

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

		The Group		The Bank	
	Note	31 Mar 2022 RM'000	31 Dec 2021 RM'000	31 Mar 2022 RM'000	31 Dec 2021 RM'000
Assets					
Cash and short term funds	A6	34,147,768	34,641,588	23,248,797	22,003,264
Reverse repurchase agreements		5,653,289	5,414,051	4,926,592	4,962,362
Deposits and placements with banks and other financial institutions	A6	2,400,568	3,556,817	3,387,670	3,434,775
Investment account placement		-	-	3,685,771	3,919,753
Financial investments at fair value through profit or loss	A7	40,876,836	38,419,622	31,320,399	29,259,195
Debt instruments at fair value through other comprehensive income	A8	48,585,782	46,474,157	35,854,881	35,081,261
Equity instruments at fair value through other comprehensive income	A9	280,532	288,587	267,577	274,727
Debt instruments at amortised cost	A10	50,442,607	50,479,403	40,997,390	41,047,382
Derivative financial instruments	A25	12,105,550	11,827,855	7,278,603	6,181,857
Loans, advances and financing	A11	320,380,687	313,978,579	195,621,414	192,712,187
Other assets	A12	8,993,422	7,204,439	7,059,579	4,808,753
Tax recoverable		411,057	419,394	400,526	405,976
Deferred taxation		1,418,588	1,269,525	983,088	891,970
Statutory deposits with central banks		2,011,024	1,960,005	1,440,413	1,467,797
Amounts due from holding company and ultimate holding company		14,730	15,909	14,730	15,909
Amount due from subsidiaries		-	-	366,292	9,282
Amount due from related companies		2,282,945	2,145,385	2,280,146	2,142,164
Investment in subsidiaries		-	-	6,756,028	6,823,365
Investment in joint venture		152,396	151,157	125,000	125,000
Goodwill		3,936,693	3,934,802	3,555,075	3,555,075
Intangible assets		1,123,339	1,218,478	952,847	1,040,962
Property, plant and equipment		823,033	843,318	540,533	557,611
Right-of-use assets		472,369	507,723	411,124	440,055
		536,513,215	524,750,794	371,474,475	361,160,682
Non-current assets held for sale		13,758	19,595	13,758	19,595
Total Assets		536,526,973	524,770,389	371,488,233	361,180,277
Liabilities					
Deposits from customers	A13	357,830,877	357,504,040	237,148,954	235,782,310
Investment accounts of customers	A14	11,727,598	10,427,167	-	-
Deposits and placements of banks and other financial institutions	A15	32,233,923	30,003,495	27,887,459	26,030,036
Repurchase agreements		32,893,263	28,815,159	29,073,255	25,199,077
Financial liabilities designated at fair value through profit or loss	A16	3,900,548	3,285,777	631,196	261,682
Derivative financial instruments	A25	10,372,346	10,807,410	6,276,935	5,597,918
Bills and acceptances payable		1,214,164	1,273,871	471,090	529,007
Amount due to subsidiaries		-	-	10	273,949
Amount due to related companies		10,069	6,972	4,634	2,679
Other liabilities	A17	15,449,490	11,475,294	11,521,499	8,172,414
Lease liabilities		516,735	535,971	453,042	466,217
Recourse obligation on loans and financing sold to Cagamas		996,998	998,246	996,998	998,246
Provision for taxation and zakat		181,141	117,912	-	-
Bonds, Sukuk and debentures		11,947,892	11,800,169	9,714,444	9,849,786
Other borrowings		2,231,893	2,822,811	2,176,276	2,713,798
Subordinated obligations		9,069,183	9,082,448	8,614,362	8,616,795
Total Liabilities		490,576,120	478,956,742	334,970,154	324,493,914
Equity					
Capital and reserves attributable to owners of the Parent					
Ordinary share capital		21,855,078	21,855,078	21,855,078	21,855,078
Reserves		23,578,867	23,443,428	14,433,261	14,601,545
		45,433,945	45,298,506	36,288,339	36,456,623
Perpetual preference shares		200,000	200,000	200,000	200,000
Redeemable preference shares		29,740	29,740	29,740	29,740
Non-controlling interests		287,168	285,401	-	-
Total Equity		45,950,853	45,813,647	36,518,079	36,686,363
Total Equity and Liabilities		536,526,973	524,770,389	371,488,233	361,180,277
Commitments and contingencies	A26	1,222,663,419	1,173,982,279	672,720,966	646,715,842
Net assets per ordinary share attributable to owners of the Parent (RM)					
		7.22	7.20	5.77	5.80

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

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>The Group</u>	Note	1st Quarter Ended		Three Months Ended	
		31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	2,728,029	2,740,888	2,728,029	2,740,888
Interest income from financial assets at fair value through profit or loss	A19	119,841	108,629	119,841	108,629
Interest expense	A20, A31	(901,047)	(986,127)	(901,047)	(986,127)
Net interest income (before modification loss)		1,946,823	1,863,390	1,946,823	1,863,390
Modification (loss)/gain	A21	(1,764)	4,287	(1,764)	4,287
Net interest income (after modification loss)		1,945,059	1,867,677	1,945,059	1,867,677
Income from Islamic Banking operations	A30(b)	748,323	738,856	748,323	738,856
Net non-interest income	A22	683,790	842,638	683,790	842,638
Net income		3,377,172	3,449,171	3,377,172	3,449,171
Overheads	A23, A31	(1,584,678)	(1,629,661)	(1,584,678)	(1,629,661)
Profit before expected credit losses		1,792,494	1,819,510	1,792,494	1,819,510
Expected credit losses on loans, advances and financing	A24(a)	(74,175)	(374,317)	(74,175)	(374,317)
Expected credit losses for commitments and contingencies		(9,938)	(14,906)	(9,938)	(14,906)
Other expected credit losses and impairment allowances	A24(b)	(96,986)	(38,618)	(96,986)	(38,618)
		1,611,395	1,391,669	1,611,395	1,391,669
Share of results of joint venture		6,239	9,371	6,239	9,371
Profit before taxation and zakat		1,617,634	1,401,040	1,617,634	1,401,040
Taxation and zakat		(482,498)	(292,552)	(482,498)	(292,552)
Profit for the financial period		1,135,136	1,108,488	1,135,136	1,108,488
Profit for the financial period attributable to:					
Owners of the Parent		1,128,305	1,105,481	1,128,305	1,105,481
Non-controlling interests		6,831	3,007	6,831	3,007
		1,135,136	1,108,488	1,135,136	1,108,488
Earnings per share attributable to ordinary equity holders of the Parent - basic (sen)	B3	17.94	17.84	17.94	17.84

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

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>The Group</u>	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	1,135,136	1,108,488	1,135,136	1,108,488
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefits obligations	(82)	502	(82)	502
- Currency translation difference	(82)	502	(82)	502
Fair value changes on financial liabilities designated at fair value				
attributable to own credit risk	(2,149)	(10,297)	(2,149)	(10,297)
- Net loss from change in fair value	(1,726)	(10,443)	(1,726)	(10,443)
- Currency translation difference	(423)	146	(423)	146
Equity instruments at fair value through other comprehensive income	(9,009)	2,935	(9,009)	2,935
- Net (loss)/gain from change in fair value	(8,225)	2,952	(8,225)	2,952
- Income tax effects	88	2,608	88	2,608
- Currency translation difference	(872)	(2,625)	(872)	(2,625)
	(11,240)	(6,860)	(11,240)	(6,860)
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(426,945)	(793,127)	(426,945)	(793,127)
- Net loss from change in fair value	(527,472)	(879,359)	(527,472)	(879,359)
- Realised gain transferred to statement of income on disposal	(3,030)	(90,114)	(3,030)	(90,114)
- Changes in expected credit losses	819	5,131	819	5,131
- Income tax effects	102,750	170,217	102,750	170,217
- Currency translation difference	(12)	998	(12)	998
Net investment hedge	(48,027)	(164,522)	(48,027)	(164,522)
Cash flow hedge	(399)	1,668	(399)	1,668
- Net (loss)/gain from change in fair value	(3,096)	2,636	(3,096)	2,636
- Income tax effects	2,697	(968)	2,697	(968)
Exchange fluctuation reserve	127,205	184,721	127,205	184,721
Deferred hedging cost	17,205	1,598	17,205	1,598
- Net gain from change in fair value	21,378	2,108	21,378	2,108
- Income tax effects	(4,173)	(510)	(4,173)	(510)
	(330,961)	(769,662)	(330,961)	(769,662)
Other comprehensive expense for the financial period, net of tax	(342,201)	(776,522)	(342,201)	(776,522)
Total comprehensive income for the financial period	792,935	331,966	792,935	331,966
Total comprehensive income/(expense) for the financial period attributable to:				
Owners of the Parent	791,105	337,408	791,105	337,408
Non-controlling interests	1,830	(5,442)	1,830	(5,442)
	792,935	331,966	792,935	331,966

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

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Note	1st Quarter Ended		Three Months Ended	
		31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
<u>The Bank</u>					
Interest income	A18	2,342,535	2,299,020	2,342,535	2,299,020
Interest income for financial assets at fair value through profit or loss	A19	95,439	86,610	95,439	86,610
Interest expense	A20	(813,625)	(869,293)	(813,625)	(869,293)
Net interest income (before modification loss)		1,624,349	1,516,337	1,624,349	1,516,337
Modification loss	A21	(1,223)	-	(1,223)	-
Net interest income (after modification loss)		1,623,126	1,516,337	1,623,126	1,516,337
Income from Islamic Banking operations	A30(b)	16,181	30,130	16,181	30,130
Net non-interest income	A22	924,605	973,292	924,605	973,292
Net income		2,563,912	2,519,759	2,563,912	2,519,759
Overheads	A23	(1,297,638)	(1,330,164)	(1,297,638)	(1,330,164)
Profit before expected credit losses		1,266,274	1,189,595	1,266,274	1,189,595
Expected credit losses on loans, advances and financing	A24(a)	(22,946)	(216,585)	(22,946)	(216,585)
Expected credit losses for commitments and contingencies		(67,553)	(17,122)	(67,553)	(17,122)
Other expected credit losses and impairment allowances	A24(b)	(83,138)	(2,685)	(83,138)	(2,685)
Profit before taxation		1,092,637	953,203	1,092,637	953,203
Taxation		(313,311)	(187,649)	(313,311)	(187,649)
Profit for the financial period		779,326	765,554	779,326	765,554
Earnings per share - basic (sen)	B3	12.39	12.35	12.39	12.35

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Individual Quarter		Cumulative Quarters	
	1st Quarter Ended		Three Months Ended	
<u>The Bank</u>	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	779,326	765,554	779,326	765,554
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk				
- Net loss from change in fair value	-	(4)	-	(4)
Equity instruments at fair value through other comprehensive income	(7,904)	500	(7,904)	500
- Net (loss)/gain from change in fair value	(7,212)	838	(7,212)	838
- Income tax effects	-	2,669	-	2,669
- Currency translation difference	(692)	(3,007)	(692)	(3,007)
	(7,904)	496	(7,904)	496
Items that may be reclassified subsequently to profit or loss				
Debt instruments at fair value through other comprehensive income	(329,260)	(602,331)	(329,260)	(602,331)
- Net loss from change in fair value	(383,016)	(702,814)	(383,016)	(702,814)
- Realised gain transferred to statement of income on disposal	(15,846)	(44,547)	(15,846)	(44,547)
- Changes in expected credit losses	2,442	4,810	2,442	4,810
- Income tax effects	67,172	139,222	67,172	139,222
- Currency translation difference	(12)	998	(12)	998
Net investment hedge	(42,389)	(146,366)	(42,389)	(146,366)
Cash flow hedge	2,809	2,833	2,809	2,833
- Net gain from change in fair value	912	4,032	912	4,032
- Income tax effects	1,897	(1,199)	1,897	(1,199)
Exchange fluctuation reserve	70,678	232,745	70,678	232,745
Deferred hedging cost	14,653	1,833	14,653	1,833
- Net gain from change in fair value	18,827	2,343	18,827	2,343
- Income tax effects	(4,174)	(510)	(4,174)	(510)
	(283,509)	(511,286)	(283,509)	(511,286)
Other comprehensive expense for the financial period, net of tax	(291,413)	(510,790)	(291,413)	(510,790)
Total comprehensive income for the financial period	487,913	254,764	487,913	254,764

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

The Group	Attributable to owners of the Parent																			
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Fair value reserve debt instruments at fair value through other comprehensive income RM'000	Fair value reserve equity instruments at fair value through other comprehensive income RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total Equity RM'000
At 1 January 2022	21,855,078	29,740	73,305	1,988,726	(700,853)	15,892	(1,085,928)	805,772	(1,312,045)	164,628	129,196	(52,491)	32,253	27,136	(10,093)	23,367,930	45,328,246	200,000	285,401	45,813,647
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,128,305	1,128,305	-	6,831	1,135,136
Other comprehensive income/ (expenses) (net of tax)	-	-	-	129,465	(424,509)	(9,161)	-	-	(48,178)	17,205	-	(2,038)	44	50	(78)	-	(337,200)	-	(5,001)	(342,201)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(424,509)	-	-	-	-	-	-	-	-	-	-	-	(424,509)	-	(2,436)	(426,945)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	(9,161)	-	-	-	-	-	-	-	-	-	-	(9,161)	-	152	(9,009)
- net investment hedge	-	-	-	-	-	-	-	-	(48,027)	-	-	-	-	-	-	-	(48,027)	-	-	(48,027)
- cash flow hedge	-	-	-	-	-	-	-	-	(151)	-	-	-	-	-	-	-	(151)	-	(248)	(399)
- currency translation difference	-	-	-	129,465	-	-	-	-	-	-	-	-	44	50	-	-	129,559	-	(2,354)	127,205
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78)	-	(78)	-	(4)	(82)
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	(2,038)	-	-	-	-	(2,038)	-	(111)	(2,149)
- deferred hedging cost	-	-	-	-	-	-	-	-	-	17,205	-	-	-	-	-	-	17,205	-	-	17,205
Total comprehensive income/ (expenses) for the financial period	-	-	-	129,465	(424,509)	(9,161)	-	-	(48,178)	17,205	-	(2,038)	44	50	(78)	1,128,305	791,105	-	1,830	792,935
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	(651,012)	-	-	(651,012)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	6,980	10,639	-	-	17,619	-	-	17,619
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(22,273)	-	-	-	(22,273)	-	(63)	(22,336)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(15,293)	10,639	-	(651,012)	(655,666)	-	(63)	(655,729)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	171,343	-	-	-	-	(171,343)	-	-	-	-
Transfer to capital reserve	-	-	-	-	-	-	-	33,547	-	-	-	-	-	-	-	(33,547)	-	-	-	-
At 31 March 2022	21,855,078	29,740	73,305	2,118,191	(1,125,362)	6,731	(1,085,928)	839,319	(1,360,223)	181,833	300,539	(54,529)	17,004	37,825	(10,171)	23,640,333	45,463,685	200,000	287,168	45,950,853

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

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CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

The Group	Attributable to owners of the Parent																		
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Fair value reserve debt instruments at fair value through other comprehensive income RM'000	Equity instruments at fair value through other comprehensive income RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Defined benefits reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Non- controlling interests RM'000	Total Equity RM'000
At 1 January 2021	21,323,364	29,740	68,400	2,161,645	172,513	(15,109)	(1,085,928)	805,772	(1,115,253)	105,028	233,441	(10,849)	52,230	(37,367)	21,525,312	44,212,939	200,000	311,841	44,724,780
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,105,481	1,105,481	-	3,007	1,108,488
Other comprehensive income/ (expenses) (net of tax)	-	-	-	188,326	(788,964)	2,809	-	-	(162,636)	1,598	-	(9,765)	83	476	-	(768,073)	-	(8,449)	(776,522)
- debt instruments at fair value through other comprehensive income	-	-	-	-	(788,964)	-	-	-	-	-	-	-	-	-	-	(788,964)	-	(4,163)	(793,127)
- equity instruments at fair value through other comprehensive income	-	-	-	-	-	2,809	-	-	-	-	-	-	-	-	-	2,809	-	126	2,935
- net investment hedge	-	-	-	-	-	-	-	-	(164,522)	-	-	-	-	-	-	(164,522)	-	-	(164,522)
- cash flow hedge	-	-	-	-	-	-	-	-	1,886	-	-	-	-	-	-	1,886	-	(218)	1,668
- currency translation difference	-	-	-	188,326	-	-	-	-	-	-	-	-	83	-	-	188,409	-	(3,688)	184,721
- remeasurement of post employment benefits obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	476	-	476	-	26	502
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	-	(9,765)	-	-	-	(9,765)	-	(532)	(10,297)
- deferred hedging cost	-	-	-	-	-	-	-	-	-	1,598	-	-	-	-	-	1,598	-	-	1,598
Total comprehensive income/ (expenses) for the financial period	-	-	-	188,326	(788,964)	2,809	-	-	(162,636)	1,598	-	(9,765)	83	476	1,105,481	337,408	-	(5,442)	331,966
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	-	13,495	-	-	13,495	-	(107)	13,388
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	-	(37,542)	-	-	(37,542)	-	-	(37,542)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	(24,047)	-	-	(24,047)	-	(107)	(24,154)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	-	(105,538)	-	-	-	105,538	-	-	-	-
At 31 March 2021	21,323,364	29,740	68,400	2,349,971	(616,451)	(12,300)	(1,085,928)	805,772	(1,277,889)	106,626	127,903	(20,614)	28,266	(36,891)	22,736,331	44,526,300	200,000	306,292	45,032,592

*The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision and the Malaysian subsidiary of the Group.

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

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

The Bank	Non-distributable										Distributable					
	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Exchange fluctuation reserve RM'000	Fair value reserve debt instruments at fair value through other comprehensive income RM'000	Fair value reserve equity instruments at fair value through other comprehensive income RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by ultimate holding company RM'000	Retained earnings RM'000	Perpetual preference shares RM'000	Total Equity RM'000
At 1 January 2022	21,855,078	29,740	866,352	(586,984)	38,228	(1,047,872)	746,852	(841,173)	155,962	129,196	(1)	29,255	22,401	15,089,329	200,000	36,686,363
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	779,326	-	779,326
Other comprehensive income/ (expenses) (net of tax)	-	-	70,635	(329,260)	(7,904)	-	-	(39,580)	14,653	-	-	19	24	-	-	(291,413)
- debt instruments at fair value through other comprehensive income	-	-	-	(329,260)	-	-	-	-	-	-	-	-	-	-	-	(329,260)
- equity instruments at fair value through other comprehensive income	-	-	-	-	(7,904)	-	-	-	-	-	-	-	-	-	-	(7,904)
- net investment hedge	-	-	-	-	-	-	-	(42,389)	-	-	-	-	-	-	-	(42,389)
- cash flow hedge	-	-	-	-	-	-	-	2,809	-	-	-	-	-	-	-	2,809
- currency translation difference	-	-	70,635	-	-	-	-	-	-	-	-	19	24	-	-	70,678
- deferred hedging cost	-	-	-	-	-	-	-	-	14,653	-	-	-	-	-	-	14,653
Total comprehensive income/ (expenses) for the financial period	-	-	70,635	(329,260)	(7,904)	-	-	(39,580)	14,653	-	-	19	24	779,326	-	487,913
Second interim dividend for the financial year ending 31 December 2021	-	-	-	-	-	-	-	-	-	-	-	-	-	(651,012)	-	(651,012)
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	6,076	8,621	-	-	14,697
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(19,882)	-	-	-	(19,882)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(13,806)	8,621	(651,012)	-	(656,197)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	124,413	-	-	-	(124,413)	-	-
At 31 March 2022	21,855,078	29,740	936,987	(916,244)	30,324	(1,047,872)	746,852	(880,753)	170,615	253,609	(1)	15,468	31,046	15,093,230	200,000	36,518,079

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

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

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Non-distributable										Distributable				
				Fair value reserve											
The Bank	Ordinary share capital RM'000	Redeemable Preference Shares RM'000	Exchange fluctuation reserve RM'000	debt instruments at fair value through other comprehensive income RM'000	equity instruments at fair value through other comprehensive income RM'000	Merger deficit RM'000	Capital reserve RM'000	Hedging reserve RM'000	Costs of hedging reserve RM'000	Regulatory reserve* RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Retained earnings RM'000	Perpetual preference shares RM'000	Total Equity RM'000
At 1 January 2021	21,323,364	29,740	603,041	84,638	13,201	(1,047,872)	746,852	(670,437)	98,479	20,409	3	46,764	13,421,113	200,000	34,869,295
Profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	765,554	-	765,554
Other comprehensive income/ (expenses) (net of tax)	-	-	232,590	(602,331)	500	-	-	(143,533)	1,833	-	(4)	155	-	-	(510,790)
- debt instruments at fair value through other comprehensive income	-	-	-	(602,331)	-	-	-	-	-	-	-	-	-	-	(602,331)
- equity instruments at fair value through other comprehensive income	-	-	-	-	500	-	-	-	-	-	-	-	-	-	500
- net investment hedge	-	-	-	-	-	-	-	(146,366)	-	-	-	-	-	-	(146,366)
- cash flow hedge	-	-	-	-	-	-	-	2,833	-	-	-	-	-	-	2,833
- currency translation difference	-	-	232,590	-	-	-	-	-	-	-	-	155	-	-	232,745
- fair value changes on financial liabilities designated at fair value relating to own credit risk	-	-	-	-	-	-	-	-	-	-	(4)	-	-	-	(4)
- deferred hedging cost	-	-	-	-	-	-	-	-	1,833	-	-	-	-	-	1,833
Total comprehensive income/ (expenses) for the financial period	-	-	232,590	(602,331)	500	-	-	(143,533)	1,833	-	(4)	155	765,554	-	254,764
Share-based payment expense	-	-	-	-	-	-	-	-	-	-	-	12,051	-	-	12,051
Share released under Equity Ownership Plan	-	-	-	-	-	-	-	-	-	-	-	(33,644)	-	-	(33,644)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-	(21,593)	-	-	(21,593)
Transfer from regulatory reserve	-	-	-	-	-	-	-	-	-	(2,147)	-	-	2,147	-	-
At 31 March 2021	21,323,364	29,740	835,631	(517,693)	13,701	(1,047,872)	746,852	(813,970)	100,312	18,262	(1)	25,326	14,188,814	200,000	35,102,466

*The regulatory reserve is maintained to meet the local regulatory requirement of the foreign branch's general provision

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

CIMB BANK BERHAD
Company No: 197201001799
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	The Group		The Bank	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	1,617,634	1,401,040	1,092,637	953,203
Adjustments for non-operating and non-cash items	(183,035)	7,537	(264,578)	(88,179)
Operating profit before changes in working capital	1,434,599	1,408,577	828,059	865,024
Net changes in operating assets	(11,410,005)	(6,283,784)	(7,597,287)	(3,541,989)
Net changes in operating liabilities	13,153,722	9,777,116	11,076,612	4,952,910
	1,743,717	3,493,332	3,479,325	1,410,921
Cash flows generated from operations	3,178,316	4,901,909	4,307,384	2,275,945
Taxation paid	(459,234)	(283,890)	(327,657)	(141,722)
Net cash flows generated from operating activities	2,719,082	4,618,019	3,979,727	2,134,223
Cash flows from investing activities				
Dividend income	11,410	14,831	95,622	14,518
Investment in subsidiary	-	-	70,000	-
Interest income received from financial investments	694,761	650,694	534,924	488,981
Net purchase of financial investments	(2,619,938)	(4,288,361)	(981,764)	(3,173,056)
Net purchase of property, plant and equipment	(9,839)	(16,778)	(8,115)	(23,292)
Net purchase from disposal of intangible assets	(38,818)	(61,588)	(26,992)	(48,621)
Other investing activities	(2,350)	4,559	(1,675)	4,523
Net cash flows used in investing activities	(1,964,774)	(3,696,643)	(318,000)	(2,736,947)
Cash flows from financing activities				
Dividend paid	(651,012)	-	(651,012)	-
Interest expense paid on bonds and debentures	(19,052)	(17,348)	(21,344)	(23,195)
Interest expense paid on other borrowings	(8,453)	(10,529)	(7,005)	(12,850)
Interest expense paid on subordinated obligations	(62,022)	(67,420)	(31,523)	(62,120)
Proceeds from issuance of bonds and debentures	3,401,848	178,688	2,099,572	-
Proceeds from issuance of other borrowings	12,087	137,333	-	-
Repayment of bonds and debentures	(3,202,822)	(187,311)	(2,166,628)	-
Repayment of other borrowings	(622,530)	-	(559,067)	-
Other financing activities	(21,016)	(56,509)	(14,216)	(48,907)
Net cash flows used in financing activities	(1,172,972)	(23,096)	(1,351,223)	(147,072)
Net (decrease)/increase in cash and cash equivalents	(418,664)	898,280	2,310,504	(749,796)
Effects of exchange rate changes	172,984	266,450	85,367	296,161
Cash and cash equivalents at the beginning of financial period	34,198,752	34,406,356	25,179,356	26,771,403
Cash and cash equivalents at end of financial period	33,953,072	35,571,086	27,575,227	26,317,768
Cash and cash equivalents comprise:				
Cash and short-term funds	34,147,768	35,686,961	23,248,797	21,620,429
Deposits and placements with banks and other	2,400,568	1,334,349	3,387,670	1,222,834
Investment account placement	-	-	3,685,771	4,512,450
	36,548,336	37,021,310	30,322,238	27,355,713
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(2,595,264)	(1,450,224)	(2,747,011)	(1,037,945)
Cash and cash equivalents at end of financial period	33,953,072	35,571,086	27,575,227	26,317,768

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION

(a) The unaudited condensed interim financial statements for the financial period ended 31 March 2022 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, 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 Bank's audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2021.

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

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

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

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) Covid-19 cases continued to rise at the start of 2022. However, given high vaccination rates, the spread of the Omicron variant has had much reduced impact as most countries eased their movement restrictions. In 2022, governments are expected to begin tapering from the expansionary fiscal and monetary policies implemented during the first two years of the pandemic. Nevertheless, geopolitical tensions and the threat of new Covid-19 mutations may disrupt the recovery momentum.

The Group has supported its customers impacted by the economic downturn over the pandemic by providing targeted assistance programs. As customers migrate out of these programs, the various prevailing uncertainties will continue to be monitored and the Group will continue to keep track of asset quality.

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

A2. CHANGES IN ESTIMATES

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

PART A - EXPLANATORY NOTES (CONTINUED)

A3 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

- a) During the financial period, Merdeka Kapital Berhad ("MKB"), a special purpose vehicle consolidated by the Bank, undertook a partial redemption of the Medium Term Note amounting to RM18.6 million.
- b) On 14 January 2022, CIMB Islamic redeemed its RM70 million Basel II Additional Tier 1 Perpetual Preference Shares from CIMB Bank.
- (c) On 20 January 2022, the Bank issued USD500 million 5-year fixed rate notes ("the Notes") under its USD5.0 billion Global Medium Term Note Programme. The Notes, which bear a coupon rate of 2.125% per annum payable semi-annually, will mature on 20 July 2027.
- d) On 8 March 2022, the Bank redeemed its USD15 million 5-year senior floating rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.
- e) On 15 March 2022, the Bank redeemed its USD500 million 5-year senior fixed rate notes issued under its USD5 billion Euro Medium Term Note Programme established on 15 August 2014.

A4. DIVIDENDS PAID

A single-tier second interim dividend of approximately 10.35 sen per ordinary share, on 6,289,967,774 ordinary shares amounting to RM651 million in respect of the financial year ended 31 December 2021 which was approved by the Board of Directors on 28 January 2022, was paid on 15 March 2022.

A5. EVENTS DURING THE REPORTING PERIOD/SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In January 2022, the Group identified errors that was related to a specific third party financial remittance service, which led to a limited number of customers receiving duplicate credits in their accounts. The Group has since addressed and remedied these processing errors. After careful assessment of the incident, the Group has also implemented additional controls to prevent similar errors from occurring in the future. At the same time, the Group is embarking on a holistic review of preventive and detective controls and policies and procedures, surrounding its transaction processing infrastructure. In addition, the Group is committed to ensure and to enhance operational resilience.

The Group will take all necessary measures available to it to recover the duplicate payments, and these have commenced in 1Q FY2022. The Group had provided for the majority of the exposure, amounting to an ECL of RM280.9 million during the financial year ended 31 December 2021 and a full and final provision has been made in 1Q FY2022. This provision does not impair the Group's ability to pursue recovery measures. The financial impact are disclosed in A12 and A24(b).

There is no significant events that had occurred between 31 March 2022 and the date of this announcement other than those disclosed under issuance and repayment of debts and equity securities.

PART A - EXPLANATORY NOTES (CONTINUED)

A6. CASH AND SHORT-TERM FUNDS AND DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

As at 31 March 2022, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are RM117,000 and RM1,930,000 for the Group and RMNil and RM2,385,000 for the Bank. The 12-month expected credit losses written back/(made) in the income statements of the Group and the Bank during the financial period amounting to RM53,000 and (RM400,000) respectively (31 March 2021: expected credit losses written back amounting to RM22,000 and RM46,000 respectively).

A7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	2,992,852	2,063,110	2,992,852	2,063,110
Cagamas bonds	901,638	865,744	706,405	760,796
Khazanah bonds	59,510	58,964	59,510	58,964
Malaysian Government treasury bills	1,288,408	151,173	580,946	88,214
Bank Negara Malaysia Monetary Notes	2,508,871	2,290,759	2,508,871	2,290,759
Negotiable instruments of deposit	2,908,382	3,909,653	1,111,531	1,465,243
Other Government securities	4,978,706	5,405,014	2,208,636	2,226,026
Government Investment Issues	2,825,316	2,611,716	1,896,879	2,027,290
Other Government treasury bills	12,182,397	9,884,399	12,182,397	9,884,399
Promissory Notes	402,105	398,711	402,105	398,711
Commercial papers	1,441,008	1,479,300	134,897	179,499
	<u>32,489,193</u>	<u>29,118,543</u>	<u>24,785,029</u>	<u>21,443,011</u>
Quoted securities:				
<u>In Malaysia</u>				
Shares	1,061,358	1,115,967	1,061,358	1,115,967
	<u>1,061,358</u>	<u>1,115,967</u>	<u>1,061,358</u>	<u>1,115,967</u>
<u>Outside Malaysia</u>				
Shares	335,410	290,468	335,410	290,468
	<u>1,396,768</u>	<u>1,406,435</u>	<u>1,396,768</u>	<u>1,406,435</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	957,468	957,468	944,221	944,221
Corporate bond and Sukuk	2,823,398	3,030,809	1,997,042	2,327,263
	<u>3,780,866</u>	<u>3,988,277</u>	<u>2,941,263</u>	<u>3,271,484</u>
<u>Outside Malaysia</u>				
Corporate bond	3,043,258	3,730,718	2,030,588	2,962,616
Private equity funds	166,751	175,649	166,751	175,649
	<u>3,210,009</u>	<u>3,906,367</u>	<u>2,197,339</u>	<u>3,138,265</u>
	<u>40,876,836</u>	<u>38,419,622</u>	<u>31,320,399</u>	<u>29,259,195</u>

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Fair Value				
Money market instruments				
Unquoted:				
Malaysian Government Securities	5,105,599	4,832,000	5,105,599	4,832,000
Cagamas bonds	289,475	270,955	269,234	265,836
Other government securities	6,108,242	5,114,067	1,233,330	1,049,334
Negotiable instruments of deposit	513,594	470,384	513,594	470,384
Government investment issues	5,810,382	5,712,395	4,575,868	4,465,108
Commercial papers	4,880	-	-	-
	<u>17,832,172</u>	<u>16,399,801</u>	<u>11,697,625</u>	<u>11,082,662</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	21,655,611	21,951,483	17,873,793	18,170,575
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	9,097,999	8,122,873	6,283,463	5,828,024
	<u>48,585,782</u>	<u>46,474,157</u>	<u>35,854,881</u>	<u>35,081,261</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	41,101	1,748	20,849	63,698
Changes in expected credit losses due to transferred within stages:	(170)	170	-	-
Transferred to Stage 2	(170)	170	-	-
Total charge to Statement of Income:	550	269	-	819
New financial assets purchased	16,579	-	-	16,579
Financial assets that have been derecognised	(2,222)	-	-	(2,222)
Change in credit risk	(13,807)	269	-	(13,538)
Exchange fluctuation	257	1	-	258
At 31 March 2022	41,738	2,188	20,849	64,775

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	Total RM'000
At 1 January 2021	33,077	320	20,849	54,246
Changes in expected credit losses due to transferred within stages:	(527)	527	-	-
Transferred to Stage 2	(527)	527	-	-
Total charge to Statement of Income:	8,118	1,089	-	9,207
New financial assets purchased	105,543	-	-	105,543
Financial assets that have been derecognised	(8,452)	(126)	-	(8,578)
Change in credit risk	(88,973)	1,215	-	(87,758)
Exchange fluctuation	433	(188)	-	245
At 31 December 2021	41,101	1,748	20,849	63,698

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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 Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	37,733	1,747	20,849	60,329
Changes in expected credit losses due to transferred within stages:	(170)	170	-	-
Transferred to Stage 2	(170)	170	-	-
Total charge to Statement of Income:	2,173	269	-	2,442
New financial assets purchased	15,408	-	-	15,408
Financial assets that have been derecognised	(2,154)	-	-	(2,154)
Change in credit risk	(11,081)	269	-	(10,812)
Exchange fluctuation	256	-	-	256
At 31 March 2022	39,992	2,186	20,849	63,027

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	31,119	305	20,849	52,273
Changes in expected credit losses due to transferred within stages:	(527)	527	-	-
Transferred to Stage 2	(527)	527	-	-
Total charge to Statement of Income:	6,696	1,105	-	7,801
New financial assets purchased	88,292	-	-	88,292
Financial assets that have been derecognised	(7,099)	(110)	-	(7,209)
Change in credit risk	(74,497)	1,215	-	(73,282)
Exchange fluctuation	445	(190)	-	255
At 31 December 2021	37,733	1,747	20,849	60,329

PART A - EXPLANATORY NOTES (CONTINUED)

A8. DEBTS INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

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

	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Group and The Bank		
At 1 January 2022/31 March 2022	20,849	20,849

	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Group and The Bank		
At 1 January/31 December 2021	20,849	20,849

PART A - EXPLANATORY NOTES (CONTINUED)

A9. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Quoted securities:				
<u>Outside Malaysia</u>				
Shares	1,661	1,981	90	83
Unit trusts	5,441	5,492	-	-
	<u>7,102</u>	<u>7,473</u>	<u>90</u>	<u>83</u>
Unquoted securities:				
<u>In Malaysia</u>				
Shares	265,418	265,418	265,034	265,034
	<u>265,418</u>	<u>265,418</u>	<u>265,034</u>	<u>265,034</u>
<u>Outside Malaysia</u>				
Shares	7,942	8,469	2,383	2,383
Private equity funds	70	7,227	70	7,227
	<u>8,012</u>	<u>15,696</u>	<u>2,453</u>	<u>9,610</u>
	<u>280,532</u>	<u>288,587</u>	<u>267,577</u>	<u>274,727</u>

A10. DEBT INSTRUMENTS AT AMORTISED COST

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Money market instruments				
Unquoted:				
Malaysian Government securities	7,404,752	7,086,208	7,304,506	6,984,867
Cagamas bonds	372,885	245,668	342,527	215,551
Other Government treasury bills	3,313,807	3,834,187	3,313,807	3,834,187
Other Government's securities	2,215,699	2,022,944	502,235	516,581
Negotiable instruments of deposit	64,494	127,679	64,494	127,679
Malaysian Government Investment Issue	15,696,958	15,614,661	12,449,523	12,291,391
Khazanah bonds	235,345	235,345	146,298	146,298
	<u>29,303,940</u>	<u>29,166,692</u>	<u>24,123,390</u>	<u>24,116,554</u>
Unquoted securities:				
<u>In Malaysia</u>				
Corporate bond and Sukuk	17,635,595	18,195,695	13,858,599	13,988,117
<u>Outside Malaysia</u>				
Corporate bond and Sukuk	4,049,917	3,739,323	3,579,778	3,578,674
	<u>21,685,512</u>	<u>21,935,018</u>	<u>17,438,377</u>	<u>17,566,791</u>
Amortisation of premium net of accretion of discount	12,648	20,268	15,585	25,519
Less : Expected credit losses	(559,493)	(642,575)	(579,962)	(661,482)
	<u>50,442,607</u>	<u>50,479,403</u>	<u>40,997,390</u>	<u>41,047,382</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

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	Total RM'000
At 1 January 2022	1,592	31,266	609,717	642,575
Changes in expected credit losses due to transfer within stages:	291	(3,468)	3,177	-
Transferred to Stage 1	490	(490)	-	-
Transferred to Stage 2	(199)	199	-	-
Transferred to Stage 3	-	(3,177)	3,177	-
Total charge to Statement of Income:	7,461	(10,550)	(80,033)	(83,122)
New financial assets purchased	1,849	-	-	1,849
Financial assets that have been derecognised	(1,089)	-	-	(1,089)
Change in credit risk	6,701	(10,550)	(80,033)	(83,882)
Exchange fluctuation	39	-	1	40
At 31 March 2022	9,383	17,248	532,862	559,493

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	Total RM'000
At 1 January 2021	8,704	735,922	7,182	751,808
Changes in expected credit losses due to transferred within stages:	84	(453,608)	453,524	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(144)	144	-	-
Transferred to Stage 3	-	(453,524)	453,524	-
Total charge to Statement of Income:	(7,250)	39,211	156,042	188,003
New financial assets purchased	12,797	-	-	12,797
Financial assets that have been derecognised	(527)	-	-	(527)
Change in credit risk	(19,520)	39,211	156,042	175,733
Write-offs	-	-	(7,020)	(7,020)
Exchange fluctuation	54	-	(11)	43
Other movements	-	(290,259)	-	(290,259)
At 31 December 2021	1,592	31,266	609,717	642,575

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 2022	1,226,759	1,226,759
Other changes in debts instruments	(628)	(628)
Exchange fluctuation	3,879	3,879
At 31 March 2022	1,230,010	1,230,010

The Group	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	7,182	7,182
Transfer within stages	1,226,546	1,226,546
Other changes in debts instruments	5,578	5,578
Write-offs	(7,020)	(7,020)
Exchange fluctuation	(5,527)	(5,527)
At 31 December 2021	1,226,759	1,226,759

PART A - EXPLANATORY NOTES (CONTINUED)

A10. DEBT INSTRUMENTS AT AMORTISED COST (CONTINUED)

Expected credit losses movement for debt instruments at amortised cost:

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	20,650	31,266	609,566	661,482
Changes in expected credit losses due to transfer within stages:	291	(3,468)	3,177	-
Transferred to Stage 1	490	(490)	-	-
Transferred to Stage 2	(199)	199	-	-
Transferred to Stage 3	-	(3,177)	3,177	-
Total charge to Statement of Income:	(4,209)	2,683	(80,033)	(81,559)
New financial assets purchased	1,774	-	-	1,774
Financial assets that have been derecognised	(1,089)	-	-	(1,089)
Change in credit risk	(4,894)	2,683	(80,033)	(82,244)
Exchange fluctuation	39	-	-	39
At 31 March 2022	16,771	30,481	532,710	579,962

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	21,442	735,922	-	757,364
Changes in expected credit losses due to transfer within stages:	84	(453,608)	453,524	-
Transferred to Stage 1	228	(228)	-	-
Transferred to Stage 2	(144)	144	-	-
Transferred to Stage 3	-	(453,524)	453,524	-
Total charge to Statement of Income:	(930)	39,211	156,042	194,323
New financial assets purchased	11,794	-	-	11,794
Financial assets that have been derecognised	(527)	-	-	(527)
Change in credit risk	(12,197)	39,211	156,042	183,056
Exchange fluctuation	54	-	-	54
Other movements	-	(290,259)	-	(290,259)
At 31 December 2021	20,650	31,266	609,566	661,482

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

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	764,210	764,210
Other changes in debts instruments	(3,195)	(3,195)
At 31 March 2022	761,015	761,015

The Bank	Lifetime expected credit losses - credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	-	-
Transfer within stages	761,017	761,017
Other changes in debts instruments	3,193	3,193
At 31 December 2021	764,210	764,210

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
(i) By type of financing				
<i>At amortised cost</i>				
Overdrafts	4,721,709	4,684,141	2,644,556	2,585,991
Term loans/financing				
- Housing loan/financing	112,685,132	110,309,886	66,711,445	66,254,666
- Syndicated term loan	17,857,344	17,205,940	16,277,198	15,617,149
- Other term loans/financing	118,648,231	119,070,280	68,332,466	69,668,380
- Factoring receivables	1,507	4,488	-	-
- Lease receivables	5,490	2,021	-	-
- Hire purchase receivables	21,797,215	21,553,570	3,712,726	4,051,156
Bills receivable	7,712,833	6,829,498	5,928,932	4,955,236
Trust receipts	2,749,015	2,699,442	1,471,756	1,689,896
Claim on customers under acceptance credit	2,969,470	2,702,203	2,097,682	1,938,096
Staff loans *	1,404,242	1,366,474	1,026,452	1,002,765
Credit card receivables	5,821,371	5,861,355	5,662,906	5,709,390
Revolving credit	32,538,807	29,939,310	28,150,940	25,393,032
Share margin financing	64,065	63,946	64,065	63,946
Gross loans, advances and financing, at amortised cost	328,976,431	322,292,554	202,081,124	198,929,703
Fair value changes arising from fair value hedges	(67,921)	(24,781)	(67,692)	(26,345)
	328,908,510	322,267,773	202,013,432	198,903,358
Less: Expected credit losses	(8,705,977)	(8,647,047)	(6,570,172)	(6,549,024)
Net loans, advances and financing at amortised cost	320,202,533	313,620,726	195,443,260	192,354,334
<i>At fair value through profit or loss</i>				
Term loans/financing				
- Syndicated term loan	178,154	357,853	178,154	357,853
	178,154	357,853	178,154	357,853
Total net loans, advances and financing	320,380,687	313,978,579	195,621,414	192,712,187
Total gross loans, advances and financing				
- At amortised cost	328,976,431	322,292,554	202,081,124	198,929,703
- At fair value through profit or loss	178,154	357,853	178,154	357,853
	329,154,585	322,650,407	202,259,278	199,287,556

* Loans to Directors of the Group and the Bank (including Directors of subsidiary) amounting to RM3,001,187 (2021: RM2,992,941) and RM697,350 (2021: RM680,370) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

(a) Included in the Group's and the Bank's loans, advances and financing balances are RM23,268,000 (2021: RM23,684,000) 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 and the Bank have undertaken fair value hedge on the interest rate risk of loans, advances and financing of RM1,437,481,000 (2021: RM1,353,719,000) and RM1,375,273,000 (2021: RM1,287,783,000) respectively, using interest rate swaps.

(c) As part of an arrangement with CIMB Islamic in relation to the Restricted Profit Sharing Investment Accounts ("RPSIA"), the Bank records as deposits and placements with banks and other financial institutions, its exposure in the arrangement, whereas CIMB Islamic records its exposure as loans, advances and financing. The RPSIA arrangement exposes the Bank to the risks and rewards on the financing and accordingly, the Bank accounts for expected credit losses for financing arising thereon.

As at 31 March 2022, the gross exposure and expected credit losses relating to RPSIA financing are RM3,687,120,000 (2021: RM3,844,040,000) and RM1,254,000 (2021: RM1,506,000) respectively.

(d) Included in the loans, advances and financing of the Group and the Bank are financing which are disclosed as "Restricted Agency Investment Account" in the financial statements of CIMB Islamic. These details are as follows:

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Revolving credit	2,206,428	1,201,933	2,206,428	1,201,933
Other term loan	9,102,419	9,046,821	9,102,419	9,046,821
	11,308,847	10,248,754	11,308,847	10,248,754

Restricted Agency Investment Account ("RAIA") arrangement is with the Bank's wholly owned subsidiary, CIMB Islamic, and the contract is based on the Wakalah principle where the 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 the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
(ii) By type of customers				
Domestic banking institutions	532,832	296,136	436,963	184,139
Domestic non-bank financial institutions				
- stockbroking companies	8,004	8,005	8,004	8,005
- others	5,379,803	5,267,629	2,669,648	2,540,347
Domestic business enterprises				
- small medium enterprises	37,016,701	36,142,135	21,684,384	21,519,667
- others	46,639,663	44,468,479	28,804,036	26,953,399
Government and statutory bodies	10,089,952	10,043,045	8,685,313	8,636,472
Individuals	190,619,588	187,672,859	102,813,552	102,452,469
Other domestic entities	1,292,538	1,233,527	86,952	34,048
Foreign entities	37,575,504	37,518,592	37,070,426	36,959,010
Gross loans, advances and financing	<u>329,154,585</u>	<u>322,650,407</u>	<u>202,259,278</u>	<u>199,287,556</u>
(iii) By interest rate sensitivity				
Fixed rate				
- Housing loans/ financing	6,033,191	5,189,950	3,424,222	2,776,324
- Hire purchase receivables	19,387,437	18,920,957	2,223,612	2,383,601
- Other fixed rate loans	34,630,101	33,377,673	24,973,540	24,055,774
Variable rate				
- BLR plus/BFR plus	79,478,979	80,638,136	57,603,919	59,081,607
- Cost-plus	53,252,501	49,707,733	41,292,453	37,949,588
- Other variable rates	136,372,376	134,815,958	72,741,532	73,040,662
Gross loans, advances and financing	<u>329,154,585</u>	<u>322,650,407</u>	<u>202,259,278</u>	<u>199,287,556</u>
(iv) By economic purpose				
Personal use	17,219,126	16,896,609	13,284,913	12,904,579
Credit cards	5,821,371	5,861,355	5,662,906	5,709,390
Purchase of consumer durables	278,751	241,765	44,311	42,729
Construction	10,944,445	10,889,388	7,533,953	7,386,230
Residential property (housing)	113,678,502	111,624,692	66,162,461	66,089,286
Non-residential property	32,763,822	31,955,357	23,573,368	23,325,774
Purchase of fixed assets other than land and buildings	3,657,952	3,412,161	2,937,428	2,695,204
Mergers and acquisitions	2,131,052	2,869,254	1,792,991	2,517,088
Purchase of securities	21,313,764	23,610,624	6,404,165	8,699,060
Purchase of transport vehicles	22,049,904	21,539,969	3,767,324	4,103,681
Working capital	69,110,254	64,119,486	51,261,089	46,512,851
Other purposes	30,185,642	29,629,747	19,834,369	19,301,684
Gross loans, advances and financing	<u>329,154,585</u>	<u>322,650,407</u>	<u>202,259,278</u>	<u>199,287,556</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
(v) By geographical distribution				
Malaysia	242,297,279	237,974,816	147,405,777	145,804,366
Indonesia	2,310,407	1,739,440	2,310,350	1,737,486
Thailand	29,220,387	30,481,063	1,516,722	3,402,964
Singapore	34,925,731	32,996,441	34,925,731	32,996,441
United Kingdom	3,800,915	3,799,620	3,800,915	3,799,620
Hong Kong	1,778,130	1,298,810	1,778,130	1,298,810
China	3,966,469	3,273,520	3,966,469	3,273,520
Other countries	10,855,267	11,086,697	6,555,184	6,974,349
Gross loans, advances and financing	<u>329,154,585</u>	<u>322,650,407</u>	<u>202,259,278</u>	<u>199,287,556</u>
(vi) By economic sector				
Primary agriculture	6,739,393	6,828,897	3,848,051	3,929,341
Mining and quarrying	4,159,016	4,121,797	2,924,868	2,833,606
Manufacturing	15,699,523	16,792,754	9,377,130	10,763,558
Electricity, gas and water supply	6,458,186	4,994,656	4,529,190	2,988,675
Construction	10,281,142	9,641,713	7,965,567	7,593,684
Transport, storage and communications	8,039,934	7,896,318	5,746,889	5,599,431
Education, health and others	17,743,427	17,766,289	14,886,499	14,827,708
Wholesale and retail trade, and restaurants and hotels	24,600,493	24,404,972	16,129,557	16,290,902
Finance, insurance/takaful, real estate and business activities	43,703,474	41,193,621	31,601,709	29,366,878
Household	188,429,871	185,656,237	102,304,307	102,083,876
Others	3,300,126	3,353,153	2,945,511	3,009,897
	<u>329,154,585</u>	<u>322,650,407</u>	<u>202,259,278</u>	<u>199,287,556</u>
(vii) By residual contractual maturity				
Within one year	67,193,192	65,964,658	54,292,181	53,557,469
One year to less than three years	18,394,795	17,779,101	12,991,830	12,529,032
Three years to less than five years	29,091,045	28,644,969	19,158,798	18,203,894
Five years and more	214,475,553	210,261,679	115,816,469	114,997,161
Gross loans, advances and financing	<u>329,154,585</u>	<u>322,650,407</u>	<u>202,259,278</u>	<u>199,287,556</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
(viii) Credit impaired loans, advances and financing by economic purpose				
Personal use	241,421	238,672	151,893	159,189
Credit cards	114,158	110,140	112,253	108,298
Purchase of consumer durables	2,220	2,400	671	753
Construction	1,306,335	1,311,302	1,172,595	1,176,524
Residential property (housing)	1,562,142	1,435,245	835,745	807,028
Non-residential property	571,206	578,836	467,017	473,168
Purchase of fixed assets other than land and buildings	40,930	44,888	21,577	25,008
Purchase of securities	190,323	185,663	177,643	180,154
Purchase of transport vehicles	196,304	281,282	63,199	105,291
Working capital	3,575,719	3,781,209	3,320,178	3,535,066
Merger and acquisition	9,292	12,845	9,292	12,845
Other purposes	609,871	570,446	229,856	209,082
Gross credit impaired loans, advances and financing	<u>8,419,921</u>	<u>8,552,928</u>	<u>6,561,919</u>	<u>6,792,406</u>
(ix) Credit impaired loans, advances and financing by geographical distribution				
Malaysia	4,952,351	5,052,000	4,271,477	4,392,165
Indonesia	152,700	154,190	152,700	154,190
Thailand	1,124,805	1,055,536	32	42
Singapore	1,397,866	1,515,551	1,397,866	1,515,551
United Kingdom	7,594	7,658	7,594	7,658
Hong Kong	10	9	10	9
China	4,014	5,429	4,014	5,429
Other countries	780,581	762,555	728,226	717,362
Gross credit impaired loans, advances and financing	<u>8,419,921</u>	<u>8,552,928</u>	<u>6,561,919</u>	<u>6,792,406</u>
(x) Credit impaired loans, advances and financing by economic sector				
Primary agriculture	85,539	77,291	48,522	51,776
Mining and quarrying	1,145,323	1,240,579	1,142,758	1,238,003
Manufacturing	390,672	392,919	203,138	203,598
Electricity, gas and water supply	250,725	250,530	250,725	250,530
Construction	139,620	147,571	88,361	101,055
Transport, storage and communications	1,200,346	1,211,188	1,189,654	1,206,694
Education, health and others	185,840	186,352	108,581	109,369
Wholesale and retail trade, and restaurants and hotels	1,530,705	1,669,400	1,227,818	1,381,076
Finance, insurance/takaful, real estate and business activities	549,246	532,309	356,663	338,385
Household	2,275,185	2,188,845	1,280,561	1,256,929
Others	666,720	655,944	665,138	654,991
Gross credit impaired loans, advances and financing	<u>8,419,921</u>	<u>8,552,928</u>	<u>6,561,919</u>	<u>6,792,406</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

(xi) Movements in the expected credit losses on loans, advances and financing 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)	Purchased credit impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	1,267,136	2,602,869	4,773,996	3,046	8,647,047
Changes in expected credit losses due to transferred within stages:	132,383	(132,155)	(228)	-	-
Transferred to Stage 1	219,197	(193,454)	(25,743)	-	-
Transferred to Stage 2	(83,078)	176,395	(93,317)	-	-
Transferred to Stage 3	(3,736)	(115,096)	118,832	-	-
Total charge to Statement of Income:	(168,501)	234,290	130,167	-	195,956
New financial assets originated	202,777	28,870	16,732	-	248,379
Financial assets that have been derecognised	(109,189)	(40,933)	-	-	(150,122)
Writeback in respect of full recoveries	-	-	(43,104)	-	(43,104)
Change in credit risk	(262,089)	246,353	156,539	-	140,803
Write-offs	(690)	(3,224)	(172,815)	-	(176,729)
Exchange fluctuation	2,724	2,328	17,739	24	22,815
Other movements	247	(24)	16,665	-	16,888
At 31 March 2022	1,233,299	2,704,084	4,765,524	3,070	8,705,977

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)	Purchased credit impaired	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	1,414,924	1,780,975	4,148,626	3,259	7,347,784
Changes in expected credit losses due to transferred within stages:	1,011,196	(1,388,994)	377,798	-	-
Transferred to Stage 1	1,765,687	(1,634,782)	(130,905)	-	-
Transferred to Stage 2	(752,137)	1,690,090	(937,953)	-	-
Transferred to Stage 3	(2,354)	(1,444,302)	1,446,656	-	-
Total charge to Statement of Income:	(1,153,463)	1,868,615	1,338,224	-	2,053,376
New financial assets originated	713,627	482,582	93,164	-	1,289,373
Financial assets that have been derecognised	(440,011)	(622,062)	-	-	(1,062,073)
Writeback in respect of full recoveries	-	-	(165,547)	-	(165,547)
Change in credit risk	(1,427,079)	2,008,095	1,410,607	-	1,991,623
Write-offs	(1,181)	(1,223)	(1,006,922)	-	(1,009,326)
Disposal of loans, advances and financing	(540)	(390)	(185,218)	-	(186,148)
Exchange fluctuation	(9,949)	(12,090)	1,241	(213)	(21,011)
Other movements	6,149	355,976	100,247	-	462,372
At 31 December 2021	1,267,136	2,602,869	4,773,996	3,046	8,647,047

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	817,845	1,636,641	4,094,538	6,549,024
Changes in expected credit losses due to transferred within stages:	87,888	(81,302)	(6,586)	-
Transferred to Stage 1	136,339	(118,702)	(17,637)	-
Transferred to Stage 2	(46,391)	96,787	(50,396)	-
Transferred to Stage 3	(2,060)	(59,387)	61,447	-
Total charge to Statement of Income:	(99,771)	162,264	29,684	92,177
New financial assets originated	163,778	26,497	9,828	200,103
Financial assets that have been derecognised	(95,320)	(25,036)	-	(120,356)
Writeback in respect of full recoveries	-	-	(24,681)	(24,681)
Change in credit risk	(168,229)	160,803	44,537	37,111
Write-offs	(689)	(3,046)	(98,995)	(102,730)
Exchange fluctuation	1,122	640	14,586	16,348
Other movements	246	(26)	15,133	15,353
At 31 March 2022	806,641	1,715,171	4,048,360	6,570,172

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	857,601	1,200,071	3,331,702	5,389,374
Changes in expected credit losses due to transferred within stages:	598,685	(1,088,607)	489,922	-
Transferred to Stage 1	1,054,425	(975,549)	(78,876)	-
Transferred to Stage 2	(454,656)	1,028,846	(574,190)	-
Transferred to Stage 3	(1,084)	(1,141,904)	1,142,988	-
Total charge to Statement of Income:	(642,188)	1,163,712	720,732	1,242,256
New financial assets originated	586,605	472,429	17,810	1,076,844
Financial assets that have been derecognised	(372,949)	(544,398)	-	(917,347)
Writeback in respect of full recoveries	-	-	(57,324)	(57,324)
Change in credit risk	(855,844)	1,235,681	760,246	1,140,083
Write-offs	(902)	(928)	(567,925)	(569,755)
Exchange fluctuation	3,079	6,487	44,103	53,669
Other movements	1,570	355,906	76,004	433,480
At 31 December 2021	817,845	1,636,641	4,094,538	6,549,024

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

PART A - EXPLANATORY NOTES (CONTINUED)

A11. 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) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2022	8,545,671	7,257	8,552,928
Transfer within stages	320,809	-	320,809
New financial assets originated	43,182	-	43,182
Write-offs	(172,815)	-	(172,815)
Amount fully recovered	(190,953)	-	(190,953)
Other changes in loans, advances and financing	(160,781)	(4)	(160,785)
Exchange fluctuation	27,499	56	27,555
At 31 March 2022	8,412,612	7,309	8,419,921

	The Group		
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Purchased credit impaired RM'000	Total RM'000
At 1 January 2021	8,689,004	7,816	8,696,820
Transfer within stages	2,068,064	-	2,068,064
New financial assets originated	266,247	-	266,247
Write-offs	(1,009,795)	-	(1,009,795)
Amount fully recovered	(682,931)	-	(682,931)
Other changes in loans, advances and financing	(354,597)	(49)	(354,646)
Disposal of loans, advances and financing	(390,214)	-	(390,214)
Exchange fluctuation	(40,107)	(510)	(40,617)
At 31 December 2021	8,545,671	7,257	8,552,928

	The Group	
	31 Mar 2022	31 Dec 2021
Ratio of credit impaired loans to total loans, advances and financing	2.56%	2.65%

PART A - EXPLANATORY NOTES (CONTINUED)

A11. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	6,792,406	6,792,406
Transfer within stages	112,257	112,257
New financial assets originated	38,461	38,461
Write-offs	(98,995)	(98,995)
Amount fully recovered	(149,742)	(149,742)
Other changes in loans, advances and financing	(151,456)	(151,456)
Exchange fluctuation	18,988	18,988
At 31 March 2022	6,561,919	6,561,919

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	5,676,423	5,676,423
Transfer within stages	2,100,806	2,100,806
New financial assets originated	52,712	52,712
Write-offs	(570,417)	(570,417)
Amount fully recovered	(283,275)	(283,275)
Other changes in loans, advances and financing	(228,129)	(228,129)
Exchange fluctuation	44,286	44,286
At 31 December 2021	6,792,406	6,792,406

	The Bank	
	31 Mar 2022	31 Dec 2021
Ratio of credit impaired loans to total loans, advances and financing	3.24%	3.41%

PART A - EXPLANATORY NOTES (CONTINUED)

A12. OTHER ASSETS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Foreclosed assets net of allowance for impairment losses of RM18,486,000 (2021: RM18,252,000)	105,154	119,753	-	-
Due from brokers	4,402	146,389	4,402	146,389
Structured financing	601,530	601,812	601,530	601,812
Collateral pledged for derivative transactions	2,775,314	2,897,982	1,569,616	1,201,829
Treasury related receivables	3,011,697	1,315,260	2,537,442	943,540
Other debtors net of expected credit losses *, deposits and prepayments	2,495,325	2,123,243	2,346,589	1,915,183
	8,993,422	7,204,439	7,059,579	4,808,753

* net of expected credit losses of RM575,086,000 (2021: RM417,745,000) for the Group and RM570,390,000 (2021: RM408,594,000) for the Bank.

Included in other debtors net of expected credit losses, deposits and prepayments is related to receivables of settlement debit card balances. See A5.

A13. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
(i) By type of deposit				
Demand deposits	95,027,805	91,821,777	75,347,363	72,247,462
Saving deposits	52,820,844	51,107,662	32,622,968	32,614,422
Fixed deposits	127,237,478	128,963,844	89,383,701	90,094,948
Negotiable instruments of deposit	264,619	517,515	-	-
Others	82,480,131	85,093,242	39,794,922	40,825,478
	357,830,877	357,504,040	237,148,954	235,782,310
(ii) By type of customer				
Government and statutory bodies	15,037,364	12,225,838	9,586,161	7,328,649
Business enterprises	144,520,768	141,294,351	99,138,589	98,041,383
Individuals	131,230,458	132,273,633	87,739,427	87,747,869
Others	67,042,287	71,710,218	40,684,777	42,664,409
	357,830,877	357,504,040	237,148,954	235,782,310
(iii) Maturity structure of fixed deposits and negotiable instruments of deposit				
Due within six months	100,915,398	103,603,792	74,205,500	73,795,193
Six months to less than one year	25,110,939	24,533,354	14,000,610	15,290,665
One year to less than three years	1,400,314	1,255,476	1,108,270	925,827
Three years to less than five years	75,446	88,737	69,321	83,263
	127,502,097	129,481,359	89,383,701	90,094,948

A14. INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts	11,727,598	10,427,167	-	-

PART A - EXPLANATORY NOTES (CONTINUED)

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks	24,975,983	23,494,742	24,496,809	22,696,577
Licensed finance companies	2,534,047	2,387,433	190,207	312,359
Licensed investment banks	725,926	634,369	246,329	246,488
Bank Negara Malaysia	1,494,286	1,452,698	1,489,286	1,447,698
Other financial institutions	2,503,681	2,034,253	1,464,828	1,326,914
	32,233,923	30,003,495	27,887,459	26,030,036

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

Due within six months	28,595,706	26,363,287	24,752,953	22,629,971
Six months to less than one year	1,853,374	1,616,618	1,509,744	1,541,569
One year to less than three years	178,258	423,250	177,771	416,443
Three years to less than five years	756,585	158,287	596,991	-
Five years and more	850,000	1,442,053	850,000	1,442,053
	32,233,923	30,003,495	27,887,459	26,030,036

A16. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	1,798,436	1,061,368	631,196	261,682
Bills payable	2,102,112	2,224,409	-	-
	3,900,548	3,285,777	631,196	261,682

The Group and the Bank have issued structured investments, bills payable and debentures, and have designated them at fair value in accordance with MFRS9. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of financial liabilities designated at fair value of the Group and the Bank at 31 March 2022 were RM110,460,000 (2021: RM56,390,000) and RM9,104,000 (2021: RM16,401,000) lower respectively than the contractual amount at maturity for the structured investments and RM307,498,000 (2021: RM366,350,000) higher than the contractual amount at maturity for bills payable.

A17. OTHER LIABILITIES

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Due to brokers and clients	38,793	24,579	38,793	24,579
Accrued employee benefits	5,423	5,503	5,376	5,456
Post employment benefit obligations	338,818	246,496	125,722	41,157
Sundry creditors	1,103,258	582,892	894,955	493,736
Expenditure payable	1,412,594	1,806,896	1,266,861	1,592,745
Expected credit losses for loan commitments and financial guarantee contracts	652,620	641,049	481,382	413,470
Provision for legal claims	50,583	51,384	35,795	36,033
Credit card expenditure payable	67,396	90,663	66,535	89,359
Collateral received for derivative transactions	3,547,458	3,028,037	1,714,823	1,206,120
Structured deposits	3,149,906	3,221,604	3,119,549	3,192,771
Treasury related payables	3,753,232	1,171,325	2,878,598	762,206
Others	1,329,409	604,866	893,110	314,782
	15,449,490	11,475,294	11,521,499	8,172,414

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

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	Total RM'000
At 1 January 2022	308,877	144,995	187,177	641,049
Changes in expected credit losses due to transferred within stages:	23,766	(24,526)	760	-
Transferred to Stage 1	29,670	(27,713)	(1,957)	-
Transferred to Stage 2	(5,840)	9,088	(3,248)	-
Transferred to Stage 3	(64)	(5,901)	5,965	-
Total charge to Statement of Income:	(87,671)	12,521	85,088	9,938
New exposures	66,695	3,014	-	69,709
Exposures derecognised or matured	(36,866)	(5,407)	(33,216)	(75,489)
Change in credit risk	(117,500)	14,914	118,304	15,718
Exchange fluctuation	541	166	905	1,612
Other movements	302	(60)	(221)	21
At 31 March 2022	245,815	133,096	273,709	652,620

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	Total RM'000
At 1 January 2021	279,950	120,942	160,195	561,087
Changes in expected credit losses due to transferred within stages:	124,061	(132,179)	8,118	-
Transferred to Stage 1	169,366	(149,523)	(19,843)	-
Transferred to Stage 2	(44,925)	74,659	(29,734)	-
Transferred to Stage 3	(380)	(57,315)	57,695	-
Total charge to Statement of Income:	(104,578)	155,550	25,577	76,549
New exposures	213,117	3,603	931	217,651
Exposures derecognised or matured	(132,956)	(22,799)	(6,957)	(162,712)
Change in credit risk	(184,739)	174,746	31,603	21,610
Exchange fluctuation	(151)	(43)	(6,546)	(6,740)
Other movements	9,595	725	(167)	10,153
At 31 December 2021	308,877	144,995	187,177	641,049

PART A - EXPLANATORY NOTES (CONTINUED)

A17. OTHER LIABILITIES (CONTINUED)

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

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	229,474	102,855	81,141	413,470
Changes in expected credit losses due to transferred within stages:	14,278	(15,068)	790	-
Transferred to Stage 1	19,365	(17,765)	(1,600)	-
Transferred to Stage 2	(5,068)	8,004	(2,936)	-
Transferred to Stage 3	(19)	(5,307)	5,326	-
Total charge to Statement of Income:	(69,214)	23,126	113,641	67,553
New exposures	43,755	2,979	-	46,734
Exposures derecognised or matured	(25,052)	(3,589)	-	(28,641)
Change in credit risk	(87,917)	23,736	113,641	49,460
Exchange fluctuation	406	23	-	429
Other movements	307	(156)	(221)	(70)
At 31 March 2022	175,251	110,780	195,351	481,382

The Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	210,701	97,031	62,416	370,148
Changes in expected credit losses due to transferred within stages:	91,774	(104,879)	13,105	-
Transferred to Stage 1	131,617	(115,775)	(15,842)	-
Transferred to Stage 2	(39,595)	64,331	(24,736)	-
Transferred to Stage 3	(248)	(53,435)	53,683	-
Total charge to Statement of Income:	(82,999)	109,937	5,798	32,736
New exposures	141,207	3,250	127	144,584
Exposures derecognised or matured	(93,813)	(14,350)	-	(108,163)
Change in credit risk	(130,393)	121,037	5,671	(3,685)
Exchange fluctuation	948	69	-	1,017
Other movements	9,050	697	(178)	9,569
At 31 December 2021	229,474	102,855	81,141	413,470

As at 31 March 2022, the gross carrying amount of loan commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM452,748,000 (2021: RM460,496,000) and RM408,051,000 (2021: RM401,713,000) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A18. INTEREST INCOME

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans and advances				
- interest income	2,049,301	2,078,872	2,049,301	2,078,872
- unwinding income [^]	23,344	17,361	23,344	17,361
Money at call and deposits with financial institutions	54,687	58,856	54,687	58,856
Reverse repurchase agreements	10,153	18,105	10,153	18,105
Debt instruments at fair value through other comprehensive income	313,228	257,848	313,228	257,848
Debt instruments at amortised cost	328,287	354,470	328,287	354,470
Others	9,211	7,588	9,211	7,588
	2,788,211	2,793,100	2,788,211	2,793,100
Net accretion of discount less amortisation of premium	(60,182)	(52,212)	(60,182)	(52,212)
	2,728,029	2,740,888	2,728,029	2,740,888
The Bank				
Loans and advances				
- interest income	1,665,039	1,619,598	1,665,039	1,619,598
- unwinding income [^]	19,866	20,374	19,866	20,374
Money at call and deposits with financial institutions	72,639	82,791	72,639	82,791
Reverse repurchase agreements	9,498	17,886	9,498	17,886
Debt instruments at fair value through other comprehensive income	279,426	232,634	279,426	232,634
Debt instruments at amortised cost	335,568	363,671	335,568	363,671
Others	9,210	7,588	9,210	7,588
	2,391,246	2,344,542	2,391,246	2,344,542
Net accretion of discount less amortisation of premium	(48,711)	(45,522)	(48,711)	(45,522)
	2,342,535	2,299,020	2,342,535	2,299,020

[^] Unwinding income is interest income earned on credit impaired financial assets.

A19. INTEREST INCOME FOR FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Loans and advances at fair value through profit or loss	2,648	3,930	2,648	3,930
Financial assets at fair value through profit or loss	121,862	118,902	121,862	118,902
	124,510	122,832	124,510	122,832
Net accretion of discount less amortisation of premium	(4,669)	(14,203)	(4,669)	(14,203)
	119,841	108,629	119,841	108,629
	-	-	-	-
The Bank				
Loans and advances at fair value through profit or loss	2,648	3,930	2,648	3,930
Financial assets at fair value through profit or loss	94,024	89,703	94,024	89,703
	96,672	93,633	96,672	93,633
Net accretion of discount less amortisation of premium	(1,233)	(7,023)	(1,233)	(7,023)
	95,439	86,610	95,439	86,610

PART A - EXPLANATORY NOTES (CONTINUED)

A20. INTEREST EXPENSE

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits and placements of banks and other financial institutions	45,294	54,025	45,294	54,025
Deposits from other customers	599,075	661,742	599,075	661,742
Repurchase agreements	83,035	67,823	83,035	67,823
Financial liabilities designated at fair value through profit or loss	6,411	7,233	6,411	7,233
Negotiable certificates of deposits	11,548	1,919	11,548	1,919
Recourse obligation on loan and financing sold to Cagamas	5,934	12,486	5,934	12,486
Bonds, Sukuk and debentures	55,073	50,455	55,073	50,455
Subordinated obligations	76,062	109,201	76,062	109,201
Other borrowings	6,128	7,518	6,128	7,518
Structured deposits	6,579	6,994	6,579	6,994
Lease liabilities	4,047	4,800	4,047	4,800
Others	1,861	1,931	1,861	1,931
	901,047	986,127	901,047	986,127
The Bank				
Deposits and placements of banks and other financial institutions	39,655	40,479	39,655	40,479
Deposits from other customers	533,674	570,654	533,674	570,654
Repurchase agreements	79,159	64,555	79,159	64,555
Financial liabilities designated at fair value through profit or loss	1,748	202	1,748	202
Negotiable certificates of deposits	11,360	1,739	11,360	1,739
Recourse obligation on loan and financing sold to Cagamas	5,934	12,486	5,934	12,486
Bonds and debentures	47,368	44,045	47,368	44,045
Subordinated obligations	74,366	105,745	74,366	105,745
Other borrowings	10,273	18,043	10,273	18,043
Structured deposits	6,579	6,994	6,579	6,994
Lease liabilities	3,500	4,343	3,500	4,343
Others	9	8	9	8
	813,625	869,293	813,625	869,293

A21. 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. These measures aim to ensure that the financial intermediation function of the financial sector remains intact, access 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Net fee and commission income				
Commissions	192,639	278,144	192,639	278,144
Fee on loans and advances	104,082	83,824	104,082	83,824
Service charges and fees	141,092	105,737	141,092	105,737
Guarantee fees	23,983	21,067	23,983	21,067
Other fee income	37,902	41,688	37,902	41,688
Fee and commission income	499,698	530,460	499,698	530,460
Fee and commission expense	(80,491)	(96,503)	(80,491)	(96,503)
Net fee and commission income	419,207	433,957	419,207	433,957
Gross dividend income from:				
Financial investments at fair value through profit or loss	11,222	14,518	11,222	14,518
Equity instruments at fair value through other comprehensive income	188	314	188	314
	11,410	14,832	11,410	14,832
Net loss arising from financial investments at fair value through profit or loss				
- realised	(308,264)	(99,940)	(308,264)	(99,940)
- unrealised	(226,925)	(648,965)	(226,925)	(648,965)
	(535,189)	(748,905)	(535,189)	(748,905)
Net gain arising from derivative financial instrument				
- realised	679,543	419,615	679,543	419,615
- unrealised	548,327	1,365,485	548,327	1,365,485
	1,227,870	1,785,100	1,227,870	1,785,100
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(853)	487	(853)	487
	(853)	487	(853)	487
Net gain arising from financial liabilities designated at fair value through profit or loss				
- realised	(13,092)	(11,125)	(13,092)	(11,125)
- unrealised	56,370	115,407	56,370	115,407
	43,278	104,282	43,278	104,282
Net gain arising from hedging activities	24,274	2,931	24,274	2,931
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	4,025	62,718	4,025	62,718
Net gain from redemption of debt instruments at amortised cost	12,740	-	12,740	-
Other non-interest income				
Foreign exchange loss	(549,699)	(818,792)	(549,699)	(818,792)
Rental income	1,743	1,262	1,743	1,262
Gain on disposal of property, plant and equipment/ assets held for sale	11,956	2,879	11,956	2,879
Gain/(loss) on disposal of foreclosed assets	4,367	(1,046)	4,367	(1,046)
Loss on disposal of loans, advances and financing	(4,267)	-	(4,267)	-
Others	12,928	2,933	12,928	2,933
	(522,972)	(812,764)	(522,972)	(812,764)
	683,790	842,638	683,790	842,638

PART A - EXPLANATORY NOTES (CONTINUED)

A22. NET NON-INTEREST INCOME (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Bank				
Net fee and commission income				
Commissions	124,918	214,439	124,918	214,439
Fee on loans and advances	100,630	81,114	100,630	81,114
Service charges and fees	423,974	345,958	423,974	345,958
Guarantee fees	21,576	18,886	21,576	18,886
Other fee income	35,623	40,149	35,623	40,149
Fee and commission income	706,721	700,546	706,721	700,546
Fee and commission expense	(78,192)	(93,563)	(78,192)	(93,563)
Net fee and commission income	628,529	606,983	628,529	606,983
Gross dividend income from:				
Financial investments at fair value through profit or loss	11,222	14,518	11,222	14,518
Subsidiary	79,400	-	79,400	-
Joint venture	5,000	-	5,000	-
	95,622	14,518	95,622	14,518
Net loss arising from financial investments at fair value through profit or loss				
- realised	(263,349)	12,837	(263,349)	12,837
- unrealised	(37,581)	(358,851)	(37,581)	(358,851)
	(300,930)	(346,014)	(300,930)	(346,014)
Net gain arising from derivative financial instrument				
- realised	745,771	221,258	745,771	221,258
- unrealised	208,581	1,229,069	208,581	1,229,069
	954,352	1,450,327	954,352	1,450,327
Net (loss)/gain arising from loans, advances and financing at fair value through profit or loss				
- unrealised	(853)	487	(853)	487
	(853)	487	(853)	487
Net (loss)/gain arising from financial liabilities designated at fair value through profit or loss				
- realised	(1,652)	(146)	(1,652)	(146)
- unrealised	(7,297)	2,922	(7,297)	2,922
	(8,949)	2,776	(8,949)	2,776
Net gain arising from hedging activities	20,070	2,891	20,070	2,891
Net gain from sale of investment in debt instruments at fair value through other comprehensive income	15,846	44,547	15,846	44,547
Net gain from redemption of debt instruments at amortised cost	12,740	-	12,740	-
Other non-interest income				
Foreign exchange loss	(500,211)	(807,718)	(500,211)	(807,718)
Rental income	1,452	1,268	1,452	1,268
Gain on disposal of property, plant and equipment/ assets held for sale	6,372	2,323	6,372	2,323
Loss on disposal of loans, advances and financing	(4,267)	-	(4,267)	-
Others	4,832	904	4,832	904
	(491,822)	(803,223)	(491,822)	(803,223)
	924,605	973,292	924,605	973,292

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Personnel costs				
- Salaries, allowances and bonuses	780,958	783,650	780,958	783,650
- Pension cost	85,915	95,278	85,915	95,278
- Share-based expense ¹	10,639	-	10,639	-
- Overtime	2,840	2,199	2,840	2,199
- Staff incentives and other staff payments	32,452	115,407	32,452	115,407
- Medical expenses	18,991	18,464	18,991	18,464
- Others	21,243	38,039	21,243	38,039
	953,038	1,053,037	953,038	1,053,037
Establishment costs				
- Depreciation of property, plant and equipment	42,148	38,208	42,148	38,208
- Depreciation of right-of-use assets	44,757	49,379	44,757	49,379
- Rental	17,579	17,417	17,579	17,417
- Amortisation of intangible assets	135,442	76,289	135,442	76,289
- Repair and maintenance	110,314	119,329	110,314	119,329
- Outsourced services	14,385	18,943	14,385	18,943
- Security expenses	20,797	25,655	20,797	25,655
- Intangible assets written off	1,038	-	1,038	-
- Others	41,071	30,734	41,071	30,734
	427,531	375,954	427,531	375,954
Marketing expenses				
- Advertisement	12,058	14,126	12,058	14,126
- Others	8,518	2,245	8,518	2,245
	20,576	16,371	20,576	16,371
Administration and general expenses				
- Communication	18,342	16,369	18,342	16,369
- Consultancy and professional fees	18,955	10,235	18,955	10,235
- Legal expenses	167	16,029	167	16,029
- Stationery	3,765	4,039	3,765	4,039
- Postages	5,354	6,665	5,354	6,665
- Administrative travelling and vehicle expenses	2,958	3,633	2,958	3,633
- Incidental expenses on banking operations	8,785	13,200	8,785	13,200
- Insurance	21,296	16,042	21,296	16,042
- Others	103,911	98,087	103,911	98,087
	183,533	184,299	183,533	184,299
	1,584,678	1,629,661	1,584,678	1,629,661

PART A - EXPLANATORY NOTES (CONTINUED)

A23. OVERHEADS (CONTINUED)

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Bank				
Personnel costs				
- Salaries, allowances and bonuses	617,635	625,354	617,635	625,354
- Pension cost	73,615	82,148	73,615	82,148
- Share-based expense ¹	8,621	-	8,621	-
- Overtime	1,499	1,238	1,499	1,238
- Staff incentives and other staff payments	21,442	103,017	21,442	103,017
- Medical expenses	17,011	16,779	17,011	16,779
- Others	16,376	32,873	16,376	32,873
	756,199	861,409	756,199	861,409
Establishment costs				
- Depreciation of property, plant and equipment	31,450	27,057	31,450	27,057
- Depreciation of right-of-use assets	37,464	41,732	37,464	41,732
- Rental	11,029	8,463	11,029	8,463
- Amortisation of intangible assets	114,427	61,889	114,427	61,889
- Repair and maintenance	100,262	107,227	100,262	107,227
- Outsourced services	10,127	12,338	10,127	12,338
- Security expenses	19,731	24,378	19,731	24,378
- Intangible assets written off	991	-	991	-
- Others	36,409	26,046	36,409	26,046
	361,890	309,130	361,890	309,130
Marketing expenses				
- Advertisement	9,388	11,483	9,388	11,483
- Others	7,341	1,954	7,341	1,954
	16,729	13,437	16,729	13,437
Administration and general expenses				
- Communication	17,150	15,079	17,150	15,079
- Consultancy and professional fees	16,439	9,016	16,439	9,016
- Legal expenses	(1,202)	5,194	(1,202)	5,194
- Stationery	2,780	2,964	2,780	2,964
- Postages	3,947	5,061	3,947	5,061
- Administrative travelling and vehicle expenses	1,576	1,612	1,576	1,612
- Incidental expenses on banking operations	4,664	7,662	4,664	7,662
- Insurance	15,742	12,713	15,742	12,713
- Others	101,724	86,887	101,724	86,887
	162,820	146,188	162,820	146,188
	1,297,638	1,330,164	1,297,638	1,330,164

¹ The long term incentive plan (“LTIP”) was implemented by CIMB Group Holdings in June 2021. The LTIP awards ordinary shares and share options of CIMB Group to eligible employees of the Group and the Bank. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMB Group Holdings Berhad, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.

PART A - EXPLANATORY NOTES (CONTINUED)

A24(a). EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	195,956	539,581	195,956	539,581
Credit impaired:				
- recovered	(126,459)	(167,674)	(126,459)	(167,674)
- written off	4,678	2,410	4,678	2,410
	74,175	374,317	74,175	374,317
The Bank				
Expected credit losses on loans, advances and financing at amortised cost:				
- Expected credit losses on loans, advances and financing	92,177	322,396	92,177	322,396
Credit impaired:				
- recovered	(73,580)	(107,800)	(73,580)	(107,800)
- written off	4,349	1,989	4,349	1,989
	22,946	216,585	22,946	216,585

A24(b). OTHER EXPECTED CREDIT LOSSES AND IMPAIRMENT ALLOWANCES

	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
The Group				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	819	5,131	819	5,131
- Debt instrument at amortised cost	(83,122)	(1,574)	(83,122)	(1,574)
- Money at call and deposits and placements with banks and other financial institutions	(53)	(22)	(53)	(22)
- Other assets	179,342	35,083	179,342	35,083
	96,986	38,618	96,986	38,618
The Bank				
Expected credit losses and impairment allowances made/(written back):				
- Debt instrument at fair value through other comprehensive income	2,442	4,810	2,442	4,810
- Debt instrument at amortised cost	(81,559)	(2,342)	(81,559)	(2,342)
- Money at call and deposits and placements with banks and other financial institutions	400	(46)	400	(46)
- Other assets	161,855	263	161,855	263
	83,138	2,685	83,138	2,685

Included in the other impairment allowance made for other assets during the financial year is ECL related to settlement of debit card balances.
See A5.

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarise the contractual underlying principal amounts of trading derivative and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the 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			The Bank		
	Principal	Fair values		Principal	Fair values	
At 31 March 2022	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	43,839,268	191,619	(298,905)	31,127,668	104,522	(203,806)
- less than one year	40,462,386	166,158	(189,895)	28,630,456	86,353	(120,202)
- one year to three years	2,882,198	24,113	(67,736)	2,194,544	17,822	(40,062)
- more than three years	494,684	1,348	(41,274)	302,668	347	(43,542)
Currency swaps	506,306,615	5,047,826	(4,544,555)	315,887,173	3,703,599	(3,472,063)
- less than one year	503,152,066	5,012,268	(4,503,883)	313,456,895	3,674,310	(3,449,290)
- one year to three years	3,076,717	34,339	(39,568)	2,384,332	29,289	(21,669)
- more than three years	77,832	1,219	(1,104)	45,946	-	(1,104)
Currency spots	7,786,744	6,569	(6,090)	7,292,430	5,839	(5,282)
- less than one year	7,786,744	6,569	(6,090)	7,292,430	5,839	(5,282)
Currency options	6,373,855	63,923	(79,134)	6,292,242	63,529	(78,421)
- less than one year	3,712,840	25,756	(38,700)	3,631,227	25,362	(37,987)
- one year to three years	1,935,950	31,668	(34,251)	1,935,950	31,668	(34,251)
- more than three years	725,065	6,499	(6,183)	725,065	6,499	(6,183)
Cross currency interest rate swaps	91,373,163	1,958,833	(2,013,900)	33,412,721	835,076	(684,231)
- less than one year	22,986,855	381,863	(491,384)	11,559,453	183,596	(263,264)
- one year to three years	34,139,655	790,185	(665,807)	10,511,623	342,767	(158,324)
- more than three years	34,246,653	786,785	(856,709)	11,341,645	308,713	(262,643)
	655,679,645	7,268,770	(6,942,584)	394,012,234	4,712,565	(4,443,803)
<u>Interest rate derivatives</u>						
Interest rate swaps	388,285,682	3,279,353	(2,713,051)	137,048,352	1,442,058	(1,175,252)
- less than one year	140,313,166	236,822	(237,261)	37,075,015	125,401	(130,435)
- one year to three years	131,477,805	810,477	(741,326)	54,194,585	389,467	(352,034)
- more than three years	116,494,711	2,232,054	(1,734,464)	45,778,752	927,190	(692,783)
Interest rate futures	3,348,102	39,538	(5,438)	3,348,102	39,538	(5,438)
- less than one year	3,348,102	39,538	(5,438)	3,348,102	39,538	(5,438)
Interest rate options	578,267	-	-	578,267	-	-
- less than one year	578,267	-	-	578,267	-	-
	392,212,051	3,318,891	(2,718,489)	140,974,721	1,481,596	(1,180,690)
<u>Equity related derivatives</u>						
Equity swaps	320,193	16,519	(31,934)	320,193	16,519	(31,942)
- less than one year	72,326	2,331	(1,634)	72,326	2,331	(1,642)
- one year to three years	247,681	14,188	(30,300)	247,681	14,188	(30,300)
- more than three years	186	-	-	186	-	-
Equity options	3,238,873	234,070	(112,652)	2,868,371	230,899	(109,193)
- less than one year	2,989,199	229,001	(104,667)	2,720,801	227,431	(102,804)
- one year to three years	159,803	3,676	(6,592)	147,570	3,468	(6,389)
- more than three years	89,871	1,393	(1,393)	-	-	-
Index futures	88,718	737	(504)	88,718	737	(504)
- less than one year	88,718	737	(504)	88,718	737	(504)
	3,660,197	251,336	(145,160)	3,289,695	248,165	(141,709)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	The Group			The Bank		
	Fair values			Fair values		
At 31 March 2022	Principal RM'000	Assets RM'000	Liabilities RM'000	Principal RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	1,037,023	118,948	(117,200)	1,037,101	118,844	(117,200)
- less than one year	1,037,023	118,948	(117,200)	1,037,101	118,844	(117,200)
Commodity futures	297,950	37,706	(20,943)	297,950	37,706	(20,943)
- less than one year	297,950	37,706	(20,943)	297,950	37,706	(20,943)
Commodity options	7,647,740	44,907	(38,747)	7,647,740	44,907	(38,747)
- less than one year	7,647,740	44,907	(38,747)	7,647,740	44,907	(38,747)
	8,982,713	201,561	(176,890)	8,982,791	201,457	(176,890)
<u>Credit related derivatives</u>						
Credit default swaps	3,314,014	30,651	(26,733)	3,313,596	30,647	(27,088)
- less than one year	340,670	400	(5)	256,505	396	(5)
- one year to three years	154,508	1,584	(197)	154,508	1,584	(197)
- more than three years	2,818,836	28,667	(26,531)	2,902,583	28,667	(26,886)
Total return swaps	20,500	-	(774)	20,500	-	(774)
- more than three years	20,500	-	(774)	20,500	-	(774)
	3,334,514	30,651	(27,507)	3,334,096	30,647	(27,862)
<u>Bond contract</u>						
Bond forward	2,987,718	298,898	(37,305)	10,000	-	(1,251)
- less than one year	1,041,127	47,824	(32,450)	-	-	-
- one year to three years	1,299,862	170,182	(3,553)	-	-	-
- more than three years	646,729	80,892	(1,302)	10,000	-	(1,251)
<u>Hedging derivatives</u>						
Currency swaps	4,592,915	17,051	(7,976)	4,302,770	16,498	(7,532)
- less than one year	4,592,915	17,051	(7,976)	4,302,770	16,498	(7,532)
Cross currency interest rate swaps	3,344,972	85,991	(56,273)	847,515	-	(33,668)
- less than one year	529,163	28,348	(211)	-	-	-
- one year to three years	1,234,698	37,091	(15,076)	435,036	-	(10,305)
- more than three years	1,581,111	20,552	(40,986)	412,479	-	(23,363)
Interest rate swaps	31,626,380	632,401	(260,162)	29,348,833	587,675	(263,530)
- less than one year	4,665,230	62,275	(13,322)	4,222,194	59,358	(13,279)
- one year to three years	6,460,444	80,443	(35,531)	6,515,444	80,443	(36,183)
- more than three years	20,500,706	489,683	(211,309)	18,611,195	447,874	(214,068)
	39,564,267	735,443	(324,411)	34,499,118	604,173	(304,730)
Total derivatives assets/(liabilities)	1,106,421,105	12,105,550	(10,372,346)	585,102,655	7,278,603	(6,276,935)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	The Group			The Bank		
	Principal	Fair values		Principal	Fair values	
At 31 December 2021	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange derivatives</u>						
Currency forward	44,766,187	270,028	(479,064)	31,153,672	134,493	(308,736)
- less than one year	41,902,683	253,286	(352,410)	29,152,801	117,635	(222,312)
- one year to three years	2,221,020	11,106	(72,000)	1,557,676	11,360	(33,636)
- more than three years	642,484	5,636	(54,654)	443,195	5,498	(52,788)
Currency swaps	457,414,546	5,094,015	(4,361,365)	290,068,958	3,021,607	(2,777,721)
- less than one year	455,645,805	5,059,869	(4,327,132)	288,700,185	2,999,678	(2,758,652)
- one year to three years	1,674,049	33,320	(33,138)	1,277,977	21,267	(17,974)
- more than three years	94,692	826	(1,095)	90,796	662	(1,095)
Currency spots	3,248,469	2,391	(2,631)	2,713,213	1,843	(1,976)
- less than one year	3,248,469	2,391	(2,631)	2,713,213	1,843	(1,976)
Currency options	4,922,893	62,503	(85,539)	4,918,213	62,427	(85,194)
- less than one year	2,064,408	18,499	(37,564)	2,059,728	18,423	(37,219)
- one year to three years	1,689,425	21,140	(17,240)	1,689,425	21,140	(17,240)
- more than three years	1,169,060	22,864	(30,735)	1,169,060	22,864	(30,735)
Cross currency interest rate swaps	96,136,516	2,118,007	(2,432,341)	35,525,862	841,600	(678,350)
- less than one year	27,606,696	414,025	(814,206)	13,149,346	208,805	(225,250)
- one year to three years	32,011,819	861,967	(674,695)	10,870,378	379,249	(228,450)
- more than three years	36,518,001	842,015	(943,440)	11,506,138	253,546	(224,650)
	606,488,611	7,546,944	(7,360,940)	364,379,918	4,061,970	(3,851,977)
<u>Interest rate derivatives</u>						
Interest rate swaps	389,608,245	3,157,332	(2,668,142)	140,258,211	1,252,732	(1,111,791)
- less than one year	135,366,307	242,433	(234,571)	45,087,867	148,893	(128,749)
- one year to three years	128,145,697	789,968	(788,136)	49,704,295	409,680	(425,060)
- more than three years	126,096,241	2,124,931	(1,645,435)	45,466,049	694,159	(557,982)
Interest rate futures	3,006,210	3,700	(10,764)	3,006,210	3,700	(10,764)
- less than one year	3,006,210	3,700	(10,764)	3,006,210	3,700	(10,764)
Interest rate options	573,385	-	(4)	573,385	-	(4)
- less than one year	573,385	-	(4)	573,385	-	(4)
	393,187,840	3,161,032	(2,678,910)	143,837,806	1,256,432	(1,122,559)
<u>Equity related derivatives</u>						
Equity swaps	318,757	4,168	(37,814)	318,757	4,168	(37,824)
- less than one year	11,742	-	(228)	11,742	-	(238)
- one year to three years	214,663	4,029	(37,586)	214,663	4,029	(37,586)
- more than three years	92,352	139	-	92,352	139	-
Equity options	3,321,847	239,628	(91,142)	2,937,014	234,643	(85,863)
- less than one year	3,090,271	234,979	(82,224)	2,795,440	232,198	(79,149)
- one year to three years	141,574	2,445	(6,714)	141,574	2,445	(6,714)
- more than three years	90,002	2,204	(2,204)	-	-	-
Equity futures	6,635	25	(1)	6,635	25	(1)
- less than one year	6,635	25	(1)	6,635	25	(1)
Index futures	86,994	949	(344)	86,994	949	(344)
- less than one year	86,994	949	(344)	86,994	949	(344)
	3,734,233	244,770	(129,301)	3,349,400	239,785	(124,032)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	The Group			The Bank		
	Principal	Fair values		Principal	Fair values	
At 31 December 2021	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<u>Commodity related derivatives</u>						
Commodity swaps	845,600	46,861	(52,785)	845,756	46,706	(52,785)
- less than one year	818,501	45,692	(51,124)	818,656	45,537	(51,124)
- one year to three years	27,099	1,169	(1,661)	27,100	1,169	(1,661)
Commodity futures	379,825	15,422	(6,619)	379,825	15,422	(6,619)
- less than one year	379,825	15,422	(6,619)	379,825	15,422	(6,619)
Commodity options	8,351,321	146,506	(153,068)	8,351,321	146,506	(153,068)
- less than one year	8,351,321	146,506	(153,068)	8,351,321	146,506	(153,068)
	9,576,746	208,789	(212,472)	9,576,902	208,634	(212,472)
<u>Credit related derivatives</u>						
Credit default swaps	3,564,557	47,678	(35,529)	3,559,372	47,670	(35,564)
- less than one year	338,534	799	(12)	254,340	796	(12)
- one year to three years	143,061	1,969	(503)	143,061	1,969	(503)
- more than three years	3,082,962	44,910	(35,014)	3,161,971	44,905	(35,049)
Total return swaps	20,500	-	(1,248)	20,500	-	(1,248)
- more than three years	20,500	-	(1,248)	20,500	-	(1,248)
	3,585,057	47,678	(36,777)	3,579,872	47,670	(36,812)
<u>Bond Forward</u>	3,033,180	164,834	(115,204)	30,000	-	(3,909)
- Up to 1 year	1,178,155	23,382	(92,431)	-	-	-
- More than 1 year to 3 years	1,262,148	99,231	(18,664)	-	-	-
- More than 3 years	592,877	42,221	(4,109)	30,000	-	(3,909)
<u>Hedging derivatives</u>						
Currency swaps	4,543,474	43,058	(8,797)	4,289,134	43,058	(8,652)
- less than one year	4,543,474	43,058	(8,797)	4,289,134	43,058	(8,652)
Cross currency interest rate swaps	3,375,973	77,433	(33,817)	843,885	2,295	(13,264)
- less than one year	104,740	6,583	(894)	-	-	-
- one year to three years	1,416,719	55,693	(4,033)	433,173	2,295	(3,874)
- more than three years	1,854,514	15,157	(28,890)	410,712	-	(9,390)
Interest rate swaps	29,667,170	333,317	(231,192)	27,329,573	322,013	(224,241)
- less than one year	7,295,353	72,435	(19,828)	6,831,734	68,386	(19,906)
- one year to three years	6,089,019	60,052	(37,071)	6,144,019	60,052	(37,478)
- more than three years	16,282,798	200,830	(174,293)	14,353,820	193,575	(166,857)
	37,586,617	453,808	(273,806)	32,462,592	367,366	(246,157)
Total derivatives assets/(liabilities)	1,057,192,284	11,827,855	(10,807,410)	557,216,490	6,181,857	(5,597,918)

PART A - EXPLANATORY NOTES (CONTINUED)

A25. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, 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 fulfill their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 31 March 2022, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM12,105,550,000 and RM7,278,603,000 respectively (2021: RM11,827,855,000 and RM6,181,857,000 respectively). 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 2022, the Group and the Bank has posted cash collateral of RM2,775,314,000 and RM1,569,616,000 respectively (2021: RM2,897,982,000 and RM1,201,829,000 respectively) on their derivative contracts.

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

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

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

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES

	31 Mar 2022	31 Dec 2021
The Group	Principal	Principal
	RM'000	RM'000
<u>Credit-related</u>		
Direct credit substitutes	3,614,161	3,544,384
Transaction-related contingent items	5,374,614	5,361,331
Short-term self-liquidating trade-related contingencies	4,681,768	3,315,027
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	67,594,892	68,570,606
- maturity exceeding one year	33,489,889	33,989,202
Miscellaneous commitments and contingencies	1,486,990	2,009,445
Total credit-related commitments and contingencies	116,242,314	116,789,995
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	583,222,969	535,116,275
- one year to five years	62,599,574	61,278,792
- more than five years	17,794,989	18,012,991
	663,617,532	614,408,058
Interest rate related contracts :		
- less than one year	148,904,765	146,241,255
- one year to five years	210,027,977	214,840,487
- more than five years	64,905,689	61,773,268
	423,838,431	422,855,010
Equity related contracts:		
- less than one year	3,162,656	3,195,642
- one year to five years	407,670	448,589
- more than five years	89,871	90,002
	3,660,197	3,734,233
Credit related contracts:		
- less than one year	340,670	338,534
- one year to five years	1,772,868	3,170,347
- more than five years	1,220,976	76,176
	3,334,514	3,585,057
Commodity related contracts:		
- less than one year	8,982,713	9,549,647
- one year to five years	-	27,099
	8,982,713	9,576,746
Bond contracts:		
- less than one year	1,041,127	1,178,155
- one year to five years	1,936,591	1,825,025
- more than five years	10,000	30,000
	2,987,718	3,033,180
Total treasury-related commitments and contingencies	1,106,421,105	1,057,192,284
	1,222,663,419	1,173,982,279

PART A - EXPLANATORY NOTES (CONTINUED)

A26. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	31 Mar 2022	31 Dec 2021
	Principal	Principal
	RM'000	RM'000
The Bank		
<u>Credit-related</u>		
Direct credit substitutes	3,316,698	3,260,899
Transaction-related contingent items	3,623,068	3,505,373
Short-term self-liquidating trade-related contingencies	3,366,524	2,024,195
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	52,535,582	54,341,124
- maturity exceeding one year	23,313,493	24,386,828
Miscellaneous commitments and contingencies	1,462,946	1,980,933
Total credit-related commitments and contingencies	87,618,311	89,499,352
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	368,873,231	340,064,407
- one year to five years	26,246,386	25,296,955
- more than five years	4,042,902	4,151,575
	399,162,519	369,512,937
Interest rate related contracts :		
- less than one year	45,223,578	55,499,196
- one year to five years	97,141,996	90,640,395
- more than five years	27,957,980	25,027,788
	170,323,554	171,167,379
Equity related contracts:		
- less than one year	2,894,258	2,900,811
- one year to five years	395,437	448,589
	3,289,695	3,349,400
Credit related contracts:		
- less than one year	256,505	254,340
- one year to five years	1,772,607	3,167,091
- more than five years	1,304,984	158,441
	3,334,096	3,579,872
Commodity related contracts:		
- less than one year	8,982,791	9,549,802
- one year to five years	-	27,100
	8,982,791	9,576,902
Bond contracts:		
- more than five years	10,000	30,000
	10,000	30,000
Total treasury-related commitments and contingencies	585,102,655	557,216,490
	672,720,966	646,715,842

Included under irrevocable commitments to extend credit are the amount related to the Restricted Agency Investment Account (refer to Note A11(d) for more details) as follows:

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Irrevocable commitments to extend credit :				
- maturity not exceeding one year	1,500,000	2,500,000	1,500,000	2,500,000
	1,500,000	2,500,000	1,500,000	2,500,000

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY

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.

The risk-weighted assets of the 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 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.

The capital adequacy ratios of CIMB Thai Bank is based on 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 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.

31 March 2022 - Basel III

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

	The Group	The Bank*
Common equity tier 1 ratio	14.764%	14.091%
Tier 1 ratio	15.456%	14.912%
Total capital ratio	18.846%	18.063%

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

	The Group	The Bank*
	RM'000	RM'000
Credit risk ⁽¹⁾	216,037,498	141,588,239
Market risk	16,391,471	10,641,466
Large exposure risk requirements	842,205	842,205
Operational risk	23,648,326	17,332,028
Total risk-weighted assets	256,919,500	170,403,938

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

	The Group	The Bank*
	RM'000	RM'000
Under Restricted Agency Investment Account arrangement	792,652	792,652
	792,652	792,652

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 March 2022 - Basel III (Continued)

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary share capital	21,855,078	21,855,078
Other reserves	22,655,454	13,852,483
Qualifying non-controlling interests	145,247	-
Common Equity Tier 1 capital before regulatory adjustments	<u>44,655,779</u>	<u>35,707,561</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,936,693)	(3,555,075)
Intangible assets	(1,116,364)	(947,876)
Deferred tax assets	(1,425,564)	(988,059)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,951,314)
Regulatory reserve	(300,539)	(253,609)
Others	54,153	(372)
Common Equity Tier 1 capital after regulatory adjustments	<u>37,930,772</u>	<u>24,011,256</u>
Additional Tier 1 capital		
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	28,882	-
	<u>1,778,882</u>	<u>1,750,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(350,000)
Additional Tier I capital after regulatory adjustments	<u>1,778,882</u>	<u>1,400,000</u>
Total Tier 1 capital	<u>39,709,654</u>	<u>25,411,256</u>
Tier 2 capital		
Subordinated notes	6,800,000	6,800,000
Qualifying capital instruments held by third parties	239,111	-
Surplus eligible provisions over expected loss	950,469	694,888
General provisions ^	720,325	322,170
Tier 2 capital before regulatory adjustments	<u>8,709,905</u>	<u>7,817,058</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(2,447,635)
Total Tier 2 capital	<u>8,709,905</u>	<u>5,369,423</u>
Total capital	<u>48,419,559</u>	<u>30,780,679</u>

The capital adequacy of the banking subsidiary companies of the Bank are as follows:

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	14.045%	15.291%	N/A	N/A
Tier 1 ratio	14.748%	15.291%	N/A	N/A
Total capital ratio	<u>17.341%</u>	<u>21.373%</u>	<u>18.928%</u>	<u>78.531%</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2021 - Basel III

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

	The Group	The Bank*
Before deducting proposed dividend		
Common equity tier 1 ratio	15.443%	14.919%
Tier 1 ratio	16.228%	15.834%
Total capital ratio	<u>19.690%</u>	<u>19.051%</u>
After deducting proposed dividend		
Common equity tier I ratio	15.185%	14.530%
Tier I ratio	15.970%	15.445%
Total capital ratio	<u>19.432%</u>	<u>18.662%</u>

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

	The Group RM'000	The Bank* RM'000
Credit risk ⁽¹⁾	211,573,137	138,584,833
Market risk	16,357,473	10,800,858
Large exposure risk requirements	891,987	891,987
Operational risk	23,371,960	17,031,328
Total risk-weighted assets	<u>252,194,557</u>	<u>167,309,006</u>

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

	The Group RM'000	The Bank* RM'000
Under Restricted Agency Investment Account arrangement	1,227,746	1,227,746
	<u>1,227,746</u>	<u>1,227,746</u>

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

	The Group RM'000	The Bank* RM'000
Common Equity Tier 1 capital		
Ordinary share capital	21,855,078	21,855,078
Other reserves	23,443,428	14,672,012
Qualifying non-controlling interests	147,833	-
Less: Proposed dividends	(651,012)	(651,012)
Common Equity Tier 1 capital before regulatory adjustments	<u>44,795,327</u>	<u>35,876,078</u>
<u>Less: Regulatory adjustments</u>		
Goodwill	(3,934,802)	(3,555,075)
Intangible assets	(1,205,099)	(1,029,540)
Deferred tax assets	(1,282,904)	(903,392)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(5,948,651)
Regulatory reserve	(129,196)	(129,196)
Others	52,342	(147)
Common Equity Tier 1 capital after regulatory adjustments	<u>38,295,668</u>	<u>24,310,077</u>
Additional Tier 1 capital		
Perpetual preference shares	200,000	200,000
Perpetual subordinated capital securities	1,750,000	1,750,000
Qualifying capital instruments held by third parties	29,851	-
Additional Tier 1 capital before and after regulatory adjustments	<u>1,979,851</u>	<u>1,950,000</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	(420,000)
Additional Tier 1 capital after regulatory adjustments	<u>1,979,851</u>	<u>1,530,000</u>
Total Tier 1 capital	<u>40,275,519</u>	<u>25,840,077</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2021 - Basel III (Continued)

	The Group RM'000	The Bank* RM'000
Tier 2 capital		
Subordinated notes	6,800,000	6,800,000
Redeemable preference shares	29,740	29,740
Qualifying capital instruments held by third parties	239,953	-
Surplus eligible provisions over expected loss	907,105	676,117
General provisions ^	754,863	323,734
Tier 2 capital before regulatory adjustments	<u>8,731,661</u>	<u>7,829,591</u>
<u>Less: Regulatory adjustments</u>		
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	<u>-</u>	<u>(2,445,967)</u>
Total Tier 2 capital	<u>8,731,661</u>	<u>5,383,624</u>
 Total capital	 <u>49,007,180</u>	 <u>31,223,701</u>

The capital adequacy of the banking subsidiary companies of the Bank are as follows:

	CIMB Islamic Bank	CIMB Thai Bank	CIMB Bank PLC	CIMB Bank (Vietnam) Ltd
Common equity tier 1 ratio	15.109%	15.701%	N/A	N/A
Tier 1 ratio	15.875%	15.701%	N/A	N/A
Total capital ratio	<u>18.853%</u>	<u>21.797%</u>	<u>17.491%</u>	<u>112.477%</u>

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

^ Total capital of the Group and the Bank has excluded general provisions/portfolio impairment allowance from Tier 2 capital of RM403 million (2021: RM398 million) and RM183million (2021: RM176 million) respectively.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT

Definition of segments

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

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

Business segment reporting

Definition of segments:

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

Consumer Banking

Consumer Banking provides everyday banking solutions to individual customers covering 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.

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 (previously known as Group Ventures & Partnerships and Funding)

CIMB Digital Assets (previously Group Ventures & Partnerships) 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.

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
31 March 2022

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Net interest income/(expense) - after modification loss					
- external income	977,464	215,069	385,951	366,575	1,945,059
- inter-segment	(73,230)	133,024	124,579	(184,373)	-
	904,234	348,093	510,530	182,202	1,945,059
Income from Islamic Banking operations	397,551	172,495	131,685	46,592	748,323
Net non-interest income	328,915	120,318	157,712	76,845	683,790
Net income	1,630,700	640,906	799,927	305,639	3,377,172
Overheads	(752,077)	(273,682)	(359,522)	(199,397)	(1,584,678)
of which:					
Depreciation of property, plant and equipment	(15,691)	(605)	(2,957)	(22,895)	(42,148)
Amortisation of intangible assets	(21,054)	(1,399)	(14,777)	(98,212)	(135,442)
Profit before expected credit losses	878,623	367,224	440,405	106,242	1,792,494
Expected credit losses on loans, advances and financing (made)/written back	(86,035)	123,201	(90,904)	(20,437)	(74,175)
Expected credit losses for commitments and contingencies written back/(made)	93,609	(3,271)	(100,266)	(10)	(9,938)
Other expected credit losses and impairment allowances (made)/written back	(256,984)	-	155,606	4,392	(96,986)
Segment results	629,213	487,154	404,841	90,187	1,611,395
Share of results of joint venture	6,239	-	-	-	6,239
Taxation					(482,498)
Profit for the financial period					1,135,136

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
31 March 2021

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Net interest income/(expense) - after modification loss					
- external income	969,726	218,608	386,238	293,105	1,867,677
- inter-segment	(45,044)	118,006	136,790	(209,752)	-
	924,682	336,614	523,028	83,353	1,867,677
Income from Islamic Banking operations	342,415	149,996	121,252	125,193	738,856
Net non-interest income	357,874	102,570	333,177	49,017	842,638
Net income	1,624,971	589,180	977,457	257,563	3,449,171
Overheads	(805,031)	(286,407)	(389,493)	(148,730)	(1,629,661)
of which:					
Depreciation of property, plant and equipment	(16,152)	(711)	(2,591)	(18,754)	(38,208)
Amortisation of intangible assets	(19,012)	(742)	(7,643)	(48,892)	(76,289)
Profit before expected credit losses	819,940	302,773	587,964	108,833	1,819,510
Expected credit losses on loans, advances and financing	(156,445)	(18,794)	(192,446)	(6,632)	(374,317)
Expected credit losses for commitments and contingencies written back/(made)	2,945	968	(18,504)	(315)	(14,906)
Other expected credit losses and impairment allowances (made)/written back	(34,691)	30	(2,782)	(1,175)	(38,618)
Segment results	631,749	284,977	374,232	100,711	1,391,669
Share of results of joint venture	9,371	-	-	-	9,371
Taxation					(292,552)
Profit for the financial period					1,108,488

PART A - EXPLANATORY NOTES (CONTINUED)

A28. SEGMENTAL REPORT (CONTINUED)

The Group
31 March 2022

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	182,880,814	46,401,808	220,732,799	72,065,591	522,081,012
Unallocated assets					14,445,961
Total assets					536,526,973
Segment liabilities	132,730,982	62,151,454	248,222,018	30,281,208	473,385,662
Unallocated liabilities					17,190,458
Total liabilities					490,576,120
Other segment items					
Capital expenditure	16,737	703	5,954	43,678	67,072
Investment in joint venture	152,396	-	-	-	152,396

The Group
31 December 2021

	Consumer Banking RM'000	Commercial Banking RM'000	Wholesale Banking RM'000	CIMB Digital Assets & Group Funding RM'000	Total RM'000
Segment assets	179,786,162	45,229,263	216,481,082	69,903,802	511,400,309
Unallocated assets					13,370,080
Total assets					524,770,389
Segment liabilities	134,234,352	61,538,473	237,139,996	32,938,692	465,851,513
Unallocated liabilities					13,105,229
Total liabilities					478,956,742
Other segment items					
Capital expenditure	161,965	7,551	52,056	429,529	651,101
Investment in joint venture	151,157	-	-	-	151,157

PART A-EXPLANATORY NOTES (CONTINUED)

A29. 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.

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

	Fair Value 31 Mar 2022			
The Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	32,087,088	402,105	32,489,193
-Quoted securities	1,396,768	-	-	1,396,768
-Unquoted securities	-	5,866,656	1,124,219	6,990,875
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	17,832,172	-	17,832,172
-Unquoted securities	-	30,753,610	-	30,753,610
Equity instruments at fair value through other comprehensive income				
-Quoted securities	7,102	-	-	7,102
-Unquoted securities	-	-	273,430	273,430
Derivative financial instruments				
-Trading derivatives	120,682	11,018,359	231,066	11,370,107
-Hedging derivatives	-	735,443	-	735,443
Loans, advances and financing at fair value through profit or loss	-	178,154	-	178,154
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	13,758	-	13,758
Total	1,524,552	98,485,240	2,030,820	102,040,612
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	71,300	9,906,987	69,648	10,047,935
- Hedging derivatives	-	324,411	-	324,411
Financial liabilities designated at fair values through profit or loss	-	3,900,548	-	3,900,548
Total	71,300	14,131,946	69,648	14,272,894

	Fair Value 31 Dec 2021			
The Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss				
-Money market instruments	-	28,719,832	398,711	29,118,543
-Quoted securities	1,406,435	-	-	1,406,435
-Unquoted securities	-	6,761,527	1,133,117	7,894,644
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	16,399,801	-	16,399,801
-Unquoted securities	-	30,074,356	-	30,074,356
Equity instruments at fair value through other comprehensive income				
-Quoted securities	7,473	-	-	7,473
-Unquoted securities	-	-	281,114	281,114
Derivative financial instruments				
-Trading derivatives	146,868	10,992,784	234,395	11,374,047
-Hedging derivatives	-	453,808	-	453,808
Loans, advances and financing at fair value through profit or loss	-	357,853	-	357,853
Non-recurring fair value measurements				
Non-financial assets				
Non-current assets held for sale	-	19,595	-	19,595
Total	1,560,776	93,779,556	2,047,337	97,387,669
Recurring fair value measurements				
Financial liabilities				
Derivative financial instruments				
- Trading derivatives	91,701	10,402,144	39,759	10,533,604
- Hedging derivatives	-	273,806	-	273,806
Financial liabilities designated at fair values through profit or loss	-	3,285,777	-	3,285,777
Total	91,701	13,961,727	39,759	14,093,187

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

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

The Bank				
Fair Value				
31 Mar 2022				
The Bank	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss				
-Money market instruments	-	24,382,924	402,105	24,785,029
-Quoted securities	1,396,768	-	-	1,396,768
-Unquoted securities	-	4,027,630	1,110,972	5,138,602
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,697,625	-	11,697,625
-Unquoted securities	-	24,157,256	-	24,157,256
Equity instruments at fair value through other comprehensive income				
-Quoted securities	90	-	-	90
-Unquoted securities	-	-	267,487	267,487
Derivative financial instruments				
-Trading derivatives	120,682	6,322,682	231,066	6,674,430
-Hedging derivatives	-	604,173	-	604,173
Loans, advances and financing at fair value through profit or loss	-	178,154	-	178,154
Non-recurring fair value measurements				
<u>Non-financial assets</u>				
Non-current assets/disposal groups held for sale	-	13,758	-	13,758
Total	1,517,540	71,384,202	2,011,630	74,913,372
Recurring fair value measurements				
<u>Financial liabilities</u>				
Derivative financial instruments				
-Trading derivatives	71,300	5,818,608	82,297	5,972,205
-Hedging derivatives	-	304,730	-	304,730
Financial liabilities designated at fair values through profit or loss	-	631,196	-	631,196
Total	71,300	6,754,534	82,297	6,908,131

Fair Value				
31 Dec 2021				
The Bank	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Recurring fair value measurements				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss				
-Money market instruments	-	21,044,300	398,711	21,443,011
-Quoted securities	1,406,435	-	-	1,406,435
-Unquoted securities	-	5,289,879	1,119,870	6,409,749
Debt instruments at fair value through other comprehensive income				
-Money market instruments	-	11,082,662	-	11,082,662
-Unquoted securities	-	23,998,599	-	23,998,599
Equity instruments at fair value through other comprehensive income				
-Quoted securities	83	-	-	83
-Unquoted securities	-	-	274,644	274,644
Derivative financial instruments				
-Trading derivatives	146,868	5,433,228	234,395	5,814,491
-Hedging derivatives	-	367,366	-	367,366
Loans, advances and financing at fair value through profit or loss	-	357,853	-	357,853
Non-recurring fair value measurements				
<u>Non-financial assets</u>				
Non-current assets held for sale	-	19,595	-	19,595
Total	1,553,386	67,593,482	2,027,620	71,174,488
Recurring fair value measurements				
<u>Financial liabilities</u>				
Derivative financial instruments				
-Trading derivatives	91,701	5,200,180	59,880	5,351,761
-Hedging derivatives	-	246,157	-	246,157
Financial liabilities designated at fair values through profit or loss	-	261,682	-	261,682
Total	91,701	5,708,019	59,880	5,859,600

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2022 and 31 December 2021 for the Group and the Bank:

	Financial Assets				Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments	Total	Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group						
2022						
At 1 January	1,531,828	281,114	234,395	2,047,337	(39,759)	(39,759)
Total (losses)/gains recognised in statement of income	(4,612)	-	(2,608)	(7,220)	1,294	1,294
Total losses recognised in other comprehensive income	-	(7,775)	-	(7,775)	-	-
Purchases	51	-	1,053	1,104	(39,873)	(39,873)
Sales and redemptions	(5,804)	-	-	(5,804)	-	-
Settlements	-	-	(1,991)	(1,991)	8,883	8,883
Exchange fluctuation	4,861	91	217	5,169	(193)	(193)
At 31 March	1,526,324	273,430	231,066	2,030,820	(69,648)	(69,648)
Total (losses)/gains recognised in statement of income for financial period ended 31 March 2022 under:						
- net non-interest income	(4,612)	-	(2,608)	(7,220)	1,294	1,294
Total losses recognised in other comprehensive income for financial period ended 31 March 2022 under "revaluation reserves"	-	(7,775)	-	(7,775)	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 March 2022 under "net non-interest income"	(4,258)	-	122,979	118,721	(22,480)	(22,480)
	Financial Assets				Financial Liabilities	
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Derivative financial instruments	Total	Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank						
2022						
At 1 January	1,518,581	274,644	234,395	2,027,620	(59,880)	(59,880)
Total (losses)/gains recognised in statement of income	(4,612)	-	(2,608)	(7,220)	8,766	8,766
Total losses recognised in other comprehensive income	-	(7,199)	-	(7,199)	-	-
Purchases	51	-	1,053	1,104	(39,873)	(39,873)
Sales and redemptions	(5,804)	-	-	(5,804)	-	-
Settlements	-	-	(1,991)	(1,991)	8,883	8,883
Exchange fluctuation	4,861	42	217	5,120	(193)	(193)
At 31 March	1,513,077	267,487	231,066	2,011,630	(82,297)	(82,297)
Total (losses)/gains recognised in statement of income for financial period ended 31 March 2022 under:						
- net non-interest income	(4,612)	-	(2,608)	(7,220)	8,766	8,766
Total losses recognised in other comprehensive income for financial period ended 31 March 2022 under "revaluation reserves"	-	(7,199)	-	(7,199)	-	-
Change in unrealised (losses)/gains recognised in statement of income relating to assets held on 31 March 2022 under "net non-interest income"	(4,258)	-	122,979	118,721	(15,006)	(15,006)

PART A-EXPLANATORY NOTES (CONTINUED)

A29. FAIR VALUE ESTIMATION (CONTINUED)

The following represents the changes in Level 3 instruments for the financial period/year ended 31 March 2022 and 31 December 2021 for the Group and the Bank: (Continued)

	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Financial Assets Equity instruments at fair value through other comprehensive income	Derivative financial instruments	Total	Financial Liabilities Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Group							
2021							
At 1 January	1,615,772	1	266,704	157,301	2,039,778	(8,313)	(8,313)
Total gains/(losses) recognised in statement of income	29,631	-	-	79,805	109,436	(26,475)	(26,475)
Total gains recognised in other comprehensive income	-	-	29,140	-	29,140	-	-
Purchases	2,276	-	52	6,076	8,404	(28,630)	(28,630)
Sales and redemptions	(141,336)	(1)	(14,767)	-	(156,104)	-	-
Settlements	-	-	-	(8,885)	(8,885)	23,740	23,740
Exchange fluctuation	25,485	-	(15)	98	25,568	(81)	(81)
At 31 December	1,531,828	-	281,114	234,395	2,047,337	(39,759)	(39,759)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2021 under:							
- net non-interest income	29,631	-	-	79,805	109,436	(26,475)	(26,475)
Total gains recognised in other comprehensive income for financial year ended 31 December 2021 under "revaluation reserves"	-	-	29,140	-	29,140	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2021 under "net non-interest income"	26,821	-	-	395,810	422,631	(83,282)	(83,282)
	Financial assets at fair value through profit or loss	Debt instruments at fair value through other comprehensive income	Financial Assets Equity instruments at fair value through other comprehensive income	Derivative financial instruments	Total	Financial Liabilities Derivative financial instruments	Total
	Money market instruments and unquoted securities	Unquoted securities	Unquoted securities	Trading derivatives		Trading derivatives	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank							
2021							
At 1 January	1,603,285	-	262,939	157,301	2,023,525	(40,081)	(40,081)
Total gains/(losses) recognised in statement of income	28,871	-	-	79,805	108,676	(14,828)	(14,828)
Total gains recognised in other comprehensive income	-	-	26,073	-	26,073	-	-
Purchases	2,276	-	-	6,076	8,352	(28,630)	(28,630)
Sales and redemptions	(141,336)	-	(14,678)	-	(156,014)	-	-
Settlements	-	-	-	(8,885)	(8,885)	23,740	23,740
Exchange fluctuation	25,485	-	310	98	25,893	(81)	(81)
At 31 December	1,518,581	-	274,644	234,395	2,027,620	(59,880)	(59,880)
Total gains/(losses) recognised in statement of income for financial year ended 31 December 2021 under:							
- net non-interest income	28,871	-	-	79,805	108,676	(14,828)	(14,828)
Total gains recognised in other comprehensive income for financial year ended 31 December 2021 under "revaluation reserves"	-	-	26,073	-	26,073	-	-
Change in unrealised gains/(losses) recognised in statement of income relating to assets held on 31 December 2021 under "net non-interest income"	26,061	-	-	395,810	421,871	(71,636)	(71,636)

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING

A30a. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

		The Group		The Bank	
	Note	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short-term funds		12,138,933	12,839,888	2,074,118	1,708,743
Reverse Collateralised Commodity Murabahah		101,309	-	-	-
Deposits and placements with banks and other financial institutions		1,225,536	1,263,401	1,030,225	1,084,070
Financial assets at fair value through profit or loss		5,793,341	5,254,902	32,892	32,512
Debt instruments at fair value through other comprehensive income		5,298,525	5,334,555	260,602	269,173
Debt instruments at amortised cost		8,383,334	8,890,843	38,468	38,340
Islamic derivative financial instruments		219,708	264,327	14,628	23,040
Financing, advances and other financing/loans	A30c	96,502,398	93,211,323	3,165,029	2,601,908
Other assets		957,337	1,082,651	389,518	759,310
Deferred taxation		177,164	173,233	-	-
Tax recoverable		1,761	1,761	-	-
Amount due from conventional operations		1,278,436	1,561,923	-	-
Amount due from related companies		7,141,475	7,372,803	7,141,351	7,372,483
Goodwill		136,000	136,000	-	-
Intangible assets		10,604	19,768	288	295
Property, plant and equipment		958	1,093	12	82
Right-of-use assets		1,418	1,613	(13)	-
Total assets		139,368,237	137,410,084	14,147,118	13,889,956
Liabilities					
Deposits from customers	A30d	97,178,999	100,282,059	4,157,941	4,280,323
Investment accounts of customers	A30e	11,727,598	10,427,167	-	-
Deposits and placements of banks and other financial institutions		3,551,645	1,649,416	302,134	503,212
Collateralised Commodity Murabahah		682,059	328,821	-	-
Investment accounts due to designated financial institutions	A30f	3,685,771	3,919,753	-	-
Financial liabilities designated at fair value through profit or loss	A30g	1,167,240	799,686	-	-
Islamic derivative financial instruments		287,138	292,760	6,482	20,806
Amount due to conventional operations		344,063	-	-	-
Amount due to related company		356,336	693,870	256,591	594,710
Other liabilities		9,362,847	8,188,262	8,707,273	7,788,829
Lease liabilities		1,710	1,866	94	91
Provision for taxation		69,109	51,387	-	-
Subordinated Sukuk		1,104,207	1,108,045	-	-
Total liabilities		129,518,722	127,743,092	13,430,515	13,187,971
Equity					
Ordinary share capital		1,000,000	1,000,000	-	-
Perpetual preference shares		350,000	420,000	-	-
Reserves		8,499,515	8,246,992	716,603	701,985
Total equity		9,849,515	9,666,992	716,603	701,985
Total equity and liabilities		139,368,237	137,410,084	14,147,118	13,889,956
Restricted Agency Investment Account(*)		12,808,847	12,748,755	-	-
Total Islamic Banking Assets		152,177,084	150,158,839	14,147,118	13,889,956

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

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30(b) UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Note	The Group			
		1st Quarter Ended 31 Mar 2022 RM'000	31 Mar 2021 RM'000	Three Months Ended 31 Mar 2022 RM'000	31 Mar 2021 RM'000
Income derived from investment of depositors' funds and others		873,676	921,519	873,676	921,519
Income derived from investment of investment accounts		170,271	72,216	170,271	72,216
Net income derived from investment of shareholders' funds		155,401	185,361	155,401	185,361
Modification loss	A21	(2,707)	-	(2,707)	-
Expected credit losses made on financing, advances and other financing/loans		(1,752)	(32,979)	(1,752)	(32,979)
Expected credit losses for commitments and contingencies written back		31,109	1,099	31,109	1,099
Other expected credit losses and impairment allowances written back/(made)		2,289	(261)	2,289	(261)
Total distributable income		1,228,287	1,146,955	1,228,287	1,146,955
Income attributable to depositors and others		(396,797)	(442,635)	(396,797)	(442,635)
Profit distributed to investment account holder		(82,790)	(35,038)	(82,790)	(35,038)
Total net income		748,700	669,282	748,700	669,282
Other operating expenses		(322,723)	(269,844)	(322,723)	(269,844)
Profit before taxation and zakat		425,977	399,438	425,977	399,438
Taxation and zakat		(127,260)	(76,966)	(127,260)	(76,966)
Profit for the financial period		298,717	322,472	298,717	322,472

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	The Group			
	1st Quarter Ended 31 Mar 2022 RM'000	31 Mar 2021 RM'000	Three Months Ended 31 Mar 2022 RM'000	31 Mar 2021 RM'000
Profit for the financial period	298,717	322,472	298,717	322,472
Other comprehensive (expense)/income:				
Items that will not be reclassified to profit or loss				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(3)	31	(3)	31
	(3)	31	(3)	31
Items that may be reclassified to profit or loss				
Debt instruments at fair value through other comprehensive income	(47,637)	(118,126)	(47,637)	(118,126)
- Net loss from change in fair value	(60,468)	(107,386)	(60,468)	(107,386)
- Realised loss/(gain) transferred to statement of income on disposal	995	(27,396)	995	(27,396)
- Changes in expected credit losses	(1,758)	306	(1,758)	306
- Income tax effects	13,594	16,350	13,594	16,350
Exchange fluctuation reserve	1,346	8,435	1,346	8,435
	(46,291)	(109,691)	(46,291)	(109,691)
Other comprehensive expense for the financial period, net of tax	(46,294)	(109,660)	(46,294)	(109,660)
Total comprehensive income for the period	252,423	212,812	252,423	212,812
Total net income	748,700	669,282	748,700	669,282
Add:				
Expected credit losses made on financing, advances and other financing/loans	1,752	32,979	1,752	32,979
Expected credit losses for commitments and contingencies written back	(31,109)	(1,099)	(31,109)	(1,099)
Other expected credit losses and impairment allowances (written back)/made	(2,289)	261	(2,289)	261
	717,054	701,423	717,054	701,423
Elimination for transactions with conventional operations	31,269	37,433	31,269	37,433
Income from Islamic operations (per page 2)	748,323	738,856	748,323	738,856

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**A30(b) UNAUDITED STATEMENT OF INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	12,010	20,028	12,010	20,028
Net income derived from investment of shareholders' funds	5,302	12,907	5,302	12,907
Expected credit losses written back on financing, advances and other financing/loans	795	6,622	795	6,622
Expected credit losses for commitments and contingencies (made)/written back	(30)	39	(30)	39
Other expected credit losses and impairment allowances written back/(made)	3	(17)	3	(17)
Total distributable income	18,080	39,579	18,080	39,579
Income attributable to depositors and others	(1,186)	(2,949)	(1,186)	(2,949)
Total net income	16,894	36,630	16,894	36,630
Other operating expenses	(1,203)	(1,169)	(1,203)	(1,169)
Profit for the financial period	15,691	35,461	15,691	35,461

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	15,691	35,461	15,691	35,461
Other comprehensive income/(expense):				
<i>Items that may be reclassified to profit or loss</i>				
Debt instruments at fair value through other comprehensive income	(2,833)	(7,859)	(2,833)	(7,859)
- Net loss from change in fair value	(2,830)	(7,859)	(2,830)	(7,859)
- Changes in expected credit losses	(3)	-	(3)	-
Exchange fluctuation reserve	1,752	11,576	1,752	11,576
Other comprehensive (expense)/income for the financial period, net of tax	(1,081)	3,717	(1,081)	3,717
Total comprehensive income for the period	14,610	39,178	14,610	39,178
Total net income	16,894	36,630	16,894	36,630
Add:				
Expected credit losses written back on financing, advances and other financing/loans	(795)	(6,622)	(795)	(6,622)
Expected credit losses for commitments and contingencies made/(written back)	30	(39)	30	(39)
Other expected credit losses and impairment allowances (written back)/made	(3)	17	(3)	17
	16,126	29,986	16,126	29,986
Elimination for transactions with conventional operations	55	144	55	144
Income from Islamic operations (per page 4)	16,181	30,130	16,181	30,130

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS

i) By type and Shariah contract

The Group
At 31 March 2022

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	Total
	Murabahah	Bai' Bithaman Ajil	Bai' al-'inah	Bai' al-Dayn	Tawarruq	Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai #	Mudharabah	Qard	Ujarah	
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
Cash line^	-	261	597	-	1,142,441	-	-	-	6,324	-	1,149,623
Term financing											
- House financing	-	4,383,430	-	-	28,950,643	1,130,510	-	-	-	-	34,464,583
- Syndicated financing	-	-	20,263	-	1,559,884	-	-	463	-	-	1,580,610
- Hire purchase receivables	-	-	-	-	-	-	13,474,088	-	-	-	13,474,088
- Other term financing	245,916	996,229	1,593,249	-	36,471,935	38,696	-	-	-	-	39,346,025
Bills receivable	545,535	-	-	1,094,111	-	-	-	-	-	-	1,639,646
Islamic trust receipts	48,032	-	-	-	-	-	-	-	-	-	48,032
Claims on customers under acceptance credits	752,710	-	-	114,591	-	-	-	-	-	-	867,301
Staff financing	-	-	-	-	239,068	-	-	-	-	-	239,068
Revolving credits	-	-	-	-	4,756,555	-	-	-	-	-	4,756,555
Credit card receivables	-	-	-	-	-	-	-	-	-	150,337	150,337
Gross financing, advances and other financing/loans, at amortised cost	1,592,193	5,379,920	1,614,109	1,208,702	73,120,526	1,169,206	13,474,088	463	6,324	150,337	97,715,868
Fair value changes arising from fair value hedge											(229)
Less: Expected credit losses											97,715,639
Net financing, advances and other financing/loans											(1,213,241)
											96,502,398

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

The Group
At 31 December 2021

	Sale-based contracts					Lease-based contracts		Equity-based	Loan contract	Other	
		Bai' Bithaman				Ijarah Muntahiah Bi al-Tamlik *	Al-Ijarah Thumma al-Bai #				
At amortised cost	Murabahah RM'000	Ajil RM'000	Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	RM'000	RM'000	Mudharabah RM'000	Qard RM'000	Ujrah RM'000	Total RM'000
Cash line^	-	295	866	-	1,119,109	-	-	-	8,118	-	1,128,388
Term financing											
- House financing	-	4,498,841	-	-	27,289,680	1,150,034	-	-	-	-	32,938,555
- Syndicated financing	-	-	20,275	-	1,694,829	-	-	478	-	-	1,715,582
- Hire purchase receivables	-	-	-	-	-	-	12,935,554	-	-	-	12,935,554
- Other term financing	531,120	1,030,219	1,654,204	-	35,453,047	39,728	-	-	-	-	38,708,318
Bills receivable	641,132	-	-	496,935	-	-	-	-	458	-	1,138,525
Islamic trust receipts	34,970	-	-	-	-	-	-	-	-	-	34,970
Claims on customers under acceptance credits	688,423	-	-	71,233	-	-	-	-	-	-	759,656
Staff financing	-	-	-	-	225,183	-	-	-	-	-	225,183
Revolving credits	-	-	-	-	4,705,217	-	-	-	-	-	4,705,217
Credit card receivables	-	-	-	-	-	-	-	-	-	145,587	145,587
Gross financing, advances and other financing/loans, at amortised cost	1,895,645	5,529,355	1,675,345	568,168	70,487,065	1,189,762	12,935,554	478	8,576	145,587	94,435,535
Fair value changes arising from fair value hedge											1,565
Less: Expected credit losses											94,437,100
Net financing, advances and other financing/loans											(1,225,777)
											93,211,323

^ Includes current account in excess

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

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.

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

i) By type and Shariah contract (Continued)

The Bank
At 31 March 2022

	Sale-based contracts			Equity-based contracts	
	Murabahah	Bai' al-Dayn	Tawarruq	Mudharabah	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost					
Cash line^	-	-	83	-	83
Term financing					
- Syndicated financing	-	-	-	463	463
- Other term financing	245,916	-	1,333,601	-	1,579,517
Bills receivable	-	1,072,081	-	-	1,072,081
Islamic trust receipts	2,509	-	-	-	2,509
Revolving credits	-	-	522,564	-	522,564
Gross financing, advances and other financing/loans, at amortised cost	248,425	1,072,081	1,856,248	463	3,177,217
Fair value changes arising from fair value hedges					-
					3,177,217
Less: Expected credit losses					(12,188)
Net financing, advances and other financing/loans					3,165,029

The Bank
At 31 December 2021

	Sale-based contracts			Equity-based contracts	
	Murabahah	Bai' al-Dayn	Tawarruq	Mudharabah	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At amortised cost					
Cash line^	-	-	61	-	61
Term financing					
- Syndicated financing	-	-	126,314	478	126,792
- Other term financing	531,120	-	1,170,878	-	1,701,998
Bills receivable	-	479,180	-	-	479,180
Islamic trust receipts	2,488	-	-	-	2,488
Revolving credits	-	-	309,970	-	309,970
Gross financing, advances and other financing/loans, at amortised cost	533,608	479,180	1,607,223	478	2,620,489
Fair value changes arising from fair value hedge					-
					2,620,489
Less: Expected credit losses					(18,581)
Net financing, advances and other financing/loans					2,601,908

^ Includes current account in excess

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Gross financing, advances and other financing/loans				
- At amortised cost	97,715,868	94,435,535	3,177,217	2,620,489
- At fair value through profit or loss	-	-	-	-
	97,715,868	94,435,535	3,177,217	2,620,489

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

a) During the financial period, the Group has undertaken fair value hedges on the profit rate risk of RM62,208,000 (2021: RM65,935,000) financing using Islamic profit rate swaps.

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

As at 31 March 2022, the gross exposure and expected credit losses relating to RPSIA financing are RM3,687,120,000 (2021: RM3,844,040,000) and RM1,254,000 (2021: RM1,506,000) respectively.

c) Movement of Qard financing

	The Group	
	31 Mar 2022	31 Dec 2021
	RM'000	RM'000
As at 1 January	8,576	8,907
New disbursement	518	7,102
Repayment	(2,770)	(7,433)
As at 31 March/31 December	6,324	8,576
Sources of Qard fund:		
Depositors' fund	5,869	8,028
Shareholders' fund	455	548
	6,324	8,576
Uses of Qard fund:		
Personal use	411	620
Business purpose	5,913	7,956
	6,324	8,576

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

ii) By geographical distribution

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	94,544,438	91,821,667	5,787	6,621
Indonesia	67,560	2,380	67,560	2,380
Singapore	1,851,306	1,599,770	1,851,306	1,599,770
Other countries	1,252,564	1,011,718	1,252,564	1,011,718
	97,715,868	94,435,535	3,177,217	2,620,489

iii) By economic sector

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	2,948,679	2,964,442	134,507	139,011
Mining and quarrying	770,713	812,844	171,451	175,799
Manufacturing	3,613,180	3,436,420	94,765	80,327
Electricity, gas and water supply	363,295	366,745	-	-
Construction	2,053,478	1,791,416	104,078	99,894
Transport, storage and communications	2,075,279	2,092,003	25,096	26,302
Education, health and others	2,216,428	2,239,110	-	-
Wholesale and retail trade, and restaurants and hotels	5,219,276	4,332,533	1,066,461	445,741
Finance, insurance/takaful, real estate and business activities	9,965,981	10,099,394	1,271,185	1,401,815
Household	68,345,018	66,181,273	224,441	196,277
Others	144,541	119,355	85,233	55,323
	97,715,868	94,435,535	3,177,217	2,620,489

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

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	663,793	645,986	2,510	6,488
Indonesia	507	2,380	507	2,380
Singapore	11,243	11,662	11,243	11,662
	675,543	660,028	14,260	20,530

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

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Primary agriculture	19,635	20,844	-	-
Mining and quarrying	2,509	4,868	2,509	4,868
Manufacturing	22,911	28,131	-	-
Construction	24,239	20,267	-	-
Transport, storage and communications	12,283	5,876	3,150	3,998
Education, health and others	5,995	6,268	-	-
Wholesale and retail trade, and restaurants and hotels	96,763	90,773	3,178	7,422
Finance, insurance/takaful, real estate and business activities	51,419	52,420	1,512	1,260
Household	439,788	430,580	3,911	2,982
Others	1	1	-	-
	675,543	660,028	14,260	20,530

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

Expected credit losses movement of financing, advances and other financing/loans at amortised cost:

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Group				
At 1 January 2022	251,884	727,806	246,087	1,225,777
Changes in expected credit losses due to transferred within stages:	37,960	(20,641)	(17,319)	-
Transferred to Stage 1	56,014	(50,151)	(5,863)	-
Transferred to Stage 2	(17,082)	50,834	(33,752)	-
Transferred to Stage 3	(972)	(21,324)	22,296	-
Total charge to Statement of Income:	(58,028)	30,360	49,853	22,185
New financial assets originated	20,482	33	3,682	24,197
Financial assets that have been derecognised	(10,242)	(6,582)	-	(16,824)
Writeback in respect of full recoveries	-	-	(6,874)	(6,874)
Change in credit risk	(68,268)	36,909	53,045	21,686
Write-offs	-	(1)	(30,169)	(30,170)
Exchange fluctuation	23	12	(2,284)	(2,249)
Transfer to conventional operations	(990)	(133)	(2,716)	(3,839)
Other movements	2	1	1,534	1,537
At 31 March 2022	230,851	737,404	244,986	1,213,241

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Group				
At 1 January 2021	299,267	381,996	363,415	1,044,678
Changes in expected credit losses due to transferred within stages:	364,539	(186,388)	(178,151)	-
Transferred to Stage 1	561,551	(528,988)	(32,563)	-
Transferred to Stage 2	(196,770)	504,511	(307,741)	-
Transferred to Stage 3	(242)	(161,911)	162,153	-
Total charge to Statement of Income:	(413,045)	531,883	193,382	312,220
New financial assets originated	71,955	1,772	44,235	117,962
Financial assets that have been derecognised	(38,129)	(27,304)	-	(65,433)
Writeback in respect of full recoveries	-	-	(70,138)	(70,138)
Change in credit risk	(446,871)	557,415	219,285	329,829
Write-offs	-	(4)	(160,014)	(160,018)
Exchange fluctuation	185	117	639	941
Transfer from conventional operations	984	132	2,698	3,814
Other movements	(46)	70	24,118	24,142
At 31 December 2021	251,884	727,806	246,087	1,225,777

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c. FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

Expected credit losses movement of financing, advances and other financing/loans at amortised cost:

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2022	3,185	405	14,991	18,581
Total charge to Statement of Income:	115	(38)	(369)	(292)
Change in credit risk	115	(38)	(369)	(292)
Exchange fluctuation	20	2	(2,284)	(2,262)
Transfer from to conventional operations	(990)	(133)	(2,716)	(3,839)
At 31 March 2022	2,330	236	9,622	12,188

	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses - not credit impaired (Stage 2) RM'000	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
The Bank				
At 1 January 2021	9,723	151	24,257	34,131
Total charge to Statement of Income:	(7,690)	120	(12,605)	(20,175)
Change in credit risk	(7,690)	120	(12,605)	(20,175)
Exchange fluctuation	168	2	641	811
Transfer from conventional operations	984	132	2,698	3,814
At 31 December 2021	3,185	405	14,991	18,581

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

Gross carrying amount movement of financing, advances and other financing/loans 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 2022	660,028	660,028
Transfer within stages	81,888	81,888
New financial assets originated	4,683	4,683
Write-offs	(32,565)	(32,565)
Amount fully recovered	(33,085)	(33,085)
Other changes in financing, advances and other financing/loans	(5,545)	(5,545)
Exchange fluctuation	139	139
At 31 March 2022	675,543	675,543

	The Group	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	1,521,426	1,521,426
Transfer within stages	(536,467)	(536,467)
New financial assets originated	180,792	180,792
Write-offs	(160,014)	(160,014)
Amount fully recovered	(327,413)	(327,413)
Other changes in financing, advances and other financing/loans	(18,701)	(18,701)
Exchange fluctuation	405	405
At 31 December 2021	660,028	660,028

	The Group	
	31 Mar 2022	31 Dec 2021
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	0.69%	0.70%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30c FINANCING, ADVANCES AND OTHER FINANCING/LOANS (CONTINUED)

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

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	20,530	20,530
Transfer within stages	1,157	1,157
Write-offs	(2,396)	(2,396)
Amount recovered	(4,292)	(4,292)
Other changes in financing, advances and other financing/loans	(878)	(878)
Exchange fluctuation	139	139
At 31 March 2022	14,260	14,260

	The Bank	
	Lifetime expected credit losses - Credit impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	24,185	24,185
Transfer within stages	8,581	8,581
Amount recovered	(5,203)	(5,203)
Other changes in financing, advances and other financing/loans	(7,438)	(7,438)
Exchange fluctuation	405	405
At 31 December 2021	20,530	20,530

	The Bank	
	31 Mar 2022	31 Dec 2021
Ratio of credit impaired financing, advances and other financing/loans to total financing, advances and other financing/loans	0.45%	0.78%

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
(i) By type of deposits				
Savings deposit				
Commodity Murabahah (via Tawarruq arrangement)*	7,576,388	7,612,717	754,592	740,524
Demand deposit				
Wadiah	207,538	121,279	207,538	121,279
Qard	14,536,573	14,512,297	10,887	20,541
Commodity Murabahah (via Tawarruq arrangement)*	5,056,961	5,262,989	2,845,756	2,971,350
Term deposit				
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	43,833,304	45,604,331	219,716	280,675
Fixed Return Income Account-i (via Tawarruq arrangement)*	25,668,947	26,576,472	119,327	145,831
Negotiable Islamic Debt Certificate (NIDC)				
Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	149,611	448,287	-	-
Fixed Deposit-i				
Wadiah	125	123	125	123
Specific investment account				
Mudharabah	99,975	99,600	-	-
Others - Qard	49,577	43,964	-	-
	97,178,999	100,282,059	4,157,941	4,280,323

*Included Qard contract of the Group and of the Bank of RM359,332,000 and RMNil (2021: RM4,314,834,000 and RM3,711,418,000) respectively

(ii) By maturity structures of term deposits and investment account

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Due within six months	56,725,572	62,777,876	256,611	325,907
Six months to less than one year	12,836,429	9,777,709	82,557	100,322
One year to less than three years	159,867	144,096	-	400
Three years to less than five years	6,126	5,473	-	-
Five years and more	23,968	23,659	-	-
	69,751,962	72,728,813	339,168	426,629

PART A - EXPLANATORY NOTES (CONTINUED)

A30. OPERATIONS OF ISLAMIC BANKING (CONTINUED)

A30d DEPOSITS FROM CUSTOMERS (CONTINUED)

(iii) By type of customer

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	5,447,156	4,880,194	266	166
Business enterprises	36,379,004	36,151,777	2,816,358	2,803,909
Individuals	29,332,512	30,170,957	955,606	956,224
Others	26,020,327	29,079,131	385,711	520,024
	97,178,999	100,282,059	4,157,941	4,280,323

A30e INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Unrestricted investment accounts (Mudharabah)				
-without maturity				
Special Mudharabah Investment Account	970,562	892,710	-	-
-with maturity				
Term Investment Account-i	10,265,904	9,023,282	-	-
Unrestricted investment accounts (Wakalah)				
-without maturity				
Daily Investment Account-i	22,480	48,844	-	-
Restricted investment accounts (Mudharabah)				
-with maturity				
Restricted Profit Sharing Investment Account (RPSIA)	468,652	462,331	-	-
	11,727,598	10,427,167	-	-

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

A30f INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Restricted investment accounts				
Mudharabah	3,685,771	3,919,753	-	-
By type of counterparty				
Licensed banks	3,685,771	3,919,753	-	-

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

A30g FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	The Group		The Bank	
	31 Mar 2022	31 Dec 2021	31 Mar 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Deposits from customers - structured investments	1,167,240	799,686	-	-

The Group has issued structured investments, and has designated them at fair value in accordance with MFRS9. 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 2022 is RM101,356,000 (2021: RM39,988,000) lower than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

PART A - EXPLANATORY NOTES (CONTINUED)

A31. CHANGE IN COMPARATIVES

The Group has adjusted certain expenses which are considered as incremental and directly attributable to the acquisition of a financial liability and treated as an integral part of the effective interest/profit rate. These expenses were previously included under overheads and is now recognised as interest expense. The adjustment has no impact to the profit before taxation, profit after taxation, consolidated statements of financial position, cash flows and changes in equity of the Group for the financial period ended 31 March 2021.

The Group	Note	1st quarter ended			Three months ended		
		31 March 2021	Reclassification	31 March	31 March 2021	Reclassification	31 March
		RM'000	RM'000	2021 (Restated)	RM'000	RM'000	2021 (Restated)
				RM'000			RM'000
Interest expense	A20	967,301	18,826	986,127	967,301	18,826	986,127
Overheads	A23	1,648,487	(18,826)	1,629,661	1,648,487	(18,826)	1,629,661

PART B

B1. GROUP PERFORMANCE REVIEW

The Group registered a pre-tax profit of RM1,617.6 million for the three months period ended 31 March 2022, an increase of 15.5% as compared to the pre-tax profit of RM1,401.0 million reported in the previous corresponding period. The Group's net profit (attributable to the owners of the Parent) increased by 2.1% to RM1,128.3 million, equivalent to net earnings per share (sen) of 17.94.

The Group's year-on-year increase in earnings was mainly contributed by higher net interest income by RM77.4 million, lower overheads and expected credit losses for loans, advances and financing by RM45.0 million and RM300.1 million respectively. This was offset by lower net non-interest income and higher other expected credit losses and impairment by RM158.8 million and RM58.4 million respectively.

The Group's gross loans, advances and financing grew by 2.0% to RM329.1 billion while deposits from customers growing marginally 0.1% or RM0.33 million to RM357.8 billion, as compared to 31 December 2021.

The Group's Common Equity Tier 1 ratio stood at 14.764% as at 31 March 2022 from 15.185% as at 31 December 2021.

B2. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Bank is optimistic of an improved financial performance in 2022 in view of business expansion on the back of anticipated regional economic recovery. The Bank remains cognisant of the threat of new Covid-19 mutations, upward pressure on interest rates in response to rising inflation, heightened geopolitical risks from the Russia-Ukraine conflict and risks of prolonged global supply disruptions. The Bank's direction will continue to be guided by the Forward 23+ strategic plan with targeted segment loan growth, sustained focus on CASA and Risk-Adjusted Return On Capital (RAROC) optimisation, as well as wealth management and capital market activity. This is expected to be achieved with the Sustainability agenda providing guideposts. Cost management remains a focus coupled with investment in technology to strengthen digital capabilities and operational resiliency. The Bank will continue to emphasise asset quality and credit risk management across segments and geographies particularly within pandemic-impacted customers and sectors.

B3. COMPUTATION OF EARNINGS PER SHARE (EPS)

a) Basic EPS

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

	The Group			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Net profit for the financial period after non-controlling interests (RM'000)	1,128,305	1,105,481	1,128,305	1,105,481
Weighted average number of ordinary shares in issue ('000)	6,289,968	6,197,496	6,289,968	6,197,496
Basic earnings per share (expressed in sen per share)	17.94	17.84	17.94	17.84

	The Bank			
	1st Quarter Ended		Three Months Ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
Net profit for the financial period (RM'000)	779,326	765,554	779,326	765,554
Weighted average number of ordinary shares in issue ('000)	6,289,968	6,197,496	6,289,968	6,197,496
Basic earnings per share (expressed in sen per share)	12.39	12.35	12.39	12.35

b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 31 March 2022 and 31 March 2021.