

BUMIPUTRA-COMMERCE HOLDINGS BERHAD

(Company Number 50841-W)

CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

		Group	
	Note	30/6/2007	31/12/2006
ASSETS		RM'000	RM'000
Cash and short term funds		25,558,739	19,921,941
Securities purchased under resale agreements		2,712,113	2,482,653
Deposits and placements with banks and other financial institutions		5,677,983	4,857,118
Securities held for trading	A12	14,715,444	13,581,924
Available-for-sale securities	A13	9,954,726	9,367,534
Held-to-maturity securities	A14	2,135,802	2,040,062
Derivative financial instruments		1,796,399	1,233,713
Loans, advances and financing	A15	89,024,303	90,334,759
Other assets	A16	5,715,976	3,964,449
Deferred tax assets		502,860	433,063
Tax recoverable		166,674	372,322
Statutory deposits with central banks		2,366,545	2,249,347
Investment in associates		157,840	129,207
Jointly controlled entities		122,947	157,731
Property, plant and equipment		1,094,942	1,019,662
Investment properties		60,798	62,982
Prepaid land lease payments		61,054	61,843
Goodwill		4,581,696	4,503,692
Intangible assets		530,418	527,282
Total Assets		166,937,259	157,301,284
LIABILITIES AND EQUITY			
Deposits from customers	A17	113,195,757	104,568,715
Deposits and placements of banks and other financial institutions	A18	7,633,726	7,021,779
Derivative financial instruments		2,391,655	1,463,133
Obligations on securities sold under repurchase agreements		1,212,209	5,662,529
Bills and acceptances payable		5,010,068	4,495,562
Floating rate certificates of deposits		-	211,800
Other liabilities	A19	9,203,294	5,956,175
Deferred tax liabilities		6,651	2,086
Current tax liabilities		351,826	209,800
Amount due to Cagamas Berhad		2,836,899	3,665,824
Loan stocks		41,830	41,610
Bonds		374,106	784,527
Other borrowings		5,731,810	7,015,261
Redeemable preference shares		758,334	798,728
Subordinated Notes		2,685,279	2,767,254
Total Liabilities		151,433,444	144,664,783
Irredeemable Convertible Unsecured Loan Stocks		8,955	32,982
Redeemable Convertible Unsecured Loan Stocks		11,508	14,199
Total Hybrid Capital		20,463	47,181
Perpetual and redeemable preference shares		200,000	200,000
Ordinary Share Capital		3,368,919	3,184,429
Reserves		11,302,919	8,861,675
Less: Shares held under Trust		(226,320)	(261,574)
		14,445,518	11,784,530
Minority interest		837,834	604,790
Total Equity		15,483,352	12,589,320
Total Liabilities and Equity		166,937,259	157,301,284
COMMITMENTS AND CONTINGENCIES	A25	289,104,394	244,870,248

The Condensed Unaudited Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2006.

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007

	Note	GROUP			
		SECOND QUARTER ENDED		SIX MONTHS ENDED	
		30/6/2007	30/6/2006	30/6/2007	30/6/2006
		RM'000	RM'000	RM'000	RM'000
Interest income	A20	2,347,041	1,744,249	4,594,175	3,451,828
Interest expense	A21	(1,173,177)	(895,329)	(2,390,558)	(1,824,162)
Net interest income		1,173,864	848,920	2,203,617	1,627,666
Income from Islamic Banking operations	A29 (b)	103,728	5,090	185,889	9,258
Non-interest income	A22	1,192,020	441,998	2,178,815	904,913
Overhead expenses	A23	2,469,612	1,296,008	4,568,321	2,541,837
		(1,168,246)	(654,226)	(2,151,417)	(1,288,689)
Profit before allowances		1,301,366	641,782	2,416,904	1,253,148
Allowance for losses on loans, advances and financing	A24	(367,793)	(154,219)	(653,070)	(319,034)
Allowance for other receivables		(2,879)	(9,784)	(11,357)	(13,361)
Provision for commitments and contingencies		(151)	1,130	(159)	953
Allowance for impairment		(17,352)	(21,808)	(15,145)	(14,609)
Share of results of jointly controlled entities		913,191	457,101	1,737,173	907,097
Share of results of associates		200	2,637	1,910	4,524
		3,002	3,628	2,898	4,545
Profit before taxation		916,393	463,366	1,741,981	916,166
Taxation and zakat	B4	(220,072)	(109,731)	(396,950)	(211,165)
Profit for the financial period		696,321	353,635	1,345,031	705,001
Attributable to :					
Equity holders of the Company		660,341	323,706	1,275,687	648,843
Minority interest		35,980	29,929	69,344	56,158
		696,321	353,635	1,345,031	705,001
Earnings per share (sen)- Basic	B9(a)	20.1	10.3	38.8	20.6
Fully diluted earnings per share	B9(b)	20.0	10.0	38.6	20.3

The Condensed Unaudited Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2007

	30/6/2007	30/6/2006
	RM'000	RM'000
Profit before taxation	1,741,981	916,166
Adjustments for non-operating and non-cash items	521,463	237,351
Operating profit before changes in working capital	2,263,444	1,153,517
Net changes in operating assets	(3,136,961)	(27,868,763)
Net changes in operating liabilities	7,881,206	38,068,613
	4,744,245	10,199,850
Cash flows generated from operations	7,007,689	11,353,367
Taxation paid	(27,210)	(129,123)
Net cash flow generated from operating activities	6,980,479	11,224,244
Net cash flow used in investing activities	(816,117)	(8,800,977)
Net cash flow (used in) / generated from financing activities	(335,925)	2,393,254
Net increase in cash and cash equivalents during the financial period	5,828,437	4,816,521
Effects of exchange rate changes on cash	(191,639)	(2,620)
Cash and cash equivalents at beginning of the financial period	19,921,941	12,078,145
Cash and cash equivalents at end of the financial period	25,558,739	16,892,046

The Condensed Unaudited Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006

BUMIPUTRA-COMMERCE HOLDINGS BERHAD

(Company Number 50841-W)

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2007**

The Group
30 June 2007

	Attributable to equity holders of the Company						Perpetual preference shares RM'000	Minority Interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Shares held under Trust RM'000	Retained profit RM'000	Total RM'000			
At 1 January 2007	3,184,429	3,642,043	2,023,892	(261,574)	3,195,740	11,784,530	200,000	604,790	12,589,320
Net gain/(loss) not recognised in the income statement:									
- currency translation difference	-	-	(48,728)	-	-	(48,728)	-	(20,542)	(69,270)
- revaluation reserve (available-for-sale securities)	-	-	54,445	-	-	54,445	-	(3)	54,442
- hedging reserve - cash flow hedge	-	-	(329)	-	-	(329)	-	-	(329)
Income and expense recognised directly in equity	-	-	5,388	-	-	5,388	-	(20,545)	(15,157)
Profit for the financial period	-	-	-	-	1,275,687	1,275,687	-	69,344	1,345,031
Total recognised income and expense for the financial period	-	-	5,388	-	1,275,687	1,281,075	-	48,799	1,329,874
Dividend for the financial year ended 31 December 2006	-	-	-	-	(368,168)	(368,168)	-	(21,653)	(389,821)
Transfer to statutory reserve	-	-	121,764	-	(121,764)	-	-	-	-
Issue of share capital arising from:									
- exercise of Employee Share Option Scheme	16,358	23,044	-	-	-	39,402	-	-	39,402
- conversion of USD Zero Coupon guaranteed convertible bonds 2004/2009	50,732	281,629	-	-	-	332,361	-	-	332,361
- conversion of Redeemable Convertible Unsecured Loan Stocks	400	2,514	(85)	-	-	2,829	-	-	2,829
- private placement of new shares	117,000	1,217,970	-	-	-	1,334,970	-	-	1,334,970
Option reserves arising from share option schemes of subsidiaries	-	-	3,265	-	-	3,265	-	-	3,265
Net creation of shares held under trust	-	-	-	35,254	-	35,254	-	(35,254)	-
Arising from accretion/dilution of equity interests in subsidiary	-	-	-	-	-	-	-	243,352	243,352
Capital repayment of a subsidiary	-	-	-	-	-	-	-	(2,200)	(2,200)
At 30 June 2007	3,368,919	5,167,200	2,154,224	(226,320)	3,981,495	14,445,518	200,000	837,834	15,483,352

The Condensed Unaudited Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

BUMIPUTRA-COMMERCE HOLDINGS BERHAD

(Company Number 50841-W)

**CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2007**

The Group 30 June 2006	Attributable to equity holders of the Company						Perpetual preference shares RM'000	Minority Interest RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Shares held under Trust RM'000	Retained profit RM'000	Total RM'000			
At 1 January 2006	2,756,398	2,038,353	1,860,481	-	2,982,221	9,637,453	200,000	1,269,025	11,106,478
Net gain/(loss) not recognised in the income statement:									
- currency translation difference	-	-	50,352	-	-	50,352	-	-	50,352
- revaluation reserve (available-for-sale securities)	-	-	(39,874)	-	-	(39,874)	-	-	(39,874)
- hedging reserve	-	-	4,339	-	-	4,339	-	-	4,339
Income and expense recognised directly in equity	-	-	14,817	-	-	14,817	-	-	14,817
Profit for the period	-	-	-	-	648,843	648,843	-	56,158	705,001
Total recognised income and expense for the financial period	-	-	14,817	-	648,843	663,660	-	56,158	719,818
Dividend for the financial year ended 31 December 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/BCBExercise 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	-	-	(337,486)	-	(548,759)	(886,245)	-	(686,353)	(1,572,598)
Arising from dilution/disposal of equity interests in subsidiary	-	-	990	-	(7,778)	(6,788)	-	-	(6,788)
Net creation of shares held under Trust	-	-	-	(291,160)	-	(291,160)	-	-	(291,160)
At 30 June 2006	3,153,492	3,523,300	1,707,473	(291,160)	2,565,500	10,658,605	200,000	638,830	11,497,435

The Condensed Unaudited Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2006.

EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited condensed financial statements for the second quarter and half year ended 30 June 2007 have been prepared under the historical cost convention and modified by the revaluation of securities held for trading, available-for-sale securities and all derivative contracts.

The unaudited condensed financial statements for the second quarter and half year ended 30 June 2007 have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standard Board 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 2006.

The unaudited condensed 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 2006.

Specific allowances are made for doubtful debts and financing which have been individually reviewed and specifically identified as bad or doubtful. A general allowance based on a percentage of the loans portfolio is also made to cover possible losses which are not specifically identified. Any uncollectible loans or portion of loans classified as bad are written off after taking into consideration the realisable value of collateral, if any, when in the judgement of the management, there is no prospect of recovery.

The policy on allowances for non-performing debts of the Malaysian subsidiary banks is in conformity with the minimum requirements of Bank Negara Malaysia's "Guidelines on the Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts" ("GP3"). Values assigned to collateral held for non-performing loans secured by properties is determined based on the realisable values of the properties, being the force sale value provided by independent parties/valuers, on the following basis:

- (i) Assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than five (5) years but less than seven (7) years; and
- (ii) No value will be assigned to the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than seven (7) years.

BNM has granted indulgence to a subsidiary bank and other local banks in Malaysia from complying with the requirements on the impairment of loans under the revised BNM/GP3. Under the revised BNM/GP3, the impaired loans have to be measured at their estimated recoverable amount. This requirement is principally similar to the requirement under FRS 139 "Financial Instruments: Recognition and Measurement". In view of the deferment of the implementation of FRS 139 in Malaysia, the subsidiary bank and other local banks in Malaysia will be deemed to be in compliance with the requirement on the impairment of loans under the revised BNM/GP3 if the allowance for non-performing loans, advances and financing is computed based on BNM's guidelines on the 'Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts' ("BNM/GP3") requirements.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2006 was unqualified.

A3. COMMENTS ABOUT SEASONAL AND CYCLICAL 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 affected the financial statements during the 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 interim financial statements for the period under review.

A6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as detailed below, there were no new shares issuance, repayment of debt securities, shares buy backs and share cancellations, or resale of shares held as treasury shares during the six-month period ended 30 June 2007:-

- (a) Issuance of 16,358,091 ordinary shares arising from the exercise of options pursuant to the Company's Employee Share Option Scheme (ESOS);
- (b) Issuance of 50,731,279 ordinary shares arising from the conversion of USD zero coupon guaranteed redeemable convertible bonds;
- (c) Issuance of 400,242 ordinary shares arising from the conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS);
- (d) Issuance of 117 million ordinary shares by way of private placement to Bank of Tokyo-Mitsubishi UFJ, Limited;
- (e) During the six-month period ended 30 June 2007, the issued and paid-up capital of Bank Niaga was increased from 12,143,995,774 to 12,241,292,658 ordinary shares pursuant to the exercise of options granted under Bank Niaga's Employee Stock Option Programme.

A7. DIVIDEND PAID

A total dividend of RM368.2 million was paid on 28 May 2007 as a final dividend of 15.0 sen (less tax) in respect of financial year ended 31 December 2006.

A8. SPECIAL DIVIDEND

The Board of Directors is pleased to declare a special dividend of 25 sen gross per ordinary share less tax at 27% payable on 28 September 2007. In respect of deposited securities, entitlement to the special dividend will be determined on the basis of the Record of Depositors as of the close of business on 12 September 2007.

A9. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

No valuations of property, plant and equipment were carried out during the period.

A10. EVENTS AFTER THE BALANCE SHEET DATE

- a) On 2 July 2007, the disposals of 49% equity interests in both Commerce Life Assurance Berhad and Commerce Takaful Berhad by Commerce International Group Berhad to Aviva International Holdings Limited were completed;
- b) On 10 July 2007, a subsidiary, Commerce International Group Berhad ("CIG"), entered into a Share Sale Agreement with Allianz Malaysia Berhad for the proposed disposal of CIG's 100% equity interest in Commerce Assurance Berhad for a total cash consideration of RM490 million.
- c) On 27 July 2007, the Company proposed to issue Conventional and Islamic Commercial Papers and Medium Term Notes Programmes of up to RM6.0 billion nominal value.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed in the preceding quarter, the unaudited condensed interim financial statements for the second quarter and half year ended 30 June 2007 was prepared after taking into consideration of the following:-

- a) On 22 June 2007, a Share Sale Agreement was entered into by a subsidiary Company, Commerce International Group Berhad (CIG) with Aviva International Holdings Limited, an indirect subsidiary of Aviva PLC for the proposed disposals of CIG's 49% equity interests in both Commerce Life Assurance Berhad and Commerce Takaful Berhad for a total cash consideration of RM500 million. This transaction has been completed on 2 July 2007.
- b) On 20 June 2007, Bank Indonesia approved the nomination of CIMB Group as the controlling shareholder of PT Bank Niaga in place of Bumiputra-Commerce Holdings Berhad. This transaction has been completed on 16 August 2007.
- c) On 22 May 2007, an application was submitted to Bank Negara Malaysia ("BNM") for the proposed disposal of Southern Investment Bank Berhad (SIBB) by CIMB Bank to HLG Credit Sdn Bhd (HCSB). Pursuant to the proposed disposal and subject to the approvals of relevant authorities, CIMB Bank shall dispose 80% of the issued and paid up share capital of SIBB held by CIMB Bank to HCSB at a total cash consideration at a premium to the consolidated net tangible assets of SIBB which is to be determined later. The proposed disposal would enable CIMB Bank to maintain only one license to carry on merchant banking business as permitted by BNM.
- d) On 4 May 2007, CIMB Principal Asset Management Berhad (CIMB-Principal) and PT Commerce Kapital, both subsidiaries of Bumiputra-Commerce Holdings Berhad, entered into share purchase agreements (SPAs) with Bank Niaga and PT Manajemen Citra (NMC) for the proposed disposal of Bank Niaga's and NMC's entire equity interest in PT Niaga Asset Management (NAM) to CIMB-Principal and PT Commerce Kapital respectively. Pursuant to the terms of the SPAs, Bank Niaga shall dispose 99% of its equity interest in NAM to CIMB-Principal and 0.96% of its equity interest in NAM to PT Commerce Kapital for a total consideration of IDR 41.48 billion (approximately RM16 million). The proposed disposals are subject to the relevant Indonesian authority approvals and independent shareholders of Bank Niaga. PT Commerce Kapital has entered into a separate SPA with NMC to acquire NMC's 0.04% equity interest in NAM for a total cash consideration of IDR 20 million (approximately RM8,000).

A12. SECURITIES HELD FOR TRADING

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	289,668	379,011
Cagamas bonds	257,664	599,665
Khazanah bonds	93,143	93,554
Government investment issues	-	5,030
Unquoted		
Malaysian Government treasury bills	38,955	169,176
Bank Negara Malaysia bills	503,386	245,084
Bank Negara negotiable notes	397,418	79,259
Negotiable instruments of deposit	1,749,996	1,796,352
Banker's acceptances	725,515	475,205
Private debt securities	-	15,499
Credit-linked notes	381,210	356,189
Other Government's securities	56,040	211,720
Commercial papers	153,206	383,461
Government investment issues	127,346	35,060
BNM Sukuk Ijarah	49,988	-
	4,823,535	4,844,265
Quoted securities		
<u>In Malaysia</u>		
Warrants	-	7,114
Shares	1,237,778	1,134,722
Loan stocks	-	15,432
Unit trusts	-	1,386
Private debt securities	10,347	17,767
<u>Outside Malaysia</u>		
Shares	75,240	22,657
Other Government Bonds	-	148,894
	6,146,900	6,192,237
Unquoted securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	5,796,882	5,398,194
<u>Outside Malaysia</u>		
Private and Islamic debt securities	2,771,662	1,991,493
	14,715,444	13,581,924

A13. AVAILABLE-FOR-SALE SECURITIES

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	247,183	530,567
Cagamas bonds	347,296	436,673
Khazanah bonds	231,348	154,691
Government investment issues	978,022	923,763
Commercial papers	148,163	19,830
Bonds	21,443	24,795
Bank Negara negotiable notes	14,907	-
Unquoted		
Malaysian Government treasury bills	29,410	56,994
Bank Negara Malaysia bills	445,015	15,000
Banker's acceptance, Islamic accepted bills and Islamic debt securities	91,160	101,049
Private debt securities	5,711,179	5,935,533
Floating rate notes	415,439	349,075
Cagamas Notes	-	4,997
Negotiable instruments of deposit	10,000	9,998
Government investment issues	25,238	19,680
Credit linked notes	25,183	-
	8,740,986	8,582,645
Equity securities		
Quoted securities		
<u>In Malaysia</u>		
Shares	271,231	96,896
Unit trusts	11,218	10,713
<u>Outside Malaysia</u>		
Shares	12,537	11,314
Mutual funds	2,485	1,701
Unquoted securities		
<u>In Malaysia</u>		
Private and Islamic debt securities	537,191	515,578
Shares	513,866	518,714
Bonds	4,146	-
Loan stocks	14,807	46,006
Property funds	84	84
Investment-linked funds	7,196	5,823
<u>Outside Malaysia</u>		
Shares	38,603	26,928
Mutual funds	13,812	11,340
	1,427,176	1,245,097
	10,168,162	9,827,742

A13. AVAILABLE-FOR-SALE SECURITIES (CONTINUED)

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Allowance for impairment loss:		
Private debt securities	(158,339)	(440,927)
Quoted shares	(15,181)	(6,604)
Quoted bonds	(214)	(248)
Unquoted shares	(39,644)	(17,621)
Accretion of discount net of amortisation of premium	-	5,248
Mutual funds	(58)	(56)
	(213,436)	(460,208)
	9,954,726	9,367,534

A14. HELD-TO-MATURITY SECURITIES

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Money market instruments:		
Quoted		
Malaysian Government Securities	41	77,036
Unquoted		
Other Government's treasury bills	110,272	92,427
Danaharta Urus Sdn Bhd ("DUSB") bonds	1,151,932	1,151,973
Private debt securities	597,495	554,167
Other Government's securities	-	18,702
Quoted securities		
<u>Outside Malaysia</u>		
Bonds	27,823	27,756
Islamic bonds	19,888	10,480
Medium term notes - Islamic	9,563	9,704
Unquoted securities		
<u>In Malaysia</u>		
Shares	270	270
Private debt securities	6,446	6,035
Loan stocks	32,478	30,858
	1,956,208	1,979,408
Accretion of discount net of amortisation of premium	202,076	82,198
Less : Allowance for impairment losses	(22,482)	(21,544)
	2,135,802	2,040,062

A15. LOANS, ADVANCES AND FINANCING

(i) By type

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Overdrafts	7,002,984	7,163,910
Term loans		
- Housing loans/financing	19,425,313	18,477,108
- Syndicated term loans	6,509,152	7,563,627
- Hire purchase receivables	15,197,162	16,564,963
- Lease receivables	198,307	196,690
- Factoring receivables	76,865	63,832
- Other term loans/financing	25,993,209	25,310,510
Bills receivable	273,528	472,618
Trust receipts	929,449	1,030,948
Claims on customer under acceptance credits	6,032,656	6,247,221
Staff loans *	607,334	649,751
Credit card receivables	2,217,189	2,108,731
Revolving credits	12,335,649	12,786,176
Share margin financing	1,029,254	813,616
Other loans	7,613	7,490
	97,835,664	99,457,191
Less : Unearned interest	(3,161,753)	(3,463,030)
Less : Islamic financing sold to Cagamas	(696,721)	(780,289)
	93,977,190	95,213,872
Gross loans, advances and financing		
Allowance for bad and doubtful debts		
- Specific allowance (SA)	(3,429,670)	(3,399,836)
- General allowance (GA)	(1,523,217)	(1,479,277)
Total net loans, advances and financing	89,024,303	90,334,759

* Included in staff loans of the Group are loans to directors amounting to RM 728,434 (2006: RM436,000).

A15. LOANS, ADVANCES AND FINANCING (CONTINUED)

(ii) By type of customers

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Domestic banking institutions	260,470	216,828
Domestic non-bank financial institutions		
- Stockbroking companies	95,980	330,868
- Others	2,310,254	2,050,252
Domestic business enterprises		
- Small medium enterprises	16,914,085	17,589,242
- Others	22,936,404	24,368,173
Government and statutory bodies	79,704	136,951
Individuals	44,688,270	43,717,209
Other domestic entities	1,935,439	2,271,507
Foreign entities	5,453,305	5,313,131
	94,673,911	95,994,161
Less : Islamic financing sold to Cagamas	(696,721)	(780,289)
	93,977,190	95,213,872

(iii) By interest/profit rate sensitivity

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Fixed rate		
- Housing loans	3,171,657	3,744,142
- Hire-purchase receivables	12,706,411	13,571,469
- Other fixed rate loans	15,087,282	16,230,101
Variable rate		
- BLR plus	52,644,080	50,916,706
- Cost plus	9,467,832	9,698,593
- Other variable rates	1,596,649	1,833,150
	94,673,911	95,994,161
Less : Islamic financing sold to Cagamas	(696,721)	(780,289)
	93,977,190	95,213,872

A15. LOANS, ADVANCES AND FINANCING (CONTINUED)

(iv) By economic purposes

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Personal use	2,813,884	2,349,454
Credit card	2,217,188	2,128,152
Purchase of consumer durables	25,354	29,060
Construction	3,180,510	3,636,984
Residential property (Housing)	20,043,547	19,337,305
Non-residential property	4,942,368	4,422,393
Purchase of fixed assets other than land & building	2,384,714	2,547,168
Merger and acquisition	115,818	355,213
Purchase of securities	3,710,141	5,318,708
Purchase of transport vehicles	13,737,255	15,009,253
Working capital	37,218,782	37,114,632
Other purpose	4,284,350	3,745,839
	94,673,911	95,994,161
Less : Islamic financing sold to Cagamas	(696,721)	(780,289)
	93,977,190	95,213,872

(v) Non-performing loans by economic purposes

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Personal use	363,175	275,066
Credit card	62,271	100,871
Purchase of consumer durables	1,067	1,110
Construction	514,578	423,204
Residential property (Housing)	2,023,295	2,179,461
Non-residential property	739,999	584,618
Purchase of fixed assets other than land & building	113,534	114,179
Purchase of securities	325,645	442,710
Purchase of transport vehicles	682,111	948,991
Working capital	3,229,938	3,315,575
Other purpose	69,409	97,429
	8,125,022	8,483,214

A15. LOANS, ADVANCES AND FINANCING (CONTINUED)

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

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Balance as at 1 January	8,483,214	6,306,398
NPL during the period / year	2,350,263	4,264,672
Performing during the period / year	(1,236,932)	(1,444,399)
Recoveries	(770,904)	(1,998,193)
Non-performing loans arising from acquisition of a subsidiary	-	2,802,844
Amount written off	(683,985)	(1,460,579)
Exchange fluctuation	(12,952)	12,471
Others	(3,682)	-
Balance as at 30 June / 31 December	8,125,022	8,483,214
Specific allowance	(3,429,670)	(3,399,836)
Net non-performing loans, advances and financing	4,695,352	5,083,378

Classification of non-performing loans

Sub-standard	1,607,469	1,721,097
Doubtful	600,550	747,285
Bad debts	5,917,003	6,014,832
Balance as at 30 June / 31 December	8,125,022	8,483,214
Total loans, advances and financing (less specific allowance)	90,547,520	91,814,036
Net non-performing loans (as % of total loans)	4,695,352 5.19%	5,083,378 5.54%

A15. LOANS, ADVANCES AND FINANCING (CONTINUED)

(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	
	30/6/2007	31/12/2006
	RM'000	RM'000
General allowance		
Balance as at 1 January	1,479,276	1,173,911
Net allowance made during the period / year	49,145	3,824
Amount transferred to specific allowance	(6,178)	(122,367)
Allowance for loans in relation to loans in jointly controlled entities	-	2,592
Allowance for loans arising from acquisition of a subsidiary	-	397,233
Exchange fluctuation	973	24,084
Balance as at 30 June / 31 December	1,523,217	1,479,277
(as % of gross loans, advances and financing less SA)	1.68%	1.61%
Specific allowance		
Balance as at 1 January	3,399,836	2,305,753
Allowance made during the period / year	1,092,180	1,787,564
Amount transferred from general allowance	6,178	122,367
Amount recovered	(369,665)	(712,693)
Amount written off	(691,829)	(1,292,170)
Amount charged to deferred assets	-	3,101
Allowance for loans in relation to loans in jointly controlled entities	8,529	18,889
Allowance for loans arising from acquisition of subsidiaries	-	1,143,081
Exchange fluctuation	(13,710)	23,944
Others	(1,849)	-
Balance as at 30 June / 31 December	3,429,670	3,399,836

A16. OTHER ASSETS

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Interest receivable	418,416	424,535
Due from brokers and clients net of allowance for doubtful debts	2,570,749	1,391,767
Other debtors, deposits and prepayments net of allowance for doubtful debts	2,286,700	1,698,534
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	147,859	137,914
Deferred assets	236,879	247,474
Foreclosed properties net of allowance for impairment in value	55,373	64,225
	5,715,976	3,964,449

A17. DEPOSITS FROM CUSTOMERS

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
<u>By type of deposits</u>		
Demand deposits	25,926,006	21,306,269
Savings deposits	9,771,455	9,406,659
Fixed deposits	62,444,991	64,452,603
Negotiable instruments of deposit	5,622,835	7,004,506
Others	9,430,470	2,398,678
	113,195,757	104,568,715
 <u>By type of customers</u>		
Government and statutory bodies	10,924,744	9,892,743
Business enterprises	54,475,551	49,145,811
Individuals	28,645,295	32,683,060
Others	19,150,167	12,847,101
	113,195,757	104,568,715

A18. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Licensed banks	4,692,110	5,623,841
Licensed finance companies	18,451	58,706
Licensed merchant banks	525,662	650,164
Bank Negara Malaysia	1,400,900	365,000
Other financial institutions	996,603	324,068
	7,633,726	7,021,779

A19. OTHER LIABILITIES

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Interest payable	600,840	698,107
Due to brokers and clients	2,873,173	1,279,753
Short-term borrowings	80,522	63,129
Insurance fund - life insurance business	1,477,350	1,419,059
Insurance fund - general insurance business	448,587	414,375
Provision for commitments and contingencies	2,199	3,184
Post employment benefit obligations	93,863	81,022
Others	3,626,760	1,997,546
	9,203,294	5,956,175

A20. INTEREST INCOME

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries	1,601,393	1,272,485	3,242,772	2,486,735
- Recoveries from NPLs	119,988	82,187	204,609	139,845
Money at call and deposit with financial institutions	262,256	124,087	466,021	276,001
Securities purchased under resale agreement	25,697	36,186	53,191	75,009
Securities held for trading	140,078	92,696	264,714	185,060
Available-for-sale securities	88,048	93,818	185,771	184,966
Held-to-maturity securities	9,012	38,769	16,805	75,995
Others	54,079	11,385	144,321	39,172
	2,300,551	1,751,613	4,578,204	3,462,783
Accretion of discounts less amortisation of premium	106,288	18,408	122,769	43,176
Net interest suspended	(59,798)	(25,772)	(106,798)	(54,131)
	2,347,041	1,744,249	4,594,175	3,451,828

A21. INTEREST EXPENSE

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	121,476	92,905	227,766	291,792
Deposit from other customers	749,345	630,423	1,511,203	1,182,836
Obligation on securities sold under repurchase agreements	49,441	36,483	97,827	74,514
Bonds	5,782	11,353	13,186	39,299
Loan stocks/ICULS	15,760	12,471	36,255	24,807
Subordinated Notes	49,826	17,332	102,461	36,318
Loans sold to Cagamas	30,565	18,859	64,297	39,223
Negotiable certificates of deposits	45,523	48,619	100,850	88,337
Other borrowings	37,821	9,254	112,372	31,270
Others	67,638	17,630	124,341	15,766
	1,173,177	895,329	2,390,558	1,824,162

A22. NON-INTEREST INCOME

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Fee on loans, advances and financing	92,572	40,245	162,217	77,773
Portfolio management fees	124	1,024	427	1,872
Service charges and fees	52,638	44,437	105,726	89,703
Corporate advisory fees	19,016	16,424	41,791	27,105
Guarantee fees	15,484	13,575	30,540	25,862
Underwriting commission	66,717	19,791	90,848	28,172
Placement fees	10,000	665	10,610	2,065
Commissions	68,936	42,986	137,722	88,025
Other fee income	93,658	45,505	147,682	91,645
	419,145	224,652	727,563	432,222
(b) Gross dividends from :				
<u>In Malaysia</u>				
- Securities held for trading	522	1,567	926	7,771
- Available-for-sale securities	29,186	2,208	41,554	3,628
- Associates	-	174	-	174
<u>Outside Malaysia</u>				
- Securities held for trading	580	567	1,093	567
	30,288	4,516	43,573	12,140

A22. NON-INTEREST INCOME (CONTINUED)

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
(c) Net gain arising from securities held-for-trading	289,056	(144,403)	589,269	(110,553)
(d) Net gain arising from derivative financial instruments	155,636	200,458	187,657	330,269
(e) Net gain from sale of available-for-sale securities	85,819	8,539	132,796	25,156
(f) Net gain from sale of held-to-maturity securities	-	-	566	-
(g) Income from asset management and securities services	40,413	14,097	64,062	27,155
(h) Brokerage income	102,143	52,446	193,581	96,571
(i) Other non-interest income:				
Foreign exchange gain				
- Unrealised	23,181	4,239	50,781	19,651
- Realised	(19,414)	4,897	(40,245)	(8,143)
Rental income	5,413	1,959	11,908	2,748
Gain on disposal of property, plant and equipment	527	207	1,132	273
Gain/(loss) on disposal of interest in subsidiary	(40)	378	86,725	1,317
Net gain from insurance business	17,998	2,816	30,477	4,956
Underwriting surplus before management expenses	9,403	5,959	33,520	26,628
Other non-operating income	32,452	61,238	65,450	44,523
	69,520	81,693	239,748	91,953
	1,192,020	441,998	2,178,815	904,913

A23. OVERHEAD EXPENSES

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	465,200	250,428	903,725	467,111
- Pension cost	64,264	30,151	101,732	55,174
- MSS expenses	-	56,414	-	101,089
- Others	47,553	37,045	100,055	81,173
Establishment costs				
- Depreciation of property, plant and equipment	65,049	59,515	123,119	91,508
- Rental	34,158	21,181	73,744	49,401
- Insurance	1,550	5,400	4,275	7,574
- Others	123,020	92,590	240,482	164,900
Marketing expenses				
- Sales commission	8,886	7,607	17,727	7,785
- Advertisement	33,087	17,983	49,825	39,364
- Others	12,039	9,966	17,442	17,812
Administration and general expenses				
- Amortisation of intangible assets/goodwill	11,551	-	21,870	-
- Legal and professional fees	37,295	19,166	67,784	48,549
- Communication	15,727	19,211	39,494	30,721
- Others	248,867	27,569	390,143	126,528
	1,168,246	654,226	2,151,417	1,288,689

A24. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	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	601,845	289,414	1,092,180	562,298
- Written back	(214,226)	(133,114)	(369,665)	(233,410)
General allowance				
- Made during the financial year	48,809	18,784	49,145	26,934
Bad debts on loan and financing :				
- recovered	(68,739)	(21,096)	(118,778)	(36,872)
- written off	104	231	188	84
	367,793	154,219	653,070	319,034

During the period, a subsidiary, CIMB Bank, has 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. Hence, the specific allowance made during the period for CIMB Bank is RM152,852,407.

A25. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group enter into various commitments and incurred certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's assets.

Risk-weighted Exposures of the Group as at

	Principal	30/6/2007 Credit equivalent *	Risk weighted amount	Principal	31/12/2006 Credit equivalent *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	3,564,650	3,564,650	1,345,118	3,065,948	3,065,948	1,665,827
Certain transaction-related contingent items	4,982,189	2,623,584	1,723,277	5,007,175	2,633,697	1,766,595
Short-term self-liquidating trade-related contingencies	3,228,980	645,796	191,170	3,765,729	753,144	297,619
Asset sold with recourse and commitment with certain drawdown	696,721	696,721	696,721	815,589	780,799	780,391
Obligations under underwriting agreement	1,085,506	123,687	982,213	2,028,193	996,597	996,310
Irrevocable commitments to extend credit :						
- maturity not exceeding one year	34,943,823	-	-	32,692,158	-	-
- maturity exceeding one year	5,965,216	2,982,608	1,839,335	4,589,898	2,293,371	2,012,061
Forward Assets Purchases	755,363	754,432	753,675	-	-	-
Miscellaneous commitments and contingencies	3,473,182	4,423	300	4,655,749	3,982	3
	58,695,630	11,395,901	7,531,809	56,620,439	10,527,538	7,518,806

A25. COMMITMENTS AND CONTINGENCIES (CONTINUED)

	30/6/2007			31/12/2006		
	Principal	Credit equivalent *	Risk weighted amount	Principal	Credit equivalent *	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Foreign exchange related contracts :						
- less than one year	36,264,302	731,918	190,049	23,329,374	648,319	149,304
- one year to less than five years	2,344,091	643,722	157,281	1,646,703	425,683	95,139
- five years and above	1,769,788	403,329	184,632	107,373	30,174	15,086
	40,378,181	1,778,969	531,962	25,083,450	1,104,176	259,529
Interest rate related contracts :						
- less than one year	104,314,539	148,205	29,461	95,943,134	118,617	23,481
- one year to less than five years	71,616,484	2,430,195	487,686	58,763,837	2,232,810	441,143
- five years and above	5,301,077	1,105,288	227,796	3,997,732	735,425	149,002
	181,232,100	3,683,688	744,943	158,704,703	3,086,852	613,626
Equity related contracts :						
- less than one year	6,554,811	-	-	4,461,656	-	-
- one year to less than five years	1,124,567	-	-	-	-	-
	7,679,378	-	-	4,461,656	-	-
Hybrid :						
- less than one year	63,382	-	-	-	-	-
- one year to less than five years	1,055,723	-	-	-	-	-
	1,119,105	-	-	-	-	-
	289,104,394	16,858,558	8,808,714	244,870,248	14,718,566	8,391,961

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

A26. INTEREST/PROFIT RATE RISK

As at 30 June 2007	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 average interest rate %
Assets									
Cash and short-term funds	22,747,708	60,163	-	-	-	2,750,868	-	25,558,739	3.49
Securities purchased under resale agreements	1,201,981	1,510,132	-	-	-	-	-	2,712,113	3.45
Deposits and placements with banks and other financial institutions	749,485	1,812,781	3,059,318	8,155	-	48,244	-	5,677,983	3.49
Securities held for trading	-	-	-	-	-	-	14,715,444	14,715,444	4.56
Available-for-sale securities	392,077	244,635	1,017,966	3,596,975	3,292,327	1,410,555	191	9,954,726	4.10
Held-to-maturity securities	163,886	749	86,772	625,205	1,171,919	87,271	-	2,135,802	4.59
Derivatives financial instruments	64	-	-	-	-	66,256	1,730,079	1,796,399	
Loans, advances and financing									
- performing	57,780,281	11,462,911	5,317,929	5,872,468	4,713,064	344,268	-	85,490,921	6.66
- non-performing					546,814	2,986,568	-	3,533,382	
Other assets	911,756	-	-	-	-	4,804,220	-	5,715,976	10.00
Deferred tax assets	-	-	-	-	-	502,860	-	502,860	
Tax recoverable	-	-	-	-	-	166,674	-	166,674	
Statutory deposits with central banks	-	-	-	-	-	2,366,545	-	2,366,545	
Investment in associates	-	-	-	-	-	157,840	-	157,840	
Jointly controlled entities	-	-	-	-	-	122,947	-	122,947	
Property, plant and equipment	-	-	-	-	-	1,094,942	-	1,094,942	
Investment properties	-	-	-	-	-	60,798	-	60,798	
Prepaid land lease payments	-	-	-	-	-	61,054	-	61,054	
Goodwill	-	-	-	-	-	4,581,696	-	4,581,696	
Intangible assets	-	-	-	-	-	530,418	-	530,418	
Total assets	83,947,238	15,091,371	9,481,985	10,102,803	9,724,124	22,144,024	16,445,714	166,937,259	

A26. INTEREST/PROFIT RATE RISK (CONTINUED)

As at 30 June 2007	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 average interest rate %
Liabilities									
Deposits from customers	48,712,038	16,656,525	18,041,111	5,689,706	42,216	24,054,161	-	113,195,757	2.79
Deposits and placements of banks and other financial institutions	3,848,979	1,029,286	1,556,779	760,327	436,396	1,959	-	7,633,726	3.07
Derivative financial instruments	238,388	-	-	-	-	22,108	2,131,159	2,391,655	
Obligations on securities sold under repurchase agreements	1,140,214	65,995	6,000	-	-	-	-	1,212,209	2.75
Bills and acceptances payable	1,296,368	2,166,878	766,383	-	-	780,439	-	5,010,068	3.29
Other liabilities	-	-	-	-	-	9,203,294	-	9,203,294	
Deferred tax liabilities	-	-	-	-	-	6,651	-	6,651	
Current tax liabilities	-	-	-	-	-	351,826	-	351,826	
Amount due to Cagamas Berhad	-	-	-	2,836,899	-	-	-	2,836,899	4.29
Loan stocks	-	-	-	41,830	-	-	-	41,830	3.60
Bonds	-	-	-	374,106	-	-	-	374,106	7.48
ICULS - detachable coupons	-	-	-	8,955	-	-	-	8,955	7.50
RCULS	-	-	-	11,508	-	-	-	11,508	4.80
Other borrowings	591,070	10,236	1,311,040	3,819,464	-	-	-	5,731,810	5.18
Redeemable preference shares	-	-	-	100,000	658,334	-	-	758,334	3.60
Subordinated Notes	-	-	300,000	2,385,279	-	-	-	2,685,279	4.70
Total liabilities	55,827,057	19,928,920	21,981,313	16,028,074	1,136,946	34,420,438	2,131,159	151,453,907	
Total interest rate sensitivity gap	28,120,181	(4,837,549)	(12,499,328)	(5,925,271)	8,587,178		14,314,555		

A26. INTEREST/PROFIT RATE RISK (CONTINUED)

As at 31 December 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 average interest rate %
Assets									
Cash and short-term funds	16,873,599	-	-	-	-	3,048,342	-	19,921,941	3.10
Securities purchased under resale agreements	269,911	1,863,099	349,643	-	-	-	-	2,482,653	3.50
Deposits and placements with banks and other financial institutions	1,123,742	2,972,877	687,181	73,318	-	-	-	4,857,118	3.51
Securities held for trading	-	-	-	-	-	71,858	13,510,066	13,581,924	2.43
Available-for-sale securities	190,171	124,427	903,107	3,905,618	2,454,544	1,789,667	-	9,367,534	3.83
Held-to-maturity investment	11,525	61,845	244,354	203,816	1,420,063	98,459	-	2,040,062	1.93
Derivatives financial instruments	-	-	-	-	-	441,814	791,899	1,233,713	
Loans, advances and financing									
- performing	53,888,367	13,496,384	7,070,579	7,968,564	4,306,764	-	-	86,730,658	8.53
- non-performing	-	-	-	-	-	3,604,101	-	3,604,101	
Other assets	57,237	1,148	1,563	320	45	3,903,143	993	3,964,449	10.00
Deferred tax assets	-	-	-	-	-	433,063	-	433,063	
Tax recoverable	-	-	-	-	-	372,322	-	372,322	
Statutory deposits with central banks	-	-	-	-	-	2,249,347	-	2,249,347	
Investment in associates	-	-	-	-	-	129,207	-	129,207	
Jointly controlled entities	-	-	-	-	-	157,731	-	157,731	
Property, plant and equipment	-	-	-	-	-	1,019,662	-	1,019,662	
Investment properties	-	-	-	-	-	62,982	-	62,982	
Prepaid land lease payments	-	-	-	-	-	61,843	-	61,843	
Goodwill	-	-	-	-	-	4,503,692	-	4,503,692	
Intangible assets	-	-	-	-	-	527,282	-	527,282	
Total assets	72,414,552	18,519,780	9,256,427	12,151,636	8,181,416	22,474,515	14,302,958	157,301,284	

A26. INTEREST/PROFIT RATE RISK (CONTINUED)

As at 31 December 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 average interest rate %
Liabilities									
Deposits from customers	49,305,989	17,884,846	17,921,453	4,767,761	64,088	14,624,578	-	104,568,715	2.70
Deposits and placements of banks and other financial institutions	1,289,658	3,192,263	1,262,031	882,500	365,000	30,327	-	7,021,779	3.52
Derivative financial instruments	182,515	-	-	-	-	448,160	832,458	1,463,133	
Obligations on securities sold under repurchase agreements	5,413,570	247,578	1,381	-	-	-	-	5,662,529	2.96
Bills and acceptances payable	1,218,596	1,968,973	584,443	-	-	723,550	-	4,495,562	3.75
Floating rate certificates of deposits	211,800	-	-	-	-	-	-	211,800	
Other liabilities	-	106	-	-	-	5,956,069	-	5,956,175	
Deferred tax liabilities	-	-	-	-	-	2,086	-	2,086	
Current tax liabilities	-	-	-	-	-	209,800	-	209,800	
Amount due to Cagamas Berhad	91,050	85,587	907,777	2,581,410	-	-	-	3,665,824	4.24
Loan stocks	-	-	-	41,610	-	-	-	41,610	3.60
Bonds	-	-	82,182	702,345	-	-	-	784,527	7.04
ICULS - detachable coupons	-	-	-	32,982	-	-	-	32,982	7.50
RCULS	-	-	-	14,199	-	-	-	14,199	4.80
Other borrowings	172,454	1,494,200	1,329,122	3,999,216	-	20,269	-	7,015,261	4.62
Redeemable preference shares	-	-	-	-	798,728	-	-	798,728	
Subordinated Notes	-	-	300,000	2,467,254	-	-	-	2,767,254	4.70
Total liabilities	57,885,632	24,873,553	22,388,389	15,489,277	1,227,816	22,014,839	832,458	144,711,964	
Total interest rate sensitivity gap	14,528,920	(6,353,773)	(13,131,962)	(3,337,641)	6,953,600		13,470,500		

A27. CAPITAL ADEQUACY

30 June 2007

	CIMB			
	CIMB Bank	Inv Bank	BKNiaga	TOTAL
	RM '000	RM '000	RM '000	RM '000
The capital adequacy ratios are as follows:				
Tier I capital	8,451,861	856,384	1,745,544	11,053,789
Eligible Tier II capital	4,300,771	6,010	608,647	4,915,428
	12,752,632	862,394	2,354,191	15,969,217
less:				
Investment in subsidiaries and holding of other banking institutions' capital	(904,560)	(19,420)	(57,734)	(981,714)
Capital base	11,848,072	842,974	2,296,457	14,987,503
<i>Before deducting proposed dividends</i>				
Core capital ratio	9.15%	22.04%	13.68%	10.15%
Risk-weighted capital ratio	12.83%	22.04%	18.00%	13.76%
<i>After deducting proposed dividends</i>				
Core capital ratio	8.88%	16.81%	13.68%	9.73%
Risk-weighted capital ratio	12.56%	16.81%	18.00%	13.35%
Components of Tier I and Tier II capitals are as follows:				
Tier I capital				
Paid-up capital	2,974,009	219,242	402,624	3,595,875
Non-cumulative guaranteed preference shares	1,500,000	-	-	1,500,000
Innovative Tier 1 capital	682,979	-	-	682,979
Share premium	4,157,074	33,488	751,263	4,941,825
Other reserves	3,541,784	604,310	591,657	4,737,751
Less :				
Deferred tax assets	(398,912)	(656)	-	(399,568)
Intangible assets	(370,998)	-	-	(370,998)
Goodwill	(3,634,075)	-	-	(3,634,075)
Total Tier I capital	8,451,861	856,384	1,745,544	11,053,789
Tier II capital				
ICULS issued	667,000	-	-	667,000
Subordinated loans	2,341,349	-	357,412	2,698,761
General allowance for bad and doubtful debts and financing	1,292,422	6,010	153,641	1,452,073
Others	-	-	97,594	97,594
Total Eligible Tier II capital	4,300,771	6,010	608,647	4,915,428
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(904,560)	(19,420)	(57,734)	(981,714)
Investment in joint venture	-	-	-	-
Total Capital Base	11,848,072	842,974	2,296,457	14,987,503
Proposed dividend to be deducted from retained profit	250,000	200,000	-	450,000
Total Capital Base (net of proposed dividend)	11,598,072	642,974	2,296,457	14,537,503

A27. CAPITAL ADEQUACY (CONTINUED)

	CIMB Bank RM '000	CIMB Inv Bank RM '000	BKNiaga RM '000	Risk Weighted RM'000
Breakdown of risk-weighted assets in the various categories of risk-weighted are as follows:				
0%	21,521,679	96,544	3,201,066	24,819,289
10%	218,647	-	22,652	241,299
20%	25,185,295	4,295,650	878,843	30,359,788
50%	17,080,436	42,760	4,572,463	21,695,659
100%	68,916,707	1,889,283	9,827,055	80,633,045
	<u>82,515,849</u>	<u>2,769,793</u>	<u>12,291,320</u>	<u>97,576,962</u>
Counterparty risk requirement	-	6,986	-	6,986
Total risk-weighted assets equivalent for credit risk	<u>82,515,849</u>	<u>2,776,779</u>	<u>12,291,320</u>	<u>97,583,948</u>
Total risk-weighted assets equivalent for market risk	<u>9,837,758</u>	<u>1,047,975</u>	<u>464,211</u>	<u>11,349,944</u>
Total risk-weighted assets	<u>92,353,607</u>	<u>3,824,754</u>	<u>12,755,531</u>	<u>108,933,892</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.

The Group capital adequacy ratios above refer to those of the Company's banking subsidiaries CIMB Bank (including the operations of CIMB Bank (L) Limited (formerly known as Bumiputra-Commerce Bank (L) Limited) and CIMB (L) Limited), CIMB Investment Bank and PT Bank Niaga Tbk.

A27. CAPITAL ADEQUACY (CONTINUED)

31 December 2006

	CIMB			
	CIMB Bank	Inv Bank	BKNiaga	TOTAL
	RM '000	RM '000	RM '000	RM '000
The capital adequacy ratios are as follows:				
Tier I capital	7,908,662	818,393	1,682,561	10,409,616
Eligible Tier II capital	4,434,168	9,331	571,519	5,015,018
	12,342,830	827,724	2,254,080	15,424,634
less:				
Investment in subsidiaries and holding of other banking institutions' capital	(573,638)	(19,420)	(52,420)	(645,478)
Capital base	11,769,192	808,304	2,201,660	14,779,156
<i>Before deducting proposed dividends</i>				
Core capital ratio	8.65%	20.06%	12.94%	9.59%
Risk-weighted capital ratio	12.87%	20.06%	16.93%	13.62%
<i>After deducting proposed dividends</i>				
Core capital ratio	8.44%	15.09%	12.94%	9.23%
Risk-weighted capital ratio	12.66%	15.09%	16.93%	13.26%
Components of Tier I and Tier II capitals are as follows:				
Tier I capital				
Paid-up capital	2,974,009	219,242	397,748	3,590,999
Non-cumulative guaranteed preference shares	1,500,000	-	-	1,500,000
Innovative Tier 1 capital	698,728	-	-	698,728
Share premium	4,157,074	33,488	716,292	4,906,854
Other reserves	3,338,857	566,319	568,521	4,473,697
Less :				
Deferred tax assets	(402,186)	(656)	-	(402,842)
Intangible assets	(392,745)	-	-	(392,745)
Goodwill	(3,965,075)	-	-	(3,965,075)
Total Tier I capital	7,908,662	818,393	1,682,561	10,409,616
Tier II capital				
ICULS issued	667,000	-	-	667,000
Subordinated notes issued	2,418,994	-	-	2,418,994
Subordinated loans	-	-	371,004	371,004
General allowance for bad and doubtful debts and financing	1,348,174	9,331	142,762	1,500,267
Others	-	-	57,753	57,753
Total Eligible Tier II capital	4,434,168	9,331	571,519	5,015,018
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(513,119)	(19,420)	(52,420)	(584,959)
Investment in joint venture	(60,519)	-	-	(60,519)
Total Capital Base	11,769,192	808,304	2,201,660	14,779,156
Proposed dividend to be deducted from retained profit				
Proposed final dividend for ordinary shares	190,000	200,000	-	390,000
Total Capital Base (net of proposed dividend)	11,579,192	608,304	2,201,660	14,389,156

A27. CAPITAL ADEQUACY (CONTINUED)

	CIMB Bank RM '000	CIMB Inv Bank RM '000	BKNiaga RM '000	Risk Weighted RM'000
Breakdown of risk-weighted assets in the various categories of risk-weighted are as follows:				
0%	19,871,008	292,718	4,697,793	24,861,519
10%	588,284	-	18,608	606,892
20%	23,417,945	774,445	686,221	24,878,611
50%	15,399,654	39,486	4,312,480	19,751,620
100%	69,791,976	1,686,042	10,121,425	81,599,443
	82,234,220	1,860,674	12,416,770	96,511,664
Counterparty risk requirement	-	497	-	497
Total risk-weighted assets equivalent for credit risk	82,234,220	1,861,171	12,416,770	96,512,161
Total risk-weighted assets equivalent for market risk	9,230,164	2,169,028	590,042	11,989,234
Total risk-weighted assets	91,464,384	4,030,199	13,006,812	108,501,395

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.

The Group capital adequacy ratios above refer to those of the Company's banking subsidiaries CIMB Bank (including the operations of CIMB Bank (L) Limited (formerly known as Bumiputra-Commerce Bank (L) Limited) and CIMB (L) Limited), CIMB Investment Bank and PT Bank Niaga Tbk.

A28. SEGMENTAL REPORTING

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

Consumer Banking comprises of Retail Banking, Business Banking, Direct Banking & Cards and Consumer Sales & Distribution.

Retail Banking focuses on introduce innovative products and services to individual customers. It offered products such as credit facilities (residential mortgages, personal loans, shares financing and hire purchase financing), remittance services and deposit collection.

Business Banking is responsible for the development of products and services for customer segments comprising micro-enterprises, small and medium-scale enterprises (SMEs) and mid-sized corporation, as well as the management of business loan portfolios of these customer segments.

Direct Banking & Cards focuses on mass affluent customer and credit card business. Its also includes a division catering to lower income customer offering product such as microcredit loan.

Consumer Sales & Distribution (CSD) responsible of developing, implementing and managing sale and distribution for Retail and Business Banking products and services.

Corporate and Investment Banking comprise corporate finance, corporate banking, international banking & transactional services, equity capital markets, private clients services, equity derivatives and equity investment & trading including regional equity market.

Investment Banking and Corporate Finance offers financial advisory services to corporations, advising issuance of equity and equity-linked products, debt restructuring, mergers and acquisitions, initial public offerings, secondary offerings and general corporate advisory. Under Corporate Banking, we provide a broad spectrum of financial and lending services for domestic and multinational corporation as well as institutional and public sector clients to help support their business growth. Our Securities Financing unit offers financing secured against investment deposits, structured products and securities i.e. share margins. International Banking oversees the activities of the Group's overseas branches in Tokyo, London, Singapore and Hong Kong and provides conventional and customised financial packages in order to meet our customers' needs, with products include corporate lending, transactional lending, project financing, mezzanine financing and syndication.

Equity Capital Markets services includes acting as underwriter, global co-ordinator, book runner or lead manager for equity and equity-linked transactions, originating, structuring, pricing and executing equity and equity-linked issues and executing program trades, block trades and market making.

Equity Derivatives Department develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues. Equity Investment and Trading is the Group's Proprietary Equity Trading Unit and it seeks to achieve an absolute return on its investments, with the goal of enhancing shareholders' returns.

A28. SEGMENTAL REPORTING (CONTINUED)

Private Client Services offers full private banking services, catering specifically to high net-worth clients by providing a comprehensive range of customised products and services. Structured Investments was established in June 2006 to focus on buyouts, recapitalisations, expansions and restructuring. The Singapore Business Banking Unit was formed in November 2006 to provide trade finance and lending targeted at SMEs, share margin loans to priority individuals and club loan transactions.

Treasury and Investment focuses on treasury activities and services which include foreign exchange, money market, derivatives and capital market instruments trading. It also invests in proprietary capital.

Asset Management mainly comprise income derived from fund management (retail and wholesale funds) and unit trust activities.

Insurance comprises the general, life and takaful activities. The provision of the insurance businesses is mainly on underwriting of general, life, family and general takaful insurance businesses and the gross premium income derived mainly from retail, corporate, bancassurance, reinsurance and agency.

Foreign Banking Operation refers to Bank Niaga, which is involved in the provision in the commercial banking and related services is treated as a major foreign banking operation segment. The monitoring of Bank Niaga is done on a stand alone basis until this foreign banking operation unit will be fully integrated with our local commercial bank.

Support and others comprise all back-office processes, cost centres and non-profit generating divisions of companies in the Group. Other business segments in the Group include investment holding, property management and other related 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.

A28. SEGMENTAL REPORTING (CONTINUED)

	Consumer Banking RM'000	Corporate & Investment Banking RM'000	Treasury and Investment RM'000	Asset Management RM'000	Insurance RM'000	Foreign Banking Operation RM'000	Support & others RM'000	Total RM'000
30 June 2007								
Net interest income								
-external income	1,275,965	438,297	124,677	4,835	14,280	414,101	(68,538)	2,203,617
-inter-segment	(89,700)	(145,800)	235,500	-	-	-	-	-
	1,186,265	292,497	360,177	4,835	14,280	414,101	(68,538)	2,203,617
Income from Islamic Banking operations	68,924	42,319	74,455	-	-	-	191	185,889
Non-interest income	301,659	789,826	642,422	112,442	106,889	207,393	18,184	2,178,815
Net Income	1,556,848	1,124,642	1,077,054	117,277	121,169	621,494	(50,163)	4,568,321
Overhead expenses	(528,421)	(208,581)	(26,807)	(64,205)	(54,028)	(282,898)	(986,477)	(2,151,417)
Profit before allowances	1,028,427	916,061	1,050,247	53,072	67,141	338,596	(1,036,640)	2,416,904
Allowance for losses on loans, advances and financing	(458,292)	(86,999)	(99)	-	-	(103,687)	(3,993)	(653,070)
Allowance for other receivables	-	(4,223)	(116)	-	-	(7,416)	398	(11,357)
Provision for commitment & contingencies	-	-	-	-	-	(159)	-	(159)
Allowance for impairment	-	1,040	(2,382)	-	36	(13,839)	-	(15,145)
Segment result	570,135	825,879	1,047,650	53,072	67,177	213,495	(1,040,235)	1,737,173
Share of results of jointly controlled entities	-	-	-	-	-	-	1,910	1,910
Share of results of associates	-	-	-	1,195	-	-	1,703	2,898
Profit/(loss) before taxation	570,135	825,879	1,047,650	54,267	67,177	213,495	(1,036,622)	1,741,981
Taxation and zakat	-	-	-	(3,694)	(16,403)	(58,043)	(318,810)	(396,950)
Profit after taxation	570,135	825,879	1,047,650	50,573	50,774	155,452	(1,355,432)	1,345,031

A28. SEGMENTAL REPORTING (CONTINUED)

	Consumer Banking RM'000	Corporate & Investment Banking RM'000	Treasury and Investment RM'000	Asset Management RM'000	Insurance RM'000	Foreign Banking Operation RM'000	Support & others RM'000	Total RM'000
30 June 2006								
Net interest income								
-external income	806,944	229,559	203,439	(1,157)	11,337	375,564	1,980	1,627,666
-inter-segment	(39,413)	72,686	(33,273)	-	-	-	-	-
	767,531	302,245	170,166	(1,157)	11,337	375,564	1,980	1,627,666
Income from Islamic Banking operations	7,411	-	1,847	-	-	-	-	9,258
Non-interest income	145,208	248,776	215,816	47,218	57,371	127,051	63,473	904,913
Net Income	920,150	551,021	387,829	46,061	68,708	502,615	65,453	2,541,837
Overhead expenses	(350,917)	(155,720)	(27,338)	(26,816)	(42,551)	(243,673)	(441,674)	(1,288,689)
Profit before allowances	569,233	395,301	360,491	19,245	26,157	258,942	(376,221)	1,253,148
Allowance for losses on loans, advances and financing	(279,710)	17,024	842	-	-	(58,135)	945	(319,034)
Allowance for other receivables	-	(4,732)	-	(317)	-	(8,142)	(170)	(13,361)
Provision for commitment & contingencies	-	-	-	-	-	-	953	953
Allowance for impairment	-	-	7,199	-	-	397	(22,205)	(14,609)
Segment result	289,523	407,593	368,532	18,928	26,157	193,062	(396,698)	907,097
Share of results of jointly controlled entities	-	-	-	-	-	-	4,524	4,524
Share of results of associates	-	-	-	10,298	-	-	(5,753)	4,545
Profit/(loss) before taxation	289,523	407,593	368,532	29,226	26,157	193,062	(397,927)	916,166
Taxation and zakat	-	-	-	(3,876)	(5,768)	(50,865)	(150,656)	(211,165)
Profit after taxation	289,523	407,593	368,532	25,350	20,389	142,197	(548,583)	705,001

A29. OPERATION OF ISLAMIC BANKING

A29a Unaudited Balance Sheet as at 30 June 2007

	Note	Group	
		30/6/2007 RM'000	31/12/2006 RM'000
Assets			
Cash and short-term funds		2,870,447	1,329,114
Deposit and placement with banks and other financial institutions		955,660	401,000
Securities held for trading		407,098	219,830
Available-for-sale securities		623,632	263,266
Held-to-maturity securities		95,898	179,279
Derivative financial instruments		65,282	-
Financing, advances and other loans	A29c (a)(i)	1,720,617	1,702,914
Deferred tax assets		11,594	13,642
Amount due from related companies		35,177	80,174
Satutory deposits with Bank Negara Malaysia		107,094	74,392
Property, plant and equipment		7,843	7,603
Other assets		162,561	310,878
Tax recoverable		896	894
Goodwill		136,000	136,000
Intangible assets		7,640	4,335
TOTAL ASSETS		7,207,439	4,723,321
Liabilities and Islamic banking capital funds			
Deposits from customers	A29d	5,973,612	2,428,262
Deposits and placements of banks and other financial institutions		60,600	1,331,000
Bills and acceptances payable		14,763	-
Amount due to holding company		7,249	2,656
Amount due to related companies		33,942	34,233
Provision for taxation and zakat		20,895	12,094
Long-term borrowings		41,830	41,830
Amount due to conventional assets		169,509	135,461
Other liabilities		100,897	57,955
TOTAL LIABILITIES		6,423,297	4,043,491
Equity			
Islamic banking funds		455,000	305,000
Ordinary share capital		150,000	150,000
Perpetual preference shares		70,000	70,000
Reserves		109,142	154,830
Total equity		784,142	679,830
TOTAL EQUITY AND LIABILITIES		7,207,439	4,723,321

A29b Unaudited Income Statements for the period ended 30 June 2007

	2nd Quarter ended		Six months ended	
	30 June 2007 RM'000	30 June 2006 RM'000	30 June 2007 RM'000	30 June 2006 RM'000
Group				
Income derived from investment of depositors' funds and others	72,809	8,438	189,892	16,633
Transfer to profit equalisation reserve	(16,441)	(244)	(19,341)	(414)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	-	(5)	(1)	(11)
Total attributable income	56,368	8,189	170,550	16,208
Income attributable to the depositors	(49,142)	(7,156)	(97,840)	(14,189)
Income attributable to the reporting institutions	7,226	1,033	72,710	2,019
Income derived from investment of Islamic Banking capital funds	96,502	4,057	113,179	7,239
Total net income	103,728	5,090	185,889	9,258
Personnel expenses	1,835	(1,593)	(18,145)	(1,640)
Other overheads and expendiures	(23,073)	(10,780)	(32,795)	(20,871)
Profit/(loss) before taxation and zakat	82,490	(7,283)	134,949	(13,253)
Taxation and zakat	(19,314)	(558)	(34,936)	(1,052)
Profit/(loss) after taxation and zakat	63,176	(7,841)	100,013	(14,305)

A29c Financing, advances and other loans**a) Financing, advances and other loans****i) By type**

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Cash	107,002	84,007
Term financing	3,057,875	3,216,646
Bills receivable	136	2,655
Trust receipts	2,690	2,832
Claims on customers under acceptance credits	18,172	37,315
Staff financing	37	76
Revolving credits	51,398	29,146
Unit trust financing	78	94
	3,237,388	3,372,771
less: Unearned income	(705,067)	(755,823)
	2,532,321	2,616,948
less: Financing sold to Cagamas	(696,721)	(780,289)
	1,835,600	1,836,659
Less: Allowance for bad and doubtful financing		
- General	(36,899)	(42,945)
- Specific	(78,084)	(90,800)
Net financing, advances and other loans	1,720,617	1,702,914

A29c Financing, advances and other loans (Continued)

b) Non-performing Financing

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

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
General allowance		
At 1 January	42,945	245
Allowance for financing arising from acquisition of subsidiaries	(3,466)	34,930
Amount transferred from holding company	-	7,832
Amount written back during the financial year	(2,548)	(62)
Exchange difference	(32)	-
Balance at 30 June / 31 December	<u>36,899</u>	<u>42,945</u>
As % of total financing less specific allowances	<u>2.10%</u>	<u>2.46%</u>

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Specific allowance		
At 1 January	90,800	-
Allowance for financing arising from acquisition of subsidiaries	(2,397)	77,788
Allowance made	35,705	51,790
Amount recovered	(14,089)	(15,397)
Amount written off	(31,935)	(23,381)
Balance at 30 June / 31 December	<u>78,084</u>	<u>90,800</u>

A29d Deposits from customers

By type of deposits

	Group	
	30/6/2007	31/12/2006
	RM'000	RM'000
Non-Mudharabah Fund		
Demand deposits	252,115	204,784
Saving deposits	101,393	97,040
Negotiable Instruments of Deposit	830,080	-
Others	1,458	-
	1,185,046	301,824
Mudharabah Fund		
Saving deposits	24,733	25,292
Demand deposits	58,739	25,377
General investment deposits	871,430	2,075,052
Special investment deposits	3,140,564	-
Others	693,100	717
	4,788,566	2,126,438
	5,973,612	2,428,262

A30 CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) Change in Accounting Policy in Current Financial Period

During the financial period ended 30 June 2007, the Group has adopted the revised FRS 117 "Leases" issued by MASB that are applicable for the financial year ending 31 December 2007 for the Group, which resulted in a change in accounting policy during the financial period under review.

FRS 117 "Leases"

Leasehold land held for own use

Prior to 1 January 2007, lease of land and buildings for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 in 2007 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Under FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purpose of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payment and is amortised on a straight line basis over the remaining lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 January 2007, the unamortised carrying amount of leasehold land is classified as prepaid land lease payments. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively. Certain comparatives of the consolidated balance sheet of the Group as at 31 December 2006 have been restated as set out in Note A30(b). There were no effects on the consolidated income statement of the Group for the financial period ended 30 June 2006.

(b) Comparative Figures

The following comparative figures have been restated for the effects of adopting the above change in accounting policy to conform with the current period's presentation:

	Group	
	As restated RM'000	As previously reported RM'000
(i) Consolidated balance sheet as at 31 December 2006		
Prepaid land lease payments	61,843	
Property, plant and equipment	1,019,662	1,081,505

B1. GROUP PERFORMANCE REVIEW AND COMPARISON WITH THE PRECEDING QUARTER'S RESULTS

BCHB Group Results

Bumiputra-Commerce Holdings Berhad Group ("BCHB") today reported a net profit of RM1,276 million for the 6 months ended 30 June 2007, 97% higher than the RM649 million earned in the corresponding period last year and equivalent to 85% of total net earnings for the whole of 2006. BCHB also surprised with a special dividend of 25 sen per share to shareholders and announced that its annual dividend policy rate (excluding special dividends) is increased from 15 sen to 25 sen per share for 2007 onwards.

Revenues and pre-tax profits were up 80% and 90% respectively compared to 1H06. Net earnings per share increased by 88% to 38.8 sen. The Group's annualised net return on equity ("ROE") for 1H07 was 19.5%, ahead of its annual ROE target of 18%.

The Group's strong earnings performance was largely due to CIMB Group's investment banking and treasury divisions capitalising on strong capital markets in Malaysia and the rest of the region. CIMB-GK, the Group's regional investment banking arm saw a year on year increase of 227% in 1H07 net profit. The consumer banking businesses contributed with slightly better revenues and lower loan losses as the bank's primary focus in 1H07 has been on the CIMB - Southern Bank Berhad ("SBB") operational integration and overall transformation initiatives for future growth.

Compared to 1H06, net interest income increased 35% to RM2.2 billion while non interest income was up 159% to RM2.4 billion. Loan loss provisions and overheads were up 105% and 67% respectively. Higher revenues and overheads reflected the enlarged scale of business

following the Group's acquisition of SBB. Cost to income ratio for the Group for 1H07 was 47.1%, lower than 52.5% achieved for 2006 as a whole.

Total gross loans for the BCHB Group declined by 1.3% year to date to RM94 billion as CIMB UB continued to restructure its portfolios and emphasise on credit quality (vs quantity). In preferred products though the Group saw good growth; year to date performing mortgage loans was up 7.1%, credit cards 6.5% and CIMB Express 27.7%. Hire purchase contracted by 5.5% and business loans by 6.4%. Corporate loans fell by 1.6% and will continue to be more volatile as the Group shifts its emphasis to short term transactional loans. Bank Niaga's net loans increased 3%.

On a quarter to quarter basis, BCHB Group's revenue increased 17.7% to RM2.47 billion while net earnings rose 7.3% to RM660 million due to higher overheads, loan provisions and taxation rate. The Group has also shown an improvement in asset quality indicators. Loan loss coverage ("LLC") ratio stood at 61%, up from 59% as at 31 March 2007 while net NPL ratio was lower at 5.2% from 5.6% as at the end of the first quarter.

CIMB Universal Bank ("CIMB UB"), comprising the Group's Malaysian consumer bank and regional investment banking operations, and PT Bank Niaga contributed 93% and 12% to the Group's profit before tax respectively. BCHB, the company, registered a loss of RM85.0 million (net of dividend income from subsidiaries) due to interest expenses. Income from the Group's foreign operations as a whole contributed 19% of pre-tax profit, 64% of which was from Bank Niaga.

CIMB Bank's pre-tax profit of RM1,158.0 million (net of consolidation adjustments) represented 72% of CIMB UB's pre-tax profits while CIMB Islamic made RM84.0 million and represented 5%. CIMB-GK's pre-tax profit of RM89.0 contributed to 6% CIMB UB's pre-tax profit while CIMB Investment Bank contributed 11% at RM171 million.

The Group's shareholders funds increased from RM12.7 billion to RM14.4 billion during 1H07, lifting net tangible asset and book value per share to RM2.76 and RM4.29 per share respectively.

The Risk Weighted Capital Adequacy ratio for the investment banking and consumer banking operations were 16.8% and 12.6% respectively as at 30 June 2007. BCHB's gearing has declined to 46.9% from 65.3% as at 31 March 2007 due to strong earnings and the completion of the new shares placement to Bank of Tokyo Mitsubishi UFJ ("BTMU"). With the completion of the sale of the Group's insurance businesses in 3Q07, BCHB has degeared from its high leveraged position following the SBB acquisition and is now able to reward shareholders with a special dividend of RM615 million and adopt a higher minimum annual dividend policy.

Bank Niaga Results

Bank Niaga, which announced its 1H07 results on 20 July, reported pre tax profit of IDR557.0 billion - 16% higher than 1H06. Net interest income reached an all time high of IDR1,280 billion and was 15% higher over the same period last year. Net profit grew by 15% from IDR353 billion to IDR406 billion. For 1H07, the Bank achieved a net ROE of 18.3%

Bank Niaga's improved financial performance is attributable to the continued good performance of their corporate and retail businesses as well as their remodeled treasury that put in a strong showing in non interest income. Mortgages, which now represent 23% of the bank's total loans, grew by 16% to IDR7.99 trillion and the bank retains a market share of around 10%. Cost to income ratio has improved with 49.2% as against 50.7% in 2006.

B2 CORPORATE DEVELOPMENTS

The significant corporate developments in 1H07 were:

- a) CIMB Bank / SBB merger
 - The Group has been operating on a single IT and operations platform since 18th March. All ex-SBB branches and products have since assumed the CIMB brand and the CIMB-SBB merger is in effect complete.
 - In terms of synergy, the Group estimates that it has achieved RM52.1 million of pre-tax profit derived from synergies between SBB and CIMB in 2Q07, up 120% from the previous quarter.
 - All the remaining 149 “Bumiputra-Commerce Bank” branches will be rebranded “CIMB Bank” by 31st August 2007 as scheduled.
- b) Completion of private placement of shares to BTMU
 - BCHB completed its placement of 117 million new shares to BTMU on 9 April 2007.
- c) Disposal of insurance businesses
 - On 22nd June, the Group formalized its strategic joint venture with Aviva which now holds a 49% stake of the Group’s Life and Takaful insurance businesses. The Group has also signed a share sale agreement with Allianz on the 10th July for the disposal of 100% of its General insurance. The net gain of about RM630 million from both the disposals will be recognised in the third quarter 2007.
- d) Internal reorganisation
 - On 20th June, Bank Indonesia approved the change in controlling shareholder from BCHB to CIMB Group. The change is part of BCHB's on-going internal reorganisation efforts to consolidate all its operating subsidiaries under CIMBG.
 - On 1st July, CIMB set up Group Special Asset Management (“GSAM”) to focus on NPL management. GSAM is currently managing a portfolio of RM13.9 billion of legally claimable loans.
- e) CIMB-Niaga Synergy Programme
 - As part of the internal reorganization, a CIMB-Niaga Synergy Programme was launched. The Group has identified that at least RM261 million of pre-tax profit can be derived in synergies between CIMB and Niaga over the next 5 years mainly driven by corporate banking, credit cards and treasury initiatives.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

BCHB Group had an outstanding first half in the regional capital markets. The newly combined balance sheets and resources were deployed to take full advantage of the buoyant market conditions. Although still in its early days, the consumer bank turnaround is already visible in the financial performance especially in the lower credit charges. BCHB Group anticipates better top line growth in the second half and beyond as the CIMB - SBB integration was only completed in April. It is encouraging that the second quarter consumer sales were much stronger than the first quarter of the year.

With the profits from the sale of our insurance businesses, BCHB Group remains optimistic of better overall earnings in the second half of the year. However, core earnings could be lower as it is unlikely for the consumer banking turnaround to be able to fully offset an expected slowdown in regional capital markets activities.

B4. TAXATION

	Group			
	2nd Quarter ended		Six months ended	
	30/6/2007	30/6/2006	30/6/2007	30/6/2006
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	230,918	152,813	416,287	221,063
Deferred tax expense	(10,846)	(43,082)	(19,337)	(9,898)
	220,072	109,731	396,950	211,165
Reconciliation				
Profit before taxation	916,393	463,366	1,741,981	916,166
Tax at statutory income tax rate of 27% (2006: 28%)	247,426	129,742	470,335	256,526
Due to income not subject to income tax and expenses not deductible for tax purposes	(27,354)	(20,011)	(73,385)	(45,361)
	220,072	109,731	396,950	211,165

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

There were no material gains or losses on disposal of investments or properties during the period under review other than in the ordinary course of business.

B6. STATUS OF CORPORATE PROPOSALS

There have been no corporate proposals other than those that have already been announced to Bursa Malaysia.

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	Group	
	30/6/2007 RM'000	31/12/2006 RM'000
Deposits from customers		
- Demand deposits	25,926,006	21,306,269
- Saving deposits	9,771,455	9,406,659
- Fixed deposits	62,444,991	64,452,603
- Negotiable instruments of deposits	5,622,835	7,004,506
- Others	9,430,470	2,398,678
	113,195,757	104,568,715
Fixed deposits and negotiable instruments of deposits		
One year or less (short term)	62,994,331	66,764,532
More than one year (medium/long term)	5,073,495	4,692,577
	68,067,826	71,457,109
Deposits and placements of banks and other financial institutions		
One year or less (short term)	7,633,726	7,021,779
	7,633,726	7,021,779
Bonds and notes*		
Unsecured		
More than one year (medium/long term)	374,106	784,527
	374,106	784,527
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD13,013,625.		
Irredeemable Convertible Unsecured Loans Stocks		
Unsecured		
More than one year (medium/long term)	8,955	32,982
	8,955	32,982
Other borrowings**		
Unsecured		
More than one year (medium/long term)	5,731,810	7,015,261
	5,731,810	7,015,261
** Included in other borrowings for the current period is USD denominated syndicated term loans equivalent to USD 1,390,000,000.		
Loans Stocks		
Unsecured		
More than one year (medium/long term)	41,830	41,610
	41,830	41,610
Subordinated Notes***		
Unsecured		
More than one year (medium/long term)	2,685,279	2,767,254
	2,685,279	2,767,254

*** US Denominated Subordinated Notes of USD 800,000,000

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	
	30/6/2007	30/6/2006
Net profit for the financial period after minority interests (RM '000)	1,275,687	648,843
Weighted average number of ordinary shares in issue - proforma ('000)	3,288,962	3,146,567
Basic earnings per share (expressed in sen per share)	<u>38.8</u>	<u>20.6</u>

b) Diluted EPS

Net profit for the financial period after minority interests (RM '000)	1,275,687	648,843
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	519	9,482
Elimination of interest expense on Redeemable Convertible Unsecured Loan Stocks ("RCULS") (net of tax effect)	267	-
Net profit used to determine diluted EPS	<u>1,276,473</u>	<u>658,325</u>
Weighted average number of ordinary shares in issue ('000)	3,288,962	3,146,567
Adjustments for:		
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	6,075	80,372
- RCULS	1,617	-
- ESOS	9,218	15,582
Weighted average number of ordinary shares for diluted EPS	<u>3,305,872</u>	<u>3,242,521</u>
Diluted EPS	<u>38.6</u>	<u>20.3</u>

B10. VARIANCE ON PROFIT FORECAST AND SHORTFALL IN PROFIT GUARANTEE

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

* Certain numbers have been reclassified to conform with current period presentation.