

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

	Note	The Group	
		30 Sept 2008 RM'000	31 Dec 2007 RM'000
ASSETS			
Cash and short-term funds		33,011,284	30,525,460
Securities purchased under resale agreements		2,038,011	4,371,313
Deposits and placements with banks and other financial institutions		2,411,196	6,485,564
Securities held for trading	A7	17,387,063	14,652,312
Available-for-sale securities	A8	10,856,504	10,259,560
Held-to-maturity securities	A9	5,398,484	3,529,444
Derivative financial instruments	A20 (i)	3,157,582	1,783,013
Loans, advances and financing	A10	106,572,085	95,904,058
Other assets	A11	4,742,354	4,323,893
Deferred tax assets		408,849	482,835
Statutory deposits with central banks		2,435,518	3,048,612
Investment in associates and jointly controlled entities		277,440	274,576
Property, plant and equipment		1,432,651	1,298,580
Investment properties		101,606	97,421
Prepaid lease payments		51,807	53,740
Goodwill		4,483,950	4,474,119
Intangible assets		476,497	503,660
		195,242,881	182,068,160
Non-current assets held for sale		231,939	762,094
TOTAL ASSETS		195,474,820	182,830,254
LIABILITIES AND EQUITY			
Deposits from customers	A12	141,953,822	126,866,791
Deposits and placements of banks and other financial institutions	A13	10,971,723	12,884,467
Derivative financial instruments	A20 (i)	2,618,253	1,658,434
Obligations on securities sold under repurchase agreements		406,897	605,780
Bills and acceptances payable		4,254,194	4,668,033
Other liabilities	A14	7,561,201	8,272,478
Deferred tax liabilities		9,900	23,523
Current tax liabilities		100,931	217,887
Amount due to Cagamas Berhad		1,228,586	2,004,707
Bonds	B6	24,030	304,693
Irredeemable convertible unsecured loan stocks	B6	-	9,282
Redeemable convertible unsecured loan stocks	B6	-	1,803
Other borrowings	B6	4,430,968	4,752,167
Non-cumulative guaranteed and redeemable preference shares		855,580	816,033
Subordinated Notes	B6	3,935,189	2,333,476
		178,351,274	165,419,554
Liabilities directly associated with non-current assets classified as held for sale		83,860	556,090
TOTAL LIABILITIES		178,435,134	165,975,644
Perpetual preference shares		200,000	200,000
Ordinary share capital		3,370,981	3,374,181
Reserves		13,047,371	12,477,470
Less: Shares held under trust		(74,863)	(107,166)
Less: Treasury shares		(448,063)	(34,434)
		15,895,426	15,710,051
Minority interests		944,260	944,559
TOTAL EQUITY		17,039,686	16,854,610
TOTAL LIABILITIES AND EQUITY		195,474,820	182,830,254
COMMITMENTS AND CONTINGENCIES	A20 (ii)	333,321,534	267,168,733
Net assets per share attributable to ordinary equity holders of the Company (RM)		4.78	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 SEPTEMBER 2008

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
		RM'000	RM'000	RM'000	RM'000
Interest income	A15	2,386,129	2,242,152	6,956,499	6,727,972
Interest expense	A16	(1,237,634)	(1,150,296)	(3,582,714)	(3,461,741)
Net interest income		1,148,495	1,091,856	3,373,785	3,266,231
Income from Islamic Banking operations	A24(b)	93,234	52,373	309,121	250,270
Non-interest income (excluding gain on disposal of interest in subsidiaries)	A17	441,488	685,482	2,159,679	2,794,806
Gain on disposal of interest in subsidiaries		-	628,451	17,716	715,176
Overheads	A18	1,683,217	2,458,162	5,860,301	7,026,483
		(929,662)	(965,331)	(3,028,305)	(3,116,748)
Profit before allowances		753,555	1,492,831	2,831,996	3,909,735
Allowance for losses on loans, advances and financing	A19	(167,582)	(358,189)	(531,980)	(1,011,259)
Allowance for other receivables		(13,524)	663	(19,936)	(10,694)
Allowance for commitments and contingencies		10	2	(48)	(157)
Allowance written back/(made) for impairment losses		(2,826)	61,381	(9,080)	46,236
Share of results of jointly controlled entity		569,633	1,196,688	2,270,952	2,933,861
Share of results of associates		638	988	2,637	2,898
		1,664	7,592	(6,066)	10,490
Profit before taxation and zakat		571,935	1,205,268	2,267,523	2,947,249
Taxation and zakat	B4	(109,287)	(139,756)	(551,906)	(536,706)
Profit for the financial period		462,648	1,065,512	1,715,617	2,410,543
Attributable to :					
Equity holders of the Company		447,961	1,031,835	1,633,440	2,307,522
Minority interests		14,687	33,677	82,177	103,021
		462,648	1,065,512	1,715,617	2,410,543
Earnings per share (sen):					
- Basic	B8(a)	13.5	30.6	48.8	69.6
- Fully diluted	B8(b)	13.5	30.5	48.8	69.3

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 SEPTEMBER 2008

Attributable to equity holders of the Company

The Group
30 September 2008

	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	-	-	-	-	123,498	-	-	(4,390)	101,577	-	220,685	-	(64,720)	155,965
- revaluation reserve (available-for-sale securities)	-	-	-	-	-	-	-	(536,529)	-	-	(536,529)	-	(44,616)	(581,145)
- transfer from deferred tax assets	-	-	-	-	-	-	-	17,426	-	-	17,426	-	8,923	26,349
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(140,121)	-	(140,121)	-	-	(140,121)
Income and expense recognised directly in equity	-	-	-	-	123,498	-	-	(523,493)	(38,544)	-	(438,539)	-	(100,413)	(538,952)
Profit for the financial period	-	-	-	-	-	-	-	-	-	1,633,440	1,633,440	-	82,177	1,715,617
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)	79	496	-	-	-	-	-	-	(44)	-	531	-	-	531
Option reserves arising from share option schemes of subsidiaries	-	-	-	-	-	-	-	-	(16,363)	-	(16,363)	-	-	(16,363)
Net reversal of shares held under trust	-	-	-	-	-	32,303	-	-	-	-	32,303	-	-	32,303
Arising from accretion/dilution of equity interests in subsidiary	-	-	-	41,348	-	-	-	-	-	-	41,348	-	40,663	82,011
Purchase of treasury shares	-	-	-	-	-	-	(448,063)	-	-	-	(448,063)	-	-	(448,063)
Cancellation of treasury shares	(3,279)	(34,434)	-	3,279	-	-	34,434	-	-	-	-	-	-	-
At 30 September 2008	3,370,981	5,140,234	2,516,019	152,749	(282,127)	(74,863)	(448,063)	116,531	(9,043)	5,413,008	15,895,426	200,000	944,260	17,039,686

Attributable to equity holders of the Company

The Group

30 September 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	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 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	-	-	-	-	(99,812)	-	-	(1,458)	-	-	(101,270)	-	(29,486)	(130,756)
- revaluation reserve (available-for-sale securities)	-	-	-	-	-	-	-	(10,316)	-	-	(10,316)	-	12,432	2,116
- transfer from deferred tax assets	-	-	-	-	-	-	-	27	-	-	27	-	(2,565)	(2,538)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	1,179	-	1,179	-	-	1,179
Income and expense recognised directly in equity	-	-	-	-	(99,812)	-	-	(11,747)	1,179	-	(110,380)	-	(19,619)	(129,999)
Profit for the financial period	-	-	-	-	-	-	-	-	-	2,307,522	2,307,522	-	103,021	2,410,543
Dividend for the financial year ended 31 December 2006	-	-	-	-	-	-	-	-	-	(368,168)	(368,168)	-	(21,008)	(389,176)
Special dividends for the financial year ended 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 RCULS	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	-	-	-	-	-	-	-	-	8,673	-	8,673	-	-	8,673
Net reversal of shares held under trust	-	-	-	-	-	48,911	-	-	-	-	48,911	-	(48,911)	-
Arising from accretion/dilution of equity interests in subsidiary	-	-	-	23,254	-	-	-	-	-	-	23,254	-	390,847	414,101
Purchase of treasury shares	-	-	-	-	-	-	(20,489)	-	-	-	(20,489)	-	-	(20,489)
Capital repayment of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(2,200)	(2,200)
At 30 September 2007	3,372,310	5,179,910	2,030,808	137,109	(249,159)	(212,663)	(20,489)	133,846	14,550	4,398,309	14,784,531	200,000	961,417	15,945,948

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 30 SEPTEMBER 2008

	The Group	
	30 Sept 2008	30 Sept 2007
	RM'000	RM'000
Profit before taxation	2,267,523	2,947,249
Adjustments for non-operating and non-cash items	476,443	(386,372)
	<hr/>	<hr/>
Operating profit before changes in working capital	2,743,966	2,560,877
Net changes in operating assets	(8,045,271)	(11,348,480)
Net changes in operating liabilities	11,074,110	15,962,556
	3,028,839	4,614,076
	<hr/>	<hr/>
Cash flows generated from operations	5,772,805	7,174,953
Taxation paid	(546,375)	(233,725)
	<hr/>	<hr/>
Net cash flows generated from operating activities	5,226,430	6,941,228
Net cash flows used in investing activities	(2,751,813)	(2,113,003)
Net cash flows generated from / (used in) financing activities	(183,887)	(2,306,969)
	<hr/>	<hr/>
Net increase in cash and cash equivalents during the financial period	2,290,730	2,521,256
Effects of exchange rate changes	195,094	(139,100)
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	<hr/> 33,011,284 <hr/>	<hr/> 22,304,097 <hr/>

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 third quarter ended 30 September 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 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 explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

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.

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 Shariah principles.

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 'Guidelines 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. For the quarter under review, the banking subsidiaries of the Company have not reclassified any of its securities in held for trading category to the available-for-sale or held-to-maturity categories, which is permitted by BNM for the period from 1 July 2008 until 31 December 2009 pursuant to its Revised Guidelines on Financial Reporting for Licensed Institutions ("BNM/GP8").

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 nine-month period ended 30 September 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 17 July 2008, the Company issued 78,986 new ordinary shares pursuant to the conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS).
- c) From 22 January 2008 to 30 September 2008, the Company purchased 48,506,600 of its own shares from the open market at an average market price of RM9.24 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM448.1 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 12,883,450,646 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 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 BNM on 2 May 2008 and 8 October 2008 respectively. The proposed acquisition was completed on 10 November 2008.

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 HLG.

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. On 25 August 2008, the Securities Commission approved the transfer of SSSB's selected assets and liabilities ("Selected Business") to CIMB Investment Bank Berhad for a total cash consideration to be determined as at the transfer date of the Selected Business, as part of the Proposed SSSB Disposal. The Proposed SSSB Disposal was completed on 22 October 2008.

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 terminated.

e) Proposed sale and leaseback of Menara Bumiputra-Commerce

On 3 December 2007, the Company and its subsidiary, 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 are pending completion.

f) 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 securities company. This transaction is pending completion.

g) 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.

A5. STATUS OF CORPORATE PROPOSALS (continued)

h) 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. This acquisition from Santubong has been completed on 28 October 2008. With the completion of the 51% Lippo acquisition, Bank Niaga and Bank Lippo has been merged on 1 November 2008. The 207,096,186 new BCHB shares were listed on 6 November 2008.

i) 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 completed on 5 November 2008.

j) Proposed sale of non-performing loans

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 gross gain before expenses from the sale of the NPLs.

Conditional approval from Bank Negara Malaysia has been obtained on 30 October 2008 and the transaction is pending completion.

k) Proposed Tier-1 Capital raising by CIMB Bank Berhad

On 4 September 2008 and 24 September 2008 respectively, CIMB Bank Berhad obtained approval from the Securities Commission for the proposed issuance of up to RM2.0 billion equivalent in foreign currencies of non innovative tier 1 bank capital instrument ("Proposed Foreign Currency NIT-1 Capital Issuance") and the proposed issuance of up to RM1.0 billion Innovative Tier-1 Capital Securities ("Proposed IT-1 Issue"). The Proposed Foreign Currency NIT-1 Capital Issuance was cancelled on 25 September 2008 due to poor market conditions globally while the Proposed IT-1 Issue was completed on 7 October 2008.

l) Acquisition of PT Asuransi Jiwa Hohn Hancock Indonesia

On 9 September 2008, Commerce International Group Berhad and PT Bank CIMB Niaga Tbk, both indirect subsidiaries of BCHB, completed the acquisition of the entire equity interest in PT Asuransi Jiwa John Hancock Indonesia ("JHI") from John Hancock Life Insurance Company and PT Indras Insan Jaya Utama for a total cash consideration of approximately 76,472 million Indonesian Rupiah ("Rp") (equivalent to approximately RM28.2 million). The purchase consideration is based on the net asset value of JHI plus premium of Rp4,500 million (equivalent to approximately RM1.7 million). Accordingly, JHI is now a subsidiary of BCHB.

A6. SIGNIFICANT EVENT AFTER BALANCE SHEET DATE

a) On 16 October 2008, CIMB Bank fully redeemed its USD300 million subordinated debt.

b) On 7 October 2008, CIMB Bank issued RM1 billion of Innovative Tier-1 Capital Securities. The proceeds of the issuance was utilised for working capital, general banking and other general corporate purposes.

c) On 3 November 2008, the Company announced that it and CIMB Bank (L) Limited ("CIMBL"), a subsidiary, entered into a subscription agreement with TPG Malaysia Finance, L.P ("TPG") for CIMBL to issue up to USD150 million senior unsecured guaranteed bonds and for the Company to issue a certain number of five-year warrants to be determined at a later date. The exercise price of the warrants is fixed at RM10.00 for each share in the Company. The proceeds of the USD bonds will be utilised to fund the working capital requirements and /or repayment of borrowings of the BCHB Group. The above proposed issuance are subject to the approval of relevant regulatory approvals.

PART A - EXPLANATORY NOTES**A7. SECURITIES HELD FOR TRADING**

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	288,060	416,150
Cagamas bonds	225,444	279,354
Khazanah bonds	49,369	96,918
Malaysian Government treasury bills	9,915	119,294
Bank Negara Malaysia bills	3,467,658	97,736
Bank Negara negotiable notes	83,288	409,900
Negotiable instruments of deposit	2,852,176	1,149,588
Banker's acceptances	1,020,751	800,764
Credit-linked notes	179,983	353,247
Other Government's securities	-	630,359
Commercial papers	-	45,099
Government investment issue	15,972	56,075
	8,192,616	4,454,484
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Warrants	8	35
Shares	139,321	751,856
Loan stocks	1,680	5,838
<i><u>Outside Malaysia:</u></i>		
Shares	21,908	78,492
Private and Islamic debt securities	27,131	3,614
Other Government bonds	220,619	211,696
	410,667	1,051,531
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	6,106,705	6,844,516
Shares	97,298	-
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	2,579,777	2,301,781
	8,783,780	9,146,297
Total securities held-for-trading	17,387,063	14,652,312

A8. AVAILABLE-FOR-SALE SECURITIES

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Debt securities		
Money market instruments:		
Unquoted		
Malaysian Government securities	263,919	177,504
Cagamas Notes	281,656	397,330
Khazanah bonds	102,313	379,044
Malaysian Government treasury bills	-	163,093
Other Government treasury bills	812,923	50,003
Bank Negara Malaysia bills	-	23,322
Government investment issues	80,027	35,224
Commercial papers	44,292	34,630
Bank Negara Malaysia negotiable notes	-	130,393
	1,585,130	1,390,543
Quoted securities:		
<u><i>In Malaysia:</i></u>		
Shares	439,515	939,102
Unit trusts	704,630	713,391
<u><i>Outside Malaysia:</i></u>		
Shares	1,037	2,223
Private and Islamic debt securities	21,649	19,711
Other Government bonds	989,998	777,962
Mutual funds	-	-
	2,156,829	2,452,389
Unquoted securities:		
<u><i>In Malaysia:</i></u>		
Private and Islamic debt securities	6,622,876	5,949,471
Shares	537,367	556,010
Loan stocks	30,715	18,183
Property funds	112	113
Investment-linked funds	11,601	9,404
Credit-linked notes	5,681	25,108
<u><i>Outside Malaysia:</i></u>		
Shares	55,262	74,135
Mutual funds	8,199	17,013
Private equity and unit trust funds	124,687	149,825
Private and Islamic debt securities	86,306	29,866
Loan stocks	1,235	1,194
	7,484,041	6,830,322
	11,226,000	10,673,254
<u><i>Allowance for impairment loss:</i></u>		
Private debt securities	(357,340)	(367,672)
Quoted shares	(5,224)	(1,801)
Quoted bonds	(216)	(197)
Unquoted shares	(6,659)	(43,969)
Mutual funds	(57)	(55)
	(369,496)	(413,694)
Total available-for-sale securities	10,856,504	10,259,560

A9. HELD-TO-MATURITY SECURITIES

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	149,967	-
Cagamas bonds	294,817	290,000
Bank Negara negotiable notes	-	98,057
Quoted securities		
<u>Outside Malaysia</u>		
Bonds	15,529	21,443
Islamic bonds	20,617	21,821
Medium term notes - Islamic	9,043	3,520
Unquoted securities		
<u>In Malaysia</u>		
Shares	270	270
Private debt securities	2,999,273	1,737,931
Loan stocks	32,478	32,478
Danaharta Urus Sdn Bhd Bonds	1,151,932	1,151,932
<u>Outside Malaysia</u>		
Private debt securities	500,000	-
	5,173,926	3,357,452
Accretion of discount net of amortisation of premium	249,827	197,423
Less : Allowance for impairment losses	(25,269)	(25,431)
Total held-to-maturity securities	5,398,484	3,529,444

A10. LOANS, ADVANCES AND FINANCING**(i) By type**

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Overdrafts	7,146,130	6,496,728
Term loans		
- Housing loans/financing	27,396,756	22,303,104
- Syndicated term loans	7,200,918	7,983,834
- Hire purchase receivables	13,768,661	14,332,824
- Lease receivables	161,541	177,235
- Factoring receivables	54,656	62,019
- Other term loans/financing	33,847,503	27,659,176
Bills receivable	205,000	257,743
Trust receipts	873,679	963,531
Claims on customer under acceptance credits	6,037,274	6,147,874
Staff loans *	693,476	631,118
Credit card receivables	2,959,458	2,581,883
Revolving credits	14,886,071	13,974,866
Share margin financing	838,607	1,090,957
Other loans	10,374	9,752
	116,080,104	104,672,644
Less: Unearned interest	(3,902,444)	(3,116,760)
	112,177,660	101,555,884
Less: Islamic financing sold to Cagamas	(317,312)	(575,918)
Gross loans, advances and financing	111,860,348	100,979,966
Less: Specific allowance	(3,561,502)	(3,551,988)
	108,298,846	97,427,978
Less: General allowance	(1,726,761)	(1,523,920)
Total net loans, advances and financing	106,572,085	95,904,058

* Included in staff loans of the Group are loans to Directors amounting to RM 298,162 (2007: RM 597,464).

A10. LOANS, ADVANCES AND FINANCING (continued)

(ii) By type of customers

	The Group	
	30 Sept 2008 RM'000	31 Dec 2007 RM'000
Domestic banking financial institutions	149,394	160,452
Domestic non-bank financial institutions		
- stockbroking companies	156,151	996
- others	2,008,176	1,582,798
Domestic business enterprises		
- small medium enterprises	17,869,011	18,072,733
- others	28,591,519	25,068,778
Government and statutory bodies	107,820	69,614
Individuals	53,429,840	47,240,371
Other domestic entities	4,829,934	4,244,178
Foreign entities	5,035,815	5,115,964
	112,177,660	101,555,884
Less: Islamic financing sold to Cagamas	(317,312)	(575,918)
Gross loans, advances and financing	111,860,348	100,979,966

(iii) By interest/profit rate sensitivity

	The Group	
	30 Sept 2008 RM'000	31 Dec 2007 RM'000
Fixed rate		
- Housing loans	5,640,620	3,860,958
- Hire-purchase receivables	11,522,063	11,995,596
- Other fixed rate loans	21,657,808	17,578,063
Variable rate		
- BLR plus	56,175,715	54,932,102
- Cost plus	12,641,238	11,817,063
- Other variable rates	4,540,216	1,372,102
	112,177,660	101,555,884
Less: Islamic financing sold to Cagamas	(317,312)	(575,918)
Gross loans, advances and financing	111,860,348	100,979,966

(iv) By economic purpose

	The Group	
	30 Sept 2008 RM'000	31 Dec 2007 RM'000
Personal use	3,016,963	2,731,380
Credit card	2,959,457	2,581,883
Purchase of consumer durables	19,377	21,761
Construction	3,192,213	3,245,654
Residential property (Housing)	27,212,872	22,473,992
Non-residential property	8,089,978	6,067,633
Purchase of fixed assets other than land & building	2,941,069	2,741,448
Mergers and acquisitions	1,955,331	604,907
Purchase of securities	11,325,638	9,075,045
Purchase of transport vehicles	12,937,530	13,009,119
Working capital	35,168,190	35,428,323
Other purpose	3,359,042	3,574,739
	112,177,660	101,555,884
Less: Islamic financing sold to Cagamas	(317,312)	(575,918)
Gross loans, advances and financing	111,860,348	100,979,966

A10. LOANS, ADVANCES AND FINANCING (continued)**(v) Non-performing loan by economic purpose**

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Personal use	254,228	269,954
Credit card	73,417	70,119
Purchase of consumer durables	966	1,005
Construction	440,698	446,458
Residential property (Housing)	1,627,470	1,837,358
Non-residential property	499,058	558,248
Purchase of fixed assets other than land & building	122,979	130,813
Purchase of securities	71,251	119,446
Purchase of transport vehicles	397,104	603,421
Working capital	3,287,311	3,184,867
Other purpose	126,241	103,059
	6,900,723	7,324,748

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

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Balance as at 1 January	7,324,748	8,483,214
NPLs during the period / year	2,718,761	4,393,349
Performing during the period / year	(1,716,077)	(2,813,118)
Recoveries	(854,510)	(1,489,787)
Amount written off	(584,773)	(1,178,783)
Reclassified to non-current assets held for sale	-	(9,101)
Loans/financing converted to securities	-	(1,849)
Exchange fluctuation	12,574	(59,177)
Balance as at 30 September / 31 December	6,900,723	7,324,748
Specific allowance	(3,561,502)	(3,551,988)
Net non-performing loans, advances and financing	3,339,221	3,772,760

Classification of non-performing loans, advances and financing

Sub-standard	945,549	1,273,964
Doubtful	464,241	512,878
Bad	5,490,933	5,537,906
Balance as at 30 September / 31 December	6,900,723	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

3.07%	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 Sept 2008 RM'000	31 Dec 2007 RM'000
<u>Specific allowance</u>		
Balance as at 1 January	3,551,989	3,399,836
Allowance made during the period / year	1,120,009	2,145,797
Amount recovered	(562,613)	(816,349)
Amount written off	(573,504)	(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	(4,692)	(9,132)
Exchange fluctuation	30,313	(8,077)
Balance as at 30 September / 31 December	<u>3,561,502</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	214,405	91,471
Allowance for loans in relation to jointly controlled entity	-	(658)
Reclassified to non-current assets held for sale	-	(465)
Exchange fluctuation	(11,564)	(45,705)
Balance as at 30 September / 31 December	<u>1,726,761</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 Sept 2008 RM'000	31 Dec 2007 RM'000
Interest receivable	434,776	398,665
Due from brokers and clients net of allowance for doubtful debts	1,161,313	2,020,387
Other debtors, deposits and prepayments net of allowance for doubtful debts	2,236,594	1,190,652
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	1,598	1,774
Option financing	428,066	293,676
Deferred assets	219,433	226,311
Foreclosed properties net of allowance for impairment losses	51,358	69,941
Tax recoverable	209,216	122,487
	<u>4,742,354</u>	<u>4,323,893</u>

A12. DEPOSITS FROM CUSTOMERS

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	25,430,263	25,774,351
Savings deposits	11,706,646	10,465,848
Fixed deposits	79,574,637	65,403,991
Negotiable instruments of deposit	7,853,342	6,829,767
Others	17,388,934	18,392,834
	141,953,822	126,866,791
<u>By type of customer</u>		
Government and statutory bodies	10,502,080	11,169,600
Business enterprises	66,735,119	65,381,723
Individuals	40,581,190	35,528,579
Others	24,135,433	14,786,889
	141,953,822	126,866,791
<u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	80,117,788	66,172,997
More than one year (medium/long term)	7,310,191	6,060,761
	87,427,979	72,233,758

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Licensed banks	5,720,755	8,375,660
Licensed finance companies	9,420	18,235
Licensed investment banks	2,323,344	1,332,565
Bank Negara Malaysia	570,710	1,952,360
Other financial institutions	2,347,494	1,205,647
	10,971,723	12,884,467

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

A14. OTHER LIABILITIES

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Interest payable	598,736	615,909
Due to brokers and clients	1,280,814	2,208,599
Amount due to special purpose vehicle of jointly controlled entity	426,200	483,046
Short-term borrowings	187,343	75,266
Provision for claims, commitments and contingencies	197,387	271,265
Insurance fund - life and takaful insurance business	1,969,809	1,971,650
Post employment benefit obligations	96,578	71,290
Other creditors and accruals	2,804,334	2,575,453
	7,561,201	8,272,478

A15. INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	1,776,802	1,661,688	5,049,353	4,892,452
- Recoveries from NPLs	90,292	102,642	293,829	307,251
Money at call and deposit placements with financial institutions	195,738	234,333	691,025	700,354
Securities purchased under resale agreement	30,200	25,806	109,150	78,997
Securities held for trading	145,427	129,977	454,555	394,691
Available-for-sale securities	94,026	93,824	266,059	279,595
Held-to-maturity securities	39,118	5,262	100,668	22,067
Others	18,706	5,729	46,511	46,231
	2,390,309	2,259,261	7,011,150	6,721,638
Accretion of discounts less amortisation of premiums	39,597	38,127	91,167	168,368
Net interest suspended	(43,777)	(55,236)	(145,818)	(162,034)
	2,386,129	2,242,152	6,956,499	6,727,972

A16. INTEREST EXPENSE

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	59,843	89,797	270,047	317,563
Deposits from other customers	974,103	857,515	2,731,326	2,368,718
Obligation on securities sold under repurchase agreements	4,456	5,395	9,026	103,222
Bonds	185	4,760	8,661	17,946
Loan stocks/ICULS	2,533	3,567	3,516	5,142
Subordinated Notes	65,435	51,618	169,563	154,079
Loans sold to Cagamas	14,250	26,536	48,205	90,833
Negotiable certificates of deposits	51,870	45,640	164,663	146,490
Other borrowings	35,430	46,361	112,772	189,762
Others	29,529	19,107	64,935	67,986
	1,237,634	1,150,296	3,582,714	3,461,741

A17. NON-INTEREST INCOME

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Commissions	55,252	67,554	170,746	202,535
Fee on loans, advances and financing	105,102	96,084	317,051	258,301
Portfolio management fees	4,340	1,600	20,302	2,027
Service charges and fees	71,513	53,614	175,736	159,340
Corporate advisory fees	13,954	33,389	111,531	75,180
Guarantee fees	17,698	20,499	44,198	51,039
Other fee income	75,845	67,322	204,508	198,861
Placement fees	4,736	5,283	17,501	15,893
Underwriting commission	3,141	37,318	11,035	128,166
Al-Wakalah fee	10,556	11,965	27,025	30,849
	362,137	394,628	1,099,633	1,122,191
(b) Gross dividend income from :				
<u>In Malaysia</u>				
- Securities held for trading	4,938	16,109	26,247	55,183
- Available-for-sale securities	11,234	5,514	22,312	8,919
- Held-to-maturity securities	34	-	42	-
<u>Outside Malaysia</u>				
- Securities held for trading	577	293	1,453	1,386
	16,783	21,916	50,054	65,488
(c) Net (loss)/gain arising from securities held for trading	36,320	(48,688)	(277,231)	540,581
- realised	(70,704)	51,664	28,868	581,016
- unrealised	107,024	(100,352)	(306,099)	(40,435)
(d) Net gain/(loss) arising from derivative financial instruments	(277,478)	172,680	481,659	153,112
- realised	265,015	69,744	478,517	302,107
- unrealised	(542,493)	102,936	3,142	(148,995)
(e) Net gain from sale of available-for-sale securities	94,804	6,258	300,599	139,054
(f) Net gain from maturity of held-to-maturity securities	-	-	4,012	566
(g) Income from assets management and securities services	37,686	35,491	122,348	99,553
(h) Brokerage income	58,768	98,625	212,121	292,206
(i) Other non-interest income				
Foreign exchange gain / (loss)	105,743	(69,646)	64,750	165,348
Rental income	5,102	3,735	13,846	15,643
Gain on disposal of property, plant and equipment	853	454	3,620	1,586
Net gain / (loss) from insurance business	(12,648)	582	(12,648)	31,059
Underwriting surplus before management expenses	-	3,544	-	37,064
Other non-operating income	13,418	65,903	96,916	131,355
	112,468	4,572	166,484	382,055
Total other operating income	441,488	685,482	2,159,679	2,794,806

A18. OVERHEADS

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	333,193	378,760	1,147,519	1,282,485
- Pension cost	52,167	58,100	104,566	146,128
- Others	83,032	66,280	242,721	183,948
	468,392	503,140	1,494,806	1,612,561
Establishment costs				
- Depreciation of property, plant and equipment	53,929	47,870	152,469	148,934
- Amortisation of prepaid lease payments	442	98	1,206	2,034
- Rental	43,174	34,795	118,112	108,539
- Insurance	4,021	8,190	8,193	12,465
- Others	90,172	117,066	336,743	353,640
	191,738	208,019	616,723	625,612
Marketing expenses				
- Sales commission	12,447	10,570	32,943	28,297
- Advertisement	47,532	46,716	118,854	96,541
- Legal fees	5,765	13,704	17,033	24,940
- Others	10,127	12,412	32,453	29,854
	75,871	83,402	201,283	179,632
Administration and general expenses				
- Amortisation of intangible assets	28,689	22,677	82,319	64,666
- Merchant expenses	22,997	17,838	64,413	51,520
- Impairment of intangible assets	56	4,880	56	73
- Stationery	17,253	8,889	45,558	39,381
- Legal and professional fees	28,841	28,275	81,369	84,823
- Communication	14,009	34,937	50,801	74,431
- Others	81,816	53,274	390,977	384,049
	193,661	170,770	715,493	698,943
	929,662	965,331	3,028,305	3,116,748

A19. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 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	371,937	529,012	1,120,009	1,621,192
- written back	(151,803)	(201,840)	(562,613)	(571,505)
General allowance				
- made during the period	56,112	99,466	214,405	148,611
Bad debts on loans and financing :				
- recovered	(109,207)	(68,673)	(240,976)	(187,451)
- written off	543	224	1,155	412
	167,582	358,189	531,980	1,011,259

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 RM149,606,986 (2007: RM246,060,121).

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES

(i) DERIVATIVE FINANCIAL INSTRUMENTS

The following tables summarise the contractual or underlying principal amounts of derivative financial instruments held at fair value through income statement and hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at balance sheet date, and do not represent amounts at risk.

In the financial statements, trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	Principal amount RM'000	The Group Fair values	
		Assets RM'000	Liabilities RM'000
At 30 September 2008			
<u>Derivative at fair value through income statement</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	8,782,182	272,515	(115,648)
Currency swaps	24,469,568	311,213	(463,086)
Currency spot	1,126,753	9,958	(10,058)
Currency options	7,725,704	228,356	(228,091)
Cross currency interest rate swap	12,202,950	376,286	(339,299)
	<u>54,307,157</u>	<u>1,198,328</u>	<u>(1,156,182)</u>
<u>Interest rate derivative</u>			
Interest rate swaps	167,353,132	1,658,265	(1,152,320)
Interest rate futures	23,826,439	33,475	(22,419)
Interest rate options	3,105,000	13,022	(10,351)
	<u>194,284,571</u>	<u>1,704,762</u>	<u>(1,185,090)</u>
<u>Equity related derivatives</u>			
Equity options	4,897,640	157,759	(169,028)
Equity futures	23,189	64	(827)
	<u>4,920,829</u>	<u>157,823</u>	<u>(169,855)</u>
<u>Credit related contract</u>			
Credit default swaps	284,139	6,268	(1,616)
<u>Held for hedging purpose</u>			
Interest rate swaps	3,726,336	90,112	(10,107)
Cross currency interest rate swaps	1,398,300	289	(95,403)
	<u>5,124,636</u>	<u>90,401</u>	<u>(105,510)</u>
Total derivative assets/(liabilities)	<u>258,921,332</u>	<u>3,157,582</u>	<u>(2,618,253)</u>

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)

(i) **DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

	Principal amount RM'000	The Group Fair values	
		Assets RM'000	Liabilities RM'000
At 31 December 2007			
<u>Derivative at fair value through income statement</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	6,352,356	30,538	(69,507)
Currency swaps	15,443,596	201,549	(135,046)
Currency spots	101,474	127	(85)
Currency options	815,123	14,009	(12,541)
Cross currency interest rate swap	8,059,361	246,504	(227,688)
	<u>30,771,910</u>	<u>492,727</u>	<u>(444,867)</u>
<u>Interest rate derivative</u>			
Interest rate swaps	127,005,214	1,118,402	(796,239)
Interest rate futures	29,816,022	23,897	(12,900)
Interest rate options	5,980,000	8,826	(13,055)
	<u>162,801,236</u>	<u>1,151,125</u>	<u>(822,194)</u>
<u>Equity related derivatives</u>			
Equity options	5,237,319	89,997	(235,246)
Equity futures	179,525	213	-
Index futures	44,032	-	(1,254)
	<u>5,460,876</u>	<u>90,210</u>	<u>(236,500)</u>
<u>Credit related contract</u>			
Credit default swaps	100,000	121	(78)
<u>Held for hedging purpose</u>			
Interest rate swaps	2,481,600	48,830	(41,091)
Cross currency interest rate swaps	1,031,800	-	(113,704)
	<u>3,513,400</u>	<u>48,830</u>	<u>(154,795)</u>
Total derivative assets/(liabilities)	<u>202,647,422</u>	<u>1,783,013</u>	<u>(1,658,434)</u>

A20. DERIVATIVE FINANCIAL INSTRUMENTS, COMMITMENTS AND CONTINGENCIES (continued)
(ii) 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:

Group	30 Sept 2008			31 Dec 2007		
	Principal Amount	Credit Equivalent Amount*	Risk Weighted Amount	Principal Amount	Credit Equivalent Amount*	Risk Weighted Amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Credit-related						
Direct credit substitutes	4,299,178	4,268,321	1,927,682	3,615,378	3,615,378	1,907,552
Certain transaction-related contingent items	5,250,344	2,992,847	2,028,521	4,944,127	2,669,273	2,019,119
Short-term self-liquidating trade-related contingencies	3,886,639	777,328	525,594	3,217,282	643,455	383,464
Islamic financing sold directly and indirectly to Cagamas with recourse	317,312	317,312	317,312	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	42,124,110	-	-	38,526,957	-	-
- maturity exceeding one year	11,668,866	5,834,434	5,214,836	10,058,716	5,029,268	4,396,959
Forward assets purchases	597,565	528	107	5,000	24	12
Miscellaneous commitments and contingencies	6,191,188 [#]	433,267	244,098	3,378,135 [#]	6,925	2,189
Total credit-related commitments and contingencies	74,400,202	14,656,537	10,290,650	64,521,311	12,640,140	9,343,473
Treasury-related						
Foreign exchange related contracts :						
- less than one year	51,775,198	1,156,924	331,342	22,243,611	623,464	150,696
- one year to less than five years	2,071,792	1,083,328	265,956	6,350,160	695,291	179,014
- five years and above	1,858,465	777,997	296,611	3,209,939	562,478	242,587
	55,705,455	3,018,249	893,909	31,803,710	1,881,233	572,297
Interest rate related contracts :						
- less than one year	121,704,049	243,905	48,806	94,113,253	136,220	27,227
- one year to less than five years	70,502,413	2,878,185	599,732	63,527,170	2,355,955	479,986
- five years and above	6,088,586	1,430,663	308,237	7,742,413	1,208,505	260,744
	198,295,048	4,552,753	956,775	165,382,836	3,700,680	767,957
Equity related contracts :						
- less than one year	4,920,829	-	-	5,416,844	-	-
- one year to less than five years	-	-	-	44,032	-	-
	4,920,829	-	-	5,460,876	-	-
Total treasury-related commitments and contingencies	258,921,332	7,571,002	1,850,684	202,647,422	5,581,913	1,340,254
	333,321,534	22,227,539	12,141,334	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.

[#] Included in miscellaneous commitment and contingencies is a commitment by CIMB Bank to place an additional RM3.178 billion (2007: RM719 million) with CIMB Islamic in relation to the RPSIA arrangement.

A21. INTEREST/PROFIT RATE RISK

As at 30 September 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	29,216,913	-	-	-	-	3,794,371	-	33,011,284	3.48
Securities purchased under resale agreements	1,384,480	653,531	-	-	-	-	-	2,038,011	3.44
Deposits and placements with banks and other financial institutions	720,188	361,056	1,127,993	170,982	4,291	26,686	-	2,411,196	3.16
Securities held for trading	-	-	-	-	-	5,297	17,381,766	17,387,063	4.55
Available-for-sale securities	986,694	89,560	700,118	3,524,111	3,744,576	1,811,445	-	10,856,504	4.70
Held-to-maturity securities	1,532	29,851	580,184	1,860,650	2,676,813	249,454	-	5,398,484	4.81
Derivative financial instruments	6,714	-	-	-	-	150,113	3,000,755	3,157,582	
Loans, advances and financing	-	-	-	-	-	-	-	-	
- performing	34,061,212	16,254,605	9,377,540	11,242,129	33,647,547	13,515	-	104,596,548	6.25
- non-performing	-	-	-	-	-	1,975,537	-	1,975,537	
Other assets	91,755	3,277	4,578	1,076	10	4,641,658	-	4,742,354	10.00
Deferred tax assets	-	-	-	-	-	408,849	-	408,849	
Statutory deposits with central banks	-	-	-	-	-	2,435,518	-	2,435,518	
Investment in associates and jointly controlled entities	-	-	-	-	-	277,440	-	277,440	
Property, plant and equipment	-	-	-	-	-	1,432,651	-	1,432,651	
Investment properties	-	-	-	-	-	101,606	-	101,606	
Prepaid lease payments	-	-	-	-	-	51,807	-	51,807	
Goodwill	-	-	-	-	-	4,483,950	-	4,483,950	
Intangible assets	-	-	-	-	-	476,497	-	476,497	
Non-current assets held for sale	-	-	-	-	-	231,939	-	231,939	
Total assets	66,469,488	17,391,880	11,790,413	16,798,948	40,073,237	22,568,333	20,382,521	195,474,820	
Liabilities									
Deposits from customers	67,916,950	21,038,666	22,530,582	8,290,988	622	22,176,014	-	141,953,822	3.49
Deposits and placements of banks and other financial institutions	3,612,851	4,518,632	1,246,064	1,228,906	365,000	270	-	10,971,723	3.56
Derivative financial instruments	17,911	-	-	-	-	77,692	2,522,650	2,618,253	
Obligations on securities sold under repurchase agreements	406,897	-	-	-	-	-	-	406,897	
Bills and acceptances payable	1,118,487	1,846,046	497,113	-	-	792,548	-	4,254,194	3.75
Other liabilities	35	53	-	-	-	7,561,113	-	7,561,201	
Deferred tax liabilities	-	-	-	-	-	9,900	-	9,900	
Current tax liabilities	-	-	-	-	-	100,931	-	100,931	
Amount due to Cagamas Berhad	124,934	19,579	462,641	621,432	-	-	-	1,228,586	4.61
Bonds	-	-	-	24,030	-	-	-	24,030	
Other borrowings	218,317	1,086,909	350,000	2,775,742	-	-	-	4,430,968	4.27
Redeemable preference shares	-	-	-	135,000	720,580	-	-	855,580	
Subordinated Notes	1,067,701	625	1,363,643	782,639	720,581	-	-	3,935,189	4.90
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	-	83,860	-	83,860	
Total liabilities	74,484,083	28,510,510	26,450,043	13,858,737	1,806,783	30,802,328	2,522,650	178,435,134	
Total interest rate sensitivity gap	(8,014,595)	(11,118,630)	(14,659,630)	2,940,211	38,266,454		17,859,871		

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 Sept 2008

	CIMB Bank RM '000	CIMB Inv Bank RM '000	CIMB Islamic RM '000	BKNiaga* RM '000
The capital adequacy ratios are as follows:				
Tier I capital	9,866,264	611,884	552,433	1,911,925
Eligible Tier II capital	5,735,387	870	73,013	521,636
	<u>15,601,651</u>	<u>612,754</u>	<u>625,446</u>	<u>2,433,561</u>
Less:				
Investment in subsidiaries and holding of other banking institutions' capital	(800,572)	(19,420)	-	(53,375)
Capital base	<u>14,801,079</u>	<u>593,334</u>	<u>625,446</u>	<u>2,380,186</u>
Core capital ratio	9.46%	37.88%	11.28%	11.33%
Risk-weighted capital ratio	<u>14.19%</u>	<u>37.88%</u>	<u>12.77%</u>	<u>14.11%</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	411,237
Non-cumulative guaranteed preference shares	1,500,000	-	-	-
Innovative Tier I capital	685,700	-	-	-
Share premium	4,157,074	33,489	-	826,303
Other reserves	4,805,430	357,780	158,723	674,385
Less :				
Deferred tax (assets)/liabilities	(383,012)	1,373	(20,290)	-
Intangible assets	(313,862)	-	-	-
Goodwill	(3,559,075)	-	(136,000)	-
Total Tier I capital	<u>9,866,264</u>	<u>611,884</u>	<u>552,433</u>	<u>1,911,925</u>

Tier II capital

ICULS issued	667,000	-	-	-
Cumulative preference shares	29,740	10	-	-
Subordinated notes issued	3,557,100	-	-	-
Subordinated loans	-	-	-	271,839
General allowance for bad and doubtful debts and financing	1,481,547	860	73,013	196,547
Others	-	-	-	53,250
Total Eligible Tier II capital	<u>5,735,387</u>	<u>870</u>	<u>73,013</u>	<u>521,636</u>
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(747,689)	(19,420)	-	(53,375)
Investment in joint venture	(52,883)	-	-	-
Total capital base	<u>14,801,079</u>	<u>593,334</u>	<u>625,446</u>	<u>2,380,186</u>

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

	RM'000	RM'000	RM'000	RM'000
0%	22,413,770	468,252	6,136,710	4,429,164
10%	61,533	-	-	42,471
20%	28,165,639	2,677,009	3,557,114	803,155
50%	23,430,929	41,099	526,746	6,552,293
100%	<u>79,515,021</u>	<u>731,348</u>	<u>3,626,714</u>	<u>12,969,243</u>
Counterparty risk requirement	96,869,767	1,287,299	4,601,510	16,410,267
	-	1,889	-	-
Total risk-weighted assets equivalent for credit risk	<u>96,869,767</u>	<u>1,289,188</u>	<u>4,601,510</u>	<u>16,410,267</u>
Total risk-weighted assets equivalent for market risk	7,215,264	276,988	297,612	462,753
Total risk-weighted assets equivalent for LERR	191,475	-	-	-
Total risk-weighted assets	<u>104,276,506</u>	<u>1,566,176</u>	<u>4,899,122</u>	<u>16,873,020</u>

* Computation is based on Bank Indonesia requirements

A22. CAPITAL ADEQUACY (continued)

31 December 2007

	CIMB Bank RM '000	CIMB Inv Bank RM '000	CIMB Islamic RM '000	BKNiaga* RM '000
The capital adequacy ratios are as follows:				
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
	<u>13,334,745</u>	<u>754,059</u>	<u>565,939</u>	<u>2,105,401</u>
Less:				
Investment in subsidiaries and holding of other banking institutions' capital	(861,187)	(19,420)	-	(42,814)
Capital base	<u>12,473,558</u>	<u>734,639</u>	<u>565,939</u>	<u>2,062,587</u>
Core capital ratio	9.64% #	23.95% #	15.11%	11.23%
Risk-weighted capital ratio	<u>12.15% #</u>	<u>23.95% #</u>	<u>16.41%</u>	<u>14.92%</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	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	<u>9,356,966</u>	<u>748,040</u>	<u>520,952</u>	<u>1,552,760</u>

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	<u>3,977,779</u>	<u>6,019</u>	<u>44,987</u>	<u>552,641</u>
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	<u>12,473,558</u>	<u>734,639</u>	<u>565,939</u>	<u>2,062,587</u>

Less:

Proposed 2007 final dividend	(300,000)	(150,000)	-	-
Total capital base (net of proposed dividend)	<u>12,173,558</u>	<u>584,639</u>	<u>565,939</u>	<u>2,062,587</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
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
	<u>88,659,741</u>	<u>2,108,815</u>	<u>3,322,032</u>	<u>13,401,245</u>
Counterparty risk requirement	-	5,404	-	-
Total risk-weighted assets equivalent for credit risk	<u>88,659,741</u>	<u>2,114,219</u>	<u>3,322,032</u>	<u>13,401,245</u>
Total risk-weighted assets equivalent for market risk	<u>11,505,792</u>	<u>327,066</u>	<u>126,357</u>	<u>422,501</u>
Total risk-weighted assets	<u>100,165,533</u>	<u>2,441,285</u>	<u>3,448,389</u>	<u>13,823,746</u>

* Computation is based on Bank Indonesia requirements

After deducting proposed dividends

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 and 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 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 in the Group. It also include other business segments in the Group like 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 September 2008							
Net interest income							
-external income / (expense)	1,992,735	913,522	(103,160)	2,321	568,525	(158)	3,373,785
-inter-segment	(139,479)	(389,600)	552,860	-	-	(23,781)	-
	1,853,256	523,922	449,700	2,321	568,525	(23,939)	3,373,785
Income from Islamic Banking operations	124,452	33,101	112,866	-	27,789	10,913	309,121
Non-interest income (excluding gain on disposal of interest in subsidiaries)	513,788	755,973	422,023	159,465	270,654	37,776	2,159,679
Gain on disposal of interest in subsidiaries	-	-	17,816	-	-	(100)	17,716
Net Income	2,491,496	1,312,996	1,002,405	161,786	866,968	24,650	5,860,301
Overheads	(1,659,086)	(497,293)	(172,040)	(143,923)	(476,307)	(79,656)	(3,028,305)
Profit before allowances	832,410	815,703	830,365	17,863	390,661	(55,006)	2,831,996
Allowance for losses on loans, advances and financing	(293,731)	(165,853)	15,047	-	(86,023)	(1,420)	(531,980)
Allowance for other receivables	-	(4,153)	(3)	(4,740)	(11,512)	472	(19,936)
Provision for commitment & contingencies	-	-	-	-	(48)	-	(48)
Allowance written back/(made) for impairment losses	-	(167)	(2,919)	(1,949)	(2,561)	(1,484)	(9,080)
Segment result	538,679	645,530	842,490	11,174	290,517	(57,438)	2,270,952
Share of results of jointly controlled entities	2,637	-	-	-	-	-	2,637
Share of results of associates	-	-	(14,073)	1,092	5,791	1,124	(6,066)
Profit/(loss) before taxation and zakat	541,316	645,530	828,417	12,266	296,308	(56,314)	2,267,523
Taxation and zakat							(551,906)
Profit after taxation before minority interests							1,715,617

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 September 2007							
Net interest income							
-external income / (expense)	1,930,751	698,872	143,160	26,955	596,283	(129,790)	3,266,231
-inter-segment income	(203,308)	(270,714)	474,022	-	-	-	-
	1,727,443	428,158	617,182	26,955	596,283	(129,790)	3,266,231
Income from Islamic Banking operations	97,869	56,357	73,858	-	19,333	2,853	250,270
Non-interest income (excluding gain on disposal of interest in subsidiaries)	469,674	1,120,870	544,347	311,203	280,290	68,422	2,794,806
Gain on disposal of interest in subsidiaries	-	-	715,176	-	-	-	715,176
Net Income	2,294,986	1,605,385	1,950,563	338,158	895,906	(58,515)	7,026,483
Overheads	(1,619,469)	(665,854)	(201,528)	(187,841)	(422,616)	(19,440)	(3,116,748)
Profit before allowances	675,517	939,531	1,749,035	150,317	473,290	(77,955)	3,909,735
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 commitments & contingencies	-	-	-	-	(157)	-	(157)
Allowance written back/(made) for impairment losses	-	66,761	6,618	65	(27,208)	-	46,236
Segment results	22,059	794,687	1,755,546	150,382	290,511	(79,324)	2,933,861
Share of results of jointly controlled entity	2,898	-	-	-	-	-	2,898
Share of results of associates	-	-	1,303	2,889	4,564	1,734	10,490
Profit/(loss) before taxation and zakat	24,957	794,687	1,756,849	153,271	295,075	(77,590)	2,947,249
Taxation and zakat							(536,706)
Profit after taxation before minority interests							2,410,543

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

	Note	The Group	
		30 Sept 2008 RM'000	31 Dec 2007 RM'000
Assets			
Cash and short-term funds		9,397,175	4,950,868
Deposits and placements with banks and other financial institutions		2,261,640	1,154,953
Securities held for trading		2,309,242	668,874
Available-for-sale securities		625,219	654,874
Held-to-maturity securities		833,460	120,236
Derivative financial instruments		355,930	156,048
Financing, advances and other loans	A24c(i)	4,543,080	2,503,191
Deferred tax assets		19,448	16,851
Amount due from related companies		8,035	6,883
Amount due from holding company		15,165	607
Statutory deposits with Bank Negara Malaysia		182,364	101,144
Property, plant and equipment		6,129	7,125
Other assets		130,827	106,900
Goodwill		136,000	136,000
Intangible assets		7,287	9,556
TOTAL ASSETS		20,831,001	10,594,110
Liabilities and Islamic banking capital funds			
Deposits from customers	A24(d)	14,274,857	8,412,986
Deposits and placements of banks and other financial institutions		4,987,486	755,120
Derivative financial instruments		12,553	4,906
Bills and acceptances payable		8,524	968
Amount due to holding company		119,296	201,869
Amount due to related companies		-	141,354
Amount due to subsidiary		2,725	-
Provision for taxation and zakat		36,470	31,269
Other liabilities		429,794	160,308
TOTAL LIABILITIES		19,871,705	9,708,780
Equity			
Islamic banking funds		139,266	98,695
Ordinary share capital		550,000	550,000
Perpetual preference shares		70,000	70,000
Reserves		201,819	134,639
		961,085	853,334
Minority interests		(1,789)	31,996
Total Equity		959,296	885,330
TOTAL EQUITY AND LIABILITIES		20,831,001	10,594,110

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

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds and others	193,643	169,100	502,674	313,197
Income derived from / (loss attributed to) investment of shareholders' funds	38,753	(39,858)	147,659	140,581
Allowances for losses on financing, advances and other loans	(36,453)	(30,992)	(62,586)	(49,700)
Transfer to/(from) profit equalisation reserve	-	(6,188)	2,200	(25,529)
Other expenses directly attributable to the investment of the depositors and shareholders' funds	(10,344)	(3)	(10,344)	(3)
Total attributable income	185,599	92,059	579,603	378,546
Income attributable to the depositors	(128,818)	(70,678)	(333,068)	(177,976)
Total net income	56,781	21,381	246,535	200,570
Other operating expenses	(21,126)	(25,631)	(96,719)	(66,373)
Profit before taxation and zakat	35,655	(4,250)	149,816	134,197
Taxation and zakat	(5,331)	(2,488)	(28,187)	(37,424)
Profit after taxation and zakat	30,324	(6,738)	121,629	96,773
Attributable to :				
Equity holders of the Bank	30,068	(6,738)	120,954	96,773
Minority interest	256	-	675	-
	30,324	(6,738)	121,629	96,773
Income from Islamic operations (per page 2)				
Total net income	56,781	21,381	246,535	200,570
Add: Allowances for losses on financing, advances and other loans	36,453	30,992	62,586	49,700
	93,234	52,373	309,121	250,270

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

	The Group	
	30 Sept 2008 RM'000	31 Dec 2007 RM'000
Cash line	185,858	125,348
Term financing	6,216,784	3,591,949
Bills receivable	-	32
Trust receipts	19,040	5,552
Claims on customers under acceptance credits	136,256	89,803
Staff financing	44	44
Revolving credits	196,502	275,769
Other financing	75	-
	<u>6,754,559</u>	<u>4,088,497</u>
Less: Unearned income	(1,724,059)	(860,691)
	<u>5,030,500</u>	<u>3,227,806</u>
Less: Financing sold to Cagamas	(317,312)	(575,918)
	<u>4,713,188</u>	<u>2,651,888</u>
Less: Specific allowance	(88,563)	(97,379)
	<u>4,624,625</u>	<u>2,554,509</u>
Less: General allowance	(81,545)	(51,318)
Total net financing, advances and other loans	<u>4,543,080</u>	<u>2,503,191</u>

ii) Non-performing financing**Movements in the non-performing financing, advances and other loans :**

	The Group	
	30 Sept 2008 RM'000	31 Dec 2007 RM'000
At 1 January	258,605	259,497
Non-performing during the period / year	124,367	145,391
Reclassified to performing during the period / year	(108,035)	(71,315)
Amount recovered	(26,665)	(19,874)
Amount written off	(46,002)	(55,094)
Balance as at 30 September / 31 December	<u>202,270</u>	<u>258,605</u>
Specific allowance	(88,563)	(97,379)
Net non-performing loans, advances and other loans	<u>113,707</u>	<u>161,226</u>
Ratio of net non-performing financing, advances and other loans to total financing, advances and other loans (including Islamic financing sold to Cagamas) less specific allowance	2.30%	5.15%

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

	The Group	
	30 Sept 2008 RM'000	31 Dec 2007 RM'000
Specific allowance		
At 1 January	97,379	92,402
Allowance made	70,948	81,845
Amount recovered	(33,610)	(19,128)
Amount written off	(46,154)	(57,502)
Exchange fluctuation	-	(238)
Balance at 30 September / 31 December	<u>88,563</u>	<u>97,379</u>
General allowance		
At 1 January	51,318	44,190
Allowance made	30,082	7,541
Exchange fluctuation	145	(413)
Balance at 30 September / 31 December	<u>81,545</u>	<u>51,318</u>
As % of total financing (including Islamic financing sold to Cagamas) less specific allowances	<u>1.65%</u>	<u>1.64%</u>

A24d. Deposits from customers**By type of deposits****Non-Mudharabah**

	The Group	
	30 Sept 2008	31 Dec 2007
	RM'000	RM'000
Demand deposits	790,180	327,328
Saving deposits	805,788	143,182
Fixed return investment account	1,923,450	1,845,360
Negotiable instruments of deposit	207,585	201,826
Commodity investment deposit	1,792,731	-
Floating rate deposit	329,170	620
	5,848,904	2,518,316

Mudharabah

Demand deposits	424,351	147,542
Saving deposits	224,160	193,768
General investment deposits	926,719	813,270
Special investment deposit	5,199,566	3,869,386
Specific investment deposit	1,651,157	870,704
	8,425,953	5,894,670
	14,274,857	8,412,986

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 Group ("BCHB Group") today reported a net profit of RM1.633 billion for 9M'08. Net profit fell by 29.2% on a year on year basis, but excluding gain on disposal of interest in subsidiaries, net profit rose by 1.5% as 9M'07 earnings included a total of RM715.2 million in gains from sale of several subsidiary companies. Annualised net ROE for 9M'08 was 13.8% and net earnings per share for 9 months was at 48.8 sen.

For 3Q'08, net profit was RM448 million. Comparing 3Q'08 against 3Q'07, there was a fall of 56.6% in net profits but an 11.1% increase in net profits excluding gains from sale of subsidiaries. Comparing against 2Q'08, net profit fell by 31.1% from RM650 million reflecting the sharp contrast in the capital market environment.

In 3Q'08, the Group's capital markets businesses were subject to the most testing operating environment since the Asian Financial Crisis of 1997/1998. The international and domestic securities markets witnessed unprecedented gyrations in price movements coupled with low levels of liquidity and investor confidence. In this context, the Group regards the financial performance for 3Q'08 as testament to the conservative approach to market risk management and the success of the consumer bank transformation efforts over the past 3 years.

BCHB Group Y o Y Results

For 9M'08 revenues were lower than 9M'07 by 7.4% but PBT was higher by 0.8% if we exclude the gain on sale of subsidiaries. As a reflection of the change in complexion of the Group's earnings, PBT of the Malaysian consumer bank contributed 22.6% of total PBT, compared to a negative 1.6% for 9M'07. Investment banking and Treasury and Investments contribution was 27.8% and 36.0% compared to 35.7% and 46.5% in 9M'07. Bank Niaga's contribution was flat at 13.1% of the Group's PBT.

The Group's total loans grew by 10.5% over the last 12 months. Malaysian consumer and corporate loans grew by 12.9% and 0.4% respectively. Mortgages, credit cards and the Group's micro credit lending grew by 27.8%, 33.0% and 63.5% respectively over the year. Business loans contracted by 2.9% while hire purchase loans grew by 3.0%. Bank Niaga's loans grew by 31.1% in IDR terms (26.0% in RM terms). Total Group deposits grew 18.0% with domestic retail deposits growing 23.6% from a year ago.

The Group's loan loss provisions fell by 47.4% from RM1.01 billion to RM532.0 million. Specific provisions declined by an impressive 63.2% while general provisions rose by 44.3% in line with the higher loan book. The Group continued to show improvements in asset quality indicators with a lower net NPL ratio of 3.1% from 4.5% as at 30th September 2007. Loan loss coverage also improved to 76.6% as at 30th September 2008, up from 65.1% a year ago. Overhead expenses declined by 2.8% year on year.

CIMB Bank's core capital ratio and risk weighted capital ratio remain robust at 9.46% and 14.19% as at 30th September 2008, comfortably ahead of the targetted ratios of 8.0% and 12.0% respectively. BCHB's double leverage and gearing stood at 117.5% and 38.7% as at 30th September 2008, well within the company's targetted ratios.

BCHB Group Q on Q Results

For 3Q'08, revenue and profit before tax ("PBT") were down on quarter by 22.0% and 39.6% respectively to RM1.683 billion and RM572 million. Net earnings per share of 13.5 sen was down 30.1% from 2Q'08.

The Group's Malaysian consumer banking business PBT was down marginally 1.3% on quarter. PBT of Corporate and Investment Banking and Treasury and Investments were down 11.8% and 76.6% respectively while Bank Niaga's PBT was down 11.4% (14.6% fall in IDR terms).

Market Shares

In terms of market shares, CIMB-GK in Singapore maintained its no.1 position in corporate advisory. In Indonesia CIMB-GK ranked 4th in stockbroking and primary bonds. In Malaysia, CIMB Investment Bank remained no. 1 in M&A, primary bonds and stockbroking and no.3 in IPOs. CIMB Islamic continued to lead in domestic and global Islamic Investment Banking league tables. CIMB Bank's share of preferred products such as mortgages, retail deposits and credit cards has improved while its share of hire purchase and business loans has declined marginally.

CIMB Niaga Results

Bank CIMB Niaga on 23rd October 2008 reported a net profit of IDR162 billion and IDR590 billion for 3Q'08 and 9M'08 respectively. Annualised net ROE was 15.67% for 9M'08. Net profits were down 27% over the quarter and flat on year.

Loans growth was 31.1% and 3.2% on year and on quarter respectively driven by corporate and business banking. Gross NPL ratio declined to 2.9% from 4.7% a year ago while net NPL ratio declined to 2.1% from 3.2%. Loan loss coverage as at end September 2008 was 68.9%.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 3Q08 were:

a) Streamlining of business

- On 22nd October 2008, BCHB Group completed the disposal of its 100% equity interest in SBB Securities to HLG Credit Sdn Bhd. The proposed disposal of certain assets, liabilities and fund management business of Southern Investment Bank Berhad to HLG Credit is pending vesting order.

b) Mergers and Acquisitions

- 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. Approvals from Bank Indonesia and Ministry of Justice, Indonesia were obtained on 15th October and 22nd October respectively. Legal Day 1 which is the official first date of the Merger was 1st November.

- 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 Thailand’s Ministry of Finance and Ministry of Commerce on 9th October and 22nd October respectively for the acquisition and Tender Offer. The acquisition of 42.13% stake from the Financial Institutions Development Fund was completed on 5th November 2008 and we anticipate that the Tender Offer will complete in 1Q’09.

c) Capital Management

- BCHB has bought back 48.507 million BCHB shares at an average price of RM9.24 for year to date to 30th September 2008.
- On 9th September 2008, Commerce International Group Berhad and PT Bank CIMB Niaga Tbk, completed the acquisition of the entire equity in PT Asuransi Jiwa John Hancock Indonesia for a cash consideration of IDR76,472 million (equivalent to approximately RM28.2 million).
- On 24th September 2008, BCHB announced that CIMB Bank has successfully raised RM1.0 billion Innovative Tier 1 Capital.
- On 3rd November 2008, BCHB announced that TPG Capital will invest up to US\$150 million in BCHB by subscribing to a private offering of bond-warrants. Under the subscription agreement, TPG will subscribe for to US\$150 million worth of 2-year senior unsecured bonds of a BCHB subsidiary, CIMB Bank (L) Limited. TPG will receive approximately 50 million warrants to purchase ordinary shares of BCHB at a strike price of RM10 per share, exercisable at any time over a five year period.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Group will continue to witness extraordinary capital market conditions for the rest of the year as global finance remains in crisis. Nevertheless, the Group expects that the capital markets businesses will be able to perform better in 4Q than 3Q and that the consumer transformation momentum can offset headwinds from a slowing economy. However, from this point the 2008 KPI target of 16% ROE now appears extremely challenging and the Group is likely to fall a little short.

B4. TAXATION

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	91,100	103,689	514,706	519,976
Deferred tax expense	18,187	36,067	37,200	16,730
	<u>109,287</u>	<u>139,756</u>	<u>551,906</u>	<u>536,706</u>
Reconciliation				
Profit before taxation	571,935	1,205,268	2,267,523	2,947,249
Tax at statutory income tax rate of 26% (2007: 27%)	148,703	325,422	589,556	795,757
Effect of different tax rates in other countries and change in tax rates	4,818	1,974	13,660	8,379
Due to income not subject to income tax and expenses not deductible for tax purposes	(44,234)	(187,640)	(51,310)	(267,430)
	<u>109,287</u>	<u>139,756</u>	<u>551,906</u>	<u>536,706</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 Sept 2008	31 Dec 2007
	RM'000	RM'000
Bonds and notes*		
Unsecured		
One year or less (short term)	24,030	250,000
More than one year (medium/long term)	-	54,693
	<u>24,030</u>	<u>304,693</u>
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD6,600,000.		
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)	-	1,803
	<u>-</u>	<u>1,803</u>
Other borrowings**		
Unsecured		
One year or less (short term)	1,324,287	938,211
More than one year (medium/long term)	3,106,681	3,813,956
	<u>4,430,968</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)	3,935,189	2,333,476
	<u>3,935,189</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			
	3rd quarter ended		Nine months ended	
	30 Sept 2008	30 Sept 2007	30 Sept 2008	30 Sept 2007
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests	447,961	1,031,835	1,633,440	2,307,522
Weighted average number of ordinary shares in issue				
- proforma ('000)	3,326,518	3,369,482	3,345,874	3,316,097
Basic earnings per share (expressed in sen per share)	13.5	30.6	48.8	69.6

b) Diluted EPS

Net profit for the financial period after minority interests	447,961	1,031,835	1,633,440	2,307,522
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	83	87	242	257
Elimination of interest expense on Redeemable Convertible Unsecured Loan Stocks ("RCULS") (net of tax effect)	-	101	-	299
Income from ESOS proceeds assumed placed on money market instruments (net of tax effect)	-	263	-	783
Net profit used to determine diluted EPS	448,044	1,032,286	1,633,682	2,308,861
Weighted average number of ordinary shares in issue ('000)	3,326,518	3,369,482	3,345,874	3,316,097
Adjustments for:				
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	4,317	4,287	4,317	4,287
- RCULS	-	1,604	-	1,604
- ESOS	-	8,578	-	8,318
Weighted average number of ordinary shares for diluted EPS	3,330,835	3,383,951	3,350,191	3,330,306
Diluted EPS	13.5	30.5	48.8	69.3