

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	The Group		The Company	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
ASSETS					
Cash and short-term funds	A8	43,227,769	44,008,860	1,430,622	474,259
Reverse repurchase agreements/reverse Collateralised Commodity Murabahah		9,375,763	9,751,262	-	-
Deposits and placements with banks and other financial institutions	A8	4,349,789	3,096,482	-	-
Financial investments at fair value through profit or loss	A9	37,597,907	33,200,263	-	-
Debt instruments at fair value through other comprehensive income	A10	58,974,614	58,375,661	1,760,602	1,737,110
Equity instruments at fair value through other comprehensive income	A11	308,198	300,669	-	-
Debt instruments at amortised cost	A12	73,255,652	64,533,424	7,516,726	7,813,401
Derivative financial instruments	A26	15,366,067	18,072,158	-	-
Loans, advances and financing	A13	400,574,022	394,557,180	-	-
Other assets	A14	23,996,922	13,601,102	85,097	83,364
Amount due from a subsidiary		-	-	187	209
Tax recoverable		326,959	339,068	185,500	185,361
Deferred tax assets		1,949,687	1,910,929	-	-
Statutory deposits with central banks		12,073,465	10,905,070	-	-
Investment in subsidiaries		-	-	34,681,446	34,666,619
Investment in associates and joint ventures		2,504,439	2,467,007	-	-
Property, plant and equipment		2,046,388	2,055,881	230	266
Right-of-use assets		570,060	600,402	430	430
Investment properties		2,736	-	323	327
Goodwill		6,472,355	6,382,440	-	-
Intangible assets		1,865,664	1,798,512	-	-
		694,838,456	665,956,370	45,661,163	44,961,346
Non-current assets held for sale		748,735	764,855	-	-
TOTAL ASSETS		695,587,191	666,721,225	45,661,163	44,961,346
LIABILITIES AND EQUITY					
Deposits from customers	A15	437,021,319	432,949,983	-	-
Investment accounts of customers	A16	16,296,194	13,684,632	-	-
Deposits and placements of banks and other financial institutions	A17	42,767,963	34,189,249	-	-
Repurchase agreements/Collateralised Commodity Murabahah		40,620,112	35,923,201	-	-
Financial liabilities designated at fair value through profit or loss	A18	11,571,169	11,063,853	-	-
Derivative financial instruments	A26	14,221,468	17,460,533	-	-
Bills and acceptances payable		1,553,469	2,002,427	-	-
Other liabilities	A19	33,287,167	25,160,638	5,858	12,762
Lease liabilities		469,542	500,138	-	-
Recourse obligation on loans and financing sold to Cagamas		657,636	650,667	-	-
Amount due to subsidiaries		-	-	2,474	531
Provision for taxation and zakat		110,438	109,651	-	-
Deferred tax liabilities		45,034	44,852	2	3
Bonds, Sukuk and debentures	B5(i)	11,207,460	9,918,209	-	-
Other borrowings	B5(ii)	8,217,943	8,264,785	3,964,673	3,956,970
Subordinated obligations	B5(iii)	10,825,931	11,014,515	10,361,106	10,627,596
		628,872,845	602,937,333	14,334,113	14,597,862
Non-current liabilities held for sale		44	39	-	-
TOTAL LIABILITIES		628,872,889	602,937,372	14,334,113	14,597,862
Ordinary share capital		29,094,547	29,094,547	29,094,547	29,094,547
Reserves		36,233,479	33,397,265	2,232,546	1,268,980
Less: Shares held under trust		(563)	(563)	-	-
Treasury shares, at cost		(43)	(43)	(43)	(43)
		65,327,420	62,491,206	31,327,050	30,363,484
Perpetual preference shares		200,000	200,000	-	-
Non-controlling interests		1,186,882	1,092,647	-	-
TOTAL EQUITY		66,714,302	63,783,853	31,327,050	30,363,484
TOTAL EQUITY AND LIABILITIES		695,587,191	666,721,225	45,661,163	44,961,346
COMMITMENTS AND CONTINGENCIES	A27	1,539,185,962	1,371,423,297	-	-
Net assets per share attributable to owners of the Parent (RM)		6.13	5.86	2.94	2.85

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Note	The Group			
		1st quarter ended		Three months ended	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	5,432,446	3,839,174	5,432,446	3,839,174
Interest income for financial assets at fair value through profit or loss	A20(b)	285,147	147,312	285,147	147,312
Interest expense	A21	(3,004,278)	(1,264,511)	(3,004,278)	(1,264,511)
Net interest income (before modification loss)		2,713,315	2,721,975	2,713,315	2,721,975
Modification gain/(loss)	A22	306	(1,764)	306	(1,764)
Net interest income (after modification loss)		2,713,621	2,720,211	2,713,621	2,720,211
Income from Islamic Banking operations	A31(c)	989,075	947,110	989,075	947,110
Net non-interest income	A23	1,294,549	1,068,783	1,294,549	1,068,783
		4,997,245	4,736,104	4,997,245	4,736,104
Gain on disposal of joint venture		-	265	-	265
		4,997,245	4,736,369	4,997,245	4,736,369
Overheads	A24	(2,343,515)	(2,277,538)	(2,343,515)	(2,277,538)
Profit before expected credit losses		2,653,730	2,458,831	2,653,730	2,458,831
Expected credit losses on loans, advances and financing	A25(a)	(305,983)	(287,146)	(305,983)	(287,146)
Expected credit losses made for commitments and contingencies		(77,718)	(32,706)	(77,718)	(32,706)
Other expected credit losses and impairment allowances made	A25(b)	(61,042)	(104,235)	(61,042)	(104,235)
		2,208,987	2,034,744	2,208,987	2,034,744
Share of results of joint ventures		(16,747)	4,658	(16,747)	4,658
Share of results of associates		44,149	8,264	44,149	8,264
Profit before taxation and zakat		2,236,389	2,047,666	2,236,389	2,047,666
Taxation and zakat	B3	(546,744)	(580,259)	(546,744)	(580,259)
Profit for the financial period		1,689,645	1,467,407	1,689,645	1,467,407
Profit for the financial period attributable to :					
Owners of the Parent		1,644,910	1,426,984	1,644,910	1,426,984
Non-controlling interests		44,735	40,423	44,735	40,423
		1,689,645	1,467,407	1,689,645	1,467,407
Earnings per share (sen):					
- Basic	B7(a)	15.42	13.96	15.42	13.96
- Fully diluted	B7(b)	15.40	13.94	15.40	13.94

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2023

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,689,645	1,467,407	1,689,645	1,467,407
Other comprehensive expense:				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of post employment benefits obligation	(1,095)	40	(1,095)	40
- Actuarial gain/(loss)	6	(3)	6	(3)
- Income tax effects	(89)	-	(89)	-
- Currency translation difference	(1,012)	43	(1,012)	43
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	26,236	(41,674)	26,236	(41,674)
- Net loss from change in fair value	34,335	(41,210)	34,335	(41,210)
- Currency translation difference	(8,099)	(464)	(8,099)	(464)
Equity instruments at fair value through other comprehensive income	5,684	(7,948)	5,684	(7,948)
- Net gain/(loss) from change in fair value	6,633	(7,164)	6,633	(7,164)
- Income tax effects	20	88	20	88
- Currency translation difference	(969)	(872)	(969)	(872)
	30,825	(49,582)	30,825	(49,582)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	403,003	(612,126)	403,003	(612,126)
- Net gain/(loss) from change in fair value	540,327	(653,128)	540,327	(653,128)
- Realised gain transferred to statement of income on disposal	(47,775)	(122,255)	(47,775)	(122,255)
- Changes in expected credit losses	12,303	691	12,303	691
- Income tax effects	(92,120)	162,630	(92,120)	162,630
- Currency translation difference	(9,732)	(64)	(9,732)	(64)
Net investment hedge	(62,891)	(48,027)	(62,891)	(48,027)
Hedging reserve - cash flow hedge	(1,802)	(521)	(1,802)	(521)
- Net loss from change in fair value	(2,195)	(3,218)	(2,195)	(3,218)
- Income tax effects	393	2,697	393	2,697
Deferred hedging cost	(10,034)	17,205	(10,034)	17,205
- Net (loss)/gain from change in fair value	(10,858)	21,378	(10,858)	21,378
- Income tax effects	824	(4,173)	824	(4,173)
Exchange fluctuation reserve	854,951	147,560	854,951	147,560
Share of other comprehensive income of associates and joint ventures	9,886	4,548	9,886	4,548
	1,193,113	(491,361)	1,193,113	(491,361)
Total other comprehensive income/(expense) for the financial period, net of tax	1,223,938	(540,943)	1,223,938	(540,943)
Total comprehensive income for the financial period	2,913,583	926,464	2,913,583	926,464
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	2,819,529	903,595	2,819,529	903,595
Non-controlling interests	94,054	22,869	94,054	22,869
	2,913,583	926,464	2,913,583	926,464

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Note	The Company			
		1st quarter ended		Three months ended	
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Interest income	A20(a)	102,783	89,478	102,783	89,478
Interest expense	A21	(150,345)	(134,403)	(150,345)	(134,403)
Net interest expense		(47,562)	(44,925)	(47,562)	(44,925)
Net non-interest income	A23	998,738	1,200,148	998,738	1,200,148
Gain on disposal of a subsidiary		951,176	1,155,223	951,176	1,155,223
		-	581,774	-	581,774
Overheads	A24	951,176	1,736,997	951,176	1,736,997
		(7,285)	(12,500)	(7,285)	(12,500)
Profit before expected credit losses		943,891	1,724,497	943,891	1,724,497
Other expected credit losses and impairment allowances written back	A25(b)	2,001	11,460	2,001	11,460
Profit before taxation		945,892	1,735,957	945,892	1,735,957
Taxation	B3	(489)	(388)	(489)	(388)
Profit for the financial period		945,403	1,735,569	945,403	1,735,569

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	The Company				
	1st quarter ended		Three months ended		
	31 March	31 March	31 March	31 March	
	2023	2022	2023	2022	
		RM'000	RM'000	RM'000	RM'000
Profit for the financial period		945,403	1,735,569	945,403	1,735,569
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Debt instruments at fair value through other comprehensive income		3,336	(3,466)	3,336	(3,466)
- Net gain/(loss) from change in fair value		3,322	(1,122)	3,322	(1,122)
- Changes in expected credit losses		14	(2,344)	14	(2,344)
Other comprehensive income/(expense)		3,336	(3,466)	3,336	(3,466)
Total comprehensive income for the financial period		948,739	1,732,103	948,739	1,732,103

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

Attributable to owners of the Parent

The Group
31 March 2023

	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve		Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve * RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total RM'000
							Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000								
At 1 January 2023	29,094,547	166,833	242,626	542,479	(563)	(43)	(1,417,428)	(238,981)	(1,701,287)	114,097	417,993	35,270,933	62,491,206	200,000	1,092,647	63,783,853
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,644,910	1,644,910	-	44,735	1,689,645
Other comprehensive income/(expense) (net of tax)	-	-	-	816,895	-	-	400,211	5,690	(48,884)	707	-	-	1,174,619	-	49,319	1,223,938
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	400,211	-	-	-	-	-	400,211	-	2,792	403,003
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	5,690	-	-	-	-	5,690	-	(6)	5,684
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	26,599	-	-	-	26,599	-	(363)	26,236
- net investment hedge	-	-	-	-	-	-	-	-	(62,891)	-	-	-	(62,891)	-	-	(62,891)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(1,612)	-	-	-	(1,612)	-	(190)	(1,802)
- deferred hedging cost	-	-	-	-	-	-	-	-	(10,034)	-	-	-	(10,034)	-	-	(10,034)
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	(1,099)	-	-	-	(1,099)	-	4	(1,095)
- currency translation difference	-	-	-	807,009	-	-	-	-	153	707	-	-	807,869	-	47,082	854,951
- share of other comprehensive income of associates and joint ventures	-	-	-	9,886	-	-	-	-	-	-	-	-	9,886	-	-	9,886
Total comprehensive income/ (expense) for the financial period	-	-	-	816,895	-	-	400,211	5,690	(48,884)	707	-	1,644,910	2,819,529	-	94,054	2,913,583
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	136,149	(136,149)	-	-	-	-
Dilution of net assets arising from accretion of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Net non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	251	251
Share-based payment expense	-	-	-	-	-	-	-	-	-	18,134	-	-	18,134	-	-	18,134
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	9,473	(10,922)	-	-	(1,449)	-	(68)	(1,517)
Transfer of realised loss upon disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	-	-	-	181	-	-	-	(181)	-	-	-	-
At 31 March 2023	29,094,547	166,833	242,626	1,359,374	(563)	(43)	(1,017,217)	(233,110)	(1,740,698)	122,016	554,142	36,779,513	65,327,420	200,000	1,186,882	66,714,302

* The regulatory reserve is maintained by the banking subsidiaries in Malaysia to meet the local regulatory requirement.

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

Attributable to owners of the Parent

The Group
31 March 2022

	Ordinary share capital RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve RM'000	Shares held under trust RM'000	Treasury shares RM'000	Fair value reserve		Other reserves RM'000	Share-based payment reserve RM'000	Regulatory reserve * RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non-controlling interests RM'000	Total RM'000
							Debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000								
At 1 January 2022	27,099,681	152,997	207,419	462,900	(563)	(43)	(556,531)	(217,545)	(1,315,309)	86,595	129,286	32,814,376	58,863,263	200,000	1,045,485	60,108,748
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	1,426,984	1,426,984	-	40,423	1,467,407
Other comprehensive income/(expense) (net of tax)	-	-	-	152,918	-	-	(595,804)	(8,100)	(72,475)	72	-	-	(523,389)	-	(17,554)	(540,943)
- debt instruments at fair value through other comprehensive income	-	-	-	-	-	-	(595,804)	-	-	-	-	-	(595,804)	-	(16,322)	(612,126)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(8,100)	-	-	-	-	(8,100)	-	152	(7,948)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	(41,563)	-	-	-	(41,563)	-	(111)	(41,674)
- net investment hedge	-	-	-	-	-	-	-	-	(48,027)	-	-	-	(48,027)	-	-	(48,027)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(273)	-	-	-	(273)	-	(248)	(521)
- deferred hedging cost	-	-	-	-	-	-	-	-	17,205	-	-	-	17,205	-	-	17,205
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	40	-	-	-	40	-	-	40
- currency translation difference	-	-	-	148,391	-	-	-	-	122	72	-	-	148,585	-	(1,025)	147,560
- share of other comprehensive income of associates and joint ventures	-	-	-	4,527	-	-	-	-	21	-	-	-	4,548	-	-	4,548
Total comprehensive income/(expense) for the financial period	-	-	-	152,918	-	-	(595,804)	(8,100)	(72,475)	72	-	1,426,984	903,595	-	22,869	926,464
Non-controlling interests share of dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(5)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	171,325	(171,325)	-	-	-	-
Transfer to capital reserve	-	-	33,547	-	-	-	-	-	-	-	-	(33,547)	-	-	-	-
Contributions by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,846	5,846
Net non-controlling interests share of subsidiary treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	882	882
Share-based payment expense	-	-	-	-	-	-	-	-	-	19,203	-	-	19,203	-	-	19,203
Shares released under employee benefit schemes	-	-	-	-	-	-	-	-	28,933	(27,223)	-	-	1,710	-	(63)	1,647
At 31 March 2022	27,099,681	152,997	240,966	615,818	(563)	(43)	(1,152,335)	(225,645)	(1,358,851)	78,647	300,611	34,036,488	59,787,771	200,000	1,075,014	61,062,785

* The regulatory reserve is maintained by the the banking subsidiaries in Malaysia to meet the local regulatory requirement.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	← Non-distributable →				Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
The Company							
At 1 January 2023	29,094,547	55,982	(43)	(13,534)	87,817	1,138,715	30,363,484
Profit for the financial period	-	-	-	-	-	945,403	945,403
Other comprehensive income (net of tax)	-	-	-	3,336	-	-	3,336
- Debt instruments at fair value through other comprehensive income	-	-	-	3,336	-	-	3,336
Total comprehensive income for the financial period	-	-	-	3,336	-	945,403	948,739
Capital contribution to subsidiaries	-	-	-	-	14,827	-	14,827
At 31 March 2023	29,094,547	55,982	(43)	(10,198)	102,644	2,084,118	31,327,050

	← Non-distributable →				Distributable		Total RM'000
	Ordinary share capital RM'000	Capital reserve RM'000	Treasury shares RM'000	Fair value reserve - debt instruments at fair value through other comprehensive income RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	
The Company							
At 1 January 2022	27,099,681	55,982	(43)	28,228	33,487	267,441	27,484,776
Profit for the financial period	-	-	-	-	-	1,735,569	1,735,569
Other comprehensive expense (net of tax)	-	-	-	(3,466)	-	-	(3,466)
- Debt instruments at fair value through other comprehensive income	-	-	-	(3,466)	-	-	(3,466)
Total comprehensive (expense)/income for the financial period	-	-	-	(3,466)	-	1,735,569	1,732,103
Capital contribution to subsidiaries	-	-	-	-	10,486	-	10,486
At 31 March 2022	27,099,681	55,982	(43)	24,762	43,973	2,003,010	29,227,365

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

CIMB GROUP HOLDINGS BERHAD
(Registration Number 195601000197 (50841-W))
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	The Group		The Company	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Profit before taxation and zakat	2,236,389	2,047,666	945,892	1,735,957
Adjustments for non-operating and non-cash items	(552,238)	(197,528)	(951,063)	(1,748,125)
Operating profit/(loss) before changes in working capital	1,684,151	1,850,138	(5,171)	(12,168)
Net changes in operating assets	(21,741,345)	(12,824,774)	310	573,842
Net changes in operating liabilities	28,096,193	10,430,831	(6,472)	(13,207)
	6,354,848	(2,393,943)	(6,162)	560,635
Cash flows generated from/(used in) operations	8,038,999	(543,805)	(11,333)	548,467
Taxation paid	(599,741)	(523,340)	(629)	(201)
Net cash flows generated from/(used in) operating activities	7,439,258	(1,067,145)	(11,962)	548,266
Cash flows from investing activities				
Dividend income from subsidiaries	-	-	998,588	1,200,000
Interest income received from financial investments	1,052,034	909,709	78,951	136,383
Net (purchase)/proceeds of financial investments	(8,410,148)	(3,711,809)	300,000	-
Net purchase from disposal of property, plant and equipment	(372,415)	(10,246)	-	-
Net purchase of intangible assets	(157,323)	(83,951)	-	-
Other investing activities	(281,348)	41,761	-	(671,774)
Net cash flows (used in)/generated from investing activities	(8,169,200)	(2,854,536)	1,377,539	664,609
Cash flows from financing activities				
Interest paid on bonds, Sukuk and debentures	(89,005)	(36,064)	-	-
Interest paid on subordinated obligations	(70,607)	(61,233)	(78,951)	(46,382)
Interest paid on term loan facility and other borrowings	(15,577)	(18,642)	-	-
Proceeds from issuance of bonds, Sukuk and debentures	2,089,244	3,401,848	-	-
Proceeds from issuance of subordinated obligations	815,000	-	400,000	-
Proceeds from term loan facility and other borrowings	-	552,868	-	-
Redemption of bonds, Sukuk and debentures	(949,121)	(3,202,822)	-	-
Redemption of subordinated obligations	(1,090,000)	-	(700,000)	-
Repayment of term loan facility and other borrowings	(152,002)	(911,373)	-	-
Other financing activities	(12,735)	(56,251)	(30,182)	-
Net cash flows generated from/(used in) financing activities	525,197	(331,669)	(409,133)	(46,382)
Net (decrease)/increase in cash and cash equivalents during the financial period	(204,745)	(4,253,350)	956,444	1,166,493
Effects of exchange rate changes	307,722	187,006	(81)	-
Cash and cash equivalents at beginning of the financial period	43,724,557	46,106,715	474,259	93,674
	43,827,534	42,040,371	1,430,622	1,260,167
Monies held in trust	(764,569)	(675,713)	-	-
Cash and cash equivalents at end of the financial period	43,062,965	41,364,658	1,430,622	1,260,167
Cash and cash equivalents comprise:				
Cash and short-term funds	43,227,769	42,262,308	1,430,622	1,241,967
Deposits and placements with banks and other financial institutions	4,349,789	3,282,615	-	18,200
	47,577,558	45,544,923	1,430,622	1,260,167
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(3,750,024)	(3,504,552)	-	-
Monies held in trust	(764,569)	(675,713)	-	-
Cash and cash equivalents at end of financial period	43,062,965	41,364,658	1,430,622	1,260,167

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 31 March 2023 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, equity instruments at fair value through other comprehensive income, derivative financial instruments and non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

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

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Company's audited financial statements for the financial year ended 31 December 2022. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 31 December 2022.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2022, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 January 2023:

- Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'
- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates

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

The unaudited condensed interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

(b) Global economic activity is expected to be uncertain for the rest of 2023 in view of on-going geopolitical tensions and possibility of a global recession. Inflationary pressures are likely to persist as global fiscal and monetary policies remain on a tightening bias. This may be partially offset by the reopening of the Chinese economy, which is gradually translating to a pick-up in consumer expenditure and global travel activity.

The Group will continue to monitor ECL impact on an on-going basis to ensure sufficient provisions are being made for targeted portfolios based on the best available information. This will take into consideration the country's growth trajectory and external factors like global economic uncertainty, continued geopolitical tensions, likelihood of further monetary tightening to rein in inflation as well as volatility within the global banking industry and financial markets.

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Other than detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the financial period ended 31 March 2023:-

(a) On 3 March 2023, the Company announced that it will seek its shareholders' approval at its 66th Annual General Meeting ("AGM") to be convened on a later announced date for the proposed renewal of the authority for the Company to purchase its own shares of up to 10% of the issued and paid-up capital of the Company. Shareholders' approval was subsequently obtained at the AGM which was held on 13 April 2023.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (Continued)

(b) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by CIMB Bank Berhad ("CIMB Bank"), undertook a partial redemption of the Medium Term Note amounting to RM18.6 million.

(c) During the financial period, CIMB Thai Bank issued various unsecured structured debentures amounted to THB115 million with tenures ranges between one month to three years from respective issuance dates. The Bank will pay interest according to the conditions of agreements.

During the financial period, CIMB Thai Bank has redeemed structured debentures amounted to THB391 million.

d) During the financial period, CIMB Thai Bank issued various unsecured short term debentures amounted to THB13.8 billion with tenures ranges between 3 to 6 months from respective issuance dates. The short term debentures carry fixed interest rates ranges from 1.00% - 1.53%, payable at respective maturity dates.

During the financial period, CIMB Thai Bank has redeemed unsecured short term debentures amounted to THB6.2 billion.

(e) On 8 February 2023, CIMB Niaga Auto Finance issued unsecured IDR1,000,000 million bonds. The bonds are divided into 370 days Series A Bond and 3 years Series B Bond amounted to IDR700,000 million and IDR300,000 million, with fixed interest rate of 6.25% and 7.15% per annum respectively.

(f) On 8 March 2023, the Company issued RM400 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah bearing a periodic distribution rate of 4.30% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme. The proceeds from the issuance were used to subscribe to the RM400 million Tier 2 Sustainability Sukuk Wakalah issued by CIMB Bank on the same day, based on similar terms.

(g) On 8 March 2023, CIMB Bank issued RM400 million 10 years non-callable 5 years Tier 2 Sustainability Sukuk Wakalah to CIMB Group bearing a periodic distribution rate of 4.30% per annum, payable on a semi-annual basis. The said Sustainability Sukuk Wakalah was issued out of the RM15.0 billion Sukuk Wakalah programme.

(h) On 27 March 2023, CIMB Niaga redeemed its Continuous Sukuk Mudharabah I Phase III Year 2020 Series B Sukuk amounted to IDR287,000 million.

(i) On 29 March 2023, the Company redeemed its existing RM700 million Tier 2 Subordinated Debt issued under RM10.0 billion Tier 2 Subordinated Debt Programme on the first call date.

(j) On 29 March 2023, CIMB Bank redeemed its existing RM700 million Tier 2 Subordinated Debt issued under RM10.0 billion Tier 2 Subordinated Debt Programme on the first call date.

(k) On 29 March 2023, CIMB Thai redeemed its existing RM390 million Tier 2 subordinated notes.

(l) On 29 March 2023, CIMB Thai issued RM415million Basel III compliant Tier 2 subordinated notes. The subordinated notes carry fixed interest rate of 4.70% per annum payable every six months. The subordinated notes will mature on 29 March 2033. CIMB Thai may exercise its right to early redeem the subordinated notes 5 years after issue date, and on each coupon payment date thereafter, subject to approval by the Bank of Thailand.

A4. DIVIDENDS PAID AND PROPOSED

A single-tier second interim dividend of 13.00 sen per ordinary share, on 10,665,101,700 ordinary shares amounting to RM1,386,463,221 in respect of the financial year ended 31 December 2022 was approved by the Board of Directors on 31 January 2023. The single-tier second interim dividend consists of all cash dividend which was paid on 12 April 2023.

A5. STATUS OF CORPORATE PROPOSAL

There is no corporate proposal that had occurred during the current reporting period.

A6. EVENTS DURING THE REPORTING PERIOD

Other than those disclosed under Issuance and Repayment of Debts and Equity Securities, there was no significant events that had occurred during the current reporting period.

A7. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There is no significant events that had occurred between 31 March 2023 and the date of this announcement.

A8. CASH AND SHORT-TERM FUNDS AND DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

As at 31 March 2023, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM2,644,000 (2022: RM2,528,000) and RM2,072,000 (2022: RM2,361,000) respectively. The 12-month expected credit losses written back in the income statement during the financial period is amounting to RM189,000 (2022: RM54,000).

A9. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Money market instruments:		
Unquoted		
Malaysian Government Securities	3,461,583	3,141,965
Cagamas bonds	1,137,935	1,021,901
Khazanah bonds	2,014	1,987
Malaysian Government treasury bills	1,300,932	1,265,864
Bank Negara Malaysia monetary notes	833,221	1,094,640
Negotiable instruments of deposit	2,659,299	193,586
Other Government securities	4,788,044	3,022,373
Government Investment Issues	2,537,478	3,080,842
Other Government treasury bills	7,537,522	10,370,577
Commercial papers	89,167	24,753
Promissory Notes	297,279	295,529
	24,644,474	23,514,017
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Shares	1,037,010	988,048
<i><u>Outside Malaysia:</u></i>		
Shares	481,900	352,026
	1,518,910	1,340,074
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Corporate bond and Sukuk	3,095,382	3,103,138
Shares	1,051,271	1,054,046
Unit trusts	94,568	93,128
<i><u>Outside Malaysia:</u></i>		
Corporate bond	3,064,158	1,535,979
Shares	3,709	3,385
Private equity funds	95,035	139,499
Other Government bonds	4,030,400	2,416,997
	11,434,523	8,346,172
	37,597,907	33,200,263

A10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Company	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Fair value				
Money market instruments:				
Unquoted				
Malaysian Government Securities	5,449,285	5,107,076	-	-
Cagamas bonds	318,501	396,349	-	-
Negotiable instruments of deposit	146,563	232,584	-	-
Other Government securities	5,365,453	7,618,254	-	-
Government investment Issues	7,217,379	6,427,540	-	-
Other Government treasury bills	157,030	140,102	-	-
Commercial Papers	24,840	-	-	-
	18,679,051	19,921,905	-	-
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bond and Sukuk	21,000,641	20,139,108	1,760,602	1,737,110
<i>Outside Malaysia:</i>				
Corporate bond and Sukuk	10,289,056	9,618,028	-	-
Other Government bonds	9,005,866	8,696,620	-	-
	40,295,563	38,453,756	1,760,602	1,737,110
	58,974,614	58,375,661	1,760,602	1,737,110

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.

	The Group			Total			
	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				
					Lifetime expected credit losses		
					Total		
At 1 January 2023	39,988	1,229	-	41,217			
Changes in expected credit losses due to transfer within stages:	(32)	32	-	-			
Transferred to Stage 2	(32)	32	-	-			
Total charge to Statement of Income:	12,418	(115)	-	12,303			
New financial assets purchased	17,408	-	-	17,408			
Financial assets that have been derecognised	(4,134)	(33)	-	(4,167)			
Change in credit risk	(856)	(82)	-	(938)			
Exchange fluctuation	509	1	-	510			
At 31 March 2023	52,883	1,147	-	54,030			
At 1 January 2022	41,798	1,748	20,849	64,395			
Changes in expected credit losses due to transfer within stages:	(54)	54	-	-			
Transferred to Stage 1	116	(116)	-	-			
Transferred to Stage 2	(170)	170	-	-			
Total charge to Statement of Income:	(3,645)	(574)	(20,849)	(25,068)			
New financial assets purchased	29,665	-	-	29,665			
Financial assets that have been derecognised	(5,712)	(7)	-	(5,719)			
Writeback in respect of full recoveries	-	-	(20,849)	(20,849)			
Change in credit risk	(27,598)	(567)	-	(28,165)			
Exchange fluctuation	1,889	1	-	1,890			
At 31 December 2022	39,988	1,229	-	41,217			

A10. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

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

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

	The Company			Total RM'000
	12-month	Lifetime	Lifetime	
	expected credit	expected credit	expected	
	losses	losses - not credit	credit losses	
(Stage 1)	impaired	- credit impaired		
RM'000	RM'000	RM'000		
At 1 January 2023	11,472	-	-	11,472
Total charge to Statement of Income:	15	-	-	15
Change in credit risk	15	-	-	15
At 31 March 2023	11,487	-	-	11,487
At 1 January 2022	12,328	-	-	12,328
Total charge to Statement of Income:	(856)	-	-	(856)
Change in credit risk	(856)	-	-	(856)
At 31 December 2022	11,472	-	-	11,472

Gross carrying amount movement for debt instruments at fair value through other comprehensive income classified as credit impaired:

	The Group	
	Lifetime expected	Total
	credit losses	RM'000
	- credit impaired	RM'000
	(Stage 3)	
	RM'000	RM'000
At 1 January / 31 March 2023	-	-
At 1 January 2022	20,849	20,849
Amount recovered	(20,849)	(20,849)
At 31 December 2022	-	-

A11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Quoted securities		
<i>In Malaysia</i>		
Shares	28,625	22,264
<i>Outside Malaysia</i>		
Shares	1,808	1,860
	30,433	24,124
Unquoted securities		
<i>In Malaysia</i>		
Shares	265,578	265,578
Property funds	189	189
<i>Outside Malaysia</i>		
Shares	11,925	10,705
Private equity funds	73	73
	277,765	276,545
	308,198	300,669

A12. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Company	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Unquoted				
Malaysian Government securities	10,629,082	9,262,963	-	-
Cagamas bonds	535,932	503,023	-	-
Other Government treasury bills	8,966,903	5,144,798	-	-
Other Government securities	3,825,894	3,535,311	-	-
Malaysian Government investment issue	18,929,445	16,658,815	-	-
Khazanah bonds	202,027	202,027	-	-
	43,089,283	35,306,937	-	-
Unquoted securities				
<i>In Malaysia</i>				
Corporate bond and Sukuk	20,361,288	19,812,585	7,566,085	7,864,777
<i>Outside Malaysia</i>				
Corporate bond and Sukuk	4,564,543	4,208,523	-	-
Other Government bonds	5,805,361	5,757,420	-	-
	30,731,192	29,778,528	7,566,085	7,864,777
Total	73,820,475	65,085,465	7,566,085	7,864,777
Amortisation of premium, net of accretion of discount	29,840	32,998	-	-
Less : Expected credit losses	(594,663)	(585,039)	(49,359)	(51,376)
	73,255,652	64,533,424	7,516,726	7,813,401

Expected credit losses movement for debt instruments at amortised cost:

	The Group			Total
	Lifetime			
	12-month expected credit losses	expected credit losses - not credit impaired	Lifetime expected credit losses - credit impaired	
	(Stage 1)	(Stage 2)	(Stage 3)	
	RM'000	RM'000	RM'000	
At 1 January 2023	5,478	4,175	575,386	585,039
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 2	(140)	140	-	-
Total charge to Statement of Income:	2,110	(213)	(779)	1,118
New financial assets purchased	8,056	-	-	8,056
Financial assets that have been derecognised	(2,180)	-	-	(2,180)
Change in credit risk	(3,766)	(213)	(779)	(4,758)
Exchange fluctuation	68	14	191	273
Other movements	-	-	8,233	8,233
At 31 March 2023	7,516	4,116	583,031	594,663
At 1 January 2022	1,878	31,265	614,102	647,245
Changes in expected credit losses due to transfer within stages:				
Transferred to Stage 1	983	(983)	-	-
Transferred to Stage 2	1,275	(1,275)	-	-
Total charge to Statement of Income:	2,294	(26,093)	(78,158)	(101,957)
New financial assets purchased	12,829	-	-	12,829
Financial assets that have been derecognised	(1,295)	(52)	-	(1,347)
Change in credit risk	(9,240)	(26,041)	(78,158)	(113,439)
Exchange fluctuation	323	(14)	(154)	155
Other movements	-	-	39,596	39,596
At 31 December 2022	5,478	4,175	575,386	585,039

A12. DEBT INSTRUMENTS AT AMORTISED COST (Continued)

Expected credit losses movement for debt instruments at amortised cost (Continued):

	The Company			Total RM'000
	12-month expected credit losses (Stage 1) RM'000	Lifetime		
		expected credit losses - not impaired (Stage 2) RM'000	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	
At 1 January 2023	51,376	-	-	51,376
Total charge to Statement of Income:	(2,017)	-	-	(2,017)
Change in credit risk	(2,017)	-	-	(2,017)
At 31 March 2023	49,359	-	-	49,359
At 1 January 2022	47,967	-	-	47,967
Total charge to Statement of Income:	3,409	-	-	3,409
Change in credit risk	3,409	-	-	3,409
At 31 December 2022	51,376	-	-	51,376

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

	The Group	
	Lifetime expected credit losses - credit impaired (Stage 3)	
	RM'000	Total RM'000
At 1 January 2023	1,318,868	1,318,868
Other changes in debts instruments	2,921	2,921
Exchange fluctuation	3,031	3,031
At 31 March 2023	1,324,820	1,324,820
At 1 January 2022	1,231,144	1,231,144
Other changes in debts instruments	63,737	63,737
Exchange fluctuation	23,987	23,987
At 31 December 2022	1,318,868	1,318,868

A13. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
At amortised cost		
Overdrafts	5,030,188	4,941,495
Term loans/financing		
- Housing loans/financing	134,198,201	131,209,391
- Syndicated term loans	21,398,974	21,904,930
- Hire purchase receivables	26,790,276	26,064,935
- Lease receivables	269,584	217,887
- Factoring receivables	178,245	193,113
- Other term loans/financing	157,735,559	154,908,116
Bills receivable	7,527,293	6,761,901
Trust receipts	1,977,896	2,683,230
Claims on customers under acceptance credits	3,568,972	4,105,031
Staff loans *	1,791,827	1,761,101
Credit card receivables	9,506,175	9,334,399
Revolving credits	43,067,139	42,813,681
Share margin financing	49,379	50,346
Gross loans, advances and financing at amortised cost	413,089,708	406,949,556
Fair value changes arising from fair value hedges	(81,700)	(99,907)
	413,008,008	406,849,649
Less:		
- Expected credit losses	(12,534,635)	(12,400,021)
Net loans, advances and financing at amortised cost	400,473,373	394,449,628
At fair value through profit or loss		
Term loans/financing		
- Syndicated term loan	100,649	107,552
Gross loans, advances and financing at fair value through profit or loss	100,649	107,552
Total net loans, advances and financing	400,574,022	394,557,180
Total gross loans, advances and financing:		
- At amortised cost	413,089,708	406,949,556
- At fair value through profit or loss	100,649	107,552
	413,190,357	407,057,108

* Included in staff loans of the Group are loans to Directors amounting to RM8,295,257 (2022: RM2,970,659).

(a) Included in the Group's loans, advances and financing balances are RM19,193,000 (2022: RM21,919,000) of reinstated loans which were previously impaired and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

(b) The Group has undertaken fair value hedge on the interest rate risk of loans, advances and financing with RM1,767,531,000 (2022: RM1,786,866,000), using interest rate swaps.

(c) Included in the loans, advances and financing of the Group at 31 March 2023 are financing which are disclosed as "Restricted Agency Investment Account" ("RAIA") in the financial statements of CIMB Islamic amounting to RM11,119,863,000 (2022: RM11,280,429,000). RAIA arrangement is with CIMB Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where CIMB Bank solely provide the funds, whilst the assets are managed by CIMB Islamic (as the Wakeel or agent). In the arrangement, CIMB Islamic has transferred substantially all the risk and rewards of ownership of the Investment (i.e the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and expected credit losses arising thereon, if any, are recognised and accounted for by CIMB Bank.

(ii) By type of customers

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Domestic banking institutions	341,999	353,649
Domestic non-bank financial institutions		
- Stockbroking companies	218,134	390,700
- Others	6,062,181	5,931,557
Domestic business enterprises		
- Small medium enterprises	53,784,914	52,961,537
- Others	65,534,671	63,842,297
Government and statutory bodies	11,862,303	11,813,303
Individuals	216,056,171	214,310,312
Other domestic entities	16,802,673	15,980,825
Foreign entities	42,527,311	41,472,928
Gross loans, advances and financing	413,190,357	407,057,108

A13. LOANS, ADVANCES AND FINANCING (Continued)**(iii) By interest/profit rate sensitivity**

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	6,264,491	6,748,169
- Hire-purchase receivables	19,793,212	19,711,850
- Other fixed rate loans	51,393,177	50,868,798
Variable rate		
- BLR plus/BFR plus	124,630,331	122,277,864
- Cost plus	58,051,953	57,474,041
- Other variable rates	153,057,193	149,976,386
Gross loans, advances and financing	413,190,357	407,057,108

(iv) By economic purpose

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Personal use	21,736,914	21,261,070
Credit card	9,506,175	9,334,399
Purchase of consumer durables	736,336	671,284
Construction	12,984,192	12,851,633
Residential property (Housing)	135,175,593	132,022,436
Non-residential property	35,709,700	34,488,187
Purchase of fixed assets other than land and building	15,369,280	15,231,052
Mergers and acquisitions	2,274,398	2,301,167
Purchase of securities	22,407,516	22,653,271
Purchase of transport vehicles	26,979,904	26,262,111
Working capital	100,103,806	99,188,624
Other purposes	30,206,543	30,791,874
Gross loans, advances and financing	413,190,357	407,057,108

(v) By geographical distribution

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Malaysia	254,425,308	253,322,993
Indonesia	63,223,960	60,073,967
Thailand	33,581,209	33,022,208
Singapore	36,745,167	37,060,832
United Kingdom	6,736,659	4,667,221
Hong Kong	1,501,812	1,516,160
China	3,205,682	3,325,093
Other countries	13,770,560	14,068,634
Gross loans, advances and financing	413,190,357	407,057,108

(vi) By economic sector

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Primary agriculture	12,148,645	11,487,021
Mining and quarrying	4,782,086	4,826,294
Manufacturing	29,799,309	29,975,693
Electricity, gas and water supply	5,968,504	5,835,764
Construction	13,557,066	13,109,378
Transport, storage and communications	14,550,890	14,003,587
Education, health and others	19,517,608	19,456,379
Wholesale and retail trade, and restaurants and hotels	35,335,457	32,946,738
Finance, insurance/takaful, real estate and business activities	51,684,628	51,280,780
Household	202,511,983	201,360,134
Others	23,334,181	22,775,340
Gross loans, advances and financing	413,190,357	407,057,108

A13. LOANS, ADVANCES AND FINANCING (Continued)
(vii) By residual contractual maturity

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Within one year	90,737,539	88,412,486
One year to less than three years	32,079,457	30,915,249
Three years to less than five years	43,093,794	43,465,298
Five years and more	247,279,567	244,264,075
Gross loans, advances and financing	<u>413,190,357</u>	<u>407,057,108</u>

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

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Personal use	495,857	515,312
Credit card	180,336	176,297
Purchase of consumer durables	2,089	2,005
Construction	415,854	392,766
Residential property (Housing)	3,259,051	3,104,913
Non-residential property	724,118	708,347
Purchase of fixed assets other than land and building	1,101,160	1,105,457
Purchase of securities	45,514	53,934
Purchase of transport vehicles	288,218	313,452
Working capital	6,000,619	6,156,858
Other purpose	796,254	791,558
Gross credit impaired loans, advances and financing	<u>13,309,070</u>	<u>13,320,899</u>

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

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Malaysia	5,550,626	5,308,929
Indonesia	4,723,953	5,006,066
Thailand	1,320,641	1,321,615
Singapore	734,806	736,184
United Kingdom	8,328	8,700
Hong Kong	147,206	142,284
China	2,684	4,546
Other countries	820,826	792,575
Gross credit impaired loans, advances and financing	<u>13,309,070</u>	<u>13,320,899</u>

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

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Primary agriculture	170,106	171,606
Mining and quarrying	1,146,109	1,177,565
Manufacturing	1,844,787	1,999,683
Electricity, gas and water supply	58	111
Construction	220,003	206,583
Transport, storage and communications	819,039	792,157
Education, health and others	134,543	173,114
Wholesale and retail trade, and restaurants and hotels	2,443,508	2,363,447
Finance, insurance/takaful, real estate and business activities	982,313	1,043,193
Household	4,133,038	3,982,303
Others	1,415,566	1,411,137
Gross credit impaired loans, advances and financing	<u>13,309,070</u>	<u>13,320,899</u>

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

	The Group				Total RM'000
	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	Purchased credit impaired RM'000	
<u>Loans, advances and financing at amortised cost</u>					
At 1 January 2023	1,425,581	3,629,496	7,343,173	1,771	12,400,021
Changes in expected credit losses due to transfer within stages:	1,227,874	(1,155,517)	(72,357)	-	-
Transferred to Stage 1	1,334,758	(1,271,263)	(63,495)	-	-
Transferred to Stage 2	(101,372)	358,721	(257,349)	-	-
Transferred to Stage 3	(5,512)	(242,975)	248,487	-	-
Total charge to Statement of Income:	(55,014)	55,170	432,060	-	432,216
New financial assets originated	194,836	32,939	20,700	-	248,475
Financial assets that have been derecognised	(122,733)	(74,134)	-	-	(196,867)
Writeback in respect of full recoveries	-	-	(66,365)	-	(66,365)
Change in credit risk	(127,117)	96,365	477,725	-	446,973
Write-offs	(9)	(168)	(359,515)	-	(359,692)
Disposal of loans, advances and financing	-	-	(106,871)	-	(106,871)
Exchange fluctuation	6,710	37,054	122,220	28	166,012
Other movements	(2,291)	(2,495)	7,735	-	2,949
At 31 March 2023	2,602,851	2,563,540	7,366,445	1,799	12,534,635

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

	The Group				
	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	Purchased credit impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost					
At 1 January 2022	1,534,517	4,063,053	7,722,465	3,046	13,323,081
Changes in expected credit losses due to transfer within stages:	586,278	(1,608,928)	1,022,650	-	-
Transferred to Stage 1	1,034,679	(939,786)	(94,893)	-	-
Transferred to Stage 2	(439,574)	909,904	(470,330)	-	-
Transferred to Stage 3	(8,827)	(1,579,046)	1,587,873	-	-
Total charge to Statement of Income:	(702,900)	1,199,606	2,098,251	-	2,594,957
New financial assets originated	959,284	112,225	84,772	-	1,156,281
Financial assets that have been derecognised	(464,774)	(281,159)	-	-	(745,933)
Writeback in respect of full recoveries	-	-	(216,375)	-	(216,375)
Change in credit risk	(1,197,410)	1,368,540	2,229,854	-	2,400,984
Write-offs	(923)	(3,763)	(3,601,539)	(1,320)	(3,607,545)
Disposal of loans, advances and financing	-	-	(412,103)	-	(412,103)
Exchange fluctuation	7,888	(22,007)	52,845	45	38,771
Other movements	721	1,535	460,604	-	462,860
At 31 December 2022	1,425,581	3,629,496	7,343,173	1,771	12,400,021

A13. LOANS, ADVANCES AND FINANCING (Continued)

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

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

	The Group		
	Lifetime expected credit losses - credit impaired (Stage 3)	Purchased credit impaired	Total
	RM'000	RM'000	RM'000
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2023	13,314,951	5,948	13,320,899
Transfer within stages	521,288	-	521,288
New financial assets originated	38,946	-	38,946
Write-offs	(359,515)	-	(359,515)
Amount fully recovered	(178,017)	-	(178,017)
Other changes in loans, advances and financing	(104,626)	(29)	(104,655)
Disposal of loans, advances and financing	(121,940)	-	(121,940)
Exchange fluctuation	191,970	94	192,064
At 31 March 2023	<u>13,303,057</u>	<u>6,013</u>	<u>13,309,070</u>

	The Group		
	Lifetime expected credit losses - credit impaired (Stage 3)	Purchased credit impaired	Total
	RM'000	RM'000	RM'000
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2022	13,285,278	7,257	13,292,535
Transfer within stages	4,600,745	-	4,600,745
New financial assets originated	171,714	-	171,714
Write-offs	(3,609,463)	(1,320)	(3,610,783)
Amount fully recovered	(609,045)	-	(609,045)
Other changes in loans, advances and financing	(197,420)	(96)	(197,516)
Disposal of loans, advances and financing	(466,527)	-	(466,527)
Exchange fluctuation	139,669	107	139,776
At 31 December 2022	<u>13,314,951</u>	<u>5,948</u>	<u>13,320,899</u>

	The Group	
	31 March 2023	31 December 2022
Ratio of credit impaired loans to total gross loans, advances and financing	<u>3.22%</u>	<u>3.27%</u>

A14. OTHER ASSETS

	The Group		The Company	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Due from brokers	13,649	10,377	-	-
Other debtors net of expected credit losses of RM706,280,000 (2022: RM701,401,000), deposits and prepayments	3,995,597	3,390,389	85,097	83,364
Settlement accounts	2,856,533	1,242,400	-	-
Treasury related receivables	9,862,952	2,027,697	-	-
Due from joint ventures	3,168,147	2,897,175	-	-
Structured financing	557,847	553,415	-	-
Foreclosed assets net of allowance for impairment losses of RM77,622,000 (2022: RM73,312,000)	224,619	210,116	-	-
Collateral pledged for derivative transactions	3,317,578	3,269,533	-	-
	23,996,922	13,601,102	85,097	83,364

A15. DEPOSITS FROM CUSTOMERS

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	103,713,390	108,507,497
Savings deposits	72,028,477	73,784,622
Fixed deposits	180,180,535	165,541,568
Negotiable instruments of deposit	1,127,915	648,944
Others	79,971,002	84,467,352
	437,021,319	432,949,983
<u>By type of customer</u>		
Government and statutory bodies	14,281,899	15,005,285
Business enterprises	161,589,236	166,281,466
Individuals	195,278,236	181,284,793
Others	65,871,948	70,378,439
	437,021,319	432,949,983

The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

Due within six months	131,139,539	127,698,171
Six months to less than one year	40,311,502	30,874,784
One year to less than three years	8,922,472	6,685,799
Three years to five years	934,937	931,758
	181,308,450	166,190,512

A16. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Unrestricted investment accounts	16,296,194	13,684,632

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Licensed banks	27,056,413	26,849,917
Licensed finance companies	6,594,322	2,619,660
Licensed investment banks	684,108	665,768
Bank Negara Malaysia	1,303,572	1,270,997
Other financial institutions	7,129,548	2,782,907
	42,767,963	34,189,249

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

Due within six months	37,312,061	31,178,062
Six months to less than one year	2,738,697	1,015,042
One year to less than three years	1,379,588	695,664
Three years to less than five years	662,060	652,571
Five years and more	675,557	647,910
	42,767,963	34,189,249

A18. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Deposits from customers - structured investments	8,819,241	8,371,927
Debentures	661,148	655,323
Bills payable	2,090,780	2,036,603
	11,571,169	11,063,853

The Group has issued structured investments, bills payable and debentures, and has designated them at fair value in accordance with MFRS 9. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group 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 at 31 March 2023 were RM450,065,000 (2022: RM419,865,000) lower than the contractual amount at maturity for the structured investments, RM5,293,000 (2022: RM9,259,000) higher than the contractual amount at maturity for the debentures and RM294,302,000 (2022: RM280,465,000) higher than the contractual amount at maturity for the bills payable.

A19. OTHER LIABILITIES

	The Group		The Company	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Due to brokers	23,143	6,172	-	-
Expenditure payable	2,915,673	3,288,500	5,788	12,192
Provision for legal claims	49,898	51,355	-	-
Sundry creditors	2,305,648	1,435,198	70	570
Treasury related payables	9,656,418	2,077,477	-	-
Settlement accounts	2,416,318	794,621	-	-
Structured deposits	6,202,473	6,041,649	-	-
Post employment benefit obligations	556,570	418,861	-	-
Credit card expenditure payable	249,508	265,135	-	-
Collateral pledged for derivative transactions	4,011,450	6,200,556	-	-
Expected credit losses for loan commitments and financial guarantee contracts	907,889	816,365	-	-
Prepayment	535,867	552,426	-	-
Others	3,456,312	3,212,323	-	-
	33,287,167	25,160,638	5,858	12,762

A19. OTHER LIABILITIES (Continued)

(a) Movements in the expected credit losses for loan commitments and financial guarantee contracts are as follows:

	The Group			
	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
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	367,055	138,749	310,561	816,365
Changes in expected credit losses due to transfer within stages:	70,517	(62,207)	(8,310)	-
Transferred to Stage 1	75,769	(69,407)	(6,362)	-
Transferred to Stage 2	(5,167)	16,690	(11,523)	-
Transferred to Stage 3	(85)	(9,490)	9,575	-
Total charge to Statement of Income:	128,967	8,248	(59,497)	77,718
New exposures	58,703	1,518	-	60,221
Exposures derecognised or matured	(35,346)	(3,337)	(2,282)	(40,965)
Change in credit risk	105,610	10,067	(57,215)	58,462
Exchange fluctuation	8,973	771	1,791	11,535
Other movements	(1,503)	1,046	2,728	2,271
At 31 March 2023	574,009	86,607	247,273	907,889

	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
	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	408,101	169,537	203,863	781,501
Changes in expected credit losses due to transfer within stages:	80,087	(94,848)	14,761	-
Transferred to Stage 1	99,868	(93,391)	(6,477)	-
Transferred to Stage 2	(19,592)	39,753	(20,161)	-
Transferred to Stage 3	(189)	(41,210)	41,399	-
Total charge to Statement of Income:	(118,802)	63,973	85,585	30,756
New exposures	251,323	4,203	2,255	257,781
Exposures derecognised or matured	(135,529)	(28,064)	(38,978)	(202,571)
Change in credit risk	(234,596)	87,834	122,308	(24,454)
Exchange fluctuation	(2,737)	(8)	630	(2,115)
Other movements	406	95	5,722	6,223
At 31 December 2022	367,055	138,749	310,561	816,365

As at 31 March 2023, the gross exposures of loan commitments and financial guarantee contracts that are credit impaired is RM463,976,000 (2022: RRM501,338,000) .

A20(a). INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans, advances and financing				
- Interest income other than recoveries	3,905,876	2,869,001	3,905,876	2,869,001
- Unwinding income [^]	44,772	44,049	44,772	44,049
Money at call and deposit placements with financial institutions	314,963	84,831	314,963	84,831
Reverse repurchase agreements	111,107	31,510	111,107	31,510
Debt instruments at fair value through other comprehensive income	556,269	497,212	556,269	497,212
Debt instruments at amortised cost	495,765	412,498	495,765	412,498
Others	25,230	9,390	25,230	9,390
	5,453,982	3,948,491	5,453,982	3,948,491
Accretion of discounts less amortisation of premiums	(21,536)	(109,317)	(21,536)	(109,317)
	5,432,446	3,839,174	5,432,446	3,839,174

The Company

Money at call and deposit placements with financial institutions	2,355	252	2,355	252
Debt instruments at fair value through other comprehensive income	20,170	20,170	20,170	20,170
Debt instruments at amortised cost	80,258	69,056	80,258	69,056
	102,783	89,478	102,783	89,478

[^] Included in unwinding income is interest income earned on credit impaired financial assets

A20(b) INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Financial investments at fair value through profit or loss	199,374	154,410	199,374	154,410
Loan, advances and financing at fair value through profit or loss	1,303	2,648	1,303	2,648
	200,677	157,058	200,677	157,058
Accretion of discounts, net of amortisation of premiums	84,470	(9,746)	84,470	(9,746)
	285,147	147,312	285,147	147,312

A21. INTEREST EXPENSE

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	296,285	47,409	296,285	47,409
Deposits from customers	1,883,922	834,894	1,883,922	834,894
Repurchase agreements	289,982	84,213	289,982	84,213
Bonds, Sukuk and debentures	124,360	74,104	124,360	74,104
Subordinated obligations	126,705	89,277	126,705	89,277
Financial liabilities designated at fair value through profit or loss	103,686	49,334	103,686	49,334
Negotiable certificates of deposits	25,431	11,548	25,431	11,548
Other borrowings	99,815	49,914	99,815	49,914
Recourse obligation on loan and financing sold to Cagamas	6,427	5,934	6,427	5,934
Structured deposits	39,025	9,154	39,025	9,154
Lease liabilities	4,452	4,768	4,452	4,768
Others	4,188	3,962	4,188	3,962
	3,004,278	1,264,511	3,004,278	1,264,511
The Company				
Subordinated obligations	112,461	101,259	112,461	101,259
Other borrowings	37,884	33,144	37,884	33,144
	150,345	134,403	150,345	134,403

A22. MODIFICATION LOSS

In light of the Covid-19 outbreak, the Central Bank and Ministry of Finance of respective countries have introduced several relief measures to assist customer/ borrowers affected by the pandemic. These measures aim to ensure that the financial intermediation function of the financial sector remains intact, accessibility to financial continues to be available, and banking institutions remain focused on supporting the economy during these exceptional circumstances.

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

A23. NET NON-INTEREST INCOME

	1st quarter ended		Three months ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
The Group				
(a) Net fee income and commission income:				
Commissions	322,854	284,719	322,854	284,719
Fee on loans, advances and financing	136,369	130,865	136,369	130,865
Service charges and fees	181,566	159,116	181,566	159,116
Corporate advisory and arrangement fees	8,045	3,501	8,045	3,501
Guarantee fees	24,606	25,892	24,606	25,892
Other fee income	62,004	59,926	62,004	59,926
Placement fees	1,916	7,846	1,916	7,846
Underwriting commission	10,813	13,249	10,813	13,249
Fee and commission income	748,173	685,114	748,173	685,114
Fee and commission expense	(237,483)	(148,152)	(237,483)	(148,152)
Net fee and commission income	510,690	536,962	510,690	536,962
(b) Gross dividend income from:				
<i>In Malaysia</i>				
- Financial investments at fair value through profit or loss	5,925	11,222	5,925	11,222
- Equity instruments at fair value through other comprehensive income	1,000	-	1,000	-
<i>Outside Malaysia</i>				
- Equity instruments at fair value through other comprehensive income	1	189	1	189
	6,926	11,411	6,926	11,411
(c) Net gain/(loss) arising from financial investments at fair value through profit or loss	196,444	(538,469)	196,444	(538,469)
- Realised	42,065	(302,202)	42,065	(302,202)
- Unrealised	154,379	(236,267)	154,379	(236,267)
(d) Net gain arising from derivative financial instruments	146,041	1,246,444	146,041	1,246,444
- Realised	(517,471)	730,163	(517,471)	730,163
- Unrealised	663,512	516,281	663,512	516,281
(e) Net gain arising from financial liability designated at fair value through profit or loss	72,262	186,162	72,262	186,162
- Realised	22,528	(10,036)	22,528	(10,036)
- Unrealised	49,734	196,198	49,734	196,198
(f) Net (loss)/gain arising from hedging activities	(28,001)	23,471	(28,001)	23,471
(g) Net gain from sale of investment in debt instruments at fair value through other comprehensive income	48,040	92,028	48,040	92,028
(h) Net (loss)/gain from redemption of debt instruments at amortised cost	(27)	12,740	(27)	12,740
(i) Net loss arising from loans, advances and financing at fair value through profit or loss:				
- Unrealised	(18)	(853)	(18)	(853)
(j) Income from assets management and securities services	3,897	4,944	3,897	4,944
(k) Brokerage income	221	366	221	366
(l) Other non-interest income:				
Foreign exchange gain/(loss)	238,593	(551,027)	238,593	(551,027)
Rental income	5,372	6,452	5,372	6,452
Gain on disposal of property, plant and equipment/ assets held for sale	3,091	12,177	3,091	12,177
Gain on disposal of loans, advances and financing	73,780	4,909	73,780	4,909
(Loss)/gain on disposal of foreclosed assets	(1,213)	2,456	(1,213)	2,456
Other non-operating income	18,451	18,610	18,451	18,610
	338,074	(506,423)	338,074	(506,423)
	1,294,549	1,068,783	1,294,549	1,068,783

A23. NET NON-INTEREST INCOME (CONTINUED)

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Company				
(a) Gross dividend income from:				
<u>In Malaysia</u>				
- Subsidiary	998,588	1,200,000	998,588	1,200,000
(b) Other non-interest income:				
Foreign exchange gain	80	79	80	79
Rental income	70	69	70	69
	150	148	150	148
	998,738	1,200,148	998,738	1,200,148

A24. OVERHEADS

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonus	1,134,137	1,111,588	1,134,137	1,111,588
- Pension cost	124,476	112,825	124,476	112,825
- Share-based expense ¹	14,827	10,486	14,827	10,486
- Overtime	6,579	4,316	6,579	4,316
- Staff incentives and other staff payments	44,104	57,338	44,104	57,338
- Medical expenses	25,956	22,045	25,956	22,045
- Others	44,525	45,104	44,525	45,104
	1,394,604	1,363,702	1,394,604	1,363,702
Establishment costs				
- Depreciation of property, plant and equipment	75,977	76,322	75,977	76,322
- Depreciation of right-of-use assets	45,974	52,914	45,974	52,914
- Amortisation of intangible assets	119,252	176,733	119,252	176,733
- Intangible assets written off	257	1,038	257	1,038
- Rental	29,918	20,663	29,918	20,663
- Repair and maintenance	206,814	169,552	206,814	169,552
- Outsourced services	2,240	3,748	2,240	3,748
- Security expenses	23,896	25,864	23,896	25,864
- Others	77,332	76,488	77,332	76,488
	581,660	603,322	581,660	603,322
Marketing expenses				
- Advertisement	40,183	24,473	40,183	24,473
- Others	25,874	9,516	25,874	9,516
	66,057	33,989	66,057	33,989
Administration and general expenses				
- Legal and professional fees	53,269	35,844	53,269	35,844
- Stationery	7,659	5,995	7,659	5,995
- Postage	8,328	8,504	8,328	8,504
- Communication	24,492	22,460	24,492	22,460
- Incidental expenses on banking operations	44,247	28,869	44,247	28,869
- Others	163,199	174,853	163,199	174,853
	301,194	276,525	301,194	276,525
	2,343,515	2,277,538	2,343,515	2,277,538

¹ The long term incentive plan ("LTIP") was implemented by CIMBGH in June 2021. The LTIP awards ordinary shares and share options of the Company 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.

A24. OVERHEADS (CONTINUED)

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Company				
Establishment costs				
- Depreciation of property, plant and equipment	37	37	37	37
- Depreciation of investment properties	5	5	5	5
- Rental	1	-	1	-
- Repair and maintenance	34	26	34	26
- Others	7	25	7	25
	84	93	84	93
Administration and general expenses				
- Legal and professional fees	1,377	1,373	1,377	1,373
- Insurance	1,000	2,720	1,000	2,720
- Others	4,824	8,314	4,824	8,314
	7,201	12,407	7,201	12,407
	7,285	12,500	7,285	12,500

A25(a). EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost	432,216	456,675	432,216	456,675
Credit impaired loans, advances and financing:				
- Recovered	(179,013)	(174,312)	(179,013)	(174,312)
- Written off	52,780	4,783	52,780	4,783
	305,983	287,146	305,983	287,146

A25(b). OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES

	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Other expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	12,303	691	12,303	691
- Debt instrument at amortised cost	1,118	(82,656)	1,118	(82,656)
- Money at call and deposits and placements with banks and other financial institutions	(189)	(54)	(189)	(54)
Other impairment allowances made:				
- Other assets	33,542	186,254	33,542	186,254
- Non-current assets held for sale	14,268	-	14,268	-
	61,042	104,235	61,042	104,235
The Company				
Other expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	15	(2,344)	15	(2,344)
- Debt instrument at amortised cost	(2,017)	(9,116)	(2,017)	(9,116)
Other impairment allowances made:				
- Other assets	1	-	1	-
	(2,001)	(11,460)	(2,001)	(11,460)

A26. DERIVATIVE FINANCIAL INSTRUMENTS

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

Trading 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 Group		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
At 31 March 2023			
<u>Trading derivatives</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	51,007,926	501,401	(458,894)
- Less than 1 year	46,980,614	412,396	(362,863)
- 1 year to 3 years	3,211,515	56,198	(67,789)
- More than 3 years	815,797	32,807	(28,242)
Currency swaps	529,497,953	5,970,021	(5,697,267)
- Less than 1 year	522,845,509	5,935,647	(5,337,231)
- 1 year to 3 years	3,376,743	31,128	(183,389)
- More than 3 years	3,275,701	3,246	(176,647)
Currency spots	8,738,972	9,868	(8,384)
- Less than 1 year	8,738,972	9,868	(8,384)
Currency options	12,820,904	104,157	(93,940)
- Less than 1 year	8,910,091	52,809	(49,473)
- 1 year to 3 years	3,467,565	42,865	(36,131)
- More than 3 years	443,248	8,483	(8,336)
Cross currency interest rate swaps	111,383,603	3,022,076	(3,269,288)
- Less than 1 year	35,985,658	748,205	(954,851)
- 1 year to 3 years	39,331,986	1,140,588	(1,157,044)
- More than 3 years	36,065,959	1,133,283	(1,157,393)
	713,449,358	9,607,523	(9,527,773)
<u>Interest rate derivative</u>			
Interest rate swaps	614,240,683	4,412,671	(3,674,073)
- Less than 1 year	320,746,731	540,276	(538,055)
- 1 year to 3 years	147,162,632	1,096,444	(901,677)
- More than 3 years	146,331,320	2,775,951	(2,234,341)
Interest rate futures	6,353,569	9,153	(29,577)
- Less than 1 year	6,353,569	9,153	(29,577)
Interest rate options	433,708	6,071	(1,275)
- 1 year to 3 years	382,018	4,106	(1,275)
- More than 3 years	51,690	1,965	-
	621,027,960	4,427,895	(3,704,925)
<u>Equity related derivatives</u>			
Equity futures	4,989	4	(6)
- Less than 1 year	4,989	4	(6)
Equity options	3,302,475	99,637	(246,844)
- Less than 1 year	2,818,296	78,404	(240,706)
- 1 year to 3 years	390,674	20,674	(5,579)
- More than 3 years	93,505	559	(559)
Equity swaps	446,779	37,272	(27,222)
- Less than 1 year	58,092	6,572	(2,816)
- 1 year to 3 years	388,687	30,700	(24,406)
	3,754,243	136,913	(274,072)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 March 2023	The Group		
	Principal amount RM'000	Fair values Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	584,447	22,485	(21,681)
- Less than 1 year	584,447	22,485	(21,681)
Commodity futures	131,879	2,322	(4,775)
- Less than 1 year	131,879	2,322	(4,775)
Commodity options	739,963	23,037	(19,919)
- Less than 1 year	739,963	23,037	(19,919)
	1,456,289	47,844	(46,375)
<u>Credit related contract</u>			
Credit default swaps	3,417,733	28,186	(16,834)
- Less than 1 year	24,657	191	(59)
- 1 year to 3 years	1,295,495	9,060	(8,405)
- More than 3 years	2,097,581	18,935	(8,370)
Total return swaps	20,200	-	(342)
- 1 year to 3 years	20,200	-	(342)
	3,437,933	28,186	(17,176)
<u>Bond contract</u>			
Bond Forward	2,847,002	134,580	(93,108)
- Less than 1 year	861,680	32,014	(36,586)
- 1 year to 3 years	1,562,474	98,370	(37,457)
- More than 3 years	422,848	4,196	(19,065)
<u>Hedging derivatives</u>			
Interest rate swaps	38,051,163	770,705	(396,712)
- Less than 1 year	7,270,950	29,377	(7,440)
- 1 year to 3 years	9,606,346	116,378	(91,211)
- More than 3 years	21,173,867	624,950	(298,061)
Currency swaps	6,474,597	65,152	(76,821)
- Less than 1 year	6,474,597	65,152	(76,821)
Cross currency interest rate swaps	3,344,027	147,269	(84,506)
- 1 year to 3 years	1,450,274	69,402	(37,045)
- More than 3 years	1,893,753	77,867	(47,461)
	47,869,787	983,126	(558,039)
Total derivative assets/(liabilities)	1,393,842,572	15,366,067	(14,221,468)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2022	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Foreign exchange derivatives</u>			
Currency forward	48,694,551	368,281	(1,019,865)
- Less than 1 year	44,708,456	281,464	(923,450)
- 1 year to 3 years	3,111,231	55,382	(60,457)
- More than 3 years	874,864	31,435	(35,958)
Currency swaps	435,187,275	7,617,122	(7,532,870)
- Less than 1 year	428,871,925	7,583,733	(7,259,719)
- 1 year to 3 years	3,259,077	27,446	(103,433)
- More than 3 years	3,056,273	5,943	(169,718)
Currency spots	5,379,541	12,683	(11,524)
- Less than 1 year	5,379,541	12,683	(11,524)
Currency options	10,445,744	113,495	(107,449)
- Less than 1 year	6,686,813	58,255	(55,832)
- 1 year to 3 years	2,035,617	36,964	(34,694)
- More than 3 years	1,723,314	18,276	(16,923)
Cross currency interest rate swaps	105,351,157	3,159,323	(3,583,947)
- Less than 1 year	29,007,703	698,777	(896,998)
- 1 year to 3 years	40,916,752	1,219,193	(1,391,635)
- More than 3 years	35,426,702	1,241,353	(1,295,314)
	605,058,268	11,270,904	(12,255,655)
<u>Interest rate derivative</u>			
Interest rate swaps	564,413,013	5,086,564	(4,290,392)
- Less than 1 year	275,857,945	539,288	(530,380)
- 1 year to 3 years	147,121,574	1,360,983	(1,084,930)
- More than 3 years	141,433,494	3,186,293	(2,675,082)
Interest rate futures	1,172,683	9,827	(1,911)
- Less than 1 year	1,172,683	9,827	(1,911)
Interest rate options	363,623	6,617	(1,621)
- Less than 1 year	363,623	6,617	(1,621)
	565,949,319	5,103,008	(4,293,924)
<u>Equity related derivatives</u>			
Equity futures	2,986	2	(20)
- Less than 1 year	2,986	2	(20)
Equity options	2,603,830	113,091	(166,414)
- Less than 1 year	2,150,148	101,450	(162,852)
- 1 year to 3 years	360,385	11,072	(3,348)
- More than 3 years	93,297	569	(214)
Equity swaps	446,653	16,891	(21,206)
- Less than 1 year	161,018	7,775	(1,476)
- 1 year to 3 years	285,635	9,116	(19,730)
	3,053,469	129,984	(187,640)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

At 31 December 2022	The Group		
	Principal amount RM'000	Fair values	
		Assets RM'000	Liabilities RM'000
Trading derivatives			
<u>Commodity related derivatives</u>			
Commodity swaps	822,386	24,374	(23,182)
- Less than 1 year	822,386	24,374	(23,182)
Commodity futures	93,052	2,477	(1,006)
- Less than 1 year	93,052	2,477	(1,006)
Commodity options	330,903	2,956	(4,174)
- Less than 1 year	330,903	2,956	(4,174)
	1,246,341	29,807	(28,362)
<u>Credit related contract</u>			
Credit default swaps	2,493,237	20,571	(15,135)
- Less than 1 year	12,642	246	-
- 1 year to 3 years	1,011,983	9,128	(2,229)
- More than 3 years	1,468,612	11,197	(12,906)
Total return swaps	20,200	-	(477)
- More than 3 years	20,200	-	(477)
	2,513,437	20,571	(15,612)
Bond contract			
Bond forward	2,781,813	299,346	(30,676)
- Less than 1 year	882,451	71,035	(15,526)
- 1 year to 3 years	1,529,310	198,034	(11,690)
- More than 3 years	370,052	30,277	(3,460)
Hedging derivatives			
Interest rate swaps	36,228,517	900,845	(390,416)
- Less than 1 year	4,439,055	14,059	(18,138)
- 1 year to 3 years	11,690,612	132,801	(100,946)
- More than 3 years	20,098,850	753,985	(271,332)
Currency swaps	7,358,750	101,806	(158,669)
- Less than 1 year	7,358,750	101,806	(158,669)
Cross currency interest rate swaps	3,405,249	215,887	(99,579)
- Less than 1 year	441,209	45,650	(2,188)
- 1 year to 3 years	1,487,628	77,912	(51,846)
- More than 3 years	1,476,412	92,325	(45,545)
	46,992,516	1,218,538	(648,664)
Total derivative assets/(liabilities)	1,227,595,163	18,072,158	(17,460,533)

A26. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

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

Market Risk

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

Credit Risk

Credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2023, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM15,366,067,000 (2022: RM18,072,158,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2023, the Group has posted cash collateral of RM3,317,578,000 (2022: RM3,269,533,000) on their derivative contracts.

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

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

The above information, policies and procedures in respect of derivative financial instruments of the Group are disclosed in the audited financial statements for the financial year ended 31 December 2022 and the Risk Management section of the 2022 Annual Report.

A27. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group enter into various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured over the Group's assets 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.

	31 March 2023	31 December 2022
	Principal Amount RM'000	Principal Amount RM'000
The Group		
<u>Credit-related</u>		
Direct credit substitutes	7,142,240	6,897,580
Certain transaction-related contingent items	7,492,085	7,132,974
Short-term self-liquidating trade-related contingencies	3,637,977	4,151,626
Obligations under underwriting agreement	-	87,500
Irrevocable commitments to extend credit		
- maturity not exceeding one year	87,002,995	86,747,649
- maturity exceeding one year	38,757,586	38,062,217
Miscellaneous commitments and contingencies	1,310,507	748,588
Total credit-related commitments and contingencies	145,343,390	143,828,134
<u>Treasury-related</u>		
<u>Foreign exchange related contracts</u>		
- less than one year	629,935,441	522,454,397
- one year to five years	75,507,304	76,218,188
- more than five years	17,825,237	17,149,682
	723,267,982	615,822,267
<u>Interest rate related contracts</u>		
- less than one year	334,371,250	281,469,683
- one year to five years	260,725,197	257,983,649
- more than five years	63,982,676	62,724,504
	659,079,123	602,177,836
<u>Equity related contracts</u>		
- less than one year	2,881,377	2,314,152
- one year to five years	779,361	646,020
- more than five years	93,505	93,297
	3,754,243	3,053,469
<u>Credit related contracts</u>		
- less than one year	24,657	12,642
- one year to five years	2,342,723	2,258,816
- more than five years	1,070,553	241,979
	3,437,933	2,513,437
<u>Commodity related contracts</u>		
- less than one year	1,456,289	1,246,341
	1,456,289	1,246,341
<u>Bond contracts</u>		
- less than one year	861,680	882,451
- one year to five years	1,955,322	1,899,362
- more than five years	30,000	-
	2,847,002	2,781,813
Total treasury-related commitments and contingencies	1,393,842,572	1,227,595,163
	1,539,185,962	1,371,423,297
Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account (refer to Note A13(i) (c) for more details), as follows:		
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	3,000,000	3,000,000

A28. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and its banking subsidiaries 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 (“CAF”) (Capital Components)/Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Capital Components), of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

On 5 February 2020, BNM issued the policy document on Domestic Systemically Important Banks (D-SIB) Framework, which sets out BNM’s assessment methodology to identify D-SIBs in Malaysia, following which CIMB Group Holdings Berhad has been identified as a D-SIB. A D-SIB is required to maintain additional capital buffers to regulatory capital requirements that include a higher loss absorbency (HLA) requirement which came into effect on 31 January 2021. The applicable HLA requirements will be in accordance to the list of D-SIBs published and updated by BNM on an annual basis.

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

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

The capital adequacy ratios of CIMB Thai Bank is based on the Bank of Thailand (BOT) Notification No. SorNorSor. 12/2555 Re: Regulations on Supervision of Capital for Commercial Banks, dated 8 November 2012. Credit Risk and Market Risk are based on Standardised Approach while Operational Risk is based on Basic Indicator Approach.

The capital adequacy ratios of Bank CIMB Niaga is based on Otoritas Jasa Keuangan (OJK)'s requirements. The approach for Credit Risk and Market Risk is based on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach. With effect from 1 January 2023, Operational risk is based on Standardised Approach as stipulated by SEOJK No 6/SEOJK.03/2020.

The regulatory compliance ratio of CIMB Bank PLC refers to the Solvency Ratio. The Solvency ratio is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived from CIMB Bank PLC's net worth divided by its risk-weighted assets.

The capital adequacy ratio of CIMB Bank (Vietnam) Ltd. is calculated and managed according to local regulations as per the requirement of State Bank of Vietnam (SBV) in Circular 41/2016/TT-NHNN (dated 30 December 2016), which requires banks and branches of foreign banks to maintain the minimum CAR at 8% which covers credit, market and operational risk.

A28. CAPITAL ADEQUACY (Continued)**31 March 2023**

(a) The capital adequacy ratios of the Group is as follows:

	The Group
Common equity tier 1 ratio	13.889%
Tier 1 ratio	14.686%
Total capital ratio	<u>17.561%</u>

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

	The Group RM'000
Credit risk ⁽¹⁾	302,371,580
Market risk	17,207,960
Large exposure risk requirements	1,196,080
Operational risk	34,517,951
Total risk-weighted assets	<u>355,293,571</u>

⁽¹⁾ The RWA for credit risk relating to the Restricted Agency Investment Account are as follows:

	The Group RM'000
Under Restricted Agency Investment Account arrangement	<u>618,543</u>

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

	The Group RM'000
Common Equity Tier 1 capital	
Ordinary share capital	29,094,547
Other reserves	33,337,830
Qualifying non-controlling interests	538,063
Common Equity Tier 1 capital before regulatory adjustments	<u>62,970,440</u>
<u>Less: Regulatory adjustments</u>	
Goodwill	(6,472,355)
Intangible assets	(1,782,503)
Deferred tax assets	(1,987,814)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,036,441)
Regulatory reserve	(554,142)
Others	209,058
Common Equity Tier 1 capital after regulatory adjustments	<u>49,346,243</u>
Additional Tier 1 capital	
Perpetual subordinated capital securities	2,750,000
Qualifying capital instruments held by third parties	82,736
	<u>2,832,736</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	-
Additional Tier 1 capital after regulatory adjustments	<u>2,832,736</u>
Total Tier 1 capital	<u>52,178,979</u>

A28. CAPITAL ADEQUACY (Continued)

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

	The Group RM'000
Tier 2 capital	
Subordinated obligations	7,500,000
Qualifying capital instruments held by third parties	83,508
Surplus of eligible provisions over expected loss	1,062,234
General provisions [√]	<u>1,566,656</u>
Tier 2 capital before regulatory adjustments	<u>10,212,398</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Tier 2 capital instruments	<u>-</u>
Total Tier 2 capital	<u><u>10,212,398</u></u>
Total capital	<u><u>62,391,377</u></u>

(d) The capital adequacy of the banking subsidiary companies of the Group are as follows:

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	14.738%	14.566%	13.400%	104.711%	15.316%	19.753%	N/A	N/A
Tier 1 ratio	15.377%	15.353%	14.003%	104.711%	15.316%	19.753%	N/A	N/A
Total capital ratio	<u>18.821%</u>	<u>18.798%</u>	<u>16.270%</u>	<u>104.711%</u>	<u>21.113%</u>	<u>20.823%</u>	<u>18.107%</u>	<u>56.303%</u>

** Includes the operations of CIMB Bank (L) Limited.

[√] Total Capital of CIMB Group as at 31 March 2023 has excluded general provisions restricted from Tier 2 capital of RM1,617 million.

A28. CAPITAL ADEQUACY (Continued)**31 December 2022**

(a) The capital adequacy ratios of the Group is as follows:

	The Group
Before deducting proposed dividend	
Common equity tier 1 ratio	14.943%
Tier 1 ratio	15.792%
Total capital ratio	<u>18.891%</u>
After deducting proposed dividend	
Common equity tier 1 ratio	14.526%
Tier 1 ratio	15.375%
Total capital ratio	<u>18.474%</u>

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

	The Group RM'000
Credit risk ⁽¹⁾	283,348,349
Market risk	13,981,992
Large exposure risk requirements	1,194,330
Operational risk	33,969,638
Total risk-weighted assets	<u>332,494,309</u>

⁽¹⁾ The RWA for credit risk relating to the Restricted Agency Investment Account are as follows:

	The Group RM'000
Under Restricted Agency Investment Account arrangement	<u>857,557</u>

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

	The Group RM'000
Common Equity Tier 1 capital	
Ordinary share capital	29,094,547
Other reserves	33,396,659
Qualifying non-controlling interests	484,612
Less: Proposed dividends	<u>(1,386,463)</u>
Common Equity Tier 1 capital before regulatory adjustments	61,589,355
<u>Less: Regulatory adjustments</u>	
Goodwill	(6,382,440)
Intangible assets	(1,798,512)
Deferred tax assets	(1,866,077)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(3,062,743)
Regulatory reserve	(417,993)
Others	236,434
Common Equity Tier 1 capital after regulatory adjustments	<u>48,298,024</u>
Additional Tier 1 capital	
Perpetual subordinated capital securities	2,750,000
Qualifying capital instruments held by third parties	72,768
	<u>2,822,768</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Additional Tier 1 capital instruments	-
Additional Tier 1 capital after regulatory adjustments	<u>2,822,768</u>
Total Tier 1 capital	<u>51,120,792</u>

A28. CAPITAL ADEQUACY (Continued)

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

	The Group RM'000
Tier 2 capital	
Subordinated obligations	7,800,000
Qualifying capital instruments held by third parties	71,903
Surplus of eligible provisions over expected loss	1,024,699
General provisions [√]	<u>1,407,065</u>
Tier 2 capital before regulatory adjustments	<u>10,303,667</u>
<u>Less: Regulatory adjustments</u>	
Investments in own Tier 2 capital instruments	<u>-</u>
Total Tier 2 capital	<u>10,303,667</u>
Total capital	<u>61,424,459</u>

(d) The capital adequacy of the banking subsidiary companies of the Group are as follows:

	CIMB Bank Group	CIMB Bank **	CIMB Islamic Bank	CIMB Investment Bank Group	CIMB Thai Bank	Bank CIMB Niaga	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
<u>Before deducting proposed dividend</u>								
Common equity tier 1 ratio	15.504%	15.491%	14.040%	97.816%	15.068%	20.779%	N/A	N/A
Tier 1 ratio	16.166%	16.308%	14.670%	97.816%	15.068%	20.779%	N/A	N/A
Total capital ratio	<u>19.822%</u>	<u>20.031%</u>	<u>17.078%</u>	<u>97.816%</u>	<u>20.780%</u>	<u>21.862%</u>	<u>18.615%</u>	<u>56.979%</u>
<u>After deducting proposed dividend</u>								
Common equity tier 1 ratio	15.139%	14.918%	14.040%	94.645%	15.068%	20.779%	N/A	N/A
Tier 1 ratio	15.802%	15.736%	14.670%	94.645%	15.068%	20.779%	N/A	N/A
Total capital ratio	<u>19.458%</u>	<u>19.458%</u>	<u>17.078%</u>	<u>94.645%</u>	<u>20.780%</u>	<u>21.862%</u>	<u>18.615%</u>	<u>56.979%</u>

** Includes the operations of CIMB Bank (L) Limited.

[√] Total Capital of CIMB Group as at 31 December 2022 has excluded general provisions restricted from Tier 2 capital of RM1,369 million.

A29. SEGMENTAL REPORT

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 and geographical segment.

All inter-segment transactions are conducted on an arm's length basis and on normal commercial terms not more favourable than those generally available to the public.

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

Business segment reporting

Definition of segments:

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

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering both conventional and Islamic financial products and services such as residential property loans, non-residential property loans, secured personal loans, motor vehicle financing, credit cards, unsecured personal financing, wealth management, bancassurance, remittance and foreign exchange, deposits and internet banking services.

Commercial Banking

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

Wholesale Banking

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking, Equities 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 equity and equity-linked products, debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of both conventional and 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 loans, to derivatives, structured products and debt capital market.

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

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

A29. SEGMENTAL REPORT (Continued)

Wholesale Banking (Continued)

Equities provides broking services to corporate, institutional and retail clients.

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.

CIMB Digital Assets & Group Funding

CIMB Digital Assets drives all strategic partnerships across business lines Group-wide and explores strategic equity joint ventures in the ecosystem space. 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.

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 March 2023					
Net interest income - after modification loss					
- external income	1,203,696	376,921	939,286	193,718	2,713,621
- inter-segment income/(expense)	(11,022)	187,530	(331,438)	154,930	-
	1,192,674	564,451	607,848	348,648	2,713,621
Income from Islamic Banking operations	474,327	245,968	186,005	82,775	989,075
Net non-interest income	437,409	172,566	616,592	67,982	1,294,549
Net income	2,104,410	982,985	1,410,445	499,405	4,997,245
Overheads	(1,186,175)	(457,974)	(558,024)	(141,342)	(2,343,515)
of which:					
- Depreciation of property, plant and equipment	(25,486)	(1,263)	(3,501)	(45,727)	(75,977)
- Amortisation of intangible assets	(30,905)	(3,780)	(16,714)	(67,853)	(119,252)
Profit before expected credit losses	918,235	525,011	852,421	358,063	2,653,730
Expected credit losses made on loans, advances and financing	(80,115)	(223)	(178,293)	(47,352)	(305,983)
Expected credit losses (made)/written back for commitments and contingencies	(109,222)	(7,686)	39,185	5	(77,718)
Other expected credit losses and impairment allowances (made)/written back	(30,828)	543	(11,627)	(19,130)	(61,042)
Segment results	698,070	517,645	701,686	291,586	2,208,987
Share of results of joint ventures	(3,118)	-	-	(13,629)	(16,747)
Share of results of associates	-	-	-	44,149	44,149
Profit before taxation and zakat	694,952	517,645	701,686	322,106	2,236,389
% of profit before taxation and zakat	31.1	23.1	31.4	14.4	100.0
Taxation and zakat					(546,744)
Profit for the financial period					1,689,645

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 March 2022					
Net interest income - after net modification gain					
- external income	1,201,579	439,600	764,005	315,027	2,720,211
- inter-segment income/(expense)	661	106,833	23,518	(131,012)	-
	1,202,240	546,433	787,523	184,015	2,720,211
Income from Islamic Banking operations	469,459	200,257	165,050	112,344	947,110
Net non-interest income	447,341	137,468	423,182	60,792	1,068,783
Gain on disposal of joint ventures	-	-	-	265	265
Net income	2,119,040	884,158	1,375,755	357,416	4,736,369
Overheads	(1,084,101)	(442,501)	(520,441)	(230,495)	(2,277,538)
of which:					
- Depreciation of property, plant and equipment	(28,264)	(1,134)	(4,509)	(42,415)	(76,322)
- Amortisation of intangible assets	(33,514)	(3,113)	(23,865)	(116,241)	(176,733)
Profit before expected credit losses	1,034,939	441,657	855,314	126,921	2,458,831
Expected credit losse (made)/written back on loans, advances and financing	(115,069)	13,455	(165,142)	(20,390)	(287,146)
Expected credit losses written back/(made) for commitments and contingencies	60,951	(4,604)	(89,059)	6	(32,706)
Other expected credit losses and impairment allowances (made)/written back	(262,184)	(598)	153,640	4,907	(104,235)
Segment results	718,637	449,910	754,753	111,444	2,034,744
Share of results of joint ventures	6,239	-	-	(1,581)	4,658
Share of results of associates	-	-	8,242	22	8,264
Profit before taxation and zakat	724,876	449,910	762,995	109,885	2,047,666
% of profit before taxation and zakat	35.4	21.9	37.3	5.4	100.0
Taxation and zakat					(580,259)
Profit for the financial period					1,467,407

A29. SEGMENTAL REPORT (Continued)

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 March 2023					
Group					
Segment assets	213,921,247	65,833,598	278,191,522	104,309,826	662,256,193
Investment in associates and joint ventures	159,788	-	-	2,344,651	2,504,439
	<u>214,081,035</u>	<u>65,833,598</u>	<u>278,191,522</u>	<u>106,654,477</u>	<u>664,760,632</u>
Unallocated assets	-	-	-	-	30,826,559
Total assets	<u>214,081,035</u>	<u>65,833,598</u>	<u>278,191,522</u>	<u>106,654,477</u>	<u>695,587,191</u>
Segment liabilities	180,543,999	84,698,554	280,795,937	45,982,922	592,021,412
Unallocated liabilities	-	-	-	-	36,851,477
Total liabilities	<u>180,543,999</u>	<u>84,698,554</u>	<u>280,795,937</u>	<u>45,982,922</u>	<u>628,872,889</u>
Other segment items					
Capital expenditure	49,512	5,326	25,057	110,479	190,374
Investment in joint ventures	159,788	-	-	2,250,282	2,410,070
Investment in associates	-	-	-	94,369	94,369

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
31 December 2022					
Group					
Segment assets	211,410,147	64,078,193	273,763,397	97,654,836	646,906,573
Investment in associates and joint ventures	162,906	-	-	2,304,101	2,467,007
	<u>211,573,053</u>	<u>64,078,193</u>	<u>273,763,397</u>	<u>99,958,937</u>	<u>649,373,580</u>
Unallocated assets	-	-	-	-	17,347,645
Total assets	<u>211,573,053</u>	<u>64,078,193</u>	<u>273,763,397</u>	<u>99,958,937</u>	<u>666,721,225</u>
Segment liabilities	170,804,101	84,449,789	271,298,915	50,590,077	577,142,882
Unallocated liabilities	-	-	-	-	25,794,490
Total liabilities	<u>170,804,101</u>	<u>84,449,789</u>	<u>271,298,915</u>	<u>50,590,077</u>	<u>602,937,372</u>
Other segment items					
Capital expenditure	315,777	19,759	91,596	473,369	900,501
Investment in joint ventures	162,906	-	-	2,262,315	2,425,221
Investment in associates	-	-	-	41,786	41,786

A30. FAIR VALUE ESTIMATION

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

Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

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

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

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

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

Valuation Model Review and Approval

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

A30. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and the Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2023 and 31 December 2022 .

The Group	Fair Value			Total
	Level 1	Level 2	Level 3	
31 March 2023	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial investments at fair value through profit or loss				
- Money market instruments	-	24,347,195	297,279	24,644,474
- Quoted securities	1,518,910	-	-	1,518,910
- Unquoted securities	4,030,398	6,254,109	1,150,016	11,434,523
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	18,679,051	-	18,679,051
- Unquoted securities	9,005,866	31,289,697	-	40,295,563
Equity instruments at fair value through other comprehensive income				
- Quoted securities	30,433	-	-	30,433
- Unquoted securities	-	-	277,765	277,765
Derivative financial instruments				
- Trading derivatives	11,643	14,268,623	102,675	14,382,941
- Hedging derivatives	-	983,126	-	983,126
Loans, advances and financing at fair value through profit or loss				
-	-	100,649	-	100,649
Total	14,597,250	95,922,450	1,827,735	112,347,435
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	67,713	13,392,770	202,946	13,663,429
- Hedging derivatives	-	558,039	-	558,039
Financial liabilities designated at fair value through profit or loss				
-	-	11,571,169	-	11,571,169
Total	67,713	25,521,978	202,946	25,792,637

The Group	Fair Value			Total
	Level 1	Level 2	Level 3	
31 December 2022	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial investments at fair value through profit or loss				
- Money market instruments	-	23,218,488	295,529	23,514,017
- Quoted securities	1,340,074	-	-	1,340,074
- Unquoted securities	2,416,997	4,732,245	1,196,930	8,346,172
Debt instruments at fair value through other comprehensive income				
- Money market instruments	-	19,921,905	-	19,921,905
- Unquoted securities	8,696,620	29,757,136	-	38,453,756
Equity instruments at fair value through other comprehensive income				
- Quoted securities	24,124	-	-	24,124
- Unquoted securities	-	-	276,545	276,545
Derivative financial instruments				
- Trading derivatives	11,558	16,726,330	115,732	16,853,620
- Hedging derivatives	-	1,218,538	-	1,218,538
Loans, advances and financing at fair value through profit or loss				
-	-	107,552	-	107,552
Total	12,489,373	95,682,194	1,884,736	110,056,303
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	42,227	16,649,411	120,231	16,811,869
- Hedging derivatives	-	648,664	-	648,664
Financial liabilities designated at fair value through profit or loss				
-	-	11,063,853	-	11,063,853
Total	42,227	28,361,928	120,231	28,524,386

A30. FAIR VALUE ESTIMATION (Continued)

- (i). The following table represents the Group's and Company's financial assets and financial liabilities measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2023 and 31 December 2022 (Continued)

The Company 31 March 2023	Fair Value			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Unquoted securities	-	1,760,602	-	1,760,602
Total	-	1,760,602	-	1,760,602

The Company 31 December 2022	Fair Value			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<i>Recurring fair value measurements</i>				
<u>Financial assets</u>				
Debt instruments at fair value through other comprehensive income				
- Unquoted securities	-	1,737,110	-	1,737,110
Total	-	1,737,110	-	1,737,110

A30. FAIR VALUE ESTIMATION (Continued)

(ii). The following represents the movement in Level 3 instruments for the financial period/year ended 31 March 2023 and 31 December 2022 for the Group.

	Financial Assets			Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	Money market instruments and unquoted securities					
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	1,492,459	276,545	115,732	1,884,736	(120,231)	(120,231)
Total gains/(losses) recognised in Statement of Income	525	-	(15,016)	(14,491)	8,410	8,410
Total gains recognised in Other Comprehensive Income	-	355	-	355	-	-
Purchases	324	-	2,894	3,218	(151,772)	(151,772)
Sales and redemptions	(48,308)	-	-	(48,308)	-	-
Settlements	-	-	(1,902)	(1,902)	61,581	61,581
Exchange fluctuation	2,295	865	967	4,127	(934)	(934)
At 31 March	1,447,295	277,765	102,675	1,827,735	(202,946)	(202,946)
Total gains/(losses) recognised in Statement of Income for the financial period ended 31 March 2023 under:						
- net non-interest income	525	-	(15,016)	(14,491)	8,410	8,410
Total gains recognised in Other Comprehensive Income for the financial period ended 31 March 2023 under "revaluation reserves"						
	-	312	-	312	-	-
Change in unrealised (losses)/gains recognised in Statement of Income relating to assets held on 31 March 2023 under "net non-interest income"						
	(12,924)	-	68,094	55,170	(27,922)	(27,922)

A30. FAIR VALUE ESTIMATION (Continued)

- (ii). The following represents the movement in Level 3 instruments for the financial period/year ended 31 March 2023 and 31 December 2022 for the Group.
(Continued)

	Financial Assets			Total	Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments Trading derivatives		Derivative financial instruments Trading derivatives	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2022						
At 1 January	1,577,323	285,593	234,395	2,097,311	(39,759)	(39,759)
Total (losses)/gains recognised in Statement of Income	(64,470)	-	(120,127)	(184,597)	3,010	3,010
Total losses recognised in Other Comprehensive Income	-	(8,762)	-	(8,762)	-	-
Purchases	1,754	-	6,889	8,643	(214,475)	(214,475)
Sales and redemptions	(52,991)	(105)	-	(53,096)	-	-
Settlements	-	-	(7,909)	(7,909)	133,316	133,316
Exchange fluctuation	30,843	(181)	2,484	33,146	(2,323)	(2,323)
At 31 December	1,492,459	276,545	115,732	1,884,736	(120,231)	(120,231)
Total (losses)/gains recognised in Statement of Income for the financial year ended 31 December 2022 under:						
- net non-interest income	(64,470)	-	(120,127)	(184,597)	3,010	3,010
Total losses recognised in Other Comprehensive Income for the financial year ended 31 December 2022 under "revaluation reserves"	-	(8,762)	-	(8,762)	-	-
Change in unrealised (losses)/gains recognised in Statement of Income relating to assets held on 31 December 2022 under "net non-interest income"	(69,580)	-	447,419	377,839	(92,638)	(92,638)

A30. FAIR VALUE ESTIMATION (Continued)

The following represents the Group's and the Company's non-financial assets measured at fair value and classified by level with the following fair value measurement hierarchy as at 31 March 2023 and 31 December 2022.

Investment properties (Recurring)

The investment properties of the Group are valued annually at fair value based on market values determined by independent qualified valuers. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size.

Non-current assets held for sales (Non-recurring)

In accordance with MFRS 5, the non-current assets held for sales were stated at the lower of carrying amount and fair value less cost to sell. As at 31 March 2023, the property plant and equipment held for sale of the Group that were stated at fair value less cost to sell was RM5,584,000 (2022: RM7,471,000). This is a non-recurring fair value which has been measured using observable inputs under sales comparison approach performed by independent valuers. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. Therefore, it is within level 2 of the fair value hierarchy.

A31. OPERATIONS OF ISLAMIC BANKING

A31a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

		The Group	
		31 March 2023	31 December 2022
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		14,332,930	18,777,000
Reverse Collateralised Commodity Murabahah		581,443	503,206
Deposits and placements with banks and other financial institutions		1,585,957	197,875
Financial investments at fair value through profit or loss		3,893,240	2,075,001
Debt instruments at fair value through other comprehensive income		6,087,976	5,917,142
Debt instruments at amortised cost		12,830,342	10,395,507
Islamic derivative financial instruments		388,950	532,332
Financing, advances and other financing/loans	A31d	126,364,461	123,903,093
Other assets		4,559,480	4,701,865
Deferred tax assets		258,098	190,837
Tax recoverable		32,408	6,170
Amount due from conventional operations		13,553,482	13,615,714
Statutory deposits with central banks		2,358,965	2,338,788
Property, plant and equipment		4,756	4,400
Right-of-use assets		2,528	2,788
Goodwill		136,000	136,000
Intangible assets		4,856	3,965
TOTAL ASSETS		186,975,872	183,301,683
LIABILITIES AND ISLAMIC BANKING			
CAPITAL FUNDS			
Deposits from customers	A31e	121,966,781	118,028,859
Investment accounts of customers	A31f	16,296,195	13,684,632
Deposits and placements of banks and other financial institutions		8,686,819	11,689,317
Collateralised Commodity Murabahah		2,463,838	2,191,011
Investment accounts due to designated financial institutions	A31g	3,538,858	3,576,590
Financial liabilities designated at fair value through profit or loss	A31h	2,859,748	2,857,004
Islamic derivative financial instruments		434,336	777,653
Bills and acceptances payable		20,420	39,069
Other liabilities		14,305,754	14,451,682
Lease liabilities		2,063	2,261
Amount due to conventional operations		1,719,809	1,703,718
Provision for taxation		9	30
Sukuk		242,420	312,978
Subordinated Sukuk		1,105,405	1,109,342
TOTAL LIABILITIES		173,642,455	170,424,146
Ordinary share capital		1,000,000	1,000,000
Islamic banking funds		55,696	55,696
Perpetual preference shares		350,000	350,000
Reserves		11,758,739	11,313,906
		13,164,435	12,719,602
Non-controlling interests		168,982	157,935
TOTAL ISLAMIC BANKING CAPITAL FUNDS		13,333,417	12,877,537
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		186,975,872	183,301,683
RESTRICTED AGENCY INVESTMENT ACCOUNT(*)		14,119,863	14,280,429
TOTAL ISLAMIC BANKING ASSETS		201,095,735	197,582,112

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

**A31b. UNAUDITED CONSOLIDATED STATEMENTS OF INCOME FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2023**

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	1,586,508	1,127,086	1,586,508	1,127,086
Income derived from investment of investment account	237,390	170,270	237,390	170,270
Net income derived from investment of shareholders' funds	286,726	187,577	286,726	187,577
Modification loss (Note A22)	(7)	(2,707)	(7)	(2,707)
Expected credit losses made on financing, advances and other financing/loans	(118,090)	(81,564)	(118,090)	(81,564)
Expected credit losses (made)/written back for commitments and contingencies	(43,225)	22,708	(43,225)	22,708
Other expected credit losses and impairment allowances (made)/written back	(766)	2,294	(766)	2,294
Total distributable income	1,948,536	1,425,664	1,948,536	1,425,664
Income attributable to depositors and others	(1,039,431)	(482,950)	(1,039,431)	(482,950)
Profit distributed to investment account holder	(155,557)	(82,790)	(155,557)	(82,790)
Total net income	753,548	859,924	753,548	859,924
Other operating expenses	(378,896)	(338,593)	(378,896)	(338,593)
Profit before taxation and zakat	374,652	521,331	374,652	521,331
Taxation and zakat	(73,719)	(127,430)	(73,719)	(127,430)
Profit for the financial period	300,933	393,901	300,933	393,901
Profit for the financial period attributable to:				
Owners of the Parent	297,136	386,792	297,136	386,792
Non-controlling interests	3,797	7,109	3,797	7,109
	300,933	393,901	300,933	393,901

A31c. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	300,933	393,901	300,933	393,901
Other comprehensive income/(expense):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	11,324	(3)	11,324	(3)
	11,324	(3)	11,324	(3)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	53,454	(67,578)	53,454	(67,578)
- Net gain/(loss) from change in fair value	68,245	(57,504)	68,245	(57,504)
- Realised loss/(gain) transferred to statement of income on disposal	78	(21,910)	78	(21,910)
- Changes in expected credit losses	792	(1,758)	792	(1,758)
- Income tax effects	(15,661)	13,594	(15,661)	13,594
Net investment hedge				
Hedging reserve - Cash flow hedge	(3,540)	-	(3,540)	-
- Net gain from change in fair value	(3,540)	-	(3,540)	-
- Income tax effects	-	-	-	-
Exchange fluctuation reserve	108,948	4,046	108,948	4,046
	158,862	(63,532)	158,862	(63,532)
Other comprehensive income/(expense) for the financial period, net of tax	170,186	(63,535)	170,186	(63,535)
Total comprehensive income for the financial period	471,119	330,366	471,119	330,366
Total comprehensive income for the financial period attributable to:				
Owners of the Parent	460,071	323,055	460,071	323,055
Non-controlling interests	11,048	7,311	11,048	7,311
	471,119	330,366	471,119	330,366
<u>Income from Islamic operations (per page 2)</u>				
Total net income	753,548	859,924	753,548	859,924
Add: Expected credit losses made on financing, advances and other financing/loans	118,090	81,564	118,090	81,564
Add: Expected credit losses made/(written back) for commitments and contingencies	43,225	(22,708)	43,225	(22,708)
Add: Other expected credit losses and impairment allowances made/(written back)	766	(2,294)	766	(2,294)
	915,629	916,486	915,629	916,486
Elimination for transaction with conventional operations	73,446	30,624	73,446	30,624
	989,075	947,110	989,075	947,110

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS

(i) By type and Shariah contract

31 March 2023

The Group

	Sale-based contracts					Lease-based contracts		Profit sharing contracts		Loan contract	Others		Total	
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Bai' Salam	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Ujrah		Kafalah
At amortised cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line^	-	150	699	-	1,407,614	-	-	-	-	9,040	-	-	-	1,417,503
Term financing														
House Financing	175,700	3,935,319	-	-	36,729,722	-	1,052,569	-	-	5,964,264	-	-	-	47,857,574
Syndicated Financing	-	-	-	-	2,188,496	-	-	-	208	-	-	-	-	2,188,704
Hire purchase receivables	600,465	-	-	-	-	-	15,850,004	-	-	-	-	-	-	16,450,469
Other term financing	207,928	851,055	1,266,477	-	40,112,433	-	34,624	-	69,262	6,412,613	95,769	-	-	49,050,161
Lease receivable	-	-	-	-	-	-	269,361	-	-	-	-	-	-	269,361
Bills receivable	743,957	-	-	336,196	18,464	442,567	-	-	-	-	-	-	-	1,541,184
Islamic Trust receipts	25,315	-	-	-	-	-	-	-	-	11,716	-	-	-	37,031
Claims on customers under acceptance credits	906,070	-	-	138,279	-	-	-	-	-	-	-	-	20,420	1,064,769
Staff financing	-	-	-	-	277,452	-	-	-	-	27,379	-	-	-	304,831
Revolving credits	-	-	-	-	7,338,086	-	-	-	-	328,726	-	-	-	7,666,812
Credit card receivables	-	-	-	-	-	-	-	-	-	-	408,412	198,002	-	606,414
Gross financing, advances and other financing/loans, at amortised cost	2,659,435	4,786,524	1,267,176	474,475	88,072,267	442,567	1,356,554	15,850,004	69,470	12,732,982	524,937	198,002	20,420	128,454,813
Fair value changes arising from fair value hedge														(1,462)
Less: Expected credit losses														(2,088,890)
Net financing, advances and other financing/loans														126,364,461

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(i) By type and Shariah contract (Continued)

31 December 2022

	The Group														Total
	Sale-based contracts						Lease-based contracts		Profit sharing contracts		Loan contract	Others			
	Murabahah	Bai' Bithaman Ajil	Bai' al-'Inah	Bai' al-Dayn	Tawarruq	Bai' Salam	Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai' #	Mudharabah	Musharakah	Qard	Ujrah	Kafalah		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At amortised cost															
Cash line [^]	-	165	659	-	1,364,944	-	-	-	-	-	12,917	-	-	1,378,685	
Term financing															
House Financing	172,793	4,043,521	-	-	34,524,609	-	1,072,578	-	-	5,500,082	-	-	-	45,313,583	
Syndicated Financing	-	-	-	-	2,241,328	-	-	-	423	-	-	-	-	2,241,751	
Hire purchase receivables	615,257	-	-	-	-	-	-	15,267,838	-	-	-	-	-	15,883,095	
Other term financing	199,549	882,650	1,342,309	-	41,220,216	602,649	36,010	-	71,916	6,053,277	67,186	-	-	50,475,762	
Lease receivable	-	-	-	-	-	-	217,495	-	-	-	-	-	-	217,495	
Bills receivable	771,892	-	-	362,735	-	-	-	-	-	-	-	-	-	1,134,627	
Islamic Trust receipts	21,616	-	-	-	-	-	-	-	-	-	20,502	-	-	42,118	
Claims on customers under acceptance credits	855,198	-	-	142,288	-	-	-	-	-	-	-	-	39,069	1,036,555	
Staff financing	-	-	-	-	268,330	-	-	-	-	27,561	-	-	-	295,891	
Revolving credits	-	-	-	-	7,107,893	-	-	-	-	205,509	-	-	-	7,313,402	
Credit card receivables	-	-	-	-	-	-	-	-	-	-	366,582	190,087	-	556,669	
Gross financing, advances and other financing/loans, at amortised cost	2,636,305	4,926,336	1,342,968	505,023	86,727,320	602,649	1,326,083	15,267,838	72,339	11,786,429	467,187	190,087	39,069	125,889,633	
Fair value changes arising from fair value hedge														(1,832)	
														125,887,801	
Less: Expected credit losses														(1,984,708)	
Net financing, advances and other financing/loans														123,903,093	

[^] Includes current account in excess

* The beneficial owner of the asset belongs to the subsidiaries of CIMB Group. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

CIMB Islamic 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.

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(i) By type and Shariah contract (Continued)**

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Gross financing, advances and other financing/loans		
- At amortised cost	128,454,813	125,889,633

(a) During the financial period, the Group has undertaken fair value hedges on RM48,264,000 (2022: RM52,610,000) financing using profit rate swaps.

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

As At 31 March 2023, the gross exposure and expected credit losses relating to RPSIA financing are RM3,539,872,000 (2022: RM3,577,694,000) and RM634,000 (2022: RM748,000) respectively, which are recognised in the Financial Statements of CIMB Bank Berhad.

c) Movement of Qard financing

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
At 1 January	467,187	346,469
New disbursement	503,718	295,412
Repayment	(467,130)	(156,123)
Exchange fluctuation	21,162	(18,571)
At 31 March / 31 December	524,937	467,187
Sources of Qard fund:		
Depositors' fund	524,301	466,307
Shareholders' fund	636	880
	524,937	467,187
Uses of Qard fund:		
Personal use	516,608	455,018
Business use	8,329	12,169
	524,937	467,187

(ii) By geographical distribution

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Malaysia	110,720,946	109,096,313
Indonesia	14,930,435	14,038,964
Singapore	2,337,396	2,297,658
Hong Kong	1,940	4,346
China	103,350	338,615
Other countries	360,746	113,737
Gross financing, advances and other financing/loans	128,454,813	125,889,633

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)**(iii) By economic sector**

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Primary agriculture	4,704,481	4,759,011
Mining and quarrying	917,273	916,512
Manufacturing	5,593,150	5,522,387
Electricity, gas and water supply	1,467,399	1,507,678
Construction	4,097,901	3,672,041
Transport, storage and communications	5,131,424	4,958,507
Education, health and others	2,735,921	2,759,560
Wholesale and retail trade, and restaurants and hotels	7,657,899	7,031,551
Finance, insurance/takaful, real estate and business activities	11,523,500	11,431,534
Household	77,295,422	76,477,473
Others	7,330,443	6,853,379
	128,454,813	125,889,633

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

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Malaysia	1,595,299	1,411,589
Indonesia	240,044	273,893
Singapore	20,793	16,992
Gross impaired financing, advances and other financing/loans	1,856,136	1,702,474

(v) Credit impaired financing, advances and other financing by economic sector

	The Group	
	31 March	31 December
	2023	2022
	RM'000	RM'000
Primary agriculture	19,059	25,706
Mining and quarrying	2,265	2,251
Manufacturing	25,613	15,253
Construction	41,473	29,701
Transport, storage and communications	13,006	9,608
Education, health and others	16,900	62,074
Wholesale and retail trade, and restaurants and hotels	215,469	169,268
Finance, insurance/takaful, real estate and business activities	72,596	74,233
Household	1,281,694	1,144,620
Others	168,060	169,760
	1,856,136	1,702,474

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

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

	The Group			Total RM'000
	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	
	Financing, advances and other financing/loans at amortised cost			
At 1 January 2023	213,062	1,191,322	580,324	1,984,708
Changes in expected credit losses due to transfer within stages:	397,570	(383,187)	(14,383)	-
Transferred to Stage 1	426,421	(414,668)	(11,753)	-
Transferred to Stage 2	(27,243)	123,120	(95,877)	-
Transferred to Stage 3	(1,608)	(91,639)	93,247	-
Total charge to Statement of Income:	29,675	52,464	55,087	137,226
New financial assets originated	20,480	893	4,206	25,579
Financial assets that have been derecognised	(10,262)	(10,782)	-	(21,044)
Writeback in respect of full recoveries	-	-	(15,559)	(15,559)
Change in credit risk	19,457	62,353	66,440	148,250
Write-offs	-	-	(48,759)	(48,759)
Disposal of financing, advances and other financing/loans	-	-	(7,921)	(7,921)
Exchange fluctuation	132	14,937	6,499	21,568
Other movements	(2)	(100)	2,170	2,068
At 31 March 2023	640,437	875,436	573,017	2,088,890

	The Group			Total RM'000
	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	
	At 1 January 2022			
Changes in expected credit losses due to transfer within stages:	295,183	940,324	338,132	1,573,639
Transferred to Stage 1	169,175	(244,693)	75,518	-
Transferred to Stage 2	268,763	(246,360)	(22,403)	-
Transferred to Stage 3	(97,506)	261,529	(164,023)	-
	(2,082)	(259,862)	261,944	-
Total charge to Statement of Income:	(251,981)	508,538	375,016	631,573
New financial assets originated	98,696	4,359	21,743	124,798
Financial assets that have been derecognised	(37,984)	(37,922)	-	(75,906)
Writeback in respect of full recoveries	-	-	(42,435)	(42,435)
Change in credit risk	(312,693)	542,101	395,708	625,116
Write-offs	-	(1)	(232,246)	(232,247)
Exchange fluctuation	1,713	(12,480)	(6,977)	(17,744)
Transfer from related companies	(1,043)	(140)	(2,860)	(4,043)
Other movements	15	(226)	33,741	33,530
At 31 December 2022	213,062	1,191,322	580,324	1,984,708

A31d. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (Continued)

(vii) Movements in impaired financing, advances and other financing/loans:

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

	The Group	
	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2023	1,702,474	1,702,474
Transfer within stages	223,551	223,551
New financial assets originated	9,098	9,098
Write-offs	(48,759)	(48,759)
Amount fully recovered	(27,275)	(27,275)
Other changes in financing, advances and other financing/loans	(7,521)	(7,521)
Other movements	(7,921)	(7,921)
Exchange fluctuation	12,489	12,489
At 31 March 2023	1,856,136	1,856,136

	The Group	
	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	907,397	907,397
Transfer within stages	1,179,170	1,179,170
New financial assets originated	30,187	30,187
Write-offs	(232,246)	(232,246)
Amount fully recovered	(168,110)	(168,110)
Other changes in financing, advances and other financing/loans	(8,767)	(8,767)
Exchange fluctuation	(5,157)	(5,157)
At 31 December 2022	1,702,474	1,702,474

	The Group	
	31 March 2023	31 December 2022
Ratio of credit impaired financing to total financing, advances and other financing	1.44%	1.35%

A31e. DEPOSITS FROM CUSTOMERS

(i) By type of deposits

	The Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Savings deposit	11,702,181	11,151,960
Wadiah	857,093	817,990
Mudharabah	2,787,902	2,531,044
Commodity Murabahah (via Tawarruq arrangement) *	8,057,186	7,802,926
Demand deposit	22,662,431	22,309,286
Wadiah	1,249,956	1,488,856
Qard	14,918,276	15,020,156
Mudharabah	1,797,654	1,155,818
Commodity Murabahah (via Tawarruq arrangement) *	4,696,545	4,644,456
Term deposit	79,532,845	78,922,360
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	46,475,134	47,017,544
Fixed Return Income Account-i (via Tawarruq arrangement)*	31,967,936	31,309,442
Negotiable Islamic Debt Certificate (NIDC)		
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	1,089,775	595,374
Fixed Deposit-i	7,849,221	5,439,716
Wadiah	148	148
Mudharabah	7,849,073	5,439,568
Specific investment account	101,156	100,638
Mudharabah	101,156	100,638
Others	118,947	104,899
Qard	118,947	104,899
	121,966,781	118,028,859

*Included Qard contract of RM3,897,491,000 (2022: RM5,066,445,000)

(ii) By maturity structures of term deposits, investment accounts and Islamic negotiable instruments

	The Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Due within six months	74,603,784	74,111,010
Six months to less than one year	10,959,987	9,095,615
One year to less than three years	1,031,777	378,318
Three years to less than five years	862,765	852,999
Five years and more	24,909	24,772
	87,483,222	84,462,714

(iii) By type of customer

	The Group	
	31 March 2023 RM'000	31 December 2022 RM'000
Government and statutory bodies	6,588,767	7,050,474
Business enterprises	52,505,704	45,908,468
Individuals	38,296,367	37,416,362
Others	24,575,943	27,653,555
	121,966,781	118,028,859

A31f. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)		
- without maturity		
Special Mudharabah Investment Account	1,355,635	1,252,671
- with maturity		
Term Investment Account-i	14,417,207	11,902,747
Unrestricted investment accounts (Wakalah)		
- without maturity		
Daily Investment Account-i	26,293	27,548
Restricted investment accounts (Mudharabah)		
- with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	497,060	501,666
	16,296,195	13,684,632

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

A31g. INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Restricted investment accounts		
Mudharabah	3,538,858	3,576,590
By type of counterparty		
Licensed banks	3,538,858	3,576,590

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

A31h. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
Deposits from customers - structured investments	2,859,748	2,857,004

The Group has issued structured investments, and have designated them at fair value in accordance with MFRS 9. The Group has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the financial liabilities designated at fair value of the Group as at 31 March 2023 was RM182,891,000 (2022: RM222,678,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. GROUP PERFORMANCE REVIEW

(i) CIMB Group 1Q23 Y-o-Y Performance

	31 March 2023 RM'mil	The Group Three months ended 31 March		
		2022 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,997	4,736	261	5.5
Profit before taxation and zakat	2,236	2,048	188	9.2
Net profit for the financial year attributable to Owners of the Parent	1,645	1,427	218	15.3

CIMB Group Holdings Berhad (“CIMB Group” or “the Group”) announced that the Group achieved a profit before tax (“PBT”) of RM2.24 billion for the first quarter ended 31 March 2023 (“1Q23”), up 9.2% year-on-year (“YoY”) from RM2.05 billion recorded in the first quarter ended 31 March 2022 (“1Q22”). The Group’s net profit also grew strongly by 15.3% YoY to RM1.64 billion driven by sustained operating income growth, strong cost controls and contained level of provisions. The performance translates to a strong improvement in annualised return on average equity (“ROE”) of 10.3%, as compared to 9.6% recorded in 1Q22, and earnings per share (“EPS”) of 15.4 sen.

1Q23 operating income rose 5.5% YoY to RM5.0 billion, driven by non-interest income (“NOII”) which grew 24.3% YoY to RM1.48 billion, contributed by improved investment, foreign exchange, and other income. However, net interest income (“NII”) dipped marginally by 0.8% YoY to RM3.52 billion, due to net interest margin (“NIM”) compression caused by heightened deposit competition but was partially offset by strong loan growth momentum.

CIMB’s total gross loans increased 7.4% YoY across key markets and segments, especially in Indonesia which grew 10.1% YoY. Deposits also increased by 6.1% YoY, while total CASA declined due to greater consumer spending on the back of post pandemic growth in economic activity, as well as the migration to higher yield term deposit which led to a lower CASA ratio of 37.9%.

The Group’s cost-to-income ratio (“CIR”) improved YoY to 46.9%, as 1Q23 operating expenses rose 2.9% YoY due to absence of one off non-recurring expenses recorded in prior year. Total provisions were contained, rising only 5.0% to RM445 million despite the absence of recoveries in 1Q22.

On a QoQ basis, operating income contracted 4.3% due to elevated cost of deposits but was partially offset by growth in NOII. However, cost improved 5.8% and provisions were lower by 40.2% due to the absence of accelerated accruals and additional provisions overlays made in 4Q22. Accordingly, PBT and net profit strongly improved by 10.9% and 24.2%, reaching RM2.24 billion and RM1.64 billion, respectively.

The Group’s capital position remains strong and above target with its common equity tier 1 (“CET1”) ratio at 14.3%[^] as at Mar-23.

CIMB Group’s positive 1Q23 performance was contributed by robust NOII expansion, strong loan growth momentum across all segments of its business and sustained asset quality and cost discipline. Further, the Group is pleased with the strong performance and contribution growth from Indonesia, reflecting the positive trajectory and impact of its focused ASEAN strategy.

Focused execution of initiatives under Forward23+ strategic plan, particularly on accelerating efforts to expand CIMB Group’s CASA and deposits franchise across target segments remains its key priority as the Group continues to monitor the heightened deposit competition across all markets. CIMB Group will maintain a close watch of the current turbulent economic environment posed by the elevated interest rates and inflation by continuing to strengthen its business and operational resiliency, whilst supporting customers through volatile market conditions.

CIMB Group’s total gross loans increased by 7.4% YoY to RM413.2 billion and total deposits by 6.1% YoY to RM467.9 billion. The Group registered a loan-to-deposit (“LDR”) ratio of 88.3% as at Mar-23, an improvement of 1.1% YoY. Total CASA declined by 7.6% YoY whilst CASA ratio contracted to 37.9% YoY from attrition on the back of increased economic activity and fixed deposit (“FD”) migration.

Total provisions increased by 5.0% to RM445 million due absence of recoveries from Singapore but decreased by 40.2% QoQ from lower overlays.

The Group’s allowance coverage stood at 94.2%, whilst the gross impaired loan (“GIL”) ratio was steady at 3.2%, with an annualised 1Q23 loan loss charge of 37bps.

The Group remains well-capitalised with its CET1 ratio maintaining comfortably above target at 14.3%[^] and total capital ratio stood at 18.0%[^] as at Mar-23. The liquidity coverage ratio (“LCR”) remains comfortably above the regulatory requirement of 100% for all banking entities within the Group.

[^] Includes unaudited profits and FY2022 Second Interim Dividend.

B1. GROUP PERFORMANCE REVIEW (CONTINUED)

(i) CIMB Group 1Q23 Y-o-Y Performance (Continued)

Group Consumer Banking 1Q23 operating income was marginally lower YoY with PBT dipping 4.1% YoY but recorded a robust 43.0% increase QoQ driven by strong NOII, lower operating expenses and provisions. NII YoY was relatively flat due to NIM compression in Malaysia but was offset by growth in Indonesia, while NOII strengthened by 1.5% from higher banca and investment fees. Consumer loans grew by 6.4% and deposits grew by 14.1% on the back of FD growth.

Group Commercial Banking 1Q23 operating income grew a healthy 11.2% YoY, whilst PBT improved by 15.1% YoY driven by higher NOII and a reduction in provisions in Malaysia. NII increased by 7.6%, while NOII grew 26.7% from FX income and gains on the sale of impaired loans in Indonesia. Commercial loans increased by 6.2% underpinned by growth in Malaysia, Singapore and Indonesia, whilst deposits grew strongly at 8.9% YoY.

Group Wholesale Banking 1Q23 operating income increased by 2.5% YoY. PBT was 8.0% lower YoY due to a 20.8% YoY decline in NII and higher operating expenses but was partially offset by improved NOII of 51.4% YoY. Wholesale loans were 9.8% higher YoY from Malaysia, Indonesia and Thailand, and deposits eased 2.6% YoY from CASA attrition in all core markets.

CIMB Digital Assets & Group Funding 1Q23 operating income increased by 40.1%, whilst PBT grew by 191.8% YoY from higher NOII with gains on investment and improved CDA performance. NII rose 44.4% YoY contributed by Philippines and Vietnam, whilst NOII increased by 15.1% YoY from higher FX and investment gains. The Group's digital businesses continued to grow strongly with CIMB Philippines hitting 6.9 million customers as at Mar-23, up 25.5% YoY with a deposit book of RM1.63 billion, up 18.7% YoY. Meanwhile, TNG Digital maintained its momentum with 19.3 million registered users and 874,000 merchants as at Mar-23.

(ii) CIMB Group 1Q23 vs. 4Q22 Performance

	The Group Quarter ended			
	31 March 2023 RM'mil	31 December 2022 RM'mil	Variance RM'mil	%
Key Profit or Loss Items:				
Operating income	4,997	5,220	(223)	(4.3)
Profit before taxation and zakat	2,236	2,017	219	10.9
Net profit for the financial period attributable to Owners of the Parent	1,645	1,325	320	24.2

Operating income declined 4.3% QoQ to RM5.00 billion from RM5.22 billion in 4Q22. While NOII grew strongly by 24.3% from Treasury and Markets, the 1.5% loan growth was offset by NIM compression, which resulted in a 12.7% decline in NII. Consumer Banking Profit Before Tax ("PBT") rose 43.0% to RM695 million compared to RM486 million in 4Q22 attributed to strong NOII from higher banca and investment fees, lower operating expenses and provisions. Commercial Banking PBT improved by 41.9% to RM518 million, compared to RM365 million in 4Q22 driven by higher NOII and a reduction in provisions from Malaysia. Wholesale Banking PBT grew 6.0% QoQ on the back of strong trading income and lower operating expenses. CIMB Digital Assets & Group Funding PBT fell 36.3% QoQ from weaker Group Funding income and higher operating expenses. As a result, the Group's 1Q23 net profit grew by 24.2% QoQ.

CIMB Islamic

CIMB Islamic 1Q23 operating income was flat YoY, while PBT declined by 28.0% from lower net financing income ("NFI") and higher provisions in Consumer Malaysia. NFI fell by 8.4% YoY from lower net profit margin ("NPM"), whilst non-financing income ("NOFI") rose 55.0% YoY driven by higher fees and commissions as well as trading and FX. Islamic financing and deposits grew by 17.9% and 15.9%, respectively.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group is taking a cautious stance on the outlook for the year in view of global economic uncertainty, continued geopolitical tensions, elevated policy rates to rein in inflation as well as volatility within the global banking industry and financial markets. Nonetheless, the Group expects moderate economic growth within its key operating markets and will remain guided by the Forward23+ strategic plans with targeted segment growth particularly Consumer and Wealth, strengthening the Group's deposit/CASA proposition in light of the intensified deposit competition, RAROC optimisation, tightened credit risk and asset quality management and prudent cost controls. These strategies will also include investments in improving the Group's technology and operational resiliency and digital capabilities, while meeting commitments made on the sustainability front.

B3. TAXATION AND ZAKAT

	1st quarter ended		Three months ended	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	RM'000	RM'000	RM'000	RM'000
The Group				
Major components of tax expense and zakat:				
Current tax expense	572,951	613,850	572,951	613,850
Deferred tax income	(39,536)	(33,506)	(39,536)	(33,506)
Under/(over) provision in prior years	13,329	(57)	13,329	(57)
	546,744	580,287	546,744	580,287
Zakat	-	(28)	-	(28)
	546,744	580,259	546,744	580,259
Reconciliation				
Profit before taxation and zakat	2,236,389	2,047,666	2,236,389	2,047,666
Less: Share of results of joint venture	16,747	(4,658)	16,747	(4,658)
Share of results of associates	(44,149)	(8,264)	(44,149)	(8,264)
	2,208,987	2,034,744	2,208,987	2,034,744
Tax at statutory income tax rate of 24% on chargeable income (2022: 24% on chargeable income below and equal RM100.0 million and 33% on chargeable income above RM100.0 million)				
	641,569	605,602	641,569	605,602
Effect of different tax rates in other countries and change in tax rates	(23,072)	(18,131)	(23,072)	(18,131)
Due to expenses not deductible for tax purposes and income not subject to income tax	(85,082)	(7,127)	(85,082)	(7,127)
Under/(over) provision in prior years	13,329	(57)	13,329	(57)
Tax expenses	546,744	580,287	546,744	580,287

The Company

Major components of tax expense:

Current tax expense	284	29	284	29
Under provision in prior years	205	359	205	359
	489	388	489	388

Reconciliation

Profit before taxation	945,892	1,735,957	945,892	1,735,957
Tax at statutory income tax rate of 24%	227,014	416,630	227,014	416,630
Due to expenses not deductible for tax purposes and income not subject to income tax	(226,730)	(416,601)	(226,730)	(416,601)
Under provision in prior years	205	359	205	359
Tax expenses	489	388	489	388

B4. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no material gains or losses on disposal of investments or properties during the period under review other than in the ordinary course of business.

B5. BORROWINGS AND DEBT SECURITIES

	The Group	
	31 March 2023	31 December 2022
	RM'000	RM'000
(i) Bonds, sukuk and debentures		
Unsecured		
One year or less (short term)		
- USD	389,405	-
- IDR	242,713	114,295
- THB	1,196,536	235,130
More than one year (medium/long term)		
- USD	2,411,960	2,766,145
- RM	2,491,139	2,474,531
- HKD	3,888,495	3,848,289
- IDR	473,364	367,706
- THB	113,848	112,113
	11,207,460	9,918,209

B5. BORROWINGS AND DEBT SECURITIES (Continued)

	The Group		The Company	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(ii) Other borrowing				
Unsecured				
One year or less (short term)				
- USD	112	6,816	-	-
- RM	353,291	350,598	353,291	350,598
- IDR	34,936	225,147	-	-
- KHR	13,677	15,359	-	-
More than one year (medium/long term)				
- RM	3,611,382	3,606,372	3,611,382	3,606,372
- USD	3,316,141	3,251,616	-	-
- IDR	820,176	742,335	-	-
- KHR	68,228	66,542	-	-
	8,217,943	8,264,785	3,964,673	3,956,970
(iii) Subordinated obligations				
Unsecured				
One year or less (short term)				
- RM	1,015,236	3,515,649	-	1,718,984
- IDR	22,237	21,249	-	-
More than one year (medium/long term)				
- RM	9,742,680	7,433,898	10,361,106	8,908,612
- IDR	45,778	43,719	-	-
	10,825,931	11,014,515	10,361,106	10,627,596

B6. MATERIAL LITIGATION

At the date of this report, there are no pending material litigation not in the ordinary course of business which would have materially affected the Group's financial position.

B7. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

The Group's basic EPS is calculated by dividing the net profit attributable to equity holders of the Parent by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Net profit for the financial period				
after non-controlling interests (RM'000)	1,644,910	1,426,984	1,644,910	1,426,984
Weighted average number of ordinary shares in issue ('000)	10,665,102	10,221,452	10,665,102	10,221,452
Basic earnings per share (expressed in sen per share)	15.42	13.96	15.42	13.96

b) Diluted EPS

During the financial period ended 31 March 2023 and 31 March 2022, the Group's basic Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Parent, which require no adjustment for the effects of dilutive potential ordinary shares by the weighted average number of ordinary shares in issue during the financial year and the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

	The Group			
	1st quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Net profit for the financial period				
after non-controlling interests (RM'000)	1,644,910	1,426,984	1,644,910	1,426,984
Weighted average number of ordinary shares in issue ('000)				
- during the period	10,665,102	10,221,452	10,665,102	10,221,452
- effect of dilutive of potential ordinary shares ¹	18,591	15,748	18,591	15,748
Weighted average number of ordinary shares for diluted EPS	10,683,693	10,237,200	10,683,693	10,237,200
Diluted EPS (expressed in sen per share)	15.40	13.94	15.40	13.94

¹ The dilutive potential ordinary shares is arising from Shares Grant Plan.