

**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 31 DECEMBER 2009**

	Note	The Group	
		31 Dec 2009 RM'000	31 Dec 2008 RM'000
<b>ASSETS</b>			
Cash and short-term funds		28,729,027	24,408,711
Securities purchased under resale agreements		4,544,873	3,311,243
Deposits and placements with banks and other financial institutions		2,383,055	4,063,276
Securities held for trading	A7	14,999,302	10,423,239
Available-for-sale securities	A8	11,000,536	11,608,213
Held-to-maturity securities	A9	14,266,710	11,921,430
Derivative financial instruments	A20 (i)	3,689,831	5,723,801
Loans, advances and financing	A10	142,218,190	117,382,074
Other assets	A11	5,221,796	4,154,483
Deferred tax assets		293,708	260,062
Tax recoverable		110,416	388,756
Statutory deposits with central banks		843,757	2,736,345
Investment in associates and jointly controlled entity		649,138	913,767
Property, plant and equipment		1,344,886	1,559,550
Investment properties		120,349	100,175
Prepaid lease payments		279,924	256,788
Goodwill		7,694,653	6,204,724
Intangible assets		1,667,784	1,591,670
		<b>240,057,935</b>	207,008,307
Non-current assets held for sale		380,404	82,452
<b>TOTAL ASSETS</b>		<b>240,438,339</b>	207,090,759
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A12	178,882,336	146,890,210
Deposits and placements of banks and other financial institutions	A13	10,131,582	13,653,284
Obligations on securities sold under repurchase agreements		565,097	62,924
Derivative financial instruments	A20 (i)	3,492,587	5,168,280
Bills and acceptances payable		4,494,794	3,333,266
Other liabilities	A14	8,559,643	7,498,706
Deferred tax liabilities		13,247	14,895
Current tax liabilities		428,565	212,220
Amount due to Cagamas Berhad		335,612	993,818
Bonds	B6	443,051	24,374
Other borrowings	B6	3,218,286	4,004,836
Subordinated notes	B6	6,342,738	5,443,518
Non-cumulative guaranteed and redeemable preference shares		884,087	948,336
		<b>217,791,625</b>	188,248,667
Liabilities directly associated with non-current assets classified as held for sale		-	29,499
<b>TOTAL LIABILITIES</b>		<b>217,791,625</b>	188,278,166
Ordinary share capital		3,531,766	3,578,078
Reserves		16,813,811	14,057,017
Less: Shares held under trust		(563)	(74,190)
Treasury shares, at cost		-	(461,702)
		<b>20,345,014</b>	17,099,203
Perpetual preference shares		200,000	200,000
Minority interests		2,101,700	1,513,390
<b>TOTAL EQUITY</b>		<b>22,646,714</b>	18,812,593
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>240,438,339</b>	207,090,759
<b>COMMITMENTS AND CONTINGENCIES</b>	A20 (ii)	<b>322,892,443</b>	321,678,842
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>		<b>5.76</b>	<b>4.85</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 YEAR ENDED 31 DECEMBER 2009**

	Note	The Group			
		4th quarter ended		Twelve months ended	
		31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
		RM'000	RM'000	RM'000	RM'000
Interest income	A15	<b>2,583,286</b>	2,633,924	<b>10,539,770</b>	9,590,423
Interest expense	A16	<b>(1,014,511)</b>	(1,348,200)	<b>(4,470,864)</b>	(4,929,827)
Net interest income		<b>1,568,775</b>	1,285,724	<b>6,068,906</b>	4,660,596
Income from Islamic Banking operations	A24(b)	<b>260,313</b>	130,869	<b>807,060</b>	437,790
Non-interest income (excluding gain/(loss) on disposal of net assets and interests in subsidiaries)	A17	<b>950,660</b>	485,541	<b>3,693,757</b>	2,644,133
		<b>2,779,748</b>	1,902,134	<b>10,569,723</b>	7,742,519
Gain/(loss) on disposal of net assets and interests in subsidiaries		-	(19,723)	<b>99,800</b>	(2,007)
		<b>2,779,748</b>	1,882,411	<b>10,669,523</b>	7,740,512
Overheads	A18	<b>(1,537,791)</b>	(1,095,700)	<b>(5,717,635)</b>	(4,121,805)
Profit before allowances		<b>1,241,957</b>	786,711	<b>4,951,888</b>	3,618,707
Allowance for losses on loans, advances and financing	A19	<b>(203,148)</b>	(262,735)	<b>(1,022,605)</b>	(794,715)
Writeback of/(allowance for) losses on other receivables		<b>88,213</b>	(74,832)	<b>(56,569)</b>	(94,768)
Writeback of/(allowance for) commitments and contingencies		<b>26,727</b>	(660)	<b>(18,088)</b>	(708)
Allowance (made)/written back for impairment losses		<b>(67,297)</b>	38,563	<b>(76,779)</b>	29,483
		<b>1,086,452</b>	487,047	<b>3,777,847</b>	2,757,999
Share of results of jointly controlled entity		<b>1,012</b>	616	<b>7,755</b>	3,253
Share of results of associates		<b>6,159</b>	(39,527)	<b>26,275</b>	(45,593)
Profit before taxation and zakat		<b>1,093,623</b>	448,136	<b>3,811,877</b>	2,715,659
Taxation and zakat	B4	<b>(200,012)</b>	(151,207)	<b>(764,810)</b>	(703,113)
Profit for the financial year		<b>893,611</b>	296,929	<b>3,047,067</b>	2,012,546
Attributable to :					
Equity holders of the Company		<b>802,893</b>	318,598	<b>2,806,816</b>	1,952,038
Minority interests		<b>90,718</b>	(21,669)	<b>240,251</b>	60,508
		<b>893,611</b>	296,929	<b>3,047,067</b>	2,012,546
Earnings per share (sen):					
- Basic	B8(a)	<b>22.7</b>	9.2	<b>79.5</b>	57.8
- Fully diluted	B8(b)	<b>22.7</b>	9.2	<b>79.5</b>	57.8

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**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 YEAR ENDED 31 DECEMBER 2009**

Attributable to equity holders of the Company

The Group 31 December 2009	Attributable to equity holders of the Company													
Note	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 2009														
- as previously reported	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
- arising from fair value adjustments on the completion of initial accounting for business combination	B9	-	-	-	13,691	-	-	-	-	21,561	35,252	-	414,892	450,144
- As restated	3,578,078	6,027,864	2,841,540	89,387	(413,908)	(74,190)	(461,702)	369,951	(113,582)	5,255,765	17,099,203	200,000	1,513,390	18,812,593
Net gain/(loss) not recognised in the income statement:														
- currency translation difference	-	-	-	-	707,682	-	-	(31,078)	-	-	676,604	-	104,915	781,519
- net gain from change in fair value of available-for-sale securities	-	-	-	-	-	-	-	452,317	-	-	452,317	-	76,405	528,722
- net profit realised on disposal of available-for-sale securities	-	-	-	-	-	-	-	(257,769)	-	-	(257,769)	-	(25,155)	(282,924)
- transfer from deferred tax assets	-	-	-	-	-	-	-	11,700	1,007	-	12,707	-	(229)	12,478
- net investment hedge	-	-	-	-	-	-	-	-	30,366	-	30,366	-	-	30,366
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(4,028)	-	(4,028)	-	-	(4,028)
Income and expense recognised directly in equity	-	-	-	-	707,682	-	-	175,170	27,345	-	910,197	-	155,936	1,066,133
Profit for the financial year	-	-	-	-	-	-	-	-	-	2,806,816	2,806,816	-	240,251	3,047,067
Dividend for the financial year ended 31 December 2008	-	-	-	-	-	-	-	-	-	(699,387)	(699,387)	-	(33,921)	(733,308)
Transfer to statutory reserve	-	-	574,240	-	-	-	-	-	-	(574,240)	-	-	-	-
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	-	-	-	(3,062)	-	-	-	-	(35,779)	37,357	(1,484)	-	2,503	1,019
Net reversal of shares held under trust	-	-	-	-	-	73,627	-	-	-	-	73,627	-	-	73,627
Arising from accretion/dilution of equity interests in subsidiary	-	-	-	-	68,006	-	-	-	-	5,500	73,506	-	223,541	297,047
Cancellation of treasury shares	(50,629)	(461,876)	-	50,629	-	-	461,876	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	(174)	-	-	-	(174)	-	-	(174)
Arising from issuance of warrants	-	-	-	-	-	-	-	-	57,630	-	57,630	-	-	57,630
At 31 December 2009	3,531,766	5,586,751	3,415,780	136,954	361,780	(563)	-	545,121	(64,386)	6,831,811	20,345,014	200,000	2,101,700	22,646,714

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*(Company Number 50841-W)*  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

Attributable to equity holders of the Company

The Group														
31 December 2008														
Note	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	-	-	-	-	(21,974)	-	-	18,039	-	-	(3,935)	-	(45,499)	(49,434)
- arising from fair value adjustments on the completion of initial accounting for business combination	B9	-	-	-	13,691	-	-	-	-	-	13,691	-	-	13,691
- net loss from change in fair value	-	-	-	-	-	-	-	(57,982)	-	-	(57,982)	-	(51,788)	(109,770)
- net profit realised on disposal of available-for-sale securities	-	-	-	-	-	-	-	(322,959)	-	-	(322,959)	-	5,179	(317,780)
- transfer from deferred tax assets	-	-	-	-	-	-	-	92,829	4,512	-	97,341	-	(12,306)	85,035
- net investment hedge	-	-	-	-	-	-	-	-	(133,056)	-	(133,056)	-	610	(132,446)
- hedging reserve - cash flow hedge	-	-	-	-	-	-	-	-	(18,012)	-	(18,012)	-	-	(18,012)
Income and expense recognised directly in equity	-	-	-	-	(8,283)	-	-	(270,073)	(146,556)	-	(424,912)	-	(103,804)	(528,716)
Profit for the financial year	-	-	-	-	-	-	-	-	-	1,952,038	1,952,038	-	60,508	2,012,546
Dividend for the financial year ended 31 December 2007	-	-	-	-	-	-	-	-	-	(619,282)	(619,282)	-	(22,726)	(642,008)
Transfer to statutory reserve	-	-	610,260	-	-	-	-	-	-	(610,260)	-	-	-	-
Issue of share capital arising from:														
- conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS)	79	496	-	-	-	-	-	-	(44)	-	531	-	-	531
- share exchange for acquisition of subsidiary	207,096	1,004,417	-	-	-	-	-	-	-	-	1,211,513	-	-	1,211,513
Option reserves arising from share option schemes of subsidiaries	-	-	-	-	-	-	-	-	(7,095)	-	(7,095)	-	(2,110)	(9,205)
Net reversal of shares held under trust	-	-	-	-	-	32,976	-	-	-	-	32,976	-	-	32,976
Arising from fair value adjustments on the completion of initial accounting for business combination	B9	-	-	-	-	-	-	-	-	21,561	21,561	-	414,892	436,453
Arising from accretion/dilution of equity interests in subsidiary	-	-	(7,458)	(22,013)	-	-	-	-	(5,795)	(281,210)	(316,476)	-	222,071	(94,405)
Transfer to retained earnings	-	(116,787)	-	-	-	-	-	-	-	116,787	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	(461,702)	-	-	-	(461,702)	-	-	(461,702)
Cancellation of treasury shares	(3,278)	(34,434)	-	3,278	-	-	34,434	-	-	-	-	-	-	-
At 31 December 2008	3,578,078	6,027,864	2,841,540	89,387	(413,908)	(74,190)	(461,702)	369,951	(113,582)	5,255,765	17,099,203	200,000	1,513,390	18,812,593

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 YEAR ENDED 31 DECEMBER 2009**

	<b>The Group</b>	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation and zakat	3,811,877	2,715,659
Adjustments for non-operating and non-cash items	778,045	955,722
<b>Operating profit before changes in working capital</b>	<b>4,589,922</b>	3,671,381
Net changes in operating assets	<b>(13,124,567)</b>	(16,101,415)
Net changes in operating liabilities	<b>10,913,259</b>	11,403,655
	<b>(2,211,308)</b>	(4,697,760)
<b>Cash flows generated from / (used in) operations</b>	<b>2,378,614</b>	(1,026,379)
Taxation paid	<b>(270,505)</b>	(1,059,696)
<b>Net cash flows generated from / (used in) operating activities</b>	<b>2,108,109</b>	(2,086,075)
<b>Net cash flows generated from / (used in) investing activities</b>	<b>2,740,480</b>	(4,676,654)
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(701,892)</b>	669,399
<b>Net increase/(decrease) in cash and cash equivalents during the financial year</b>	<b>4,146,697</b>	(6,093,330)
Effects of exchange rate changes	<b>173,619</b>	(23,419)
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>24,408,711</b>	30,525,460
<b>Cash and cash equivalents at end of the financial year</b>	<b>28,729,027</b>	24,408,711

Included in cash and cash equivalents is non-interest bearing statutory deposits of a foreign subsidiary maintained with Bank Indonesia in compliance with their applicable legislation of RM1,353,755 (2008: RM882,827).

*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 financial year ended 31 December 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, 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 4th 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. CIMB Bank had carried out a similar reclassification from held for trading category to available-for-sale category during the financial year 2009. These reclassifications are 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 financial year ended 31 December 2009:-

a) From 13 February 2009 to 31 December 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 the Company, 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 the Company had issued 50,622,413 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 the Company, 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 a wholly-owned subsidiary of the Company, in connection with the settlement of the coupon and principal of the ICULS which are due and payable to the Company.

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 are due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter.

h) On 28 December 2009, the Company cancelled 50,629,100 ordinary shares previously held as treasury shares.

i) Subsequent to year end the Company proposes a 1-for-1 bonus issue which would increase its number of shares in issue from 3,531.76 million to 7,063.53 million. The objectives of the bonus issue are to improve tradability of CIMB Group shares and to align its quoted share price with pricing conventions on SET ahead of the Group's listing scheduled in 2010.

### **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 3,527,458,718 ordinary shares amounting to RM699,387,214 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. The Directors have declared an interim single tier dividend of 18.5 sen per ordinary share, on 3,531,765,410 ordinary shares amounting to RM653,376,601 in respect of the financial year ended 31 December 2009. The interim dividend was approved by the Board of Directors in a resolution dated 18 February 2010.

### **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 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). The initial amount of VND33 billion (approximately RM6.2 million) representing approximately 6.6% equity interest in VFC was paid on 25 November 2009.

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

##### **b) 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 results of the joint venture entity, CIMB-Trustcapital Advisors Pte Ltd has been consolidated in the Group's results for the financial year ended 31 December 2009, by virtue of board control over the company's financial and operating policies.

##### **c) 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 was completed on 4 January 2010. As at 31 December 2009, the Sathorn Building has been reclassified to non-current asset held for sale.

##### **(d) Sale of non-performing loans**

On 11 November 2009, CIMBG received approval from the Minister of Finance ("MoF") and disposed of certain non-performing loans ("NPL") of CIMB Bank to a special purpose company, Southeast Asia Special Asset Management Berhad (formerly known as Common Forge Berhad) ("SEASAM"). SEASAM is a wholly-owned subsidiary of CIMBG, which in turn is wholly-owned by the Company. CIMB Bank disposed a portfolio of mostly legacy NPLs comprising approximately 25,000 accounts with gross loan amount of RM2.6 billion to SEASAM at net book value of RM928 million. The sale was completed in November 2009.

##### **(e) Proposed dual listing of the Company on The Stock Exchange of Thailand**

The Company proposes to seek a dual listing of ordinary shares of RM1.00 each in CIMB Shares on The Stock Exchange of Thailand ("SET") ("Proposed SET Listing"). Pursuant to the Proposed SET Listing, the Company proposes to undertake an initial public offering ("IPO") of up to 35 million CIMB Shares ("IPO Shares") to be made available for application by local retail and institutional investors in Thailand ("IPO Offering"), which may include, amongst others, the customers, staff and/or minority shareholders of its 93.15% subsidiary in Thailand, CIMB Thai Bank Public Company Limited (formerly known as BankThai Public Company Limited) ("CIMB Thai"). The new CIMB Shares to be issued pursuant to the Proposed Public Issue, if applicable, shall upon issuance, rank equally in all respects with the existing CIMB Shares, except for any dividends, rights, benefits, entitlements and/or to the distributions, the entitlement date of which precedes the date of issue and allotment of the said new CIMB Shares. The proposed SET Listing is subject to the approvals from Bank Negara Malaysia, the Securities Commission, Bursa Securities and shareholders of the Company at the extraordinary general meeting to be convened, and is expected to be completed by the first half of year 2010.

##### **(f) Cancellation of Treasury Shares**

On 28 December 2009, the Company had cancelled 50,629,100 ordinary shares held as treasury shares and as at the balance sheet date, there were no ordinary shares held as treasury shares. Accordingly, the adjusted issued and paid-up share capital of the Company with voting rights as at 31 December 2009 was 3,531,765,410 shares. The shares cancelled were previously purchased under the share buy-back programme approved by shareholders and held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

##### **(g) Sale and leaseback of properties of CIMB Bank Berhad**

On 30 December 2009, CIMB Bank, a 99.99% owned subsidiary of CIMBG and its related companies (collectively the "Vendors"), have entered into a sale and purchase agreement with Kumpulan Wang Simpanan Pekerja ("KWSP") to sell up to 65 properties ("Properties") for a total cash consideration of up to RM302,450,000. As part of the arrangement, CIMB Bank has entered into a lease agreement with KWSP for a lease over the Properties on completion of the sale.

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

On 19 February 2010, CIMB SI Sdn Bhd, a 100% owned subsidiary of CIMBG had entered into a share purchase agreement with UEM Group Berhad and UEM Builders Berhad to acquire an additional 32.22% stake in Touch N' Go Sdn Bhd ("TnG") (currently a 20% associate company of the Company) for RM53.8 million. The acquisition is expected to be completed in the first quarter of 2010.



**PART A - EXPLANATORY NOTES**

**A7. SECURITIES HELD FOR TRADING**

	<b>The Group</b>	
	<b>31 Dec 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	1,212,901	1,342,488
Cagamas bonds	28,283	205,323
Khazanah bonds	27,438	9,791
Malaysian Government treasury bills	185,033	38,262
Bank Negara Malaysia bills	2,779,851	552,598
Bank Negara Malaysia negotiable notes	1,887,613	46,892
Negotiable instruments of deposit	3,002,701	4,150,073
Bankers' acceptances and Islamic accepted bills	696,623	1,174,286
Credit-linked notes	158,604	172,884
Other Government securities	862,061	-
Commercial papers	29,982	332,605
Government investment issues	693,563	81,376
	<b>11,564,653</b>	<b>8,106,578</b>
<b>Quoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Warrants	5	5
Shares	553,599	143,820
Loan stocks	-	1,272
Unit trusts	9,720	-
<i><u>Outside Malaysia:</u></i>		
Shares	14,969	11,959
Private and Islamic debt securities	50,144	6,127
Other Government bonds	123,884	212,781
	<b>752,321</b>	<b>375,964</b>
<b>Unquoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	1,983,862	1,418,725
Shares	7,323	5,001
Investment linked funds	45,893	-
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	645,250	516,971
	<b>2,682,328</b>	<b>1,940,697</b>
<b>Total securities held-for-trading</b>	<b>14,999,302</b>	<b>10,423,239</b>

**Reclassification from held for trading category to held-to-maturity category**

In the 4th quarter of 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. There was no such reclassification in 2009.

**Reclassification from held for trading category to available-for-sale category**

During the financial year 2009, CIMB Bank Berhad had reclassified securities from held for trading category to available-for-sale category (no such reclassification was made in 2008).

The above reclassifications have 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 the held for trading category to available-for-sale and held-to-maturity categories, as of the respective dates of reclassification is RM247,330,000 (2008:RMNil) and RMNil (2008:RM5,984,996,000) respectively.

**A7. SECURITIES HELD FOR TRADING** (Continued)

Included in non-interest income is the net gains/(losses) arising from the change in fair value recognised in the income statement in respect of the reclassified securities:

	<b>The Group</b>	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Net fair value gains/(losses) recognised in:		
- non-interest income	<b>70</b>	<b>(110,641)</b>

As of the date of reclassification, the effective interest rates on the reclassified held for trading securities to available-for-sale category, based on the new cost is an average of 4.56% (2008: Nil%) per annum for the Group and 6.65% per annum for securities reclassified to held-to-maturity category in 2008. The expected recoverable cash flows for the reclassified securities to available-for-sale and held-to-maturity categories amount to RM246,700,000 (2008: RMNil) and RMNil (2008: RM6,143,696,000) respectively, including any coupons receivable on the securities.

## A8. AVAILABLE-FOR-SALE SECURITIES

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	314,155	239,797
Cagamas bonds	275,157	296,925
Khazanah bonds	34,975	85,331
Other Government treasury bills	410	309
Government investment issues	360,354	450,776
Commercial papers	19,539	134,040
	<b>1,004,590</b>	<b>1,207,178</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Shares	230,379	267,448
Unit trusts	149,026	712,283
Floating rate notes	9,413	-
<i>Outside Malaysia:</i>		
Shares	24,614	465
Unit trusts	266,525	-
Private and Islamic debt securities	119,194	128,050
Other Government bonds	2,642,690	2,238,805
	<b>3,441,841</b>	<b>3,347,051</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	5,963,757	6,524,704
Shares	534,736	521,030
Loan stocks	19,437	30,715
Property funds	165	116
Investment-linked funds	9,730	19,016
Bond funds	4,111	-
<i>Outside Malaysia:</i>		
Shares	60,487	60,268
Unit trusts	-	7,542
Private equity and unit trust funds	316,663	220,531
Private and Islamic debt securities	28,325	-
Loan stocks	497	485
	<b>6,937,908</b>	<b>7,384,407</b>
	<b>11,384,339</b>	<b>11,938,636</b>
<b>Allowance for impairment losses:</b>		
Private debt securities	(253,442)	(279,387)
Quoted shares	(10,980)	(11,527)
Quoted bonds	-	(1,138)
Unquoted shares	(90,692)	(38,320)
Loan stocks	(6,905)	-
Unit trusts	(21,784)	(51)
	<b>(383,803)</b>	<b>(330,423)</b>
<b>Total available-for-sale securities</b>	<b>11,000,536</b>	<b>11,608,213</b>

Included in available-for-sale securities are securities transferred from the held for trading category during the financial year 2009, with the following carrying value and fair value as at 31 December 2009:

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Carrying value	246,776	-
Fair value	249,342	-

## A9. HELD-TO-MATURITY SECURITIES

	The Group	
	31 Dec 2009	31 Dec 2008
	RM'000	RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	1,123,977	149,967
Cagamas bonds	294,817	294,817
<b>Quoted securities</b>		
<i>Outside Malaysia</i>		
Private debt securities	1,191,909	189,997
Islamic bonds	25,485	31,530
Medium term notes - Islamic	9,102	7,883
Other Government bonds	153,214	154,655
Bank Indonesia certificates	837,362	-
Structured notes	342,847	-
<b>Unquoted securities</b>		
<i>In Malaysia</i>		
Shares	270	462
Private debt securities	7,618,001	7,623,534
Loan stocks	31,814	32,478
Danaharta Urus Sdn Bhd ("DUSB") bonds	929,639	929,639
Islamic commercial papers	6,775	34,832
<i>Outside Malaysia</i>		
Private debt securities	1,518,478	2,324,724
	<b>14,083,690</b>	11,774,518
Accretion of discount net of amortisation of premium	242,894	224,864
Less : Allowance for impairment losses	(59,874)	(77,952)
Total held-to-maturity securities	<b>14,266,710</b>	11,921,430

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 31 December 2009 and 31 December 2008 respectively:

	The Group	
	31 Dec 2009	31 Dec 2008
	RM'000	RM'000
Carrying value	4,735,894	6,006,742
Fair value	4,830,728	5,977,580

Also included in the held-to-maturity securities of the Group as at 31 December 2009 are 10-year promissory notes of THB746 million maturing in 2011, which were received from Thai Asset Management Corporation ("TAMC") for settlement of non-performing loans transferred by CIMB Thai to TAMC. Such promissory notes are non-transferable, bear interest at the average deposit rate of 5 major banks in Thailand and availed by the Financial Institutions Development Fund. As part of the agreement to transfer non-performing loans to TAMC, CIMB Thai has a gain and loss sharing arrangement with TAMC arising from the recovery of the non-performing loans. The sharing of gain/loss will be calculated at the end of the agreement, commencing from 1 July 2001.

## A10. LOANS, ADVANCES AND FINANCING

### (i) By type

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Overdrafts	8,247,311	7,239,009
Term loans/financing		
- Housing loans/financing	41,684,502	29,344,329
- Syndicated term loans	8,225,404	7,342,689
- Hire purchase receivables	14,276,219	13,663,402
- Lease receivables	65,600	123,850
- Factoring receivables	61,393	86,888
- Other term loans/financing	53,695,874	40,006,121
Bills receivable	1,919,643	178,213
Trust receipts	878,866	822,721
Claims on customers under acceptance credits	5,004,962	5,908,166
Staff loans *	763,386	765,073
Credit card receivables	3,551,451	3,087,405
Revolving credits	23,337,966	17,791,176
Share margin financing	1,015,067	577,808
Other loans	9,744	774,004
	<b>162,737,388</b>	127,710,854
Less: Unearned interest/income	<b>(13,832,357)</b>	(4,878,552)
	<b>148,905,031</b>	122,832,302
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	<b>148,905,031</b>	122,537,356
Fair value changes arising from fair value hedge	45,028	177,618
	<b>148,950,059</b>	122,714,974
Less: Specific allowance	<b>(4,905,276)</b>	(3,524,361)
	<b>144,044,783</b>	119,190,613
Less: General allowance	<b>(1,826,593)</b>	(1,808,539)
Total net loans, advances and financing	<b>142,218,190</b>	117,382,074

\* Included in staff loans of the Group are loans to Directors amounting to RM4,690,160 (2008: RM859,684).

Included in loans, advances and financing balances are RM2,080,513,000 (2008: RM2,061,944,000) of net loans relating to that of a jointly controlled entity, Proton Commerce Sdn Bhd ("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 RM7,578,237,000 (2008: RM3,021,205,000) provided on normal commercial terms which are exempted from general allowance by Bank Negara Malaysia.

Included in the Group's loans, advances and financing balances are RM80,235,000 of reinstated loans which were previously non-performing and written off prior to 2005. The reinstatement of these loans has been approved by BNM on 5 February 2010 and were done selectively on the basis of either full settlement of arrears or upon regularised payments of rescheduled loan repayments.

The Group has undertaken fair value hedges on RM5,468,179,000 (2008: RM2,000,000,000) of its loan exposure using interest rate swaps.

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Gross loan hedged	5,468,179	2,000,000
Fair value changes arising from fair value hedges	45,028	177,618
	<b>5,513,207</b>	2,177,618

The fair values of interest rate swaps as at 31 December 2009 were RM104,052,171 (2008: RM202,404,724).

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

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Domestic banking financial institutions	418,909	149,356
Domestic non-bank financial institutions		
- stockbroking companies	-	42,442
- others	3,698,917	2,994,551
Domestic business enterprises		
- small medium enterprises	22,874,067	20,766,537
- others	34,977,110	30,379,125
Government and statutory bodies	7,680,833	3,098,571
Individuals	68,079,927	55,756,328
Other domestic entities	4,675,844	3,942,677
Foreign entities	6,499,424	5,702,715
	<b>148,905,031</b>	<b>122,832,302</b>
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	<b>148,905,031</b>	<b>122,537,356</b>

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

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Fixed rate		
- Housing loans/financing	6,141,974	5,572,131
- Hire-purchase receivables	11,873,291	11,422,258
- Other fixed rate loans	20,671,280	11,741,337
Variable rate		
- BLR plus	70,842,857	63,528,871
- Cost plus	21,888,489	22,154,552
- Other variable rates	17,487,140	8,413,153
	<b>148,905,031</b>	<b>122,832,302</b>
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	<b>148,905,031</b>	<b>122,537,356</b>

**(iv) By economic purpose**

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Personal use	4,669,215	3,200,541
Credit card	3,551,889	3,087,406
Purchase of consumer durables	4,076	19,111
Construction	4,651,539	3,277,838
Residential property (Housing)	35,405,101	28,933,603
Non-residential property	9,788,024	8,726,826
Purchase of fixed assets other than land and building	5,443,961	2,843,897
Mergers and acquisitions	1,737,598	1,563,682
Purchase of securities	9,645,409	12,161,500
Purchase of transport vehicles	14,964,275	13,302,548
Working capital	43,956,121	38,071,904
Other purpose	15,087,823	7,643,446
	<b>148,905,031</b>	<b>122,832,302</b>
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	<b>148,905,031</b>	<b>122,537,356</b>

**A10. LOANS, ADVANCES AND FINANCING** (continued)

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

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Personal use	273,975	257,288
Credit card	82,008	73,565
Purchase of consumer durables	611	950
Construction	417,527	337,397
Residential property (Housing)	1,687,729	1,672,770
Non-residential property	373,205	438,087
Purchase of fixed assets other than land and building	139,361	116,226
Purchase of securities	63,485	69,980
Purchase of transport vehicles	371,491	375,828
Working capital	3,123,027	2,584,750
Other purpose	884,430	129,620
	<b>7,416,849</b>	<b>6,056,461</b>

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

	The Group	
	31 Dec 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 year	4,411,728	3,707,932
Reclassified as performing during the year	(2,241,616)	(2,618,513)
Amount written back in respect of recoveries	(1,029,647)	(1,162,022)
Arising from acquisition of a subsidiary	1,398,003	67,149
Amount written off	(1,293,983)	(826,075)
Purchase of non-performing loans	3,852	-
Sale of non-performing loans	-	(385,389)
Exchange fluctuation	112,051	(51,369)
Balance as at 31 December	7,416,849	6,056,461
Specific allowance ^	(4,553,264)	(3,325,574)
Net non-performing loans, advances and financing	<b>2,863,585</b>	<b>2,730,887</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>1.98%</b>	<b>2.29%</b>

^ Excludes specific allowances on performing loans amounting to RM352,012,000 (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	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
<u>Specific allowance</u>		
Balance as at 1 January	3,524,361	3,551,988
Allowance made during the year	1,872,694	1,679,440
Amount written back in respect of recoveries	(502,027)	(693,323)
Amount written back from sale of non-performing loans	-	(61,099)
Amount written off	(1,117,850)	(814,807)
Arising from acquisition of a subsidiary	886,203	45,670
Amount transferred from general allowance	214,526	-
Allowance (written back)/made and charged to deferred assets	(2,880)	878
Sale of non-performing loans	-	(194,711)
Allowance for non-performing loans purchased from third party	3,440	-
Allowance made/(written back) in relation to jointly controlled entity	3,009	(4,329)
Exchange fluctuation	23,800	14,654
Balance as at 31 December	<b>4,905,276</b>	<b>3,524,361</b>
<u>General allowance</u>		
Balance as at 1 January	1,808,539	1,523,920
Net allowance made during the year	107,478	250,711
Amount transferred to specific allowance	(214,526)	-
Allowance for loans arising from acquisition of subsidiaries	88,309	80,094
Exchange fluctuation	36,793	(46,186)
Balance as at 31 December	<b>1,826,593</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>1.34%</b>	<b>1.56%</b>

**A11. OTHER ASSETS**

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Interest receivable	495,892	468,114
Due from brokers and clients net of allowance for doubtful debts	1,337,154	512,972
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,985,616	1,831,690
Due from insurers, brokers and reinsurers	26,033	18,679
Option financing	238,224	301,995
Deferred assets	198,610	216,292
Foreclosed properties net of allowance for impairment losses	610,944	174,047
Credit Support Annex for derivative transactions	210,761	464,823
Amounts receivable from sale of non-performing loans	118,562	165,871
	<b>5,221,796</b>	<b>4,154,483</b>



## A12. DEPOSITS FROM CUSTOMERS

	The Group	
	31 Dec 2009	31 Dec 2008
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	36,950,453	31,076,404
Savings deposits	19,695,207	14,929,572
Fixed deposits	83,570,321	72,576,926
Negotiable instruments of deposit	2,081,384	2,705,644
Others	36,584,971	25,601,664
	<b>178,882,336</b>	<b>146,890,210</b>
<u>By type of customer</u>		
Government and statutory bodies	20,363,828	10,825,601
Business enterprises	77,199,262	73,442,172
Individuals	61,552,720	47,116,235
Others	19,766,526	15,506,202
	<b>178,882,336</b>	<b>146,890,210</b>
<u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	81,838,705	71,145,615
More than one year (medium/long term)	3,813,000	4,136,955
	<b>85,651,705</b>	<b>75,282,570</b>

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

	The Group	
	31 Dec 2009	31 Dec 2008
	RM'000	RM'000
Licensed banks	6,280,414	6,813,348
Licensed finance companies	101,307	14,140
Licensed investment banks	193,070	2,506,885
Bank Negara Malaysia	365,000	365,000
Other financial institutions	3,191,791	3,953,911
	<b>10,131,582</b>	<b>13,653,284</b>

## A14. OTHER LIABILITIES

	The Group	
	31 Dec 2009	31 Dec 2008
	RM'000	RM'000
Interest payable	568,278	634,286
Due to brokers and clients	1,578,692	741,345
Amount due to special purpose vehicle of jointly controlled entity	314,360	405,403
Expenditure payable	573,005	472,641
Provision for legal claims	290,336	314,173
Sundry creditors	554,379	541,410
Deferred gain on disposal of Menara Bumiputra-Commerce	-	231,330
Insurance fund - life and takaful insurance business	1,756,724	1,890,635
Allowance for commitments and contingencies	72,716	32,749
Post employment benefit obligations	275,848	135,562
Others	2,575,305	2,099,172
	<b>8,559,643</b>	<b>7,498,706</b>

## A15. INTEREST INCOME

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	<b>2,080,694</b>	2,085,149	<b>8,372,559</b>	7,116,860
- Recoveries from NPLs	<b>64,084</b>	83,738	<b>253,786</b>	377,567
- Recoveries from NPL sale	-	5,541	-	5,541
Money at call and deposit placements with financial institutions	<b>73,338</b>	115,389	<b>283,182</b>	824,056
Securities purchased under resale agreement	<b>19,731</b>	23,764	<b>115,693</b>	132,914
Securities held for trading	<b>32,509</b>	83,871	<b>165,861</b>	538,426
Available-for-sale securities	<b>101,427</b>	116,633	<b>556,611</b>	382,692
Held-to-maturity securities	<b>203,679</b>	108,774	<b>768,857</b>	209,442
Others	<b>11,226</b>	12,522	<b>37,011</b>	59,033
	<b>2,586,688</b>	2,635,381	<b>10,553,560</b>	9,646,531
Accretion of discounts less amortisation of premiums	<b>28,014</b>	47,373	<b>134,530</b>	138,540
Net interest suspended	<b>(31,416)</b>	(48,830)	<b>(148,320)</b>	(194,648)
	<b>2,583,286</b>	2,633,924	<b>10,539,770</b>	9,590,423

## A16. INTEREST EXPENSE

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	<b>21,398</b>	44,339	<b>96,959</b>	314,386
Deposits from other customers	<b>854,696</b>	1,073,994	<b>3,674,484</b>	3,805,320
Obligation on securities sold under repurchase agreements	<b>908</b>	243	<b>947</b>	9,269
Bonds	-	-	-	8,121
Loan stocks/ICULS	-	448	-	1,452
Subordinated notes	<b>63,393</b>	26,335	<b>301,694</b>	206,933
Loans sold to Cagamas	<b>4,009</b>	12,171	<b>26,575</b>	60,376
Negotiable certificates of deposits	<b>26,627</b>	62,871	<b>133,498</b>	227,534
Other borrowings	<b>17,154</b>	43,225	<b>127,468</b>	156,537
Others	<b>26,326</b>	84,574	<b>109,239</b>	139,899
	<b>1,014,511</b>	1,348,200	<b>4,470,864</b>	4,929,827

**A17. NON-INTEREST INCOME**

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Commissions	58,669	55,836	212,381	226,582
Fee on loans, advances and financing	190,656	110,402	526,114	427,453
Portfolio management fees	12,295	5,096	27,386	25,398
Service charges and fees	52,984	68,808	332,412	244,544
Corporate advisory fees	16,775	21,928	70,028	133,459
Guarantee fees	12,529	10,895	56,775	55,093
Other fee income	39,199	35,063	264,196	239,571
Placement fees	127,862	1,340	145,432	18,841
Underwriting commission	25,535	37	32,289	9,555
Al-Wakalah fee	8,160	7,064	29,466	34,089
	<b>544,664</b>	316,469	<b>1,696,479</b>	1,414,585
(b) Gross dividend income from :				
<u>In Malaysia</u>				
- Securities held for trading	1,411	3,895	16,398	30,142
- Available-for-sale securities	9,397	13,662	22,100	35,974
- Held-to-maturity securities	-	16	-	58
<u>Outside Malaysia</u>				
- Securities held for trading	126	278	798	1,731
- Available-for-sale securities	679	1,705	16,177	1,705
	<b>11,613</b>	19,556	<b>55,473</b>	69,610
(c) Net gain/(loss) arising from securities held for trading	<b>67,015</b>	21,596	<b>330,036</b>	(201,304)
- realised	31,208	(39,985)	177,244	(11,117)
- unrealised	35,807	61,581	152,792	(190,187)
(d) Net (loss)/gain arising from derivative financial instruments	<b>(49,821)</b>	(204,059)	<b>139,568</b>	197,096
- realised	47,198	(623,029)	493,842	57,617
- unrealised	(97,019)	418,970	(354,274)	139,479
(e) Net (loss)/gain arising from hedging derivatives	<b>9,077</b>	(32,064)	<b>(3,965)</b>	(5,891)
(f) Net gain from sale of available-for-sale securities	<b>74,333</b>	22,360	<b>257,769</b>	322,959
(g) Net gain from sale of held-to-maturity securities	<b>5,436</b>	77	<b>24,505</b>	4,089
(h) Income from assets management and securities services	<b>62,575</b>	23,541	<b>162,272</b>	145,889
(i) Brokerage income	<b>74,971</b>	40,904	<b>281,778</b>	253,025
(j) Other non-interest income:				
Foreign exchange gain/(loss)	<b>78,871</b>	325,844	<b>381,232</b>	392,111
Rental income	<b>3,917</b>	3,374	<b>19,538</b>	17,220
Gain on disposal of property, plant and equipment	<b>13,236</b>	5,966	<b>97,960</b>	9,586
Gain on disposal of leased assets	<b>250</b>	253	<b>250</b>	253
Net gain/(loss) from insurance business	<b>2,286</b>	(73,877)	<b>105,438</b>	(86,525)
Other non-operating income	<b>52,237</b>	15,601	<b>145,424</b>	111,430
	<b>150,797</b>	277,161	<b>749,842</b>	444,075
Total other operating income	<b>950,660</b>	485,541	<b>3,693,757</b>	2,644,133

## A18. OVERHEADS

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	588,459	305,545	2,175,025	1,453,064
- Pension cost	65,910	79,117	234,269	183,683
- Others	116,564	90,029	421,977	332,750
	<b>770,933</b>	474,691	<b>2,831,271</b>	1,969,497
Establishment costs				
- Depreciation of property, plant and equipment	81,615	61,866	309,773	214,335
- Amortisation of prepaid lease payments	446	382	1,863	1,588
- Rental	66,689	42,446	244,267	160,558
- Insurance	17,655	11,650	76,689	19,843
- Repair and maintenance	33,364	49,532	194,753	190,285
- Outsourced services	14,273	30,196	124,217	103,617
- Others	80,916	59,752	254,623	182,321
	<b>294,958</b>	255,824	<b>1,206,185</b>	872,547
Marketing expenses				
- Sales commission	31,640	9,648	67,684	42,591
- Advertisement	68,158	72,591	212,666	191,445
- Legal fees	(45,388)	15,660	(12,505)	32,693
- Others	6,272	7,037	46,009	39,490
	<b>60,682</b>	104,936	<b>313,854</b>	306,219
Administration and general expenses				
- Impairment of intangible assets - computer software	1,955	-	1,955	-
- Impairment of prepaid lease payment	427	-	427	-
- Amortisation of intangible assets	44,359	40,626	180,193	122,945
- Legal and professional fees	68,370	68,469	182,866	149,838
- Stationery	35,568	43,251	102,905	88,809
- Merchant expenses	24,496	32,056	93,929	96,469
- Communication	24,287	16,211	92,955	67,012
- Incidental expenses on banking operations	60,577	27,015	110,701	84,134
- Others	151,179	32,621	600,394	364,335
	<b>411,218</b>	260,249	<b>1,366,325</b>	973,542
	<b>1,537,791</b>	1,095,700	<b>5,717,635</b>	4,121,805

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

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Specific allowance				
- made during the year	599,000	559,431	1,872,694	1,679,440
- written back	(165,495)	(130,710)	(502,027)	(693,323)
- written back from NPL sale	-	(61,099)	-	(61,099)
General allowance				
- (written back)/made during the year	(41,077)	36,306	107,478	250,711
Bad debts on loans and financing :				
- recovered	(202,911)	(114,947)	(471,141)	(355,923)
- recovered from NPL sale	-	(26,276)	-	(26,276)
- written off	13,631	30	15,601	1,185
	<b>203,148</b>	262,735	<b>1,022,605</b>	794,715

In respect of loans, advances and financing in CIMB Bank Group which are in default for more than 7 years, 20% of the realisable value of assets held has been assigned as value of collateral with effect from 1 January 2010, as allowed by BNM. In prior year, no value was assigned as the realisable value of collateral. For loans, advances and financing which are in default for more than 5 but less than 7 years, 50% of the realisable value of asset held has been assigned as the value of collateral. The specific allowance made during the year by CIMB Bank Group for these categories of non-performing loans is RM104,310,083 (2008: RM186,537,987).

## 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.

	The Group		
	Principal amount	Fair values	
	RM'000	Assets RM'000	Liabilities RM'000
<b>At 31 December 2009</b>			
<b><u>Derivative at fair value through income statement</u></b>			
<u>Foreign exchange derivatives</u>			
Currency forward	10,632,964	64,014	(116,727)
Currency swaps	33,091,814	168,613	(239,294)
Currency options	2,696,630	29,974	(29,606)
Cross currency interest rate swaps	16,891,042	485,894	(346,313)
	<b>63,312,450</b>	<b>748,495</b>	<b>(731,940)</b>
<u>Interest rate derivative</u>			
Interest rate swaps	150,669,107	2,111,817	(1,614,648)
Interest rate futures	16,702,600	30,334	(25,774)
Interest rate options	3,130,000	11,854	(4,920)
	<b>170,501,707</b>	<b>2,154,005</b>	<b>(1,645,342)</b>
<u>Equity related derivatives</u>			
Commodity futures	31,672	842	(13)
Index futures	4,505	-	(4)
Equity options	11,975,449	528,843	(856,920)
Commodity options	690,261	70,562	(66,429)
	<b>12,701,887</b>	<b>600,247</b>	<b>(923,366)</b>
<u>Credit related contract</u>			
Credit default swaps	825,435	2,062	(2,363)
<u>Held for hedging purpose</u>			
Interest rate swaps	9,254,623	185,022	(176,843)
Cross currency interest rate swaps	350,000	-	(12,733)
	<b>9,604,623</b>	<b>185,022</b>	<b>(189,576)</b>
Total derivative assets/(liabilities)	<b>256,946,102</b>	<b>3,689,831</b>	<b>(3,492,587)</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	148,335 ^	(250,692)
Cross currency interest rate swaps	13,007,098	409,686	(415,500)
	43,331,657	958,974	(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 related 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	5,723,801	(5,168,280)

^ Included in currency options was restatement of RM16,135,000 in relation to the finalisation of the fair value exercise and purchase price allocation in respect of the acquisition of PT Bank Lippo Tbk as allowed by FRS 3 - "Business Combinations".

**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:**

<b>Group</b>	<b>31 Dec 2009</b>			<b>31 Dec 2008</b>		
	<b>Principal Amount</b>	<b>Credit Equivalent Amount*</b>	<b>Risk Weighted Amount</b>	<b>Principal Amount</b>	<b>Credit Equivalent Amount*</b>	<b>Risk Weighted Amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Credit-related</u>						
Direct credit substitutes	5,325,347	4,930,893	2,225,277	4,651,831	4,620,651	1,881,467
Certain transaction-related contingent items	5,761,442	3,444,165	2,153,047	5,347,027	3,157,433	1,948,393
Short-term self-liquidating trade-related contingencies	3,761,011	744,063	590,935	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	250,000	125,000	125,000	65,000	32,500	32,500
Irrevocable commitments to extend credit						
- maturity not exceeding one year	40,252,165	5,706,680	2,709,694	40,668,836	5,352,832	2,431,770
- maturity exceeding one year	5,948,537	116,698	114,688	8,754,634	4,377,317	3,722,448
Forward assets purchases	52,478	1	-	129,052	16	11
Miscellaneous commitments and contingencies	6,108,479	126,414	48,378	6,722,195	321,819	65,012
Total credit-related commitments and contingencies	<b>67,459,459</b>	<b>15,193,914</b>	<b>7,967,019</b>	<b>70,334,445</b>	<b>18,894,910</b>	<b>10,887,983</b>
<u>Treasury-related</u>						
Foreign exchange related contracts :						
- less than one year	55,031,218	456,997	109,357	39,809,643	662,249	113,902
- one year to less than five years	3,876,156	1,544,495	477,976	2,119,837	888,286	222,066
- five years and above	1,333,036	387,218	114,425	2,040,477	733,002	283,815
	<b>60,240,410</b>	<b>2,388,710</b>	<b>701,758</b>	<b>43,969,957</b>	<b>2,283,537</b>	<b>619,783</b>
Interest rate related contracts :						
- less than one year	91,152,067	17,120	4,641	114,353,287	13,008	2,623
- one year to less than five years	65,680,137	2,012,906	444,854	72,988,755	2,362,599	509,362
- five years and above	10,340,564	2,095,290	454,389	7,634,070	2,059,072	442,869
	<b>167,172,768</b>	<b>4,125,316</b>	<b>903,884</b>	<b>194,976,112</b>	<b>4,434,679</b>	<b>954,854</b>
Equity related contracts :						
- less than one year	4,946,183	102,076	30,210	4,155,670	117,653	25,823
- one year to less than five years	6,163,740	317,527	88,596	8,185,030	695,202	197,319
- five years and above	870,031	59,199	11,840	57,628	4,365	873
	<b>11,979,954</b>	<b>478,802</b>	<b>130,646</b>	<b>12,398,328</b>	<b>817,220</b>	<b>224,015</b>
Other treasury related commitments and contingencies	16,039,852	195,390	84,592	-	-	-
Total treasury-related commitments and contingencies	<b>255,432,984</b>	<b>7,188,218</b>	<b>1,820,880</b>	<b>251,344,397</b>	<b>7,535,436</b>	<b>1,798,652</b>
	<b>322,892,443</b>	<b>22,382,132</b>	<b>9,787,899</b>	<b>321,678,842</b>	<b>26,430,346</b>	<b>12,686,635</b>

\* Other than the credit equivalent of RM7,403,370,000 (2008: RM7,177,331,000) arising from a subsidiary, PT Bank CIMB Niaga Tbk, which is computed based on Bank Indonesia requirements, and RM625,419,000 (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 31 December 2009	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective average	Effective average	Effective average	Effective average
	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				interest rate RM %	interest rate IDR %	interest rate USD %	interest rate THB %
<b>Assets</b>												
Cash and short-term funds	24,591,792	430,793	-	-	-	3,706,442	-	28,729,027	1.98	1.61	0.32	1.12
Securities purchased under resale agreements	3,371,486	1,168,272	5,115	-	-	-	-	4,544,873	2.06	-	-	1.21
Deposits and placements with banks and other financial institutions	221,812	1,288,340	827,031	10,072	-	35,800	-	2,383,055	2.22	6.13	0.83	0.55
Securities held for trading	-	-	-	-	-	7,128	14,992,174	14,999,302	2.58	10.41	4.10	-
Available-for-sale securities	-	535,663	438,068	3,503,789	4,608,218	1,914,798	-	11,000,536	5.03	10.81	4.09	2.21
Held-to-maturity securities	157,080	729,975	429,280	5,979,640	6,970,735	-	-	14,266,710	5.43	7.06	5.71	4.15
Derivative financial instruments	282,864	805	2,674	66,668	119,873	557,640	2,659,307	3,689,831	-	-	-	-
Loans, advances and financing												
- performing	61,713,320	12,729,560	10,496,300	25,302,667	30,757,746	141,334	-	141,140,927	4.93	13.05	4.02	7.46
- non-performing	-	-	-	-	-	1,077,263 <sup>^</sup>	-	1,077,263	-	-	-	-
Other assets	-	-	228,565	-	-	4,993,231	-	5,221,796	4.73	-	3.50	-
Deferred tax assets	-	-	-	-	-	293,708	-	293,708	-	-	-	-
Tax recoverable	-	-	-	-	-	110,416	-	110,416	-	-	-	-
Statutory deposits with central banks	-	-	-	-	-	843,757	-	843,757	-	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	649,138	-	649,138	-	-	-	-
Property, plant and equipment	-	-	-	-	-	1,344,886	-	1,344,886	-	-	-	-
Investment properties	-	-	-	-	-	120,349	-	120,349	-	-	-	-
Prepaid lease payments	-	-	-	-	-	279,924	-	279,924	-	-	-	-
Goodwill	-	-	-	-	-	7,694,653	-	7,694,653	-	-	-	-
Intangible assets	-	-	-	-	-	1,667,784	-	1,667,784	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	380,404	-	380,404	-	-	-	-
<b>Total assets</b>	<b>90,338,354</b>	<b>16,883,408</b>	<b>12,427,033</b>	<b>34,862,836</b>	<b>42,456,572</b>	<b>25,818,655</b>	<b>17,651,481</b>	<b>240,438,339</b>				
<b>Liabilities</b>												
Deposits from customers	79,306,874	30,260,812	23,509,863	12,053,418	414,287	33,337,082	-	178,882,336	2.14	5.24	0.51	5.09
Deposits and placements of banks and other financial institutions	2,218,859	4,410,338	1,196,787	1,766,162	72,504	466,932	-	10,131,582	2.18	5.23	0.45	3.30
Derivative financial instruments	39,744	-	-	15,490	161,354	599,108	2,676,891	3,492,587	-	-	-	-
Obligations on securities sold under repurchase agreements	565,097	-	-	-	-	-	-	565,097	-	-	-	1.22
Bills and acceptances payable	1,337,938	1,820,252	388,463	-	-	948,141	-	4,494,794	2.25	-	-	1.27
Other liabilities	-	-	-	-	-	8,559,643	-	8,559,643	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	13,247	-	13,247	-	-	-	-
Current tax liabilities	-	-	-	-	-	428,565	-	428,565	-	-	-	-
Amount due to Cagamas Berhad	-	66,666	120,463	148,483	-	-	-	335,612	4.68	-	-	-
Bonds	-	-	443,051	-	-	-	-	443,051	-	-	3.00	-
Other borrowings	1,063,085	346,141	214,928	1,578,039	6,263	9,830	-	3,218,286	3.14	13.69	0.86	-
Redeemable preference shares	-	-	-	-	751,437	132,650	-	884,087	-	-	6.62	-
Subordinated notes	308,562	-	-	1,483,611	4,504,279	46,286	-	6,342,738	6.35	7.38	-	-
<b>Total liabilities</b>	<b>84,840,159</b>	<b>36,904,209</b>	<b>25,873,555</b>	<b>17,045,203</b>	<b>5,910,124</b>	<b>44,541,484</b>	<b>2,676,891</b>	<b>217,791,625</b>				
<b>Total interest rate sensitivity gap</b>	<b>5,498,195</b>	<b>(20,020,801)</b>	<b>(13,446,522)</b>	<b>17,817,633</b>	<b>36,546,448</b>		<b>14,974,590</b>					



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

As at 31 December 2008	Non-trading book					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 %
	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						
<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	-	-	-	-	-	334,000	5,389,801	5,723,801	-	-	-
Loans, advances and financing											
- performing	67,255,207	6,996,665	7,344,810	15,748,653	19,118,083	195,094	-	116,658,512	5.72	11.94	4.07
- non-performing	-	-	-	-	-	723,562 ^	-	723,562	-	-	-
Other assets	-	-	301,995	-	-	3,852,488	-	4,154,483	5.93	-	-
Deferred tax assets	-	-	-	-	-	260,062	-	260,062	-	-	-
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	-	-	-	-	-	1,559,550	-	1,559,550	-	-	-
Investment properties	-	-	-	-	-	100,175	-	100,175	-	-	-
Prepaid lease payments	-	-	-	-	-	256,788	-	256,788	-	-	-
Goodwill	-	-	-	-	-	6,204,724	-	6,204,724	-	-	-
Intangible assets	-	-	-	-	-	1,591,670	-	1,591,670	-	-	-
Non-current assets held for sale	-	-	-	-	-	82,452	-	82,452	-	-	-
<b>Total assets</b>	<b>90,044,871</b>	<b>10,960,257</b>	<b>9,332,069</b>	<b>23,255,634</b>	<b>29,091,651</b>	<b>28,599,051</b>	<b>15,807,226</b>	<b>207,090,759</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	-	-	-	-	-	212,220	-	212,220	-	-	-
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	1,380,659	3,025,111	-	-	5,443,518	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>9,206,178</b>	<b>4,227,192</b>	<b>32,867,364</b>	<b>4,902,235</b>	<b>188,278,166</b>			
<b>Total interest rate sensitivity gap</b>	<b>6,065,126</b>	<b>(17,259,709)</b>	<b>(15,543,417)</b>	<b>14,049,456</b>	<b>24,864,459</b>		<b>10,904,991</b>				

^ Includes specific allowances and general allowances of RM6,731,869,000 (2008: RM5,332,900,000)

## A22. CAPITAL ADEQUACY

### 31 December 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	14,874,153	396,707	690,239	3,520,387	640,167
Eligible Tier II capital	2,868,642	928	458,004	760,031	640,167
	17,742,795	397,635	1,148,243	4,280,418	1,280,334
Less:					
Investment in subsidiaries and holding of other banking institutions' capital	(2,618,131)	(9,050)	-	(43,351)	-
Capital base	15,124,664	388,585	1,148,243	4,237,067	1,280,334

#### Before deducting proposed dividend

Core capital ratio	14.81%	19.77%	6.82%	11.29%	6.00%
Risk-weighted capital ratio	15.06%	19.77%	11.34%	13.59%	11.99%

#### After deducting proposed dividend

Core capital ratio	14.81%	17.11%	6.82%	11.29%	6.00%
Risk-weighted capital ratio	15.06%	17.11%	11.34%	13.59%	11.99%

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

#### Tier I capital

Paid-up capital	3,764,467	100,000	550,000	565,191	685,791
Perpetual preference shares	200,000	-	70,000	-	-
Non-innovative Tier I Capital	1,000,000	-	-	-	-
Innovative Tier I capital	1,685,000	-	-	-	-
Share premium	5,033,622	-	-	2,426,456	-
Other reserves	7,028,019	301,726	250,864	572,091	(45,624)
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	(43,351)	-
Deferred tax assets	(281,880)	(5,019)	(44,625)	-	-
Goodwill	(3,555,075)	-	(136,000)	-	-
Total Tier I capital	14,874,153	396,707	690,239	3,520,387	640,167

#### Tier II capital

Redeemable preference shares	29,740	10	-	-	1,693
Subordinated notes	1,500,000	-	300,000	-	568,134
Subordinated loans	-	-	-	329,739	-
Revaluation reserve	-	-	-	-	47,118
General allowance for bad and doubtful debts and financing	1,338,902	918	158,004	388,496	23,222
Others	-	-	-	41,796	-
Total Eligible Tier II capital	2,868,642	928	458,004	760,031	640,167
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(2,300,489)	(9,050)	-	(43,351)	-
Investment in joint venture	(72,608)	-	-	-	-
Investment in associates	(245,034)	-	-	-	-
Total capital base	15,124,664	388,585	1,148,243	4,237,067	1,280,334
Less :					
Proposed 2009 final dividend	-	(52,300)	-	-	-
Total capital base (net of proposed dividend)	15,124,664	336,285	1,148,243	4,237,067	1,280,334

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

	Risk Weighted				
	RM'000	RM'000	RM'000	RM'000	RM'000
0%	30,359,481	427,170	6,554,422	7,019,813	5,174,033
10%	24,173	-	-	123,192	-
20%	21,909,123	5,949,667	2,070,774	1,816,284	822,660
35%	-	-	-	-	1,064,206
50%	22,437,082	66,764	3,068,223	9,992,852	358,716
75%	-	-	-	-	1,690,677
100%	79,804,879	417,380	7,628,648	25,707,687	7,181,200
150%	-	-	-	-	360,587
	95,407,662	1,640,695	9,576,915	31,079,689	9,706,451
Counterparty risk requirement	-	1	-	-	-
Total risk-weighted assets equivalent for credit risk	95,407,662	1,640,696	9,576,915	31,079,689	9,706,451
Total risk-weighted assets equivalent for market risk	4,834,636	324,340	548,828	97,253	123,231
Total risk-weighted assets equivalent for LERR	193,983	-	-	-	848,117
Total risk-weighted assets	100,436,281	1,965,036	10,125,743	31,176,942	10,677,799

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:

<b>Tier I capital</b>				
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>
<b>Tier II capital</b>				
ICULS issued	667,000	-	-	-
Redeemable preference shares	29,740	10	-	-
Subordinated notes	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-weights 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 Operations** comprise of PT Bank CIMB Niaga Tbk, CIMB Thai Bank Public Company Limited (formerly known as BankThai Public Company Limited) and Bank of Yingkou Co Ltd, which are 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>31 December 2009</b>							
Net interest income							
-external income / (expense)	2,653,925	1,370,750	(255,071)	13,634	2,363,193	(77,525)	<b>6,068,906</b>
-inter-segment	(172,427)	(651,248)	842,224	-	-	(18,549)	-
	2,481,498	719,502	587,153	13,634	2,363,193	(96,074)	<b>6,068,906</b>
Income from Islamic Banking operations	377,922	99,773	268,812	1,142	41,113	18,298	<b>807,060</b>
Non-interest income (excluding gain on disposal of interest in subsidiaries)	731,023	877,287	814,872	295,958	988,029	(13,412)	<b>3,693,757</b>
Gain/(loss) on disposal of interest in subsidiaries	-	-	99,800	-	-	-	<b>99,800</b>
Net Income	3,590,443	1,696,562	1,770,637	310,734	3,392,335	(91,188)	<b>10,669,523</b>
Overheads	(2,594,059)	(739,855)	(355,608)	(187,417)	(1,845,895)	5,199	<b>(5,717,635)</b>
Profit/(loss) before allowances	996,384	956,707	1,415,029	123,317	1,546,440	(85,989)	<b>4,951,888</b>
Allowance for losses on loans, advances and financing	(295,551)	(261,685)	83,315	-	(548,189)	(495)	<b>(1,022,605)</b>
Allowance for other receivables	(731)	(537)	66,561	(13)	(121,360)	(489)	<b>(56,569)</b>
Provision for commitments and contingencies	-	(21,000)	47,473	(3,000)	(41,561)	-	<b>(18,088)</b>
Allowance written back/(made) for impairment losses	-	22,766	(88,532)	-	(5,153)	(5,860)	<b>(76,779)</b>
Segment results	700,102	696,251	1,523,846	120,304	830,177	(92,833)	<b>3,777,847</b>
Share of results of jointly controlled entities	6,858	-	897	-	-	-	<b>7,755</b>
Share of results of associates	-	-	(4,575)	-	27,667	3,183	<b>26,275</b>
Profit/(loss) before taxation and zakat	706,960	696,251	1,520,168	120,304	857,844	(89,650)	<b>3,811,877</b>
% of profit before taxation and zakat	18.5	18.3	39.9	3.2	22.5	(2.4)	<b>100.0</b>
Taxation and zakat							<b>(764,810)</b>
<b>Profit after taxation before minority interests</b>							<b><u>3,047,067</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>31 December 2008</b>							
Net interest income							
-external income / (expense)	2,807,894	1,303,805	(349,673)	4,653	907,032	(13,115)	4,660,596
-inter-segment income	(304,510)	(610,868)	951,377	-	-	(35,999)	-
	2,503,384	692,937	601,704	4,653	907,032	(49,114)	4,660,596
Income from Islamic Banking operations	202,237	76,957	115,184	-	36,181	7,231	437,790
Non-interest income (excluding gain on disposal of interest in subsidiaries)	666,529	879,897	523,436	157,265	388,725	28,281	2,644,133
Loss on disposal of interest in subsidiaries	-	-	(2,007)	-	-	-	(2,007)
Net Income	3,372,150	1,649,791	1,238,317	161,918	1,331,938	(13,602)	7,740,512
Overheads	(2,258,651)	(620,501)	(198,743)	(193,614)	(785,380)	(64,916)	(4,121,805)
Profit/(loss) before allowances	1,113,499	1,029,290	1,039,574	(31,696)	546,558	(78,518)	3,618,707
Allowance for losses on loans, advances and financing	(394,416)	(235,334)	685	-	(169,489)	3,839	(794,715)
Allowance for other receivables	(283)	(1,117)	3	(11,934)	(81,902)	465	(94,768)
Provision for commitments and contingencies	-	-	-	-	(708)	-	(708)
Allowance written back/(made) for impairment losses	-	92,104	(56,737)	(11,465)	415	5,166	29,483
Segment results	718,800	884,943	983,525	(55,095)	294,874	(69,048)	2,757,999
Share of results of jointly controlled entity	3,253	-	-	-	-	-	3,253
Share of results of associates	-	-	(19,063)	5,235	(33,754)	1,989	(45,593)
Profit/(loss) before taxation and zakat	722,053	884,943	964,462	(49,860)	261,120	(67,059)	2,715,659
% of profit before taxation and zakat	26.6	32.6	35.5	(1.8)	9.6	(2.5)	100.0
Taxation and zakat							(703,113)
<b>Profit after taxation before minority interests</b>							<b>2,012,546</b>

## A24. OPERATIONS OF ISLAMIC BANKING

### A24a. Unaudited Balance Sheet as at 31 December 2009

	Note	The Group	
		31 Dec 2009 RM'000	31 Dec 2008 RM'000
<b>Assets</b>			
Cash and short-term funds		6,397,463	6,762,644
Deposits and placements with banks and other financial institutions		2,409,258	929,001
Securities held for trading		3,491,709	3,502,420
Available-for-sale securities		589,242	612,378
Held-to-maturity securities		1,045,721	1,234,040
Derivative financial instruments		459,659	388,279
Financing, advances and other loans	A24c(i)	16,856,675	6,561,253
Deferred tax assets		44,625	21,369
Amount due from related companies		3,973	4,801
Amount due from holding company		-	110,118
Statutory deposits with Bank Negara Malaysia		172,806	269,224
Property, plant and equipment		6,613	7,106
Other assets		642,697	110,596
Goodwill		136,000	136,000
Intangible assets		3,675	5,962
<b>TOTAL ASSETS</b>		<b>32,260,116</b>	<b>20,655,191</b>
<b>Liabilities and Islamic banking capital funds</b>			
Deposits from customers	A24(d)	20,180,319	15,371,280
Deposits and placements of banks and other financial institutions		9,120,340	3,668,949
Derivative financial instruments		248,478	52,253
Bills and acceptances payable		-	5,258
Amount due to holding company		13,523	-
Amount due to related companies		8,111	4,871
Provision for taxation and zakat		70,711	40,486
Other liabilities		1,007,143	461,535
Subordinated Sukuk		300,000	-
<b>TOTAL LIABILITIES</b>		<b>30,948,625</b>	<b>19,604,632</b>
<b>Equity</b>			
Islamic banking funds		91,693	91,693
Ordinary share capital		550,000	550,000
Perpetual preference shares		70,000	70,000
Reserves		558,625	302,891
		1,270,318	1,014,584
Minority interests		41,173	35,975
Total Equity		1,311,491	1,050,559
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,260,116</b>	<b>20,655,191</b>

**A24b. Unaudited Income Statements for year ended 31 December 2009**

	<b>The Group</b>			
	<b>4th quarter ended</b>		<b>Twelve months ended</b>	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 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	<b>220,404</b>	202,546	<b>990,110</b>	705,220
Income derived from investment of shareholders' funds	<b>87,913</b>	63,286	<b>210,857</b>	210,945
Allowances for losses on financing, advances and other loans	<b>(34,034)</b>	(23,153)	<b>(243,521)</b>	(85,739)
Allowance for losses on other receivables	<b>(5)</b>	(209)	<b>(35)</b>	(209)
Transfer from profit equalisation reserve	<b>-</b>	-	<b>-</b>	2,200
Other expenses directly attributable to the investment of the depositors and shareholders' funds	<b>(10)</b>	(687)	<b>(10)</b>	(11,031)
<b>Total distributable income</b>	<b>274,268</b>	241,783	<b>957,401</b>	821,386
Income attributable to the depositors	<b>(47,994)</b>	(134,067)	<b>(393,897)</b>	(467,135)
<b>Total net income</b>	<b>226,274</b>	107,716	<b>563,504</b>	354,251
Other operating expenses	<b>(70,521)</b>	(53,258)	<b>(245,980)</b>	(149,977)
Profit before allowances	<b>155,753</b>	54,458	<b>317,524</b>	204,274
Writeback of/(allowance for) impairment losses	<b>96</b>	(199)	<b>96</b>	(199)
<b>Profit before taxation and zakat</b>	<b>155,849</b>	54,259	<b>317,620</b>	204,075
Taxation and zakat	<b>(30,218)</b>	(7,880)	<b>(63,039)</b>	(36,067)
<b>Profit after taxation and zakat</b>	<b>125,631</b>	46,379	<b>254,581</b>	168,008
Attributable to :				
Equity holders of the Company	<b>120,491</b>	44,547	<b>249,289</b>	165,501
Minority interests	<b>5,140</b>	1,832	<b>5,292</b>	2,507
	<b>125,631</b>	46,379	<b>254,581</b>	168,008
Income from Islamic Banking operations (per page 2)				
Total net income	<b>226,274</b>	107,716	<b>563,504</b>	354,251
Add: Allowances for losses on financing, advances and other loans	<b>34,034</b>	23,153	<b>243,521</b>	85,739
Add: Allowance for losses on other receivables	<b>5</b>	-	<b>35</b>	-
Less: Transfer from profit equalisation reserve	<b>-</b>	-	<b>-</b>	(2,200)
	<b>260,313</b>	130,869	<b>807,060</b>	437,790



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

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Cash line	241,179	235,945
Term financing	28,008,876	9,020,539
Bills receivable	1,625	-
Trust receipts	29,827	23,887
Claims on customers under acceptance credits	173,893	156,709
Staff financing	-	17
Revolving credits	845,716	422,299
Other financing	49,046	71,057
	<b>29,350,162</b>	<b>9,930,453</b>
Less: Unearned income	<b>(12,174,821)</b>	<b>(2,887,714)</b>
	<b>17,175,341</b>	<b>7,042,739</b>
Less: Financing sold to Cagamas	-	(294,946)
Gross financing, advances and other loans	<b>17,175,341</b>	<b>6,747,793</b>
Fair value changes arising from fair value hedge	<b>26,519</b>	-
	<b>17,201,860</b>	<b>6,747,793</b>
Less: Specific allowance	<b>(181,427)</b>	<b>(102,902)</b>
	<b>17,020,433</b>	<b>6,644,891</b>
Less: General allowance	<b>(163,758)</b>	<b>(83,638)</b>
<b>Net financing, advances and other loans</b>	<b>16,856,675</b>	<b>6,561,253</b>

a) Included in other term financing is RM1,519 million (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 hedges on RM1,350 million(2008: RMNil) financing using profit rate swaps.

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
Gross financing hedged	1,350,000	-
Fair value changes arising from fair value hedges	26,519	-
	<b>1,376,519</b>	-

The fair value loss on profit rate swaps as at 31 December 2009 were RM41.6 million (2008: RMNil).

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

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
At 1 January	207,093	257,787
Non-performing during the year	384,855	173,119
Reclassified to performing during the year	(94,443)	(137,010)
Amount recovered	(34,424)	(30,441)
Amount written off	(97,599)	(56,362)
Exchange fluctuation	870	-
As as at 31 December	<b>366,352</b>	<b>207,093</b>
Less: Specific allowance	<b>(181,427)</b>	<b>(102,902)</b>
Net non-performing financing, advances and other loans	<b>184,925</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	<b>1.09%</b>	1.50%

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

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
<b>Specific allowance</b>		
At 1 January	102,902	97,379
Allowance made during the year	202,593	99,654
Amount recovered	(25,785)	(40,611)
Amount written off	(97,356)	(54,506)
Exchange fluctuation	(927)	986
At 31 December	<b>181,427</b>	<b>102,902</b>
<b>General allowance</b>		
At 1 January	83,638	51,318
Allowance made during the year	81,309	34,018
Exchange fluctuation	(1,189)	(1,698)
At 31 December	<b>163,758</b>	<b>83,638</b>
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 allowances	<b>1.46%</b>	<b>1.66%</b>

**A24d. Deposits from customers**

**By type of deposits**

	The Group	
	31 Dec 2009 RM'000	31 Dec 2008 RM'000
<b>Non-Mudharabah</b>		
Demand deposits	1,086,766	1,925,997
Savings deposits	550,330	319,480
Commodity Murabahah-i	17,125	379,480
Fixed return investment account	2,964,471	2,131,893
Negotiable instruments of deposit	523,089	242,975
Fixed rate deposits	1,102,280	1,163,130
Equity linked Sukuk	249,250	-
Others	7,366	12,322
	<b>6,500,677</b>	<b>6,175,277</b>
<b>Mudharabah</b>		
Demand deposits	2,155,363	398,731
Savings deposits	243,458	129,375
General investment deposits	2,196,438	1,636,457
Special general investment deposits	7,425,800	5,266,698
Specific investment deposits	1,658,583	1,746,613
Others	-	18,129
	<b>13,679,642</b>	<b>9,196,003</b>
	<b>20,180,319</b>	<b>15,371,280</b>

**A25. Credit transactions and exposures with connected parties**

	<b>The Group</b>	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Outstanding credit exposures with connected parties	<b>6,679,072</b>	6,293,236
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	<b>4.59%</b>	4.77%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<b>0.00%</b>	0.00%

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

CIMB Group Holdings Berhad ("CIMB Group") reported a full-year net profit of RM2.807 billion for 2009, a 43.8% year-on-year ("Y-o-Y") growth and equivalent to net earnings per share ("EPS") of 79.5 sen. The FY09 net return on equity ("ROE") of 15.0% was above the original target of 12.5% and in line with the revised 14-15% target for the year. The Group declared an interim dividend of 18.5 sen (single tier) amounting to a total net payment of RM653 million and a 1-for-1 bonus issue of new shares.

For 4Q09 alone, the Group's net profit of RM803 million was 10.5% higher than 3Q09. On a Y-o-Y basis, this represented a 151.7% growth over the 4Q08 net profit of RM319 million.

The 2009 operating environment turned out much better than anticipated and the Group excelled, posting its best ever financial performance and met or exceeded all its key targets set for the year. Investors who rode the year with the Group enjoyed a 123% total shareholder return, 74% higher than the KLCI benchmark.

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

CIMB Group's FY09 revenues increased by 37.8% Y-o-Y to RM10.67 billion while profit before tax ("PBT") grew by 40.4% to RM3.812 billion.

In 2009, the Group's Malaysian consumer "good" bank PBT grew 46.1% Y-o-Y on the back of an 8.9% growth in revenues and a 30.9% Y-o-Y drop in net loan loss provisions. As expected, the lower recoveries at Group Special Assets Management (or "bad" bank) brought about the relatively flat 1% Y-o-Y growth in PBT at the overall Malaysian consumer bank.

PBT contribution from Treasury & Investments increased 54.9% Y-o-Y to RM1.475 billion but the comparatively slower capital markets and higher international portfolio provisioning brought about a 20.3% Y-o-Y decline in Corporate & Investment Banking PBT to RM691 million. CIMB Niaga's contribution surged 160.6% Y-o-Y to RM787 million from RM302 million last year due to the addition of the ex-Lippo Bank franchise and favourable operating environment in Indonesia. Asset Management and Insurance PBT jumped to RM120 million in 2009 from a RM50 million loss last year due to the better performance of its fund management companies and a turnaround in CIMB-Aviva's operations. CIMB Thai continued to operate in the black for the second consecutive quarter, bringing about the full-year PBT contribution of RM47 million compared to the RM41 million loss in 2008.

The Malaysian Consumer Bank's contribution to Group PBT has declined to 18% compared to 25% in 2008. Treasury and Investments was the largest contributor with 39% from 35% previously. Corporate & Investment Banking contribution was lower at 18% from 32% previously. CIMB Niaga's contribution surged to 21% versus 11% in 2008. Group Asset Management (GAM) and Insurance rose to 3% from a loss last year, while CIMB Thai made a maiden 1% contribution.

Total non-Malaysian PBT contribution to the Group jumped to 26% in 2009 from 11% in 2008.

The Group's total gross loans expanded 21.4% Y-o-Y, due to the inclusion of CIMB Thai's loans in 2009. Excluding this, CIMB Group's gross loans grew by 14.2% Y-o-Y (versus 8% target) anchored by the Malaysian consumer loans which grew 13.2%. Mortgages, credit cards and the Group's micro credit lending grew by 20.1%, 13.7% and 83.2% respectively Y-o-Y. Hire purchase loans began making some headway again with a 3.4% Y-o-Y growth but business banking loans continued to decline by 6.5% Y-o-Y. Corporate loans grew by 5.5% Y-o-Y. CIMB Niaga's loans grew 29.4% (in RM terms).

Total Group deposits grew Y-o-Y by 21.8% and 15.6% excluding CIMB Thai. CIMB Bank's retail deposits grew 18.3% Y-o-Y, but this was largely attributed to the success of the new Singapore retail operations. Excluding Singapore, the 2009 retail deposits were 9.7% higher Y-o-Y.

Loan loss provisions for the Group increased 28.7% Y-o-Y to RM1.023 billion due to the inclusion of CIMB Thai and higher provisioning from the international portfolio and CIMB Niaga. The Group's total credit charge was 0.69%, lower than the 0.8-0.9% full year target. The Group's net non-performing loans ("NPL") ratio hit an all-time low of 2.0% compared to 2.3% as at 31 December 2008. Following the corporatisation of Southeast Asia Special Asset Management Bhd ("SEASAM"), CIMB Bank's net NPL ratio has dropped to only 1.2%. Group loan loss coverage improved to 90.8% compared to 86.7% as at end-3Q09. The Group's cost to income ratio was relatively flat at 53.6% versus 53.2% in 2008.

CIMB Bank's risk weighted capital ratio improved further to 15.1% as at 31 December 2009 against 14.0% as at 30 September 2009. CIMB Group's double leverage and gearing stood at 119.4% and 27.0% respectively as at end-2009.

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

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

The Group's 4Q09 revenues of RM2.780 billion was flat compared to 3Q09, but Group net profits of RM803 million grew 10.5% from RM727 million in 3Q09 as loan loss provisions dropped sharply by 17.5%.

### **CIMB Niaga Results**

On 16 February 2009, Bank CIMB Niaga reported a FY09 net profit of IDR1,568 billion, a 131.2% Y-o-Y growth with a 2009 net ROE of 15.0%. The stronger performance was attributed to a combination of loans growth, higher Net Interest Margins ("NIMs") and better treasury income. Sequentially, the 4Q09 net profit of IDR416 million was 8.7% lower than 3Q09 due to higher loan loss charges.

CIMB Niaga's gross loans grew 11.3% Y-o-Y in 2009 predominantly driven by the corporate and auto loans segments. Gross NPL increased to 3.0% at end-December 2009 from 2.5% as at the corresponding period last year, while net NPL ratio decreased to 1.0% from 1.4% previously. CIMB Niaga continues to retain the 2nd lowest position in net NPL ratios amongst Indonesian banks while loan loss coverage was increased to 108.5% as at end-2009 compared to 87.6% as at end-2008.

CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 11.3% and 13.6% respectively as at 31 December 2009.

### **CIMB Thai Results**

On 21 January 2009, CIMB Thai announced a 4Q09 net profit of THB42 million, bringing about a total full-year net profit of THB2 million, in line with the Group's breakeven target for 2009. For the 12-month period, CIMB Thai chalked a revenue of THB6.898 billion, up 5.6% Y-o-Y. As a result of GAAP adjustments, CIMB Thai's contribution to the Group's 2009 earnings was RM47 million, compared to a negative RM41 million in 2008.

CIMB Thai's Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 6.0% and 12.0% as at 31 December 2009.

### **CIMB Islamic**

CIMB Islamic's Y-o-Y PBT jumped 74.5% to RM171 million as the Group continued the dramatic growth of its Syariah-compliant banking products. CIMB Islamic's total loans grew 166.4% Y-o-Y and now accounts for 11% of total Group loans. Total deposits grew by 28.1% Y-o-Y to RM17.5 billion. With its total assets at RM27.7 billion as at 31 December 2009, CIMB Islamic has emerged as the country's second largest Islamic bank with a 12% market share in less than 5 years.

### **Market Shares**

CIMB Investment Bank remained the leading stockbroker in Malaysia and extended its number one position in primary bonds, Initial Public Offering ("IPO") and Equity Capital Market ("ECM") advisory for 2009. It maintained its second spot on the M&A league tables. CIMB Islamic stretched its position at the top of the domestic and global Islamic investment banking league tables. CIMB Bank is the second largest mortgage lender in Malaysia and expanded its share of retail deposits and credit cards. In Singapore, CIMB-GK was 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 has moved up to 4th in stockbroking market share. Despite its small market share of brokerage, CIMB Securities Thailand emerged as no.2 in ECM. CIMB Principal Asset Management remains the second largest asset manager in Malaysia.

### **Bonus Issue**

CIMB Group is proposing a 1-for-1 bonus issue which would increase its number of shares in issue from 3,531.76 million to 7,063.53 million. The objectives of the bonus issue are to improve tradability of CIMB Group shares and to align its quoted share price with pricing conventions on the Stock Exchange of Thailand ("SET") ahead of the Group's proposed listing later this year.

## **B2. CORPORATE DEVELOPMENTS**

The significant corporate developments in 2009 were:

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

- (a) 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.

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

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

- 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)
- 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).
- On 25 November 2009, CIMB Bank disposed off part of its non-performing loans (“NPL”) to a special purpose vehicle, SEASAM.
- On 30 December 2009, CIMB Bank entered into a sale and leaseback agreement for to 65 properties to Kumpulan Wang Simpanan Pekerja (KWSP) for RM302.45 million cash.
- On 19 February 2010, CIMB Group entered into an agreement to acquire 32.22% of Touch N’ Go Sdn Bhd (“TnG”) for RM53.8 million. Upon completion, CIMB Group will increase its existing stake in TnG from 20% to 52.22%.

### **(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 Group injected equity of RM1 billion into CIMB 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.
- On 28 December 2009, the Group cancelled 50.6291 million treasury shares.

### **(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.
- On 16 November 2009, the Group announced its intention to seek a dual listing on the Stock Exchange of Thailand (“SET”) involving an IPO of up to 35 million CIMB shares.

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

The Group had a very good 2009, financially as well as in the overall development of its regional franchise. The regional model remains “work-in-progress” and the Group is determined to realise its full potential over the next few years. In 2010, the Group anticipates navigating a quite different set of challenges – in particular, margin compression from more intense competition, turn in the interest rate cycle and new rules and conventions arising from global banking reform. The improved economic environment will nevertheless translate to higher demand for banking and capital market solutions and lower credit defaults. Therefore the Group is setting higher financial targets for this year.

Among the various KPI targets for 2010, CIMB Group has set its sights on ROE of 16.0% and total region-wide loan and CASA (“Current Account and Savings Account”) growth of 12% and 18% respectively. Its dividend target remains at 18.5 sen but this will be reviewed after implementation of the FRS139 accounting standard and Basel II later this year.

**B4. TAXATION**

	<b>The Group</b>			
	<b>4th quarter ended</b>		<b>Twelve months ended</b>	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Major components of tax expense:				
Current tax expense	<b>295,056</b>	133,451	<b>871,991</b>	648,157
Deferred tax expense	<b>(43,176)</b>	24,710	<b>(55,313)</b>	61,910
Over-accrual in prior years	<b>(51,868)</b>	(6,954)	<b>(51,868)</b>	(6,954)
	<b>200,012</b>	151,207	<b>764,810</b>	703,113
<b>Reconciliation</b>				
Profit before taxation	<b>1,093,623</b>	448,136	<b>3,811,877</b>	2,715,659
Tax at statutory income tax rate of 25% (2008: 26%)	<b>273,406</b>	116,516	<b>952,970</b>	706,072
Effect of different tax rates in other countries and change in tax rates	<b>(62,824)</b>	21,107	<b>(34,304)</b>	34,767
Due to income not subject to income tax and expenses not deductible for tax purposes	<b>41,298</b>	20,538	<b>(101,988)</b>	(30,772)
Over-accrual in prior years	<b>(51,868)</b>	(6,954)	<b>(51,868)</b>	(6,954)
	<b>200,012</b>	151,207	<b>764,810</b>	703,113

**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**

	<b>The Group</b>	
	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
One year or less (short term)	-	24,374
More than one year (medium/long term)	<b>443,051</b>	-
	<b>443,051</b>	24,374
* 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)	<b>1,624,154</b>	2,326,754
More than one year (medium/long term)	<b>1,594,132</b>	1,678,082
	<b>3,218,286</b>	4,004,836
** 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)	<b>308,562</b>	1,037,748
More than one year (medium/long term)	<b>6,034,176</b>	4,405,770
	<b>6,342,738</b>	5,443,518
*** Includes US denominated Subordinated Notes of USD 390,000,000		

**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/year after minority interests by the weighted average number of ordinary shares in issue during the financial period/year.

#### a) Basic EPS

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period/year after minority interests	<b>802,893</b>	318,598	<b>2,806,816</b>	1,952,038
Weighted average number of ordinary shares in issue				
- proforma ( '000)	<b>3,531,765</b>	3,465,318	<b>3,529,967</b>	3,375,898
Basic earnings per share (expressed in sen per share)	<b>22.7</b>	9.2	<b>79.5</b>	57.8

#### b) Diluted EPS

Net profit for the financial period/year after minority interests	<b>802,893</b>	318,598	<b>2,806,816</b>	1,952,038
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	-	89	-	331
Income from investment of proceeds from exercise of warrants in money market instruments during the period	<b>560</b>	-	-	-
Net profit used to determine diluted EPS	<b>803,453</b>	318,687	<b>2,806,816</b>	1,952,369
Weighted average number of ordinary shares in issue ('000)	<b>3,531,765</b>	3,465,318	<b>3,529,967</b>	3,375,898
Adjustments for:				
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	-	4,317	-	4,317
- Warrants #	<b>10,586</b>	-	-	-
Weighted average number of ordinary shares for diluted EPS	<b>3,542,351</b>	3,469,635	<b>3,529,967</b>	3,380,215
Diluted EPS	<b>22.7</b>	9.2	<b>79.5</b>	57.8

# The outstanding 50,622,413 warrants of the Company in issue as at 31 December 2009 does not have a dilutive impact to EPS for the 12 months ended 31 December 2009 as the average share price was lower than the strike price. In contrast, the average share price during the 4th quarter is higher than its strike price, and a dilution has been reflected accordingly in the diluted EPS for the 4th quarter ended 31 December 2009.

**B9 Additional notes on comparative restatement**

Certain balance sheet comparatives were restated to conform with the current financial year's presentation. There was no impact to the financial performance and ratios in relation to the financial year ended 31 December 2008. The restatements are as follows:

<b>Group</b>	<b>Note</b>	<b>As previously reported RM'000</b>	<b>Restatement/ Reclassification RM'000</b>	<b>As restated RM'000</b>
<b><u>Balance sheet</u></b>				
<b><u>Assets</u></b>				
Derivative financial instruments	(i)	5,739,936	(16,135)	5,723,801
Other assets	(i)	4,237,926	(83,443)	4,154,483
Deferred tax assets	(i)	543,139	(283,077)	260,062
Property, plant and equipment	(i)	1,669,036	(109,486)	1,559,550
Prepaid lease payments	(i)	50,386	206,402	256,788
Goodwill	(i)	6,696,245	(491,521)	6,204,724
Intangible assets	(i)	459,361	1,132,309	1,591,670
Deposits from customers	(ii)	153,424,976	(6,534,766)	146,890,210
Deposits and placements of banks and other financial institutions	(ii)	7,118,518	6,534,766	13,653,284
<b><u>Liabilities</u></b>				
Current tax liabilities	(i)	152,498	59,722	212,220
Subordinated notes	(i)	5,598,335	(154,817)	5,443,518
<b><u>Equity</u></b>				
Reserves	(i)	14,021,765	35,252	14,057,017
Minority interest	(i)	1,098,498	414,892	1,513,390

(i) The restatement is in relation to the finalisation of the fair value exercise and purchase price allocation in respect of the acquisition of PT Bank Lippo Tbk as allowed by FRS 3 - "Business Combinations". There was no impact to the income statement for the financial year ended 31 December 2008.

(ii) The reclassification is in relation to the Negotiable Instrument of Deposit placed by financial institutions classified under deposits from customers, now reclassified under deposits and placements of banks and other financial institutions.