2025	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial liabilities									
Deposits from customers	56,631,381	21,085,268	18,158,815	16,222,918	887,328	10,439	1,557,681	-	114,553,830
Investment accounts of customers	9,745,587	13,299,060	7,614,839	1,137,556	856	-	493,873	-	32,291,771
Deposits and placements of banks and other financial institutions	3,339,100	1,009,375	658,591	-	-	-	18,255	-	5,025,321
Collateralised Commodity Murabahah	1,094,092	1,236,578	959,956	-	-	-	9,581	-	3,300,207
Investment accounts due to designated financial institutions	2,797,195	-	-	-	-	-	3,639	-	2,800,834
Financial liabilities designated at fair value through profit or loss	1,715	54,186	181,343	70,797	1,877,742	-	9,989	(27,968)	2,167,804
Islamic derivative financial instruments	-	-	-	327	7,322	-	-	1,181,702	1,189,351
Amount due to related companies	-	-	-	-	-	-	440	-	440
Other liabilities	1,130,796	-	98	-	-	-	487,161	-	1,618,055
Recourse obligation on loans and financing sold to Cagamas	-	-	-	541,821	2,273,003	819,105	17,668	-	3,651,597
Senior Sukuk	-	320,000	-	100,356	1,592,617	6,417,045	98,468	-	8,528,486
Subordinated sukuk	-	-	-	-	1,700,000	-	14,781	-	1,714,781
Total financial liabilities	74,739,866	37,004,467	27,573,642	18,073,775	8,338,868	7,246,589	2,711,536	1,153,734	176,842,477
Net profit sensitivity gap	51,013,094	(33,655,040)	(24,093,013)	(16,634,987)	9,198,487	21,692,128		3,764,836	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	621,378	-	621,378
Credit related commitments and contingencies	-	-	-	-	-	-	29,301,246	-	29,301,246
Treasury related commitments and contingencies (hedging)	-	-	50,000	825,000	3,945,000	6,200,000	-	-	11,020,000
Net profit sensitivity gap	-	-	50,000	825,000	3,945,000	6,200,000	29,922,624	-	40,942,624

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

(a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Group 31 December 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial assets									
Cash and short-term funds	8,165,377	-	-	-	-	-	10,993	-	8,176,370
Reverse Collateralised Commodity Murabahah	1,115,475	301,278	-	309,025	-	-	8,827	-	1,734,605
Deposits and placements with banks and other financial institutions	-	402,817	199,914	-	-	-	405	-	603,136
Financial investments at fair value through profit or loss	-	-	-	-	-	-	-	5,560,117	5,560,117
Debt instruments at fair value through other comprehensive income	14,998	40,036	35,083	541,719	2,999,549	3,528,505	70,078	-	7,229,968
Debt instruments at amortised cost	25,002	164,977	390,099	760,030	5,403,805	7,589,879	249,113	-	14,582,905
Islamic derivative financial instruments	-	-	-	225	32,454	86,720	-	663,967	783,366
Financing, advances and other financing/loans	105,732,604	2,843,392	771,254	98,795	6,150,649	15,817,391	-	-	131,414,085
Other assets	27,369	-	-	-	-	-	155,884	-	183,253
Amount due from holding company and ultimate holding company	-	-	-	-	-	-	628,501	-	628,501
Amount due from related companies	-	-	-	-	-	-	51	-	51
Total financial assets	115,080,825	3,752,500	1,396,350	1,709,794	14,586,457	27,022,495	1,123,852	6,224,084	170,896,357

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

(a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Group 31 December 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial liabilities									
Deposits from customers	54,855,387	21,606,907	18,061,977	12,498,879	888,737	10,307	1,130,230	-	109,052,424
Investment accounts of customers	3,931,239	6,536,126	7,371,843	5,660,764	621,395	-	321,943	-	24,443,310
Deposits and placements of banks and other financial institutions	2,493,281	1,350,635	110,000	478,748	-	-	20,115	-	4,452,779
Collateralised Commodity Murabahah	1,216,512	1,878,960	1,236,934	-	-	-	17,326	-	4,349,732
Investment accounts due to designated financial institutions	2,923,060	-	-	-	-	-	4,221	-	2,927,281
Financial liabilities designated at fair value through profit or loss	-	851	48,556	8,989	3,105,438	-	16,339	(54,450)	3,125,723
Islamic derivative financial instruments	-	-	-	-	6,330	-	-	623,173	629,503
Amount due to ultimate holding company	-	-	-	-	-	-	4	-	4
Amount due to related companies	-	-	-	-	-	-	348	-	348
Other liabilities	89,670	196	147	-	19,900	-	547,187	-	657,100
Lease liabilities	-	-	-	-	-	-	-	-	-
Recourse obligation on loans and financing sold to Cagamas	-	-	-	473,000	2,316,053	807,625	18,099	-	3,614,777
Senior Sukuk	-	120,000	-	-	1,379,721	6,148,871	92,837	-	7,741,429
Subordinated sukuk	-	-	-	-	1,500,000	-	13,741	-	1,513,741
Total financial liabilities	65,509,149	31,493,675	26,829,457	19,120,380	9,837,574	6,966,803	2,182,390	568,723	162,508,151
Net profit sensitivity gap	49,571,676	(27,741,175)	(25,433,107)	(17,410,586)	4,748,883	20,055,692		5,655,361	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	498,641	-	498,641
Credit related commitments and contingencies	-	-	-	-	-	-	32,153,666	-	32,153,666
Treasury related commitments and contingencies (hedging)	-	-	-	16,925	4,520,000	6,500,000	-	-	11,036,925
Net profit sensitivity gap	-	-	-	16,925	4,520,000	6,500,000	32,652,307	-	43,689,232

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

- (a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Bank 31 December 2025	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial assets									
Cash and short-term funds	8,118,425	-	-	-	-	-	9,258	-	8,127,683
Reverse Collateralised Commodity Murabahah	1,474,208	202,881	-	-	-	-	3,959	-	1,681,048
Deposits and placements with banks and other financial institutions	-	606,250	179,948	-	-	-	1,175	-	787,373
Financial investments at fair value through profit or loss	-	-	-	-	-	-	-	3,796,137	3,796,137
Debt instruments at fair value through other comprehensive income	-	5,017	145,172	326,853	5,617,444	5,312,623	116,180	-	11,523,289
Debt instruments at amortised cost	65,354	150,125	370,135	600,794	5,234,467	8,272,285	140,488	-	14,833,648
Islamic derivative financial instruments	-	-	164	3,429	49,104	168,163	-	1,122,433	1,343,293
Financing, advances and other financing/loans	116,047,415	2,385,154	2,785,210	507,712	6,636,340	15,185,646	-	-	143,547,477
Other assets	47,558	-	-	-	-	-	345,361	-	392,919
Amount due from holding company	-	-	-	-	-	-	1,205,463	-	1,205,463
Amount due from related companies	-	-	-	-	-	-	1,893	-	1,893
Total financial assets	125,752,960	3,349,427	3,480,629	1,438,788	17,537,355	28,938,717	1,823,777	4,918,570	187,240,223

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

(a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Bank 31 December 2025	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial liabilities									
Deposits from customers	56,631,381	21,085,268	18,158,815	16,222,918	887,328	10,439	1,557,681	-	114,553,830
Investment accounts of customers	9,745,587	13,299,060	7,614,839	1,137,556	856	-	493,873	-	32,291,771
Deposits and placements of banks and other financial institutions	3,339,100	1,009,375	658,591	-	-	-	18,255	-	5,025,321
Collateralised Commodity Murabahah	1,094,092	1,236,578	959,956	-	-	-	9,581	-	3,300,207
Investment accounts due to designated financial institutions	2,797,195	-	-	-	-	-	3,639	-	2,800,834
Financial liabilities designated at fair value through profit or loss	1,715	54,186	181,343	70,797	1,877,742	-	9,989	(27,968)	2,167,804
Islamic derivative financial instruments	-	-	-	327	7,322	-	-	1,181,702	1,189,351
Amount due to subsidiaries	-	-	-	-	-	-	46	-	46
Amount due to related company	-	-	-	-	-	-	440	-	440
Other liabilities	1,130,796	-	98	-	-	-	487,161	-	1,618,055
Recourse obligation on loans and financing sold to Cagamas	-	-	-	541,821	2,273,003	819,105	17,668	-	3,651,597
Senior Sukuk	-	320,000	-	100,356	1,592,617	6,417,045	98,468	-	8,528,486
Subordinated sukuk	-	-	-	-	1,700,000	-	14,781	-	1,714,781
Total financial liabilities	74,739,866	37,004,467	27,573,642	18,073,775	8,338,868	7,246,589	2,711,582	1,153,734	176,842,523
Net profit sensitivity gap	51,013,094	(33,655,040)	(24,093,013)	(16,634,987)	9,198,487	21,692,128		3,764,836	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	621,378	-	621,378
Credit related commitments and contingencies	-	-	-	-	-	-	29,301,246	-	29,301,246
Treasury related commitments and contingencies (hedging)	-	-	50,000	825,000	3,945,000	6,200,000	-	-	11,020,000
Net profit sensitivity gap	-	-	50,000	825,000	3,945,000	6,200,000	29,922,624	-	40,942,624

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

- (a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Bank 31 December 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial assets									
Cash and short-term funds	8,165,377	-	-	-	-	-	10,993	-	8,176,370
Reverse Collateralised Commodity Murabahah	1,115,475	301,278	-	309,025	-	-	8,827	-	1,734,605
Deposits and placements with banks and other financial institutions	-	402,817	199,914	-	-	-	405	-	603,136
Financial investments at fair value through profit or loss	-	-	-	-	-	-	-	5,560,117	5,560,117
Debt instruments at fair value through other comprehensive income	14,998	40,036	35,083	541,719	2,999,549	3,528,505	70,078	-	7,229,968
Debt instruments at amortised cost	25,002	164,977	390,099	760,030	5,403,805	7,589,879	249,113	-	14,582,905
Islamic derivative financial instruments	-	-	-	225	32,454	86,720	-	663,967	783,366
Financing, advances and other financing/loans	105,732,604	2,843,392	771,254	98,795	6,150,649	15,817,391	-	-	131,414,085
Other assets	27,369	-	-	-	-	-	155,884	-	183,253
Amount due from holding company and ultimate holding company	-	-	-	-	-	-	628,501	-	628,501
Amount due from related companies	-	-	-	-	-	-	51	-	51
Total financial assets	115,080,825	3,752,500	1,396,350	1,709,794	14,586,457	27,022,495	1,123,852	6,224,084	170,896,357

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

53 Financial Risk Management (Continued)

53.2 Market Risk (Continued)

53.2.2 Profit rate risk (Continued)

(a) The tables below summarise the Group's and the Bank's financial assets and financial liabilities at their full carrying amounts, analysed by the earlier of contractual repricing or maturity dates: (Continued)

The Bank 31 December 2024	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000		
Financial liabilities									
Deposits from customers	54,855,387	21,606,907	18,061,977	12,498,879	888,737	10,307	1,130,230	-	109,052,424
Investment accounts of customers	3,931,239	6,536,126	7,371,843	5,660,764	621,395	-	321,943	-	24,443,310
Deposits and placements of banks and other financial institutions	2,493,281	1,350,635	110,000	478,748	-	-	20,115	-	4,452,779
Collateralised Commodity Murabahah	1,216,512	1,878,960	1,236,934	-	-	-	17,326	-	4,349,732
Investment accounts due to designated financial institutions	2,923,060	-	-	-	-	-	4,221	-	2,927,281
Financial liabilities designated at fair value through profit or loss	-	851	48,556	8,989	3,105,438	-	16,339	(54,450)	3,125,723
Islamic derivative financial instruments	-	-	-	-	6,330	-	-	623,173	629,503
Amount due to ultimate holding company	-	-	-	-	-	-	4	-	4
Amount due to subsidiaries	-	-	-	-	-	-	46	-	46
Amount due to related company	-	-	-	-	-	-	348	-	348
Other liabilities	89,670	196	147	-	19,900	-	547,187	-	657,100
Lease liabilities	-	-	-	-	-	-	-	-	-
Recourse obligation on loans and financing sold to Cagamas	-	-	-	473,000	2,316,053	807,625	18,099	-	3,614,777
Senior Sukuk	-	120,000	-	-	1,379,721	6,148,871	92,837	-	7,741,429
Subordinated sukuk	-	-	-	-	1,500,000	-	13,741	-	1,513,741
Total financial liabilities	65,509,149	31,493,675	26,829,457	19,120,380	9,837,574	6,966,803	2,182,436	568,723	162,508,197
Net profit sensitivity gap	49,571,676	(27,741,175)	(25,433,107)	(17,410,586)	4,748,883	20,055,692		5,655,361	
Financial guarantees and commitments and contingencies									
Financial guarantees	-	-	-	-	-	-	498,641	-	498,641
Credit related commitments and contingencies	-	-	-	-	-	-	32,153,666	-	32,153,666
Treasury related commitments and contingencies (hedging)	-	-	-	16,925	4,520,000	6,500,000	-	-	11,036,925
Net profit sensitivity gap	-	-	-	16,925	4,520,000	6,500,000	32,652,307	-	43,689,232

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.2 Profit rate risk (Continued)****(b) Sensitivity of profit and reserves****(i) Sensitivity of profit**

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

	The Group and the Bank			
	31 December 2025		31 December 2024	
	Increase/(Decrease)		Increase/(Decrease)	
	+ 100 basis points RM'000	- 100 basis points RM'000	+ 100 basis points RM'000	- 100 basis points RM'000
Impact to profit (after tax)	12,292	(12,292)	31,403	(31,403)

Sensitivity is measured using the EaR methodology. The treatments and assumptions applied are based on the contractual repricing maturity and remaining maturity of the products, whichever is earlier. Items with indefinite repricing are profiled based on core balance assumptions. The actual dates may vary from the repricing profile allocated due to factors such as pre-mature withdrawals, prepayment and so forth.

A 100 bps parallel rate movement is applied to the yield curve to model the potential impact on profit in the next 12 months from policy rate change.

The projection assumes that profit rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.2 Profit rate risk (Continued)****(b) Sensitivity of profit and reserves (Continued)****(ii) Sensitivity of reserves**

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

	The Group and the Bank			
	31 December 2025		31 December 2024	
	Increase/(Decrease)		Increase/(Decrease)	
	+ 100 basis points RM'000	- 100 basis points RM'000	+ 100 basis points RM'000	- 100 basis points RM'000
Impact to revaluation reserve - debt instruments at fair value through other comprehensive income	(5,556)	5,556	(3,690)	3,690

A 100 bps parallel rate movement is applied to the yield curve to model the potential impact on reserves in the next 12 months from changes in risk free rates. The impact on reserves arises from changes in valuation of financial investments at fair value through other comprehensive income following movements in risk free rates.

The projection assumes that all other variables are held constant. It also assumes a constant reporting date position and that all positions run to maturity.

The above sensitivities of profit and reserves do not take into account the effects of hedging and do not incorporate actions that the Group and the Bank would take to mitigate the impact of this profit rate risk. In practice, the Group and the Bank proactively seeks to mitigate the effect of prospective profit movements.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk**

The Group and the Bank are exposed to transactional foreign exchange exposures which are exposures on assets and liabilities denominated in currencies other than the functional currency of the transacting entity.

The Group and the Bank take minimal exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group manages its exposure to foreign exchange currencies at each entity level.

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank:

	The Group 31 December 2025					
	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non- MYR RM'000	Grand total RM'000
Financial assets						
Cash and short-term funds	7,193,572	844,262	10,440	79,409	934,111	8,127,683
Reverse Collateralised Commodity Murabahah	1,681,048	-	-	-	-	1,681,048
Deposits and placements with banks and other financial institutions	380,344	407,029	-	-	407,029	787,373
Financial investments at fair value through profit or loss	3,024,751	771,386	-	-	771,386	3,796,137
Debt instruments at fair value through other comprehensive income	11,523,289	-	-	-	-	11,523,289
Debt instruments at amortised cost	14,833,648	-	-	-	-	14,833,648
Islamic derivative financial instruments	22,416,180	(22,349,847)	886,504	390,456	(21,072,887)	1,343,293
Financing, advances and other financing/loans	142,441,018	704,957	-	401,502	1,106,459	143,547,477
Other assets	392,874	45	-	-	45	392,919
Amount due from holding company	1,203,424	2,012	-	27	2,039	1,205,463
Amount due from related companies	1,893	-	-	-	-	1,893
	205,092,041	(19,620,156)	896,944	871,394	(17,851,818)	187,240,223

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)**

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank: (Continued)

	The Group 31 December 2025					
	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities						
Deposits from customers	113,114,979	1,159,326	17,605	261,920	1,438,851	114,553,830
Investment accounts of customers	32,291,771	-	-	-	-	32,291,771
Deposits and placements of banks and other financial institutions	1,974,191	2,530,925	3,158	517,047	3,051,130	5,025,321
Collateralised Commodity Murabahah	3,300,207	-	-	-	-	3,300,207
Investment accounts due to designated financial institutions	2,800,834	-	-	-	-	2,800,834
Financial liabilities designated at fair value through profit or loss	2,167,804	-	-	-	-	2,167,804
Islamic derivative financial instruments	23,699,994	(23,415,249)	868,623	35,983	(22,510,643)	1,189,351
Amount due to related companies	440	-	-	-	-	440
Other liabilities	1,582,403	34,370	499	783	35,652	1,618,055
Recourse obligation on loans and financing sold to Cagamas	3,651,597	-	-	-	-	3,651,597
Senior Sukuk	8,528,486	-	-	-	-	8,528,486
Subordinated sukuk	1,714,781	-	-	-	-	1,714,781
	194,827,487	(19,690,628)	889,885	815,733	(17,985,010)	176,842,477
Financial guarantees	597,811	19,734	-	3,833	23,567	621,378
Credit related commitments and contingencies	28,274,632	711,097	2,179	313,338	1,026,614	29,301,246
	28,872,443	730,831	2,179	317,171	1,050,181	29,922,624

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)**

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank: (Continued)

The Group
31 December 2024

	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non- MYR RM'000	Grand total RM'000
Financial assets						
Cash and short-term funds	7,524,829	598,199	8,880	44,462	651,541	8,176,370
Reverse Collateralised Commodity Murabahah	1,421,974	-	-	312,631	312,631	1,734,605
Deposits and placements with banks and other financial institutions	199,956	403,180	-	-	403,180	603,136
Financial investments at fair value through profit or loss	3,682,901	1,877,216	-	-	1,877,216	5,560,117
Debt instruments at fair value through other comprehensive income	7,229,968	-	-	-	-	7,229,968
Debt instruments at amortised cost	13,948,053	634,852	-	-	634,852	14,582,905
Islamic derivative financial instruments	(5,648,785)	8,366,616	(1,667,546)	(266,919)	6,432,151	783,366
Financing, advances and other financing/loans	130,619,204	718,700	-	76,181	794,881	131,414,085
Other assets	183,180	5	-	68	73	183,253
Amount due from holding company and ultimate holding company	628,470	-	-	31	31	628,501
Amount due from related companies	51	-	-	-	-	51
	159,789,801	12,598,768	(1,658,666)	166,454	11,106,556	170,896,357

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)**

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank: (Continued)

	The Group 31 December 2024					
	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non-MYR RM'000	Grand total RM'000
Financial liabilities						
Deposits from customers	103,566,739	5,230,313	16,002	239,370	5,485,685	109,052,424
Investment accounts of customers	23,811,559	631,751	-	-	631,751	24,443,310
Deposits and placements of banks and other financial institutions	2,265,478	1,754,925	-	432,376	2,187,301	4,452,779
Collateralised Commodity Murabahah	4,349,732	-	-	-	-	4,349,732
Investment accounts due to designated financial institutions	2,927,281	-	-	-	-	2,927,281
Financial liabilities designated at fair value through profit or loss	3,125,723	-	-	-	-	3,125,723
Islamic derivative financial instruments	(2,029,841)	4,923,568	(1,688,279)	(575,945)	2,659,344	629,503
Amount due to ultimate holding company	4	-	-	-	-	4
Amount due to related companies	348	-	-	-	-	348
Other liabilities	514,507	42,623	12,687	87,283	142,593	657,100
Recourse obligation on loans and financing sold to Cagamas	3,614,777	-	-	-	-	3,614,777
Senior Sukuk	7,741,429	-	-	-	-	7,741,429
Subordinated sukuk	1,513,741	-	-	-	-	1,513,741
	151,401,477	12,583,180	(1,659,590)	183,084	11,106,674	162,508,151
Financial guarantees	491,752	6,889	-	-	6,889	498,641
Credit related commitments and contingencies	30,819,226	1,095,926	2,302	236,212	1,334,440	32,153,666
	31,310,978	1,102,815	2,302	236,212	1,341,329	32,652,307

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)**

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank: (Continued)

The Bank
31 December 2025

	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non- MYR RM'000	Grand total RM'000
Financial assets						
Cash and short-term funds	7,193,572	844,262	10,440	79,409	934,111	8,127,683
Reverse Collateralised Commodity Murabahah	1,681,048	-	-	-	-	1,681,048
Deposits and placements with banks and other financial institutions	380,344	407,029	-	-	407,029	787,373
Financial investments at fair value through profit or loss	3,024,751	771,386	-	-	771,386	3,796,137
Debt instruments at fair value through other comprehensive income	11,523,289	-	-	-	-	11,523,289
Debt instruments at amortised cost	14,833,648	-	-	-	-	14,833,648
Islamic derivative financial instruments	22,416,180	(22,349,847)	886,504	390,456	(21,072,887)	1,343,293
Financing, advances and other financing/loans	142,441,018	704,957	-	401,502	1,106,459	143,547,477
Other assets	392,874	45	-	-	45	392,919
Amount due from holding company	1,203,424	2,012	-	27	2,039	1,205,463
Amount due from related companies	1,893	-	-	-	-	1,893
	205,092,041	(19,620,156)	896,944	871,394	(17,851,818)	187,240,223

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)**

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank: (Continued)

	The Bank 31 December 2025					
	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non- MYR RM'000	Grand total RM'000
Financial liabilities						
Deposits from customers	113,114,979	1,159,326	17,605	261,920	1,438,851	114,553,830
Investment accounts of customers	32,291,771	-	-	-	-	32,291,771
Deposits and placements of banks and other financial institutions	1,974,191	2,530,925	3,158	517,047	3,051,130	5,025,321
Collateralised Commodity Murabahah	3,300,207	-	-	-	-	3,300,207
Investment accounts due to designated financial institutions	2,800,834	-	-	-	-	2,800,834
Financial liabilities designated at fair value through profit or loss	2,167,804	-	-	-	-	2,167,804
Islamic derivative financial instruments	23,699,994	(23,415,249)	868,623	35,983	(22,510,643)	1,189,351
Amount due to subsidiaries	46	-	-	-	-	46
Amount due to related companies	440	-	-	-	-	440
Other liabilities	1,582,403	34,370	499	783	35,652	1,618,055
Recourse obligation on loans and financing sold to Cagamas	3,651,597	-	-	-	-	3,651,597
Senior Sukuk	8,528,486	-	-	-	-	8,528,486
Subordinated sukuk	1,714,781	-	-	-	-	1,714,781
	194,827,533	(19,690,628)	889,885	815,733	(17,985,010)	176,842,523
Financial guarantees	597,811	19,734	-	3,833	23,567	621,378
Credit related commitments and contingencies	28,274,632	711,097	2,179	313,338	1,026,614	29,301,246
	28,872,443	730,831	2,179	317,171	1,050,181	29,922,624

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)**

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank: (Continued)

	The Bank 31 December 2024					
	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non- MYR RM'000	Grand total RM'000
<u>Financial assets</u>						
Cash and short-term funds	7,524,829	598,199	8,880	44,462	651,541	8,176,370
Reverse Collateralised Commodity Murabahah	1,421,974	-	-	312,631	312,631	1,734,605
Deposits and placements with banks and other financial institutions	199,956	403,180	-	-	403,180	603,136
Financial investments at fair value through profit or loss	3,682,901	1,877,216	-	-	1,877,216	5,560,117
Debt instruments at fair value through other comprehensive income	7,229,968	-	-	-	-	7,229,968
Debt instruments at amortised cost	13,948,053	634,852	-	-	634,852	14,582,905
Islamic derivative financial instruments	(5,648,785)	8,366,616	(1,667,546)	(266,919)	6,432,151	783,366
Financing, advances and other financing/loans	130,619,204	718,700	-	76,181	794,881	131,414,085
Other assets	183,180	5	-	68	73	183,253
Amount due from holding company and ultimate holding company	628,470	-	-	31	31	628,501
Amount due from related companies	51	-	-	-	-	51
	159,789,801	12,598,768	(1,658,666)	166,454	11,106,556	170,896,357

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)**

- (a) The table below summarises the net foreign exchange positions of the Group and the Bank by major currencies profile of the Group and the Bank: (Continued)

	The Bank 31 December 2024					
	MYR RM'000	USD RM'000	SGD RM'000	Others RM'000	Total non- MYR RM'000	Grand total RM'000
Financial liabilities						
Deposits from customers	103,566,739	5,230,313	16,002	239,370	5,485,685	109,052,424
Investment accounts of customers	23,811,559	631,751	-	-	631,751	24,443,310
Deposits and placements of banks and other financial institutions	2,265,478	1,754,925	-	432,376	2,187,301	4,452,779
Collateralised Commodity Murabahah	4,349,732	-	-	-	-	4,349,732
Investment accounts due to designated financial institutions	2,927,281	-	-	-	-	2,927,281
Financial liabilities designated at fair value through profit or loss	3,125,723	-	-	-	-	3,125,723
Islamic derivative financial instruments	(2,029,841)	4,923,568	(1,688,279)	(575,945)	2,659,344	629,503
Amount due to ultimate holding company	4	-	-	-	-	4
Amount due to subsidiaries	46	-	-	-	-	46
Amount due to related companies	348	-	-	-	-	348
Other liabilities	514,507	42,623	12,687	87,283	142,593	657,100
Recourse obligation on loans and financing sold to Cagamas	3,614,777	-	-	-	-	3,614,777
Senior Sukuk	7,741,429	-	-	-	-	7,741,429
Subordinated sukuk	1,513,741	-	-	-	-	1,513,741
	151,401,523	12,583,180	(1,659,590)	183,084	11,106,674	162,508,197
Financial guarantees	491,752	6,889	-	-	6,889	498,641
Credit related commitments and contingencies	30,819,226	1,095,926	2,302	236,212	1,334,440	32,153,666
	31,310,978	1,102,815	2,302	236,212	1,341,329	32,652,307

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.2 Market Risk (Continued)****53.2.3 Foreign exchange risk (Continued)****(b) Sensitivity of profit**

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

	The Group and the Bank			
	31 December 2025		31 December 2024	
	1% appreciation in foreign currency	1% depreciation in foreign currency	1% appreciation in foreign currency	1% depreciation in foreign currency
	Increase/(decrease) RM'000	Increase/(decrease) RM'000	Increase/(decrease) RM'000	Increase/(decrease) RM'000
Impact to profit (after tax)	459	(459)	105	(105)
USD	405	(405)	97	(97)
THB	7	(7)	7	(7)
HKD	(7)	7	(9)	9
GBP	(8)	8	2	(2)
JPY	1	(1)	(1)	1
SGD	19	(19)	18	(18)
EUR	(85)	85	(76)	76
AUD	31	(31)	(27)	27
Others	96	(96)	94	(94)

The impact on profit arises from transactional exposures while the impact on reserves arises from net investment hedge from parallel shifts in foreign exchange rates.

The projection assumes that foreign exchange rates move by the same amount and, therefore, do not reflect the potential impact on profit of some rates changing while others remain unchanged. The projections also assume that all other variables are held constant and are based on a constant reporting date position and that all positions run to maturity.

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk

Liquidity and funding risk is defined as the current and potential risk to earnings, shareholders' funds or reputation arising from the Group's inability to efficiently meet its present and future (both anticipated and unanticipated) funding needs or regulatory obligations when they are due, which may adversely affect its daily operations and incur unacceptable losses. Liquidity risk arises from mismatches in the timing of cash flows.

The objective of the Group's liquidity risk management is to ensure that the Group can meet its cash obligations in a timely and cost-effective manner. To this end, the Group's liquidity risk management policy is to maintain high quality and well diversified portfolios of liquid assets and sources of funds under both business-as-usual and stress conditions. Due to its large delivery network and marketing focus, the Group is able to maintain a diversified core deposit base comprising savings, demand and term deposits, thus providing the Group with a stable, large funding base from individuals, Small and Medium-sized enterprises ("SMEs"), corporates and financial institutions segments. The Group maintains some buffers of liquidity throughout the year to ensure safe and sound operations from a strategic, structural and tactical perspective.

The day-to-day responsibility for liquidity risk management and control in each individual entity is delegated to the respective Country Asset Liability Management Committee, which subsequently reports to Group Asset Liability Management Committee. The Group Asset Liability Management Committee meets at least once a month to discuss the liquidity risk and funding profile of the Group. The key liquidity risk metrics comprise of internal liquidity gaps or cashflow maturity profile mismatches under business-as-usual and stress scenarios, regulatory Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") which are measured and monitored regularly. LCR is a quantitative regulatory requirement which seeks to ensure that banking institutions hold sufficient High Quality Liquid Assets ("HQLA") to withstand an acute liquidity stress scenario over a 30-calendar-days horizon. The Group monitors and reports LCR and NSFR based on the BNM LCR and NSFR Policy Document dated 25 August 2016 and 31 July 2019 respectively. The effective date for NSFR is 1 July 2020. As part of its ordinary course of business, the Bank maintains the LCR and NSFR above the regulatory requirements. In addition, liquidity risk stress testing under various scenarios covering bank-specific (idiosyncratic), market-wide and combined crises is performed regularly to identify sources of potential liquidity strain. Liquidity risk positions based on balance sheet forecasts and relevant risk drivers are projected to help business planning.

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

In addition to regulatory limits, liquidity risk undertaken by the Group is governed by a set of established liquidity risk and limits. Management Action Triggers (“MATs”) have been established to alert the Management to potential and emerging liquidity pressures. Any trigger of liquidity risk appetite, limits or MATs will be escalated to the board and management in accordance to the approved framework. The Group’s Liquidity Risk Management Policy is subjected to periodic review. The assumptions, risk limits and appetite are regularly reviewed in response to regulatory changes, changing business needs and market conditions.

The Asset Liability Management function, which is responsible for the independent monitoring of our Group’s liquidity risk profile, works closely with Treasury and Markets in its surveillance on market conditions. Business units are responsible for establishing and maintaining strong business relations with their respective depositors and key providers of funds. Overseas branches and subsidiaries should seek to be self-sufficient in funding at all times. Treasury and Markets only acts as a global provider of funds on a need-to or contingency basis. Each entity has to prudently manage its liquidity position to meet its daily operating needs.

The Group’s Contingency Funding Plan (“CFP”) is in place to alert and enable the management to act effectively and efficiently during a liquidity or funding crisis and under adverse market conditions. The CFP is subjected to regular testing.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.3 Liquidity Risk (Continued)****53.3.1 Contractual maturity of assets and liabilities**

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines:

	The Group 31 December 2025							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
Assets								
Cash and short-term funds	8,127,683	-	-	-	-	-	-	8,127,683
Reverse Collateralised Commodity Murabahah	1,477,144	203,904	-	-	-	-	-	1,681,048
Deposits and placements with banks and other financial institutions	-	607,135	180,238	-	-	-	-	787,373
Financial investments at fair value through profit or loss	932,805	1,144,547	683,944	79,395	800,595	154,851	-	3,796,137
Debt instruments at fair value through other comprehensive income	25,021	62,187	179,161	326,853	5,617,444	5,312,623	-	11,523,289
Debt instruments at amortised cost	95,225	211,918	418,959	600,794	5,234,467	8,272,285	-	14,833,648
Islamic derivative financial instruments	176,411	307,223	413,557	123,789	104,429	217,884	-	1,343,293
Financing, advances and other financing/loans	7,537,682	1,214,582	1,009,862	2,880,639	17,186,761	113,717,951	-	143,547,477
Other assets	475,653	-	-	-	-	-	-	475,653
Deferred taxation	-	-	-	-	-	-	218,955	218,955
Tax recoverable	-	-	-	-	-	-	201,058	201,058
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	987,000	987,000
Amount due from holding company	1,205,463	-	-	-	-	-	-	1,205,463
Amount due from related companies	1,893	-	-	-	-	-	-	1,893
Goodwill	-	-	-	-	-	-	136,000	136,000
Intangible assets	-	-	-	-	-	-	7,833	7,833
Property, plant and equipment	-	-	-	-	-	-	749	749
Total assets	20,054,980	3,751,496	2,885,721	4,011,470	28,943,696	127,675,594	1,551,595	188,874,552

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.1 Contractual maturity of assets and liabilities (Continued)

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines: (Continued)

	The Group						No-specific maturity RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000		
Liabilities								
Deposits from customers	58,053,449	21,137,718	18,203,256	16,261,640	887,328	10,439	-	114,553,830
Investment accounts of customers	10,239,460	13,299,060	7,614,839	1,137,556	856	-	-	32,291,771
Deposits and placements of banks and other financial institutions	3,349,923	1,013,831	661,567	-	-	-	-	5,025,321
Collateralised Commodity Murabahah	1,096,478	1,242,085	961,644	-	-	-	-	3,300,207
Investment accounts due to designated financial institutions	2,800,834	-	-	-	-	-	-	2,800,834
Financial liabilities designated at fair value through profit or loss	7,551	58,339	181,343	70,797	1,849,774	-	-	2,167,804
Islamic derivative financial instruments	216,161	320,133	419,374	120,331	73,302	40,050	-	1,189,351
Amount due to related companies	440	-	-	-	-	-	-	440
Other liabilities	1,627,936	-	98	-	-	-	-	1,628,034
Recourse obligation on loans and financing sold to Cagamas	11,851	5,817	-	541,821	2,273,003	819,105	-	3,651,597
Senior Sukuk	51,526	43,123	3,819	100,356	1,912,617	6,417,045	-	8,528,486
Subordinated sukuk	-	12,372	2,409	-	1,700,000	-	-	1,714,781
Total liabilities	77,455,609	37,132,478	28,048,349	18,232,501	8,696,880	7,286,639	-	176,852,456
Net liquidity gap	(57,400,629)	(33,380,982)	(25,162,628)	(14,221,031)	20,246,816	120,388,955	1,551,595	

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.1 Contractual maturity of assets and liabilities (Continued)

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines: (Continued)

	The Group 31 December 2024							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
Assets								
Cash and short-term funds	8,176,370	-	-	-	-	-	-	8,176,370
Reverse Collateralised Commodity Murabahah	1,119,448	302,526	-	312,631	-	-	-	1,734,605
Deposits and placements with banks and other financial institutions	-	403,180	199,956	-	-	-	-	603,136
Financial investments at fair value through profit or loss	1,332,249	2,711,162	873,967	237,883	127,372	277,484	-	5,560,117
Debt instruments at fair value through other comprehensive income	29,259	69,152	61,786	541,719	2,999,549	3,528,503	-	7,229,968
Debt instruments at amortised cost	52,881	323,250	453,060	760,030	5,403,805	7,589,879	-	14,582,905
Islamic derivative financial instruments	175,544	171,714	134,942	103,134	66,828	131,204	-	783,366
Financing, advances and other financing/loans	5,692,358	1,702,449	933,142	1,843,699	12,992,006	108,250,431	-	131,414,085
Other assets	292,310	-	-	-	-	-	-	292,310
Deferred taxation	-	-	-	-	-	-	253,132	253,132
Tax recoverable	-	-	-	-	-	-	171,233	171,233
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	1,829,850	1,829,850
Amount due from holding company and ultimate holding company	628,501	-	-	-	-	-	-	628,501
Amount due from related companies	51	-	-	-	-	-	-	51
Goodwill	-	-	-	-	-	-	136,000	136,000
Intangible assets	-	-	-	-	-	-	1,176	1,176
Property, plant and equipment	-	-	-	-	-	-	382	382
Total assets	17,498,971	5,683,433	2,656,853	3,799,096	21,589,560	119,777,501	2,391,773	173,397,187

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.1 Contractual maturity of assets and liabilities (Continued)

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines: (Continued)

	The Group 31 December 2024							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
Liabilities								
Deposits from customers	55,793,371	21,690,915	18,125,099	12,543,995	888,737	10,307	-	109,052,424
Investment accounts of customers	4,242,818	6,546,490	7,371,843	5,660,764	621,395	-	-	24,443,310
Deposits and placements of banks and other financial institutions	2,503,737	1,359,667	110,627	478,748	-	-	-	4,452,779
Collateralised Commodity Murabahah	1,224,356	1,886,859	1,238,517	-	-	-	-	4,349,732
Investment accounts due to designated financial institutions	2,927,281	-	-	-	-	-	-	2,927,281
Financial liabilities designated at fair value through profit or loss	9,860	7,330	48,556	8,989	3,050,988	-	-	3,125,723
Islamic derivative financial instruments	110,565	155,581	127,303	103,134	94,030	38,890	-	629,503
Amount due to ultimate holding company	4	-	-	-	-	-	-	4
Amount due to related companies	348	-	-	-	-	-	-	348
Other liabilities	641,107	196	147	-	19,900	-	-	661,350
Recourse obligation on loans and financing sold to Cagamas	14,901	3,198	-	473,000	2,316,053	807,625	-	3,614,777
Senior Sukuk	51,526	37,605	3,707	-	1,499,721	6,148,870	-	7,741,429
Subordinated sukuk	-	12,372	1,369	-	1,500,000	-	-	1,513,741
Total liabilities	67,519,874	31,700,213	27,027,168	19,268,630	9,990,824	7,005,692	-	162,512,401
Net liquidity gap	(50,020,903)	(26,016,780)	(24,370,315)	(15,469,534)	11,598,736	112,771,809	2,391,773	

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.1 Contractual maturity of assets and liabilities (Continued)

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines: (Continued)

	The Bank 31 December 2025							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
Assets								
Cash and short-term funds	8,127,683	-	-	-	-	-	-	8,127,683
Reverse Collateralised Commodity Murabahah	1,477,144	203,904	-	-	-	-	-	1,681,048
Deposits and placements with banks and other financial institutions	-	607,135	180,238	-	-	-	-	787,373
Financial investments at fair value through profit or loss	932,805	1,144,547	683,944	79,395	800,595	154,851	-	3,796,137
Debt instruments at fair value through other comprehensive income	25,021	62,187	179,161	326,853	5,617,444	5,312,623	-	11,523,289
Debt instruments at amortised cost	95,225	211,918	418,959	600,794	5,234,467	8,272,285	-	14,833,648
Islamic derivative financial instruments	176,411	307,223	413,557	123,789	104,429	217,884	-	1,343,293
Financing, advances and other financing/loans	7,537,682	1,214,582	1,009,862	2,880,639	17,186,761	113,717,951	-	143,547,477
Other assets	475,653	-	-	-	-	-	-	475,653
Deferred taxation	-	-	-	-	-	-	218,955	218,955
Tax recoverable	-	-	-	-	-	-	201,058	201,058
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	987,000	987,000
Investment in subsidiaries	-	-	-	-	-	-	11	11
Amount due from holding company	1,205,463	-	-	-	-	-	-	1,205,463
Amount due from related companies	1,893	-	-	-	-	-	-	1,893
Goodwill	-	-	-	-	-	-	136,000	136,000
Intangible assets	-	-	-	-	-	-	7,833	7,833
Property, plant and equipment	-	-	-	-	-	-	749	749
Total assets	20,054,980	3,751,496	2,885,721	4,011,470	28,943,696	127,675,594	1,551,606	188,874,563

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.3 Liquidity Risk (Continued)****53.3.1 Contractual maturity of assets and liabilities (Continued)**

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines: (Continued)

	The Bank 31 December 2025							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
Liabilities								
Deposits from customers	58,053,449	21,137,718	18,203,256	16,261,640	887,328	10,439	-	114,553,830
Investment accounts of customers	10,239,460	13,299,060	7,614,839	1,137,556	856	-	-	32,291,771
Deposits and placements of banks and other financial institutions	3,349,923	1,013,831	661,567	-	-	-	-	5,025,321
Collateralised Commodity Murabahah	1,096,478	1,242,085	961,644	-	-	-	-	3,300,207
Investment accounts due to designated financial institutions	2,800,834	-	-	-	-	-	-	2,800,834
Financial liabilities designated at fair value through profit or loss	7,551	58,339	181,343	70,797	1,849,774	-	-	2,167,804
Islamic derivative financial instruments	216,161	320,133	419,374	120,331	73,302	40,050	-	1,189,351
Amount due to subsidiaries	46	-	-	-	-	-	-	46
Amount due to related companies	440	-	-	-	-	-	-	440
Other liabilities	1,627,936	-	98	-	-	-	-	1,628,034
Recourse obligation on loans and financing sold to Cagamas	11,851	5,817	-	541,821	2,273,003	819,105	-	3,651,597
Senior Sukuk	51,526	43,123	3,819	100,356	1,912,617	6,417,045	-	8,528,486
Subordinated sukuk	-	12,372	2,409	-	1,700,000	-	-	1,714,781
Total liabilities	77,455,655	37,132,478	28,048,349	18,232,501	8,696,880	7,286,639	-	176,852,502
Net liquidity gap	(57,400,675)	(33,380,982)	(25,162,628)	(14,221,031)	20,246,816	120,388,955	1,551,606	

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.1 Contractual maturity of assets and liabilities (Continued)

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines: (Continued)

	The Bank 31 December 2024							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No-specific maturity RM'000	
Assets								
Cash and short-term funds	8,176,370	-	-	-	-	-	-	8,176,370
Reverse Collateralised Commodity Murabahah	1,119,448	302,526	-	312,631	-	-	-	1,734,605
Deposits and placements with banks and other financial institutions	-	403,180	199,956	-	-	-	-	603,136
Financial investments at fair value through profit or loss	1,332,249	2,711,162	873,967	237,883	127,372	277,484	-	5,560,117
Debt instruments at fair value through other comprehensive income	29,259	69,152	61,786	541,719	2,999,549	3,528,503	-	7,229,968
Debt instruments at amortised cost	52,881	323,250	453,060	760,030	5,403,805	7,589,879	-	14,582,905
Islamic derivative financial instruments	175,544	171,714	134,942	103,134	66,828	131,204	-	783,366
Financing, advances and other financing/loans	5,692,358	1,702,449	933,142	1,843,699	12,992,006	108,250,431	-	131,414,085
Other assets	292,310	-	-	-	-	-	-	292,310
Deferred taxation	-	-	-	-	-	-	253,132	253,132
Tax recoverable	-	-	-	-	-	-	171,233	171,233
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	1,829,850	1,829,850
Investment in subsidiaries	-	-	-	-	-	-	11	11
Amount due from holding company and ultimate holding company	628,501	-	-	-	-	-	-	628,501
Amount due from related companies	51	-	-	-	-	-	-	51
Goodwill	-	-	-	-	-	-	136,000	136,000
Right-of-use assets	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	1,176	1,176
Property, plant and equipment	-	-	-	-	-	-	382	382
Total assets	17,498,971	5,683,433	2,656,853	3,799,096	21,589,560	119,777,501	2,391,784	173,397,198

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

54.3.1 Contractual maturity of assets and liabilities (Continued)

The table below analyses the assets and liabilities of the Group and the Bank based on the remaining period to the contractual maturity dates in accordance with the BNM Guidelines: (Continued)

	The Bank 31 December 2024						Over 5 years RM'000	No-specific maturity RM'000	Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000				
Liabilities									
Deposits from customers	55,793,371	21,690,915	18,125,099	12,543,995	888,737	10,307	-	109,052,424	
Investment accounts of customers	4,242,818	6,546,490	7,371,843	5,660,764	621,395	-	-	24,443,310	
Deposits and placements of banks and other financial institutions	2,503,737	1,359,667	110,627	478,748	-	-	-	4,452,779	
Collateralised Commodity Murabahah	1,224,356	1,886,859	1,238,517	-	-	-	-	4,349,732	
Investment accounts due to designated financial institutions	2,927,281	-	-	-	-	-	-	2,927,281	
Financial liabilities designated at fair value through profit or loss	9,860	7,330	48,556	8,989	3,050,988	-	-	3,125,723	
Islamic derivative financial instruments	110,565	155,581	127,303	103,134	94,030	38,890	-	629,503	
Amount due to ultimate holding company	4	-	-	-	-	-	-	4	
Amount due to subsidiaries	46	-	-	-	-	-	-	46	
Amount due to related companies	348	-	-	-	-	-	-	348	
Other liabilities	641,107	196	147	-	19,900	-	-	661,350	
Recourse obligation on loans and financing sold to Cagamas	14,901	3,198	-	473,000	2,316,053	807,625	-	3,614,777	
Senior Sukuk	51,526	37,605	3,707	-	1,499,721	6,148,870	-	7,741,429	
Subordinated sukuk	-	12,372	1,369	-	1,500,000	-	-	1,513,741	
Total liabilities	67,519,920	31,700,213	27,027,168	19,268,630	9,990,824	7,005,692	-	162,512,447	
Net liquidity gap	(50,020,949)	(26,016,780)	(24,370,315)	(15,469,534)	11,598,736	112,771,809	2,391,784		

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.3 Liquidity Risk (Continued)****53.3.2 Contractual maturity of financial liabilities on an undiscounted basis****Non-derivative financial liabilities**

The tables below present the cash flows payable by the Group and the Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow.

	The Group 31 December 2025							Total RM'000
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	
Non-derivative financial liabilities								
Deposits from customers	58,080,423	21,256,784	18,433,626	16,744,994	967,069	17,199	-	115,500,095
Investment accounts of customers	10,250,852	13,377,336	7,709,143	1,162,638	880	-	-	32,500,849
Deposits and placements of banks and other financial institutions	3,352,396	1,020,209	665,909	-	-	-	-	5,038,514
Collateralised Commodity Murabahah	1,096,478	1,242,085	961,644	-	-	-	-	3,300,207
Investment accounts due to designated financial institutions	2,805,430	-	-	-	-	-	-	2,805,430
Financial liabilities designated at fair value through profit or loss	16,742	67,331	200,596	108,525	2,046,897	-	-	2,440,091
Amount due to related companies	440	-	-	-	-	-	-	440
Other liabilities	1,617,957	-	99	-	-	-	-	1,618,056
Recourse obligation on loans and financing sold to Cagamas	13,535	23,031	26,135	613,722	2,582,278	934,790	-	4,193,491
Senior Sukuk	61,499	77,090	21,577	254,566	3,013,208	7,161,695	-	10,589,635
Subordinated sukuk	-	22,977	21,850	52,700	1,853,066	-	-	1,950,593
	77,295,752	37,086,843	28,040,579	18,937,145	10,463,398	8,113,684	-	179,937,401
Financial guarantees	621,378	-	-	-	-	-	-	621,378
Credit related commitments and contingencies	18,533,850	313,818	319,933	491,242	1,237,822	8,404,581	-	29,301,246
	19,155,228	313,818	319,933	491,242	1,237,822	8,404,581	-	29,922,624

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.3 Liquidity Risk (Continued)****53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)****Non-derivative financial liabilities (Continued)**

The tables below present the cash flows payable by the Group and the Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow. (Continued)

	The Group							Total
	31 December 2024							
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	RM'000
Non-derivative financial liabilities								
Deposits from customers	55,822,909	21,825,500	18,372,740	12,911,011	1,008,632	18,326	-	109,959,118
Investment accounts of customers	4,245,555	6,588,545	7,471,647	5,803,759	736,395	-	-	24,845,901
Deposits and placements of banks and other financial institutions	2,505,707	1,368,074	111,097	487,484	-	-	-	4,472,362
Collateralised Commodity Murabahah	1,224,356	1,886,859	1,238,517	-	-	-	-	4,349,732
Investment accounts due to designated financial institutions	2,933,050	-	-	-	-	-	-	2,933,050
Financial liabilities designated at fair value through profit or loss	10,173	17,860	74,686	60,616	3,363,432	-	-	3,526,767
Amount due to ultimate holding company	4	-	-	-	-	-	-	4
Amount due to related companies	348	-	-	-	-	-	-	348
Other liabilities	636,858	197	149	-	19,900	-	-	657,104
Recourse obligation on loans and financing sold to Cagamas	34,651	18,677	26,572	546,160	2,673,131	956,351	-	4,255,542
Senior Sukuk	61,831	71,609	21,615	154,278	2,658,558	7,143,003	-	10,110,894
Subordinated sukuk	-	22,977	7,330	30,680	1,713,846	-	-	1,774,833
	67,475,442	31,800,298	27,324,353	19,993,988	12,173,894	8,117,680	-	166,885,655
Financial guarantees	498,641	-	-	-	-	-	-	498,641
Credit related commitments and contingencies	20,383,735	295,152	312,519	281,479	1,073,199	9,807,582	-	32,153,666
	20,882,376	295,152	312,519	281,479	1,073,199	9,807,582	-	32,652,307

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.3 Liquidity Risk (Continued)****53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)****Non-derivative financial liabilities (Continued)**

The tables below present the cash flows payable by the Group and the Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow. (Continued)

	The Bank							Total
	31 December 2025							
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	RM'000
Non-derivative financial liabilities								
Deposits from customers	58,080,423	21,256,784	18,433,626	16,744,994	967,069	17,199	-	115,500,095
Investment accounts of customers	10,250,852	13,377,336	7,709,143	1,162,638	880	-	-	32,500,849
Deposits and placements of banks and other financial institutions	3,352,396	1,020,209	665,909	-	-	-	-	5,038,514
Collateralised Commodity Murabahah	1,096,478	1,242,085	961,644	-	-	-	-	3,300,207
Investment accounts due to designated financial institutions	2,805,430	-	-	-	-	-	-	2,805,430
Financial liabilities designated at fair value through profit or loss	16,742	67,331	200,596	108,525	2,046,897	-	-	2,440,091
Amount due to subsidiaries	46	-	-	-	-	-	-	46
Amount due to related companies	440	-	-	-	-	-	-	440
Other liabilities	1,617,957	-	99	-	-	-	-	1,618,056
Recourse obligation on loans and financing sold to Cagamas	13,535	23,031	26,135	613,722	2,582,278	934,790	-	4,193,491
Other borrowings	61,499	77,090	21,577	254,566	3,013,208	7,161,695	-	10,589,635
Senior Sukuk	-	22,977	21,850	52,700	1,853,066	-	-	1,950,593
Subordinated sukuk	-	-	-	-	-	-	-	-
	77,295,798	37,086,843	28,040,579	18,937,145	10,463,398	8,113,684	-	179,937,447
Financial guarantees	621,378	-	-	-	-	-	-	621,378
Credit related commitments and contingencies	18,533,850	313,818	319,933	491,242	1,237,822	8,404,581	-	29,301,246
	19,155,228	313,818	319,933	491,242	1,237,822	8,404,581	-	29,922,624

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.3 Liquidity Risk (Continued)****53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)****Non-derivative financial liabilities (Continued)**

The tables below present the cash flows payable by the Group and the Bank under non-derivative financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow. (Continued)

	The Bank 31 December 2024							
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Non-derivative financial liabilities								
Deposits from customers	55,822,909	21,825,500	18,372,740	12,911,011	1,008,632	18,326	-	109,959,118
Investment accounts of customers	4,245,555	6,588,545	7,471,647	5,803,759	736,395	-	-	24,845,901
Deposits and placements of banks and other financial institutions	2,505,707	1,368,074	111,097	487,484	-	-	-	4,472,362
Collateralised Commodity Murabahah	1,224,356	1,886,859	1,238,517	-	-	-	-	4,349,732
Investment accounts due to designated financial institutions	2,933,050	-	-	-	-	-	-	2,933,050
Financial liabilities designated at fair value through profit or loss	10,173	17,860	74,686	60,616	3,363,432	-	-	3,526,767
Amount due to ultimate holding company	4	-	-	-	-	-	-	4
Amount due to subsidiaries	46	-	-	-	-	-	-	46
Amount due to related companies	348	-	-	-	-	-	-	348
Other liabilities	636,858	197	149	-	19,900	-	-	657,104
Recourse obligation on loans and financing sold to Cagamas	34,651	18,677	26,572	546,160	2,673,131	956,351	-	4,255,542
Other borrowings								
Senior Sukuk	61,831	71,609	21,615	154,278	2,658,558	7,143,003	-	10,110,894
Subordinated sukuk	-	22,977	7,330	30,680	1,713,846	-	-	1,774,833
	67,475,488	31,800,298	27,324,353	19,993,988	12,173,894	8,117,680	-	166,885,701
Financial guarantees	498,641	-	-	-	-	-	-	498,641
Credit related commitments and contingencies	20,383,735	295,152	312,519	281,479	1,073,199	9,807,582	-	32,153,666
	20,882,376	295,152	312,519	281,479	1,073,199	9,807,582	-	32,652,307

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging derivative financial liabilities.

All trading derivatives, whether net or gross settled are analysed based on the expected maturity as the contractual maturity is not considered to be essential to the understanding of the timing of the cash flows. The amounts disclosed in respect of such contracts are the fair values.

Hedging derivatives are disclosed based on remaining contractual maturities as the contractual maturities of such contracts are essential for an understanding of the timing of the cash flows. The amounts disclosed in respect of such contracts are the contractual undiscounted cash flows.

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.3 Liquidity Risk (Continued)****53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)****Derivative financial liabilities (Continued)**

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a net basis:

	The Group and the Bank							Total
	31 December 2025							
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	RM'000
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(3,930)	-	-	-	-	-	-	(3,930)
- Profit rate derivatives	(57,581)	-	-	-	-	-	-	(57,581)
- Equity related derivatives	(101)	-	-	-	-	-	-	(101)
- Commodity related derivatives	(166,419)	-	-	-	-	-	-	(166,419)
- Credit related contracts	(436)	-	-	-	-	-	-	(436)
Hedging derivatives:								
- Profit rate derivatives	(776)	(236)	(516)	(1,879)	(4,566)	-	-	(7,973)
	(229,243)	(236)	(516)	(1,879)	(4,566)	-	-	(236,440)

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's trading derivative financial liabilities and hedging derivative financial liabilities that will be settled on a net basis: (Continued)

	The Group and the Bank							Total
	31 December 2024							
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 6 months RM'000	> 6 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	RM'000
Derivative financial liabilities								
Trading derivatives								
- Foreign exchange derivatives	(935)	-	-	-	-	-	-	(935)
- Profit rate derivatives	(73,774)	-	-	-	-	-	-	(73,774)
- Equity related derivatives	(996)	-	-	-	-	-	-	(996)
- Commodity related derivatives	(26,234)	-	-	-	-	-	-	(26,234)
- Credit related contracts	(450)	-	-	-	-	-	-	(450)
Hedging derivatives:								
- Profit rate derivatives	(478)	(68)	9	(910)	(5,306)	-	-	(6,753)
	(102,867)	(68)	9	(910)	(5,306)	-	-	(109,142)

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The Group's and the Bank's derivatives that will be settled on a gross basis include foreign exchange derivatives, such as currency forward, currency swap, and cross currency profit rate swaps.

The table below analyses the Group's and the Bank's derivative financial liabilities that will be settled on a gross basis into relevant maturity groupings by expected maturity at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow:

	The Group and the Bank 31 December 2025	
	Up to 1 month RM'000	Total RM'000
Derivative financial liabilities		
Trading derivatives		
Foreign exchange derivatives	(953,233)	(953,233)
	<u>(953,233)</u>	<u>(953,233)</u>

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

53 Financial Risk Management (Continued)

53.3 Liquidity Risk (Continued)

53.3.2 Contractual maturity of financial liabilities on an undiscounted basis (Continued)

Derivative financial liabilities (Continued)

The table below analyses the Group's and the Bank's derivative financial liabilities that will be settled on a gross basis into relevant maturity groupings by expected maturity at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flow: (Continued)

	The Group and the Bank	
	31 December 2024	
	Up to 1 month RM'000	Total RM'000
Derivative financial liabilities		
Trading derivatives		
Foreign exchange derivatives	(520,784)	(520,784)
	<u>(520,784)</u>	<u>(520,784)</u>

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation

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

53.4.1 Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 Inputs to the valuation methodology include:

- 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.

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

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 and Conduct Risks Committee (“GMCRC”) for approval;
- Mark-to-Model process shall be carried out by Market Risk Management in accordance with the approved valuation methodologies. Group Risk Management Quantitative analysts are responsible for independent evaluation and validation of the Group’s financial models used for valuation;
- Group Risk Management Quantitative analysts are the guardian of the financial models and valuation methodologies. Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative analysts and approved by Regional Head, Market Risk Management and/or the GMCRC;

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

Valuation Model Review and Approval (Continued)

- 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.

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

	The Group and the Bank		
	Fair Value		
	Level 2	Level 3	Carrying
	RM'000	RM'000	amount
			RM'000
31 December 2025			
<i>Recurring fair value measurements</i>			
<u>Financial assets</u>			
Financial investments at fair value through profit or loss			
-Money market instruments	2,851,592	-	2,851,592
-Unquoted securities	944,545	-	944,545
Debt instruments at fair value through other comprehensive income			
-Money market instruments	3,341,775	-	3,341,775
-Unquoted securities	8,181,514	-	8,181,514
Derivative financial instruments:			
-Trading derivatives	1,122,334	101	1,122,435
-Hedging derivatives	220,858	-	220,858
Total	16,662,618	101	16,662,719
<i>Recurring fair value measurements</i>			
<u>Financial liabilities</u>			
Derivative financial instruments:			
-Trading derivatives	1,181,600	101	1,181,701
-Hedging derivatives	7,650	-	7,650
Financial liabilities designated at fair value through profit or loss	2,167,804	-	2,167,804
Total	3,357,054	101	3,357,155

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.4 Fair value estimation (Continued)****53.4.1 Determination of fair value and fair value hierarchy (Continued)**

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

	The Group and the Bank		
	Fair Value		
	Level 2	Level 3	Carrying
	RM'000	RM'000	amount
			RM'000
31 December 2024			
<i>Recurring fair value measurements</i>			
<u>Financial assets</u>			
Financial investments at fair value through profit or loss			
-Money market instruments	5,136,965	-	5,136,965
-Unquoted securities	423,152	-	423,152
Debt instruments at fair value through other comprehensive income			
-Money market instruments	2,339,284	-	2,339,284
-Unquoted securities	4,890,684	-	4,890,684
Derivative financial instruments:			
-Trading derivatives	662,971	996	663,967
-Hedging derivatives	119,399	-	119,399
Total	13,572,455	996	13,573,451
<i>Recurring fair value measurements</i>			
<u>Financial liabilities</u>			
Derivative financial instruments:			
-Trading derivatives	622,177	996	623,173
-Hedging derivatives	6,330	-	6,330
Financial liabilities designated at fair value through profit or loss	3,125,723	-	3,125,723
Total	3,754,230	996	3,755,226

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

The following represents the changes in Level 3 instruments for the financial year ended 31 December 2025 and 31 December 2024 for the Group and the Bank:

	Financial Assets Derivative financial instruments Trading derivatives RM'000	Financial Liabilities Derivative financial instruments Trading derivatives RM'000
The Group and the Bank		
At 1 January 2025	996	(996)
Total (losses)/gains recognised in statement of income	(202)	88
Purchases	102	(118)
Settlements	(795)	925
At 31 December 2025	101	(101)
Total (losses)/gains recognised in statement of income for financial year ended 31 December 2025 under:		
- net other income	(202)	88
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2025 under "net other income"	17	(5)
	Financial Assets	Financial Liabilities
	Derivative financial instruments	Derivative financial instruments
	Trading derivatives RM'000	Trading derivatives RM'000
The Group and the Bank		
At 1 January 2024	510	(510)
Total gains recognised in statement of income	42	27
Purchases	504	(591)
Settlements	(60)	78
At 31 December 2024	996	(996)
Total gains recognised in statement of income for financial year ended 31 December 2024 under:		
- net other income	42	27
Change in unrealised gains recognised in statement of income relating to assets held on 31 December 2024 under "net other income"	78	4

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.4 Fair value estimation (Continued)****53.4.2 Fair value of financial assets and liabilities measured at amortised cost**

The following table analyse within the fair value hierarchy the Group's assets and liabilities' fair value as at 31 December 2025 and 31 December 2024 where the fair value does not approximate to carrying amount in the statement of financial position:

	Carrying amount RM'000	The Group and the Bank Fair Value	
		Level 2 RM'000	Total RM'000
31 December 2025			
Assets			
Debt instruments at amortised cost	14,833,648	15,193,185	15,193,185
Financing, advances and other financing/loans	143,547,477	143,620,306	143,620,306
Total	158,381,125	158,813,491	158,813,491
Liabilities			
Deposits from customers	114,553,830	114,566,920	114,566,920
Investment accounts of customers	32,291,771	32,287,963	32,287,963
Recourse obligation on loans and financing sold to Cagamas	3,651,597	3,653,245	3,653,245
Senior Sukuk	8,528,486	8,520,702	8,520,702
Subordinated Sukuk	1,714,781	1,733,139	1,733,139
Total	160,740,465	160,761,969	160,761,969

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**Notes to the Financial Statements
for the financial year ended 31 December 2025 (Continued)****53 Financial Risk Management (Continued)****53.4 Fair value estimation (Continued)****53.4.2 Fair value of financial assets and liabilities measured at amortised cost (Continued)**

The following table analyse within the fair value hierarchy the Group's assets and liabilities' fair value as at 31 December 2025 and 31 December 2024 where the fair value does not approximate to carrying amount in the statement of financial position: (Continued)

	The Group and the Bank Fair Value		
	Carrying amount RM'000	Level 2 RM'000	Total RM'000
31 December 2024			
Assets			
Reverse Collateralised Commodity Murabahah	1,734,605	1,726,581	1,726,581
Debt instruments at amortised cost	14,582,905	14,776,194	14,776,194
Financing, advances and other financing/loans	131,414,085	131,459,562	131,459,562
Total	147,731,595	147,962,337	147,962,337
Liabilities			
Deposits from customers	109,052,424	109,050,608	109,050,608
Investment accounts of customers	24,443,310	24,468,488	24,468,488
Deposits and placements of banks and other financial institutions	4,452,779	4,447,524	4,447,524
Recourse obligation on loans and financing sold to Cagamas	3,614,777	3,601,711	3,601,711
Senior Sukuk	7,741,429	7,660,545	7,660,545
Subordinated Sukuk	1,513,741	1,510,145	1,510,145
Total	150,818,460	150,739,021	150,739,021

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

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

Short-term funds and placements with financial institutions

For short-term funds and placements with financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities of six months and above, the estimated fair value is based on discounted cash flows using prevailing Islamic money market profit rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Debt instruments at amortised cost

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, the Group and the Bank establish fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Other assets

The fair value of other assets approximates the carrying value less impairment allowance at the statement of financial position date.

Financing, advances and other financing/loans

For variable rate financing, the carrying value is generally a reasonable estimate of fair value.

For fixed rate financing with maturities of six months or more, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of financing with similar credit risks and maturities.

The fair values of impaired variable and fixed rate financing are represented by their carrying value, net of individual impairment allowance being the expected recoverable amount.

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

Amount due (to)/from subsidiaries and related companies and amount due (to)/from holding company and ultimate holding company

The estimated fair values of the amount due (to)/from subsidiaries and related companies and amount due (to)/from ultimate holding company approximate the carrying values as the balances are either recallable on demand or are based on the current rates for such similar financing.

Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of six months or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Investment accounts of customers and investment accounts due to designated financial institutions

The estimated fair values of investment accounts of customers and investment accounts due to designated financial institutions with maturities of less than six months approximate the carrying values. For placements with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market profit rates for placements with similar remaining period to maturities.

Deposits and placements of banks and other financial institutions

The estimated fair values of deposits and placements of banks and other financial institutions with maturities of less than six months approximate the carrying values. For deposits and placements with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market profit rates for deposits and placements with similar remaining period to maturities.

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

Collateralised Commodity Murabahah

The estimated fair values of Collateralised Commodity Murabahah with maturities of less than six months approximate the carrying values. For Collateralised Commodity Murabahah with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing money market rates with similar remaining period to maturity.

Other liabilities

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

Lease liabilities

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

Recourse obligation on loans and financing sold to Cagamas

The estimated fair values of loans and financing sold to Cagamas with maturities of less than six months approximate the carrying values. For loans and financing sold to Cagamas with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for loans and financing sold to Cagamas with similar risk profile.

Senior Sukuk

The estimated fair values of Sukuk with maturities of less than six months approximate the carrying values. For Sukuk with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for Sukuk with similar risk profile.

Subordinated Sukuk

The fair values for the quoted subordinated Sukuk are obtained from quoted market prices while the fair values for unquoted subordinated Sukuk are estimated based on discounted cash flow models.

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

Credit related commitment and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

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

Certain credit derivatives products where valuation inputs are unobservable are valued using analytic/semi-analytic pricing models that model credit default with other market variables such as foreign exchange (“FX”) rates in a mathematically and theoretically consistent framework. These valuation models are the usual market standard used in credit derivatives pricing.

Credit derivatives inputs deemed to trigger Level 3 classification:

- Correlation between Credit and FX

Actual transactions, where available, are used to regularly recalibrate such unobservable parameters.

For the purpose of Model Reserve, the following ranges (where applicable) are proposed to be used for calculating such reserves:

- Credit and FX correlation (reserve on a Level 3 input) -
 1. Short Quanto Credit Default Swap (“CDS”) position shocked with larger negative correlation.
 2. Long Quanto CDS position shocked with larger positive correlation.

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

- FX Volatility (reserve on valuation model) -
 1. Long volatility shocked with lower volatility.
 2. Short volatility shocked with higher volatility.

Equity derivatives which primarily include over-the-counter options on individual or basket of shares or market indices are valued using option pricing models such as Black-Scholes and Monte Carlo Simulations.

These models are calibrated with the inputs which include underlying spot prices, dividend and yield curves. A Level 3 input for equity options is historical volatility i.e. volatility derived from the shares' historical prices. The magnitude and direction of the impact to the fair value depend on whether the Group is long or short the exposure.

- Higher volatility will result in higher fair value for net long positions.
- Higher volatility will result in lower fair value for net short positions.

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

53 Financial Risk Management (Continued)

53.4 Fair value estimation (Continued)

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

The Group and the Bank Description	Fair value assets RM'000	Fair value liabilities RM'000	Valuation technique(s)	Unobservable inputs	Range of unobservable input	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments						
- Equity derivatives						
2025	101	(101)	Option pricing	Equity volatility	22.22% to 55.81%	Higher volatility results in higher/lower fair value depending on the net long/short positions
2024	996	(996)	Option pricing	Equity volatility	16.38% to 46.70%	Higher volatility results in higher/lower fair value depending on the net long/short positions

Sensitivity analysis for Level 3

The sensitivity of the fair value of equity derivatives to the movement in significant unobservable input is insignificant for the financial year ended 31 December 2025 and 31 December 2024.

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

54 Directors of subsidiaries of the Bank

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

Name of Company	Name of Directors
CIMB Islamic Nominees (Asing) Sdn Bhd	1.Rosmawarni Abdul Samad 2.Tok Puan Datin Ezreen Eliza Zulkiplee
CIMB Islamic Nominees (Tempatan) Sdn Bhd	1.Rosmawarni Abdul Samad 2.Tok Puan Datin Ezreen Eliza Zulkiplee

55 Authorisation for issue of Financial Statements

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