

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	Note	The Group	
		30 June 2008 RM'000	31 Dec 2007 RM'000
ASSETS			
Cash and short-term funds		31,699,677	30,525,460
Securities purchased under resale agreements		2,674,487	4,371,313
Deposits and placements with banks and other financial institutions		6,055,955	6,485,564
Securities held for trading	A7	14,578,174	14,652,312
Available-for-sale securities	A8	9,551,400	10,259,560
Held-to-maturity securities	A9	4,583,370	3,529,444
Derivative financial instruments		3,710,094	1,783,013
Loans, advances and financing	A10	103,229,095	95,904,058
Other assets	A11	4,484,690	4,323,893
Deferred tax assets		530,802	482,835
Statutory deposits with central banks		2,658,243	3,048,612
Investment in associates and jointly controlled entities		331,963	274,576
Property, plant and equipment		1,428,558	1,298,580
Investment properties		99,212	97,421
Prepaid lease payments		48,362	53,740
Goodwill		4,482,568	4,474,119
Intangible assets		462,001	503,660
		190,608,651	182,068,160
Non-current assets held for sale		297,897	762,094
TOTAL ASSETS		190,906,548	182,830,254
LIABILITIES AND EQUITY			
Deposits from customers	A12	136,842,264	126,866,791
Deposits and placements of banks and other financial institutions	A13	10,853,415	12,884,467
Derivative financial instruments		2,833,690	1,658,434
Obligations on securities sold under repurchase agreements		598,873	605,780
Bills and acceptances payable		3,984,920	4,668,033
Other liabilities	A14	7,756,723	8,272,478
Deferred tax liabilities		9,297	23,523
Current tax liabilities		240,093	217,887
Amount due to Cagamas Berhad		1,475,605	2,004,707
Bonds	B6	22,810	304,693
Irredeemable convertible unsecured loan stocks	B6	-	9,282
Redeemable convertible unsecured loan stocks	B6	1,779	1,803
Other borrowings	B6	4,924,065	4,752,167
Non-cumulative guaranteed and redeemable preference shares		806,228	816,033
Subordinated Notes	B6	3,783,658	2,333,476
		174,133,420	165,419,554
Liabilities directly associated with non-current assets classified as held for sale		80,648	556,090
TOTAL LIABILITIES		174,214,068	165,975,644
Perpetual preference shares		200,000	200,000
Ordinary share capital		3,370,908	3,374,181
Reserves		12,679,483	12,477,470
Less: Shares held under trust		(83,382)	(107,166)
Less: Treasury shares		(368,143)	(34,434)
		15,598,866	15,710,051
Minority interests		893,614	944,559
TOTAL EQUITY		16,692,480	16,854,610
TOTAL LIABILITIES AND EQUITY		190,906,548	182,830,254
COMMITMENTS AND CONTINGENCIES	A20	327,416,485	267,168,733
Net assets per share attributable to ordinary equity holders of the Company (RM)		4.68	4.66

The Condensed Unaudited Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007.

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008

	Note	The Group			
		2nd quarter ended		Six months ended	
		30 June 2008	30 June 2007	30 June 2008	30 June 2007
		RM'000	RM'000	RM'000	RM'000
Interest income	A15	2,237,738	2,302,671	4,542,236	4,478,348
Interest expense	A16	(1,154,624)	(1,153,195)	(2,345,080)	(2,311,445)
Net interest income		1,083,114	1,149,476	2,197,156	2,166,903
Income from Islamic Banking operations	A24(b)	120,389	109,948	215,887	197,897
Non-interest income	A17	954,126	1,206,042	1,764,041	2,203,521
Overheads	A18	(1,035,043)	(1,164,406)	(2,098,643)	(2,151,417)
Profit before allowances		1,122,586	1,301,060	2,078,441	2,416,904
Allowance for losses on loans, advances and financing	A19	(175,412)	(367,488)	(364,398)	(653,070)
Allowance for other receivables		4,154	(2,879)	(6,412)	(11,357)
Allowance for commitments and contingencies		(1)	(151)	(58)	(159)
Allowance written back/(made) for impairment losses		(9,199)	(17,352)	(6,254)	(15,145)
Share of results of jointly controlled entity		942,128	913,190	1,701,319	1,737,173
Share of results of associates		1,209	200	1,999	1,910
Profit before taxation and zakat		3,486	3,002	(7,730)	2,898
Taxation and zakat	B4	946,823	916,392	1,695,588	1,741,981
Profit for the financial period		(259,902)	(220,072)	(442,619)	(396,950)
Attributable to :		686,921	696,320	1,252,969	1,345,031
Equity holders of the Company		650,146	660,340	1,185,479	1,275,687
Minority interests		36,775	35,980	67,490	69,344
Earnings per share (sen):		686,921	696,320	1,252,969	1,345,031
- Basic	B8(a)	19.3	19.3	35.3	38.8
- Fully diluted	B8(b)	19.3	19.2	35.3	38.6

The Condensed Unaudited Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007.

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008

Attributable to equity holders of the Company

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserves RM'000	Capital reserve RM'000	Exchange fluctuation reserves RM'000	Shares held under trust RM'000	Treasury shares RM'000	Revaluation reserve - available-for-sale securities RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Minority interests RM'000	Total RM'000
At 1 January 2008	3,374,181	5,174,172	2,238,738	108,122	(405,625)	(107,166)	(34,434)	640,024	45,908	4,676,131	15,710,051	200,000	944,559	16,854,610
Net gain/(loss) not recognised in the income statement:														
- currency translation difference	-	-	-	-	80,805	-	-	-	-	-	80,805	-	(79,807)	998
- revaluation reserve (available-for-sale securities)	-	-	-	-	-	-	-	(496,729)	-	-	(496,729)	-	(45,339)	(542,068)
- transfer from deferred tax assets	-	-	-	-	-	-	-	37,266	-	-	37,266	-	9,068	46,334
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	924	-	924	-	-	924
Income and expense recognised directly in equity	-	-	-	-	80,805	-	-	(459,463)	924	-	(377,734)	-	(116,078)	(493,812)
Profit for the financial year	-	-	-	-	-	-	-	-	-	1,185,479	1,185,479	-	67,490	1,252,969
Total recognised income and expense for the financial year	-	-	-	-	80,805	-	-	(459,463)	924	1,185,479	807,745	-	(48,588)	759,157
Dividend for the financial year ended 31 December 2007	-	-	-	-	-	-	-	-	-	(619,282)	(619,282)	-	(22,726)	(642,008)
Transfer to statutory reserve	-	-	277,281	-	-	-	-	-	-	(277,281)	-	-	-	-
Issue of share capital arising from:														
- conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS)	6	36	-	-	-	-	-	-	1	-	43	-	-	43
Option reserves arising from share option schemes of subsidiaries	-	-	-	-	-	-	-	-	28,659	-	28,659	-	-	28,659
Net reversal of shares held under trust	-	-	-	-	-	23,784	-	-	-	-	23,784	-	-	23,784
Arising from accretion/dilution of equity interests in subsidiary	-	-	-	16,009	-	-	-	-	-	-	16,009	-	20,369	36,378
Purchase of treasury shares	(3,279)	(34,434)	-	-	-	-	(368,143)	-	-	-	(368,143)	-	-	(368,143)
Cancellation of treasury shares	-	-	-	3,279	-	-	34,434	-	-	-	-	-	-	-
At 30 June 2008	3,370,908	5,139,774	2,516,019	127,410	(324,820)	(83,382)	(368,143)	180,561	75,492	4,965,047	15,598,866	200,000	893,614	16,692,480

Attributable to equity holders of the Company

The Group
30 June 2007

	Share capital RM'000	Share premium-ordinary shares RM'000	Statutory reserves RM'000	Capital reserve RM'000	Exchange fluctuation reserves RM'000	Shares held under trust RM'000	Revaluation reserve - available-for-sale securities RM'000	Other reserves RM'000	Retained earnings 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	1,909,044	113,855	(149,347)	(261,574)	145,593	4,747	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)	-	-	-	-	-	-	109,394	-	-	109,394	-	(3)	109,391
- transfer from deferred tax assets	-	-	-	-	-	-	(54,949)	-	-	(54,949)	-	-	(54,949)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	(329)	-	(329)	-	-	(329)
Income and expense recognised directly in equity	-	-	-	-	(48,728)	-	54,445	(329)	-	5,388	-	(20,545)	(15,157)
Profit for the financial year	-	-	-	-	-	-	-	-	1,275,687	1,275,687	-	69,344	1,345,031
Total recognised income and expense for the financial year	-	-	-	-	(48,728)	-	54,445	(329)	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 RCULS	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 reversal of shares held under trust	-	-	-	-	-	35,254	-	-	-	35,254	-	(35,254)	-
Arising from accretion/dilution of equity interest 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	2,030,808	113,855	(198,075)	(226,320)	200,038	7,598	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 2007

BUMIPUTRA-COMMERCE HOLDINGS BERHAD
(Company Number 50841-W)
CONDENSED UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2008

	The Group	
	30 June 2008 RM'000	30 June 2007 RM'000
Profit before taxation	1,695,588	1,741,981
Adjustments for non-operating and non-cash items	(801,631)	521,463
Operating profit before changes in working capital	893,957	2,263,444
Net changes in operating assets	(5,294,447)	(3,136,961)
Net changes in operating liabilities	6,414,487	7,881,206
	1,120,040	4,744,245
Cash flows generated from operations	2,013,997	7,007,689
Taxation paid	(411,169)	(27,210)
Net cash flows generated from operating activities	1,602,828	6,980,479
Net cash flows used in investing activities	(784,040)	(816,117)
Net cash flows generated from / (used in) financing activities	428,857	(335,925)
Net increase in cash and cash equivalents during the financial period	1,247,645	5,828,437
Effects of exchange rate changes	(73,428)	(191,639)
Cash and cash equivalents at beginning of the financial period	30,525,460	19,921,941
Cash and cash equivalents at end of the financial period	31,699,677	25,558,739

The Condensed Unaudited Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2007

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited interim financial statements for the second quarter ended 30 June 2008 have been prepared under the historical cost convention, and modified by the revaluation of available-for-sale securities, securities held for trading, all derivative contracts and investment properties.

The unaudited interim financial statements have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements. These financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2007.

The unaudited interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic Securities under the Shariah principles.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2007.

BNM has granted indulgence to the banking subsidiaries of the Company and other local banks in Malaysia from complying with the requirements on the impairment of loans under the revised 'Guideline on Financial Reporting for Licensed Institutions' ("BNM/GP8"). Under the revised BNM/GP8, the impaired loans have to be measured at their estimated recoverable amount. This requirement is principally similar to the requirements under FRS 139 - Financial Instruments: Recognition and Measurement. In view of the deferment of the implementation of FRS 139 in Malaysia, the banking subsidiaries of the Company 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/GP8 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.

The preparation of unaudited interim financial statements in conformity with the Financial Reporting Standards and Bank Negara Malaysia Guidelines requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Company's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

A2. CHANGES IN ESTIMATES

There were no financial estimates made in respect of the current financial year that had previously been announced or disclosed.

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the six-month period ended 30 June 2008:-

- a) On 3 January 2008, the Company cancelled 3,278,800 ordinary shares previously held as treasury shares.
- b) From 18 January 2008 to 5 June 2008, the Company issued 5,659 new ordinary shares pursuant to the conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS).
- c) From 22 January 2008 to 30 June 2008, the Company purchased 38,465,400 of its own shares from the open market at an average market price of RM9.57 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM368.1 million. The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.
- d) During the financial period, the issued and paid-up capital of Bank Niaga increased from 12,364,710,560 to 12,707,840,523 ordinary shares pursuant to the exercise of options granted under Bank Niaga's Employee Stock Option Programme and exercise of warrants;
- e) On 17 March 2008, CIMB Bank Berhad obtained approval from the Securities Commission of Malaysia for the proposed issuance of up to RM1.5 billion subordinated bonds. RM1.5 billion bonds were issued on 28 March 2008. The proceeds from the issue have been and will be used for its working capital purposes, including refinancing some of its debts obligations.
- f) On 22 May 2008, the Company fully redeemed the the balance of its Redeemable Unsecured Bonds.

A4. DIVIDENDS PAID AND PROPOSED DIVIDEND

A total dividend of RM619.3 million was paid on 30 May 2008 as a final dividend of 25 sen gross per ordinary share, less income tax for the financial year ended 31 December 2007. No interim dividend is proposed for the current period.

A5. STATUS OF CORPORATE PROPOSALS

a) **Proposed acquisition of equity interest in Affin Insurance Brokers Sdn Bhd ("AIB")**

On 5 October 2007, CIMB Group Sdn Bhd received approval from Bank Negara Malaysia ("BNM") to enter into discussions with AFFIN Holdings Berhad ("AHB") for the proposed acquisition of the entire equity interest in AIB, a wholly-owned subsidiary of AHB.

The proposed acquisition has been approved by the Foreign Investment Committee ("FIC") and is still subject to the approval of BNM.

b) **Proposed disposal by CIMB Bank of certain assets, liabilities and the asset/fund management business of Southern Investment Bank Berhad ("SIBB") to HLG Credit Sdn Bhd ("HLGC"), a 75% indirect subsidiary of Hong Leong Financial Group Berhad ("Proposed SIBB Disposal")**

The proposed SIBB Disposal has been approved by the Minister of Finance II on 20 May 2008 and is pending vesting of the certain assets and liabilities to HLGC.

c) **Proposed disposal by SBB Capital Markets Sdn Bhd ("SCMSB"), a wholly owned subsidiary of CIMB Bank, of its 100% equity interest in SBB Securities Sdn Bhd ("SSSB") to HLG Credit Sdn Bhd ("HLGC") ("Proposed SSSB Disposal")**

The Proposed SSSB Disposal has been approved by the Minister of Finance II on 20 May 2008 and is pending approval of other regulatory authorities.

d) **Proposed acquisition of equity interest in Protac Insurance Brokers Sdn Bhd ("PIB")**

On 26 October 2007, CIMB Group Sdn Bhd ("CIMBG") received approval from BNM to enter into discussions with Rubber Industry Smallholders' Development Authority ("RISDA") for the proposed acquisition of the entire equity interest in PIB, a wholly-owned subsidiary of RISDA. Negotiations for the Proposed PIB Acquisition have been deferred.

e) **Proposed sale and leaseback of Menara Bumiputra-Commerce**

On 3 December 2007, the Company and its subsidiary company, CIMB Bank Berhad, entered into a Sale and Purchase Agreement ("SPA") and Lease Agreement ("LA") with Pelaburan Hartanah Bumiputra Berhad ("PHBB") for the proposed sale and leaseback of Menara Bumiputra-Commerce.

Pursuant to the SPA and LA, the Company shall dispose Menara Bumiputra-Commerce to PHBB for a total cash consideration of RM460 million. CIMB Bank will then lease Menara Bumiputra-Commerce for an initial lease tenure of ten years with renewal options for two additional periods of five years each. The conditions precedent as stated in the SPA is pending completion.

f) **Proposed disposal of South Eash Asian Bank ("SEA Bank")**

On 4 December 2007, CIMB Bank Berhad agreed to dispose its 60% equity interest in SEA Bank to British American Investment Co (Maurities) Ltd. The proposed disposal has been completed on 1 April 2008.

g) **Signing of collaboration agreement ("CA") with Vietnam Shipbuilding Finance Company ("VFC")**

On 21 December 2007, CIMB Investment Bank Berhad entered into a CA with VFC to jointly set up a securities company in Vietnam. Pursuant to the CA, CIMB Investment Bank Berhad will provide the guidance and assistance on the set up of the securities company. Upon obtaining the Vietnam State Securities Commissions' license and the execution of a shareholders agreement, CIMB Investment Bank Berhad will take up 40% equity interest in the security company. The security company is expected to commence operation in mid 2008. This transaction is pending completion.

h) **CIMB Group's proposed acquisition of 19.99% equity stake in Bank of Yingkou, China**

On 17 March 2008, CIMBG entered into a Share Subscription Agreement with Bank of Yingkou for the subscription of 141.2 million new ordinary shares of RMB1.00 each, representing approximately 19.99% of the enlarged issued and paid up capital of Bank of Yingkou for a total cash subscription amount of RMB348.8 million (equivalent to approximately RM156.2 million). As an integral part of the proposed acquisition, on the same day, CIMBG also entered into an Investor's Rights Agreement and a Cooperation and Technical Assistance Agreement with Bank of Yingkou. On 20 May 2008, BNM approved this proposed acquisition. The transaction is pending approval of the relevant authority in China.

i) **Proposed merger between PT Bank Niaga TBK ("Bank Niaga"), an indirect subsidiary of Bumiputra-Commerce Holdings Berhad ("BCHB"), and PT Bank Lippo TBK ("Bank Lippo"), an indirect subsidiary of Khazanah Nasional Berhad ("Khazanah") ("Proposed Merger")**

On 2 June 2008, the Company announced a proposed merger between Bank Niaga, an indirect subsidiary of BCHB and Bank Lippo, an indirect subsidiary of Khazanah, pursuant to Bank Indonesia Regulation on Single Presence in Indonesia Banks. Under the proposed merger, Bank Lippo shall be merged into Bank Niaga and the shareholders of Bank Lippo shall become the shareholders of Bank Niaga by the operation of law. As an integral part of the proposed merger, BCHB and CIMBG have entered into a Share Sale and Purchase Agreement ("SSPA") with Khazanah and its wholly owned subsidiary, Santubong Investments B.V. ("Santubong"), for the proposed acquisition of 1,997,023,850 Class B ordinary shares with par value of IDR100 each in Bank Lippo representing 51% of the total issued shares of Bank Lippo by CIMBG from Santubong for a total purchase consideration of approximately IDR5,929,164 million (equivalent to approximately RM2,070.96 million). The purchase consideration will be satisfied by BCHB for and on behalf of CIMBG through the issuance of 207,096,186 new BCHB shares to Khazanah at an issue price of RM10.00 per BCHB share. Upon completion of the 51% Lippo acquisition, Bank Niaga and Bank Lippo will be merged pursuant to which the shareholders of Bank Lippo will each receive approximately 2,822 new ordinary shares in Bank Niaga to be issued in exchange for every 1,000 Bank Lippo shares held based on the valuations of Bank Lippo shares of IDR2,969 each and Bank Niaga shares of IDR1,052 each. CIMB Group will continue to retain its investment in the enlarged Bank Niaga after the proposed merger.

On 14 July 2008, the Securities Commission approved the proposed issuance of the new BCHB shares in relation to the proposed merger. On 17 July 2008, BNM approved the proposed merger. The proposed merger has also been approved by the shareholders of Bank Niaga and Bank Lippo and is pending approval of Bank Indonesia.

j) **Proposed acquisition by CIMBG of approximately 42.13% of the total issued share capital of BankThai Public Company Limited ("BankThai") from the Financial Institutions Development Fund ("FIDF") ("Proposed Acquisition")**

On 20 June 2008, CIMBG entered into a Share Purchase Agreement ("SPA") with Financial Institutions Development Fund ("FIDF") to purchase or shall procure CIMB Bank Berhad to purchase 2,811,862,559 fully paid ordinary shares of Baht 3.75 par value each in the share capital of BankThai, representing approximately 42.13% of the total issued shares in Bank Thai, from FIDF for a total cash consideration of approximately Baht 5,904.9 million (equivalent to approximately RM577.4 million) or a cash consideration of Baht 2.10 per BankThai share. The proposed acquisition has been approved by BNM and is pending approval of the relevant Thai regulatory authorities.

A6. SIGNIFICANT EVENT AFTER BALANCE SHEET DATE

On 13 August 2008, CIMB Bank Berhad entered into a conditional sale and purchase agreement to sell RM1.1 billion worth of non-performing loans ("NPLs") to Sinesinga Sdn Bhd, a special purpose vehicle created by Standard Merchant Bank (Asia) Limited, which is part of the Standard Bank Group of South Africa. CIMB Bank Berhad is expected to realise a RM106 million gain from the sale of the NPLs.

The sale is subject to approvals from the Minister of Finance and Bank Negara Malaysia, and is expected to be completed by the end of the year.

A7. SECURITIES HELD FOR TRADING

	The Group	
	30 June 2008	31 Dec 2007
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	102,184	416,150
Cagamas bonds	225,743	279,354
Khazanah bonds	83,528	96,918
Malaysian Government treasury bills	9,972	119,294
Bank Negara Malaysia bills	1,206,665	97,736
Bank Negara negotiable notes	124,424	409,900
Negotiable instruments of deposit	1,810,670	1,149,588
Banker's acceptances	1,066,482	800,764
Credit-linked notes	340,085	353,247
Other Government's securities	-	630,359
Commercial papers	120	45,099
Government investment issue	86,236	56,075
	5,056,109	4,454,484
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Warrants	10	35
Shares	190,595	751,856
Loan stocks	1,974	5,838
<i><u>Outside Malaysia:</u></i>		
Shares	83,855	78,492
Private and Islamic debt securities	154,845	3,614
Other Government bonds	176,744	211,696
	608,023	1,051,531
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	6,222,317	6,844,516
Shares	5,000	-
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	2,686,725	2,301,781
	8,914,042	9,146,297
Total securities held-for-trading	14,578,174	14,652,312

A8. AVAILABLE-FOR-SALE SECURITIES

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Debt securities		
Money market instruments:		
Unquoted		
Malaysian Government securities	166,152	177,504
Cagamas Notes	206,318	397,330
Khazanah bonds	114,915	379,044
Malaysian Government treasury bills	9,977	163,093
Other Government treasury bills	-	50,003
Bank Negara Malaysia bills	5,001	23,322
Government investment issues	39,692	35,224
Commercial papers	64,444	34,630
Bank Negara Malaysia negotiable notes	-	130,393
	606,499	1,390,543
Quoted securities:		
<u>In Malaysia:</u>		
Shares	610,618	939,102
Unit trusts	698,041	713,391
<u>Outside Malaysia:</u>		
Shares	1,630	2,223
Private and Islamic debt securities	17,647	19,711
Other Government bonds	940,623	777,962
Mutual funds	342	-
	2,268,901	2,452,389
Unquoted securities:		
<u>In Malaysia:</u>		
Private and Islamic debt securities	6,287,035	5,949,471
Shares	481,200	556,010
Loan stocks	30,715	18,183
Property funds	112	113
Investment-linked funds	1,564	9,404
Credit-linked notes	6,535	25,108
<u>Outside Malaysia:</u>		
Shares	32,216	74,135
Mutual funds	8,137	17,013
Private equity and unit trust funds	118,869	149,825
Private and Islamic debt securities	81,663	29,866
Loan stocks	1,191	1,194
	7,049,237	6,830,322
	9,924,637	10,673,254
Allowance for impairment loss:		
Private debt securities	(359,812)	(367,672)
Quoted shares	-	(1,801)
Quoted bonds	(176)	(197)
Unquoted shares	(13,192)	(43,969)
Mutual funds	(57)	(55)
	(373,237)	(413,694)
Total available-for-sale securities	9,551,400	10,259,560

A9. HELD-TO-MATURITY SECURITIES

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	149,969	-
Cagamas bonds	294,817	290,000
Bank Negara negotiable notes	-	98,057
Quoted securities		
Outside Malaysia		
Bonds	21,432	21,443
Islamic bonds	20,182	21,821
Medium term notes - Islamic	8,853	3,520
Unquoted securities		
In Malaysia		
Shares	270	270
Private debt securities	2,599,774	1,737,931
Loan stocks	32,478	32,478
Danaharta Urus Sdn Bhd Bonds	1,151,932	1,151,932
Outside Malaysia		
Private debt securities	100,000	-
	4,379,707	3,357,452
Accretion of discount net of amortisation of premium	229,091	197,423
Less : Allowance for impairment losses	(25,428)	(25,431)
Total held-to-maturity securities	4,583,370	3,529,444

A10. LOANS, ADVANCES AND FINANCING

(i) By type

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Overdrafts	6,962,514	6,496,728
Term loans		
- Housing loans/financing	25,489,170	22,303,104
- Syndicated term loans	7,342,466	7,983,834
- Hire purchase receivables	13,919,178	14,332,824
- Lease receivables	160,054	177,235
- Factoring receivables	52,029	62,019
- Other term loans/financing	31,423,019	27,659,176
Bills receivable	214,519	257,743
Trust receipts	830,841	963,531
Claims on customer under acceptance credits	6,146,136	6,147,874
Staff loans *	659,679	631,118
Credit card receivables	2,963,929	2,581,883
Revolving credits	15,056,003	13,974,866
Share margin financing	983,710	1,090,957
Other loans	10,551	9,752
	112,213,798	104,672,644
Less: Unearned interest	(3,400,236)	(3,116,760)
	108,813,562	101,555,884
Less: Islamic financing sold to Cagamas	(338,264)	(575,918)
Gross loans, advances and financing	108,475,298	100,979,966
Less: Specific allowance	(3,577,725)	(3,551,988)
	104,897,573	97,427,978
Less: General allowance	(1,668,478)	(1,523,920)
Total net loans, advances and financing	103,229,095	95,904,058

* Included in staff loans of the Group are loans to Directors amounting to RM 304,697 (2007: RM 597,464).

A10. LOANS, ADVANCES AND FINANCING (continued)

(ii) By type of customers

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Domestic banking financial institutions	152,951	160,452
Domestic non-bank financial institutions		
- stockbroking companies	195,436	996
- others	1,510,398	1,582,798
Domestic business enterprises		
- small medium enterprises	18,175,246	18,072,733
- others	25,555,275	25,068,778
Government and statutory bodies	72,644	69,614
Individuals	51,250,490	47,240,371
Other domestic entities	4,722,017	4,244,178
Foreign entities	7,179,105	5,115,964
	108,813,562	101,555,884
Less: Islamic financing sold to Cagamas	(338,264)	(575,918)
Gross loans, advances and financing	108,475,298	100,979,966

(iii) By interest/profit rate sensitivity

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Fixed rate		
- Housing loans	5,441,815	3,860,958
- Hire-purchase receivables	11,683,267	11,995,596
- Other fixed rate loans	18,966,035	17,578,063
Variable rate		
- BLR plus	54,402,690	54,932,102
- Cost plus	13,843,881	11,817,063
- Other variable rates	4,475,874	1,372,102
	108,813,562	101,555,884
Less: Islamic financing sold to Cagamas	(338,264)	(575,918)
Gross loans, advances and financing	108,475,298	100,979,966

(iv) By economic purpose

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Personal use	3,018,355	2,731,380
Credit card	2,963,929	2,581,883
Purchase of consumer durables	21,234	21,761
Construction	3,298,429	3,245,654
Residential property (Housing)	25,544,958	22,473,992
Non-residential property	6,861,628	6,067,633
Purchase of fixed assets other than land & building	2,658,327	2,741,448
Mergers and acquisitions	1,803,130	604,907
Purchase of securities	10,034,422	9,075,045
Purchase of transport vehicles	12,996,307	13,009,119
Working capital	33,369,701	35,428,323
Other purpose	6,243,142	3,574,739
	108,813,562	101,555,884
Less: Islamic financing sold to Cagamas	(338,264)	(575,918)
Gross loans, advances and financing	108,475,298	100,979,966

A10. LOANS, ADVANCES AND FINANCING (continued)

(v) Non-performing loan by economic purpose

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Personal use	265,149	269,954
Credit card	71,810	70,119
Purchase of consumer durables	933	1,005
Construction	405,819	446,458
Residential property (Housing)	1,684,697	1,837,358
Non-residential property	514,368	558,248
Purchase of fixed assets other than land & building	86,172	130,813
Purchase of securities	82,303	119,446
Purchase of transport vehicles	535,770	603,421
Working capital	3,301,221	3,184,867
Other purpose	117,733	103,059
	7,065,975	7,324,748

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

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Balance as at 1 January	7,324,748	8,483,214
NPLs during the period / year	1,865,594	4,393,349
Performing during the period / year	(1,208,161)	(2,813,118)
Recoveries	(565,563)	(1,489,787)
Amount written off	(352,064)	(1,178,783)
Reclassified to non-current assets held for sale	-	(9,101)
Loans/financing converted to securities	-	(1,849)
Exchange fluctuation	1,421	(59,177)
Balance as at 30 June / 31 December	7,065,975	7,324,748
Specific allowance	(3,577,725)	(3,551,988)
Net non-performing loans, advances and financing	3,488,250	3,772,760

Classification of non-performing loans, advances and financing

Sub-standard	1,084,561	1,273,964
Doubtful	496,059	512,878
Bad	5,485,355	5,537,906
Balance as at 30 June / 31 December	7,065,975	7,324,748

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

3.31%	3.85%
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A10. LOANS, ADVANCES AND FINANCING (continued)

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

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
<u>Specific allowance</u>		
Balance as at 1 January	3,551,988	3,399,836
Allowance made during the period / year	748,072	2,145,797
Amount recovered	(402,735)	(816,349)
Amount written off	(342,295)	(1,162,210)
Amount transferred in respect of loan converted to securities	-	(1,849)
Reclassified to non-current assets held for sale	-	(1,090)
Allowance made and charged to deferred assets	-	5,062
Allowance for loans in relation to jointly controlled entity	2,767	(9,132)
Exchange fluctuation	19,928	(8,077)
Balance as at 30 June / 31 December	<u>3,577,725</u>	<u>3,551,988</u>
<u>General allowance</u>		
Balance as at 1 January	1,523,920	1,479,277
Net allowance made during the period / year	158,293	91,471
Allowance for loans in relation to jointly controlled entity	-	(658)
Reclassified to non-current assets held for sale	-	(465)
Exchange fluctuation	(13,735)	(45,705)
Balance as at 30 June / 31 December	<u>1,668,478</u>	<u>1,523,920</u>
As % of gross loans, advances and financing (including Islamic financing sold to Cagamas) less specific allowance	<u>1.59%</u>	<u>1.55%</u>

A11. OTHER ASSETS

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Interest receivable	430,835	398,665
Due from brokers and clients net of allowance for doubtful debts	1,945,021	2,020,387
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,686,168	1,484,328
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	1,586	1,774
Deferred assets	223,506	226,311
Foreclosed properties net of allowance for impairment losses	84,332	69,941
Tax recoverable	113,242	122,487
	<u>4,484,690</u>	<u>4,323,893</u>

A12. DEPOSITS FROM CUSTOMERS

	The Group	
	30 June 2008	31 Dec 2007
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	26,791,695	25,774,351
Savings deposits	11,253,002	10,465,848
Fixed deposits	73,188,489	65,403,991
Negotiable instruments of deposit	6,755,103	6,829,767
Others	18,853,975	18,392,834
	136,842,264	126,866,791
<u>By type of customer</u>		
Government and statutory bodies	11,900,642	11,169,600
Business enterprises	66,170,608	65,381,723
Individuals	37,803,970	35,528,579
Others	20,967,044	14,786,889
	136,842,264	126,866,791
<u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	73,343,410	66,172,997
More than one year (medium/long term)	6,600,182	6,060,761
	79,943,592	72,233,758

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 June 2008	31 Dec 2007
	RM'000	RM'000
Licensed banks	6,984,348	8,375,660
Licensed finance companies	17,675	18,235
Licensed investment banks	744,168	1,332,565
Bank Negara Malaysia	2,043,981	1,952,360
Other financial institutions	1,063,243	1,205,647
	10,853,415	12,884,467

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

A14. OTHER LIABILITIES

	The Group	
	30 June 2008	31 Dec 2007
	RM'000	RM'000
Interest payable	576,912	615,909
Due to brokers and clients	1,956,199	2,208,599
Amount due to special purpose vehicle of jointly controlled entity	446,837	483,046
Expenditure payable	586,529	657,741
Short-term borrowings	183,818	75,266
Provision for legal claims	249,375	267,230
Sundry creditors	609,243	186,811
Insurance fund - life and takaful insurance business	1,993,788	1,971,650
Provision for commitments and contingencies	4,166	4,035
Post employment benefit obligations	81,259	71,290
Others	1,068,597	1,730,901
	7,756,723	8,272,478

A15. INTEREST INCOME

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	1,638,836	1,589,385	3,272,551	3,230,764
- Recoveries from NPLs	96,798	119,988	203,537	204,609
Money at call and deposit placements with financial institutions	231,363	262,256	495,287	466,021
Securities purchased under resale agreement	36,415	25,697	78,950	53,191
Securities held for trading	148,453	140,078	309,128	264,714
Available-for-sale securities	89,622	88,048	172,033	185,771
Held-to-maturity securities	32,489	9,012	61,550	16,805
Others	8,134	21,717	27,805	40,502
	2,282,110	2,256,181	4,620,841	4,462,377
Accretion of discounts less amortisation of premiums	1,575	106,288	23,436	122,769
Net interest suspended	(45,947)	(59,798)	(102,041)	(106,798)
	2,237,738	2,302,671	4,542,236	4,478,348

A16. INTEREST EXPENSE

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	90,153	116,111	210,204	227,766
Deposits from other customers	875,044	749,345	1,757,223	1,511,203
Obligation on securities sold under repurchase agreements	1,159	49,441	4,570	97,827
Bonds	3,114	5,782	8,476	13,186
Loan stocks/ICULS	530	4,898	983	5,226
Subordinated Notes	61,371	53,615	104,128	102,461
Loans sold to Cagamas	15,938	30,565	33,955	64,297
Negotiable certificates of deposits	53,682	45,523	112,793	100,850
Other borrowings	42,818	73,428	77,342	143,401
Others	10,815	24,487	35,406	45,228
	1,154,624	1,153,195	2,345,080	2,311,445

A17. NON-INTEREST INCOME

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Commissions	56,824	67,687	115,494	134,981
Fee on loans, advances and financing	129,897	92,572	211,949	162,217
Portfolio management fees	11,654	124	15,962	427
Service charges and fees	53,983	52,638	104,223	105,726
Corporate advisory fees	71,278	18,912	97,577	41,791
Guarantee fees	16,505	15,484	26,500	30,540
Other fee income	72,726	85,121	128,663	131,539
Placement fees	7,510	10,000	12,765	10,610
Underwriting commission	1,436	66,717	7,894	90,848
AI-Wakalah fee	12,436	9,891	16,469	18,884
	434,249	419,146	737,496	727,563
(b) Gross dividend income from :				
<u>In Malaysia</u>				
- Securities held for trading	13,578	27,715	21,309	39,074
- Available-for-sale securities	7,107	1,992	11,078	3,405
- Held-to-maturity securities	8	-	8	-
<u>Outside Malaysia</u>				
- Securities held for trading	675	580	876	1,093
	21,368	30,287	33,271	43,572
(c) Net (loss)/gain arising from securities held for trading	(263,882)	289,057	(313,551)	589,269
- realised	120,199	346,604	99,572	529,352
- unrealised	(384,081)	(57,547)	(413,123)	59,917
(d) Net gain/(loss) arising from derivative financial instruments	519,401	130,524	787,271	(12,096)
- realised	19,632	(349,276)	241,636	239,835
- unrealised	499,769	479,800	545,635	(251,931)
(e) Net gain from sale of available-for-sale securities	79,909	85,819	205,795	132,796
(f) Net (loss)/gain from maturity of held-to-maturity securities	4,028	-	4,012	566
(g) Income from assets management and securities services	43,153	40,413	84,662	64,062
(h) Brokerage income	69,481	102,143	153,353	193,581
(i) Other non-interest income / (loss)				
Foreign exchange gain / (loss)	(636)	41,258	(40,993)	234,994
Gain on disposal of interest in subsidiary	17,716	(40)	17,716	86,725
Rental income	5,875	5,413	8,744	11,908
Gain on disposal of property, plant and equipment	1,738	527	2,767	1,132
Net gain from insurance business	-	17,998	-	30,477
Underwriting surplus before management expenses	-	9,403	-	33,520
Other non-operating income	21,726	34,094	83,498	65,452
	46,419	108,653	71,732	464,208
Total other operating income	954,126	1,206,042	1,764,041	2,203,521

A18. OVERHEADS

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	386,945	473,879	814,326	903,725
- Pension cost	39,097	42,626	52,399	88,028
- Others	73,255	61,828	159,689	117,668
	499,297	578,333	1,026,414	1,109,421
Establishment costs				
- Depreciation of property, plant and equipment	48,886	43,632	98,540	101,064
- Amortisation of prepaid lease payments	382	1,005	764	1,936
- Rental	38,588	33,867	74,938	73,744
- Insurance	3,823	1,547	7,824	4,275
- Others	130,808	121,025	242,919	236,574
	222,487	201,076	424,985	417,593
Marketing expenses				
- Sales commission	12,719	8,886	20,496	17,727
- Advertisement	34,202	33,350	71,322	49,825
- Others	21,663	19,251	33,594	28,678
	68,584	61,487	125,412	96,230
Administration and general expenses				
- Amortisation of intangible assets	27,641	31,670	53,630	41,989
- Impairment of intangible assets	-	(4,909)	-	(4,807)
- Legal and professional fees	28,329	29,995	52,528	56,548
- Communication	21,458	16,134	36,792	39,494
- Others	167,247	250,620	378,882	394,949
	244,675	323,510	521,832	528,173
	1,035,043	1,164,406	2,098,643	2,151,417

A19. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Specific allowance				
- made during the period	358,514	624,923	748,072	1,092,180
- written back	(226,554)	(214,226)	(410,810)	(369,665)
General allowance				
- made during the period	110,823	25,426	158,293	49,145
Bad debts on loans and financing :				
- recovered	(67,854)	(68,739)	(131,769)	(118,778)
- written off	483	104	612	188
	175,412	367,488	364,398	653,070

In respect of loans, advances and financing in CIMB Bank Group which are in default for more than 7 years, no value is assigned as the realisable value of collateral. For the loans, advances and financing in CIMB Bank Group which are in default for more than 5 but up to 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 Group for these categories of non-performing loans is RM102,589,290 (2007: RM157,418,928).

A20. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group enter into various commitments and incur 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:

<u>Group</u>	30 June 2008			31 Dec 2007		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	4,507,750	4,478,351	2,152,077	3,615,378	3,615,378	1,907,552
Certain transaction-related contingent items	4,652,786	2,553,986	1,898,572	4,944,127	2,669,273	2,019,119
Short-term self-liquidating trade-related contingencies	4,026,739	805,348	543,182	3,217,282	643,455	383,464
Islamic financing sold directly and indirectly to Cagamas with recourse	338,264	338,264	338,264	575,918	575,918	575,918
Obligations under underwriting agreement	65,000	32,500	32,500	199,798	99,899	58,260
Irrevocable commitments to extend credit						
- maturity not exceeding one year	40,092,601	-	-	38,526,957	-	-
- maturity exceeding one year	9,108,848	4,554,424	3,933,746	10,058,716	5,029,268	4,396,959
Forward assets purchases	728,028	12,172	12,041	5,000	24	12
Miscellaneous commitments and contingencies	5,326,486	605,058	590,896	3,378,135	6,925	2,189
	68,846,502	13,380,103	9,501,278	64,521,311	12,640,140	9,343,473
Foreign exchange related contracts :						
- less than one year	60,871,345	1,032,116	276,144	22,243,611	623,464	150,696
- one year to less than five years	2,637,724	1,128,350	280,141	6,350,160	695,291	179,014
- five years and above	1,904,785	748,881	288,888	3,209,939	562,478	242,587
	65,413,854	2,909,347	845,173	31,803,710	1,881,233	572,297
Interest rate related contracts :						
- less than one year	113,528,861	207,811	41,571	94,113,253	136,220	27,227
- one year to less than five years	67,486,471	3,250,458	646,242	63,527,170	2,355,955	479,986
- five years and above	8,809,781	1,162,660	250,476	7,742,413	1,208,505	260,744
	189,825,113	4,620,929	938,289	165,382,836	3,700,680	767,957
Equity related contracts :						
- less than one year	3,331,016	-	-	5,416,844	-	-
- one year to less than five years	-	-	-	44,032	-	-
	3,331,016	-	-	5,460,876	-	-
	327,416,485	20,910,379	11,284,740	267,168,733	18,222,053	10,683,727

* The credit equivalent amount for Malaysian financial institutions is arrived at using the credit conversion factor as per Bank Negara Malaysia circulars, while that for PT Bank Niaga is computed based on Bank Indonesia requirements.

A21. INTEREST/PROFIT RATE RISK

As at 30 June 2008	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	28,043,306	326,489	-	-	-	3,329,882	-	31,699,677	3.52
Securities purchased under resale agreements	2,536,307	138,180	-	-	-	-	-	2,674,487	3.43
Deposits and placements with banks and other financial institutions	1,668,381	2,939,456	1,292,869	119,045	5,824	30,380	-	6,055,955	3.52
Securities held for trading	-	-	-	-	-	5,744	14,572,430	14,578,174	5.18
Available-for-sale securities	72,820	117,428	554,148	2,878,531	3,044,547	2,883,926	-	9,551,400	5.27
Held-to-maturity securities	-	-	18,802	1,458,944	2,920,853	184,771	-	4,583,370	4.80
Derivative financial instruments	859,301	-	-	-	-	82,245	2,768,548	3,710,094	
Loans, advances and financing									
- performing	32,000,331	19,203,199	5,753,007	11,543,030	32,570,249	4,132	-	101,073,948	6.67
- non-performing	-	-	-	-	-	2,155,147	-	2,155,147	
Other assets	98,378	1,912	6,032	507	-	4,377,861	-	4,484,690	10.00
Deferred tax assets	-	-	-	-	-	530,802	-	530,802	
Statutory deposits with central banks	-	-	-	-	-	2,658,243	-	2,658,243	
Investment in associates and jointly controlled entities	-	-	-	-	-	331,963	-	331,963	
Property, plant and equipment	-	-	-	-	-	1,428,558	-	1,428,558	
Investment properties	-	-	-	-	-	99,212	-	99,212	
Prepaid lease payments	-	-	-	-	-	48,362	-	48,362	
Goodwill	-	-	-	-	-	4,482,568	-	4,482,568	
Intangible assets	-	-	-	-	-	462,001	-	462,001	
Non-current assets held for sale	-	-	-	-	-	297,897	-	297,897	
Total assets	65,278,824	22,726,664	7,624,858	16,000,057	38,541,473	23,393,694	17,340,978	190,906,548	
Liabilities									
Deposits from customers	71,883,609	14,635,610	21,251,225	7,291,431	33,953	21,746,436	-	136,842,264	3.33
Deposits and placements of banks and other financial institutions	4,381,280	4,229,669	706,722	1,159,237	364,957	11,550	-	10,853,415	3.55
Derivative financial instruments	336,420	-	-	-	-	78,833	2,418,437	2,833,690	
Obligations on securities sold under repurchase agreements	598,873	-	-	-	-	-	-	598,873	
Bills and acceptances payable	1,020,763	1,588,920	477,162	-	-	898,075	-	3,984,920	3.69
Other liabilities	40	38	-	-	-	7,756,645	-	7,756,723	
Deferred tax liabilities	-	-	-	-	-	9,297	-	9,297	
Current tax liabilities	-	-	-	-	-	240,093	-	240,093	
Amount due to Cagamas Berhad	138,643	-	635,036	701,926	-	-	-	1,475,605	4.52
Bonds	-	-	-	22,810	-	-	-	22,810	
ICULS - detachable coupons	-	-	-	-	-	-	-	-	
RCULS	-	1,779	-	-	-	-	-	1,779	4.80
Other borrowings	417,869	634,254	1,144,219	2,727,723	-	-	-	4,924,065	4.30
Redeemable preference shares	-	-	-	135,000	671,228	-	-	806,228	
Subordinated Notes	9	-	965,179	1,126,790	1,691,680	-	-	3,783,658	4.90
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	-	80,648	-	80,648	
Total liabilities	78,777,506	21,090,270	25,179,543	13,164,917	2,761,818	30,821,577	2,418,437	174,214,068	
Total interest rate sensitivity gap	(13,498,682)	1,636,394	(17,554,685)	2,835,140	35,779,655		14,922,541		

A21. INTEREST/PROFIT RATE RISK (continued)

As at 31 December 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	27,185,106	-	-	-	-	3,340,354	-	30,525,460	2.74
Securities purchased under resale agreements	2,325,188	2,046,125	-	-	-	-	-	4,371,313	3.51
Deposits and placements with banks and other financial institutions	2,030,692	3,503,500	911,118	40,254	-	-	-	6,485,564	3.50
Securities held for trading	-	-	-	-	-	5,745	14,646,567	14,652,312	5.07
Available-for-sale securities	60,373	318,328	944,908	3,306,056	2,411,954	3,217,941	-	10,259,560	4.95
Held-to-maturity securities	484	59,834	107,268	669,920	2,498,833	193,105	-	3,529,444	4.90
Derivative financial instruments	385,599	-	-	-	-	88,368	1,309,046	1,783,013	
Loans, advances and financing									
- performing	45,928,779	13,944,433	5,576,878	11,325,653	16,723,755	8,274	-	93,507,772	6.58
- non-performing	-	-	-	-	-	2,396,286	-	2,396,286	
Other assets	698,107	-	289,424	-	-	3,336,362	-	4,323,893	10.00
Deferred tax assets	-	-	-	-	-	482,835	-	482,835	
Statutory deposits with central banks	-	-	-	-	-	3,048,612	-	3,048,612	
Investment in associates and jointly controlled entities	-	-	-	-	-	274,576	-	274,576	
Property, plant and equipment	-	-	-	-	-	1,298,580	-	1,298,580	
Investment properties	-	-	-	-	-	97,421	-	97,421	
Prepaid lease payments	-	-	-	-	-	53,740	-	53,740	
Goodwill	-	-	-	-	-	4,474,119	-	4,474,119	
Intangible assets	-	-	-	-	-	503,660	-	503,660	
Non-current assets held for sale	-	-	-	-	-	762,094	-	762,094	
Total assets	78,614,328	19,872,220	7,829,596	15,341,883	21,634,542	23,582,072	15,955,613	182,830,254	
Liabilities									
Deposits from customers	65,650,368	18,938,497	19,080,862	3,223,644	2,298,499	17,674,921	-	126,866,791	2.99
Deposits and placements of banks and other financial institutions	6,595,054	4,380,009	1,528,499	5,000	268,994	106,911	-	12,884,467	3.20
Derivative financial instruments	311,113	-	-	-	-	27,510	1,319,811	1,658,434	
Obligations on securities sold under repurchase agreements	605,780	-	-	-	-	-	-	605,780	3.45
Bills and acceptances payable	1,372,665	1,661,621	685,505	-	-	948,242	-	4,668,033	3.67
Other liabilities	-	-	-	-	-	8,272,478	-	8,272,478	
Deferred tax liabilities	-	-	-	-	-	23,523	-	23,523	
Current tax liabilities	-	-	-	-	-	217,887	-	217,887	
Amount due to Cagamas Berhad	94,830	43,554	524,935	1,341,388	-	-	-	2,004,707	4.39
Bonds	-	-	250,000	22,921	-	31,772	-	304,693	8.35
ICULS - detachable coupons	-	-	-	9,282	-	-	-	9,282	7.50
RCULS	-	-	-	1,803	-	-	-	1,803	4.80
Other borrowings	703,114	331,157	1,970,760	1,747,075	-	61	-	4,752,167	4.49
Redeemable preference shares	-	-	-	135,000	681,033	-	-	816,033	
Subordinated Notes	-	-	-	1,309,211	1,024,265	-	-	2,333,476	
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	-	556,090	-	556,090	
Total liabilities	75,332,924	25,354,838	24,040,561	7,795,324	4,272,791	27,859,395	1,319,811	165,975,644	
Total interest rate sensitivity gap	3,281,404	(5,482,618)	(16,210,965)	7,546,559	17,361,751		14,635,802		

A22. CAPITAL ADEQUACY

30 June 2008

The capital adequacy ratios are as follows:

	CIMB Bank RM '000	CIMB Inv Bank RM '000	CIMB Islamic RM '000	BKNiaga* RM '000
Tier I capital	9,932,437	678,504	552,433	1,784,227
Eligible Tier II capital	5,605,959	904	49,170	463,496
	15,538,396	679,408	601,603	2,247,723
Less:				
Investment in subsidiaries and holding of other banking institutions' capital	(800,176)	(19,420)	-	(48,251)
Capital base	14,738,220	659,988	601,603	2,199,472
<i>Before deducting proposed dividends</i>				
Core capital ratio	9.73%	47.35%	13.69%	11.31%
Risk-weighted capital ratio	14.44%	47.35%	14.90%	13.94%
<i>After deducting proposed dividends</i>				
Core capital ratio	9.62%	41.97%	13.69%	11.31%
Risk-weighted capital ratio	14.33%	41.97%	14.90%	13.94%

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

Tier I capital				
Paid-up capital	2,974,009	219,242	550,000	404,905
Non-cumulative guaranteed preference shares	1,500,000	-	-	-
Innovative Tier I capital	653,300	-	-	-
Share premium	4,157,074	33,489	-	775,242
Other reserves	4,915,430	432,780	158,723	604,080
Less :				
Deferred tax (assets)/liabilities	(383,012)	(7,007)	(20,290)	-
Intangible assets	(325,289)	-	-	-
Goodwill	(3,559,075)	-	(136,000)	-
Total Tier I capital	9,932,437	678,504	552,433	1,784,227
Tier II capital				
ICULS issued	667,000	-	-	-
Cumulative preference shares	29,740	10	-	-
Subordinated notes issued	3,459,900	-	-	-
Subordinated loans	-	-	-	295,173
General allowance for bad and doubtful debts and financing	1,449,319	894	49,170	116,192
Others	-	-	-	52,131
Total Eligible Tier II capital	5,605,959	904	49,170	463,496
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(747,469)	(19,420)	-	(48,251)
Investment in joint venture	(52,707)	-	-	-
Total Capital Base	14,738,220	659,988	601,603	2,199,472
Less :				
Proposed 2008 interim dividend	(110,000)	(75,000)	-	-
Proposed 2007 final dividend	-	-	-	-
Total Capital Base (net of proposed dividend)	14,628,220	584,988	601,603	2,199,472

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
0%	23,367,286	908,100	8,326,487	4,334,722
10%	35,301	-	-	85,254
20%	24,356,758	1,554,158	2,139,866	795,687
50%	21,817,740	41,426	408,915	5,448,572
100%	78,352,942	857,070	3,143,508	12,334,365
	94,136,694	1,188,614	3,775,939	15,226,314
Counterparty risk requirement	-	100	-	-
Total risk-weighted assets equivalent for credit risk	94,136,694	1,188,714	3,775,939	15,226,314
Total risk-weighted assets equivalent for market risk	7,753,258	205,052	260,625	553,872
Total risk-weighted assets equivalent for LERR	189,594	-	-	-
Total risk-weighted assets	102,079,546	1,393,766	4,036,564	15,780,186

* Computation is based on Bank Indonesia requirements

A22. CAPITAL ADEQUACY (continued)

31 December 2007

The capital adequacy ratios are as follows:

	CIMB Bank RM '000	CIMB Inv Bank RM '000	CIMB Islamic RM '000	BKNiaga* RM '000
Tier I capital	9,356,966	748,040	520,952	1,552,760
Eligible Tier II capital	3,977,779	6,019	44,987	552,641
	13,334,745	754,059	565,939	2,105,401
Less:				
Investment in subsidiaries and holding of other banking institutions' capital	(861,187)	(19,420)	-	(42,814)
Capital base	12,473,558	734,639	565,939	2,062,587

Before deducting proposed dividends

Core capital ratio	9.34%	30.09%	15.11%	11.23%
Risk-weighted capital ratio	12.45%	30.09%	16.41%	14.92%

After deducting proposed dividends

Core capital ratio	9.64%	23.95%	15.11%	11.23%
Risk-weighted capital ratio	12.15%	23.95%	16.41%	14.92%

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

Tier I capital

Paid-up capital	2,974,009	219,242	550,000	400,067
Non-cumulative guaranteed preference shares	1,500,000	-	-	-
Innovative Tier I capital	661,400	-	-	-
Share premium	4,157,074	33,489	-	735,009
Other reserves	4,342,222	494,971	123,803	417,684
Less :				
Deferred tax (assets)/liabilities	(370,523)	338	(16,851)	-
Intangible assets	(348,141)	-	-	-
Goodwill	(3,559,075)	-	(136,000)	-
Total Tier I capital	9,356,966	748,040	520,952	1,552,760

Tier II capital

ICULS issued	667,000	-	-	-
Subordinated notes issued	1,984,200	-	-	-
Subordinated loans	-	-	-	337,160
General allowance for bad and doubtful debts and financing	1,326,579	6,019	44,987	163,659
Others	-	-	-	51,822
Total Eligible Tier II capital	3,977,779	6,019	44,987	552,641
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(809,623)	(19,420)	-	(42,814)
Investment in joint venture	(51,564)	-	-	-
Total Capital Base	12,473,558	734,639	565,939	2,062,587
Less:				
Proposed 2007 final dividend	(300,000)	(150,000)	-	-
Total Capital Base (net of proposed dividend)	12,173,558	584,639	565,939	2,062,587

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
0%	25,076,564	80,732	5,007,908	4,797,113
10%	187,815	-	-	40,637
20%	25,856,246	1,811,600	772,512	504,095
50%	18,869,263	42,518	313,297	4,672,353
100%	74,035,079	1,725,236	3,010,881	10,960,186
	88,659,741	2,108,815	3,322,032	13,401,245
Counterparty risk requirement	-	5,404	-	-
Total risk-weighted assets equivalent for credit risk	88,659,741	2,114,219	3,322,032	13,401,245
Total risk-weighted assets equivalent for market risk	11,505,792	327,066	126,357	422,501
Total risk-weighted assets	100,165,533	2,441,285	3,448,389	13,823,746

* Computation is based on Bank Indonesia requirements

A23. SEGMENTAL REPORT

For management purposes, the Group is organised into six 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 CIMB Express.

Retail Banking focuses on introducing innovative products and services to individual customers. It offers products such as credit facilities (residential mortgages, personal loans, share financing and hire purchase financing), private client services, remittance services and deposit acceptance.

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 customers and credit card business while CIMB Express caters to lower income customers offering product such as microcredit loan.

Corporate and Investment Banking comprise Corporate Client Solutions, Corporate Finance, Corporate Banking, International Banking & Transactional Services, Equity Capital Markets, Retail and Institutional Equities, Equity Derivatives, and Equity Investment and Trading.

Corporate Client Solutions and Corporate Finance offers financial advisory services to corporations, advising issuance of debt, 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 Ringgit lending services for domestic and multinational corporations as well as institutional and public sector clients. International Banking and Transactional Services oversees the activities of the Group's overseas branches in London, Singapore and Hong Kong and provides conventional and customised financial packages in order to meet customers' needs, with products including non-Ringgit corporate lending, nominee services and cash management services.

Equity Capital Markets provides services including 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 Group 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. Retail and Institutional Equities provide stock broking services to retail and corporate clients.

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

Asset Management & Insurance comprises wholesale fund management, unit trust, private equity and venture capital activities. It includes the Group's general, life and takaful activities. 49% of the life and takaful business was disposed on 2 July 2007 while the entire general insurance business was disposed on 28 August 2007.

Foreign Banking Operation comprises of Bank Niaga, which is involved in the provision in the commercial banking and related services.

Support and others comprise all middle and 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.

A23. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate & Investment Banking RM'000	Treasury and Investment RM'000	Asset Management & Insurance RM'000	Foreign Banking Operation RM'000	Support & others RM'000	Total RM'000
30 June 2008							
Net interest income							
-external income	1,378,893	566,707	(57,742)	1,301	372,426	(64,429)	2,197,156
-inter-segment	(83,947)	(207,691)	291,638	-	-	-	-
	1,294,946	359,016	233,896	1,301	372,426	(64,429)	2,197,156
Income from Islamic Banking operation:	81,969	19,669	83,845	-	22,882	7,522	215,887
Non-interest income	317,721	574,438	533,392	120,301	178,765	39,424	1,764,041
Net Income	1,694,636	953,123	851,133	121,602	574,073	(17,483)	4,177,084
Overheads	(725,585)	(258,552)	(145,702)	(85,210)	(304,024)	(579,570)	(2,098,643)
Profit before allowances	969,051	694,571	705,431	36,392	270,049	(597,053)	2,078,441
Allowance for losses on loans, advances and financing	(204,584)	(102,882)	9,371	-	(60,966)	(5,337)	(364,398)
Allowance for other receivables	-	2,175	-	-	(9,000)	413	(6,412)
Provision for commitment & contingencies	-	-	-	-	(58)	-	(58)
Allowance written back/(made) for impairment losses	-	(639)	(4,919)	-	(738)	42	(6,254)
Segment result	764,467	593,225	709,883	36,392	199,287	(601,935)	1,701,319
Share of results of jointly controlled entities	1,999	-	-	-	-	-	1,999
Share of results of associates	-	-	(12,572)	177	3,814	851	(7,730)
Profit/(loss) before taxation and zakat	766,466	593,225	697,311	36,569	203,101	(601,084)	1,695,588
Taxation and zakat							(442,619)
Profit after taxation before minority interests							1,252,969

A23. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate & Investment Banking RM'000	Treasury and Investment RM'000	Asset Management & 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	19,115	402,093	(93,244)	2,166,903
-inter-segment income	(89,700)	(145,800)	235,500	-	-	-	-
	1,186,265	292,497	360,177	19,115	402,093	(93,244)	2,166,903
Income from Islamic Banking operation:	68,924	42,319	74,455	-	12,008	191	197,897
Non-interest income	301,659	789,826	642,422	227,625	207,393	34,596	2,203,521
Net Income	1,556,848	1,124,642	1,077,054	246,740	621,494	(58,457)	4,568,321
Overheads	(547,465)	(308,957)	(102,194)	(126,527)	(282,898)	(783,376)	(2,151,417)
Profit before allowances	1,009,383	815,685	974,860	120,213	338,596	(841,833)	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 commitments & contingencies	-	-	-	-	(159)	-	(159)
Allowance written back/(made) for impairment losses	-	1,040	(2,382)	36	(13,839)	-	(15,145)
Segment results	551,091	725,503	972,263	120,249	213,495	(845,428)	1,737,173
Share of results of jointly controlled entity	1,910	-	-	-	-	-	1,910
Share of results of associates	-	-	808	1,269	-	821	2,898
Profit/(loss) before taxation and zakat	553,001	725,503	973,071	121,518	213,495	(844,607)	1,741,981
Taxation and zakat							(396,950)
Profit after taxation before minority interests							1,345,031

A24. OPERATIONS OF ISLAMIC BANKING**A24a. Unaudited Balance Sheet as at 30 June 2008**

	Note	The Group	
		31 March 2008 RM'000	31 Dec 2007 RM'000
Assets			
Cash and short-term funds		9,959,597	4,950,868
Deposits and placements with banks and other financial institutions		1,746,669	1,154,953
Securities held for trading		1,031,247	668,874
Available-for-sale securities		584,786	654,874
Held-to-maturity securities		123,111	120,236
Derivative financial instruments		422,116	156,048
Financing, advances and other loans	A24c(i)	3,155,374	2,503,191
Deferred tax assets		20,290	16,851
Amount due from related companies		2,972	6,883
Amount due from holding company		-	607
Statutory deposits with Bank Negara Malaysia		136,274	101,144
Property, plant and equipment		6,370	7,125
Other assets		151,684	106,900
Goodwill		136,000	136,000
Intangible assets		8,121	9,556
TOTAL ASSETS		17,484,611	10,594,110
Liabilities and Islamic banking capital funds			
Deposits from customers	A24(d)	14,511,749	8,412,986
Deposits and placements of banks and other financial institutions		1,396,660	755,120
Derivative financial instruments		73,063	4,906
Bills and acceptances payable		11,889	968
Amount due to holding company		307,996	201,869
Amount due to related companies		7,019	141,354
Amount due to subsidiary		2,019	-
Provision for taxation and zakat		37,055	31,269
Other liabilities		206,158	160,308
TOTAL LIABILITIES		16,553,608	9,708,780
Equity			
Islamic banking funds		135,661	98,695
Ordinary share capital		550,000	550,000
Perpetual preference shares		70,000	70,000
Reserves		176,875	134,639
		932,536	853,334
Minority interests		(1,533)	31,996
Total Equity		931,003	885,330
TOTAL EQUITY AND LIABILITIES		17,484,611	10,594,110

A24b. Unaudited Income Statements for the period ended 30 June 2008

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds and others	168,160	88,910	309,031	144,097
Income derived from investment of shareholders' funds	61,463	93,479	108,906	180,439
Allowances for losses on financing, advances and other loans	(10,713)	1,576	(26,132)	(18,709)
Transfer to/(from) profit equalisation reserve	-	(16,441)	2,200	(19,341)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	-	1	(1)	1
Total attributable income	218,910	167,525	394,004	286,487
Income attributable to the depositors	(109,234)	(56,001)	(204,249)	(107,299)
Total net income	109,676	111,524	189,755	179,188
Other operating expenses	(37,335)	(27,206)	(75,593)	(40,742)
Profit before taxation and zakat	72,341	84,318	114,162	138,446
Taxation and zakat	(16,464)	(19,314)	(22,856)	(34,936)
Profit after taxation and zakat	55,877	65,004	91,306	103,510
Attributable to :				
Equity holders of the Bank	56,079	65,004	91,726	103,510
Minority interest	(202)	-	(420)	-
	55,877	65,004	91,306	103,510
Income from Islamic operations (per page 2)				
Total net income	109,676	111,524	189,755	179,188
Add: Allowances for losses on financing, advances and other loans	10,713	(1,576)	26,132	18,709
	120,389	109,948	215,887	197,897

A24c. Financing, advances and other loans**i) By type**

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Cash line	159,916	125,348
Term financing	4,367,380	3,591,949
Bills receivable	-	32
Trust receipts	11,635	5,552
Claims on customers under acceptance credits	110,586	89,803
Staff financing	41	44
Revolving credits	256,933	275,769
Other financing	74	-
	<u>4,906,565</u>	<u>4,088,497</u>
Less: Unearned income	(1,263,175)	(860,691)
	<u>3,643,390</u>	<u>3,227,806</u>
Less: Financing sold to Cagamas	(338,264)	(575,918)
	<u>3,305,126</u>	<u>2,651,888</u>
Less: Specific allowance	(91,863)	(97,379)
	<u>3,213,263</u>	<u>2,554,509</u>
Less: General allowance	(57,889)	(51,318)
Total net financing, advances and other loans	<u><u>3,155,374</u></u>	<u><u>2,503,191</u></u>

ii) Non-performing financing

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

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Specific allowance		
At 1 January	97,379	92,402
Allowance made	45,492	81,845
Amount recovered	(22,891)	(19,128)
Amount written off	(28,117)	(57,502)
Exchange fluctuation	-	(238)
Balance at 30 June / 31 December	<u>91,863</u>	<u>97,379</u>
General allowance		
At 1 January	51,318	44,190
Allowance made	6,616	7,541
Exchange fluctuation	(45)	(413)
Balance at 30 June / 31 December	<u>57,889</u>	<u>51,318</u>
As % of total financing (including Islamic financing sold to Cagamas) less specific allowances	<u>1.63%</u>	<u>1.64%</u>

A24d. Deposits from customers**By type of deposits**

	The Group	
	30 June 2008 RM'000	31 Dec 2007 RM'000
Non-Mudharabah		
Demand deposits	979,071	327,328
Saving deposits	359,222	143,182
Fixed return investment account	1,807,220	1,845,360
Negotiable instruments of deposit	191,914	201,826
Commodity investment deposit	982,377	-
Floating rate deposit	1,185,030	620
	<u>5,504,834</u>	<u>2,518,316</u>
Mudharabah		
Demand deposits	372,253	147,542
Saving deposits	240,979	193,768
General investment deposits	910,783	813,270
Negotiable instruments of deposit	737,547	-
Special investment deposit	5,877,936	3,869,386
Specific investment deposit	867,417	870,704
	<u>9,006,915</u>	<u>5,894,670</u>
	<u><u>14,511,749</u></u>	<u><u>8,412,986</u></u>

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") today reported a net profit of RM650 million for the second quarter 2008 ("2Q'08") and RM1.185 billion for the first half 2008 ("1H'08"). This represents a 21% quarter on quarter ("Q on Q") increase from RM535 million earned in the first quarter 2008 ("1Q'08") but a 7% year on year ("Y on Y") decline from the RM1.276 billion recorded on the first half 2007 ("1H'07") which was a buoyant period for the regional capital markets. ROE for 2Q'08 and 1H'08 were 16.5% and 15.1% respectively. The key highlight of the results is the surge in earnings of the Group's Malaysian consumer bank due to its business transformation efforts over the past two years.

The Group is pleased with the first half financial performance especially seeing consumer banking earnings coming through to mitigate the impact of weak capital markets. Overall, the Group's 1H'08 results are in line with management expectations at the beginning of the year. However, the Group has moderated the outlook for the second half 2008 ("2H'08") and now expects the full year ROE to be about 16%, below the KPI target of 18%.

BCHB Group Q on Q Results

For 2Q'08, revenue and profit before tax ("PBT") were up on quarter by 7% and 26% respectively to RM2.158 billion and RM947 million. Net earnings per share of 19.3 sen was up 21% from 1Q'08.

The Group's Malaysian consumer banking business PBT was up 85% to RM308 million from RM168 million in 1Q'08 due to a 7% increase in revenue and a sharp 39% decline in loan loss provisions on quarter. PBT of Corporate and Investment Banking and Treasury and Investments were up 12% and 6% respectively while Bank Niaga's PBT was up 7%.

BCHB Group Y o Y Results

For 1H'08 revenues and PBT were lower than 1H'07 by 8.6% and 2.7% respectively. Net earnings per share of 35.3 sen was 9.0% lower. PBT of the Malaysian consumer bank was an estimated 135% higher than 1H'07, contributing 28% of total PBT, compared to 12% for 1H'07. Investment banking and Treasury contribution was 25% and 33% compared to 27% and 42% in 1H'07. Bank Niaga's contribution was unchanged at 12% of the Group's PBT for the first half.

The Group's total loans grew by 16.3% (excl write-offs) over the last 12 months. Malaysian consumer and corporate loans grew by 11.9% and 19.7% respectively. Mortgages, credit cards and the Group's micro credit lending grew by 27.1%, 41.9% and 93.5% respectively over the year. Business loans and hire purchase loans contracted by 1.8% and 6.5% respectively in line with the Group's ongoing efforts to restructure its loan portfolios in these segments. Bank Niaga's loans grew by 35.9% in IDR terms (25.0% in RM terms). Total Group deposits grew 20.9% with domestic retail deposits growing 21.9% from a year ago.

The Group's loan loss provisions fell by 44% whilst overhead expenses declined by 2% year on year. Specific provisions declined by an impressive 66% while general provisions rose by 222% in line with the higher loan book. The Group continued to show improvements in asset quality indicators with a lower net NPL ratio of 3.3% from 5.2% as at 30th June 2007. Loan loss coverage also improved to 74.2% as at 30th June 2008, up from 61% a year ago. The Group's cost to income ratio for 1H'08 was 50% compared to 47% in 1H'07.

With the issuance of the RM1.5 billion CIMB Bank sub debt on 28th March 2008, the risk weighted capital adequacy ratio for CIMB Bank rose to 14.4% as at 30th June 2008 compared to 12.5% at the end of 2007. BCHB's double leverage and gearing stood at 118.6% and 33.8% respectively as at 30th June 2008, well within the company's targetted ratios. Shareholders' funds declined from RM15.7 billion as at 31st December 2007 to RM15.6 billion as a result of its 2007 dividend payment, share buy backs and decline in the "assets for sale" (AFS) book.

In terms of market shares the 1H'08 highlight was the improved position of CIMB-GK in Singapore where it was no.1 in corporate advisory and in Indonesia where it ranked 4th in stockbroking, primary bonds and mergers and acquisitions ("M&A"). In Malaysia, CIMB Investment Bank remained no. 1 in M&A, primary bonds and stockbroking and no.2 in initial public offerings. CIMB Bank's share of preferred products such as mortgages, credit cards and retail deposits has improved while its share of hire purchase and business loans has declined marginally.

CIMB Niaga Results

Bank CIMB Niaga reported a net profit of IDR221 billion and IDR428 billion for 2Q'08 and 1H'08 respectively. Net ROE was 17.70% and 17.35% for 2Q'08 and 1H'08 respectively. Net profits were up 7% over the quarter and 5% over the year.

Loans growth was 35.9% on year and 8.7% on quarter, driven by corporate and business banking. Mortgages grew by 29% on year and 8% on quarter. Niaga continued to maintain its position as the second largest mortgage lender in Indonesia with a 9.3% market share.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 2Q08 were:

a) Streamlining of business

- On 1st April 2008, CIMB Bank completed the sale of its 60% stake in South East Asian Bank Limited to British American Investment Co. (Mauritius) Ltd. for a total cash consideration of approximately Mauritius Rupees 339 million (RM40 million).

b) Mergers and Acquisitions

- On 20th May 2008, Bank Negara Malaysia approved the acquisition by CIMB Bank of approximately 19.99% equity stake in Bank of Yingkou Co. Ltd. for RM168.5 million. This proposal is now only subject to CBRC approval.
- On 2nd June, 2008, BCHB announced the signing of the agreement for the merger between PT Bank Niaga and PT Bank Lippo. Approvals for the merger have been obtained from Bapepam, Bank Negara Malaysia, Securities Commission, Bursa Securities and shareholders of Bank Niaga, Bank Lippo and BCHB. This proposal is now only subject to Bank Indonesia and Ministry of Law approvals and the Group is optimistic that its target “legal day 1” of 1st October 2008 will be met.

At the closing date of the standby offer on 28th July 2008, the total acceptances were approximately 93.2%. The potential new cash investment in the merged bank is approximately IDR5.45 trillion or RM1.911 billion and BCHB's stake would increase to 78%.

- On 20th June 2008, CIMB Group entered into a Share Purchase Agreement (“SPA”) to purchase approximately 42.13% of BankThai for a total cash consideration of approximately Baht5,904.9 million (or RM577.4 million) and a Tender Offer for the remaining shares in BankThai which assuming the maximum take-up amounts to Baht8,112.0 million (or RM793.2 million). Approval was granted by BNM on 5th August 2008 for the acquisition and this proposal is now only subject to the Minister of Finance of Thailand's approval.

c) Capital management

- BCHB has bought back 43.522 million BCHB shares at an average price of RM 9.34 for year to date to 8th August 2008.
- On 13th August 2008, BCHB announced the signing of an SPA between CIMB Bank Berhad, CIMB Bank (L) Limited and Sinesinga Sdn Bhd (SPV ultimately owned by the Standard Bank Group of South Africa) for the sale of 202 non performing loans (corporate and commercial) worth RM1.109 billion. The estimated gain from the sale is RM106 million. The transaction is pending MOF/BNM approval.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

2H'08 is expected to be very challenging for the regional banking industry as higher prices and slower economic growth will impact consumers and margins of business customers. The current low volume and volatile Malaysian and regional debt and equity markets are likely to persist for most of 2H'08.

In view of the operating environment, the Group expects ROE for 2008 to be about 16%, lower than the target of 18%. For 2H'08, the Group expects its Malaysian consumer bank to sustain its new level of earnings contribution while treasury and investment banking will seek to offset weaker capital markets by turning to more traditional sources of earnings such as corporate banking, mergers and acquisitions and foreign exchange. The Group will also focus on building our regional franchise, integrating CIMB-Niaga and BankThai into the Group and maximizing synergies.

B4. TAXATION

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	242,934	230,918	423,606	416,287
Deferred tax expense	16,968	(10,846)	19,013	(19,337)
	<u>259,902</u>	<u>220,072</u>	<u>442,619</u>	<u>396,950</u>
Reconciliation				
Profit before taxation	946,822	916,392	1,695,588	1,741,981
Tax at statutory income tax rate of 26% (2007: 27%)	246,174	247,426	440,853	470,335
Effect of different tax rates in other countries and change in tax rates	9,450	1,816	8,842	476
Due to income not subject to income tax and expenses not deductible for tax purposes	4,278	(29,170)	(7,076)	(73,861)
	<u>259,902</u>	<u>220,072</u>	<u>442,619</u>	<u>396,950</u>

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. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group	
	30 June 2008	31 Dec 2007
	RM'000	RM'000
Bonds and notes*		
Unsecured		
One year or less (short term)	-	250,000
More than one year (medium/long term)	22,810	54,693
	<u>22,810</u>	<u>304,693</u>
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD6,982,907.		
Irredeemable Convertible Unsecured Loans Stocks		
Unsecured		
One year or less (short term)	-	9,282
	<u>-</u>	<u>9,282</u>
Redeemable Convertible Unsecured Loans Stocks		
Unsecured		
One year or less (short term)	1,779	1,803
	<u>1,779</u>	<u>1,803</u>
Other borrowings**		
Unsecured		
One year or less (short term)	1,869,692	938,211
More than one year (medium/long term)	3,054,373	3,813,956
	<u>4,924,065</u>	<u>4,752,167</u>
** Included in other borrowings for the current period is USD denominated syndicated term loans of USD 400,000,000		
Subordinated Notes***		
Unsecured		
More than one year (medium/long term)	3,783,658	2,333,476
	<u>3,783,658</u>	<u>2,333,476</u>

*** Includes US denominated Subordinated Notes of USD 700,000,000

B7. MATERIAL LITIGATION

At the date of this report, there are no pending material litigation not in the ordinary course of business which would have materially affected the Group's financial position.

B8. COMPUTATION OF EARNINGS PER SHARE (EPS)**Basic EPS**

The Group's 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			
	2nd quarter ended		Six months ended	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests	650,146	660,340	1,185,479	1,275,687
Weighted average number of ordinary shares in issue - proforma ('000)	3,361,205	3,421,005	3,355,658	3,288,962
Basic earnings per share (expressed in sen per share)	19.3	19.3	35.3	38.8

b) Diluted EPS

Net profit for the financial period after minority interests	650,146	660,340	1,185,479	1,275,687
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	79	93	159	186
Elimination of interest expense on Redeemable Convertible Unsecured Loan Stocks ("RCULS") (net of tax effect)	13	101	25	200
Income from ESOS proceeds assumed placed on money market instruments (net of tax effect)	-	303	-	602
Net profit used to determine diluted EPS	650,238	660,836	1,185,663	1,276,675
Weighted average number of ordinary shares in issue ('000)	3,361,205	3,421,005	3,355,658	3,288,962
Adjustments for:				
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	4,317	4,661	4,317	4,661
- RCULS	205	1,617	205	1,617
- ESOS	-	9,642	-	9,218
Weighted average number of ordinary shares for diluted EPS	3,365,728	3,436,926	3,360,181	3,304,458
Diluted EPS	19.3	19.2	35.3	38.6