

BUMIPUTRA-COMMERCE HOLDINGS BERHAD

CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2006

	Group	
	30/9/2006	31/12/2005
ASSETS	RM'000	RM'000
Cash and short term funds	16,843,135	12,078,145
Securities purchased under resale agreements	2,949,299	4,473,563
Deposits and placements with banks and other financial institutions	2,962,823	1,354,952
Securities held for trading	14,700,801	9,556,127
Available-for-sale securities	9,071,146	7,759,349
Held-to-maturity investment	2,232,604	2,420,509
Derivative financial instruments	861,796	385,740
Loans, advances and financing	91,186,467	69,095,880
Other assets	4,203,837	2,411,745
Deferred tax assets	545,043	359,478
Tax recoverable	368,430	281,355
Statutory deposits with Central Banks	2,621,289	1,659,940
Investment in associates	98,269	95,583
Jointly controlled entities	170,975	118,722
Property, plant and equipment	1,344,861	927,620
Investment properties	64,843	12,638
Goodwill/Intangible assets	4,964,408	534,618
Total Assets	155,190,026	113,525,964
 LIABILITIES AND SHAREHOLDERS' FUNDS		
Deposits from customers	97,526,396	74,323,587
Deposits and placements of banks and other financial institutions	10,621,771	7,416,648
Derivative financial instruments	969,602	514,185
Obligations on securities sold under repurchase agreements	6,471,256	5,316,721
Bills and acceptances payable	5,062,259	3,295,456
Floating rate certificates of deposits	221,250	226,770
Other liabilities	6,095,670	4,388,118
Taxation	104,194	104,610
Amount due to Cagamas Berhad	3,978,471	2,375,329
Loan stocks	906,446	782,763
Bonds	1,127,475	928,708
Other borrowings	7,164,285	829,893
Subordinated Notes	2,565,267	1,872,016
Total Liabilities	142,814,342	102,374,804
Irredeemable Convertible Unsecured Loan Stocks	44,871	44,682
Redeemable Convertible Unsecured Loan Stocks	14,121	-
Total Hybrid Capital	58,992	44,682
Share Capital	3,156,936	2,756,398
Reserves	8,422,075	6,812,882
Less: Shares held under Trust	(280,151)	-
Total Shareholders' Equity	11,298,860	9,569,280
Minority interest	710,050	1,269,025
Option Reserves - Convertible Bond (equity component)	66,164	68,173
- ESOS	1,164	-
- RCULS (equity component)	454	-
Perpetual preference shares	240,000	200,000
Total Equity	12,316,692	11,106,478
Total Liabilities and Equity	155,190,026	113,525,964
 COMMITMENTS AND CONTINGENCIES	 243,571,848	 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 September 2006.

BUMIPUTRA-COMMERCE HOLDINGS BERHAD

**CONDENSED UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006**

	GROUP			
	QUARTER ENDED		CUMULATIVE ENDED	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005
	RM'000	RM'000	RM'000	RM'000
Interest income	2,272,204	1,581,165	5,728,613	4,453,951
Interest expense	(1,289,437)	(815,665)	(3,117,187)	(2,248,505)
Net interest income	982,767	765,500	2,611,426	2,205,446
Income from Islamic Banking operations	39,310	4,110	47,177	8,958
Non-interest income	641,121	413,933	1,546,430	1,198,427
Staff cost and overheads	1,663,198	1,183,543	4,205,033	3,412,831
	(871,022)	(601,877)	(2,159,711)	(1,581,378)
Profit before allowances	792,176	581,666	2,045,322	1,831,453
Allowance for losses on loans, advances and financing	(286,093)	(212,554)	(599,884)	(691,859)
Allowance for other receivables	(3,970)	3,824	(22,574)	(13,343)
Provision for commitments and contingencies	(262)	-	691	-
Allowance for impairment of securities	(9,760)	611	(24,369)	(29,329)
Share of results of jointly controlled entities	492,091	373,547	1,399,186	1,096,922
	(789)	(1,434)	3,735	(2,811)
Share of results of associates	2,798	2,728	7,343	8,681
Profit before taxation	494,100	374,841	1,410,264	1,102,792
Taxation and zakat	(51,669)	(83,926)	(262,834)	(235,728)
Profit for the period	442,431	290,915	1,147,430	867,064
Attributable to :				
Equity holders of the Company	408,186	245,517	1,057,027	714,133
Minority interest	34,245	45,398	90,403	152,931
Profit for the period	442,431	290,915	1,147,430	867,064
Earnings per share (sen)- Basic	13.0	9.0	33.6	26.3
Diluted earnings per share	-	-	33.0	25.5

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

BUMIPUTRA-COMMERCE HOLDINGS BERHAD

**CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006**

	Group	
	30/9/2006	30/9/2005
	RM'000	RM'000
Profit before taxation	1,410,264	1,102,792
Adjustments for non-operating and non-cash items	179,053	519,266
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Operating profit before changes in working capital	1,589,317	1,622,058
Net changes in operating assets	(7,008,367)	(11,840,220)
Net changes in operating liabilities	5,357,630	7,758,759
	(1,650,737)	(4,081,461)
Cash flows used in operations	(61,420)	(2,459,403)
Taxation paid	(284,449)	(90,876)
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Net cash flow used in operating activities	(345,869)	(2,550,279)
Net cash flow (used in)/generated from investing activities	(2,182,808)	4,046,787
Net cash flow generated from/(used in) financing activities	7,259,049	(465,692)
Effects of exchange rate changes on cash	34,618	(218,492)
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Net increase in cash and cash equivalents during the financial period	4,764,990	812,324
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 period	16,843,135	17,447,258
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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

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2006

The Group
30 September 2006

	Share capital RM'000	Share premium RM'000	Other reserve RM'000	Shares held under Trust RM'000	Retained profit RM'000	Total shareholders' equity RM'000	Minority Interest RM'000	Convertible bonds (equity component) RM'000	RCULS (equity component) RM'000	Option reserve ESOS RM'000	Perpetual preference shares 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	68,173	-	-	200,000	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	68,173	-	-	200,000	11,106,478
<i>Changes in equity for the nine months ended 30 September 2006</i>												
- currency translation difference	-	-	47,281	-	-	47,281	-	(2,009)	-	-	-	45,272
- revaluation reserve (available-for-sale securities)	-	-	64,381	-	-	64,381	-	-	-	-	-	64,381
- hedging reserve	-	-	4,339	-	-	4,339	-	-	-	-	-	4,339
- bonus issue of a subsidiary	-	-	5,042	-	-	5,042	-	-	-	-	-	5,042
Transfer to statutory reserve	-	-	174,596	-	(174,596)	-	-	-	-	-	-	-
Issue of additional preference share capital	-	-	-	-	-	-	-	-	-	-	40,000	40,000
Arising from disposal of a subsidiary	-	-	(46)	-	-	(46)	-	-	-	-	-	(46)
Arising from capital repayment made by a subsidiary	-	-	(133,553)	-	(588,279)	(721,832)	(649,378)	-	-	-	-	(1,371,210)
Net changes in shares held in trusts	-	-	-	(280,151)	-	(280,151)	-	-	-	-	-	(280,151)
Net income recognised directly in equity	-	-	162,040	(280,151)	(762,875)	(880,986)	(649,378)	(2,009)	-	-	40,000	(1,492,373)
Net profit for the financial period	-	-	-	-	1,057,027	1,057,027	90,403	-	-	-	-	1,147,430
Total recognised income and expense for the period	-	-	162,040	(280,151)	294,152	176,041	(558,975)	(2,009)	-	-	40,000	(344,943)
Issue of share capital arising from:												
-Exercise of ESOS	20,795	50,334	-	-	-	71,129	-	-	-	-	-	71,129
-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
Issue of RCULS :												
- Equity component	-	-	-	-	-	-	-	-	454	-	-	454
Option reserves on ESOS of subsidiary	-	-	-	-	-	-	-	-	-	1,164	-	1,164
Dividend for 2005	-	-	-	-	(340,356)	(340,356)	-	-	-	-	-	(340,356)
At 30 September 2006	3,156,936	3,531,710	1,954,348	(280,151)	2,936,017	11,298,860	710,050	66,164	454	1,164	240,000	12,316,692

The Group
30 September 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	(74,273)	110,295	-	-	-	110,295
At 1 January 2005	2,691,740	1,881,079	1,695,887	2,561,155	8,829,861	840,840	200,000	68,173	9,938,874
Net gain/(loss) not recognised in the income statement									
- currency translation difference	-	-	(199,584)	-	(199,584)	-	-	(556)	(200,140)
- revaluation reserve (available-for-sale securities)	-	-	(118,674)	-	(118,674)	-	-	-	(118,674)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	-
- negative goodwill	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	714,133	714,133	152,931	-	-	867,064
Dividend for 2004	-	-	-	(292,683)	(292,683)	-	-	-	(292,683)
Transfer to statutory reserve	-	-	175,595	(175,595)	-	-	-	-	-
Issue of share capital arising from:									
-Exercise of ESOS	50,091	121,468	-	-	171,559	-	-	-	171,559
Rights issue of subsidiary shares	-	-	163,282	-	163,282	-	-	-	163,282
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-
Arising from dilution/disposal of equity interests in subsidiary	-	-	40,161	-	40,161	32,846	-	-	73,007
At 30 September 2005	2,741,831	2,002,547	1,756,667	2,807,010	9,308,055	1,026,617	200,000	67,617	10,602,289

The Condensed Unaudited Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 December 2005.

EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed interim financial statements for the 3rd quarter and the the financial period ended 30 September 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 third quarter and the financial period ended 30 September 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 accounts have classified provisional values of goodwill/intangibles as a one line item. With the on going finalisation of the integration of SBBG with a subsidiary, CIMB Bank, any changes to the fair valuation of SBBG accounts and reclassification from goodwill to intangibles will be made accordingly. 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 September 2006:-

- a) Issuance of 20,794,500 shares arising from exercise of Employee Share Option Scheme (ESOS) from 3 January 2006 to 30 September 2006.
- b) During the financial quarter ended 30 September 2006, the issued and paid up capital of Bank Niaga has increased from 11,882,341,330 to 12,036,654,610 ordinary shares pursuant to the exercise of options granted under Bank Niaga's Employee Stock Option Programme.
- c) On 17 March 2006, the Company 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 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.
- f) On 26 July and 28 August 2006, the Company issued RM14,687,072.40 nominal value redeemable convertible unsecured loan stocks 2006/2008 ("RCULS") comprising 14,122,185 RCULS with nominal value of RM1.04 each as part of settlement of SBB Group acquisition.
- g) On 16 June 2006 and 4 July 2006, the Company has obtained a revolving credit facility of RM2.0 billion and a bridging loan of RM4.7 billion for the purpose of SBB Group acquisition.
- h) On 25 August 2006, a subsidiary company, Commerce Capital (Labuan) Limited has obtained syndicated loan of USD1.094 billion on behalf of the Company to refinance the revolving credit and bridging loan facilities earlier obtained to acquire SBB Group.

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. EVENT AFTER THE BALANCE SHEET DATE

On 4 October 2006, CIMB Group had announced that it has entered into a strategic alliance with Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad (BTMU) to offer integrated financial services to assist BTMU's customers, particularly, Japanese companies operating in Malaysia.

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 September 2006 was prepared taking into consideration the following :-

- a) With reference to the announcement dated 18 July 2006, the Company had on 25 August 2006 announced that in accordance with the provisions of Section 34 of the Securities Commission Act, 1993, the Company had despatched a notice to SBB dissenting shareholders stating its desire to acquire the remaining SBB Shares held by the said SBB dissenting shareholders on the same terms of the Offer which was completed on 25 August 2006.
- b) On 28 August 2006, the Company announced the following:
 - i) Proposed internal reorganisation involving the transfer of certain of BCHB's direct operating subsidiaries to its wholly-owned subsidiary, CIMB Group Sdn Bhd; and
 - ii) Proposed disposal by Southern Bank Berhad, being a wholly-owned subsidiary of BCHB, of its 100% equity interest in SBB Mutual Berhad and SBB Asset Management Sdn Bhd to CIMB-Principal Asset Management Berhad, a 60% subsidiary owned by the Company for a cash consideration of RM481 million.

A11. SECURITIES HELD FOR TRADING

	Group	
	30/9/2006	31/12/2005
	RM'000	RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	1,044,881	519,617
Cagamas bonds	479,595	74,177
Khazanah bonds	96,331	4,350
Government investment issues	4,968	-
Unquoted		
Malaysian Government treasury bills	171,664	29,596
Malaysian Government investment certificates	12,310	4,998
Bank Negara Malaysia bills	370,543	218,451
Negotiable instruments of deposit	1,886,211	1,082,933
Banker's acceptances	609,724	23,071
Private debt securities	200,857	171,655
Credit-linked notes	367,544	375,208
Cagamas Notes	48,338	-
Other Government's securities	3,947	19,102
	5,296,913	2,523,158
Quoted securities		
<u>In Malaysia</u>		
Warrants	762	2,376
Shares	672,404	275,543
Loan stocks	12,473	125
Unit trusts	722,319	287,426
Commercial papers	402,164	-
<u>Outside Malaysia</u>		
Shares	19,671	101,572
Private debt securities	-	603,006
Bonds	119,485	-
	7,246,191	3,793,206
Unquoted securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	6,144,409	4,322,609
Shares	9	5,000
Bonds	493,026	704,935
<u>Outside Malaysia</u>		
Private debt securities	-	25,573
Bonds	817,166	704,804
	14,700,801	9,556,127

A12. AVAILABLE-FOR-SALE SECURITIES

	Group	
	30/9/2006	31/12/2005
	RM'000	RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	618,754	713,068
Cagamas bonds	557,112	580,296
Khazanah bonds	152,579	164,674
Government Investment Issues	19,657	-
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	40,001	-
Banker's acceptance, Islamic accepted bills and Islamic debt securities	7,221	-
Private debt securities	5,649,416	3,378,962
Floating rate notes	-	20,440
Commercial papers	26,547	-
	7,086,288	4,972,973
Quoted securities		
<u>In Malaysia</u>		
Shares	104,354	204,184
Warrants	-	690
Unit trusts	-	13,260
Bonds	12,300	-
<u>Outside Malaysia</u>		
Shares	4,997	-
Bonds	1,194,899	1,542,359
Unquoted securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	-	955,805
Shares	378,825	417,880
Bonds	5,882	6,291
Loan stocks	20,141	36,204
Property funds	74,729	16,051
Unit trusts	508,423	-
Others	32,483	-
<u>Outside Malaysia</u>		
Shares	24,371	18,460
Management funds	15,580	11,294
Private equity funds	-	41,512
Loan stocks	31,785	-
Others	65,786	-
	2,474,555	3,263,990
	9,560,843	8,236,963
Accretion or discounts less amortisation of premium	(1,747)	-
Allowance for impairment loss:		
Private debt securities	(461,601)	(443,790)
Quoted shares	1,008	(6,402)
Unquoted shares	(26,671)	(27,422)
Others	(686)	-
	9,071,146	7,759,349

A13. HELD-TO-MATURITY INVESTMENT

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Money market instruments:		
Quoted		
Khazanah bonds	33,926	-
Quoted securities outside Malaysia		
Bonds	49,934	29,146
Unquoted securities		
In Malaysia		
Danaharta Urus Sdn Bhd ("DUSB") bonds	1,151,932	1,718,596
Shares	33,380	-
Bonds	34,781	-
Loan stocks	30,858	-
Banker's acceptance, Islamic accepted bills and Islamic debt securities	1,333	-
Private debt securities	476,686	391,827
Other Government's securities	29,161	21,748
Other Government's treasury bills	160,079	122,335
Malaysian Government investment certificates	77,078	-
KLIA bonds	99,722	-
Others	6,721	-
Outside Malaysia		
Shares	19	-
Bonds	-	19,993
	2,185,610	2,303,645
Accretion of discount net of amortisation of premium	67,212	116,864
Accumulated impairment loss:		
Unquoted bonds in Malaysia	(874)	-
Unquoted loan stocks	(18,621)	-
Others	(723)	-
	2,232,604	2,420,509

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

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Overdrafts	6,760,187	3,935,242
Term loans		
- Housing loans/financing	18,257,686	12,445,596
- Syndicated term loans	5,221,818	4,659,768
- Hire purchase receivables	17,055,945	10,542,325
- Lease receivables	215,033	272,505
- Factoring receivables	58,701	82,867
- Other term loans/financing	29,333,835	22,394,802
Bills receivable	197,539	290,701
Trust receipts	1,166,075	1,048,353
Claims on customer under acceptance credits	6,720,437	6,553,531
Subordinated debt	-	127,277
Staff loans *	653,102	604,870
Credit card receivables	1,859,272	531,364
Revolving credits	12,329,867	10,839,659
Share margin financing	701,917	339,332
Other loans	32,027	6,916
	100,563,441	74,675,108
Less : Unearned interest	(3,407,676)	(2,099,564)
	97,155,765	72,575,544
Less : Islamic loans sold to Cagamas	(820,826)	-
	96,334,939	72,575,544
Gross loans, advances and financing		
Allowance for bad and doubtful debts		
- Specific allowance (SA)	(3,603,120)	(2,305,753)
- General allowance (GA)	(1,545,352)	(1,173,911)
Total net loans, advances and financing	91,186,467	69,095,880

* Included in staff loans of the Group are loans to directors amounting to RM 632,913 (2005: RM 435,952)

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

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Domestic banking institutions	253,296	294,997
Domestic non-bank financial institutions		
- Stockbroking companies	113,160	41,057
- Others	3,803,555	3,400,377
Domestic business enterprises		
- Small medium enterprises	18,288,562	13,201,946
- Others	22,121,177	20,308,750
Government and statutory bodies	152,518	49,516
Individuals	43,404,655	28,047,147
Other domestic entities	3,264,534	2,138,733
Foreign entities	5,754,308	5,093,021
	97,155,765	72,575,544
Less : Islamic loans sold to Cagamas	(820,826)	-
	96,334,939	72,575,544

(iii) By interest/profit rate sensitivity

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Fixed rate		
- Housing loans	3,757,866	2,001,692
- Hire-purchase receivables	14,406,803	8,738,993
- Other fixed rate loans	15,421,843	9,161,854
Variable rate		
- BLR plus	42,006,172	33,160,761
- Cost-plus	11,472,826	12,928,908
- Other variable rates	10,090,255	6,583,336
	97,155,765	72,575,544
Less : Islamic loans sold to Cagamas	(820,826)	-
	96,334,939	72,575,544

(iv) By economic purposes

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Construction	5,327,416	5,122,385
Purchase of landed property :		
- Residential	18,970,071	13,056,661
- Non-residential	4,530,456	2,512,564
Purchased of fixed assets other than land & building	2,437,999	2,018,066
Loans for refinancing	540,021	750,579
Merger and acquisition	266,842	326,087
Personal uses	2,484,634	1,472,364
Credit card	2,047,513	536,699
Purchase of consumer durables	24,327	81,802
Purchase of securities	4,831,712	4,583,218
Purchase of transport vehicles	14,647,477	9,640,106
Working capital	40,161,401	31,395,582
Others	885,896	1,079,431
	97,155,765	72,575,544
Less : Islamic loans sold to Cagamas	(820,826)	-
	96,334,939	72,575,544

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

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Construction	591,811	504,210
Purchase of landed property :		
- Residential	2,321,289	1,977,711
- Non-residential	570,451	346,023
Purchased of fixed assets other than land & building	146,609	360,846
Loans for refinancing	11,081	11,358
Personal uses	325,973	183,595
Credit card	81,202	56,595
Purchase of consumer durables	1,460	2,565
Purchase of securities	498,529	294,844
Purchase of transport vehicles	1,064,647	716,271
Working capital	3,501,340	1,825,723
Others	107,531	26,657
	9,221,923	6,306,398

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

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Balance as at 1 January	6,306,398	6,278,029
NPL during the year	4,448,344	4,249,222
Performing during the year	(1,781,449)	(2,409,192)
Recoveries	(1,239,407)	(1,143,362)
Non-performing loans arising from acquisition of a subsidiary	2,353,456	-
Amount written off	(682,806)	(650,196)
Exchange fluctuation	24,478	(18,103)
Amount sold to Indonesia Investment Bank	(207,091)	-
Balance as at 30 September / 31 December	9,221,923	6,306,398
Specific allowance	(3,609,072)	(2,305,753)
Net non-performing loans, advances and financing	5,612,851	4,000,645

Classification of non-performing loans

Sub-standard	1,890,274	1,589,795
Doubtful	854,783	588,930
Bad debts	6,476,866	4,127,673
Balance as at 30 September / 31 December	9,221,923	6,306,398
Total loans, advances and financing (less specific allowance)	92,725,867	70,269,791
Net non-performing loans (as % of total loans)	5,612,851 6.05%	4,000,645 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	
	30/9/2006 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	41,259	131,872
Non-performing loans arising from acquisition of a subsidiary	354,521	-
Amount transferred to specific allowance	-	(10,627)
Allowance for loans in relation to loans in jointly controlled entities	2,596	17,677
Exchange fluctuation	(26,935)	(30,746)
Balance as at 30 September / 31 December	<u>1,545,352</u>	<u>1,173,911</u>
 (as % of gross loans, advances and financing less SA)	 1.7%	 1.7%
Specific allowance		
Balance as at 1 January	2,305,753	1,919,403
Net allowance made during the year	1,065,475	1,507,535
Non-performing loans arising from acquisition of a subsidiary	1,289,913	-
Amount transferred from general allowance	-	10,627
Amount recovered	(433,814)	(525,326)
Amount written off	(712,567)	(651,770)
Allowance for loans in relation to loans in jointly controlled entities	18,736	7,294
Transfer to intercompany	(264)	-
Exchange fluctuation	69,888	37,990
Balance as at 30 September / 31 December	<u>3,603,120</u>	<u>2,305,753</u>

A15. OTHER ASSETS

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Interest receivable	433,447	414,866
Due from brokers and clients net of allowance for doubtful debts	1,453,361	622,464
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,717,819	1,215,720
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	137,697	111,242
Foreclosed properties net of allowance for impairment in value	135,660	47,453
Deferred assets	254,240	-
Others	71,613	-
	<u>4,203,837</u>	<u>2,411,745</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
<u>By type of deposits</u>		
Demand deposits	20,075,619	17,491,203
Savings deposits	8,972,694	6,932,108
Fixed deposits	60,195,000	46,912,868
Negotiable instruments of deposit	7,068,219	2,360,893
Others	1,214,864	626,515
	<u>97,526,396</u>	<u>74,323,587</u>
 <u>By type of customers</u>		
Government and statutory bodies	7,572,747	6,079,260
Business enterprises	43,451,377	37,759,417
Individuals	32,568,331	19,221,935
Others	13,933,941	11,262,975
	<u>97,526,396</u>	<u>74,323,587</u>

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Licensed banks	8,494,321	6,277,272
Licensed finance companies	19,318	75
Licensed merchant banks	243,793	302,420
Bank Negara Malaysia	749,648	74,139
Other financial institutions	1,114,691	762,742
	10,621,771	7,416,648

A18. OTHER LIABILITIES

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Interest payable	746,877	492,359
Deferred taxation	21,449	13,690
Due to insurers, agents, brokers, clients and reinsurers net of provision for doubtful debts	1,415,188	563,351
Short-term borrowings	74,310	81,042
Insurance fund - life insurance business	1,068,657	971,631
Insurance fund - general insurance business	374,339	335,265
Provision for commitments and contingencies	4,829	3,776
Post employment benefit obligations	69,737	92,023
Zakat	-	5
Others	2,320,284	1,834,976
	6,095,670	4,388,118

A19. SHORT-TERM BORROWINGS

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Revolving credit facilities	69,472	81,042
Others	4,838	-
	74,310	81,042

A20. INTEREST INCOME

	Group			
	3rd Quarter ended		Nine months ended	
	30/9/2006 RM'000	30/9/2005 RM'000	30/9/2006 RM'000	30/9/2005 RM'000
Loans and advances				
- Interest income other than recoveries	1,718,787	1,066,479	4,208,325	3,069,756
- Recoveries from NPLs	86,485	46,474	226,330	137,112
Money at call and deposit with financial institutions	152,311	198,331	424,831	489,126
Securities purchased under resale agreement	106,900	-	106,900	-
Securities held for trading	131,160	91,676	316,220	220,754
Available-for-sale securities	75,289	186,977	299,977	436,462
Held-to-maturity investment	44,990	(50,307)	120,985	2,029
Others	(25,244)	47,788	54,474	101,497
	2,290,678	1,587,418	5,758,042	4,456,736
Accretion of discounts less amortisation of premium	17,817	11,677	60,993	52,707
Net interest suspended	(36,291)	(17,930)	(90,422)	(55,492)
	2,272,204	1,581,165	5,728,613	4,453,951

A21. INTEREST EXPENSE

	Group			
	3rd Quarter ended		Nine months ended	
	30/6/2006 RM'000	30/9/2005 RM'000	30/9/2006 RM'000	30/9/2005 RM'000
Deposits and placements of banks and other financial institutions	170,238	174,516	504,840	437,738
Deposit from other customers	851,892	434,308	2,097,066	1,404,150
Obligation on securities sold under repurchase agreements	65,533	105,575	140,047	116,769
Bonds	20,201	20,834	62,318	62,132
Loan stocks/ICULS	12,609	50,873	37,416	70,682
Subordinated Notes	19,443	21,385	55,761	50,603
Negotiable certificates of deposits	8,771	(27,242)	34,770	-
Other borrowings	116,729	35,416	160,948	106,431
Loans sold to Cagamas	24,021	-	24,021	-
	1,289,437	815,665	3,117,187	2,248,505

A22. NON-INTEREST INCOME

	Group			
	3rd Quarter ended		Nine months ended	
	30/9/2006 RM'000	30/9/2005 RM'000	30/9/2006 RM'000	30/9/2005 RM'000
Fee income :				
Commissions	47,017	46,407	135,042	139,506
Fee on loans and advances	64,507	33,549	133,034	105,094
Portfolio management fees	19,171	3,771	21,043	21,245
Service charges and fees	47,122	55,294	136,827	124,861
Corporate advisory fees	2,359	16,391	18,947	47,659
Guarantee fees	15,034	17,748	40,896	45,619
Underwriting commissions	27,146	8,256	63,426	12,251
Other fee income	93,415	37,337	198,780	78,868
	315,771	218,753	747,995	575,103
Investment income :				
Accretion of investment gain	(64)	-	(64)	-
Gain from sale of available-for-sale securities	55,241	(24,399)	76,425	129,946
(Loss)/Gain from sale of securities held for trading and derivatives	(108,632)	38,893	(78,589)	96,903
Gain from sale of held-to-maturity investment	-	(140)	-	-
Unrealised gain/(loss) on revaluation of :				
- Securities held for trading	226,887	(120,552)	129,544	(24,972)
- Derivative financial instruments	3,390	145,094	288,674	127,491
Gross dividends from :				
<u>Malaysia</u>				
- Securities held for trading	(4,185)	4,855	3,586	14,703
- Available-for-sale securities	13,618	1,211	17,171	4,278
- Held-to-maturity investments	(75)	-	-	-
- Associates	4,759	-	4,933	-
<u>Outside Malaysia</u>				
- Securities held for trading	215	-	782	-
Gain on disposal of associates	676	-	676	-
Gain/(loss) on disposal of interest in subsidiary	-	16,936	-	16,545
	191,830	61,898	443,138	364,894
Other income :				
Foreign exchange gain				
- Realised	(6,137)	1,835	(13,957)	2,914
- Unrealised	7,065	13,325	32,095	17,479
Rental income	3,524	(45)	6,272	3,148
Gain on disposal of fixed assets	1,102	890	1,375	2,094
Net gain from insurance business	1,557	-	6,513	-
Underwriting surplus before management expenses	7,151	16,816	33,779	60,803
Net brokerage fee	40,543	42,867	137,114	84,796
Other non-operating income	78,715	57,594	152,106	87,196
	133,520	133,282	355,297	258,430
	641,121	413,933	1,546,430	1,198,427

A23. OVERHEAD EXPENSES

	Group			
	3rd Quarter ended		Nine months ended	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries allowances and bonuses	294,175	182,970	761,286	573,298
- Pension cost (defined contribution plans)	32,303	31,488	87,470	73,545
- Others	79,677	68,427	261,946	136,121
Establishment costs				
- Depreciation of fixed assets	48,481	14,324	139,989	79,740
- Rental	27,523	44,719	76,924	62,758
- Insurance	7,315	4,895	14,889	7,152
- Others	96,098	147,488	260,998	262,640
Marketing expenses				
- Sales commission	13,360	5,835	14,494	30,274
- Advertisement	50,866	20,298	90,230	47,808
- Others	11,309	5,753	29,121	11,976
Administration and general expenses				
- Legal & professional fees	72,976	17,813	121,525	60,742
- Communication	10,298	21,205	49,068	39,810
- Others	126,641	36,662	251,771	195,514
	871,022	601,877	2,159,711	1,581,378

A24. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	Group			
	3rd Quarter ended		Nine months ended	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005
	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	508,420	351,305	1,065,475	985,777
- Written back	(200,404)	(158,759)	(433,814)	(317,847)
- Transferred to deferred asset	2,963	-	2,963	-
General allowance				
- Made during the financial year	14,325	53,910	41,259	101,042
Bad debts on loan and financing :				
- recovered	(39,014)	(34,012)	(75,886)	(77,535)
- written off	(197)	110	(113)	422
	286,093	212,554	599,884	691,859

During the period, the CIMB Bank 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 RM103,373,290.38.

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

	Principal amount RM'000	30/9/2006 Credit equivalent amount* RM'000	Risk weighted amount RM'000	Principal amount RM'000	31/12/2005 Credit equivalent amount* RM'000	Risk weighted amount RM'000
Direct credit substitutes	4,246,006	4,246,016	1,888,871	4,047,929	4,047,929	1,964,139
Certain transaction-related contingent items	3,934,267	2,173,881	1,387,611	3,331,837	1,774,632	1,135,033
Short-term self-liquidating trade-related contingencies	3,082,171	616,435	284,982	2,968,051	593,611	174,346
Obligations under underwriting agreement	384,005	125,787	125,787	397,761	198,881	190,614
Irrevocable commitments to extend credit :						
- maturity not exceeding one year	30,373,253	1,972,390	921,708	21,536,945	-	-
- maturity exceeding one year	4,503,433	2,251,717	1,531,894	4,348,572	2,174,289	1,773,795
Forward asset purchase	118,250	118,250	118,250	-	-	-
Foreign exchange related contracts	25,808,407	547,026	154,399	13,825,500	433,752	144,060
Interest rate related contracts	162,591,058	2,674,134	532,491	93,888,011	1,443,399	385,862
Equity related contracts	1,278,769	-	-	209,721	-	-
Commodity related contracts	-	-	-	8,533	-	-
Put option	-	-	-	-	-	-
Asset sold under recourse	820,826	820,826	820,826	-	-	-
Miscellaneous commitments and contingencies	6,431,403	4,128	-	4,916,884	4,893	-
	243,571,848	15,550,590	7,766,819	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 Items	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	12,772,288	6,755,962	3,392,497	944,178	1,654,503	25,148		-
- swaps	12,780,317	8,009,709	2,235,841	464,575	306,455	612,438	1,151,299	-
- options	255,802	28,109	227,693					
Interest rate related contracts								
- futures	45,186,626	-	-	7,961,063	5,640,063	30,743,750	841,750	
- swaps	114,124,432	23,864,019	33,561,912	8,335,902	9,793,276	36,255,602	2,313,721	-
- options	3,280,000	100,000			150,000	3,030,000	-	-
Equity related contracts								
- futures	50,689		50,689					
- options	1,228,080			253,830	464,300	509,950	-	-
Commodity related contracts								
- options	-							-
Total	189,678,234	38,757,799	39,468,632	17,959,548	18,008,597	71,176,888	4,306,770	-

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 RM1,364,700,046 (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 RM15,443,521,051 (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 September 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	14,345,599	2,580	-	-	-	2,494,956	-	16,843,135	4.02
Securities purchased under resale agreement	1,141,625	1,807,674	-	-	-	-	-	2,949,299	3.75
Deposits and placements with banks and other financial institutions	2,316,816	(10,226)	220,230	44,000	-	392,003	-	2,962,823	6.98
Securities held for trading	-	-	-	-	-	-	14,700,801	14,700,801	4.37
Available-for-sale securities	198,072	105,254	572,659	3,540,736	2,806,965	1,847,460	-	9,071,146	4.45
Held-to-maturity investment	24,226	88,504	307,363	142,828	1,592,549	77,134	-	2,232,604	8.59
Derivatives financial instruments	252	-	-	-	-	777	860,767	861,796	3.70
Loans, advances and financing									
- performing	43,410,326	14,385,817	9,565,157	9,031,882	10,275,239	-	-	86,668,421	7.90
- non-performing	-	-	-	449,853	-	4,062,241	-	4,512,094	
Other assets	497,413	-	30	16,063	28,749	3,667,534	-	4,209,789	5.18
Deferred taxation	-	-	-	-	-	545,043	-	545,043	
Tax recoverable	-	-	-	-	-	368,430	-	368,430	
Satutory deposits with Central Banks	-	-	-	-	-	2,621,289	-	2,621,289	
Investment in associates	-	-	-	-	-	98,269	-	98,269	
Jointly controlled entities	-	-	-	-	-	170,975	-	170,975	
Property, plant and equipment	-	-	-	-	-	1,344,861	-	1,344,861	
Investment property	-	-	-	-	-	64,843	-	64,843	
Goodwill/Intangible assets	-	-	-	-	-	4,964,408	-	4,964,408	
Total assets	61,934,329	16,379,603	10,665,439	13,225,362	14,703,502	22,720,223	15,561,568	155,190,026	
Liabilities and Shareholders' Funds									
Deposits from customers	47,420,264	14,428,735	19,413,062	4,142,206	119,936	12,002,193	-	97,526,396	3.68
Deposits and placements of banks and other financial institutions	3,843,427	1,513,983	3,650,659	1,182,931	376,768	54,003	-	10,621,771	4.06
Derivative financial instruments	-	-	641	-	-	14,856	954,105	969,602	3.70
Obligations on securities sold under repurchase agreements	6,315,845	142,328	13,083	-	-	-	-	6,471,256	2.43
Bills and acceptances payable	1,229,210	2,382,532	617,501	-	-	833,016	-	5,062,259	3.95
Floating rate certificates of deposits	-	-	-	-	-	221,250	-	221,250	
Other liabilities	-	1,267	3,571	16,039	-	6,074,793	-	6,095,670	5.34
Taxation	-	-	-	-	-	104,194	-	104,194	
Amount due to Cagamas Berhad	47,366	5,819	807,160	3,118,126	-	-	-	3,978,471	4.19
Loan stocks	-	-	-	176,577	729,869	-	-	906,446	6.13
Bonds	-	-	-	827,475	300,000	-	-	1,127,475	7.04
ICULS	-	-	-	44,871	-	-	-	44,871	7.50
RCULS	-	-	-	14,121	-	-	-	14,121	2.50
Other borrowings	703,682	1,345,404	24,503	5,080,868	9,828	-	-	7,164,285	5.21
Subordinated Notes	-	-	-	374,749	729,124	1,461,394	-	2,565,267	4.88
Total liabilities	59,559,794	19,820,068	24,530,180	14,977,963	2,265,525	20,765,699	954,105.00	142,873,334	
Shareholders' equity	-	-	-	-	-	11,298,860	-	11,298,860	
Minority interest	-	-	-	-	-	710,050	-	710,050	
Convertible Bonds (equity component)	-	-	-	-	-	66,164	-	66,164	
ESOS	-	-	-	-	-	1,164	-	1,164	
RCULS (equity component)	-	-	-	-	-	454	-	454	
Preference shares	-	-	-	-	-	240,000	-	240,000	
Total liabilities and shareholders' funds	59,559,794	19,820,068	24,530,180	14,977,963	2,265,525	33,082,391	954,105.00	155,190,026	
On-balance sheet interest rate gap	2,374,535	(3,440,465)	(13,864,741)	(1,752,601)	12,437,977				
Total interest rate sensitivity gap	2,374,535	(3,440,465)	(13,864,741)	(1,752,601)	12,437,977				

As at 31 December 2005	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
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	-	-	-	-	-	-	9,556,127	9,556,127	4.18
Available-for-sale securities	1,451,248	578,594	753,224	2,349,336	1,744,323	882,624	-	7,759,349	6.65
Held-to-maturity securities	52,767	542,276	181,769	370,505	1,273,192	-	-	2,420,509	1.53
Derivatives financial instruments	68,063	-	202	-	-	-	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	
Satutory deposits with Bank Negara Malaysia	-	-	-	-	-	1,659,940	-	1,659,940	
Investment in associates	-	-	-	-	-	95,583	-	95,583	
Jointly controlled entities	-	-	-	-	-	118,722	-	118,722	
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	-	-	-	169,362	613,401	-	-	782,763	
Bonds	-	-	250,000	678,708	-	-	-	928,708	6.53
ICULS	-	-	-	-	44,682	-	-	44,682	7.50
Other borrowings	32,716	58,554	684,851	53,772	-	-	-	829,893	3.56
Subordinated Notes	-	-	-	1,872,016	-	-	-	1,872,016	5.13
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 September 2006

The capital adequacy ratios are as follows:

	CIMB Bank RM '000	CIMB Inv Bank RM '000	BKNIAGA RM '000	SBB RM '000	TOTAL RM '000
Tier I capital	6,261,816	1,585,187	1,688,739	2,562,415	12,098,157
Eligible Tier II capital	3,144,076	369,119	584,766	1,779,598	5,877,559
	9,405,892	1,954,306	2,273,505	4,342,013	17,975,716
less:					
Investment in subsidiaries and holding of other banking institutions' capital	(314,225)	(731,299)	(86,213)	-	(1,131,737)
Capital base	9,091,667	1,223,007	2,187,292	4,342,013	16,843,979
<i>Before deducting proposed dividends</i>					
Core capital ratio	8.93%	53.35%	13.20%	9.51%	10.79%
Risk-weighted capital ratio	12.96%	53.35%	17.10%	16.12%	15.02%
<i>After deducting proposed dividends</i>					
Core capital ratio	8.93%	26.91%	13.20%	9.51%	10.12%
Risk-weighted capital ratio	12.96%	26.91%	17.10%	16.12%	14.38%

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

Tier I capital					
Paid-up capital	2,378,341	219,242	397,090	1,610,897	4,605,570
Share premium	1,452,742	33,488	672,579	862,195	3,021,004
Other reserves	2,230,733	1,332,457	619,070	339,846	4,522,106
Treasury shares	-	-	-	(202,149)	(202,149)
Non-cumulative perpetual preference shares	200,000	-	-	-	200,000
Innovative Tier-I capital	-	-	-	384,362	384,362
Minority interest	-	-	-	17,934	17,934
Less : Goodwill	-	-	-	(450,670)	(450,670)
Total Tier I capital	6,261,816	1,585,187	1,688,739	2,562,415	12,098,157
Tier II capital					
Subordinated loans	1,475,000	368,385	388,461	1,037,648	3,269,494
ICULS issued	667,000	-	-	-	667,000
General allowance for bad and doubtful debts	1,002,076	734	137,432	396,443	1,536,685
Other	-	-	58,873	345,507	404,380
Total Eligible Tier II capital	3,144,076	369,119	584,766	1,779,598	5,877,559
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(314,225)	(731,299)	(86,213)	-	(1,131,737)
Total Capital Base	9,091,667	1,223,007	2,187,292	4,342,013	16,843,979
Proposed dividend to be deducted from retained profit					
Proposed final dividend for ordinary shares	-	(829,350)	-	-	(829,350)
Total Capital Base (net of proposed dividend)	9,091,667	393,657	2,187,292	4,342,013	16,014,629

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

					Risk Weighted RM'000
0%	13,373,511	77,226	4,029,162	4,307,085	21,786,984
10%	1,362,139	-	16,135	272,683	1,650,957
20%	20,049,041	339,665	492,252	3,728,462	24,609,420
50%	9,782,866	35,103	4,358,201	5,093,257	19,269,427
100%	53,600,799	1,128,650	9,738,761	20,257,069	84,725,279
Total risk-weighted assets equivalent for credit risk	62,638,254	1,214,135	12,017,925	23,576,658	99,446,972
Total risk-weighted assets equivalent for market risk	7,517,303	1,078,316	772,978	3,359,811	12,728,408
Total risk-weighted assets	70,155,557	2,292,451	12,790,903	26,936,469	112,175,380

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

	BCBB RM '000	CIMB RM '000	BKNIAGA RM '000	TOTAL RM '000
The capital adequacy ratios are as follows:				
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
	7,664,491	1,916,748	2,267,662	11,848,901
less:				
Investment in subsidiaries and holding of other banking institutions' capital	(299,335)	(432,927)	(29,044)	(761,306)
Capital base	7,365,156	1,483,821	2,238,618	11,087,595
<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	5,012,895	1,516,131	1,629,503	8,158,529
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	2,651,596	400,617	638,159	3,690,372
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(299,335)	(432,927)	(29,044)	(761,306)
Capital Base	7,365,156	1,483,821	2,238,618	11,087,595
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)	7,305,714	1,483,821	2,238,618	11,028,153

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	52,964,159	3,383,753	11,375,201	67,723,112
Total risk-weighted assets equivalent for market risk	1,318,999	3,780,954	-	5,099,953
Total risk-weighted assets	54,283,158	7,164,707	11,375,201	72,823,065

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 (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.

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.

Asset management and securities services mainly comprises income derived from funds management including private equity fund, agency and securities services.

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

	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and underwriting business RM'000	Equity business RM'000	Asset management and securities services RM'000	Support and others RM'000	Total RM'000
30 September 2006									
Net interest income									
-external	1,321,483	505,035	599,421	460,869	2,476	(12,389)	1,385	(266,854)	2,611,426
-inter-segment	(181,555)	83,555	(55,670)	(164,262)	(2,260)	-	(191)	320,383	-
	1,139,928	588,590	543,751	296,607	216	(12,389)	1,194	53,529	2,611,426
Income from Islamic Banking operations	36,177	-	-	-	-	-	-	11,000	47,177
Non interest income	279,877	154,930	166,079	332,145	120,984	168,514	76,895	247,006	1,546,430
Net Income	1,455,982	743,520	709,830	628,752	121,200	156,125	78,089	311,535	4,205,033
Overhead expenses	(664,720)	(182,952)	(88,895)	(52,840)	(70,874)	(104,743)	(52,183)	(942,504)	(2,159,711)
Profit before allowance	791,262	560,568	620,935	575,912	50,326	51,382	25,906	(630,969)	2,045,322
Allowance for losses on loans and financing	(414,914)	(173,393)	(14,846)	-	-	-	-	3,269	(599,884)
Allowance for other receivables	(5,954)	(1,418)	(14,152)	4,411	(4,595)	(950)	346	(262)	(22,574)
Provision for commitment & contingencies	(4)	-	-	-	-	-	-	695	691
Allowance for impairment of securities	-	22	(2,017)	(1,157)	-	-	-	(21,217)	(24,369)
Segment result	370,390	385,779	589,920	579,166	45,731	50,432	26,252	(648,484)	1,399,186
Share of results of associates	-	-	-	-	-	-	3,784	3,559	7,343
Share of results of jointly controlled entities	3,735	-	-	-	-	-	-	-	3,735
Profit/(loss) before taxation and zakat	374,125	385,779	589,920	579,166	45,731	50,432	30,036	(644,925)	1,410,264
Taxation and zakat	-	-	-	-	-	-	-	(262,834)	(262,834)
Net profit for the period before minority interests	374,125	385,779	589,920	579,166	45,731	50,432	30,036	(907,759)	1,147,430

	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and underwriting business RM'000	Equity business RM'000	Asset management and securities services RM'000	Support and others RM'000	Total RM'000
30 September 2005									
Net interest income									
-external	906,260	595,589	265,238	507,549	-	-	-	(69,190)	2,205,446
-inter-segment	66,447	(23,614)	145,054	(204,272)	-	-	-	16,385	-
	972,707	571,975	410,292	303,277	-	-	-	(52,805)	2,205,446
Income from Islamic Banking operations	738	-	-	-	-	-	-	8,220	8,958
Non interest income	134,351	132,624	182,225	272,839	940,047	124,276	35,134	(623,069)	1,198,427
Net Income	1,107,796	704,599	592,517	576,116	940,047	124,276	35,134	(667,654)	3,412,831
Overhead expenses	(533,969)	(160,830)	(88,665)	(64,888)	(36,160)	(61,234)	(21,895)	(613,737)	(1,581,378)
Segment result	573,827	543,769	503,852	511,228	903,887	63,042	13,239	(1,281,391)	1,831,453
Allowance for losses on loans and financing	(337,178)	(287,058)	(122,795)	11,261	-	-	-	43,911	(691,859)
Provision for other receivables	-	(22)	(2,130)	(9,946)	(1,463)	(10,117)	(177)	10,512	(13,343)
Impairment loss from securities held-for-trading	-	-	-	(29,329)	-	-	-	-	(29,329)
Profit after allowance	236,649	256,689	378,927	483,214	902,424	52,925	13,062	(1,226,968)	1,096,922
Share of results of associates	-	-	-	-	-	-	-	8,681	8,681
Share of results of jointly controlled entities	(2,811)	-	-	-	-	-	-	-	(2,811)
Profit/(loss) before taxation and zakat	233,838	256,689	378,927	483,214	902,424	52,925	13,062	(1,218,287)	1,102,792
Taxation and zakat	-	-	-	-	-	-	-	(235,728)	(235,728)
Net profit for the period before minority interests	233,838	256,689	378,927	483,214	902,424	52,925	13,062	(1,454,015)	867,064

A30. OPERATION OF ISLAMIC BANKING

A30a Unaudited Balance Sheet as at 30 September 2006

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Assets		
Cash and short-term funds	1,084,227	755,969
Deposit and placement with banks and other financial institutions	159,820	5,000
Securities held for trading	120,991	13,978
Available-for-sale securities	339,174	109,403
Held-to-maturity investment	218,000	-
Loans, advances and financing	1,631,630	15,893
Deferred tax	9,535	4,375
Satutory deposits with Bank Negara Malaysia	87,678	3,120
Property, plant and equipment	12,679	9,878
Other asset	82,276	3,537
TOTAL ASSETS	3,746,010	921,153
Liabilities and Islamic banking capital funds		
Deposits from customers	1,580,350	555,820
Deposits and placements of banks and other financial institutions	1,526,410	130,684
Bills and acceptances payable		694
Amount due to holding company	1,154	165
Amount due to related companies		169
Provision for taxation and zakat	9,068	7,141
Long-term borrowings	41,830	41,830
Other liabilities	39,065	7,385
TOTAL LIABILITIES	3,197,877	743,888
Islamic banking funds	539,683	169,683
Reserves	8,450	7,582
Islamic banking capital funds	548,133	177,265
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS	3,746,010	921,153

A30b Unaudited Income Statements for the 3rd Quarter and Nine Months Ended 30 September 2006

	3rd Quarter ended		Nine months ended	
	30 September 2006 RM'000	30 September 2005 RM'000	30 September 2006 RM'000	30 September 2005 RM'000
Group				
Income derived from investment of depositors' funds	50,924	5,071	68,673	14,121
Allowance for losses on financing, advances and other loans	(13,768)	-	(13,768)	-
Transfer to/(from) profit equalisation reserve	4,483	582	3,878	462
Other expenses directly attributable to the investment of the depositors and Islamic Banking capital funds	(1)	(14)	(12)	(41)
Total attributable income	41,638	5,639	58,771	14,542
Income attributable to the depositors	(29,426)	(3,541)	(40,028)	(10,394)
Income attributable to the reporting institutions	12,212	2,098	18,743	4,148
Income derived from investment of Islamic Banking capital funds	7,838	1,572	9,379	4,809
Total net income	20,050	3,670	28,122	8,957
Allowance for losses on financing and advances	(143)	-	(267)	-
General allowance	-	(24)	-	(24)
Other operating expenses	(15,170)	(5,567)	(36,040)	(12,314)
(Loss)/profit before tax and zakat	4,737	(1,921)	(8,185)	(3,381)
Tax and zakat	(4,732)	(362)	(5,784)	(1,064)
Net (loss)/profit for the financial period	5	(2,283)	(13,969)	(4,445)

A30c Financing, advances and other loans

a) Financing, advances and other loans

i) By type

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Cash	71,261	3
Term financing	3,194,178	22,417
Bills receivable	2,388	-
Trust receipts	4,198	-
Claims on customers under acceptance credits	28,224	-
Revolving credits	49,232	-
	<u>3,349,481</u>	<u>22,420</u>
less: Unearned income	(771,401)	(6,282)
	<u>2,578,080</u>	<u>16,138</u>
less: Financing sold to Cagamas	(820,826)	-
Gross financing, advances and other loans	<u>1,757,254</u>	<u>16,138</u>
Allowance for bad and doubtful financing		
- General	(42,517)	(245)
- Specific	(83,107)	-
Total net financing, advances and other loans	<u><u>1,631,630</u></u>	<u><u>15,893</u></u>

b) Non-performing Financing

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

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
General allowance		
At 1 January	31,924	-
Net allowance made during the financial period / year	(5,793)	245
Balance at 30 September / 31 December	<u>26,131</u>	<u>245</u>
	<u>1.49%</u>	<u>1.52%</u>

Specific allowance

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
At 1 January	57,159	-
Net allowance made during the financial period / year	64,920	-
Amount recovered during the financial period / year	(14,708)	-
Amount written off during the financial period / year	(24,264)	-
Balance at 30 September / 31 December	<u>83,107</u>	<u>-</u>

A30d Deposits from customers

By type of deposits

	Group	
	30/9/2006 RM'000	31/12/2005 RM'000
Non-Mudharabah Fund		
Demand deposits	197,520	5,906
Saving deposits	91,225	8,639
	<u>288,745</u>	<u>14,545</u>
Mudharabah Fund		
Saving deposits	25,623	8,361
Demand deposits	41,889	3,249
General investment deposits	747,855	301,390
Special investment deposits	476,238	123,230
Others	-	105,045
	<u>1,291,605</u>	<u>541,275</u>
	<u><u>1,580,350</u></u>	<u><u>555,820</u></u>

A31. CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

a) Change in Accounting Policies

The Group has 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 since 1 January 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, save for goodwill which was amortised over a period of 25 years, no other intangible assets were considered to have a finite useful life.

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 nine months period ended 30 September 2006, the Group recorded a PBT of RM1.410 billion; 27.9% higher as compared to RM1.103 billion made in the corresponding period last year. The higher year-on-year Group PBT was mainly due to increase in operating income by RM792.2 million, decrease in allowance for losses on loans and financing by RM91.9 million and increase in overhead expenses by RM578.3 million.

The BCHB Group's PBT was contributed mainly by the CIMB Group which registered RM983.0 million, or 69.7% of the Group's PBT, the PT Bank Niaga Group at RM290.0 million (20.6%) and the maiden 3 months post acquisition SBB Group's PBT of RM148.2 million. The insurance group, Commerce International Group and venture capital, Commerce Asset Ventures contributed PBT of RM35.2 million and RM32.3 million respectively.

At CIMB Group, net interest income grew by 6% mainly contributed by higher income from loans advances and financing at the back of higher Base Lending Rate (BLR) with net interest margin at 2.33% (9M05: 2.20%). Non-interest income was higher by 10% to RM1.041 billion attributed by CIMB-GK full nine months non-interest income of RM172.0 million (9M05: three month non-interest income of RM52.5 million) and gain on disposal of a property of RM30.6 million. Overhead expenses increased by 22% due to higher personnel cost by RM183.2 million which includes Mutual Separation Scheme payment of RM119.5 million. The full nine months CIMB-GK's overhead expenses was RM146.7 million (9M05: three month overhead expenses of RM35.6 million). Whilst allowance for losses on loans was lower by 36% at RM417.1 million against last year.

Bank Niaga's PBT amounted to RM290.0 million (9M05: RM242.9 million) year on year increase by 19%. Net interest income was higher by 34% year on year on the back of loans growth of 8% with net interest margin at 6.0%. Non interest income was higher by 12% due to realisation of gain on disposal of government and corporate bonds. However, Bank Niaga has set aside higher allowance for losses on loans by 87% at RM91.7 million.

The BCHB Group incurred financing cost and fee expenses of RM70.5 million for borrowings to fund the acquisition of SBB Group in July 2006 against the SBB Group's PBT contribution of RM148.2 million.

B2. COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

For the third quarter ended 30 September 2006, the BCHB Group recorded a PBT of RM494.1 million, 7% higher than PBT of RM463.0 million registered in the second quarter of 2006. The major contributor to the Commerce Group's PBT for the third quarter was the CIMB Group at RM322.7 million (2Q06: RM339.0 million), PT Bank Niaga Group at RM96.9 million (2Q06: RM93.1 million) and SBB Group post acquisition 3 months PBT of RM148.2 million.

Quarter-on-quarter, Group PBT increased by RM31.1 million arising from higher operating income of RM367.2 million (net of financing cost and fee expenses of RM70.5 million on borrowing cost for acquisition of SBB Group) offset by higher overhead expenses and allowance for losses on loans of RM216.8 million and RM138.6 million respectively.

Operating income was higher by RM367.2 million due to higher net interest income and non interest income by RM133.3 million and RM233.8 million respectively. The higher allowance for losses on loans was mainly due to inclusion of SBB Group's allowance for losses on loans of RM91.1 million and higher allowance for losses on loans at CIMB Group of RM35.7 million in the third quarter 2006.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

Transformation of the consumer bank has been visible with the re-branding and launch of the new merged bank (CIMB Bank) in early September. With new lending processes and infrastructure in place, the consumer bank is geared to engage with its enlarged combined customer base. New products such as CIMB Express and structured deposits will be ramped up.

On the capital markets front, the M&A and equity deal pipeline is significantly better than the first half of the year while the deal pipeline at CIMB-GK remains strong. The domestic bond market is set for a new record issuance year. The Islamic franchise is also well positioned to benefit from the higher issuance of Islamic bonds. Private equity could be a significant contributor in the fourth quarter of 2006.

Prospects for Bank Niaga remains positive. Interest rates are on a declining trend in Indonesia and this could be a catalyst for stronger loans growth. Bank Niaga's strategic intent to be a market leader in certain key segments such as mortgages is bearing fruit as it is the second largest mortgage provider in Indonesia with a 10.3% market share.

BCHB Group is maintaining its ROE target of 13% for 2006. The impact of the SBB acquisition will not be material to earnings in 2006. The potential synergies from the merger through revenue synergies and cost savings will be evident from the 2007 financial year. The proposed internal restructuring involving the transfer of the direct investments of BCHB to CIMB Group is expected to be completed in December 2006. This restructuring exercise underlines the Group's agility and determination to optimize and deliver value to shareholders.

B4. TAXATION

	Group			
	3rd Quarter ended		Nine months ended	
	30/9/2006	30/9/2005	30/9/2006	30/9/2005
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	10,618	76,511	231,681	205,771
Deferred tax expense	41,051	7,415	31,153	29,957
	<u>51,669</u>	<u>83,926</u>	<u>262,834</u>	<u>235,728</u>
Reconciliation				
Profit before taxation	494,100	374,841	1,410,264	1,102,792
Tax at statutory income tax rate of 28%	138,348	104,956	394,874	308,782
Due to income not subject to income tax and expenses not deductible for tax purposes	(86,679)	(21,030)	(132,040)	(73,054)
	<u>51,669</u>	<u>83,926</u>	<u>262,834</u>	<u>235,728</u>

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

On 5 September 2006, a subsidiary, CIMB Bank, completed the disposal of a bank premise in London. The gain arising from the disposal was RM30.6 million.

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	
	30/9/2006	31/12/2005
	RM'000	RM'000
Deposits from customers		
- Demand deposits	20,075,619	17,491,203
- Saving deposits	8,972,694	6,932,108
- Fixed deposits	60,195,000	46,912,868
- Negotiable instruments of deposits	7,068,219	2,360,893
- Others	1,214,864	626,515
	<u>97,526,396</u>	<u>74,323,587</u>
Fixed deposits and negotiable instruments of deposits		
One year or less (short term)	62,812,815	48,563,164
More than one year (medium/long term)	4,450,404	710,597
	<u>67,263,219</u>	<u>49,273,761</u>
Deposits and placements of banks and other financial institutions		
One year or less (short term)	10,621,771	7,416,648
	<u>10,621,771</u>	<u>7,416,648</u>
Bonds and notes*		
Unsecured		
One year or less (short term)	-	-
More than one year (medium/long term)	1,127,475	928,708
	<u>1,127,475</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)	44,871	44,682
	<u>44,871</u>	<u>44,682</u>
Other borrowings**		
Unsecured		
More than one year (medium/long term)	7,164,285	829,893
	<u>7,164,285</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)	906,446	782,763
	<u>906,446</u>	<u>782,763</u>
Subordinated Notes***		
Unsecured		
More than one year (medium/long term)	2,565,267	1,872,016
	<u>2,565,267</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	
	30/9/2006	30/9/2005
Net profit for the financial period after minority interests (RM '000)	1,057,027	714,133
Weighted average number of ordinary shares in issue - proforma ('000)	3,149,349	2,714,233
Basic earnings per share (expressed in sen per share)	33.6	26.3

b) Diluted EPS

Net profit for the financial period after minority interests (RM '000)	1,057,027	714,133
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	14,301	5,291
Net profit used to determine diluted EPS	1,071,328	719,424
Weighted average number of ordinary shares in issue ('000)	3,149,349	2,714,233
Adjustments for:		
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	80,372	80,372
- Redeemable Convertible Unsecured Loan Stocks	87	-
- ESOS	14,412	28,314
Weighted average number of ordinary shares for diluted EPS	3,244,220	2,822,919
Diluted EPS	33.0	25.5

B10. VARIANCE ON PROFIT FORECAST AND SHORTFALL IN PROFIT GUARANTEE

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