

**BUMIPUTRA-COMMERCE HOLDINGS BERHAD**  
(formerly known as Commerce Asset-Holding Berhad)

**CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2005**

	<b>Group</b>	
	<b>30/9/2005</b>	<b>31/12/2004</b>
<b>ASSETS</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short term funds	17,447,258	16,634,934
Securities purchased under resale agreements	5,415,044	4,498,908
Deposits and placements with financial institutions	2,279,438	1,443,047
Securities held-for-trading	8,137,203	4,981,804
Securities available-for-sale	11,346,793	15,495,572
Securities held-to-maturity	263,556	319,431
Loans and advances	67,555,412	62,603,061
Other assets	3,848,477	2,281,689
Deferred tax assets	322,380	275,649
Tax recoverable	470,014	466,877
Statutory deposits with Bank Negara Malaysia	1,839,972	1,934,890
Associates	138,624	71,145
Jointly controlled entities	118,656	121,416
Fixed assets	886,519	779,488
Goodwill on consolidation	594,007	351,503
<b>Total Assets</b>	<b>120,663,353</b>	<b>112,259,414</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>		
Deposits from customers	75,765,958	74,105,175
Deposits and placements of banks and other financial institutions	10,260,047	7,517,869
Obligations on securities sold under repurchase agreements	5,455,962	5,606,264
Bills and acceptances payable	5,038,676	3,029,937
Floating rate certificates of deposits	226,140	342,000
Other liabilities	6,170,744	4,443,198
Taxation	226,477	48,774
Amount due to Cagamas Berhad	2,305,077	2,283,878
Loan stocks	663,727	778,502
Bonds	922,947	912,118
Other borrowings	1,079,578	1,704,657
Subordinated notes	1,889,497	1,516,058
<b>Total Liabilities</b>	<b>110,004,830</b>	<b>102,288,430</b>
Irredeemable Convertible Unsecured Loan Stocks	56,234	45,216
<b>Total Hybrid Capital</b>	<b>56,234</b>	<b>45,216</b>
Minority interest	1,026,617	827,753
Share Capital	2,741,831	2,691,740
Reserves	6,633,841	6,206,275
<b>Equity Shareholders' Funds</b>	<b>9,375,672</b>	<b>8,898,015</b>
Perpetual preference shares	200,000	200,000
<b>Total Liabilities and Shareholders' Funds</b>	<b>120,663,353</b>	<b>112,259,414</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>142,401,796</b>	<b>208,351,918</b>
<b>CAPITAL ADEQUACY#</b>		
Core Capital Ratio	<b>10.07%</b>	<b>9.71%</b>
Risk-weighted Capital Ratio	<b>13.78%</b>	<b>13.34%</b>

**The Condensed Unaudited Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004**

# Total operations of banking subsidiaries that include the operations of Bumiputra-Commerce Bank Berhad, Bumiputra-Commerce Finance Berhad, Bumiputra-Commerce Bank (L) Limited, Commerce International Merchant Bankers Berhad, CIMB (L) Limited and PT Bank Niaga Tbk.

**BUMIPUTRA-COMMERCE HOLDINGS BERHAD**  
(formerly known as Commerce Asset-Holding Berhad)

**CONDENSED UNAUDITED CONSOLIDATED INCOME STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2005**

	<b>GROUP</b>			
	<b>QUARTER ENDED</b>		<b>CUMULATIVE ENDED</b>	
	<b>30/9/2005</b>	<b>30/9/2004</b>	<b>30/9/2005</b>	<b>30/9/2004</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	1,581,165	1,408,230	4,453,951	3,912,982
Interest expense	(815,665)	(674,058)	(2,248,505)	(1,841,710)
Net interest income	765,500	734,172	2,205,446	2,071,272
Income from Islamic Banking operations	3,687	762	8,958	7,568
Non-interest income	414,967	302,442	1,199,038	834,115
Staff cost and overheads	1,184,154	1,037,376	3,413,442	2,912,955
	(601,877)	(502,224)	(1,581,378)	(1,393,668)
Profit before allowance	582,277	535,152	1,832,064	1,519,287
Allowance for losses on loans and financing	(208,692)	(276,220)	(687,997)	(625,583)
Provision for other receivables	(38)	(1,253)	(17,205)	(9,752)
Impairment loss from securities held-for-trading	0	0	(29,940)	(1,679)
Share of results of jointly controlled entities	373,547	257,679	1,096,922	882,273
	(1,434)	(1,539)	(2,811)	(1,539)
Share of results of associates	2,728	1,788	8,681	1,634
Profit before taxation	374,841	257,928	1,102,792	882,368
Taxation and zakat	(83,926)	(56,755)	(235,728)	(233,367)
Profit after taxation and zakat	290,915	201,173	867,064	649,001
Minority interest	(45,398)	(56,517)	(152,931)	(156,388)
Net profit for the period	245,517	144,656	714,133	492,613
Earnings per share (sen)- Basic	9.0	5.4	26.3	18.5
Diluted earnings per share	-	-	25.5	18.3

**The Condensed Unaudited Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2004**

**BUMIPUTRA-COMMERCE HOLDINGS BERHAD**  
(formerly known as Commerce Asset-Holding Berhad)

**CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2005**

	Group	
	30/9/2005 RM'000	30/9/2004 RM'000
Profit before taxation	1,102,792	882,368
Adjustments for non-operating and non-cash items	<u>519,266</u>	<u>758,627</u>
Operating profit before changes in working capital	1,622,058	1,640,995
Net changes in operating assets	<u>(11,840,220)</u>	<u>(6,068,908)</u>
Net changes in operating liabilities	<u>7,540,267</u>	<u>11,088,521</u>
Cash flows from operation	(2,677,895)	6,660,608
Taxation paid	<u>(90,876)</u>	<u>(292,332)</u>
Net cash flow from/(used in) operating activities	(2,768,771)	6,368,276
Net cash flow from/(used in) investing activities	4,046,787	(5,631,061)
Net cash flow from/(used in) financing activities	<u>(465,692)</u>	<u>1,390,410</u>
Net increase/(decrease) in cash and cash equivalents during the financial period	812,324	2,127,625
Cash and cash equivalents at beginning of the financial period	<u>16,634,934</u>	<u>14,054,557</u>
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>17,447,258</u></u>	<u><u>16,182,182</u></u>

**The Condensed Unaudited Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2004.**

**BUMIPUTRA-COMMERCE HOLDINGS BERHAD**  
(formerly known as Commerce Asset-Holding Berhad)

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2005**

The Group 30 September 2005	Non-distributable						Distributable				
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Capital reserve arising on consolidation RM'000	Exchange fluctuation reserve RM'000	AFS reserve RM'000	Other reserve RM'000	Convertible bonds (equity component) RM'000	Retained profit RM'000	Total RM'000
At 1 January 2005	2,691,740	1,881,079	1,477,329	65,746	27,367	(59,123)	-	-	68,173	2,635,428	8,787,739
- As previously stated	-	-	-	-	-	-	184,568	-	-	(74,273)	110,295
- Prior year adjustments	-	-	-	-	-	-	184,568	-	-	-	-
As restated	2,691,740	1,881,079	1,477,329	65,746	27,367	(59,123)	184,568	-	68,173	2,561,155	8,898,034
Currency translation difference	-	-	-	-	-	(199,584)	-	-	-	-	(199,584)
Net profit for the financial year after MI	-	-	-	-	-	-	-	-	-	714,133	714,133
Dividend for 2004	-	-	-	-	-	-	-	-	-	(292,683)	(292,683)
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	-	-	(118,674)	-	-	-	(118,674)
Transfer to statutory reserve	-	-	175,595	-	-	-	-	-	-	(175,595)	-
Issue of share capital arising from:											
-Exercise of ESOS	50,091	121,468	-	-	-	-	-	-	-	-	171,559
Rights issue of subsidiary shares	-	-	-	-	40,161	-	-	163,282	-	-	163,282
Arising from dilution/disposal of equity interests in subsidiary	-	-	-	-	-	-	-	-	-	-	40,161
Issue of convertible bonds - equity component	-	-	-	-	-	-	-	-	(556)	-	(556)
At 30 September 2005	2,741,831	2,002,547	1,652,924	65,746	67,528	(258,707)	65,894	163,282	67,617	2,807,010	9,375,672

The Group  
30 September 2004

	Non-distributable					Distributable					
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Capital reserve arising on consolidation RM'000	Exchange fluctuation reserve RM'000	AFS reserve RM'000	Other reserve RM'000	Treasury shares RM'000	Retained profit RM'000	Total RM'000
At 1 January 2004	2,628,960	1,786,730	1,330,562	65,746	15,949	31,754	-	-	(153,992)	2,193,878	7,899,587
- As previously stated	-	-	-	-	-	-	42,945	-	-	140,343	183,288
- Prior year adjustments	-	-	-	-	-	-	-	-	-	-	-
As restated	2,628,960	1,786,730	1,330,562	65,746	15,949	31,754	42,945	-	(153,992)	2,334,221	8,082,875
Currency translation difference	-	-	-	-	-	(21,550)	-	-	-	-	(21,550)
Net profit for the financial year after MI	-	-	-	-	-	-	-	-	-	492,613	492,613
Dividend for 2003	-	-	-	-	-	-	-	-	-	(191,814)	(191,814)
Net change in securities available-for-sale	-	-	-	-	-	-	8,829	-	-	-	8,829
Tax impact	-	-	-	-	-	-	(2,346)	-	-	-	(2,346)
Net change in securities available-for-sale, net of tax	-	-	-	-	-	-	6,483	-	-	-	6,483
Transfer to statutory reserve	-	-	145,769	-	-	-	-	-	-	(145,769)	-
Issue of share capital arising from:	-	-	-	-	-	-	-	-	-	-	-
- Exercise of ESOS	85,637	184,333	-	-	-	-	-	-	-	-	269,970
Net changes in treasury shares	(35,853)	(118,139)	-	-	-	-	-	153,992	-	-	-
Arising from dilution/disposal of equity interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-
Equity reserve	-	-	-	-	-	-	-	61,087	-	-	61,087
Issue of convertible bonds - equity component	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2004	2,678,744	1,852,924	1,476,331	65,746	15,949	10,204	49,428	61,087	-	2,489,251	8,699,664

The Condensed Unaudited Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2004.

## EXPLANATORY NOTES

### A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The condensed interim financial statements for the third quarter and the financial period ended 30 September 2005 are unaudited and have been prepared in accordance with FRS 134 (Interim Financial Reporting) (formerly known as MASB 26 "Interim Financial Reporting") issued by the Malaysian Accounting Standard Boards and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements. The unaudited condensed financial statements should be read in conjunction with the Group's financial statements for the year ended 31 December 2004.

The accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those applied on the annual financial statements except for the adoption of the revised guidelines on Financial Reporting for Licenced Institutions, including Bank Holding Company (Revised GP8) issued by Bank Negara Malaysia which became effective beginning 1 April 2005. The adoption of the revised GP8 has resulted in changes in the accounting policies of the Group which have been applied retrospectively in this unaudited condensed financial statements and the details are disclosed in Note 31.

The Group is deemed by Bank Negara Malaysia to be in compliance with the requirement on the provision for loan impairment under the revised BNM/GP8 provided that the specific and general allowances are computed based on BNM/GP3 requirement and this basis is disclosed in the financial report. Accordingly, the company's bases of computations for its specific and general allowances, which are based on BNM/GP3 requirement and consistent with the adoption made in the previous audited annual financial statements.

The unaudited condensed interim financial statements incorporated those activities relating to the Skim Perbankan Islam ("SPI") which have been undertaken by the Group. SPI refers generally to the acceptance of deposits and dealing in Islamic securities under Syariah principles.

### A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The annual financial statements audit report for the financial year ended 31 December 2004 was unqualified and in order.

### A3. COMMENTS ABOUT SEASONALITY AND CYCLICALITY FACTORS

The interim operations of the Group are not subject to any material seasonal or cyclical factors.

### A4. UNUSUAL EVENT/S AFFECTING FINANCIAL STATEMENTS

There were no unusual events that materially affect the financial statements during the interim period.

### A5. CHANGES IN ESTIMATES

There were no material changes in financial estimates reported in the preceding period or the preceding financial year that would materially affect the current interim period financial statements.

### A6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Save and except as detailed below, there were no new issuance and repayment of debt securities, shares buy backs, share cancellations, or shares held as treasury shares during the quarter ended 30 June 2005:-

- a) Issuance of 50,091,000 shares arising from exercise of Employee Share Option Scheme (ESOS) from 4 January 2005 to 30 September 2005.
- b) During the nine month period ended 30 September 2005, the issued and paid up capital of CIMB Berhad ("CIMBB") has increased from 855,905,600 ordinary shares to 956,429,527 ordinary shares by the issuance of 6,860,760 new CIMBB shares with the exercise price ranging from RM1.45 to RM4.88 per share pursuant to the exercise of options granted under CIMBB's Employee Share Option Scheme. A special issue of 93,663,167 new ordinary shares at an issue price of RM4.50 per share for a total cash consideration of approximately RM421.48 million were also issued to CAHB.
- c) During the financial period ended 30 September 2005, the issued and paid up capital of Bank Niaga has increased from 7,858,347,720 to 11,858,024,330 ordinary shares pursuant to the Rights Issue and exercise of options granted under Bank Niaga's Employee Share Option Scheme. The Rights Issue was reflected under Other Reserves due to approval from local authority yet to be obtained.
- d) Issuance of Commercial Paper ("CPS") Issuance Programme ("CP Programme") and Medium Term Notes ("MTNS") Issuance Programme ("MTN programme") with aggregate issuance limit of up to RM250,000,000 nominal value CPS and/or MTNS (collectively referred to as the "Programmes") by CIMBB.

### A7. DIVIDEND PAID

A total dividend of RM 292.7 million was paid on 11 May 2005 as a final dividend of 10.0 sen (less tax) and special dividend of 5.0 sen (less tax) in respect of financial year ended 31 December 2004.

### A8. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

No valuations of property, plant and equipment were carried out for this current period financial statements

## A9. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the following announcements were made:-

- a) On 7 October 2005, CIMB Berhad had announced that the Securities Commission, via its letter dated 5 October 2005, had approved the issuance of RM200 million perpetual preference shares of RM1.00 each ("PPS") by BCB to Proton Commerce Sdn Bhd ("PCSB") in conjunction with the cancellation of the RM200 million PPS held by PCSB in Bumiputra-Commerce Finance Berhad ("BCF") pursuant to the propose merger between BCB and BCF.
- b) On 10 October 2005, CIMB Berhad had announced on the followings:
  - i) proposed acquisition by CIMB Private Equity Sdn Bhd, a wholly-owned subsidiary of CIMB Berhad, of 2,175,000 ordinary shares of RM1.00 each in Sesama Medical College Management Sdn Bhd ("SMCM") representing approximately 25.0% equity interest in SMCM from Affin Bank Berhad for a cash consideration of RM30.0 million; and
  - ii) proposed subsequent unconditional mandatory offer to be jointly undertaken by CIMB Private Equity and Commerce Asset Ventures Sdn Bhd ("CAV"), in equal proportions, for the remaining SMCM shares not already owned by CIMB Private Equity and CAV and the persons acting in concert with them, upon the proposed SMCM acquisition becoming unconditional.

On 18 October 2005, CIMB Berhad had announced on the SMCM acquisition above has been completed on 17 October 2005.
- c) On 20 October 2005, CIMB Berhad had announced on the proposed acquisition by CIMB-GK Pte Ltd ("CIMB-GK"), a wholly-owned subsidiary of CIMB Berhad, of approximately 48% equity interest in P.T CIMB Niaga Securities from P.T Bank Niaga Tbk for a cash consideration of Indonesian Rupiah 27,616,009,158.
- d) On 21 October 2005, the Company had announced that Bank Negara Malaysia had, on 21 October 2005, granted its approval for CAHB and its subsidiaries, namely, CIMB Group Sdn Bhd, Bumiputra-Commerce Bank Berhad and/or Commerce International Merchant Bankers Berhad to enter into discussions with the identified parties on the possible merger of the business of Southern Bank Berhad Group and CIMB Group.
- e) On 21 October 2005, the CIMB Berhad had announced that all the acquisition pursuant to the GK Goh Acquisition have now been completed.
- f) On 24 October 2005, pursuant to the restructuring exercise of the group, the Company had announced that the name of the company has been changed to Bumiputra-Commerce Holdings Berhad. The change of name applies with immediate effect.  
The stock name, code and number of the company as traded on Bursa Malaysia Securities Berhad remain the same.
- g) On 28 October 2005, the Company had announced on the acquisition of additional 45,161,500 Class B Shares for a total purchase consideration of Rp16.772 billion (or approximately RM6.31 million based on an illustrative exchange rate of Rp100 to RM0.0376). Pursuant to the purchase, the the BCHB Group currently holds 7,680,332,207 Class B Shares, representing approximately 64.77% equity interest in Bank Niaga, of which 0.69% is held by PT CIMB Niaga Securities and 0.35% is held by PT GK Goh, subsidiaries of BCHB.
- h) On 28 October 2005, the Company had announced on the incorporation of a new wholly owned company, Commerce International Group Berhad ("CIG") pursuant to the restructuring exercise of the Insurance subsidiaries of the BCHB Group. Subject to the approval of the authorities, CIG shall be the holding company of all the insurance subsidiaries of the BCHB Group namely Commerce Assurance Berhad, Commerce Life Assurance Berhad and Commerce Takaful Berhad.
- i) On 31 October 2005, the Company had announced that the Securities Commission ("SC") had via its letter dated 28 October 2005 approved the Proposals pursuant to Section 32(5) of the Securities Commission Act, 1993 and the Foreign Investment Committee Guideline on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests on the followings:
  - i) proposed acquisition by CIMB Group Sdn Bhd ("CIMBG"), a wholly-owned subsidiary of CIMB Berhad ("CIMBB"), of all the assets (inclusive of its shareholdings in all its subsidiaries and associated companies) and liabilities of CIMBB ("Proposed CIMBB acquisition")
  - ii) proposed acquisition by CIMBG of 2,063,920,111 ordinary shares of RM1.00 each in BCB held by BCHB representing approximately 99.998% of the issued and paid-up share capital of BCB ("Proposed BCB acquisition")
  - iii) proposed acquisition by BCHB of all such ordinary shares of RM1.00 each in CIMBG held by CIMBB after the proposed CIMBB acquisition and proposed BCB acquisition via a mandatory take-over offer ("Proposed CIMBG acquisition"); and
  - iv) proposed section 176 scheme of arrangement involving CIMBB, BCHB and other shareholders of CIMBB in relation to the capital repayment of cash or share alternative in the form of new ordinary shares of RM1.00 each to be issued by BCHB ("BCHB shares") as at an entitlement date to be determined later, on the basis of approximately 1.146 new BCHB shares for every one (1) ordinary share of RM1.00 each in CIMBB ("CIMBB share") ("Proposed CIMBB scheme").
- j) On 10 November 2005, the Company had announced that its subsidiaries, BCB and CIMB had entered into Memorandum of Understanding ("MoU") with SME Bank for the purpose of establishing a strategic alliance to enter into joint financing arrangements and other initiatives to assist Malaysia's SME to obtain appropriate funding.

#### A10. CHANGES IN THE COMPOSITION OF THE GROUP

Save and except as earlier announced in the preceeding quarter, the consolidated financial statements for the financial period ended 30 September 2005 was prepared taking into consideration of the followings:-

- a) On 2 September 2005, the Company had announced on the acquisition of additional 28,561,000 Class B Shares representing approximately 0.36% of the issued shares in Bank Niaga for a total purchase consideration of Rp13.242 billion (or approximately RM2.39 million based on an illustrative exchange rate of Rp100 to RM0.0348).
- b) On 8 September 2005, CIMB Berhad had announced on the renounceable restricted offer for sale by Commerce Asset-Holding Berhad ("CAHB") of 26,402,406 ordinary shares of RM1.00 each in CIMBB ("CIMBB shares") ("Offers shares") to the shareholders of CIMBB, except for CAHB, at an offer price of RM4.50 per CIMBB share payable in full upon acceptance on the basis of one (1) CIMBB share for every nine (9) CIMBB shares held at 5.00 p.m on 29 July 2005 ("ROS").
- c) On 16 September 2005, CIMB Berhad had announced on the followings :
  - i) acquisition of the stockbroking and stockbroking-related companies of GK Goh Holdings Limited by CIMB-GK Pte Ltd ("CIMB-GK"), a wholly-owned subsidiary of CIMBB incorporated in Singapore, for a total cash consideration of Singapore Dollar 239.14 million (equivalent to approximately RM552.41 million)
  - ii) issuance of 93,663,167 new ordinary shares of RM1.00 each in CIMBB ("CIMBB shares") at an issue price of RM4.50 per CIMBB share for a total cash consideration of approximately RM421.48 million to its holding company, CAHB and
  - iii) renounceable restricted offer for sale by CAHB of 26,402,406 CIMBB shares to the shareholders of CIMBB, save and except for CAHB, at an offer price of RM4.50 per CIMBB share on the basis of one (1) CIMBB share for every nine (9) CIMBB shares held.
- d) On 20 September 2005, CIMB Berhad had announced on the followings :
  - i) proposed acquisition by CIMB private equity Sdn Bhd ("CIMB Private Equity"), a wholly-owned subsidiary of CIMBB, of 2,175,000 ordinary shares of RM1.00 each in Sesama Medical College Management Sdn Bhd ("SMCM") ("SMCM shares") representing approximately 25.0% equity interest in SMCM from Affin bank Berhad ("ABB") for a cash consideration of RM30.0 million ("Purchase consideration") ("Proposed SMCM acquisition"); and
  - ii) proposed subsequent unconditional mandatory offer to be jointly undertaken by CIMB Private Equity and Commerce Asset Ventures Sn Bhd ("CAV"), in equal proportions, for the remaining SMCM shares not already owned by CIMB Private Equity and CAV and the persons acting in concert with them, upon the proposed SMCM acquisition becoming unconditional ("Proposed offer").
- e) On 27 September 2005, the Company had announced on the acquisition of additional 2,543,890,254 Class B Shares for a total consideration of Rp839,483,783,655 (or approximately RM312,287,968 based on an illustration exchange rate Rp100 to RM0.0372).



**A11. SECURITIES HELD-FOR-TRADING**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
<b>At fair value</b>		
<b>Quoted</b>		
Malaysian Government securities	659,373	447,984
Cagamas bonds	55,206	171,275
Khazanah bonds	4,317	-
<b>Unquoted</b>		
Malaysian Government treasury bills	9,739	34,703
Malaysian Government investment certificates	15,634	-
Bank Negara Malaysia bills	44,846	-
Negotiable instruments of deposit	1,328,823	850,000
Banker's acceptances	468,873	95,542
Private debt securities	230,741	324,030
Other Government's securities	45,032	36,349
Bank Negara negotiable notes	29,797	1,273
Commercial paper	9,640	9,730
	2,902,021	1,970,886
<b>Quoted securities</b>		
<u>In Malaysia</u>		
Warrants	5,028	11,261
Corporate Notes	136	-
Shares	358,138	274,838
Loan stocks	-	7,043
Unit Trusts	241,576	238,862
<u>Outside Malaysia</u>		
Shares	102,663	772
Private debt securities	18,526	169,220
Others	305	36,526
	3,628,393	2,709,408
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Private debt securities	3,738,894	2,202,836
Shares	-	12,957
Islamic debt securities	174,831	-
<u>Outside Malaysia</u>		
Private debt securities	595,085	43,616
Unit trusts	-	12,987
Total securities held-for-trading	8,137,203	4,981,804

**A12. SECURITIES AVAILABLE-FOR-SALE**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
<b>At fair value</b>		
<b>Quoted</b>		
Malaysian Government securities	572,664	1,414,618
Cagamas bonds	580,652	658,713
Khazanah bonds	292,938	195,951
<b>Unquoted</b>		
Malaysian Government treasury bills	29,860	62,650
Bank Negara Malaysia bills	49,538	1,107
Banker's acceptances	26,393	48,541
Private debt securities	2,788,943	2,702,560
Other Government's securities	150,853	52,931
Commercial papers	-	38,835
Others	2,136,788	2,618,404
	<b>6,628,629</b>	<b>7,794,310</b>
<b>Quoted securities</b>		
<u>In Malaysia</u>		
Warrants	974	2
Shares	182,190	169,507
Unit Trusts	8,391	8,776
Bonds	1,435	3,490
<u>Outside Malaysia</u>		
Shares	-	6,356
Private debt securities	22	173,532
Bonds	-	6,228
Mutual funds	-	19,998
Government bonds	1,434,291	1,518,162
	<b>8,255,932</b>	<b>9,700,361</b>
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Private debt securities	819,097	2,464,050
Shares	436,150	348,710
Unit trusts	509,070	473,227
Loan stocks	42,265	40,647
Property trust	-	21,204
Others	1,214,423	1,578,963
<u>Outside Malaysia</u>		
Private debt securities	16,245	7,566
Shares	8,793	12,887
Others	44,818	847,957
Total securities available-for-sale	<b>11,346,793</b>	<b>15,495,572</b>

**A13. SECURITIES HELD-TO-MATURITY**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
<b>At amortised cost</b>		
<b>Quoted</b>		
Malaysian Government securities	65,383	65,383
Cagamas bonds	15,003	15,003
<b>Unquoted</b>		
Private debt securities	150,014	137,096
	<b>230,400</b>	<b>217,482</b>
<b>Quoted securities</b>		
<u>Outside Malaysia</u>		
Shares	-	25,491
Quoted bonds	16,150	-
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Shares	2,322	2,322
Others	4,030	4,302
<u>Outside Malaysia</u>		
Bonds	-	10,878
Others	9,049	55,657
	<b>261,951</b>	<b>316,132</b>
Accretion of discount less amortisation of premium	1,605	3,299
<b>Total securities held-to-maturity</b>	<b>263,556</b>	<b>319,431</b>

**A14. LOANS AND ADVANCES****(i) By type**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Overdrafts	3,950,332	3,537,141
Term loans/financing		
- Housing loans/financing	11,829,559	7,559,478
- Syndicated term loans/financing	4,050,503	949,065
- Hire purchase receivables	10,342,888	9,169,709
- Lease receivables	266,417	231,303
- Other term loans/financing	22,619,784	31,992,431
Bills receivable	166,325	304,433
Trust receipts	918,456	887,139
Claims on customer under acceptance credits	6,680,365	6,081,800
Staff loans *	592,565	598,687
Loans/financing to banks and other financial institutions	97,212	-
Credit card receivables	474,753	336,176
Revolving credits	9,991,988	5,096,804
Other loans	843,995	681,894
	<u>72,825,142</u>	<u>67,426,060</u>
Less : Unearned interest	(2,066,270)	(1,837,861)
	<u>70,758,872</u>	<u>65,588,199</u>
Gross loans and advances	70,758,872	65,588,199
Provision for bad and doubtful debts		
- Specific allowance (SA)	(2,057,964)	(1,919,403)
- General allowance (GA)	(1,145,496)	(1,065,735)
Total net loans and advances	<u>67,555,412</u>	<u>62,603,061</u>

\* Included in staff loans of the Group are loans to Directors amounting to RM 504,853 (2004: RM 484,834)

**(ii) By type of customers**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Domestic banking institutions	97,212	67,239
Domestic non-bank financial institutions		
- Others	2,379,376	2,588,527
Domestic business enterprises		
- Small medium enterprises	11,169,903	11,838,942
- Others	20,016,279	18,042,858
Government and statutory bodies	48,848	44,279
Individuals	29,447,955	22,831,767
Other domestic entities	6,391,581	4,573,104
Foreign entities	1,207,718	5,601,483
	<u>70,758,872</u>	<u>65,588,199</u>

**(iii) By interest/profit rate sensitivity**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Fixed rate		
- Housing financing	1,935,751	1,793,901
- Hire purchase receivables	8,362,619	7,345,399
- Other fixed rate loans	14,811,973	12,181,475
Variable rate		
- BLR plus	30,957,362	32,963,810
- Cost-plus	3,446,016	8,576,953
- Other variable rates	11,245,151	2,726,661
	<u>70,758,872</u>	<u>65,588,199</u>

**A14. LOANS AND ADVANCES****(iv) By economic purposes**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Agriculture	2,342,800	2,351,953
Mining and quarrying	188,716	145,999
Manufacturing	11,845,515	11,989,241
Electricity, gas and water	1,575,568	1,598,247
Construction	4,796,392	4,275,205
Real estate	993,963	1,012,281
Purchase of landed property :		
- Residential	12,250,569	10,893,820
- Non-residential	2,410,693	2,348,006
Wholesale & retail trade and restaurant & hotels	6,345,932	6,299,190
Transport, storage and communication	4,306,550	3,821,617
Finance, insurance and business services	5,799,420	5,447,995
Purchase of securities	3,788,341	3,252,505
Purchase of transport vehicles	8,802,181	7,689,512
Consumption credit	1,973,604	1,866,511
Others	3,338,628	2,596,117
	<b>70,758,872</b>	<b>65,588,199</b>

**(v) Non performing loans by sector**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Agriculture	126,849	121,083
Mining and quarrying	13,838	11,178
Manufacturing	841,324	988,709
Electricity, gas and water	362,982	276,299
Construction	526,259	607,752
Real estate	111,881	102,124
Purchase of landed property :		
- Residential	1,995,967	1,454,975
- Non-residential	352,196	321,424
Wholesale & retail trade and restaurant & hotels	397,724	521,751
Transport, storage and communication	191,931	147,670
Finance, insurance and business services	195,236	226,449
Purchase of securities	273,799	308,883
Purchase of transport vehicles	506,825	896,270
Consumption credit	185,322	155,929
Others	138,639	137,766
	<b>6,220,772</b>	<b>6,278,262</b>

**(vi) Movement in the non-performing loans and advances**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Balance as at 1 January	6,278,262	4,986,712
NPL during the period/year	3,355,697	4,630,580
Performing during the period/year	(677,185)	(1,121,806)
Recoveries	(2,130,870)	(1,104,264)
Amount written off	(553,731)	(1,093,855)
Transfer (to)/from intercompany	1,679	-
Exchange fluctuation	(54,990)	(19,105)
Others	1,910	-
Balance as at 30 September/31 December	<b>6,220,772</b>	<b>6,278,262</b>

**A14. LOANS AND ADVANCES****Classification of non-performing loans**

Sub-standard	1,735,270	2,156,988
Doubtful	576,558	785,311
Bad debts	3,908,944	3,335,963
Balance as at 30 September/31 December	<u>6,220,772</u>	<u>6,278,262</u>
Total loans and advances (net of SA)	<u>68,700,908</u>	<u>63,668,796</u>
Net non-performing loans	4,162,808	4,358,859
(as % of total loans)	6.06%	6.85%

**(vii) Movements in the allowance for bad and doubtful debts**

Movements in the allowance for bad and doubtful debts and financing and interest-in-suspense accounts are as follows :

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
<b>General allowance</b>		
Balance as at 1 January	1,065,735	956,790
Allowance made/(written back) during the year	115,097	109,166
Amount transferred to specific allowance	(8,292)	-
Exchange fluctuation	(27,044)	2,771
Others	-	(2,992)
Balance as at 30 September/31 December	<u>1,145,496</u>	<u>1,065,735</u>
(as % of total loans and advances less SA)	1.7%	1.7%
<b>Specific allowance</b>		
Balance as at 1 January	1,919,403	1,713,758
Allowance made during the year	980,985	1,420,001
Amount transferred from general allowance	8,292	-
Amount written back in respect of recoveries	(310,825)	(290,470)
Amount written off	(551,821)	(888,388)
Transfer (to)/from intercompany	3,795	-
Exchange fluctuation	(5,349)	(23,166)
Others	13,484	(12,332)
Balance as at 30 September/31 December	<u>2,057,964</u>	<u>1,919,403</u>

**A15. OTHER ASSETS**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Interest receivable	413,791	404,639
Deposits and revaluation of derivative financial instruments	592,639	319,461
Due from brokers and clients net of provision for doubtful debts	1,880,454	461,240
Other debtors, deposits and prepayments net of provision for doubtful debts	883,038	1,030,003
Due from insurers, brokers and reinsurers net of provision for doubtful debts	6,756	6,863
Foreclosed properties net of provision for impairment in value	50,062	59,483
Others	21,737	-
	<u>3,848,477</u>	<u>2,281,689</u>

**A16. DEPOSITS FROM CUSTOMERS**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
<u>By type of deposits</u>		
Demand deposits	17,242,191	17,239,634
Savings deposits	6,343,216	6,966,598
Fixed deposits/investment deposits	49,405,021	47,564,463
Negotiable instruments of deposit	2,007,436	985,302
Others	768,094	1,349,178
	<b>75,765,958</b>	<b>74,105,175</b>
 <u>By type of customers</u>		
Business enterprises	37,999,406	36,460,969
Individuals	18,071,402	17,505,035
Government and statutory bodies	6,747,038	7,701,769
Others	12,948,112	12,437,402
	<b>75,765,958</b>	<b>74,105,175</b>

**A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Licensed banks	5,290,579	5,704,112
Licensed finance companies	800,444	75,081
Licensed merchant banks	75,380	280,000
Bank Negara Malaysia	19,577	15,756
Other financial institutions	4,074,067	1,442,920
	<b>10,260,047</b>	<b>7,517,869</b>

**A18. OTHER LIABILITIES**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Interest payable	565,433	487,395
Due to brokers and clients	1,800,749	454,333
Due to insurers, agents, brokers and reinsurers net of provision for doubtful debts	55,704	86,986
Short-term borrowings	87,126	563,228
Insurance fund - life insurance business	961,698	750,841
Insurance fund - general insurance business	292,994	274,690
Amount due to Bank Muamalat Malaysia Berhad	-	22,641
Revaluation of derivative financial instruments	454,128	317,595
Provision for commitments and contingencies	1,981	2,293
Post employment benefit obligations	76,162	76,292
Zakat	2	14
Others	1,874,767	1,406,890
	<b>6,170,744</b>	<b>4,443,198</b>

**A19. SHORT-TERM BORROWINGS**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
Revolving credit facilities	87,126	449,228
USD term loan	-	114,000
	<b>87,126</b>	<b>563,228</b>

**A20. INTEREST INCOME**

	Group	
	30/9/2005 RM'000	30/9/2004 RM'000
Loans and advances		
- Interest income other than recoveries from NPLs	3,073,812	2,563,921
- Recoveries from NPLs	137,112	215,775
Money at call and deposit with financial institutions	489,126	425,526
Securities held-for-trading	220,754	238,438
Securities available-for-sale	436,462	418,390
Securities held-to-maturity	2,029	22,980
Others	101,497	28,109
	<u>4,460,792</u>	<u>3,913,139</u>
Amortisation of premium less accretion of discounts	52,707	64,550
Net interest suspended	(59,548)	(64,707)
	<u>4,453,951</u>	<u>3,912,982</u>

**A21. INTEREST EXPENSE**

	Group	
	30/9/2005 RM'000	30/9/2004 RM'000
Deposits and placements of banks and other financial institutions	436,897	414,559
Deposit from other customers	1,500,232	1,227,682
Bonds	91,704	83,043
Loan stocks/ICULS	70,682	63,562
Others	148,990	52,864
	<u>2,248,505</u>	<u>1,841,710</u>

**A22. NON-INTEREST INCOME**

	Group	
	30/9/2005 RM'000	30/9/2004 RM'000
<b>Fee income :</b>		
Commissions	139,506	93,303
Fee on loans and advances	105,094	86,407
Portfolio management fees	21,245	22,685
Service charges and fees	124,861	105,672
Corporate advisory fees	47,659	47,561
Guarantee fees	45,619	51,162
Other fee income	91,119	129,019
	<u>575,103</u>	<u>535,809</u>
<b>Investment income :</b>		
Accretion of investment gain	-	43
Gain from sale of securities held-for-trading	99,521	9,931
Gain from sale of securities available-for-sale	153,937	11,896
Gain from sale of securities held-to-maturity	-	59,680
Net change in securities held-for-trading	(574)	-
Gross dividends from :		
<u>Malaysia</u>		
- Securities held-for-trading	14,703	8,660
- Securities available-for-sale	4,077	384
- Securities held-to-maturity	201	-
Unrealised gain/(losses) on revaluation of securities held-for-trading and derivatives	22,637	8,730
Gain on disposal of subsidiary	16,545	15,361
Others	-	1,857
	<u>311,047</u>	<u>116,542</u>



**Other income :**

Foreign exchange gain		
- Realised	69,435	41,432
- Unrealised	17,479	12,817
Rental income	2,905	3,013
Gain/(loss) on disposal of fixed assets	2,094	(553)
Underwriting surplus before management expenses	60,803	29,957
Brokerage	84,796	81,847
Other non-operating income	40,327	13,251
Others	35,049	-
	<u>312,888</u>	<u>181,764</u>
	<u>1,199,038</u>	<u>834,115</u>

**A23. OTHER OPERATING EXPENSES**

	Group	
	30/9/2005	30/9/2004
	RM'000	RM'000
Personnel costs		
- Salaries allowances and bonuses	588,368	538,937
- Pension cost	65,932	50,469
- Others	128,664	62,052
Establishment costs		
- Depreciation	79,740	82,615
- Rental	62,758	72,494
- Insurance	7,152	11,927
- Others	262,640	152,123
Marketing expenses		
- Sales commission	30,274	50,752
- Advertisement	47,808	47,860
- Others	11,976	16,614
Administration and general expenses		
- Legal & professional fees	55,519	40,398
- Communication	27,321	-
- Others	213,226	267,427
	<u>1,581,378</u>	<u>1,393,668</u>

**A24. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING**

	Group	
	30/9/2005	30/9/2004
	RM'000	RM'000
Allowance for bad and doubtful debts :		
Specific allowance		
- Made in the financial year	874,025	790,003
- Written back	(209,957)	(143,572)
General allowance		
- Made/(written back) in the financial year	101,042	34,270
Bad debts and financing :		
- recovered	(77,535)	(55,935)
- written off	422	817
	<u>687,997</u>	<u>625,583</u>

## A25. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

### Risk-weighted Exposures of the Group as at

	30/9/2005			31/12/2004		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
Direct credit substitutes	3,247,684	3,247,684	1,899,702	3,079,400	3,079,400	2,980,729
Transaction-related contingent items	3,166,706	1,480,584	1,035,087	2,865,650	1,432,825	1,420,752
Short-term self-liquidating trade-related contingencies	3,246,713	649,343	593,518	3,297,660	659,532	659,532
Obligations under underwriting agreement	396,278	-	117,500	155,493	77,746	69,746
Irrevocable commitments to extend credit :						
- maturity not exceeding one year	21,938,888	-	-	20,710,988	-	1,395,538
- maturity exceeding one year	4,701,405	2,350,702	1,267,702	3,886,611	1,943,306	1,908,042
Foreign exchange related contracts	12,313,499	426,811	666,918	10,764,283	253,960	642,486
Interest rate related contracts	86,676,432	1,332,693	562,043	157,807,369	1,129,385	419,902
Equity related contracts	133,388	-	-	47,759	-	-
Put option	150,020	-	-	-	-	-
Miscellaneous commitments and contingencies	6,430,783	680,178	680,178	5,736,705	-	-
	<b>142,401,796</b>	<b>10,167,995</b>	<b>6,822,648</b>	<b>208,351,918</b>	<b>8,576,154</b>	<b>9,496,727</b>

\* The credit equivalent amount is arrived at using the credit conversion factor as specified by Bank Negara Malaysia.

## A26. OFF-BALANCE SHEET RISK

Value of contracts classified by the remaining period to maturity/next repricing date  
(Whichever earlier)

Group	Principal Amount RM'000	1 month or less RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	>5 years RM'000	Margin requirements
Foreign exchange related contracts								
- forwards	5,194,065	2,582,282	1,231,564	958,807	421,412			
- swaps	7,099,564	1,891,869	1,717,572	1,543,152	865,563	1,081,408		
- option	19,869	73	19,796					
Interest rate related contracts								
- futures	35,291,588		2,874,675	3,287,633	4,052,303	23,165,957	1,911,020	47,296
- swaps	50,472,045	17,211,887	27,212,030	3,063,066	155,919	2,355,750	473,393	
- options	912,800	69,805	246,206	50,000	396,789	150,000		
Equity related contracts								
- futures	66,009	66,009				67,379		2,371
- options	67,379							
<b>Total</b>	<b>99,123,319</b>	<b>21,821,925</b>	<b>33,301,843</b>	<b>8,902,658</b>	<b>5,891,986</b>	<b>26,820,494</b>	<b>2,384,413</b>	<b>49,667</b>

Foreign exchange related contract and interest rate related contracts are subject to market risk and credit risk.

### Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheets positions. As at the end of the financial quarter, the amount of contracts which were not hedged and, hence, exposed to market risk was RM2,287,340,000 (31/12/2004:RM1,521,853,000).

### Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group has a gain position. As at the end of the financial quarter, the amounts of credit risk, measured in term of the cost to replace the profitable contracts, was RM12,142,255,000 (31/12/2004:RM1,381,494,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

### Related accounting policies

The accounting policies applied for recognising the financial instruments concerned are the same as those applied for the financial year ended 31 December 2004.

A27. INTEREST/PROFIT RATE RISK

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>As at 30 September 2005</b>									
<b>Assets</b>									
Cash and short-term funds	14,889,323	32,983	-	-	-	2,524,952	-	17,447,258	3.10
Securities purchased under resale agreement	1,477,785	2,365,857	1,571,402	-	-	-	-	5,415,044	2.79
Deposits and placements with banks and other financial institutions	83,227	1,900,681	159,347	23,861	-	112,322	-	2,279,438	2.97
Securities held-for-trading	239,042	1,125,974	365,000	5,074	-	43,091	6,359,022	8,137,203	3.78
Securities available-for-sale	1,484,478	916,819	1,254,655	3,182,674	3,600,672	802,696	104,799	11,346,793	3.89
Securities held-to-maturity	-	-	18,985	118,756	79,845	45,970	-	263,556	6.80
Loans, advances and financing									
- performing	35,881,092	4,433,838	5,047,018	9,752,864	8,295,065	899,808	-	64,309,685	6.81
- non-performing	5,551,029	-	-	615,740	-	(2,921,042)	-	3,245,727	
Other assets	417,711	4,663	17,446	61,133	1,572	3,345,952	-	3,848,477	
Deferred taxation	-	-	-	1,254	-	321,126	-	322,380	
Tax recoverable	-	-	-	1,091	-	468,923	-	470,014	
Satutory deposits with Bank Negara Malaysia	-	-	-	-	-	1,839,972	-	1,839,972	
Associates	-	-	-	101,256	-	37,368	-	138,624	
Jointly controlled entities	-	-	-	-	-	118,656	-	118,656	
Fixed assets	-	-	-	3,806	-	882,713	-	886,519	
Goodwill	-	-	-	-	-	594,007	-	594,007	
<b>Total assets</b>	<b>60,023,687</b>	<b>10,780,815</b>	<b>8,433,853</b>	<b>13,867,509</b>	<b>11,977,154</b>	<b>9,116,514</b>	<b>6,463,821</b>	<b>120,663,353</b>	
<b>Liabilities and Shareholders' Funds</b>									
Deposits from customers	42,441,165	10,157,291	14,231,612	419,538	261	8,516,091	-	75,765,958	2.93
Deposits and placements of banks and other financial institutions	6,015,774	1,511,212	2,583,923	102,810	-	46,328	-	10,260,047	3.27
Obligations on securities sold under repurchase agreements	5,332,262	123,700	-	-	-	-	-	5,455,962	2.48
Bills and acceptances payable	1,320,691	1,930,319	697,341	-	-	1,090,325	-	5,038,676	2.86
Floating rate certificates of deposits	226,140	-	-	-	-	-	-	226,140	
Other liabilities	86,873	76	-	318,086	4,913	5,987,273	-	6,397,221	6.12
Amount due to Cagamas Berhad	-	-	124,869	2,180,208	-	-	-	2,305,077	
Loan stocks	-	-	-	-	663,727	-	-	663,727	
Bonds	-	-	-	-	-	922,947	-	922,947	8.10
ICULS	-	-	-	-	56,234	-	-	56,234	7.50
Other borrowings	337,959	347,169	164,466	202,748	6,685	20,551	-	1,079,578	4.64
Subordinated notes	1,130,700	-	-	-	-	758,797	-	1,889,497	
<b>Total liabilities</b>	<b>56,891,564</b>	<b>14,069,767</b>	<b>17,802,211</b>	<b>3,223,390</b>	<b>731,820</b>	<b>17,342,312</b>	<b>-</b>	<b>110,061,064</b>	
Shareholders' equity	-	-	-	-	-	9,375,672	-	9,375,672	
Minority interest	-	-	-	-	-	1,026,617	-	1,026,617	
Preference shares	-	-	-	-	-	200,000	-	200,000	
<b>Total liabilities and shareholders' funds</b>	<b>56,891,564</b>	<b>14,069,767</b>	<b>17,802,211</b>	<b>3,223,390</b>	<b>731,820</b>	<b>27,944,601</b>	<b>-</b>	<b>120,663,353</b>	
On-balance sheet interest rate gap	3,132,123	(3,288,952)	(9,368,358)	10,644,119	11,245,334	-	-	-	
Off-balance sheet interest rate gap	1,083,070	1,037,660	(3,874,519)	3,915,682	(2,161,893)	-	-	-	
<b>Total interest rate gap</b>	<b>4,215,193</b>	<b>(2,251,292)</b>	<b>(13,242,877)</b>	<b>14,559,801</b>	<b>9,083,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**As at 31 December 2004**

	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>Assets</b>									
Cash and short-term funds	14,653,908	-	-	-	-	1,981,026	-	16,634,934	2.76
Securities purchased under resale agreement	2,548,521	1,899,680	34,677	16,030	-	-	-	4,498,908	2.87
Deposits and placements with banks and other financial institutions	-	990,793	342,144	10,110	-	100,000	-	1,443,047	2.90
Securities held-for-trading	234,318	377,374	216,004	41,004	-	-	4,113,104	4,981,804	4.11
Securities available-for-sale	1,790,174	1,326,318	1,606,478	4,230,768	3,779,421	360,960	2,401,453	15,495,572	5.38
Securities held-to-maturity	5,697	15,000	45,992	43,912	109,449	99,381	-	319,431	6.26
Loans, advances and financing									
- performing	34,486,522	3,638,893	5,197,008	7,365,386	8,526,781	171,165	-	59,385,755	7.25
- non-performing	5,932,193	-	-	-	-	(2,714,887)	-	3,217,306	
Other assets	603,516	97	-	-	-	1,678,076	-	2,281,689	9.17
Deferred taxation	-	-	-	-	-	275,649	-	275,649	
Tax recoverable	-	-	-	-	-	466,877	-	466,877	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	1,934,890	-	1,934,890	
Associates	-	-	-	-	-	71,145	-	71,145	
Jointly controlled entities	-	-	-	-	-	121,416	-	121,416	
Fixed assets	-	-	-	-	-	779,488	-	779,488	
Goodwill	-	-	-	-	-	351,503	-	351,503	
<b>Total assets</b>	<b>60,254,849</b>	<b>8,248,155</b>	<b>7,442,303</b>	<b>11,707,210</b>	<b>12,415,651</b>	<b>5,676,689</b>	<b>6,514,557</b>	<b>112,259,414</b>	

**Liabilities and Shareholders' Funds**

Deposits from customers	36,029,240	10,054,365	13,294,750	4,145,753	-	10,581,067	-	74,105,175	2.55
Deposits and placements of banks and other financial institutions	3,930,746	2,178,214	1,097,437	-	-	311,472	-	7,517,869	2.85
Obligations on securities sold under repurchase agreements	5,300,701	305,563	-	-	-	-	-	5,606,264	2.53
Bills and acceptances payable	1,278,032	892,998	251,781	-	-	607,126	-	3,029,937	2.47
Floating rate certificates of deposits	228,000	114,000	-	-	-	-	-	342,000	
Other liabilities	450,700	36	114,051	-	-	3,927,183	-	4,491,970	3.23
Amount due to Cagamas Berhad	-	2,207	-	1,841,658	440,013	-	-	2,283,878	6.33
Loan stocks	-	-	-	178,502	600,000	-	-	778,502	6.09
Bonds	-	-	-	912,118	-	-	-	912,118	8.10
ICULS	-	-	-	-	45,216	-	-	45,216	7.50
Other borrowings	617,377	456,000	586,224	45,056	-	-	-	1,704,657	3.21
Subordinated notes	-	-	-	376,058	1,140,000	-	-	1,516,058	
<b>Total liabilities</b>	<b>47,834,796</b>	<b>14,003,383</b>	<b>15,344,243</b>	<b>7,499,145</b>	<b>2,225,229</b>	<b>15,426,848</b>	<b>-</b>	<b>102,333,644</b>	
Shareholders' equity	-	-	-	-	-	8,898,017	-	8,898,017	
Minority interest	-	-	-	-	-	827,753	-	827,753	
Preference shares	-	-	-	-	-	200,000	-	200,000	
<b>Total liabilities and shareholders' funds</b>	<b>47,834,796</b>	<b>14,003,383</b>	<b>15,344,243</b>	<b>7,499,145</b>	<b>2,225,229</b>	<b>25,352,618</b>	<b>-</b>	<b>112,259,414</b>	

On-balance sheet interest rate gap

12,420,053 (5,755,228) (7,901,940) 4,208,065 10,190,422

Off-balance sheet interest rate gap

1,812,279 3,554,048 (4,607,469) 1,443,735 (2,202,593)

**Total interest rate gap**

**14,232,332 (2,201,180) (12,509,409) 5,651,800 7,987,829**

## A28. CAPITAL ADEQUACY

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
The capital adequacy ratios are as follows:		
Tier I capital	7,804,379	7,066,757
Eligible Tier II capital	3,919,870	3,516,175
	<u>11,724,249</u>	<u>10,582,932</u>
less:		
Investment in subsidiary companies and holding of other banking institutions' capital	(1,049,866)	(727,862)
Subordinated term debt	-	(144,000)
Capital base	<u>10,674,383</u>	<u>9,711,070</u>
Core capital ratio	10.07%	9.71%
Risk-weighted capital ratio	<u>13.78%</u>	<u>13.34%</u>

Components of Tier I and Tier II capitals are as follows:

<b>Tier I capital</b>		
Paid-up capital	2,875,268	2,862,839
Paid-up non-cumulative perpetual preference shares	200,000	-
Share premium	1,207,714	1,151,645
Retained profits/(loss)	1,438,089	-
Other reserves	2,118,736	3,052,273
Less: Deferred tax liabilities	(35,428)	-
Total Tier I capital	<u>7,804,379</u>	<u>7,066,757</u>
<b>Tier II capital</b>		
Subordinated loans	1,540,772	1,571,143
Irredeemable Cumulative Preference Shares	125,000	125,000
ICULS issued	667,000	667,000
General provisions for bad and doubtful debts	1,114,342	1,049,212
Other	472,756	103,820
Total Eligible Tier II capital	<u>3,919,870</u>	<u>3,516,175</u>
Less :		
Investments in subsidiary companies	(826,139)	(727,862)
Subordinated term debt	-	(144,000)
Holding of other banking institutions capital instruments	(223,727)	-
Capital base	<u>10,674,383</u>	<u>9,711,070</u>

Breakdown of risk-weighted assets in the various categories of risk-weighted is as follows:

	Risk Weighted RM'000	Risk Weighted RM'000
0%	-	-
10%	103,628	123,478
20%	3,154,058	3,799,829
50%	6,617,476	7,133,204
100%	64,659,623	61,731,823
Total risk weighted assets	<u>74,534,785</u>	<u>72,788,334</u>
Total credit risk weighted assets reversal	-	-
Total risk weighted assets equivalent for market risk	2,955,010	-
Total risk weighted asset	<u>77,489,795</u>	<u>72,788,334</u>

The above capital adequacy ratio calculations are based on the guidelines issued by Bank Negara Malaysia to the banking institutions. Although the Company is not subject to the above guidelines, disclosure of the capital adequacy ratios made on a voluntary basis.

## A29. SEGMENTAL REPORTING

For management purposes, the Group is organised into eight major operating divisions. The divisions form the basis on which the Group reports its primary segment information.

**Corporate and institutional banking** focuses on the large listed corporations, multinational companies, Federal and State Government clients. It promotes traditional banking products, project financing, corporate loans, margin lending and others. Included under Corporate Banking are offshore activities carried out by Bumiputra-Commerce Bank (L) Limited, the offshore banking arm for the Group. Borrowing and lending facilities are offered in major currencies mainly to corporate clients.

**Business banking** focuses on middle market customers. It promotes trade finance and overdraft facilities for small and medium enterprises. Also, included under this segment is the commercial banking and related financial services of South East Asian Bank Limited, which focuses predominantly on the middle market customers. Leasing and financing activities carried out by Bumiputra-Commerce Factors Lease Berhad ("BCFLB") (previously known as Bumiputra-Commerce Leasing Berhad) which clientele consist of mainly middle market customers have also been included in this segment.

**Retail banking** focuses on individual customers and small businesses. It promotes products such as residential mortgages, shophouse loans, shares financing and other various type of retail and consumer loans.

**Treasury** focuses on treasury activities and services which include foreign exchange, money market, derivatives and capital market instruments trading.

**Financial advisory, underwriting and other fees** mainly comprise fees derived from structured financial solutions, origination of capital market products including debt and equity, mergers and acquisitions, secondary offerings, asset backed securities, debt restructurings, corporate advisory, Islamic capital market products and project advisory. In addition, this segment also includes underwriting of primary equities and debt products.

**Debt related** mainly comprises of proprietary trading and market making in the secondary market for debt, debt related derivatives and structured products. It includes the origination of lending products such as corporate loans and margin lending. It also invests in proprietary capital.

**Equity related** mainly comprises institutional and retail broking business for securities listed on Bursa Malaysia Securities Berhad. It also includes income from trading and investing in domestic and regional equities market.

**Support and others** Support comprises all back-office processes, cost centres and non-profit generating divisions in the subsidiary bank. Other business segments in the Group include investment holding, fund management, unit trust manager, life assurance business, offshore activities and other related financial services, whose results are not material to the Group and thus do not render separate disclosure in the financial statements and have been reported in aggregate.

	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and underwriting business RM'000	Debt business RM'000	Equity business RM'000	Support and others RM'000	Islamic Banking RM'000	Total RM'000
<b>30 September 2005</b>										
Net interest income	906,260	595,589	244,167	366,812	-	161,808	-	(69,190)	-	2,205,446
-external	66,447	(23,614)	145,054	(204,272)	-	-	-	16,385	-	-
-inter-segment	972,707	571,975	389,221	162,540	-	161,808	-	(52,805)	-	2,205,446
Income from Islamic Banking operations	738	-	-	-	-	-	-	6,677	1,543	8,958
Non interest income	134,351	132,624	165,707	116,061	110,145	157,389	124,696	258,065	-	1,199,038
Net Income	1,107,796	704,599	554,928	278,601	110,145	319,197	124,696	211,937	1,543	3,413,442
Overhead expenses	(533,969)	(160,830)	(82,440)	(17,999)	(37,623)	(50,516)	(71,351)	(596,058)	(20,015)	(1,570,801)
Segment result	573,827	543,769	472,488	260,602	72,522	268,681	53,345	(384,121)	(18,472)	1,842,641
Allowance for losses on loans and financing	(333,316)	(287,058)	(119,967)	(4,110)	-	-	-	52,368	(24)	(687,997)
Provision for other receivables	-	(22)	(2,130)	(29,940)	-	-	-	(10,943)	-	(17,205)
Impairment loss from securities held-for-trading	-	-	-	-	-	-	-	-	-	(29,940)
Profit after allowance	240,511	256,689	350,391	226,552	72,522	268,681	53,345	(342,696)	(18,496)	1,107,499
Share of results of associates	-	-	-	-	-	-	-	8,681	-	8,681
Share of results of jointly controlled entities	(2,811)	-	-	-	-	-	-	-	-	(2,811)
Goodwill amortisation	-	-	-	-	-	-	-	(10,577)	-	(10,577)
Profit/(loss) before taxation and zakat	237,700	256,689	350,391	226,552	72,522	268,681	53,345	(344,592)	(18,496)	1,102,792
Taxation and zakat	-	-	-	-	-	-	-	(235,728)	-	(235,728)
<b>Net profit for the period before minority interests</b>	<b>237,700</b>	<b>256,689</b>	<b>350,391</b>	<b>226,552</b>	<b>72,522</b>	<b>268,681</b>	<b>53,345</b>	<b>(580,320)</b>	<b>(18,496)</b>	<b>867,064</b>

**30 September 2004**

	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and underwriting business RM'000	Debt business RM'000	Equity business RM'000	Support and others RM'000	Total RM'000
Net interest income -external -inter-segment	60,363 136,971	113,640 25,053	92,165 (17,169)	165,047 (180,652)	-	151,168	-	1,488,889 35,797	2,071,272 -
Income from Islamic Banking operations	197,334	138,693	74,996	(15,605)	-	151,168	-	1,524,686	2,071,272
Non interest income	-	-	-	-	-	-	-	7,568	7,568
Net interest income	44,803	17,357	28,216	97,557	117,995	62,959	90,727	374,501	834,115
Net income	242,137 (104,971)	156,050 (36,143)	103,212 (12,806)	81,952 (3,038)	117,995	214,127	90,727	1,906,755 (1,226,963)	2,912,955 (1,383,921)
Overhead expenses									
Profit before allowance	137,166	119,907	90,406	78,914	117,995	214,127	90,727	679,792	1,529,034
Allowance for losses on loans and financing	(20,682)	(15,146)	(70,763)	30,586	-	-	-	(549,578)	(625,583)
Provision for other receivables	-	-	-	-	-	-	-	(9,752)	(9,752)
Impairment loss from securities held-for-trading	-	-	-	(1,679)	-	-	-	-	(1,679)
Segment result	116,484	104,761	19,643	107,821	117,995	214,127	90,727	120,462	892,020
Income from joint venture company	-	-	-	-	-	-	-	(1,539)	(1,539)
Share of results of associates	-	-	-	-	-	-	-	1,634	1,634
Goodwill amortisation	-	-	-	-	-	-	-	(9,747)	(9,747)
Profit before taxation	116,484	104,761	19,643	107,821	117,995	214,127	90,727	110,810	882,368
Taxation	-	-	-	-	-	-	-	(233,367)	(233,367)
<b>Net profit for the period before minority interests</b>	116,484	104,761	19,643	107,821	117,995	214,127	90,727	(122,557)	649,001



### A30. OPERATION OF ISLAMIC BANKING

#### A30a Unaudited Balance Sheet as at 30 September 2005

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
<b>Assets</b>		
Cash and short-term funds	1,388,342	486,192
Deposit and placement with banks and other financial institutions	125,700	100,000
Securities held-for-trading	171,128	53,209
Securities available-for-sale	106,881	-
Securities held-to-maturity	-	-
Loans, advances and financing	11,113	-
Other asset	2,764	956
Satutory deposits with Bank Negara Malaysia	1,468	-
Property, plant and equipment	9,483	-
<b>TOTAL ASSETS</b>	<b>1,816,879</b>	<b>640,357</b>
<b>Liabilities</b>		
Deposits from customers	1,295,687	197,416
Deposits and placements of banks and other financial institutions	330,919	348,795
Other liabilities	12,440	10,325
Amount due to holding company	120	-
<b>TOTAL LIABILITIES</b>	<b>1,639,166</b>	<b>556,536</b>
Islamic banking funds	155,000	55,000
Reserves	22,713	28,821
<b>Islamic banking capital funds</b>	<b>177,713</b>	<b>83,821</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>	<b>1,816,879</b>	<b>640,357</b>

#### A30b Unaudited Income Statements for the 3rd Quarter and Nine Months Ended 30 September 2005

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	5,071	3,945	14,121	13,706
Allowance for losses on financing, advances and other loans	-	-	-	-
Transfer to/(from) profit equalisation reserve	582	(1,658)	462	(4,750)
Other expenses directly attributable to depositors and Islamic Banking Funds	(14)	(18)	(41)	(46)
<b>Total attributable income</b>	<b>5,639</b>	<b>2,269</b>	<b>14,542</b>	<b>8,910</b>
Income attributable to the depositors	(3,541)	(2,942)	(10,394)	(8,271)
<b>Income attributable to the reporting institutions</b>	<b>2,098</b>	<b>(673)</b>	<b>4,148</b>	<b>639</b>
Income derived from investment of Islamic Banking Funds	1,572	1,164	4,809	6,224
<b>Total net income</b>	<b>3,670</b>	<b>491</b>	<b>8,957</b>	<b>6,863</b>
General provision	(24)	-	(24)	206
Other operating expenses	(5,567)	(1,305)	(12,314)	(2,881)
<b>Profit before zakat and tax expense</b>	<b>(1,921)</b>	<b>(814)</b>	<b>(3,381)</b>	<b>4,188</b>
Tax expense	(362)	53	(1,064)	(1,347)
<b>Net profit for the financial period</b>	<b>(2,283)</b>	<b>(761)</b>	<b>(4,445)</b>	<b>2,841</b>

### A30c Deposits from customers

#### By type of deposits

	Group	
	30/9/2005	31/12/2004
	RM'000	RM'000
<b>Non-Mudharabah Fund</b>		
Demand deposits	218	-
Saving deposits	216	-
	<u>434</u>	<u>-</u>
<b>Mudharabah Fund</b>		
Demand deposits	4,629	-
Saving deposits	195	-
General investment deposits	1,165,382	-
Specific investment deposits	125,047	197,416
	<u>1,295,253</u>	<u>197,416</u>

### A31. CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

#### a) Change in Accounting Policies

During the nine month ended 30 September 2005, the Group have adopted the revised BNM/GP8 which have resulted in the following new accounting policies:

1) The holdings of the securities portfolio of the Group are segregated based on the following categories and valuation methods:

##### i) Securities held-for-trading

Securities are classified as held-for-trading if they are acquired principally for the purpose of benefiting from actual or expected short-term price movement or to lock in arbitrage profits. The securities held-for-trading will be stated at fair value and any gain or loss arising from a change in their fair values and the derecognition of securities held-for-trading are recognised in the income statements.

##### ii) Securities held-to-maturity

Securities held-to-maturity are financial assets with fixed or determinable payments and fixed maturity that the Group have the positive intent and ability to hold to maturity. The securities held-to-maturity are measured at accreted/amortised cost based on effective yield method. amortisation of premium, accretion of discount and impairment as well as gain or loss arising from derecognition of securities held-to-maturity are recognised in the income statements.

##### iii) Securities available-for-sale

Securities available-for-sale are financial assets that are not classified as held-for-trading or held-to-maturity. The securities available-for-sale are measured at fair value or at amortised cost (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising from a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statements.

2) Derivative financial instrument are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivative is recognised in the income statements unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

##### Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

##### Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged item affects the income statement.

3) Where a loan becomes non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing shall be reversed out of income and set-off against the accrued interest receivable account in the balance sheet. Thereafter, the interest accrued on the non-performing loans shall be recognised as income on a cash basis instead of being accrued and suspended at the same time as prescribed previously.

**b) Prior Year Adjustments**

	Group	
	2005 RM'000	2004 RM'000
Effects on retained profits :		
At 1 January, as previously reported	2,635,428	2,193,878
Effects of adopting the fair value accounting for securities held-for-trading	(49,691)	109,443
Effects of recognising previously recognised gain/ (loss) on securities available-for-sale equity	(24,582)	30,900
At 1 January, as restated	2,561,155	2,334,221

	Group	
	2005 RM'000	2004 RM'000
Effects on revaluation reserves :		
At 1 January, as previously reported	-	-
Effects of adopting the fair value accounting for securities available-for-sale	184,568	42,945
At 1 January, as restated	184,568	42,945

**c) Comparative Figures**

	Group	
	As restated RM'000	As previously reported RM'000
<b>Balance sheet as at 31 December 2004</b>		
Dealing securities	-	8,295,118
Investment securities	-	12,173,949
Securities held-for-trading	4,981,804	-
Securities available-for-sale	15,495,572	-
Securities held-to-maturity	319,431	-
Deferred tax assets	275,649	321,347
Other assets	2,281,689	2,275,005
Other liabilities	4,443,198	4,277,563
Loan stocks	778,502	762,232
Subordinated notes	1,516,058	1,519,488
Reserves	6,206,275	6,095,999

	Group	
	As restated RM'000	As previously reported RM'000
<b>Income statement for the 3rd quarter ended 30 September 2004</b>		
Interest income	3,912,982	3,902,976
Interest expense	(1,841,710)	(1,849,405)
Non interest income	834,115	1,143,953
Overhead expenses	(1,393,668)	(1,583,874)
Impairment loss from Securities held-for-trading	(1,679)	-
Share of profit of associated companies	1,634	1,487
Profit before tax and zakat	882,368	978,263
Tax and zakat	(233,367)	(264,984)
Profit after tax and zakat	649,001	713,279
Net profit for the period	492,613	556,891

## B1. GROUP PERFORMANCE REVIEW

For the nine months period ended 30 September 2005, the Group recorded a PBT of RM1,102.8 million; 25.0% higher compared to RM882.4 million made in the previous year. The higher year-on-year Group PBT was mainly due to increase in total income by RM500.5 million, despite increase in overhead expenses by RM187.7 million and increase in the level of allowance for losses on loans and financing by RM62.4 million.

The main contributor to the Commerce Group's PBT was the BCB Group which registered RM440.8 million, or a contribution of 40.0%. The CIMB Berhad Group registered RM366.3 million, or a contribution of 33.2%. The PT Bank Niaga Group registered RM242.9 million, or a contribution of 22.0%.

## B2. COMPARISON WITH THE PRECEDING QUARTER'S RESULT

For the third quarter ended 30 September 2005, the Commerce Group had recorded a PBT of RM374.8 million, higher by 82.0% compared to the PBT of RM205.9 million registered in the second quarter of 2005. The major contributors to the Commerce Group's PBT for the third quarter were the BCB Group at RM198.9 million (2Q05: RM0.3 million) and the CIMB Group at RM89.5 million (2Q05: RM105.9 million). PT Bank Niaga Group registered at RM66.3 million (2Q05: RM83.4 million).

Quarter-on-quarter, the Group PBT was higher as a net result of higher total income that increased by RM107.8 million and lower allowance for losses on loans and financing by RM156.1 million despite higher overhead expenses by RM129.5 million. Higher overhead expenses in the current quarter is mainly due to the inclusion of CIMB-GK operation.

## B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The operational integration between BCB and CIMB is proceeding as scheduled. The treasury desks of BCB and CIMB are already physically integrated. Business units such as corporate and investment banking, Islamic banking as well as support units are already operating as an integrated bank. Concerted efforts towards debt collection and recoveries will continue to feature in the final quarter of the year while loans growth will remain subdued.

A highlight for the third quarter has been the launch of CIMB-GK, CIMB's regional operations and its strong maiden contribution to the group results. It has been articulated that CIMB will have a stronger first half in 2005 than the second half. The nine months earnings of 2005 have already exceeded the 2004 full year net profit.

The third quarter was a tough period for the Indonesian economy with rising inflation, weakening currency and higher interest rates. Under the present circumstances, Bank Niaga has announced that it expects a slower fourth quarter.

## B4. TAXATION

	Group	
	Quarter 30/9/2005 RM'000	Cumulative 30/9/2005 RM'000
Major components of tax expense:		
Current tax expense	76,521	205,771
Deferred tax expense	7,415	29,957
	<hr/>	<hr/>
	83,936	235,728
	<hr/>	<hr/>
<b>Reconciliation</b>		
Profit before taxation	385,419	1,113,370
Tax at statutory income tax rate of 28%	107,917	311,744
Due to income not subject to income tax and expenses not deductible for tax purposes	(23,981)	(76,016)
	<hr/>	<hr/>
	83,936	235,728
	<hr/>	<hr/>

**B5. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

There were no material gain or loss on disposal of investments or properties other than in the ordinary course of business.

**B6. PARTICULARS OF PURCHASE AND SALE OF QUOTED SECURITIES**

	30/9/2005 RM'000
Total investment at cost	334,538
Total investment at carrying value/book value (after provisioning for diminution in value)	334,538
Total investment at market value	338,482

The above disclosure is in respect of CAHB at the company level.

**B7. STATUS OF CORPORATE PROPOSALS**

There have been no corporate proposals other than that which have already been announced to Bursa Malaysia Securities Berhad.

**B8. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES**

	Group	
	30/9/2005 RM'000	31/12/2004 RM'000
<b>Deposits from customers</b>		
- Demand deposits	17,242,191	17,239,634
- Saving deposits	6,343,216	6,966,598
- Fixed/Investment deposits	49,405,021	47,564,463
- Negotiable instruments of deposits	2,007,436	985,302
- Others	768,094	1,349,178
	<u>75,765,958</u>	<u>74,105,175</u>
Fixed deposits and negotiable instruments of deposits		
One year or less (short term)	50,875,441	46,419,480
More than one year (medium/long term)	537,016	2,130,285
	<u>51,412,457</u>	<u>48,549,765</u>
<b>Deposits and placements of banks and other financial institutions</b>		
One year or less (short term)	10,260,047	7,517,869
	<u>10,260,047</u>	<u>7,517,869</u>
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	922,947	912,118
	<u>922,947</u>	<u>912,118</u>
* Including in bonds and notes for the current period is USD denominated bonds equivalent to USD122,812,500.		
<b>Irredeemable Convertible Unsecured Loans Stocks</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	56,234	45,216
	<u>56,234</u>	<u>45,216</u>
<b>Other borrowings**</b>		
<b>Unsecured</b>		
One year or less (short term)	-	972,800
More than one year (medium/long term)	1,079,578	731,857
	<u>1,079,578</u>	<u>1,704,657</u>

\*\* Including in other borrowings for the current period is USD denominated syndicated term loans equivalent to USD 140,000,000.

**Loans Stocks****Unsecured**

More than one year (medium/long term)

663,727	778,502
<u>663,727</u>	<u>778,502</u>

**Subordinated Notes\*\*\*****Unsecured**

More than one year (medium/long term)

1,889,497	1,516,058
<u>1,889,497</u>	<u>1,516,058</u>

\*\*\* US Denominated Subordinated Notes of USD 400,000,000.

**B9. MATERIAL LITIGATION**

At the date of this report, there was no pending material litigation of which would have materially affected the Group's financial position.

**B10. COMPUTATION OF EARNINGS PER SHARE (EPS)**

The Group basic EPS is calculated by dividing the net profit for the financial period after minority interests by the weighted average number of ordinary shares in issue during the financial period, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

**a) Basic EPS**

	Group	
	30/9/2005	30/9/2004
Net profit for the financial period after minority interests (RM '000)	714,133	492,613
Weighted average number of ordinary shares in issue ( '000)	2,713,755	2,659,451
Basic earnings per share (expressed in sen per share)	26.3	18.5

**b) Diluted EPS**

Net profit for the financial period after minority interests (RM '000)	714,133	492,613
Elimination of interest expense on 1.75% Redeemable Euro-Convertible Bonds (net of tax effect)	-	25
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	5,291	-
Net profit used to determine diluted EPS	<u>719,424</u>	<u>492,638</u>
Weighted average number of ordinary shares in issue ( '000)	2,713,755	2,659,451
Adjustments for:		
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	80,372	-
- Bonus element on conversion of Redeemable Euro-Convertible Bonds	-	-
- ESOS	28,314	32,384
Weighted average number of ordinary shares for diluted EPS	<u>2,822,441</u>	<u>2,691,835</u>
Diluted EPS	25.5	18.3

**B11. VARIANCE ON PROFIT FORECAST AND SHORTFALL IN PROFIT GUARANTEE**

This note on variance on profit forecast is not applicable for this quarter.