

PART A - EXPLANATORY NOTES

A1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited interim financial statements for the second quarter ended 30 June 2009 have been prepared under the historical cost convention, and modified by the revaluation of available-for-sale securities, securities held for trading, all derivative contracts and investment properties and non-current assets/disposal groups held for sale.

The unaudited interim financial statements have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. These financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2008.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2008.

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

BNM has granted indulgence to the banking subsidiaries of the Company and other local banks in Malaysia from complying with the requirements on the impairment of loans under the revised 'Guideline on Financial Reporting for Licensed Institutions' ("BNM/GP8"). Paragraph 4, Appendix A of the revised BNM/GP8 requires impaired loans to be measured at their estimated recoverable amount. This requirement is principally similar to the requirements under FRS 139 – Financial Instruments: Recognition and Measurement. During the financial year ended 31 December 2008, BNM issued a revised circular on BNM/GP3 which requires impaired credit facilities to be measured at their recoverable amount. This requirement supersedes paragraph 4, Appendix A of the revised BNM/GP8. In view of the deferment of the implementation of FRS 139 in Malaysia, the banking subsidiaries of the Company and other local banks in Malaysia will be deemed to be in compliance with the requirement on the impairment of loans under the revised BNM/GP8 if the allowance for non-performing loans, advances and financing is computed based on BNM's guidelines on the 'Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts' ("BNM/GP3") requirements.

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

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

A2. CHANGES IN ESTIMATES

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

A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as detailed below, there were no other new shares issuance, repayment of debt securities, share buy backs and share cancellations, or resale of shares held as treasury shares during the six-month period ended 30 June 2009:-

- a) On 13 February 2009, the Company purchased 10,000 of its own shares from the open market at an average market price of RM6.50 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM65.0 thousand. The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.
- b) On 15 April 2009, CIMB Investment Bank Berhad, a wholly-owned subsidiary of Bumiputra-Commerce Holdings Berhad, has fully redeemed its USD100.0 million 5% subordinated bonds. CIMB Bank Berhad, a 99.999% owned subsidiary of the Company had also fully redeemed its USD100 million subordinated loan.
- c) On 17 April 2009, CIMB Bank (L) Limited had issued USD140 million bonds and BCHB had issued 50,622,413 BCHB warrants.
- d) From 21 May 2009 to 17 June 2009, the Company had issued 4,316,692 new ordinary shares of RM1.00 each pursuant to the conversion of the five (5) year guaranteed redeemable convertible bonds.
- e) On 30 June 2009, CIMB Bank had fully redeemed the USD200 million subordinated notes, and issued 123,456,800 new ordinary shares at an issue price of RM8.10 each.
- f) On 10 July 2009, CIMB Bank Berhad, a subsidiary of BCHB, issued 667,000,000 new ordinary shares of RM1.00 each in CIMB Bank ("CIMB Bank Shares") to its 99.999% shareholder, CIMB Group Sdn Bhd ("CIMBG"), which is in turn a wholly-owned subsidiary of BCHB, in connection with the settlement of the coupon and principal of the ICULS which are due and payable to BCHB.

A4. DIVIDENDS PAID AND PROPOSED

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

A5. STATUS OF CORPORATE PROPOSALS

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

On 21 December 2007, CIMB Investment Bank Berhad entered into a CA with VFC to jointly set up a securities company in Vietnam. Pursuant to the CA, CIMB Investment Bank Berhad will provide the guidance and assistance on the set up of the securities company. The Vietnam State Securities Commissions' license was obtained on 18 December 2008 and a Shareholders Agreement was entered into on 7 August 2009. Under the terms of the Shareholders' Agreement, CIMB Investment will subscribe for an initial equity interest of 10% in VFC Securities for Vietnamese Dong ("VND") 34 billion (approximately RM6.7 million), and has the option to increase its shareholding to 40% for a total capital contribution of up to VND200 billion (approximately RM39.2 million).

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

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

A5. STATUS OF CORPORATE PROPOSALS (continued)

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

CIMB Islamic Bank Berhad had on 15 April 2009 and 22 May 2009, obtained the approval from Bank Negara Malaysia and Securities Commission with regards to the proposed Tier 2 Junior Sukuk Programme of up to RM2.0 billion in nominal value. The proceeds from the Proposed Issue shall be made available for the Islamic banking operation of CIMB Islamic or any other Shariah-compliant use as approved by its Shariah Adviser. There has not been any issuance to date.

d) Execution of Exclusivity Agreement By CIMB Standard Strategic Asset Advisors Pte Ltd

The Company, through its 60% owned subsidiary, CIMB Standard Strategic Asset Advisors Pte Ltd ("CIMB Standard"), had on 29 May 2009 entered into an Exclusivity Agreement ("EA") with Babcock & Brown Falcon Investment Pty Ltd ("B&B"), to evaluate and negotiate the terms and sale of B&B's interests in the Babcock & Brown Asia Infrastructure Fund GP Limited, the General Partner of Babcock & Brown Asia Infrastructure Fund L. P. (together, the "Sale Property"). The purpose of the EA is to provide a general framework for the negotiation of binding agreements to implement the sale of the Sale Property, and is not subject to approval of the shareholders of BCHB and/or any regulatory authorities.

e) Proposed Tier 2 Subordinated Bonds and Tier 2 Junior Sukuk Programmes by CIMB Bank Berhad

CIMB Bank Berhad (a 99.99% owned subsidiary of CIMB Group Sdn Bhd, which in turn is a 100% owned subsidiary of BCHB), had on 2 June 2009 obtained the approval from the SC with regards to the proposed Tier 2 Subordinated Bonds Programme and proposed Tier 2 Junior Sukuk Programme with a combined limit of RM5.0 billion (or its foreign currency equivalent) in nominal value. There has not been any issuance to date.

f) Proposed issuance of Cumulative Subordinated Fixed Rate Notes pursuant to a Cumulative Subordinated Fixed Rate Notes Programme of RM3.0 billion in nominal value ("Programme")

The Programme has been approved by BNM and SC respectively on 12 June 2009. Other than BNM and SC's approval, no further regulatory approval is required. There has not been any issuance to date.

g) Incorporation of subsidiary

On 17 June 2009, CIMB Strategic Assets Sdn Bhd (a wholly owned subsidiary of BCHB) incorporated a wholly owned subsidiary, CIMB Standard Islamic Infrastructure Fund (General Partner) Limited ("CIMB Standard"), in the Federal Territory of Labuan, Malaysia. CIMB Standard has an issued and paid-up share capital of USD 6 comprising 6 ordinary shares of USD1 each.

A6. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

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

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

c) On 12 August 2009, BCHB announced a proposed name change to CIMB Group Holdings Berhad. The proposed name change is subject to approval from shareholders at a shareholders' meeting to be convened.

PART A - EXPLANATORY NOTES

A7. SECURITIES HELD FOR TRADING

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	1,056,595	1,342,488
Cagamas bonds	115,286	205,323
Khazanah bonds	36,923	9,791
Malaysian Government treasury bills	57,046	38,262
Bank Negara Malaysia bills	1,593,575	552,598
Bank Negara Malaysia negotiable notes	126,747	46,892
Negotiable instruments of deposit	3,202,786	4,150,073
Bankers' acceptances and Islamic accepted bills	789,635	1,174,286
Credit-linked notes	159,182	172,884
Commercial papers	150,992	332,605
Government investment issues	541,132	81,376
	7,829,899	8,106,578
Quoted securities:		
<i><u>In Malaysia:</u></i>		
Warrants	5	5
Shares	412,958	143,820
Loan stocks	628	1,272
Unit trusts	11,152	-
Private and Islamic debt securities	25,842	-
<i><u>Outside Malaysia:</u></i>		
Shares	17,156	11,959
Private and Islamic debt securities	279	6,127
Other Government bonds	283,892	212,781
	751,912	375,964
Unquoted securities:		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	1,879,922	1,418,725
Shares	7,323	5,001
Investment linked fund	32,432	-
<i><u>Outside Malaysia:</u></i>		
Private and Islamic debt securities	1,082,944	516,971
	3,002,621	1,940,697
Total securities held-for-trading	11,584,432	10,423,239

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

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

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

A8. AVAILABLE-FOR-SALE SECURITIES

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	225,839	239,797
Cagamas bonds	277,868	296,925
Khazanah bonds	59,335	85,331
Other Government treasury bills	4,237	309
Government investment issues	333,999	450,776
Commercial papers	52,566	134,040
	953,844	1,207,178
Quoted securities:		
<u>In Malaysia:</u>		
Shares	216,025	267,448
Unit trusts	857,234	712,283
<u>Outside Malaysia:</u>		
Shares	5,381	465
Unit trusts	23,576	-
Private and Islamic debt securities	1,383,881	128,050
Other Government bonds	2,835,987	2,238,805
	5,322,084	3,347,051
Unquoted securities:		
<u>In Malaysia:</u>		
Private and Islamic debt securities	5,801,762	6,524,704
Shares	547,653	521,030
Loan stocks	23,259	30,715
Property funds	148	116
Investment-linked funds	11,985	19,016
<u>Outside Malaysia:</u>		
Shares	102,106	60,268
Mutual funds	2,488	7,542
Private equity and unit trust funds	278,422	102,025
Private and Islamic debt securities	6,561	118,506
Loan stocks	498	485
	6,774,882	7,384,407
	13,050,810	11,938,636
<u>Allowance for impairment loss:</u>		
Private debt securities	(286,218)	(279,387)
Quoted shares	(6,751)	(11,527)
Quoted bonds	(581)	(1,138)
Unquoted shares	(80,787)	(38,320)
Mutual funds	(7,769)	(51)
	(382,106)	(330,423)
Total available-for-sale securities	12,668,704	11,608,213

A9. HELD-TO-MATURITY SECURITIES

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Money market instruments:		
Unquoted		
Malaysian Government securities	149,967	149,967
Cagamas bonds	294,817	294,817
Quoted securities		
<u>Outside Malaysia</u>		
Bonds	682,756	189,997
Islamic bonds	24,120	31,530
Medium term notes - Islamic	8,620	7,883
Other Government bonds	128,540	154,655
Unquoted securities		
<u>In Malaysia</u>		
Shares	270	462
Private debt securities	7,953,694	7,658,366
Loan stocks	31,814	32,478
Danaharta Urus Sdn Bhd ("DUSB") bonds	929,639	929,639
<u>Outside Malaysia</u>		
Private debt securities	3,399,161	2,324,724
	13,603,398	11,774,518
Accretion of discount net of amortisation of premium	264,112	224,864
Less : Allowance for impairment losses	(90,756)	(77,952)
Total held-to-maturity securities	13,776,754	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 30 June 2009 and 31 December 2008 respectively:

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Carrying value	6,037,702	6,006,742
Fair value	5,776,938	5,977,580

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

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Overdrafts	8,089,117	7,239,009
Term loans/financing		
- Housing loans/financing	34,634,899	29,344,329
- Syndicated term loans	6,922,501	7,342,689
- Hire purchase receivables	14,008,459	13,663,402
- Lease receivables	125,498	123,850
- Factoring receivables	57,013	86,888
- Other term loans/financing	49,236,380	40,080,979
Bills receivable	1,616,620	253,454
Trust receipts	933,972	822,721
Claims on customers under acceptance credits	4,813,932	5,908,166
Staff loans *	775,670	765,073
Credit card receivables	3,106,911	3,087,405
Revolving credits	20,059,274	17,791,176
Share margin financing	735,237	577,808
Other loans	9,418	774,004
	145,124,901	127,860,953
Less: Unearned interest/income	(8,354,394)	(4,878,552)
	136,770,507	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	136,770,507	122,687,455
Fair value changes arising from fair value hedge	(31,664)	177,618
	136,738,843	122,865,073
Less: Specific allowance	(4,681,653)	(3,674,460)
	132,057,190	119,190,613
Less: General allowance	(2,006,024)	(1,808,539)
Total net loans, advances and financing	130,051,166	117,382,074

* Included in staff loans of the Group are loans to Directors amounting to RM3,694,199 (31 December 2008: RM859,684).

Included in loans, advances and financing balances are RM2,071,010,000 (31 December 2008: RM2,061,944,000) of net loans relating to that of a jointly controlled entity, PCSB. The revenue and risks of these accounts are shared equally between CIMB Bank and the joint venture partner, Proton Edar Sdn Bhd, pursuant to the terms of a Joint Venture Agreement.

Included in other term loans is RM6,059,499,000 as at 30 June 2009 (31 December 2008: RM3,021,205,000) provided on normal commercial terms which are exempted from general allowance by Bank Negara Malaysia.

The Group has undertaken fair value hedges on RM6.3 billion (31 December 2008: RM2.0 billion) of its loan exposure using interest rate swaps.

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Gross loan hedged	6,318,179	2,000,000
Fair value changes arising from fair value hedges	(31,664)	177,618
	6,286,515	2,177,618

The fair values of interest rate swaps as at 30 June 2009 were (RM16,544,268) (31 December 2008: RM202,404,724).

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

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Domestic banking financial institutions	138,959	149,356
Domestic non-bank financial institutions		
- stockbroking companies	-	42,442
- others	3,610,808	2,994,551
Domestic business enterprises		
- small medium enterprises	21,866,733	20,766,537
- others	32,268,153	30,529,224
Government and statutory bodies	6,298,864	3,098,571
Individuals	61,870,826	55,756,328
Other domestic entities	4,429,146	3,942,677
Foreign entities	6,287,018	5,702,715
	136,770,507	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	136,770,507	122,687,455

(iii) By interest/profit rate sensitivity

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Fixed rate		
- Housing loans/financing	5,187,659	5,572,131
- Hire-purchase receivables	11,710,509	11,422,258
- Other fixed rate loans	17,837,807	11,741,337
Variable rate		
- BLR plus	66,017,170	63,528,871
- Cost plus	20,545,455	22,154,552
- Other variable rates	15,471,907	8,563,252
	136,770,507	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	136,770,507	122,687,455

(iv) By economic purpose

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Personal use	4,443,748	3,200,541
Credit card	3,107,327	3,087,406
Purchase of consumer durables	14,081	19,111
Construction	4,440,070	3,277,838
Residential property (Housing)	31,930,164	28,933,603
Non-residential property	9,606,699	8,726,826
Purchase of fixed assets other than land and building	4,822,660	2,843,897
Mergers and acquisitions	1,815,076	1,563,682
Purchase of securities	10,518,434	12,161,500
Purchase of transport vehicles	14,721,988	13,452,647
Working capital	39,371,360	38,071,904
Other purpose	11,978,900	7,643,446
	136,770,507	122,982,401
Less: Islamic financing sold to Cagamas	-	(294,946)
Gross loans, advances and financing	136,770,507	122,687,455

A10. LOANS, ADVANCES AND FINANCING (continued)

(v) Non-performing loan by economic purpose

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Personal use	365,710	257,288
Credit card	87,968	73,565
Purchase of consumer durables	858	950
Construction	505,997	337,397
Residential property (Housing)	1,716,658	1,672,770
Non-residential property	415,244	438,087
Purchase of fixed assets other than land and building	158,006	116,226
Purchase of securities	69,191	69,980
Purchase of transport vehicles	581,211	375,828
Working capital	3,245,538	2,584,750
Other purpose	559,157	129,620
	7,705,538	6,056,461

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

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Balance as at 1 January	6,056,461	7,324,748
Classified as non-performing during the period / year	2,193,408	3,707,932
Reclassified as performing during the period / year	(994,220)	(2,618,513)
Amount written back in respect of recoveries	(452,603)	(1,162,022)
Arising from acquisition of a subsidiary	1,317,417	67,149
Amount written off	(448,382)	(826,075)
Purchase of NPL	3,564	-
Sale of NPL	-	(385,389)
Exchange fluctuation	29,893	(51,369)
Balance as at 30 June / 31 December	7,705,538	6,056,461
Specific allowance ^	(4,470,444)	(3,475,673)
Net non-performing loans, advances and financing	3,235,094	2,580,788
Ratio of net non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas) less specific allowances ^	2.45%	2.16%

^ Excludes specific allowances on performing loans amounting to RM 211,209,000 (31 December 2008: RM198,787,000)

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

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
<u>Specific allowance</u>		
Balance as at 1 January	3,674,460	3,551,988
Allowance made during the period / year	864,418	1,679,440
Amount written back in respect of recoveries	(216,131)	(693,323)
Amount written back from sale of non-performing loans	-	(61,099)
Amount written off	(443,437)	(664,708)
Arising from acquisition of subsidiary	764,987	45,670
Amount transferred from general allowance	6,210	-
Allowance made and charged to deferred assets	(572)	878
Sale of NPL	-	(194,711)
Purchase of NPL	3,179	-
Write back in relation to jointly controlled entity	3,457	(4,329)
Exchange fluctuation	25,082	14,654
Balance as at 30 June / 31 December	4,681,653	3,674,460
<u>General allowance</u>		
Balance as at 1 January	1,808,539	1,523,920
Net allowance made during the period / year	92,553	250,711
Amount transferred to specific allowance	(6,210)	-
Allowance for loans arising from acquisition of subsidiaries	115,425	80,094
Purchase of NPL	17	-
Exchange fluctuation	(4,300)	(46,186)
Balance as at 30 June/ 31 December	2,006,024	1,808,539
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	1.59%	1.56%

A11. OTHER ASSETS

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Interest receivable	532,993	468,114
Due from brokers and clients net of allowance for doubtful debts	1,379,009	512,972
Other debtors, deposits and prepayments net of allowance for doubtful debts	1,615,322	1,831,690
Due from insurers, brokers and reinsurers	8,625	18,679
Option financing	250,000	301,995
Deferred assets	206,156	216,292
Foreclosed properties net of allowance for impairment losses	613,797	257,490
Credit Support Annex for derivative transactions	437,431	464,823
Amounts receivable from sale of non-performing loans	165,987	165,871
	5,209,320	4,237,926

A12. DEPOSITS FROM CUSTOMERS

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	31,344,426	31,076,404
Savings deposits	18,189,284	14,929,572
Fixed deposits	82,321,025	72,576,926
Negotiable instruments of deposit	2,636,387	2,705,644
Others	29,355,919	25,601,664
	163,847,041	146,890,210
<u>By type of customer</u>		
Government and statutory bodies	13,620,222	10,825,601
Business enterprises	74,601,278	73,442,172
Individuals	57,430,306	47,116,235
Others	18,195,235	15,506,202
	163,847,041	146,890,210
<u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	78,827,527	71,145,615
More than one year (medium/long term)	6,129,885	4,136,955
	84,957,412	75,282,570

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Licensed banks	9,350,934	6,813,348
Licensed finance companies	136,331	14,140
Licensed investment banks	366,682	2,506,885
Bank Negara Malaysia	365,000	365,000
Other financial institutions	3,837,183	3,953,911
	14,056,130	13,653,284

A14. OTHER LIABILITIES

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Interest payable	525,703	634,286
Due to brokers and clients	1,364,100	741,345
Amount due to special purpose vehicle of jointly controlled entity	359,775	405,403
Expenditure payable	366,886	472,641
Provision for legal claims	286,238	314,173
Sundry creditors	614,245	541,410
Deferred gain on disposal of Menara Commerce	-	231,330
Insurance fund - life and takaful insurance business	2,002,046	1,890,635
Provision for commitments and contingencies	60,209	32,749
Post employment benefit obligations	168,971	135,562
Others	2,450,013	2,099,172
	8,198,186	7,498,706

A15. INTEREST INCOME

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income other than recoveries	2,067,685	1,638,836	4,224,664	3,272,551
- Recoveries from NPLs	66,956	96,798	131,596	203,537
Money at call and deposit placements with financial institutions	70,686	235,001	146,341	502,781
Securities purchased under resale agreement	28,579	36,415	73,209	78,950
Securities held for trading	43,846	148,453	86,793	309,128
Available-for-sale securities	141,990	89,622	275,204	172,033
Held-to-maturity securities	174,158	32,489	356,168	61,550
Others	39,342	8,134	67,491	27,805
	2,633,242	2,285,748	5,361,466	4,628,335
Accretion of discounts less amortisation of premiums	30,543	22,561	75,814	52,236
Net interest suspended	(45,209)	(45,947)	(87,813)	(102,041)
	2,618,576	2,262,362	5,349,467	4,578,530

A16. INTEREST EXPENSE

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	16,596	90,153	54,379	210,204
Deposits from other customers	909,688	875,044	1,960,859	1,757,223
Obligation on securities sold under repurchase agreements	-	1,159	39	4,570
Bonds	-	3,114	-	8,476
Loan stocks/ICULS	144	530	218	983
Subordinated notes	78,209	61,371	168,738	115,163
Loans sold to Cagamas	7,624	15,938	17,462	33,955
Negotiable certificates of deposits	32,832	53,682	78,002	112,793
Other borrowings	27,811	42,818	53,948	77,342
Others	43,754	10,815	106,861	24,371
	1,116,658	1,154,624	2,440,506	2,345,080

A17. NON-INTEREST INCOME

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
(a) Fee income :				
Commissions	62,818	56,824	113,942	115,494
Fee on loans, advances and financing	98,330	129,897	204,702	211,949
Portfolio management fees	5,944	11,654	10,471	15,962
Service charges and fees	94,816	53,983	190,345	104,223
Corporate advisory fees	12,893	71,278	45,916	97,577
Guarantee fees	12,652	16,505	28,219	26,500
Other fee income	103,466	72,726	158,272	128,663
Placement fees	9,225	7,510	9,547	12,765
Underwriting commission	4,814	1,436	6,378	7,894
Al-Wakalah fee	178	12,436	14,394	16,469
	405,136	434,249	782,186	737,496
(b) Gross dividend income from :				
<i>In Malaysia</i>				
- Securities held for trading	3,634	13,578	9,510	21,309
- Available-for-sale securities	6,196	7,107	11,289	11,078
- Held-to-maturity securities	-	8	-	8
<i>Outside Malaysia</i>				
- Securities held for trading	333	675	397	876
	10,163	21,368	21,196	33,271
(c) Net (loss)/gain arising from securities held for trading	144,307	(312,557)	172,595	(337,405)
- realised	64,114	120,199	99,390	99,572
- unrealised	80,193	(432,756)	73,205	(436,977)
(d) Net gain/(loss) arising from derivative financial instruments	(144,056)	575,868	238,118	783,309
- realised	52,939	48,818	321,744	409,634
- unrealised	(196,995)	527,050	(83,626)	373,675
(e) Net (loss)/gain arising from hedging derivatives	4,689	(28,778)	(4,071)	(984)
(f) Net gain from sale of available-for-sale securities	50,461	79,909	81,221	205,795
(g) Net gain from held-to-maturity securities	(2,226)	4,028	(779)	4,012
(h) Income from assets management and securities services	28,640	43,153	57,439	84,662
(i) Brokerage income	81,686	69,481	121,030	153,353
(j) Other non-interest income:				
Foreign exchange gain/(loss)	255,779	(636)	159,848	(40,993)
Rental income	5,614	5,875	10,741	8,744
Gain on disposal of property, plant and equipment	(2,123)	1,738	67,732	2,767
Net (loss)/gain from insurance business	50,365	-	66,915	-
Other non-operating income/(expense)	35,581	18,088	65,270	76,004
(Loss)/gain on disposal of foreclosed properties				
	345,216	25,065	370,506	46,522
Total other operating income	924,016	911,786	1,839,441	1,710,031

A18. OVERHEADS

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	523,155	386,945	1,016,148	814,326
- Pension cost	58,696	39,097	111,795	52,399
- Others	91,576	73,255	193,620	159,689
	673,427	499,297	1,321,563	1,026,414
Establishment costs				
- Depreciation of property, plant and equipment	79,272	48,886	149,216	98,540
- Amortisation of prepaid lease payments	1,141	382	2,255	764
- Rental	61,197	38,588	114,662	74,938
- Insurance	18,200	3,823	34,569	7,824
- Repair and maintenance	47,708	53,759	106,967	103,684
- Outsourced services	34,241	34,662	71,926	54,956
- Others	57,079	42,387	108,582	84,279
	298,838	222,487	588,177	424,985
Marketing expenses				
- Sales commission	9,976	12,719	22,268	20,496
- Advertisement	58,207	34,202	98,551	71,322
- Legal fees	10,934	6,806	20,713	11,268
- Others	11,871	14,857	23,223	22,326
	90,988	68,584	164,755	125,412
Administration and general expenses				
- Amortisation of intangible assets	60,067	27,641	88,476	53,630
- Legal and professional fees	50,509	28,329	81,391	52,528
- Stationery	25,591	16,425	44,478	28,305
- Merchant expenses	22,004	21,012	45,130	41,416
- Communication	21,445	21,458	45,116	36,792
- Incidental expenses on banking operations	22,953	19,319	44,945	38,707
- Others	148,220	110,491	316,600	268,254
	350,789	244,675	666,136	519,632
	1,414,042	1,035,043	2,740,631	2,096,443

A19. ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Specific allowance				
- made during the period	497,577	358,514	864,418	748,072
- written back	(132,104)	(226,554)	(216,131)	(410,810)
General allowance				
- made during the period	31,846	110,823	92,553	158,293
Bad debts on loans and financing :				
- recovered	(96,906)	(67,854)	(168,460)	(131,769)
- written off	1,889	483	1,561	612
	302,302	175,412	573,941	364,398

In respect of loans, advances and financing in CIMB Bank Group which are in default for more than 7 years, no value is assigned as the realisable value of collateral. For the loans, advances and financing in CIMB Bank Group which are in default for more than 5 but up to 7 years, 50% of the realisable value of asset held has been assigned as the value of collateral. The specific allowance made during the period by CIMB Bank Group for these categories of non-performing loans is RM56,628,932 (2008: RM102,589,290).

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		Fair values
	Principal amount	Assets	Liabilities
	RM'000	RM'000	RM'000
At 30 June 2009			
<u>Derivative at fair value through income statement</u>			
<u>Foreign exchange derivatives</u>			
Currency forward	9,742,791	98,927	(159,859)
Currency swaps	24,002,113	251,700	(220,160)
Currency options	2,889,715	112,915	(20,480)
Cross currency interest rate swap	17,411,205	772,230	(592,790)
	54,045,824	1,235,772	(993,289)
<u>Interest rate derivative</u>			
Interest rate swaps	153,519,905	2,309,049	(1,853,934)
Interest rate futures	20,315,278	40,641	(31,315)
Interest rate options	2,525,000	5,893	(9,112)
	176,360,183	2,355,583	(1,894,361)
<u>Equity related derivatives</u>			
Equity futures	34,629	41	(96)
Index futures	1,388	3	-
Equity options	14,458,786	517,154	(730,234)
Commodity options	950,579	244,396	(243,761)
	15,445,382	761,594	(974,091)
<u>Credit related contract</u>			
Credit default swaps	937,193	730	(19,858)
<u>Held for hedging purpose</u>			
Interest rate swaps	12,913,001	194,517	(120,482)
Cross currency interest rate swaps	350,000	-	(5,865)
	13,263,001	194,517	(126,347)
Total derivative assets/(liabilities)	260,051,583	4,548,196	(4,007,946)

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

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

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

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

(ii) **COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Group enter into various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's assets.

Risk Weighted Exposures of the Group as at:

Group	30 June 2009			31 Dec 2008		
	Principal	Credit	Risk	Principal	Credit	Risk
	Amount	Equivalent	Weighted	Amount	Equivalent	Weighted
	RM'000	Amount*	Amount	RM'000	Amount*	Amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Credit-related						
Direct credit substitutes	5,084,747	5,053,121	2,184,662	4,651,831	4,620,651	1,881,467
Certain transaction-related contingent items	5,641,835	3,376,832	2,081,040	5,347,027	3,157,433	1,948,393
Short-term self-liquidating trade-related contingencies	2,586,297	500,403	329,446	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	442,670	221,335	221,335	65,000	32,500	32,500
Irrevocable commitments to extend credit						
- maturity not exceeding one year	45,936,924	6,795,176	3,518,626	40,668,836	-	-
- maturity exceeding one year	4,854,788	474,801	468,583	8,754,634	4,377,317	3,722,448
Forward assets purchases	292,097	279	121	129,052	16	11
Forward assets sold	103,900	104	21	-	-	-
Miscellaneous commitments and contingencies	6,182,151	2,116,205	337,962	6,722,195	321,819	65,012
Total credit-related commitments and contingencies	71,125,409	18,538,256	9,141,796	70,334,445	13,542,078	8,456,213
Treasury-related						
Foreign exchange related contracts :						
- less than one year	47,020,965	581,970	117,421	39,809,643	662,249	113,902
- one year to less than five years	6,037,819	1,206,843	391,748	2,119,837	888,286	222,066
- five years and above	1,337,039	598,404	203,425	2,040,477	733,002	283,815
	54,395,823	2,387,217	712,594	43,969,957	2,283,537	619,783
Interest rate related contracts :						
- less than one year	102,453,135	32,122	6,788	114,353,287	13,008	2,623
- one year to less than five years	74,035,131	2,364,986	564,610	72,988,755	2,362,599	509,362
- five years and above	12,784,918	1,862,998	411,346	7,634,070	2,059,072	442,869
	189,273,184	4,260,106	982,744	194,976,112	4,434,679	954,854
Equity related contracts :						
- less than one year	2,844,641	97,665	20,172	4,155,670	117,653	25,823
- one year to less than five years	11,269,871	451,917	116,900	8,185,030	695,202	197,319
- five years and above	380,292	27,116	5,423	57,628	4,365	873
	14,494,804	576,698	142,495	12,398,328	817,220	224,015
Total treasury-related commitments and contingencies	258,163,811	7,224,021	1,837,833	251,344,397	7,535,436	1,798,652
	329,289,220	25,762,277	10,979,629	321,678,842	21,077,514	10,254,865

* Other than the credit equivalent of RM7,925,096,000 (2008: RM1,824,499,000) arising from a subsidiary, PT Bank CIMB Niaga Tbk, which is computed based on Bank Indonesia requirements, and RM2,281,190,000 (2008: RMNil) arising from a subsidiary, CIMB Thai Public Company Limited (formerly known as BankThai Public company Limited), which is computed based on Bank of Thailand requirements, the other credit equivalent amounts are arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

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

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

A21. INTEREST/PROFIT RATE RISK

As at 30 June 2009	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective average interest rate RM %	Effective average interest rate IDR %	Effective average interest rate USD %
Assets											
Cash and short-term funds	15,619,124	-	-	-	-	5,667,275	-	21,286,399	1.74	-	0.89
Securities purchased under resale agreements	4,986,365	357,886	136,663	-	-	-	-	5,480,914	1.99	-	-
Deposits and placements with banks and other financial institutions	1,800,345	3,245,462	2,152,238	1,100	-	974	-	7,200,119	2.12	7.83	0.73
Securities held for trading	-	-	-	-	-	7,955	11,576,477	11,584,432	2.92	11.59	7.65
Available-for-sale securities	1,040,101	2,114,187	911,903	3,318,727	2,726,484	2,557,302	-	12,668,704	4.97	11.06	6.24
Held-to-maturity securities	328,064	1,113,341	628,126	5,058,739	6,289,537	358,947	-	13,776,754	5.60	10.95	7.24
Derivative financial instruments	179,087	6,299	4,339	99,655	81,420	113,317	4,064,079	4,548,196	-	-	-
Loans, advances and financing											
- performing	62,377,759	6,983,729	8,989,182	24,993,051	25,058,267	-	-	128,401,988	5.00	12.33	4.56
- non-performing	-	-	-	-	-	1,649,178 [^]	-	1,649,178	-	-	-
Other assets	16	-	250,000	-	-	4,959,304	-	5,209,320	4.82	-	-
Deferred tax assets	-	-	-	-	-	416,005	-	416,005	-	-	-
Tax recoverable	-	-	-	-	-	113,137	-	113,137	-	-	-
Statutory deposits with central banks	-	-	-	-	-	1,262,990	-	1,262,990	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	545,516	-	545,516	-	-	-
Property, plant and equipment	-	-	-	-	-	1,781,106	-	1,781,106	-	-	-
Investment properties	-	-	-	-	-	101,193	-	101,193	-	-	-
Prepaid lease payments	-	-	-	-	-	71,617	-	71,617	-	-	-
Goodwill	-	-	-	-	-	7,499,180	-	7,499,180	-	-	-
Intangible assets	-	-	-	-	-	1,052,570	-	1,052,570	-	-	-
Non-current assets held for sale	-	-	-	-	-	28,063	-	28,063	-	-	-
Total assets	86,330,861	13,820,904	13,072,451	33,471,272	34,155,708	28,185,629	15,640,556	224,677,381			
Liabilities											
Deposits from customers	72,671,057	22,171,779	27,431,182	17,343,519	400,779	23,828,725	-	163,847,041	2.23	8.65	1.14
Deposits and placements of banks and other financial institutions	4,192,623	4,942,899	2,392,293	1,988,334	389,708	150,273	-	14,056,130	2.13	5.78	0.89
Derivative financial instruments	61,488	-	-	5,594	114,888	170,920	3,655,056	4,007,946	-	-	-
Bills and acceptances payable	834,621	1,276,107	317,411	-	-	761,079	-	3,189,218	2.25	-	-
Other liabilities	-	-	-	-	-	8,198,186	-	8,198,186	-	-	-
Deferred tax liabilities	-	-	-	-	-	7,916	-	7,916	-	-	-
Current tax liabilities	-	-	-	-	-	92,830	-	92,830	-	-	-
Amount due to Cagamas Berhad	18,971	-	192,189	304,784	-	-	-	515,944	4.66	-	-
Other borrowings	1,320,294	351,900	194,272	1,404,136	1,590,742	-	-	4,861,344	4.52	14.99	1.65
Redeemable preference shares	-	-	-	-	771,096	132,650	-	903,746	-	-	6.62
Subordinated notes	-	-	441,613	1,816,928	2,821,845	52,720	-	5,133,106	6.17	7.38	-
Total liabilities	79,099,054	28,742,685	30,968,960	22,863,295	6,089,058	33,395,299	3,655,056	204,813,407			
Total interest rate sensitivity gap	7,231,807	(14,921,781)	(17,896,509)	10,607,977	28,066,650		11,985,500				

A21. INTEREST/PROFIT RATE RISK (continued)

As at 31 December 2008	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective average interest rate RM %	Effective average interest rate IDR %	Effective average interest rate USD %
Assets											
Cash and short-term funds	19,571,288	-	-	-	-	4,837,423	-	24,408,711	3.11	2.94	1.09
Securities purchased under resale agreements	1,672,818	1,638,425	-	-	-	-	-	3,311,243	2.83	-	-
Deposits and placements with banks and other financial institutions	1,278,321	1,848,565	402,569	397,867	135,924	30	-	4,063,276	2.97	4.86	1.93
Securities held for trading	-	-	-	-	-	5,814	10,417,425	10,423,239	3.63	10.20	5.46
Available-for-sale securities	188,147	213,075	876,572	2,668,828	3,513,640	4,147,951	-	11,608,213	4.94	9.96	-
Held-to-maturity securities	79,090	263,527	406,123	4,440,286	6,324,004	408,400	-	11,921,430	5.66	6.97	6.89
Derivative financial instruments	-	-	-	-	-	350,135	5,389,801	5,739,936	-	-	-
Loans, advances and financing											
- performing	55,247,988	7,116,640	8,340,065	22,086,955	23,671,770	195,094	-	116,658,512	5.72	11.94	4.07
- non-performing	-	-	-	-	-	723,562 ^	-	723,562	-	-	-
Other assets	-	-	301,995	-	-	3,935,931	-	4,237,926	5.93	-	-
Deferred tax assets	-	-	-	-	-	543,139	-	543,139	-	-	-
Tax recoverable	-	-	-	-	-	388,756	-	388,756	-	-	-
Statutory deposits with central banks	-	-	-	-	-	2,736,345	-	2,736,345	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	913,767	-	913,767	-	-	-
Property, plant and equipment	-	-	-	-	-	1,669,036	-	1,669,036	-	-	-
Investment properties	-	-	-	-	-	100,175	-	100,175	-	-	-
Prepaid lease payments	-	-	-	-	-	50,386	-	50,386	-	-	-
Goodwill	-	-	-	-	-	6,696,245	-	6,696,245	-	-	-
Intangible assets	-	-	-	-	-	459,361	-	459,361	-	-	-
Non-current assets held for sale	-	-	-	-	-	82,452	-	82,452	-	-	-
Total assets	78,037,652	11,080,232	10,327,324	29,593,936	33,645,338	28,244,002	15,807,226	206,735,710			
Liabilities											
Deposits from customers	77,845,903	20,104,309	21,592,027	3,421,178	15,866	23,910,927	-	146,890,210	3.22	5.60	0.56
Deposits and placements of banks and other financial institutions	3,777,050	6,165,696	1,083,753	2,260,746	365,231	808	-	13,653,284	3.22	1.69	1.36
Derivative financial instruments	-	-	-	-	-	266,045	4,902,235	5,168,280	-	-	-
Obligations on securities sold under repurchase agreements	-	-	-	-	-	62,924	-	62,924	-	-	-
Bills and acceptances payable	1,243,331	1,275,058	78,537	-	-	736,340	-	3,333,266	3.72	-	-
Other liabilities	-	-	-	-	-	7,498,706	-	7,498,706	-	-	-
Deferred tax liabilities	-	-	-	-	-	14,895	-	14,895	-	-	-
Current tax liabilities	-	-	-	-	-	152,498	-	152,498	-	-	-
Amount due to Cagamas Berhad	11,524	73,487	435,646	473,161	-	-	-	993,818	4.74	-	-
Bonds	-	-	24,374	-	-	-	-	24,374	-	-	4.80
Other borrowings	1,101,937	601,416	623,401	1,670,434	7,648	-	-	4,004,836	3.42	13.49	2.19
Redeemable preference shares	-	-	-	-	813,336	135,000	-	948,336	-	-	6.62
Subordinated notes	-	-	1,037,748	1,535,476	3,025,111	-	-	5,598,335	6.07	7.38	5.52
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	-	29,499	-	29,499	-	-	-
Total liabilities	83,979,745	28,219,966	24,875,486	9,360,995	4,227,192	32,807,642	4,902,235	188,373,261			
Total interest rate sensitivity gap	(5,942,093)	(17,139,734)	(14,548,162)	20,232,941	29,418,146		10,904,991				

^ Includes specific allowances and general allowances of RM6,687,677,000 (2008: RM5,482,999,000)

A22. CAPITAL ADEQUACY

30 June 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	13,463,810	311,101	642,110	3,266,387	602,314
Eligible Tier II capital	3,709,772	1,282	117,822	858,055	602,314
	17,173,582	312,383	759,932	4,124,442	1,204,628
Less:					
Investment in subsidiaries and holding of other banking institutions' capital	(2,551,534)	(19,420)	-	(39,206)	(5,094)
Capital base	14,622,048	292,963	759,932	4,085,236	1,199,534
Core capital ratio	12.72%	23.69%	8.43%	12.30%	6.09%
Risk-weighted capital ratio	13.82%	23.69%	9.97%	15.38%	12.12%
After deducting proposed dividends:					
Core capital ratio	12.72%	19.40%	8.43%	12.30%	6.09%
Risk-weighted capital ratio	13.82%	19.40%	9.97%	15.38%	12.12%

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

Tier I capital					
Paid-up capital	3,097,466	100,000	550,000	535,274	646,260
Perpetual preference shares	200,000	-	70,000	-	-
Non-innovative Tier I Capital	1,000,000	-	-	-	-
Innovative Tier I capital	1,702,800	-	-	-	-
Share premium	5,033,617	-	-	2,298,017	-
Other reserves	6,272,392	220,440	183,405	472,302	(43,946)
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	-	-	-	(39,206)	-
Deferred tax assets	(287,390)	(9,339)	(25,295)	-	-
Goodwill	(3,555,075)	-	(136,000)	-	-
Total Tier I capital	13,463,810	311,101	642,110	3,266,387	602,314
Tier II capital					
ICULS issued	667,000	-	-	-	-
Cumulative preference shares	29,740	10	-	-	-
Subordinated notes issued	1,500,000	-	-	-	242,056
Subordinated loans	-	-	-	490,208	294,561
Revaluation reserve	-	-	-	-	44,878
General allowance for bad and doubtful debts and financing	1,513,032	1,272	117,822	328,263	20,820
Others	-	-	-	39,584	-
Total Eligible Tier II capital	3,709,772	1,282	117,822	858,055	602,314
Less :					
Investment in subsidiaries and holding of other banking institutions' capital	(2,289,058)	(19,420)	-	(39,206)	(5,094)
Investment in joint venture	(72,608)	-	-	-	-
Investment in associates	(189,868)	-	-	-	-
Total capital base	14,622,048	292,963	759,932	4,085,236	1,199,534
Less:					
Proposed 2009 dividend	-	(53,000)	-	-	-
Total capital base (net of proposed dividend)	14,622,048	239,963	759,932	4,085,236	1,199,534

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

	Risk Weighted				
	RM'000	RM'000	RM'000	RM'000	RM'000
0%	24,103,204	415,987	3,837,615	7,766,882	5,249,725
10%	27,607	-	-	82,948	-
20%	24,052,619	3,362,592	3,021,799	2,477,725	1,308,614
35%	-	-	-	-	873,648
50%	24,407,099	37,419	1,630,566	9,889,035	104,541
75%	-	-	-	-	1,675,849
100%	82,517,653	231,403	5,926,122	20,803,777	6,380,708
150%	-	-	-	-	397,290
	99,534,488	922,631	7,345,765	26,252,134	8,853,301
Counterparty risk requirement	-	16	-	-	-
Total risk-weighted assets equivalent for credit risk	99,534,488	922,647	7,345,765	26,252,134	8,853,301
Total risk-weighted assets equivalent for market risk	6,075,967	314,186	274,943	304,067	184,149
Total risk-weighted assets equivalent for LERR	196,983	-	-	-	859,761
Total risk-weighted assets	105,807,438	1,236,833	7,620,708	26,556,201	9,897,211

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

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

After deducting proposed dividends:

Core capital ratio	10.75%	35.56%	10.36%	11.62%
Risk-weighted capital ratio	<u>13.90%</u>	<u>35.56%</u>	<u>11.69%</u>	<u>15.16%</u>

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

Tier I capital

Paid-up capital	2,974,009	219,242	550,000	489,478
Perpetual preference shares	200,000	-	70,000	-
Non-innovative Tier I Capital	1,000,000	-	-	-
Innovative Tier I Capital	1,692,900	-	-	-
Share premium	4,157,074	33,489	-	2,116,445
Other reserves	5,461,432	382,445	127,122	415,249
Less :				
Deferred tax assets	(263,993)	(5,535)	(21,062)	-
Goodwill	(3,559,075)	-	(136,000)	-
Total Tier I capital	<u>11,662,347</u>	<u>629,641</u>	<u>590,060</u>	<u>3,021,172</u>

Tier II capital

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

Less:

Proposed 2008 final dividend	(150,000)	(70,000)	-	(106,917)
Total capital base (net of proposed dividend)	<u>14,888,208</u>	<u>541,326</u>	<u>665,673</u>	<u>3,801,326</u>

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

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

* Computation is based on Bank Indonesia requirements

A23. SEGMENTAL REPORT

For management purposes, the Group is organised into six major operating divisions. The divisions form the basis on which the Group reports its primary segment information.

Consumer Banking comprises of Retail Banking, Business Banking and Direct Banking, Cards and CIMB Express.

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

Business Banking is responsible for the development of products and services for customer segments comprising micro-enterprises, small and medium-scale enterprises (SMEs) and mid-sized corporations, as well as the management of business loan portfolios of these customer segments.

Direct Banking & Cards focuses on mass affluent customers and credit card business while CIMB Express caters to lower income customers offering product such as microcredit loan.

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

Corporate Client Solutions and Corporate Finance offers financial advisory services to corporations, advising issuance of debt, equity and equity-linked products, debt restructuring, mergers and acquisitions, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking provides a broad spectrum of financial and Ringgit lending services for domestic and multinational corporations as well as institutional and public sector clients.

International Banking and Transactional Services oversees the activities of the Group's overseas branches in London, Singapore and Hong Kong and provides conventional and customised financial packages in order to meet customers' needs, with products including non-Ringgit corporate lending, nominee services and cash management services.

Equity Capital Markets provides services including acting as underwriter, global co-ordinator, book runner or lead manager for equity and equity-linked transactions, originating, structuring, pricing and executing equity and equity-linked issues and executing program trades, block trades and market making. Equity Derivatives Group develops and issues new equity derivative instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues. Equity Investment and Trading is the Group's Proprietary Equity Trading Unit. Retail and Institutional Equities provide stock broking services to retail and corporate clients.

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

Asset Management & Insurance comprises wholesale fund management, unit trust, private equity and venture capital activities. It includes the Group's life and takaful activities.

Foreign Banking Operation comprises of PT Bank CIMB Niaga Tbk and CIMB Thai Bank Public Company Limited (formerly known as BankThai Public Company Limited), which is involved in the provision in the commercial banking and related services.

Support and others comprise all middle and back-office processes, cost centres and non-profit generating divisions in the Group. It also include other business segments in the Group like investment holding, property management and other related services, whose results are not material to the Group.

A23. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate & Investment Banking RM'000	Treasury and Investment RM'000	Asset Management & Insurance RM'000	Foreign Banking Operations RM'000	Support & others RM'000	Total RM'000
30 June 2009							
Net interest income							
-external income / (expense)	1,334,825	689,755	(181,704)	8,267	1,071,914	(14,096)	2,908,961
-inter-segment	(82,960)	(363,438)	460,166	-	-	(13,768)	-
	1,251,865	326,317	278,462	8,267	1,071,914	(27,864)	2,908,961
Income from Islamic Banking operations	172,413	62,296	69,901	3,919	18,495	(2,879)	324,145
Non-interest income (excluding gain on disposal of interest in subsidiaries)	333,724	359,999	578,790	142,104	417,079	7,745	1,839,441
Gain/(loss) on disposal of interest in subsidiaries	-	-	30,251	-	-	-	30,251
Net Income	1,758,002	748,612	957,404	154,290	1,507,488	(22,998)	5,102,798
Overheads	(1,246,309)	(348,071)	(185,835)	(79,812)	(895,659)	15,055	(2,740,631)
Profit before allowances	511,693	400,541	771,569	74,478	611,829	(7,943)	2,362,167
Allowance for losses on loans, advances and financing	(240,177)	(97,755)	39,486	-	(274,664)	(831)	(573,941)
Allowance for other receivables	-	(2,656)	(461)	(13)	(51,739)	-	(54,869)
Provision for commitment & contingencies	-	-	-	-	(10,341)	-	(10,341)
Allowance written back/(made) for impairment losses	-	2,609	(3,962)	-	(3,396)	(7,293)	(12,042)
Segment results	271,516	302,739	806,632	74,465	271,689	(16,067)	1,710,974
Share of results of jointly controlled entities	4,207	-	-	-	-	-	4,207
Share of results of associates	-	-	(2,774)	(915)	4,487	1,487	2,285
Profit/(loss) before taxation and zakat	<u>275,723</u>	<u>302,739</u>	<u>803,858</u>	<u>73,550</u>	<u>276,176</u>	<u>(14,580)</u>	1,717,466
% of profit before taxation and zakat	16.1	17.6	46.8	4.3	16.1	(0.8)	100.0
Taxation and zakat							(345,686)
Profit after taxation before minority interests							<u>1,371,780</u>

A23. SEGMENTAL REPORT (continued)

	Consumer Banking RM'000	Corporate & Investment Banking RM'000	Treasury and Investment RM'000	Asset Management & Insurance RM'000	Foreign Banking Operation RM'000	Support & others RM'000	Total RM'000
30 June 2008							
Net interest income							
-external income / (expense)	1,309,164	573,140	(87,858)	1,301	372,426	65,277	2,233,450
-inter-segment income	(91,351)	(214,729)	408,989	-	-	(102,909)	-
	1,217,813	358,411	321,131	1,301	372,426	(37,632)	2,233,450
Income from Islamic Banking operations	81,969	19,669	83,845	-	22,882	5,322	213,687
Non-interest income (excluding gain on disposal of interest in subsidiaries)	323,324	574,059	474,157	120,301	178,765	39,425	1,710,031
Gain on disposal of interest in subsidiaries	-	-	17,716	-	-	-	17,716
Net Income	1,623,106	952,139	896,849	121,602	574,073	7,115	4,174,884
Overheads	(1,087,387)	(372,036)	(171,029)	(87,963)	(304,024)	(74,004)	(2,096,443)
Profit before allowances	535,719	580,103	725,820	33,639	270,049	(66,889)	2,078,441
Allowance for losses on loans, advances and financing	(205,628)	(101,838)	9,371	-	(60,966)	(5,337)	(364,398)
Allowance for other receivables	-	2,175	-	-	(9,000)	413	(6,412)
Provision for commitments & contingencies	-	-	-	-	(58)	-	(58)
Allowance written back/(made) for impairment losses	-	(639)	(4,919)	-	(738)	42	(6,254)
Segment results	330,091	479,801	730,272	33,639	199,287	(71,771)	1,701,319
Share of results of jointly controlled entity	1,999	-	-	-	-	-	1,999
Share of results of associates	-	-	(12,572)	177	3,814	851	(7,730)
Profit/(loss) before taxation and zakat	332,090	479,801	717,700	33,816	203,101	(70,920)	1,695,588
% of profit before taxation and zakat	19.6	28.3	42.3	2.0	12.0	(4.2)	100.0
Taxation and zakat							(442,619)
Profit after taxation before minority interests							1,252,969

A24. OPERATIONS OF ISLAMIC BANKING

A24a. Unaudited Balance Sheet as at 30 June 2009

	Note	The Group	
		30 June 2009 RM'000	31 Dec 2008 RM'000
Assets			
Cash and short-term funds		4,787,465	6,762,644
Deposits and placements with banks and other financial institutions		2,012,944	929,001
Securities held for trading		2,233,318	3,502,420
Available-for-sale securities		625,302	612,378
Held-to-maturity securities		1,289,020	1,234,040
Derivative financial instruments		490,888	388,279
Financing, advances and other loans	A24c(i)	10,009,864	6,561,253
Deferred tax assets		25,295	21,369
Amount due from related companies		5,613	4,801
Amount due from holding company		16,921	110,118
Statutory deposits with Bank Negara Malaysia		104,174	269,224
Property, plant and equipment		6,512	7,106
Other assets		134,145	110,596
Goodwill		136,000	136,000
Intangible assets		4,367	5,962
TOTAL ASSETS		21,881,828	20,655,191
Liabilities and Islamic banking capital funds			
Deposits from customers	A24(d)	13,911,293	15,371,280
Deposits and placements of banks and other financial institutions		5,247,114	3,668,949
Derivative financial instruments		227,165	52,253
Bills and acceptances payable		14	5,258
Amount due to holding company		594,609	-
Amount due to related companies		4,412	4,871
Provision for taxation and zakat		49,150	40,486
Other liabilities		755,693	461,535
TOTAL LIABILITIES		20,789,450	19,604,632
Equity			
Islamic banking funds		128,385	91,693
Ordinary share capital		550,000	550,000
Perpetual preference shares		70,000	70,000
Reserves		346,652	302,891
		1,095,037	1,014,584
Minority interests		(2,659)	35,975
Total Equity		1,092,378	1,050,559
TOTAL EQUITY AND LIABILITIES		21,881,828	20,655,191

A24b. Unaudited Income Statements for period ended 30 June 2009

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds and others	227,409	168,160	475,827	309,031
Income derived from investment of shareholders' funds	32,330	61,463	65,862	108,906
Allowances for losses on financing, advances and other loans	(97,351)	(10,713)	(131,035)	(26,132)
Allowance for losses on other receivables	(14)	-	(24)	-
Transfer to profit equalisation reserve	-	-	-	2,200
Other expenses directly attributable to the investment of the depositors and shareholders' funds	-	-	-	(1)
Total distributable income	162,374	218,910	410,630	394,004
Income attributable to the depositors	(96,453)	(109,234)	(217,544)	(204,249)
Total net income	65,921	109,676	193,086	189,755
Other operating expenses	(59,820)	(37,335)	(112,930)	(75,593)
Profit before allowances	6,101	72,341	80,156	114,162
Allowance for impairment losses	-	(16,464)	-	(22,856)
Profit before taxation and zakat	6,101	55,877	80,156	91,306
Taxation and zakat	(8,691)	(16,464)	(18,958)	(22,856)
Profit after taxation and zakat	(2,590)	39,413	61,198	68,450
Attributable to :				
Equity holders of the Bank	(2,112)	56,079	62,280	91,726
Minority interest	(478)	(202)	(1,082)	(420)
	(2,590)	55,877	61,198	91,306
Income from Islamic operations (per page 2)				
Total net income	65,921	109,676	193,086	189,755
Add: Allowances for losses on financing, advances and other loans	97,351	10,713	131,035	26,132
Add: Allowance for losses on other receivables	14	-	24	-
Less: Transfer to profit equalisation reserve	-	-	-	(2,200)
	163,286	120,389	324,145	213,687

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

	The Group	
	30 June 2009 RM'000	31 Dec 2008 RM'000
Cash line	282,849	235,945
Term financing	15,352,015	9,020,539
Bills receivable	1,189	-
Trust receipts	21,997	23,887
Claims on customers under acceptance credits	201,809	156,709
Staff financing	17	17
Revolving credits	897,912	422,299
Other financing	23,876	71,057
	16,781,664	9,930,453
Less: Unearned income	(6,496,269)	(2,887,714)
	10,285,395	7,042,739
Less: Financing sold to Cagamas	-	(294,946)
Gross financing, advances and other loans	10,285,395	6,747,793
Less: Specific allowance	(148,136)	(102,902)
	10,137,259	6,644,891
Less: General allowance	(127,395)	(83,638)
Net financing, advances and other loans	10,009,864	6,561,253

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

	The Group	
	30 June 2009 RM'000	31 Dec 2008 RM'000
At 1 January	207,093	257,787
Non-performing during the period / year	220,130	173,119
Reclassified to performing during the period / year	(38,583)	(137,010)
Amount recovered	(12,943)	(30,441)
Amount written off	(47,340)	(56,362)
Balance as at 30 June / 31 December	328,357	207,093
Less: Specific allowance	(148,136)	(102,902)
Net non-performing financing, advances and other loans	180,221	104,191
Ratio of net non-performing financing, advances and other loans to total financing, advances and other loans (including Islamic financing sold to Cagamas) less specific allowance	1.78%	1.50%

Movements in the allowance for bad and doubtful financing :

	The Group	
	30 June 2009 RM'000	31 Dec 2008 RM'000
Specific allowance		
At 1 January	102,902	97,379
Allowance made during the period / year	103,616	99,654
Amount recovered	(11,042)	(40,611)
Amount written off	(47,340)	(54,506)
Exchange fluctuation	-	986
At 30 June / 31 December	148,136	102,902
General allowance		
At 1 January	83,638	51,318
Allowance made during the period / year	43,397	34,018
Allowance for financing arising from acquisition of subsidiaries	104	-
Exchange fluctuation	256	(1,698)
At 30 June / 31 December	127,395	83,638
As % of gross financing, advances and other loans (including Islamic financing sold to Cagamas, but excluding RPSIA financing) less specific allowance	1.67%	1.66%

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

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Non-Mudharabah		
Demand deposits	871,016	1,925,997
Savings deposits	449,915	319,480
Commodity Murabahah-i	87,662	379,480
Fixed return investment account	1,945,543	2,131,893
Negotiable instruments of deposit	407,182	242,975
Fixed rate deposits	1,135,130	1,163,130
Others	15,575	12,322
	4,912,023	6,175,277
Mudharabah		
Demand deposits	720,070	398,731
Savings deposits	339,854	129,375
General investment deposits	1,940,189	1,636,457
Special investment deposits	4,168,803	5,266,698
Specific investment deposits	1,763,635	1,746,613
Others	66,719	18,129
	8,999,270	9,196,003
	13,911,293	15,371,280

A25. Credit transactions and exposures with connected parties

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Outstanding credit exposures with connected parties	7,245,213	6,293,236
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	1.70%	4.77%
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	0.00%	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

BCHB Group Results

Bumiputra-Commerce Holdings Berhad ("BCHB") Group reported a net profit of RM1.277 billion for 1HFY09, representing a 7.8% Y-o-Y growth and equivalent to earnings per share ("EPS") of 36.2 sen. Annualized net return on equity ("ROE") was 14.5%, well-ahead of the Group's 2009 KPI target of 12.5%. The Group's net profit for 2Q '09 was RM663 million, 8% higher than 1Q'09.

The Group is pleased to record another quarter that is well ahead of targets. Relative to 1Q, in 2Q CIMB-Niaga's contribution surged on the back of improved net interest margins and strong treasury income growth while corporate and investment banking rebounded with the turnaround in regional equities markets. The Group's out-performance has also been a result of various strategic moves over the last year, to reduce earnings volatility, protect net interest margins and strengthen the Group's capital base, as well the multi-year transformation of the Malaysian consumer bank.

BCHB Y o Y Results

BCHB Group's 1H09 revenues increased 22.2% Y-o-Y to RM 5.103 billion while net profit grew by 7.8%. The two periods are not strictly comparable as in 1H'09 the Group included two new acquisitions, ex-Lippo Bank and ex-Bank Thai.

For 1H09, the Group's Malaysian consumer "good" bank PBT grew by an impressive 28% Y-o-Y on the back an 11.7% growth in revenues. As expected, sharply slower recoveries at Group Special Assets Management (or "bad" bank) though meant that overall Malaysian consumer bank contribution fell by 12.7%.

PBT contribution from Treasury & Investments increased 7.8% Y-o-Y to RM735 million but Corporate & Investment Banking with RM297 million was still 35.4% below last year's achievement. The enlarged CIMB Niaga's contribution surged in 1H09 with its PBT expanding 82.8% to RM371 million from RM203 million previously. Asset Management and Insurance PBT contribution expanded 118% to RM74 million due to the turnaround in CIMB-Aviva's performance. CIMB Thai made its maiden contribution to the Group with a loss of RM24 million.

The Malaysian Consumer Bank contributed 15% of Group PBT compared to 18% in 1H08. Treasury and Investments retained its position as the largest contributor to Group PBT at 43%. Corporate & Investment Banking contribution was lower at 17% from 27% previously. CIMB Niaga continues to grow in prominence, now making up 22% of Group PBT versus just 12% in 1H08. Asset Management and Insurance rose from 2% to 4%, while CIMB Thai made a small negative contribution.

Total non-Malaysian contribution to the Group jumped to 22% in 1H09 from 16% in the previous corresponding period.

The Group's total gross loans expanded 26.1% Y-o-Y with the addition of the 2 new acquisitions. Excluding the new acquisitions, gross loans grew by 9.8% Y-o-Y underpinned by the Malaysian consumer and corporate loans which grew 11.1% and 14.8% respectively. Mortgages, credit cards and the Group's micro credit lending grew by 21.0%, 4.7% and 97.6% respectively Y-o-Y. Business banking and hire purchase loans declined by 4.8% and 0.2% Y-o-Y respectively. CIMB Niaga's loans grew 55.9% (but only 3.3% after excluding effect of ex-Bank Lippo). Total Group deposits grew Y-o-Y by 19.7% and 2.5% excluding ex-Bank Thai and ex-Lippo Bank, with Malaysian retail deposits growing 13.7% Y-o-Y.

The Group's loan loss provisions increased 57.7% Y-o-Y to RM574 million in 1H09 attributed to increased provision at the enlarged CIMB Niaga, overseas divisions as well as the inclusion of CIMB Thai. Loan loss provision in Malaysia fell 25.7%. BCHB Group's total credit charge for 1H09 stood at 0.42% (0.37% excluding CIMB Thai). The Group's asset quality continues to improve with a net non-performing loans ("NPL") ratio of 2.4% from 2.5% as at 30 March 2009. Similarly, loan loss coverage improved to 86.8% from 85.6%. Excluding CIMB Thai, the 1H09 net NPL ratio and loan loss coverage were 2.1% and 91.5% respectively. Cost to income ratio was higher at 52.2% from 48.2% last year, as ratios from new acquisitions remain high.

CIMB Bank's risk weighted capital ratio continued to improve to 13.8% as at 30 June 2009 versus 13.3% as at 31 March 2009. BCHB's double leverage and gearing stood at 114.5% and 29.5% as at end-1H09.

BCHB Q on Q Results

2Q09 Group revenues of RM2.589 billion were 3.0% higher than the RM2.514 billion generated in 1Q09, giving rise to an 8.0% increase in Q-o-Q net profit of RM663 million. Adjusted for M&A related charges, Q-o-Q net profit was up 15.5%.

The Group's Malaysian Consumer Banking division PBT improved 24.6% Q-o-Q with recoveries at the bad bank. Excluding these legacy assets, the consumer bank earnings were 2.9% higher. Corporate and Investment Banking expanded 56.0% in tandem with a recovery in capital markets but Treasury and Investments fell 19.4% Q-o-Q, with Malaysian treasury contributions slipping 9.9% following a stellar 1Q. CIMB Niaga's PBT improved by a further 43.6% Q-o-Q, while GAM and Insurance PBT contributions rose 24.6% to RM41 million. CIMB Thai posted a marginally smaller RM11 million pre-tax loss in 2Q09 compared to the RM13 million pre-tax loss in 1Q09.

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

Market Shares

CIMB Investment Bank retained its top spot in stockbroking and was number 2 in primary bonds and number 3 in M&A advisory in Malaysia in 1H09. CIMB Islamic was number 2 within the domestic and global Islamic investment banking league tables. CIMB Bank reaffirmed its position as the second largest mortgage lender in Malaysia and maintained its share of retail deposits and credit cards. In Singapore, CIMB-GK remained fourth in stockbroking market share and amongst the leaders in corporate advisory. CIMB Niaga is Indonesia's second largest mortgage lender while CIMB-GK moved up to 3rd in stockbroking and 14th for IDR Sukuk. CIMB Principal Asset Management maintained its position as the second largest asset manager in Malaysia.

CIMB Niaga Results

On 30 July 2009, Bank CIMB Niaga reported a 20% Y-o-Y growth in net profit to IDR696 billion for 1H09 with a net ROE of 14.5%. The improvement was underpinned by a sharp expansion in Net Interest Margins ("NIMs") to 6.9% in 2Q09 compared to 5.7% in 2Q08 and stronger treasury income. This more than offset the 15% Q-o-Q increase in provision expenses.

CIMB Niaga's gross loans grew 3.3% Y-o-Y in 1H09 with expansion in the corporate and retail segments. Business banking loans declined in line with the drop-off in business activity. Gross NPL rose to 2.7% at end-June 2009 from 2.3% as at the corresponding period last year, while net NPL ratio increased to 1.7% from 1.5% previously. CIMB Niaga has the 2nd lowest net NPL ratios amongst Indonesian banks. Loan loss coverage rose to 96.3% as at end-1H09 compared to 80.3% as at 1H08.

As at end-1H09, CIMB Niaga's Tier 1 capital and risk weighted capital ratios stood at 12.3% and 15.4% respectively.

CIMB Thai Results

On 21 July 2009, CIMB Thai announced a THB505 million net loss for 1H09 on the back of THB3.416 billion in revenues. The loss was largely expected in view of M&A-related charges, pre-acquisition provision expenses as well as the fact that the recapitalization of CIMB Thai was only completed in April 2009. On a Q-o-Q basis, revenues improved 11.1% while net losses were 5% lower at THB246 million.

CIMB Thai's Tier 1 capital and risk weighted capital ratios (based on Basel II framework) were at 6.1% and 12.1% as at 30 June 2009.

B2. CORPORATE DEVELOPMENTS

The significant corporate developments in 1H09 were:

(a) Streamlining of business

- On 31 January 2009, BCHB completed the disposal of certain assets, liabilities and fund management business of Southern Investment Bank Berhad to Hong Leong Investment Bank (formerly known 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. Subsequently, 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 in CIMB Thai amounting to RM1.54 billion.

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

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

- On 28 July 2009, BCHB 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 an initial 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.

B2. CORPORATE DEVELOPMENTS (CONTINUED)

(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, BCHB injected equity of RM1 billion into CIMB Bank which is recognized as Tier 1 capital at the Bank.
- On 10 July 2009, CIMB Bank fully redeemed its RM667 million ICULS via issuance of 667 million new CIMB Bank shares to CIMB Group Sdn Bhd. The ICULS were previously recognized as Tier 2 capital of CIMB Bank and the new shares issued are recognized as Tier 1 capital of CIMB Bank.

(d) Others

- On 17 April 2009, TPG Capital invested USD140 million in BCHB 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 ordinary shares of BCHB at a strike price of RM10 per share, exercisable at any time 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 the 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 10 August 2009, BCHB announced a proposed name change to CIMB Group Holdings Berhad. The proposed name change is subject to approval from shareholders at a shareholders' meeting to be convened.

B3. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

With the strong 1H09 performance, the Group estimates that the 2009 ROE will be between 14-15%, ahead of the 12.5% target. The Group anticipates heightened level of capital markets activity in Malaysia and across the region, and relatively stable global financial markets. Nevertheless, the Group remains prudent and vigilant as the global recovery is still fragile and there may still be some lag-effect in NPL formation.

CIMB Niaga has just completed its system merger and re-branding but is still strengthening foundations of the newly enlarged franchise. CIMB Thai is still at early stage of its transformation and CIMB Bank (Singapore) is only on its starting blocks. Meanwhile, the Group is actively pursuing various strategies to integrate its businesses across the region and realize synergies. Therefore, although the Group will continue to rely largely on its Malaysian businesses in 2009, next year the Group expects its non-Malaysian businesses to drive growth.

B4. TAXATION

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	161,738	242,934	352,037	423,606
Deferred tax expense	8,990	16,968	(6,351)	19,013
	<u>170,728</u>	<u>259,902</u>	<u>345,686</u>	<u>442,619</u>
Reconciliation				
Profit before taxation	878,550	946,823	1,717,466	1,695,588
Tax at statutory income tax rate of 25% (2008: 26%)	219,638	246,174	429,367	440,853
Effect of different tax rates in other countries and change in tax rates	15,773	9,450	17,546	8,842
Due to income not subject to income tax and expenses not deductible for tax purposes	(64,683)	4,278	(101,227)	(7,076)
	<u>170,728</u>	<u>259,902</u>	<u>345,686</u>	<u>442,619</u>

B5. PARTICULARS OF PURCHASE AND SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no material gains or losses on disposal of investments or properties during the period under review other than in the ordinary course of business.

B6. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS AND DEBT SECURITIES

	The Group	
	30 June 2009	31 Dec 2008
	RM'000	RM'000
Bonds and notes		
Unsecured		
One year or less (short term)	-	24,374
Other borrowings**		
Unsecured		
One year or less (short term)	1,866,466	2,326,754
More than one year (medium/long term)	2,994,878	1,678,082
	<u>4,861,344</u>	<u>4,004,836</u>
** Included in other borrowings for the current period is USD denominated syndicated term loans of USD 400,000,000		
Subordinated Notes***		
Unsecured		
One year or less (short term)	441,613	1,037,748
More than one year (medium/long term)	4,691,493	4,560,587
	<u>5,133,106</u>	<u>5,598,335</u>
*** Includes US denominated Subordinated Notes of USD 500,000,000		

B7. MATERIAL LITIGATION

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

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

The Group's basic EPS is calculated by dividing the net profit for the financial period after minority interests by the weighted average number of ordinary shares in issue during the financial period.

a) Basic EPS

	The Group			
	2nd quarter ended		Six months ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period after minority interests	663,150	650,146	1,277,093	1,185,479
Weighted average number of ordinary shares in issue - proforma ('000)	3,528,801	3,346,057	3,528,136	3,355,658
Basic earnings per share (expressed in sen per share)	18.8	19.4	36.2	35.3

b) Diluted EPS

Net profit for the financial period after minority interests	663,150	650,146	1,277,093	1,185,479
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	-	79	-	159
Elimination of interest expense on Redeemable Convertible Unsecured Loan Stocks ("RCULS") (net of tax effect)	-	13	-	25
Net profit used to determine diluted EPS	663,150	650,238	1,277,093	1,185,663
Weighted average number of ordinary shares in issue ('000)	3,528,801	3,346,057	3,528,136	3,355,658
Adjustments for:				
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	-	4,317	-	4,317
- RCULS	-	205	-	205
Weighted average number of ordinary shares for diluted EPS	3,528,801	3,350,579	3,528,136	3,360,180
Diluted EPS	18.8	19.4	36.2	35.3