

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

CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

ASSETS	Group	
	30/6/2006	31/12/2005
	RM'000	RM'000
Cash and short term funds	16,892,046	12,078,145
Securities purchased under resale agreements	4,239,122	4,473,563
Deposits and placements with banks and other financial institutions	2,804,495	1,354,952
Securities held for trading	9,671,208	9,556,127
Available-for-sale securities	11,588,492	7,759,349
Held-to-maturity investment	2,227,441	2,420,509
Derivative financial instruments	828,982	385,740
Loans, advances and financing	92,568,134	69,095,880
Other assets	3,618,717	2,411,745
Deferred tax assets	717,459	359,478
Tax recoverable	213,933	281,355
Statutory deposits with Central Banks	2,466,371	1,659,940
Investment in associates	98,723	95,583
Jointly controlled entities	169,988	118,722
Property, plant and equipment	1,415,693	927,620
Investment properties	12,725	12,638
Goodwill/Intangible assets	4,471,131	534,618
Total Assets	154,004,660	113,525,964
LIABILITIES AND SHAREHOLDERS' FUNDS		
Deposits from customers	94,385,194	74,323,587
Deposits and placements of banks and other financial institutions	11,609,920	7,416,648
Derivative financial instruments	831,729	514,185
Obligations on securities sold under repurchase agreements	7,185,457	5,316,721
Bills and acceptances payable	4,899,039	3,295,456
Floating rate certificates of deposits	220,470	226,770
Other liabilities	11,737,625	4,388,118
Taxation	119,222	104,610
Amount due to Cagamas Berhad	4,469,406	2,375,329
Loan stocks	1,227,180	782,763
Bonds	1,210,043	928,708
Other borrowings	1,997,786	829,893
Subordinated Notes	2,557,617	1,872,016
Total Liabilities	142,450,688	102,374,804
Irredeemable Convertible Unsecured Loan Stocks	56,537	44,682
Total Hybrid Capital	56,537	44,682
Share Capital	3,153,492	2,756,398
Reserves	7,728,100	6,812,882
Less: Shares held under Trust	(291,160)	-
Total Shareholders' Equity	10,590,432	9,569,280
Minority interest	638,830	1,269,025
Option Reserves - Convertible Bond (equity component)	68,173	68,173
Perpetual preference shares	200,000	200,000
Total Equity	11,497,435	11,106,478
Total Liabilities and Equity	154,004,660	113,525,964
COMMITMENTS AND CONTINGENCIES	217,503,043	149,479,744

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

Please refer to the additional notes for BCHB Group Balance Sheet without SBBG for the period ended 30 June 2006.

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

**CONDENSED UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2006**

	GROUP			
	QUARTER ENDED		CUMULATIVE ENDED	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
	RM'000	RM'000	RM'000	RM'000
Interest income	1,746,527	1,470,485	3,456,409	2,872,786
Interest expense	(897,105)	(735,469)	(1,827,750)	(1,432,840)
Net interest income	849,422	735,016	1,628,659	1,439,946
Income from Islamic Banking operations	4,189	2,144	7,867	4,848
Non-interest income	442,394	340,356	905,309	784,494
Staff cost and overheads	1,296,005	1,077,516	2,541,835	2,229,288
Profit before allowances	641,779	603,885	1,253,146	1,249,787
Allowance for losses on loans, advances and financing	(154,219)	(364,834)	(319,034)	(479,305)
Allowance for other receivables	(9,784)	(6,257)	(13,361)	(17,167)
Provision for commitments and contingencies	1,130	-	953	-
Allowance for impairment of securities	(21,808)	(29,892)	(14,609)	(29,940)
Share of results of jointly controlled entities	457,098	202,902	907,095	723,375
Share of results of associates	2,637	(1,047)	4,524	(1,377)
Profit before taxation	462,974	205,911	916,164	727,951
Taxation and zakat	(109,342)	(15,971)	(211,165)	(151,802)
Profit for the period	353,632	189,940	704,999	576,149
Attributable to :				
Equity holders of the Company	323,703	150,286	648,841	468,616
Minority interest	29,929	39,654	56,158	107,533
Profit for the period	353,632	189,940	704,999	576,149
Earnings per share (sen)- Basic	10.3	5.6	20.6	17.3
Diluted earnings per share	-	-	20.3	17.0

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
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**CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2006**

	Group	
	30/6/2006	30/6/2005
	RM'000	RM'000
Profit before taxation	916,164	727,951
Adjustments for non-operating and non-cash items	237,351	781,290
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Operating profit before changes in working capital	1,153,515	1,509,241
Net changes in operating assets	(27,868,761)	(8,165,106)
Net changes in operating liabilities	38,068,613	3,456,848
	10,199,852	(4,708,258)
Cash flows generated from/(used in) operations	11,353,367	(3,199,017)
Taxation paid	(129,123)	(40,747)
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Net cash flow generated from/(used in) operating activities	11,224,244	(3,239,764)
Net cash flow (used in)/generated from investing activities	(8,800,977)	3,271,800
Net cash flow generated from/(used in) financing activities	2,393,254	(332,845)
Effects of exchange rate changes on cash	(2,620)	(58,818)
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Net increase/(decrease) in cash and cash equivalents during the financial period	4,813,901	(359,627)
Cash and cash equivalents at beginning of the financial year	12,078,145	16,634,934
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Cash and cash equivalents at end of the financial year	16,892,046	16,275,307
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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 SECOND QUARTER ENDED 30 JUNE 2006**

The Group
30 June 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	Convertible bonds (equity component) RM'000	Total RM'000
At 1 January 2006										
- as previously stated	2,756,398	2,038,353	1,912,055	-	2,862,474	9,569,280	1,269,025	200,000	68,173	11,106,478
- change in accounting policy	-	-	(119,747)	-	119,747	-	-	-	-	-
As restated	2,756,398	2,038,353	1,792,308	-	2,982,221	9,569,280	1,269,025	200,000	68,173	11,106,478
Net gain/(loss) not recognised in the income statement										
- currency translation difference	-	-	50,353	-	-	50,353	-	-	-	50,353
- revaluation reserve (available-for-sale securities)	-	-	(39,874)	-	-	(39,874)	-	-	-	(39,874)
- hedging reserve	-	-	4,339	-	-	4,339	-	-	-	4,339
Net profit for the financial year after MI	-	-	-	-	648,841	648,841	56,158	-	-	704,999
Dividend for 2005	-	-	-	-	(340,356)	(340,356)	-	-	-	(340,356)
Transfer to statutory reserve	-	-	168,671	-	(168,671)	-	-	-	-	-
Issue of share capital arising from:										
-Exercise of ESOS	17,351	41,924	-	-	-	59,275	-	-	-	59,275
-Restructuring exercise of CIMBB/BCB Exercise of ESOS	319,085	1,212,523	-	-	-	1,531,608	-	-	-	1,531,608
-Modified CIMBB ESOS/Modified CIMB CEO Option	60,658	230,500	-	-	-	291,158	-	-	-	291,158
Arising from capital repayment made by a subsidiary	-	-	(337,484)	-	(548,759)	(886,243)	(686,353)	-	-	(1,572,596)
Arising from dilution/disposal of equity interests in subsidiary	-	-	990	-	(7,779)	(6,789)	-	-	-	(6,789)
Net changes in treasury shares	-	-	-	(291,160)	-	(291,160)	-	-	-	(291,160)
At 30 June 2006	3,153,492	3,523,300	1,639,303	(291,160)	2,565,497	10,590,432	638,830	200,000	68,173	11,497,435

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
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**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2006**

The Group
30 June 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	Convertible bonds (equity component) RM'000	Total RM'000
At 1 January 2005									
- as previously stated	2,691,740	1,881,079	1,511,319	2,635,428	8,719,566	840,840	200,000	68,173	9,828,579
- change in accounting policy	-	-	184,568	(74,290)	110,278	-	-	-	110,278
At 1 January 2005	2,691,740	1,881,079	1,695,887	2,561,138	8,829,844	840,840	200,000	68,173	9,938,857
Net gain/(loss) not recognised in the income statement									
- currency translation difference	-	-	(52,327)	-	(52,327)	-	-	-	(52,327)
- revaluation reserve (available-for-sale securities)	-	-	(63,225)	-	(63,225)	-	-	-	(63,225)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	-
- negative goodwill	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	468,616	468,616	107,533	-	-	576,149
Dividend for 2004	-	-	-	(292,684)	(292,684)	-	-	-	(292,684)
Transfer to statutory reserve	-	-	117,060	(117,060)	-	-	-	-	-
Issue of share capital arising from:									
-Exercise of ESOS	24,444	59,776	-	-	84,220	-	-	-	84,220
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-
Arising from dilution/disposal of equity interests in subsidiary	-	-	5,436	-	5,436	(16,489)	-	-	(11,053)
At 30 June 2005	2,716,184	1,940,855	1,702,831	2,620,010	8,979,880	931,884	200,000	68,173	10,179,937

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.

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed interim financial statements for the 2nd quarter and half year ended 30 June 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 second quarter and the financial period ended 30 June 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.

With regard to FRS 3, Business Combinations, on purchased goodwill and intangibles arising from acquisition of Southern Bank Berhad Group (SBBG), the Group account has classified provisional values of goodwill/intangibles as one line item. With the on going finalisation of the integration of SBBG with a subsidiary, BCB, any changes to the fair valuation of SBBG accounts and reclassification from goodwill to intangibles will be made in the subsequent quarter. This is in accordance to paragraph 62 of FRS 3, which allows a period of twelve months from the date of acquisition to recognise any adjustments to those provisional values therefrom.

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 30 June 2006:-

- a) Issuance of 17,350,500 shares arising from exercise of Employee Share Option Scheme (ESOS) from 3 January 2006 to 30 June 2006.
- b) During the financial quarter ended 30 June 2006, the issued and paid up capital of Bank Niaga has increased from 11,882,341,330 to 11,962,290,285 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.
- e) On 22 May 2006, the Company had fully settled the first tranche of RM250 million, 7.85% Redeemable Unsecured Bonds upon maturity.

A7. DIVIDEND PAID

A total dividend of RM340.4 million was paid on 29 May 2006 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 2005.

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 4 July 2006, the Company had announced on the proposed transformation of Commerce International Merchant Bankers Berhad ("CIMB") from a merchant bank to an investment bank in accordance with the guidelines on investment banks as jointly issued by the Securities Commission ("SC") and Bank Negara Malaysia dated 1 July 2005.
- b) On 12 July 2006, the Company had announced that on 29 May 2006, an application was submitted to the Securities Commission ("SC") and SC (on behalf of Foreign Investment Committee) ("SC (FIC)") for BCB, a 99.998% subsidiary of BCHB, to replace the proposed issue by BCB of 5.5% perpetual preference shares ("PPS"), 3.6% PPS and 3.6% redeemable preference shares ("RPS") to BCHB (which was approved by the SC and SC (FIC) on 19 May 2006) with the proposed issue by BCB of up to RM5,000 million new ordinary shares of RM1.00 each in BCB to CIMB Group Sdn Bhd, a wholly-owned subsidiary of BCHB, ("Proposed BCB Shares Issue") and up to RM2,000 million 3.6% RPS (with the inclusion of an additional term) to BCHB, as part of the consideration for the transfer of the SBB Business to BCB. SC and SC (FIC) had, vide its letter dated 10 July 2006 (which was received on 12 July 2006), approved the Proposed BCB Shares Issue.
- c) On 18 July 2006 the Company had announced that in accordance with the provisions of Section 34 of the SC Act, BCHB has, today, despatched the notice to SBB dissenting shareholders ("Notice") stating its desire to acquire the remaining SBB Shares held by the said dissenting shareholders on the same terms of the Offer together with a statutory declaration confirming that the conditions for the sending of the Notice have been satisfied.
In addition, The Company also announced that the notices of allotment of 13,701,050 redeemable convertible unsecured loan stocks 2006/2008 in BCHB ("RCULS") have been issued and despatched to SBB shareholders who have elected for a combination of a cash consideration of RM3.22 and one RCULS for each SBB Shares under the Offer, on 17 July 2006 and 18 July 2006 respectively.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

Save and except as earlier announced in the preceding quarter, the consolidated financial statements for the financial period ended 30 June 2006 was prepared taking into consideration of the followings:-

- a) On 12 April 2006, the Company had announced that an Extraordinary General Meeting will be held on 27 April 2006 for the following resolutions :
 - i) Proposed acquisition by the Company of the entire business and undertaking of Southern Bank Berhad ("SBB") ("SBB business") and the simultaneous transfer of the SBB business to Bumiputra-Commerce Bank Berhad ("BCB"), an approximately 99.998% subsidiary of BCHB ("Proposed SBB acquisition");
 - ii) Proposed conditional voluntary offer by the Company for all the ordinary shares of RM1.00 each in SBB ("SBB Shares") and Warrants 1996/2006 in SBB ("SBB Warrants") not already held by the Company ("Proposed Offer"); and
 - iii) Proposed Issue of redeemable convertible unsecured loan stocks ("RCULS") by the Company as part of the consideration for the Proposed Offer ("Proposed RCULS Issue")
- b) On 25 April 2006, the Company had announced that on 8 March 2006, 17 April 2006, 18 April 2006 and 19 April 2006 acquired 24,680,500 Class B Shares for a total consideration of Rp12,605 million (or approximately RM5.118 million based on an illustrative exchange rate of Rp100 to RM0.0406).
Pursuant to the Acquisition, the Group currently holds approximately 65.35% equity interest in Bank Niaga, of which 1.03% is held by PT Commerce Kapital, a subsidiary of BCHB.
- c) On 3 May 2006, the Company had announced that CIMB-GK Pte Ltd ("CIMB-GK"), Singapore-incorporated wholly-owned subsidiary through CIMB Group Sdn Bhd ("CIMBG") had on 27 April 2006 completed the Acquisition of 100% equity interest in BNP Paribas Peregrine Securities (Thailand) Ltd (currently renamed as CIMB-GK Securities (Thailand) Ltd.) (The "Company") from BNP Paribas ("BNP Paribas"), BNP Equities Asia Ltd ("BNP Equities") and five individual shareholders of the Company.
- d) On 8 May 2006, the Company had on 5 May 2006, agreed to extend the offer period until 19 May 2006 for the Proposed SBB Acquisition which would otherwise lapse on 5 May 2006.
- e) On 18 May 2006, the Company had announced that the following agreements were entered into by the relevant subsidiaries of CIMBG to give effect to the Proposals:
 - i) a Business Transfer Agreement ("BTA") between CIMB Discount House Berhad ("CIMB DH") and CIMB for the transfer/disposal of all assets (including the right, title and interest to the assets) together with all liabilities of CIMB DH ("CIMB DH Assets and Liabilities") from CIMB DH to CIMB ("Proposed CIMB DH Acquisition");
 - ii) a BTA between CIMB and BCB for the transfer/disposal of selected assets (including the right, title, interest to the assets and its investment in CIMB(L)) together with selected liabilities of CIMB after the Proposed CIMB DH Acquisition from CIMB to BCB ("Proposed CIMB Acquisition");
 - iii) a BTA between CIMB(L) and BCB(L), (both wholly owned subsidiaries of BCB following the Proposed CIMB Acquisition) for the transfer/disposal of selected assets (including the right, title, interest to the assets and its investments in all its subsidiaries and associate companies) and selected liabilities of CIMB(L) in connection with its offshore conventional banking business ("CIMB(L) Assets and Liabilities") from CIMB(L) to BCB(L) ("Proposed CIMB(L) Transfer");
 - iv) a BTA between BCB and Commerce Tijari Bank Berhad ("Commerce Tijari"), for the transfer/disposal of selected assets (including the right, title, interest to the assets) and selected liabilities in connection with Islamic banking loan facilities granted ("Islamic Assets and Liabilities") from BCB to Commerce Tijari ("Proposed BCB Transfer").

A10. CHANGES IN THE COMPOSITION OF THE GROUP

- f) On 19 May 2006, the Company had agreed to further extend the offer period until 2 June 2006 for the Proposed SBB Acquisition which would otherwise lapse on 19 May 2006.
- g) On 22 May 2006, the Company had announced that on 25 April 2006, 15 May 2006 and 16 May 2006 acquired 60,158,500 Class B Shares for a total consideration of Rp35,112 million (or approximately RM13.922 million based on an illustrative exchange rate of Rp100 to RM0.0397)
Pursuant to the Acquisition, the Group currently holds approximately 65.85% equity interest in Bank Niaga, of which 1.03% is held by PT Commerce Kapital, a subsidiary of BCHB.
- h) On 24 May 2006, the Company had announced that the Securities Commission ("SC") and SC (on behalf of Foreign Investment Committee ("SC (FIC)")) had, vide its letter dated 19 May 2006 (which was received on 24 May 2006), approved the following :
- i) proposed Acquisition by BCHB of the entire business and undertaking of SBB and conditional voluntary offer by BCHB for all the ordinary shares of RM1.00 each in SBB and Warrants 1996/2006 in SBB not already held by BCHB;
 - ii) proposed issue by BCHB of up to RM1,680.5 million redeemable convertible unsecured loan stocks ("RCULS") as part of the alternative offer consideration pursuant to the Proposed Offer;
 - iii) listing of and quotation for BCHB's RCULS to be issued pursuant to the Proposed Offer and the new BCHB's ordinary shares of RM1.00 each to be issued pursuant to the conversion of the RCULS on the Main Board of Bursa Malaysia Securities Berhad; and
 - iv) the proposed issue by Bumiputra-Commerce Bank Berhad, a 99.998% subsidiary of BCHB, of 5.5% perpetual preference shares ("PPS"), 3.6% PPS and 3.6% redeemable preference shares to BCHB as part of the consideration for the transfer of the SBB Business to BCB ("Proposed Capital Issue").
- However, the approvals is subject to the conditions as stated in the announcement.
- i) On 26 May 2006, the Company had announced that the Minister of Finance through Bank Negara Malaysia ("BNM") had, via the letter from BNM dated 25 May 2006 granted the necessary approvals pursuant to the Banking and Financial Institutions Act, 1989 for the Proposals subject to the Proposed Acquisition by BCHB of the entire business and undertaking of SBB and conditional voluntary offer by BCHB for all the ordinary shares of RM1.00 each in SBB and Warrant 1996/2006 in SBB not already held by BCHB being completed within one year from 25 May 2006.
- j) On 30 May 2006, the Company had resolved to fix the nominal value, issue price and conversion price for the redeemable convertible unsecured loan stocks ("RCULS") ("Price Fixing Date") to be issued by BCHB as part of the alternative offer consideration under the Proposed Offer as follows:
- i) the nominal value of the RCULS has been fixed at RM1.04;
 - ii) the issue price of the RCULS has been fixed at RM1.04; and
 - iii) the conversion price of the RCULS has been fixed at RM7.28. The conversion price represents a premium of approximately 19.9% to the 5-day weighted average market price of BCHB shares up to 29 May 2006, being the last market day prior to the Price Fixing Date.
- k) On 31 May 2006, the Company had announced that on 19 May 2006 and 22 May 2006 acquired 19,841,500 Class B Shares for a total consideration of Rp11,737 million (or approximately RM4.62 million based on an illustrative exchange rate of Rp100 to RM0.0394).
Pursuant to the Acquisition, the Group currently holds approximately 66.02% equity interest in Bank Niaga, of which 1.03% is held by PT Commerce Kapital, a subsidiary of BCHB.
- l) On 31 May 2006, the Company had announced that the Offer Document has been despatched to the holders of the SBB shares and SBB warrants on 31 May 2006.
- m) With reference to the announcement dated 18 May 2006, the Company had on 2 June 2006 announced that on 31 May 2006, CIMB DH, CIMB, BCB and Commerce Tijari have obtained the sanction of the High Court of Malaya for the Proposed CIMB DH Acquisition, Proposed CIMB Acquisition and Proposed BCB Transfer. Accordingly, the assets and liabilities referred to under the Proposed CIMB DH Acquisition, Proposed CIMB Acquisition and Proposed BCB Transfer shall be vested in CIMB, BCB and Commerce Tijari.
- n) On 8 June 2006, the Company had announced that Bursa Malaysia Securities Berhad has, via its letter dated 8 June 2006, approved in-principle the following:
- i) admission to the Official List and listing of up to RM1,618,267,040 nominal value 2 year 2.5% redeemable convertible unsecured loan stocks ("RCULS") comprising 1,556,026,000 RCULS with nominal value of RM1.04 each to be issued pursuant to the Proposed Offer; and
 - ii) listing of up to 222,289,429 new ordinary shares of RM1.00 each in BCHB to be issued pursuant to the conversion of the RCULS.
- o) On 14 June 2006, the Company had announced that it has received valid acceptances pursuant to the Offer, resulting in BCHB and persons acting in concert with BCHB for the Offer ("PACs") holding in aggregate, together with such SBB Shares that are already acquired, held or entitled to be acquired or held by BCHB and the PACs, of more than 50% of the outstanding issued and paid-up share capital (net of treasury shares) of SBB as at 12 June 2006. Accordingly, on 14 June 2006 the Offer has become unconditional as to valid acceptances ("Unconditional Date").
- p) On 15 June 2006, the Company had announced that SBB has become a subsidiary of BCHB based on BCHB's equity interest in SBB arising from the valid acceptances received by BCHB for the SBB Shares under the Proposed Offer.
- q) On 20 June 2006, the Company had announced that on 7 June 2006 and 8 June 2006 acquired 25,512,500 Class B Shares for a total consideration of Rp13,713 million (or approximately RM5.17 million based on an illustrative exchange rate of Rp100 to RM0.0377).
Pursuant to the Acquisition, the Group currently holds approximately 66.03% (based on Bank Niaga's paid up share capital as at 31 May 2006) equity interest in Bank Niaga, of which 1.03% is held by PT Commerce Kapital, a subsidiary of BCHB.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

- r) The Company had on 26 June 2006, received valid acceptances of not less than nine-tenth (9/10) of the SBB Shares (other than the SBB Shares already held at the date of the Offer i.e as at 31 May 2006 by BCHB and the persons acting in the concert with BCHB) pursuant to the Offer. Arising therefrom, BCHB will within two months from this date, invoke the provisions of Section 34 of the Securities Commission Act, 1993 to compulsorily acquire the remaining SBB Shares for which acceptances have not been received.
- s) On 28 June 2006, the Company had announced that CIMB Group Sdn Bhd ("CIMBG") and Yusuf Bin Ahmed Kanoo (Holdings) WLL ("Kanoo Group") have established a joint venture entity in the Kingdom of Bahrain, CIMB-KANOO Islamic Investment Company BSC(C) ("CIMB-KANOO"), in which both CIMBG and Kanoo have a 50% equity interest each respectively.
- t) On 28 June 2006, the Company had announced that the Offer has closed at 5.00 p.m and the details on the shareholding position and level of acceptances of the Offer as at the Closing Date in accordance with the requirement of Section 25(1) of the Malaysian Code on Take-Overs and Mergers 1998 are set out in table.
- u) On 29 June 2006, the Company had announced that on 14 June 2006, it has acquired 4,203,500 Class B Shares for a total consideration of Rp2,192 million (or approximately RM0.862 million based on an illustrative exchange rate of Rp1.00 to RM0.0393). Pursuant to the Acquisition, the Group currently holds approximately 66.07% (based on Bank Niaga's paid up share capital as at 31 May 2006) equity interest in Bank Niaga, of which 1.03% is held by PT Commerce Kapital, a subsidiary of BCHB.

A11. SECURITIES HELD FOR TRADING

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	482,030	519,617
Cagamas bonds	52,833	74,177
Khazanah bonds	4,256	4,350
Government investment issues	4,931	-
Unquoted		
Malaysian Government treasury bills	-	29,596
Malaysian Government investment certificates	-	4,998
Bank Negara Malaysia bills	40,237	218,451
Negotiable instruments of deposit	1,121,809	1,082,933
Banker's acceptances	656,304	23,071
Private debt securities	3,997,000	171,655
Credit-linked notes	367,450	375,208
Other Government's securities	-	19,102
	6,726,850	2,523,158
Quoted securities		
<u>In Malaysia</u>		
Warrants	305	2,376
Shares	120,242	275,543
Loan stocks	112	125
Unit trusts	13,145	287,426
Commercial papers	282,423	-
<u>Outside Malaysia</u>		
Shares	18,092	101,572
Private debt securities	-	603,006
Bonds	1,988	-
	7,163,157	3,793,206
Unquoted securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	1,217,872	4,322,609
Shares	-	5,000
Bonds	570,623	704,935
<u>Outside Malaysia</u>		
Private debt securities	-	25,573
Bonds	719,556	704,804
	9,671,208	9,556,127

A12. AVAILABLE-FOR-SALE SECURITIES

	Group 30/6/2006 RM'000	31/12/2005 RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	1,033,806	713,068
Cagamas bonds	796,401	580,296
Khazanah bonds	266,662	164,674
Government Investment Issues	14,987	-
Unquoted		
Malaysian Government treasury bills	-	9,943
Other Government treasury bills	-	10,784
Malaysian Government bonds	-	2,329
Bank Negara Malaysia bills	15,001	92,477
Negotiable instruments of deposit	1,216,678	-
Banker's acceptance, Islamic accepted bills and Islamic debt securities	14,162	-
Private debt securities	5,180,444	3,378,962
Floating rate notes	-	20,440
Malaysian Government Investment Certificates	26,597	-
	8,564,738	4,972,973
Quoted securities		
<u>In Malaysia</u>		
Shares	79,232	204,184
Warrants	199	690
Unit trusts	681,038	13,260
Loan stock	27,273	-
Corporate Notes	149,370	-
<u>Outside Malaysia</u>		
Shares	11,312	-
Bonds	1,425,373	1,542,359
Unquoted securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	-	955,805
Shares	437,111	417,880
Bonds	4,076	6,291
Loan stocks	31,674	36,204
Property trusts	-	16,051
Property funds	74,729	-
Unit trusts	491,531	-
Others	32,849	-
<u>Outside Malaysia</u>		
Shares	13,530	18,460
Management funds	14,785	11,294
Private equity funds	-	41,512
Others	37,984	-
	3,512,066	3,263,990
	12,076,804	8,236,963
Accretion or discounts less amortisation of premium	(1,569)	-
Allowance for impairment loss:		
Private debt securities	(436,371)	(443,790)
Quoted shares	(10,536)	(6,402)
Unquoted shares	(38,777)	(27,422)
Quoted bonds	(1,059)	-
	11,588,492	7,759,349

A13. HELD-TO-MATURITY INVESTMENT

	Group	
	30/06/06 RM'000	31/12/2005 RM'000
Money market instruments:		
Quoted		
Khazanah bonds	33,926	-
Quoted securities outside Malaysia		
Bonds	49,526	29,146
Unquoted securities		
<u>In Malaysia</u>		
Danaharta Urus Sdn Bhd ("DUSB") bonds	1,195,434	1,718,596
Shares	33,380	-
Bonds	34,781	-
Loan stocks	30,858	-
Private debt securities	487,879	391,827
Other Government's securities	30,395	21,748
Government's treasury bills	158,484	122,335
Malaysian Government investment certificates	77,037	-
KLIA bonds	101,264	-
Other Government commercial bills	7,815	-
<u>Outside Malaysia</u>		
Shares	19	-
Bonds	-	19,993
	2,240,798	2,303,645
Accretion of discount net of amortisation of premium	6,894	116,864
Accumulated impairment loss:		
Quoted bonds outside Malaysia	(666)	-
Unquoted bonds in Malaysia	(964)	-
Unquoted loan stocks	(18,621)	-
	2,227,441	2,420,509

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

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Overdrafts	6,886,755	3,935,242
Term loans		
- Housing loans/financing	17,940,745	12,445,596
- Syndicated term loans	4,756,145	4,659,768
- Hire purchase receivables	17,608,022	10,542,325
- Lease receivables	234,591	272,505
- Factoring receivables	60,368	82,867
- Other term loans/financing	30,290,013	22,394,802
Bills receivable	196,200	290,701
Trust receipts	1,284,236	1,048,353
Claims on customer under acceptance credits	6,900,378	6,553,531
Subordinated debt	-	127,277
Staff loans *	666,671	604,870
Credit card receivables	1,778,444	531,364
Revolving credits	13,482,813	10,839,659
Share margin financing	346,173	339,332
Other loans	17,385	6,916
	102,448,939	74,675,108
Less : Unearned interest	(3,682,464)	(2,099,564)
	98,766,475	72,575,544
Less : Islamic loans sold to Cagamas	(861,515)	-
	97,904,960	72,575,544
Gross loans, advances and financing		
Allowance for bad and doubtful debts		
- Specific allowance (SA)	(3,793,410)	(2,305,753)
- General allowance (GA)	(1,543,416)	(1,173,911)
Total net loans, advances and financing	92,568,134	69,095,880

* Included in staff loans of the Group are loans to directors amounting to RM 647,913 (2005: RM 521,596)

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

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Domestic banking institutions	271,804	294,997
Domestic non-bank financial institutions		
- Stockbroking companies	94,217	41,057
- Others	2,548,175	3,400,377
Domestic business enterprises		
- Small medium enterprises	18,474,067	13,201,946
- Others	25,364,116	20,308,750
Government and statutory bodies	111,938	49,516
Individuals	43,141,278	28,047,147
Other domestic entities	3,150,699	2,138,733
Foreign entities	5,610,181	5,093,021
	<u>98,766,475</u>	<u>72,575,544</u>
Less : Islamic loans sold to Cagamas	(861,515)	-
	<u>97,904,960</u>	<u>72,575,544</u>

(iii) By interest/profit rate sensitivity

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Fixed rate		
- Housing loans	3,712,830	2,001,692
- Hire-purchase receivables	14,622,876	8,738,993
- Other fixed rate loans	16,910,832	9,161,854
Variable rate		
- BLR plus	41,980,407	33,160,761
- Cost-plus	12,141,845	12,928,908
- Other variable rates	9,397,685	6,583,336
	<u>98,766,475</u>	<u>72,575,544</u>
Less : Islamic loans sold to Cagamas	(861,515)	-
	<u>97,904,960</u>	<u>72,575,544</u>

(iv) By economic purposes

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Construction	4,808,924	5,122,385
Purchase of landed property :		
- Residential	18,780,709	13,056,661
- Non-residential	4,228,821	2,512,564
Purchased of fixed assets other than land & building	2,437,693	2,018,066
Loans for refinancing	705,230	750,579
Merger and acquisition	364,296	326,087
Personal uses	2,483,704	1,472,364
Credit card	1,953,369	536,699
Purchase of consumer durables	72,027	81,802
Purchase of securities	5,051,045	4,583,218
Purchase of transport vehicles	14,930,498	9,640,106
Working capital	42,067,462	31,395,582
Others	882,697	1,079,431
	<u>98,766,475</u>	<u>72,575,544</u>
Less : Islamic loans sold to Cagamas	(861,515)	-
	<u>97,904,960</u>	<u>72,575,544</u>

A14. LOANS, ADVANCES AND FINANCING**(v) Non-performing loans by economic purposes**

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Construction	560,890	504,210
Purchase of landed property :		
- Residential	2,406,788	1,977,711
- Non-residential	610,879	346,023
Purchased of fixed assets other than land & building	369,014	360,846
Loans for refinancing	11,042	11,358
Personal uses	312,596	183,595
Credit card	88,743	56,595
Purchase of consumer durables	2,547	2,565
Purchase of securities	530,878	294,844
Purchase of transport vehicles	1,222,533	716,271
Working capital	3,573,887	1,825,723
Others	26,835	26,657
	9,716,632	6,306,398

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

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Balance as at 1 January	6,306,398	6,278,029
NPL during the year	3,193,419	4,249,222
Performing during the year	(1,223,017)	(2,409,192)
Recoveries	(791,688)	(1,143,362)
Non-performing loans arising from acquisition of a subsidiary	2,354,935	-
Amount written off	(193,527)	(650,196)
Exchange fluctuation	70,112	(18,103)
Balance as at 30 June / 31 December	9,716,632	6,306,398
Specific allowance	(3,793,410)	(2,305,753)
Net non-performing loans, advances and financing	5,923,222	4,000,645

Classification of non-performing loans

Sub-standard	2,278,948	1,589,795
Doubtful	854,869	588,930
Bad debts	6,582,815	4,127,673
Balance as at 30 June / 31 December	9,716,632	6,306,398
Total loans, advances and financing (less specific allowance)	94,111,550	70,269,791
Net non-performing loans	5,923,222	4,000,645
(as % of total loans)	6.29%	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	
	30/6/2006 RM'000	31/12/2005 RM'000
General allowance		
Balance as at 1 January	1,173,911	1,065,735
Net allowance made during the year	26,934	131,872
Non-performing loans arising from acquisition of a subsidiary	353,392	-
Amount transferred to specific allowance	-	(10,627)
Allowance for loans in relation to loans in jointly controlled entities	1,678	17,677
Exchange fluctuation	(12,499)	(30,746)
Balance as at 30 June / 31 December	<u>1,543,416</u>	<u>1,173,911</u>
 (as % of gross loans, advances and financing less SA)	 1.6%	 1.7%
Specific allowance		
Balance as at 1 January	2,305,753	1,919,403
Net allowance made during the year	562,298	1,507,535
Non-performing loans arising from acquisition of a subsidiary	1,288,265	-
Amount transferred from general allowance	-	10,627
Amount recovered	(233,410)	(525,326)
Amount written off	(201,583)	(651,770)
Allowance for loans in relation to loans in jointly controlled entities	15,463	7,294
Exchange fluctuation	56,624	37,990
Balance as at 30 June / 31 December	<u>3,793,410</u>	<u>2,305,753</u>

A15. OTHER ASSETS

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Interest receivable	369,958	414,866
Due from brokers and clients net of allowance for doubtful debts	1,093,471	622,464
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,464,031	1,215,720
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	122,389	111,242
Foreclosed properties net of allowance for impairment in value	128,914	47,453
Deferred assets	260,379	-
Others	179,575	-
	<u>3,618,717</u>	<u>2,411,745</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
<u>By type of deposits</u>		
Demand deposits	20,475,346	17,491,203
Savings deposits	8,842,877	6,932,108
Fixed deposits	56,718,614	46,912,868
Negotiable instruments of deposit	7,834,887	2,360,893
Others	513,470	626,515
	<u>94,385,194</u>	<u>74,323,587</u>
 <u>By type of customers</u>		
Government and statutory bodies	9,382,163	6,079,260
Business enterprises	42,716,761	37,759,417
Individuals	31,066,793	19,221,935
Others	11,219,477	11,262,975
	<u>94,385,194</u>	<u>74,323,587</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Licensed banks	8,996,532	6,277,272
Licensed finance companies	69,847	75
Licensed merchant banks	111,228	302,420
Bank Negara Malaysia	799,672	74,139
Other financial institutions	1,632,641	762,742
	<u>11,609,920</u>	<u>7,416,648</u>

A18. OTHER LIABILITIES

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Interest payable	608,778	492,359
Deferred taxation	15,433	13,690
Due to insurers, agents, brokers, clients and reinsurers net of provision for doubtful debts	1,133,607	563,351
Short-term borrowings	223,483	81,042
Insurance fund - life insurance business	1,010,224	971,631
Insurance fund - general insurance business	366,644	335,265
Provision for commitments and contingencies	4,543	3,776
Post employment benefit obligations	70,599	92,023
Zakat	-	5
Amount owing to SBB shareholders	6,586,026	-
Others	1,718,288	1,834,976
	<u>11,737,625</u>	<u>4,388,118</u>

A19. SHORT-TERM BORROWINGS

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Revolving credit facilities	218,525	81,042
Others	4,958	-
	<u>223,483</u>	<u>81,042</u>

A20. INTEREST INCOME

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2006 RM'000	30/6/2005 RM'000	30/6/2006 RM'000	30/6/2005 RM'000
Loans and advances				
- Interest income other than recoveries	1,273,261	1,010,146	2,489,538	2,003,277
- Recoveries from NPLs	82,187	52,816	139,845	90,638
Money at call and deposit with financial institutions	119,070	168,153	272,520	290,795
Securities held for trading	92,695	54,180	185,060	129,078
Available-for-sale securities	116,710	130,589	224,688	249,485
Held-to-maturity investment	38,769	26,815	75,995	52,336
Others	31,199	13,660	79,718	53,709
	<u>1,753,891</u>	<u>1,456,359</u>	<u>3,467,364</u>	<u>2,869,318</u>
Accretion of discounts less amortisation of premium	18,408	30,932	43,176	41,030
Net interest suspended	(25,772)	(16,806)	(54,131)	(37,562)
	<u>1,746,527</u>	<u>1,470,485</u>	<u>3,456,409</u>	<u>2,872,786</u>

A21. INTEREST EXPENSE

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2006 RM'000	30/6/2005 RM'000	30/6/2006 RM'000	30/6/2005 RM'000
Deposits and placements of banks and other financial institutions	133,902	117,416	334,602	263,222
Deposit from other customers	648,173	506,499	1,245,174	969,842
Obligation on securities sold under repurchase agreements	36,483	5,635	74,514	11,194
Bonds	14,171	20,763	42,117	41,298
Loan stocks/ICULS	12,472	14,049	24,807	19,809
Subordinated Notes	17,332	14,612	36,318	29,218
Negotiable certificates of deposits	10,504	12,843	25,999	27,242
Other borrowings	24,068	43,652	44,219	71,015
	897,105	735,469	1,827,750	1,432,840

A22. NON-INTEREST INCOME

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2006 RM'000	30/6/2005 RM'000	30/6/2006 RM'000	30/6/2005 RM'000
Fee income :				
Commissions	42,986	51,966	88,025	93,099
Fee on loans and advances	36,390	36,783	68,527	71,545
Portfolio management fees	1,024	9,950	1,872	17,474
Service charges and fees	44,439	32,786	89,705	69,567
Corporate advisory fees	8,282	9,232	16,588	31,268
Guarantee fees	13,575	15,106	25,862	27,871
Underwriting commissions	25,808	2,579	36,280	3,995
Other fee income	52,149	1,114	105,365	41,531
	224,653	159,516	432,224	356,350
Investment income :				
Gain from sale of available-for-sale securities	4,567	67,998	21,184	154,345
(Loss)/Gain from sale of securities held for trading and derivatives	42,803	(12,728)	30,043	58,010
Gain from sale of held-to-maturity investment	-	140	-	140
Unrealised gain/(loss) on revaluation of :				
- Securities held for trading	(151,525)	124,003	(97,343)	95,580
- Derivative financial instruments	162,751	(17,603)	285,284	(17,603)
Gross dividends from :				
<u>Malaysia</u>				
- Securities held for trading	1,567	3,661	7,771	9,848
- Available-for-sale securities	2,133	48	3,553	3,067
- Held-to-maturity investments	75	-	75	-
<u>Outside Malaysia</u>				
- Securities held for trading	567	-	567	-
- Associates	174	-	174	-
Gain/(loss) on disposal of interest in subsidiary	(939)	(3,251)	-	(391)
	62,173	162,268	251,308	302,996
Other income :				
Foreign exchange gain				
- Realised	5,247	(15,077)	(7,820)	1,079
- Unrealised	9,887	2,267	25,030	4,154
Rental income	1,959	2,150	2,748	3,193
Gain on disposal of fixed assets	207	485	273	1,204
Net gain from insurance business	2,816	-	4,956	-
Underwriting surplus before management expenses	30,480	17,952	51,149	40,827
Net brokerage fee	52,446	12,687	96,571	41,929
Other non-operating income	52,526	(1,892)	48,870	32,762
	155,568	18,572	221,777	125,148
	442,394	340,356	905,309	784,494

A23. OVERHEAD EXPENSES

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries allowances and bonuses	250,428	202,323	467,111	390,328
- Pension cost (defined contribution plans)	34,518	19,481	55,167	42,057
- Others	89,092	32,688	182,269	67,694
Establishment costs				
- Depreciation of fixed assets	59,515	37,638	91,508	65,416
- Rental	21,181	(3,953)	49,401	18,039
- Insurance	5,400	1,899	7,574	2,257
- Others	92,590	50,388	164,900	115,152
Marketing expenses				
- Sales commission	956	10,395	1,134	24,439
- Advertisement	17,983	17,714	39,364	27,510
- Others	9,966	(3,663)	17,812	6,223
Administration and general expenses				
- Legal & professional fees	19,166	29,707	48,549	42,929
- Communication	27,260	4,812	38,770	18,605
- Others	26,171	74,202	125,130	158,852
	654,226	473,631	1,288,689	979,501

A24. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Specific allowance				
- Made during the financial year	290,262	458,915	562,298	634,472
- Written back	(133,963)	(84,138)	(233,410)	(159,088)
General allowance				
- Made during the financial year	18,784	12,109	26,934	47,132
Bad debts on loan and financing :				
- recovered	(21,096)	(22,217)	(36,872)	(43,523)
- written off	232	165	84	312
	154,219	364,834	319,034	479,305

During the half-year the Bumiputra-Commerce Bank Berhad (BCB) has also evaluated its portfolio of non-performing loans that have been in default and remained uncollected for more than 7 years and also those non-performing loans in default for more than 5 but less than 7 years. For the loans in default for more than 7 years, no value is assigned as the realisable value of collateral. For the loans which are in default for more than 5 but less than 7 years, 50% of the realisable value of asset held has been assigned as the value of collateral. The effect of this exercise amounted to RM63,335,317.14

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

	30/6/2006			31/12/2005		
	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	4,092,225	4,092,225	1,853,660	4,047,929	4,047,929	1,964,139
Certain transaction-related contingent items	4,099,092	2,164,137	1,409,785	3,331,837	1,774,632	1,135,033
Short-term self-liquidating trade-related contingencies	2,651,470	530,293	150,898	2,968,051	593,611	174,346
Obligations under underwriting agreement	416,173	127,140	127,140	397,761	198,881	190,614
Irrevocable commitments to extend credit :						
- maturity not exceeding one year	30,541,174	-	-	21,536,945	-	-
- maturity exceeding one year	5,220,633	2,609,110	2,043,951	4,348,572	2,174,289	1,773,795
Forward asset purchase	654,500	654,500	654,500	-	-	-
Foreign exchange related contracts	22,234,089	713,199	176,692	13,825,500	433,752	144,060
Interest rate related contracts	139,590,266	2,499,222	465,000	93,888,011	1,443,399	385,862
Equity related contracts	284,674	-	-	209,721	-	-
Commodity related contracts	-	-	-	8,533	-	-
Put option	14,379	-	-	-	-	-
Asset sold under recourse	861,515	861,515	861,515	-	-	-
Miscellaneous commitments and contingencies	6,842,853	4,075	-	4,916,884	4,893	-
	217,503,043	14,255,416	7,743,141	149,479,744	10,671,386	5,767,849

* 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 require- ments
Foreign exchange related contracts								
- forwards	16,212,080	8,342,709	3,751,602	2,358,377	1,503,607	255,785	-	-
- swaps	5,204,020	903,075	599,080		291,937	3,409,928		-
- foreign exchange swaps	817,989	5,111	77,176				735,702.00	
Interest rate related contracts								
- futures	38,978,503	-	4,798,153	3,169,615	5,846,898	24,384,843	778,994	
- swaps	96,931,763	10,269,968	24,665,682	12,127,462	12,063,967	34,517,985	3,286,699	
- options	3,680,000	-		100,000		3,580,000	-	
Equity related contracts								
- futures	7,515		7,515					
- options	277,159	1,186	4,373		112,200	159,400		
Commodity related contracts								
- options	-							
Total	162,109,029	19,522,049	33,903,581	17,755,454	19,818,609	66,307,941	4,801,395	

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 RM3,970,691,601 (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 RM15,167,835,134 (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 30 June 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 %
Assets									
Cash and short-term funds	14,629,901	2,560	-	-	-	2,259,585	-	16,892,046	3.56
Securities purchased under resale agreement	2,062,413	2,176,709	-	-	-	-	-	4,239,122	3.74
Deposits and placements with banks and other financial institutions	1,370,106	771,525	541,146	-	-	121,718	-	2,804,495	5.61
Securities held for trading	-	-	-	3,539,950	2,565,068	2,196,529	9,671,208	9,671,208	4.56
Available-for-sale securities	1,335,779	769,278	1,181,888	441,160	1,424,961	77,207	-	11,588,492	5.82
Held-to-maturity investment	21,282	46,810	216,021	-	-	1,805	827,177	2,227,441	1.49
Derivatives financial instruments	-	-	-	-	-	-	-	828,982	8.18
Loans, advances and financing	44,192,855	12,695,983	8,139,445	12,289,067	10,429,024	131,914	-	87,878,288	7.98
- performing	-	-	-	633,137	-	4,056,709	-	4,689,846	-
- non-performing	272,028	2,960	765	430	22,915	3,319,619	-	3,618,717	5.00
Other assets	-	-	-	-	-	717,459	-	717,459	-
Deferred taxation	-	-	-	-	-	213,933	-	213,933	-
Tax recoverable	-	-	-	-	-	2,466,371	-	2,466,371	-
Statutory deposits with Central Banks	-	-	-	-	-	98,723	-	98,723	-
Investment in associates	-	-	-	-	-	169,988	-	169,988	-
Jointly controlled entities	-	-	-	-	-	1,415,693	-	1,415,693	-
Property, plant and equipment	-	-	-	-	-	12,725	-	12,725	-
Investment property	-	-	-	-	-	4,471,131	-	4,471,131	-
Goodwill/intangible assets	-	-	-	-	-	-	-	-	-
Total assets	63,884,364	16,465,825	10,079,265	16,903,744	14,441,968	21,731,109	10,498,385	154,004,660	
Liabilities and Shareholders' Funds									
Deposits from customers	47,477,546	14,992,889	18,589,347	2,022,126	107,127	11,196,159	-	94,385,194	3.71
Deposits and placements of banks and other financial institutions	5,307,147	2,448,219	2,949,582	473,441	412,066	19,465	-	11,609,920	4.61
Derivative financial instruments	8,050	-	-	1,883	-	1,360	820,436	831,729	3.70
Obligations on securities sold under repurchase agreements	6,981,876	202,281	1,300	-	-	-	-	7,185,457	3.08
Bills and acceptances payable	1,314,659	2,182,803	610,192	-	-	791,385	-	4,899,039	3.76
Floating rate certificates of deposits	-	-	-	-	-	220,470	-	220,470	-
Other liabilities	489,696	1,316	2,395	397,002	99,464	10,966,438	-	11,856,847	5.47
Amount due to Cagamas Berhad	-	241,120	616,638	3,512,184	727,769	-	-	4,469,406	6.13
Loan stocks	-	-	-	499,411	300,000	-	-	1,227,180	8.64
Bonds	-	-	-	910,043	-	-	-	1,210,043	7.48
ICULS	-	-	-	56,537	-	-	-	56,537	5.33
Other borrowings	78,811	5,531	1,386,907	529,726	11,043	(14,232)	-	1,997,786	5.53
Subordinated Notes	-	-	-	1,828,322	729,295	-	-	2,557,617	-
Total liabilities	61,657,785	20,074,159	24,156,361	10,230,675	2,386,764	23,181,045	820,436.00	142,507,225	
Shareholders' equity	-	-	-	-	-	10,590,432	-	10,590,432	-
Minority interest	-	-	-	-	-	638,830	-	638,830	-
Convertible Bonds (equity component)	-	-	-	-	-	68,173	-	68,173	-
Preference shares	-	-	-	-	-	200,000	-	200,000	-
Total liabilities and shareholders' funds	61,657,785	20,074,159	24,156,361	10,230,675	2,386,764	34,678,480	820,436.00	154,004,660	
On-balance sheet interest rate gap	2,226,579	(3,608,334)	(14,077,096)	6,673,069	12,055,204	-	-	-	-
Total interest rate sensitivity gap	2,226,579	(3,608,334)	(14,077,096)	6,673,069	12,055,204				

	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 %
As at 31 December 2005									
Assets									
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	-	-	753,224	2,349,336	1,744,323	882,624	9,556,127	9,556,127	4.18
Available-for-sale securities	1,451,248	578,594	181,769	370,505	1,273,192	-	-	7,759,349	6.65
Held-to-maturity securities	52,767	542,276	202	-	-	-	-	2,420,509	1.53
Derivatives financial instruments	68,063	-	-	-	-	-	317,475	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	
Statutory 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	
Property, plant and equipment	-	-	-	-	-	927,620	-	927,620	
Investment property	-	-	-	-	-	12,638	-	12,638	
Goodwill	-	-	-	-	-	534,618	-	534,618	
Total assets	49,394,347	8,897,895	10,847,046	11,482,567	11,088,930	11,834,314	9,980,865	113,525,964	
Liabilities and Shareholders' Funds									
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	-	-	250,000	169,362	613,401	-	-	782,763	6.53
Bonds	-	-	-	678,708	44,682	-	-	928,708	7.50
ICULS	-	-	-	-	-	-	-	44,682	3.56
Other borrowings	32,716	58,554	684,851	53,772	-	-	-	829,893	5.13
Subordinated Notes	-	-	-	1,872,016	-	-	-	1,872,016	
Total liabilities	49,370,356	13,714,012	14,943,980	5,382,291	1,398,118	17,251,670	359,059.00	102,419,486	
Shareholders' equity	-	-	-	-	-	9,637,453	-	9,637,453	
Minority interest	-	-	-	-	-	1,269,025	-	1,269,025	
Preference shares	-	-	-	-	-	200,000	-	200,000	
Total liabilities and shareholders' funds	49,370,356	13,714,012	14,943,980	5,382,291	1,398,118	28,358,148	359,059.00	113,525,964	
On-balance sheet interest rate gap	23,991	(4,816,117)	(4,096,934)	6,100,276	9,690,812	-	-	-	
Total interest rate sensitivity gap	23,991	(4,816,117)	(4,096,934)	6,100,276	9,690,812				

A28. CAPITAL ADEQUACY
30 June 2006

	BCBB				
	BCB(L) & CIMB(L)	CIMBB	BKNIAGA	SBB	TOTAL
	RM '000	RM '000	RM '000	RM '000	RM '000
The capital adequacy ratios are as follows:					
Tier I capital	6,413,021	1,593,211	1,687,297	2,686,438	12,379,967
Eligible Tier II capital	3,172,536	-	581,232	1,757,994	5,511,762
	<u>9,585,557</u>	<u>1,593,211</u>	<u>2,268,529</u>	<u>4,444,432</u>	<u>17,891,729</u>
less:					
Investment in subsidiaries and holding of other banking institutions' capital	(244,108)	(362,549)	(24,887)	-	(631,544)
Capital base	<u>9,341,449</u>	<u>1,230,662</u>	<u>2,243,642</u>	<u>4,444,432</u>	<u>17,260,185</u>
<i>Before deducting proposed dividends</i>					
Core capital ratio	8.84%	65.11%	13.63%	10.08%	10.91%
Risk-weighted capital ratio	<u>12.88%</u>	<u>65.11%</u>	<u>18.12%</u>	<u>16.68%</u>	<u>15.21%</u>
<i>After deducting proposed dividends</i>					
Core capital ratio	8.63%	65.11%	13.63%	10.08%	10.78%
Risk-weighted capital ratio	<u>12.67%</u>	<u>65.11%</u>	<u>18.12%</u>	<u>16.68%</u>	<u>15.08%</u>
Components of Tier I and Tier II capitals are as follows:					
Tier I capital					
Paid-up capital	2,378,341	219,242	395,645	1,610,897	4,604,125
Share premium	1,452,742	33,488	672,582	862,195	3,021,007
Other reserves	2,897,380	1,340,481	619,070	451,190	5,308,121
Treasury shares	-	-	-	(202,149)	(202,149)
Innovative Tier-I capital	-	-	-	402,966	402,966
Minority interest	-	-	-	17,964	17,964
Less : Goodwill	-	-	-	(456,625)	(456,625)
Deferred Tax liabilities/(assets)	(315,442)	-	-	-	(315,442)
Total Tier I capital	<u>6,413,021</u>	<u>1,593,211</u>	<u>1,687,297</u>	<u>2,686,438</u>	<u>12,379,967</u>
Tier II capital					
Subordinated loans	1,469,805	-	393,080	1,035,702	2,898,587
ICULS issued	667,000	-	-	-	667,000
General allowance for bad and doubtful debts	1,035,731	-	129,735	397,489	1,562,955
Other	-	-	58,417	324,803	383,220
Total Eligible Tier II capital	<u>3,172,536</u>	<u>-</u>	<u>581,232</u>	<u>1,757,994</u>	<u>5,511,762</u>
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(244,108)	(362,549)	(24,887)	-	(631,544)
Total Capital Base	<u>9,341,449</u>	<u>1,230,662</u>	<u>2,243,642</u>	<u>4,444,432</u>	<u>17,260,185</u>
Proposed dividend to be deducted from retained profit					
Proposed final dividend for ordinary shares	(150,692)	-	-	-	(150,692)
Total Capital Base (net of proposed dividend)	<u>9,190,757</u>	<u>1,230,662</u>	<u>2,243,642</u>	<u>4,444,432</u>	<u>17,109,493</u>

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

					Risk Weighted
					RM'000
0%	15,689,953	125,595	3,377,028	4,883,473	24,076,049
10%	634,381	-	17,743	220,639	872,763
20%	16,078,574	165,286	818,032	3,078,134	20,140,026
50%	9,703,946	34,300	4,230,921	4,912,638	18,881,805
100%	57,470,327	1,138,821	9,563,073	20,690,141	88,862,362
Total risk-weighted assets equivalent for credit risk	<u>65,601,453</u>	<u>1,189,028</u>	<u>11,843,914</u>	<u>23,784,151</u>	<u>102,418,546</u>
Total risk-weighted assets equivalent for market risk	6,934,964	701,089	536,868	2,856,322	11,029,243
Total risk-weighted assets	<u>72,536,417</u>	<u>1,890,117</u>	<u>12,380,782</u>	<u>26,640,473</u>	<u>113,447,789</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.

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, Southern Bank Berhad, Southern Investment Bank Berhad and PT Bank Niaga Tbk.

A28. CAPITAL ADEQUACY
31 December 2005

The capital adequacy ratios are as follows:

	BCBB RM '000	CIMB RM '000	BKNIAGA RM '000	TOTAL RM '000
Tier I capital	5,012,895	1,516,131	1,629,503	8,158,529
Eligible Tier II capital	2,651,596	400,617	638,159	3,690,372
	<u>7,664,491</u>	<u>1,916,748</u>	<u>2,267,662</u>	<u>11,848,901</u>
less:				
Investment in subsidiaries and holding of other banking institutions' capital	(299,335)	(432,927)	(29,044)	(761,306)
Capital base	<u>7,365,156</u>	<u>1,483,821</u>	<u>2,238,618</u>	<u>11,087,595</u>
<i>Before deducting proposed dividends</i>				
Core capital ratio	9.23%	20.71%	14.33%	11.20%
Risk-weighted capital ratio	13.57%	20.71%	19.68%	15.23%
<i>After deducting proposed dividends</i>				
Core capital ratio	9.13%	20.71%	14.33%	11.12%
Risk-weighted capital ratio	13.46%	20.71%	19.68%	15.14%

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

Tier I capital				
Paid-up capital	2,063,956	219,242	393,686	2,676,884
Share premium	937,778	33,488	662,896	1,634,162
Other reserves	2,262,563	1,261,213	572,921	4,096,697
Deferred Tax liabilities/(assets)	(251,402)	2,188	-	(249,214)
Total Tier I capital	<u>5,012,895</u>	<u>1,516,131</u>	<u>1,629,503</u>	<u>8,158,529</u>
Tier II capital				
Subordinated loans	1,133,850	377,257	411,017	1,922,124
ICULS issued	667,000	-	-	667,000
General allowance for bad and doubtful debts	850,746	23,360	129,053	1,003,159
Other	-	-	98,089	98,089
Total Eligible Tier II capital	<u>2,651,596</u>	<u>400,617</u>	<u>638,159</u>	<u>3,690,372</u>
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(299,335)	(432,927)	(29,044)	(761,306)
Capital Base	<u>7,365,156</u>	<u>1,483,821</u>	<u>2,238,618</u>	<u>11,087,595</u>
Proposed dividend to be deducted from retained profit				
Proposed final dividend for ordinary shares	59,442	-	-	59,442
Total Capital Base (net of proposed dividend)	<u>7,305,714</u>	<u>1,483,821</u>	<u>2,238,618</u>	<u>11,028,153</u>

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

	Risk Weighted RM'000			
0%	13,142,329	2,968,997	3,741,455	19,852,781
10%	674,937	323,255	10,367	1,008,559
20%	9,300,357	1,795,365	833,608	11,929,330
50%	9,292,849	227,614	4,083,605	13,604,068
100%	46,390,169	2,878,547	9,165,640	58,434,356
Total risk-weighted assets equivalent for credit risk	<u>52,964,159</u>	<u>3,383,753</u>	<u>11,375,201</u>	<u>67,723,112</u>
Total risk-weighted assets equivalent for market risk	<u>1,318,999</u>	<u>3,780,954</u>	<u>-</u>	<u>5,099,953</u>
Total risk-weighted assets	<u>54,283,158</u>	<u>7,164,707</u>	<u>11,375,201</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.

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.

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 RM'000	Support and others RM'000	Total RM'000
30 June 2006									
Net interest income	709,844	289,928	320,301	323,649	162	(1,424)	530	(14,331)	1,628,659
-external	4,330	151,656	73,962	(241,301)	-	-	-	11,353	-
-inter-segment									
Income from Islamic Banking operations	714,174	441,584	394,263	82,348	162	(1,424)	530	(2,978)	1,628,659
Non interest income	-	-	-	-	-	-	-	7,867	7,867
	138,993	91,787	79,726	232,977	73,430	111,215	37,645	139,536	905,309
Net Income	853,167	533,371	473,989	315,325	73,592	109,791	38,175	144,425	2,541,835
Overhead expenses	(404,168)	(115,538)	(53,778)	(29,271)	(38,065)	(69,927)	(25,694)	(52,248)	(1,288,689)
Profit before allowance	448,999	417,833	420,211	286,054	35,527	39,864	12,481	(407,823)	1,253,146
Allowance for losses on loans and financing	(218,438)	(98,441)	14,115	842	-	-	-	(17,112)	(319,034)
Allowance for other receivables	(1)	(1,307)	(8,608)	1,956	(3,819)	(300)	(210)	(1,072)	(13,361)
Provision for commitment & contingencies	-	-	-	-	-	-	-	953	953
Allowance for impairment of securities	-	-	-	7,199	-	-	-	(21,808)	(14,609)
Segment result	230,560	318,085	425,718	296,051	31,708	39,564	12,271	(446,862)	907,095
Share of results of associates	-	-	-	-	-	-	3,051	1,494	4,545
Share of results of jointly controlled entities	4,524	-	-	-	-	-	-	-	4,524
Profit/(loss) before taxation and zakat	235,084	318,085	425,718	296,051	31,708	39,564	15,322	(445,368)	916,164
Taxation and zakat	-	-	-	-	-	-	-	(211,165)	(211,165)
Net profit for the period before minority interests	235,084	318,085	425,718	296,051	31,708	39,564	15,322	(656,533)	704,999

	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
30 June 2005										
Net interest income -external	632,862	406,372	122,270	333,197	-	-	-	(55,468)	713	1,439,946
-inter-segment	35,462	1,065	101,474	(123,016)	-	-	-	(14,985)	-	-
Income from Islamic Banking operations	668,324	407,437	223,744	210,181	-	-	-	(70,453)	713	1,439,946
Non interest income	107,544	92,054	109,199	213,440	63,923	-	72,608	125,709	17	784,494
Net Income	775,868	499,491	332,943	423,621	63,923	-	72,608	55,256	5,578	2,229,288
Overhead expenses	(356,599)	(125,201)	(55,876)	(43,303)	(21,511)	-	(9,435)	(362,576)	(5,000)	(979,501)
Segment result	419,269	374,290	277,067	380,318	42,412	-	63,173	(307,320)	578	1,249,787
Allowance for losses on loans and financing	(249,144)	(149,583)	(116,882)	11,066	-	-	-	25,238	-	(479,305)
Provision for other receivables	-	-	-	(6,826)	(29)	-	(10,310)	(2)	-	(17,167)
Impairment loss from securities held-for-trading	-	-	-	(29,940)	-	-	-	-	-	(29,940)
Profit after allowance	170,125	224,707	160,185	354,618	42,383	-	52,863	(282,084)	578	723,375
Share of results of associates	-	-	-	-	-	-	-	5,953	-	5,953
Share of results of jointly controlled entities	(1,377)	-	-	-	-	-	-	-	-	(1,377)
Profit/(loss) before taxation and zakat	168,748	224,707	160,185	354,618	42,383	-	52,863	(276,131)	578	727,951
Taxation and zakat	-	-	-	-	-	-	-	(151,802)	-	(151,802)
Net profit for the period before minority interests	168,748	224,707	160,185	354,618	42,383	-	52,863	(427,933)	578	576,149

A30. OPERATION OF ISLAMIC BANKING
A30a Unaudited Balance Sheet as at 30 June 2006

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Assets		
Cash and short-term funds	514,932	755,969
Deposit and placement with banks and other financial institutions	208,000	5,000
Securities held for trading	27,153	13,978
Available-for-sale securities	177,426	109,403
Loans, advances and financing	459,561	15,893
Deferred tax	4,327	4,375
Satutory deposits with Bank Negara Malaysia	7,008	3,120
Fixed assets	11,144	9,878
Other asset	4,254	3,537
TOTAL ASSETS	1,413,805	921,153
Liabilities and Islamic banking capital funds		
Deposits from customers	682,653	555,820
Deposits and placements of banks and other financial institutions	395,105	130,684
Bills and acceptances payable	8	694
Amount due to holding company	1,154	165
Amount due to related companies		169
Provision for taxation and zakat	7,304	7,141
Long-term borrowings	41,830	41,830
Other liabilities	25,690	7,385
TOTAL LIABILITIES	1,153,744	743,888
Islamic banking funds	289,683	169,683
Reserves	(29,622)	7,582
Islamic banking capital funds	260,061	177,265
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS	1,413,805	921,153

A30b Unaudited Income Statements for the 2nd Quarter and Six Months Ended 30 June 2006

	2nd Quarter ended		Six months ended	
	30 June 2006 RM'000	30 June 2005 RM'000	30 June 2006 RM'000	30 June 2005 RM'000
Group				
Income derived from investment of depositors' funds	9,804	4,855	17,749	9,051
Allowance for losses on financing, advances and other loans	-	(627)	-	(113)
Transfer to/(from) profit equalisation reserve	(435)	(7)	(605)	(7)
Other expenses directly attributable to the investment of the depositors and Islamic Banking capital funds	(5)	(8)	(11)	(26)
Total attributable income	9,364	4,213	17,133	8,905
Income attributable to the depositors	(5,383)	(3,283)	(10,602)	(6,853)
Income attributable to the reporting institutions	3,981	930	6,531	2,052
Income derived from investment of Islamic Banking capital funds	438	1,422	1,541	2,789
Total net income	4,419	2,352	8,072	4,841
Allowance for losses on financing and advances	(77)	-	(124)	-
Other operating expenses	(10,780)	(5,963)	(20,870)	(6,748)
(Loss)/profit before tax and zakat	(6,438)	(3,611)	(12,922)	(1,907)
Tax and zakat	(558)	(298)	(1,052)	(702)
Net (loss)/profit for the financial period	(6,996)	(3,909)	(13,974)	(2,609)

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

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Cash	-	3
Term financing	485,327	22,417
	<u>485,327</u>	<u>22,420</u>
less: Unearned income	(17,713)	(6,282)
Gross financing, advances and other loans	467,614	16,138
Allowance for bad and doubtful financing		
- General	(8,053)	(245)
Total net financing, advances and other loans	<u>459,561</u>	<u>15,893</u>

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

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
General allowance		
At 1 January	245	-
Net allowance made during the financial period/year	7,808	245
Balance at 30 June / 31 December	<u>8,053</u>	<u>245</u>
 (as % of gross financing, advances and other loans)	 1.72%	 1.52%

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

	Group	
	30/6/2006 RM'000	31/12/2005 RM'000
Non-Mudharabah Fund		
Demand deposits	102,404	5,906
Saving deposits	17,802	8,639
	<u>120,206</u>	<u>14,545</u>
 Mudharabah Fund		
Saving deposits	4,342	8,361
Demand deposits	26,586	3,249
General investment deposits	236,228	301,390
Special investment deposits	295,291	123,230
Others	-	105,045
	<u>562,447</u>	<u>541,275</u>
	<u>682,653</u>	<u>555,820</u>

A31. CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

a) Change in Accounting Policies

During the 2nd quarter ended 30 June 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 six months period ended 30 June 2006, the Group recorded a PBT of RM916.2 million; 25.9% higher as compared to RM727.9 million made in the previous year. The higher year-on-year Group PBT was mainly due to increase in total income by RM312.5 million, decrease in the level of allowance for losses on loans and financing by RM160.3 million despite increase in overhead expenses by RM309.2 million.

The main contributor to the Commerce Group's PBT was the CIMB Group which registered RM660.3 million, or a contribution of 72.1%. The PT Bank Niaga Group registered RM193.1 million, or a contribution of 21.1%.

At CIMB Group, net interest income grew by 9.7% at the back of net interest margin improvement to 2.37% from 2.17% in the previous year. Non-interest income was slightly higher by 8.7% to RM665.7 million. CIMB-GK has contributed a strong non-interest income of RM114.4 million for the first six months (1H05: Nil) but it was offset by lower fee income from capital markets and lower fixed income and debt securities. Overhead expenses increased by 28% due to higher personnel cost by RM158.8 million which includes Mutual Separation Scheme payment of RM95 million. The six months inclusion of CIMB-GK has contributed RM92.4 million to the Group overhead expenses. Allowance for losses on loans was at RM260.9 million which was lower by 41% against last year.

Bank Niaga's PBT amounted to IDR 480 billion (1H05: IDR 439 billion) increased by 9%. Non interest income of Niaga was lower by 7% due to the decrease on income from subsidiaries. Allowances on loans was higher by 69% to RM58.1 million. Net interest income was higher by 31% year on year on the back of loans growth of 20% with net interest margin at 5.9%.

B2. COMPARISON WITH THE PRECEDING QUARTER'S RESULT

For the second quarter ended 30 June 2006, the Commerce Group had recorded a PBT of RM463.0 million, higher by 9.8 million compared to the PBT of RM453.2 million registered in the first quarter of 2006. The major contributor to the Commerce Group's PBT for the second quarter was the CIMB Group at RM339.0 million (1Q06: Proforma CIMB Group of RM321.3 million). PT Bank Niaga Group has registered PBT of RM93.2 million (1Q06: RM99.9 million).

Quarter-on-quarter, the Group PBT was higher as a result of higher total income by RM50.2 million and lower allowance for losses on loans by RM10.6 million. However, the higher income was offset by higher overhead expenses by RM19.8 million.

Total income was higher by RM50.2 million due to higher net interest income by RM69.3 million despite lower non-interest income by RM19.2 million. The allowance for losses on loans was lower at RM154.2 million as compared to the first quarter 06 of RM164.8 million, mainly due to higher recovery in the second quarter 06.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Malaysian economy is expected to continue its growth momentum in 2006 despite the challenges of high oil prices and further domestic interest rate hikes in the second half of the year. The business transformation of the consumer bank will gather pace in the second half of 2006 with the integration with Southern Bank Berhad.

We expect investment banking (including corporate banking) and treasury income to be the key drivers of earnings growth. The concerted asset recovery efforts will also continue. For investment banking, we expect the regional business to mitigate the slower activities in the domestic market notably in the equity and advisory business. The expected reduction in interest rates in Indonesia in the second half will be positive for Bank Niaga.

B4. TAXATION

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2006	30/6/2005	30/6/2006	30/6/2005
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	152,414	2430	221,053	129,250
Deferred tax expense	(43,082)	13531	(9,898)	22,542
	<u>109,332</u>	<u>15,961</u>	<u>211,155</u>	<u>151,792</u>
Reconciliation				
Profit before taxation	462,974	205,910	916,164	727,951
Tax at statutory income tax rate of 28%	129,633	57,655	256,526	203,826
Due to income not subject to income tax and expenses not deductible for tax purposes	(20,301)	(41,694)	(45,371)	(52,034)
	<u>109,332</u>	<u>15,961</u>	<u>211,155</u>	<u>151,792</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. STATUS OF CORPORATE PROPOSALS

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

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group	
	30/6/2006	31/12/2005
	RM'000	RM'000
Deposits from customers		
- Demand deposits	20,475,346	17,491,203
- Saving deposits	8,842,877	6,932,108
- Fixed deposits	56,718,614	46,912,868
- Negotiable instruments of deposits	7,834,887	2,360,893
- Others	513,470	626,515
	<u>94,385,194</u>	<u>74,323,587</u>
Fixed deposits and negotiable instruments of deposits		
One year or less (short term)	60,933,905	48,563,164
More than one year (medium/long term)	3,619,596	710,597
	<u>64,553,501</u>	<u>49,273,761</u>
Deposits and placements of banks and other financial institutions		
One year or less (short term)	11,609,920	7,416,648
	<u>11,609,920</u>	<u>7,416,648</u>
Bonds and notes*		
Unsecured		
One year or less (short term)	-	-
More than one year (medium/long term)	1,210,043	928,708
	<u>1,210,043</u>	<u>928,708</u>
* Including in bonds and notes for the current period is USD denominated bonds equivalent to USD122,812,500.		
Irredeemable Convertible Unsecured Loans Stocks		
Unsecured		
More than one year (medium/long term)	56,537	44,682
	<u>56,537</u>	<u>44,682</u>
Other borrowings**		
Unsecured		
More than one year (medium/long term)	1,997,786	829,893
	<u>1,997,786</u>	<u>829,893</u>
** Including in other borrowings for the current period is USD denominated syndicated term loans equivalent to USD 440,000,000.		
Loans Stocks		
Unsecured		
More than one year (medium/long term)	1,227,180	782,763
	<u>1,227,180</u>	<u>782,763</u>
Subordinated Notes***		
Unsecured		
More than one year (medium/long term)	2,557,617	1,872,016
	<u>2,557,617</u>	<u>1,872,016</u>
*** US Denominated Subordinated Notes of USD 400,000,000.		

B8. 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.

B9. 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	
	30/6/2006	30/6/2005
Net profit for the financial period after minority interests (RM '000)	648,841	468,616
Weighted average number of ordinary shares in issue - proforma ('000)	3,146,567	2,705,629
Basic earnings per share (expressed in sen per share)	20.6	17.3

b) Diluted EPS

Net profit for the financial period after minority interests (RM '000)	648,841	468,616
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	9,482	9,482
Net profit used to determine diluted EPS	658,323	478,098
Weighted average number of ordinary shares in issue ('000)	3,146,567	2,705,629
Adjustments for:		
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	80,372	80,372
- ESOS	15,582	24,852
Weighted average number of ordinary shares for diluted EPS	3,242,521	2,810,853
Diluted EPS	20.3	17.0

B10. VARIANCE ON PROFIT FORECAST AND SHORTFALL IN PROFIT GUARANTEE

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

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

CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
ASSETS			
Cash and short term funds	16,892,046	3,541,181	13,357,602
Securities purchased under resale agreements	4,239,122	-	4,239,122
Deposits and placements with banks and other financial institutions	2,804,495	320,484	2,484,011
Securities held for trading	9,671,208	74,190	9,617,177
Available-for-sale securities	11,588,492	2,821,783	8,766,709
Held-to-maturity investment	2,227,441	440,845	1,788,383
Derivative financial instruments	828,982	-	828,982
Loans, advances and financing	92,568,134	22,156,020	70,486,328
Other assets	3,618,717	587,171	2,990,134
Deferred tax assets	717,459	321,033	396,426
Tax recoverable	213,933	62,987	150,946
Statutory deposits with Central Banks	2,466,371	790,826	1,675,545
Investment in associates	98,723	-	98,723
Jointly controlled entities	169,988	-	169,988
Property, plant and equipment	1,415,693	351,642	1,042,825
Investment properties	12,725	-	12,725
Goodwill/Intangible assets	4,471,131	456,494	561,366
Total Assets	154,004,660	31,924,656	118,666,992
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	94,385,194	18,690,239	75,694,955
Deposits and placements of banks and other financial institutions	11,609,920	3,578,154	8,031,766
Derivative financial instruments	831,729	187,302	644,427
Obligations on securities sold under repurchase agreements	7,185,457	1,182,182	6,003,275
Bills and acceptances payable	4,899,039	790,654	4,108,385
Floating rate certificates of deposits	220,470	-	220,470
Other liabilities	11,737,625	502,889	5,043,508
Taxation	119,222	5,511	113,711
Amount due to Cagamas Berhad	4,469,406	2,392,605	2,076,801
Loan stocks	1,227,180	727,769	499,411
Bonds	1,210,043	300,000	910,043
Other borrowings	1,997,786	366	1,997,420
Subordinated Notes	2,557,617	726,470	1,825,298
Total Liabilities	142,450,688	29,084,141	107,169,470
Irredeemable Convertible Unsecured Loan Stocks	56,537	-	56,537
Total Hybrid Capital	56,537	-	56,537
Share Capital	3,153,492	1,610,897	3,153,492
Reserves	7,728,100	1,413,803	7,728,100
Less: Shares held under Trust	(291,160)	-	(291,160)
Less: Treasury shares	-	(202,149)	-
Total Shareholders' Equity	10,590,432	2,822,551	10,590,432
Minority interest	638,830	17,964	582,380
Option Reserves - Convertible Bond (equity component)	68,173	-	68,173
Perpetual preference shares	200,000	-	200,000
Total Equity	11,497,435	2,840,515	11,440,985
Total Liabilities and Equity	154,004,660	31,924,656	118,666,992
COMMITMENTS AND CONTINGENCIES	217,503,043	16,012,751	201,490,292

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

EXPLANATORY NOTES

A11. SECURITIES HELD FOR TRADING

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Money market instruments:			
Quoted			
Malaysian Government securities	482,030	-	482,030
Cagamas bonds	52,833	-	52,833
Khazanah bonds	4,256	-	4,256
Government investment issues	4,931	-	4,931
Unquoted			
Bank Negara Malaysia bills	40,237	-	40,237
Negotiable instruments of deposit	1,121,809	-	1,141,968
Banker's acceptances	656,304	34,601	621,703
Private debt securities	3,997,000	20,751	3,976,249
Credit-linked notes	367,450	-	367,450
	<u>6,726,850</u>	<u>55,352</u>	<u>6,691,657</u>
Quoted securities			
<u>In Malaysia</u>			
Warrants	305	90	215
Shares	120,242	5,491	114,751
Loan stocks	112	112	-
Unit trusts	13,145	13,145	-
Commercial papers	282,423	-	282,423
<u>Outside Malaysia</u>			
Shares	18,092	-	18,092
Bonds	1,988	-	1,988
	<u>7,163,157</u>	<u>74,190</u>	<u>7,109,126</u>
Unquoted securities			
<u>In Malaysia</u>			
Private and Islamic debt securities	1,217,872	-	1,217,872
Bonds	570,623	-	570,623
<u>Outside Malaysia</u>			
Bonds	719,556	-	719,556
	<u>9,671,208</u>	<u>74,190</u>	<u>9,617,177</u>

A12. AVAILABLE-FOR-SALE SECURITIES

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Money market instruments:			
Quoted			
Malaysian Government securities	1,033,806	441,484	592,322
Cagamas bonds	796,401	210,622	585,779
Khazanah bonds	266,662	85,554	181,108
Government Investment Issues	14,987	-	14,987
Unquoted			
Bank Negara Malaysia bills	15,001	-	15,001
Negotiable instruments of deposit	1,216,678	1,216,678	-
Banker's acceptance, Islamic accepted bills and Islamic debt securities	14,162	14,162	-
Private debt securities	5,180,444	64,960	5,115,484
Malaysian Government Investment Certificates	26,597	26,597	-
	<u>8,564,738</u>	<u>2,060,057</u>	<u>6,504,681</u>
Quoted securities			
<u>In Malaysia</u>			
Shares	79,232	29,020	50,212
Warrants	199	-	199
Unit trusts	681,038	667,723	13,315
Loan stock	27,273	27,261	12
Corporate Notes	149,370	-	149,370
<u>Outside Malaysia</u>			
Shares	11,312	-	11,312
Bonds	1,425,373	-	1,425,373
Unquoted securities			
<u>In Malaysia</u>			
Shares	437,111	3,573	433,538
Bonds	4,076	4,076	-
Loan stocks	31,674	-	31,674
Property funds	74,729	-	74,729
Unit trusts	491,531	-	491,531
Others	32,849	32,849	-
<u>Outside Malaysia</u>			
Shares	13,530	40	13,490
Management funds	14,785	-	14,785
Others	37,984	-	37,984
	<u>3,512,066</u>	<u>764,542</u>	<u>2,747,524</u>
	12,076,804	2,824,599	9,252,205
Accretion or discounts less amortisation of premium	(1,569)	(1,569)	-
Allowance for impairment loss:			
Private debt securities	(436,371)	-	(436,371)
Quoted shares	(10,536)	-	(10,536)
Unquoted shares	(38,777)	(1,247)	(37,530)
Quoted bonds	(1,059)	-	(1,059)
	<u>11,588,492</u>	<u>2,821,783</u>	<u>8,766,709</u>

A13. HELD-TO-MATURITY INVESTMENT

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Money market instruments:			
Quoted			
Khazanah bonds	33,926	33,926	-
Quoted securities outside Malaysia			
Bonds	49,526	-	49,526
Unquoted securities			
<u>In Malaysia</u>			
Danaharta Urus Sdn Bhd ("DUSB") bonds	1,195,434	-	1,195,434
Shares	33,380	33,380	-
Bonds	34,781	34,781	-
Loan stocks	30,858	30,858	-
Private debt securities	487,879	89,908	399,758
Other Government's securities	30,395	7,089	23,305
Government's treasury bills	158,484	37,458	121,026
Malaysian Government investment certificates	77,037	77,037	-
KLIA bonds	101,264	101,264	-
Other Government commercial bills	7,815	7,815	-
<u>Outside Malaysia</u>			
Shares	19	19	-
	2,240,798	453,535	1,789,049
Accretion of discount net of amortisation of premium	6,894	6,895	-
Accumulated impairment loss:			
Quoted bonds outside Malaysia	(666)	-	(666)
Unquoted bonds in Malaysia	(964)	(964)	-
Unquoted loan stocks	(18,621)	(18,621)	-
	2,227,441	440,845	1,788,383

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

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Overdrafts	6,886,755	3,040,934	3,845,821
Term loans			
- Housing loans/financing	17,940,745	4,956,498	12,984,247
- Syndicated term loans	4,756,145	159,096	4,597,049
- Hire purchase receivables	17,608,022	7,476,504	10,131,518
- Lease receivables	234,591	1,028	233,563
- Factoring receivables	60,368	-	60,368
- Other term loans/financing	30,290,013	5,423,483	24,940,744
Bills receivable	196,200	79,511	116,689
Trust receipts	1,284,236	360,214	924,022
Claims on customer under acceptance credits	6,900,378	1,067,129	5,833,249
Staff loans *	666,671	86,966	579,705
Credit card receivables	1,778,444	1,368,019	410,425
Revolving credits	13,482,813	2,319,956	11,162,857
Share margin financing	346,173	40,516	305,657
Other loans	17,385	9,974	7,411
	102,448,939	26,389,828	76,133,325
Less : Unearned interest	(3,682,464)	(1,813,138)	(1,869,326)
	98,766,475	24,576,690	74,263,999
Less : Islamic loans sold to Cagamas	(861,515)	(861,515)	-
Gross loans, advances and financing	97,904,960	23,715,175	74,263,999
Allowance for bad and doubtful debts			
- Specific allowance (SA)	(3,793,410)	(1,161,970)	(2,631,440)
- General allowance (GA)	(1,543,416)	(397,185)	(1,146,231)
Total net loans, advances and financing	92,568,134	22,156,020	70,486,328

* Included in staff loans of the Group are loans to directors amounting to RM 647,913 (2005: RM 521,596)

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

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Domestic banking institutions	271,804	-	271,804
Domestic non-bank financial institutions			
- Stockbroking companies	94,217	79,487	14,730
- Others	2,548,175	554,937	1,993,238
Domestic business enterprises			
- Small medium enterprises	18,474,067	5,957,356	12,516,711
- Others	25,364,116	3,821,346	21,616,984
Government and statutory bodies	111,938	26,202	85,736
Individuals	43,141,278	13,685,735	29,455,543
Other domestic entities	3,150,699	14,615	3,136,084
Foreign entities	5,610,181	437,012	5,173,169
	98,766,475	24,576,690	74,263,999
Less : Islamic loans sold to Cagamas	(861,515)	(861,515)	-
	97,904,960	23,715,175	74,263,999

(iii) By interest/profit rate sensitivity

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Fixed rate			
- Housing loans	3,712,830	1,711,635	2,001,195
- Hire-purchase receivables	14,622,876	6,039,385	8,583,491
- Other fixed rate loans	16,910,832	6,311,778	10,673,268
Variable rate			
- BLR plus	41,980,407	8,573,344	33,407,063
- Cost-plus	12,141,845	492,495	11,649,350
- Other variable rates	9,397,685	1,448,053	7,949,632
	98,766,475	24,576,690	74,263,999
Less : Islamic loans sold to Cagamas	(861,515)	(861,515)	-
	97,904,960	23,715,175	74,263,999

(iv) By economic purposes

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Construction	4,808,924	11,402	4,797,522
Purchase of landed property :			
- Residential	18,780,709	5,164,310	13,616,399
- Non-residential	4,228,821	1,344,452	2,884,369
Purchased of fixed assets other than land & building	2,437,693	41,047	2,396,646
Loans for refinancing	705,230	-	705,230
Merger and acquisition	364,296	-	364,296
Personal uses	2,483,704	1,108,580	1,375,124
Credit card	1,953,369	1,363,209	590,160
Purchase of consumer durables	72,027	508	71,519
Purchase of securities	5,051,045	595,430	4,455,615
Purchase of transport vehicles	14,930,498	5,359,310	9,645,402
Working capital	42,067,462	9,475,836	32,591,626
Others	882,697	112,606	770,091
	98,766,475	24,576,690	74,263,999
Less : Islamic loans sold to Cagamas	(861,515)	(861,515)	-
	97,904,960	23,715,175	74,263,999

A14. LOANS, ADVANCES AND FINANCING

(v) Non-performing loans by economic purposes

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Construction	560,890	6,420	554,470
Purchase of landed property :			
- Residential	2,406,788	410,938	1,995,850
- Non-residential	610,879	254,175	356,704
Purchased of fixed assets other than land & building	369,014	-	369,014
Loans for refinancing	11,042	-	11,042
Personal uses	312,596	120,137	192,459
Credit card	88,743	23,445	65,298
Purchase of consumer durables	2,547	397	2,150
Purchase of securities	530,878	148,084	382,794
Purchase of transport vehicles	1,222,533	341,885	880,648
Working capital	3,573,887	1,461,477	2,112,410
Others	26,835	76	26,759
	9,716,632	2,767,034	6,949,598

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

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Balance as at 1 January	6,306,398	2,353,916	6,306,398
NPL arising from acquisition of a subsidiary bank			
NPL during the year	3,193,419	1,134,392	2,059,027
Performing during the year	(1,223,017)	(318,226)	(904,791)
Recoveries	(791,688)	(287,892)	(503,796)
Non-performing loans arising from acquisition of a subsidiary	2,354,935	-	-
Amount written off	(193,527)	(115,911)	(77,616)
Exchange fluctuation	70,112	755	70,376
Balance as at 30 June	9,716,632	2,767,034	6,949,598
Specific allowance	(3,793,410)	(1,161,970)	(2,631,440)
Net non-performing loans, advances and financing	5,923,222	1,605,064	4,318,158

Classification of non-performing loans

Sub-standard	2,278,948	589,988	1,688,960
Doubtful	854,869	260,028	594,841
Bad debts	6,582,815	1,917,018	4,665,797
Balance as at 30 June	9,716,632	2,767,034	6,949,598
Total loans, advances and financing (less specific allowance)	94,111,550	22,553,205	71,632,559
Net non-performing loans (as % of total loans)	5,923,222 6.29%	1,605,064 7.12%	4,318,158 6.03%

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 :

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
General allowance			
Balance as at 1 January	1,173,911	354,521	1,173,911
Provision arising from acquisition of a subsidiary bank			
Net allowance made during the year	26,934	42,521	26,934
Non-performing loans arising from acquisition of a subsidiary	353,392	-	-
Allowance for loans in relation to loans in jointly controlled entities	1,678	-	1,678
Exchange fluctuation	(12,499)	143	(56,292)
Balance as at 30 June	<u>1,543,416</u>	<u>397,185</u>	<u>1,146,231</u>
 (as % of gross loans, advances and financing less SA)	 1.6%	 1.8%	 1.6%
Specific allowance			
Balance as at 1 January	2,305,753	613,765	2,305,753
Provision arising from acquisition of a subsidiary bank			
Net allowance made during the year	562,298	725,379	562,298
Non-performing loans arising from acquisition of a subsidiary	1,288,265	-	-
Amount recovered	(233,410)	(58,071)	(226,219)
Amount written off	(201,583)	(119,331)	(82,252)
Allowance for loans in relation to loans in jointly controlled entities	15,463	-	15,463
Exchange fluctuation	56,624	228	56,397
Balance as at 30 June	<u>3,793,410</u>	<u>1,161,970</u>	<u>2,631,440</u>

A15. OTHER ASSETS

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Interest receivable	369,958	3,035	366,923
Due from brokers and clients net of allowance for doubtful debts	1,093,471	66,685	1,026,786
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,464,031	46,059	1,417,972
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	122,389	-	122,389
Foreclosed properties net of allowance for impairment in value	128,914	25,050	62,452
Deferred assets	260,379	260,379	-
Others	179,575	185,963	(6,388)
	<u>3,618,717</u>	<u>587,171</u>	<u>2,990,134</u>

A16. DEPOSITS FROM CUSTOMERS

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
<u>By type of deposits</u>			
Demand deposits	20,475,346	2,903,386	17,571,960
Savings deposits	8,842,877	1,714,552	7,128,325
Fixed deposits	56,718,614	10,735,890	45,982,724
Negotiable instruments of deposit	7,834,887	3,333,000	4,501,887
Others	513,470	3,411	510,059
	<u>94,385,194</u>	<u>18,690,239</u>	<u>75,694,955</u>
 <u>By type of customers</u>			
Government and statutory bodies	9,382,163	433,385	8,948,778
Business enterprises	42,716,761	5,631,336	37,085,425
Individuals	31,066,793	10,569,975	20,496,818
Others	11,219,477	2,055,543	9,163,934
	<u>94,385,194</u>	<u>18,690,239</u>	<u>75,694,955</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Licensed banks	8,996,532	1,607,682	7,388,850
Licensed finance companies	69,847	8,470	61,377
Licensed merchant banks	111,228	2,511	108,717
Bank Negara Malaysia	799,672	792,830	6,842
Other financial institutions	1,632,641	1,166,661	465,980
	11,609,920	3,578,154	8,031,766

A18. OTHER LIABILITIES

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Interest payable	608,778	143,238	465,540
Deferred taxation	15,433	-	15,433
Due to insurers, agents, brokers, clients and reinsurers net of provision for doubtful debts	1,133,607	71,357	1,062,250
Short-term borrowings	223,483	-	122,930
Insurance fund - life insurance business	1,010,224	-	1,010,224
Insurance fund - general insurance business	366,644	-	366,644
Provision for commitments and contingencies	4,543	262	4,281
Post employment benefit obligations	70,599	-	70,599
Amount owing to SBB shareholders	6,586,026	-	-
Others	1,718,288	288,032	1,925,607
	11,737,625	502,889	5,043,508

A19. SHORT-TERM BORROWINGS

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Revolving credit facilities	218,525	-	117,972
Others	4,958	-	4,958
	223,483	-	122,930

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	BCHB Group with SBBG 30/6/2006 RM'000	SBBG Group 30/6/2006 RM'000	BCHB Group without SBBG 30/6/2006 RM'000
Deposits from customers			
- Demand deposits	20,475,346	2,903,386	17,571,960
- Saving deposits	8,842,877	1,714,552	7,128,325
- Fixed deposits	56,718,614	10,735,890	45,982,724
- Negotiable instruments of deposits	7,834,887	3,333,000	4,501,887
- Others	513,470	3,411	510,059
	<u>94,385,194</u>	<u>18,690,239</u>	<u>75,694,955</u>
Fixed deposits and negotiable instruments of deposits			
One year or less (short term)	60,933,905	13,948,678	46,985,227
More than one year (medium/long term)	3,619,596	120,212	3,499,384
	<u>64,553,501</u>	<u>14,068,890</u>	<u>50,484,611</u>
Deposits and placements of banks and other financial institutions			
One year or less (short term)	<u>11,609,920</u>	<u>3,578,154</u>	<u>8,031,766</u>
	11,609,920	3,578,154	8,031,766
Bonds and notes*			
Unsecured			
More than one year (medium/long term)	1,210,043	300,000	910,043
	<u>1,210,043</u>	<u>300,000</u>	<u>910,043</u>
* Including in bonds and notes for the current period is USD denominated bonds equivalent to USD122,812,500.			
Irredeemable Convertible Unsecured Loans Stocks			
Unsecured			
More than one year (medium/long term)	56,537	-	56,537
	<u>56,537</u>	<u>-</u>	<u>56,537</u>
Other borrowings**			
Unsecured			
More than one year (medium/long term)	1,997,786	366	1,997,420
	<u>1,997,786</u>	<u>366</u>	<u>1,997,420</u>
** Including in other borrowings for the current period is USD denominated syndicated term loans equivalent to USD 440,000,000.			
Loans Stocks			
Unsecured			
More than one year (medium/long term)	1,227,180	727,769	499,411
	<u>1,227,180</u>	<u>727,769</u>	<u>499,411</u>
Subordinated Notes***			
Unsecured			
More than one year (medium/long term)	2,557,617	726,470	1,825,298
	<u>2,557,617</u>	<u>726,470</u>	<u>1,825,298</u>

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