

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

Attachment I

**CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2006**

ASSETS	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Cash and short term funds	15,293,530	12,078,145
Securities purchased under resale agreements	5,024,474	4,473,563
Deposits and placements with banks and other financial institutions	2,471,044	1,354,952
Securities held for trading	9,626,746	9,556,127
Available-for-sale securities	9,201,648	7,759,349
Held-to-maturity securities	1,898,724	2,420,509
Derivative financial instruments	426,332	385,740
Loans and advances	70,649,303	69,095,880
Other assets	3,393,244	2,411,745
Deferred tax assets	360,549	359,478
Tax recoverable	244,874	281,355
Statutory deposits with Bank Negara Malaysia	1,868,887	1,659,940
Investment in associates	97,552	95,583
Jointly controlled entities	131,909	118,722
Property and equipment	1,001,417	940,258
Intangible assets	491,143	534,618
<b>Total Assets</b>	<b>122,181,376</b>	<b>113,525,964</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>		
Deposits from customers	77,543,444	74,323,587
Deposits and placements of banks and other financial institutions	10,734,002	7,416,648
Derivative financial instruments	495,864	514,185
Obligations on securities sold under repurchase agreements	4,924,742	5,316,721
Bills and acceptances payable	4,221,342	3,295,456
Floating rate certificates of deposits	220,980	226,770
Other liabilities	5,229,881	4,388,118
Taxation	149,546	104,610
Amount due to Cagamas Berhad	2,222,078	2,375,329
Loan stocks	781,270	782,763
Bonds	1,275,863	928,708
Other borrowings	907,584	829,893
Subordinated Notes	1,825,042	1,872,016
<b>Total Liabilities</b>	<b>110,531,638</b>	<b>102,374,804</b>
Irredeemable Convertible Unsecured Loan Stocks	75,263	44,682
<b>Total Hybrid Capital</b>	<b>75,263</b>	<b>44,682</b>
Share Capital	3,146,916	2,756,398
Reserves	7,849,504	6,881,055
Less: Shares held under Trust	(291,160)	-
<b>Total Shareholders' Equity</b>	<b>10,705,260</b>	<b>9,637,453</b>
Minority interest	669,215	1,269,025
Perpetual preference shares	200,000	200,000
<b>Total Equity</b>	<b>11,574,475</b>	<b>11,106,478</b>
<b>Total Liabilities and Equity</b>	<b>122,181,376</b>	<b>113,525,964</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
	<b>170,612,691</b>	<b>149,479,744</b>
<b>CAPITAL ADEQUACY#</b>		
Core Capital Ratio	<b>10.44%</b>	<b>11.20%</b>
Risk-weighted Capital Ratio	<b>14.45%</b>	<b>15.23%</b>

**The Condensed Unaudited Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005**

# 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 FIRST QUARTER ENDED 31 MARCH 2006**

	<b>GROUP</b>			
	<b>QUARTER ENDED</b>		<b>CUMULATIVE ENDED</b>	
	<b>31/3/2006</b>	<b>31/3/2005</b>	<b>31/3/2006</b>	<b>31/3/2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	1,709,882	1,402,301	1,709,882	1,402,301
Interest expense	(930,645)	(697,371)	(930,645)	(697,371)
Net interest income	779,237	704,930	779,237	704,930
Income from Islamic Banking operations	3,678	2,704	3,678	2,704
Non-interest income	462,915	444,138	462,915	444,138
Staff cost and overheads	1,245,830	1,151,772	1,245,830	1,151,772
	(634,463)	(505,870)	(634,463)	(505,870)
Profit before allowance	611,367	645,902	611,367	645,902
Allowance for losses on loans and financing	(164,815)	(114,471)	(164,815)	(114,471)
Provision for other receivables	(3,577)	(10,910)	(3,577)	(10,910)
Provision for commitments and contingencies	(177)	0	(177)	0
Allowance for impairment of securities	7,199	(48)	7,199	(48)
Share of results of jointly controlled entities	449,997	520,473	449,997	520,473
Share of results of associates	1,887	(330)	1,887	(330)
Profit before taxation	453,190	522,040	453,190	522,040
Taxation and zakat	(101,823)	(135,831)	(101,823)	(135,831)
Profit for the period	351,367	386,209	351,367	386,209
Attributable to :				
Equity holders of the Company	325,138	318,329	325,138	318,329
Minority interest	26,229	67,880	26,229	67,880
Profit for the period	351,367	386,209	351,367	386,209
Earnings per share (sen)- Basic	10.3	11.8	10.3	11.8
Diluted earnings per share	-	-	10.2	11.5

**The Condensed Unaudited Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2005**

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

**CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

	<b>Group</b>	
	<b>31/3/2006</b>	31/3/2005
	<b>RM'000</b>	RM'000
Profit before taxation	<b>453,190</b>	522,041
Adjustments for non-operating and non-cash items	<b>20,106</b>	271,343
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Operating profit before changes in working capital	<b>473,296</b>	793,384
Net changes in operating assets	<b>(5,366,780)</b>	(4,238,994)
Net changes in operating liabilities	<b>8,120,299</b>	1,979,889
Cash flows (used in)/generated from operations	<b>3,226,815</b>	(1,465,721)
Taxation paid	<b>(20,017)</b>	(380,289)
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Net cash flow (used in)/generated from operating activities	<b>3,206,798</b>	(1,846,010)
Net cash flow generated from/(used in) investing activities	<b>(1,703,510)</b>	297,745
Net cash flow (used in)/generated from financing activities	<b>1,713,961</b>	(42,499)
Effects of exchange rate changes on cash	<b>(1,864)</b>	-
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents during the financial period	<b>3,215,385</b>	(1,590,764)
Cash and cash equivalents at beginning of the financial year	<b>12,078,145</b>	16,634,934
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<b>Cash and cash equivalents at end of the financial year</b>	<b>15,293,530</b>	15,044,170
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**The Condensed Unaudited Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2005**

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

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2006**

The Group  
31 March 2006

	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Shares held under Trust RM'000	Retained profit RM'000	Total shareholders' equity RM'000	Minority Interest RM'000	Perpetual preference shares RM'000	Total RM'000
At 1 January 2006	2,756,398	2,038,353	1,980,228	-	2,862,474	9,637,453	1,269,025	200,000	11,106,478
- as previously stated	-	-	(119,747)	-	119,747	-	-	-	-
- change in accounting policy	-	-	1,860,481	-	2,982,221	9,637,453	1,269,025	200,000	11,106,478
As restated	2,756,398	2,038,353	1,860,481	-	2,982,221	9,637,453	1,269,025	200,000	11,106,478
Net gain/(loss) not recognised in the income statement	-	-	42,784	-	-	42,784	-	-	42,784
- currency translation difference	-	-	13,004	-	-	13,004	-	-	13,004
- revaluation reserve (available-for-sale securities)	-	-	4,339	-	-	4,339	-	-	4,339
- hedging reserve	-	-	-	-	325,138	325,138	26,229	-	351,367
Net profit for the period	-	-	77,749	-	(77,749)	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-
Issue of share capital arising from:	10,775	26,405	-	-	-	37,180	-	-	37,180
-Exercise of ESOS	319,085	1,212,523	-	-	-	1,531,608	-	-	1,531,608
-Restructuring exercise of CIMBB/BCBExercise of ESOS	60,658	230,500	-	-	-	291,158	-	-	291,158
-Modified CIMBB ESOS/Modified CIMB CEO Option	-	-	(337,484)	-	(548,759)	(886,243)	(626,039)	-	(1,512,282)
Arising from capital repayment made by a subsidiary	-	-	-	(291,160)	-	(291,160)	-	-	(291,160)
Net changes in shares held under Trust	-	-	-	(291,160)	-	(291,160)	-	-	(291,160)
At 31 March 2006	3,146,916	3,507,781	1,660,873	(291,160)	2,680,851	10,705,261	669,215	200,000	11,574,476

The Group  
31 March 2005

	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained profit RM'000	Total shareholders' equity RM'000	Minority Interest RM'000	Perpetual preference shares RM'000	Total RM'000
At 1 January 2005	2,691,740	1,881,079	1,777,545	2,609,112	8,959,476	840,840	200,000	10,000,316
Net gain/(loss) not recognised in the income statement								
- currency translation difference	-	-	7,208	-	7,208	-	-	7,208
- revaluation reserve (available-for-sale securities)	-	-	(172,015)	-	(172,015)	-	-	(172,015)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-
- negative goodwill	-	-	119,826	-	119,826	-	-	119,826
Net profit for the period	-	-	-	318,329	318,329	67,880	-	386,209
Transfer to statutory reserve	-	-	74,531	(74,531)	-	-	-	-
Issue of share capital arising from:								
-Exercise of ESOS	16,643	40,397	-	-	57,040	-	-	57,040
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Arising from accretion of equity interests in subsidiary	-	-	3,521	-	3,521	12,611	-	16,132
At 31 March 2005	2,708,383	1,921,476	1,810,616	2,852,910	9,293,385	921,331	200,000	10,414,716

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 2005.

## EXPLANATORY NOTES

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

The unaudited condensed interim financial statements for the 1st quarter ended 31 March 2006 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: securities held for trading, available-for-sale securities, derivative financial instruments and investment properties.

The condensed interim financial statements for the first quarter and the financial period ended 31 March 2006 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 2005.

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.

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 year ended 31 December 2005 except for the adoption of the following new and revised Financial Reporting Standards ("FRS") issued by MASB that are effective for the Group's first FRS annual reporting date, 31 December 2006:

FRS 2 Share-based Payment  
FRS 3 Business Combinations  
FRS 5 Non-current Assets Held for Sale and Discontinued Operations  
FRS101 Presentation of Financial Statements  
FRS 108 Accounting Policies, Changes in Accounting Estimate and Errors  
FRS 110 Events after the Balance Sheet Date  
FRS 116 Property, Plant and Equipment  
FRS 121 The Effects of Changes in Foreign Exchange Rates  
FRS 127 Consolidated and Separate Financial Statements  
FRS 128 Investments in Associates  
FRS 132 Financial Instruments : Disclosure and Presentation  
FRS 133 Earnings Per Share  
FRS 136 Impairment of Assets  
FRS 138 Intangible Assets  
FRS 140 Investment Property

The adoption of FRS 2, 5, 108, 110, 116, 121, 127, 128, 132, 133 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new and revised FRSs are disclosed in Note A31.

The allowance for bad and doubtful debts and financing of the Group are computed based on the requirement of BNM/GP3 which is consistent with the adoption made in the previous audited financial statements.

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

The annual financial statements audit report for the financial year ended 31 December 2005 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 31 March 2006:-

- a) Issuance of 10,774,500 shares arising from exercise of Employee Share Option Scheme (ESOS) from 3 January 2006 to 31 March 2006.
- b) During the financial quarter ended 31 March 2006, the issued and paid up capital of Bank Niaga has increased from 11,882,341,330 to 11,925,232,830 ordinary shares pursuant to the exercise of options granted under Bank Niaga's Employee Share Option Scheme.
- c) On 17 March 2006, the Company has issued 319,084,979 ordinary shares pursuant to the Restructuring exercise of CIMBB/BCB. The said ordinary shares were issued to the minority shareholders of CIMBB who have opted to renounce their cash entitlements for BCHB shares under the proposed CIMBB scheme.
- d) On 17 March 2006, the Company has issued 60,658,398 ordinary shares pursuant to the shares held under Trust for the Modified CIMBB ESOS and Modified CIMB CEO Option as part of the Restructuring exercise of CIMBB/BCB. The said ordinary shares were issued at RM4.80 and were held by a trustee. The accounting treatment of these shares held under Trust for CIMBB ESOS / Modified CIMB CEO Option is similar to the accounting treatment of treasury shares.

### A7. DIVIDEND PAID

No dividend was paid during the interim financial period ended 31 March 2006.

### 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 3 April 2006, the Company had announced that Bursa Securities had vide its letter dated 3 April 2006 advised that the entire issued and paid-up share capital of CIMBB will be removed from the Official List of Bursa Securities with effect from 9.00 a.m. on Thursday, 6 April 2006 pursuant to Paragraph 8.15(6) of the Listing Requirements of Bursa Securities.

b) On 4 April 2006, the Company had announced on the nomination of Bumiputra-Commerce Bank Berhad ("BCB"), a subsidiary of BCHB, as the party to which the entire business and undertaking of SBB shall be simultaneously transfer pursuant to the Proposed SBB Acquisition.

The total consideration payable by BCB to BCHB for the Proposed SBB Transfer shall be equivalent to offer consideration payable by BCHB to SBB. BCB would eventually satisfy the SBB Transfer Consideration via its available internally-generated funds, external borrowings and the issuance of new equity.

The Proposed SBB Transfer would not have any effects on the issued and paid-up share capital and shareholding of substantial shareholders of BCHB and not expected to have any material effects on the consolidated earnings of BCHB for the financial year ending 31 December 2006 as well as the net assets and net tangible assets of BCHB.

c) On 4 April 2006, the Company had announced that it has received undertakings from SBB shareholders amounting to 611,232,828 SBB Shares to vote in favour of the relevant resolutions relating to the Proposed SBB Acquisition at an Extraordinary General Meeting of SBB to be convened.

Based on the issued and paid-up share capital of SBB as at 31 March 2006 of 1,469,487,053 SBB Shares (excluding 55,878,100 SBB Shares held as treasury shares), the undertakings received by BCHB from SBB shareholders represent approximately 41.6% of the share capital of SBB. This represents approximately 91% of the undertakings requested by BCHB from the shareholders of SBB. The undertakings received from Killinghall (Malaysia) Berhad and Ramuda Sdn Bhd representing 16.8% and 1.96% of SBB's share capital (excluding treasury shares) are subject to the approvals of their respective shareholders at an Extraordinary General Meeting.

#### 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 31 March 2006 was prepared taking into consideration of the followings:-

a) On 8 February 2006, the Company had announced that it has noted that Southern Bank Berhad ("SBB") has discontinued negotiations with the Company for a possible merger.

The Company intends to continue discussions with shareholders of SBB who remain interested in a merger between BCHB and SBB.

b) On 13 February 2006, the Company had announced that it has made an offer to SBB for the acquisition of its entire business and undertaking for cash and served a conditional notice of Voluntary General Offer (VGO) to acquire all of the outstanding shares and warrants of SBB for cash and new BCHB Redeemable Convertible Unsecured Loan Stocks (RCULS).

The VGO is conditional upon the sale of the entire business and undertaking of SBB to BCHB. For the acquisition of SBB's entire business and undertaking, BCHB is offering a purchase consideration of RM4.08 per share. With the RCULS valued at current market levels of 7 sen per SBB share, the effective price offered is approximately RM4.15 per share. This would entail maximum total cash outlay for both the business acquisition and VGO of RM6.348 billion.

The proposed merger would combine the leading position of CIMB group in treasury, investment banking and corporate banking as well as large consumer franchise with SBB's strengths in key segments of retail and SME banking to create a leading financial services group. The complementary businesses of CIMB Group and SBB would result in significant synergies which are expected from the revenue enhancement from greater cross-selling opportunities and cost savings from rationalization of operations.

c) On 2 March 2006, the Company had announced that CIMB Group Sdn Bhd had on 28 February 2006 incorporated a wholly-owned subsidiary, CIMB Strategic Assets Sdn Bhd ("CIMBSA"). CIMBSA has an authorised share capital of RM1 million comprising 1,000,000 ordinary shares of RM1.00 each and an issued and paid-up share capital of RM 2 comprising 2 ordinary shares of RM1.00 each. The principal activity of CIMBSA is investment holding.

d) On 10 March 2006, the Company had announced on the acquisition of additional 10,000,000 Class B Shares for a total purchase consideration of Rp4,007.295 billion (or approximately RM1.61 million based on an illustrative exchange rate of Rp100 to RM0.0402)

Pursuant to the Acquisition, the Group currently holds approximately 65.21% equity interest in Bank Niaga, of which 1.03% is held by PT Commerce Kapital and PT CIMB-GK Securities Indonesia, subsidiaries of BCHB.

e) On 15 March 2006, the Company had announced that it has made a revised offer of RM4.30 per SBB's share from RM4.15 per SBB's share as announced earlier on 13 February 2006. All terms and conditions are set as per the second supplemental notice to the SBB Board. The offer price for each offer share shall be revised to RM4.30 per SBB's share to be satisfied via :

a) a cash consideration of RM4.30; or

b) a combination of cash and RCULS in the proportion of approximately 75% : 25% in value terms.

f) On 16 March 2006, the Company had announced on the joint venture between CIMB Group and Standard Bank to jointly sponsor, manage and administer the South East Asian Strategic Assets Fund l.p. ("SEASAF").

g) On 17 March 2006, the Company had announced that Securities Commission has via its letter dated 17 March 2006 granted a further extension of 3 market days from the last date on which BCHB receives approval from Minister of Finance through Bank Negara Malaysia for the Proposals and the SC's clearance on the contents of the offer document outlining the Proposed Offer, for the despatch of the said document to SBB's Board of Directors and holders of SBB Shares and SBB Warrants.

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

h) On 20 March 2006, with reference to the earlier announcements on various dates, the Company had announced on the election offer notices to the CIMBB MI Shareholders, whose names appear in the Record of Depositors made up to 3 February 2006 to elect for either of the following :

- a) a cash sum of RM5.50 for every one existing CIMBB Share held as at the Entitlement Date prior to the bonus issue; or
- b) alternatively, approximately 1.146 BCHB Shares at an issue price of RM4.80 each for every one existing CIMBB Share held as at the Entitlement Date prior to the bonus issue.

As at close of the election period on 22 February, CIMBB MI Shareholders holding 331,412,402 CIMBB Shares (out of 339,628,522 CIMBB Shares) have elected to receive Settlement Option 2.

Accordingly, 379,743,377 new BCHB Share have been issued and allotted by BCHB under the Settlement Option 2 and RM45,188,660 has been paid by CIMBB under the Settlement Option on 17 March 2006.

BCHB has applied to Bursa Malaysia Securities Berhad for the listing and quotation of the 379,743,377 BCHB Shares issued pursuant to the CIMBB Scheme.

- i) On 23 March 2006, following to the announcement on the CIMBB Restructuring and the CIMBB Scheme, the Company had announced that the listing and quotation of the 379,743,377 BCHB Shares issued had been successfully completed. Pursuant to the completion of the above, CIMBB is now a dormant company with a share capital of RM2 only comprising two CIMBB Shares held by BCHB. CIMBB no longer meets the level of operation and public shareholding spread requirements of Bursa Malaysia Securities Berhad.
- j) On 29 March 2006, following to the announcement on the Joint Venture between CIMB Group and Standard Bank, the Company had announced that CIMBG, through its wholly owned subsidiary CIMB Strategic Assets Sdn Bhd ("CIMBSA") and Standard International Holdings S.A ("SIH") have established another joint venture entity, CIMB Standard Strategic Asset Advisors Sdn Bhd (the "KL Adviser") in which CIMBSA and SIH have 60% and 40% equity interest respectively. The KL Adviser will inturn establish a wholly owned subsidiary, CIMB Standard Strategic Asset Advisors Pte Ltd in Singapore.

#### A11. SECURITIES HELD FOR TRADING

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
<b>At fair value</b>		
<b>Quoted</b>		
Malaysian Government securities	309,915	519,617
Cagamas bonds	51,302	74,177
Khazanah bonds	8,737	4,350
<b>Unquoted</b>		
Malaysian Government treasury bills	5,775	29,596
Malaysian Government investment certificates	-	4,998
Bank Negara Malaysia bills	1,005	218,451
Negotiable instruments of deposit	1,268,345	1,082,933
Banker's acceptances	604,233	23,071
Private debt securities	184,829	171,655
Credit-linked notes	368,300	375,208
Other Government's securities	54,976	19,102
Commercial papers	32,410	-
	2,889,827	2,523,158
<b>Quoted securities</b>		
<u>In Malaysia</u>		
Warrants	4,575	2,376
Shares	310,202	275,543
Loan stocks	-	125
Unit trusts	243,616	287,426
<u>Outside Malaysia</u>		
Shares	164,117	101,572
Private debt securities	4,164	603,006
	3,616,501	3,793,206
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Private and Islamic debt securities	3,951,174	4,322,609
Shares	5,000	5,000
Bonds	456,901	704,935
<u>Outside Malaysia</u>		
Private debt securities	838,384	25,573
Bonds	758,786	704,804
	9,626,746	9,556,127



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

	Group	
	31/3/2006	31/12/2005
	RM'000	RM'000
<b>At fair value</b>		
<b>Quoted</b>		
Malaysian Government securities	709,115	713,068
Cagamas bonds	573,861	580,296
Khazanah bonds	166,715	164,674
<b>Unquoted</b>		
Malaysian Government treasury bills	2,984	9,943
Other Government treasury bills	-	10,784
Malaysian Government bonds	-	2,329
Bank Negara Malaysia bills	-	92,477
Negotiable instruments of deposit	675,945	-
Banker's acceptance, Islamic accepted bills and Islamic debt securities	68,925	-
Private debt securities	3,382,483	3,378,962
Floating rate notes	-	20,440
Commercial papers	81,681	-
	5,661,709	4,972,973
<b>Quoted securities</b>		
<u>In Malaysia</u>		
Shares	386,116	204,184
Warrants	297	690
Unit trusts	13,771	13,260
Loan stock	8	-
Private debt securities	4,721	-
<u>Outside Malaysia</u>		
Shares	20,288	-
Bonds	1,647,232	1,542,359
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Private and Islamic debt securities	789,933	955,805
Shares	416,994	417,880
Bonds	-	6,291
Loan stocks	70,379	36,204
Property trusts	16,084	16,051
Unit trusts	499,928	-
<u>Outside Malaysia</u>		
Management funds	82,965	-
Shares	31,411	18,460
Mutual funds	-	11,294
Private equity funds	-	41,512
	3,980,127	3,263,990
	9,641,836	8,236,963
<b>Allowance for impairment loss:</b>		
Private debt securities	(414,614)	(443,790)
Quoted shares	(16,143)	(6,402)
Unquoted shares	(9,431)	(27,422)
	9,201,648	7,759,349

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

	Group	
	31/03/06 RM'000	31/12/2005 RM'000
<b>Quoted securities outside Malaysia</b>		
Bonds	30,183	29,146
Others	21,116	-
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Danaharta Urus Sdn Bhd ("DUSB") bonds	1,255,456	1,718,596
Private debt securities	391,826	391,827
Other Government's securities	21,046	21,748
Government's treasury bills	118,389	122,335
Detachable coupons	7,089	-
<u>Outside Malaysia</u>		
Bonds	-	19,993
	<b>1,845,105</b>	<b>2,303,645</b>
Accretion of discount net of amortisation of premium	53,619	116,864
	<b>1,898,724</b>	<b>2,420,509</b>

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

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Overdrafts	3,867,226	3,935,242
Term loans		
- Housing loans/financing	12,427,732	12,445,596
- Syndicated term loans	4,762,792	4,659,768
- Hire purchase receivables	10,490,718	10,542,325
- Lease receivables	272,835	272,505
- Factoring receivables	-	190,007
- Other term loans/financing	25,102,385	21,920,406
Bills receivable	141,939	373,568
Trust receipts	805,983	1,048,353
Claims on customer under acceptance credits	5,632,561	6,553,531
Subordinated debt	-	127,277
Staff loans *	341,990	604,870
Credit card receivables	590,465	531,364
Revolving credits	11,132,244	10,839,659
Share margin financing	390,838	339,332
Other loans	285,026	291,305
	<b>76,244,734</b>	<b>74,675,108</b>
Less : Unearned interest	<b>(1,959,288)</b>	<b>(2,099,564)</b>
Gross loans, advances and financing	<b>74,285,446</b>	<b>72,575,544</b>
Allowance for bad and doubtful debts		
- Specific allowance (SA)	<b>(2,465,189)</b>	<b>(2,305,753)</b>
- General allowance (GA)	<b>(1,170,954)</b>	<b>(1,173,911)</b>
Total net loans, advances and financing	<b>70,649,303</b>	<b>69,095,880</b>

\* Included in staff loans of the Group are loans to directors amounting to RM 778,163 (2005: RM 435,952)

**A14. LOANS, ADVANCES AND FINANCING**
**(ii) By type of customers**

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Domestic banking institutions	280,554	294,997
Domestic non-bank financial institutions		
- Stockbroking companies	9,676	41,057
- Others	2,209,542	3,400,377
Domestic business enterprises		
- Small medium enterprises	13,143,344	13,201,946
- Others	21,188,335	20,308,750
Government and statutory bodies	51,588	49,516
Individuals	29,477,016	28,047,147
Other domestic entities	2,709,505	2,138,733
Foreign entities	5,215,886	5,093,021
	<b>74,285,446</b>	<b>72,575,544</b>

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

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Fixed rate		
- Housing loans	2,117,698	2,001,692
- Hire-purchase receivables	8,642,254	8,738,993
- Other fixed rate loans	15,445,574	14,272,961
Variable rate		
- BLR plus	35,633,948	34,294,484
- Cost-plus	4,050,947	10,229,534
- Other variable rates	8,395,025	3,037,880
	<b>74,285,446</b>	<b>72,575,544</b>

**(iv) By economic purposes**

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Agriculture	2,407,861	2,358,609
Mining and quarrying	171,492	173,653
Manufacturing	11,622,074	11,495,572
Electricity, gas and water	1,731,041	1,444,836
Construction	4,909,551	5,025,893
Real estate	885,886	938,401
Purchase of landed property :		
- Residential	13,321,344	12,900,905
- Non-residential	2,552,289	2,497,003
Wholesale & retail trade and restaurants & hotels	6,613,754	6,683,626
Transport, storage and communication	4,033,177	3,968,574
Finance, insurance and business services	6,876,475	6,985,621
Purchase of securities	3,994,546	4,254,434
Purchase of transport vehicles	9,606,748	9,035,388
Consumption credit	1,969,907	1,968,511
Others	3,589,301	2,844,518
	<b>74,285,446</b>	<b>72,575,544</b>

**A14. LOANS, ADVANCES AND FINANCING**

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

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Agriculture	173,161	146,952
Mining and quarrying	8,889	12,846
Manufacturing	892,910	902,709
Electricity, gas and water	360,187	363,508
Construction	593,406	519,355
Real estate	117,336	117,816
Purchase of landed property :		
- Residential	1,950,059	1,977,711
- Non-residential	343,146	344,139
Wholesale & retail trade and restaurants & hotels	464,428	429,158
Transport, storage and communication	65,361	105,298
Finance, insurance and business services	236,287	188,552
Purchase of securities	358,163	292,808
Purchase of transport vehicles	774,193	546,282
Consumption credit	230,135	220,482
Others	143,331	138,782
	<b>6,710,992</b>	<b>6,306,398</b>

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

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Balance as at 1 January	6,306,398	6,278,029
NPL during the year	1,073,386	4,249,222
Performing during the year	(490,610)	(2,409,192)
Amount sold to DUSB	(239)	-
Recoveries	(228,832)	(1,143,362)
Amount written off	(16,716)	(650,196)
Exchange fluctuation	54,464	(18,103)
Others	13,141	-
Balance as at 31 March / 31 December	<b>6,710,992</b>	<b>6,306,398</b>
Specific allowance	<b>(2,465,189)</b>	<b>(2,305,753)</b>
Net non-performing loans, advances and financing	<b>4,245,803</b>	<b>4,000,645</b>

**Classification of non-performing loans**

Sub-standard	1,615,341	1,589,795
Doubtful	658,199	588,930
Bad debts	4,437,452	4,127,673
Balance as at 31 March / 31 December	<b>6,710,992</b>	<b>6,306,398</b>
Total loans, advances and financing (less specific allowance)	<b>71,820,257</b>	<b>70,269,791</b>
Net non-performing loans	4,245,803	4,000,645
(as % of total loans)	5.91%	5.69%

#### A14. LOANS, ADVANCES AND FINANCING

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

Movements in the allowance for bad and doubtful debts and financing are as follows :

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
<b>General allowance</b>		
Balance as at 1 January	1,173,911	1,065,735
Net allowance made during the year	8,109	131,872
Amount transferred to specific allowance	-	(10,627)
Allowance for loans in relation to loans in jointly controlled entities	-	17,677
Exchange fluctuation	(9,937)	(30,746)
Others	(1,129)	-
Balance as at 31 March / 31 December	<u>1,170,954</u>	<u>1,173,911</u>
(as % of gross loans, advances and financing less SA)	1.6%	1.7%
<b>Specific allowance</b>		
Balance as at 1 January	2,305,753	1,919,403
Net allowance made during the year	272,036	1,507,535
Amount transferred from general allowance	-	10,627
Amount recovered	(91,180)	(525,326)
Amount written off	(40,918)	(651,770)
Allowance for loans in relation to loans in jointly controlled entities	-	7,294
Exchange fluctuation	(7,711)	37,990
Others	27,209	-
Balance as at 31 March / 31 December	<u>2,465,189</u>	<u>2,305,753</u>

#### A15. OTHER ASSETS

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Interest receivable	466,980	414,866
Due from brokers and clients net of allowance for doubtful debts	1,383,722	622,464
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,411,261	1,215,720
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	82,959	111,242
Foreclosed properties net of allowance for impairment in value	48,320	47,453
	<u>3,393,242</u>	<u>2,411,745</u>

#### A16. DEPOSITS FROM CUSTOMERS

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
<u>By type of deposits</u>		
Demand deposits	17,178,800	17,491,203
Savings deposits	7,190,621	6,932,108
Fixed deposits	49,397,270	46,912,868
Negotiable instruments of deposit	3,238,479	2,360,893
Others	538,274	626,515
	<u>77,543,444</u>	<u>74,323,587</u>
<u>By type of customers</u>		
Government and statutory bodies	7,715,997	6,079,260
Business enterprises	39,159,447	37,759,417
Individuals	19,603,305	19,221,935
Others	11,064,695	11,262,975
	<u>77,543,444</u>	<u>74,323,587</u>

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

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Licensed banks	8,511,254	6,277,272
Licensed finance companies	196,963	75
Licensed merchant banks	309,395	302,420
Bank Negara Malaysia	31,073	74,139
Other financial institutions	1,685,317	762,742
	<b>10,734,002</b>	<b>7,416,648</b>

**A18. OTHER LIABILITIES**

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Interest payable	510,199	492,359
Deferred taxation	18,958	13,690
Due to brokers and clients	1,207,655	563,351
Short-term borrowings	105,898	81,042
Insurance fund - life insurance business	991,793	971,631
Insurance fund - general insurance business	367,145	335,265
Provision for commitments and contingencies	4,571	3,776
Post employment benefit obligations	76,049	92,023
Zakat	5	5
Others	1,947,608	1,834,976
	<b>5,229,881</b>	<b>4,388,118</b>

**A19. SHORT-TERM BORROWINGS**

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
Revolving credit facilities	100,893	81,042
Others	5,005	-
	<b>105,898</b>	<b>81,042</b>

**A20. INTEREST INCOME**

	Group	
	31/3/2006 RM'000	31/3/2005 RM'000
Loans and advances		
- Interest income other than recoveries	1,216,277	993,131
- Recoveries from NPLs	57,658	37,822
Money at call and deposit with financial institutions	153,450	122,642
Securities held for trading	92,365	74,898
Available-for-sale securities	107,978	40,381
Held-to-maturity securities	37,226	104,036
Others	48,519	40,049
	<b>1,713,473</b>	<b>1,412,959</b>
Accretion of discounts less amortisation of premium	24,768	10,098
Net interest suspended	<b>(28,359)</b>	<b>(20,756)</b>
	<b>1,709,882</b>	<b>1,402,301</b>

**A21. INTEREST EXPENSE**

	Group	
	31/3/2006 RM'000	31/3/2005 RM'000
Deposits and placements of banks and other financial institutions	218,590	121,933
Deposit from other customers	607,518	463,343
Obligation on securities sold under repurchase agreements	17,210	5,559
Bonds	27,946	20,535
Loan stocks/ICULS	15,253	5,760
Subordinated Notes	14,327	14,606
Other borrowings	29,788	41,762
Loans sold to Cagamas	13	23,873
	930,645	697,371

**A22. NON-INTEREST INCOME**

	Group	
	31/3/2006 RM'000	31/3/2005 RM'000
<b>Fee income :</b>		
Commissions	45,039	41,133
Fee on loans and advances	32,137	34,762
Portfolio management fees	848	7,524
Service charges and fees	45,266	36,781
Corporate advisory fees	8,306	22,036
Guarantee fees	12,287	12,765
Other fee income	63,688	41,833
	207,571	196,834
<b>Investment income :</b>		
Accretion of investment gain	72	(8)
Gain from sale of available-for-sale securities	16,617	86,347
(Loss)/Gain from sale of securities held for trading and derivatives	(12,969)	70,738
Unrealised gain/(loss) on revaluation of :		
- Securities held for trading	54,182	(28,423)
- Derivative financial instruments	122,533	-
Gross dividends from :		
<u>Malaysia</u>		
- Securities held for trading	6,204	6,187
- Available-for-sale securities	1,420	3,019
Gain from dealing in foreign currency	209	-
Gain on disposal of subsidiary	939	2,860
	189,207	140,720
<b>Other income :</b>		
Foreign exchange gain		
- Realised	(13,067)	16,156
- Unrealised	15,143	1,887
Rental income	789	1,043
Gain on disposal of fixed assets	66	719
Net gain from insurance business	2,140	-
Underwriting surplus before management expenses	20,669	22,875
Net brokerage fee	44,125	29,242
Other non-operating income	(3,728)	34,662
	66,137	106,584
	462,915	444,138

**A23. OVERHEAD EXPENSES**

	Group	
	31/3/2006 RM'000	31/3/2005 RM'000
Personnel costs		
- Salaries allowances and bonuses	261,358	188,005
- Pension cost (defined contribution plans)	20,649	22,576
- Others	48,502	35,006
Establishment costs		
- Depreciation of fixed assets	31,993	27,778
- Rental	28,220	21,992
- Insurance	2,174	358
- Others	72,310	64,764
Marketing expenses		
- Sales commission	178	14,044
- Advertisement	21,381	9,796
- Others	7,846	9,886
Administration and general expenses		
- Amortisation of goodwill	306	3,561
- Legal & professional fees	29,383	13,222
- Communication	11,510	13,793
- Others	98,653	81,089
	<b>634,463</b>	<b>505,870</b>

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

	Group	
	31/3/2006 RM'000	31/3/2005 RM'000
Allowance for bad and doubtful debts on loans and financing :		
Specific allowance		
- Made during the financial year	272,036	175,557
- Written back	(99,447)	(74,950)
General allowance		
- Made during the financial year	8,150	35,023
Bad debts on loan and financing :		
- recovered	(15,776)	(21,306)
- written off	(148)	147
	<b>164,815</b>	<b>114,471</b>



## A25. COMMITMENTS AND CONTINGENCIES

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

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

	31/3/2006		31/12/2005			
	Principal amount	Credit equivalent amount*	Risk weighted amount	Principal amount	Credit equivalent amount*	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	4,011,178	4,011,178	1,721,240	4,047,929	4,047,929	1,964,139
Certain transaction-related contingent items	3,401,443	1,814,981	1,229,777	3,331,837	1,774,632	1,135,033
Short-term self-liquidating trade-related contingencies	3,219,881	643,976	288,264	2,968,051	593,611	174,346
Obligations under underwriting agreement	329,306	107,646	107,646	397,761	198,881	190,614
Irrevocable commitments to extend credit :						
- maturity not exceeding one year	21,577,565	1,897,039	874,397	21,536,945	-	-
- maturity exceeding one year	3,847,297	1,923,648	1,777,364	4,348,572	2,174,289	1,773,795
Foreign exchange related contracts	21,479,397	401,280	161,265	13,825,500	433,752	144,060
Interest rate related contracts	106,853,023	1,716,005	462,467	93,888,011	1,443,399	385,862
Equity related contracts	180,817	-	-	209,721	-	-
Commodity related contracts	8,318	-	-	8,533	-	-
Miscellaneous commitments and contingencies	5,704,466	4,458	-	4,916,884	4,893	-
	<b>170,612,691</b>	<b>12,520,211</b>	<b>6,622,420</b>	<b>149,479,744</b>	<b>10,671,386</b>	<b>5,767,849</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	17,636,972	12,700,320	1,669,471	1,962,887	523,010	781,284	-	-
- swaps	3,655,397	1,067,345	999,212	397,330	496,084	695,426	-	-
- foreign exchange swaps	187,028		187,028					
Interest rate related contracts								
- futures	32,579,623	-	2,136,014	1,783,211	6,381,353	21,107,851	1,171,194	41,553
- swaps	70,881,758	24,129,997	39,980,589	3,983,102	92,312	2,302,455	393,303	-
- options	3,391,642	1,281,900	484,742	675,000	-	950,000	-	-
Equity related contracts								
- futures	6,085	6,085	-	-	-	-	-	2,612
- options	174,732	-	-	-	148,480	26,252	-	-
Commodity related contracts								
- options	8,318	8,318	-	-	-	-	-	-
<b>Total</b>	<b>128,521,555</b>	<b>39,193,965</b>	<b>45,457,056</b>	<b>8,801,530</b>	<b>7,641,239</b>	<b>25,863,268</b>	<b>1,564,497</b>	<b>44,165</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 RM5,052,931,620 (31/12/2005:RM4,286,920,458).

**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 RM13,953,035,000 (31/12/2005:RM1,904,052,995). 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 2005.

A27. INTEREST/PROFIT RATE RISK

As at 31 March 2006	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	13,265,829	1,010	-	-	-	2,026,691	-	15,293,530	3.36
Securities purchased under resale agreement	2,118,256	2,756,259	149,959	-	-	-	-	5,024,474	3.27
Deposits and placements with banks and other financial institutions	343,012	1,790,329	190,322	-	-	147,381	-	2,471,044	5.17
Securities held for trading	-	-	-	-	-	-	9,626,746	9,626,746	3.92
Available-for-sale securities	1,217,557	586,464	926,820	2,428,170	2,900,269	1,142,368	-	9,201,648	5.76
Held-to-maturity securities	78,132	42,714	5,685	291,980	1,394,349	85,864	-	1,898,724	1.11
Derivatives financial instruments	-	-	-	-	-	24,589	401,743	426,332	14.00
Loans, advances and financing									
- performing	35,648,766	4,213,789	11,580,681	9,663,234	6,837,962	-	-	67,944,432	7.83
- non-performing	-	-	-	-	-	2,704,871	-	2,704,871	-
Other assets	386,239	1,150	481	411	49	3,004,914	-	3,393,244	-
Deferred taxation	-	-	-	-	-	360,549	-	360,549	-
Tax recoverable	-	-	-	-	-	244,874	-	244,874	-
Satutory deposits with Bank Negara Malaysia	-	-	-	-	-	1,868,887	-	1,868,887	-
Investment in associates	-	-	-	-	-	97,552	-	97,552	-
Jointly controlled entities	-	-	-	-	-	131,909	-	131,909	-
Fixed assets	-	-	-	-	-	1,001,417	-	1,001,417	-
Goodwill	-	-	-	-	-	491,143	-	491,143	-
<b>Total assets</b>	<b>53,057,791</b>	<b>9,391,715</b>	<b>12,853,948</b>	<b>12,383,795</b>	<b>11,132,629</b>	<b>13,333,009</b>	<b>10,028,489</b>	<b>122,181,376</b>	
<b>Liabilities and Shareholders' Funds</b>									
Deposits from customers	36,430,314	14,382,698	15,112,602	314,517	31,817	11,271,496	-	77,543,444	3.78
Deposits and placements of banks and other financial institutions	4,113,382	3,344,781	2,848,430	365,256	3,250	58,903	-	10,734,002	3.37
Derivative financial instruments	-	-	-	187	-	20,820	474,857	495,864	-
Obligations on securities sold under repurchase agreements	4,797,399	111,398	15,945	-	-	-	-	4,924,742	2.81
Bills and acceptances payable	1,165,620	1,754,889	560,504	-	-	740,329	-	4,221,342	3.36
Floating rate certificates of deposits	-	-	-	-	-	220,980	-	220,980	-
Other liabilities	184,231	1,339	3,717	291,430	-	4,898,710	-	5,379,427	5.45
Amount due to Cagamas Berhad	-	23,697	57,649	2,140,732	-	-	-	2,222,078	6.88
Loan stocks	-	-	-	781,270	-	-	-	781,270	-
Bonds	353,044	-	250,000	672,819	-	-	-	1,275,863	6.54
ICULS	-	-	-	-	40,263	35,000	-	75,263	7.50
Other borrowings	864,018	1,144	13,466	28,956	-	-	-	907,584	4.26
Subordinated Notes	-	-	-	1,456,915	368,127	-	-	1,825,042	5.19
<b>Total liabilities</b>	<b>47,908,008</b>	<b>19,619,946</b>	<b>18,862,313</b>	<b>6,052,082</b>	<b>443,457</b>	<b>17,246,238</b>	<b>474,857,00</b>	<b>110,606,901</b>	
Shareholders' equity	-	-	-	-	-	10,705,260	-	10,705,260	-
Minority interest	-	-	-	-	-	669,215	-	669,215	-
Preference shares	-	-	-	-	-	200,000	-	200,000	-
<b>Total liabilities and shareholders' funds</b>	<b>47,908,008</b>	<b>19,619,946</b>	<b>18,862,313</b>	<b>6,052,082</b>	<b>443,457</b>	<b>28,820,713</b>	<b>474,857,00</b>	<b>122,181,376</b>	
On-balance sheet interest rate gap	5,149,783	(10,228,231)	(6,008,365)	6,331,713	10,689,172	-	-	-	-
<b>Total interest rate sensitivity gap</b>	<b>5,149,783</b>	<b>(10,228,231)</b>	<b>(6,008,365)</b>	<b>6,331,713</b>	<b>10,689,172</b>				

As at 31 December 2005	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	9,987,919	-	-	-	-	2,090,226	-	12,078,145	2.81
Securities purchased under resale agreement	1,392,935	2,830,870	249,758	-	-	-	-	4,473,563	2.91
Deposits and placements with banks and other financial institutions	165,453	533,677	655,009	813	-	-	-	1,354,952	4.65
Securities held for trading	1,451,248	578,594	753,224	2,349,336	1,744,323	882,624	9,556,127	9,556,127	4.18
Available-for-sale securities	52,767	542,276	181,769	370,505	1,273,192	-	-	7,759,349	6.65
Held-to-maturity securities	68,063	-	202	-	-	-	317,475	2,420,509	1.53
Derivatives financial instruments	-	-	-	-	-	-	-	385,740	13.51
Loans, advances and financing									
- performing	36,018,312	4,411,626	9,006,600	8,761,252	8,071,356	-	-	66,269,146	6.75
- non-performing	-	-	-	-	-	2,826,734	-	2,826,734	-
Other assets	257,650	852	484	661	59	2,044,776	107,263	2,411,745	9.03
Deferred taxation	-	-	-	-	-	359,478	-	359,478	-
Tax recoverable	-	-	-	-	-	281,355	-	281,355	-
Satutory deposits with Bank Negara Malaysia	-	-	-	-	-	1,659,940	-	1,659,940	-
Investment in associates	-	-	-	-	-	95,583	-	95,583	-
Jointly controlled entities	-	-	-	-	-	118,722	-	118,722	-
Fixed assets	-	-	-	-	-	940,258	-	940,258	-
Goodwill	-	-	-	-	-	534,618	-	534,618	-
<b>Total assets</b>	<b>49,394,347</b>	<b>8,897,895</b>	<b>10,847,046</b>	<b>11,482,567</b>	<b>11,088,930</b>	<b>11,834,314</b>	<b>9,980,865</b>	<b>113,525,964</b>	
<b>Liabilities and Shareholders' Funds</b>									
Deposits from customers	39,543,964	10,116,243	11,880,879	783,156	653	11,998,692	-	74,323,587	3.15
Deposits and placements of banks and other financial institutions	3,015,148	2,129,883	1,964,773	303,547	-	3,297	-	7,416,648	3.17
Derivative financial instruments	154,839	-	-	287	-	-	359,059	514,185	-
Obligations on securities sold under repurchase agreements	5,281,225	35,496	-	-	-	-	-	5,316,721	2.60
Bills and acceptances payable	1,115,694	1,348,897	68,783	-	-	762,082	-	3,295,456	2.95
Floating rate certificates of deposits	226,770	-	-	-	-	-	-	226,770	-
Other liabilities	-	4	309	4,816	-	4,382,989	-	4,388,118	2.59
Taxation	-	-	-	-	-	104,610	-	104,610	-
Amount due to Cagamas Berhad	-	24,935	94,385	1,516,627	739,382	-	-	2,375,329	6.95
Loan stocks	-	-	-	169,362	613,401	-	-	782,763	-
Bonds	-	-	250,000	678,708	-	-	-	928,708	6.53
ICULS	-	-	-	-	44,682	-	-	44,682	7.50
Other borrowings	32,716	58,554	684,851	53,772	-	-	-	829,893	3.56
Subordinated Notes	-	-	-	1,872,016	-	-	-	1,872,016	5.13
<b>Total liabilities</b>	<b>49,370,356</b>	<b>13,714,012</b>	<b>14,943,980</b>	<b>5,382,291</b>	<b>1,398,118</b>	<b>17,251,670</b>	<b>359,059.00</b>	<b>102,419,486</b>	
Shareholders' equity	-	-	-	-	-	9,637,453	-	9,637,453	-
Minority interest	-	-	-	-	-	1,269,025	-	1,269,025	-
Preference shares	-	-	-	-	-	200,000	-	200,000	-
<b>Total liabilities and shareholders' funds</b>	<b>49,370,356</b>	<b>13,714,012</b>	<b>14,943,980</b>	<b>5,382,291</b>	<b>1,398,118</b>	<b>28,358,148</b>	<b>359,059.00</b>	<b>113,525,964</b>	
On-balance sheet interest rate gap	23,991	(4,816,117)	(4,096,934)	6,100,276	9,690,812	-	-	-	-
<b>Total interest rate sensitivity gap</b>	<b>23,991</b>	<b>(4,816,117)</b>	<b>(4,096,934)</b>	<b>6,100,276</b>	<b>9,690,812</b>				

**A28. CAPITAL ADEQUACY**

	Group	
	31/3/2006	31/12/2005
	RM'000	RM'000
The capital adequacy ratios are as follows:		
Tier I capital	8,650,708	8,158,529
Eligible Tier II capital	3,827,552	3,690,372
	<u>12,478,260</u>	<u>11,848,901</u>
less:		
Investment in subsidiaries and holding of other banking institutions' capital	(499,476)	(761,306)
Capital base	<u>11,978,784</u>	<u>11,087,595</u>
Core capital ratio	10.44%	11.20%
Risk-weighted capital ratio	<u>14.45%</u>	<u>15.23%</u>
Core capital ratio (net of proposed dividend)	10.37%	11.12%
Risk-weighted capital ratio (net of proposed dividend)	<u>14.38%</u>	<u>15.14%</u>

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

<b>Tier I capital</b>		
Paid-up capital	2,677,311	2,676,884
Share premium	1,636,272	1,634,162
Other reserves	4,137,125	4,096,697
Deferred tax liabilities/(assets)	200,000	(249,214)
Total Tier I capital	<u>8,650,708</u>	<u>8,158,529</u>
<b>Tier II capital</b>		
Subordinated loans	667,000	667,000
Subordinated notes issued	1,499,807	1,922,124
General allowance for bad and doubtful debts	1,179,892	1,003,159
Other	480,853	98,089
Total Eligible Tier II capital	<u>3,827,552</u>	<u>3,690,372</u>
Less :		
Investments in subsidiaries and holding of other banking institutions' capital	(499,476)	(761,306)
Capital base	<u>11,978,784</u>	<u>11,087,595</u>

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

	Risk Weighted RM'000	Risk Weighted RM'000
0%	20,488,390	19,852,781
10%	1,361,194	1,008,559
20%	15,784,674	11,929,330
50%	13,596,571	13,604,068
100%	<u>68,524,346</u>	<u>58,434,356</u>
Total risk-weighted assets equivalent for credit risk	78,615,686	67,723,112
Total risk-weighted assets equivalent for market risk	4,270,957	5,099,953
Total risk-weighted assets	<u>82,886,643</u>	<u>72,823,065</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 are 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) whose 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 and underwriting business** 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	Equity business RM'000	Asset management and securities services RM'000	Support and others RM'000	Total RM'000
<b>31 March 2006</b>									
Net interest income	361,152	147,781	147,864	153,953	16	(3,829)	263	(27,963)	779,237
-external	11,530	86,931	45,343	(175,558)	-	-	-	31,754	-
-inter-segment									
Non interest income	372,682	234,712	193,207	(21,605)	16	(3,829)	263	3,791	779,237
	61,977	42,539	23,427	180,358	25,643	61,948	17,278	53,423	466,593
Net Income	434,659	277,251	216,634	158,753	25,659	58,119	17,541	57,214	1,245,830
Overhead expenses	(266,971)	(135,288)	(46,707)	(53,713)	(18,433)	(36,954)	(13,034)	(63,363)	(634,463)
Profit before allowance	167,688	141,963	169,927	105,040	7,226	21,165	4,507	(6,149)	611,367
Allowance for losses on loans and financing	(96,174)	(47,537)	(7,200)	849	-	-	-	(14,753)	(164,815)
Allowance for other receivables	-	-	(254)	-	(2,822)	66	(258)	(309)	(3,577)
Provision for commitment & contingencies	-	-	-	-	-	-	-	(177)	(177)
Allowance for impairment of securities	-	-	-	7,199	-	-	-	-	7,199
Segment result	71,514	94,426	162,473	113,088	4,404	21,231	4,249	(21,388)	449,997
Unallocated costs	-	-	-	-	-	-	-	-	-
Share of results of associates	-	-	-	-	-	-	2,377	(1,071)	1,306
Share of results of jointly controlled entities	1,887	-	-	-	-	-	-	-	1,887
Profit/(loss) before taxation and zakat	73,401	94,426	162,473	113,088	4,404	21,231	6,626	(22,459)	453,190
Taxation and zakat	-	-	-	-	-	-	-	(101,823)	(101,823)
Net profit for the period before minority interests	73,401	94,426	162,473	113,088	4,404	21,231	6,626	(124,282)	351,367

	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and underwriting business RM'000	Equity business RM'000	Asset management and securities services RM'000	Support and others RM'000	Total RM'000
<b>31 March 2005</b>									
Net interest income	314,361	196,425	38,113	163,441	-	-	-	(7,410)	704,930
-external	25,317	3,862	46,662	(91,540)	-	-	-	15,699	-
-inter-segment									
Non-interest income	339,678	200,287	84,775	71,901	-	-	-	8,289	704,930
	61,146	44,188	55,223	156,371	38,288	49,098	9,735	32,793	446,842
Net income	400,824	244,475	139,998	228,272	38,288	49,098	9,735	41,082	1,151,772
Overhead expenses	(178,912)	(66,591)	(26,358)	(5,313)	(11,418)	(26,170)	(13,028)	(178,081)	(505,870)
Profit before allowance	221,912	177,884	113,640	222,959	26,870	22,928	(3,293)	(136,999)	645,902
Allowance for losses on loans and financing	(74,443)	(59,336)	9,358	2,096	-	-	-	7,854	(114,471)
Allowance for other receivables	-	-	-	-	-	-	-	(10,910)	(10,910)
Provision for commitment and contingencies	-	-	-	-	-	-	-	-	-
Allowance for impairment of securities	-	-	-	-	-	-	-	(48)	(48)
Segment result	147,469	118,548	122,998	225,055	26,870	22,928	(3,293)	(140,103)	520,473
Unallocated costs	-	-	-	-	-	-	-	-	-
Share of results of jointly controlled entities	(330)	-	-	-	-	-	-	-	(330)
Share of results of associates	-	-	-	-	-	-	-	1,897	1,897
Profit before taxation	147,139	118,548	122,998	225,055	26,870	22,928	(3,293)	(138,206)	522,040
Taxation	(4,463)	-	-	-	-	-	-	(131,368)	(135,831)
<b>Net profit for the period before minority interests</b>	<b>142,676</b>	<b>118,548</b>	<b>122,998</b>	<b>225,055</b>	<b>26,870</b>	<b>22,928</b>	<b>(3,293)</b>	<b>(269,574)</b>	<b>386,209</b>

### A30. OPERATION OF ISLAMIC BANKING

#### A30a Unaudited Balance Sheet as at 31 March 2006

	Group	
	31/3/2006 RM'000	31/12/2005 RM'000
<b>Assets</b>		
Cash and short-term funds	670,375	755,969
Deposit and placement with banks and other financial institutions	71,200	5,000
Securities held for trading	80,592	13,978
Available-for-sale securities	280,607	109,403
Financing, advances and other loans	27,990	15,893
Deferred tax	4,375	4,375
Satutory deposits with Bank Negara Malaysia	9,308	3,120
Fixed assets	9,882	9,878
Other asset	3,196	3,537
<b>TOTAL ASSETS</b>	<b>1,157,525</b>	<b>921,153</b>
<b>Liabilities and Islamic banking capital funds</b>		
Deposits from customers	586,657	555,820
Deposits and placements of banks and other financial institutions	341,584	130,684
Bills and acceptances payable	16	694
Amount due to holding company	910	165
Amount due to related companies	140	169
Provision for taxation and zakat	1,062	7,141
Long-term borrowings	41,830	41,830
Other liabilities	17,143	7,385
<b>TOTAL LIABILITIES</b>	<b>989,342</b>	<b>743,888</b>
Islamic banking funds	169,683	169,683
Reserves	(1,500)	7,582
<b>Islamic banking capital funds</b>	<b>168,183</b>	<b>177,265</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>	<b>1,157,525</b>	<b>921,153</b>

#### A30b Unaudited Income Statements for the 1st Quarter and Three Months Ended 31 March 2006

	1st Quarter ended		Three months ended	
	31 March 2006 RM'000	31 March 2005 RM'000	31 March 2006 RM'000	31 March 2005 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	7,945	4,196	7,945	4,196
Transfer to/(from) profit equalisation reserve	(170)	514	(170)	514
Other expenses directly attributable to the investment of the depositors and Islamic Banking capital funds	-	-	-	-
	(6)	(19)	(6)	(19)
<b>Total attributable income</b>	<b>7,769</b>	<b>4,691</b>	<b>7,769</b>	<b>4,691</b>
Income attributable to the depositors	(5,219)	(3,570)	(5,219)	(3,570)
<b>Income attributable to the reporting institutions</b>	<b>2,550</b>	<b>1,121</b>	<b>2,550</b>	<b>1,121</b>
Income derived from investment of Islamic Banking capital funds	1,103	1,367	1,103	1,367
<b>Total net income</b>	<b>3,653</b>	<b>2,488</b>	<b>3,653</b>	<b>2,488</b>
General allowance	(47)	-	(47)	-
Other operating expenses	(10,090)	(785)	(10,090)	(785)
<b>(Loss)/profit before tax and zakat</b>	<b>(6,484)</b>	<b>1,703</b>	<b>(6,484)</b>	<b>1,703</b>
Tax and zakat	(494)	(477)	(494)	(477)
<b>Net (loss)/profit for the financial period</b>	<b>(6,978)</b>	<b>1,226</b>	<b>(6,978)</b>	<b>1,226</b>



**A30c Financing, advances and other loans****a) Financing, advances and other loans****i) By type**

	Group	
	31/3/2006	31/12/2005
	RM'000	RM'000
Cash	-	3
Term financing	37,367	22,417
	<u>37,367</u>	<u>22,420</u>
less: Unearned income	(9,085)	(6,282)
Gross financing, advances and other loans	28,282	16,138
Allowance for bad and doubtful financing		
- General	(292)	(245)
Total net financing, advances and other loans	<u>27,990</u>	<u>15,893</u>

**b) Non-performing Financing****i) Movements in the allowance for bad and doubtful financing are as follows :**

	Group	
	31/3/2006	31/12/2005
	RM'000	RM'000
<b>General allowance</b>		
At 1 January	245	-
Net allowance made during the financial period/year	47	245
Balance at 31 March / 31 December	<u>292</u>	<u>245</u>
 (as % of gross financing, advances and other loans)	<u>1.03%</u>	<u>1.52%</u>

**A30d Deposits from customers****By type of deposits**

	Group	
	31/3/2006	31/12/2005
	RM'000	RM'000
<b>Non-Mudharabah Fund</b>		
Demand deposits	17,716	5,906
Saving deposits	14,387	8,639
	<u>32,103</u>	<u>14,545</u>
 <b>Mudharabah Fund</b>		
Saving deposits	3,380	8,361
Demand deposits	13,338	3,249
General investment deposits	221,200	301,390
Special investment deposits	316,636	123,230
Others	-	105,045
	<u>554,554</u>	<u>541,275</u>
	<u>586,657</u>	<u>555,820</u>

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

#### a) Change in Accounting Policies

During the 1st quarter ended 31 March 2006, the Group have adopted the new and revised FRSs issued by MASB that are applicable with effect from 1 January 2006 which have resulted in changes in accounting policies as follows:

##### 1) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest and other disclosures. Minority interest is now presented within total equity in the consolidated balance sheet and as an allocation from net profit for the period in the consolidated income statement. The movement of minority interest is now presented in the consolidated statement of changes in equity.

The presentation of the comparative financial statements of the Group have been restated to conform with the current period's presentation.

##### 2) FRS 3 : Business Combination, FRS 136 : Impairment of Assets and FRS 138 : Intangible Assets

The adoption of FRS 3 Business Combinations and the consequential changes to FRS 136 Impairment of Assets and FRS 138 Intangible Assets, has resulted in a change in the accounting policy relating to purchased goodwill.

Goodwill acquired in a business combination is now stated at cost less any accumulated impairment losses. The adoption of these new FRSs has resulted in the Group ceasing annual amortisation of goodwill. Instead, goodwill is allocated to cash-generating units and the carrying amount is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill impairment is determined by comparing its carrying amount against its recoverable amount in accordance with FRS 136. Any impairment loss is recognised in the income statement and subsequent reversal is not allowed.

This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006. For business combinations entered into prior to that date, the transitional provisions of FRS 3 requires the Group to eliminate the carrying accumulated amortisation as at 1 January 2006 of RM75,414,000 against the carrying amount of goodwill. The carrying amount of goodwill for the Group as at 1 January 2006 of RM534,618,000 ceased to be amortised. No impairment loss on goodwill has been recognised in the 1st quarter ended 31 March 2006.

Negative goodwill, which represents the excess in fair value of the net identifiable assets acquired over the cost of the acquisition, is now recognised immediately to the income statement. Prior to 1 January 2006, negative goodwill was recognised in the reserves as reserve arising on consolidation. The adoption of this accounting policy has resulted negative goodwill of RM119,747,000 as at 1 January 2006 derecognised with a corresponding adjustments to the opening balance of retained earnings.

In addition, the useful lives of other intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually. Intangible assets with a finite useful life will continue to be amortised over the estimated useful life. Prior to 1 January 2006, no other intangible assets were considered to have a finite useful life other than goodwill amortised over a period of 25 years and that goodwill was stated at cost less accumulated amortisation and impairment losses.

#### b) Adjustments due to change in Accounting Policies

The changes in accounting policies as described above which were adjusted to opening retained earnings of the Group are as follows:

	Group	
	2006 RM'000	2005 RM'000
Effect on retained earnings :		
At 1 January, as previously stated	2,862,474	2,609,112
Effect of adopting FRS 3 - Business Combinations	119,747	-
As at 1 January, as restated	<u>2,982,221</u>	<u>2,609,112</u>

## **B1. GROUP PERFORMANCE REVIEW**

For the three months ended 31 March 2006, the Group recorded a PBT of RM453.2 million; 13.2% lower compared to RM522.0 million made in the previous year. The lower year-on-year Group PBT was mainly due to increase in overhead expenses by RM128.6 million, increase in the level of allowance for losses on loans and financing by RM50.3 million and also due to recognition of unrealised gains on bonds of RM54.0 million made in last year. However total income increase by RM94.1 million with the inclusion of CIMB-GK contribution of RM55.8 million.

The main contributor to the Commerce Group's PBT was the CIMB Group which registered RM321.3 million, or a contribution of 70.9%. The PT Bank Niaga Group registered RM99.9 million, or a contribution of 22.1%.

At CIMB Group, net interest income grew by 7% at the back of loans growth of 6.4%. At BCB Group net interest margin has improved to 2.67% from 2.51% in the previous year. Non-interest income was slightly lower by 0.2% to RM347.7 million.

Overhead expenses increased by 26% due to Mutual Separation Scheme payment at BCB Group of RM44.6 million and higher IT service expenses. The three months inclusion of CIMB-GK has contributed RM43.5 million to the Group overhead expenses. Allowance for losses on loans was at RM140.4 million which was higher by 52% against last year. The allowances for losses on loans were mainly for retail and business banking.

Bank Niaga's PBT amounted to IDR 247 billion (1Q05: IDR 228 billion) increased by 8%.

Non interest income of Niaga was slightly lower by 6% due to the decrease on income from subsidiaries. Allowances on loans was higher by 12% to RM24.4 million. Net interest income was higher by 28% year on year on the back of loans growth of 31% despite net interest margin was lower at 5.62% from 6.04 % last year.

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

For the first quarter ended 31 March 2006, the Commerce Group had recorded a PBT of RM453.2 million, higher by 242.5 million compared to the PBT of RM210.7 million registered in the fourth quarter of 2005. The major contributor to the Commerce Group's PBT for the first quarter was the CIMB Group at RM321.3 million (4Q05: Proforma CIMB Group of RM288.4 million). PT Bank Niaga Group has registered PBT of RM99.9 million (4Q05: RM46.3 million).

Quarter-on-quarter, the Group PBT was higher as a result of lower allowance for losses on loans by RM169.0 million and allowance for impairment of securities written back of RM7.2 million (4Q05: allowance of RM70.7 million).

Total income was lower by RM63.7 million due to lower net interest income by RM31.6 million and lower non-interest income by RM117.2 million at BCB Group. Overhead expenses was lower at CIMB Group by RM21.5 million. The allowance for losses on loans was lower at RM140.4 million as compared to the fourth quarter 05, of RM312.5 million. Higher fourth quarter 05 allowance for losses was due to the decision made by BCB to step up the special allowances of certain accounts in the business banking portfolio.

## **B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

We expect higher investment banking activities and treasury income to be the key drivers of earnings growth. Moderate loans growth is expected in the domestic market whilst there will be an aggressive push for deposits. The focus will also be on enhancing the retail banking franchise with integration activities to be the key areas of emphasis.

**B4. TAXATION**

	Group	
	Quarter	Cumulative
	31/3/2006	31/3/2006
	RM'000	RM'000
Major components of tax expense:		
Current tax expense	68,639	68,639
Deferred tax expense	33,184	33,184
	<u>101,823</u>	<u>101,823</u>
<b>Reconciliation</b>		
Profit before taxation	453,190	453,190
Tax at statutory income tax rate of 28%	126,893	126,893
Due to income not subject to income tax and expenses not deductible for tax purposes	<u>(25,070)</u>	<u>(25,070)</u>
	<u>101,823</u>	<u>101,823</u>

**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**

	31/3/2006
	RM'000
Total investment at market value	<u>340,552</u>

The above disclosure is in respect of BCHB 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	
	31/3/2006	31/12/2005
	RM'000	RM'000
<b>Deposits from customers</b>		
- Demand deposits	17,178,800	17,491,203
- Saving deposits	7,190,621	6,932,108
- Fixed deposits	49,397,270	46,912,868
- Negotiable instruments of deposits	3,238,479	2,360,893
- Others	538,274	626,515
	<u>77,543,444</u>	<u>74,323,587</u>
<b>Fixed deposits and negotiable instruments of deposits</b>		
One year or less (short term)	52,249,834	48,563,164
More than one year (medium/long term)	385,915	710,597
	<u>52,635,749</u>	<u>49,273,761</u>
<b>Deposits and placements of banks and other financial institutions</b>		
One year or less (short term)	10,734,002	7,416,648
	<u>10,734,002</u>	<u>7,416,648</u>
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
One year or less (short term)	250,000	-
More than one year (medium/long term)	1,025,863	928,708
	<u>1,275,863</u>	<u>928,708</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)	75,263	44,682
	<u>75,263</u>	<u>44,682</u>
<b>Other borrowings**</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	907,584	829,893
	<u>907,584</u>	<u>829,893</u>
** Including in other borrowings for the current period is USD denominated syndicated term loans equivalent to USD 140,000,000.		
<b>Loans Stocks</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	781,270	782,763
	<u>781,270</u>	<u>782,763</u>
<b>Subordinated Notes***</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	1,825,042	1,872,016
	<u>1,825,042</u>	<u>1,872,016</u>
*** US Denominated Subordinated Notes of USD 500,000,000.		

## 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.

### a) Basic EPS

	Group	
	31/3/2006	31/3/2005
Net profit for the financial period after minority interests (RM '000)	325,138	318,329
Weighted average number of ordinary shares in issue - proforma ( '000)	3,141,921	2,693,829
Basic earnings per share (expressed in sen per share)	10.3	11.8

### b) Diluted EPS

Net profit for the financial period after minority interests (RM '000)	325,138	318,329
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	4,715	4,715
Net profit used to determine diluted EPS	<u>329,853</u>	<u>323,044</u>
Weighted average number of ordinary shares in issue ( '000)	3,141,921	2,693,829
Adjustments for:		
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	80,372	78,773
- ESOS	17,545	27,040
Weighted average number of ordinary shares for diluted EPS	<u>3,239,838</u>	<u>2,799,642</u>
Diluted EPS	10.2	11.5

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

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