

## **PART A - EXPLANATORY NOTES**

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

The unaudited interim financial statements for the financial year ended 31 December 2008 have been prepared under the historical cost convention, and modified by the revaluation of available-for-sale securities, securities held for trading, all derivative contracts and investment properties.

The unaudited interim financial statements have been prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements. These financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2007. The explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2007.

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

Bank Negara Malaysia ("BNM") has granted indulgence to the banking subsidiaries of the Company and other local banks in Malaysia from complying with the requirements on the impairment of loans under the revised 'Guidelines on Financial Reporting for Licensed Institutions' ("BNM/GP8"). Under the revised BNM/GP8, the impaired loans have to be measured at their estimated recoverable amount. This requirement is principally similar to the requirements under FRS 139 - Financial Instruments: Recognition and Measurement. During the financial year, 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.

For the quarter under review, 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 market values of the reclassifications totalled RM5.98 billion for the Group. 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 financial year ended 31 December 2008:-

- a) On 3 January 2008, the Company cancelled 3,278,800 ordinary shares previously held as treasury shares.
- b) From 18 January 2008 to 17 July 2008, the Company issued 78,986 new ordinary shares pursuant to the conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS).
- c) From 22 January 2008 to 31 December 2008, the Company purchased 50,609,100 of its own shares from the open market at an average market price of RM9.12 per share. The total consideration paid for the purchase of own shares, including transaction costs was RM461.7 million. The shares purchased were held as treasury shares in accordance with Section 67A subsection 3(A)(b) of the Companies Act, 1965.

**A3. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES (Continued)**

- d) During the financial year, the issued and paid-up capital of PT Bank Niaga Tbk ("Bank Niaga") increased from 12,364,710,560 to 23,934,863,660 ordinary shares pursuant to the exercise of options granted under Bank Niaga's Employee Stock Option Programme, exercise of Bank Niaga warrants and share exchange pursuant to the Bank Niaga merger with PT Bank Lippo Tbk.
- e) On 17 March 2008, CIMB Bank obtained approval from the Securities Commission of Malaysia for the proposed issuance of up to RM1.5 billion subordinated bonds. RM1.5 billion bonds were issued on 28 March 2008. The proceeds from the issue have been used for its working capital purposes, including refinancing some of its debts obligations.
- f) On 22 May 2008, the Company fully redeemed the balance of its Redeemable Unsecured Bonds.
- g) On 7 October 2008, CIMB Bank issued RM1 billion of Innovative Tier-1 Capital Securities. The proceeds of the issuance was utilised for working capital, general banking and other general corporate purposes.
- h) On 16 October 2008, CIMB Bank fully redeemed its USD300 million subordinated debt.
- i) On 6 November 2008, the Company issued 207,096,186 new ordinary shares of RM1.00 each at an issue price of RM5.85 per share to Khazanah Nasional Berhad pursuant to the merger of Bank Niaga and PT Bank Lippo Tbk.
- j) On 26 December 2008, CIMB Bank issued RM1.0 billion of Non-Innovative Tier-1 Stapled Securities.

**A4. DIVIDENDS PAID AND PROPOSED**

A total dividend of RM619.3 million was paid on 30 May 2008 as a final dividend of 25 sen gross per ordinary share, less income tax for the financial year ended 31 December 2007. The Directors now declare a net interim dividend payment of RM699.4 million, comprising 20.7 sen per ordinary share (less tax) and 4.3 sen per ordinary share (tax exempt) which was approved by the Board of Directors on 20 February 2009.

**A5. STATUS OF CORPORATE PROPOSALS**

**a) Proposed acquisition of equity interest in Affin Insurance Brokers Sdn Bhd ("AIB")**

On 5 October 2007, CIMB Group Sdn Bhd received approval from Bank Negara Malaysia ("BNM") to enter into discussions with AFFIN Holdings Berhad ("AHB") for the proposed acquisition of the entire equity interest in AIB, a wholly-owned subsidiary of AHB. The proposed acquisition was completed on 10 November 2008.

**b) Proposed disposal by CIMB Bank of certain assets, liabilities and the asset/fund management business of Southern Investment Bank Berhad ("SIBB") to HLG Credit Sdn Bhd ("HLGC"), a 75% indirect subsidiary of Hong Leong Financial Group Berhad ("Proposed SIBB Disposal")**

On 19 October 2007, the Company announced the proposed SIBB Disposal. The vesting of the assets and liabilities to HLGC was completed on 31 January 2009.

**c) Proposed disposal by SBB Capital Markets Sdn Bhd ("SCMSB"), a wholly owned subsidiary of CIMB Bank, of its 100% equity interest in SBB Securities Sdn Bhd ("SSSB") to HLG Credit Sdn Bhd ("HLGC") ("Proposed SSSB Disposal ")**

On 19 October 2007, the Company also announced the Proposed SSSB Disposal. The Proposed SSSB Disposal has been completed on 22 October 2008.

**d) Proposed sale and leaseback of Menara Bumiputra-Commerce**

On 3 December 2007, the Company and its subsidiary, CIMB Bank, entered into a Sale and Purchase Agreement ("SPA") and Lease Agreement ("LA") with Pelaburan Hartanah Bumiputra Berhad ("PHBB") for the proposed sale and leaseback of Menara Bumiputra-Commerce.

Pursuant to the SPA and LA, the Company shall dispose Menara Bumiputra-Commerce to PHBB for a total cash consideration of RM460 million. CIMB Bank will then lease Menara Bumiputra-Commerce for an initial lease tenure of ten years with renewal options for two additional periods of five years each. The proposed sale and leaseback of Menara Bumiputra-Commerce was completed on 16 February 2009.

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

On 21 December 2007, CIMB Investment Bank Berhad entered into a CA with VFC to jointly set up a securities company in Vietnam. Pursuant to the CA, CIMB Investment Bank Berhad will provide the guidance and assistance on the set up of the securities company. Upon obtaining the Vietnam State Securities Commissions' license and the execution of a shareholders agreement, CIMB Investment Bank Berhad will take up 40% equity interest in the securities company. This transaction is pending completion.

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

**f) CIMB Group's proposed acquisition of 19.99% equity stake in Bank of Yingkou, China**

On 17 March 2008, CIMBG entered into a Share Subscription Agreement with Bank of Yingkou for the subscription of 141.2 million new ordinary shares of RMB1.00 each, representing approximately 19.99% of the enlarged issued and paid up capital of Bank of Yingkou for a total cash subscription amount of RMB348.8 million (equivalent to approximately RM156.2 million). As an integral part of the proposed acquisition, on the same day, CIMBG also entered into an Investor's Rights Agreement and a Cooperation and Technical Assistance Agreement with Bank of Yingkou. On 20 May 2008, BNM approved this proposed acquisition. The proposed acquisition was approved by the China Banking Regulatory Commission, vide its letter dated 22 December 2008 and is expected to be completed by the 1st quarter of 2009.

**g) Proposed merger between Bank Niaga, an indirect subsidiary of Bumiputra-Commerce Holdings Berhad ("BCHB"), and PT Bank Lippo TBK ("Bank Lippo"), an indirect subsidiary of Khazanah Nasional Berhad ("Khazanah") ("Proposed Merger")**

On 2 June 2008, the Company announced a proposed merger between Bank Niaga, an indirect subsidiary of BCHB and Bank Lippo, an indirect subsidiary of Khazanah, pursuant to Bank Indonesia Regulation on Single Presence in Indonesia Banks. Under the proposed merger, Bank Lippo shall be merged into Bank Niaga and the shareholders of Bank Lippo shall become the shareholders of Bank Niaga by the operation of law. As an integral part of the proposed merger, BCHB and CIMBG have entered into a Share Sale and Purchase Agreement ("SSPA") with Khazanah and its wholly owned subsidiary, Santubong Investments B.V. ("Santubong"), for the proposed acquisition of 1,997,023,850 Class B ordinary shares with par value of IDR100 each in Bank Lippo representing 51% of the total issued shares of Bank Lippo by CIMBG from Santubong for a total purchase consideration of approximately IDR5,929,164 million (equivalent to approximately RM2,070.96 million). The purchase consideration will be satisfied by BCHB for and on behalf of CIMBG through the issuance of 207,096,186 new BCHB shares to Khazanah at an issue price of RM10.00 per BCHB share. This acquisition from Santubong has been completed on 28 October 2008. With the completion of the 51% Lippo acquisition, Bank Niaga and Bank Lippo has been merged on 1 November 2008, with BCHB holding a 78.26% equity interest in the enlarged PT Bank CIMB Niaga Tbk. The 207,096,186 new BCHB shares were listed on 6 November 2008.

**h) Proposed acquisition by CIMBG of approximately 42.13% of the total issued share capital of BankThai Public Company Limited ("BankThai") from the Financial Institutions Development Fund ("FIDF") ("Proposed Acquisition")**

On 20 June 2008, CIMBG entered into a Share Purchase Agreement ("SPA") with Financial Institutions Development Fund ("FIDF") to purchase or to procure CIMB Bank Berhad to purchase 2,811,862,559 fully paid ordinary shares of Baht 3.75 par value each in the share capital of BankThai, representing approximately 42.13% of the total issued shares in Bank Thai, from FIDF for a total cash consideration of approximately Baht 5,904.9 million (equivalent to approximately RM595.8 million) or a cash consideration of Baht 2.10 per BankThai share. The Proposed Acquisition has been completed on 5 November 2008.

**i) Proposed sale of non-performing loans**

On 13 August 2008, CIMB Bank Berhad entered into a conditional sale and purchase agreement to sell RM1.1 billion worth of non-performing loans ("NPLs") to Sinesinga Sdn Bhd, a special purpose vehicle created by Standard Merchant Bank (Asia) Limited, which is part of the Standard Bank Group of South Africa.

Approval from Bank Negara Malaysia has been obtained on 30 October 2008 and the transaction was completed on 1 November 2008.

**j) Proposed Tier-1 Capital raising by CIMB Bank**

On 24 September 2008, CIMB Bank obtained approval from the Securities Commission for the proposed issuance of up to RM1.0 billion Innovative Tier-1 Capital Securities ("Proposed IT-1 Issue"). The Proposed IT-1 Issue was completed on 7 October 2008.

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

**k) Proposed issuance by CIMB Bank (L) Limited, an indirect subsidiary of BCHB, of up to USD150 million senior unsecured guaranteed bonds and proposed issuance by BCHB of 5 year warrants (collectively, the "Proposed Issuance")**

The Company had on 3 November 2008 announced the Proposed Issuance and is currently pending the approvals from the relevant authorities.

**l) Proposed Non Innovative Tier 1 Capital raising by CIMB Bank**

On 17 December 2008, CIMB Bank obtained approval from the Securities Commission for a Non Innovative Tier 1 Stapled Securities Issuance Programme of up to RM4.0 billion in Nominal Value outstanding at any one time ("the Programme"), comprising:

- i) Non-Cumulative Perpetual Capital Securities to be issued by CIMB Bank; and
- ii) Subordinated Notes to be issued by Commerce Returns Berhad, a wholly-owned subsidiary of CIMB Bank.

The first issuance under the Programme amounting to RM1.0 billion has been completed on 26 December 2008. The issuance, which is rated AA - by Malaysian Rating Corporation Berhad, was privately placed out.

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

a) On 13 January 2009, the Company announced that the tender offer extended by CIMB Bank under the laws of Thailand to acquire all the remaining BankThai Shares not already owned by CIMB Bank ("Tender Offer") subsequent to the completion of the Proposed Acquisition has closed on 6 January 2009. Shareholders with a total of approximately 3.33 billion BankThai shares representing approximately 49.91% of the total issued and paid-up share capital of BankThai accepted the Tender Offer and consequently, CIMB Bank's total equity holding in BankThai is approximately 92.04%.

b) On 30 January 2009, CIMB-Principal Asset Management Berhad ("CIMB-Principal") (a 60%-owned subsidiary of CIMBG which is in turn a wholly-owned subsidiary of BCHB) completed the transfer of its 100% equity interest in CIMB-Principal Islamic Asset Management Sdn Bhd ("CPIAM") as follows:

- (i) 50% equity interest in CPIAM to CIMBG; and
- (ii) 50% equity interest in CPIAM to PGIH (a wholly-owned subsidiary of Principal Financial Group, Inc.),

at a cash consideration of RM8,000,000 for each transfer.

**PART A - EXPLANATORY NOTES**

**A7. SECURITIES HELD FOR TRADING**

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	1,342,488	416,150
Cagamas bonds	205,323	279,354
Khazanah bonds	9,791	96,918
Malaysian Government treasury bills	38,262	119,294
Bank Negara Malaysia bills	552,598	97,736
Bank Negara negotiable notes	46,892	409,900
Negotiable instruments of deposit	4,150,073	1,149,588
Banker's acceptances	1,174,286	800,764
Credit-linked notes	172,884	353,247
Other Government's securities	-	630,359
Commercial papers	332,605	45,099
Government investment issue	81,376	56,075
	<b>8,106,578</b>	<b>4,454,484</b>
<b>Quoted securities:</b>		
<i>In Malaysia:</i>		
Warrants	5	35
Shares	143,820	751,856
Loan stocks	1,272	5,838
<i>Outside Malaysia:</i>		
Shares	11,959	78,492
Private and Islamic debt securities	20,678	3,614
Other Government bonds	212,781	211,696
	<b>390,515</b>	<b>1,051,531</b>
<b>Unquoted securities:</b>		
<i>In Malaysia:</i>		
Private and Islamic debt securities	1,418,725	6,844,516
<i>Outside Malaysia:</i>		
Private and Islamic debt securities	502,420	2,301,781
Shares	5,001	-
	<b>1,926,146</b>	<b>9,146,297</b>
Total securities held-for-trading	<b>10,423,239</b>	<b>14,652,312</b>

In the 4th quarter 2008, the Company's banking subsidiaries reclassified certain held for trading securities to held to maturity category. The reclassification has been accounted for in accordance with the BNM circular on 'Reclassification of Securities under Specific Circumstances' issued during the year, and 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 maturity category, and the corresponding unrealised loss as of the respective dates of reclassification are RM5,979,092,000 and RM105,246,000 respectively.

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 6.34% per annum for the Group, with expected recoverable cash flows approximating the face values of RM6,154,154,000, and including any coupons receivable on the securities.

**A8. AVAILABLE-FOR-SALE SECURITIES**

	<b>The Group</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Debt securities</b>		
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	239,797	177,504
Cagamas Notes	296,925	397,330
Khazanah bonds	85,331	379,044
Malaysian Government treasury bills	-	163,093
Other Government treasury bills	309	50,003
Bank Negara Malaysia bills	-	23,322
Government investment issues	450,776	35,224
Commercial papers	134,040	34,630
Bank Negara Malaysia negotiable notes	-	130,393
	<b>1,207,178</b>	<b>1,390,543</b>
<b>Quoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Shares	267,448	939,102
Unit trusts	712,283	713,391
<i><u>Outside Malaysia:</u></i>		
Shares	465	2,223
Private and Islamic debt securities	128,050	19,711
Other Government bonds	2,238,805	777,962
	<b>3,347,051</b>	<b>2,452,389</b>
<b>Unquoted securities:</b>		
<i><u>In Malaysia:</u></i>		
Private and Islamic debt securities	6,524,704	5,949,471
Shares	521,030	556,010
Loan stocks	30,715	18,183
Property funds	116	113
Investment-linked funds	19,016	9,404
Credit-linked notes	-	25,108
<i><u>Outside Malaysia:</u></i>		
Shares	60,268	74,135
Mutual funds	7,542	17,013
Private equity and unit trust funds	102,025	149,825
Private and Islamic debt securities	118,506	29,866
Loan stocks	485	1,194
	<b>7,384,407</b>	<b>6,830,322</b>
	<b>11,938,636</b>	<b>10,673,254</b>
<b>Allowance for impairment loss:</b>		
Private debt securities	(279,387)	(367,672)
Quoted shares	(11,527)	(1,801)
Quoted bonds	(1,138)	(197)
Unquoted shares	(38,320)	(43,969)
Mutual funds	(51)	(55)
	<b>(330,423)</b>	<b>(413,694)</b>
<b>Total available-for-sale securities</b>	<b>11,608,213</b>	<b>10,259,560</b>

**A9. HELD-TO-MATURITY SECURITIES**

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
<b>Money market instruments:</b>		
<b>Unquoted</b>		
Malaysian Government securities	149,967	-
Cagamas bonds	294,817	290,000
Bank Negara negotiable notes	-	98,057
<b>Quoted securities</b>		
<u>Outside Malaysia</u>		
Bonds	187,709	21,443
Islamic bonds	28,376	21,821
Medium term notes - Islamic	7,883	3,520
Other Government bonds	153,845	-
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Shares	462	270
Private debt securities	7,658,366	1,737,931
Loan stocks	32,478	32,478
Danaharta Urus Sdn Bhd Bonds	929,639	1,151,932
<u>Outside Malaysia</u>		
Private debt securities	2,324,724	-
	<b>11,768,266</b>	3,357,452
Accretion of discount net of amortisation of premium	231,116	197,423
Less : Allowance for impairment losses	(77,952)	(25,431)
Total held-to-maturity securities	<b>11,921,430</b>	3,529,444

Included in the held to maturity securities are securities transferred from held for trading category in the 4th quarter of 2008, with carrying value of RM5,979,092,000 and fair value of RM5,986,653,000 as at 31 December 2008 (2007: no such reclassification permitted).

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

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Overdrafts	7,239,009	6,496,728
Term loans		
- Housing loans/financing	29,344,329	22,303,104
- Syndicated term loans	7,342,689	7,983,834
- Hire purchase receivables	13,663,402	14,332,824
- Lease receivables	123,850	177,235
- Factoring receivables	86,888	62,019
- Other term loans/financing	40,006,121	27,659,176
Bills receivable	178,213	257,743
Trust receipts	822,721	963,531
Claims on customer under acceptance credits	5,908,166	6,147,874
Staff loans *	765,073	631,118
Credit card receivables	3,087,405	2,581,883
Revolving credits	17,791,176	13,974,866
Share margin financing	577,808	1,090,957
Other loans	774,004	9,752
	<b>127,710,854</b>	<b>104,672,644</b>
Less: Unearned interest	<b>(4,878,552)</b>	<b>(3,116,760)</b>
	<b>122,832,302</b>	<b>101,555,884</b>
Less: Islamic financing sold to Cagamas	<b>(294,946)</b>	<b>(575,918)</b>
Gross loans, advances and financing	<b>122,537,356</b>	<b>100,979,966</b>
Fair value changes arising from fair value hedge	177,618	-
Less: Specific allowance	<b>(3,524,361)</b>	<b>(3,551,988)</b>
	<b>119,190,613</b>	<b>97,427,978</b>
Less: General allowance	<b>(1,808,539)</b>	<b>(1,523,920)</b>
Total net loans, advances and financing	<b>117,382,074</b>	<b>95,904,058</b>

\* Included in staff loans of the Group are loans to Directors amounting to RM 859,684 (2007: RM 1,473,329).

Included in loans, advances and financing balances are RM2,061,944,000 (2007: RM2,064,458,000) 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 RM3,021,205,464 provided on normal commercial terms which are exempted from general allowance by Bank Negara Malaysia. The Group has undertaken a fair value hedge on RM2 billion of the total exposure using interest rate swaps. The fair value changes arising from the fair value hedge amounted to RM177,618,000 as at 31 December 2008 (2007: RMNil).



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

	<b>The Group</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic banking financial institutions	149,356	160,452
Domestic non-bank financial institutions		
- stockbroking companies	42,442	996
- others	2,994,551	1,582,798
Domestic business enterprises		
- small medium enterprises	20,766,537	18,072,733
- others	30,379,125	25,068,778
Government and statutory bodies	3,098,571	69,614
Individuals	55,756,328	47,240,371
Other domestic entities	3,942,677	4,244,178
Foreign entities	5,702,715	5,115,964
	<b>122,832,302</b>	<b>101,555,884</b>
Less: Islamic financing sold to Cagamas	<b>(294,946)</b>	<b>(575,918)</b>
Gross loans, advances and financing	<b>122,537,356</b>	<b>100,979,966</b>

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

	<b>The Group</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- Housing loans	5,572,131	3,860,958
- Hire-purchase receivables	11,422,258	11,995,596
- Other fixed rate loans	23,839,813	17,578,063
Variable rate		
- BLR plus	63,528,871	54,932,102
- Cost plus	10,056,076	11,817,063
- Other variable rates	8,413,153	1,372,102
	<b>122,832,302</b>	<b>101,555,884</b>
Less: Islamic financing sold to Cagamas	<b>(294,946)</b>	<b>(575,918)</b>
Gross loans, advances and financing	<b>122,537,356</b>	<b>100,979,966</b>

**(iv) By economic purpose**

	<b>The Group</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Personal use	3,200,541	2,731,380
Credit card	3,087,406	2,581,883
Purchase of consumer durables	19,111	21,761
Construction	3,277,838	3,245,654
Residential property (Housing)	28,933,603	22,473,992
Non-residential property	8,726,826	6,067,633
Purchase of fixed assets other than land & building	2,843,897	2,741,448
Mergers and acquisitions	1,563,682	604,907
Purchase of securities	12,161,500	9,075,045
Purchase of transport vehicles	13,302,548	13,009,119
Working capital	38,071,904	35,428,323
Other purpose	7,643,446	3,574,739
	<b>122,832,302</b>	<b>101,555,884</b>
Less: Islamic financing sold to Cagamas	<b>(294,946)</b>	<b>(575,918)</b>
Gross loans, advances and financing	<b>122,537,356</b>	<b>100,979,966</b>

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

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

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Personal use	257,288	269,954
Credit card	73,565	70,119
Purchase of consumer durables	950	1,005
Construction	337,397	446,458
Residential property (Housing)	1,672,770	1,837,358
Non-residential property	438,087	558,248
Purchase of fixed assets other than land & building	116,226	130,813
Purchase of securities	69,980	119,446
Purchase of transport vehicles	375,828	603,421
Working capital	2,584,750	3,184,867
Other purpose	129,620	103,059
	<b>6,056,461</b>	<b>7,324,748</b>

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

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Balance as at 1 January	7,324,748	8,483,214
Classified as non-performing during the year	3,707,932	4,393,349
Reclassified as performing during the year	(2,618,513)	(2,813,118)
Recoveries	(1,162,022)	(1,489,787)
Arising from acquisition of a subsidiary	67,149	-
Amount written off	(826,075)	(1,178,783)
Reclassified to non-current assets held for sale	-	(9,101)
Loans/financing converted to securities	-	(1,849)
Sale of NPL	(385,389)	-
Others	-	-
Exchange fluctuation	(51,369)	(59,177)
Balance as at 31 December	<b>6,056,461</b>	<b>7,324,748</b>
Specific allowance ^	<b>(3,325,574)</b>	<b>(3,551,988)</b>
Net non-performing loans, advances and financing	<b>2,730,887</b>	<b>3,772,760</b>

**Classification of non-performing loans, advances and financing**

Sub-standard	1,050,266	1,273,964
Doubtful	400,037	512,878
Bad	4,606,158	5,537,906
Balance as at 31 December	<b>6,056,461</b>	<b>7,324,748</b>
Ratio of net non-performing loans and financing to gross loans, advances and financing (including Islamic financing sold to Cagamas) less specific allowances ^	<b>2.29%</b>	<b>3.85%</b>

^ Excludes specific allowances on performing loans amounting to RM198,787,000

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

**(vii) Movements in the allowance for bad and doubtful debts accounts are as follows:**

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
<u>Specific allowance</u>		
Balance as at 1 January	3,551,988	3,399,836
Allowance made during the year	1,658,902	2,145,797
Amount recovered	(733,884)	(816,349)
Amount written off	(814,807)	(1,162,210)
Arising from acquisition of subsidiary	45,670	-
Amount transferred in respect of loan converted to securities	-	(1,849)
Reclassified to non-current assets held for sale	-	(1,090)
Allowance made and charged to deferred assets	878	5,062
Sale of NPL	(194,711)	-
Allowance for loans in relation to jointly controlled entity	(4,329)	(9,132)
Others	-	-
Exchange fluctuation	14,654	(8,077)
Balance as at 31 December	<u>3,524,361</u>	<u>3,551,988</u>
<u>General allowance</u>		
Balance as at 1 January	1,523,920	1,479,277
Net allowance made during the year	250,711	91,471
Arising from acquisition of subsidiary	80,094	-
Allowance for loans in relation to jointly controlled entity	-	(658)
Reclassified to non-current assets held for sale	-	(465)
Exchange fluctuation	(46,186)	(45,705)
Balance as at 31 December	<u>1,808,539</u>	<u>1,523,920</u>
As % of gross loans, advances and financing (including Islamic financing sold to Cagamas) less loans exempted from general allowance by BNM and less specific allowance	<u>1.56%</u>	<u>1.55%</u>

**A11. OTHER ASSETS**

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Interest receivable	468,114	398,665
Due from brokers and clients net of allowance for doubtful debts	512,972	2,020,387
Other debtors, deposits and prepayments net of allowance for doubtful debts	2,442,465	1,161,637
Due from insurers, brokers and reinsurers net of allowance for doubtful debts	18,679	1,774
Option financing	321,914	293,676
Deferred assets	216,292	226,311
Foreclosed properties net of allowance for impairment losses	257,490	69,941
Tax recoverable	388,756	122,487
	<u>4,626,682</u>	<u>4,294,878</u>

## A12. DEPOSITS FROM CUSTOMERS

	The Group	
	31 Dec 2008	31 Dec 2007
	RM'000	RM'000
<u>By type of deposit</u>		
Demand deposits	31,076,404	25,774,351
Savings deposits	14,929,572	10,465,848
Fixed deposits	72,576,927	65,403,991
Negotiable instruments of deposit	9,240,410	6,829,767
Others	25,601,663	18,392,834
	<b>153,424,976</b>	<b>126,866,791</b>
 <u>By type of customer</u>		
Government and statutory bodies	10,825,601	11,169,600
Business enterprises	73,442,172	65,381,723
Individuals	47,116,235	35,528,579
Others	22,040,968	14,786,889
	<b>153,424,976</b>	<b>126,866,791</b>
 <u>Maturity structure of fixed deposits and negotiable instruments of deposit</u>		
One year or less (short term)	75,443,645	66,172,997
More than one year (medium/long term)	6,373,692	6,060,761
	<b>81,817,337</b>	<b>72,233,758</b>

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

	The Group	
	31 Dec 2008	31 Dec 2007
	RM'000	RM'000
Licensed banks	3,323,614	8,375,660
Licensed finance companies	14,140	18,235
Licensed investment banks	2,342,569	1,332,565
Bank Negara Malaysia	365,000	1,952,360
Other financial institutions	1,073,195	1,205,647
	<b>7,118,518</b>	<b>12,884,467</b>

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

## A14. OTHER LIABILITIES

	The Group	
	31 Dec 2008	31 Dec 2007
	RM'000	RM'000
Interest payable	634,286	615,909
Due to brokers and clients	741,345	2,208,599
Amount due to special purpose vehicle of jointly controlled entity	405,403	483,046
Short-term borrowings	221,545	75,266
Provision for claims, commitments and contingencies	346,922	271,265
Insurance fund - life and takaful insurance business	1,890,635	1,971,650
Post employment benefit obligations	126,312	71,290
Other creditors and accruals	3,353,701	2,546,438
	<b>7,720,149</b>	<b>8,243,463</b>

**A15. INTEREST INCOME**

	<b>The Group</b>			
	<b>4th quarter ended</b>		<b>Twelve months ended</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing				
- Interest income other than recoveries	<b>2,067,507</b>	1,702,126	<b>7,116,860</b>	6,594,578
- Recoveries from NPLs	<b>83,738</b>	142,863	<b>377,567</b>	450,114
- Recoveries from NPL sale	<b>5,541</b>	-	<b>5,541</b>	-
Money at call and deposit placements with financial institutions	<b>133,031</b>	240,348	<b>824,056</b>	940,702
Securities purchased under resale agreement	<b>23,764</b>	44,387	<b>132,914</b>	123,384
Securities held for trading	<b>83,871</b>	118,030	<b>538,426</b>	512,721
Available-for-sale securities	<b>116,633</b>	80,390	<b>382,692</b>	359,985
Held-to-maturity securities	<b>108,774</b>	11,836	<b>209,442</b>	33,903
Others	<b>12,522</b>	2,121	<b>59,033</b>	48,352
	<b>2,635,381</b>	2,342,101	<b>9,646,531</b>	9,063,739
Accretion of discounts less amortisation of premiums	<b>47,373</b>	43,508	<b>138,540</b>	211,876
Net interest suspended	<b>(48,830)</b>	(55,358)	<b>(194,648)</b>	(217,392)
	<b>2,633,924</b>	2,330,251	<b>9,590,423</b>	9,058,223

**A16. INTEREST EXPENSE**

	<b>The Group</b>			
	<b>4th quarter ended</b>		<b>Twelve months ended</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	<b>44,339</b>	131,383	<b>314,386</b>	448,946
Deposits from other customers	<b>1,073,994</b>	887,177	<b>3,805,320</b>	3,255,895
Obligation on securities sold under repurchase agreements	<b>243</b>	3,980	<b>9,269</b>	107,202
Bonds	-	9,016	<b>8,121</b>	26,962
Loan stocks/ICULS	<b>448</b>	395	<b>1,452</b>	2,846
Subordinated Notes	<b>81,510</b>	45,081	<b>251,073</b>	199,160
Loans sold to Cagamas	<b>12,171</b>	21,028	<b>60,376</b>	111,861
Negotiable certificates of deposits	<b>62,871</b>	46,783	<b>227,534</b>	193,273
Other borrowings	<b>43,225</b>	16,858	<b>156,537</b>	209,311
Others	<b>29,399</b>	38,851	<b>95,759</b>	106,837
	<b>1,348,200</b>	1,200,552	<b>4,929,827</b>	4,662,293

**A17. NON-INTEREST INCOME**

	<b>The Group</b>			
	<b>4th quarter ended</b>		<b>Twelve months ended</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Fee income :				
Commissions	55,836	65,055	226,582	267,590
Fee on loans, advances and financing	110,402	147,584	427,453	405,885
Portfolio management fees	5,096	4,336	25,398	6,363
Service charges and fees	68,808	51,394	244,544	210,734
Corporate advisory fees	21,928	17,182	133,459	92,362
Guarantee fees	10,895	10,680	55,093	61,719
Other fee income	35,063	6,134	239,571	204,995
Placement fees	1,340	4,449	18,841	20,342
Underwriting commission	37	25,908	9,555	154,074
Al-Wakalah fee	7,064	5,196	34,089	36,045
	<b>316,469</b>	<b>337,918</b>	<b>1,414,585</b>	<b>1,460,109</b>
(b) Gross dividend income from :				
<u>In Malaysia</u>				
- Securities held for trading	3,895	3,724	30,142	51,392
- Available-for-sale securities	13,662	3,477	35,974	19,911
- Held-to-maturity securities	16	76	58	76
<u>Outside Malaysia</u>				
- Securities held for trading	278	4,231	1,731	5,617
- Available-for-sale securities	1,705	-	1,705	-
	<b>19,556</b>	<b>11,508</b>	<b>69,610</b>	<b>76,996</b>
(c) Net (loss)/gain arising from securities held for trading	<b>21,596</b>	<b>(5,649)</b>	<b>(201,304)</b>	<b>535,848</b>
- realised	(39,985)	83,316	(11,117)	664,332
- unrealised	61,581	(88,965)	(190,187)	(128,484)
(d) Net gain/(loss) arising from trading derivatives	<b>(204,059)</b>	<b>130,285</b>	<b>197,096</b>	<b>299,053</b>
- realised	(420,900)	(350,440)	57,617	(48,333)
- unrealised	216,841	480,725	139,479	347,386
(e) Net loss arising from hedging derivatives	<b>(32,064)</b>	<b>33,222</b>	<b>(5,891)</b>	<b>16,650</b>
(f) Net gain from sale of available-for-sale securities	<b>22,360</b>	<b>31,893</b>	<b>322,959</b>	<b>170,947</b>
(g) Net gain from maturity of held-to-maturity securities	<b>77</b>	<b>(433)</b>	<b>4,089</b>	<b>133</b>
(h) Income from assets management and securities services	<b>23,541</b>	<b>34,459</b>	<b>145,889</b>	<b>134,012</b>
(i) Brokerage income	<b>40,904</b>	<b>107,811</b>	<b>253,025</b>	<b>400,017</b>
(j) Other non-interest income				
Foreign exchange gain / (loss)	<b>325,844</b>	<b>3,984</b>	<b>392,111</b>	<b>169,332</b>
- realised	37,720	109,241	63,302	116,457
- unrealised	288,124	(105,257)	328,809	52,875
Rental income	3,374	323	17,220	15,966
Gain on disposal of property, plant and equipment	5,966	1,520	9,586	3,106
Net (loss)/gain from insurance business	(73,877)	(28,143)	(86,525)	2,916
Underwriting surplus before management expenses	-	(665)	-	36,399
Other non-operating income	15,854	109,796	111,683	241,151
	<b>277,161</b>	<b>86,815</b>	<b>444,075</b>	<b>468,870</b>
Total other operating income	<b>485,541</b>	<b>767,829</b>	<b>2,644,133</b>	<b>3,562,635</b>

## A18. OVERHEADS

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonus	305,545	410,992	1,453,064	1,693,477
- Pension cost	27,261	(5,999)	131,827	140,129
- Others	141,885	143,333	384,606	327,281
	<b>474,691</b>	<b>548,326</b>	<b>1,969,497</b>	<b>2,160,887</b>
Establishment costs				
- Depreciation of property, plant and equipment	61,866	44,329	214,335	193,263
- Amortisation of prepaid lease payments	382	208	1,588	2,242
- Rental	42,446	27,254	160,558	135,793
- Insurance	11,650	7,188	19,843	19,653
- Others	139,480	84,370	476,223	438,010
	<b>255,824</b>	<b>163,349</b>	<b>872,547</b>	<b>788,961</b>
Marketing expenses				
- Sales commission	9,648	5,912	42,591	34,209
- Advertisement	72,591	52,620	191,445	149,161
- Legal fees	15,660	33,456	32,693	58,396
- Others	7,037	15,489	39,490	45,343
	<b>104,936</b>	<b>107,477</b>	<b>306,219</b>	<b>287,109</b>
Administration and general expenses				
- Amortisation of intangible assets	40,570	32,811	122,945	97,477
- Merchant expenses	32,056	19,601	96,469	71,121
- Impairment of intangible assets	-	289	-	362
- Stationery	43,251	13,142	88,809	52,523
- Legal and professional fees	68,469	30,394	149,838	115,217
- Communication	16,211	21,193	67,012	95,624
- Others	59,692	148,255	448,469	557,833
	<b>260,249</b>	<b>265,685</b>	<b>973,542</b>	<b>990,157</b>
	<b>1,095,700</b>	<b>1,084,837</b>	<b>4,121,805</b>	<b>4,227,114</b>

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

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing :				
Specific allowance				
- made during the financial year	538,893	524,605	1,658,902	2,145,797
- written back	(110,855)	(244,844)	(673,468)	(816,349)
- written back from NPL sale	(60,416)	-	(60,416)	-
	<b>(171,271)</b>	<b>(244,844)</b>	<b>(733,884)</b>	<b>(816,349)</b>
General allowance				
- made during the financial year	36,306	(57,140)	250,711	91,471
Bad debts on loans and financing :				
- recovered	(114,947)	(106,800)	(355,923)	(294,251)
- recovered from NPL sale	(26,276)	-	(26,276)	-
- written off	30	351	1,185	763
	<b>262,735</b>	<b>116,172</b>	<b>794,715</b>	<b>1,127,431</b>

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 RM186,537,987 (2007: RM303,981,333).

## 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.

	Principal amount RM'000	The Group Fair values	
		Assets RM'000	Liabilities RM'000
<b>At 31 December 2008</b>			
<b><u>Derivative at fair value through income statement</u></b>			
<u>Foreign exchange derivatives</u>			
Currency forward	8,478,262	125,522	(89,167)
Currency swaps	17,124,821	270,194	(301,779)
Currency spot	479,186	5,238	(4,345)
Currency options	4,346,964	164,470	(250,692)
Cross currency swaps	-	-	-
Cross currency interest rate swap	13,007,098	409,686	(415,500)
	43,436,331	975,110	(1,061,483)
<u>Interest rate derivative</u>			
Interest rate swaps	160,213,171	3,306,821	(2,628,859)
Interest rate futures	28,174,595	82,820	(45,444)
Interest rate options	3,648,918	15,463	(13,926)
	192,036,684	3,405,104	(2,688,229)
<u>Equity related derivatives</u>			
Equity options	11,325,114	157,984	(164,576)
Commodity options	971,404	986,367	(982,057)
Equity futures	13,009	1	(420)
	12,309,527	1,144,352	(1,147,053)
<u>Credit related contract</u>			
Credit default swaps	1,010,413	4,207	(58,927)
<b><u>Held for hedging purpose</u></b>			
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)	254,756,943	5,749,319	(5,177,663)



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

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

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

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

**(ii) COMMITMENTS AND CONTINGENCIES**

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

**Risk Weighted Exposures of the Group as at:**

<b>Group</b>	<b>31 Dec 2008</b>			<b>31 Dec 2007</b>		
	<b>Principal Amount</b>	<b>Credit Equivalent Amount*</b>	<b>Risk Weighted Amount</b>	<b>Principal Amount</b>	<b>Credit Equivalent Amount*</b>	<b>Risk Weighted Amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Credit-related</b>						
Direct credit substitutes	4,651,083	4,619,903	1,880,719	3,615,378	3,615,378	1,907,552
Certain transaction-related contingent items	5,040,615	3,004,227	1,871,977	4,944,127	2,669,273	2,019,119
Short-term self-liquidating trade-related contingencies	3,436,204	684,452	484,964	3,217,282	643,455	383,464
Islamic financing sold directly and indirectly to Cagamas with recourse	294,946	294,946	294,946	575,918	575,918	575,918
Obligations under underwriting agreement	65,000	32,500	32,500	199,798	99,899	58,260
Irrevocable commitments to extend credit						
- maturity not exceeding one year	38,765,152	-	-	38,526,957	-	-
- maturity exceeding one year	8,035,401	4,017,700	3,556,966	10,058,716	5,029,268	4,396,959
Forward assets purchases	124,052	16	11	5,000	24	12
Forward assets sold	20,000	-	-	-	-	-
Miscellaneous commitments and contingencies	6,247,197 <sup>#</sup>	570,453	313,646	3,378,135 <sup>#</sup>	6,925	2,189
<b>Total credit-related commitments and contingencies</b>	<b>66,679,650</b>	<b>13,224,197</b>	<b>8,435,729</b>	<b>64,521,311</b>	<b>12,640,140</b>	<b>9,343,473</b>
<b>Treasury-related</b>						
Foreign exchange related contracts :						
- less than one year	39,914,317	657,056	112,859	22,243,611	623,464	150,696
- one year to less than five years	2,119,837	888,286	222,066	6,350,160	695,291	179,014
- five years and above	2,040,476	733,002	283,815	3,209,939	562,478	242,587
	<b>44,074,630</b>	<b>2,278,344</b>	<b>618,740</b>	<b>31,803,710</b>	<b>1,881,233</b>	<b>572,297</b>
Interest rate related contracts :						
- less than one year	114,353,287	13,008	2,623	94,113,253	136,220	27,227
- one year to less than five years	75,804,612	2,430,623	522,967	63,527,170	2,355,955	479,986
- five years and above	7,634,070	2,059,072	442,869	7,742,413	1,208,505	260,744
	<b>197,791,969</b>	<b>4,502,703</b>	<b>968,459</b>	<b>165,382,836</b>	<b>3,700,680</b>	<b>767,957</b>
Equity related contracts :						
- less than one year	3,434,554	78,356	17,964	5,416,844	-	-
- one year to less than five years	9,427,060	439,757	146,230	44,032	-	-
- five years and above	28,730	2,881	576	-	-	-
	<b>12,890,344</b>	<b>520,994</b>	<b>164,770</b>	<b>5,460,876</b>	<b>-</b>	<b>-</b>
<b>Total treasury-related commitments and contingencies</b>	<b>254,756,943</b>	<b>7,302,041</b>	<b>1,751,969</b>	<b>202,647,422</b>	<b>5,581,913</b>	<b>1,340,254</b>
	<b>321,436,593</b>	<b>20,526,238</b>	<b>10,187,698</b>	<b>267,168,733</b>	<b>18,222,053</b>	<b>10,683,727</b>

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.

The credit equivalent amount for PT Bank CIMB Niaga (formerly known as PT Bank Niaga) is computed based on Bank Indonesia requirements.

<sup>#</sup> Included in miscellaneous commitment and contingencies is a commitment by the Group to place an additional RM1.507 billion (2007: RM719 million) to customers in relation to a Restricted Profit Sharing Investment Account ("RPSIA") arrangement.

**A21. INTEREST/PROFIT RATE RISK**

**As at 31 December 2008**

<b>Assets</b>	<b>Up to 1 month RM'000</b>	<b>&gt; 1 - 3 months RM'000</b>	<b>&gt; 3 - 12 months RM'000</b>	<b>&gt; 1 - 5 years RM'000</b>	<b>Over 5 years RM'000</b>	<b>Non-interest sensitive RM'000</b>	<b>Trading book RM'000</b>	<b>Total RM'000</b>	<b>Effective average interest rate %</b>
Cash and short-term funds	19,365,296	-	-	-	-	4,837,423	-	24,202,719	3.13
Securities purchased under resale agreements	1,878,810	1,638,425	-	-	-	-	-	3,517,235	2.82
Deposits and placements with banks and other financial institutions	1,412,598	1,048,287	510,636	460,468	136,289	494,998	-	4,063,276	3.30
Securities held for trading	-	-	-	-	-	5,814	10,417,425	10,423,239	3.63
Available-for-sale securities	193,203	212,705	1,742,555	3,216,567	4,598,142	1,645,041	-	11,608,213	4.90
Held-to-maturity securities	80,562	263,527	406,123	4,568,293	6,599,402	3,523	-	11,921,430	5.67
Derivative financial instruments	183,064	-	-	-	-	181,570	5,384,685	5,749,319	-
Loans, advances and financing	-	-	-	-	-	-	-	-	-
- performing	29,430,495	8,327,759	8,695,873	24,826,089	44,671,294	195,093	-	116,146,603	5.86
- non-performing	-	-	-	-	-	1,235,471	-	1,235,471	-
Other assets	-	-	301,995	-	-	4,324,687	-	4,626,682	5.45
Deferred tax assets	-	-	-	-	-	543,135	-	543,135	-
Statutory deposits with central banks	-	-	-	-	-	2,736,345	-	2,736,345	-
Investment in associates and jointly controlled entities	-	-	-	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	913,767	-	913,767	-
Investment properties	-	-	-	-	-	1,669,036	-	1,669,036	-
Prepaid lease payments	-	-	-	-	-	100,175	-	100,175	-
Goodwill	-	-	-	-	-	50,386	-	50,386	-
Intangible assets	-	-	-	-	-	6,696,245	-	6,696,245	-
Non-current assets held for sale	-	-	-	-	-	459,361	-	459,361	-
<b>Total assets</b>	<b>52,544,028</b>	<b>11,490,703</b>	<b>11,657,182</b>	<b>33,071,417</b>	<b>56,005,127</b>	<b>26,174,522</b>	<b>15,802,110</b>	<b>206,745,089</b>	
<b>Liabilities</b>									
Deposits from customers	77,248,759	22,414,309	22,339,702	7,495,413	15,866	23,910,927	-	153,424,976	3.20
Deposits and placements of banks and other financial institutions	1,862,165	2,892,252	678,488	1,282,830	365,231	37,552	-	7,118,518	2.80
Derivative financial instruments	117,726	-	-	-	-	266,045	4,793,892	5,177,663	-
Obligations on securities sold under repurchase agreements	62,924	-	-	-	-	-	-	62,924	9.75
Bills and acceptances payable	1,243,331	1,275,058	78,537	-	-	736,340	-	3,333,266	3.73
Other liabilities	-	-	-	-	-	7,720,149	-	7,720,149	-
Deferred tax liabilities	-	-	-	-	-	14,891	-	14,891	-
Current tax liabilities	-	-	-	-	-	152,498	-	152,498	-
Amount due to Cagamas Berhad	-	73,487	447,170	473,161	-	-	-	993,818	4.74
Bonds	-	-	24,374	-	-	-	-	24,374	4.70
Other borrowings	-	-	-	-	-	-	-	-	-
Redeemable preference shares	44,362	1,437,547	623,402	1,670,434	7,648	-	-	3,783,393	3.90
Subordinated Notes	-	-	-	-	813,336	135,000	-	948,336	-
Liabilities directly associated with non-current assets classified as held for sale	8	-	1,038,844	1,539,099	3,020,384	-	-	5,598,335	6.06
<b>Total liabilities</b>	<b>80,579,275</b>	<b>28,092,653</b>	<b>25,230,517</b>	<b>12,460,937</b>	<b>4,222,465</b>	<b>33,002,901</b>	<b>4,793,892</b>	<b>188,382,640</b>	
<b>Total interest rate sensitivity gap</b>	<b>(28,035,247)</b>	<b>(16,601,950)</b>	<b>(13,573,335)</b>	<b>20,610,480</b>	<b>51,782,662</b>		<b>11,008,218</b>		

A21. INTEREST/PROFIT RATE RISK (continued)

As at 31 December 2007	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective average interest rate %
<b>Assets</b>									
Cash and short-term funds	27,185,106	-	-	-	-	3,340,354	-	30,525,460	2.74
Securities purchased under resale agreements	2,325,188	2,046,125	-	-	-	-	-	4,371,313	3.51
Deposits and placements with banks and other financial institutions	2,030,692	3,503,500	911,118	40,254	-	-	-	6,485,564	3.50
Securities held for trading	-	-	-	-	-	5,745	14,646,567	14,652,312	5.07
Available-for-sale securities	60,373	318,328	944,908	3,306,056	2,411,954	3,217,941	-	10,259,560	4.95
Held-to-maturity securities	484	59,834	107,268	669,920	2,498,833	193,105	-	3,529,444	4.90
Derivative financial instruments	385,599	-	-	-	-	88,368	1,309,046	1,783,013	-
Loans, advances and financing									
- performing	45,928,779	13,944,433	5,576,878	11,325,653	16,723,755	8,274	-	93,507,772	6.58
- non-performing	-	-	-	-	-	2,396,286 ^	-	2,396,286	-
Other assets	698,107	-	289,424	-	-	3,307,347	-	4,294,878	10.00
Deferred tax assets	-	-	-	-	-	482,835	-	482,835	-
Statutory deposits with central banks	-	-	-	-	-	-	-	-	-
Investment in associates and jointly controlled entities	-	-	-	-	-	3,048,612	-	3,048,612	-
Property, plant and equipment	-	-	-	-	-	274,576	-	274,576	-
Investment properties	-	-	-	-	-	1,298,580	-	1,298,580	-
Prepaid lease payments	-	-	-	-	-	97,421	-	97,421	-
Goodwill	-	-	-	-	-	53,740	-	53,740	-
Intangible assets	-	-	-	-	-	4,474,119	-	4,474,119	-
Non-current assets held for sale	-	-	-	-	-	503,660	-	503,660	-
<b>Total assets</b>	<b>78,614,328</b>	<b>19,872,220</b>	<b>7,829,596</b>	<b>15,341,883</b>	<b>21,634,542</b>	<b>23,553,057</b>	<b>15,955,613</b>	<b>182,801,239</b>	
<b>Liabilities</b>									
Deposits from customers	65,650,368	18,938,497	19,080,862	3,223,644	2,298,499	17,674,921	-	126,866,791	2.99
Deposits and placements of banks and other financial institutions	6,595,054	4,380,009	1,528,499	5,000	268,994	106,911	-	12,884,467	3.20
Derivative financial instruments	311,113	-	-	-	-	27,510	1,319,811	1,658,434	-
Obligations on securities sold under repurchase agreements	605,780	-	-	-	-	-	-	605,780	3.45
Bills and acceptances payable	1,372,665	1,661,621	685,505	-	-	948,242	-	4,668,033	3.67
Other liabilities	-	-	-	-	-	8,243,463	-	8,243,463	-
Deferred tax liabilities	-	-	-	-	-	23,523	-	23,523	-
Current tax liabilities	-	-	-	-	-	217,887	-	217,887	-
Amount due to Cagamas Berhad	94,830	43,554	524,935	1,341,388	-	-	-	2,004,707	4.39
Bonds	-	-	250,000	22,921	-	31,772	-	304,693	8.35
ICULS - detachable coupons	-	-	-	9,282	-	-	-	9,282	7.50
RCULS	-	-	-	1,803	-	-	-	1,803	4.80
Other borrowings	703,114	331,157	1,970,760	1,747,075	-	61	-	4,752,167	4.49
Redeemable preference shares	-	-	-	-	681,033	135,000	-	816,033	-
Subordinated Notes	-	-	-	-	1,024,265	-	-	2,333,476	-
Liabilities directly associated with non-current assets classified as held for sale	-	-	-	-	-	556,090	-	556,090	-
<b>Total liabilities</b>	<b>75,332,924</b>	<b>25,354,838</b>	<b>24,040,561</b>	<b>7,660,324</b>	<b>4,272,791</b>	<b>27,965,380</b>	<b>1,319,811</b>	<b>165,946,629</b>	
<b>Total interest rate sensitivity gap</b>	<b>3,281,404</b>	<b>(5,482,618)</b>	<b>(16,210,965)</b>	<b>7,681,559</b>	<b>17,361,751</b>	<b>(4,412,323)</b>	<b>14,635,802</b>		

^ Includes specific allowances and general allowances of RM5,332,900,000 (2007: RM5,075,000,000)

## A22. CAPITAL ADEQUACY

**31 Dec 2008**

	<b>CIMB Bank RM '000</b>	<b>CIMB Inv Bank RM '000</b>	<b>CIMB Islamic RM '000</b>	<b>Bank CIMB Niaga* RM '000</b>
The capital adequacy ratios are as follows:				
Tier I capital	11,675,603	629,641	590,060	3,021,172
Eligible Tier II capital	4,752,839	1,105	75,613	952,519
	16,428,442	630,746	665,673	3,973,691
Less:				
Investment in subsidiaries and holding of other banking institutions' capital	(1,376,978)	(19,420)	-	(65,448)
Capital base	15,051,464	611,326	665,673	3,908,243
Core capital ratio	10.90%	40.15%	10.36%	12.05%
Risk-weighted capital ratio	14.05%	40.15%	11.69%	15.59%

After deducting proposed dividends:

Core capital ratio	10.76%	35.56%	10.36%	11.62%
Risk-weighted capital ratio	13.91%	35.56%	11.69%	15.16%

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

<b>Tier I capital</b>				
Paid-up capital	2,974,009	219,242	550,000	489,478
Non-cumulative guaranteed preference shares	1,200,000	-	-	-
Innovative Tier I capital	1,692,900	-	-	-
Share premium	4,157,074	33,489	-	2,116,445
Other reserves	5,461,432	382,445	197,122	415,249
Less :				
Deferred tax assets	(250,737)	(5,535)	(21,062)	-
Goodwill	(3,559,075)	-	(136,000)	-
Total Tier I capital	11,675,603	629,641	590,060	3,021,172

<b>Tier II capital</b>				
ICULS issued	667,000	-	-	-
Cumulative 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	15,051,464	611,326	665,673	3,908,243
Less:				
Proposed 2008 final dividend	(150,000)	(70,000)	-	(106,917)
Total capital base (net of proposed dividend)	14,901,464	541,326	665,673	3,801,326

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

	<b>Risk Weighted</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
0%	23,692,884	590,951	5,402,401	7,022,454
10%	147,282	-	-	108,066
20%	22,637,137	2,731,019	2,814,340	4,570,706
50%	24,013,412	41,372	733,413	7,854,214
100%	85,765,298	694,746	4,458,449	19,080,606
	102,314,159	1,261,636	5,388,024	23,932,661
Counterparty risk requirement	-	5	-	-
Total risk-weighted assets equivalent for credit risk	102,314,159	1,261,641	5,388,024	23,932,661
Total risk-weighted assets equivalent for market risk	4,629,925	260,862	308,695	1,141,138
Total risk-weighted assets equivalent for LERR	196,983	-	-	-
Total risk-weighted assets	107,141,067	1,522,503	5,696,719	25,073,799

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

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

\* Computation is based on Bank Indonesia requirements

A22. CAPITAL ADEQUACY (continued)

**31 December 2007**

	<b>CIMB Bank RM '000</b>	<b>CIMB Inv Bank RM '000</b>	<b>CIMB Islamic RM '000</b>	<b>Bank Niaga* RM '000</b>
The capital adequacy ratios are as follows:				
Tier I capital	9,356,966	748,040	520,952	1,616,582
Eligible Tier II capital	3,977,779	6,019	44,987	576,820
	<u>13,334,745</u>	<u>754,059</u>	<u>565,939</u>	<u>2,193,402</u>
Less:				
Investment in subsidiaries and holding of other banking institutions' capital	(861,187)	(19,420)	-	(42,801)
Capital base	<u>12,473,558</u>	<u>734,639</u>	<u>565,939</u>	<u>2,150,601</u>

Core capital ratio	9.34%	30.09%	15.11%	11.60%
Risk-weighted capital ratio	12.45%	30.09%	16.41%	15.43%

After deducting proposed dividends:

Core capital ratio	9.04%	23.95%	15.11%	10.63%
Risk-weighted capital ratio	<u>12.15%</u>	<u>23.95%</u>	<u>16.41%</u>	<u>14.46%</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	342,076
Non-cumulative guaranteed preference shares	1,500,000	-	-	-
Innovative Tier I capital	661,400	-	-	-
Share premium	4,157,074	33,489	-	630,408
Other reserves	4,342,222	494,971	123,803	644,098
Less :				
Deferred tax (assets)/liabilities	(370,523)	338	(16,851)	-
Intangible assets	(348,141)	-	-	-
Goodwill	(3,559,075)	-	(136,000)	-
Total Tier I capital	<u>9,356,966</u>	<u>748,040</u>	<u>520,952</u>	<u>1,616,582</u>

**Tier II capital**

ICULS issued	667,000	-	-	-
Subordinated notes issued	1,984,200	-	-	-
Subordinated loans	-	-	-	337,160
General allowance for bad and doubtful debts and financing	1,326,579	6,019	44,987	239,660
Total Eligible Tier II capital	<u>3,977,779</u>	<u>6,019</u>	<u>44,987</u>	<u>576,820</u>
Less :				
Investment in subsidiaries and holding of other banking institutions' capital	(809,623)	(19,420)	-	(42,801)
Investment in joint venture	(51,564)	-	-	-
Total capital base	<u>12,473,558</u>	<u>734,639</u>	<u>565,939</u>	<u>2,150,601</u>
Less:				
Proposed 2007 final dividend	(300,000)	(150,000)	-	(135,605)
Total capital base (net of proposed dividend)	<u>12,173,558</u>	<u>584,639</u>	<u>565,939</u>	<u>2,014,996</u>

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

	<b>Risk Weighted</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
0%	25,076,564	80,732	5,007,908	4,674,076
10%	187,815	-	-	40,637
20%	25,856,246	1,811,600	772,512	531,428
50%	18,869,263	42,518	313,297	4,907,496
100%	74,035,079	1,725,236	3,010,881	10,951,722
	<u>88,659,741</u>	<u>2,108,815</u>	<u>3,322,032</u>	<u>13,515,819</u>
Counterparty risk requirement	-	5,404	-	-
Total risk-weighted assets equivalent for credit risk	<u>88,659,741</u>	<u>2,114,219</u>	<u>3,322,032</u>	<u>13,515,819</u>
Total risk-weighted assets equivalent for market risk	<u>11,505,792</u>	<u>327,066</u>	<u>126,357</u>	<u>422,502</u>
Total risk-weighted assets	<u>100,165,533</u>	<u>2,441,285</u>	<u>3,448,389</u>	<u>13,938,321</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. 49% of the life and takaful business was disposed on 2 July 2007 while the entire general insurance business was disposed on 28 August 2007.

**Foreign Banking Operation** comprises of PT Bank CIMB Niaga Tbk and 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
<b>31 December 2008</b>							
Net interest income	2,824,709	1,286,987	(349,673)	4,653	907,032	(13,112)	4,660,596
-external income / (expense)	(316,016)	(599,362)	951,377	-	-	(35,999)	-
-inter-segment							
Income from Islamic Banking operations	2,508,693	687,625	601,704	4,653	907,032	(49,111)	4,660,596
Non-interest income (excluding gain on disposal of interest in subsidiaries)	202,237	76,957	115,184	-	36,181	7,231	437,790
Gain/(loss) on disposal of interest in subsidiaries	666,769	879,658	523,436	157,265	388,725	28,280	2,644,133
			(2,007)				(2,007)
Net Income	3,377,699	1,644,240	1,238,317	161,918	1,331,938	(13,600)	7,740,512
Overheads	(2,258,651)	(620,501)	(198,743)	(193,614)	(785,380)	(64,916)	(4,121,805)
Profit before allowances	1,119,048	1,023,739	1,039,574	(31,696)	546,558	(78,516)	3,618,707
Allowance for losses on loans, advances and financing	(381,293)	(248,456)	685	-	(169,489)	3,838	(794,715)
Allowance for other receivables	(283)	(1,117)	3	(11,934)	(81,902)	465	(94,768)
Provision for commitment & contingencies	-	-	-	-	(708)	-	(708)
Allowance written back/(made) for impairment losses	-	92,104	(56,737)	(11,465)	415	5,166	29,483
Segment results	737,472	866,270	983,525	(55,095)	294,874	(69,047)	2,757,999
Share of results of jointly controlled entities	3,253	-	-	-	-	-	3,253
Share of results of associates	-	-	(19,063)	5,235	(33,754)	1,989	(45,593)
Profit/(loss) before taxation and zakat	740,725	866,270	964,462	(49,860)	261,120	(67,058)	2,715,659
% of profit before taxation and zakat	27.3	31.9	35.5	(1.8)	9.6	(2.5)	100.0
Taxation and zakat							(703,113)
<b>Profit after taxation before minority interests</b>							<b>2,012,546</b>



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
<b>31 December 2007</b>							
Net interest income	2,594,080	1,057,186	92,783	27,478	789,714	(165,311)	4,395,930
-external income / (expense)	(259,582)	(426,495)	686,077	-	-	-	-
-inter-segment income							
Income from Islamic Banking operation:	2,334,498	630,691	778,860	27,478	789,714	(165,311)	4,395,930
Non-interest income (excluding gain on disposal of interest in subsidiaries)	120,945	72,652	118,716	-	28,063	2,981	343,357
Gain on disposal of interest in subsidiaries	625,555	1,427,801	662,768	357,564	371,110	117,837	3,562,635
	-	-	708,739	-	-	-	708,739
Net Income	3,080,998	2,131,144	2,269,083	385,042	1,188,887	(44,493)	9,010,661
Overheads	(2,248,268)	(849,256)	(232,319)	(248,394)	(586,140)	(62,737)	(4,227,114)
Profit before allowances	832,730	1,281,888	2,036,764	136,648	602,747	(107,230)	4,783,547
Allowance for losses on loans, advances and financing	(815,544)	(101,585)	-	(287)	(212,719)	2,704	(1,127,431)
Allowance for other receivables	(35)	(21,334)	(124)	(13,087)	(4,180)	1,385	(37,375)
Provision for commitments & contingencies:	-	-	-	-	(1,439)	-	(1,439)
Allowance written back/(made) for impairment losses	-	86,672	(10,182)	(13,141)	236	(6,178)	57,407
Segment results	17,151	1,245,641	2,026,458	110,133	384,645	(109,319)	3,674,709
Share of results of jointly controlled entity	3,410	-	-	-	-	-	3,410
Share of results of associates	-	-	(1,083)	858	6,078	1,831	7,684
Profit/(loss) before taxation and zakat	20,561	1,245,641	2,025,375	110,991	390,723	(107,488)	3,685,803
% of profit before taxation and zakat	0.6	33.8	55.0	3.0	10.6	(2.9)	100.0
Taxation and zakat							(771,628)
<b>Profit after taxation before minority interests</b>							<b>2,914,175</b>

## A24. OPERATIONS OF ISLAMIC BANKING

### A24a. Unaudited Balance Sheet as at 31 December 2008

	Note	The Group	
		31 Dec 2008 RM'000	31 Dec 2007 RM'000
<b>Assets</b>			
Cash and short-term funds		6,779,967	4,908,276
Deposits and placements with banks and other financial institutions		911,678	1,197,546
Securities held for trading		3,502,420	668,874
Available-for-sale securities		612,378	654,874
Held-to-maturity securities		1,234,040	120,236
Derivative financial instruments		388,279	156,048
Financing, advances and other loans	A24c(i)	6,561,253	2,497,959
Deferred tax assets		21,062	16,851
Amount due from related companies		4,801	12,134
Amount due from holding company		111,950	607
Statutory deposits with Bank Negara Malaysia		269,224	101,144
Property, plant and equipment		7,106	7,125
Other assets		(17,511)	106,913
Goodwill		136,000	136,000
Intangible assets		5,962	9,556
<b>TOTAL ASSETS</b>		<b>20,528,609</b>	<b>10,594,143</b>
<b>Liabilities and Islamic banking capital funds</b>			
Deposits from customers	A24(d)	15,371,280	8,467,547
Deposits and placements of banks and other financial institutions		3,668,948	700,560
Derivative financial instruments		52,253	4,906
Bills and acceptances payable		5,258	968
Amount due to holding company		-	201,869
Amount due to related companies		4,871	141,354
Amount due to subsidiary		-	-
Provision for taxation and zakat		40,486	31,269
Other liabilities		335,261	160,309
<b>TOTAL LIABILITIES</b>		<b>19,478,357</b>	<b>9,708,782</b>
<b>Equity</b>			
Islamic banking funds		91,693	91,693
Ordinary share capital		550,000	550,000
Perpetual preference shares		70,000	70,000
Reserves		305,554	141,672
		1,017,247	853,365
Minority interests		33,005	31,996
Total Equity		1,050,252	885,361
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,528,609</b>	<b>10,594,143</b>

A24b. Unaudited Income Statements for the financial year ended 31 December 2008

	The Group			
	4th quarter ended		Twelve months ended	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Income derived from investment of depositors' funds and others	202,546	101,337	705,220	414,534
Income derived from investment of shareholders' funds	63,286	42,389	210,945	182,970
Allowances for losses on financing, advances and other loans	(23,153)	(18,383)	(85,739)	(68,083)
Allowance for other receivables	(209)	-	(209)	-
Transfer from profit equalisation reserve	-	26,091	2,200	562
Other expenses directly attributable to the investment of the depositors and shareholders' funds	(687)	(1)	(11,031)	(4)
<b>Total distributable income</b>	<b>241,783</b>	<b>151,433</b>	<b>821,386</b>	<b>529,979</b>
Income attributable to the depositors	(134,067)	(76,167)	(467,135)	(254,143)
<b>Total net income</b>	<b>107,716</b>	<b>75,266</b>	<b>354,251</b>	<b>275,836</b>
Other operating expenses	(53,258)	(32,079)	(149,977)	(98,452)
Profit before allowances	54,458	43,187	204,274	177,384
Allowance for impairment losses	(199)	(120)	(199)	(120)
<b>Profit before taxation and zakat</b>	<b>54,259</b>	<b>43,067</b>	<b>204,075</b>	<b>177,264</b>
Taxation and zakat	(8,187)	(5,549)	(36,374)	(42,973)
<b>Profit after taxation and zakat</b>	<b>46,072</b>	<b>37,518</b>	<b>167,701</b>	<b>134,291</b>
Attributable to :				
Equity holders of the Bank	47,210	38,630	168,164	135,403
Minority interest	(1,138)	(1,112)	(463)	(1,112)
	46,072	37,518	167,701	134,291
Income from Islamic operations (per page 2)				
Total net income	107,716	75,266	354,251	275,836
Add: Allowances for losses on financing, advances and other loans	23,153	18,383	85,739	68,083
Less: Transfer to profit equalisation reserve	-	(26,091)	(2,200)	(562)
	<b>130,869</b>	<b>67,558</b>	<b>437,790</b>	<b>343,357</b>

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

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Cash line	235,945	125,348
Term financing	9,020,538	3,689,677
Bills receivable	-	32
Trust receipts	23,887	5,552
Claims on customers under acceptance credits	156,709	89,803
Staff financing	17	44
Revolving credits	422,299	117,160
Other financing	71,058	55,631
	<b>9,930,453</b>	<b>4,083,247</b>
Less: Unearned income	<b>(2,887,714)</b>	<b>(860,673)</b>
	<b>7,042,739</b>	<b>3,222,574</b>
Less: Financing sold to Cagamas	<b>(294,946)</b>	<b>(575,918)</b>
	<b>6,747,793</b>	<b>2,646,656</b>
Less: Specific allowance	<b>(102,902)</b>	<b>(97,379)</b>
	<b>6,644,891</b>	<b>2,549,277</b>
Less: General allowance	<b>(83,638)</b>	<b>(51,318)</b>
<b>Total net financing, advances and other loans</b>	<b>6,561,253</b>	<b>2,497,959</b>

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

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
At 1 January	257,132	259,340
Non-performing during the year	167,038	147,162
Reclassified to performing during the year	(132,282)	(74,937)
Amount recovered	(30,441)	(19,307)
Amount written off	(54,354)	(55,126)
Balance as at 31 December	207,093	257,132
Specific allowance	(102,902)	(97,379)
Net non-performing loans, advances and other loans	<b>104,191</b>	<b>159,753</b>
Ratio of net non-performing financing, advances and other loans to total financing, advances and other loans (including Islamic financing sold to Cagamas) less specific allowance	<b>1.50%</b>	<b>5.11%</b>

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

	The Group	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000
<b>Specific allowance</b>		
At 1 January	97,379	93,017
Allowance made	99,644	81,266
Amount recovered	(40,608)	(19,106)
Amount written off	(54,506)	(57,502)
Exchange fluctuation	993	(296)
At 31 December	<b>102,902</b>	<b>97,379</b>
<b>General allowance</b>		
At 1 January	51,318	45,128
Allowance made	33,789	7,823
Exchange fluctuation	(1,469)	(1,633)
At 31 December	<b>83,638</b>	<b>51,318</b>
As % of total financing (including Islamic financing sold to Cagamas) less specific allowance	<b>1.21%</b>	<b>1.64%</b>
As % of total financing (including Islamic financing sold to Cagamas) less RPSIA deposit and specific allowance	<b>1.66%</b>	<b>1.64%</b>

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

Demand deposits  
 Saving deposits  
 Commodity Murabahah-i  
 Fixed return investment account  
 Negotiable instruments of deposit  
 Others

**The Group**  
**31 Dec 2008**      **31 Dec 2007**  
**RM'000**              **RM'000**

1,925,997	327,327
319,480	142,831
379,480	-
3,015,987	1,845,360
242,975	201,826
291,358	620
<b>6,175,277</b>	<b>2,517,964</b>

**Mudharabah**

Demand deposits  
 Saving deposits  
 General investment deposits  
 Special investment deposit  
 Specific investment deposit  
 Others

398,731	126,719
129,375	52,478
1,636,457	975,735
5,266,698	3,869,386
1,746,613	870,705
18,129	54,560
<b>9,196,003</b>	<b>5,949,583</b>
<b>15,371,280</b>	<b>8,467,547</b>

## **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 RM1.952 billion for FY08 with earnings per share ("EPS") of 57.8 sen and net Return on Equity ("ROE") of 12.3%, below its 16% target but within analysts' current expectations. The company has declared an interim 25 sen dividend per share amounting to a total net payment of RM699.4 million, comprising 20.7 sen (less tax) and 4.3 sen tax-exempt.

The Group looks back at 2008 with a sense of satisfaction because its Malaysian consumer banking transformation has translated into a dramatic earnings turnaround, fully compensating for the large drop in contribution from its capital markets businesses. In addition, despite absorbing 2 major regional banking acquisitions and related merger costs, the Group has strengthened its asset quality and capital ratios.

#### **BCHB Y o Y Results**

In 2008, BCHB undertook the merger of Bank Niaga and Lippo Bank in Indonesia and acquired 42% of BankThai. Meanwhile in 2007, BCHB disposed of shareholdings in 2 insurance companies and its asset management business for a large gain. In analysing its 2008 financials, BCHB identified non-recurring gains and losses from these transactions as "M&A-related charges". For 2007, M&A-related charges amounted to a total net gain of RM674 million while for 2008 it was a negative after-tax of RM112 million.

BCHB Group's FY08 results consolidate 2 months results of ex-Lippo Bank and 42% equity accounting of 2 months BankThai results. In 2008, BCHB Group's revenues declined by 14% while net profit declined by 30% compared to 2007. However, adjusting for M&A-related charges, the Group's net earnings declined by 2.6% from RM2,119 million to RM2,064 million.

In 2008, the Group's Malaysian consumer bank saw a sharp turnaround in earnings from a loss of RM14 million in 2007 to a profit before tax ("PBT") of RM705 million as the 3-year transformation at CIMB Bank and CIMB Islamic translate into strong earnings. This mitigated the 37.3% and 20.2% drop in Corporate and Investment Banking and Treasury PBT to RM816 million and RM986 million respectively due to a decline in capital market activity and widening of bond credit spreads. Excluding M&A-related charges, CIMB-Niaga's earnings contribution increased by 2.3% from RM391 million to RM400 million, while asset management and insurance fell from RM111 million to a loss of RM50 million as CIMB-Aviva undertook a major investment portfolio and business restructuring exercise.

The complexion of the Group's earnings changed dramatically as the Malaysian consumer bank contributed 25% of total PBT in 2008, compared to a negative 1% for FY07. Investment banking and Treasury and Investments contribution was 29% and 34% compared to 44% and 41% in FY07. CIMB Niaga's contribution was slightly higher at 14% of Group PBT compared to 13% in 2007, while asset management and insurance fell from 4% to negative 2%.

The Group's total gross loans grew by 21.3% over the last 12 months. Excluding ex-Lippo Bank, total gross loans grew by 13.7% higher than its 12% target. Malaysian consumer and corporate loans grew by 12.2% and 20.3% respectively. Mortgages, credit cards and the Group's micro credit lending grew by 26.3%, 18.8% and 82.9% respectively. However, business banking and hire purchase loans contracted by 1.2% and 5.0% respectively. CIMB Niaga's loans grew by 58.6% in RM terms (77% in IDR terms) and by 7.0% in RM terms (19% in IDR terms) excluding ex-Lippo Bank. Total Group deposits grew 21.0% and 12.9% excluding ex-Lippo Bank, with Malaysian retail deposits growing 19.3% from a year ago.

The Group's loan loss provisions fell by 29.5% to RM794.7 million from RM1.13 billion previously and total credit charge for FY08 was 0.63%, better than its 0.7% target. Specific provisions were 47.5% lower while general provisions rose by 174% in line with the higher loan book. The Group continued to show improvements in asset quality indicators with a significantly lower net non-performing loans ("NPL") ratio of 2.3% from 3.8% as at 31 December 2007. Loan loss coverage took a big leap to 88.1% as at 31st December 2008, up from 69.3% a year ago. Cost to income ratio went up from 46.9% to 53.2% (from 50.3% to 52.0% after adjusting for M&A-related charges). Overhead expenses declined by 2.5% (5% excluding ex-Lippo Bank) year on year. Meanwhile, personnel costs (excluding merger costs and ex-Lippo Bank) dropped by 11%.

Over 2008, CIMB Bank raised RM2 billion in Tier 1 capital securities and RM1.5 billion Tier 2 sub-debt, while BCHB's equity increased by RM1.2 billion following the Niaga-Lippo merger. As a result, CIMB Bank's Tier 1 capital and risk weighted capital ratios are robust at 10.8% and 13.9% as at 31 December 2008, compared to 9.0% and 12.2% a year ago, while BCHB's double leverage and gearing stood at 118.9% and 35.2% as end-FY08, well within the Group's targeted ratios.

#### **BCHB Q on Q Results**

4Q08 revenue expanded by 11.7% to RM1.88 billion but profit after tax ("PAT") was 28.8% lower at RM318.6 million. Excluding M&A-related charges, Q-o-Q PAT was flat.

The Group's Malaysian consumer banking business PBT fell 16.5% Q-o-Q due to higher overhead expenses, including fixed asset write-offs. However, the PBT of Corporate and Investment Banking and Treasury and Investments recovered by 3.3% and 111% respectively. Excluding merger costs, CIMB Niaga's PBT improved 11.8% while asset management and insurance losses expanded.

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

### **Market Shares**

CIMB Investment Bank remained number one in M&A, primary bonds and stockbroking and number 3 in initial public offerings (IPOs) in Malaysia. CIMB Islamic continued to top almost all domestic and global Islamic investment banking league tables. CIMB Bank's share of preferred products such as mortgages, retail deposits and credit cards continued to improve. In Singapore, CIMB-GK maintained its pole position in corporate advisory. In Indonesia, CIMB Niaga is the second largest mortgage lender while CIMB-GK ranked 2nd in stockbroking and 4th for primary bonds. CIMB Principal Asset Management's AUM declined by 10.1% Y-o-Y due to market conditions but it remains the second largest asset manager in Malaysia.

With inclusion of the ex-Lippo Bank and BankThai, CIMB Group now has ASEAN's largest branch network with 1,150 branches across the region.

### **CIMB Niaga Results**

Bank CIMB Niaga on 18th February 2009 reported a net loss of IDR288 billion for 4Q08, bringing about a FY08 net profit of IDR678 billion. As a result, net ROE for CIMB Niaga for FY08 was 8.1%. Bank CIMB Niaga accounted for a full 12-month consolidation of Lippo Bank but the 4Q08 loss was principally driven by merger costs, foreign exchange related credit losses in ex-Lippo Bank and a strategic decision to improve loan loss coverage.

For the merged bank, loans growth was 23.3% and 3.6% on year and on quarter respectively driven by corporate and retail banking. Gross NPL ratio declined to 2.5% from 3.0% a year ago while net NPL ratio declined to 1.4% from 1.9%. Loan loss coverage was raised to 87.6% as at end December 2008 compared to 76.1% as at end-FY07.

## **B2. CORPORATE DEVELOPMENTS**

The significant corporate developments in 4Q08 were:

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

- On 22nd October 2008, BCHB completed the disposal of its 100% equity interest in SBB Securities to HLG Credit Sdn Bhd. The proposed disposal of certain assets, liabilities and fund management business of Southern Investment Bank Berhad to HLG Credit was completed in January 2009.

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

- On 1st November 2008, BCHB announced completion of the merger between PT Bank Niaga and PT Bank Lippo. Based on the terms of the merger and BCHB's historical acquisition cost for ex-Bank Niaga, the BCHB's investment in CIMB-Niaga is valued at RM4.24 billion, equivalent to a price-to-book of 1.92 times as at 31 December 2008.

- On 5th November 2008, CIMB Bank concluded the acquisition of approximately 42.13% of BankThai from the Financial Institutions Development Fund for a total cash consideration of approximately Baht5,904.9 million (or RM577.4 million). CIMB Bank proceeded to make a Tender Offer for the remaining BankThai shares. As at closing of the tender on 6 January 2009, CIMB Bank owns 92.04% of BankThai and invested a total cash consideration of RM1.3 billion.

- On 15 January 2009, BankThai announced an equity recapitalisation plan of up to RM250 million. Based on the recapitalisation plan and earlier anticipated provisions, CIMB Bank's total investment in BankThai of up to RM1.55 billion will be equivalent to a price to book value (P/BV) of between 2.1 to 2.4 times.

- On 10th November 2008, Commerce International Group Berhad completed the acquisition of 100% interest in Affin Insurance Brokers for RM2.5 million.

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

- On 7 October 2008, CIMB Bank issued RM1 billion of Innovative Tier-1 Capital Securities. On 26 December 2008, CIMB Bank issued RM1 billion of Non-Innovative Tier-1 Capital Securities.

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

- On 6 November 2008, BCHB issued new equity equivalent to RM1.2 billion to Khazanah Nasional Berhad pursuant to the merger between PT Bank Niaga Tbk and PT Bank Lippo Tbk.

- Between 22 January 2008 and 31 December 2008, BCHB purchased 50.609 million BCHB shares at an average market price of RM9.12 per share. The total consideration was RM461.7 million compared to its targeted total buy-back of RM1 billion.

### **(d) Others**

- On 3rd November 2008, BCHB announced that TPG Capital will invest up to US\$150 million in BCHB by subscribing for US\$ 150 million worth of 2-year senior unsecured bonds of CIMB Bank (L) Limited. TPG will receive approximately 50 million warrants to purchase ordinary shares of BCHB at a strike price of RM10 per share, exercisable at any time over a five year period.

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

The Group is bracing for a tough macro operating environment in 2009 as the global financial crisis morphs into a global economic crisis. The Group has sensibly strengthened its capital and asset quality ratios and reduced market risk positions to lessen earnings volatility. Its larger and more geographically diversified consumer bank base will provide a more solid earnings base going forward. The Group's main challenge then is to mitigate risk of higher credit defaults while pursuing revenues carefully in a higher "risk and reward" environment. In 2009, it is also opportune and imperative that the Group integrates its enlarged regional franchise to capitalize on internal synergies and take advantage of the "retreat" of global banks in both capital markets and commercial banking in South East Asia

BCHB Group has set a 2009 ROE target of 12.5% (Actual 2008: 12.3%) and a total loan growth target of 8% (Actual 2008: 13.7%).



**B4. TAXATION**

	The Group			
	4rd quarter ended		Twelve months ended	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	30 Dec 2007
	RM'000	RM'000	RM'000	RM'000
Major components of tax expense:				
Current tax expense	272,938	280,052	787,644	800,028
Deferred tax expense	(121,731)	(45,130)	(84,531)	(28,400)
	<u>151,207</u>	<u>234,922</u>	<u>703,113</u>	<u>771,628</u>
<b>Reconciliation</b>				
Profit before taxation	448,136	738,554	2,715,659	3,685,803
Tax at statutory income tax rate of 26% (2007: 27%)	116,515	199,410	706,071	995,167
Effect of different tax rates in other countries and change in tax rates	3,182	(52,946)	16,842	(44,567)
Due to income not subject to income tax and expenses not deductible for tax purposes	31,510	88,458	(19,800)	(178,972)
	<u>151,207</u>	<u>234,922</u>	<u>703,113</u>	<u>771,628</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	
	31 Dec 2008	31 Dec 2007
	RM'000	RM'000
<b>Bonds and notes*</b>		
<b>Unsecured</b>		
One year or less (short term)	24,374	250,000
More than one year (medium/long term)	-	54,693
	<u>24,374</u>	<u>304,693</u>
* Included in bonds and notes for the current period is USD denominated bonds equivalent to USD6,600,000.		
<b>Irredeemable Convertible Unsecured Loans Stocks</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	-	9,282
	<u>-</u>	<u>9,282</u>
<b>Redeemable Convertible Unsecured Loans Stocks</b>		
<b>Unsecured</b>		
More than one year (medium/long term)	-	1,803
	<u>-</u>	<u>1,803</u>
<b>Other borrowings**</b>		
<b>Unsecured</b>		
One year or less (short term)	2,105,311	3,005,031
More than one year (medium/long term)	1,678,082	1,747,136
	<u>3,783,393</u>	<u>4,752,167</u>
** Included in other borrowings for the current period is USD denominated syndicated term loans of USD 400,000,000		
<b>Subordinated Notes***</b>		
<b>Unsecured</b>		
One year or less (short term)	1,038,852	-
More than one year (medium/long term)	4,559,483	2,333,476
	<u>5,598,335</u>	<u>2,333,476</u>
*** Includes US denominated Subordinated Notes of USD 600,000,000		

**B7. MATERIAL LITIGATION**

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

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

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

**a) Basic EPS**

	<b>The Group</b>			
	<b>4th quarter ended</b>		<b>Twelve months ended</b>	
	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net profit for the financial period after minority interests	<b>318,598</b>	485,751	<b>1,952,038</b>	2,793,273
Weighted average number of ordinary shares in issue - proforma ( '000)	<b>3,465,318</b>	3,371,377	<b>3,375,898</b>	3,330,288
Basic earnings per share (expressed in sen per share)	<b>9.2</b>	14.4	<b>57.8</b>	83.9

**b) Diluted EPS**

Net profit for the financial period after minority interests	<b>318,598</b>	485,751	<b>1,952,038</b>	2,793,273
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	<b>89</b>	84	<b>331</b>	341
Elimination of interest expense on Redeemable Convertible Unsecured Loan Stocks ("RCULS") (net of tax effect)	-	13	-	53
Income from ESOS proceeds assumed placed on money market instruments (net of tax effect)	-	170	-	675
Net profit used to determine diluted EPS	<b>318,687</b>	486,018	<b>1,952,369</b>	2,794,342
Weighted average number of ordinary shares in issue ('000)	<b>3,465,318</b>	3,371,377	<b>3,375,898</b>	3,330,288
Adjustments for:				
- Conversion of USD Zero Coupon Guaranteed Convertible Bonds	<b>4,317</b>	4,287	<b>4,317</b>	4,287
- RCULS	-	211	-	211
- ESOS	-	6,687	-	6,603
Weighted average number of ordinary shares for diluted EPS	<b>3,469,635</b>	3,382,562	<b>3,380,215</b>	3,341,389
Diluted EPS	<b>9.2</b>	14.4	<b>57.8</b>	83.6