

Profit analysis

CIMB Berhad Group recorded a net profit of RM358.9 million for the financial year ended 31 December 2005, up 33.9% from RM268.0 million registered in 2004. This was achieved on the back of the Group's full year revenues and pre-tax profit which recorded a 41.3% and 28.3% increase to RM805.2 million and RM454.1 million respectively.

The cost to income ratio this year rose to 43.2%, from 36.8% in year 2004. The increase was partly due to the increased number of staff from 1,006 employees in 2004 to 1,609 employees as at 31 December 2005, following the acquisition of CIMB-GK.

The asset quality remains strong with the Group's net non-performing loans ratio at 0.29% as at 31st December 2005, compared to 1.66% the previous year. The Group's general provision of RM23.4 million (1.45% of total loans less specific provision and interest-in-suspense) amounts to 494.3% of net non-performing loans, which compares to 179.6% a year ago.

Net earnings per share increased to 39.5 sen, 25.8% higher than 31.4 sen in the previous year with net return on equity improving to 22.2% from 19.1% in 2004, reflecting stronger earnings performance.

Capital

CIMB Berhad Group's shareholders' funds rose to RM2.31 billion from RM1.46 billion in 2004 with net tangible asset per share at RM2.15 as at 31 December 2005. The bank remains well capitalised with its Risk-Weighted Capital Ratio of 20.7% as at 31 December 2005.

Delivering shareholder value

Taking the 8.9 sen net dividends per share which CIMB paid in 2005 together with the 19% appreciation of its share price during the year and accounting for the 1-for-9 rights issue @ RM4.50, total shareholder returns would have been 33%, compared to KLCI (including dividends) of 3.8%. This meant that CIMB in its last year of listing, was able to keep to its commitment to deliver strong total shareholder returns. Since its IPO in January 2003, CIMB has delivered total returns of 340%.

Business transformation

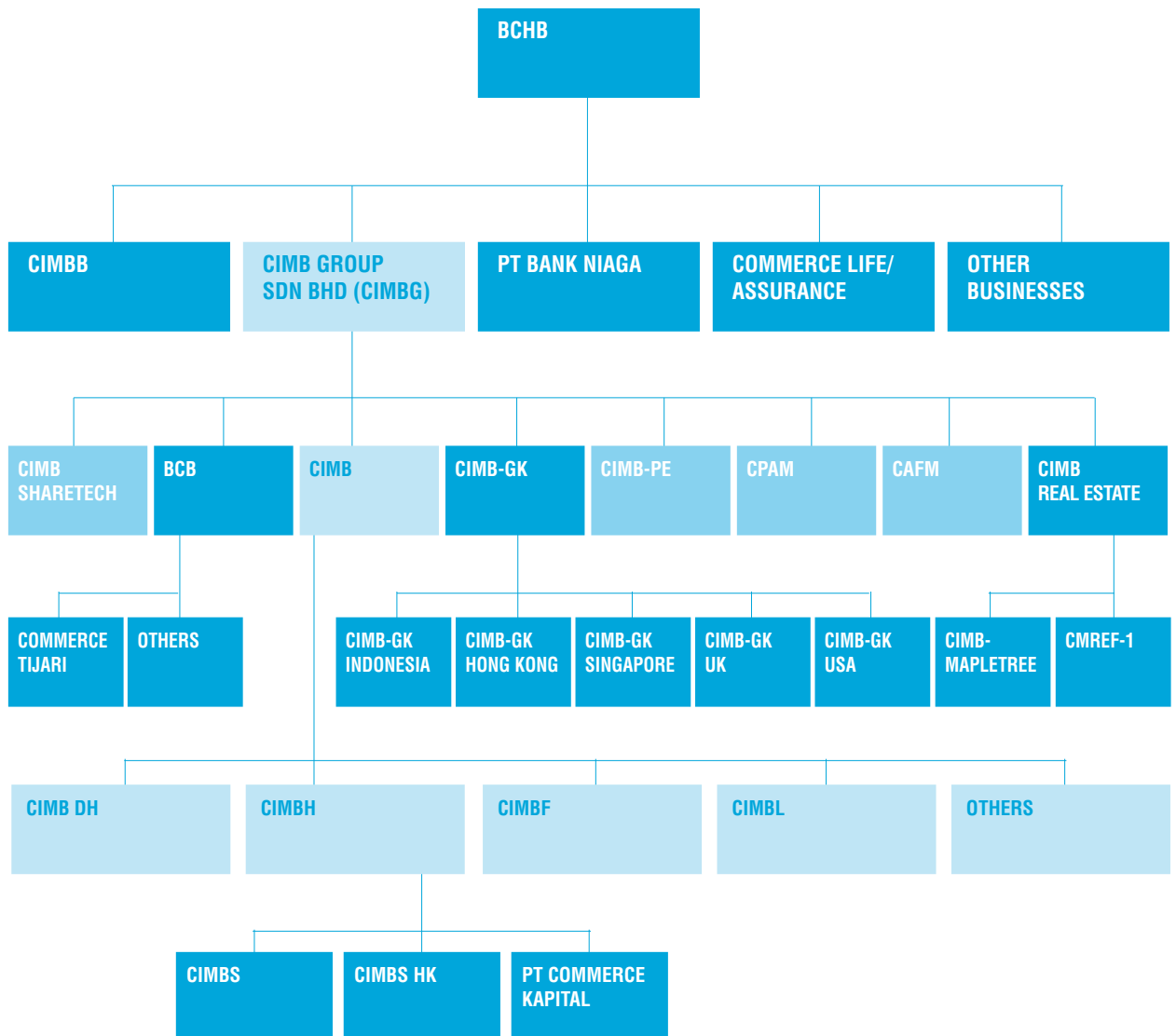
In June 2005, CIMB Group underwent a massive transformation of business with its acquisition of BCB and consequent delisting from Bursa Malaysia in January 2006. CIMB Group is now a Universal Bank offering the full range of financial services with products and services from investment banking to retail banking, which include conventional as well as Islamic financial solutions.

Ratings

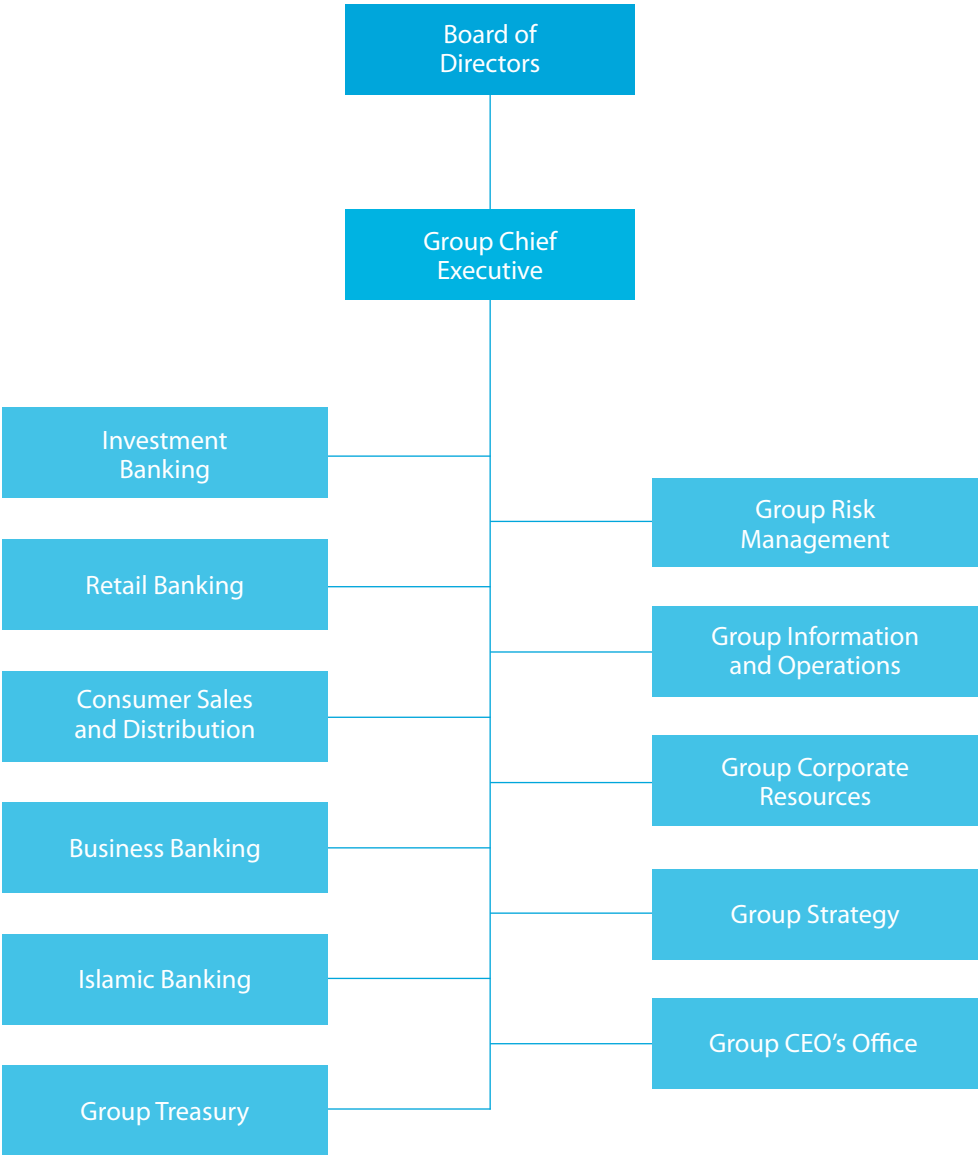
Commerce International Merchant Bankers Berhad	Long- Term	Short- Term
Rating Agency Malaysia	AA3	P1
Moody's Investors Service	A3	P3
Fitch	BBB	-
Standard & Poor's	BBB	A2

cimb group *structure*

// as at 28 february 2006



group organisation *chart*



income statements

// for financial year ended 31 december 2005

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest income	572,501	538,906	6,693	339
Interest expense	(356,696)	(355,862)	(3,593)	(687)
Net interest income	215,805	183,044	3,100	(348)
Income from Islamic Banking operations	20,272	14,835	-	-
Other operating income	576,976	378,179	158,823	151,295
	813,053	576,058	161,923	150,947
Allowance for losses on loans, advances and financing	9,496	5,221	-	-
Allowance for other receivables	(14,155)	(11,508)	-	-
Impairment loss on available-for-sale securities	(7,831)	(6,021)	-	-
Net income	800,563	563,750	161,923	150,947
Other operating expenses	(348,423)	(209,830)	(6,888)	(1,398)
Share of results in associates	1,937	(9)	-	-
Profit before taxation	454,077	353,911	155,035	149,549
Taxation	(90,136)	(85,102)	(36,174)	(23,815)
Share of taxation of associates	(698)	(9)	-	-
Net profit after taxation	363,243	268,800	118,861	125,734
Minority interest	(4,393)	(846)	-	-
Net profit for the financial year	358,850	267,954	118,861	125,734
Earnings per RM1.00 share (sen):				
- basic	39.5	31.4	-	-
- diluted	39.5	31.0	-	-

balance sheets

// as at 31 december 2005

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
ASSETS				
Cash and short-term funds	1,204,865	2,717,806	5,840	812
Securities purchased under resale agreements	2,617,421	2,552,373	91,346	5,454
Deposits and placements with banks and other financial institutions	76,721	159,848	-	10,511
Securities held-for-trading	6,057,170	3,459,186	-	-
Available-for-sale securities	993,667	3,461,833	-	-
Derivative financial instruments	329,104	255,086	-	-
Loans, advances and financing	1,585,877	1,297,512	-	-
Other assets	1,312,088	636,148	15,812	495
Statutory deposits with Bank Negara Malaysia	-	195,070	-	-
Tax recoverable	22,402	1,483	807	81
Investment in subsidiaries	-	-	1,285,775	1,092,993
Investment in associates	59,463	1,274	-	-
Amount due from ultimate holding company	-	138	-	-
Amount due from related companies	4,135	-	-	-
Amount due from subsidiaries	-	-	279,395	-
Fixed assets	77,116	50,954	-	-
Goodwill on consolidation	158,906	10,407	-	-
Deferred tax assets	16,778	11,724	-	-
TOTAL ASSETS	14,515,713	14,810,842	1,678,975	1,110,346
LIABILITIES				
Deposits from customers	4,776,631	5,857,839	-	-
Deposits and placements of banks and other financial institutions	2,240,759	2,816,241	-	-
Obligations on securities sold under repurchase agreements	1,969,325	2,224,296	-	-
Derivative financial instruments	377,156	328,419	2,672	-
Other liabilities	1,383,822	637,320	8,081	352
Amount due to ultimate holding company	5,677	627	-	-
Provision for taxation and zakat	67,645	38,317	-	-
Short-term borrowings	229,986	264,424	-	104,224
Long-term borrowings	1,142,979	1,154,560	-	-
Deferred tax liabilities	2,216	8,893	-	-
TOTAL LIABILITIES	12,196,196	13,330,936	10,753	104,576
SHAREHOLDERS' FUNDS				
Share capital	1,000,515	855,905	1,000,515	855,905
Reserves	1,309,070	603,138	667,707	149,865
Shareholders' funds	2,309,585	1,459,043	1,668,222	1,005,770
Minority interests	9,932	20,863	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	14,515,713	14,810,842	1,678,975	1,110,346
Commitments and contingencies				
Principal	95,283,699	154,866,415	1,302,651	-
Credit equivalent	2,918,840	1,407,790	944,442	-

five-year group financial summary

Year ended 31 December	2005	2004	2003	2002	2001
	RM million				
Operating results					
Net interest income	216	183	206	148	110
Non-interest income	577	378	314	179	351
Total income	805	570	529	333	463
Total allowances	5	6	-	20	74
Overheads	348	210	179	133	136
Profit before tax	454	354	351	180	252
Profit after tax and minority interest	359	268	261	130	176
Operating results - by segments					
Financial advisory, underwriting and other fees	181	141	131	106	108
Net income from debt	391	286	274	189	351
Net income from equity	172	112	106	21	(2)
Income from assets management and securities services	49	14	-	-	-
Other non-interest income	12	17	18	17	6
Financial position					
Assets					
Total assets	14,516	14,811	13,259	12,543	10,570
Total loans and advances	1,586	1,298	1,456	1,030	936
Liabilities					
Total deposits and borrowings	8,390	10,093	9,166	9,543	6,772
Obligations on securities sold under repurchase agreements	1,969	2,224	1,669	957	1,965
Capital and reserves					
Shareholders' funds	2,310	1,459	1,585	1,451	1,394
Average shareholders' funds	1,619	1,403	1,375	1,423	1,187
Financial ratios					
Cost to income ratio (%)	43.2	36.8	33.8	39.9	29.4
Net return on weighted average equity (%) *	22.2	19.1	19.0	9.3	18.0
Core capital ratio of the Bank (%)	20.7	21.0**	23.7**	23.0	22.8
Risk-weighted capital ratio of the Bank (%)	20.7	22.2**	22.1**	23.0	22.8
General allowance to net total loans of the Bank (%)	1.5	3.0	3.0	4.4	4.5
Non-performing loans to net total loans of the Bank (%)	0.3	1.7	3.0	4.5	10.8
Long-term rating of the Bank					
- Rating Agency Malaysia	AA3	AA3	AA3	AA3	AA3
- Moody's Investor Service	A3	Baa3	Baa3	-	-
- Fitch	BBB	BBB	-	-	-
- Standard and Poor's	BBB	BBB	-	-	-

* For 2001 and 2002, computation of net returns on shareholders' funds is based on opening shareholders' funds; for 2003, 2004 and 2005, computation is based on opening shareholders' funds, adjusted and weighted for interim dividend payment during the year.

** Adjusted for final dividend

Note:

- The operating results for the years 2001 and 2002 are those of the Commerce International Merchant Bankers Berhad Group (CIMB Group) and are deemed to be representative of the proforma results of the CIMB Berhad Group.
- The financial positions for the year 2001 are those of the Commerce International Merchant Bankers Berhad Group (CIMB Group) and are deemed to be representative of the proforma results of CIMB Berhad Group, whilst the financial positions for the years 2002, 2003, 2004 and 2005 are those of CIMB Berhad Group.
- The operating results and financial positions for the years 2001, 2002 and 2003 are not adjusted in accordance with the Revised BNM/GP8.
- The Islamic Banking operating results are re-classified into respective segments for financial years 2004 and 2005.

