

**CIMB GROUP HOLDINGS BERHAD (formerly known as Bumiputra-Commerce Holdings Berhad)**

*(Company Number 50841-W)*

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009**

	Note	The Group	
		30 Sept 2009 RM'000	31 Dec 2008 RM'000
<b>ASSETS</b>			
Cash and short-term funds		20,473,204	24,408,711
Securities purchased under resale agreements		4,089,682	3,311,243
Deposits and placements with banks and other financial institutions		7,582,410	4,063,276
Securities held for trading	A7	11,816,689	10,423,239
Available-for-sale securities	A8	11,709,786	11,608,213
Held-to-maturity securities	A9	13,782,090	11,921,430
Derivative financial instruments	A20 (i)	4,100,849	5,739,936
Loans, advances and financing	A10	136,467,443	117,382,074
Other assets	A11	6,203,264	4,237,926
Deferred tax assets		384,808	543,139
Tax recoverable		106,232	388,756
Statutory deposits with central banks		832,538	2,736,345
Investment in associates and jointly controlled entity		583,343	913,767
Property, plant and equipment		1,915,712	1,669,036
Investment properties		101,277	100,175
Prepaid lease payments		72,049	50,386
Goodwill		7,581,938	6,696,245
Intangible assets		1,061,276	459,361
		<b>228,864,590</b>	<b>206,653,258</b>
Non-current assets held for sale		27,184	82,452
<b>TOTAL ASSETS</b>		<b>228,891,774</b>	<b>206,735,710</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A12	166,155,429	146,890,210
Deposits and placements of banks and other financial institutions	A13	13,719,588	13,653,284
Obligations on securities sold under repurchase agreements		-	62,924
Derivative financial instruments	A20 (i)	3,784,830	5,168,280
Bills and acceptances payable		2,859,207	3,333,266
Other liabilities	A14	9,307,849	7,498,706
Deferred tax liabilities		1,982	14,895
Current tax liabilities		397,427	152,498
Amount due to Cagamas Berhad		454,651	993,818
Bonds	B6	442,440	24,374
Other borrowings	B6	4,906,085	4,004,836
Subordinated notes	B6	4,855,859	5,598,335
Non-cumulative guaranteed and redeemable preference shares		905,670	948,336
		<b>207,791,017</b>	<b>188,343,762</b>
Liabilities directly associated with non-current assets classified as held for sale		-	29,499
<b>TOTAL LIABILITIES</b>		<b>207,791,017</b>	<b>188,373,261</b>
Ordinary share capital		3,582,395	3,578,078
Reserves		16,293,793	14,021,765
Less: Shares held under trust		(26,065)	(74,190)
Treasury shares, at cost		(461,876)	(461,702)
		<b>19,388,247</b>	<b>17,063,951</b>
Perpetual preference shares		200,000	200,000
Minority interests		1,512,510	1,098,498
<b>TOTAL EQUITY</b>		<b>21,100,757</b>	<b>18,362,449</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>228,891,774</b>	<b>206,735,710</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A20 (ii)	<b>329,519,544</b>	<b>321,678,842</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<b>5.49</b>	<b>4.84</b>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008.*

**CIMB GROUP HOLDINGS BERHAD (formerly known as Bumiputra-Commerce Holdings Berhad)**

*(Company Number 50841-W)*

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**UNAUDITED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	Note	The Group			
		3rd quarter ended		Nine months ended	
		30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
		RM'000	RM'000	RM'000	RM'000
Interest income	A15	<b>2,647,433</b>	2,377,969	<b>7,996,900</b>	6,956,499
Interest expense	A16	<b>(1,052,319)</b>	(1,237,634)	<b>(3,492,825)</b>	(3,582,714)
Net interest income		<b>1,595,114</b>	1,140,335	<b>4,504,075</b>	3,373,785
Income from Islamic Banking operations	A24(b)	<b>222,602</b>	93,234	<b>546,747</b>	306,921
Non-interest income (excluding gain on disposal of net assets and interest in a subsidiary)	A17	<b>899,712</b>	449,648	<b>2,739,153</b>	2,159,679
		<b>2,717,428</b>	1,683,217	<b>7,789,975</b>	5,840,385
Gain on disposal of net assets and interest in a subsidiary		<b>69,549</b>	-	<b>99,800</b>	17,716
		<b>2,786,977</b>	1,683,217	<b>7,889,775</b>	5,858,101
Overheads	A18	<b>(1,439,213)</b>	(929,662)	<b>(4,179,844)</b>	(3,026,105)
Profit before allowances		<b>1,347,764</b>	753,555	<b>3,709,931</b>	2,831,996
Allowance for losses on loans, advances and financing	A19	<b>(245,516)</b>	(167,582)	<b>(819,457)</b>	(531,980)
Allowance for losses on other receivables		<b>(89,913)</b>	(13,524)	<b>(144,782)</b>	(19,936)
Allowance for commitments and contingencies		<b>(34,474)</b>	10	<b>(44,815)</b>	(48)
Allowance (made)/written back for impairment losses		<b>2,560</b>	(2,826)	<b>(9,482)</b>	(9,080)
		<b>980,421</b>	569,633	<b>2,691,395</b>	2,270,952
Share of results of jointly controlled entity		<b>2,536</b>	638	<b>6,743</b>	2,637
Share of results of associates		<b>17,831</b>	1,664	<b>20,116</b>	(6,066)
Profit before taxation and zakat		<b>1,000,788</b>	571,935	<b>2,718,254</b>	2,267,523
Taxation and zakat	B4	<b>(219,112)</b>	(109,287)	<b>(564,798)</b>	(551,906)
Profit for the financial year		<b>781,676</b>	462,648	<b>2,153,456</b>	1,715,617
Attributable to :					
Equity holders of the Company		<b>726,830</b>	447,961	<b>2,003,923</b>	1,633,440
Minority interests		<b>54,846</b>	14,687	<b>149,533</b>	82,177
		<b>781,676</b>	462,648	<b>2,153,456</b>	1,715,617
Earnings per share (sen):					
- Basic	B8(a)	<b>20.6</b>	13.5	<b>56.8</b>	48.8
- Fully diluted	B8(b)	<b>20.6</b>	13.5	<b>56.8</b>	48.8

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008.*

**CIMB GROUP HOLDINGS BERHAD (formerly known as Bumiputra-Commerce Holdings Berhad)**  
(Company Number 50841-W)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

Attributable to equity holders of the Company

The Group 30 September 2009	Attributable to equity holders of the Company													Total RM'000
	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve 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	
At 1 January 2009	3,578,078	6,027,864	2,841,540	89,387	(427,599)	(74,190)	(461,702)	369,951	(113,582)	5,234,204	17,063,951	200,000	1,098,498	18,362,449
Net gain/(loss) not recognised in the income statement:														
- currency translation difference	-	-	-	-	728,056	-	-	(28,864)	-	-	699,192	-	89,633	788,825
- net gain from change in fair value	-	-	-	-	-	-	-	409,337	-	-	409,337	-	30,715	440,052
- net profit realised on disposal of available-for-sale securities	-	-	-	-	-	-	-	(183,436)	-	-	(183,436)	-	12,305	(171,131)
- transfer from deferred tax assets	-	-	-	-	-	-	-	(21,398)	-	-	(21,398)	-	3,076	(18,322)
- net investment hedge	-	-	-	-	-	-	-	-	(2,057)	-	(2,057)	-	-	(2,057)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(1,023)	-	(1,023)	-	-	(1,023)
Income and expense recognised directly in equity	-	-	-	-	728,056	-	-	175,639	(3,080)	-	900,615	-	135,729	1,036,344
Profit for the financial year	-	-	-	-	-	-	-	-	-	2,003,923	2,003,923	-	149,533	2,153,456
Dividend for the financial year ended 31 December 2008	-	-	-	-	-	-	-	-	-	(699,387)	(699,387)	-	(33,921)	(733,308)
Transfer to statutory reserve	-	-	237,935	-	-	-	-	-	-	(237,935)	-	-	-	-
Issue of share capital arising from:														
- conversion of USD Zero Coupon guaranteed convertible bonds 2004/2009	4,317	20,763	-	-	-	-	-	-	-	-	25,080	-	-	25,080
Option reserves arising from share option schemes of subsidiaries	-	-	-	-	-	-	-	-	(11,516)	-	(11,516)	-	21,411	9,895
Net reversal of shares held under trust	-	-	-	-	-	48,125	-	-	-	-	48,125	-	-	48,125
Arising from completion of fair value audit of the acquisition of PT Bank Lippo Tbk	-	-	-	-	-	-	-	-	-	-	-	-	82,475	82,475
Arising from accretion/dilution of equity interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	58,785	58,785
Purchase of treasury shares	-	-	-	-	-	-	(174)	-	-	-	(174)	-	-	(174)
Arising from issuance of warrants	-	-	-	-	-	-	-	-	57,630	-	57,630	-	-	57,630
At 30 September 2009	3,582,395	6,048,627	3,079,475	89,387	300,457	(26,065)	(461,876)	545,590	(70,548)	6,300,805	19,388,247	200,000	1,512,510	21,100,757

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008.

**CIMB GROUP HOLDINGS BERHAD (formerly known as Bumiputra-Commerce Holdings Berhad)**

*(Company Number 50841-W)*

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

Attributable to equity holders of the Company

The Group 30 September 2008	Attributable to equity holders of the Company													
	Share capital RM'000	Share premium- ordinary shares RM'000	Statutory reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserve 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
- net loss from change in fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- net profit realised on disposal of 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 year	-	-	-	-	-	-	-	-	-	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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008.

**CIMB GROUP HOLDINGS BERHAD (formerly known as Bumiputra-Commerce Holdings Berhad)**

*(Company Number 50841-W)*

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	<b>The Group</b>	
	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	2,718,254	2,267,523
Adjustments for non-operating and non-cash items	525,313	476,443
Operating profit before changes in working capital	3,243,567	2,743,966
Net changes in operating assets	(12,251,726)	(8,045,271)
Net changes in operating liabilities	3,991,776	11,074,110
	(8,259,950)	3,028,839
Cash flows used in operations	(5,016,383)	5,772,805
Taxation paid	(37,230)	(546,375)
Net cash flows used in operating activities	(5,053,613)	5,226,430
Net cash flows (used in) / generated from investing activities	860,228	(2,751,813)
Net cash flows (used in) / generated from financing activities	(399,579)	(183,887)
Net decrease in cash and cash equivalents during the financial period	(4,592,964)	2,290,730
Effects of exchange rate changes	657,457	195,094
Cash and cash equivalents at beginning of the financial period	24,408,711	30,525,460
<b>Cash and cash equivalents at end of the financial period</b>	<b>20,473,204</b>	<b>33,011,284</b>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008.*

## **PART A - EXPLANATORY NOTES**

### **A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The unaudited interim financial statements for the third quarter ended 30 September 2009 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 and non-current assets/disposal groups held for sale.

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 financial year ended 31 December 2008. 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 financial year ended 31 December 2008.

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 financial year ended 31 December 2008.

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 'Guideline on Financial Reporting for Licensed Institutions' ("BNM/GP8"). Paragraph 4, Appendix A of the revised BNM/GP8 requires impaired loans to be measured at their estimated recoverable amount. This requirement is principally similar to the requirements under FRS 139 – Financial Instruments: Recognition and Measurement. During the financial year ended 31 December 2008, BNM issued a revised circular on BNM/GP3 which requires impaired credit facilities to be measured at their recoverable amount. This requirement supersedes paragraph 4, Appendix A of the revised BNM/GP8. 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.

During the fourth quarter of 2008, CIMB Bank Berhad ("CIMB Bank") and PT Bank CIMB Niaga Tbk ("CIMB Niaga") had reclassified a portion of their securities in held-for-trading category to held-to-maturity category based on current market prices at the relevant dates of the reclassifications. The reclassification is permitted under BNM's circular dated 17 October 2008 on Reclassification of Securities under Specific Circumstances which is effective from 1 July 2008 to 31 December 2009.

The preparation of unaudited interim financial statements in conformity with the Financial Reporting Standards and BNM 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 material changes to 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 2009:-

a) From 13 February 2009 to 30 September 2009, the Company purchased 20,000 of its own shares from the open market at an average market price of RM8.72 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM174.4 thousand. The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.

b) On 15 April 2009, CIMB Investment Bank Berhad, a wholly-owned subsidiary of Bumiputra-Commerce Holdings Berhad, has fully redeemed its USD100.0 million 5% subordinated bonds. CIMB Bank Berhad, a 99.999% owned subsidiary of the Company had also fully redeemed its USD100 million subordinated loan.

c) On 17 April 2009, CIMB Bank (L) Limited had issued USD140 million bonds and BCHB had issued 50,622,413 BCHB warrants.

d) From 21 May 2009 to 17 June 2009, the Company had issued 4,316,692 new ordinary shares of RM1.00 each pursuant to the conversion of the five (5) year guaranteed redeemable convertible bonds.

e) On 30 June 2009, CIMB Bank had fully redeemed the USD200 million subordinated notes, and issued 123,456,800 new ordinary shares at an issue price of RM8.10 each.

f) On 10 July 2009, CIMB Bank Berhad, a subsidiary of BCHB, issued 667,000,000 new ordinary shares of RM1.00 each in CIMB Bank ("CIMB Bank Shares") to its 99.999% shareholder, CIMB Group Sdn Bhd ("CIMBG"), which is in turn a wholly-owned subsidiary of BCHB, in connection with the settlement of the coupon and principal of the ICULS which are due and payable to BCHB.

g) On 25 September 2009, CIMB Islamic Bank Berhad, a subsidiary of CIMB Bank, issued RM300 million nominal value Junior Sukuk under Syariah principle of Musyarakah. The Junior Sukuk carries a profit rate of 5.85% per annum payable semi-annually and will mature on 25 September 2019.

### **A4. DIVIDENDS PAID AND PROPOSED**

An interim gross dividend of 25 sen per ordinary share, comprising 20.7 sen gross per ordinary share less income tax of 25% and 4.3 sen tax exempt on 3,527,468,718 ordinary shares amounting to RM699,389,214 in respect of the financial year ended 31 December 2008, which was approved by the Board of Directors in a resolution dated 20 February 2009 was paid on 31 March 2009. No interim dividend is proposed for the current period.

### **A5. STATUS OF CORPORATE PROPOSALS**

#### **a) 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. The Vietnam State Securities Commissions' license was obtained on 18 December 2008 and a Shareholders Agreement was entered into on 7 August 2009. Under the terms of the Shareholders' Agreement, CIMB Investment will subscribe for an initial equity interest of 10% in VFC Securities for Vietnamese Dong ("VND") 34 billion (approximately RM6.7 million), and has the option to increase its shareholding to 40% for a total capital contribution of up to VND200 billion (approximately RM39.2 million).

#### **A5. STATUS OF CORPORATE PROPOSALS (continued)**

##### **b) Proposed disposal by the Company of its 49% equity interest in PT CIMB Sun Life (formerly known as PT Commerce International)**

On 16 March 2009, CIG Berhad ("CIGB") (formerly known as Commerce International Group Berhad) entered into a Share Purchase Agreement ("SPA") with PT Sun Life Indonesia Services ("PT Sun Life") (formerly known as PT Parahiyangan Griyanusa), a 99.0% owned subsidiary of Sun Life Assurance Company of Canada, for the disposal by CIGB of its 49% equity interest in PT CIMB Sun Life ("CIMB Sun Life") (formerly known as PT Commerce International) to PT Sun Life for a total estimated consideration of 22.7 million United States Dollars ("USD") (equivalent to approximately RM84.1 million) ("Proposed Disposal"). The purchase consideration is subject to adjustments in accordance with the SPA, if any. The net asset value of PT CIMB Sun Life as at September 2008 is 72.7 billion Indonesian Rupiah (equivalent to approximately RM22.5 million). In conjunction with the Proposed Disposal, CIMB Sun Life will enter into a bancassurance agreement with PT Bank CIMB Niaga Tbk ("CIMB Niaga") for the distribution of life insurance products through the distribution network of CIMB Niaga. The proposed disposal was completed on 28 July 2009.

##### **c) Proposed Tier 2 Junior Sukuk Programme by CIMB Islamic Bank Berhad**

CIMB Islamic Bank Berhad had on 15 April 2009 and 22 May 2009, obtained the approval from Bank Negara Malaysia and Securities Commission with regards to the proposed Tier 2 Junior Sukuk Programme of up to RM2.0 billion in nominal value. The proceeds from the Proposed Issue shall be made available for the Islamic banking operation of CIMB Islamic or any other Shariah-compliant use as approved by its Shariah Adviser. The Junior Sukuk was issued on 25 September 2009.

##### **d) Launch of Islamic Infrastructure Fund ("IIF") and joint venture to jointly manage the IIF**

On 2 July 2009, the Company announced the launch of the IIF and the joint venture between CIMB Strategic Assets Sdn Bhd, a wholly owned subsidiary of BCHB and Standard Bank Group International Limited, a subsidiary of Standard Bank Group Limited of South Africa, to jointly manage the IIF. The IIF is a target US\$500 million Shari'ah compliant infrastructure private equity fund jointly sponsored by the Asian Development Bank and the Islamic Development Bank. It is established as an Offshore Limited Partnership under the Labuan Offshore Limited Partnership Act.

##### **e) Settlement of RM667 million irredeemable convertible unsecured loan stocks ("ICULS") ("Settlement")**

On 10 July 2009, CIMB Bank, a subsidiary of BCHB, has allotted and issued 667,000,000 new ordinary shares of RM1.00 each in CIMB Bank ("CIMB Bank Shares") to its 99.999% shareholder, CIMB Group Sdn Bhd ("CIMBG"), which in turn is a wholly-owned subsidiary of BCHB. The allotment and issuance of the new CIMB Bank Shares is in connection with the settlement of the coupon and principal of the ICULS which are due and payable to BCHB. BCHB has nominated CIMBG to be the holder of the 667,000,000 new CIMB Bank Shares.

##### **f) Company change of name**

On 12 August 2009, the Company announced a proposed name change to CIMB Group Holdings Berhad. The Company's name was changed from Bumiputra-Commerce Holdings Berhad to CIMB Group Holdings Berhad on 9 September 2009, following the shareholder's approval attained at an EGM convened on 4 September 2009.

#### **A6. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE**

##### **a) Joint venture between CIMB Real Estate Sdn Bhd ("CIMB RE") and Trustcapital Advisors Pte Ltd ("TCA") to establish and manage an Australian Real Estate Fund ("Joint Venture")**

On 19 October 2009, CIMB RE and TCA entered into a joint venture agreement to establish a joint venture entity ("Joint Venture Entity") in which CIMB RE and TCA will own 70% and 30% of the equity interest respectively. The Joint Venture Entity is incorporated as a private limited company in Singapore and will have an issued and paid-up share capital of Singapore Dollars ("SGD") 960,000 comprising 960,000 ordinary shares of SGD1.00 each upon the injection of their proportionate capital from both shareholders. The joint venture is pending completion.

##### **b) Sale of office building in Sathorn, Bangkok ("Sathorn Building") ("Sale of Sathorn Building")**

On 20 October 2009, CIMB Thai Bank PCL ("CIMB Thai"), an approximately 94% subsidiary of CIMB Bank Berhad, had entered into a Sale and Purchase Agreement ("SPA") for the Sale of Sathorn Building. Pursuant to the SPA, CIMB Thai shall dispose of Sathorn Building for a total cash consideration of approximately THB1 billion (or approximately RM100 million). The sale is expected to be completed in December 2009.



**PART A - EXPLANATORY NOTES**

**A7. SECURITIES HELD FOR TRADING**

	<b>The Group</b>	
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	1,097,052	1,342,488
Cagamas bonds	69,841	205,323
Khazanah bonds	27,308	9,791
Malaysian Government treasury bills	78,987	38,262
Bank Negara Malaysia bills	2,751,046	552,598
Bank Negara Malaysia negotiable notes	149,473	46,892
Negotiable instruments of deposit	2,488,715	4,150,073
Bankers' acceptances and Islamic accepted bills	655,563	1,174,286
Credit-linked notes	158,889	172,884
Commercial papers	168,715	332,605
Government investment issues	474,441	81,376
Floating rate notes	9,360	-
	<b>8,129,390</b>	<b>8,106,578</b>
<b>Quoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Warrants	5	5
Shares	495,504	143,820
Loan stocks	1,035	1,272
Unit trusts	11,756	-
Private and Islamic debt securities	10,404	-
<i><u>Outside Malaysia:</u></i>		
Shares	31,464	11,959
Private and Islamic debt securities	-	6,127
Other Government bonds	248,409	212,781
	<b>798,577</b>	<b>375,964</b>
<b>Unquoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	1,841,945	1,418,725
Shares	7,323	5,001
Investment linked fund	34,128	-
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	1,005,326	516,971
	<b>2,888,722</b>	<b>1,940,697</b>
<b>Total securities held-for-trading</b>	<b>11,816,689</b>	<b>10,423,239</b>

In the 4th quarter 2008, the Malaysian banking subsidiaries of the Company reclassified a portion of their securities in held for trading securities to held-to-maturity category based on current market prices at the relevant dates of reclassification. The reclassification has been accounted for in accordance with the BNM circular on 'Reclassification of Securities under Specific Circumstances' dated 17 October 2008, which is effective from 1 July 2008 until 31 December 2009.

The fair value of the securities reclassified from held for trading category to held to the held-to-maturity category, as of the respective dates of reclassification is RM5,984,996,000.

As of date of reclassification, the effective interest rates on the reclassified held for trading securities, based on the new cost is an average of 6.65% per annum for the Group, with expected recoverable cash flows of RM6,143,696,000, including any coupons receivable on the securities.

## A8. AVAILABLE-FOR-SALE SECURITIES

	The Group	
	30 Sept 2009	31 Dec 2008
	RM'000	RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	271,137	239,797
Cagamas bonds	286,752	296,925
Khazanah bonds	34,784	85,331
Other Government treasury bills	397	309
Bankers' acceptances and Islamic accepted bills	40,893	-
Government investment issues	391,433	450,776
Commercial papers	19,539	134,040
	<b>1,044,935</b>	<b>1,207,178</b>
<b>Quoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Shares	229,433	267,448
Unit trusts	146,322	712,283
<i><u>Outside Malaysia:</u></i>		
Shares	8,559	465
Mutual funds	265,983	-
Private and Islamic debt securities	666,757	128,050
Other Government bonds	2,665,915	2,238,805
	<b>3,982,969</b>	<b>3,347,051</b>
<b>Unquoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	6,102,525	6,524,704
Shares	551,088	521,030
Loan stocks	19,649	30,715
Property funds	164	116
Investment-linked funds	10,569	19,016
<i><u>Outside Malaysia:</u></i>		
Shares	104,224	60,268
Mutual funds	1,134	7,542
Private equity and unit trust funds	209,999	102,025
Private and Islamic debt securities	63,930	118,506
Loan stocks	498	485
	<b>7,063,780</b>	<b>7,384,407</b>
	<b>12,091,684</b>	<b>11,938,636</b>
<b>Allowance for impairment loss:</b>		
Private debt securities	(273,622)	(279,387)
Quoted shares	(6,440)	(11,527)
Quoted bonds	(158)	(1,138)
Unquoted shares	(94,773)	(38,320)
Mutual funds	(6,905)	(51)
	<b>(381,898)</b>	<b>(330,423)</b>
<b>Total available-for-sale securities</b>	<b>11,709,786</b>	<b>11,608,213</b>

## A9. HELD-TO-MATURITY SECURITIES

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	149,967	149,967
Cagamas bonds	294,817	294,817
<b>Quoted securities</b>		
<u>Outside Malaysia</u>		
Bonds	457,096	189,997
Islamic bonds	25,107	31,530
Medium term notes - Islamic	8,973	7,883
Other Government bonds	155,339	154,655
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Shares	270	462
Private debt securities	7,354,010	7,658,366
Loan stocks	31,814	32,478
Danaharta Urus Sdn Bhd ("DUSB") bonds	929,639	929,639
<u>Outside Malaysia</u>		
Private debt securities	4,247,817	2,324,724
	<b>13,654,849</b>	<b>11,774,518</b>
Accretion of discount net of amortisation of premium	220,016	224,864
Less : Allowance for impairment losses	(92,775)	(77,952)
Total held-to-maturity securities	<b>13,782,090</b>	<b>11,921,430</b>

Included in the held-to-maturity securities are securities transferred from the held for trading category during the 4th quarter of 2008, with the following carrying value and fair value as at 30 September 2009 and 31 December 2008 respectively:

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Carrying value	6,039,170	6,006,742
Fair value	5,780,123	5,977,580

## A10. LOANS, ADVANCES AND FINANCING

### (i) By type

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Overdrafts	8,081,206	7,239,009
Term loans/financing		
- Housing loans/financing	38,014,723	29,344,329
- Syndicated term loans	7,471,907	7,342,689
- Hire purchase receivables	14,088,278	13,663,402
- Lease receivables	85,592	123,850
- Factoring receivables	60,912	86,888
- Other term loans/financing	52,668,504	40,080,979
Bills receivable	1,559,643	253,454
Trust receipts	1,053,321	822,721
Claims on customers under acceptance credits	4,790,423	5,908,166
Staff loans *	776,218	765,073
Credit card receivables	3,253,386	3,087,405
Revolving credits	23,172,588	17,791,176
Share margin financing	881,486	577,808
Other loans	9,618	774,004
	<b>155,967,805</b>	127,860,953
Less: Unearned interest/income	<b>(12,774,965)</b>	(4,878,552)
	<b>143,192,840</b>	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	<b>143,192,840</b>	122,687,455
Fair value changes arising from fair value hedge	<b>92,666</b>	177,618
	<b>143,285,506</b>	122,865,073
Less: Specific allowance	<b>(4,742,582)</b>	(3,674,460)
	<b>138,542,924</b>	119,190,613
Less: General allowance	<b>(2,075,481)</b>	(1,808,539)
Total net loans, advances and financing	<b>136,467,443</b>	117,382,074

\* Included in staff loans of the Group are loans to Directors amounting to RM4,161,345 (31 December 2008: RM859,684).

Included in loans, advances and financing balances are RM2,091,698,000 (31 December 2008: RM2,061,944,000) of net loans relating to that of a jointly controlled entity, PCSB. The revenue and risks of these accounts are shared equally between CIMB Bank and the joint venture partner, Proton Edar Sdn Bhd, pursuant to the terms of a Joint Venture Agreement.

Included in other term loans is RM7,562,300,000 as at 30 September 2009 (31 December 2008: RM3,021,205,000) provided on normal commercial terms which are exempted from general allowance by Bank Negara Malaysia.

The Group has undertaken fair value hedges on RM6,218,179,000 billion (31 December 2008: RM2.0 billion) of its loan exposure using interest rate swaps.

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Gross loan hedged	6,218,179	2,000,000
Fair value changes arising from fair value hedges	92,666	177,618
	<b>6,310,845</b>	2,177,618

The fair values of interest rate swaps as at 30 September 2009 were RM(162,336,000) (31 December 2008: RM202,404,724).

**A10. LOANS, ADVANCES AND FINANCING (continued)**
**(ii) By type of customers**

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Domestic banking financial institutions	125,927	149,356
Domestic non-bank financial institutions		
- stockbroking companies	-	42,442
- others	3,270,395	2,994,551
Domestic business enterprises		
- small medium enterprises	22,030,480	20,766,537
- others	34,546,767	30,529,224
Government and statutory bodies	7,670,585	3,098,571
Individuals	64,284,763	55,756,328
Other domestic entities	4,822,901	3,942,677
Foreign entities	6,441,022	5,702,715
	<b>143,192,840</b>	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	<b>143,192,840</b>	122,687,455

**(iii) By interest/profit rate sensitivity**

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Fixed rate		
- Housing loans/financing	5,625,675	5,572,131
- Hire-purchase receivables	11,768,802	11,422,258
- Other fixed rate loans	18,873,397	11,741,337
Variable rate		
- BLR plus	67,705,783	63,528,871
- Cost plus	22,961,593	22,154,552
- Other variable rates	16,257,590	8,563,252
	<b>143,192,840</b>	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	<b>143,192,840</b>	122,687,455

**(iv) By economic purpose**

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Personal use	4,458,418	3,200,541
Credit card	3,253,829	3,087,406
Purchase of consumer durables	12,681	19,111
Construction	4,520,772	3,277,838
Residential property (Housing)	34,435,907	28,933,603
Non-residential property	9,594,449	8,726,826
Purchase of fixed assets other than land and building	5,274,267	2,843,897
Mergers and acquisitions	1,838,736	1,563,682
Purchase of securities	8,255,091	12,161,500
Purchase of transport vehicles	14,651,661	13,452,647
Working capital	42,710,232	38,071,904
Other purpose	14,186,797	7,643,446
	<b>143,192,840</b>	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
	<b>143,192,840</b>	122,687,455

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

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Personal use	308,561	257,288
Credit card	73,894	73,565
Purchase of consumer durables	858	950
Construction	528,471	337,397
Residential property (Housing)	1,729,243	1,672,770
Non-residential property	415,447	438,087
Purchase of fixed assets other than land and building	143,091	116,226
Purchase of securities	67,098	69,980
Purchase of transport vehicles	367,603	375,828
Working capital	3,375,992	2,584,750
Other purpose	857,371	129,620
	<b>7,867,629</b>	<b>6,056,461</b>

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

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Balance as at 1 January	6,056,461	7,324,748
Classified as non-performing during the period / year	3,267,804	3,707,932
Reclassified as performing during the period / year	(1,496,602)	(2,618,513)
Amount written back in respect of recoveries	(710,087)	(1,162,022)
Arising from acquisition of a subsidiary	1,410,196	67,149
Amount written off	(740,033)	(826,075)
Purchase of NPL	3,886	-
Sale of NPL	-	(385,389)
Exchange fluctuation	76,004	(51,369)
Balance as at 30 September / 31 December	<b>7,867,629</b>	<b>6,056,461</b>
Specific allowance ^	<b>(4,552,715)</b>	<b>(3,475,673)</b>
Net non-performing loans, advances and financing	<b>3,314,914</b>	<b>2,580,788</b>
Ratio of net non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas) less specific allowances ^	<b>2.39%</b>	<b>2.16%</b>

^ Excludes specific allowances on performing loans amounting to RM 189,867,000 (31 December 2008: RM198,787,000)

**A10. LOANS, ADVANCES AND FINANCING** (continued)**(vii) Movements in the allowance for bad and doubtful debts and financing are as follows:**

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<u>Specific allowance</u>		
Balance as at 1 January	3,674,460	3,551,988
Allowance made during the period / year	1,273,694	1,679,440
Amount written back in respect of recoveries	(336,532)	(693,323)
Amount written back from sale of non-performing loans	-	(61,099)
Amount written off	(724,994)	(664,708)
Arising from acquisition of subsidiary	818,189	45,670
Amount transferred from general allowance	7,582	-
Allowance made and charged to deferred assets	(2,351)	878
Sale of NPL	-	(194,711)
Purchase of NPL	3,469	-
Write back in relation to jointly controlled entity	(905)	(4,329)
Exchange fluctuation	29,970	14,654
Balance as at 30 September / 31 December	<b>4,742,582</b>	<b>3,674,460</b>
<u>General allowance</u>		
Balance as at 1 January	1,808,539	1,523,920
Net allowance made during the period / year	148,555	250,711
Amount transferred to specific allowance	(7,582)	-
Allowance for loans arising from acquisition of subsidiaries	123,554	80,094
Purchase of NPL	(32)	-
Exchange fluctuation	2,447	(46,186)
Balance as at 30 September / 31 December	<b>2,075,481</b>	<b>1,808,539</b>
General allowance as % of gross loans, advances and financing (including Islamic financing sold to Cagamas) less loans exempted from general allowance by BNM and specific allowance	<b>1.59%</b>	<b>1.56%</b>

**A11. OTHER ASSETS**

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Interest receivable	652,462	468,114
Due from brokers and clients net of allowance for doubtful debts	1,947,422	512,972
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,937,352	1,831,690
Due from insurers, brokers and reinsurers	18,507	18,679
Option financing	195,000	301,995
Deferred assets	205,052	216,292
Foreclosed properties net of allowance for impairment losses	644,051	257,490
Credit Support Annex for derivative transactions	437,431	464,823
Amounts receivable from sale of non-performing loans	165,987	165,871
	<b>6,203,264</b>	<b>4,237,926</b>

## A12. DEPOSITS FROM CUSTOMERS

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<u>By type of deposit</u>		
Demand deposits	34,279,980	31,076,404
Savings deposits	18,419,172	14,929,572
Fixed deposits	80,516,041	72,576,926
Negotiable instruments of deposit	2,091,955	2,705,644
Others	30,848,281	25,601,664
	<b>166,155,429</b>	<b>146,890,210</b>
<u>By type of customer</u>		
Government and statutory bodies	13,594,479	10,825,601
Business enterprises	75,979,654	73,442,172
Individuals	58,371,076	47,116,235
Others	18,210,220	15,506,202
	<b>166,155,429</b>	<b>146,890,210</b>
<u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	77,931,001	71,145,615
More than one year (medium/long term)	4,676,995	4,136,955
	<b>82,607,996</b>	<b>75,282,570</b>

## A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Licensed banks	11,544,414	6,813,348
Licensed finance companies	146,093	14,140
Licensed investment banks	41,105	2,506,885
Bank Negara Malaysia	365,000	365,000
Other financial institutions	1,622,976	3,953,911
	<b>13,719,588</b>	<b>13,653,284</b>

## A14. OTHER LIABILITIES

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Interest payable	584,219	634,286
Due to brokers and clients	1,682,583	741,345
Amount due to special purpose vehicle of jointly controlled entity	337,010	405,403
Expenditure payable	503,803	472,641
Provision for legal claims	285,150	314,173
Sundry creditors	972,500	541,410
Deferred gain on disposal of Menara Commerce	-	231,330
Insurance fund - life and takaful insurance business	1,982,196	1,890,635
Provision for commitments and contingencies	96,473	32,749
Post employment benefit obligations	187,843	135,562
Others	2,676,072	2,099,172
	<b>9,307,849</b>	<b>7,498,706</b>



**A15. INTEREST INCOME**

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing				
- Interest income other than recoveries	<b>2,103,871</b>	1,768,448	<b>6,284,093</b>	5,031,711
- Recoveries from NPLs	<b>58,106</b>	90,292	<b>189,702</b>	293,829
Money at call and deposit placements with financial institutions	<b>105,289</b>	196,598	<b>296,072</b>	708,667
Securities purchased under resale agreement	<b>22,753</b>	30,200	<b>95,962</b>	109,150
Securities held for trading	<b>43,609</b>	145,427	<b>130,402</b>	454,555
Available-for-sale securities	<b>148,116</b>	94,026	<b>423,320</b>	266,059
Held-to-maturity securities	<b>157,595</b>	39,118	<b>513,763</b>	100,668
Others	<b>6,483</b>	18,706	<b>73,974</b>	46,511
	<b>2,645,822</b>	2,382,815	<b>8,007,288</b>	7,011,150
Accretion of discounts less amortisation of premiums	<b>30,702</b>	38,931	<b>106,516</b>	91,167
Net interest suspended	<b>(29,091)</b>	(43,777)	<b>(116,904)</b>	(145,818)
	<b>2,647,433</b>	2,377,969	<b>7,996,900</b>	6,956,499

**A16. INTEREST EXPENSE**

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	<b>21,182</b>	59,843	<b>75,561</b>	270,047
Deposits from other customers	<b>858,929</b>	974,103	<b>2,819,788</b>	2,731,326
Obligation on securities sold under repurchase agreements	-	4,456	<b>39</b>	9,026
Bonds	-	185	-	8,661
Loan stocks/ICULS	-	2,533	-	3,516
Subordinated notes	<b>69,563</b>	65,435	<b>238,301</b>	180,598
Loans sold to Cagamas	<b>5,104</b>	14,250	<b>22,566</b>	48,205
Negotiable certificates of deposits	<b>28,869</b>	51,870	<b>106,871</b>	164,663
Other borrowings	<b>30,309</b>	35,430	<b>84,257</b>	112,772
Others	<b>38,363</b>	29,529	<b>145,442</b>	53,900
	<b>1,052,319</b>	1,237,634	<b>3,492,825</b>	3,582,714

**A17. NON-INTEREST INCOME**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Commissions	39,770	55,252	153,712	170,746
Fee on loans, advances and financing	130,756	105,102	335,458	317,051
Portfolio management fees	4,620	4,340	15,091	20,302
Service charges and fees	89,083	71,513	279,428	175,736
Corporate advisory fees	7,337	13,954	53,253	111,531
Guarantee fees	16,027	17,698	44,246	44,198
Other fee income	66,725	75,845	224,997	204,508
Placement fees	8,023	4,736	17,570	17,501
Underwriting commission	376	3,141	6,754	11,035
Al-Wakalah fee	6,912	10,556	21,306	27,025
	<b>369,629</b>	362,137	<b>1,151,815</b>	1,099,633
(b) Gross dividend income from :				
<u>In Malaysia</u>				
- Securities held for trading	5,477	4,938	14,987	26,247
- Available-for-sale securities	16,912	11,234	28,201	22,312
- Held-to-maturity securities	-	34	-	42
<u>Outside Malaysia</u>				
- Securities held for trading	275	577	672	1,453
	<b>22,664</b>	16,783	<b>43,860</b>	50,054
(c) Net gain/(loss) arising from securities held for trading	<b>90,426</b>	114,505	<b>263,021</b>	(222,900)
- realised	46,646	(70,704)	146,036	28,868
- unrealised	43,780	185,209	116,985	(251,768)
(d) Net (loss)/gain arising from derivative financial instruments	<b>(48,729)</b>	(382,154)	<b>189,389</b>	401,155
- realised	124,900	271,012	446,644	680,646
- unrealised	(173,629)	(653,166)	(257,255)	(279,491)
(e) Net (loss)/gain arising from hedging derivatives	<b>(8,971)</b>	27,157	<b>(13,042)</b>	26,173
(f) Net gain from sale of available-for-sale securities	<b>102,215</b>	94,804	<b>183,436</b>	300,599
(g) Net gain from held-to-maturity securities	<b>19,848</b>	-	<b>19,069</b>	4,012
(h) Income from assets management and securities services	<b>42,258</b>	37,686	<b>99,697</b>	122,348
(i) Brokerage income	<b>85,777</b>	58,768	<b>206,807</b>	212,121
(j) Other non-interest income:				
Foreign exchange gain	138,569	105,743	298,417	64,750
Rental income	4,880	5,102	15,621	13,846
Gain on disposal of property, plant and equipment	16,992	853	84,724	3,620
Net gain/(loss) from insurance business	36,237	(12,648)	103,152	(12,648)
Other non-operating income	27,917	20,912	93,187	96,916
	<b>224,595</b>	119,962	<b>595,101</b>	166,484
Total other operating income	<b>899,712</b>	449,648	<b>2,739,153</b>	2,159,679

## A18. OVERHEADS

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	570,418	333,193	1,586,566	1,147,519
- Pension cost	56,564	52,167	168,359	104,566
- Others	111,793	83,032	305,413	242,721
	<b>738,775</b>	468,392	<b>2,060,338</b>	1,494,806
Establishment costs				
- Depreciation of property, plant and equipment	76,872	53,929	226,088	152,469
- Amortisation of prepaid lease payments	1,232	442	3,487	1,206
- Rental	62,916	43,174	177,578	118,112
- Insurance	24,465	4,021	59,034	8,193
- Repair and maintenance	54,422	37,069	161,389	140,753
- Outsourced services	38,018	18,465	109,944	73,421
- Others	65,125	34,638	173,707	122,569
	<b>323,050</b>	191,738	<b>911,227</b>	616,723
Marketing expenses				
- Sales commission	18,943	12,447	49,110	32,943
- Advertisement	45,957	47,532	144,508	118,854
- Legal fees	12,170	5,765	32,883	17,033
- Others	11,347	10,127	26,671	32,453
	<b>88,417</b>	75,871	<b>253,172</b>	201,283
Administration and general expenses				
- Amortisation of intangible assets	47,358	28,689	135,834	82,319
- Legal and professional fees	33,105	28,841	114,496	81,369
- Stationery	22,859	17,253	67,337	45,558
- Merchant expenses	24,303	22,997	69,433	64,413
- Communication	23,552	14,009	68,668	50,801
- Incidental expenses on banking operations	5,179	18,412	50,124	57,119
- Others	132,615	63,460	449,215	331,714
	<b>288,971</b>	193,661	<b>955,107</b>	713,293
	<b>1,439,213</b>	929,662	<b>4,179,844</b>	3,026,105

## A19. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Specific allowance				
- made during the period	409,276	371,937	1,273,694	1,120,009
- written back	(120,401)	(151,803)	(336,532)	(562,613)
General allowance				
- made during the period	56,002	56,112	148,555	214,405
Bad debts on loans and financing :				
- recovered	(99,770)	(109,207)	(268,230)	(240,976)
- written off	409	543	1,970	1,155
	<b>245,516</b>	167,582	<b>819,457</b>	531,980

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 RM80,738,203 (2008: RM149,606,986).

## 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 held for 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.

	<b>The Group</b>	
	<b>Principal amount</b>	<b>Fair values</b>
	<b>Assets</b>	<b>Liabilities</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At 30 September 2009</b>		
<b><u>Derivative at fair value through income statement</u></b>		
<b><u>Foreign exchange derivatives</u></b>		
Currency forward	12,189,811	95,870 (155,874)
Currency swaps	31,203,954	303,462 (235,814)
Currency spot	7,879	37 (37)
Currency options	3,389,335	92,910 (29,174)
Cross currency interest rate swap	15,646,257	452,013 (324,085)
	62,437,236	944,292 (744,984)
<b><u>Interest rate derivative</u></b>		
Interest rate swaps	149,060,123	2,256,931 (1,854,068)
Interest rate futures	19,813,469	36,647 (30,170)
Interest rate options	2,525,000	8,309 (5,241)
	171,398,592	2,301,887 (1,889,479)
<b><u>Equity related derivatives</u></b>		
Equity futures	25,877	1,961 (100)
Index futures	3,256	34 -
Equity options	13,057,785	501,754 (761,391)
Commodity options	826,587	152,866 (151,902)
	13,913,505	656,615 (913,393)
<b><u>Credit related contract</u></b>		
Credit default swaps	883,644	1,744 (2,977)
<b><u>Held for hedging purpose</u></b>		
Interest rate swaps	9,974,751	196,311 (223,614)
Cross currency interest rate swaps	350,000	- (10,383)
	10,324,751	196,311 (233,997)
<b>Total derivative assets/(liabilities)</b>	<b>258,957,728</b>	<b>4,100,849 (3,784,830)</b>

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

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

	<b>The Group</b>		
	<b>Principal amount</b>	<b>Fair values</b>	
	<b>RM'000</b>	<b>Assets</b>	<b>Liabilities</b>
		<b>RM'000</b>	<b>RM'000</b>
At 31 December 2008			
<u>Derivative at fair value through income statement</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	8,478,262	125,522	(89,167)
Currency swaps	17,073,269	270,194	(301,779)
Currency spot	426,064	5,237	(4,345)
Currency options	4,346,964	164,470	(250,692)
Cross currency interest rate swaps	13,007,098	409,686	(415,500)
	43,331,657	975,109	(1,061,483)
<u>Interest rate derivatives</u>			
Interest rate swaps	157,826,911	3,260,712	(2,582,749)
Interest rate futures	28,174,595	82,820	(45,444)
Interest rate options	3,648,918	15,463	(13,926)
	189,650,424	3,358,995	(2,642,119)
<u>Equity derivatives</u>			
Equity futures	13,009	1	(420)
Commodity options	971,404	986,367	(982,057)
Equity options	12,385,319	194,711	(201,303)
	13,369,732	1,181,079	(1,183,780)
<u>Credit related contract</u>			
Credit default swaps	1,010,413	4,207	(58,927)
<u>Held for hedging purpose</u>			
Interest rate swaps	5,325,688	219,190	(205,117)
Cross currency interest rate swaps	638,300	1,356	(16,854)
	5,963,988	220,546	(221,971)
Total derivative assets/(liabilities)	253,326,214	5,739,936	(5,168,280)

**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:**

<u>Group</u>	30 Sept 2009			31 Dec 2008		
	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
<u>Credit-related</u>						
Direct credit substitutes	5,443,559	5,412,307	1,961,055	4,651,831	4,620,651	1,881,467
Certain transaction-related contingent items	5,816,342	3,459,978	1,989,324	5,347,027	3,157,433	1,948,393
Short-term self-liquidating trade-related contingencies	3,104,565	602,929	467,588	3,700,924	737,396	511,436
Islamic financing sold directly and indirectly to Cagamas with recourse	-	-	-	294,946	294,946	294,946
Obligations under underwriting agreement	57,500	28,750	28,750	65,000	32,500	32,500
Irrevocable commitments to extend credit						
- maturity not exceeding one year	43,272,316	7,136,219	3,735,153	40,668,836	5,352,832	2,431,770
- maturity exceeding one year	7,507,468	355,036	347,206	8,754,634	4,377,317	3,722,448
Forward assets purchases	478,870	47	31	129,052	16	11
Miscellaneous commitments and contingencies	6,591,427	1,396,115	242,456	6,722,195	321,819	65,012
Total credit-related commitments and contingencies	72,272,047	18,391,381	8,771,563	70,334,445	18,894,910	10,887,983
<u>Treasury-related</u>						
Foreign exchange related contracts :						
- less than one year	54,807,072	610,623	127,649	39,809,643	662,249	113,902
- one year to less than five years	6,738,314	1,512,907	478,642	2,119,837	888,286	222,066
- five years and above	1,241,849	560,137	192,039	2,040,477	733,002	283,815
	62,787,235	2,683,667	798,330	43,969,957	2,283,537	619,783
Interest rate related contracts :						
- less than one year	93,924,874	87,184	17,980	114,353,287	13,008	2,623
- one year to less than five years	73,709,705	1,977,270	496,758	72,988,755	2,362,599	509,362
- five years and above	13,738,765	2,230,570	470,356	7,634,070	2,059,072	442,869
	181,373,344	4,295,024	985,094	194,976,112	4,434,679	954,854
Equity related contracts :						
- less than one year	4,001,509	131,318	36,434	4,155,670	117,653	25,823
- one year to less than five years	8,505,391	373,641	100,701	8,185,030	695,202	197,319
- five years and above	580,018	38,849	7,770	57,628	4,365	873
	13,086,918	543,808	144,905	12,398,328	817,220	224,015
Total treasury-related commitments and contingencies	257,247,497	7,522,499	1,928,329	251,344,397	7,535,436	1,798,652
	329,519,544	25,913,880	10,699,892	321,678,842	26,430,346	12,686,635

\* Other than the credit equivalent of RM8,561,313,000 (2008: RM7,177,331,000) arising from a subsidiary, PT Bank CIMB Niaga Tbk, which is computed based on Bank Indonesia requirements, and RM1,750,704,000 (2008: RMNil) arising from a subsidiary, CIMB Thai Public Company Limited (formerly known as BankThai Public company Limited), which is computed based on Bank of Thailand requirements, the other credit equivalent amounts are arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

Effective 1 October 2008, the following approaches have been adopted for the computation of risk weighted assets:

- adoption of bilateral netting as provided under the Standardised Approach Framework which involves the weighting of net claims rather than gross claims with the same counterparties arising out of the full range of forwards, swaps, options and similar derivative contracts.
- irrevocable commitments to extend credit (undrawn loans) have been revised to include only those undrawn loans whereby all conditions precedent have been met.

**A21. INTEREST/PROFIT RATE RISK**

As at 30 September 2009	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 RM %	Effective average interest rate IDR %	Effective average interest rate USD %
<b>Assets</b>											
Cash and short-term funds	13,950,161	-	-	-	-	6,523,043	-	20,473,204	1.80	1.61	0.43
Securities purchased under resale agreements	3,888,385	201,297	-	-	-	-	-	4,089,682	2.04	-	-
Deposits and placements with banks and other financial institutions	351,446	4,489,088	2,401,240	163,806	119,926	56,904	-	7,582,410	1.98	5.97	0.60
Securities held for trading	-	-	-	-	-	10,623	11,806,066	11,816,689	2.61	8.15	3.66
Available-for-sale securities	805,201	2,102,770	727,348	2,813,979	3,450,261	1,810,227	-	11,709,786	5.03	11.06	4.60
Held-to-maturity securities	87,870	776,589	1,306,038	4,943,502	6,397,050	271,041	-	13,782,090	5.62	10.81	5.64
Derivative financial instruments	133,813	-	12,339	66,517	159,611	181,198	3,547,371	4,100,849	-	-	-
Loans, advances and financing											
- performing	54,115,489	6,688,387	10,920,969	32,017,942	30,972,422	7,340	-	134,722,549	4.93	13.39	3.87
- non-performing	-	-	-	-	-	1,744,894 <sup>^</sup>	-	1,744,894	-	-	-
Other assets	3	85,000	110,000	-	-	6,008,261	-	6,203,264	4.39	-	-
Deferred tax assets	-	-	-	-	-	384,808	-	384,808	-	-	-
Tax recoverable	-	-	-	-	-	106,232	-	106,232	-	-	-
Statutory deposits with central banks	-	-	-	-	-	832,538	-	832,538	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	583,343	-	583,343	-	-	-
Property, plant and equipment	-	-	-	-	-	1,915,712	-	1,915,712	-	-	-
Investment properties	-	-	-	-	-	101,277	-	101,277	-	-	-
Prepaid lease payments	-	-	-	-	-	72,049	-	72,049	-	-	-
Goodwill	-	-	-	-	-	7,581,938	-	7,581,938	-	-	-
Intangible assets	-	-	-	-	-	1,061,276	-	1,061,276	-	-	-
Non-current assets held for sale	-	-	-	-	-	27,184	-	27,184	-	-	-
<b>Total assets</b>	<b>73,332,368</b>	<b>14,343,131</b>	<b>15,477,934</b>	<b>40,005,746</b>	<b>41,099,270</b>	<b>29,279,888</b>	<b>15,353,437</b>	<b>228,891,774</b>			
<b>Liabilities</b>											
Deposits from customers	71,054,414	21,618,292	29,035,798	6,094,583	6,443,519	31,908,823	-	166,155,429	2.19	5.56	0.58
Deposits and placements of banks and other financial institutions	8,621,784	1,952,575	2,026,564	202,297	365,000	551,368	-	13,719,588	2.13	4.68	0.58
Derivative financial instruments	43,466	76	-	6,250	217,364	199,322	3,318,352	3,784,830	-	-	-
Bills and acceptances payable	958,554	1,022,274	222,772	-	-	655,607	-	2,859,207	2.23	-	-
Other liabilities	-	-	-	-	-	9,307,849	-	9,307,849	-	-	-
Deferred tax liabilities	-	-	-	-	-	1,982	-	1,982	-	-	-
Current tax liabilities	-	-	-	-	-	397,427	-	397,427	-	-	-
Amount due to Cagamas Berhad	65,074	19,036	100,289	270,252	-	-	-	454,651	4.70	-	-
Bonds	-	-	-	442,440	-	-	-	442,440	-	-	3.00
Other borrowings	1,380,591	554,054	23,817	1,406,776	1,540,847	-	-	4,906,085	4.38	14.30	0.96
Redeemable preference shares	-	-	-	-	773,020	132,650	-	905,670	-	-	6.62
Subordinated notes	313,032	-	-	1,520,317	2,666,077	356,433	-	4,855,859	6.04	7.38	-
<b>Total liabilities</b>	<b>82,436,915</b>	<b>25,166,307</b>	<b>31,409,240</b>	<b>9,942,915</b>	<b>12,005,827</b>	<b>43,511,461</b>	<b>3,318,352</b>	<b>207,791,017</b>			
<b>Total interest rate sensitivity gap</b>	<b>(9,104,547)</b>	<b>(10,823,176)</b>	<b>(15,931,306)</b>	<b>30,062,831</b>	<b>29,093,443</b>		<b>12,035,085</b>				

**A21. INTEREST/PROFIT RATE RISK (continued)**

As at 31 December 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 RM %	Effective average interest rate IDR %	Effective average interest rate USD %
<b>Assets</b>											
Cash and short-term funds	19,571,288	-	-	-	-	4,837,423	-	24,408,711	3.11	2.94	1.09
Securities purchased under resale agreements	1,672,818	1,638,425	-	-	-	-	-	3,311,243	2.83	-	-
Deposits and placements with banks and other financial institutions	1,278,321	1,848,565	402,569	397,867	135,924	30	-	4,063,276	2.97	4.86	1.93
Securities held for trading	-	-	-	-	-	5,814	10,417,425	10,423,239	3.63	10.20	5.46
Available-for-sale securities	188,147	213,075	876,572	2,668,828	3,513,640	4,147,951	-	11,608,213	4.94	9.96	-
Held-to-maturity securities	79,090	263,527	406,123	4,440,286	6,324,004	408,400	-	11,921,430	5.66	6.97	6.89
Derivative financial instruments	-	-	-	-	-	350,135	5,389,801	5,739,936	-	-	-
Loans, advances and financing											
- performing	55,247,988	7,116,640	8,340,065	22,086,955	23,671,770	195,094	-	116,658,512	5.72	11.94	4.07
- non-performing	-	-	-	-	-	723,562 ^	-	723,562	-	-	-
Other assets	-	-	301,995	-	-	3,935,931	-	4,237,926	5.93	-	-
Deferred tax assets	-	-	-	-	-	543,139	-	543,139	-	-	-
Tax recoverable	-	-	-	-	-	388,756	-	388,756	-	-	-
Statutory deposits with central banks	-	-	-	-	-	2,736,345	-	2,736,345	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	913,767	-	913,767	-	-	-
Property, plant and equipment	-	-	-	-	-	1,669,036	-	1,669,036	-	-	-
Investment properties	-	-	-	-	-	100,175	-	100,175	-	-	-
Prepaid lease payments	-	-	-	-	-	50,386	-	50,386	-	-	-
Goodwill	-	-	-	-	-	6,696,245	-	6,696,245	-	-	-
Intangible assets	-	-	-	-	-	459,361	-	459,361	-	-	-
Non-current assets held for sale	-	-	-	-	-	82,452	-	82,452	-	-	-
<b>Total assets</b>	<b>78,037,652</b>	<b>11,080,232</b>	<b>10,327,324</b>	<b>29,593,936</b>	<b>33,645,338</b>	<b>28,244,002</b>	<b>15,807,226</b>	<b>206,735,710</b>			
<b>Liabilities</b>											
Deposits from customers	77,845,903	20,104,309	21,592,027	3,421,178	15,866	23,910,927	-	146,890,210	3.22	5.60	0.56
Deposits and placements of banks and other financial institutions	3,777,050	6,165,696	1,083,753	2,260,746	365,231	808	-	13,653,284	3.22	1.69	1.36
Derivative financial instruments	-	-	-	-	-	266,045	4,902,235	5,168,280	-	-	-
Obligations on securities sold under repurchase agreements	-	-	-	-	-	62,924	-	62,924	-	-	-
Bills and acceptances payable	1,243,331	1,275,058	78,537	-	-	736,340	-	3,333,266	3.72	-	-
Other liabilities	-	-	-	-	-	7,498,706	-	7,498,706	-	-	-
Deferred tax liabilities	-	-	-	-	-	14,895	-	14,895	-	-	-
Current tax liabilities	-	-	-	-	-	152,498	-	152,498	-	-	-
Amount due to Cagamas Berhad	11,524	73,487	435,646	473,161	-	-	-	993,818	4.74	-	-
Bonds	-	-	24,374	-	-	-	-	24,374	-	-	4.80
Other borrowings	1,101,937	601,416	623,401	1,670,434	7,648	-	-	4,004,836	3.42	13.49	2.19
Redeemable preference shares	-	-	-	-	813,336	135,000	-	948,336	-	-	6.62
Subordinated notes	-	-	1,037,748	1,535,476	3,025,111	-	-	5,598,335	6.07	7.38	5.52
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	-	29,499	-	29,499	-	-	-
<b>Total liabilities</b>	<b>83,979,745</b>	<b>28,219,966</b>	<b>24,875,486</b>	<b>9,360,995</b>	<b>4,227,192</b>	<b>32,807,642</b>	<b>4,902,235</b>	<b>188,373,261</b>			
<b>Total interest rate sensitivity gap</b>	<b>(5,942,093)</b>	<b>(17,139,734)</b>	<b>(14,548,162)</b>	<b>20,232,941</b>	<b>29,418,146</b>		<b>10,904,991</b>				

^ Includes specific allowances and general allowances of RM6,818,063,000 (2008: RM5,482,999,000)



## A22. CAPITAL ADEQUACY

**30 September 2009**

	CIMB Bank RM '000	CIMB Inv Bank RM '000	CIMB Islamic RM '000	Bank CIMB Niaga* RM '000	CIMB Thai Bank # RM '000
The capital adequacy ratios are as follows:					
Tier I capital	14,122,510	258,101	634,610	3,425,222	645,242
Eligible Tier II capital	3,069,070	1,069	445,750	797,778	645,243
	17,191,580	259,170	1,080,360	4,223,000	1,290,485
Less:					
Investment in subsidiaries and holding of other banking institutions' capital	(2,565,730)	(28,073)	-	(43,374)	(5,453)
Capital base	14,625,850	231,097	1,080,360	4,179,626	1,285,032
Core capital ratio	13.48%	16.55%	7.07%	12.33%	6.24%
Risk-weighted capital ratio	13.96%	16.55%	12.04%	15.04%	12.43%

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

<b>Tier I capital</b>					
Paid-up capital	3,764,466	100,000	550,000	557,186	691,774
Perpetual preference shares	200,000	-	70,000	-	-
Non-innovative Tier I Capital	1,000,000	-	-	-	-
Innovative Tier I capital	1,694,500	-	-	-	-
Share premium	5,033,617	-	-	2,392,089	-
Other reserves	6,272,392	167,440	175,905	519,321	(46,532)
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	(43,374)	-
Deferred tax assets	(287,390)	(9,339)	(25,295)	-	-
Goodwill	(3,555,075)	-	(136,000)	-	-
Total Tier I capital	14,122,510	258,101	634,610	3,425,222	645,242
<b>Tier II capital</b>					
ICULS issued	-	-	-	-	-
Cumulative preference shares	29,740	10	-	-	-
Subordinated notes issued	1,500,000	-	-	-	259,103
Subordinated loans	-	-	300,000	412,351	317,653
Revaluation reserve	-	-	-	-	47,784
General allowance for bad and doubtful debts and financing	1,539,330	1,059	145,750	344,223	20,703
Others	-	-	-	41,204	-
Total Eligible Tier II capital	3,069,070	1,069	445,750	797,778	645,243
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(2,298,270)	(19,420)	-	(43,374)	(5,453)
Investment in joint venture	(72,608)	-	-	-	-
Investment in associates	(194,852)	-	-	-	-
Subordinated term debt	-	(8,653)	-	-	-
Total capital base	14,625,850	231,097	1,080,360	4,179,626	1,285,032

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

	Risk Weighted				
	RM'000	RM'000	RM'000	RM'000	RM'000
0%	23,903,418	244,971	5,349,201	7,422,478	3,264,770
10%	27,828	-	-	42,889	-
20%	20,972,380	3,652,472	3,028,503	2,772,645	1,236,148
35%	-	-	-	-	966,081
50%	22,586,601	28,614	2,258,081	10,172,577	251,404
75%	-	-	-	-	1,697,258
100%	83,284,740	260,554	6,714,583	21,888,306	6,640,756
150%	-	-	-	-	433,800
	98,775,300	1,005,355	8,449,324	27,533,412	9,275,459
Counterparty risk requirement	-	371	-	-	-
Total risk-weighted assets equivalent for credit risk	98,775,300	1,005,726	8,449,324	27,533,412	9,275,459
Total risk-weighted assets equivalent for market risk	5,783,144	390,385	523,945	256,775	140,869
Total risk-weighted assets equivalent for LERR	196,983	-	-	-	920,312
Total risk-weighted assets	104,755,427	1,396,111	8,973,269	27,790,187	10,336,640

The capital adequacy ratios have incorporated market risk pursuant to BNM's guideline on Market Risk Capital Adequacy Framework which was effective from 1 April 2005. Effective 1 October 2008, the following approaches have been adopted for the computation of risk weighted assets:

- adoption of bilateral netting as provided under the Standardised Approach Framework which involves the weighting of net claims rather than gross claims with the same counterparties arising out of the full range of forwards, swaps, options and similar derivative contracts.
- irrevocable commitments to extend credit (undrawn loans) have been revised to include only those undrawn loans whereby all conditions precedent have been met.

\* Computation is based on Bank Indonesia requirements

# Computation is based on Bank of Thailand requirements

A22. CAPITAL ADEQUACY (continued)

**31 December 2008**

	<b>CIMB Bank RM '000</b>	<b>CIMB Inv Bank RM '000</b>	<b>CIMB Islamic RM '000</b>	<b>Bank CIMB Niaga* RM '000</b>
The capital adequacy ratios are as follows:				
Tier I capital	11,662,347	629,641	590,060	3,021,172
Eligible Tier II capital	4,752,839	1,105	75,613	952,519
	<u>16,415,186</u>	<u>630,746</u>	<u>665,673</u>	<u>3,973,691</u>
Less:				
Investment in subsidiaries and holding of other banking institutions' capital	(1,376,978)	(19,420)	-	(65,448)
Capital base	<u>15,038,208</u>	<u>611,326</u>	<u>665,673</u>	<u>3,908,243</u>
Core capital ratio	10.89%	40.15%	10.36%	12.05%
Risk-weighted capital ratio	<u>14.04%</u>	<u>40.15%</u>	<u>11.69%</u>	<u>15.59%</u>

After deducting proposed dividends:

Core capital ratio	10.75%	35.56%	10.36%	11.62%
Risk-weighted capital ratio	<u>13.90%</u>	<u>35.56%</u>	<u>11.69%</u>	<u>15.16%</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	489,478
Perpetual preference shares	200,000	-	70,000	-
Non-innovative Tier I Capital	1,000,000	-	-	-
Innovative Tier I Capital	1,692,900	-	-	-
Share premium	4,157,074	33,489	-	2,116,445
Other reserves	5,461,432	382,445	127,122	415,249
Less :				
Deferred tax assets	(263,993)	(5,535)	(21,062)	-
Goodwill	(3,559,075)	-	(136,000)	-
Total Tier I capital	<u>11,662,347</u>	<u>629,641</u>	<u>590,060</u>	<u>3,021,172</u>

**Tier II capital**

ICULS issued	667,000	-	-	-
Redeemable preference shares	29,740	10	-	-
Subordinated notes issued	2,539,350	-	-	-
Subordinated loans	-	-	-	653,361
General allowance for bad and doubtful debts and financing	1,516,749	1,095	75,613	299,158
Total Eligible Tier II capital	4,752,839	1,105	75,613	952,519
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(729,600)	(19,420)	-	(65,448)
Investment in joint venture	(51,564)	-	-	-
Investment in associates	(595,814)	-	-	-
Total capital base	<u>15,038,208</u>	<u>611,326</u>	<u>665,673</u>	<u>3,908,243</u>
Less:				
Proposed 2008 final dividend	(150,000)	(70,000)	-	(106,917)
Total capital base (net of proposed dividend)	<u>14,888,208</u>	<u>541,326</u>	<u>665,673</u>	<u>3,801,326</u>

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

	<b>Risk Weighted</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
0%	23,692,884	590,951	5,402,401	7,022,454
10%	147,282	-	-	108,066
20%	22,637,137	2,731,019	2,814,340	4,570,706
50%	24,013,412	40,967	733,413	7,854,214
100%	85,765,298	694,746	4,458,449	19,080,606
	<u>102,314,159</u>	<u>1,261,434</u>	<u>5,388,024</u>	<u>23,932,661</u>
Counterparty risk requirement	-	5	-	-
Total risk-weighted assets equivalent for credit risk	102,314,159	1,261,439	5,388,024	23,932,661
Total risk-weighted assets equivalent for market risk	4,629,925	261,009	308,695	1,141,138
Total risk-weighted assets equivalent for LERR	196,983	-	-	-
Total risk-weighted assets	<u>107,141,067</u>	<u>1,522,448</u>	<u>5,696,719</u>	<u>25,073,799</u>

\* 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 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 corporations, 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 derivative 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.

**Foreign Banking Operation** comprises of PT Bank CIMB Niaga Tbk and CIMB Thai Bank Public Company Limited (formerly known as BankThai Public Company Limited), 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)

	<b>Consumer Banking RM'000</b>	<b>Corporate &amp; Investment Banking RM'000</b>	<b>Treasury and Investment RM'000</b>	<b>Asset Management &amp; Insurance RM'000</b>	<b>Foreign Banking Operations RM'000</b>	<b>Support &amp; others RM'000</b>	<b>Total RM'000</b>
<b>30 September 2009</b>							
Net interest income							
-external income / (expense)	2,006,055	958,873	(155,506)	11,567	1,732,509	(49,423)	<b>4,504,075</b>
-inter-segment	(132,159)	(518,688)	668,053	-	-	(17,206)	-
	1,873,896	440,185	512,547	11,567	1,732,509	(66,629)	<b>4,504,075</b>
Income from Islamic Banking operations	310,400	103,709	92,956	8,111	29,065	2,506	<b>546,747</b>
Non-interest income (excluding gain on disposal of interest in subsidiaries)	472,751	598,162	725,679	226,455	697,994	18,112	<b>2,739,153</b>
Gain/(loss) on disposal of interest in subsidiaries	-	-	99,800	-	-	-	<b>99,800</b>
Net Income	2,657,047	1,142,056	1,430,982	246,133	2,459,568	(46,011)	<b>7,889,775</b>
Overheads	(1,886,543)	(528,430)	(255,487)	(129,079)	(1,384,874)	4,569	<b>(4,179,844)</b>
Profit before allowances	770,504	613,626	1,175,495	117,054	1,074,694	(41,442)	<b>3,709,931</b>
Allowance for losses on loans, advances and financing	(355,239)	(180,093)	49,385	-	(333,001)	(509)	<b>(819,457)</b>
Allowance for other receivables	-	(6,554)	(12,104)	(13)	(125,711)	(400)	<b>(144,782)</b>
Provision for commitment & contingencies	-	-	-	(3,000)	(41,815)	-	<b>(44,815)</b>
Allowance written back/(made) for impairment losses	-	22,604	(21,098)	-	(3,695)	(7,293)	<b>(9,482)</b>
Segment results	415,265	449,583	1,191,678	114,041	570,472	(49,644)	<b>2,691,395</b>
Share of results of jointly controlled entities	6,743	-	-	-	-	-	<b>6,743</b>
Share of results of associates	-	-	10,325	-	7,657	2,134	<b>20,116</b>
Profit/(loss) before taxation and zakat	422,008	449,583	1,202,003	114,041	578,129	(47,510)	<b>2,718,254</b>
% of profit before taxation and zakat	15.5	16.5	44.2	4.2	21.3	(1.7)	<b>100.0</b>
Taxation and zakat							<b>(564,798)</b>
<b>Profit after taxation before minority interests</b>							<b><u>2,153,456</u></b>

**A23. SEGMENTAL REPORT** (continued)

	<b>Consumer Banking RM'000</b>	<b>Corporate &amp; Investment Banking RM'000</b>	<b>Treasury and Investment RM'000</b>	<b>Asset Management &amp; Insurance RM'000</b>	<b>Foreign Banking Operation RM'000</b>	<b>Support &amp; others RM'000</b>	<b>Total RM'000</b>
<b>30 September 2008</b>							
Net interest income							
-external income / (expense)	1,995,802	910,455	(103,160)	2,321	568,525	(158)	3,373,785
-inter-segment income	(133,307)	(395,772)	552,860	-	-	(23,781)	-
	1,862,495	514,683	449,700	2,321	568,525	(23,939)	3,373,785
Income from Islamic Banking operations	124,452	33,101	112,866	-	27,789	8,713	306,921
Non-interest income (excluding gain on disposal of interest in subsidiaries)	502,351	767,411	422,023	159,466	270,654	37,774	2,159,679
Gain on disposal of interest in subsidiaries	-	-	17,816	-	-	(100)	17,716
Net Income	2,489,298	1,315,195	1,002,405	161,787	866,968	22,448	5,858,101
Overheads	(1,659,086)	(497,293)	(172,040)	(143,923)	(476,307)	(77,456)	(3,026,105)
Profit before allowances	830,212	817,902	830,365	17,864	390,661	(55,008)	2,831,996
Allowance for losses on loans, advances and financing	(285,109)	(174,476)	15,047	-	(86,023)	(1,419)	(531,980)
Allowance for other receivables	-	(4,153)	(3)	(4,740)	(11,512)	472	(19,936)
Provision for commitments & contingencies	-	-	-	-	(48)	-	(48)
Allowance written back/(made) for impairment losses	-	(167)	(2,919)	(1,949)	(2,561)	(1,484)	(9,080)
Segment results	545,103	639,106	842,490	11,175	290,517	(57,439)	2,270,952
Share of results of jointly controlled entity	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	547,740	639,106	828,417	12,267	296,308	(56,315)	2,267,523
% of profit before taxation and zakat	24.2	28.2	36.5	0.5	13.1	(2.5)	100.0
Taxation and zakat							(551,906)
<b>Profit after taxation before minority interests</b>							<b>1,715,617</b>

## A24. OPERATIONS OF ISLAMIC BANKING

### A24a. Unaudited Balance Sheet as at 30 September 2009

	Note	The Group	
		30 Sept 2009 RM'000	31 Dec 2008 RM'000
<b>Assets</b>			
Cash and short-term funds		4,888,674	6,762,644
Deposits and placements with banks and other financial institutions		2,449,888	929,001
Securities held for trading		2,452,739	3,502,420
Available-for-sale securities		658,518	612,378
Held-to-maturity securities		1,274,564	1,234,040
Derivative financial instruments		390,952	388,279
Financing, advances and other loans	A24c(i)	12,760,633	6,561,253
Deferred tax assets		36,120	21,369
Tax recoverable		1,761	-
Amount due from related companies		7,340	4,801
Amount due from holding company		133,992	110,118
Statutory deposits with Bank Negara Malaysia		148,444	269,224
Property, plant and equipment		7,827	7,106
Other assets		223,733	110,596
Goodwill		136,000	136,000
Intangible assets		3,728	5,962
<b>TOTAL ASSETS</b>		<b>25,574,913</b>	<b>20,655,191</b>
<b>Liabilities and Islamic banking capital funds</b>			
Deposits from customers	A24(d)	17,727,064	15,371,280
Deposits and placements of banks and other financial institutions		5,548,800	3,668,949
Derivative financial instruments		182,094	52,253
Bills and acceptances payable		-	5,258
Amount due to holding company		-	-
Amount due to related companies		8,461	4,871
Provision for taxation and zakat		40,497	40,486
Other liabilities		604,963	461,535
Subordinated notes		300,000	-
<b>TOTAL LIABILITIES</b>		<b>24,411,879</b>	<b>19,604,632</b>
<b>Equity</b>			
Islamic banking funds		128,385	91,693
Ordinary share capital		550,000	550,000
Perpetual preference shares		70,000	70,000
Reserves		416,073	302,891
		1,164,458	1,014,584
Minority interests		(1,424)	35,975
Total Equity		1,163,034	1,050,559
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,574,913</b>	<b>20,655,191</b>

**A24b. Unaudited Income Statements for period ended 30 September 2009**

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Income derived from investment of depositors' funds and others	293,879	193,643	769,706	502,674
Income derived from investment of shareholders' funds	57,082	38,753	122,944	147,659
Allowances for losses on financing, advances and other loans	(78,452)	(36,453)	(209,487)	(62,586)
Allowance for losses on other receivables	(6)	-	(30)	-
Transfer to profit equalisation reserve	-	-	-	2,200
Other expenses directly attributable to the investment of the depositors and shareholders' funds	-	(10,344)	-	(10,344)
<b>Total distributable income</b>	<b>272,503</b>	185,599	<b>683,133</b>	579,603
Income attributable to the depositors	(128,359)	(128,818)	(345,903)	(333,068)
<b>Total net income</b>	<b>144,144</b>	56,781	<b>337,230</b>	246,535
Other operating expenses	(62,529)	(21,126)	(175,459)	(96,719)
Profit before allowances	<b>81,615</b>	35,655	<b>161,771</b>	149,816
Allowance for impairment losses	-	-	-	-
<b>Profit before taxation and zakat</b>	<b>81,615</b>	35,655	<b>161,771</b>	149,816
Taxation and zakat	(13,863)	(5,331)	(32,821)	(28,187)
<b>Profit after taxation and zakat</b>	<b>67,752</b>	30,324	<b>128,950</b>	121,629
Attributable to :				
Equity holders of the Bank	66,518	30,068	128,798	120,954
Minority interest	1,234	256	152	675
	<b>67,752</b>	30,324	<b>128,950</b>	121,629
Income from Islamic operations (per page 2)				
Total net income	144,144	56,781	337,230	246,535
Add: Allowances for losses on financing, advances and other loans	78,452	36,453	209,487	62,586
Add: Allowance for losses on other receivables	6	-	30	-
Less: Transfer to profit equalisation reserve	-	-	-	(2,200)
	<b>222,602</b>	93,234	<b>546,747</b>	306,921

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

	<b>The Group</b>	
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash line	256,785	235,945
Term financing	22,842,514	9,020,539
Bills receivable	1,042	-
Trust receipts	31,798	23,887
Claims on customers under acceptance credits	177,540	156,709
Staff financing	17	17
Revolving credits	767,852	422,299
Other financing	35,311	71,057
	<b>24,112,859</b>	<b>9,930,453</b>
Less: Unearned income	<b>(11,074,624)</b>	<b>(2,887,714)</b>
	<b>13,038,235</b>	<b>7,042,739</b>
Less: Financing sold to Cagamas	-	(294,946)
Gross financing, advances and other loans	<b>13,038,235</b>	<b>6,747,793</b>
Fair value changes arising from fair value hedge	<b>47,147</b>	<b>-</b>
	<b>13,085,382</b>	<b>6,747,793</b>
Less: Specific allowance	<b>(173,277)</b>	<b>(102,902)</b>
	<b>12,912,105</b>	<b>6,644,891</b>
Less: General allowance	<b>(151,472)</b>	<b>(83,638)</b>
<b>Net financing, advances and other loans</b>	<b>12,760,633</b>	<b>6,561,253</b>

a) Included in other term financing is RM1,500,000,000 (2008: RMNil) provided on normal commercial terms which is exempted from general allowance by Bank Negara Malaysia.

(b) During the financial year, the Group has undertaken fair value hedge on the profit rate risk of RM1,500,000,000 (2008: RMNil) financing using profit rate swaps.

	<b>The Group</b>	
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Gross financing hedged	<b>1,500,000</b>	-
Fair value changes arising from fair value hedges	<b>47,147</b>	-
	<b>1,547,147</b>	-

The fair values of profit rate swaps as at 30 September 2009 were (RM62,186,000) (31 December 2008: RMNil).

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

	<b>The Group</b>	
	<b>30 Sept 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	207,093	257,787
Non-performing during the period / year	283,863	173,119
Reclassified to performing during the period / year	(68,906)	(137,010)
Amount recovered	(19,053)	(30,441)
Amount written off	(76,307)	(56,362)
Balance as at 30 September / 31 December	<b>326,690</b>	<b>207,093</b>
Less: Specific allowance	<b>(173,277)</b>	<b>(102,902)</b>
Net non-performing financing, advances and other loans	<b>153,413</b>	<b>104,191</b>

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

1.19%                      1.50%



**Movements in the allowance for bad and doubtful financing :**

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<b>Specific allowance</b>		
At 1 January	102,902	97,379
Allowance made during the period / year	163,835	99,654
Amount recovered	(17,157)	(40,611)
Amount written off	(76,303)	(54,506)
Exchange fluctuation	-	986
At 30 September / 31 December	<u>173,277</u>	<u>102,902</u>
<b>General allowance</b>		
At 1 January	83,638	51,318
Allowance made during the period / year	67,570	34,018
Allowance for financing arising from acquisition of subsidiaries	121	-
Exchange fluctuation	143	(1,698)
At 30 September / 31 December	<u>151,472</u>	<u>83,638</u>
As % of gross financing, advances and other loans (including Islamic financing sold to Cagamas, but excluding RPSIA financing and financing exempted from general allowance by BNM) less specific allowance	<u>1.65%</u>	<u>1.66%</u>

**A24d. Deposits from customers**

**By type of deposits**

	The Group	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<b>Non-Mudharabah</b>		
Demand deposits	1,067,185	1,925,997
Savings deposits	502,765	319,480
General investment deposits	450,052	-
Commodity Murabahah-i	-	379,480
Fixed return investment account	1,887,936	2,131,893
Negotiable instruments of deposit	636,361	242,975
Fixed rate deposits	1,186,720	1,163,130
Others	16,191	12,322
	<u>5,747,210</u>	<u>6,175,277</u>
<b>Mudharabah</b>		
Demand deposits	763,673	398,731
Savings deposits	224,435	129,375
General investment deposits	2,199,614	1,636,457
Special general investment deposits	7,024,406	5,266,698
Specific investment deposits	1,753,369	1,746,613
Others	14,357	18,129
	<u>11,979,854</u>	<u>9,196,003</u>
	<u>17,727,064</u>	<u>15,371,280</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**

#### **CIMB Group Holdings Berhad ("CIMB Group") Results**

CIMB Group Holdings Berhad ("CIMB Group") (formerly known as Bumiputra-Commerce Holdings Berhad) reported a net profit of RM2.004 billion for the 9 months of 2009 ("9M09"). This represents a 22.7% year-on-year ("Y-o-Y") growth, equivalent to net earnings per share ("EPS") of 56.8 sen. The Group's annualized net return on equity ("ROE") was 14.7%.

For 3Q09, the Group's net profit of RM727 million was 9.7% higher than 2Q09. On a Y-o-Y basis, this represented a 62.3% growth over the 3Q08 net profit of RM448 million.

This is the Group's best operating 9 months and single quarter results ever due to a combination of good performances by most of its divisions and enlarged platform in Indonesia. The main disappointment this year has been the Group's international (ex-Asean) banking portfolio which saw higher loan losses due to the effects of the global financial crisis.

#### **CIMB Group Y o Y Results**

CIMB Group's 9M09 revenues increased by 34.7% Y-o-Y to RM7.89 billion while profit before tax ("PBT") grew by 19.8% to RM2.718 billion.

In the first 9 months of the year, the Group's Malaysian consumer "good" bank PBT grew 8.5% Y-o-Y on the back a 9.5% growth in revenues. As expected, lower recoveries at Group Special Assets Management (or "bad" bank) brought about a 21.6% Y-o-Y decline in PBT at the overall Malaysian consumer bank.

PBT contribution from Treasury & Investments increased 43.7% Y-o-Y to RM1.176 billion but the comparatively slower capital markets and higher international portfolio provisioning brought about a 29% Y-o-Y decline in Corporate & Investment Banking PBT to RM443 million. CIMB Niaga's contribution surged 88.5% Y-o-Y to RM558 million from RM296 million last year due to the inclusion of the ex-Lippo franchise and favourable operating environment in Indonesia. Asset Management and Insurance PBT saw an exponential Y-o-Y growth from RM12 million to RM114 million as CIMB-Aviva's contribution improved sharply. CIMB Thai's first profitable quarter in 3Q09 brought about a 9 months PBT contribution of RM21 million.

The Malaysian Consumer Bank contributed 15% of Group PBT compared to 23% in 9M08. Treasury and Investments retained its position as the largest contributor to Group PBT at 43%. Corporate & Investment Banking contribution was lower at 16% from 28% previously. CIMB Niaga continues to grow in prominence, now making up 21% of Group PBT versus just 13% in 9M08. Group Asset Management (GAM) and Insurance rose from to 4% from about 1%, while CIMB Thai now contributes just under 1% of Group PBT.

Total non-Malaysian contribution to the Group jumped to 26% in 9M09 from 18% in the previous corresponding period.

The Group's total gross loans expanded 28% Y-o-Y, exaggerated by the inclusion of the newly acquired ex-Bank Lippo in Indonesia and CIMB Thai. Excluding these, CIMB Group's gross loans grew by 11.7% Y-o-Y (higher than 8% target) underpinned by the Malaysian consumer and corporate loans which grew 11.8% and 18.8% respectively. Mortgages, credit cards and the Group's micro credit lending grew by 19.7%, 7.3% and 107.4% respectively Y-o-Y. Hire purchase loans grew a marginal 1.6% Y-o-Y but business banking loans declined by 5.3% Y-o-Y. Islamic banking loans continue to gain significant traction, growing 177% Y-o-Y and now constitutes 9% of total Group loans. CIMB Niaga's loans grew 54.1% (but only 3.1% after excluding effect of ex-Bank Lippo). Total Group deposits grew Y-o-Y by 17% and 2.1% excluding ex-Bank Thai and ex-Lippo Bank, with CIMB Bank's retail deposits growing 10.6% Y-o-Y. A notable success in deposit-taking has been CIMB Bank's new Singapore retail operations.

Loan loss provisions for the Group increased 54.0% Y-o-Y to RM819 million in 9M09 due to the inclusion of ex-Lippo, CIMB Thai as well as higher provisioning from its international portfolio. Nevertheless, CIMB Group's total credit charge for 9M09 stood at 0.57% (0.53% excluding CIMB Thai), lower than the 0.8-0.9% full year target. The Group's net non-performing loans ("NPL") ratio declined to 2.4% from 3.0% as at 30 September 2008, reflecting a sustained improving trend in asset quality. Loan loss coverage remained steady at 86.7% compared to 86.8% as at end-2Q09. Excluding CIMB Thai, net NPL ratio and loan loss coverage as at end September were 2.0% and 92.2% respectively. The Group's cost to income ratio increased to 53.0% from 51.7% Y-o-Y.

CIMB Bank's risk weighted capital ratio improved further to 14.0% as at 30 September 2009 against 13.8% as at 30 June 2009. Rating Agency Malaysia (RAM) recently upgraded CIMB Bank's credit rating from AA2 to AAA. CIMB Group's double leverage and gearing stood at 119.2% and 26.3% as at end-3Q09.

## **B1. GROUP PERFORMANCE REVIEW COMPARISON WITH THE PRECEDING QUARTER'S RESULTS (CONTINUED)**

### **CIMB Group Q on Q Results**

For 3Q09, total Group revenues expanded by 7.6% to RM2.787 billion versus the RM2.589 billion generated in 2Q09. Net profits of RM727 million represented a 9.7% growth from RM663 million in 2Q09.

The Group's Malaysian Consumer Banking division PBT saw a marginal improvement (+0.7% Q-o-Q). However, excluding recoveries at the bad bank, the consumer bank earnings was 2.4% lower. Corporate and Investment Banking slipped 19.3% due to a jump in loan provisions in its international portfolio, but Treasury and Investments picked up the pace with a 9.6% Q-o-Q growth. CIMB Niaga's PBT contribution jumped by 33.9% Q-o-Q, while GAM and Insurance PBT contributions remained relatively flat. CIMB Thai turned in a RM50 million PBT contribution in 3Q09 compared to a RM11 million negative in 2Q09.

### **CIMB Niaga Results**

On 28 October 2009, Bank CIMB Niaga reported a 9M09 net profit of IDR1,152 billion, a 19.2% Y-o-Y growth with an annualised net ROE of 17.4%. 3Q09 net profit was IDR456 million, 5.4% higher than the previous quarter. The better 3Q09 performance was attributed to a combination of sustained high Net Interest Margins ("NIMs") and improved treasury income. At the Group level, CIMB Niaga's Q-o-Q contribution to the Group was much higher (+33.9%) due to currency appreciation and the adoption of acquisition accounting treatment at Group level versus merger accounting at CIMB Niaga for the ex-Lippo acquisition.

CIMB Niaga's gross loans grew 3.1% Y-o-Y in 9M09 predominantly driven by the corporate and retail segments. The slower economic environment brought about a decline in business banking loans. Gross NPL inched up to 2.8% at end-September 2009 from 2.3% as at the corresponding period last year, while net NPL ratio increased to 1.8% from 1.5% previously. Still, CIMB Niaga remains the 2nd lowest net NPL ratios amongst Indonesian banks. Loan loss coverage rose to 96.3% as at end-9M09 compared to 82.7% as at 9M08.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 12.3% and 15.0% respectively as at 30 September 2009.

### **CIMB Thai Results**

On 21 October 2009, CIMB Thai announced a net profit for 3Q09 of THB465 million, thereby lowering the total 9M09 net loss to THB40 million. For 9M09, CIMB Thai posted a revenue of THB5.359 billion, up 1.9% Y-o-Y. The much improved 3Q09 performance came about from significantly lower cost of funds, improved NIMs and write-back of provisions. As a result of GAAP adjustments, CIMB Thai's contribution to the Group's earnings was RM50 million, compared to a negative RM11 million in 2Q09.

CIMB Thai's Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 6.2% and 12.4% as at 30 September 2009.

### **Market Shares**

CIMB Investment Bank reaffirmed its position at the number 1 stockbroker in Malaysia and regained its top spot in primary bonds and the IPO segment. It moved up to the second spot on the M&A league tables and is now number 3 in Equity Capital Market ("ECM") deals for 9M09. CIMB Islamic returned to the top of the domestic and global Islamic investment banking league tables. CIMB Bank is firmly the second largest mortgage lender in Malaysia and maintained its share of retail deposits and credit cards. In Singapore, CIMB-GK is now the 5th largest in stockbroking market share and number 1 in mid-sized corporate advisory. CIMB Niaga remains the second largest mortgage lender in Indonesia while PT CIMB Securities remains at 5th in stockbroking. CIMB Principal Asset Management remains the second largest asset manager in Malaysia.

## **B2. CORPORATE DEVELOPMENTS**

The significant Corporate Developments in 9M09 were:

### **(a) Streamlining of business**

- On 31 January 2009, CIMB completed the disposal of certain assets, liabilities and fund management business of Southern Investment Bank Berhad to Hong Leong Investment Bank (formerly as HLG Credit).

### **(b) Mergers and Acquisitions**

- On 13 January 2009, CIMB Bank increased its shareholding in CIMB Thai to 92.04% upon completion of its Tender Offer exercise. Upon completion of CIMB Thai's rights issue on 19 March 2009, CIMB Bank's shareholding in CIMB Thai was further raised to 93.15%, with CIMB Bank's total investment value amounting to RM1.54 billion.

- On 16 February 2009, CIMB completed the sale and lease back of Menara Bumiputra Commerce to Pelaburan Hartanah Bumiputra Berhad for a cash consideration of RM460 million.

- On 20 April 2009, CIMB Bank completed the acquisition of a 19.99% interest in Bank of Yingkou Co. Ltd. for RMB348.8 million cash (approx. RM186 million). This translated to a price to book ("P/B") valuation of 1.29x as at completion date.

- On 28 July 2009, CIMB completed the disposal of a 49% equity interest in PT CIMB Sun Life to PT Sun Life Indonesia Services for USD22.7 million (approx. RM84.1 million)

## **B2. CORPORATE DEVELOPMENTS (CONTINUED)**

### **(b) Mergers and Acquisitions (continued)**

- On 7 August 2009, CIMB Investment Bank subscribed for a 10% equity interest in Vinashin Shipbuilding Finance Company Securities LLC (“VFC Securities”) in Vietnam for approx. RM6.7 million, with an option to increase its shareholding to 40% for up to RM39.2 million. VFC Securities was granted a securities license by the Vietnam State Securities Commission on 18 December 2008.
- On 20 October 2009, CIMB Thai entered into a sale and purchase agreement for the sale of Sathorn Building in Bangkok, Thailand for approximately THB1 billion (RM100 million).

### **(c) Capital Management**

- On 15 April 2009, CIMB Bank fully redeemed its USD100 million 5% subordinated bonds.
- On 30 June 2009, CIMB Bank fully redeemed its USD200 million subordinated bonds.
- On 30 June 2009, CIMB injected equity of RM1 billion into CIMB Bank which is recognized as Tier 1 capital at the Bank.
- On 10 July 2009, CIMB Bank fully redeemed its RM667 million ICULS via issuance of 667 million new CIMB Bank shares to CIMB Group Sdn Bhd. The ICULS were previously recognized as Tier 2 capital of CIMB Bank and the new shares issued are recognized as Tier 1 capital of CIMB Bank.

### **(d) Others**

- On 17 April 2009, TPG Capital invested USD140 million in CIMB Group by subscribing for USD140 million worth of 2-year senior unsecured bonds of CIMB Bank (L) Limited. TPG will receive 50.6 million warrants to purchase CIMB Group ordinary shares at a strike price of RM10 per share, exercisable over a five year period.
- On 2 July 2009, CIMB Strategic Assets Sdn Bhd entered into a 60:40 joint venture with Standard Bank Group International Limited to jointly manage a USD500 million Islamic Infrastructure Fund. The private equity fund is sponsored by the Asian Development Bank (“ADB”) and the Islamic Development Bank (“IDB”) with an initial seed capital of USD250 million. CIMB Bank (L) Limited and Standard Bank Plc jointly committed a further USD12 million.
- On 9 September 2009, the Group’s name was changed from Bumiputra-Commerce Holdings Berhad to CIMB Group Holdings Berhad, following the shareholder’s approval attained at an EGM convened on 4 September 2009.
- On 5 November 2009, RAM Ratings upgraded the long-term ratings for CIMB Bank and CIMB Investment Bank to AAA/P1 (stable) from AA2 previously.

## **B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

The Group is positive about its prospects in 4Q09 and confident of achieving its revised 14-15% ROE target for 2009. There has been a surge in activity in the Malaysian equity and debt markets and the economic and operating environment has been improving across the region.

**B4. TAXATION**

	The Group			
	3rd quarter ended		Nine months ended	
	30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	224,898	91,100	576,935	514,706
Deferred tax expense	(5,786)	18,187	(12,137)	37,200
	<b>219,112</b>	<b>109,287</b>	<b>564,798</b>	<b>551,906</b>
<b>Reconciliation</b>				
Profit before taxation	1,000,788	571,935	2,718,254	2,267,523
Tax at statutory income tax rate of 25% (2008: 26%)	250,197	148,703	679,564	589,556
Effect of different tax rates in other countries and change in tax rates	10,974	4,818	28,520	13,660
Due to income not subject to income tax and expenses not deductible for tax purposes	(42,059)	(44,234)	(143,286)	(51,310)
	<b>219,112</b>	<b>109,287</b>	<b>564,798</b>	<b>551,906</b>

**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 2009	31 Dec 2008
	RM'000	RM'000
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
One year or less (short term)	-	24,374
More than one year (medium/long term)	442,440	-
	<b>442,440</b>	<b>24,374</b>
* Included in bonds and notes for the current period is USD denominated bond of USD140,000,000		
<b>Other borrowings**</b>		
<b>Unsecured</b>		
One year or less (short term)	1,958,462	2,326,754
More than one year (medium/long term)	2,947,623	1,678,082
	<b>4,906,085</b>	<b>4,004,836</b>
** Included in other borrowings for the current period is USD denominated syndicated term loans of USD 400,000,000		
<b>Subordinated Notes***</b>		
<b>Unsecured</b>		
One year or less (short term)	313,032	1,037,748
More than one year (medium/long term)	4,542,827	4,560,587
	<b>4,855,859</b>	<b>5,598,335</b>
*** Includes US denominated Subordinated Notes of USD 300,000,000		

**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**

	<b>The Group</b>			
	<b>3rd quarter ended</b>		<b>Nine months ended</b>	
	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit for the financial period after minority interests	<b>726,830</b>	447,961	<b>2,003,923</b>	1,633,440
Weighted average number of ordinary shares in issue				
- proforma ('000)	<b>3,531,770</b>	3,326,518	<b>3,529,361</b>	3,345,874
Basic earnings per share (expressed in sen per share)	<b>20.6</b>	13.5	<b>56.8</b>	48.8

**b) Diluted EPS**

Net profit for the financial period after minority interests	<b>726,830</b>	447,961	<b>2,003,923</b>	1,633,440
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	-	83	-	242
Net profit used to determine diluted EPS	<b>726,830</b>	448,044	<b>2,003,923</b>	1,633,682
Weighted average number of ordinary shares in issue ('000)	<b>3,531,770</b>	3,326,518	<b>3,529,361</b>	3,345,874
Adjustments for:				
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	-	4,317	-	4,317
Weighted average number of ordinary shares for diluted EPS	<b>3,531,770</b>	3,330,834	<b>3,529,361</b>	3,350,191
Diluted EPS	<b>20.6</b>	13.5	<b>56.8</b>	48.8