

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2007

	Note	The Group	
		30 Sept 2007 RM'000	31 Dec 2006 RM'000
ASSETS			
Cash and short-term funds		22,304,095	19,921,941
Securities purchased under resale agreements		3,473,168	2,482,653
Deposits and placements with banks and other financial institutions		7,607,270	4,857,118
Securities held for trading	A11	12,935,200	13,581,924
Available-for-sale securities	A12	10,620,615	9,367,534
Held-to-maturity securities	A13	2,920,545	2,040,062
Derivative financial instruments		3,850,904	1,233,713
Loans, advances and financing	A14	95,937,714	90,334,759
Other assets	A15	5,318,130	3,964,449
Deferred tax assets		412,704	433,063
Tax recoverable		273,853	372,322
Statutory deposits with central banks		2,642,353	2,249,347
Investment in associates		159,286	129,207
Jointly controlled entities		123,935	157,731
Property, plant and equipment		1,131,515	1,019,662
Investment properties		59,661	62,982
Prepaid land lease payments		55,521	61,843
Goodwill		4,541,766	4,503,692
Intangible Asset		556,143	527,282
TOTAL ASSETS		174,924,378	157,301,284
LIABILITIES AND EQUITY			
Deposits from customers	A16	120,199,138	104,568,715
Deposits and placements of banks and other financial institutions	A17	10,472,725	7,021,779
Derivative financial instruments		3,947,303	1,463,133
Obligations on securities sold under repurchase agreements		260,745	5,662,529
Bills and acceptances payable		4,462,639	4,495,562
Floating rate certificates of deposits		-	211,800
Other liabilities	A18	8,204,295	5,956,175
Deferred tax liabilities		20,577	2,086
Current tax liabilities		403,767	209,800
Amount due to Cagamas Berhad		2,418,781	3,665,824
Loan stocks	B7	91,830	41,610
Bonds	B7	316,651	784,527
Other borrowings	B7	4,664,653	7,015,261
Redeemable preference shares		809,276	798,728
Subordinated notes	B7	2,690,427	2,767,254
TOTAL LIABILITIES		158,962,807	144,664,783
Irredeemable Convertible Unsecured Loan Stocks	B7	4,141	32,982
Redeemable Convertible Unsecured Loan Stocks	B7	11,482	14,199
TOTAL HYBRID CAPITAL		15,623	47,181
Perpetual and redeemable preference shares		200,000	200,000
Ordinary Share capital		3,372,310	3,184,429
Reserves		11,645,373	8,861,675
Less: Shares held under Trust		(212,663)	(261,574)
Less: Treasury Shares		(20,489)	-
		14,784,531	11,784,530
Minority interests		961,417	604,790
TOTAL EQUITY		15,945,948	12,589,320
TOTAL LIABILITIES AND EQUITY		174,924,378	157,301,284
COMMITMENT AND CONTINGENCIES	A24	288,141,352	244,870,248
Net assets per share attributable to ordinary equity holders of the Company (RM)		4.39	3.70

The Condensed Unaudited Balance Sheet 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 INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	Note	The Group			
		3rd Quarter ended		Nine months ended	
		30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
		RM'000	RM'000	RM'000	RM'000
Interest income	A19	2,287,877	2,266,142	6,882,052	5,717,970
Interest expense	A20	<u>(1,192,480)</u>	<u>(1,283,828)</u>	<u>(3,583,038)</u>	<u>(3,107,990)</u>
Net Interest Income		1,095,397	982,314	3,299,014	2,609,980
Income from Islamic Banking operations	A28(b)	45,048	39,365	230,937	48,623
Non-interest income	A21	<u>1,322,281</u>	<u>641,516</u>	<u>3,501,096</u>	<u>1,546,429</u>
		2,462,726	1,663,195	7,031,047	4,205,032
Overhead expenses	A22	<u>(965,333)</u>	<u>(871,021)</u>	<u>(3,116,750)</u>	<u>(2,159,710)</u>
Profit before allowances		1,497,393	792,174	3,914,297	2,045,322
Allowance for losses on loan, advances and financing	A23	<u>(358,189)</u>	<u>(280,850)</u>	<u>(1,011,259)</u>	<u>(599,884)</u>
Allowance for other receivables		663	(9,213)	(10,694)	(22,574)
Provision for commitment and contingencies		2	(262)	(157)	691
Allowance for impairment		<u>61,381</u>	<u>(9,760)</u>	<u>46,236</u>	<u>(24,369)</u>
		1,201,250	492,089	2,938,423	1,399,186
Share of results of jointly controlled entities		988	(789)	2,898	3,735
Share of results of associates		<u>3,028</u>	<u>2,798</u>	<u>5,926</u>	<u>7,343</u>
Profit before taxation		1,205,266	494,098	2,947,247	1,410,264
Taxation and zakat	B4	<u>(139,756)</u>	<u>(51,670)</u>	<u>(536,706)</u>	<u>(262,835)</u>
Profit for the financial period		<u>1,065,510</u>	<u>442,428</u>	<u>2,410,541</u>	<u>1,147,429</u>
Attributable to :					
Equity holders of the Company		1,031,834	408,183	2,307,521	1,057,026
Minority interests		33,676	34,245	103,020	90,403
		<u>1,065,510</u>	<u>442,428</u>	<u>2,410,541</u>	<u>1,147,429</u>
Earnings per share (sen) - Basic	B9(a)	30.6	12.9	69.6	33.6
Fully diluted earnings per share	B9(b)	<u>30.5</u>	<u>12.7</u>	<u>69.3</u>	<u>33.0</u>

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 STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The Group 30 September 2007	Attributable to equity holders of the Company										
	Share capital RM'000	Share premium RM'000	Share premium preference shares RM'000	Other reserves RM'000	Shares held under Trust RM'000	Treasury shares RM'000	Retained profits RM'000	Total RM'000	Perpetual preference shares RM'000	Minority Interests RM'000	Total RM'000
At 1 January 2007	3,184,429	3,642,043	99,000	2,023,892	(261,574)	-	3,195,740	11,883,530	201,000	604,790	12,689,320
Net gain/(loss) not recognised in the income statement:											
- currency translation difference	-	-	-	(99,812)	-	-	-	(99,812)	-	(29,486)	(129,298)
- revaluation reserve (available-for-sale securities)	-	-	-	(11,748)	-	-	-	(11,748)	-	9,867	(1,881)
- hedging reserve - cash flow hedge	-	-	-	1,179	-	-	-	1,179	-	-	1,179
Income and expense recognised directly in equity	-	-	-	(110,381)	-	-	-	(110,381)	-	(19,619)	(130,000)
Profit for the financial period	-	-	-	-	-	-	2,307,521	2,307,521	-	103,020	2,410,541
Total recognised income and expense for the financial period	-	-	-	(110,381)	-	-	2,307,521	2,197,140	-	83,401	2,280,541
Dividend for the financial year ended 31 December 2006	-	-	-	-	-	-	(368,168)	(368,168)	-	(21,008)	(389,176)
Special dividend for the financial year ending 31 December 2007	-	-	-	-	-	-	(615,021)	(615,021)	-	(45,503)	(660,524)
Transfer to statutory reserve	-	-	-	121,764	-	-	(121,764)	-	-	-	-
Issue of share capital arising from:											
- exercise of Employee Share Option Scheme	10,948	26,842	-	-	-	-	-	37,790	-	-	37,790
- conversion of USD Zero Coupon guaranteed convertible bonds 2004/2009	59,520	290,460	-	-	-	-	-	349,980	-	-	349,980
- conversion of Redeemable Convertible Unsecured Loan Stocks	413	2,595	-	(49)	-	-	-	2,959	-	-	2,959
- 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	-	-	-	8,674	-	-	-	8,674	-	-	8,674
Creation of shares held under trust	-	-	-	-	48,911	-	-	48,911	-	(48,911)	-
Creation of treasury shares under share buyback	-	-	-	-	-	(20,489)	-	(20,489)	-	-	(20,489)
Arising from accretion/dilution of equity interests in subsidiary	-	-	-	23,255	-	-	-	23,255	-	390,848	414,103
Capital repayment of a subsidiary	-	-	-	-	-	-	-	-	-	(2,200)	(2,200)
Reclassification of Redeemable Preference Shares to liability	-	-	(99,000)	-	-	-	-	(99,000)	(1,000)	-	(100,000)
At 30 September 2007	3,372,310	5,179,910	-	2,067,155	(212,663)	(20,489)	4,398,308	14,784,531	200,000	961,417	15,945,948

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The Group
30 September 2006

	Attributable to equity holders of the Company					Perpetual preference shares RM'000	Minority Interests RM'000	Total RM'000	
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Shares held under Trust RM'000	Retained profits 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	-	-	45,272	-	-	45,272	-	-	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
Income and expense recognised directly in equity	-	-	119,034	-	-	119,034	-	-	119,034
Profit for the period	-	-	-	-	1,057,026	1,057,026	-	90,403	1,147,429
Total recognised income and expense for the financial period	-	-	119,034	-	1,057,026	1,176,060	-	90,403	1,266,463
Dividend for the financial year ended 31 December 2005	-	-	-	-	(340,356)	(340,356)	-	-	(340,356)
Transfer to statutory reserve	-	-	174,596	-	(174,596)	-	-	-	-
Issue of share capital arising from:									
- Exercise of ESOS	20,795	50,334	-	-	-	71,129	-	-	71,129
- 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
Issue of RCULS:	-	-	-	-	-	-	-	-	-
- Equity component	-	-	454	-	-	454	-	-	454
Option reserves on ESOS of subsidiary	-	-	1,164	-	-	1,164	-	-	1,164
Net creation of shares held under Trust	-	-	-	(280,151)	-	(280,151)	-	-	(280,151)
Arising from dilution/disposal of equity interests in subsidiary	-	-	(133,599)	-	(588,278)	(721,877)	-	(649,378)	(1,371,255)
At 30 September 2006	3,156,936	3,531,710	2,022,130	(280,151)	2,936,017	11,366,642	200,000	710,050	12,276,692

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 CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	The Group	
	30 Sept 2007	30 Sept 2006
	RM'000	RM'000
Profit before taxation	2,947,247	1,410,264
Adjustments for non-operating and non-cash items	(386,372)	179,053
	<hr/>	<hr/>
Operating profit before changes in working capital	2,560,875	1,589,317
Net changes in operating assets	(11,348,480)	(7,008,367)
Net changes in operating liabilities	15,962,556	5,357,630
	4,614,076	(1,650,737)
	<hr/>	<hr/>
Cash flows generated from / (used in) operations	7,174,951	(61,420)
Taxation paid	(233,725)	(284,449)
	<hr/>	<hr/>
Net cash flow generated from / (used in) operating activities	6,941,226	(345,869)
Net cash flow used in investing activities	(2,113,003)	(2,182,808)
Net cash flow (used in) / generated from financing activities	(2,306,969)	7,259,049
	<hr/>	<hr/>
Net increase in cash and cash equivalents during the financial period	2,521,254	4,730,372
Effects of exchange rate changes on cash	(139,100)	34,618
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	<hr/> 22,304,095 <hr/>	<hr/> 16,843,135 <hr/>

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

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed financial statements for the third quarter and nine-month period ended 30 September 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 third quarter and nine-month period ended 30 September 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 SEASONALITY AND CYCLICALITY FACTORS

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

A4. UNUSUAL EVENTS AFFECTING FINANCIAL STATEMENTS

There were no unusual events that materially affect the interim 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 nine-month period ended 30 September 2007:-

- a) Issuance of 10,947,500 ordinary shares arising from the exercise of options pursuant to the Company's Employee Share Option Scheme (ESOS);
- b) Issuance of 59,520,393 ordinary shares arising from the conversion of USD zero coupon guaranteed redeemable convertible bonds;
- c) Issuance of 413,242 ordinary shares arising from the conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS);
- d) Issuance of 117,000,000 ordinary shares by way of private placement to Bank of Tokyo-Mitsubishi UFJ, Limited;
- e) During the nine-month period ended 30 September 2007, the issued and paid-up capital of Bank Niaga was increased from 12,143,995,774 to 12,324,251,158 ordinary shares pursuant to the exercise of options granted under Bank Niaga's Employee Stock Option Programme.
- f) On 15 August to 17 August 2007, BCHB repurchased 2,074,500 of its own shares from the open market at an average market price of RM9.88 per share. The total consideration paid for the repurchased of own shares, including transaction costs was RM20,488,980. The repurchased shares are held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965. Subsequently on 4 October 2007, the entire 2,074,500 shares were cancelled. The immediate adjusted share capital after the cancellation was RM3,370,357,864.
- g) On 4 September 2007, the initial issuance of RM950 million nominal value of CPs under a Conventional Commercial Papers Programme and RM350 million nominal value of MTNs under a Conventional Medium Notes Programme were completed.

A7. DIVIDENDS PAID

A total amount 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.

A total amount of RM615.0 million was paid on 28 September 2007 as a special dividend of 25.0 sen (less tax) in respect of financial year ending 31 December 2007.

A8. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

No valuations of property, plant and equipment were carried out for the interim financial statements during the period.

A9. EVENTS AFTER THE BALANCE SHEET DATE

a) On 19 October 2007, a new proposal to dispose of certain assets and liabilities of Southern Investment Bank Berhad ("SIBB") was announced to replace the earlier proposed disposal of equity interest in SIBB by CIMB Bank to HLG Credit Sdn Bhd ("HCSB"). The total cash consideration for the proposed disposal of SIBB's assets and liabilities is to be determined later. On the same date, it was announced that SBB Capital Markets Sdn Bhd ("SCMSB") and CIMB Bank entered into a conditional share sale agreement with HCSB and HLG Capital Berhad ("HLGC") for the proposed disposal by SCMSB of its 100% equity interest in SBB Securities Sdn Bhd to HCSB for a total cash consideration to be determined later.

b) On 16 October 2007, the Company announced that CIMB Group will initiate discussions and negotiations with AFFIN Holdings Berhad for the proposed acquisition of the entire equity interest in AFFIN Insurance Brokers Sdn Bhd.

c) On 1 November 2007, the Company announced that CIMB Group will initiate discussions and negotiations with Rubber Industry Smallholders' Development Authority ("RISDA") for the proposed acquisition of the entire equity interest in Protac Insurance Brokers Sdn Bhd ("PIB"), a wholly-owned subsidiary of RISDA.

A10. CHANGES IN THE COMPOSITION OF THE GROUP

In addition to the disclosures in the preceding quarters, the unaudited condensed interim financial statements for the third quarter and nine-month ended 30 September 2007 were prepared after taking into consideration of the following:-

a) On 2 July 2007, the disposals of 49% equity interests in both Commerce Life Assurance and Commerce Takaful Berhad by Commerce International Group Berhad to Aviva International Holdings Limited were completed.

b) On 16 August 2007, pursuant to the proposed internal reorganisation, the transfer from BCHB to CIMB Group of all the Class B Common shares of Indonesia Rupiah 50 each and all the warrants held by BCHB in PT Bank Niaga and all the common shares of United States Dollar 10 each held by BCHB in PT Commerce Kapital were completed.

c) On 28 August 2007, the disposals of 100% equity interest in Commerce Assurance Berhad by Commerce International Group Berhad to Allianz Malaysia Berhad was completed.

A11. SECURITIES HELD FOR TRADING

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	473,934	379,011
Cagamas bonds	284,133	599,665
Khazanah bonds	95,126	93,554
Government investment issues	-	5,030
Unquoted		
Malaysian Government treasury bills	118,433	169,176
Bank Negara Malaysia bills	934,915	245,084
Bank Negara negotiable notes	336,863	79,259
Negotiable instruments of deposit	1,069,394	1,796,352
Banker's acceptances	732,411	475,205
Private debt securities	-	15,499
Credit-linked notes	364,998	356,189
Other Government's securities	253,379	211,720
Commercial papers	209,771	383,461
Government investment issue	125,966	35,060
BNM Sukuk Ijarah	49,985	-
	5,049,308	4,844,265
Quoted securities:		
<i>In Malaysia:</i>		
Warrants	-	7,114
Shares	638,940	1,134,722
Loan stocks	-	15,432
Unit trusts	-	1,386
Private debt securities	-	17,767
<i>Outside Malaysia:</i>		
Shares	84,287	22,657
Private debt securities	3,819	-
Other Government Bonds	179,263	148,894
	906,309	1,347,972
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	4,946,670	5,398,194
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	2,032,913	1,991,493
	6,979,583	7,389,687
Total securities held-for-trading	12,935,200	13,581,924

A12. AVAILABLE-FOR-SALE SECURITIES

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Money market instruments:		
Quoted		
Malaysian Government securities	283,905	530,567
Cagamas bonds	412,497	436,673
Khazanah bonds	213,094	154,691
Government investment issues	838,373	923,763
Commercial papers	78,810	19,830
Bonds	20,832	24,795
Unquoted		
Malaysian Government treasury bills	24,338	56,994
Malaysian Government bonds	50,000	-
Bank Negara Malaysia bills	738,028	15,000
Banker's acceptance, Islamic accepted bills and Islamic debt securities	106,515	101,049
Private debt securities	5,237,527	5,935,533
Commercial papers	4,968	-
Floating rate notes	359,856	349,075
Cagamas Notes	-	4,997
Negotiable instruments of deposit	-	9,998
Government investment issues	-	19,680
Bank Negara negotiable notes	71,561	-
Credit linked notes	25,114	-
	8,465,418	8,582,645
Equity securities		
Quoted securities:		
<i>In Malaysia:</i>		
Shares	312,245	96,896
Investment-linked funds	169,290	-
Unit trusts	710,817	10,713
<i>Outside Malaysia:</i>		
Shares	11,214	11,314
Mutual funds	8,213	1,701
	1,211,779	120,624
Unquoted securities:		
<i>In Malaysia:</i>		
Private and Islamic debt securities	489,842	515,578
Shares	510,342	518,714
Loan stocks	5,660	46,006
Property funds	96	84
Investment-linked funds	7,201	5,823
<i>Outside Malaysia:</i>		
Shares	50,729	26,928
Mutual funds	-	11,340
	1,063,870	1,124,473
	10,741,067	9,827,742
Allowance for impairment loss:		
Private debt securities	(78,349)	(440,927)
Quoted shares	(7,322)	(6,604)
Quoted bonds	(208)	(248)
Unquoted shares	(34,516)	(17,621)
Accretion of discount net of amortisation of premium	-	5,248
Mutual funds	(57)	(56)
	(120,452)	(460,208)
Total available-for-sale securities	10,620,615	9,367,534

A13. HELD-TO-MATURITY SECURITIES

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Money market instruments:		
Quoted		
Malaysian Government Securities	41	77,036
Cagamas bonds	289,996	-
Unquoted		
Other Government's treasury bills	101,291	92,427
Danaharta Urus Sdn Bhd ("DUSB") bonds	1,151,932	1,151,973
Private debt securities	806,415	554,167
Other Government's securities	-	18,702
Bank Negara Negotiable Notes	396,230	-
Quoted securities		
<u>Outside Malaysia</u>		
Bonds	22,179	27,756
Islamic bonds	23,128	10,480
Medium term notes - Islamic	9,327	9,704
Unquoted securities		
<u>In Malaysia</u>		
Shares	270	270
Private debt securities	37,563	36,893
	2,838,372	1,979,408
Accretion of discount net of amortisation of premium	104,505	82,198
Less : Allowance for impairment losses	(22,332)	(21,544)
Total held-to-maturity investments	2,920,545	2,040,062

A14. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Overdrafts	7,388,684	7,163,910
Term loans		
- Housing loans/financing	20,234,983	18,477,108
- Syndicated term loans	7,606,247	7,563,627
- Hire purchase receivables	14,126,289	16,564,963
- Lease receivables	197,393	196,690
- Factoring receivables	76,329	63,832
- Other term loans/financing	31,569,829	25,310,510
Bills receivable	231,143	472,618
Trust receipts	964,559	1,030,948
Claims on customer under acceptance credits	6,123,401	6,247,221
Staff loans *	627,238	649,751
Credit card receivables	2,393,178	2,108,731
Revolving credits	12,228,246	12,786,176
Share margin financing	1,023,994	813,616
Other loans	19,362	7,490
	104,810,875	99,457,191
Less: Unearned interest	(3,002,601)	(3,463,030)
	101,808,274	95,994,161
Less : Islamic financing sold to Cagamas	(653,372)	(780,289)
Gross loans, advances and financing	101,154,902	95,213,872
Allowance for bad & doubtful debts:		
- specific allowance	(3,626,029)	(3,399,836)
- general allowance	(1,591,159)	(1,479,277)
Total net loans, advances and financing	95,937,714	90,334,759

* Included in staff loans of the Group are loans to Directors amounting to RM686,253 (2006: RM 436,000).

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

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Domestic banking financial institutions	393,330	216,828
Domestic non-bank financial institutions		
- Stockbroking companies	40,561	330,868
- Others	1,508,966	2,050,252
Domestic business enterprises		
- Small medium enterprises	17,703,259	17,589,242
- Others	26,920,510	24,368,173
Government and statutory bodies	334,678	136,951
Individuals	45,785,034	43,717,209
Other domestic entities	3,962,512	2,271,507
Foreign entities	5,159,424	5,313,131
	101,808,274	95,994,161
Less: Islamic financing sold to Cagamas	(653,372)	(780,289)
Gross loans, advances and financing	101,154,902	95,213,872

(iii) By interest/profit rate sensitivity

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Fixed rate		
- Housing financing	3,173,699	3,744,142
- Hire purchase receivables	11,845,994	13,583,788
- Other fixed rate loan/financing	20,851,384	16,217,782
Variable rate		
- BLR plus	53,781,315	50,916,706
- Cost plus	10,575,736	9,698,593
- Other variable rates	1,580,146	1,833,150
	101,808,274	95,994,161
Less: Islamic financing sold to Cagamas	(653,372)	(780,289)
Gross loans, advances and financing	101,154,902	95,213,872

(iv) By economic purpose

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Personal use	2,607,577	2,349,454
Credit card	2,393,178	2,128,152
Purchase of consumer durables	23,612	29,060
Construction	3,036,163	3,636,984
Residential property (Housing)	21,225,148	19,337,305
Non-residential property	5,455,361	4,422,393
Purchase of fixed assets other than land & building	2,469,436	2,547,168
Merger and acquisition	117,171	355,213
Purchase of securities	11,851,422	5,318,708
Purchase of transport vehicles	12,576,878	15,009,253
Working capital	35,725,881	37,114,632
Other purpose	4,326,447	3,745,839
	101,808,274	95,994,161
Less: Islamic financing sold to Cagamas	(653,372)	(780,289)
Gross loans, advances and financing	101,154,902	95,213,872

A14. LOANS, ADVANCES AND FINANCING (continued)

(v) **Non-performing loan by economic purpose**

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Personal use	291,510	275,066
Credit card	58,208	100,871
Purchase of consumer durables	1,010	1,110
Construction	501,982	423,204
Residential property (Housing)	1,963,016	2,179,461
Non-residential property	593,072	584,618
Purchase of fixed assets other than land & building	159,625	114,179
Purchase of securities	300,042	442,710
Purchase of transport vehicles	674,511	948,991
Working capital	3,387,302	3,315,575
Other purpose	79,221	97,429
	8,009,499	8,483,214

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

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Balance as at 1 January	8,483,214	6,306,398
NPL during the period / year	3,282,502	4,264,672
Performing during the period / year	(1,844,914)	(1,444,399)
Recoveries	(1,053,279)	(1,998,193)
Non-performing loans arising from acquisition of a subsidiary	-	2,802,844
Amount written off	(828,796)	(1,460,579)
Exchange fluctuation	(25,863)	12,471
Others	(3,365)	-
Balance as at 30 September / 31 December	8,009,499	8,483,214
Specific allowance	(3,626,029)	(3,399,836)
Net non-performing loans, advances and financing	4,383,470	5,083,378

Classification of non-performing loans

Sub-standard	1,495,988	1,721,097
Doubtful	575,232	747,285
Bad debts	5,938,279	6,014,832
Balance as at 30 September / 31 December	8,009,499	8,483,214

Ratio of net non-performing loans and financing to gross loans, advances and financing (including Islamic house financing sold to Cagamas) less specific allowances

4.46%	5.49%
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A14. LOANS, ADVANCES AND FINANCING (continued)

(vii) **Movements in the allowance for bad and doubtful debts accounts are as follows:**

	The Group	
	30 Sept 2007	31 Dec 2006
	RM'000	RM'000
<u>General allowance</u>		
Balance as at 1 January	1,479,277	1,173,911
Net allowance made during the period / year	148,611	3,824
Amount transferred to specific allowance	(6,178)	(122,367)
Allowance for loans in relation to loans in jointly controlled entities	(8,111)	2,592
Allowance for loans arising from acquisition of a subsidiary	-	397,233
Exchange fluctuation	(22,440)	24,084
Balance as at 30 September / 31 December	<u>1,591,159</u>	<u>1,479,277</u>
As % of gross loans, advances and financing less specific allowance	<u>1.62%</u>	<u>1.60%</u>

Specific allowance

Balance as at 1 January	3,399,836	2,305,753
Allowance made during the period / year	1,621,192	1,787,564
Amount transferred from general allowance	6,178	122,367
Amount recovered	(571,505)	(712,693)
Amount written off	(857,065)	(1,292,170)
Amount charged to deferred assets	-	3,101
Allowance for loans in relation to loans in jointly controlled entities	(9,653)	18,889
Allowance for loans arising from acquisition of subsidiaries	-	1,143,081
Exchange fluctuation	38,895	23,944
Others	(1,849)	-
Balance as at 30 September / 31 December	<u>3,626,029</u>	<u>3,399,836</u>

A15. OTHER ASSETS

	The Group	
	30 Sept 2007	31 Dec 2006
	RM'000	RM'000
Interest receivable	419,130	424,535
Due from brokers and clients net of allowance for doubtful debts	2,671,855	1,391,767
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,880,895	1,698,534
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	54,197	137,914
Deferred assets	233,234	247,474
Foreclosed properties net of allowance for impairment in value	58,819	64,225
	<u>5,318,130</u>	<u>3,964,449</u>

A16. DEPOSITS FROM CUSTOMERS

	The Group	
	30 Sept 2007	31 Dec 2006
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	23,678,572	21,306,269
Savings deposits	10,146,034	9,406,659
Fixed deposits	64,487,703	64,452,603
Negotiable instruments of deposit	6,304,850	7,004,506
Others	15,581,979	2,398,678
	120,199,138	104,568,715
<u>By type of customer</u>		
Government and statutory bodies	10,499,941	9,892,743
Business enterprises	60,109,841	49,145,811
Individuals	33,763,965	32,683,060
Others	15,825,391	12,847,101
	120,199,138	104,568,715
<u>Maturity structure of fixed deposits and negotiable instruments of deposits</u>		
One year or less (short term)	65,349,841	66,764,532
More than one year (medium/long term)	5,442,712	4,692,577
	70,792,553	71,457,109

A17. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 Sept 2007	31 Dec 2006
	RM'000	RM'000
Licensed banks	7,719,762	5,623,841
Licensed finance companies	18,631	58,706
Licensed merchant banks	1,264,263	650,164
Bank Negara Malaysia	365,000	365,000
Other financial institutions	1,105,069	324,068
	10,472,725	7,021,779

All the above deposits and placements have maturities of one year or less.

A18. OTHER LIABILITIES

	The Group	
	30 Sept 2007	31 Dec 2006
	RM'000	RM'000
Interest payable	691,276	698,107
Due to brokers and clients	2,756,155	1,279,753
Short-term borrowings	78,883	63,129
Insurance fund - life and takaful insurance business	1,511,089	1,419,059
Insurance fund - general and takaful insurance business	88,473	414,375
Provision for commitments and contingencies	2,195	3,184
Post employment benefit obligations	98,332	81,022
Others	2,977,892	1,997,546
	8,204,295	5,956,175

A19. INTEREST INCOME

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPL	1,666,989	1,717,198	4,909,761	4,203,933
- Recoveries from NPLs	102,642	86,485	307,251	226,330
Money at call and deposit placements with financial institutions	234,333	148,830	700,354	424,831
Securities purchased under resale agreement	25,806	31,891	78,997	106,900
Securities held for trading	129,977	131,160	394,691	316,220
Available-for-sale securities	93,824	112,409	279,595	297,375
Held-to-maturity securities	8,306	44,990	25,111	120,985
Others	56,030	11,653	200,351	50,825
	2,317,907	2,284,616	6,896,111	5,747,399
Amortisation of premium less accretion of discount	25,206	17,817	147,975	60,993
Interest income suspended	(55,236)	(36,291)	(162,034)	(90,422)
	2,287,877	2,266,142	6,882,052	5,717,970

A20. INTEREST EXPENSE

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	89,797	150,990	317,563	442,782
Deposit from other customers	867,904	800,279	2,379,107	1,983,115
Obligation on securities sold under repurchase agreements	5,395	65,533	103,222	140,047
Bonds	4,760	10,157	17,946	37,724
Loan stocks/ICULS	377	104	2,451	2,580
Subordinated Notes	51,618	51,496	154,079	110,145
Loans sold to Cagamas	26,536	41,308	90,833	80,531
Negotiable certificates of deposits	45,640	58,408	146,490	146,745
Other borrowings	48,661	62,490	195,214	92,444
Others	51,792	43,063	176,133	71,877
	1,192,480	1,283,828	3,583,038	3,107,990

A21. NON-INTEREST INCOME

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Fee on loans, advances and financing	97,059	68,960	259,276	146,733
Portfolio management fees	1,600	2,044	2,027	3,916
Service charges and fees	53,614	47,124	159,340	136,827
Corporate advisory fees	33,389	11,487	75,180	38,592
Guarantee fees	17,549	15,034	48,089	40,896
Underwriting commission	37,318	27,064	128,166	55,236
Placement fees	5,283	1,387	15,893	3,452
Commissions	67,764	47,017	205,486	135,042
Other fee income	82,028	95,653	229,710	187,298
	395,604	315,770	1,123,167	747,992
(b) Gross dividend income from :				
<u>In Malaysia</u>				
- Securities held for trading	3,478	440	7,647	8,385
- Available-for-sale securities	18,145	13,677	56,455	17,305
<u>Outside Malaysia</u>				
- Securities held for trading	293	215	1,386	782
	21,916	14,332	65,488	26,472
(c) Net (loss)/gain arising from securities held for trading	(48,688)	283,053	540,581	172,500
(d) Net gain/(loss) arising from derivative financial instruments	102,139	(163,383)	289,796	166,886
(e) Net gain from sale of securities available-for-sale	6,258	51,269	139,054	76,425
(f) Net gain from sale of held-to-maturity securities	-	-	566	-
(g) Income from assets management and securities services	35,491	14,526	99,553	41,681
(h) Brokerage income	98,625	40,543	292,206	137,114
(i) Other non-interest income / (loss)				
Foreign exchange gain				
- Unrealised	(16,318)	13,495	34,463	33,146
- Realised	19,954	(10,895)	(20,291)	(19,038)
Rental income	3,735	3,524	15,643	6,272
Gain on disposal of property, plant and equipment	454	1,102	1,586	1,375
Gain/(loss) on disposal of interest in subsidiary	628,451	2,957	715,176	4,274
Gain on disposal of associates	-	676	-	676
Net gain from insurance business	582	1,557	31,059	6,513
Underwriting surplus before management expenses	3,544	7,151	37,064	33,779
Other non-operating income	70,534	65,839	135,985	110,362
	710,936	85,406	950,685	177,359
Total other operating income	1,322,281	641,516	3,501,096	1,546,429

A22. OVERHEAD EXPENSES

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	378,760	294,175	1,282,485	761,286
- Pension cost	44,396	32,296	146,128	87,470
- MSS expenses	-	18,738	-	119,827
- Others	77,344	60,946	177,399	142,119
Establishment costs				
- Depreciation of property, plant and equipment	52,149	48,481	175,268	139,989
- Rental	34,795	27,523	108,539	76,924
- Insurance	8,190	7,315	12,465	14,889
- Others	122,131	96,098	362,613	260,998
Marketing expenses				
- Sales commission	10,570	6,709	28,297	14,494
- Advertisement	46,716	50,866	96,541	90,230
- Others	12,412	11,309	29,854	29,121
Administration and general expenses				
- Amortisation of intangible assets/goodwill	11,410	-	33,280	-
- Legal and professional fees	41,979	72,976	109,763	121,525
- Communication	34,937	18,347	74,431	49,068
- Others	89,544	125,242	479,687	251,770
	965,333	871,021	3,116,750	2,159,710

A23. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 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	529,012	503,177	1,621,192	1,065,475
- Written back	(201,840)	(200,404)	(571,505)	(433,814)
- Transferred to deferred asset	-	2,963	-	2,963
General allowance				
- Made during the financial year	99,466	14,325	148,611	41,259
Bad debts on loan and financing :				
- recovered	(68,673)	(39,014)	(187,451)	(75,886)
- written off	224	(197)	412	(113)
	358,189	280,850	1,011,259	599,884

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. The specific allowance made during the period by CIMB Bank for these categories of non-performing loans is RM239,128,299.

A24. 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 asset

Risk Weighted Exposures of the Group as at:

<u>Group</u>	30 Sept 2007			31 Dec 2006		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	3,800,188	3,800,188	1,989,020	3,065,948	3,065,948	1,665,827
Certain transaction-related contingent items	4,955,548	2,669,803	2,067,631	5,007,175	2,633,697	1,766,595
Short-term self-liquidating trade-related contingencies	3,525,958	705,191	375,906	3,765,729	753,144	297,619
Asset sold with recourse and commitment with certain drawdown	653,372	653,372	653,372	815,589	780,799	780,391
Obligations under underwriting agreement	421,837	210,919	210,919	2,028,193	996,597	996,310
Irrevocable commitments to extend credit						
- maturity not exceeding one year	36,293,675	-	-	32,692,158	-	-
- maturity exceeding one year	8,090,500	3,978,953	3,320,722	4,589,898	2,293,371	2,012,061
Forward Assets Purchases	615,362	1,571	662	-	-	-
Miscellaneous commitments and contingencies	4,249,847	345,850	330,421	4,655,749	3,982	3
	62,606,288	12,365,847	8,948,653	56,620,439	10,527,538	7,518,806
Foreign exchange related contracts :						
- less than one year	30,637,459	501,142	108,069	23,329,374	648,319	149,304
- one year to less than five years	3,233,369	711,337	177,327	1,646,703	425,683	95,139
- five years and above	1,885,246	410,898	186,283	107,373	30,174	15,086
	35,756,074	1,623,377	471,680	25,083,450	1,104,176	259,529
Interest rate related contracts :						
- less than one year	108,266,009	178,914	35,636	95,943,134	118,617	23,481
- one year to less than five years	67,746,869	2,371,437	480,592	58,763,837	2,232,810	441,143
- five years and above	5,268,036	1,139,833	234,261	3,997,732	735,425	149,002
	181,280,914	3,690,184	750,489	158,704,703	3,086,852	613,626
Equity related contracts :						
- less than one year	7,177,453	-	-	4,461,656	-	-
- one year to less than five years	1,320,623	-	-	-	-	-
	8,498,076	-	-	4,461,656	-	-
	288,141,352	17,679,408	10,170,822	244,870,248	14,718,566	8,391,961

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

A25. INTEREST/PROFIT RATE RISK

As at 30 September 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	18,715,373	3,000	-	-	-	3,585,722	-	22,304,095	3.39
Securities purchased under resale agreements	2,440,572	1,032,596	-	-	-	-	-	3,473,168	3.48
Deposits and placements with banks and other financial institutions	996,542	4,685,531	1,696,641	41,370	-	187,186	-	7,607,270	3.55
Securities held for trading	-	-	-	-	-	693,950	12,241,250	12,935,200	4.45
Available-for-sale securities	288,469	592,925	995,200	3,612,929	2,983,531	2,147,561	-	10,620,615	4.48
Held-to-maturity securities	338	329,224	167,907	772,962	1,569,057	81,057	-	2,920,545	3.74
Derivatives financial instruments	64	-	-	-	-	2,665,357	1,185,483	3,850,904	
Loans, advances and financing									
- performing	65,068,521	11,070,519	6,971,812	5,444,769	3,849,612	345,858	-	92,751,091	5.68
- non-performing	-	-	-	642,546	-	2,544,077	-	3,186,623	
Other assets	1,168,457	-	-	-	-	4,149,673	-	5,318,130	10.00
Deferred tax assets	-	-	-	-	-	412,704	-	412,704	
Tax recoverable	-	-	-	-	-	273,853	-	273,853	
Statutory deposits with central banks	-	-	-	-	-	2,642,353	-	2,642,353	
Investment in associates	-	-	-	-	-	159,286	-	159,286	
Jointly controlled entities	-	-	-	-	-	123,935	-	123,935	
Property, plant and equipment	-	-	-	-	-	1,131,515	-	1,131,515	
Investment properties	-	-	-	-	-	59,661	-	59,661	
Prepaid land lease payments	-	-	-	-	-	55,521	-	55,521	
Goodwill	-	-	-	-	-	4,541,766	-	4,541,766	
Intangible assets	-	-	-	-	-	556,143	-	556,143	
Total assets	88,678,336	17,713,795	9,831,560	10,514,576	8,402,200	26,357,178	13,426,733	174,924,378	
Liabilities									
Deposits from customers	57,475,687	16,266,261	19,130,609	3,551,602	2,351,771	21,423,208	-	120,199,138	2.59
Deposits and placements of banks and other financial institutions	5,324,845	1,578,601	1,995,469	747,523	808,170	18,117	-	10,472,725	3.33
Derivative financial instruments	9,364	-	-	-	-	2,698,851	1,239,088	3,947,303	
Obligations on securities sold under repurchase agreements	258,745	1,000	1,000	-	-	-	-	260,745	3.45
Bills and acceptances payable	1,174,652	2,000,735	539,665	146	-	747,441	-	4,462,639	3.68
Other liabilities	-	-	-	-	-	8,204,295	-	8,204,295	
Deferred tax liabilities	-	-	-	-	-	20,577	-	20,577	
Current tax liabilities	-	-	-	-	-	403,767	-	403,767	
Amount due to Cagamas Berhad	35,524	230,253	502,594	1,650,410	-	-	-	2,418,781	4.33
Loan stocks	-	-	41,830	50,000	-	-	-	91,830	3.60
Bonds	-	-	-	316,651	-	-	-	316,651	7.94
ICULS - detachable coupons	-	-	-	4,141	-	-	-	4,141	7.50
RCULS	-	-	-	11,482	-	-	-	11,482	4.80
Other borrowings	391,642	1,889,144	300,356	2,083,332	179	-	-	4,664,653	4.59
Redeemable preference shares	-	-	-	135,000	674,276	-	-	809,276	
Subordinated Notes	-	302,536	-	1,340,845	1,047,046	-	-	2,690,427	4.70
Total liabilities	64,670,459	22,268,530	22,511,523	9,891,132	4,881,442	33,516,256	1,239,088	158,978,430	
Total interest rate sensitivity gap	24,007,877	(4,554,735)	(12,679,963)	623,444	3,520,758	12,187,645			

A25. 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 securities	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	
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		

A26. CAPITAL ADEQUACY

30 September 2007

The capital adequacy ratios are as follows:

	CIMB Bank RM '000	CIMB Inv Bank RM '000	CIMB Islamic RM '000	BK Niaga RM '000	Total RM '000
Tier I capital	8,205,482	656,384	506,997	1,662,848	11,031,711
Eligible Tier II capital	4,360,614	6,006	38,322	561,171	4,966,113
	<u>12,566,096</u>	<u>662,390</u>	<u>545,319</u>	<u>2,224,019</u>	<u>15,997,824</u>
less:					
Investment in subsidiaries and holding of other banking institutions' capital	(885,127)	(19,420)	-	(43,236)	(947,783)
Capital base	<u>11,680,969</u>	<u>642,970</u>	<u>545,319</u>	<u>2,180,783</u>	<u>15,050,041</u>

Before deducting proposed dividends

Core capital ratio	8.64%	15.40%	15.74%	12.44%	9.53%
Risk-weighted capital ratio	<u>12.29%</u>	<u>15.40%</u>	<u>16.93%</u>	<u>16.31%</u>	<u>13.00%</u>

After deducting proposed dividends

Core capital ratio	8.64%	15.40%	15.74%	12.44%	9.53%
Risk-weighted capital ratio	<u>12.29%</u>	<u>15.40%</u>	<u>16.93%</u>	<u>16.31%</u>	<u>13.00%</u>

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

Tier I capital

Paid-up capital	2,974,009	219,242	550,000	402,607	4,145,858
Non-cumulative guaranteed preference shares	1,500,000	-	-	-	1,500,000
Innovative Tier I capital	675,177	-	-	-	675,177
Share premium	4,157,074	33,488	-	764,866	4,955,428
Other reserves	3,291,780	404,310	111,742	495,375	4,303,207
Less :					
Deferred tax assets	(398,912)	(656)	(18,745)	-	(418,313)
Intangible assets	(370,998)	-	-	-	(370,998)
Goodwill	(3,622,648)	-	(136,000)	-	(3,758,648)
Total Tier I capital	<u>8,205,482</u>	<u>656,384</u>	<u>506,997</u>	<u>1,662,848</u>	<u>11,031,711</u>

Tier II capital

ICULS issued	667,000	-	-	-	667,000
Subordinated loans	2,315,337	-	-	347,223	2,662,560
General allowance for bad and doubtful debts and financing	1,378,277	6,006	38,322	159,020	1,581,625
Others	-	-	-	54,928	54,928
Total Eligible Tier II capital	<u>4,360,614</u>	<u>6,006</u>	<u>38,322</u>	<u>561,171</u>	<u>4,966,113</u>
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(885,127)	(19,420)	-	(43,236)	(947,783)
Total Capital Base	<u>11,680,969</u>	<u>642,970</u>	<u>545,319</u>	<u>2,180,783</u>	<u>15,050,041</u>
Proposed dividend to be deducted from retained profits	-	-	-	-	-
Total Capital Base (net of proposed dividend)	<u>11,680,969</u>	<u>642,970</u>	<u>545,319</u>	<u>2,180,783</u>	<u>15,050,041</u>

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

	Risk Weighted				
	RM'000	RM'000	RM'000	RM'000	RM'000
0%	18,545,956	207,265	4,364,645	3,528,166	26,646,032
10%	193,828	-	-	50,680	244,508
20%	28,685,864	6,929,111	768,041	862,337	37,245,353
50%	17,582,392	43,011	293,108	4,749,612	22,668,123
100%	71,415,430	2,072,894	2,792,154	10,394,530	86,675,008
	<u>85,963,182</u>	<u>3,480,222</u>	<u>3,092,316</u>	<u>12,946,871</u>	<u>105,482,591</u>
Counterparty risk requirement	-	4,932	-	-	4,932
Total risk-weighted assets equivalent for credit risk	<u>85,963,182</u>	<u>3,485,154</u>	<u>3,092,316</u>	<u>12,946,871</u>	<u>105,487,523</u>
Total risk-weighted assets equivalent for market risk	<u>9,057,637</u>	<u>689,668</u>	<u>128,313</u>	<u>422,040</u>	<u>10,297,658</u>
Total risk-weighted assets	<u>95,020,819</u>	<u>4,174,822</u>	<u>3,220,629</u>	<u>13,368,911</u>	<u>115,785,181</u>

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, CIMB Islamic Bank and PT Bank Niaga Tbk.

A26. CAPITAL ADEQUACY (continued)

31 December 2006

The capital adequacy ratios are as follows:

	CIMB Bank RM '000	CIMB Inv Bank RM '000	CIMB Islamic RM '000	BK Niaga RM '000	Total RM '000
Tier I capital	7,908,662	818,396	307,439	1,682,561	10,717,058
Eligible Tier II capital	4,434,168	9,331	41,485	571,519	5,056,503
	<u>12,342,830</u>	<u>827,727</u>	<u>348,924</u>	<u>2,254,080</u>	<u>15,773,561</u>
less:					
Investment in subsidiaries and holding of other banking institutions' capital	(573,638)	(19,420)	-	(52,420)	(645,478)
Capital base	<u>11,769,192</u>	<u>808,307</u>	<u>348,924</u>	<u>2,201,660</u>	<u>15,128,083</u>

Before deducting proposed dividends

Core capital ratio	8.65%	20.06%	10.18%	12.94%	9.61%
Risk-weighted capital ratio	<u>12.87%</u>	<u>20.06%</u>	<u>11.55%</u>	<u>16.93%</u>	<u>13.57%</u>

After deducting proposed dividends

Core capital ratio	8.44%	15.09%	10.18%	12.94%	9.26%
Risk-weighted capital ratio	<u>12.66%</u>	<u>15.09%</u>	<u>11.55%</u>	<u>16.93%</u>	<u>13.22%</u>

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

Tier I capital

Paid-up capital	2,974,009	219,242	400,000	397,748	3,990,999
Non-cumulative guaranteed preference shares	1,500,000	-	-	-	1,500,000
Innovative Tier I capital	698,728	-	-	-	698,728
Share premium	4,157,074	33,488	-	716,292	4,906,854
Other reserves	3,338,857	566,319	57,515	568,521	4,531,212
Less :					
Deferred tax assets	(402,186)	(656)	(14,076)	-	(416,918)
Intangible assets	(392,745)	-	-	-	(392,745)
Goodwill	(3,965,075)	-	(136,000)	-	(4,101,075)
Total Tier I capital	<u>7,908,662</u>	<u>818,393</u>	<u>307,439</u>	<u>1,682,561</u>	<u>10,717,055</u>

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	41,485	142,762	1,541,752
Others	-	-	-	57,753	57,753
Total Eligible Tier II capital	<u>4,434,168</u>	<u>9,331</u>	<u>41,485</u>	<u>571,519</u>	<u>5,056,503</u>
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	<u>11,769,192</u>	<u>808,304</u>	<u>348,924</u>	<u>2,201,660</u>	<u>15,128,080</u>

Proposed dividend to be deducted from retained profits

Proposed final dividend for ordinary shares	190,000	200,000	-	-	390,000
Total Capital Base (net of proposed dividend)	<u>11,579,192</u>	<u>608,304</u>	<u>348,924</u>	<u>2,201,660</u>	<u>14,738,080</u>

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

	Risk Weighted				
	RM'000	RM'000	RM'000	RM'000	RM'000
0%	19,871,008	292,718	1,813,308	4,697,793	26,674,827
10%	588,284	-	-	18,608	606,892
20%	23,417,945	774,445	454,662	686,221	25,333,273
50%	15,399,654	39,486	299,431	4,312,480	20,051,051
100%	69,791,976	1,686,042	2,735,535	10,121,425	84,334,978
	<u>82,234,220</u>	<u>1,860,674</u>	<u>2,976,183</u>	<u>12,416,770</u>	<u>99,487,847</u>
Counterparty risk requirement	-	497	-	-	497
Total risk-weighted assets equivalent for credit risk	<u>82,234,220</u>	<u>1,861,171</u>	<u>2,976,183</u>	<u>12,416,770</u>	<u>99,488,344</u>
Total risk-weighted assets equivalent for market risk	9,230,164	2,169,028	44,599	590,042	12,033,833
Total risk-weighted assets	<u>91,464,384</u>	<u>4,030,199</u>	<u>3,020,782</u>	<u>13,006,812</u>	<u>111,522,177</u>

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, CIMB Islamic Bank and PT Bank Niaga Tbk.

A27. 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 introducing innovative products and services to individual customers. It offers 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 products such as microcredit loan.

Consumer Sales & Distribution (CSD) is responsible for 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, equity derivatives, equity investment & trading and regional equity markets.

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. Corporate Banking provides a broad spectrum of financial and lending services for domestic and multinational corporations as well as institutional and public sector clients to help support their business growth. International Banking and Transactional Services 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 include 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.

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. The entire general insurance business was disposed off on 28 August 2007, while 49% of the life and takaful business were disposed off on 2 July 2007

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.

A27. 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 September 2007								
Net interest income								
-external income	1,929,747	699,875	122,767	7,190	19,765	614,576	(94,906)	3,299,014
-inter-segment	(124,057)	(270,714)	394,771	-	-	-	-	-
	1,805,690	429,161	517,538	7,190	19,765	614,576	(94,906)	3,299,014
Income from Islamic Banking operations	97,869	56,357	73,858	-	-	-	2,853	230,937
Non-interest income	450,154	1,140,390	1,279,916	186,477	124,726	285,894	33,539	3,501,096
Net Income	2,353,713	1,625,908	1,871,312	193,667	144,491	900,470	(58,514)	7,031,047
Overhead expenses	(781,968)	(372,994)	(65,613)	(109,128)	(72,568)	(422,616)	(1,291,863)	(3,116,750)
Profit before allowances	1,571,745	1,252,914	1,805,699	84,539	71,923	477,854	(1,350,377)	3,914,297
Allowance for losses on loans, advances and financing	(653,458)	(209,422)	9	-	-	(147,724)	(664)	(1,011,259)
Allowance for other receivables	-	(2,183)	(116)	-	-	(7,690)	(705)	(10,694)
Provision for commitment & contingencies	-	-	-	-	-	(157)	-	(157)
Allowance for impairment of securities	-	66,761	6,618	-	65	(27,208)	-	46,236
Segment result	918,287	1,108,070	1,812,210	84,539	71,988	295,075	(1,351,746)	2,938,423
Share of results of jointly controlled entities	2,898	-	-	-	-	-	-	2,898
Share of results of associates	-	-	1,303	2,889	-	-	1,734	5,926
Profit/(loss) before taxation and zakat	921,185	1,108,070	1,813,513	87,428	71,988	295,075	(1,350,012)	2,947,247
Taxation and zakat								(536,706)
Profit after taxation before minority interest								2,410,541

A27. 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 September 2006								
Net interest income								
-external income	1,508,022	463,857	279,125	(532)	18,619	580,821	(239,932)	2,609,980
-inter-segment	(267,001)	(11,437)	39,444	(191)	-	-	239,185	-
	1,241,021	452,420	318,569	(723)	18,619	580,821	(747)	2,609,980
Income from Islamic Banking operations	44,592	-	2,708	-	-	-	1,323	48,623
Non-interest income	303,116	424,260	318,933	118,184	78,891	202,382	100,663	1,546,429
Net Income	1,588,729	876,680	640,210	117,461	97,510	783,203	101,239	4,205,032
Overhead expenses	(632,712)	(204,695)	(82,595)	(65,994)	(62,278)	(384,918)	(726,518)	(2,159,710)
Profit before allowances	956,017	671,985	557,615	51,467	35,232	398,285	(625,279)	2,045,322
Allowance for losses on loans, advances and financing	(521,903)	(8,748)	-	-	-	(91,738)	22,505	(599,884)
Allowance for other receivables	-	(6,174)	842	194	-	(17,394)	(42)	(22,574)
Provision for commitment & contingencies	(4)	-	-	-	-	37	658	691
Allowance for impairment of securities	22	(1,034)	(1,942)	-	-	789	(22,204)	(24,369)
Segment result	434,132	656,029	556,515	51,661	35,232	289,979	(624,362)	1,399,186
Share of results of jointly controlled entities	3,735	-	-	-	-	-	-	3,735
Share of results of associates	-	-	972	18,333	-	-	(11,962)	7,343
Profit/(loss) before taxation and zakat	437,867	656,029	557,487	69,994	35,232	289,979	(636,324)	1,410,264
Taxation and zakat								(262,835)
Profit after taxation before minority interest								1,147,429

A28. OPERATION OF ISLAMIC BANKING

A28a. Unaudited Balance Sheet as at 30 September 2007

	Note	The Group	
		30 Sept 2007 RM'000	31 Dec 2006 RM'000
Assets			
Cash and short-term funds		2,956,771	1,329,114
Deposit and placement with banks and other financial institutions		2,290,540	401,000
Securities held for trading		504,973	219,830
Available-for-sale securities		665,535	263,266
Held-to-maturity securities		95,517	179,279
Derivative financial instruments		165,204	-
Financing, advances and other loans	A28c(i)	1,966,132	1,702,914
Deferred tax assets		18,745	13,642
Amount due from related companies		1,544	80,174
Statutory deposit with Bank Negara Malaysia		116,434	74,392
Property, plant and equipment		13,284	7,603
Other assets		106,094	310,878
Tax recoverable		896	894
Goodwill		136,000	136,000
Intangible assets		-	4,335
TOTAL ASSETS		9,037,669	4,723,321
Liabilities and Islamic banking capital funds			
Deposits from customers	A28(d)	7,498,053	2,428,262
Deposits and placements of banks and other financial institutions		297,729	1,331,000
Bills and acceptances payable		29,817	-
Amount due to holding company		17,047	2,656
Amount due to related companies		-	34,233
Provision for taxation and zakat		23,141	12,094
Long term borrowings		41,830	41,830
Amount due to conventional assets		243,508	135,461
Other liabilities		112,276	57,955
TOTAL LIABILITIES		8,263,401	4,043,491
Equity			
Islamic banking funds		55,000	305,000
Ordinary share capital		550,000	150,000
Perpetual preference shares		70,000	70,000
Reserves		99,268	154,830
Total equity		774,268	679,830
TOTAL EQUITY AND LIABILITIES		9,037,669	4,723,321

A28b. Unaudited Income Statements for the financial period ended 30 September 2007

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	93,766	57,372	283,658	74,005
Transfer to/(from) profit equalisation reserve	(6,188)	4,292	(25,529)	3,878
Other expenses directly attributable to depositors and Islamic Banking Funds	(1)	(1)	(2)	(12)
Total attributable income	87,577	61,663	258,127	77,871
Income attributable to the depositors	(66,886)	(31,428)	(164,726)	(45,617)
Income attributable to the reporting institutions	20,691	30,235	93,401	32,254
Income derived from investment of Islamic Banking Funds	24,357	9,130	137,536	16,369
Total net income	45,048	39,365	230,937	48,623
Allowance for losses on financing, advances and other loans	(30,581)	(13,917)	(48,726)	(15,557)
Other operating expenses	(21,088)	(15,169)	(53,883)	(36,040)
Profit/(loss) before taxation and zakat	(6,621)	10,279	128,328	(2,974)
Taxation and zakat	(2,488)	(4,732)	(37,424)	(5,784)
Profit/(loss) after taxation and zakat	(9,109)	5,547	90,904	(8,758)

A28c. Financing, advances and other loans**i) By type**

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Cash	101,029	84,007
Term financing	3,064,442	3,216,646
Bills receivable	12	2,655
Trust receipts	2,422	2,832
Claims on customers under acceptance credits	32,745	37,315
Staff financing	45	76
Revolving credits	294,837	29,146
Unit trust financing	76	94
	<u>3,495,608</u>	<u>3,372,771</u>
less: Unearned income	(737,710)	(755,823)
	<u>2,757,898</u>	<u>2,616,948</u>
less: Financing sold to Cagamas	(653,372)	(780,289)
	<u>2,104,526</u>	<u>1,836,659</u>
Less: Allowance for bad and doubtful financing		
- General	(42,341)	(42,945)
- Specific	(96,053)	(90,800)
Total net financing, advances and other loans	<u><u>1,966,132</u></u>	<u><u>1,702,914</u></u>

ii) Non-performing Financing

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

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
General allowance		
At 1 January	42,945	245
Allowance for financing arising from acquisition of subsidiaries	-	34,930
Amount transferred from holding company	-	7,832
Amount written back during the financial year	(2,519)	(62)
Exchange difference	1,915	-
Balance at 30 September / 31 December	<u>42,341</u>	<u>42,945</u>
As % of total financing less specific allowances	<u>1.59%</u>	<u>1.70%</u>

Specific allowance

At 1 January	90,800	-
Allowance for financing arising from acquisition of subsidiaries	-	77,788
Allowance made	65,030	51,790
Amount recovered	(23,946)	(15,397)
Amount written off	(35,831)	(23,381)
Balance at 30 September / 31 December	<u>96,053</u>	<u>90,800</u>

A28d. Deposits from customers**By type of deposits**

	The Group	
	30 Sept 2007 RM'000	31 Dec 2006 RM'000
Non-Mudharabah Fund		
Demand deposits	335,871	204,784
Saving deposits	108,061	97,040
Negotiable Instruments of Deposit	899,947	-
Others	1,499	-
	<u>1,345,378</u>	<u>301,824</u>

Mudharabah Fund

Saving deposits	26,197	25,292
Demand deposits	96,816	25,377
General investment deposits	1,067,120	2,075,052
Special investment deposits	4,085,751	-
Others	876,791	717
	<u>6,152,675</u>	<u>2,126,438</u>
	<u><u>7,498,053</u></u>	<u><u>2,428,262</u></u>

A29. CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) Change in Accounting Policy in Current Financial Period

During the financial period ended 30 September 2007, the Group has adopted the revised FRS 117 “Leases” issued by MASB that is 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 A29(b) below. There were no effects on the consolidated income statement of the Group for the financial period ended 30 September 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	As previously
	RM'000	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

Part B - Explanatory Notes Pursuant to BNM/GP8 Guidelines on Financial Reporting for Licensed Institutions

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

BCHB Group Results

Bumiputra-Commerce Holdings Berhad (“BCHB Group”) reported a net profit of RM2.308 billion for the 9 months ended 30 September 2007, 118% higher than the RM1.057 billion earned in the corresponding period last year. Revenues and pre-tax profits were up 67% and 109% to RM7.031 billion and RM2.947 billion respectively compared to 9M06 resulting in a net earnings per share of 69.6 sen, up 107% from 9M06. The Group’s annualised net return on equity (“ROE”) for 9M07 was 22.2%, exceeding its 2007 ROE target of 18%.

For 3Q07, BCHB Group’s profit after tax of RM1.032 billion is 56% higher than that of the previous quarter and included a RM628 million gain from the sale of 100% of its General insurance and 49% of its Life and Takaful businesses. The core business net profit in 3Q07 of RM404 million was 39% lower than the previous quarter reflecting the sharply contrasting capital market environment between the two periods. Nevertheless, even excluding the gain on sale of insurance, the Group’s 9M07 net profit of RM1.679 billion has exceeded 2006 full year net profit of RM1.504 billion.

In comparison with 3Q06, the Group’s net earnings excluding sale of insurance businesses was flat. Comparing 3Q06 and 3Q07, the Group’s revenues from its Malaysian consumer banking operations improved by 19% while its wholesale (treasury and investment banking) revenues, including CIMB-GK, was up 9.2%. Asset management was up 46% while Bank Niaga’s revenues improved by 4%.

The Group’s cost to income ratio for 9 months to 30th September 2007 was 44% compared to 52.5% for 2006 as a whole. It is estimated that excluding the insurance sale, the 9M07 cost to income ratio is about 48%.

The total Group loans growth for the first nine months was 6.2% due to a 8% increase in loans in 3Q07 driven by corporate lending as well as continued growth in preferred product areas such as mortgages, credit cards and the Group’s micro credit loans. As for the portfolios under restructuring, business loans were flat while hire purchase continued to shrink, with a 10% reduction for the nine months. Bank Niaga’s loans grew 10% year to date. Consumer deposits at CIMB Bank grew 7.5% over the nine months of the year.

The Group continued to show strong improvement in asset quality indicators with its lower net NPL ratio of 4.5% from 5.5% at the beginning of the year and 5.2% at mid-year. Loan loss coverage (“LLC”) ratio stood at 65.1%, up from 61.0% as at 30 June 2007.

CIMB UB and PT Bank Niaga contributed 94% and 10% to the Group’s profit before tax respectively. BCHB, the company, registered a loss of RM104 million (net of dividend income from subsidiaries) due to interest expenses. Income from the Group’s foreign operations as a whole contributed 16% of pre-tax profit, 62% of which was from Bank Niaga.

CIMB Bank’s pre-tax profit of RM1.5 billion (net of consolidation adjustments) represented 56% of CIMB UB’s pre-tax profits while CIMB Islamic made RM75.0 million and represented 3%. CIMB-GK’s pre-tax profit of RM131.0 contributed to 5% CIMB UB’s pre-tax profit while CIMB Investment Bank contributed 8% at RM235 million.

The Group’s shareholders funds increased from RM14.4 billion to RM14.8 billion over the quarter, lifting net tangible asset and book value per share to RM2.87 and RM4.39 per share respectively.

The Risk Weighted Capital Adequacy ratio for the investment banking and consumer banking operations were 15.4% and 12.3% respectively as at 30 September 2007. BCHB’s gearing has declined to 33.8% from 46.9% as at 30 June 2007.

Bank Niaga Results

Bank Niaga, which announced its 9M07 results on 29 October, reported net profit of IDR590 billion, 10% higher than 9M06. Net interest income reached an all time high of IDR1,916 billion and was 12% higher over the same period last year. For 9M07, the Bank achieved a net ROE of 17.6%.

On a quarter to quarter basis, net interest income declined by 2% from 2Q07 due to lower yields. Mortgages, which now represent 23% of the bank’s total loans, grew by 7% during the quarter to IDR8.5 trillion and the bank retains a strong market share of about 10%. Cost to income ratio was 50.5%.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 3Q07 were:

a) CIMB Bank / SBB merger

- The CIMB Bank / SBB merger reached a final milestone on 31st August 2007 with the completion of the rebranding of all of the bank's 383 branches. A merger closing report was subsequently published on 28th September 2007.
- In terms of synergy, the Group has already achieved RM129.5 million in synergies for the first nine months between SBB and CIMB, 86% of year to date PBT target for September. 3Q07 synergy realisation of RM53.7 million is a marked increase from the 1H07 average of RM37.9 million per quarter.

b) CIMB-Niaga Synergy Programme

- The Group has started to also reap synergies from CIMB-Niaga. In 3Q07, RM12.91 million, 92% of 3Q07 target was achieved.
- Synergies arose from sales of credit cards, corporate banking and treasury initiatives.
- On 1st November in Jakarta, the Group launched "Star Choice", the first Rupiah denominated structured product.

c) Streamlining of businesses

- The Group finalised the strategic joint venture of the Group's Life and Takaful insurance businesses with Aviva acquiring a 49% stake. In addition, the entire General business was disposed to Allianz;
- CIMB Bank's branch in Tokyo will cease operations in December 2007. This cost saving exercise was enabled by the Group's strategic alliance with Bank of Tokyo-Mitsubishi;
- The Group announced the proposed sale of Southern Investment Bank Berhad, an 80% subsidiary of CIMB Bank Berhad and SBB Securities Sdn Bhd, a wholly owned subsidiary of CIMB Bank to HLG Credit Sdn Bhd on the 19th October 2007 and is pending approval from Bank Negara Malaysia

d) Mergers & acquisitions

- The Group's announced on the 16th October and 1st November 2007 its intentions to explore the potential acquisition of an equity stake in Affin Insurance Brokers and Protac Insurance Brokers respectively;
- On 13th September 2007, the Group announced its interest in acquiring a 19.3% stake in Thailand's ACL Bank Co. Ltd as part of its regionalisation strategy. The Group, however, later announced on 17th October that the bid was unsuccessful.

e) Capital management

- On 28th September 2007, the BCHB Group paid a special dividend of 25 sen per BCHB share.
- The Group is in the midst of negotiations for the sale of Menara Commerce, CIMB Bank's new office premises under construction. An announcement can be expected shortly.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

BCHB Group had an outstanding first half in the regional capital markets and the weaker core earnings in 3Q is in line with expectations of a slower 2H07. The third quarter will be the best in total earnings but the weakest in terms of core earnings due to difficult conditions in the regional and domestic capital markets.

The Group is optimistic about 4Q07 as strong capital market flows are seen again in Malaysia, Singapore and Indonesia. The Group also believes that the consumer sales momentum in 2Q and 3Q this year and higher performing loan base will translate to higher consumer bank contribution earnings.

In terms of KPIs, the full year ROE is now likely to exceed 20% compared to our target 18% for 2007.

B4. TAXATION

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	103,689	10,619	519,976	231,682
Deferred tax expense	36,067	41,051	16,730	31,153
	139,756	51,670	536,706	262,835
Reconciliation				
Profit before taxation	1,205,266	494,098	2,947,247	1,410,264
Tax at statutory income tax rate of 27% (2006: 28%)	325,422	138,347	795,757	394,874
Effect of different tax rates in other countries	(438)	1,305	(305)	2,961
Due to income not subject to income tax and expenses not deductible for tax purposes	(185,228)	(87,982)	(258,746)	(135,000)
	139,756	51,670	536,706	262,835

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 a gain of RM628,451,000 in the third quarter of 2007 from the disposal of 100% equity interest in Commerce Assurance Berhad and 49% equity interest in both Commerce Life Assurance and Commerce Takaful Berhad, and a gain of RM86,725,000 in the first quarter of 2007 from disposal of the asset management business, all of which are in the ordinary course of business.

B6. STATUS OF CORPORATE PROPOSALS

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

B7. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group	
	30 Sept 2007	31 Dec 2006
	RM'000	RM'000
Loans Stocks		
Unsecured		
More than one year (medium/long term)	91,830	41,610
	91,830	41,610
Bonds and notes*		
Unsecured		
More than one year (medium/long term)	316,651	784,527
	316,651	784,527
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD10,242,100.		
Other borrowings**		
Unsecured		
One year or less (short term)	941,186	3,864,537
More than one year (medium/long term)	3,723,467	3,150,724
	4,664,653	7,015,261
** Included in other borrowings for the current period is USD denominated syndicated term loans equivalent to USD 400,000,000		
Subordinated Notes***		
Unsecured		
More than one year (medium/long term)	2,690,427	2,767,254
	2,690,427	2,767,254
*** US Denominated Subordinated Notes of USD 500,000,000		
Irredeemable Convertible Unsecured Loans Stocks		
Unsecured		
More than one year (medium/long term)	4,141	32,982
	4,141	32,982
Redeemable Convertible Unsecured Loans Stocks		
Unsecured		
One year or less (short term)	11,482	-
More than one year (medium/long term)	-	14,199
	11,482	14,199

B8. MATERIAL LITIGATION

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

B9. COMPUTATION OF EARNINGS PER SHARE (EPS)**Basic 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

	The Group			
	3rd Quarter ended		Nine months ended	
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests (RM '000)	1,031,834	408,183	2,307,521	1,057,026
Weighted average number of ordinary shares in issue - proforma ('000)	3,369,482	3,154,828	3,316,097	3,149,349
Basic earnings per share (expressed in sen per share)	30.6	12.9	69.6	33.6

b) Diluted EPS

Net profit for the financial period after minority interests (RM '000)	1,031,834	408,183	2,307,521	1,057,026
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	87	4,820	257	14,301
Elimination of interest expense on Redeemable Convertible Unsecured Loan Stocks ("RCULS") (net of tax effect)	101	129	299	381
Net profit used to determine diluted EPS	1,032,022	413,132	2,308,077	1,071,708
Weighted average number of ordinary shares in issue ('000)	3,369,482	3,154,828	3,316,097	3,149,349
Adjustments for:				
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	4,287	80,782	4,287	80,782
- RCULS	1,604	415	1,604	415
- ESOS	8,578	14,985	8,318	14,412
Weighted average number of ordinary shares for diluted EPS	3,383,951	3,251,010	3,330,306	3,244,958
Diluted EPS	30.5	12.7	69.3	33.0

B10. VARIANCE ON PROFIT FORECAST AND SHORTFALL IN PROFIT GUARANTEE

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