

integrating
our strengths
annual report 2003



...for progress

At Commerce Asset-Holding Berhad (CAHB), we continue to draw strength from our rich cultural heritage. This year's annual report features traditional batik printing or better known as "batik cap". An artform in itself, this enduring fabric printing method involves the merging of unique design motifs using different copper stamping blocks. Batik is today among the most prominent textiles decorating styles in Southeast Asia.

With the same dedication and skill of a seasoned artist, CAHB perpetually strives to integrate its diverse capabilities in providing innovative and comprehensive financial solutions. All with the aim of creating value and making our mark as a well balanced financial services group with emerging regional presence.



Commerce Asset-Holding Berhad
(50841-W)

five year group financial highlights

performance charts

	2003	2002	2001	2000	1999
1. Income (RM'000)					
(i) Profit before taxation and zakat	1,240,867	747,575	515,568	830,032	445,561
(ii) Net profit after taxation and minority interests ⁺	782,300	565,444	357,546	535,745	467,724
2. Balance Sheet (RM'000)					
Assets					
(i) Total assets excluding contra [†]	97,933,977[#]	91,466,723 [#]	74,642,055 [#]	72,207,468 [#]	68,273,798
(ii) Total assets including contra ^{**}	105,658,371[#]	98,591,949 [#]	81,913,336 [#]	79,098,983 [#]	76,902,030
(iii) Loans and advances	54,496,898[#]	48,771,610 [#]	42,214,908 [#]	38,800,603 [#]	32,437,523
Liabilities and Shareholders' Funds					
(i) Total deposits	71,505,038	69,068,298	55,109,043	53,732,092	51,739,586
(ii) Paid-up capital	2,628,960	2,586,290	1,184,647	1,183,312	1,159,136
(iii) Total shareholders' funds ⁺	7,899,587	7,169,199	5,827,597	5,606,424	5,003,872
3. Per share (RM)					
(i) Profit before taxation and zakat	0.48	0.29	0.21 [^]	0.34 [^]	0.18 [^]
(ii) Net profit after taxation and minority interests ⁺	0.31	0.22	0.15 [^]	0.22 [^]	0.19 [^]
(iii) Net tangible asset [†]	2.92	2.66	2.31 [^]	2.23 [^]	2.00 [^]
(iv) Gross dividend	0.10	0.05	0.06	0.06	0.06
4. Financial Ratios (%)					
(i) Return on paid-up capital [†]	30.56	22.19	14.52 [^]	21.72 [^]	19.12 [^]
(ii) Return on shareholders' funds [†]	9.90	7.89	6.14	9.56	9.35

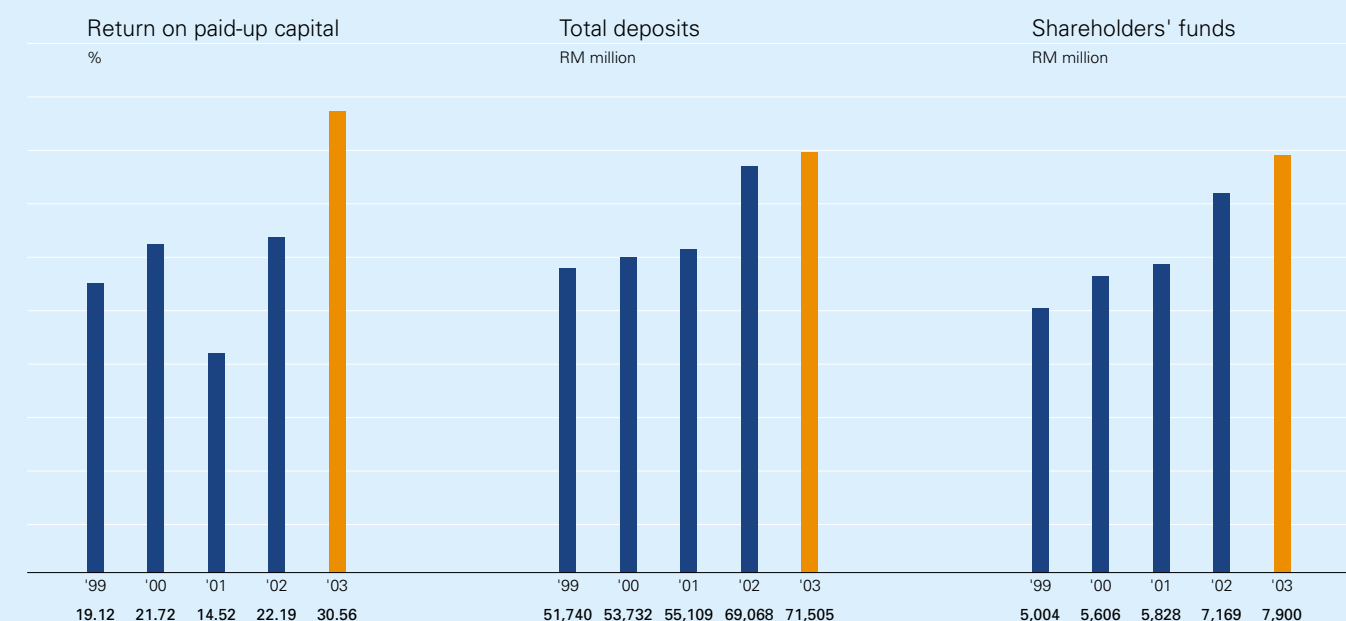
[#] Based on new accounting treatment for loans sold to Cagamas with Recourse by BNM.

^{*} Including credit equivalent.

[^] Adjusted for 1:1 bonus issue.

[†] Based on the weighted average number of 2,560,177,518 (2002: 2,548,608,777) ordinary share of RM1.00 each in issue during the financial year ended 31 December 2003.

⁺ Adjusted for the effects of prior year adjustments, where applicable.



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notice of annual general meeting

Notice is hereby given that the Forty Seventh (47th) Annual General Meeting of Commerce Asset-Holding Berhad will be held at Nirwana Ballroom 1, Mutiara Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 19 April 2004 at 10.00 a.m. to transact the following business:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2003 and the Reports of the Directors and Auditors thereon. **Resolution 1**
 2. To declare a first and final dividend of 5.0 sen less income tax and a special dividend of 5.0 sen less income tax for the year ended 31 December 2003 as recommended by the Directors payable on 12 May 2004 to shareholders registered in the Company's books at the close of business on 26 April 2004. **Resolution 2**
 3. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:
 - 3.1 Tan Sri Datuk Asmat Kamaludin **Resolution 3**
 - 3.2 En Mohd Salleh Mahmud **Resolution 4**
 - 3.3 Dr. Roslan A. Ghaffar **Resolution 5**
 4. To approve the payment of Directors' fees amounting to RM60,000 per director per annum in respect of the year ended 31 December 2003. **Resolution 6**
 5. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 7**
 6. To transact any other ordinary business.
- As special business:
- To consider and if thought fit to pass the following Ordinary Resolutions:
7. Proposed renewal of the authority for the issue of new ordinary shares. **Resolution 8**
"That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed 10 percent of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue."
 8. Proposed renewal of the authority for the purchase of own ordinary shares. **Resolution 9**
"That, subject to the Companies Act, 1965 (as may be amended, modified or re-enacted from time to time), the Company's Articles of Association and the requirements of the Malaysia Securities Exchange Berhad (MSEB) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company as may be determined by the Board of Directors of the Company from time to time through the MSEB upon such terms and conditions as the Board of Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of ordinary shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any point in time and an amount not exceeding the total retained profits of approximately RM641.4 million and/or share premium account of approximately RM1,786.7 million of the Company based on the audited financial statements for the financial year ended 31 December 2003 be allocated by the Company for the Proposed Shares Buy-Back AND THAT the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or re-sold on the MSEB AND THAT the Board of Directors of the Company be and are hereby empowered generally to do all acts and things to give effect to the Proposed Shares Buy-Back AND THAT such authority shall commence immediately upon passing of this ordinary resolution until:
 - i. the conclusion of the next AGM of CAHB in 2005 at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
 - iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting; whichever is the earlier but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the MSEB and/or any other relevant authorities."

NOTICE OF BOOKS CLOSURE

Notice is hereby given that the register of members will be closed from 27 April 2004 to 28 April 2004 (both dates inclusive) to determine shareholders entitlement to the dividend payment. The dividend, if approved will be paid on 12 May 2004 to shareholders whose names appear in the register of members and record of depositors on 26 April 2004.

Further notice is hereby given that a depositor shall qualify for entitlement only in respect of:

- a. Shares deposited into the depositor's securities accounts before 12.30 p.m. on 22 April 2004 (in respect of shares which are exempted from mandatory deposit).
- b. Shares transferred into the depositor's securities accounts before 4.00 p.m. on 26 April 2004 in respect of ordinary transfer.
- c. Shares bought on MSEL on a cum entitlement basis according to the rules of the MSEL.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment) (No. 2) Act, 1998 which came into force on 1 November 1998, all shares not deposited with Malaysian Central Depository Sdn Bhd by 12.30 p.m. on 1 December 1998 and not exempted from mandatory deposit, have been transferred to the Minister of Finance ("MoF"). Accordingly, the payment for such undeposited shares will be paid to MoF.

By Order of the Board

Jamil Hajar Abdul Muttalib

Secretary (LS. 000656)

Kuala Lumpur
26 March 2004

NOTES

1. A member of the company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and vote instead of him.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under seal or in some other manner approved by the Directors.
3. All proxy forms should be deposited at the Registrar's Office, Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur not less than forty-eight hours before the time for holding the meeting or any adjournment thereof.
4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
5. Explanatory note on special business: Ordinary Resolution 8, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without convening a General Meeting. The authorisation will, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting. The details on Resolution 9 on the proposed renewal of the authority for the purchase of own ordinary shares is contained in the Circular dated 26 March 2004 which is enclosed together with this Annual Report.

statement accompanying notice of annual general meeting

Pursuant to Paragraph 8.28 (2) of the Listing Requirements of the Malaysia Securities Exchange Berhad

1. Directors who are standing for re-election at the 47th Annual General Meeting of the Company

The Directors retiring by rotation pursuant to the Articles of Association and seeking re-election are:

Tan Sri Datuk Asmat Kamaludin
En Mohd Salleh Mahmud

A Director was appointed during the year and he is seeking re-election. The Director is:

Dr. Roslan A. Ghaffar (Appointed on 3 November 2003)

The details of the three Directors seeking re-election are set out in the Directors' profile which appear from pages 16 to 17 of the Annual Report.

2. Board meetings held during the financial year ended 31 December 2003

A total of ten (10) Board meetings were held during the financial year ended 31 December 2003 in which four (4) were Ordinary Board meetings while six (6) were Special Board meetings.

Date	Hour	Location	Type
31 January 03	9.30 a.m.	12th Floor Commerce Square	Ordinary
26 February 03	6.30 p.m.	12th Floor Commerce Square	Special
30 April 03	10.00 a.m.	12th Floor Commerce Square	Ordinary
27 June 03	9.00 a.m.	12th Floor Commerce Square	Special
30 July 03	3.00 p.m.	12th Floor Commerce Square	Ordinary
18 August 03	3.00 p.m.	12th Floor Commerce Square	Special
29 August 03	9.30 a.m.	12th Floor Commerce Square	Special
22 October 03	5.00 p.m.	12th Floor Commerce Square	Special
31 October 03	9.30 a.m.	12th Floor Commerce Square	Ordinary
9 December 03	3.00 a.m.	12th Floor Commerce Square	Special

3. Details of attendance at Board Meetings held in the financial year ended 31 December 2003

Name of Directors	Number of meetings attended	Percentage of attendance
Dato' Mohd Desa Pachi	10/10	100%
Dr. Rozali Mohamed Ali	8/10	80%
Dato' Anwar Aji	9/10	90%
En Mohd Salleh Mahmud	8/10	80%
Tan Sri Datuk Asmat Kamaludin	8/10	80%
Mr Masayuki Kunishige	8/10	80%
En Azizan Mohd Noor	7/7 (a)	100%
Dr. Roslan A. Ghaffar	1/1 (b)	100%

(a) En Azizan Mohd Noor attended all seven Board Meetings prior to his resignation on 6 September 2003.

(b) Dr. Roslan A. Ghaffar attended the only Board Meeting held since his appointment on 3 November 2003.

achievements and awards



COMMERCE ASSET-HOLDING BERHAD

- Merit Award in the Finance and Closed End Fund category in the KLSE Corporate Sectoral Awards 2003.

BUMIPUTRA-COMMERCE BANK BERHAD

- Top SMI Supporter from Credit Guarantee Corporation.
- First Prize in Continuous Professional Development from the Institute of Internal Auditors, Malaysia.
- First Prize in use of Bahasa Malaysia in the banking sectors by Dewan Bahasa dan Pustaka.

CIMB BERHAD

- Finance Asia Achievement Awards 2003 – Best Deal From Malaysia (ASTRO IPO).
- National HR Excellence Awards 2002.
- Finance Asia Country Awards 2003 – Best Local Investment Banking in Malaysia.
- Asia Money Awards 2003 – Best Domestic Bond House in Malaysia.
- The Asset Asian Awards 2003 – Best Domestic Investment Bank in Malaysia.
- Asia Money Awards 2003 (Brokers Poll) – Best Execution, Sales, Trading, Overall Sales, Services and Local Research Malaysia.

- Project Finance International – Bond House of the Year.
- IFR Asia Awards 2003 – Malaysia Bond Deal of the Year.
- The Asset – A Leader in Corporate Governance in Malaysia (Benchmark survey).
- NACRA 2003 – Best Annual Report of non listed organisation.

PT BANK NIAGA TBK

- Awarded Platinum Partner Awards 2002 by Standard Chartered Bank for Best Trade Bank in South East Asia.
- Awarded 3rd place for Annual Report 2002.
- Bank Service Excellence Awards 2002 from Marketing Research Indonesia.
- Ranked number 5 in Corporate Governance Perception Index Award from the Indonesian Institute of Corporate Governance.

COMMERCE ASSET FUND MANAGERS SDN BHD

- Best Fixed Income Manager for 2003 from Employees Provident Fund.



We will continue to define and implement new strategic initiatives for sustainable growth.

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operating units of the group

corporate profile



Commerce

Commerce Asset-Holding Berhad (CAHB)

has been listed on the Malaysia Securities Exchange

Berhad since 1987. As at 27 February 2004,

it is the 9th largest company by market capitalisation

amounting to RM13,936 million. CAHB is a diversified

financial services group. Its principal operating entities

are the Bumiputra-Commerce Bank Group,

Malaysia's second largest commercial bank group

by assets, CIMB Berhad Group, Malaysia's premier

investment banking group and P.T Bank Niaga,

Indonesia's tenth largest bank by assets.

The CAHB Group is also involved in venture capital,

life and general insurance, unit trust and fund management.



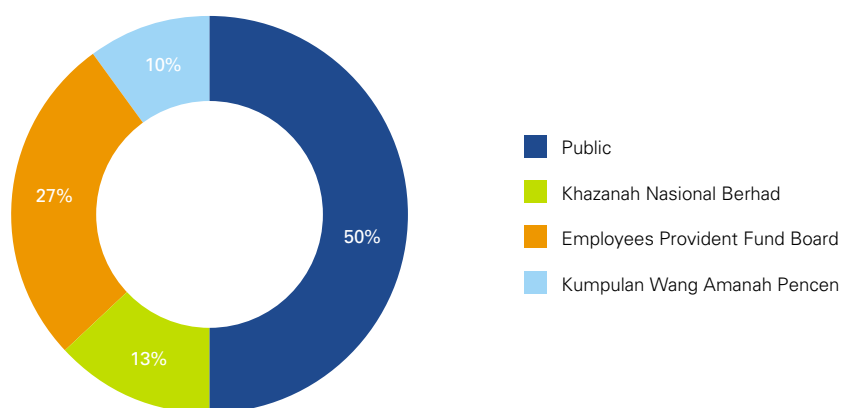
CIMB



corporate data

Major Shareholders

as at February 27, 2004



BOARD OF DIRECTORS

Dato' Mohd Desa Pachi
Chairman

Dr. Rozali Mohamed Ali

Dato' Anwar Aji

Mohd Salleh Mahmud

Tan Sri Datuk Asmat Kamaludin

Masayuki Kunishige

Dr. Roslan A. Ghaffar
(Appointed on 3 November 2003)

Azizan Mohd Noor
(Resigned on 6 September 2003)

CHIEF OPERATING OFFICER

Mohd Shukri Hussin

COMPANY SECRETARY

Jamil Hajar Abdul Muttalib
(L.S. 000656)

GROUP CORPORATE ADVISOR

Dato' Halim Muhamat

AUDITORS

PricewaterhouseCoopers
11th Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur
Tel: 03-2693 1077
Fax: 03-2693 0997

REGISTRAR

Tenaga Koperat Sdn Bhd
Tingkat 20, Plaza Permata
Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-4041 6522
Fax: 03-4042 6352

STOCK EXCHANGE LISTING

Malaysia Securities Exchange Berhad
Listed on Main Board on 3 November 1987

REGISTERED OFFICE

12th Floor, Commerce Square
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2093 5333
Fax: 03-2093 3335
www.commerz.com.my

group corporate structure as at February 27, 2004

commerce asset-holding berhad

Bumiputra-Commerce Bank Berhad

CIMB Berhad

Commerce Life Assurance Berhad
(formerly known as AMAL Assurance Berhad)

Commerce Asset Ventures Sdn Bhd

Commerce Asset Fund Managers Sdn Bhd

Commerce Trust Berhad

Commerce Asset Realty Sdn Bhd

Commerce Asset Nominees Sdn Bhd

AMI Insurans Berhad

PT Bank Niaga Tbk (Indonesia)

Rangkaian Segar Sdn Bhd (Associate company)

Niaga Finance Company Limited

PT Niaga Aset Manajemen

PT Saseka Gelora Finance

PT Niaga International Factors

Niaga Remittance Limited

CAV Private Equity Management Sdn Bhd

EPIC-I Sdn Bhd

Bumiputra-Commerce Factoring Berhad

Bumiputra-Commerce Leasing Berhad

Bumiputra-Commerce Trustee Berhad

BBMB Unit Trust Management Berhad

Bumiputra-Commerce Bank (L) Limited

Bumiputra-Commerce International Trust (Labuan) Berhad

Bumiputra-Commerce Finance Berhad

Bumiputra-Commerce Nominees Sdn Bhd

Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd

Bumiputra-Commerce Nominees (Asing) Sdn Bhd

Semerak Services Sdn Bhd

BOC Nominees Sdn Bhd

BOC Nominees (Asing) Sdn Bhd

BOC Nominees (Tempatan) Sdn Bhd

BBMB Securities (Holdings) Sdn Bhd

South East Asian Bank Ltd (Mauritius)

I-Prestige Sdn Bhd

Bumiputra-Commerce Trust Limited

Bumiputra-Commerce Corporate Services Limited

Commerce International Merchant Bankers Berhad

CIMB Discount House Berhad

CIMB (L) Limited

CIMB Futures Sdn Bhd

CIMB Nominees (Tempatan) Sdn Bhd

CIMB Nominees (Asing) Sdn Bhd

Banyan Ventures Sdn Bhd (Associate company)

Navis-CIMB General Partner Ltd (Associate company)

CIMB Holdings Sdn Bhd

CIMB Securities (Hong Kong) Limited

CIMB Securities Sdn Bhd

- CIMSEC Nominees Sdn Bhd

- CIMSEC Nominees (Asing) Sdn Bhd

- CIMSEC Nominees (Tempatan) Sdn Bhd

- CIMB ShareTech Sdn Bhd

- ShareTech Nominees (Asing) Sdn Bhd

- ShareTech Nominees (Tempatan) Sdn Bhd

- Halyconia Asia Fund Limited

PT CIMB Niaga Securities

board of directors

From left to right

Masayuki Kunishige

Dr. Roslan A. Ghaffar

Mohd Salleh Mahmud

Dr. Rozali Mohamed Ali

Dato' Mohd Desa Pachi
Chairman

Tan Sri Datuk Asmat Kamaludin

Dato' Anwar Aji





senior management



Mohd Shukri Hussin

Chief Operating Officer



Jamil Hajar Abdul Muttalib

Executive Vice President / Company Secretary



Dato' Halim Muhamat

Group Corporate Advisor

profile of the directors

Dato' Mohd Desa Pachi Chairman

Aged 69, Dato' Mohd Desa was appointed to the Board of CAHB on 3 September, 1982. He is also the Chairman of the Nomination and Remuneration Committee. Dato' Mohd Desa has been identified as the Senior Independent Non-Executive Director to whom concerns can be conveyed. Dato' Mohd Desa attended all of the 10 Board Meetings held during the year ended 31 December, 2003.

He is a Chartered Accountant by profession and is a Fellow of the Institute of Chartered Accountants in Australia. He joined Shell Group of companies in 1962 and served in various capacities in Finance/Administration. From 1970 to 1976, he was in public practice as a Chartered Accountant and was a partner of Desa Megat & Co and KPMG Peat Marwick. Subsequently, he was appointed as the first CEO of Permodalan Nasional Berhad (PNB) and later served as Chairman/CEO of Malaysia Mining Corporation Bhd, Executive Chairman of Fleet Group Sdn Bhd, Chairman/MD of the New Straits Times (Malaysia) Berhad and Chairman of Sistem Televisyen Malaysia Berhad (TV3).

He sits on the Board of several private companies and the following public companies:-

Lay Hong Berhad, YA Horng Electronic (M) Berhad, Petaling Garden Berhad, Leader Steel Holdings Berhad (Chairman), Landmarks Berhad, Saujana Consolidated Berhad, Xian Leng Holdings Berhad (Chairman), Amanah Saham Nasional Berhad, Perbadanan Nasional Berhad (Chairman) and Tracoma Holdings Berhad (Chairman).

Dr. Rozali Mohamed Ali

Aged 55, Dr. Rozali was appointed as a Director of the Company on 6 July, 1993 and assumed the post of Executive Director in January, 1996. He is also Managing Director/Chief Executive Officer of Bumiputra-Commerce Bank Berhad, Chairman of CIMB Berhad and a member of the Board of Directors of Bumiputra-Commerce Finance Berhad. He was appointed as President-Commissioner of PT Bank Niaga Tbk in November 2002.

He is currently the Chairman of the Association of Banks in Malaysia and a Director of Credit Guarantee Corporation Berhad and Cagamas Berhad.

Dr. Rozali graduated from Brighton Polytechnic in the United Kingdom in Mechanical Engineering in 1970. He also holds MSc and Ph.D degrees from the Imperial College of Science and Technology, University of London.

Prior to joining CAHB, Dr. Rozali was Assistant Director-General at the Institute of Strategic and International Studies (ISIS) Malaysia from 1990-1995; from 1970-1990 he held various engineering positions with the National Electricity Board, Malaysia.

Dr. Rozali is a member of the MIDA Council, the Malaysian Energy Commission, and the Board of Trustees of WWF Malaysia. He also serves on the Asia-Pacific Advisory Council of INSEAD, and on the Board of the International Centre for Leadership in Finance (ICLIF).

Dr. Rozali is a member of the Board Risk Management Committee and Building Committee.

Dr. Rozali attended 8 out of the 10 Board Meetings held during the year ended 31 December, 2003.

profile of the directors

Dato' Anwar Aji

Aged, 53, Dato' Anwar was appointed as a Non Independent Non-Executive Director of the Company on 1 June, 1999. He graduated from University of Malaya with Honours in Economics in 1973 and obtained his Masters in International Studies from Ohio University, USA in 1982. He started his career in the Ministry of Trade and Industry and has held various posts in Ministry of Finance, the Foreign Investment Committee and the Petroleum Development division with Prime Minister's Department. He joined Khazanah Nasional Bhd in 1994 and is currently the Managing Director of the company.

Dato' Anwar is Chairman/Director of Faber Group Bhd, BBMB Securities Sdn Bhd, Inter Heritage (M) Sdn Bhd and Silterra Malaysia Sdn Bhd. He also sits on the Board of the following public companies, UEM World Berhad, Syarikat Prasarana Negara Berhad, United Engineers (Malaysia) Bhd and as alternate director in the Board of Perusahaan Otomobil Nasional Berhad. He also sits on the Board of STLR Sdn Bhd, Sistem Transit Aliran Ringan Sdn Bhd, Syarikat Danasaham Sdn Bhd, Bakun Hydro-Electric Corporation Sdn Bhd, Valuecap Sdn Bhd and Malaysian Technology Development Corporation Sdn Bhd.

Dato' Anwar is a member of the Nomination and Remuneration Committee. He attended 9 out of the 10 Board Meetings held during the year ended 31 December, 2003.

Tan Sri Datuk Asmat Kamaludin

Tan Sri Datuk Asmat bin Kamaludin, aged 59, was appointed to the Board on 14 June 2001 as an Independent Non-Executive Director.

Tan Sri Datuk Asmat obtained a Bachelor of Economics (Honours) degree from the University of Malaya and later attended a special programme on the European Economic Community in Amsterdam. Tan Sri Datuk Asmat served in the Ministry of International Trade and Industry (MITI) for 35 years, and retired as its Secretary General, a position he has held for 9 years. Dealing with both domestic and international trade sectors at MITI, he had also worked with several international bodies such as ASEAN, WTO and APEC, representing Malaysia in relevant negotiations and agreements. Tan Sri Datuk Asmat had also served on the Boards of various companies as MITI's representative including MARTRADE, SMIDEC and Perbadanan Johor.

Currently, Tan Sri Datuk Asmat is Chairman of UMW Holdings Berhad, Matsushita Electric Company (Malaysia) Berhad, Symphony House Berhad and Scomi Group Berhad. He also sits on the board of directors of the following public companies:

Malaysian Pacific Industries Berhad, Carlsberg Brewery Malaysia Berhad, Shangri-La Hotels Malaysia Berhad, Lion Industries Berhad, YTL Cement Berhad (as Vice Chairman) and Permodalan Nasional Berhad.

Tan Sri Datuk Asmat is the Chairman of the Audit Committee and the Group Risk Management Committee. He is also a member of the Nomination and Remuneration Committee. Tan Sri Datuk Asmat attended 8 out of the 10 Board Meetings held during the year ended 31 December, 2003.

Mr Masayuki Kunishige

Aged 48, Mr Kunishige was appointed as a Non Independent Non-Executive Director of the Company on 24 May, 2002. He graduated from Kyoto University in March 1978 in Economics. He started his career in Kyoto Branch of Sanwa Bank (now known as UFJ Bank Limited) in April, 1978 and has held senior positions in the International Credit Administration Department, London Branch, Sanwa Bank, California, International Department and domestic branches.

From July 2000 to February 2002, he was an Executive Advisor of Bumiputra-Commerce Bank Berhad. Subsequently in May 2002, he joined the Board of Bumiputra-Commerce Bank Berhad.

Presently, he is the General Manager of UFJ Bank Limited (Labuan Branch). Mr Kunishige attended 8 out of the 10 Board Meetings held during the year ended 31 December, 2003.

En Mohd Salleh Mahmud

Aged 52, En Mohd Salleh was appointed as a Non Independent Non-Executive Director of the Company on 27 February, 2001. He graduated from University of Malaya with Honours in Accounting in 1976 and obtained his Masters in Business Administration in 1991. He started his career in 1976 in the Foreign Investment Committee, Economic Planning unit, Prime Minister's Department and was made the Chief Accountant of Pension Division, Public Services Department in 1991. He has held his current post as Deputy Accountant General in the Accountant General's Department, Ministry of Finance since 1996. Currently, En Mohd Salleh sits on the Board of Syarikat Ladang Rakyat Terengganu Sdn Bhd and is on the Board of Commissioners of PT Bank Niaga. En Mohd Salleh is a member of the Audit Committee, Group Risk Management Committee and Chairman of the Building Committee.

En Mohd Salleh attended 8 out of the 10 Board Meetings held during the year ended 31 December, 2003.

Dr. Roslan A. Ghaffar

Dr. Roslan A. Ghaffar, 51, was appointed as a Non Independent Non-Executive Director of the Company on 3 November, 2003. Dr Roslan is currently the Deputy Chief Executive Officer (Investments) of the Employees Provident Fund (EPF), a post he has held since July, 2002.

Dr. Roslan holds a Bachelor of Science degree from Louisiana State University Baton Rouge and a Ph.D from the University of Kentucky, Lexington. He began his career as a lecturer in University Putra Malaysia before his secondment to the EPF in 1994 as Senior Director. In 1999 he was transferred permanently to the EPF.

Dr. Roslan sits on the Board of Directors of several private companies in the EPF Group. Dr Roslan also sits on the board of Malaysia Resources Corporation Berhad. Since his appointment to the CAHB Board on 3 November, 2003, there was only one Board Meeting held till the end of the year which Dr. Roslan attended.

None of the Directors has

- Any family relationship with any Director and/or major shareholder of CAHB.
- Any conflict of interest with CAHB.
- Any conviction for offences within the past 10 years other than traffic offences.
- Mr Masayuki Kunishige is a Japanese citizen while all of the other Directors are Malaysians.

profile of directors for major operating units of the group

BUMIPUTRA-COMMERCE BANK BERHAD

Tan Sri Radin Soenarno Al-Haj Chairman

Aged 71, Tan Sri Radin has been an Independent Non-Executive Chairman of the Bank since June 1987. Tan Sri Radin holds a Masters degree in Public and International Affairs in Development Economics and Agricultural Economics from University of Pittsburgh, USA and a B.A (Hons) Degree from University of Malaya.

He was appointed as Director-General of the Economic Planning Unit, Prime Minister's Department in 1984, a position which he held till his retirement from the civil service in 1987.

He has extensive experience in District, State and Ministry level administration, specialising in development planning, involving data collecting, processing and project implementation. He was involved in the implementation phase of the Privatisation Policy and chaired the Cabinet appointed National Committee on Privatisation and steered through the privatisation of numerous projects.

He is also Chairman of Bumiputra-Commerce Bank (L) Limited, a subsidiary of the Bank and holds directorships in several private limited companies.

Dr. Rozali Mohamed Ali Managing Director/Chief Executive Officer

(As per Commerce Asset-Holding Berhad's Profile of Directors)

Tan Sri G. K. Rama Iyer

Aged 71, Tan Sri G. K. Rama Iyer has been an Independent Non-Executive Director of the Bank since June 1987. During his 30 years career in the civil service, he had been the Secretary General of the Ministry of General Planning and Social Economic Research, the Ministry of Works and Utilities and the Ministry of Primary Industries.

Tan Sri Rama holds a Masters degree in Public Administration from Harvard University, USA, and BA (Econs) degree from the University of Malaya (Singapore). He has also completed the Advanced Management Programme course at Harvard Business School. Tan Sri Rama is also a Director of Bumiputra-Commerce Bank (L) Limited and YTR Harta Sdn Bhd.

Tan Sri Dato' Ernest Zulliger

Aged 71, Tan Sri Dato' Ernest Zulliger has been an Independent Non-Executive Director of the Bank since September 1993. He has wide experience heading a reputable multinational consumer products group of companies. He has spent thirty-seven years with Nestle in Mexico, Ecuador and Chile and as Managing Director in Malaysia for a total of ten years. He studied Commerce and Business Administration in Switzerland and attended International Management School (IMD) in Lausanne, Switzerland.

Tan Sri Dato' Ernest Zulliger is also a director of Nestle (M) Bhd and a member of private companies.

From 1989 to 1992 he was President of the Malaysian International Chamber of Commerce and Industry, Vice President of The National Chamber of Commerce and Industry Malaysia and Council Member of MIDA. In March, 1999 he held the post of Chairman of the Swiss-Malaysian Business Association for a period of three years.

Dato' Azmi Abdullah

Aged 53, Dato' Azmi was appointed as a Director in January 2001. He is presently an Executive Director of the Bank. He graduated with a BA (Economics) (Hons) degree from Universiti Kebangsaan Malaysia (UKM) in 1974.

He joined the former Bank of Commerce Berhad in June 1979 and has served the Bank for 24 years, having been vastly exposed in all areas of banking.

He is presently a Director on the Boards of Commerce Technology Ventures Sdn Bhd and Commerce Volantia Sdn Bhd. He is also a Director of Bumiputra-Commerce Leasing Bhd, Bumiputra-Commerce Factoring Bhd and EPIC-I Sdn Bhd, subsidiary companies of the Bank. In addition, he serves as a Director on the Boards of ERF Sdn Bhd and UKM. He is also a Council Member of Hospital UKM, Malaysia, a member of Permanent Committee to represent Malaysia on Education Committee for Asean Banking Council and a representative for the Association of Banks in Malaysia on the Franchise Advisory Board with Ministry of Entrepreneur Development.

Dato' Halim Muhamat

Aged 56, Dato' Halim was appointed as a Director in November, 1999. He was the Executive Director/Chief Operating Officer of the Bank prior to his appointment as Group Corporate Advisor at CAHB in February 2004. He joined the International Banking Division of the former Bank Bumiputra Malaysia Berhad (BBMB) in November 1967. Since 1967, he has held various positions at the branches of BBMB, including senior positions in the Los Angeles Agency of BBMB, Systems Division, Branch Operations, Branch Performance, Consumer, Commercial and other Divisions in Head Office. In July 1998, he was appointed as Chief Operating Officer of BBMB.

Dato' Halim sits as a Director on the Boards of the subsidiary companies of the Bank, namely Bumiputra-Commerce Finance Berhad, Bumiputra-Commerce Leasing Berhad, Bumiputra-Commerce International Trust (Labuan) Bhd and EPIC-I Sdn Bhd. He is also a Director of the subsidiary companies of Commerce Asset-Holding Berhad, including Commerce Life Assurance Berhad (formerly known as AMAL Assurance Berhad), CIMB Berhad and Commerce Volantia Sdn Bhd. In addition, Dato' Halim is a Board member of Malaysian Electronic Payment System (1997) Sdn Bhd, Labuan Reinsurance (L) Ltd and Financial Park (Labuan) Sdn Bhd. Dato' Halim is a member of the Board of Commissioners of PT Bank Niaga.

Dato' Dr Zawawi Ismail

Aged 58, Dato' Dr Zawawi joined the Board as an Independent Non-Executive Director on 9 October, 2001.

Dato' Dr Zawawi gained both his degree and doctorate in Electronic Engineering from the University of Leeds, England. In 1996 he was awarded the honorary degree of Doctor of Engineering by University of Leeds. A professional engineer and consultant, he is a Member of the Institute of Engineers Malaysia, an honorary Fellow of the Institute of Physics Malaysia and a foundation Fellow of the Academy of Sciences Malaysia. Dato' Dr Zawawi is also a member of both the National Information Technology Council (NITC) and National Aerospace Council (NAC).

He was the founding Vice-Chancellor of University Malaysia Sarawak (Unimas), a position he held until December 2000. Other previous appointments include Deputy Director-General of Mimos and Deputy Vice-Chancellor of Universiti Kebangsaan Malaysia.

He is currently Chairman of EPIC-I Sdn Bhd and a Director of Bumiputra-Commerce Finance Berhad, subsidiary companies of the Bank and a Director of Commerce Asset Ventures Sdn Bhd, subsidiary company of Commerce Asset-Holding Berhad. Dato' Dr Zawawi also sits on the Boards of a number of companies including Mesiniaga Berhad.

Dato' Robert Lim Git Hooi

Aged 65, Dato' Robert Lim, joined the Board as an Independent Non-Executive Director on 15 January, 2002.

Dato' Robert Lim, is a Chartered Accountant. He was a practicing accountant until he retired from the profession in 31 December, 1996.

Dato' Robert Lim started his career in the accounting profession as an articled clerk with DCA Robertson & Co., Perth in July 1960. He later joined Bell, Frost & Aitken, Perth and qualified as a Chartered Accountant before returning to Malaysia in 1966 to join Turquand Young & Company, Kuala Lumpur/Ipoh as an audit assistant. He worked his way up to the senior auditor level and left the Company at the end of 1970. In 1971 he set up his own accounting practice, Robert Lim & Company, which later expanded to Lim Ali & Company and became affiliated to Arthur Young and Company. When Arthur Young and Ernst & Whinney merged to form Ernst & Young in 1990, Dato' Robert Lim became the Partner-in-charge of the combined Ipoh practice. He retired as a Partner of the firm in December, 1996.

Dato' Robert Lim has over 30 years of professional experience in all aspects of the accounting profession including auditing, accounting, company secretarial and tax matters, receivership and liquidations and corporate planning and services. His special areas of competence include management studies and loan project reporting, corporate turnaround, receivership and liquidations and design and installation of accounting systems and internal controls.

Dato' Robert Lim is a Director of Gopeng Berhad, Choo Bee Metal Industries Berhad, Seloga Holdings Berhad and Kar Sin Berhad.

Mr Masayuki Kunishige

(As per Commerce Asset-Holding Berhad's Profile of Directors)

profile of directors for major operating units of the group

CIMB BERHAD

Dr. Rozali Mohamed Ali Chairman

(As per Commerce Asset-Holding Berhad's Profile of Directors)

Mr Cheim Dau Meng

Aged 52, Mr Chiem was appointed as a Director of CIMB Berhad on 11 June 2002, and a Director of Commerce International Merchant Bankers Berhad (CIMB) since 1992. He is presently Executive Director of CIMB and Chairman of CIMB's subsidiaries, CIMB Securities Sdn Bhd and CIMB Futures Sdn. Bhd. He joined CIMB in 1984 as Head of Corporate Finance, has held the position of General Manager, and was Chief Executive from 1993 to 1999. Prior to joining CIMB, he served in various capacities with the former United Asian Bank Berhad (now known as Bumiputra-Commerce Bank Berhad) between 1977 to 1984, holding the positions of Operations Manager, Audit Manager, Branch Manager and Senior Manager of the Planning and Accounts division. He has also worked in several accounting firms in London. He is a Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Malaysian Institute of Accountants. He also sits on the Board of Southern Acids (M) Berhad.

Dato' Hamzah Bakar

Aged 60, Dato' Hamzah was appointed as a Director of CIMB Berhad on 28 November 2002, and has been a Director of Commerce International Merchant Bankers Berhad (CIMB) since 26 September 2000. Presently, Dato' Hamzah is Chairman of Crest Petroleum Berhad. He also sits on the Board of UEM World Berhad and Scomi Group Berhad. He served for 20 years in various senior management and board position in Petroliaam Nasional Berhad (Petronas), including Special Advisor to the President of Petronas, Senior Vice President for Refining and Marketing, Senior Vice President for Corporate Planning & Development and Main Board Director. Prior to Petronas, Dato' Hamzah was a Director of the Economic Planning Unit (EPU) in the Prime Minister's Department. Dato' Hamzah holds a BSc (Hons) in Economics from the Queen's University of Belfast and an MA in Public Policy and Administration, with Development Economics, from the University of Wisconsin. Dato' Hamzah is a member of the Board of Commissioners of PT Bank Niaga.

Dato' Halim Muhamat

(As per Bumiputra-Commerce Bank Berhad's Profile of Directors)

Dato' Mohamed Nazir Abdul Razak

Aged 37, Dato' Nazir was appointed as a Director of CIMB Berhad on 11 June 2002 and a Director of Commerce International Merchant Bankers Berhad (CIMB) since 1996. Dato' Nazir is presently the Chief Executive/Managing Director of CIMB and has been with the Group since 1989. He was appointed as Chief Executive on 1 June 1999. He has substantial experience in corporate finance and stockbroking having previously held the positions of Head of CIMB's Privatisation Unit, Executive Director of CIMB Securities Sdn Bhd and Deputy Chief Executive. He is a Director of various CIMB Group companies. He was Chairman of the Industry Action Committee to set up MESDAQ. He has been a member of the Advisory Panel for the Banking Master Plan and the Brains Trust for the k-economy. Dato' Nazir holds a BSc (Hons) from Bristol University and M. Phil from Cambridge University. He is a member of the Investment Panel of the EPF and the Securities Commission's Capital Market Advisory Council.

Dato' Zainal Abidin Putih

Dato' Zainal, aged 58, was appointed as an Independent Non-Executive Director on 11 July 2003 and is also a member of the Audit Committee as well as the Nomination & Remuneration Committee. Dato' Zainal is presently the Advisor of Ernst & Young Malaysia, Chairman of the Malaysian Accounting Standards Board and Chairman of Pengurusan Danaharta Nasional Berhad.

Dato' Zainal qualified as a Chartered Accountant from the Institute of Chartered Accountants of England and Wales and is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants (MICPA). He has extensive experience in audit, management consulting and taxation, having been involved as a practising accountant throughout his career. He was formerly the Managing Partner of Hanafiah Raslan & Mohamad, past President of the MICPA and previously served as a member of the Malaysian Communication & Multimedia Commission. Dato' Zainal is presently a Trustee of the National Heart Institute and sits on the Boards of Esso Malaysia Berhad and Tenaga Nasional Berhad.

BOARD OF COMMISSIONERS OF PT BANK NIAGA TBK

Dr. Rozali Mohamed Ali President Commissioner since November 25, 2002
(As per Commerce Asset-Holding Berhad's Profile of Directors)

Ibu Gunarni Soeworo

- Vice President Commissioner of PT Bank Niaga Tbk, since 2000 - present
- Member of the Supervisory Team of PT Bank Niaga Tbk, 1999 - 2000
- Vice President Commissioner of PT Bank Niaga Tbk, March 1999 - May 1999
- President Director of PT Bank Niaga Tbk, 1994 - 1999
- Marketing Director of PT Bank Niaga Tbk, 1988 - 1994
- Marketing & Credit Group Head of PT Bank Niaga Tbk, 1987 - 1988
- Citibank NA, Jakarta, 1970 - 1987
- P.T. Unilever, Jakarta, 1968 - 1970

Other positions held:

- Chairman of National Private Bank Association (Perbanas), 1998 - 2003 (2 Periods)
- Member of Oversight Committee of Indonesian Bank Restructuring Agency (IBRA), 2000 - present
- Chairman Banking Compartment of Kadin Indonesia (Indonesian Trade and Commerce Chamber), 2000 - present
- Vice Chairman of National Committee for Corporate Governance Policy, 2000 - present
- Member of National Board of Indonesian Banker Institute (IBI), 1999 - present

Datuk Hamzah Bakar

Commissioner since November 25 2002

(As per CIMB Berhad's Profile of Directors)

Dato' Halim Muhamat

Commissioner since November 25, 2002

(As per Bumiputra-Commerce Bank Berhad's Profile of Directors)

En Mohd Salleh bin Mahmud

Commissioner since November 25, 2002

(As per Commerce Asset-Holding Berhad's Profile of Directors)

Bpk Sigid Moerkardjono

- Commissioner of PT Bank Niaga Tbk, since 2000 - present
- Compliance Director of PT Bank Niaga Tbk, 1999 - 2000
- Comptroller PT Bank Niaga Tbk, February 1999 - March 1999
- Eastern Region Head, PT Bank Niaga Tbk, 1994 - 1999
- Credit Policy & Administration Group Head and Special Asset Management Group Head, PT Bank Niaga Tbk, Jakarta, 1993 - 1994
- Sumatera Region Head, PT Bank Niaga Tbk, Medan, 1990 - 1993
- Branch Manager of PT Bank Niaga Tbk, Semarang, 1989 - 1990
- Credit Compliance & Support Jakarta Area, PT Bank Niaga Tbk, January 1989 - May 1989
- Vice Comptroller of PT Bank Niaga Tbk, 1985 - 1988
- Credit Inspector Head of PT Bank Niaga Tbk, 1983 - 1985
- Credit Administration Division Head of PT Bank Niaga Tbk, Jakarta, 1981 - 1983
- Operation & Service Department Head and Credit Department Head, PT Bank Niaga Tbk, Yogyakarta, 1979 - 1981

Bpk Ananda Barata

- Commissioner of PT Bank Niaga Tbk, since 2003 - present
- Division Head, Bank Resolution and Divestment, Bank Restructuring unit, Indonesian Bank Restructuring Agency (IBRA), 2003 - present
- Division Head, Monitoring and Administration, Bank Restructuring Unit, Indonesian Bank Restructuring Agency (IBRA), 2002 - 2003
- Division Head, Bank Restructuring, Finance and Management, Systems Procedure and Compliance Unit, Indonesian Bank Restructuring Agency (IBRA), May 2002 - October 2002
- Bank Restructuring Group Head, Risk Management Unit Indonesian Bank Restructuring Agency (IBRA), 2000 - 2002
- PT Bank Nusa Nasional, 1998 - 2000
- PT Bank Nusa International, 1997 - 1998
- The Chase Manhattan Bank, Jakarta, 1984 - 1996



We are focused on building a well structured and integrated group.

performance review

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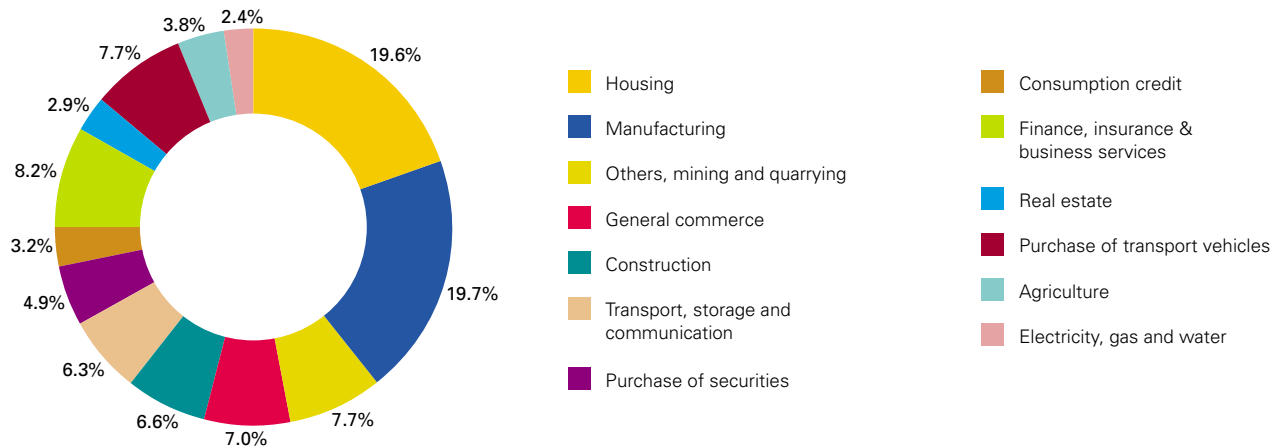
group financial highlights

for the financial year ended December 31, 2003

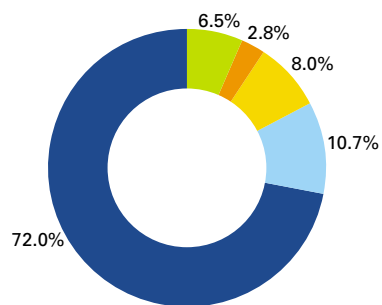
	2003	2002	Changes	
			2003	2002
Income statement and balance sheet	RM'000	RM'000	%	%
Net interest income	2,546,633	2,079,091	22.49	11.72
Net income	2,936,110	2,015,535	45.67	14.93
Operating profit before provisions	1,883,324	1,560,671	20.67	3.42
Loan loss and provisions	631,916	809,282	(21.92)	(15.02)
Profit before taxation and zakat	1,240,867	747,575	65.99	45.00
Profit after taxation and minority interests	782,300	565,444	38.35	58.15
Gross dividends	259,311	127,522	>100	66.58
Loans and advances	54,496,898	48,771,610	11.74	15.53
Total assets	97,933,977	91,466,723	7.07	22.54
Deposits from customers	63,154,229	60,756,722	3.95	29.61
Total liabilities	89,202,309	83,934,641	6.28	22.53
Shareholders' funds	7,899,587	7,169,199	10.19	23.02
Commitments and contingencies	152,373,702	104,204,597	46.23	49.13
Ratios	%	%	%	%
Core capital ratio	10.94	10.53	3.89	6.15
Risk-weighted capital ratio	14.79	12.38	19.47	(0.08)
Return on average equity	10.38	8.70	19.31	39.20
Return on total assets	0.80	0.62	29.03	29.17
Cost to income ratio	47.68	45.26	5.35	(0.72)
Cost to total assets	1.74	1.40	24.29	(16.67)
Gross NPL to gross loans	9.05	10.25	(11.71)	(0.19)
Net NPL to net loans (net of SP and IIS)	5.49	6.10	(10.00)	(9.63)
Coverage ratio [(GP + SP + IIS)/gross NPL]	59.98	58.85	1.92	12.72
Loan deposit ratio	86.29	80.27	7.50	(10.86)
Equity to assets	8.07	7.84	2.93	0.38
Equity to loans	14.50	14.70	(1.36)	6.52
Other information				
Earnings per share (Sen)				
– Basic	30.56	22.19	37.72	52.72
– Fully diluted	30.01	22.18	35.30	52.75
Net tangible assets per share (RM)	2.92	2.66	9.77	15.15
Gross dividend per share (Sen)	10.00	5.00	100.00	(16.67)
Number of shares in issue ('000)	2,628,960	2,586,290	1.65	>100
Weighted average number of shares in issue ('000)	2,560,177	2,548,609	0.45	3.51
Share price at year-end (RM)	4.10	3.24	26.54	(56.22)
Number of employees	14,157	13,887	1.94	34.02

group performance

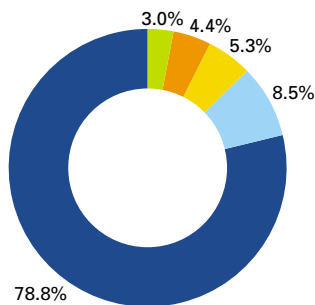
Loans by Sector



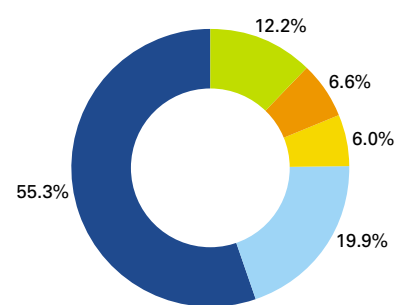
Operating revenue



Assets employed



Profit before tax



■ Investment holding and others
 ■ Offshore banking
 ■ Finance
 ■ Merchant banking
 ■ Commercial banking

financial calendar

Wednesday 19 March 2003	Announcement of audited consolidated results for the fourth quarter and year ended 31 December 2002 concurrently held with a press/analyst briefing
Tuesday 8 April 2003	Issue of notice of 46th Annual General Meeting, Notice of Books Closure and Annual Report for the financial year ended 31 December 2002
Wednesday 30 April 2003	46th Annual General Meeting
Tuesday 6 May 2003	Date of entitlement to the first and final dividend of 4.5 sen less income tax and 0.5 sen tax exempt for the year ended 31 December 2002
Wednesday 21 May 2003	Announcement of the unaudited consolidated results for the financial quarter ended 31 March 2003
Friday 30 May 2003	Date of payment of the first and final dividend of 4.5 sen less income tax and 0.5 sen tax exempt for the year ended 31 December 2002
Wednesday 20 August 2003	Announcement of the unaudited consolidated results for half year ended 30 June 2003
Thursday 13 November 2003	Announcement of the unaudited consolidated results for the nine months ended 30 September 2003

share performance

The Kuala Lumpur Composite Index (KLCI) which ended 2002 at 646.32 points improved to close at 793.94 points as at end of 2003. MSEB volume increased by 36% for the current year to RM358.1 billion as compared to RM263.7 billion in 2002. The average daily volume of shares transacted also improved to RM1.46 billion in 2003 compared to RM1.06 billion in 2002. For the whole year, trading value was up 58% to RM839 million per day compared to RM531 million per day in 2002.

2003 was a year of two halves. The first half was dismal for the equity market as a series of bad news continued to dampen sentiment. The general sentiment started to improve in late May with the resolution of the Iraq conflict in sight, the SARS infections tapering off and improved news flow. The KLCI bottomed out on 11 March at 619 points and peaked at 817 points on 31 October. In the domestic front, the Government unveiled the "Economic Stimulus Package" towards the end of May. The recovery in GDP and earnings expectation began in earnest from August onwards.

Despite the improved performance of the KLCI in 2003, Malaysia remained laggard compared to its regional peers. The KLCI's 20% gain pales in comparison to the 46% gain achieved by the other regional markets, on average.

For CAHB, total market capitalisation stood at RM10.6 billion at the end of 2003 compared to RM8.3 billion at the end of 2002. Foreign ownership increased from 15.72% at end of 2002 to 20.67% at end of 2003.

Commerz stock price movement 2003



chairman's message



It is with great pleasure that I present the Annual Report and Audited Financial Statements of the Commerce Asset-Holding Berhad (the Commerce Group) for the year ended 31 December 2003.

THE OPERATING ENVIRONMENT

The year was characterised by contrasting periods. The first half of 2003 was featured generally by negative developments, with geopolitical tensions and regional health concerns very much in the forefront. Malaysia weathered the adverse external environment better than many others, thanks to the cumulative effect of pro-growth fiscal and monetary policy measures. Favourable commodity and crude oil prices helped to cushion the negative effects from the US-Iraq war and the SARS outbreak. Post-financial crisis, the Malaysian economy has continued a structural change and become more resilient as domestic demand continues to drive growth in the face of a weak external sector. This resilience, together with a discernable improvement in the external environment in the second half of 2003, led to a strengthening of real GDP, to 6.4 percent in the fourth quarter. The growth momentum was fairly broad-based, with a stronger upturn in exports giving added

support to private sector activities and consumer spending. Other contributors were rising consumer and business confidence, strong underlying fundamentals, and a low interest rate regime. A key development in the fourth quarter was the stronger expansion in investments with the manufacturing sector leading the way. Overall GDP growth for the whole of 2003 reached 5.3 percent.

In 2003, total loans approved in the banking system rose to RM152.7 billion compared to RM137.6 billion in 2002. Total deposits also increased by RM49.4 billion to RM553.8 billion. The asset quality position improved with a non-performing loans ratio under six months classification falling to 6.9 percent as at December 2003, compared to 7.5 percent a year earlier.

THE COMMERCE GROUP

I am happy to report that the Commerce Group recorded its highest-ever profits in its operating history in the financial year ended 31 December 2003. Profit before tax amounted to RM1.241 billion, a 66 percent increase year-on-year compared to the RM747.6 million recorded in 2002. It was indeed a landmark year for the Group. The key drivers for the results were an increase in total income by 26.5

percent year-on-year by RM749.9 million and a 22 percent fall in loan loss provisioning to RM631.9 million. These results reflected in the main a significant drop in loan loss provisions at the Bumiputra-Commerce Bank Group, a substantial rise in earnings contribution from the CIMB Group, and the maiden full-year contribution from P.T Bank Niaga.

Profit after tax and minority interests rose by 38 percent year-on-year to RM782.3 million, some 11 percent above the consensus target of RM704 million. The Commerce Group's full year return on average equity and earnings per share were 10.38 percent (FY 2002: 8.7 percent) and 30.56 sen (FY 2002: 22.19 sen) respectively. As at 31 December 2003, net loans and advances increased to RM54.5 billion, a 11.6 percent increase. The net non-performing loan ratio improved to 5.49 percent as at 31 December 2003 from 6.10 percent a year earlier. The Commerce Group's shareholders' funds strengthened to RM7.9 billion (FY 02: RM7.2 billion) while Group net tangible assets per share improved to RM2.92 from RM2.66 as at 31 December 2002. The Group's liquidity position remained strong with a loans-to-deposit ratio of 82.8 percent.

Commerce Group recorded its highest-ever profits in its operating history in the financial year ended 31 December 2003.

Profit before tax amounted to RM1.241 billion, a 66 percent increase year-on-year.

At holding company level, Commerce Asset-Holding Berhad registered a higher year-on-year profit before tax amounting to RM379.3 million compared to RM45.4 million recorded last year. The increase was primarily attributable to higher miscellaneous income of RM197.9 million derived from the gain on disposal of CIMB shares arising from the listing exercise undertaken during 2003, and the gain on disposal of the 30 percent stake in Bank Muamalat Malaysia Berhad. There was also the impact of the change in accounting policy with regards to dividend recognition, with dividends received from CIMB Berhad amounting to RM143.4 million and Bumiputra-Commerce Bank of RM41.3 million.

A separate section of this Annual Report will provide a review of operations in the principal companies of the Group. In my message, I will provide an overview of the financial performance and major strategic initiatives.

THE BUMIPUTRA-COMMERCE BANK BERHAD (BCB) GROUP

Throughout 2003, Bumiputra-Commerce Bank embarked on various strategic initiatives to enhance its operational

infrastructure and capabilities. This is consistent with its stature as the eighth-largest bank in the ASEAN region by total assets. In Retail Banking, a new sales and services model was introduced, implementing a clear demarcation between the two functions to provide focus and clarity. The integrated risk management framework was further enhanced in line with the stringent requirements of the Basel II Accord. Outsourcing of non-core processing activities and Information Technology (IT) services was completed in 2003.

I mentioned in last year's Report that the Bank had embarked on a Human Resource Transformation Project (H RTP). This was designed to align people performance and business performance. Implicit to the initiative was the need to develop a performance-oriented culture and inculcate quality service levels. The H RTP was concluded in 2003, and the focus going forward will be on the deliverables such as the Performance Management Systems.

BCB has also embarked on a project to develop an integrated Decision Support System. This will provide information for customer relationship management, performance management and risk

management. This decision support infrastructure is centred on a bank-wide data warehouse, and will enable enhancement of the revenue base, improvement of asset quality, broadening of the range of products and services, inculcation of quality service values, and more effective monitoring.

In October 2003, BCB successfully completed a USD300 million 10-year Subordinated Lower Tier 2 bond issue. The exercise coincided with Standard and Poor's upgrading of Malaysia's rating from BBB- to A- and was an overwhelming success. The latest ratings accorded to BCB are BBB by Fitch, BBB- by S&P and Baa1 by Moody's.

Also in October 2003, a joint venture agreement was signed between Proton Edar Sdn Berhad and Bumiputra-Commerce Finance, to form a best-of-breed auto financier. The joint venture entity, Proton Commerce Sdn Berhad, will leverage on the capabilities and resources of both partners. This strategic collaboration is intended to enhance the Group's presence in the auto finance segment as part of our resolve to strengthen our retail franchise.

chairman's message

For the financial year ended 31 December 2003, the Bumiputra-Commerce Bank Group increased its Profit Before Tax (PBT) by 28.8 percent to RM640.0 million from RM497.0 million recorded in the year ended 31 December 2002. The BCB Group contributed 51.6 percent to group profits. At the Bank level, BCB recorded a 55 percent increase in PBT year-on-year to RM488.2 million (FY 02: RM314.6 million).

THE CIMB BERHAD GROUP

The first year of listing of CIMB Berhad on the Malaysia Securities Exchange Berhad coincided with a record fund-raising year in the "young" Malaysian Capital Markets. Approximately RM110 billion was raised during the year through both debt and equity markets. The reorganization of the operating model in CIMB from a merchant banking mould to an investment banking structure which was initiated in 2002 began to yield its full positive effects in 2003. The core capital market divisions excelled and there were clear "wins" in terms of new relationships, mandates secured and landmark transactions.

The advisory and origination businesses continued growing, with efforts concentrated on complex merger and acquisition services and high value initial public offerings. During the course of the year, CIMB embarked on a series of strategic initiatives to provide a platform for diversification of the revenue base. A dedicated unit, CIMB Islamic, was launched to spearhead Shariah-compliant capital market activities. In October 2003, CIMB (Labuan) Limited, a wholly-owned subsidiary of CIMB Berhad, acquired a 51 percent stake in P.T Niaga Sekuritas, the investment banking arm of P.T Bank Niaga for a total purchase consideration of IDR20.7 billion (approximately RM9.6 million). The new subsidiary, now known as P.T. CIMB Niaga Securities will provide

the initial thrust for the Group's investment banking activities into a regional market. There was also an internal restructuring exercise whereby Private Banking and Retail Equity were merged under Private Client Services. The retail market will be given added emphasis and focus. Another area of focus was to enhance non-Ringggit revenues. On a capital management front, CIMB paid a special dividend of 15.3 sen net in May 2003, an unprecedented move for a company just five months into its flotation. Besides rewarding shareholders, this move sent a strong signal to the investment community on CIMB's intent and focus on capital management.

For the year ended 31 December 2003, the CIMB Berhad Group recorded a profit before tax of RM350.8 million, an increase of 95.1 percent, an all-time record, and exceeding its forecast in the Prospectus of RM190 million. The CIMB Berhad Group contributed 28.3 percent to Commerce Group profits.

The first year of listing for CIMB Berhad has been an eventful one and has exceeded all expectations. A Moody's rating of Baa 3 was obtained during the year. The CIMB share price was a leading performer in 2003. As at 5 March, 2004, it closed at RM 6 per share, a 243 percent increase from its initial offering price of RM1.75 per share. In 2003, CIMB received the National HR Excellence Award for 2002. This is a major recognition of the dynamic and progressive human capital development programme which has been put in place in the organisation.

THE P.T BANK NIAGA GROUP

This is the first year of the inclusion of full-year results from P.T Bank Niaga Group in the Commerce Group results. The P.T Bank Niaga Group recorded a PBT equivalent to RM198.2 million, contributing 16 percent of Commerce Group profits.

This is the highest result obtained in its operating history, and reflects the improving operating environment in Indonesia. This performance was fuelled primarily by an increase in 23 percent in lending and a 10.5 percent growth in deposits. The Group's profit after tax equivalent of RM210 million was 231 percent higher year-on-year.

Macro economic stability and an improvement in both consumer and business sentiment have propelled Indonesia into a new post-IMF era. A stronger Rupiah and a halving of inflation to just over 5 percent allowed Bank Indonesia to gradually reduce interest rates. The banking industry is clearly returning to its intermediary role as stable economic conditions prevail, with economic growth standing at 4.1 percent in 2003.

Bank Niaga is implementing its strategic development initiative, "Vision 2007". Currently it is the tenth-largest bank by assets in Indonesia, and its market share of both loans and deposits stood at 2.9 percent as at end of 2003. Under Vision 2007, Bank Niaga aims to transform itself into a top five bank in Indonesia by 2007, with at least a 5 percent market share in its chosen areas. This will entail developing a premier retail bank with expanding business lending. In line with this strategic plan, the risk management infrastructure will also be strengthened, and Bank Niaga's strong reputation as a high service quality bank will be further enhanced.

A defining moment for Bank Niaga in September 2003 was the lifting of its status as a "bank under recovery" and the subsequent transfer of supervision from the Indonesian Bank Restructuring Agency (IBRA) back to Bank Indonesia, the central bank. Together with the quasi-reorganisation exercise approved

by Shareholders in December 2003, this has restored Bank Niaga as a sound and fully recovered bank with a balance sheet free of deficits, thus allowing for dividend payments to shareholders.

OTHER COMPANIES IN THE COMMERCE GROUP

Commerce Asset Ventures Sdn Berhad (CAV) recorded a strong growth of 200 percent in PBT, which stood at RM12.2 million as at end of 2003 as compared to the RM4.1 million recorded in 2002. The Group's private equity and venture capital investment arm has started to reap the benefits of some of its investments by realising gains on disposal. During the year the focus for CAV was in promoting its third investment fund which targets and funds buy-out opportunities.

Commerce Asset Fund Managers Sdn Berhad is currently the fifth largest Asset Management Company in Malaysia with funds under management amounting to RM3.1 billion as at end of 2003. The company provides investment services for pension funds, government bodies, statutory bodies, unit trusts, corporations and institutional investors. Pre tax profits declined marginally by 6 percent to RM4.7 million from the RM5 million recorded in 2002.

Commerce Trust Berhad (CTB) is currently the fifth largest unit trust management company in the country, with over RM1.6 billion in funds under management as at end of 2003. Profit before tax rose 177 percent year-on-year to RM4.9 million. There were two exceptional items in 2002, namely bonus given to unit holders amounting to RM 1.0 million, and write-offs of intangible assets amounting to RM1.1 million. CTB intends to introduce five new unit trust funds in the near future to complement its existing stable of funds.

AMAL Assurance Berhad, the Group's life insurance subsidiary was renamed Commerce Life Assurance Berhad or Commerce Life in short in the fourth quarter of 2003. The name change reflected its commitment to the pursuit of stronger intra-group synergies principally through bancassurance activities. For the period under review, PBT rose by 172 percent to RM4.9 million. Gross premium income rose by 63 percent to RM150.6 million, with approximately 69 percent of the premium income for 2003 attributable to bancassurance initiatives.

CORPORATE DEVELOPMENTS

The period under review was an eventful one for the Commerce Group with respect to corporate developments. On 6 October 2003, CAHB acquired an additional 1.83 percent equity interest in P.T Bank Niaga for a purchase consideration of IDR38.7 billion (approximately RM17.6 million). The acquisition of this additional stake was to facilitate the implementation of a Management Equity Scheme for the senior management of Bank Niaga, in order to further align the interests of the senior management and shareholders.

Various corporate exercises were undertaken during the year, which would put in place the necessary building blocks for the Commerce Group to offer a full suite of financial products and services. During the year, CAHB disposed of its 30 percent equity interest in Bank Muamalat Malaysia Berhad to Bukhary Capital Sdn Berhad for a total cash consideration of RM155.1 million. The total profit recognised from the transaction amounted to RM 39.2 million. The disposal will pave the way for BCB to embark on Islamic Banking activities within the parameters of the new framework that is expected to be put forward by Bank Negara Malaysia soon.

General insurance has not been a part of the Group's range of products. Subsequent to the year end, CAHB completed the acquisition of a 100 percent equity stake in AMI Insurans Berhad from the New Straits Times Press (Malaysia) Berhad and Pitisan Sdn Berhad for a cash consideration of RM173.5 million. AMI is the fifth-largest general insurer by gross premiums and had embarked on collaboration with both BCB and BCF even before the acquisition. There is tremendous potential to extract value from bancassurance activities going forward, for example in the area of motor and fire insurance.

Subsequent to the year end on 13 February 2004, CIMB Berhad entered into a Memorandum of Agreement with TA Enterprise Berhad in relation to the proposed acquisition by CIMB Berhad of the entire equity interest in Botly Securities Sdn Berhad for a total purchase consideration of RM400 million, to be satisfied by the issue of 80,000,000 new ordinary shares of CIMB Berhad at an issue price of RM5.00 per share. CAHB had also entered into a separate Memorandum of Agreement with TA Enterprise Berhad for a call and put option on 80 percent of the new shares to be issued for the proposed acquisition. As of this date, the exercise remains to be completed, however it sends a clear message on the part of CIMB of its intention to enhance its retail base and achieve better balance between its mix of businesses.

On 20 January 2004, CAHB entered into a Sale and Purchase Agreement with IJM Properties Sdn Bhd for the proposed acquisition of land measuring in total approximately 10,149 square meters, together with a 39-storey office building to be developed thereon, for a total cash consideration of RM375 million.

chairman's message

This development project is expected to take fifty-four months to complete and is intended to house the Group's diverse financial services entities.

A book detailing the history and development of the Group entitled "The Commerce Asset Story – Of People And Principles" was launched during the year. In an increasingly complex and volatile environment, we need to reflect and take stock of the qualities that have helped us reach this far. A separate section of this Annual Report is dedicated to this project. I wish to place on record my heartfelt gratitude to everyone involved in the development and publication of this book.

PROSPECTS FOR 2004

The strengthening economic recovery will have a positive impact on the prospects of the Commerce Group of companies in 2004. For the Group, the strategic initiatives will be primarily directed towards developing Group wide retail strategy, instituting a strong risk management culture and adopting a proactive approach to the management of capital.

The BCB Group is well positioned to benefit from the positive operating environment. A lot of the groundwork has been put in place towards becoming a performance driven financial services group. Efforts to diversify the revenue base will continue. Risk management and cost control will be areas of emphasis. This is also the first year of operations for Proton Commerce, a venture that we believe will become significant in the years to come.

The CIMB Group is optimistic about the opportunities in the Malaysian capital market in 2004. The outlook for the equities market is good and the expectation is for an active year. Despite different debt

market conditions in 2004, CIMB forecasts around RM35 billion to RM40 billion will be raised in the Ringgit bond markets. Corporate advisory activities will remain strong. Efforts will be directed to scaling up CIMB's presence in retail financial services and on the build-up of its annuity income. CIMB will continue to grow its non-Ringgit revenue through CIMB Labuan, and to build up its activities at P.T. CIMB Niaga Securities.

P.T. Bank Niaga will leverage on the continued improvement in the Indonesian operating environment to position itself as a premier retail bank. The franchise will focus on consumer and business banking while building a leading niche position in corporate banking. Loans growth will remain robust with the expectation of a 30 percent growth year-on-year. Various initiatives aligned to "Vision 2007" will be implemented.

Efforts will also be directed towards extracting greater value and synergies from various Group activities. The development of the third pillar of the Group's activities namely in venture capital, both life and general insurance as well as unit trust and asset management remains an important area of focus.

ACKNOWLEDGEMENTS

In 2003, En Azizan Mohd Noor resigned from the Board of Directors. I wish to place on record our appreciation and gratitude to En Azizan for his contribution and efforts both as a Director and member of the Audit Committee. We welcome in November 2003 Dr Roslan A Ghaffar to the Board of Directors. Dr Roslan is currently the Deputy Chief Executive Officer (Investments) at the Employees Provident Fund (EPF) and represents the EPF on the Board.

On behalf of the Board of Directors, I would like to extend our gratitude to the management and staff of the Commerce Group for their dedication and commitment. I would also like to extend our appreciation to the regulators namely Bank Negara Malaysia, the Securities Commission, the Malaysia Securities Exchange Berhad, our business partners, advisers and customers. We also would like to thank our shareholders for their continued support.

DIVIDENDS

Subject to your approval at the forthcoming Annual General Meeting, the Board has recommended a final dividend of 5 sen gross per ordinary share less tax at 28 percent. As a result of obtaining higher profits at the Group level and exceptional gains at the Company level, the Board of Directors is also recommending a special dividend of 5 sen gross per ordinary share less tax at 28 percent. This is consistent with the aim of rewarding shareholders for their support.

The Board of Directors has also on 27 February 2004 approved the cancellation of the 35,853,000 Treasury shares acquired as part of the Share Buy-back mandate obtained over the years. This move together with the special dividend is part of our ongoing capital management programme.

Dato' Mohd Desa Pachi

Chairman

Kuala Lumpur
12 March 2004


key business review

36 bcb group

42 cimb berhad group

46 bank niaga





With 230 branches,
43 retail service outlets,
10 Bureau De Change
nationwide and 4 international
branches, BCB is focused
on extending its reach
to Malaysians everywhere.

bcb group

CORPORATE AND INSTITUTIONAL BANKING

The Bank (BCB) was successful in obtaining substantial recoveries as economic conditions improved. The customer acquisition rate also improved during the year through the establishment of strong banking relationships. Cross-selling initiatives were undertaken to introduce to corporate customers the Bank's wide spectrum of products and services.

Treasury and international banking were very active. The Ringgit Securities and Money Market Desks recorded strong performances. The Forex Desk played an active role throughout the year. The Bank's international banking operations participated in major international loan syndications. A highlight of the year was the successful raising of a USD200 million Syndicated Term Loan Facility for BCB to finance its overseas operations. Several new initiatives were launched in correspondent banking and remittance services. A new remittance service to Indonesia, CashLaju, was launched on 20 August 2003 in collaboration with P.T. Bank Niaga. Besides utilising Bank Niaga's network, funds could also be transferred through Indonesia's post office network.

BUSINESS BANKING

The highest loan growth year-on-year was at Business Banking, with the

focus primarily directed towards the manufacturing, construction and wholesale sectors. During the year, efforts were directed towards retaining and increasing utilisation by customers. A core set of products are marketed to customers namely BizChannel, Autopay, Direct Debit, Collect Service and Electronic Statements.

Efforts were also directed to re-image and renovate BCB's Business Centers. During the year, the BCB Fast Track SME Loan Scheme was introduced for small and medium sized enterprises. Loans are for amounts up to RM100,000 and are targeted at businesses in the light manufacturing, services, wholesale, and retail trade. A fast turnaround response time for both approval and disbursement is the value proposition. BCB was appointed as an agent bank by Bank Pembangunan & Infrastruktur Malaysia to channel funds to eligible SMEs in the tourism industry. Among the new products launched during the year include I-DAGS, designed for industries affected by SARS.

RETAIL BANKING

In 2003, five new branches were opened thus BCB's branch network currently stands at 230 domestic branches, 4 international branches, 43 Retail Service Outlets and 10 Bureau de Change. The introduction of a new Retail Sales department provided greater focus on the sales functions.

Twenty-five new Electronic Banking Centers were set up during the year to provide alternative delivery channels. As a pilot project, a kiosk has been set up in two shopping centers, Mid-Valley Megamall and KLCC, where products such as credit cards and unit trusts will be marketed. BCB also participates in selected property fairs throughout the country and establishes strong links with selected housing developers. BCB's consumer loan product range was enhanced with the introduction of new products that included one-year, three-year and five-year fixed interest rate housing loans with or without free moving costs.

During the year under review, special schemes were introduced, for example a loan scheme at competitive prices was offered to BCB's selected Corporate and Business Banking customers. The bancassurance business is an area of great potential for BCB Group. In December 2003, a new bancassurance product namely FD Freedom was launched. This product developed by Commerce Life and marketed by BCB offers customers an investment alternative that will provide a guaranteed return plus life insurance coverage. More bancassurance products are in the pipeline.

RISK MANAGEMENT

With an integrated risk management framework already in place, attention is now being directed towards developing structures and processes, in accordance with the best practices as laid out by Bank Negara Malaysia and the requirements of the Basel II Accord. During the year under review, several significant developments took place towards this end.

During 2003 a credit scoring system for credit assessment of retail loans was introduced for the first time, initially for mortgage loans, and subsequently extended to other consumer products.

To aid credit analysis of Corporate and Business Banking customers, a sophisticated risk calculator was introduced for users in these departments. Accessible through BCB's Customer Management System, the risk calculator provides a consistent and objective measurement of credit risk on a continuous basis across business units, sectors, products and customer groups. It establishes a common language and will help to develop and strengthen the risk-based credit culture throughout BCB.

BCB has managed to maintain a comfortable liquidity position as at the end of 2003. There were revisions to the

savings, current account and fixed deposit rates during the year following the reduction in the Base Lending Rate. To manage Treasury Risk, a Risk System Module, which is part of BCB's new Treasury System, will be introduced in 2004. The Treasury Risk Policy will be enhanced to comply with the requirements of Basel II.

In the area of Operational Risk Management, attention has been focused on projects relating to the Basel II Readiness Assessment Project, and projects in support of business operations such as the development of Business Continuity Plans.

INFORMATION TECHNOLOGY

BCB has now outsourced Applications Management and Support with Electronic Data Systems (EDS). In mid-July, in an internal reorganization, a new IT Services Group was established within BCB to monitor the performance of this outsourcing initiative and ensure that the intended IT outsourcing objectives are achieved.

IT initiatives are directed towards enhancing sales and services capabilities, performance management and risk management. During the year, BCB

continued with the Decision Support System (DSS) project, which will build the data foundation for analytics and will provide an integrated insight into customer profiles. The DSS integrates three business components namely Customer Relationship Management, Performance Management and Risk Management.

Other major IT-related initiatives include the roll out of MEPSCASH-ATM, GMPC-ATM enhancement and PMPC-card personalisation.

I-COMMERCE

The range of products for mobile banking includes BCB Mobile, TMTouch Mobile Banking and Payment, as well as BCB Mobile Banking with Maxis. BCB continues to focus on transforming its Internet Banking platform, strengthening distribution channels, developing business partnerships and collaborative products. BCB's website, Channel-e currently allows customers to pay bills for among others, utilities, mobile phone services, education and insurance. On 16 September 2003, BCB launched its collaboration with Tabung Haji to implement contribution payments via Internet Banking. BCB e-Procurement, a product involving BCB and its suppliers was rolled out to 96 branches.

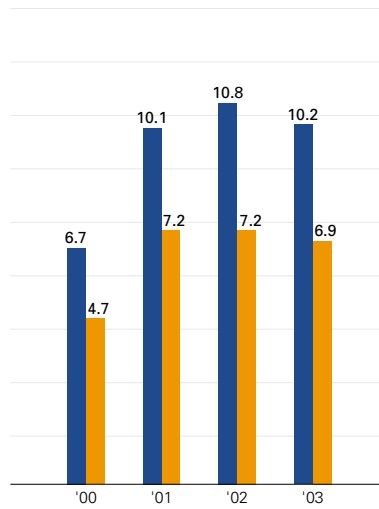
bumiputra-commerce bank berhad

GROUP REVIEW

The Bank

Gross loans growth at the Bank amounted to 3.73 percent year-on-year, while at the Group level, the growth was 7.23 percent. Loans growth was strongest in the general commerce, manufacturing and business services sectors. The Bank's asset quality was stable, with an improvement in net NPL ratio to 6.9 percent as at 31 December 2003 compared to 7.2 percent a year earlier. Deposits from customers increased to RM46.1 billion year-on-year from RM43.1 billion, resulting in a net loans-to-deposit ratio of 86.6 percent at end December 2003. With the injection of the USD300 million Tier 2 sub-debt, BCB's risk-weighted capital adequacy ratio increased to 14.43 percent compared to 11.54 percent as at end-2002. The proceeds are earmarked for general corporate and banking purposes. The cost-to-income ratio as at end December 2003

BCB Bank NPL Ratios as at 31 December (%)



was higher at 53.4 percent compared to 49.2 percent in 2002. Stringent cost controls will continue but future improvements in the ratio are expected to come from increases in the revenue base.

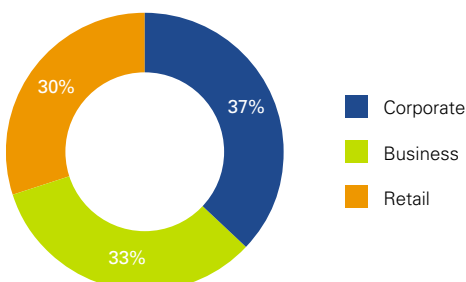
BCB Bank

as at 31 December 2003

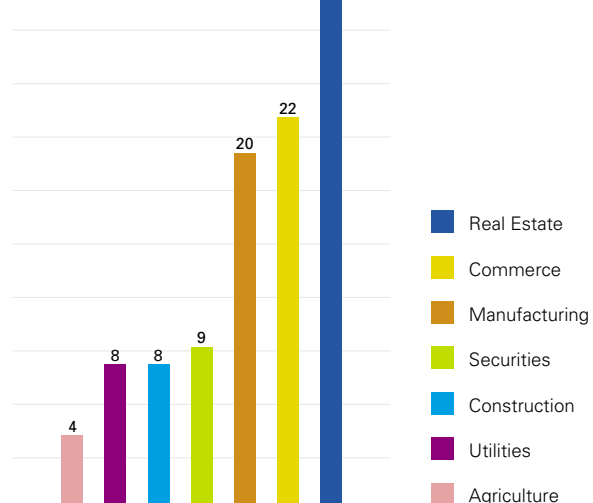
Total loans
RM42.1 billion

Net NPL ratio
6.9%

Loan distribution by business segment



Loan distribution by economic sector (%)



BUMIPUTRA-COMMERCE FINANCE BERHAD

It was a challenging year for Bumiputra-Commerce Finance Berhad (BCF) with intensifying business competition and the uncertainties over the tariff structure continuing to have an impact on the buying public. BCF recorded a PBT for the year amounting to RM74.6 million, a 21.7 percent decline year-on-year compared to the RM95.3 million recorded in 2002. An important operating feature introduced by BCF in 2003 was its e-dealer web-based system, which allows for faster online approval. The e-dealer system was launched initially in collaborative activity with Naza Kia, and will be an important feature in the Proton Commerce venture. BCF was also involved during the year with the first asset-backed securities issue in the country backed by auto receivables, amounting to RM510 million Bonds.

BUMIPUTRA-COMMERCE BANK (LABUAN) LIMITED (BCBL)

BCBL registered PBT for the year amounting to RM52.9 million, a 180 percent rise compared to the RM18.9 million recorded in 2002.

Loans growth was robust at 65 percent year on year to USD666 million from USD404 million in 2002. In terms of country exposure, Malaysia remains the highest at 68 percent and in terms of industry exposure, manufacturing heads the list at 18 percent followed by 13 percent from agriculture. The focus on recovery and asset management had contributed to an improvement in net NPL ratio from 3.52 percent in 2002 to 1.66 percent as at end of 2003.



CIMB

CIMB was named as the best domestic investment bank by The Asset and Finance Asia in 2003.

cimb berhad group

INVESTMENT BANKING (IBK)

As part of the reorganization of the business model in 2002, this division is in the front line with regards to identifying and originating proposals and structures for present and potential clients. A separate research unit is housed within IBK to enhance the service offering. IBK has played a key role in increasing our market share and expanding the client base. This was reaffirmed in 2003 as CIMB was named as the best domestic investment bank by The Asset and Finance Asia.

EQUITY MARKETS AND DERIVATIVES (EMD)

CIMB was the market leader in the primary equity market raising approximately RM4.1 billion. During the year, CIMB lead managed 14 IPOs, 11 rights issues and 7 private placements, accounting for 69.76 percent of total equity funds raised. Seven out of the ten largest IPOs in 2003 were managed by CIMB, which was equivalent to 75.3 percent market share by amount raised. The larger IPOs were invariably undertaken through the book-building process. The flagship IPO of the year was the RM2 billion Astro All Asia Networks plc offering where CIMB acted as adviser, sole domestic book-runner and international co-manager.

Market share for rights issues was 16 percent by amount raised and 24 percent on the number of issues. CIMB was very much involved in private placements and secondary private placements. Another major development was the involvement as lead manager for covered warrant deals for Khazanah Nasional Berhad, raising RM723 million, and the listing of nine new securities on the Malaysia Securities

Exchange Berhad. The various institutional equity businesses were consolidated under EMD and the enhancement of the equity franchise became a major area of focus during the year. There was a concerted move to expand market share and margins from traditional equity products such as IPOs and broking, and to move into non-traditional areas such as derivatives and structured products. In the Asiamoney's 14th Brokers Poll, the EMD franchise was ranked in first place for Best Execution, Best in Sales Trading and Best Overall Sales Services. The equity research team received accolades from external analyst polls.

DEBT MARKETS AND DERIVATIVES (DMD)

It was a tale of two halves in the debt markets. In the first half of the year, bond yields fell to historical lows while around the mid-year point with improved business conditions, we saw a steep increase in bond yields. Average daily trading volume in the Ringgit bond markets fell from RM2.5 billion in the first half of the year to RM1.0 billion in the second half. CIMB maintained its number one position in the primary bond market having lead managed eleven deals amounting to RM9.3 billion compared to RM3.8 billion in 2002. Among the major deals during the year were Sime Darby Berhad's RM1.5 billion Islamic bonds, Telekom Malaysia Berhad's RM3 billion bonds, and SKS Power's RM5.5 billion Islamic bonds. DMD maintained a commanding market share in secondary fixed income trading. DMD also commenced its asset management activities with the launch of Fixed Income Services with RM275 million in assets under management by year-end.

CORPORATE FINANCE (CF)

Through the merger of the Corporate Finance, Capital Markets and Banking departments, CIMB has the largest and most experienced CF team in the market place. It was an extremely busy year with continued momentum of activities in mergers and acquisitions (M&As), new issues, and banking flows. CIMB topped the 2003 league table for M&As with a 55.6 percent market share in terms of deal size. Some of the landmark transactions during 2003 were the take-over of Celcom (M) Berhad by Telekom Malaysia Berhad, the restructuring of UEM World Berhad, and the acquisition of American Eagle Tankers Ltd by Malaysian International Shipping Corporation. There was a 41 percent increase in loans and advances to RM1.5 billion as credit capabilities were strengthened and we moved away from traditional corporate lending. The syndication team led loan deals amounting to RM6.8 billion. Focus was also directed towards non-Ringggit activities with participation in loan syndication business amounting to USD695 million during the year. A key feature for CF was the focus on product innovation such as the Khazanah covered warrants and ground breaking employee equity schemes.

PRIVATE CLIENT SERVICES (PCS)

In early 2003, all retail businesses namely the Private Client Unit, branch broking, remisiers, e-broking and Private Banking were integrated under PCS. The Private Banking business closed the year with assets under management of almost RM800 million. Investment Unlimited was launched during the year, Malaysia's first wrap account that charges an on-going management fee with zero brokerage and zero up-front fees on a range of investment

products including third-party unit trust investments. There are currently around 87 remisers, and efforts will be directed towards scaling up the retail franchise.

PRIVATE EQUITY (PE)

The focus during the year was to complete the fund raising for CIMB Muamalat 1, which had a successful closing in June 2003 and raised RM111.0 million. This is the first Asian-based regional private equity fund which invests in compliance with Shariah principles. CIMB is an investor in the fund and has a 25 percent stake in the fund management company.

CIMB ISLAMIC (CI)

CIMB Islamic started its operations on 1 January 2003. It provides investment banking services in compliance with

Shariah principles in the area of debt and equity financing, issuance of Islamic securities, corporate, financial and Shariah advisory. CIMB has its own Fiqh Council, which comprises scholars and practitioners from various countries. In its maiden year, CI participated in the USD750 million Qatar Global Sukuk issue which is the first foreign global sukuk co-arranged by a Malaysian bank.

GROUP REVIEW

The merchant bank registered a profit before tax amounting to RM247.4 million, a 152 percent rise year-on-year. The increase in earnings was attributable to the improvement in the equity business and the contrasting conditions prevailing in the sovereign and near-sovereign bond markets over two years. RAM reaffirmed

CIMB's credit ratings of AA3 and P1 during the year. CIMB Discount House recorded a lower profit before tax at RM53.9 million compared to RM92.4 million recorded in 2002. This performance reflected the overall weaker corporate bond market and the exceptional profits in 2002 arising from write-backs and early redemption of bonds. In tandem with the improvement in the equities market in 2003, CIMB Securities registered a 50 percent rise in profit before tax to RM33.4 million compared to RM22.3 million in 2002. CIMB (L) Limited registered a profit before tax amounting to RM28.8 million, a 30 percent rise compared to 2002. CIMB(L) continued to play a pivotal role in expanding the Group's offshore activities.

Key performance figures			
	2003	2002	
Financial advisory	RM131 million	RM107 million	▲ 22.4%
Debt capital market	RM274 million	RM189 million	▲ 45.0%
Equity capital market	RM106 million	RM21 million	▲ 5x
Total income	RM529 million	RM333 million	▲ 58.9%
Shareholders' funds	RM1.375 billion	RM1.394 billion	▼ 1.4%
ROE	19.0%	9.3%	▲ 2x
Cost/income	33.8%	39.9%	▼ 16%
Earnings/share	RM0.306	RM0.153	▲ 2x



PT Bank Niaga will leverage on the continued improvement in the Indonesian operating environment to position itself as a premier retail bank.



bank niaga

CONSUMER BANKING

The focus for 2003 was to ensure that high-quality service standards were maintained, and streamlining the core set of products on offer. Consumer loans doubled year-on-year to IDR3,119 billion while current and savings account balances increased by 45 percent year-on-year to IDR6,316 billion. Branch network grew to 181 outlets during the year comprising main and supporting branches, cash offices and payment points. Preferred Circle banking outlets were expanded to 26 nationwide. There were approximately 1,000 marketing representatives responsible for generating new sales leads. Bank Niaga's ATM presence both through own and shared networks expanded from 1,500 to 3,864 machines.

In a highly competitive operating environment, the focus was on developing a comprehensive customer-centric operating model. On the same note, emphasis was directed towards utilizing information technology such as providing customers electronic access to the services and the introduction of mobile phone banking services during the year.

It is with some measure of pride that we report that Bank Niaga maintained its position as the Number One Bank for Service Quality in a survey conducted by Market Research Indonesia. A number of loan products were introduced once again to the market place. These include Niaga Kredit Rumah, a home mortgage facility, and Niaga Kredit Mobil for car buyers. A number of strategic alliances were established during the year. These include with Daimler Chrysler in car finance, and with P.T AJ Sequis Life in wealth management. A co-branded Mastercard was launched together with P.T AJ Asih Great Eastern. An agreement was reached with Citibank and AIG Lippo to leverage on the combined electronic network to facilitate payment of insurance premiums. For mortgages, Bank Niaga worked with ERA Indonesia and other property developers.

BUSINESS BANKING

The small and medium sector provides a significant business opportunity for Bank Niaga. Our approach is through segmenting between the small business segment and the middle commercial market. Loans growth year-on-year was 36 percent from this segment while trade finance grew by 50 percent.

Alliances are sought with Government institutions and cooperatives, rural banks and multi finance companies. Bank Niaga works through these parties to provide end-financing to end users such as farmers or livestock breeders, small traders and local businesses. An example of such a venture was the joint efforts with rural bank BPR Ekadana Cipanas Permai where IDR15 billion in micro credits of around IDR50 million each were disbursed to market retailers in Cianjur, West Java. In general, some of the industries covered in the middle commercial market includes agriculture, pharmaceutical, automotive, furniture and packaging.

During the year, a speedier credit processing system called Niaga Retail Credit was launched to improve the response time for SME customers. Among the suite of services and products that are offered to the SME segment are PC Banking, cash pick-up services, payment of bills and tax assessment and financial advice. The focus to date has been geared towards the major centres of commerce. During the year another SME business center was opened at Sidoarjo, south of Surabaya and a cooperation agreement was signed with the local government to develop SME business in the district. Presently, other SME centers are located in Lampung, Jakarta, Bandung with future centers planned for Yogyakarta, Bali and Makassar.

CORPORATE BANKING

Within this segment, activities included corporate lending, trade finance, cash management, money market and foreign exchange services for selected corporate and institutional clients. The strategy going forward to improve fee income is to work closely with CIMB Niaga Securities to develop a concerted approach targeting Indonesian companies.

There were encouraging developments on the treasury front, with more liquidity in the inter-bank market as more foreign banks opened up dealing lines and the forward market for foreign exchange deepened. Besides offering its range of products, treasury activities centered on managing Bank Niaga's exposure to interest, funding and currency risks.

Other positive developments during the year include a new warehousing finance product, certification of Bank Niaga's bills

processing operations under ISO 9001 and the receipt of an award from Standard Chartered Bank as "Best Trade Finance Bank in South East Asia." The Custodial Services Division was successful in obtaining its ISO 9001 certification. CashLaju was launched together with Bumiputra-Commerce Bank during the year.

PERFORMANCE REVIEW

Loans throughout 2003 were primarily directed towards the small and medium enterprise sector as well as the consumer segment. Spreads between loan and deposit rates improved significantly during the year, as the pace of decline in lending rates was slower than that for deposit rates. For Bank Niaga, the capital adequacy ratio decreased from 12.7 percent in 2002 to 11.6 percent in 2003 as a result of increased lending. Government bonds have also declined to 20 percent of total assets from 24 percent as at end of 2002. The net non-performing loans ratio at Bank Niaga has improved to 2.07 percent from 4.11 percent as at end of 2002. Return on equity for the year was 39.58 percent compared to 13.38 percent in 2002.

As the Indonesian economy continues the process of recovery, Bank Niaga will continue to play an important role in the intermediation process, while deriving significant business opportunities. The Bank is also taking advantage of opportunities from the processes of restructuring and consolidation in the banking sector to build such new businesses such as Islamic Banking. There have also been initiatives to leverage on intra-group resources such as the CashLaju product in collaboration with Bumiputra-Commerce Bank and the linkages to be derived from CIMB Group's leading investment banking position in Malaysia in the development of P.T. CIMB Niaga Securities.

Besides the Bank Service Excellence Award, other accolades received during the year include a number five ranking for good corporate governance from the Indonesian Institute of Corporate Governance, and a third-place ranking in the Annual Report Award for Public Listed Companies in Indonesia. It is important that inherent qualities such as high standards of corporate governance and Niaga's strong quality service heritage be preserved and further enhanced.

economic outlook

1.1 WORLD ECONOMY

Following a lacklustre performance in 2002, the global economy registered a slightly better performance in 2003 as economic activities, mainly in the US and East Asia picked up momentum in the second-half of the year. Forward-looking economic indicators released during the third quarter of 2003 showed that most advanced countries are on track of further acceleration in economic activities in 2004, with the US again being the main driver of global growth, supported by continued recovery in Japan and Europe. The International Monetary Fund (IMF) has maintained its projections for global GDP growth at 4.1% in 2004. World economic growth may then stabilise at around 3.5% - 4.0% in 2005 and 2006.

The US economy is expected to record an even faster growth of about 3.5 - 4.0% in the first half of 2004, before slowing down in the second half of the year. For the whole of 2004, the US economy is projected to grow by 3.5 - 4.0% (2003: 2.7%). The Federal Reserve is expected to begin undertaking gradual tightening moves in the second-half of 2004 and this may slow economic activity in 2005 and 2006, with real GDP growth projected to be within the range of 2.8% - 3.3%.

In Japan, the economy unexpectedly rebounded strongly in the first half of 2003, with growth in real GDP accelerating to 3.0% (2H 2002: 2.0%). However, the pace is expected to moderate to 1.0 - 1.5% in 2004 (2003: 2.1%) as final domestic demand is expected to remain weak and deflationary pressure to persist. However there is a potential for stronger economic growth in 2005 and 2006 as the structural reforms that have been put in place in the preceding few years would boost efficiency and productivity. Real GDP growth is projected to edge up to around 1.8% - 2.3% in the two-year period.

Meanwhile, in the euro-region, the economy slowed markedly in the first half of 2003 as exports growth dwindled and domestic demand turned weak. However, economic indicators suggested that the downturn will bottom out in the second half of 2003 before any meaningful recovery begins to take

place in 2004. Growth in real GDP is estimated to pick up to 1.5 - 2.0% in 2004 and 2.0% to 2.5% in 2005. However, growth in real GDP is expected to moderate back to 1.8% to 2.3% in 2006 on expectation of a monetary tightening by the European Central Bank (ECB) in 2004 and the following two years.

In the UK, the rate of growth in GDP may rebound to 2.0 - 2.5% in 2004 as global recovery strengthens. The Bank of England (BoE) has recently forecasted the nation's long-term growth trend in the East Asian countries slowed to 3.7% from the growth of 5.8% in the second half of 2002 while, in the ASEAN-5, real GDP grew by 3.4% during the period compared with the growth of 4.8% in the preceding half-year. However, with the SARS outbreak being contained and the war in Iraq concluded, the region's economies have begun to show signs of recovery in the third quarter of 2003 and this resulted in a stronger growth in the second half of 2003. The recovery is expected to gather further steam in 2004 as some encouraging signs have also emerged from the industrialised countries particularly the US. Furthermore, demand for technology products is expected to rebound in 2004 with Semiconductor Equipment and Materials International (SEMI) expecting total worldwide capital equipment market to grow by 23.9%. This would help real GDP growth in the East Asian region to strengthen to 5.2 - 5.4% in 2004 and is likely to gain further momentum in the next two years stabilising at 5.5% - 5.7%. Meanwhile, the ASEAN-5 is projected to record a stronger GDP growth of 4.8 - 5.0% in 2004 (3.8% in 2003) and this is expected to stabilise at about the 5.0% level in 2005 and 2006.

In the Asian region, after a series of interest rates reduction in 2002 and 2003, most countries are likely to continue to adopt accommodative monetary policy in the first half of 2004 to help support their economic recovery. However, most central bankers in the region are likely to raise their interest rates in the second half of 2004 as the recovery in their respective economy become firmly entrenched.

economic outlook

Global Real GDP Forecast (y-o-y % change)

	2003 ^e	2004 ^f	2005 ^f	2006 ^f
World	3.2	4.1	3.5 - 4.0	3.5 - 4.0
US	2.7	3.5 - 4.0	2.8 - 3.3	2.8 - 3.3
Japan	2.1	1.0 - 1.5	1.8 - 3.3	1.8 - 2.3
Euro area	0.5	1.5 - 2.0	2.0 - 2.5	1.8 - 2.3
UK	1.7	2.0 - 2.5	2.0 - 2.5	2.0 - 2.5
East Asia	3.9	5.2 - 5.4	5.5 - 5.7	5.5 - 5.7
ASEAN-5	3.8	4.8 - 5.0	5.0 - 5.2	5.0 - 5.2

Source: World Economic Outlook September 2003 - International Monetary Fund, Global Economic Prospects September 2003 - World Bank, East Asia Update October 2003 - World Bank, Global Insight.

^e estimate, ^f forecast

1.2 THE MALAYSIAN ECONOMY

Despite uncertainties created by the geopolitical risks and the outbreak of the SARS disease, the Malaysian economy remained resilient in 2003, with real GDP growing by 4.5% in the first half of 2003. With the improving global economic environment and the containment of the SARS outbreak, the Malaysian economy is expected to continue to grow at a steady pace in the second half of the year. Thus, for the whole year, real GDP has grown by 5.3%.

Going forward, the pickup in activities in the global economy is expected to raise the upside potential for Malaysia's external demand. Being a country which is highly dependent on trade, an improvement in economic performance of Malaysia's trading partners will benefit the country's exports performance in 2004. The expectation of a buoyant world trade as well as moderate increase in prices of commodities suggest that Malaysia's export performance will remain favourable in the subsequent two years (2005-2006). On the domestic side, the various measures and incentives announced by the government in the Budget 2004 as well as in the new economic package unveiled in May 2003 will contribute towards stimulating private sector spending. Both private sector investment and consumption expenditures are projected to grow by a higher rate of 6.9% and 7.0%

respectively, against their respective growths of 2.0% and 5.2% in 2003. Growth in both private sector investment and consumption expenditures is expected to remain strong in the next two years benefiting from the measures introduced by the government to accelerate domestic economic activities. On the public sector side, the government is expected to gradually pull back from being the main engine of growth in the economy, thus, public sector contribution is expected to be less than in the previous year. Public sector investment expenditure is expected to decline by 4.1% in 2004 (4.6% in 2003) while public sector consumption expenditure is expected to grow by 4.9% (7.2% in 2003). Given the government's commitment to achieve a balance budget in 2006, growth in public sector final consumption expenditure is expected to be minimal in both 2005 and 2006.

On the back of the accommodative fiscal and monetary policy and the government's role in providing an enabling environment for the private sector to take on a leading role in driving the economy, we expect real GDP to pick up pace and grow within the range of 5.0% - 5.5% in 2004. This is however, less optimistic than the government's projection of 5.5% - 6.0%. With world economic growth expected to moderate and stabilise in 2005 - 2006, growth in Malaysia's real GDP is also expected to stabilise at about 5.0% during the two-year period.

	2003	2004	2005 ¹	2006 ¹
	(y-o-y % change)			
Real GDP	4.5	5.0 - 5.5	4.75 - 5.0	4.75 - 5.0

Source: EIU, Global Insights¹

On the supply side, the **manufacturing sector** will remain the key driver in generating economic growth in 2004. The sector, which is projected to grow by about 7.0% in 2004 (6.5% in 2003), is expected to benefit from the stronger recovery in the global technology industry and the resilient domestic demand. Within the sector, strong growth is expected to be recorded in the export-oriented industries, in particular, the electronics industry in line with the expected pick-up in technology spending. Supporting industries such

as plastic, chemicals and fabricated metals and machinery will benefit from the strong growth in the electronics industry. Activities of the domestic-oriented industries are expected to strengthen, gaining momentum from the stronger business as well as consumer confidence. With the anticipation that the global technology industry will remain firm in 2005 before trending down slightly in 2006, the manufacturing sector is expected to continue to maintain its growth at an average rate of 7.0% in 2005 - 2006. The **construction sector** is likely to grow by 2.0% in 2004 (2.5% in 2003), benefiting from the on-going construction projects and stronger activities in the housing segment. Several large projects that will commence in 2004 include an upgrade of the Kuching airport, expansion in the Bintulu and Kuching ports, a new port in Semalanjau, Phase 2 of the Universiti Malaysia Sabah and the construction of the UNIMAS permanent campus in Samarahan. In the years 2005 - 2006, the construction sector is expected to remain strong, benefiting from the construction of the electrified double-tracking rail projects which is expected to take four years to complete. The **agriculture sector** is likely to record a steady growth of 2.5% in 2004 (2.3% in 2003), supported largely by an increase in output of palm oil following the increase in matured areas in Sabah and Sarawak. The **mining sector** is expected to continue to grow at a modest pace of 3.0% in 2004 (4.5% in 2003) due to lower production of crude oil. However, output of natural gas is expected to increase due to higher demand for gas as the economy recovers. As industries affected by the SARS outbreak gradually recovers and in tandem with the overall rebound in the general economy, the **services sector** is expected to register a higher growth of 4.5% in 2004 (4.2% in 2003). The services sector is expected to maintain its steady pace of 4.5% in 2005 - 2006 in line with the growth in the primary and secondary sectors.

Inflation is expected to remain relatively subdued, though the consumer price index (CPI) is likely to increase by a higher rate of about 2.0 - 2.5% in 2004 - 2006 compared with the increase of 1.2% in 2003. General prices are expected to be under mild pressure in 2004 following the faster recovery momentum as well as due to the low base effect in 2003.

Situation in the **labour market** is expected to improve further in line with the improving economic activities. The country will continue to operate under a full employment situation with the unemployment rate expected to remain stable at about 3.5% in 2004 - 2006.

In the **external sector**, the merchandise balance is expected to remain in surplus in 2004 - 2006. The surplus in 2004 is likely to be in the region of RM60 billion, slightly smaller than the surplus of RM62.9 billion in 2003 on anticipation that the growth in imports is likely to exceed the growth in exports. Growth in imports is likely to strengthen in 2004 - 2006 in line with the expected pick-up in investment activities in the country as well as stronger domestic demand. On the export side, growth is likely to strengthen in 2004 on the back of strong recovery in the global technology industry. The strong growth in exports is likely to continue in the subsequent years, supported by the recovery in exports of manufactured goods and moderate increase in agriculture and mineral prices.

BNM will continue to maintain its easy **monetary policy** to support the expansion in domestic economic activities. With inflation remaining low and with liquidity remaining ample, the low interest rate regime is expected to be sustained at least into the first half of 2004 until recovery is firmly entrenched in the economy. In line with the expectation of an uptrend in global interest rates, domestic interest rates are expected to gradually rise to 3.5 - 4.0% in 2005 and 2006.

In the banking sector, with real GDP expected to grow by about 5.0 - 5.5% in 2004, **loan growth** can be expected to be in the region of 7.5 - 8.0%. With real GDP expected to stabilise at about 5.0% in 2005 - 2006, loans growth in the banking system is projected to be within the range of 7.0 - 7.5% during the two-year period.

(Source: BCB's economic research department)



We take pride in creating long-term value for all our stakeholders.

corporate social responsibility

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the group that cares

Sound corporate social responsibility is a crucial part of the overall efforts to foster sustainable and equitable development. We believe that business should play a responsible role in society and that social issues must be addressed seriously. CAHB's programmes of corporate social responsibility are in alignment with the aspirations of our investors, customers, staff and other business partners and therefore help to enhance and further deepen our relationship with all our stakeholders.

Companies in the Group are involved in a wide range of projects of this nature. As a responsible corporate citizen, we have organised and participated in many community activities and contributed towards various public service projects, some of which are described below.

POTRET KEJAYAAN

For the third season running, Bumiputra-Commerce Bank Berhad ('BCB') jointly launched the popular documentary "Potret Kejayaan" with TV3. The documentary focused on compelling success stories of ordinary Malaysians in various fields of endeavour, and has garnered a wide following. Aired on a weekly basis, BCB's initiative underscores its corporate values of nurturing success for Malaysians.

The third season of the programme featured tales of Malaysians who have achieved success and carved a name in their respective fields through positive values, sheer hard work and perseverance.

Amongst the personalities were local diva Datuk Sharifah Aini, the recently crowned king of international car rallying Karamjit Singh, archeologist Professor Zuraina Majid who put Malaysia on the world map with her discovery of the 'Perak Man', orchard entrepreneur Ngan Poh Chye, Azlina Abu Hassan, the first Malay lady to become a Wushu exponent and a Lion dance coach, as well as evergreen percussionist Lewis Pragasam and the founder of Rumah Pengasih Mohd Yunus Pathi.

This time around, BCB took into consideration suggestions and ideas given by the millions of viewers of the previous two seasons of "Potret Kejayaan". A viewer survey conducted by TV3 last year on "Potret Kejayaan" revealed that viewers were highly motivated and inspired after watching each episode that showcased success stories of ordinary Malaysians from all walks of life.

The objective of sponsoring this programme is to share positive values of individual Malaysians who have achieved admirable levels of success in extraordinary endeavours and those who have made a remarkable effort to achieve what others would consider unattainable.

It is hoped that this programme will help to boost the spirit of "Malaysia Boleh" amongst all Malaysians, no matter what their interest, talent and personal circumstances are. The sponsorship is consistent with the BCB's position as 'a bank for all people' as an institution that is part of the fabric of the Malaysian society.

FORMULA ONE

It has become a tradition for BCB to make it possible for its customers to watch the exhilarating Formula One Grand Prix race live at Sepang International Circuit. BCB supported this world-class sporting event by organising the "BCB Formula One Tickets Giveaway" for the third year



running in 2003. The contest was able to attract hundreds of participants as in the previous years. The contest was open to all BCB customers and only required the entrants to answer simple questions on BCB. A total of 450 winners were chosen based on the most correct answers.

With 2003's Grand Prix theme "Experience The Moment", it was an ultimate moment for our customers as they were strategically seated at the Hillside stand to catch the exciting action and drama at the circuit when the prestigious team drivers passed them in machines with highly powerful engines. In addition, winners and their partners were given a goody bag each comprising earplugs, umbrella, refreshment coupon and floor mat. A Hospitality Desk was set up at the venue on the final race day to render assistance as necessary.

MAJLIS KANSER NASIONAL ('MAKNA')

Millions of people are diagnosed with cancer every year worldwide and it is vital that cancer is detected early to save a life. In addition to the suffering and excruciating physical and emotional pain cancer patients go through, they are also burdened with heavy costs of medication. MAKNA was

set up in 1994 to take on the mammoth task of identifying and aiding cancer patients from lower income families. To-date, MAKNA has assisted more than 6,000 cancer patients to seek treatment.

In conjunction with our commitment to make a meaningful and noble contribution to the Malaysian society, BCB has agreed to part-finance MAKNA's research programme with a total sum of RM500,000 over a three-year period beginning this year. In support of this cause, CAHB also contributed RM50,000 to MAKNA in May 2003.

MALAYSIA'S ASPIRATIONS & ACHIEVEMENTS ('MAA') IV

Sponsored by CIMB, this television series was produced in recognition of Malaysian's success in offering community services and services above one self, each coming from their respective fields of practice. It showcased the different aspects of the individuals involved, their efforts and achievements, trials and tribulations such as the accomplishment of our former prime minister, YABhg Tun Dr Mahathir Mohamed on his experience as the Prime Minister of Malaysia for the last two decades and Royal Professor Dr Ungku Aziz as the Father of Modern Malay Literature.

MAA also featured community episodes in relation to the achievement of children with disabilities from the Dyslexic Association in Kuala Lumpur and the Spastic Children Association in Petaling Jaya, the inspiring journeys of former drug addicts and what they had to go through to make Persatuan Pengasih Malaysia what it is today, and the continuing revolution and improvement of life of Orang Asli.

MAA also portrayed compelling stories on outstanding people who had volunteered themselves for noble causes such as James Nayagam which focused on his effort to help abused, abandoned and orphaned underprivileged children, Margaret Gooi from Breast Cancer Welfare Association which highlighted her efforts in providing breast cancer patients and their family's psychological and emotional support, and Jayathesan Kulingan which chronicled his voluntary work for humanitarian causes.

Other key CIMB sponsorships include The Edge Kuala Lumpur Rat Race, Malaysian Charity Draw and Yayasan Tabung Tenaga Berdikari Kelantan Berdaftar.

the group that cares

HARI RAYA AND CHRISTMAS GATHERING FOR UNDERPRIVILEGED CHILDREN

CIMB organised and hosted the first-ever group community service in aid of 100 underprivileged children from the Shelter Home for Children, Rumah Solehah and Spastic Children's Association. This gathering was in conjunction with the Hari Raya and Christmas festivities, and was held at the Polo Pavilion, Bukit Kiara Equestrian Club.

The children, ages ranging from 1 to 16, were treated to a day of fun, festivities and merriment. Shelter Home for Children is a welfare organisation providing homes for abused, abandoned, neglected or at-risk children. Rumah Solehah on the other hand, is a home for HIV-positive women and children and has become a haven for AIDS patients. Many of the children are orphaned and abandoned. The Spastic Children's Association cares for the mentally and physically challenged children of all ages.

Senior management and staff of CIMB were at the event entertaining the children. Donations were made to the respective homes during the cheque presentation ceremony.

PROGRAM SEJUTA BUKU

During 2003 Bank Niaga launched its Program Sejuta Buku. Used or new books were collected by customers, employees and public, and then donated through charity foundations, libraries and schools under poor facilities and distributed throughout Indonesia from Bank Niaga's branches. This programme, which was started from 2 May 2003 until 2 December 2003, ended successfully with about 821,000 books collected.

SCHOOL-BASED MANAGEMENT PROGRAMME

Bank Niaga, together with UNICEF, the Government of Indonesia and UNESCO introduced the School-Based Management Programme, a continuous programme running from 2002 to 2005, which is intended to enhance the quality of basic education through school-based activities.

DONATIONS

All companies in the Group maintain a substantial and active donations programme. BCB's programme spans a broad range of causes, concentrating particularly on the underprivileged and handicapped, and on health-related issues in Malaysia.

CIMB espouses similar causes, including Pusat Khidmat Kebajikan Anak-Anak Yatim & Warga Miskin, Tabung Bantuan Kemanusiaan Mangsa Pencerobohan Ke Atas Iraq, Sisters in Islam, and the Society for The Severely Mentally Handicapped, Selangor and Federal Territory.

Bank Niaga's continues its involvement and contribution to various social programmes and charities, reflecting its commitment to the welfare and enrichment of the communities around them. In 2003, Bank Niaga allocated a total of Rp1 billion in scholarships for higher education and donated the amount through seven universities in Indonesia. A further Rp1.1 billion went into sponsorship for various community cultural, religious, funds for natural disasters, the development and renovation of social facilities, and public events.

the commerce asset story -of people and principles

On 23rd October, 2003, “The Commerce Asset Story - Of People and Principles” written by Zuraidah Omar was officially launched in a simple ceremony by the Second Finance Minister of Malaysia at the time, Yang Berhormat Dato’ Dr Jamaludin Bin Dato’ Mohd Jarjis. The event was held at the Nirwana Ballroom 1, Mutiara Hotel Kuala Lumpur.

“Project Archive” took approximately 15 months to complete. CAHB commissioned a freelance writer, Puan Zuraidah Omar supported by a Project Coordinator namely Mr Joe Fernandez. The intention was to document the story of the growth of the Commerce Group. In an increasingly volatile and complex operating environment, we might have forgotten what it was that helped us reach this far.

The Commerce Group has its beginning in a one branch family owned bank in Kuching, Sarawak. It took its modern form when it was purchased by the Fleet Group. Today it is a full fledged financial services group. Bumiputra-Commerce Bank is the second largest bank in Malaysia in terms of assets. Commerce International Merchant Bank is the nation’s leading investment bank and a third leg in insurance and fund management has been developed. Initial foray into the region has commenced through the acquisition of P.T Bank Niaga.

In the book, Zuraidah Omar tracks the Group’s evolution against the back drop of Malaysia’s changing political and economic scenario. Through interviews and research, she puts together the links between events, people and principles that have forged a significant corporate entity.

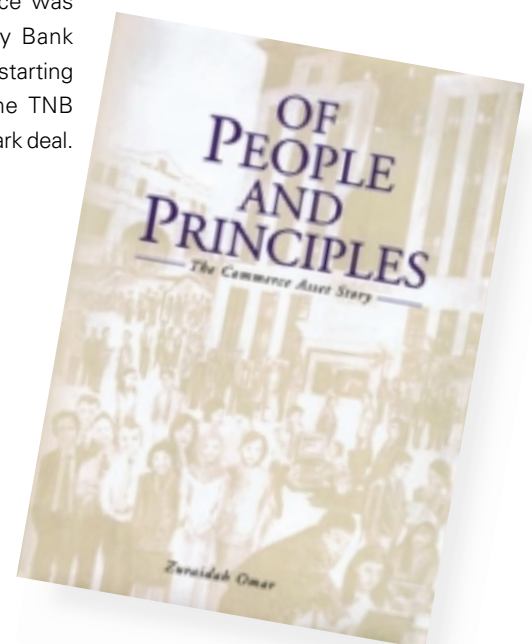
The book has been written in four parts. Firstly, it traces the formative years. This includes the acquisition by Fleetprint of Bian Chiang Bank and the subsequent collaboration venture with Morgan Guaranty. Secondly, it looks at the period of growth. This includes the acquisition of Pertanian Baring Sanwa, the forerunner for CIMB by Bank of Commerce, the listing of Bank of Commerce on the KLSE (now known as MASEB) and the acquisition of a Securities company by CIMB. This period also includes the merger with United Asian Bank and the formation of the holding company, Commerce Asset-Holding Berhad.

The growth years were pivotal moments for the Group. Bank of Commerce was classified as a Tier One Bank by Bank Negara Malaysia and CIMB was starting to top the league tables with the TNB listing widely regarded as its landmark deal.

The third section of the book deals with the period of the economic crisis of 1997 - 1998. It was a difficult period for all and the Group was not spared. A major part of the Group’s history would be the merger with Bank Bumiputra Malaysia Berhad in 1999. The deal propelled the Group to emerge as the second largest financial services group in the country. There is a chapter dedicated to this part of the Commerce Story.

The Group has expanded beyond initial expectations when Bian Chiang Bank was acquired. The strength of an organisation lies with its people. Some core principles that have seen the evolution of the Group from a one branch family owned bank in Kuching needs to be firmly entrenched within the Group. These values include integrity and professionalism.

Finally the book is a tribute to the many people who have played an indelible role in the Group’s evolution and growth.



investor relations

An important channel of communication with investors and the investment community is through CAHB's investor relations (IR) activities. These activities are spearheaded by a Director, the Chief Operating Officer and the Executive Vice President supported by a unit at CAHB. This is consistent with recommendation 115 of the Capital Market Masterplan where listed companies are encouraged to establish dedicated channels of communication with investors. Prompt feedback is provided to senior management of market perception and investor concern.

The activities during the year include:-

- Briefing to analysts in conjunction with the release of the 2002 audited results on 19 March, 2003
- Presentation by Directors of P.T Bank Niaga to analysts on 20 August, 2003 as an introduction to the new Indonesian subsidiary post completion of the acquisition of 51% stake in P.T Bank Niaga by CAHB.
- In 2003, CAHB had approximately 130 meetings with equity research analysts, fund managers and investors. This includes both direct meetings and conference calls.
- Invited banking sector analysts to the launch of "The Commerce Asset Story - of People and Principles". This book records the growth and development of the Group and provides useful insight to the investment community.
- Participated in two non deal foreign road-shows and one foreign investor conference.
- Provided input for BCB's USD300 million sub debt road-show.

The senior management involved in investor relations activities for CAHB are as follows:-

- Dr Rozali Mohamed Ali, Director
- En Mohd Shukri Hussin, Chief Operating Officer
- En Jamil Hajar Abdul Muttalib, Executive Vice President/ Company Secretary
- En Aznam Shahuddin, Assistant General Manager – Corporate Affairs

The coverage on CAHB by brokerages or equity houses is quite high.

	Thomson (1/B/E/S)	Multex Global
No. of contributors to earnings estimates	27	26

In November 2003, MARC upgraded the long term rating to A+ from A. In its commentary, MARC attributed the upgrade to the strengthened credit standing of the CAHB Group, which benefited from the strong franchise of its core subsidiaries, a better performance by its commercial banking subsidiary, the improvement in its overall asset quality, low gearing level and proactive management.

Moving forward, further work will be done to enhance the Investor Relations activities of CAHB. This will include:

- Synergising IR Strategy with communication strategy
- Accommodating specific suggestions from the analyst community to enhance the IR function
- Establishing quantitative parameters for measuring effectiveness of IR function.

CAHB group 2003 calendar of corporate events

cahb



a 30 April

Annual General Meeting held at Nirwana Ballroom 1, Mutiara Hotel.

27 - 29 June

Commerce Group Directors Weekend Retreat in Bali, Indonesia.

9 - 10 July

Participated in ABN AMRO Malaysia conference in London.

1 August

Signing of a Memorandum of Understanding between CAHB and The New Straits Times Press (Malaysia) Berhad for the proposed acquisition of 100% of the issued and paid up capital of AMI Insurans Berhad.

6 August

Signing of a Memorandum of Agreement between CAHB and Bukhary Capital Sdn Bhd for the proposed divestment of 30% of the issued and paid-up capital of Bank Muamalat Malaysia Berhad.

20 August

Organised analyst briefing to the analyst community by the management of P.T Bank Niaga at Nikko Hotel.

7 October

Completion of the acquisition of 1.83% equity interest in P.T Bank Niaga by CAHB from the Indonesian Bank Restructuring Agency (IBRA).



b 23 October

Launch of "The Commerce Asset Story - Of People and Principles" by Yang Berhormat Dato' Dr Jamaludin Bin Dato' Mohd Jarjis, Second Finance Minister at Nirwana Ballroom 1, Mutiara Hotel.

7 November

CAHB entered into a Sale and Purchase Agreement with Bukhary Capital Sdn Berhad for the proposed disposal of 30% equity interest in Bank Muamalat Malaysia Berhad.

1 - 3 December

US Non deal roadshow (Boston and New York organised by ABN AMRO).

16 - 17 December

Participated in Non deal roadshow in Singapore organised by ABN AMRO.

CAHB group 2003 calendar of corporate events

bumiputra -commerce

17 March

BCB marked the successful raising of USD200 million Syndicated Term Loan Facility with a cocktail reception for participating financial institutions. The fund was for BCB to finance its overseas operations.

23 March

For the third consecutive year, BCB made it possible for 1,000 of its customers and staff to watch the exhilarating Formula One Grand Prix race live at Sepang International Circuit. BCB supports this world class sporting event by organising the "BCB Formula One Tickets Giveaway", a simple contest that ensures its customers get an opportunity to win free tickets to the race.

11 April

BCB was appointed as one of two agent banks to channel funds to eligible SMEs in the tourism industry by Bank Pembangunan & Infrastruktur Malaysia at a signing ceremony to formalise the appointment.

22 April

BCB held its annual general meeting. It was attended by the holding company executives, BCB Board of Directors, senior management and auditors.

9 May

BCB's subsidiary Bumiputra-Commerce Finance launched its innovative e-Dealer System, through collaboration with Naza Kia. The robust and user-friendly on-line car loan application system empowers car dealers to obtain approval for their customers' car loans applications. Approval can be obtained within a few hours though this speedy, paperless and cost efficient system.

30 July

For the third season running, BCB jointly launched the popular documentary "Potret Kejayaan" with TV3. The documentary focuses on compelling success stories of ordinary Malaysians in various fields of endeavours. Aired on a weekly basis from 6 August until 8 October 2003, BCB's initiative underscores its corporate values of nurturing success for Malaysians.

15 August

BCB's Chairman, Yg Bhg Tan Sri Radin Soenarno presented BCB's contribution of RM500,000 to fund cancer research programs of National Cancer Council (MAKNA) to its president, Datuk Dr. Mohd. Farid Ariffin in a simple ceremony. The contribution demonstrates BCB's social consciousness and will provide MAKNA resources for some very creditable research that offers long lasting benefits to cancer patients.

20 August

BCB launched "CashLaju", a remittance service that offers customers a fast, convenient and reliable way to remit monies to Indonesia through hundreds of branches of P.T Bank Niaga of Indonesia and Pos Indonesia. The initiative demonstrates the success of collaboration among companies within the Commerce Asset group.

12 September

BCB's Managing Director and CEO Dr Rozali Mohamed Ali, as Chairman of the Association of Banks in Malaysia, lead all member banks and members of the Association of Finance Companies and the Association of Merchant Banks in expressing the industry's appreciation to former Prime Minister and Finance Minister, Tun Dr. Mahathir Mohamad and his wife, Tun Dr. Siti Hasmah Mohd Ali at a dinner in Putrajaya.



16 September

BCB, and two other banks were appointed as internet banking collection agents by Tabung Haji at a signing ceremony. BCB demonstrated its capabilities in internet banking and handling of bulk transactions, consistent with its quest to migrate its customers from conventional banking to the more efficient internet banking platform.

11 October

BCB opened its branch in Cyberjaya, Selangor offering residents of the modern hi-tech town convenient and friendly services.

17 October

BCB's Fast Track SME Loan, a scheme that offers approval within 7 working days was launched. Credit Guarantee Corporation and the Federation of Women Entrepreneurs signed an MOU with BCB. BCB showcased its proactive effort and efficiency as a leading provider of SMI financing. It also demonstrated its aspiration in helping SMIs develop their businesses.

20 October

BCB's Retail Service Outlet in Mid-Valley Megamall was upgraded to a branch to meet customers' increasing needs at this modern shopping complex.

22 October

BCB officially launched Proton Commerce Sdn Bhd, a joint venture between Proton Edar and Bumiputra-Commerce Finance, subsidiaries of Proton Berhad and BCB. A first of its kind joint venture, it provides BCB an opportunity to rapidly extend its consumer financing base.

16 December

BCB and Maxis launched the mobile banking service to enable customers of both organisations to perform banking transactions, anywhere and at anytime.

cimb



8 January

Listing of CIMB Berhad (CIMBB) on the MSEB.

15 January

CIMB acted as Adviser for the proposed acquisition of 38.56% equity interest in Crest Petroleum Berhad by Sapura Telecommunication Berhad from Renong Berhad.

15 January

CIMB was the Joint Lead Manager for Sime Darby's RM1.5 billion AI Murabahah commercial paper and medium term notes programme.

23 January

CIMB organised its First Luncheon Talk Series with guest speaker Dr K Govindan, Head of The National Economic Action Council Secretariat.

23 February

CIMB was one of the event partners for the Non Alignment Movement (NAM) Summit Business Forum on South-South Co-Operation organised by Asian Strategic and Leadership Institute (ASLI) in association with the Ministry of Foreign Affairs Malaysia and the Malaysia South-South Association (MASSA) at Sunway Lagoon Resort Hotel.

5 March

CIMB participated in the BusinessWeek's The CEO's Insight Forum on "Deepening Reform, Embracing Challenge: Competing to win in Global Markets".

d 21 April

CIMBB's First Annual General Meeting held at Kuala Lumpur Golf & Country Club.

30 April

CIMB organised its luncheon talk series with guest speaker Tan Sri Abdullah Ahmad, Group Editor-In-Chief and Executive Director of The New Straits Times Press (M) Berhad.

e 2 June

CIMB Islamic was launched by Tan Sri Dato' Seri Dr Zeti Akthar Aziz, Governor of Bank Negara Malaysia.

9 June

CIMB jointly organised a roadshow presentation by Indonesian Bank Restructuring Agency (IBRA) to discuss the economic and investment landscape in Indonesia.

10 June

CIMB organised a cocktail reception as well as a customised play entitled "Gentlemen Prefer Bonds" produced by The Actors Studio.

21 June

CIMB hosted First Retail Investment Workshop 2003. The workshop focused on the outlook of the Malaysian equity market, an introduction of the Malaysian Derivatives Exchange, an update on the futures industry and how to maximise an investor's investment potential.

16 July

CIMB organised its second Luncheon Talk with guest speaker Dr Chandra Muzaffar, President of the International Movement for a Just World (JUST). Dr Chandra spoke on "Malaysia's Foreign Policy and Global Trends."

30 July

CIMB organised an Oil & Gas Conference entitled "Do we know the prospects from the world below us?" for fund managers.

6 August

CIMB hosted a signing ceremony for Guthrie Berhad Group's USD230 million Syndicated Term Loan Facility. CIMB(L) Limited, Bumiputra Commerce Bank (L) Limited and DBS Bank Ltd were the Joint Lead Arrangers.

12 August

CIMB took part in the Kuala Lumpur Annual Rat Race. 58 teams from 44 companies took part in this charity event. Yusli Mohamed Yusof, former Chief Executive of CIMB Securities was among the top 5 winners for the CEO category. CIMB emerged as runner-up for the overall team category.

14 August

CIMB hosted its third Luncheon Talk series on the topic of "Unbiased Media - What it means to the Public and the Media." The speakers were Abdul Razak Baginda of Malaysian Strategic Research Centre, Karim Raslan of Raslan, Loong and author, and Rehman Rashid, a well known writer and journalist.

CAHB group 2003 calendar of corporate events



26 September

CIMB together with HSBC organised an Islamic Capital Market Conference, which aimed to provide an overview of the Islamic capital market.

26 September

CIMB hosted the Astro All Asia Networks plc Initial Public Offering Underwriting (IPO) Signing Ceremony. CIMB was Adviser, Managing Underwriter and Domestic Bookrunner for the IPO.

3 October

CIMB wins The National Human Resource Excellence Award 2002. International Business Machines (IBM) and The Mandarin Oriental Kuala Lumpur were the first and second runners up respectively.

6 - 7 October

Bumiputra-Commerce Bank Berhad held an investors presentation on its inaugural US dollar sub-debt offering in Hong Kong and Singapore. CIMB and Morgan Stanley were the joint bookrunners.

15 October

CIMB was the event partner for the Organisation Islamic Conference (OIC) Business Forum held in conjunction with the 10th session of the Islamic Summit Conference organised by ASLI in association with the Ministry of Foreign Affairs Malaysia.

16 October

CIMB co-hosted a signing ceremony in conjunction with the proposed issuance of Malakoff Berhad's RM1.5 Billion Serial Revenue Bonds. CIMB and Deutsche Bank were the Joint Advisers.

18 October

CIMB hosted the Second Retail Investment Workshop. The workshop focuses on the outlook of the Malaysian Equity Market, an introduction of the Malaysian Derivatives Exchange and an update on the Futures industry.

20 October

CIMB was Joint Lead Arranger for the issuance of istisna medium term notes programme of up to RM5.6 billion nominal value for SKS Power Sdn Bhd.

21 October

CIMB (L) Ltd acquired 51% of PT. Niaga Sekuritas from PT. Bank Niaga.

27 October

CIMB was Managing Underwriter, Principal Adviser, Lead Manager and Book Runner for Khazanah Nasional Berhad's first offering of covered warrants.

28 October

CIMB was Adviser, Lead Manager, Sole Bookrunner, Managing Underwriter and Placement Agent for Malaysian Bulk Carriers Berhad's listing on the MASEB Main Board.

28 October

CIMB was sole event partner for The Malaysian Capital Market Summit 2003, organised by Asian Strategic And Leadership Institute (ASLI). The title for the summit was Re-evaluating Investment Opportunities, Risk and Challenges.

29 October

CIMB's AA3 and P1 Bank Ratings were reaffirmed by Rating Agency Malaysia Berhad (RAM).

20 November

CIMB hosted a panel session at AsiaMoney Equity Forum in Hong Kong. Among the speakers were Jonathan Anderson of UBS, Tan Sri Dato' Seri Abdullah Ahmad of NSTP, Keith Chen President of Chinese Gamer and Toh Hoon Chew, Head of research for CIMB Securities.

21 November

CIMB's Annual Management Dialogue (AMD) was entitled 'Towards A Sustainable Growth Model' was held at The Palace of The Golden Horses. Division heads presented their achievements for the year and business plans for 2004.

17 December

CIMB's Hari Raya Open House at The Mandarin Oriental Kuala Lumpur.

20 December

CIMB hosted a Children's Hari Raya and Christmas Party for around 100 underprivileged children from Shelter Home for Children, Rumah Solehah and Spastic Children's Association. This event was part of a community service drive to create greater awareness amongst staff of the needs of welfare organisations.

bank niaga

14 January

Launched mobile phone banking services known as “Niaga Ponsel Access”.

22 January

Signing of co-operation agreement with Sumitomo Mitsui Banking Corporation (SMBC) and International Finance Corporation (IFC) in the area of Guarantee Facility and Letter of Credit.

17 March

Received the ISO 9001:2000 award for infrastructure and information technology management.

24 March

Received the “Best Bank Service Excellence Award for 2002” from Marketing Research Indonesia.

25 April

Annual General Meeting of P.T Bank Niaga Tbk held at Multifunction Room, Graha Niaga, 2nd Floor, Jalan Jend Sudirman, Kav 58, Jakarta.

May 1

Launched the “One Million Book Programme” gathering new or used books to be distributed to social institution or schools. This is part of Bank Niaga’s Corporate Social Responsibility programme to assist under-privileged children.

22 July

Bank Niaga and Bank UFJ Indonesia signed agreement with regards to alliance in cash management services.

25 July

Opened a UKM (Middle Business Loan Unit) in Sidoarjo, East Java.



19 August

Bank Niaga and Bank of America signed agreement on co-operation in cash management services.

20 August

Bumiputra-Commerce Bank and Bank Niaga launched “Cash Laju” a cash remittance service mainly for the Indonesian workforce in Malaysia.

26 September

Bank Niaga received official notification that its status as a “Bank under restructuring” was withdrawn and transfer of supervision from the Indonesian Bank Restructuring Agency (IBRA) back to Bank Indonesia.

29 September

Bank Niaga provided education aid of Rp1 billion to several universities in Indonesia. The scholarships were earmarked for under-privileged students.

1 October

Received the Platinum Partner Award for Best Trade Bank in South East Asia from Standard Chartered Bank and Custodian Services obtained the ISO certificate 9001: 2000.

7 October

Bank Niaga, Citigroup and AIG Lippo signed a Strategic Alliance Agreement for the AIG Lippo Policy Payment through electronic banking network.

9 October

Launch of “Niaga 3 in 1” product with Asuransi Jiwasraya.

16 October

Inaugural launch of ITB-Niaga Mutual Funds product. This is a collaboration with the Bandung Institute of Technology to assist in funding for tertiary education.



30 October

Bank Niaga held a “Public Expose” on the unaudited financial performance for the period of nine months ended 30 September 2003.

3 November

Extraordinary General Meeting of P.T Bank Niaga Tbk held at the Financial Club, Graha Niaga to approve the divestment of 51% interest in P.T Niaga Sekuritas to CIMB (L) Limited.

4 November

Commencement of Electronic Delivery Monitoring Center (EDMC).

6 November

Introduced SAP solution covering Performance Management System (PMS) and Human Resource Information System (HRIS).

12 November

Launched co-branding credit card namely “Great Eastern Mastercard” in collaboration with P.T Asuransi Jiwa Asih Great Eastern.

20 November

Bancassurance collaboration with P.T Asuransi Jiwa Sequis Life.

8 December

Signing of Exclusive Label Programme Agreement with P.T Daimler Chrysler Distribution Indonesia in respect of dealer financing facilities.

17 December

Extraordinary General Meeting of Bank Niaga held at the Multi Function Room, Graha Niaga to approve the Quasi reorganisation exercise and the introduction of an Employee Stock Option Programme.

CAHB group 2003 calendar of corporate events

commerce life

Commerce Life Assurance launches FD Freedom with CIMB - 24 June

The launching of FD Freedom was held at Renaissance Hotel Kuala Lumpur. This new and innovative product was launched with Commerce International Merchant Bank (CIMB), capitalising on the Group's strength to boost its premiums base and business growth.

FD Freedom offers guaranteed investment returns and protection as well as high liquidity to all customers.

Commerce Life 11th anniversary celebration - 16 July

Commerce Life Assurance celebrated its 11th anniversary that was held at its training centre at Jalan Medan Tuanku office. The anniversary was also attended by our Chairman, Yang Mulia Tunku Dato' Abdul Malek Tunku Kassim who delivered his speech to commemorate the event.

A mini exhibition "Walk Down Memory Lane" was held in conjunction with the celebration, which exhibited a photo collection of AMALites and the various activities of AMAL in the past 11 years.

Insurance Day - 27 July

Insurance Day 2003 is the collaboration of Persatuan Insurance Am Malaysia (PIAM) and Life Insurance Association of Malaysia (LIAM) to organise nationwide welfare activities. This year's theme "Caring for the Community" was aimed at encouraging co-operation between corporate sectors and government agencies in providing social and welfare services to the less fortunate. Various community projects were organised in all states to commemorate the event.

The Insurance Day celebration in Kelantan state was organised by Commerce Life Assurance with the co-operation of the state welfare department.

Majlis Iftar bersama Anak-anak Yatim - 10 November

This year Commerce Life Assurance continued with its tradition of organising its buka puasa with the orphans. Held at Plaza Hotel, a group of twenty children from Rumah Anak-anak Yatim dan Miskin Sg. Pinang Klang were feted to buka puasa where they also presented nasyid recital. The event also included religious sermons and tarawikh prayers.

Later in the evening, the CEO of Commerce Life Assurance distributed Duit Raya to orphans and also delivered a cheque to the home.



Unveiling of new name and logo for Commerce Life - 11 November

AMAL Assurance Bhd has re-branded itself as Commerce Life Assurance Bhd, marking a profound commitment and synergy as member of CAHB. The unveiling of the new name was officiated by Yang Mulia Tunku Dato' Abdul Malek Tunku Kassim, Chairman of Commerce Life in the presence of CAHB Chairman Dato' Mohd Desa Pachi and CAHB Director Dr. Rozali Mohamed Ali.

Exchange of MoU for FD FREEDOM between BCB & Commerce Life - 9 December

Bumiputra-Commerce Bank Bhd (BCB) and Commerce Life Assurance Bhd, which have jointly launched a short-term fixed deposit plan called FD Freedom, have set a RM50 million target in premium by the end of this year. The product was designed for high net-worth individuals, professionals and the business community.

The exchange of a memorandum of understanding with BCB Executive Director and Chief Operating Officer Datuk Halim Muhamat was held at J.W. Marriott Hotel.

Hari Raya Open House - 18 December

The Customer Development & Relations feted its business partners and Commerce Group clients during the Hari Raya open house held at Sheraton Imperial Hotel Kuala Lumpur. Guests were also entertained by the in-house talent of Commerce Life.

ctb & cafm

17 April

CAFM organised a seminar entitled "Strategies in enhancing a fixed income portfolio" at Equatorial Hotel, Kuala Lumpur.

30 April

CTB's Lifetime Bond Fund achieved a new milestone when its funds under management exceeded RM1 billion, making it the first bond fund in the country to reach this size.

26 May

CTB launched a new Islamic balanced unit trust fund, the Lifetime Dana Barakah.

6 July

CAFM Golf Challenge 2003 was held at the Saujana Golf & Country Resort.

18 August

CTB's Lifetime Dana Putra is now known as Lifetime Dana Mubarak. The change of name was necessary to create a stronger Islamic association to the fund. Mubarak in Arabic, means "the blessed one".

22 August

CTB introduced Commerce Trust Online, a new online service and Commerce Trust Link, an improved interactive voice response system. These services enable investors to access their account details, check their account balances and obtain key information on Commerce Trust funds via the internet and telephone.

18 September

Yeoh Keat Seng, CEO of CTB, launched his book "Investing Your Savings" which represents a compilation of his weekly column on investing in The Star.

13 October

CTB in collaboration with distributor Citibank Berhad, launched the Commerce Trust Steady Returns Bond Fund, the first bond fund of its kind in the market. Structured as a closed ended fund, the Fund aims to beat fixed deposit rates and provide regular income distribution.

14 October

CAFM organised a seminar entitled "Economic Recovery - Aiming for Pole Position of the Starting Grid." The keynote speech was given by Yang Berbahagia Dato' Ooi Sang Kuang, Deputy Governor of Bank Negara Malaysia.

19 December

CAFM held its annual Hari Raya Open House at Mandarin Oriental Hotel which saw participation from clients, directors, management and staff of CTB and CAFM.

cav

19 - 21 February

CAV Annual Conference.

12 June

Luncheon dialogue with Second Finance Minister (co-organised with Persatuan Pengilang-Pengilang Malaysia).

25 June

Cocktail and dinner with Investors and Investee companies.

9 - 10 July

Corporate Director Training Programme.

23 July

Listing of Pentamaster Berhad.



We perpetually strive to achieve high levels of progress as an innovative financial services group.

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(Pursuant to Paragraph 15.26 of the Listing Requirements of Malaysia Securities Exchange Berhad)

INTRODUCTION

The Board of Directors of Commerce Asset-Holding Berhad (CAHB) is committed to ensure the adoption of the principles and best practices as enshrined in the Malaysian Code of Corporate Governance throughout the Group. The adoption of the highest standards of governance is essential to preserve and enhance stakeholders value. There has been some recognition by external parties as to the standard of corporate governance applied by the CAHB Group. CAHB received the merit award within the Finance and Closed End category for two consecutive years in the MSEB Corporate Awards 2002 and 2003.

The process of ensuring that appropriate standards have been implemented for overall proper conduct is an on going exercise. The Board is pleased to present the following report on the application of principles and compliance with best practices as set out in the Malaysian Code of Corporate Governance.

1. BOARD OF DIRECTORS

The Board leads and controls the Group. It is the ultimate decision making entity. The Board is principally responsible for among other things, the review and adoption of the strategic plan for the Group, regular oversight of the business performance, ensuring the existence of proper internal controls and ensuring the adoption of appropriate risk management systems.

The Board of Directors meet on a scheduled basis once every quarter, therefore at least four times a year, when the need arises, Special Board Meetings are also convened. The quarterly Board Meetings are scheduled in advance prior to the start of the financial year. The Board will mainly deliberate on the financial statements and results of the Group and its companies, strategic and corporate direction and matters reserved specifically for the Board's decision. Reports by Board Committees are also presented and discussed. Senior management of the Group and external advisors as well as professionals appointed to advise on corporate proposal may be invited to attend the meetings on specific items on the agenda which requires clarification.

In 2003, there were 4 Board Meetings, 1 Joint Special Board Meeting and 5 Special Board Meetings. The following are the details of attendance of each individual director in respect of meetings held. The attendance of all the Directors at Board Meetings held during the financial year surpassed the minimum requirements set by Bank Negara Malaysia and Malaysia Securities Exchange Berhad. The dates, time and venues of the Board Meetings can be found in the Statement accompanying Notice of Annual General Meeting on Page 4 of this Annual Report.

Directors	No. of Meetings Attended	Percentage
Dato' Mohd Desa Pachi	10/10	100%
Dr Rozali Mohamed Ali	8/10	80%
Dato' Anwar Aji	9/10	90%
En Mohd Salleh Mahmud	8/10	80%
Tan Sri Datuk Asmat Kamaludin	8/10	80%
Mr Masayuki Kunishige	8/10	80%
En. Azizan Mohd Noor (Resigned on 6 September, 2003)	7/7	100%
Dr Roslan A Ghaffar (Appointed on 3 November, 2003)	1/1	100%

BOARD BALANCE

The Board of CAHB as at the date of this statement consists of seven (7) members with two (2) independent directors, three (3) representing shareholders (namely the Employees Provident Fund (EPF), Khazanah Nasional Berhad and UFJ Bank Limited) one representing Minister of Finance (Incorporation) and one from management. There is compliance with the independent directors criteria of the MSEB Listing Requirements.

The current set of directors bring collectively a diverse range of skill, expertise and experience. Dato' Mohd Desa Pachi who is the Chairman has been identified as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

There is a clear demarcation of responsibilities between the Board and management. The presence of independent non-executive directors provides an additional element of balance to the Board.

SUPPLY OF INFORMATION

Prior to the Board meetings all Directors will receive the agenda and set of Board papers containing information relevant to the matters to be deliberated at the meetings. Management is responsible to provide the Board with all information of which it is aware. The Chairman of the Board shall undertake primary responsibility for organising information for the agenda of the Board.

Directors have access to all information within the company and the Group whether as a full Board or in their individual capacity, in the furtherance of other duties. There is already a procedure in place for Directors whether acting as a full board or in their individual capacity to seek independent advice at the Company's expense. Directors should appoint as Company Secretary someone who is capable of carrying out the duties to which the post entails. The Board recognises that the Chairman is entitled to the full support of the Company Secretary.

All the Directors have direct access to the advice and services of the Company Secretary.

APPOINTMENTS TO THE BOARD

Any new appointments to the Board are recommended from candidates put forward by the Nomination and Remuneration Committee. The Board makes the final decision on appointments. As a financial holding company, after approval from the Board, approval from Bank Negara Malaysia is sought. A separate section in this report entitled "Board Committees" will elaborate further on the duties and terms of reference of the Nomination and Remuneration Committee.

Through the Nomination and Remuneration Committee, a periodic review is undertaken to determine the relevant mix of skills and experiences inherent in the Board. With regards to performance assessment of the Board, its committees and individual directors, some proposals are currently being assessed and evaluated before a final framework is approved for early implementation.

The Company Secretary will ensure that all appointments to the Board are properly made, that all necessary information is obtained from directors, both for the company's own record and for the purposes of meeting statutory obligations as well as obligations arising from the Listing Rules or other regulatory requirements. The Directors are updated by the Company Secretary on matters pertaining to statutory and regulatory requirements as well as duties and responsibilities of the Board. The Board will continuously determine whether its present size is effective in the furtherance of its duties.

All directors have attended the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analyst Malaysia (RIIAM). The Company as part of an on going education programme identifies and tracks conferences and seminars both locally and regionally relevant to the financial services sector and those which will assist directors in fulfilling their duties. These relevant conferences are brought to the attention of the directors and those who are keen to attend will do so at the company's expense. Subsequent to the issue of Practice Note 15 by MASEB, all directors are now attending various courses linked to the Continuing Education Programme (CEP). All directors are required to submit themselves for re-election at regular intervals and at least once every three years.

2. BOARD COMMITTEES

The board has set up various committees to assist in the discharge of its duties. These Committees operate within clearly defined terms of reference.

a) Audit Committee

During the course of 2003, the members of the Audit Committee were as follows:-

Tan Sri Datuk Asmat Kamaludin (Chairman)
Independent Non-Executive Director

En Mohd Salleh Mahmud

Non Independent Non-Executive Director

En Azizan Mohd Noor

Independent Non-Executive Director

(Resigned from the Board on 6 September, 2003)

The Audit Committee met seven (7) times during the year. The Audit Committee Report is presented on page 72 and 73 of the Annual Report. Its principal function is to assist and support the Board in maintaining a sound system of internal control.

b) Building Committee

This Committee was set up in October 2003 with the principal role of identifying the location of the Group's new corporate headquarters, evaluating proposals and overseeing the relevant process relating to its development on behalf of the Board.

The members of the Building Committee are:

En. Mohd Salleh Mahmud (Chairman)

Non Independent Non-Executive Director

Dr Rozali Mohamed Ali

Non Independent Non-Executive Director

Datuk Hamzah Bakar

Independent Non-Executive Director of CIMB

c) Group Risk Management Committee

This Committee was established on 30 July, 2003 with the principal responsibility to ensure the effective functioning of the integrated risk management function within the organisation.

The terms of reference of the Committee are as follows:-

- Formulating and reviewing the risk strategy of the organisation.
- Approving and periodically reviewing the organisation's risk management policies in line with the risk strategy.
- Defining the risk management objectives across risk categories and business lines.
- Setting the risk appetite (namely the confidence level to be used for quantifiable risks, maximum size and frequency of losses for risk, etc) of the organisation along specific business lines.
- Reviewing the risk based economic capital of the organisation
- Reviewing the overall risk profile of the organisation and specific market risk and credit risk portfolio profile on a periodic basis.
- Approving the methodologies to be followed for risk based economic capital computation.
- Approving the contingency plan for dealing with various internal/external events and disasters.

statement of corporate governance

(Pursuant to Paragraph 15.26 of the Listing Requirements of Malaysia Securities Exchange Berhad)

- Ensuring a “risk aware” culture in the organisation.
- Any other related issues.

The members of the committee are as follows:-

Tan Sri Datuk Asmat Kamaludin Chairman

En Mohd Salleh Mahmud Member

Dr Rozali Mohamed Ali Member

d) Nomination and Remuneration Committee

This committee was formed on 31 October, 2001. In 2003, there were five meetings held by this committee with full attendance by the members. The Committee is made up entirely of non executive directors. The members of the committee are as follows:-

Dato’ Mohd Desa Pachi Chairman

Independent Non-Executive Director

Dato’ Anwar Aji

Non Independent Non-Executive Director

Tan Sri Datuk Asmat Kamaludin

Independent Non-Executive Director

The terms of reference with regards to the nomination role is as follows:-

- To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary within the Group and to recommend Directors to the Committees of the Board.
- To be responsible for identifying and nominating candidates for the approval of the Board to fill Board vacancies within the Group as and when they arise as well as to put in place plans of succession in particular of the Chairman and the Managing Director/Executive Director/Chief Executive. The responsibility of the Committee shall be extended to all subsidiary companies of CAHB. All subsidiary companies shall submit the names of new directors proposed for the respective Boards to the committee for recommendation.
- To review the required mix skills and experience and other qualities and competencies which Non-Executive Directors shall bring to the Board, and to assess the effectiveness of the Board committees of the Board and contributions of Directors of the Board within the Group.
- To recommend to the Board for the appointment and continued tenure of service of managing Director/ Executive Director/Chief Executive for the Company and subsidiaries.
- To recommend to the Board for the the appointment and continuation (or otherwise) in service of any Director who has reached the age of 70.

- To recommend directors who are retiring by rotation for re-election.
- To seek the services of such advisers or consultants as it deems necessary to fulfil its responsibilities.

The terms of reference with regards to the remuneration role is as follows:-

- To determine and recommend to the Board the company’s or the Group directors fees, allowances and other remuneration.
- To determine and recommend to the Board the framework or broad policy for the remuneration of the company’s or Group Managing Director (MD), Executive Director (ED), Chief Executive Officer (CEO) and senior management reporting directly to the MD/ED/CEO.
- To determine and recommend to the Board of any performance related pay scheme for the Company or Group.
- To determine the policy for the scope of services and terms and conditions of service agreements for the executive and non-executive directors.
- To recommend to the Board the services of such advisers or consultants as it deems necessary to fulfil its responsibilities.

e) Employees Share Option Scheme (ESOS)

The ESOS Committee was established to administer CAHB’s Employees Share Option Scheme. The Committee ensures that the Scheme is administered in accordance with the by-laws approved by the shareholders of the Company. The Company implemented an Employee Share Option Scheme (ESOS 2002/2007) on 20 November, 2002. The ESOS 2002/2007 is governed by the by-laws that were approved by the shareholders on 26 April, 2002.

3. DIRECTORS REMUNERATION

The level of remuneration of the Directors is determined so as to attract and retain the Directors needed to run the Group successfully. The Nomination and Remuneration Committee will among other things, review the remuneration framework of Directors and senior management of the Group. It will also recommend the fee and allowance structure for the Directors.

All Non-Executive Directors of the company receive annual fees of RM60,000 per director which are subject to shareholders approval at the Annual General Meeting. Meeting allowances are also paid for each meeting that the Directors attend which amounts to RM1,000 per meeting per Director for a Board/Special Board Meeting and RM500 per meeting per Director for Board Committee meetings. Directors who hold fulltime executive positions in the relevant operating

subsidiary receive remuneration based on their level of responsibilities, skills, experience and job performance which is governed by the relevant human resource policy of the operating subsidiary. For Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken.

The aggregate remuneration of the Directors of the Company categorised into the appropriate components are as follows:-

Non-Executive Directors

	Group RM'000	Company RM'000
Fees	1,062	408
Other remuneration	1,127	195
Benefits-in-kind	69	-
	2,258	603

The aggregate remuneration of directors of CAHB for the financial year ended 31 December, 2003 in respective bands of RM50,000 are as follows:

Range of Remuneration	Non-Executive
Below RM50,000	1
RM50,000 - RM100,000	2
RM100,000 - RM150,000	2
RM200,000 - RM250,000	1
RM300,000 - RM350,000	1
RM1,300,000 - RM1,350,000	1

4. SHAREHOLDERS

The Annual General Meeting is still the principal avenue for shareholders to communicate and engage in dialogue with the Board and management of CAHB. Shareholders are encouraged to raise questions on the Group. Notices are sent in accordance with the rules and proxies are encouraged to attend.

Another form of communication with shareholders and investors is through the Investor Relations activities undertaken at CAHB. This is described in a separate section of this Annual Report on page 56.

The Group recognises the importance of transparency and accountability to its shareholders and investors. The annual report is a key channel of communication. There is a continuous effort on an annual basis to improve the contents of the annual report in line with best corporate governance practices.

Timely announcements are made through the Malaysia Securities Exchange Berhad of material information, financial results, corporate proposals and other announcements. Our website www.commerz.com.my can be accessed for announcements and other information pertaining to the Group.

On a quarterly basis, CAHB strives to meet the financial results deadline after the approval of the financial results has been received from Bank Negara Malaysia.

5. ACCOUNTABILITY AND AUDIT

Financial Reporting

It is the intention of the Board to present a balanced, clear as well as a meaningful view of the Group's financial performance and its future prospects. This is disseminated through the release of quarterly results announcements, accompanying press releases and statement of responsibility for preparing the financial statements which is published separately on page 79 of this Annual Report. The Board is responsible to ensure that the annual financial statements of the company and the group are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965.

Audit Committee

A report on the Audit Committee and its terms of reference is included on page 72 of this Annual Report. Through the Audit Committee the Board has established a formal and appropriate relationship with the external auditors.

Internal Control

The Board of Directors acknowledges that they are responsible for maintaining a sound system of internal control covering financial controls, operational effectiveness, compliance and risk management. By virtue of the size and complexity of the operations of the Group, there is a need to manage a full spectrum of risks. The inherent system of internal control should provide reasonable assurance but not absolute assurance against the risk of material errors, fraud or losses occurring. The internal audit function of the group rests with the group internal audit divisions (GIAD) which is based at Bumiputra-Commerce Bank Berhad. The internal audit function is described further in the audit committee report on pages 72 to 73 of this annual report.

CONCLUSION

CAHB is in compliance with the Malaysian Code of Corporate Governance during the financial year under review with the exception set out below:-

- During the course of the year, an Independent Non-Executive Director resigned from the Board and the audit committee. The audit committee currently has two members as opposed to the minimum requirement of three members. The necessary process of nominating a candidate to fill this vacancy and subsequent endorsement by the Board has been completed prior to the year end.

This statement is made in accordance with a resolution of the Board of Directors dated 12 March 2004.

statement on internal control

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound internal control system to safeguard shareholders' interest and the Group's assets and for reviewing the adequacy and integrity of this system. The process to identify, evaluate and manage the significant risks is a concerted and continuing effort throughout the financial year. This process is regularly reviewed by the Board and accords with the guidance from the Statement of Internal Control - Guidance for Directors of Public Listed Companies issued by Malaysia Securities Exchange Berhad. The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable rather than absolute assurance against material misstatement or loss.

The Board is pleased to provide the following statement which outlines the key processes of the internal control system of the Group.

RISK MANAGEMENT

The Board has in July 2003 approved the formation of the Risk Management Committee (RMC), which will be responsible for effective functioning of the integrated risk management function within the Group. The main objective of the RMC is to formulate and review the risk strategy of the Group. To complement the function of this committee, an external consultant has been engaged to review and develop a Strategic Risk Management Framework for the Group. This strategic framework will encompass the determination of the Group's risk management principles, risk appetite/ tolerance setting, risk based oversight/ organisation design, enterprise risk reporting processes and risk information management as well as the development of the Group Risk Metrics and Scorecard to enable the Group to better monitor the risk exposures and risk-return performance. The Group Risk Metrics and Scorecard will include the formulation of risk-based economic capital computation, methodology for enterprise-wide integration of risk metrics and development of a group scorecard based on key risk indicators.

Additionally, as part of the overall assessment of the subsidiaries' state of internal control, the subsidiaries are required to assess the state of internal control of their respective companies and accordingly report and provide due assurance to the holding company.

Risk management framework has been implemented by the major banking subsidiaries such as BCB, CIMB and PT Bank Niaga ('PTBN'). The non-banking subsidiaries such as Commerce Life, CAFM, CAV and CTB have also started their risk management initiatives. A separate section of the Annual Report will elaborate on the major subsidiaries' risk management framework.

Furthermore, the major banking subsidiaries have specific committees which have been delegated the responsibility to examine all matters within their scope and report back to the respective board of directors on significant matters. The subsidiaries' Board Risk Management Committee and specific risk sub-committees have been entrusted to manage different types of risks common to financial institutions which include credit risk, market risk, operational risk and liquidity risk. The risk sub-committees meet regularly to review and manage the risk and recommend suitable follow-up actions.

Amongst the initiatives implemented by BCB are the board-approved Liquidity Contingency Plan which stipulates the action plan in the event of a liquidity crisis, Credit Risk Policy Guide which outlines the limiting risk, risk pricing, credit risk rating, measurement and reporting, Loss Event Database to track and monitor operational losses and Control Risk Self Assessment. At CIMB, the initiatives are the Enterprise Wide Risk Management framework and Anti Money Laundering initiatives. At PTBN, the initiative is the Risk Management Project Master Plan for 2003 - 2006. The steps taken by the major banking subsidiaries are in line with the current development in the market in an effort to achieve compliance with Basel II, Bank Negara guidelines and other regulatory authorities.

AUDIT COMMITTEE

The Audit Committee which is chaired by an independent non-executive director reviews the internal control system and findings of the internal auditors, external auditors and regulatory authorities and accordingly endorses appropriate remedial action.

The BCB Group, CIMB Group, PTBN Group and Commerce Life have their own separate Audit Committees. The reports of these committees are forwarded to the CAHB Audit Committee. If required, there is a channel for interaction between the CAHB Audit Committee and the major subsidiaries' Audit Committees to discuss specific issues. Further details on the Audit Committee are set out in the Audit Committee Report.

INTERNAL AUDIT FUNCTION

For all major subsidiaries under CAHB Group except for CIMB Group and PTBN Group, the internal audit function is carried out by the Internal Audit Division of BCB which is also functioning as CAHB Group Internal Audit Division. For CIMB Group and PTBN Group, the internal audit function is entrusted to their own departments called Strategic Risk and Compliance Unit and Internal Auditor Group respectively while CAHB Group Internal Audit reviews their reports.

The Internal Auditors regularly audit the internal control practices and report significant findings to the Audit Committee with proposed recommendations. The core function of the internal auditors is to perform an independent appraisal of the Group's activity, to provide assurance on and to help management to maintain the best internal control system. The management is responsible to ensure that corrective actions on reported weaknesses are undertaken within an appropriate time frame.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

- The internal control culture is promoted via the introduction of various forms of Corporate Integrity Policy which includes amongst others emphasis on avoidance of conflict of interest and confidentiality of information, authorised credit limit and Code of Ethics. A major banking subsidiary has also embarked on an initiative to develop a Chinese Wall Policy.
- Group annual business plan and budget are prepared and tabled for the Board approval. Actual performance is compared against budget and reviewed regularly by the Board with explanation of major variances.

This statement was made in accordance with a Board of Directors resolution dated 12 March 2004.

audit committee report

The Audit Committee was established to assist and support the Board in discharging its duties in maintaining a sound system of internal control.

MEMBERSHIP AND MEETINGS

The Audit Committee members shall be appointed by the Board based on candidates recommended by the Nomination and Remuneration Committee. They will be appointed from among the Board members and shall consist of not less than three members with the majority being independent non-executive directors. The Chairman of the Audit Committee shall be an independent Non-Executive Director.

The members of the Audit Committee during the financial year ended 31 December 2003 are as follows:-

Tan Sri Datuk Asmat Kamaludin Chairman
Independent Non-Executive Director

En Mohd Salleh Mahmud
Non-Independent Non-Executive Director

En Azizan Mohd Noor
Independent Non-Executive Director
(Resigned from the Board of Directors on 6 September, 2003)

En Mohd Salleh Mahmud and En Azizan Mohd Noor are the members of the Audit Committee who fulfil Section 15.10 (1) of the Malaysia Securities Exchange Berhad (MSEB) Listing Requirements which requires a qualified accountant as members of the committee. En Mohd Salleh Mahmud is currently the Deputy Accountant General, Accountant General Office, Ministry of Finance. Subsequent to the resignation of En Azizan Mohd Noor from the Board of Directors of CAHB on 6 September, 2003 the Nomination and Remuneration Committee of the Board has proposed the relevant candidates to fill the current vacancy. Any candidate endorsed by the Board will require approval from Bank Negara Malaysia.

Meetings shall be held not less than four times a year and will normally be attended by Management and the Head of Group Internal Audit. The presence of external auditors is also requested if necessary. Other Board members and management of subsidiaries will also attend meetings upon the invitation of the Audit Committee. At least once a year, the Audit Committee shall meet with the external auditors without any management representative on the Board present. The external auditors may request a meeting if they consider it necessary with the members of the Audit Committee.

The Secretary of the Audit Committee shall be the Company Secretary. Minutes of each meeting shall be distributed to each members of the Board. The Chairman of the Audit Committee shall report on each meeting to the Board. The quorum is met by attendance of any two members.

In 2003 there were 7 Audit Committee meetings. The details of attendance of the meetings are as follows:-

Tan Sri Datuk Asmat Kamaludin	7/7
En Mohd Salleh Mahmud	6/7
En Azizan Mohd Noor	5/5

The Audit Committee meetings were held on the following dates:

30 January 2003

20 April 2003

28 April 2003

16 May 2003

22 July 2003

30 October 2003

19 December 2003

AUTHORITY

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other professional advice as necessary.

TERMS OF REFERENCE OF AUDIT COMMITTEE

- Ensure that the financial statements are prepared in a timely and accurate manner with frequent review of the adequacy of provisions of commitments and contingencies and bad and doubtful debts. Review the Balance Sheet and Income Statement for submission to the Board of Directors and ensure the prompt publication of financial statements.
- Review internal controls, including the scope of the internal audit programme, internal audit findings and recommend action to be taken by Management.
- To consider the appointment of external auditors and the audit fee.
- To discuss with the external auditors prior to the commencement of audit, the nature and scope of audit and to ensure co-ordination of audit where more than one audit firm is involved. To evaluate the performance of the external auditors and make recommendation to the Board of Directors on their appointment and remuneration.
- To discuss problems and reservations arising from the external audits and any matters the external auditors may wish to discuss (in the absence of management where necessary).

- To review the quarterly announcements made to the MSEC and year end financial statements before submission to the Board focusing on:
 1. Going concern assumption
 2. Compliance with accounting standards and regulatory requirements
 3. Any changes in accounting policies and practices
 4. Significant issues arising from the audit
 5. Major subjective areas
- To evaluate the performance of Group Internal Audit Division.
- To review the external auditors management letter and management's response
- To monitor related party transactions entered into by the Company and the Group.
- To review the effectiveness of internal control systems.
- To review the minutes of other audit committees within the Group and be satisfied that all matters arising are being appropriately addressed by these other audit committees.
- To consider any conflict of interest situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises question of management integrity.
- To consider the assistance given by the employees of the listed issuer to the external auditors.
- To perform any other functions as authorised by the Board.

SUMMARY OF ACTIVITIES

During the year under review, the Audit Committee carried its duties as set out in the terms of reference. Among the main areas discussed by the Audit Committee during the year are as follows:-

1. Reviewed Bank Negara Malaysia's examination report of CAHB and the requisite reply and action plan.
2. Reviewed the audit scopes and programmes, functions and resources requirement of the Group Internal Audit Division
3. Reviewed the annual audit plan, audit report and the scope of work with external auditors.
4. Reviewed the internal audit reports, audit recommendation and management response to these recommendations.
5. Initiated dialogue with the Audit Committee Chairman of BCB, CIMB and Commerce Life on matters of common and special interest to facilitate greater cooperation.
6. Reviewed the financial statements of the Group on a quarterly basis and the draft announcements to MSEC.
7. Reviewed the statements included in the Annual Report namely statement of Corporate Governance and Internal Control.
8. Reviewed matters pertaining to the share exchange agreement between CAHB and MOF/Khazanah.
9. Reviewed any human resources issues pertaining to the internal audit function for example, appraisal, appointment and resignation.

INTERNAL AUDIT FUNCTION

The Group Internal Audit Division (Group IAD) is the Group Internal Audit Division of Bumiputra-Commerce Bank Group. The Board will determine the remit of the internal audit function. The Group IAD assist CAHB in discharging its responsibilities. The CIMB Group has a Strategic Risk and Compliance Unit while Bank Niaga has an internal audit function. Nevertheless oversight is in place as the Group Chief Internal Auditor is invited to attend CIMB and Bank Niaga audit meetings and quarterly reports are forwarded to the CAHB Audit Committee and Group IAD.

In 2003, the Group IAD implemented various re-engineering exercises as follows:-

- Change and improvise on the audit processes including audit scope, methodology grading system and the audit programmes.
- Restructuring of the organisation and creation of new department to undertake the high level and more specialised audits in the area of management audit, risk management and credit portfolio.
- The introduction of pool auditors with the objective to groom more flexible and exposed auditors in various fields within the Commerce Group.
- The automation of audit working papers using Audit leverage was adopted to improve on speed and efficiencies of audit and improve on cost effectiveness.
- Quality assurance review conducted by external parties with the objective to identify the weaknesses and strengths of Group IAD and the required areas of improvement.
- 100% audit on branches through desktop auditing and special visits.

In 2003, 416 reports were issued compared to 335 reports in 2002. Total assignments for 2003 amounted to 681 compared to 523 in 2002. From various audit findings gathered, specific recommendations have been made to the management. The Group IAD will continue in 2004 to enhance the value added services it provides mindful of its independent assurance role within the Group.

risk management

1. COMMERCE ASSET-HOLDING BERHAD (CAHB)

As the holding company of a large and diversified financial services group of companies operating in a dynamic and fast-changing environment, CAHB is faced with many challenges which are derived internally from within the Group and externally from market environment. These challenges produce both risks and opportunities for the Group. CAHB believes that effective risk management is a fundamental element to ensure that the Group sustains and improves its profitability and meets stakeholders' expectation.

Acknowledging the importance of having a structured risk management framework to respond to continuous changes in the financial services industry, the Board has approved the formation of the Board Risk Management Committee (RMC) in July 2003 at CAHB, one of the committees proposed under the Financial Sector Masterplan. The RMC is chaired by an independent Non-Executive Chairman. Composition of the RMC is as follows:

Tan Sri Datuk Asmat Kamaludin Chairman

Dr Rozali Mohamed Ali Member

En Mohd Salleh Mahmud Member

The RMC is primarily responsible for effective functioning of the integrated risk management function within the Group which include formulating and reviewing the risk strategy, approving and periodically reviewing the Group's risk management policies in line with the risk strategy, defining the risk management objectives across risk categories and business lines, setting appropriate risk appetite, reviewing the risk-based economic capital, reviewing the overall risk profile, approving the contingency plan for dealing with various extreme internal/external events and disasters, and ensuring a risk aware culture within the Group.

To complement the functions of the RMC, a Risk Management Department was formed and an external consultant was engaged to assist in reviewing and developing a Strategic Risk Management Framework for the Group. This strategic framework will enable the establishment of a consistent risk management framework throughout the Group to better manage the risk exposures as well as the development of the Group Risk Metrics and Scorecard to better monitor the risk-return performance in tandem with proactive capital management objectives.

Proactive Capital Management will allow the Group to link risks to the required capital and measure the risk in terms of economic reality. It will also allow the Group to drive a return on equity discipline into individual transaction decisions through risk-based pricing and provide an enterprise-wide language for discussing and pricing risks.

This strategic framework will encompass the determination of the Group's

- risk management principles
- risk appetite/ tolerance setting
- risk based oversight/ organisation design
- enterprise risk reporting processes
- risk information management

The Group Risk Metrics and Scorecard will include the formulation of the following:

- risk-based economic capital computation
- methodology for enterprise-wide integration of risk metrics
- development of a group scorecard based on key risk indicators.

2. MAJOR SUBSIDIARIES IN THE GROUP

At our major subsidiaries, the risk management initiatives undertaken have advanced further as elaborated in the following paragraphs:

a. Bumiputra-Commerce Bank Berhad (BCB) Group

At BCB Group, the key risk management initiatives that have been put in place are further refined and improved during the financial year. The risk management structure begins with the BCB's Board RMC, which comprises only Non-Executive Directors. The RMC provides an overview and direction of the BCB Group's risk profile and risk appetite, including formulation of risk policies and reviews and ensures risk exposures are within the defined parameters and risk limits. It also ensures that sufficient capital is maintained relative to the total risk exposure. Supporting the RMC are three specific risk committees, namely Credit Risk Committee, Market Risk Committee and Operational Risk Committee. These are in turn supported by independent management units that report directly to the Executive Vice President of Risk Management, who will then report directly to the RMC.

Credit Risk

Key to the credit risk management is to ensure that structures and processes are in place to maintain and continuously enhance the BCB Group's risk assessment capabilities in key areas of credit. These include sound credit policies and procedures, quality credit approvals, appropriate risk measurement and methodology, strong credit controls with independent reviews and effective and workable recovery strategies.

BCB's Credit Risk Management is vested upon the Credit Risk Committee (CRC). The CRC reports to and assists the Board (through the RMC) in its oversight role on management of credit risk of BCB Group. Regular meetings are held to monitor credit risk exposures, regular review on an account and portfolio basis and ensure timely reporting to risk committees.

Market Risk

BCB's risk management framework, processes and comprehensive governance surrounding market risk-taking activities are undertaken by the Market Risk Committee (MRC) with the assistance from Asset and Liability Management (ALM) and Treasury Risk Management (TRM).

A Funds Transfer Pricing Policy has been drawn up to centralise the management of interest rate risk, improve performance evaluation and assist asset liability management. ALM has also developed a bank-wide Liquidity Contingency Plan which listed among others, the responsibilities and corrective measures to be taken during a liquidity crisis. In addition, TRM has completed a review of the investment guidelines under the Global Treasury Policy to ensure the comprehensiveness and effectiveness of the policy. TRM also monitors limits and informs senior management of any breach of stop-loss limits for trading positions in order that the breach is promptly and effectively addressed. BCB Group also participates in the derivative market for the primary purpose of hedging.

For liquidity management, ALM utilises the Bank Negara Malaysia New Liquidity Framework to monitor maturity mismatches over successive time bands, concentration of funding sources and liquid asset ratio. Additionally, stress test is conducted on the net interest income including worst-case scenario analysis as well as generation of gap and simulation reports which are furnished to MRC on a timely basis.

Operational Risk

BCB's Operational Risk Committee (ORC) has the functions of managing and mitigating operational risk. ORC also ensures that there are clear and predefined roles and responsibilities among ORC and other risk committees, business units as well as Internal Audit. In achieving this, ORC has a comprehensive Operational Risk Policy which outlines the risk identification, controls, mitigation and prioritisation issues.

There is ongoing monitoring and reporting on the effectiveness of operational risk management processes. Some of the initiatives currently undertaken are anti-money laundering reporting, data integrity and maintenance, fraud detection and prevention measures as well as communication on operational risk alerts. Other projects being implemented are the Loss Event Database to track and monitor actual operational losses, Control Risk Self Assessment programme and selection and development of Key Risk Indicators.

b. CIMB Berhad (CIMBB) Group

At CIMBB Group, enterprise-wide risk management framework (EWRM) is adopted to manage its risk. The EWRM framework involves the ongoing process of identifying, managing and reporting significant risks that may affect the achievement of its business objectives. This robust methodology equips the Board and management with a comprehensive toolkit to anticipate and manage both the existing and potential risks, taking into consideration the changes in the risk profile experienced in the industry and within CIMBB Group. This proactive approach is cascaded down to the rest of the companies in CIMBB Group through management's conscious efforts of embedding a strong risk and control culture at the operational level.

In line with best practices in corporate governance, the Board determines the risk policy objectives and assumes ultimate responsibility for risk management. The Board also establishes the yearly allocation of risk capital to support all risks taken by CIMBB Group.

The day-to-day responsibility for risk management and control has been delegated to the Risk Committee, which reports direct to the Board. On the other hand, the Audit Committee oversees strategic risk issues, internal control, audit matters and compliance with corporate governance practices.

risk management

Risk Committee, comprising the senior management of CIMBB Group, undertakes the oversight function for capital allocations and overall risks limit guided by the risk appetite as defined by the Board. The Risk Committee is further supported by four specialised sub-committees; namely Market Risk Committee, Credit Risk Committee, Liquidity Risk Committee and Operational Risk Committee. These are all Board delegated committees that meet at least on a monthly basis. Their functions are summarised below.

Market risk arises from changes in market prices from exposure to interest rates, currency, credit spreads and equity prices. The Market Risk Committee oversees exposure to interest rate, currency, credit spreads and equity risks and approves proprietary trading activities and investments/underwriting arrangements within defined limits.

Credit risk arises from the losses due to counter-party or issuer of securities or other instruments held fail to perform its contractual obligations to CIMBB Group. The Credit Risk Committee has credit approval authority, manages the CIMBB Group's exposures to credit risk, oversees counter party, industry sector and product exposures and sets credit support standards.

Liquidity risk relates to the funding and liquidity management of the CIMBB Group's activities. The Liquidity Risk Committee manages the funding profile and liquidity risk.

Operational risk relates to the potential for losses arising from a breakdown in controls and the implementation of safeguards to ensure the proper functioning of people, systems and facilities. This includes legal and regulatory issues and the need to ensure that all work undertaken by CIMBB Group is adequately documented and meets regulatory standards. This responsibility has been delegated to the Operational Risk Committee.

c. Bank Niaga (Bank Niaga) Group

At Bank Niaga Group, an integrated risk management policy has been developed and implemented in which control and monitoring are conducted through several executive committees which comprise Audit Committee at the level of Board Commissioners and the following committees at the level of Board of Directors.

- Risk Management Committee
- Credit Risk and Policy Committee
- Market Risk Committee
- Asset and Liability Committee
- Operation and Technology Committee

Members of these committees are primarily from the Board of Directors and senior management of Bank Niaga Group. The Risk Management Committee determines the Bank Niaga Group's risk appetite that combines analyses between business opportunities, potential risks inherent in the business and the capital strength. The decisions made in the executive committees meeting are strategic decisions that become operating policies and guidelines for all operational levels of Bank Niaga Group. The responsibility of the other executive committees are summarised under the sub-heading of credit, market, liquidity and operational risks below.

The Risk Management Group supports all risk management activities in Bank Niaga Group that include providing data for risk analysis. The availability of adequate and accurate risk data is very crucial for the formulation of the Bank Niaga Group's policies. In addition, the Risk Management Group is responsible to conduct review of delegation of authority on various limits in Bank Niaga Group, including reviewing the quality and progress of various investment portfolios, improving the system on internal control, both directly and indirectly through the improvement of the existing policies and procedures.

The independent supervision and control over the Bank Niaga Group's operations are conducted by the Bank Niaga Group's Internal Audit department.

Credit Risk

Credit Risk and Policy Committee is responsible to manage the credit risk by establishing various guidance and procedures in credit granting process, credit approval and credit policy, implementation of risk principles in credit proposal and credit portfolio to monitor the performing and non-performing loans.

Market Risk

The Market Risk Committee defines and ensures conformity to the trading limits for the trading activities in the Treasury business unit which comprise foreign exchange transactions and financial market and securities trading.

Liquidity Risk

The Asset and Liability Committee (ALCO) meets regularly to discuss the position and condition of the Bank Niaga Group's balance sheet relative to the market condition and to formulate the best strategy for Bank Niaga Group to manage its liquidity and interest rate risk.

In managing liquidity and balancing asset and liability, ALCO focuses on the following key aspects: the size of the liquidity assets, the capacity of Bank Niaga Group to raise money on the inter-bank market, the Bank Niaga Group's funding structure, maturity of funds and liabilities, diversification of funding sources, future funding requirements and macro-economic condition.

Operational Risk

Operational risk includes the risks that arise from failure of internal processes. Operational risk is less direct than credit and market risk but managing them is equally critical. For this purpose, Bank Niaga Group has an Operational Risk Committee with oversight responsibility for all operational matters that affect the Bank Niaga Group's daily activities.

3. OTHER SUBSIDIARIES IN THE GROUP**a. Commerce Life Assurance Bhd (Commerce Life)**

At Commerce Life, the Risk Management Committee which consists of four members is responsible to implement the Risk Management Framework which has been approved by the Board of Directors in 2002. The committee is scheduled to meet four times annually. Additionally, the monthly Board of Directors meeting provides the avenue for the Board to cascade downwards to the management the level of acceptable risk.

The control self-assessment was conducted twice annually on a company-wide basis. The company, through its monthly management committee meeting, elaborates on the risks and challenges facing the company. The decisions and action plans agreed are then communicated downwards for further actions by the respective personnel.

b. Commerce Asset Ventures Sdn Bhd (CAV)

CAV has implemented an Enterprise-Wide Risk Management approach using the Corporate Risk Scorecard as the risk assessment tool to assist the Board in reviewing and monitoring the risks. The management of the risks is under the overall strategy determined by the CAV's Risk Management Committee and the implementation is coordinated by the CAV's Risk Management Division. Major risks identified will be discussed in the Management Committee meeting for possible solutions. The implementation of the proposed solutions will be carried out by the risk owner and monitored by the Risk Management Division.

c. Commerce Trust Berhad (CTB)

At CTB, significant risks have been identified after taking into account internal and external factors. A team has been formed to constantly review the risk management and the possible impact it may have on the business. The internal control mechanisms have been imbedded in the work processes and the procedures at all levels within the organisation. Reports prepared by the Group Internal Auditors on CTB are submitted to the CAHB's Audit Committee with proposed remedial actions.

d. Commerce Asset Fund Managers Sdn Bhd (CAFM)

At CAFM, a committee was formed with the delegated responsibility to regularly review the risk management practices and the impact the risks may have on the business. Internal control processes were established after considering the overall control environment of the company as well as assessment of the operational and financial risks and effectiveness of the monitoring mechanisms. Reports prepared by the Group Internal Auditors are submitted to the CAHB's Audit Committee with proposed remedial actions.

additional compliance information as at December 31, 2003

1. SHARE BUY BACK

Further details of the buy back and treasury shares are available in note 26 to the financial statements which is on pages 145 and 146 of the Annual Report.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

On 29 December 2003, 10,994,000 share options were offered at an option price of RM3.62 (being the 5 day weighted average price from 19 December to 26 December 2003, net of 10% discount) to 688 eligible employees.

The Company has not issued any warrants or convertible securities.

3. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company did not sponsor any ADR or GDR programme during the financial year under review.

4. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or the Management by any regulatory body during the financial year under review.

5. NON-AUDIT FEES

Non-audit fees payable to the external auditors, Messrs PricewaterhouseCoopers and its affiliates amounted to RM2,869,000 for various audit related work relating to listing exercise, reporting accountants work on debt issuance, half year review and other professional services including tax compliance and advisory.

6. VARIATION IN RESULTS

There were no variation in results for the fourth quarter and year ended 31 December 2003 as the results announced were the audited results.

7. PROFIT GUARANTEE

The Company did not give any profit guarantee during the financial year.

8. REVALUATION POLICY ON LANDED PROPERTIES

Please refer to accounting policy on fixed assets on page 104 of the Annual Report.

9. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in note 42 to the financial statements.

statement of directors' responsibility

in respect of the audited financial statements

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of their results and cash flow for the financial year then ended.

In preparing the financial statements, the Directors have:

- Considered the applicable approved Malaysian accounting standards.
- Adopted and consistently applied appropriate accounting policies
- Made judgments and estimates that are prudent and reasonable

The Directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965, applicable and approved accounting standards in Malaysia and Bank Negara Malaysia Guidelines.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities.

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for the year ended 31 December 2003

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directors' report

for the financial year ended 31 December 2003

The Directors have pleasure in submitting their annual report to the members together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding, management company, property management, provision of consultancy services and dealing in securities. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There was no significant change in the nature of these activities during the financial year.

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Profit before taxation and zakat	1,240,867	379,309
Taxation	(285,006)	(74,620)
Share of tax of associates	(1,387)	–
Profit after taxation before minority interests	954,474	304,689
Minority interests	(172,174)	–
Profit after taxation after minority interests	782,300	304,689

DIVIDENDS

The dividends paid, declared or proposed since the end of the Company's previous financial year were as follows:

	RM'000
(a) In respect of the financial year ended 31 December 2002	
A first and final dividend of 4.5 sen gross per ordinary share less tax at 28%, and 0.5 sen per ordinary share tax exempt, on the enlarged share capital after the bonus issue which was paid on 30 May 2003	95,386
(b) In respect of the financial year ended 31 December 2003	
• A first and final dividend of 5 sen gross per ordinary share less tax at 28%, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company	93,352
• A special dividend of 5 sen gross per ordinary share less tax at 28%, which is to be paid on a date to be determined by the Board of Directors	93,352
	186,704

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

directors' report for the financial year ended 31 December 2003

ISSUE OF SHARES

During the financial year, the issued and fully paid ordinary share capital was increased from 2,586,290,000 to 2,628,960,000 ordinary shares of RM1.00 each by the issue of:

Number of shares ('000)	Purpose of issue	Class of issue	Term of issue
42,670	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At a premium of RM2.13 per share

The newly issued shares rank pari passu in all respects with the existing issued shares.

EMPLOYEE SHARE OPTION SCHEME

(A) Last year, the Company implemented an Employee Share Option Scheme ("ESOS 2002/2007") on 20 November 2002. The ESOS 2002/2007 is governed by the by-laws which were approved by the shareholders on 26 April 2002.

The main features of the ESOS 2002/2007 scheme are:

- (a) Eligible persons are employees of the Group who have been in the employment of the Group (excluding CIMB Berhad Group and CAHB's associate companies') when an offer is made in writing to an employee to participate in the Scheme. The eligibility for participation in the Scheme shall be at the discretion of the Board of Directors.
- (b) The total number of new ordinary shares available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the Scheme, which shall be in force for a period of five years, expiring on 19 November 2007 or any extension thereof.
- (c) No option shall be granted for less than 1,000 shares and shall always be in multiples of 1,000 ordinary shares.
- (d) The subscription price for each RM1.00 share shall be the average of the mean market quotation of the shares of the Company as shown in the Daily Official List issued by the Malaysia Securities Exchange Berhad for the five market days preceding the offer date, provided that subscription price shall in no event be less than the par value of the ordinary shares of the Company.
- (e) The consideration is payable in full on application. The options granted do not confer any right to participate in any share issue of any other company.

On 22 November 2002, 211,448,000 share options were offered at an option price of RM3.13 per share option to eligible employees.

On 29 December 2003, 10,994,000 share options were offered at an option price of RM3.62 per share option (being the 5 day weighted average price from 19 December to 26 December 2003, net of 10% discount) to eligible employees. This issuance has similar main features with the first issuance and governed by the similar by-laws which were approved by the shareholders on 26 April 2002.

directors' report for the financial year ended 31 December 2003

SHARE BUYBACK

The shareholders of the Company, via an ordinary resolution passed at the Annual General Meeting held on 30 April 2003, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of existing total paid-up share capital. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the share buyback can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company bought back 16,899,000 shares, as stated in Note 26 to the financial statements at an average price of RM3.01 per share from the open market using internally generated funds. As at balance sheet date, the Company has bought back a total of 35,853,000 shares. None of the shares were cancelled or resold as at balance sheet date and were held as treasury shares. Accordingly, the adjusted issued and paid-up share capital of the Company with voting rights as at 31 December 2003 was 2,593,107,000 shares.

The shares purchased are held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

DIRECTORS

The Directors of the Company who have held office since the date of the last report and at the date of this report are as follows:

Dato' Mohd Desa Pachi	
Tan Sri Datuk Asmat Kamaludin	
Dr. Rozali Mohamed Ali	
Dato' Anwar Aji	
Mohd Salleh Mahmud	
Masayuki Kunishige	
Dr. Roslan A. Ghaffar	(appointed on 3.11.2003)
Azizan Mohd Noor	(resigned on 6.9.2003)

In accordance with Article 94 of the Articles of Association, Mohd Salleh Mahmud and Tan Sri Datuk Asmat Kamaludin, retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 99 of the Articles of Association, Dr. Roslan A. Ghaffar, retires from the Board at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's Employee Share Option Scheme (see Note 24 to the financial statements) and other than those disclosed in this report.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than directors' remuneration disclosed in Note 32 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

directors' report for the financial year ended 31 December 2003

DIRECTORS' INTERESTS IN SHARES AND EMPLOYEE SHARE OPTION SCHEME

According to the Register of Directors' Shareholdings, the Directors' beneficial interests in the shares and employee share option of the Company and its subsidiary during the financial year are as follows:

	No. of ordinary shares of RM1 each			
	As at 1 January	Bought	Sold	As at 31 December
Commerce Asset-Holding Berhad				
Tan Sri Datuk Asmat Kamaludin				
– indirect	30,000	–	–	30,000
Dr. Rozali Mohamed Ali				
– direct	404,800	–	(90,000)	314,800
CIMB Berhad				
Dato' Mohd Desa Pachi	200,000	–	(200,000)	–
Tan Sri Datuk Asmat Kamaludin	50,000	–	–	50,000
Dr. Rozali Mohamed Ali	150,000	51,000	–	201,000
Dato' Anwar Aji	100,000	–	(100,000)	–
Mohd Salleh Mahmud	50,000	–	–	50,000
	No. of employees' share option			
	As at 1 January	Granted	Exercised	As at 31 December
Commerce Asset-Holding Berhad				
Dr. Rozali Mohamed Ali				
– direct	–	1,000,000	–	1,000,000

None of the other Directors in office at the end of the financial year held any interest in the shares and employee share option of the Company and its subsidiaries during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the provisions for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

directors' report for the financial year ended 31 December 2003

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year other than in the ordinary course of business.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in Note 42 and 48 to the financial statements; and
- (b) except as disclosed in Note 43 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution.

Dato' Mohd Desa Pachi

Director

Dr. Rozali Mohamed Ali

Director

Kuala Lumpur
12 March 2004

statement by directors

pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Mohd Desa Pachi and Dr. Rozali Mohamed Ali, two of the Directors of Commerce Asset-Holding Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 89 to 198 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia, Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution.

Dato' Mohd Desa Pachi

Director

Dr. Rozali Mohamed Ali

Director

Kuala Lumpur
12 March 2004

statutory declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, Mohd Shukri Hussin, the Officer primarily responsible for the financial management of Commerce Asset-Holding Berhad, do solemnly and sincerely declare that the financial statements set out on pages 89 to 198 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Mohd Shukri Hussin

Subscribed and solemnly declared by the abovenamed Mohd Shukri Hussin at Kuala Lumpur before me, on 12 March 2004.

Commissioner for Oaths

report of the auditors to the members of Commerce Asset-Holding Berhad

We have audited the financial statements set out on pages 89 to 198. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965, Bank Negara Malaysia Guidelines and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and that of Company as at 31 December 2003 and of the results and cash flows of the Group and that of Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of subsidiaries of which we have not acted as auditors are indicated in Note 10 to the financial statements. We have considered the financial statements of the subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any adverse comment made under subsection 3 of Section 174 of the Act.

PricewaterhouseCoopers

(AF: 1146)

Chartered Accountants

Mohammad Faiz bin Mohammad Azmi

(2025/03/04 (J))

Partner

Kuala Lumpur

12 March 2004

consolidated balance sheet

as at 31 December 2003

	Note	2003 RM'000	2002 RM'000
Assets			
Cash and short-term funds	2	14,054,557	7,385,020
Securities purchased under resale agreements		109,276	77,448
Deposits and placements with banks and other financial institutions	3	294,520	1,810,718
Dealing securities	4	10,366,978	10,721,471
Investment securities	5	11,947,433	16,238,881
Loans and advances	6	54,496,898	48,771,610
Other assets	7	3,734,036	3,276,480
Deferred taxation	8	359,924	278,698
Tax recoverable		44,318	138,838
Statutory deposits with Bank Negara Malaysia	9	1,473,860	1,594,425
Associates	11	55,377	179,109
Fixed assets	12	675,540	663,990
Goodwill	13	321,260	330,035
Total assets		97,933,977	91,466,723
Liabilities and shareholders' funds			
Deposits from customers	14	63,154,229	60,756,722
Deposits and placements of banks and other financial institutions	15	8,350,809	8,311,576
Obligations on securities sold under repurchase agreements		4,548,823	3,597,035
Bills and acceptances payable		4,813,454	3,784,146
Other liabilities	16	2,855,311	3,153,753
Taxation		270,851	64,008
Amount due to Cagamas Berhad		1,302,253	1,490,517
Loan stocks	18	865,830	924,000
Bonds	20	502,964	502,964
Irredeemable convertible unsecured loan stocks ("ICULS")	21	89,029	96,061
Other borrowings	22	1,308,756	1,253,859
Subordinated notes	23	1,140,000	-
Total liabilities		89,202,309	83,934,641
Minority interests		832,081	362,883
Share capital	24	2,628,960	2,586,290
Reserves	25	5,424,619	4,686,023
Less: Treasury shares, at cost	26	(153,992)	(103,114)
Shareholders' funds		7,899,587	7,169,199
Total liabilities and shareholders' funds		97,933,977	91,466,723
Commitments and contingencies	37	152,373,702	104,204,597

consolidated income statement

for the financial year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Interest income	27	5,080,361	4,072,035
Interest expense	28	(2,533,728)	(1,992,944)
Net interest income		2,546,633	2,079,091
Loan loss and provision	29	(631,916)	(809,282)
Provision for other receivables		(12,642)	(3,535)
		1,902,075	1,266,274
Non-interest income	30	1,031,934	749,540
Write back/(provision) for commitments and contingencies	16	2,101	(279)
Net income		2,936,110	2,015,535
Overhead expenses	31	(1,706,179)	(1,280,265)
		1,229,931	735,270
Share of results of associates		10,936	12,305
Profit before taxation and zakat		1,240,867	747,575
Taxation	33	(285,006)	(146,426)
Share of tax of associates	33	(1,387)	(1,855)
Zakat		-	(2)
Net profit after taxation and zakat		954,474	599,292
Minority interests		(172,174)	(33,848)
Net profit for the financial year after minority interests		782,300	565,444
Earnings per share (sen)			
- Basic	34	30.6	22.2
- Fully diluted	34	30.0	22.2
Dividends per share (sen)			
- First and final dividend of 5 sen less taxation (2002: 4.5 sen less taxation and 0.5 sen tax exempt)			
- Special dividend 5 sen less taxation (2002: Nil)	35	7.2	3.7

company balance sheet

as at 31 December 2003

	Note	2003 RM'000	2002 RM'000
Assets			
Cash and short-term funds	2	414,514	178,930
Dealing securities	4	152,271	102,967
Investment securities	5	204,845	219,712
Loans and advances	6	2,707	2,197
Other assets	7	581,105	641,238
Tax recoverable		–	15,330
Subsidiaries	10	4,337,820	4,451,214
Amount owing by subsidiaries net of provision for doubtful debts of RM852,820 (2002: RM852,820)		494,072	478,744
Associates	11	3,834	119,712
Fixed assets	12	65,346	66,571
Total assets		6,256,514	6,276,615
Liabilities and shareholders' funds			
Other liabilities	16	49,161	164,908
Amount owing to subsidiary		792,669	992,536
Deferred taxation	8	8,650	5,120
Bonds	20	502,964	502,964
Total liabilities		1,353,444	1,665,528
Share capital	24	2,628,960	2,586,290
Reserves	25	2,428,102	2,127,911
Less: Treasury shares, at cost	26	(153,992)	(103,114)
Shareholders' funds		4,903,070	4,611,087
Total liabilities and shareholders' funds		6,256,514	6,276,615
Commitments and contingencies	37	250,000	250,000

company income statement

for the financial year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Interest income	27	22,077	30,806
Interest expense	28	(41,264)	(44,505)
Net interest expense		(19,187)	(13,699)
Non-interest income	30	414,209	69,570
Net income		395,022	55,871
Overhead expenses	31	(15,713)	(10,463)
Profit before taxation		379,309	45,408
Taxation	33	(74,620)	4,338
Net profit for the financial year		304,689	49,746

Dividends per share (sen)

– **First and final dividend of 5 sen less taxation (2002: 4.5 sen less taxation and 0.5 sen tax exempt)**

– Special dividend 5 sen less taxation (2002: Nil)	35	7.2	3.7
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consolidated statement of changes in equity

for the financial year ended 31 December 2003

The Group	Note	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Merger reserve RM'000	Capital reserve arising on consolidation RM'000	Exchange fluctuation reserve RM'000	Treasury shares RM'000	Retained profit RM'000	Total RM'000
At 1 January 2003										
- as previously reported		2,586,290	1,695,842	1,057,600	65,746	28,233	54,460	(103,114)	1,503,168	6,888,225
- prior year adjustment	48	-	-	101,154	-	-	-	-	179,820	280,974
- as restated		2,586,290	1,695,842	1,158,754	65,746	28,233	54,460	(103,114)	1,682,988	7,169,199
Currency translation differences	25	-	-	-	-	-	(22,703)	-	-	(22,703)
Net gains and losses not recognised in the income statement		-	-	-	-	-	(22,703)	-	-	(22,703)
Net profit for the financial year after minority interests		-	-	-	-	-	-	-	782,300	782,300
Dividend for 2002	35	-	-	-	-	-	-	-	(95,386)	(95,386)
Transfer to statutory reserve	25	-	-	239,265	-	-	-	-	(239,265)	-
Issue of share capital arising from:										
- Exercise of Employee Share Option Scheme	24	42,670	90,888	-	-	-	-	-	-	133,558
Net changes in treasury shares	26	-	-	-	-	-	-	(50,878)	-	(50,878)
Arising from dilution/disposal of equity interests in subsidiary		-	-	(67,457)	-	(12,284)	(3)	-	63,241	(16,503)
At 31 December 2003		2,628,960	1,786,730	1,330,562	65,746	15,949	31,754	(153,992)	2,193,878	7,899,587

consolidated statement of changes in equity for the financial year ended 31 December 2003

The Group	Note	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Merger reserve RM'000	Capital	Exchange	Treasury shares RM'000	Retained profit RM'000	Total RM'000
						reserve arising on consolidation RM'000	reserve fluctuation RM'000			
At 1 January 2002										
- as previously reported		1,184,647	2,257,812	857,471	65,746	28,233	79,971	(79,085)	1,161,070	5,555,865
- prior year adjustment	48	-	-	108,117	-	-	-	-	165,891	274,008
- as restated		1,184,647	2,257,812	965,588	65,746	28,233	79,971	(79,085)	1,326,961	5,829,873
Currency translation differences	25	-	-	-	-	-	(25,511)	-	-	(25,511)
Net gains and losses not recognised in the income statement		-	-	-	-	-	(25,511)	-	-	(25,511)
Net profit for the financial year after minority interests		-	-	-	-	-	-	-	565,444	565,444
Dividend for 2001		-	-	-	-	-	-	-	(55,118)	(55,118)
Transfer to statutory reserve	25	-	-	176,936	-	-	-	-	(176,936)	-
Issue of share capital arising from:										
- Bonus issue	24	1,287,600	(1,287,600)	-	-	-	-	-	-	-
- Exercise of Employee Share Option Scheme	24	34,414	212,021	-	-	-	-	-	-	246,435
- Exercise of Warrants	24	79,629	513,609	-	-	-	-	-	-	593,238
Net changes in treasury shares	26	-	-	-	-	-	-	(24,029)	-	(24,029)
Arising from accretion of equity interests in subsidiary		-	-	16,230	-	-	-	-	22,637	38,867
At 31 December 2002		2,586,290	1,695,842	1,158,754	65,746	28,233	54,460	(103,114)	1,682,988	7,169,199

company statement of changes in equity

for the financial year ended 31 December 2003

The Company	Note	← Non-distributable →			← Distributable →		Total RM'000
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained profit RM'000		
At 1 January 2003							
- as previously reported		2,586,290	1,695,842	(103,114)	437,189	4,616,207	
- prior year adjustment	48	-	-	-	(5,120)	(5,120)	
- as restated		2,586,290	1,695,842	(103,114)	432,069	4,611,087	
Net profit for the financial year		-	-	-	304,689	304,689	
Dividend for 2002	35	-	-	-	(95,386)	(95,386)	
Issue of share capital arising from:							
- Exercise of Employee Share Option Scheme	24	42,670	90,888	-	-	133,558	
- Exercise of Warrants	24	-	-	-	-	-	
Net changes in treasury shares	26	-	-	(50,878)	-	(50,878)	
At 31 December 2003		2,628,960	1,786,730	(153,992)	641,372	4,903,070	
At 1 January 2002							
- as previously reported		1,184,647	2,257,812	(79,085)	453,060	3,816,434	
- prior year adjustment	48	-	-	-	(15,619)	(15,619)	
- as restated		1,184,647	2,257,812	(79,085)	437,441	3,800,815	
Net profit for the financial year		-	-	-	49,746	49,746	
Dividend for 2001		-	-	-	(55,118)	(55,118)	
Issue of share capital arising from:							
- Bonus issue	24	1,287,600	(1,287,600)	-	-	-	
- Exercise of Employee Share Option Scheme	24	34,414	212,021	-	-	246,435	
- Exercise of Warrants	24	79,629	513,609	-	-	593,238	
Net changes in treasury shares	26	-	-	(24,029)	-	(24,029)	
At 31 December 2002		2,586,290	1,695,842	(103,114)	432,069	4,611,087	

consolidated cash flow statement

for the financial year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Operating Activities			
Profit before taxation and zakat		1,240,867	747,575
Adjustments for:			
Depreciation of fixed assets		127,393	136,023
Net gain on disposal of fixed assets		(666)	(1,232)
Fixed assets written off		454	393
Unrealised foreign exchange gain		(33,684)	(1,368)
Dividends from dealing and investment securities		(29,524)	(10,560)
Loan loss and provision		683,372	771,251
Net interest suspended		202,968	252,394
Gain on sale of investment securities		(256,309)	(98,162)
Net profit from dealing securities		(238,017)	(14,856)
Provision for/(write back of provision for) diminution of investment securities		285,860	(10,567)
Provision for amounts recoverable from Danaharta		62,418	78,087
Accretion of discounts less amortisation of premium		(125,638)	(205,817)
Amortisation of goodwill		14,214	6,985
Amortisation of premium of associates		1,041	1,090
Gain on disposal of associate		(20,881)	-
Loss on disposal of subsidiary shares		18,957	-
Share of results of associates		(10,936)	(12,305)
Write down/(write back) of dealing securities		74,932	(2,368)
(Write back)/provision for commitments and contingencies		(2,101)	279
Provision for other receivables		12,642	3,535
		766,495	892,802
		2,007,362	1,640,377
(Increase)/decrease in operating assets			
Deposits and placements with banks and other financial institutions		1,521,698	54,150
Securities purchased under resale agreements		(31,828)	220,754
Dealing securities		517,578	(1,834,536)
Loans and advances		(6,536,871)	(3,813,425)
Other assets		(352,601)	688,537
Statutory deposits with Bank Negara Malaysia		120,565	(191,934)
		(4,761,459)	(4,876,454)
Increase/(decrease) in operating liabilities			
Deposits from customers		2,274,709	6,402,952
Deposits and placements of banks and other financial institutions		39,222	(207,249)
Obligations on securities sold under repurchase agreements		951,788	(1,289,094)
Amount due to Cagamas Berhad		(188,264)	84,167
Bills and acceptances payable		1,028,717	1,337,998
Other liabilities		(299,269)	7,470
		3,806,903	6,336,244
Cash flows generated from operations		1,052,806	3,100,167
Taxation paid		(69,875)	(446,631)
Net cash flow generated from operating activities		982,931	2,653,536

consolidated cash flow statement for the financial year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Investing Activities			
Proceeds from disposal of fixed assets		13,983	69,986
Dividends received from investment securities		29,524	10,560
Proceeds from disposal of associate		15,510	–
Proceeds on disposal of subsidiary shares		254,890	–
Net proceeds/(purchase) of investment securities		4,431,489	(2,426,292)
Cash inflow from acquisition of subsidiary		10,181	1,388,320
Acquisition of additional interest in subsidiary		(17,558)	(193,652)
Purchase of fixed assets		(139,050)	(157,161)
Investment in associates		–	897
Net cash flow generated from/(used in) investing activities		4,598,969	(1,307,342)
Financing Activities			
Dividends paid to shareholders		(95,386)	(55,118)
Redemption of ICULS		(7,032)	–
Proceeds from issuance of share capital		133,558	839,673
(Repayment)/proceeds from other borrowings		(135,103)	790,139
Proceeds from subordinated notes		1,140,000	–
Net proceeds from syndicated term loan		190,000	–
Redemption of loan stocks		(58,170)	(29,000)
Redemption of zero coupon redeemable unsecured USD Bonds 1997/2002		–	(608,032)
Purchase of treasury shares		(50,878)	(24,029)
Net cash flow generated from financing activities		1,116,989	913,633
Net increase in cash and cash equivalents during the financial year		6,698,889	2,259,827
Effect of exchange rate changes		(29,352)	33,478
Cash and cash equivalents at beginning of the financial year		7,385,020	5,091,715
Cash and cash equivalents at end of the financial year	41	14,054,557	7,385,020

Included in cash and short term funds of the Group are trust accounts maintained by the securities subsidiaries in trust for clients' and dealer's representatives amounting to RM31,976,044 (2002: RM9,468,172) and RM5,990,892 (2002: RM6,348,670) respectively.

company cash flow statement

for the financial year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Operating Activities			
Profit before taxation		379,309	45,408
Adjustments for:			
Depreciation of fixed assets		2,178	2,055
Gain on disposal of fixed assets		(92)	(53)
Gain on disposal of associate		(39,222)	–
Gain on disposal of subsidiary shares		(123,942)	–
Dividends from subsidiaries		(184,686)	(35,923)
Dividends from dealing and investment securities		(3,942)	(3,379)
Provision for doubtful debts		–	183
Net profit for dealing securities		(3,372)	(676)
Write back of provision for diminution of investment securities		–	(8)
(Write down)/write back of dealing securities		(21,948)	8,352
Interest expense on short-term borrowings		729	3,970
Interest expense on bonds		40,535	40,535
Accretion of investment gain		(27,982)	(25,901)
Accretion of discounts less amortisation of premium		(12,633)	(10,946)
		(374,377)	(21,791)
		4,932	23,617
(Increase)/decrease in operating assets			
Loans and advances		(510)	(606)
Dealing securities		(43,034)	13,031
Other assets		120,034	(579,823)
		76,490	(567,398)
Increase/(decrease) in operating liabilities			
Other liabilities		(63,445)	100,645
		(63,445)	100,645
Cash flows generated from/(used in) operations		17,977	(443,136)
Net taxation refund/(paid)		23,933	(16,789)
Interest paid on short-term borrowings		(966)	(4,424)
Net cash flow generated from/(used in) operating activities		40,944	(464,349)

company cash flow statement for the financial year ended 31 December 2003

	Note	2003 RM'000	2002 RM'000
Investing Activities			
Proceeds from disposal of fixed assets		106	198
Proceeds from disposal of investment securities		26,481	29,315
Proceeds from disposal of associate		15,510	–
Proceeds from disposal of dealing securities		19,050	–
Purchase of investment securities		–	(805)
Purchase of fixed assets		(967)	(508)
Net movement in amount due from subsidiaries		(135,500)	1,166,413
Investment in subsidiaries		237,332	(710,180)
Dividends from subsidiaries		132,974	10,949
Dividends from dealing and investment securities		3,118	3,379
Net cash flow generated from investing activities		298,104	498,761
Financing Activities			
Dividends paid		(95,386)	(55,118)
Interest paid to bondholders		(40,758)	(40,424)
Proceeds from issuance of shares of the Company		133,558	839,673
Repayment from short-term borrowings		(50,000)	(50,000)
Redemption of zero coupon redeemable unsecured USD Bonds 1997/2002		–	(608,032)
Purchase of treasury shares		(50,878)	(24,029)
Net cash flow (used in)/generated from financing activities		(103,464)	62,070
Net increase in cash and cash equivalents during the financial year		235,584	96,482
Cash and cash equivalents at beginning of the financial year		178,930	82,448
Cash and cash equivalents at end of the financial year	41	414,514	178,930

Major non-cash transactions during the current financial year:

- (a) During the year, the Company had increased its investment in PT Bank Niaga from 51% to 52.83% amounting to RM17,557,000 via the conversion of amount due from subsidiary.

Major non-cash transactions during the previous financial year:

- (a) The Company had converted ICULS 1997/2002 of a subsidiary bank which it holds, amounting to RM355,651,000 into ordinary shares of the subsidiary bank.
- (b) In addition to the above, the Company also invested additional ordinary share capital amounting to RM22,000,000 and preference share capital amounting to RM67,000,000 into subsidiaries via the conversion of amount due from subsidiaries.

summary of significant accounting policies

for the financial year ended 31 December 2003

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements and are also consistent with those applied in the previous year except for the accounting policy in respect of income taxes as disclosed in Note V below.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company are prepared under the historical cost convention, unless otherwise indicated in this summary of significant accounting policies.

The financial statements of the Group and the Company have been prepared in accordance with the applicable approved accounting standards in Malaysia, Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

B BASIS OF CONSOLIDATION

The consolidated financial statements include the audited financial statements of the Company and all its subsidiaries made up to the end of the financial year. Intercompany transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. The Company adopts both the acquisition and merger methods of consolidation.

When the acquisition method is adopted, the excess of the fair value of the purchase consideration over the Group's share of fair values of separable net assets of subsidiaries at the date of acquisition is included in the consolidated financial statements as goodwill on consolidation and is amortised on a straight line basis over a period of 25 years. In the case, where the Group's share of the fair values of their separable net assets at the date of acquisition is in excess of the purchase consideration, the difference will be recognised as reserve on consolidation in the balance sheet. The results of subsidiaries acquired or disposed of during the financial year are included from the date of acquisition up to the date of disposal.

The carrying amount of goodwill is reviewed annually and written down for impairment where it is considered necessary.

Subsidiaries which were acquired in the past and has met the criteria for merger accounting under the then Malaysian Accounting Standard 2, Accounting for Acquisitions and Mergers, are accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded as the nominal value of shares issued and the difference between the carrying value of the investment and the nominal value of shares transferred is treated as merger reserves in accordance with merger relief provisions under Section 60(4) of the Companies Act, 1965. The results of the subsidiaries being merged are included for the full financial year. The current applicable approved accounting standard for business combinations is MASB 21 Business Combinations which is effective for accounting period commencing 1 July 2001. As allowed under the standard, the provisions of the standard are applied prospectively and no retrospective changes in respect of the previous merger accounting have been made.

All material transactions and balances between group companies are eliminated and the consolidated financial statements reflect external transactions only. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition.

summary of significant accounting policies for the financial year ended 31 December 2003

C SUBSIDIARIES

The Company treats as subsidiaries, those companies in which the Company controls the composition of its Board of Directors or more than half of its voting power, or holds more than half of its issued ordinary share capital.

Investments in subsidiaries are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

External costs directly attributable to an acquisition, other than cost of issuing shares and other capital instruments, is included as part of the cost of acquisition.

D JOINTLY CONTROLLED ENTITIES

Jointly controlled entities where there is contractually agreed sharing of control by the Group with one or more parties. The Group's interest in jointly controlled entity is accounted for in the consolidated financial statements by equity method of accounting.

Equity accounting involves recognising the Group's share of the post acquisition results of jointly controlled entities in the income statement and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and includes goodwill on acquisition.

E ASSOCIATES

The Group treats as an associate, a company in which the Company has a long term equity interest of between 20% to 50% and where the Company can exercise significant influence through management participation. Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting.

Premium arising from the acquisition of associates are amortised over 25 years.

Premium arising from the acquisition of those associates held for venture capital purposes are not amortised. The carrying amount of such goodwill is reassessed on a regular basis and written down for impairment if it is considered permanent in nature.

Investments in associates are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

The Group's share of profits and losses of associates is included in the consolidated income statement and the Group's share of post-acquisition retained profits and reserves are added to the cost of investments in the consolidated balance sheet. These amounts are taken from the latest management financial statements of the associates concerned, made up to the end of the financial year of the Group.

summary of significant accounting policies for the financial year ended 31 December 2003

F RECOGNITION OF INTEREST INCOME

Interest income is recognised on an accrual basis. Interest income on housing and term loans is recognised by reference to rest periods which are either daily, monthly or yearly. Interest earned on hire purchase, leasing and block discounting agreements is spread over the terms of the loans, using the "Sum-of-Digit" method so as to produce a constant periodic rate of interest by reference to monthly rest periods.

Accretion of discount and amortisation of premium for investment securities are recognised on the effective yield basis.

Where an account is classified as non-performing, recognition of interest income is suspended until it is realised on a cash basis. Customers' accounts are classified as non-performing where repayments are in arrears for 6 months or more from first day of default for loans and overdrafts, and after 3 months from maturity date for trade bills, bankers' acceptances and trust receipts.

The policy on suspension of interest of Malaysian subsidiary banks is in conformity with Bank Negara Malaysia's "Guidelines on the Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts" ("GP3").

G RECOGNITION OF FEES AND OTHER INCOME

Loan and advances arrangement fees, management and participation fees, commissions and guarantee fees, acceptance and underwriting commissions are recognised as income when all conditions precedent are fulfilled.

Accretion of investment gain on the debt securities held for investment is recognised on a time proportion basis based on the effective yield method.

Portfolio management fees, commitment fees and guarantee fees which are material are recognised as income based on time apportionment.

Brokerage fees which are material are recognised as income based on inception of such transactions.

Fees from advisory and corporate finance activities are recognised as income on completion of each stage of the engagement and issuance of invoice.

Dividends from subsidiaries are recognised when the shareholder's right to receive payment is established. Dividends from dealing securities and investment securities are recognised when received.

H LIFE ASSURANCE REVENUE SURPLUS

The surplus transferable from the life assurance fund to the income statement is based on the surplus determined on the basis of an annual actuarial valuation of the long term liabilities to policyholders made in accordance with the provisions of the Insurance Act, 1996 and as declared by the Company's appointed actuary as being distributable to shareholders.

summary of significant accounting policies for the financial year ended 31 December 2003

I PROVISION FOR BAD AND DOUBTFUL DEBTS

Specific provisions are made for doubtful debts which have been individually reviewed and specifically identified as bad or doubtful.

A general provision based on a percentage of the loans portfolio is also made to cover possible losses which are not specifically identified.

An uncollectible loans or portion of loans classified as bad is written off after taking into consideration the realisable value of collateral, if any, when in the judgement of the management, there is no prospect of recovery.

The policy on provision for non-performing debts of Malaysian subsidiary banks is in conformity with the minimum requirements of Bank Negara Malaysia's "Guidelines on the Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts" ("GP3").

With regard to provisioning for subordinated debts subscribed by the subsidiary bank arising from its collateralised bond obligation, the subordinated debt is held at cost and a provision is made for any diminution based on the position of the special purpose vehicle and its underlying assets.

J SALE AND REPURCHASE AGREEMENTS

Securities purchased under resale agreements are securities which the Group had purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset in the balance sheet. Securities purchased are not recognised in the financial statements.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group had sold from its portfolio, with a commitment to repurchase at future dates. Such financing transactions and the obligation to repurchase the securities are reflected as a liability in the balance sheet. Securities sold are retained in the financial statements. The difference between sale and repurchase price as well as purchase and resale price is treated as interest and accrued over the life of the resale/repurchase agreement using effective yield method.

K DEALING SECURITIES

Dealing securities are marketable securities that are acquired and held with the intention of resale in the short term, and are stated at the lower of cost and market value. All related realised gains and losses and unrealised losses are included in the net trading income. Interest earned while holding dealing securities are reported as interest income. Dividends received are included in dividend income.

Transfers, if any, between dealing and investment securities are made at the lower of cost and market value.

L INVESTMENT SECURITIES

Investment securities are securities that are acquired and held for yield or capital growth and are usually held to maturity.

Malaysian Government securities, Malaysian Government treasury bills, Malaysian Government investment certificates, Cagamas bonds, other Government securities and Bank Guaranteed and Bank Negara Malaysia exempted Private Debt Securities held for investment are stated at cost adjusted for amortisation of premium or accretion of discount to maturity date. Other private debt securities are valued at the lower of cost and market value. Other investment securities are stated at cost and provision is made in the event of any permanent diminution in value.

Amortisation of premium or accretion of discount is recognised using effective yield method. Interest earned while holding investment securities are reported as interest income. Dividends received are included in dividend income.

Transfers, if any, between investment and dealing securities are made at the lower of carrying value and market value.

summary of significant accounting policies for the financial year ended 31 December 2003

M FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss. Fixed assets are not stated at revalued amount. Freehold land and leasehold land with lease period of 800 years and above and capital work-in-progress are not depreciated. Depreciation of other fixed assets is calculated to write-off the cost of the assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates of depreciation are as follows:-

Long-term leasehold land – 50 years or more	Over the lease period
Short-term leasehold land – less than 50 years	Over the lease period
Buildings on freehold land	2% – 2.5%
Buildings on leasehold land	2.0% or over the balance period of the lease, whichever is shorter
Office equipment, furniture and fixtures	10% – 33 $\frac{1}{3}$ %
Computer equipment and software	20% – 33 $\frac{1}{3}$ %
Computer equipment and software under lease	33 $\frac{1}{3}$ %
Motor vehicles	20%
Renovations to rented premises	20% or over the period of the tenancy, whichever is shorter
General plant and machinery	12.5%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

N ASSETS PURCHASED UNDER LEASE

Finance lease

Leases of fixed assets where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the estimated present value of the underlying lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charges is charged to the income statement over the lease period.

Fixed assets acquired under finance lease contracts are depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

Operating lease

Leases of assets under which all the risks and benefits of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

summary of significant accounting policies for the financial year ended 31 December 2003

O ASSETS SOLD UNDER LEASE

Finance lease

When assets are sold under a finance lease, the present value of the lease payments is recognised as a debtor. The difference between the gross debtor and the present value of the debtor is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating lease

Assets leased out under operating leases are included in fixed assets in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar fixed assets. Rental income is recognised on a straight line basis over the lease term.

P BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable represent the Group's own bills and acceptances rediscounted and outstanding in the market.

Q FORWARD EXCHANGE CONTRACTS

Unmatured forward exchange contracts are valued at forward rates as at balance sheet date, applicable to their respective dates of maturity, and unrealised losses and gains are recognised in the income statement for the financial year.

R DERIVATIVE FINANCIAL INSTRUMENTS

Trading

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently remeasured at their fair value.

The fair value of trading derivative financial instruments are included in the balance sheet and gains and losses on these instruments are taken directly to the income statement and are generally included in net gains or loss from trading activities.

Foreign exchange and interest rate forwards, futures and forward purchases and sales of securities entered into for trading purposes are valued at prevailing market rates based on quoted and observable market prices. Interest rate and currency swap agreements are valued at their net present value based on discounted cash flow models. Interest rate and equity option contracts are valued using option pricing models.

Hedging

Foreign exchange and interest rate forwards, futures, swaps and options entered into for hedging purposes are accounted for in a manner consistent with the accounting treatment of the hedged item. To qualify as a hedge, the forwards, futures and swaps position must be designated as a hedge and be effective in reducing the market risk of an existing asset, liability, firm commitment, or anticipated transaction where there is a high probability of the transaction occurring and the extent, term and nature of the exposure is capable of being estimated. The fair value of the hedge must move inversely with changes in the fair value of the underlying exposure.

Where the hedged item ceases to exist, the corresponding derivative hedge contract is restated at fair value and any resulting unrecognised gains and losses are taken to the income statement and are generally included in net gains or loss from trading activities.

summary of significant accounting policies for the financial year ended 31 December 2003

S COLLATERALISED BOND OBLIGATIONS

A subsidiary bank through its collateralised bond obligation ("CBO") programme, packages and sells Private Debt Securities to a special purpose vehicle ("SPV"). The SPV will in turn issue bonds to raise funds for the purchase of assets. The Group is also a counterparty to the SPV for certain interest rate swaps contracted on arms length basis. Correspondingly, the Group offsets the positions held with the SPV by entering into interest rate swap and futures contracts with external parties to ensure no material gain or loss is incurred by the Group from the interest rate swap contracts transacted with the SPV. The interest rate swaps are being measured at their fair values.

The subsidiary bank receives fee income for the various services provided to the SPV. These fees are determined on an arms length basis and are recognised on an accrual basis. Any subordinated debt or bond obtained under this programme is held at cost and a provision is made for any diminution in value based on the position of the SPV and its underlying assets.

T BONDS

Bonds issued by the Company are stated at the issue price. When the convertible Bonds are converted, the amount recognised in the shareholders' funds in respect of the shares issued will be the amount at which the liability for the Bonds is stated as at the date of conversion. No gain or loss will be recognised on conversion.

The premium over the principal amount arising from the put option of the Bonds not previously redeemed, purchased and cancelled, or converted, are provided over the period from the date of initial issue to the date of option to redeem and are set aside to a non-distributable reserve.

Gains or losses on the redemption or purchase of Bonds by the Company are taken to the income statement in the financial year it arises.

U AMOUNT RECOVERABLE FROM DANAHARTA

The total consideration from loans sold to Pengurusan Danaharta Nasional Berhad ("Danaharta") is received in two portions; upon the sale of the loans ("initial consideration") and upon the recovery of the loans ("final consideration"). The final consideration amount represents the subsidiary bank's predetermined share of the surplus over the initial consideration upon recovery of the loans.

The difference between the carrying value of the loans and the initial consideration is recognised as "Amount Recoverable from Danaharta" within the "Other assets" component of the balance sheet. Provision against these amounts is made to reflect the Directors' assessment of the realisable value of the final consideration as at the balance sheet date.

V INCOME TAXES

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences are disclosed in Note 8 to the financial statements. Tax rates enacted or substantively enacted by the balance sheet are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

summary of significant accounting policies for the financial year ended 31 December 2003

W SHARE CAPITAL

(i) Treasury shares

The Company shares repurchased and held are designated as treasury shares. These shares are treated as unissued shares and are presented as a reduction from shareholders' equity, at cost. Should such shares be cancelled, their nominal amounts will be eliminated and the differences between their cost and nominal amounts will be taken to reserves as appropriate.

(ii) Dividends

Dividends on ordinary shares are recognised as liabilities when approved by the shareholders.

X EMPLOYEE BENEFITS

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post employment benefits

The Group has various post-employment benefit schemes. These benefits plans are either defined contribution or defined benefit plans.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of services or compensation.

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains/losses and past service cost. The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at balance sheet date of government securities which have currency and terms to maturity that approximately the terms of the related liability.

Plan assets in excess of the defined obligation are subject to the asset limitation specified in MASB 29.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses recognised in the income statement is determined by the corridor method in accordance with MASB 29 and is charged or credited to income over the average remaining service lives of the related employees participating in the defined benefit plan.

Upon initial adoption of MASB 29 on 1 January 2003, the increase in defined benefit liability is recognised as an expense on a straight line basis over 2 years in accordance with the transitional provision of the Standard.

summary of significant accounting policies for the financial year ended 31 December 2003

X EMPLOYEE BENEFITS (CONTINUED)

(iii) Other long term employee benefits

The cost of long term employee benefits (for example, long term service leave) is accrued to match the rendering of the services by the employees concerned using an accounting methodology similar to that for defined benefit plans.

(iv) Equity compensation benefits

The share option granted to directors and employees of the Group are disclosed in Note 24 to the financial statements.

Y IMPAIRMENT OF ASSETS

Fixed assets and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an assets net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to revaluation surplus.

Z CURRENCY TRANSLATIONS

Individual monetary foreign currency assets and liabilities are stated in the balance sheet at rates of exchange which closely approximate to those ruling at the balance sheet date. Foreign currency transaction items are translated at rates prevailing on transaction dates. Exchange gains and losses are recognised in the income statement in the year they arise.

The financial statements of foreign branches, foreign subsidiaries, foreign subsidiary bank and subsidiary banks incorporated in the Federal Territory of Labuan and related foreign currency borrowings are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. The results of these entities are translated at the average rates of exchange for the year. Exchange differences arising from this translation are dealt with through exchange fluctuation reserve account.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and are translated accordingly at the exchange rate ruling at the date of the transaction.

summary of significant accounting policies for the financial year ended 31 December 2003

Z CURRENCY TRANSLATIONS (CONTINUED)

The principal closing rates used in translation of foreign currency amounts were as follows:

<u>Foreign currency</u>	2003	2002
	RM	RM
Australian Dollar	2.8540	2.1510
Canadian Dollar	2.9420	2.4110
Euro	4.7920	3.9770
Hong Kong Dollar (100)	48.9000	48.7000
Indian Rupee (100)	8.3000	7.9000
Indonesian Rupiah (100)	0.0450	0.0420
Japanese Yen (100)	3.5530	3.2030
Mauritius Rupee (100)	14.5000	12.8800
Philippines Peso (100)	6.8000	7.1000
Singapore Dollar	2.2350	2.1880
Sterling Pound	6.7760	6.1120
Swiss Franc	3.0730	2.7340
Thai Baht (100)	9.6000	8.8000
United States Dollar	3.8000	3.8000

AA FORECLOSED PROPERTIES

Foreclosed properties are stated at cost less provision for impairment in value, if any, of such properties.

AB PROVISIONS

Provisions, other than provision for bad and doubtful debts, are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

AC HIRE PURCHASE RECEIVABLES SECURITISATION PROGRAMME

The Group through its Hire Purchase Receivables Securitisation Programme, sell undivided share of hire purchase receivables to a special purpose vehicle ("SPV"). The SPV will in turn issue bonds to raise funds for the purchase of assets.

The Group receives fee income for various services provided to the SPV. These fees are determined on an arms length basis and are recognised on an accrual basis. Deferred consideration/balance of hire purchase receivables obtained under this programme is held at cost and a provision is made for any diminution in value based on the position of the SPV and its underlying assets.

AD CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank balances and short-term funds held for the purpose of meeting short-term commitments and readily convertible into cash without significant risk of changes in value.

notes to the financial statements

for the financial year ended 31 December 2003

1 GENERAL INFORMATION

The principal activities of the Company are those of investment holding, management company, property management, provision of consultancy services and dealing in securities. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There was no significant change in these activities during the financial year.

The number of employees at the end of the financial year was 14,157 (2002: 13,887) in the Group and 24 (2002: 20) in the Company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Malaysia Securities Exchange Berhad.

The address of the registered office of the Company is 12th Floor, Commerce Square, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

2 CASH AND SHORT-TERM FUNDS

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash and balances with banks and other financial institutions	1,902,984	1,366,780	8,697	10,605
Money at call and deposit placements maturing within one month	12,151,573	6,018,240	405,817	168,325
	14,054,557	7,385,020	414,514	178,930

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	2003 RM'000	2002 RM'000
Licensed banks	248,531	1,773,806
Licensed finance companies	30,000	25,322
Other financial institutions	15,989	11,590
	294,520	1,810,718

Deposits placed with licensed banks amounting to RM98,947 (2002: RM5,773,797) are pledged as security for facilities granted to certain subsidiaries of the Group.

notes to the financial statements for the financial year ended 31 December 2003

4 DEALING SECURITIES

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Money market instruments:				
<u>Quoted</u>				
Malaysian Government securities	871,978	1,095,153	–	–
Cagamas bonds	137,728	121,668	–	–
Khazanah bonds	20,472	–	–	–
<u>Unquoted</u>				
Malaysian Government treasury bills	145,165	440,175	–	–
Malaysian Government investment certificates	–	145,621	–	–
Bank Negara Malaysia bills	292,500	589,512	–	–
Cagamas Notes	–	298,855	–	–
Danaharta bonds	121,456	208,426	–	–
Danamodal bonds	–	190,238	–	–
Negotiable instruments of deposit	1,475,547	1,952,131	–	–
Bankers' acceptances	204,350	57,629	–	–
Private debt securities	95,476	619,485	–	–
Islamic debt securities	–	3,490	–	–
Other Government's securities	206,240	182,490	–	–
	3,570,912	5,904,873	–	–
<u>Quoted securities</u>				
<u>In Malaysia</u>				
Warrants	13,504	5,850	9	9
Corporate Notes	–	9,101	–	–
Shares	247,548	176,024	121,840	102,536
Loan stocks	65	11,054	–	–
Unit Trusts	30,000	–	30,000	–
<u>Outside Malaysia</u>				
Shares	5,637	4,147	–	–
Private debt securities	2,634,365	905,597	–	–
	6,502,031	7,016,646	151,849	102,545
<u>Unquoted securities</u>				
<u>In Malaysia</u>				
Private debt securities	3,763,971	3,014,487	422	422
<u>Outside Malaysia</u>				
Private debt securities	100,976	690,338	–	–
	10,366,978	10,721,471	152,271	102,967

notes to the financial statements for the financial year ended 31 December 2003

4 DEALING SECURITIES (CONTINUED)

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Market value of quoted money market instruments and quoted securities:				
Malaysian Government securities	872,846	1,099,590	–	–
Cagamas bonds	138,196	121,668	–	–
Khazanah bonds	20,495	–	–	–
Warrants	14,825	5,901	13	16
Corporate notes	–	9,976	–	–
Shares in Malaysia	285,039	176,858	131,847	102,536
Loan stocks	92	11,097	–	–
Unit trusts	32,476	–	32,476	–
Shares outside Malaysia	6,187	4,338	–	–
Private debt securities outside Malaysia	2,636,888	951,869	–	–

Included in the dealing securities held by the Group are:

- (a) Shares quoted in Malaysia includes the Company's portfolio managed by Commerce Asset Fund Managers Sdn Bhd amounting to RM103,330,000 (2002: RM84,402,000) and unit trusts managed by Commerce Trust Berhad amounting to RM30,000,000 (2002: Nil).
- (b) Securities amounting to RM50,575,000 invested by CMS Dresdner Asset Management Sdn Bhd, SBB Asset Management Sdn Bhd, Niaga Aset Manajemen and P.T. Bahana TCW Investment Management on behalf of the Group (2002: Securities amounting to RM76,132,000 was invested by CMS Dresdner Asset Management Sdn Bhd and SBB Asset Management Sdn Bhd on behalf of the Group).
- (c) Malaysian Government securities, unquoted private and Islamic debt securities in Malaysia, amounting to principal values of RM25,000,000 (2002: RM30,000,000) of the Group have been pledged as credit support assets for certain over-the-counter derivative contracts.

notes to the financial statements for the financial year ended 31 December 2003

5 INVESTMENT SECURITIES

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Money market instruments:				
Quoted				
Malaysian Government securities	1,456,907	1,396,241	–	–
Cagamas bonds	776,829	633,740	–	–
Khazanah bonds	135,006	27,421	–	–
Other government bonds	–	1,652,807	–	–
Unquoted				
Malaysian Government treasury bills	313,250	477,437	–	–
Malaysian Government bonds	135,320	208,148	–	–
Bank Negara Malaysia bills	554,340	825,395	–	–
Cagamas notes	50,000	539,675	–	–
Danaharta bonds	23,536	23,536	–	–
Danaharta Urus Sdn Bhd (“DUSB”) bonds	2,091,019	2,187,231	–	–
Danamodal bonds	–	477,299	–	–
Negotiable instruments of deposit	30,000	102,314	–	–
Bankers’ acceptance, Islamic accepted bills and Islamic debt securities	10,577	63,457	–	–
Private debt securities	2,795,207	2,484,226	–	–
Other Government’s securities	95,020	–	–	–
Floating rate notes	164,516	206,315	–	–
Credit-linked notes	285,000	–	–	–
	8,916,527	11,305,242	–	–
Quoted securities				
<u>In Malaysia</u>				
Shares	157,199	145,992	300	1,318
Bonds	58,981	12,970	–	–
Warrants	1,168	255	–	–
Property trust	13,369	–	–	–
<u>Outside Malaysia</u>				
Bonds	118,849	211,838	–	–
Shares	6,299	6,299	–	–

notes to the financial statements for the financial year ended 31 December 2003

5 INVESTMENT SECURITIES (CONTINUED)

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Unquoted securities				
<u>In Malaysia</u>				
Shares	390,904	383,062	–	–
Bonds	1,824,278	2,909,836	–	–
Loan stocks	46,805	48,820	–	–
Detachable coupons	–	–	170,548	170,571
Property trust	2,848	29,305	2,848	29,305
Others	112	112	–	–
<u>Outside Malaysia</u>				
Shares	15,470	2,727	–	–
Bonds	660,927	1,278,415	–	–
	12,213,736	16,334,873	173,696	201,194
Accretion of discount less amortisation of premium	240,923	205,915	31,149	18,518
Provision for diminution in value of investment securities:				
– Private debt securities	(379,514)	(219,543)	–	–
– Quoted shares in Malaysia	(17,201)	(27,907)	–	–
– Quoted bonds in Malaysia	–	(428)	–	–
– Quoted bonds outside Malaysia	–	(17,813)	–	–
– Unquoted shares in Malaysia	(23,268)	(6,703)	–	–
– Unquoted bonds in Malaysia	(87,243)	(29,513)	–	–
	11,947,433	16,238,881	204,845	219,712

(i) Market value of quoted securities and quoted money market instruments:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Malaysian Government securities	1,311,234	1,255,454	–	–
Cagamas bonds	642,680	633,740	–	–
Khazanah bonds	130,296	37,241	–	–
Other government bonds	–	1,532,073	–	–
Quoted shares in Malaysia	145,761	113,107	444	196
Quoted bonds in Malaysia	57,025	561	–	–
Quoted warrants in Malaysia	179	123	–	–
Quoted property trust in Malaysia	8,669	–	–	–
Quoted bonds outside Malaysia	118,849	185,483	–	–
Quoted shares outside Malaysia	1,150	3,572	–	–

The carrying value of certain investment securities are higher than the market value. The Directors are of the opinion that no permanent diminution in value exists.

notes to the financial statements for the financial year ended 31 December 2003

5 INVESTMENT SECURITIES (CONTINUED)

(ii) The maturity structure of money market instruments held for investment is as follows:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Maturing within one year	2,031,378	3,131,472	–	–
One year to three years	3,775,767	3,833,694	–	–
Three years to five years	1,751,938	3,146,546	–	–
Over five years	1,357,444	1,193,530	–	–
	8,916,527	11,305,242	–	–

6 LOANS AND ADVANCES

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Overdrafts	3,497,672	4,035,492	–	–
Term loans				
– Fixed rate	9,388,896	8,555,811	–	–
– Floating rate	31,788,002	28,056,227	–	–
Bills receivable	331,268	340,004	–	–
Trust receipts	894,055	778,727	–	–
Claims on customers under acceptance credits	5,575,969	4,998,162	–	–
Subordinated debt	127,294	127,312	–	–
Staff loans [of which RM418,053 (2002: RM796,499) are to directors]	583,430	560,051	2,707	2,197
Factoring receivables	304,123	369,589	–	–
Lease receivables	179,211	134,902	–	–
Hire purchase receivables	5,826,238	4,775,665	–	–
Credit card receivables	224,827	176,081	–	–
Other loans	13,874	13,124	–	–
	58,734,859	52,921,147	2,707	2,197
Less: Unearned interest	(1,111,738)	(1,018,698)	–	–
Gross loans and advances	57,623,121	51,902,449	2,707	2,197
Provision for bad and doubtful debts				
– specific provision (SP)	(1,713,758)	(1,726,470)	–	–
– general provision (GP)	(956,790)	(838,637)	–	–
Interest-in-suspense (IIS)	(455,675)	(565,732)	–	–
Total net loans and advances	54,496,898	48,771,610	2,707	2,197

notes to the financial statements for the financial year ended 31 December 2003

6 LOANS AND ADVANCES (CONTINUED)

(i) The maturity structure of loans and advances is as follows:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Maturing within one year	23,124,392	20,561,011	18	–
One year to three years	7,249,422	6,601,096	159	72
Three years to five years	6,986,558	6,919,981	175	174
Over five years	20,262,749	17,820,361	2,355	1,951
	57,623,121	51,902,449	2,707	2,197

(ii) Loans and advances analysed by their economic purposes are as follows:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Agriculture	2,156,618	2,206,006	–	–
Mining and quarrying	342,788	301,002	–	–
Manufacturing	11,358,984	9,588,158	–	–
Electricity, gas and water	1,367,443	1,304,653	–	–
Construction	3,790,871	3,912,024	–	–
Real estate	1,681,940	1,685,207	–	–
Purchase of landed property				
– Residential	8,920,832	8,684,721	–	–
– Non-residential	2,385,255	2,462,395	–	–
General commerce	4,048,767	3,283,353	–	–
Transport, storage and communication	3,641,027	2,763,047	–	–
Finance, insurance and business services	4,734,940	3,701,141	–	–
Purchase of securities	2,830,822	2,901,388	–	–
Purchase of transport vehicles	4,419,092	3,494,225	–	–
Consumption credit	1,847,948	1,426,221	–	–
Others	4,095,794	4,188,908	2,707	2,197
	57,623,121	51,902,449	2,707	2,197

notes to the financial statements for the financial year ended 31 December 2003

6 LOANS AND ADVANCES (CONTINUED)

(iii) Movements in the non-performing loans and advances (including interest receivable) are as follows:

	The Group	
	2003	2002
	RM'000	RM'000
At 1 January	5,319,933	4,579,383
Non performing during the year	3,729,582	4,249,117
Performing during the year	(1,580,749)	(1,836,734)
Recoveries	(1,577,186)	(1,338,647)
Amount written off	(712,512)	(605,932)
Non-performing loans arising from acquisition of a foreign subsidiary bank	33,431	272,746
At 31 December	5,212,499	5,319,933
Total loans and advances (net of SP and IIS)	55,453,688	49,610,247
Net non-performing loans	3,043,066	3,027,731
Ratio of net non-performing loans to total loans less SP and IIS	5.5%	6.1%

(iv) Movements in the provision for bad and doubtful debts and interest-in-suspense are as follows:

	2003	2002
	RM'000	RM'000
General provision		
At 1 January	838,637	707,959
Net provision made during the year	113,177	92,745
Amount transferred to specific provision	(514)	(10,418)
Provision arising from acquisition of a foreign subsidiary bank	649	45,725
Exchange fluctuation	4,841	2,626
At 31 December	956,790	838,637
(as % of total loans, less SP and IIS)	1.7%	1.7%
Specific provision		
At 1 January	1,726,470	1,276,687
Provisions made during the year	919,493	1,090,007
Amount transferred from general provision	514	10,418
Amount written back in respect of recoveries	(353,343)	(412,245)
Amount written off	(584,963)	(427,253)
Provision arising from acquisition of a foreign subsidiary bank	6,682	185,222
Exchange fluctuation	(1,095)	3,634
At 31 December	1,713,758	1,726,470

notes to the financial statements for the financial year ended 31 December 2003

6 LOANS AND ADVANCES (CONTINUED)

	The Group	
	2003 RM'000	2002 RM'000
Interest-in-suspense		
At 1 January	565,732	406,359
Interest suspended during the year	501,680	461,623
Amount written back in respect of recoveries	(235,603)	(176,516)
Amount written back in respect of non-performing loans reclassified as performing	(63,109)	(32,713)
Amount written off	(320,716)	(95,730)
Provision arising from acquisition of a foreign subsidiary bank	7,424	2,709
Exchange fluctuation	267	-
At 31 December	455,675	565,732

7 OTHER ASSETS

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Interest receivable	398,073	457,349	-	-
Due from brokers and clients net of provision for doubtful debts of RM8,058,295 (2002: RM8,225,704)	281,044	194,866	-	-
Other debtors, deposits and prepayments net of provision for doubtful debts of RM14,409,407 (2002: RM8,990,577)	(a) 2,096,196	1,354,558	140,860	993
Due from insurers, brokers and reinsurers net of provision for doubtful debts of RM Nil (2002: RM1,207,989)	-	91	-	-
Amount due from shareholder and Minister of Finance (Incorporation)	(b) 440,245	640,245	440,245	640,245
Amount due from DUSB	(c) 492,011	492,011	-	-
Amount recoverable from Danaharta	(d) -	62,418	-	-
Foreclosed properties net of provision for impairment in value	26,386	74,942	-	-
Unit trust stock	81	-	-	-
	3,734,036	3,276,480	581,105	641,238

(a) Other debtors, deposits and prepayments net of provision for doubtful debts

Included in other debtors is RM800,000,000 of trade receivables (2002: RM Nil) arising from the forward sale of dealing securities by a subsidiary bank.

notes to the financial statements for the financial year ended 31 December 2003

7 OTHER ASSETS (CONTINUED)

- (b) Amount due from shareholder and Minister of Finance (Incorporation) ("MoF")

This amount represents the full and final settlement agreed in the last financial year in respect of the claims submitted by a subsidiary bank through the Company to the MoF and Khazanah Nasional Berhad ("Khazanah") pursuant to the Share Exchange Agreement ("SEA") dated 8 February 1999 and the Supplemental Agreement to the SEA dated 16 August 1999. An amount of RM200,000,000 was received during the financial year. The Directors are of the view that the remaining amount is recoverable.

- (c) Amount due from DUSB

This amount is in respect of the Put Option exercised pursuant to the Share Exchange Agreement between the Minister of Finance (Incorporation), Khazanah Nasional Berhad and the Company dated 8 February 1999 and a Supplemental Agreement dated 16 August 1999. Put Option was granted to a subsidiary bank to put to Danaharta's special purpose vehicle company, the Qualifying Loans and those assets which are considered Credit Impaired as defined in the Share Exchange Agreement. The special purpose vehicle company for the purpose is Danaharta Urus Sdn Bhd ("DUSB"). The Put Option expired on 31 July 2001. The Directors are of the view that the remaining amount is recoverable.

- (d) Amount recoverable from Danaharta

	The Group	
	2003	2002
	RM'000	RM'000
At 1 January	62,418	140,505
Provision made during the year	(62,418)	(78,087)
At 31 December	–	62,418

8 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

		The Group		The Company	
		2003	2002	2003	2002
		RM'000	RM'000	RM'000	RM'000
Deferred tax assets	(a)	379,272	290,698	–	–
Deferred tax liabilities	(b)	(19,348)	(12,000)	(8,650)	(5,120)
		359,924	278,698	(8,650)	(5,120)

notes to the financial statements for the financial year ended 31 December 2003

8 DEFERRED TAXATION (CONTINUED)

(a) Deferred tax assets

	The Group	
	2003	2002
	RM'000	RM'000
General provision for doubtful debts	317,402	280,852
Accelerated tax depreciation	(6,676)	(8,315)
Unabsorbed tax losses	11,319	13,271
Other temporary differences	57,227	4,890
	379,272	290,698

(b) Deferred tax liabilities

	The Group		The Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
General provision for doubtful debts	524	239	524	239
Accelerated tax depreciation	(3,236)	(2,065)	(561)	(415)
Unabsorbed tax losses	-	196	-	-
Other temporary differences	(16,636)	(10,370)	(8,613)	(4,944)
	(19,348)	(12,000)	(8,650)	(5,120)

The movements in deferred tax assets and liabilities during the year comprise the following:

The Group	General provision for doubtful debts RM'000	Accelerated tax depreciation RM'000	Unabsorbed tax losses RM'000	Other temporary differences RM'000	Total RM'000
(a) Deferred tax assets					
At 1 January 2003					
As previously reported	-	(645)	-	-	(645)
Prior year adjustments	280,852	(7,670)	13,271	4,890	291,343
As restated	280,852	(8,315)	13,271	4,890	290,698
(Charged)/credited to income statement	36,550	1,639	(1,952)	52,337	88,574
At 31 December 2003	317,402	(6,676)	11,319	57,227	379,272

notes to the financial statements for the financial year ended 31 December 2003

8 DEFERRED TAXATION (CONTINUED)

The Group	General provision for doubtful debts RM'000	Accelerated tax depreciation RM'000	Unabsorbed tax losses RM'000	Other temporary differences RM'000	Total RM'000
(a) Deferred tax assets (Continued)					
At 1 January 2002					
As previously reported	–	(645)	–	–	(645)
Prior year adjustments	264,792	(9,570)	58,683	(22,736)	291,169
As restated	264,792	(10,215)	58,683	(22,736)	290,524
(Charged)/credited to income statement	16,060	1,900	(45,412)	27,626	174
At 31 December 2002	280,852	(8,315)	13,271	4,890	290,698
(b) Deferred tax liabilities					
At 1 January 2003					
As previously reported	–	(1,631)	–	–	(1,631)
Prior year adjustments	239	(434)	196	(10,370)	(10,369)
As restated	239	(2,065)	196	(10,370)	(12,000)
(Charged)/credited to income statement	285	(1,171)	(196)	(6,266)	(7,348)
At 31 December 2003	524	(3,236)	–	(16,636)	(19,348)
At 1 January 2002					
As previously reported	–	(1,631)	–	–	(1,631)
Prior year adjustments	187	(475)	–	(16,873)	(17,161)
As restated	187	(2,106)	–	(16,873)	(18,792)
Credited to income statement	52	41	196	6,503	6,792
At 31 December 2002	239	(2,065)	196	(10,370)	(12,000)

notes to the financial statements for the financial year ended 31 December 2003

8 DEFERRED TAXATION (CONTINUED)

The Company	General provision for doubtful debts RM'000	Accelerated tax depreciation RM'000	Other temporary differences RM'000	Total RM'000
Deferred tax liabilities				
At 1 January 2003				
As previously reported	-	-	-	-
Prior year adjustments	239	(415)	(4,944)	(5,120)
As restated	239	(415)	(4,944)	(5,120)
(Charged)/credited to income statement	285	(146)	(3,669)	(3,530)
At 31 December 2003	524	(561)	(8,613)	(8,650)
At 1 January 2002				
As previously reported	-	-	-	-
Prior year adjustments	187	(421)	(15,385)	(15,619)
As restated	187	(421)	(15,385)	(15,619)
Credited to income statement	52	6	10,441	10,499
At 31 December 2002	239	(415)	(4,944)	(5,120)

9 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits are maintained by certain subsidiaries with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined at set percentages of total eligible liabilities.

10 SUBSIDIARIES

	The Company	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	4,339,095	4,452,489
Provision for impairment in value of a subsidiary	(1,275)	(1,275)
	4,337,820	4,451,214

notes to the financial statements for the financial year ended 31 December 2003

10 SUBSIDIARIES (CONTINUED)

The direct subsidiaries are:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2003
		2003 %	2002 %	
Bumiputra-Commerce Bank Berhad	Commercial banking and related financial services	100	100	RM2,063,956,000
CIMB Berhad	Investment holding of merchant banking group	74.22	95.01	RM851,844,400
Commerce Asset Fund Managers Sdn Bhd	Fund management	70	70	RM5,500,000
Commerce Trust Berhad	Unit trust manager	70	70	RM7,000,000
Commerce Asset Ventures Sdn Bhd	Provision management services	100	100	RM500,000 (ordinary shares) ^ RM67,000,000 (preference shares)
Commerce Asset Realty Sdn Bhd	Holding of properties for letting to a related company	100	100	RM240,000
Commerce Asset Nominees Sdn Bhd	Nominee services	100	100	RM10,000
Commerce Life Assurance Berhad (formerly known as AMAL Assurance Berhad)	Life assurance business	100	100	RM122,000,000
PT Bank Niaga Tbk + (Incorporated in the Republic of Indonesia)	Commercial banking and related financial services	52.83	51	IDR746,907,315,000
Commerce Volantia Sdn Bhd	Dormant	100	100	RM3
Commerce MGI Sdn Bhd	Dormant	51	51	RM2,500,000

^ Preference shares of RM0.10 each

+ Audited by a member firm of PricewaterhouseCoopers International

notes to the financial statements for the financial year ended 31 December 2003

10 SUBSIDIARIES (CONTINUED)

The subsidiaries, held through its subsidiary bank, Bumiputra-Commerce Bank Berhad ("BCB") are:

Name of subsidiary	Principal activities	Percentage of equity held				Paid-up capital as at 31.12.2003
		Directly by the Bank		Through subsidiary company		
		2003 %	2002 %	2003 %	2002 %	
BOC Nominees Sdn Bhd	Nominee services	100	100	–	–	RM25,000
BOC Nominees (Tempatan) Sdn Bhd	Nominee services	100	100	–	–	RM10,000
BOC Nominees (Asing) Sdn Bhd	Nominee services	100	100	–	–	RM10,000
Bumiputra-Commerce Nominees Sdn Bhd	Nominee services	100	100	–	–	RM3,000
Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd	Nominee services	100	100	–	–	RM10,000
Bumiputra-Commerce Nominees (Asing) Sdn Bhd	Nominee services	100	100	–	–	RM10,000
Bumiputra-Commerce Finance Berhad	Finance company	100	100	–	–	RM275,000,000
I-Prestige Sdn Bhd	Special purpose vehicle	–	–	100	–	RM12,750,002
Bumiputra-Commerce Trustee Berhad	Trustee services	20	20	80	80	RM500,000
BBMB Unit Trust Management Berhad	Investment holding	100	100	–	–	RM5,000,000
Bumiputra-Commerce Factoring Berhad	Factoring and loan management	100	100	–	–	RM15,000,000
Bumiputra-Commerce Leasing Berhad	Leasing	100	100	–	–	RM50,000,000
Bumiputra-Commerce Bank (L) Limited (Incorporated in the Federal Territory of Labuan)	Offshore banking	100	100	–	–	USD50,000,000
Semerak Services Sdn Bhd	Service company	100	100	–	–	RM250,000
BBMB Securities (Holdings) Sdn Bhd	Investment holding company	100	100	–	–	RM175,000,000

notes to the financial statements for the financial year ended 31 December 2003

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held				Paid-up capital as at 31.12.2003
		Directly by the Bank		Through subsidiary company		
		2003 %	2002 %	2003 %	2002 %	
Bumiputra-Commerce International Trust (Labuan) Berhad	Offshore trust	100	100	–	–	RM150,000
BBMB International Bank (L) Ltd (Incorporated in the Federal Territory of Labuan)	Under voluntary liquidation	100	100	–	–	USD4,000,000
EPIC-I Sdn Bhd	Provision of outsourcing services	100	100	–	–	RM25,000,000
South East Asian Bank Ltd # (Incorporated in Republic of Mauritius)	Commercial banking and related financial services	60	38 ⁺	–	–	MUR200,000,000
Bumiputra-Commerce Trust Limited (Incorporated in the Federal Territory of Labuan)	Trustee services	100	–	–	–	USD40,000
Bumiputra-Commerce Corporate Services Limited (Incorporated in the Federal Territory of Labuan)	Nominee services	–	–	100	–	USD1
Bumiputra-Commerce Properties Sdn Bhd	Dormant	100	100	–	–	RM5,000,000
BBMB Futures Sdn Bhd	Dormant	–	–	100	100	RM10,000,000
BBMB Finance (Hong Kong) Limited # (Incorporated in Hong Kong)	Dormant	100	100	–	–	HK\$15
BBMB Finance Nominee (Hong Kong) Limited # (Incorporated in Hong Kong)	Dormant	–	–	100	100	HK\$10,000
Bumiputra Nominee Ltd # (Incorporated in the United Kingdom)	Dormant	100	100	–	–	£2

Not audited by PricewaterhouseCoopers

+ Investment in associate as at 31 December 2002 (Note 11)

All the subsidiaries, unless otherwise stated, are incorporated in Malaysia.

notes to the financial statements for the financial year ended 31 December 2003

10 SUBSIDIARIES (CONTINUED)

The subsidiaries, held through its subsidiary, CIMB Berhad are:

Name of subsidiary	Principal activities	Percentage of equity held				Paid-up capital as at 31.12.2003
		Directly by the company		Through subsidiary company		
		2003 %	2002 %	2003 %	2002 %	
Commerce International Merchant Bankers Berhad ("CIMB")	Merchant banking and the provision of related services	100	100	–	–	RM319,242,000
CIMB Holdings Sdn Bhd	Investment holding	–	–	100	100	RM10,370,000
CIMB Futures Sdn Bhd	Futures broking	–	–	100	100	RM9,000,000
CIMB Nominees (Tempatan) Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMB Nominees (Asing) Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMB Discount House Bhd	Discount House	–	–	100	100	RM62,900,000
CIMB (L) Limited (Incorporated in the Federal Territory of Labuan)	Offshore banking	–	–	100	100	USD25,000,000
iCIMB Sdn Bhd	Dormant	–	–	100	100	RM2
CIMB Securities Sdn Bhd	Stock and sharebroking	–	–	100	100	RM40,000,000
CIMB Securities (Hong Kong) Limited (Incorporated in Hong Kong) +	Trading in securities	–	–	100	100	HK\$5,000,000
CIMSEC Nominees (Tempatan) Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMSEC Nominees (Asing) Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMSEC Nominees Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMB ShareTech Sdn Bhd	Trading in securities	–	–	100	100	RM40,003,120 (ordinary shares) * RM300 (preference shares)

notes to the financial statements for the financial year ended 31 December 2003

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held				Paid-up capital as at 31.12.2003
		Directly by the company		Through subsidiary company		
		2003 %	2002 %	2003 %	2002 %	
ShareTech Nominees (Tempatan) Sdn Bhd	Nominee services	-	-	100	100	RM10,002
ShareTech Nominees (Asing) Sdn Bhd	Nominee services	-	-	100	100	RM10,002
Halyconia Asia Fund Limited (Incorporated in British Virgin Islands)	Open-ended investment fund	-	-	100	100	USD100 (ordinary shares) **USD10,000,000 (preference shares)
P.T. CIMB Niaga Securities + (formerly known as P.T. Niaga Sekuritas)	Stock and share broking	-	-	51	-	IDR36,166,000,000

* Preference shares of RM1.00 each entirely held by the minority interests

** Preference shares of USD0.01 each

+ Audited by a member firm of PricewaterhouseCoopers International

The subsidiaries, held through its subsidiary, Commerce Asset Ventures Sdn Bhd are:

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2003
		2003 %	2002 %	
Ekspedisi Yakin Sdn Bhd	Leisure and entertainment services	100	100	RM1,000,000 (ordinary shares) ***RM365,850 (preference shares)
CAV Private Equity Management Sdn Bhd	Providing management and advisory services	100	100	RM100,000

*** 56.40% preference shares of RM0.15 each

notes to the financial statements for the financial year ended 31 December 2003

10 SUBSIDIARIES (CONTINUED)

The subsidiaries, held through subsidiary of a subsidiary, Ekspedisi Yakin Sdn Bhd are:

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2003
		2003 %	2002 %	
Radiant Direction Sdn Bhd	Leisure and entertainment services	100	100	RM50,000
Quantum Epic Sdn Bhd	Dormant	100	100	RM50,000

All the above subsidiaries, unless otherwise stated, are incorporated in Malaysia.

The subsidiaries, held through its subsidiary bank, PT Bank Niaga Tbk are:

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2003
		2003 %	2002 %	
Niaga Finance Company Limited # (Incorporated in Hong Kong)	Money lender	100	100	HK\$150,000,000
PT Niaga Aset Manajemen #	Investment management	99	99	IDR2,400,000,000
PT Saseka Gelora Finance #	Multifinance activities	82	79.7	IDR40,000,000,000
PT Niaga International Factors #	Factoring activities	53	53	IDR25,000,000,000
Niaga Remittance Limited # (Incorporated in Hong Kong)	Remittance services	60	60	HK\$1,300,000
P.T. CIMB Niaga Securities + (formerly known as P.T. Niaga Sekuritas)	Stock and share broking	-	99	IDR36,166,000,000

Not audited by PricewaterhouseCoopers

+ Audited by a member firm of PricewaterhouseCoopers International

All the above subsidiaries, unless otherwise stated, are incorporated in the Republic of Indonesia.

11 ASSOCIATES

	The Company	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	3,834	119,712

notes to the financial statements for the financial year ended 31 December 2003

11 ASSOCIATES (CONTINUED)

	The Group	
	2003 RM'000	2002 RM'000
Share of net assets other than premium of associates	41,874	124,815
Premium on acquisition	13,503	54,294
	55,377	179,109

The direct associates are:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2003	2002	
		%	%	
Rangkaian Segar Sdn Bhd	Establishment, operation and management of an electronic collection system for toll and transport operators	20	20	30 June
Bank Muamalat Malaysia Berhad (Note 42(d))	Islamic banking activities and related financial services	-	30	31 December

The associate, held through its subsidiary bank, Bumiputra-Commerce Bank Berhad is:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2003	2002	
		%	%	
South East Asian Bank Ltd (Incorporated in the Republic of Mauritius)	Commercial banking and related financial services	-	38	31 December

During the year, BCB has subscribed the remaining Rights Issue of South East Asian Bank Ltd. Thus, as at financial year end, BCB has accounted for South East Asian Bank Ltd as a subsidiary.

The associates, held through its subsidiary, CIMB Berhad are:

Name of Associate	Principal activities	Percentage of equity held:				Financial year end
		Directly by the subsidiary		Through subsidiary		
		2003	2002	2003	2002	
		%	%	%	%	
Malaysian Issuing House Sdn Bhd	Share issues administrator	-	25.5	-	-	30 June
Banyan Ventures Sdn Bhd	Fund management and investment holding	37	37	-	-	30 June
Navis-CIMB General Partner Ltd (Incorporated in the Federal Territory of Labuan)	Fund management	-	-	25	25	31 December

notes to the financial statements for the financial year ended 31 December 2003

11 ASSOCIATES (CONTINUED)

On 2 April 2003, CIMB entered into Sale and Purchase Agreement with Symphony House Berhad to dispose its 25.5% equity interest comprising 637,500 ordinary shares of RM1.00 each in Malaysian Issuing House Sdn Bhd for a total consideration of RM624,272. The Sale and Purchase Agreement was subsequently completed on 30 July 2003.

The associates, held through its subsidiary, Commerce Asset Ventures Sdn Bhd are:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2003	2002	
		%	%	
Carotech Sdn Bhd	Production of palm oil based and pharmaceutical products	24.29	24.29	30 June
Goodway Rubber Industries Sdn Bhd	Manufacture of masterbatch and other rubber products	30	–	31 December
Sesama Medical College Management Sdn Bhd	Learning and education	–	30	31 August

In May 2003, Commerce Asset Ventures Sdn Bhd has exercised all its put options (2,610,000 ordinary shares) on its investment in Sesama Medical College Management Sdn Bhd at an exercise price of RM12.82 per share for a total consideration of RM33,466,000. As at 31 December 2003, this amount remained outstanding and the Directors are of the view that this amount is recoverable.

The associate, held through subsidiary of a subsidiary, Ekspedisi Yakin Sdn Bhd is:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2003	2002	
		%	%	
Opera Café Sdn Bhd	Leisure and entertainment services	49	49	31 December

The associates, held through its subsidiary bank, PT Bank Niaga Tbk are:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2003	2002	
		%	%	
PT Asuransi Cigna (Incorporated in the Republic of Indonesia)	Life insurance activities	20	20	31 December
P.T. CIMB Niaga Securities (formerly known as PT Niaga Sekuritas) (Incorporated in the Republic of Indonesia)	Stock and share broking	49	–	31 December

All the associates, unless otherwise stated, are incorporated in Malaysia.

notes to the financial statements for the financial year ended 31 December 2003

12 FIXED ASSETS

	Freehold land		Leasehold land less than 50 years or more		Buildings on freehold land		Buildings on leasehold land 50 years or more		Buildings on leasehold land less than 50 years		Renovations, office furniture and fixtures		Computer equipment and software under lease		General plant and machinery		Capital Work in Progress		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
The Group																			
2003																			
Cost																			
At 1 January 2003	100,304	20,351	165	107,042	224,202	43,519	494,895	463,040	40,532	47,104	1,410	2,424	1,544,988						
Additions	172	-	-	214	-	3,001	67,045	53,360	3,957	8,961	426	1,914	139,050						
Arising from acquisition of subsidiary	-	-	-	5,794	-	-	4,060	4,669	-	463	-	-	14,986						
Disposals/written off	-	-	-	-	(1,191)	(4,595)	(278,788)	(132,577)	(29,945)	(15,615)	(165)	-	(462,876)						
Transfer/reclassification	(1,165)	90	-	(1,350)	(27,000)	(81)	29,506	-	-	-	-	-	-						
Exchange adjustments	844	-	-	1,974	923	424	1,146	55	-	50	-	-	5,416						
At 31 December 2003	100,155	20,441	165	113,674	196,934	42,268	317,864	388,547	14,544	40,963	1,671	4,338	1,241,564						

notes to the financial statements for the financial year ended 31 December 2003

12 FIXED ASSETS (CONTINUED)

Depreciation	Freehold land RM'000	Leasehold land 50 years or more RM'000	Leasehold land less than 50 years RM'000	Buildings on freehold land RM'000	Buildings on leasehold land		Buildings on office furniture and fixtures RM'000	Renovations, equipment and software RM'000	Computer equipment and under lease RM'000	Motor vehicles RM'000	General plant and machinery RM'000		Capital Work in Progress RM'000	Total RM'000
					more than 50 years RM'000	less than 50 years RM'000					plant RM'000	and machinery RM'000		
At 1 January 2003	-	2,554	93	35,434	48,712	14,314	349,371	375,422	34,583	19,911	604	-	-	880,998
Arising from														
acquisition of subsidiary	-	-	-	143	-	-	2,654	1,979	-	280	-	-	-	5,056
Charge for the year	-	3,026	24	2,056	3,653	4,995	70,202	33,480	3,705	6,005	247	-	-	127,393
Disposals/ written off	-	-	-	-	(255)	(4,853)	(276,080)	(132,552)	(26,163)	(9,041)	(161)	-	-	(449,105)
Transfer/ reclassification	-	(161)	-	18,966	182	2	8,095	(27,084)	-	-	-	-	-	-
Exchange adjustments	-	-	-	370	137	170	898	41	-	66	-	-	-	1,682
At 31 December 2003	-	5,419	117	56,969	52,429	14,628	155,140	251,286	12,125	17,221	690	-	-	566,024
Net book value at 31 December 2003	100,155	15,022	48	56,705	144,505	27,640	162,724	137,261	2,419	23,742	981	4,338	675,540	
The Group														
At 31 December 2002														
Cost	100,304	20,351	165	107,042	224,202	43,519	494,895	463,040	40,532	47,104	1,410	2,424	1,544,988	
Accumulated depreciation	-	2,554	93	35,434	48,712	14,314	349,371	375,422	34,583	19,911	604	-	880,998	
Net book value	100,304	17,797	72	71,608	175,490	29,205	145,524	87,618	5,949	27,193	806	2,424	663,990	

notes to the financial statements for the financial year ended 31 December 2003

12 FIXED ASSETS (CONTINUED)

	Freehold land RM'000	Leasehold land 50 years or more RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovations, office equipment, furniture and fixtures RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Total RM'000
The Company								
2003								
Cost								
At 1 January 2003	18,985	6,787	5,954	44,812	1,591	409	1,414	79,952
Additions	-	-	-	-	82	53	832	967
Disposals	-	-	-	-	(30)	(13)	(343)	(386)
At 31 December 2003	18,985	6,787	5,954	44,812	1,643	449	1,903	80,533
Depreciation								
At 1 January 2003	-	1,255	823	9,932	522	344	505	13,381
Charge for the year	-	227	178	1,344	110	47	272	2,178
Disposals	-	-	-	-	(19)	(13)	(340)	(372)
At 31 December 2003	-	1,482	1,001	11,276	613	378	437	15,187
Net book value at 31 December 2003	18,985	5,305	4,953	33,536	1,030	71	1,466	65,346
The Company								
At 31 December 2002								
Cost	18,985	6,787	5,954	44,812	1,591	409	1,414	79,952
Accumulated depreciation	-	1,255	823	9,932	522	344	505	13,381
Net book value	18,985	5,532	5,131	34,880	1,069	65	909	66,571

notes to the financial statements for the financial year ended 31 December 2003

13 GOODWILL**The Group**

	2003	2002
	RM'000	RM'000
At 1 January	330,035	130,941
Goodwill arising from acquisition of subsidiary	–	198,630
Goodwill arising from acquisition of additional interest in subsidiary	5,439	7,449
Less: Amortisation in the year	(14,214)	(6,985)
At 31 December	321,260	330,035
Goodwill arising from acquisition of subsidiaries	359,117	353,678
Accumulated amortisation	(37,857)	(23,643)
	321,260	330,035

14 DEPOSITS FROM CUSTOMERS**The Group**

	2003	2002
	RM'000	RM'000
Demand deposits	14,861,509	12,395,338
Savings deposits	6,121,129	5,170,340
Fixed deposits	40,122,684	41,014,313
Negotiable instruments of deposit	1,392,060	1,423,063
Others	656,847	753,668
	63,154,229	60,756,722

(i) Maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

The Group

	2003	2002
	RM'000	RM'000
Due within six months	32,803,872	32,077,655
Six months to one year	6,089,431	9,292,976
One year to three years	2,615,073	1,055,728
Three years to five years	6,368	11,017
	41,514,744	42,437,376

notes to the financial statements for the financial year ended 31 December 2003

14 DEPOSITS FROM CUSTOMERS (CONTINUED)

(ii) The deposits are sourced from the following customers:

	The Group	
	2003	2002
	RM'000	RM'000
Business enterprises	29,130,378	28,033,828
Individuals	16,154,608	14,182,172
Others	17,869,243	18,540,722
	63,154,229	60,756,722

15 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	2003	2002
	RM'000	RM'000
Licensed banks	6,277,475	6,654,637
Licensed finance companies	226,561	287,614
Other financial institutions	1,846,773	1,369,325
	8,350,809	8,311,576

16 OTHER LIABILITIES

	The Group		The Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Interest payable	447,421	498,903	4,225	4,683
Due to brokers and clients	343,782	166,913	-	-
Short-term borrowings (Note 19)	363,982	453,679	-	50,000
Insurance fund – life insurance business	514,748	424,978	-	-
Amount due to Bank Muamalat	27,296	27,296	-	-
Provision for commitments and contingencies	2,034	4,135	-	-
Defined benefit plans' obligation (Note 17(b))	58,217	56,775	-	-
Zakat	14	14	-	-
Others	1,097,817	1,521,060	44,936	110,225
	2,855,311	3,153,753	49,161	164,908

notes to the financial statements for the financial year ended 31 December 2003

16 OTHER LIABILITIES (CONTINUED)

The movement in provision for commitments and contingencies are as follows:

	The Group	
	2003	2002
	RM'000	RM'000
At 1 January	4,135	–
Provision arising from acquisition of a foreign subsidiary bank	–	3,856
Provision made during the year	–	279
Write back during the year	(2,101)	–
At 31 December	2,034	4,135

17 POST EMPLOYMENT BENEFIT OBLIGATIONS**(a) Defined contribution plan**

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plans of the Group

A subsidiary bank group operates final salary defined benefit plans for its employees in Malaysia. The assets of which are held in separate trustee - administered funds. The latest actuarial valuations of the plans in Malaysia were carried out on 26 January 2004.

The amount recognised in the balance sheet in respect of defined benefit plans are as follows:

	The Group
	2003
	RM'000
Present value of funded obligations	137,027
Fair value of plan assets	(73,103)
Status of funded plan	63,924
Unrecognised transition liability	(5,707)
Liability	58,217

The amount recognised in the income statement in respect of defined benefit plans are as follows:

	The Group
	2003
	RM'000
Current service cost	8,610
Interest cost	8,502
Expected return on plan assets	(6,648)
Amortisation of transition liability	5,707
Total included in personnel costs (Note 31)	16,171

notes to the financial statements for the financial year ended 31 December 2003

17 POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans of the Group (Continued)

The actual return on plan assets of the subsidiary bank group was RM6,518,000.

The principal actuarial assumptions used in respect of the Group's defined benefit plans are as follows:

	The Group 2003 %
Discount rates	7.00
Expected return on plan assets	6.46
Future salary increases	5.08

Pro-forma comparative information is not presented as it is impracticable to do so given that previously it was not analysed in a similar manner.

18 LOAN STOCKS

		The Group	
		2003	2002
		RM'000	RM'000
Negotiable Certificates of Deposits	(a)	865,830	924,000
		865,830	924,000

		The Group	
		2003	2002
		RM'000	RM'000
Maturity structure of loan stocks is as follows:			
- One year to two years		120,000	100,000
- Two years to five years		145,830	224,000
- Five years to ten years		600,000	600,000
		865,830	924,000

notes to the financial statements for the financial year ended 31 December 2003

18 LOAN STOCKS (CONTINUED)

- (a) The negotiable certificates of deposits issued are unsecured. The details of the negotiable certificates of deposits are as follows:

Principal segregated by maturity year	Range of fixed interest rate per annum (%)	The Group	
		2003 RM'000	2002 RM'000
Year 2004	3.75	–	100,000
Year 2005	3.7 – 6.1	120,000	120,000
Year 2006	5.0	100,000	100,000
Year 2007	3.35	4,000	4,000
Year 2008	–	41,830	–
Year 2011	6.5	600,000	600,000
		865,830	924,000

19 SHORT-TERM BORROWINGS

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revolving credit facility	363,982	453,679	–	50,000
	363,982	453,679	–	50,000

The revolving credit facility from financial institutions carries interest rates of between 2.45% to 10.65% (2002: 1.45% to 19.25%) per annum for the Group and 5.07% to 5.20% (2002: 4.86% to 5.23%) for the Company during the financial year.

20 BONDS

		The Group and The Company	
		2003 RM'000	2002 RM'000
1.75% Redeemable Euro-Convertible Bonds 1994/2004	(a)	2,964	2,964
7.85% Redeemable unsecured RM Bonds 2001/2006	(b)	250,000	250,000
8.35% Redeemable unsecured RM Bonds 2001/2008	(b)	250,000	250,000
		502,964	502,964

notes to the financial statements for the financial year ended 31 December 2003

20 BONDS (CONTINUED)

(a) 1.75% Redeemable Euro-Convertible Bonds 1994/2004

The 1.75% Redeemable Euro-Convertible Bonds 1994/2004 have the following main features:-

- (i) The Bonds are in denominations of USD5,000 or integral multiples thereof, constituted by a Trust Deed, bear interest at the rate of 1.75% per annum payable annually in arrears on 26 September each year.
- (ii) Unless previously redeemed, purchased and cancelled, the Bonds may be converted on or after 26 October 1994 up to and including 19 September 2004 into fully paid-up ordinary shares of RM1.00 each of the Company at an initial conversion price, subject to adjustment in certain circumstances, of RM13.60 per ordinary share and with a fixed exchange rate of RM2.554 to USD1.00.

As a result of the bonus issue, rights issue and offer for sale of warrants 1997/2002, the conversion price of the Bonds has been adjusted in accordance with the Trust Deed dated 26 September 1994 resulting the Bonds price being changed from RM13.60 per share to RM3.10 per share at the fixed exchange rate of RM2.554 to USD1.00 with effect from 5 September 2002.

- (iii) Unless previously redeemed, purchased and cancelled or converted, each Bond will be redeemed on 26 September 2004 at its principal amount. On 26 September 1999, USD34,720,000 was redeemed at the option of bondholders at 131.75 per cent of principal amount. The Bonds may also be redeemed, in whole or in part, by the Company at any time on or after 26 September 1996 at fixed redemption prices.

(b) 7.85% Redeemable unsecured RM Bonds 2001/2006 and 8.35% Redeemable unsecured RM Bonds 2001/2008

The redeemable unsecured RM Bonds are issued in 2 tranches:

Tranche 1

7.85% RM250 million nominal value redeemable unsecured bonds, 5 years, maturing on 22 May 2006; and

Tranche 2

8.35% RM250 million nominal value redeemable unsecured bonds, 7 years, maturing on 22 May 2008.

The main features of the RM Bonds are as follows:

- (i) Nominal value of each tranche of the RM Bonds are RM250 million.
- (ii) Each tranche of the RM Bonds are represented by a Global Certificate to be deposited with Bank Negara Malaysia ("BNM") and is exchangeable for definitive bearer only in certain limited circumstances.
- (iii) The RM Bonds are in the denominations or multiples of RM1,000.
- (iv) The RM Bonds are constituted by a Trust Deed dated 4 May 2001 made between the Company and the Trustees, to act for the benefit of the bondholders.
- (v) The RM Bonds bear interest at 7.85% per annum (tranche 1) and 8.35% per annum (tranche 2) on the nominal value of the outstanding bonds, payable semi annually.
- (vi) The RM Bonds will be redeemed by the Company at their nominal value together with interest accrued to the date of redemption.
- (vii) The Bonds shall constitute direct, unconditional, subordinated and unsecured obligations of the Company.

notes to the financial statements for the financial year ended 31 December 2003

21 IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”)

	The Group	
	2003	2002
	RM'000	RM'000
Detachable coupons from 7.5% irredeemable convertible unsecured loan stocks (ICULS) 2001/2011	89,029	96,061

7.5% Irredeemable convertible unsecured loan stocks (“ICULS”) with detachable coupons 2001/2011

The 7.5% irredeemable convertible unsecured loan stocks (“ICULS”) 2001/2011 were issued by a subsidiary bank, BCB.

The Company with CIMB as the arranger purchased the ICULS from BCB and CIMB restructured the ICULS, where the Coupons were detached from the ICULS and placed out to investors.

The main features of the 7.5% irredeemable convertible unsecured loan stocks (“ICULS”) 2001/2011 are as follows:

- (i) Nominal value of the ICULS are RM667,000,000 in denominations or multiples of RM1,000 with detachable coupons.
- (ii) The ICULS bear fixed interest at the rate of 7.5% per annum payable annually in arrears by BCB from the date of issue of the ICULS. The detachable coupons represent the interest of the ICULS and as such, bear no further interest.
- (iii) The ICULS are not redeemable for cash except upon the occurrence and declaration of an event of default as provided in the Trust Deed. All outstanding ICULS will be mandatorily converted by BCB into new ordinary shares of BCB on the last day of the tenure of the ICULS.
- (iv) The ICULS shall constitute unsecured and subordinated obligations of BCB.
- (v) All new ordinary shares to be issued upon conversion of ICULS will rank pari passu in all respects with the existing ordinary shares of BCB save and except that they will not be entitled to any dividend, right, allotment and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares of BCB.

The main features of the Detachable Coupons (“the Coupons”) are as follows:

- (i) Nominal value of the Coupons are RM500,250,000 and are issued in bearer form in multiples of RM1,000 and constituted by the Trust Deed.
- (ii) The Coupons mature over ten tranches with tenures ranging from one to ten years from the date of issue of the ICULS.
- (iii) The Coupons represent the interest of the ICULS and as such, bear no further interest.
- (iv) Each Coupon entitles the Coupon holder to redeem the Coupon at their respective nominal values.
- (v) The Coupons shall constitute direct, unconditional, subordinated and unsecured obligations of BCB.

notes to the financial statements for the financial year ended 31 December 2003

22 OTHER BORROWINGS

		The Group	
		2003	2002
		RM'000	RM'000
Syndicated term loan – USD150 million	(a)	–	570,000
Syndicated term loan – USD136 million	(b)	478,800	478,800
Syndicated term loan – USD200 million	(c)	760,000	–
Others	(d)	69,956	205,059
		1,308,756	1,253,859

- (a) During the financial year, the syndicated term loan amounting to USD150 million has matured on 6 February 2003. It carried interest rate of 2.09% (2002: 1.79% to 3.43%).
- (b) The syndicated term loan is an unsecured term loan facility which matures on 24 May 2005. It carried interest rates of between 1.66% to 1.95% (2002: 1.94% to 3.58%).
- (c) On 10 March 2003, the Bank secured a 1-year syndicated term loan facility amounted to USD200 million which matures on 4 March 2004. It is an unsecured term loan facility which carried interest rates of between 1.38% to 1.46% during the financial year.
- (d) Other borrowings consist of secured and unsecured term loan facilities. The range of interest rates are between 1.45% to 16.75% (2002: 1.45% to 16.75%). These borrowings mature between 2004 to 2017.

23 SUBORDINATED NOTES DUE 2013 CALLABLE WITH STEP-UP IN 2008

		The Group	
		2003	2002
		RM'000	RM'000
Subordinated Notes		1,140,000	–

The Subordinated Notes Callable with Step Up Coupon 2003/2013 were issued by a subsidiary bank, BCB.

The main features of the Subordinated Notes Callable with Step Up Coupon 2003/2013 issued during the year are as follows:

- (i) The USD300,000,000 Notes are in bearer form, serially numbered and in denominations of USD1,000, USD10,000 and USD100,000.
- (ii) The Notes will bear interest at the rate of 5.125 per cent per annum from and including 16 October 2003 to, but excluding, 16 October 2008 and, thereafter, at a rate per annum equal to the US Treasury Rate plus 3.55 per cent. Interest will be payable semi-annually in arrears on 16 April and 16 October, in each year, commencing 16 April 2004.
- (iii) The Notes and Coupons constitute direct and unsecured obligations of the Issuer and are subordinated in the manner described in the Conditions of the Notes and, for the avoidance of doubt, rank pari passu with the Issuer's 7.5 per cent RM667,000,000 ICULS with detachable coupons 2001/2011. The Notes and the Coupons rank and will rank pari passu without any preference among themselves. The instrument is listed on the Luxembourg Stock Exchange.

notes to the financial statements for the financial year ended 31 December 2003

23 SUBORDINATED NOTES DUE 2013 CALLABLE WITH STEP-UP IN 2008 (CONTINUED)

- (iv) The principal of, and interest and any additional amounts payable on, the Notes will be subordinate in right of payment upon occurrence of any Winding Up Proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer, except in each case to those liabilities which by their terms rank equally in right of payment with or subordinate to the Notes.
- (v) The subsidiary Bank may at its option, but subject to the prior written approval of BNM, redeem the Notes on 16 October 2008 at their principal amount plus accrued interest.

24 SHARE CAPITAL

	The Group and The Company	
	2003	2002
	RM'000	RM'000
Ordinary shares of RM1.00 each:		
Authorised:		
At 1 January	5,000,000	1,500,000
Created during the year	–	3,500,000
At 31 December	5,000,000	5,000,000
Issued and fully paid:		
At 1 January	2,586,290	1,184,647
Issued upon exercise of Warrants	–	79,629
Issued upon exercise of Employee Share Option Scheme	42,670	34,414
Bonus issue	–	1,287,600
At 31 December	2,628,960	2,586,290

The issued and paid-up share capital of the Company increased upon the issuance of the Company bonus shares and the new Company shares pursuant to the exercise of ESOS and warrants.

Employee Share Option Scheme

The Company implemented an Employee Share Option Scheme ("ESOS 2002/2007") on 20 November 2002 replacing the previous ESOS 1997/2002 which had expired on 20 June 2002. The ESOS 2002/2007 is governed by the by-laws which were approved by the shareholders on 26 April 2002.

On 22 November 2002, 211,448,000 share options were offered at an option price of RM3.13 per share option to eligible employees.

On 29 December 2003, 10,994,000 share options were offered at an option price of RM3.62 per share option (being the 5 day weighted average price from 19 December to 26 December 2003, net of 10% discount) to eligible employees.

notes to the financial statements for the financial year ended 31 December 2003

24 SHARE CAPITAL (CONTINUED)**Employee Share Option Scheme (Continued)**

The main features of the ESOS 2002/2007 scheme are:

- (a) Eligible persons are employees of the Group who have been in the employment of the Group (excluding CIMB Berhad Group and CAHB's associate companies' employees) when an offer is made in writing to an employee to participate in the Scheme. The eligibility for participation in the Scheme shall be at the discretion of the Board of Directors.
- (b) The total number of new ordinary shares available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the Scheme, which shall be in force for a period of five years, expiring 19 November 2007 or any extension thereof.
- (c) No option shall be granted for less than 1,000 shares and shall always be in multiples of 1,000 ordinary shares.
- (d) The subscription price for each RM1.00 share shall be the average of the mean market quotation of the shares of the Company as shown in the Daily Official List issued by the Malaysia Securities Exchange Berhad for the five market days preceding the offer date, provided that subscription price shall in no event be less than the par value of the ordinary shares of the Company.
- (e) The consideration is payable in full on application. The options granted do not confer any right to participate in any share issue of any other company.

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

Grant date	Expiry date	Exercise price RM/share	At start of year '000	Number of shares			At end of year '000	
				Granted '000	Exercised '000	Lapsed '000		
Year ended 31.12.2003								
22 November 2002	19 November 2007	3.13	211,448	–	(42,670)	–	168,778	
29 December 2003	19 November 2007	3.62	–	10,994	–	–	10,994	
			211,448	10,994	(42,670)	–	179,772	
Year ended 31.12.2002								
21 June 1997	20 June 2002	6.92	29,307	–	(28,250)	(1,057)	–	
21 June 1997	20 June 2002	6.80	63	–	(63)	–	–	
31 July 1999	20 June 2002	8.28	10,973	–	(6,101)	(4,872)	–	
22 November 2002	19 November 2007	3.13	–	211,448	–	–	211,448	
			40,343	211,448	(34,414)	(5,929)	211,448	
							The Company	
							2003	2002
							'000	'000
Number of share options vested at balance sheet date							168,778	–

notes to the financial statements for the financial year ended 31 December 2003

24 SHARE CAPITAL (CONTINUED)

Details relating to options exercised during the year are as follows:-

Exercise date	Fair value of	Exercise price	Number of shares issued	
	shares at share issue date		2003	2002
	RM/share	RM/share	'000	'000
Jan 2002 – June 2002	7.95 – 9.65	6.80	–	63
Jan 2002 – June 2002	7.50 – 9.75	6.92	–	28,250
Jan 2002 – June 2002	8.20 – 9.75	8.28	–	6,101
July 2003 – Dec 2003	3.48 – 4.40	3.13	42,670	–
			2003	2002
			RM'000	RM'000
Ordinary share capital – at par			42,670	34,414
Share premium			90,888	212,021
Proceeds received on exercise of share options			133,558	246,435
Fair value at exercise date of shares issued			174,572	312,510

25 RESERVES

	The Group		The Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Share premium	1,786,730	1,695,842	1,786,730	1,695,842
Statutory reserves (a)	1,330,562	1,158,754	–	–
Merger reserve	65,746	65,746	–	–
Capital reserve arising on consolidation	15,949	28,233	–	–
Exchange fluctuation reserve (b)	31,754	54,460	–	–
Retained profit (c)	2,193,878	1,682,988	641,372	432,069
	5,424,619	4,686,023	2,428,102	2,127,911

- (a) The statutory reserves of the Group are maintained in compliance with the provisions of the Banking and Financial Institutions Act, 1989 and include a reserve maintained by a subsidiary in compliance with the Malaysia Securities Exchange Berhad Rules and Regulations. These reserves are not distributable by way of cash dividends.
- (b) Currency translation differences have arisen from translation of net assets of Labuan Offshore subsidiaries, foreign subsidiary banks and foreign branches.
- (c) Subject to agreement by Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income under Section 12 of the Income Tax (Amendment) Act 1999 to frank the payment of dividends out of all its retained profit as at 31 December 2003.

notes to the financial statements for the financial year ended 31 December 2003

26 TREASURY SHARES, AT COST

	The Group and The Company			
	2003		2002	
	Units '000	RM'000	Units '000	RM'000
At 1 January	18,954	103,114	11,091	79,085
Purchased during the year	16,899	50,878	7,863	24,029
At 31 December	35,853	153,992	18,954	103,114

The shareholders of the Company, via an ordinary resolution passed at the Annual General Meeting held on 30 April 2003, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of existing total paid-up share capital. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the share buyback can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company bought back 16,899,000 of its issued share capital at an average price of RM3.01 per share, from the open market. As at balance sheet date, the Company has bought back a total of 35,853,000 shares. The share buyback transactions were financed by internally generated funds. These shares are being held as treasury shares. Treasury shares have no rights to vote, dividends and participation in other distribution.

The details of the Company's purchase of its own shares in the Malaysia Securities Exchange Berhad during the financial year were as follows:

	Date	No of shares purchased '000	Highest price paid per share RM	Lowest price paid per share RM	Average price paid per share RM	Total consideration RM'000
Held as treasury shares	8 January 2003	118	3.10	3.08	3.10	367
	9 January 2003	498	3.10	3.06	3.07	1,536
	10 January 2003	800	3.10	3.02	3.04	2,438
	27 January 2003	225	3.10	3.08	3.09	698
	10 February 2003	163	3.10	3.10	3.10	507
	13 February 2003	510	3.10	3.10	3.10	1,587
	14 February 2003	1	3.10	3.10	3.10	3
	25 February 2003	666	3.10	3.10	3.10	2,071
	26 February 2003	100	3.10	3.10	3.10	311
	27 February 2003	163	3.10	3.10	3.10	507
	5 March 2003	432	3.10	3.10	3.10	1,344
	6 March 2003	1,050	3.10	3.06	3.09	3,255
	7 March 2003	700	3.06	3.04	3.05	2,141
	10 March 2003	665	3.04	2.99	3.00	2,005
	11 March 2003	747	2.98	2.93	2.94	2,205
	12 March 2003	535	2.95	2.92	2.95	1,583
	13 March 2003	711	2.96	2.94	2.95	2,105
	14 March 2003	861	2.99	2.97	2.98	2,578

notes to the financial statements for the financial year ended 31 December 2003

26 TREASURY SHARES, AT COST (CONTINUED)

Held as treasury shares (Continued)	Date	No of shares purchased '000	Highest price paid per share RM	Lowest price paid per share RM	Average price paid per share RM	Total consideration RM'000
	17 March 2003	408	2.98	2.96	2.97	1,216
	18 March 2003	724	3.00	2.99	3.00	2,176
	19 March 2003	446	2.99	2.96	2.97	1,329
	20 March 2003	875	3.00	2.99	3.00	2,631
	24 March 2003	650	3.00	3.00	3.00	1,955
	25 March 2003	928	2.98	2.95	2.97	2,761
	26 March 2003	814	2.96	2.95	2.96	2,416
	27 March 2003	589	3.02	2.98	3.00	1,772
	28 March 2003	821	2.97	2.94	2.96	2,436
	31 March 2003	1,699	2.91	2.88	2.90	4,945
		16,899				50,878

There was no resale of treasury shares during the financial year. There were no treasury shares cancelled during the financial year. The adjusted number of issued and fully paid-up shares with voting rights as at the financial year end after deducting treasury shares purchased is 2,593,107,000 shares.

27 INTEREST INCOME

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Loans and advances	3,564,622	3,026,009	112	1,055
Money at call and deposit with financial institutions	397,099	312,689	8,308	9,514
Dealing securities	653,908	401,356	–	–
Investment securities	447,500	318,034	–	–
ICULS (Note 21)	–	–	–	9,244
Others	94,562	60,524	1,024	47
	5,157,691	4,118,612	9,444	19,860
Accretion of discounts less amortisation of premium	125,638	205,817	12,633	10,946
Net interest suspended	(202,968)	(252,394)	–	–
	5,080,361	4,072,035	22,077	30,806

notes to the financial statements for the financial year ended 31 December 2003

28 INTEREST EXPENSE

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposits and placements of banks and other financial institutions	508,458	485,341	–	–
Deposits from other customers	1,717,162	1,283,982	–	–
Bonds	62,360	94,810	40,535	40,535
Loan stocks/ICULS	88,340	36,520	–	–
Others	157,408	92,291	729	3,970
	2,533,728	1,992,944	41,264	44,505

29 LOAN LOSS AND PROVISION

	The Group	
	2003 RM'000	2002 RM'000
Provision for bad and doubtful debts:		
– specific provision (net)	566,150	677,762
– general provision	113,177	92,745
Bad debts:		
– recovered	(113,874)	(40,056)
– written off	4,045	744
	569,498	731,195
Provision for amounts recoverable from Danaharta		
– provision for value impairment during the year	62,418	78,087
	631,916	809,282

notes to the financial statements for the financial year ended 31 December 2003

30 NON-INTEREST INCOME

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Fee income:				
Commissions	157,975	88,465	–	–
Fee on loans and advances	108,260	55,416	–	–
Portfolio management fees	22,605	20,449	–	–
Service charges and fees	121,765	63,493	–	–
Corporate advisory fees	60,661	34,339	–	–
Guarantee fees	60,938	85,012	–	–
Other fee income	75,995	84,549	236	106
	608,199	431,723	236	106
Investment income:				
Accretion of investment gain	–	–	27,982	25,901
Gain from sale of investment securities	256,309	98,162	–	–
Net profit/(loss) from dealing securities:				
– Treasury	258,328	16,465	–	–
– Equity	(20,311)	(1,609)	3,372	676
(Provision)/write back of provision for diminution of investment securities	(285,860)	10,567	–	8
(Write down)/write back of dealing securities	(74,932)	2,368	21,948	(8,352)
Gross dividends from:				
– Subsidiaries	–	–	184,686	35,923
– Investment and dealing securities	29,524	10,560	3,942	3,379
Gain on disposal of associate	20,881	–	39,222	–
(Loss)/Gain on disposal of interest in subsidiary	(18,957)	–	123,942	–
	164,982	136,513	405,094	57,535
Other income:				
Foreign exchange gain:				
– Realised	64,266	84,023	4,586	7,382
– Unrealised	33,684	1,368	–	–
Rental income	9,062	7,557	4,085	4,069
Gain on disposal of fixed assets	666	1,232	92	53
Gain on disposal of leased assets	27	103	–	–
Net gain from insurance business	4,926	1,784	–	–
Net brokerage fee	56,886	33,920	–	–
Other non-operating income	70,564	44,132	116	425
Income from business under Shariah principle	18,672	7,185	–	–
	258,753	181,304	8,879	11,929
	1,031,934	749,540	414,209	69,570

notes to the financial statements for the financial year ended 31 December 2003

31 OVERHEAD EXPENSES

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Personnel costs (a)	807,884	594,863	2,453	1,732
Establishment costs	337,180	355,026	–	–
Marketing expenses	99,106	52,931	–	–
Administration and general expenses	462,009	277,445	13,260	8,731
	1,706,179	1,280,265	15,713	10,463
(a) Personnel costs				
Wages and salaries	490,056	405,649	1,563	980
Pension costs – defined contribution plans	54,897	50,528	266	316
Pension costs – defined benefit plans	16,171	12,615	–	–
Other post-employment medical benefits	4,901	1,521	–	–
Other staff related costs	241,859	124,550	624	436
	807,884	594,863	2,453	1,732

The above expenditure includes the following statutory disclosures:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Directors' remuneration (Note 32)	2,258	1,471	603	575
Rental of premises	62,689	69,664	–	–
Hire of equipment	6,985	6,920	–	–
Lease rental	350	2,903	–	–
Auditors' remuneration				
– Statutory audit (Malaysian firm)	1,605	1,503	70	60
– Statutory audit (overseas firm)	744	118	–	–
– Others	2,869	846	170	100
Depreciation of fixed assets	127,393	136,023	2,178	2,055
Fixed assets written off	454	393	–	–
Amortisation of goodwill	14,214	6,985	–	–
Amortisation of premium of associates	1,041	1,090	–	–

notes to the financial statements for the financial year ended 31 December 2003

32 DIRECTORS' REMUNERATION

The Directors of the Company in office during the year are as follows:

Non-Executive Directors

Dato' Mohd Desa Pachi

Tan Sri Datuk Asmat Kamaludin

Dr. Rozali Mohamed Ali

Dato' Anwar Aji

Mohd Salleh Mahmud

Masayuki Kunishige

Dr. Roslan A. Ghaffar

(appointed on 3.11.2003)

Azizan Mohd Noor

(resigned on 6.9.2003)

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Non-Executive Directors				
- Fees	1,062	549	408	315
- Other remuneration	1,127	878	195	260
- Benefits-in-kind	69	44	-	-
	2,258	1,471	603	575

The number of directors whose total remuneration for the financial year which fall within the following bands are as follows:

	The Company	
	2003 RM'000	2002 RM'000
Non-Executive Directors		
Below RM50,000	1	1
RM50,000 – RM100,000	2	3
RM100,000 – RM150,000	2	2
RM200,000 – RM250,000	1	1
RM300,000 – RM350,000	1	-
RM800,000 – RM850,000	-	1
RM1,300,000 – RM1,350,000	1	-

Included in the Non-Executive Directors' remuneration are amounts paid to a Director in his capacity as executive director for the subsidiaries.

notes to the financial statements for the financial year ended 31 December 2003

33 TAXATION

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Malaysian income tax in respect of current financial year	350,608	164,822	71,090	6,161
Foreign tax	16,912	19,523	–	–
Deferred tax	(81,226)	(6,966)	3,530	(10,499)
	286,294	177,379	74,620	(4,338)
Malaysian income tax in respect of prior financial years	(1,288)	(30,953)	–	–
Share of tax of associates	1,387	1,855	–	–
	286,393	148,281	74,620	(4,338)

Reconciliation between tax charge and the Malaysian tax rate:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit before tax	1,240,867	747,575	379,309	45,408
Tax calculated at a rate of 28% (2002: 28%)	347,443	209,321	106,206	12,714
Income not subject to tax	(57,407)	(32,516)	(49,612)	(26,221)
Effect of different tax rates in other countries	(8,027)	(2,022)	–	–
Expenses not deductible for tax purposes	7,879	22,464	18,026	9,169
Utilisation of tax losses	(3,495)	(48,966)	–	–
Tax charge of current year	286,393	148,281	74,620	(4,338)

	The Group	
	2003 RM'000	2002 RM'000
Tax losses		
Tax saving as a result of the utilisation of tax losses brought forward from previous years for which the related credit is recognised during the financial year	3,495	48,966
Tax losses which the related tax credit has not been recognised in the financial statements	197,748	219,678
Tax saving as a result of the utilisation of current year tax losses for which credit is recognised during the financial year	–	405

notes to the financial statements for the financial year ended 31 December 2003

34 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year after minority interests by the weighted average number of ordinary shares in issue during the financial year, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

	2003	2002
Net profit for the financial year after minority interests (RM'000)	782,300	565,444
Weighted average number of ordinary shares in issue ('000)	2,560,177	2,548,609
Basic earnings per share (expressed in sen per share)	30.6	22.2

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. During the financial year, the Company has two categories of dilutive potential ordinary shares: 1.75% Redeemable Euro-Convertible Bonds and Employee Share Option Scheme. The 1.75% Redeemable Euro-Convertible Bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the applicable interest expense less the tax effect. For the Employee Share Option Scheme, the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding Employee Share Options are calculated to determine the 'unpurchased' shares to be added to ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year after minority interests in respect of Employee Share Options.

	2003	2002
	RM'000	RM'000
Net profit for the financial year after minority interests	782,300	565,444
Elimination of interest expense on 1.75% Redeemable Euro-Convertible Bonds (net of tax effect)	25	25
Net profit used to determine diluted earnings per share	782,325	565,469

	2003	2002
	Unit '000	Unit '000
Weighted average number of ordinary shares in issue	2,560,177	2,548,609
Adjustments for		
– Bonus element on conversion of Redeemable Euro-Convertible Bonds	643	643
– ESOS	45,862	–
Weighted average number of ordinary shares for diluted earnings per share	2,606,682	2,549,252
Diluted earnings per share (expressed in sen per share)	30.0	22.2

notes to the financial statements for the financial year ended 31 December 2003

35 DIVIDENDS PER SHARE

Dividends declared or proposed in respect of the financial year ended 31 December 2003 are as follows:

	The Group and the Company			
	2003		2002	
	Gross per share sen	Amount of dividend net of tax RM'000	Gross per share sen	Amount of dividend net of tax RM'000
• A first and final dividend of 5 sen gross per ordinary share less tax at 28%, which is subject to the approval of members at the forthcoming Annual General Meeting of the Company	5.0	93,352	5.0	95,386
• A special dividend of 5 sen gross per ordinary share less tax at 28%, which is to be paid on a date to be determined by the Board of Directors	5.0	93,352	–	–
	10.0	186,704	5.0	95,386

The proposed dividends for the previous financial year were approved by the shareholders and paid in this financial year. This is shown as a deduction from the retained profits in the statement of changes in equity.

In respect of this financial year, the proposed first and final dividends for ordinary shares as detailed above will be put forth for the shareholders' approval at the forthcoming Annual General Meeting. The proposed first and final dividends and the special dividends will be reflected in the financial statements for the next financial year ending 31 December 2004 when approved by the shareholders.

36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated. Interest rates on fixed and short-term deposits were at normal commercial rates.

	The Company	
	2003 RM'000	2002 RM'000
Income from subsidiaries:		
Interest on fixed deposits and money market	8,308	9,514
Interest on loans and advances	112	1,055
Interest on ICULS	–	9,244
Accretion on investment securities	12,633	10,946
Accretion of investment gain	27,982	25,901
Dividend income	184,686	35,923
Rental income	4,085	4,069

notes to the financial statements for the financial year ended 31 December 2003

36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

		The Company	
		2003	2002
		RM'000	RM'000
Amount due from/(to) subsidiaries:			
Current accounts, deposits and placements		414,514	178,930
Amount due from shareholder and Minister of Finance (Incorporation)	(a)	(440,245)	(640,245)
Subordinated term loans		–	13,281
Loans and advances		11,321	8,463
ICULS 2001/2011		376,274	348,292
Detachable coupons		170,548	170,571
Amount due from shareholder and Minister of Finance (Incorporation):			
Amount due from shareholder and Minister of Finance (Incorporation)	(a)	440,245	640,245
		The Company	
		2003	2002
		Units	Units
Director			
Employee Share Option Scheme	(b)	1,000,000	–

(a) Amount due from shareholder and Minister of Finance (Incorporation) ("MoF")

This amount represents a full and final settlement in respect of the claims submitted by a subsidiary bank through the Company to the MoF and Khazanah Nasional Berhad ("Khazanah") pursuant to the Share Exchange Agreement ("SEA") dated 8 February 1999 and the Supplemental Agreement to the SEA dated 16 August 1999. An amount of RM200,000,000 was received during the financial year.

(b) The employee share options were granted to a Director on the same terms and conditions as those offered to other employees of the Company as disclosed in Note 24 to the financial statements.

notes to the financial statements for the financial year ended 31 December 2003

37 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group made various commitments and incurred 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.

	2003		2002	
	Principal RM'000	Credit equivalent RM'000	Principal RM'000	Credit equivalent RM'000
The Group				
Direct credit substitutes	3,008,062	3,008,062	2,689,994	2,689,994
Certain transaction-related contingent items	2,668,862	1,334,432	3,332,655	1,666,328
Short-term self-liquidating trade-related contingencies	2,957,962	591,593	2,376,642	475,329
Obligations under underwriting agreement	163,546	81,773	154,971	77,485
Irrevocable commitments to extend credit:				
– Maturity not exceeding one year	19,139,243	–	18,136,014	–
– Maturity exceeding one year	3,418,163	1,709,082	2,791,637	1,395,819
Asset sold under recourse	66,570	66,570	106,448	106,448
Miscellaneous commitments and contingencies	6,581,943	–	4,472,869	–
	38,004,351	6,791,512	34,061,230	6,411,403
Foreign exchange related contracts:				
– less than one year	10,362,620	193,727	7,088,238	135,398
– one year to less than five years	895,645	111,135	1,553,862	118,179
	11,258,265	304,862	8,642,100	253,577
Interest rate related contracts:				
– less than one year	30,461,795	10,278	16,558,248	9,159
– one year to less than five years	65,983,075	443,729	36,573,486	335,413
– five years and above	6,586,526	173,988	8,363,000	115,674
	103,031,396	627,995	61,494,734	460,246
Equity related contracts:				
– less than one year	19,912	–	6,533	–
– one year to less than five years	59,778	25	–	–
	79,690	25	6,533	–
	152,373,702	7,724,394	104,204,597	7,125,226
The Company				
Interest rate related contracts:				
– one year to less than five years	250,000	6,600	250,000	6,670

notes to the financial statements for the financial year ended 31 December 2003

37 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Breakdown of foreign exchange contracts and interest rate contracts:

	2003		2002	
	Principal RM'000	Credit equivalent RM'000	Principal RM'000	Credit equivalent RM'000
The Group				
Foreign exchange related contracts:				
– Forward exchange contracts	10,323,185	192,886	7,106,776	172,814
– Cross currency swaps	912,335	111,635	725,817	68,611
– Foreign exchange swaps	22,745	341	809,507	12,152
	11,258,265	304,862	8,642,100	253,577
Interest rate related contracts:				
– Interest rate futures	85,009,612	–	51,315,128	–
– Interest rate swaps	18,011,784	627,995	10,169,606	460,246
– Interest rate option	10,000	–	10,000	–
	103,031,396	627,995	61,494,734	460,246
Equity related contracts:				
– Future contracts	19,912	–	6,533	–
– Put option	59,778	25	–	–
	79,690	25	6,533	–
	114,369,351	932,882	70,143,367	713,823
The Company				
Interest rate related contracts:				
– Interest rate swaps	250,000	6,600	250,000	6,670

The Group has also given a continuing guarantee to Bank Negara Malaysia and Labuan Offshore Financial Services Authority to meet the liabilities and financial obligations and requirements of its subsidiaries, Bumiputra-Commerce Bank (L) Limited and CIMB (L) Limited respectively, arising from their offshore banking business in the Federal Territory of Labuan.

Foreign exchange and interest rate related contracts are subject to market risk and credit risk:

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 December 2003, the amount of contracts which were not hedged and, hence, exposed to market risk was RM1,371,158,000 (2002: RM1,226,356,000).

notes to the financial statements for the financial year ended 31 December 2003

37 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position. As at end of 2003, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM1,004,255,000 (2002: RM950,475,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

38 CAPITAL COMMITMENTS

Capital expenditure approved by Directors but not provided for in the financial statements amounted to approximately:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Capital expenditure:				
Authorised and contracted for	103,368	48,719	160	–
Authorised but not contracted for	553,417	34,209	548,500	–
At 31 December	656,785	82,928	548,660	–

Analysed as follows:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Fixed assets	474,165	36,068	375,160	–
Subscription for investments	9,120	46,860	–	–
Acquisition of subsidiary	173,500	–	173,500	–
At 31 December	656,785	82,928	548,660	–

39 LEASE COMMITMENTS

The lease commitments are in respect of rented premises and hired equipment, all of which are classified as operating leases. A summary of the non-cancellable long-term commitments net of sub-leases are as follows:

	The Group	
	2003 RM'000	2002 RM'000
Within one year	43,326	48,016
One year to five years	56,707	75,292
Over five years	–	63,139

notes to the financial statements for the financial year ended 31 December 2003

40 SEGMENT REPORTING

(a) Primary reporting format – business segments

Definition of segments

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

Corporate Banking

Corporate and institutional banking focuses on the large listed corporations, multinational companies, Federal and State Government clients. It promotes traditional banking products, project financing, corporate loans, margin lending and others. Included under Corporate banking are offshore activities carried out by Bumiputra-Commerce Bank (L) Limited, the offshore banking arm for the Group. Borrowing and lending facilities are offered in major currencies mainly to corporate clients.

Business Banking

Business banking focuses on middle market customers. It promotes trade finance and overdraft facilities for small and medium enterprises. This segment also includes leasing financing activities carried out by Bumiputra-Commerce Leasing Berhad which is predominant to middle market customers.

Retail Banking

Retail banking focuses on individual customers and small businesses. It promotes products such as residential mortgages, shophouse loans, shares financing and other various type of retail and consumer loans. Also, included under this segment is the hire purchase activities of Bumiputra-Commerce Finance Berhad, primarily for new and used cars. Bumiputra-Commerce Factoring Berhad is also included under Retail Banking as it is predominantly involved in retail loan management.

Treasury

Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and capital market instruments trading.

Financial advisory, underwriting and other fees

Financial advisory, underwriting and other fees mainly comprise fees derived from structured financial solutions, origination of capital market products including debt and equity, mergers and acquisitions, secondary offerings, asset backed securities, debt restructurings, corporate advisory, Islamic capital market products and project advisory. In addition, this segment also includes underwriting of primary equities and debt products.

Debt related

Debt related mainly comprises proprietary trading and market making in the secondary market for debt, debt related derivatives and structured products. It includes the origination of lending products such as corporate loans and margin lending. It also invests in proprietary capital.

Equity related

Equity related mainly comprises institutional and retail broking business for securities listed on Malaysia Securities Exchange Berhad. It also includes income from trading in domestic and regional equities market.

Support and others

Support comprises all back-office processes, cost centers and non-profit generating divisions in the subsidiary bank. Other business segments in the Group include investment holding, fund management, unit trust manager, life assurance business, offshore activities and other related financial services, whose results are not material to the Group and thus do not render separate disclosure in the financial statements and have been reported in aggregate.

notes to the financial statements for the financial year ended 31 December 2003

40 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

Group	2003							Support and others RM'000	Total RM'000
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and underwriting business RM'000	Debt business RM'000	Equity business RM'000		
Segment assets	13,497,746	16,241,091	16,536,233	23,787,558	85,939	12,641,888	402,002	14,279,266	97,471,723
Investment in associates	-	-	-	-	-	-	319	55,058	55,377
	13,497,746	16,241,091	16,536,233	23,787,558	85,939	12,641,888	402,321	14,334,324	97,527,100
Unallocated assets	-	-	-	-	-	-	-	406,877	406,877
Total assets	13,497,746	16,241,091	16,536,233	23,787,558	85,939	12,641,888	402,321	14,741,201	97,933,977
Segment liabilities	16,079,388	14,806,871	17,642,210	20,232,762	2,118	11,163,976	270,506	8,737,780	88,935,611
Unallocated liabilities	-	-	-	-	-	-	-	266,698	266,698
Total liabilities	16,079,388	14,806,871	17,642,210	20,232,762	2,118	11,163,976	270,506	9,004,478	89,202,309
Other segment items									
Incurred capital expenditure	3,440	5,619	178	21	1,104	1,961	1,487	130,679	144,489
Depreciation	6,633	7,178	353	93	1,512	2,796	2,093	106,736	127,393
Amortisation of goodwill	-	-	-	-	-	-	-	14,214	14,214
Accretion of discount less amortisation of premium for investment securities	3,750	-	609	120,768	-	511	-	-	125,638
Provision for diminution in value of investment securities	-	-	26,460	83,901	-	58,958	-	116,541	285,860

Basis of pricing for inter-segment transfers:

Intersegmental charges are computed on the interest-bearing assets and liabilities of each business segment with rates applied based on the interest yield curve according to the term structure of maturity.

notes to the financial statements for the financial year ended 31 December 2003

40 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

Group	2002							Support and others RM'000	Total RM'000
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and underwriting business RM'000	Debt business RM'000	Equity business RM'000		
Segment assets	17,487,708	14,320,963	17,922,344	22,222,689	82,769	11,661,036	256,329	6,719,047	90,672,885
Investment in associates	-	-	-	-	-	-	2,332	176,777	179,109
	17,487,708	14,320,963	17,922,344	22,222,689	82,769	11,661,036	258,661	6,895,824	90,851,994
Unallocated assets	-	-	-	-	-	-	31,204	583,575	614,779
Total assets	17,487,708	14,320,963	17,922,344	22,222,689	82,769	11,661,036	289,865	7,479,399	91,466,773
Segment liabilities	17,619,471	15,253,229	19,786,798	18,434,150	6,154	10,916,306	114,259	1,692,212	83,822,579
Unallocated liabilities	-	-	-	-	-	-	-	112,062	112,062
Total liabilities	17,619,471	15,253,229	19,786,798	18,434,150	6,154	10,916,306	114,259	1,804,274	83,934,641
Other segment items									
Incurred capital expenditure	11,136	4,418	471	36	-	37,344	-	309,835	363,240
Depreciation	13,904	5,750	621	38	-	10,298	-	105,412	136,023
Amortisation of goodwill	-	-	-	-	-	-	1,387	5,598	6,985
Accretion of discount less amortisation of premium for investment securities	1,947	-	6,779	186,133	-	5,925	-	5,033	205,817
(Provision)/writeback of provision for diminution in value of investment securities	-	-	(4,541)	-	-	19,065	-	(3,957)	10,567
Other non-cash expenses	-	-	78,087	-	-	-	-	-	78,087

Basis of pricing for inter-segment transfers:

Intersegmental charges are computed on the interest-bearing assets and liabilities of each business segment with rates applied based on the interest yield curve according to the term structure of maturity.

notes to the financial statements for the financial year ended 31 December 2003

40 SEGMENT REPORTING (CONTINUED)**(b) Secondary reporting format – geographical segments**

The Group's business segments are managed on a worldwide basis and they operate mainly in three main geographical areas:

- Malaysia, the home country of the Group, which includes all the areas of operations in the primary business segments.
- Indonesia, the areas of operation in this country include all the primary business segments of its subsidiary bank, PT Bank Niaga Tbk.
- Other countries include branch and subsidiary operations in Singapore, Japan, United Kingdom, Hong Kong and Republic of Mauritius. The overseas operations are involved mainly in corporate lending and borrowing activities. With the exception of Malaysia and Indonesia, no other individual country contributed more than 10% of the consolidated net interest income or assets.

The Group	Net interest income RM'000	Total asset RM'000	Capital expenditure RM'000
2003			
Malaysia	1,802,736	78,955,751	126,465
Indonesia	415,061	10,597,471	17,466
Other countries	328,836	8,380,755	558
	2,546,633	97,933,977	144,489
2002			
Malaysia	1,946,120	74,934,311	340,301
Indonesia	22,354	9,599,140	22,278
Other countries	110,617	6,933,272	661
	2,079,091	91,466,723	363,240

41 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the Group and the Company's cash flow statement comprise the following:

	The Group		The Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash and balances with banks and other financial institutions	1,902,984	1,366,780	8,697	10,605
Money at call and deposit placements maturing within one month	12,151,573	6,018,240	405,817	168,325
	14,054,557	7,385,020	414,514	178,930

Included in cash and short term funds of the Group are trust accounts maintained by the securities subsidiaries in trust for clients' and dealer's representatives amounting to RM31,976,044 (2002: RM9,468,172) and RM5,990,892 (2002: RM6,348,670) respectively.

notes to the financial statements for the financial year ended 31 December 2003

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Restructuring and listing scheme of CIMB Berhad

(i) Restricted offer for sale

On 2 January 2003, 1,100,000 of CIMB Berhad shares were allotted at an offer price of RM1.75, under the restricted offer for sales to the Non-Executive Directors and Company Secretary of the Company and the Non-Executive Directors of the CIMB Berhad Group.

(ii) Employee Equity Scheme ("EES")

On 2 January 2003, 41,300,000 of CIMB Berhad shares were allotted to the respective CIMB Berhad Group employees (under their nominees accounts) according to their entitlements under the EES.

(iii) Executive Employee Share Option Scheme ("EESOS")

CIMB Berhad had on 2 January 2003, made an offer to grant options to the Senior Management of CIMB Berhad Group to subscribe to shares of CIMB Berhad under the EESOS. The number of EESOS options offered to the Senior Management of CIMB Berhad Group amounted to 11,000,000 new ordinary shares of RM1.00 each of CIMB Berhad.

(iv) Listing and quotation

The entire issued and paid-up share capital of CIMB Berhad 850,000,000 ordinary shares of RM1.00 each was admitted to the Official List of the Exchange, and the listing and quotation of these shares on the Main Board of Malaysia Securities Exchange Berhad was granted with effect from 8 January 2003.

(b) Full and final settlement of claims

During the first quarter of the financial year, MoF and Khazanah have agreed that the amount, as disclosed in Note 7 and Note 36 to the financial statements, will be the full and final settlement of all claims submitted by the Company.

(c) Proposed acquisition of AMI Insurans Berhad ("AMI")

The Company has entered into a Memorandum of Understanding ('MoU') with The New Straits Times Press (Malaysia) Berhad for the acquisition of up to 110,000,000 ordinary shares of RM1.00 each in AMI, which represents 100% equity interest.

(d) Disposal of interest in Bank Muamalat Malaysia Berhad ("BMMB")

During the year, the Company has disposed 67,753,800 ordinary shares of RM1.00 each in BMMB which represents 30% equity interest in BMMB to Bukhary Capital Sdn Bhd for a total cash consideration of RM155,100,000. Total profit recognised from the transaction amounted to RM39,222,000. The disposal was deemed to be completed on 22 December 2003 upon the fulfillment of the conditions precedent on the last approval obtained from the relevant authorities. Thus, as at 31 December 2003, BMMB is no longer an associate of CAHB.

(e) Acquisition of 1.83% equity interest in PT Bank Niaga Tbk of Indonesia ("Bank Niaga")

On 6 October 2003, the Company has acquired 1,431,001,000 Class B shares of Rupiah (Rp) 5.00 each ("shares") in Bank Niaga, representing 1.83% equity interest in Bank Niaga, for a purchase consideration of Rp38.7 billion (or approximately RM17.6 million based on the exchange rate of Rp100 to RM0.0454 as at 2 October 2003) fully satisfied in cash.

The acquisition was made to facilitate the implementation of a management equity scheme ("MES") for the senior management of Bank Niaga, which is expected to align the interests of the senior management and shareholders of Bank Niaga.

Pursuant to the acquisition, the Company equity interest in Bank Niaga has increased from 51% to 52.83%. Subsequently, when the recipients of the MES exercise fully their entitlements, CAHB's equity interest in Bank Niaga will decrease from 52.83% to 51%.

notes to the financial statements for the financial year ended 31 December 2003

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(f) Additional investment in South East Asian Bank Limited ("SEA Bank")

On 13 January 2003, BCB took up additional investment in SEA Bank via a rights issue amounting to RM9,286,000.

As at 31 December 2003, BCB holds 50,000,000 ordinary shares of SEA Bank which represents a 60% interest in SEA Bank. With appointment of management representatives on the Board of Directors and senior management, SEA Bank is now a subsidiary of BCB.

(g) Issuance of subordinated notes

On 16 October 2003, BCB issued subordinated notes of USD300,000,000 as disclosed in Note 23 to the financial statements. The notes are listed on the Luxembourg Stock Exchange.

(h) Acquisition of PT Niaga Sekuritas of Indonesia ("Niaga Sekuritas")

On 10 October 2003, CIMB (L) Limited, a licensed offshore bank and a subsidiary of CIMB, acquired 51% of the equity interest of Niaga Sekuritas primarily via the subscription of new Niaga Sekuritas shares. Niaga Sekuritas is a 99% owned subsidiary of P.T. Bank Niaga of Indonesia, which in turn is a 51% owned subsidiary of CAHB. CIMB (L) Limited has acquired 179,000 existing ordinary shares of Rupiah 1,000 each and subscription of 18,266,000 new ordinary shares of Rupiah 1,000 for a total purchase consideration of Rupiah 20.7 billion.

(i) Termination of proposed investment in Global TIMES Ventures GmbH & Co. KG

CIMB and T-Venture Holding GmbH of Germany (formerly known as T-Telematik Venture Holding GmbH) ("T-Ventures") had on 27 February 2003 signed a Termination Agreement to formalise the intentions of the parties to terminate an earlier Agreement dated 18 June 2001 for the proposed participation by CIMB in Global TIMES Ventures GmbH & Co. KG ("GTV"). GTV is a limited partnership in which CIMB has contracted to acquire a 20% interest, amounting to a total investment of EUR11,400,000.

(j) Subscription of irredeemable Non-cumulative Preference Shares ("INCPS") in CIMB Discount House Berhad by Commerce International Merchant Bankers Berhad ("CIMB")

CIMB had on 30 June 2003 subscribed for 116,000,000 INCPS of RM1.00 each in its wholly-owned subsidiary, CIMB Discount House Berhad for a total consideration of RM116,000,000. CIMB is entitled to dividend at the discretion of the Board of Directors of CIMB Discount House Berhad.

The INCPS rank in priority to the existing ordinary shares of CIMB Discount House Berhad with respect to payment of dividend and amounts receivable upon liquidation, dissolution or winding up of CIMB Discount House Berhad.

(k) Satisfaction of capital commitment in CIMB Muamalat Fund I and Navis Asia Fund III

CIMB (L) Limited, a wholly-owned subsidiary of CIMB had on 18 July 2003 and 2 December 2003 fulfilled its capital commitment by paying up 25% and 35% respectively of the committed investment in CIMB Muamalat Fund I and Navis Asia Fund III.

(l) Bumiputra-Commerce Finance Berhad ("BCF") investment in new joint venture with Proton Edar Sdn Bhd ("PESB")

During the year, BCF has entered into a Joint Venture Agreement with PESB to set up a Joint Venture Company ("JV Co") with the business objective of gaining access to the customers of PESB.

The shareholding is held in equal proportions between BCF and PESB.

notes to the financial statements for the financial year ended 31 December 2003

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(m) Acquisition of interest of I-Prestige Sdn Bhd ("I-Prestige") and the securitisation of hire purchase receivables BCF

During the financial year, BCF acquired a 100% interest in I-Prestige for RM2 in cash and increased the paid-up share capital by RM12,750,000. BCF treats I-Prestige as a wholly-owned subsidiary of the Company thereafter.

I-Prestige was established for the purpose of securitisation of BCF's hire purchase receivables where it purchased receivables from BCF and subsequently sold the majority of interest in the hire purchase receivables to another company namely Auto ABS One Bhd ("Auto ABS One") which is owned by a share trustee. The hire purchase receivables securitisation programme is funded through issuance of bonds by Auto ABS One and deferred consideration owing to BCF. The scheme and the issuance of bonds are in compliance with the Securities Commission's "Guidelines on the offering of Asset-Backed Debt Securities". I-Prestige has commenced operations during the financial year.

(n) Term loan facility of USD200,000,000 obtained by BCB

During the first quarter of the financial year, BCB obtained a 360-day transferable unsecured syndicated loan facility of USD200,000,000. The facility will mature in March 2004 and carries interest rate at an all-in-yield of London inter-bank offer rate ("LIBOR") plus 0.42%.

43 SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE

(a) Proposed acquisition for the development of a new corporate headquarters

On 20 January 2004, the Company entered into a Sale and Purchase Agreement ("SPA") with IJM Properties Sdn Bhd ("IJMP"), a wholly-owned subsidiary of IJM Corporation Berhad ("IJM") for the proposed acquisition of three (3) pieces of land held under Geran 30000 Lot 1724, Geran 7158 Lot 1508 and Geran 7157 Lot 1507 and part of a piece of land held under Geran 7162 Lot 1512 all in Seksyen 46, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring in area approximately 10,149 square meters ("Development Land") together with a thirty-nine storey office building with four (4) levels of basement office building with an approximate total built up area of 114,744 square meters and an approximate lettable area of 58,528 square meters together with 1,120 car parks to be erected thereon ("Building") for a total cash consideration of RM375,000,000 ("Purchase Consideration").

The total cash consideration of RM375,000,000 will be financed by the internally generated funds and/or borrowings.

(b) Proposed acquisition of CIMB Sharetech Sdn Bhd ("Sharetech") by CIMB Berhad from CIMB Securities Sdn Bhd

On 6 January 2004, CIMB Berhad has proposed to acquire the entire ordinary equity interest in ShareTech comprising of 40,003,120 ordinary shares of RM1.00 each from CIMB Securities Sdn Bhd, a wholly-owned subsidiary of CIMB Berhad, for a cash consideration of RM47,800,000. The proposed acquisition is subject to approval from relevant authorities.

notes to the financial statements for the financial year ended 31 December 2003

43 SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE (CONTINUED)**(c) Proposed acquisition of the entire paid-up share capital of 110,000,000 ordinary shares of RM1.00 each in AMI Insurans Berhad ("AMI") ("AMI shares") from The New Straits Times Press (Malaysia) Berhad ("NSTP") and Pitisan Sdn Bhd ("Pitisan") ("Proposed Acquisition")**

On 12 February 2004, the Company entered into a share sale agreement ("Agreement") with NSTP and Pitisan, a wholly-owned subsidiary of NSTP (collectively referred to as the "Vendors") to acquire the entire issued and paid-up share capital in AMI comprising 110,000,000 AMI Shares for a total cash consideration of RM173,500,000.

The purchase consideration of RM173,500,000 was arrived at on a willing-buyer willing-seller basis.

The 110,000,000 AMI Shares will be acquired free from all encumbrances and together with all rights attached or attaching thereto (including the right to all dividends or distributions declared, made or paid thereon) at the date of completion of the Proposed Acquisition.

The total cash consideration of RM173,500,000 will be satisfied in the following manner:

- (i) the sum of RM17,350,000 being ten per centum (10%) of the purchase consideration shall be paid by the Company to NSTP and Pitisan upon execution of the agreement; and
- (ii) the balance sum of RM156,150,000 shall be paid on the date of completion of the acquisition.

The acquisition was completed on 18 February 2004.

(d) Proposed acquisition of Botly Securities by CIMB Berhad ("CIMB Group")

CIMB Group a subsidiary company, had on 13 February 2004 entered into a Memorandum of Agreement ("MoA") with TA Enterprise Berhad ("TAE") in relation to the proposed acquisition by CIMB Group of the entire equity interest in Botly Securities Sdn Bhd, from TAE for a total purchase consideration of RM400,000,000 to be satisfied by the issuance of 80,000,000 new ordinary shares of RM1.00 each in CIMB Group at an issue price of RM5.00 per share. The MoA sets out the agreements of the parties on the principal terms in respect of the proposed acquisition.

Pursuant to the above, the Company had entered into a separate MoA with TAE whereby TAE would place and sell or procure placement and sale to the Company of 80% of the CIMB Group shares to be issued arising from the Proposed Acquisition at an aggregate price of RM320,000,000. The MoA sets out the respective parties' agreement on the principal terms of the proposed acquisition and definitive agreements would be entered into at a later date.

(e) Joint Venture Agreement entered into between Bumiputra-Commerce Finance Berhad ("BCF") and Proton Edar Sdn Bhd ("PESB") ("Proposed Joint Venture")

BCF, a subsidiary to a subsidiary bank, had earlier in 2003, entered into a Joint Venture Agreement with PESB to set up a Joint Venture Company with the business objective of gaining access to the customers of PESB. A joint venture entity was formed, namely Proton Commerce Sdn Bhd ("PCSB"). The shareholding was held in equal proportions between BCF and PESB.

On 15 January 2004, approval was obtained from the relevant authority on BCF investment in PCSB. As a result, the Proposed Joint Venture became unconditional on 20 February 2004.

On 20 February 2004, BCF had entered into an Operation Agreement ("OA") with PESB and PCSB in relation to the business operation of PCSB and the said OA became effective on the same date.

(f) Cancellation of the Company's Treasury Shares

On 27 February 2004, the Company had announced that a total of 35,853,000 units of its treasury shares were cancelled. After the cancellation, the adjusted issued and paid-up share capital was 2,625,158,260 units ordinary shares at RM1.00 each on that date.

notes to the financial statements for the financial year ended 31 December 2003

44 CAPITAL ADEQUACY

(a) The capital adequacy ratios are as follows:

	The Group	
	2003	2002
	RM'000	RM'000
Tier I capital	6,327,117	5,934,896
Eligible Tier II capital	2,889,081	1,561,176
	9,216,198	7,496,072
Less:		
Investment in subsidiaries and holding of other banking institutions' capital	(609,305)	(516,968)
Subordinated term debt	(52,402)	–
Capital base	8,554,491	6,979,104
Core capital ratio	10.94%	10.53%
Risk-weighted capital ratio	14.79%	12.38%

(b) Components of Tier I and Tier II capital are as follows:

	2003	2002
	RM'000	RM'000
Tier I capital		
Paid-up capital	2,718,341	2,698,617
Share premium	525,212	5,136,131
Other reserves	3,083,719	(1,899,852)
Total Tier I capital	6,327,272	5,934,896
Tier II capital		
Subordinated loans	736,510	752,497
Subordinated notes issued	1,140,000	–
General provision for bad and doubtful debts	862,183	808,679
Other	150,388	–
Total Eligible Tier II capital	2,889,081	1,561,176
Less:		
Investments in subsidiaries	(609,305)	(516,968)
Subordinated term debt	(52,402)	–
	8,554,646	6,979,104

notes to the financial statements for the financial year ended 31 December 2003

44 CAPITAL ADEQUACY (CONTINUED)

	The Group	
	2003 RM'000	2002 RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:		
0%	19,322,719	17,874,660
10%	1,827,897	1,969,504
20%	16,474,568	14,218,726
50%	11,950,645	11,194,230
100%	48,402,538	47,737,070

The above capital adequacy ratio calculations are based on the guidelines issued by Bank Negara Malaysia to the banking institutions. Although the Company is not subject to the above guidelines, disclosure of the capital adequacy ratios are made on a voluntary basis.

The Group capital adequacy ratios above refer to those of the Company's banking subsidiaries BCB (includes the operations of Bumiputra-Commerce Bank (L) Limited), CIMB (includes the operations of CIMB (L) Limited) and PT Bank Niaga Tbk.

Included in the zero percent risk-weighted assets for a subsidiary bank is an amount due from DUSB amounting to RM375,195,000 (2002: RM375,195,000) that carry zero risk-weight in accordance with Bank Negara Malaysia's approval letter dated 16 July 1999.

45 ACQUISITION**(a) Acquisition of additional equity in SEA Bank, incorporated in Republic of Mauritius**

On 13 January 2003, BCB subscribed 60% equity interest in SEA Bank via a rights issue. Total purchase consideration has been settled via cash.

The effect of the acquisition on the financial results of the Group during the financial year is as follows:

	2003 RM'000
Interest income	18,206
Interest expense	(11,877)
Net interest income	6,329
Loan loss and provision	(1,297)
Non interest income	1,937
Net income	6,969
Overhead expenses	(6,976)
Profit before taxation	(7)
Taxation	-
Net profit after taxation before minority interest	(7)
Minority interest	3
Net profit for the financial year after minority interest	(4)

notes to the financial statements for the financial year ended 31 December 2003

45 ACQUISITION (CONTINUED)**(a) Acquisition of additional equity in SEA Bank, incorporated in Republic of Mauritius (Continued)**

The effect of the acquisition on the financial position of the Group as at 31 December 2003 is as follows:

	2003
	RM'000
Cash and short-term funds	19,254
Deposits and placements with financial institutions	3,321
Investment securities	95,124
Loans and advances	98,318
Other assets	2,483
Fixed assets	9,465
Deposits from customers	(193,970)
Deposits and placements of financial institutions	(6)
Bills and acceptances payable	(892)
Other liabilities	(5,830)
<hr/>	
Net assets	27,267
Minority interest	(9,478)
<hr/>	
Group's share of net assets	17,789
Less: Amount previously accounted for as an associate	(6,702)
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Increase in Group's net assets	11,087

Details of net assets acquired, goodwill and cash flow arising from the acquisition are as follows:

	At date of acquisition
	RM'000
Cash and short-term funds	19,467
Deposits and placements with financial institutions	5,500
Investment securities	43,954
Loans and advances	70,744
Other assets	412
Fixed assets	9,930
Deposits from customers	(122,798)
Deposits and placements of financial institutions	(11)
Bills and acceptances payable	(591)
Other liabilities	(2,928)
<hr/>	
Fair value of total net assets	23,679
Minority interest	(9,481)
Less: Amount previously accounted for as an associate	(6,702)
<hr/>	
Fair value of net assets acquired at date of acquisition	7,496
Goodwill	1,790
<hr/>	
Purchase consideration	9,286
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Purchase consideration discharged by cash	9,286
Less: Cash and short-term funds acquired	(19,467)
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Cash inflow of the Group on acquisition	(10,181)
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Cash outflow of BCB on acquisition	9,286

notes to the financial statements for the financial year ended 31 December 2003

45 ACQUISITION (CONTINUED)**(b) Acquisition of subsidiaries in the prior year****(i) Acquisitions of PT Bank Niaga Tbk and its subsidiaries**

In the previous financial year, the Company subscribed 51% equity interest in PT Bank Niaga for a purchase consideration of RM439.14 million, paid in cash on 30 November 2002.

The effect of the acquisitions on the financial results of the Group in the previous financial year was as follows:

	1 month ended 31.12.2002 RM'000
Interest income	98,226
Interest expense	(75,871)
Net interest income	22,355
Write back of provision for other receivables	384
Loan loss and provision	(681)
Provision for commitments and contingencies	(279)
Non-interest income	21,697
Net income	43,476
Overhead expenses	(19,729)
Profit for the period	23,747
Less: Minority interests	(11,636)
Profit for the period after minority interests	12,111

The effect of the acquisitions on the financial position of the Group in the previous financial year was as follows:

	31.12.2002 RM'000
Cash and short-term funds	1,496,064
Deposits and placements with financial institutions	443,290
Dealing securities	946,674
Investment securities	1,842,004
Loans and advances	4,360,490
Other assets	390,925
Associates	695
Fixed assets	118,997
Deposits from customers	(7,555,344)
Deposits and placements of banks and other financial institutions	(257,260)
Obligations on securities sold under repurchase agreements	(177,568)
Bills and acceptances payable	(191,770)
Other liabilities	(653,983)
Other borrowings	(205,059)
Minority interests	(264,463)
Increase in Group's net assets	293,692

notes to the financial statements for the financial year ended 31 December 2003

45 ACQUISITION (CONTINUED)**(b) Acquisition of subsidiaries in the prior year (Continued)****(i) Acquisitions of PT Bank Niaga Tbk and its subsidiaries (Continued)**

Details of net assets acquired, goodwill and cash flow arising from the acquisition were as follows:

	At date of acquisition RM'000
Cash and short-term funds	1,850,098
Deposits and placements with banks and other financial institutions	474,683
Dealing securities	746,797
Investment securities	2,095,723
Loans and advances	4,027,826
Other assets	351,532
Associates	1,021
Fixed assets	118,584
Deposits from customers	(7,475,542)
Deposits and placements of banks and other financial institutions	(288,010)
Obligations on securities sold under repurchase agreements	(151,562)
Bills and acceptances payable	(56,648)
Other liabilities	(784,855)
Other borrowings	(393,672)
Minority interests	(252,827)
Net assets acquired	263,148
Goodwill on acquisition	198,630
Total purchase consideration	461,778
Purchase consideration discharged by cash	439,140
Expenses directly attributable to the acquisition, paid in cash	22,638
Less: Cash and short-term funds acquired	(1,850,098)
Cash inflow on acquisition	(1,388,320)

(ii) Acquisition of Halyconia Asia Fund Limited ("HAF")

In the previous financial year, the Group controls the entire equity interest in HAF comprising 100 ordinary shares of USD1.00 each for purchase consideration of USD100, satisfied by cash amounting to USD100 with effect from 2 January 2002. Concurrently, the Group subscribed for 200 units of the redeemable preference shares of par value USD0.01 each with a premium of USD49,999.99 each on the same date.

notes to the financial statements for the financial year ended 31 December 2003

45 ACQUISITION (CONTINUED)**(b) Acquisition of subsidiaries in the prior year (Continued)****(ii) Acquisition of Halyconia Asia Fund Limited ("HAF") (Continued)**

The effect of the acquisition on the financial results of the Group in the previous financial year was as follows:

	12 month ended 31.12.2002 RM'000
Interest income	415
Interest expense	–
Net interest income	415
Dividend income	206
Net interest loss	(5,445)
Other non-interest income	543
Net loss	(4,281)
Overhead expenses	(325)
Loss before taxation and zakat	(4,606)
Taxation	–
Decrease in the Group's net profit for the period	(4,606)

The effect of the acquisition on the financial position of the Group in the previous financial year was as follows:

	31.12.2002 RM'000
Cash and bank balances	33,460
Dealing securities	201
Other assets	30
Increase in Group's net assets	33,691

Details of net assets acquired, goodwill and cash flow arising from the acquisition were as follows:

	At date of acquisition RM'000
Cash and short-term funds	380
Fair value of net assets acquired/cost of acquisition	380
Total purchase consideration	380
Purchase consideration discharged by cash	380
Less: Cash and cash equivalents of subsidiary acquired	(380)
Cash outflow on acquisition	–

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS

A Financial risk management objectives and policies

The Group's financial risk management policy is adopted from the main operating subsidiaries risk management policies. Various initiatives and development have been formed at the operating subsidiaries in order to identify, measure, control and monitor all identifiable risks.

The Group operates within a clearly defined set of principles and guidelines that are approved by the Board. Various working committees were formed at the operating subsidiaries in carrying out the process to ensure that all identifiable risks are addressed and managed adequately.

The main areas of financial risks faced by the Group and the policies to address these financial risks in respect of the major areas of banking activities represented by the commercial banks, namely Bumiputra-Commerce Bank Berhad and PT Bank Niaga Tbk and the investment bank, CIMB Berhad are set out as follows:-

Market risk

Bumiputra-Commerce Bank Berhad ("BCB")

Market risk is the risk that changes in interest rates, foreign exchange rates, debt securities and other financial contracts, including derivatives, which will have an adverse financial effect on the BCB's financial condition and result.

Market risk arises in BCB during the course of doing business, which is in the form of trading activity and meeting customer demand, and also in the investment in corporate bond, either in Private Debt Securities ("PDS") or in the international bond market where the bonds may be fixed or floating rate bonds.

BCB also transacts in derivatives such as Interest Rate Swap ("IRS"), Currency Swap, Cross Currency Interest Rate Swap ("CCIRS"), Assets Swap and Futures.

BCB also sets cut loss limit for all trading activities. The cut loss limit set is by day, month and year, where it also takes into account the realised and unrealised losses. Based on the current low and stable interest, interest rate risk at BCB is currently assessed as low.

BCB is adopting a strategy by entering into derivative swap transactions to swap the fixed interest rates to floating rates and to change repricing into shorter and manageable period of 3 or 6 months.

BCB has established a Treasury Risk Management policy to govern the trading and other global treasury activities.

BCB will in the future adopt best practice Value at Risk ("VaR") methodology in estimating the potential loss over certain confidence interval ("CI") and over specific time horizon. A stress testing will also be conducted. BCB will be adopting the VaR approach in measuring and controlling market risk. VaR is a technique that produces estimate of potential loss in value over a portfolio over a specified time horizon over given CI.

BCB has embarked into Enterprise Wide Risk Management by setting up a data warehousing called Decision Support System ("DSS"); for the entire Risk Management and Financial Analysis requirement.

A subsystem addressing the specific risk will be acquired when the system is already available.

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**A Financial risk management objectives and policies (Continued)****Market risk (Continued)****PT Bank Niaga Tbk (“Bank Niaga”)**

Market risk involves the possibility of losses incurred from changes in interest rate and foreign exchange rate due to market volatility. Bank Niaga monitors these changes and their impact on its portfolios as well as net open positions as part of its market risk management, through the Market Risk Committee (“MRC”).

MRC defines acceptable limits on trading exposures, including daily net open position limits and potential losses on current positions. Factors considered in setting these position limits include risk and return levels acceptable by management. Position limits are reviewed at least twice a year, although in periods of extreme volatility they are scrutinised more often or suspended altogether momentarily.

Trading limits are monitored daily on a mark-to-market basis and by applying the VaR concept. Thus, by keeping track of its daily VaR, Bank Niaga is in a position to liquidate its open position, which indicates a potential loss greater than the allowable limits.

CIMB Berhad (“CIMB Group”)

Market risk within CIMB Group as a result of CIMB Group’s trading activities can arise either from customer-related business or from proprietary positions. CIMB and CIMB Discount House Bhd, make markets in debt securities as well as interest rate and currency derivative instruments; while equity proprietary activities are carried out by CIMB, broking arm and offshore subsidiary. In general, CIMB Group manages its trading positions by employing a variety of hedging strategies, including the use of derivative instruments.

CIMB Group manages market risk through risk limits set by the Risk Committee. The MRC whose role, amongst others, is to oversee CIMB Group’s exposure to interest rate and equity risks and to consider and determine trading, investment and underwriting proposals within defined limits, assists the Risk Committee.

The utilisation of interest rate and equity risk limits is reviewed on a daily basis, by the Risk Management Unit (“RMU”) who employs statistical methods to measure and monitor the risks associated with CIMB Group’s trading activities. The RMU also provides independent valuation of portfolios and generates daily and weekly risk position reports for the information of senior management.

CIMB Group has adopted a VaR approach in the measurement of interest rate and equity risks. VaR is a statistical measure of the potential losses that could occur due to movements in market rates and prices over a specified time horizon within a given confidence level.

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Credit risk

Bumiputra-Commerce Bank Berhad ("BCB")

Credit Risk Management forms a key component of the integrated risk management structure, driven by a credit risk framework designed to be in compliance with Bank Negara Malaysia's Best Practices and requirements of the New Basel Accord.

Credit risk is the potential for loss due to the failure of a counterparty or borrower to meet its financial obligations.

Key to the credit risk management is to ensure that structures and processes are in place to maintain and continuously enhance BCB's assessment capabilities in key areas of credit. These include sound credit policies/procedures, quality credit approvals, appropriate risk measurement/methodology, strong credit controls with independent reviews and effective/workable recovery strategies.

Credit Risk Management is vested in the Credit Risk Committee ("CRC") which has been established at management level with clear roles and responsibilities. The CRC reports to and assists the Board (through the Board Risk Management Committee) in its oversight role on management of credit risk of BCB.

Proactive management is provided to Line arising from direction and guidance by CRC. At banking divisions, monthly asset quality meetings are held to monitor credit risk exposures, regular review on an account and portfolio basis and ensure timely reporting to risk committees.

BCB has issued board-approved Credit Risk Policy Guide ("CRPG"), which outlines limiting risk, risk pricing, and credit risk rating and measurement, reporting and Management Information System.

Efforts to build credit risk management capabilities had begun in year 2000. Key initiatives that have been put in place are as below and there will be continued focus on refinement and improvements:

- (i) A proprietary database has been built to run our statistical base model to quantify and measure credit risk translating into an internal ratings systems for corporate and business loans, sectoral and products risk profile, customer groups and by locations.
- (ii) A risk-based pricing policy for the corporate and business loans, driven by internal ratings.
- (iii) Credit officers, to classify the credit risk of individual credit, use an internal ratings system. It assists them in making informed decisions on approval and pricing of loans. Additionally, it assists in tracking and monitoring loans at a portfolio basis.
- (iv) For retail exposures, which are defined as large homogeneous portfolios of low values and the incremental risk of any exposure is small, a credit scoring system is employed for mortgages and auto-financing approval products.

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Credit risk (Continued)

PT Bank Niaga Tbk ("Bank Niaga")

Bank Niaga's credit policy is used as the main guidance in issuing credit. All personnel concerned with credit, including Board of Commissioners and Directors are required to understand these policies and have the discipline to implement these policies in their daily activities.

The credit strategy and goal setting are planned and established by the Credit Policy Committee who is also responsible for managing credit portfolio and credit risk.

The main factor that can control and reduce credit risk is the ability and maturity level of the credit units to analyse the credit, which will eventually result in a balance between credit risk and business development considerations.

CIMB Berhad ("CIMB Group")

Credit and counterparty risk is defined as the possibility of losses due to an unexpected default or due to deterioration of a business partner's credit-worthiness.

Credit risk arises in many of the CIMB Group's business activities. In lending activities, it occurs primarily through loans as well as commitments to support clients' obligations to third parties, i.e. guarantees. In sales and trading activities, credit risk arises because of the possibility that CIMB Group's counterparties will not be able or willing to fulfill their obligation on transactions on or before settlement date. In derivative activities, credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are obligated to pay CIMB Group the positive fair value or receivable resulting from the execution of contract terms.

The CRC ensures that the risk exposures undertaken match the risk appetite of CIMB Group, and that proper authorisation procedures are adhered to. Problematic exposures identified by the business units and management are carefully monitored and proactive measures taken, where possible, to minimise financial loss to CIMB Group. All exposures are proactively assessed for potential risk and those identified as potentially problematic are managed centrally by the Credit & Special Assets Unit, a dedicated and specialised team within the risk management function.

All credit exposures are given an internal rating, based on a combination of ratios and qualitative criteria. Adherence to set credit limits is monitored on a daily basis by the RMU who combine all exposures for each counterparty, including off-balance sheet and potential exposures, and ensure that limits are not exceeded. CIMB Group also has in place credit guidelines that limit its exposure to any one counterparty or group, industry sector and rating classification.

Netting arrangements

CIMB Group also enters into master agreements that provide for close-out and settlement netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates the greatest legal certainty that credit exposure will be netted. In effect, it enables the netting of outstanding obligations upon termination of outstanding transactions if an event of default occurs.

CIMB Group's overall exposure to credit risk is reduced through a master netting arrangement. The exposure may change substantially within a short period following the balance sheet date, as the exposure is affected by each transaction subject to the agreement.

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Liquidity risk

Bumiputra-Commerce Bank Berhad (“BCB”)

Liquidity risk is defined as the risk that the BCB, although solvent, either does not have available sufficient financial resources to enable it meet its obligations as they fall due, or can secure them only at excessive cost, thereby affecting profitability. Liquidity risk could also arise from treasury activities from inadequate market depth or market disruption resulting in positions that cannot be closed out, or have to be closed out at a loss. As part of the BCB’s risk management framework, comprehensive governance and management processes surrounding liquidity activities are undertaken by the MRC.

Management recognises the high importance of liquidity and interest rate risk management for a commercial banking institution like BCB. Policy formulation is on-going to clearly outline the risk controls over processes and models used in response to changes in market environment. Thus, a Liquidity Risk Management Policy and Interest Rate Risk Management Policy have been formulated and implemented to establish good controls in being able to generate good interest income and meet financial commitments as they fall due. In addition, a bank-wide Liquidity Contingency Plan has been developed as an integrated operational plan detailing a list of predetermined contingency plans during a liquidity crisis.

For liquidity management, the primary tool used is the Bank Negara Malaysia’s New Liquidity Framework (“NLF”). Besides meeting monthly compliance of the NLF, BCB utilises the NLF to conduct stress test and to monitor maturity mismatches over successive time bands, concentration of funding sources and liquid asset ratio. Initiative to improve BCB’s funding structure and liquidity and interest rate risk management is also on going with the progressive implementation of a Funds Transfer Pricing System (“FTP”). Meanwhile, the application employed to measure overall balance sheet performance and under various scenarios is an asset liability management system. Timely market valuation, gap analysis, net interest income simulation, stress testing and exception reports are furnished to MRC so that corrective action could be taken.

PT Bank Niaga Tbk (“Bank Niaga”)

The Asset and Liability Committee (“ALCO”) is responsible for managing liquidity and asset-liability position. The committee meets with business unit, treasury, credit and other relevant units on a monthly basis to ensure that Bank Niaga’s liquidity objectives are met.

Bank Niaga sets the interest rate through interest sensitivity gap simulation and adjustment between the interest rate of asset and liability and source of fund composition.

Bank Niaga manages its liquidity by focusing on cash inflow and cash outflow. The gap in cash flow is anticipated through its first tier assets such as reserve requirements and highly liquid short-term marketable securities. Second tier assets are managed through short-term placements with other banks and available-for-sale long-term marketable securities. Liquidity is also achieved through prudent structuring of Bank Niaga’s funding. This includes maintaining proper check and balances in the concentration of the depositors, as well as the amount and maturity of deposits. In addition, Bank Niaga assures liquidity by maintaining its ability to access the financial market, which in large is dependent upon its credibility and market standing.

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

CIMB Berhad ("CIMB Group")

Liquidity risk is defined as the risk of CIMB Group being unable to fulfill its current or future payment obligations in full and at the due date.

There is a Liquidity Risk Committee whose main role is to oversee the overall liquidity management of CIMB Group, ensure compliance with the liquidity framework prescribed by Bank Negara Malaysia, and review periodically the assumptions underlying the liquidity risk management framework.

CIMB Group's liquidity risk management focuses on avoiding over dependence on volatile sources of funding, diversification of funding maturity structure and of sources of funds, and maintenance of sufficient liquid assets. To ensure that CIMB Group is able to cover all payment obligations on due dates as part of the liquidity management process, the RMU prepares liquidity analysis for CIMB and CIMB Discount House Bhd in line with Bank Negara's liquidity framework. In addition, management action triggers are set to provide timely warning on emerging liquidity pressures. CIMB Group has also developed a contingency funding plan to deal with extreme liquidity crisis situations.

Operational risk

Bumiputra-Commerce Bank Berhad ("BCB")

Operational risk is the risk resulting from inadequate or failed internal processes, people and systems or from external events.

To monitor and control such risk, BCB has established the Operational Risk Management policy to provide the framework and sets the direction of operational risk management activities.

The Operational Risk Support ("ORS") Department's role, which is independent of the Internal Audit Department ("IAD"), is to carry out pre-emptive measures and control activities to identify, assess, monitor and suggests methods on mitigation.

The key focus of the ORS's approach is to add value to the operational risk management function. The activities carried out by the ORS include the development and implementation of an Operational Risk Management framework, centralised monitoring of money laundering activities, managing data integrity, review and improve work processes and controls, and to identify and report on bank-wide operational risks to inculcate awareness of high risk areas in operations.

The ORS also reports findings and other operational initiatives to the Operational Risk Committee ("ORC"), who has the jurisdiction on all operational risk areas of BCB and also to follow closely on the development of the Basel II requirements.

The ORC comprises senior executives from the operational and business units who meet monthly to discuss key operational risk issues and oversees the operational risk management practices within their respective business units.

BCB has made substantial investments in implementing various Operational Risk Management tools and methodologies. Among the key initiatives undertaken are:

- Implementation of a bank-wide centralised Loss Event Database ("LED") to collate all loss data within BCB. This is to enable the tracking of internal losses due to operational activities. This will enable BCB to develop appropriate mitigation measures for various operational functions especially those that are prone to operational losses. In addition, the LED will also prepare BCB for advance measurement methods for Operational Risk Measurement as stated in the Basel II Accord.
- BCB has also implemented a pilot Control Risk Self Assessment ("CRSA") exercise with several key operating units. This process had allowed the process owners to independently evaluate the risk that are existent in their own operational environment to enable high stake issues to be identified and remedial actions taken. The ORM function is targeting to have all the major business units of BCB to undergo the CRSA process by the end of 2005.

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**A Financial risk management objectives and policies (Continued)****Operational risk (Continued)****Bumiputra-Commerce Bank Berhad ("BCB") (Continued)**

- In addition, BCB has also implemented a pilot project to develop Key Risk Indicators ("KRI") which are to serve as early warnings to deterioration of effectiveness in major operational functions. This will be an on-going process and the learnings from the pilot project will enable BCB to develop proficient methods in analysing data collected for the KRIs.

The objective of the Operational Risk Management function is to enable improvements to corporate governance and internal control system of BCB. Ultimately, BCB aims to attain and implement all the best practices of Operational Risk Management.

PT Bank Niaga Tbk ("Bank Niaga")

Risk management is carried out at every level of Bank Niaga's operating structure. Internal control units closely monitor the process in its respective level or unit, prior and subsequent to each transaction being carried out. In addition, a special unit is set up to monitor all risk exposures arising from each transaction on a daily basis, and to make sure that it complies with the policy, rules and limits set down by Bank Niaga's management. Operation risk management is also done by strengthening the information technology, which can reduce human error.

CIMB Berhad ("CIMB Group")

Operational risk includes risks that arise from internal processes of an organisation. These may result from inadequacies or failures in processes, controls or projects due to fraud, unauthorised activities, error, omission, inefficiency, systems failures or from external events.

Operational risks are less direct than credit and market risk, but managing them is critical, particularly in a rapidly changing environment with increasing transaction volumes. In order to reduce or mitigate these risks, CIMB Group has established and maintained an effective internal control environment, which incorporates various control mechanisms at different levels throughout the organisation. These control mechanisms are designed to better ensure that operational policies and procedures are being followed and that CIMB Group's various businesses are operating within established corporate policies and limits.

CIMB Group has an Operational Risk Committee with oversight responsibility for all operational and other matters that affect CIMB Group's day-to-day activities. The committee also reviews the operating policies and procedures for new products/businesses to ensure that the supporting infrastructure is in place prior to doing business.

CIMB Group's aspirations to meet the highest standards in risk, controls and governance are further demonstrated through its Corporate Risk Scorecard project. This initiative complements the Enterprise Wide Risk Management ("EWRM"), by capturing and profiling CIMB Group's risk in a systematic and organised method for identifying, controlling and monitoring its risk exposure. The scorecard maps out and prioritises the various risks, based on the possibility of a risk event occurring and its impact on shareholders' value. It provides the senior management with a complete view of the enterprise-wide operational risk exposure on a single common platform. This facilitates the prioritisation of risk issues for CIMB Group to plan its resources and address them accordingly, whilst also serving as one of the key drivers in preparing this statement of internal control.

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**B Interest rate risk**

The tables below summarise the Group's and the Company's exposure to interest rate risks. Included in the tables are the Group's and the Company's assets and liabilities at their full carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The off-balance sheet gap represents the net notional amounts of all interest rate sensitive derivative financial instruments. As interest rates and yield curves change over time the Group and the Company may be exposed to a loss in earnings due to the effects of interest rates on the structure of the balance sheets. Sensitivity to interest rates arises from mismatches in the repricing dates, cash flows and other characteristics of the assets and their corresponding liabilities funding.

	The Group							Total	
	Up to 1 month	1 – 3 months	3 – 6 months	6 – 12 months	1 – 5 years	Over 5 years	Non-interest bearing		Islamic Banking
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short-term funds	12,729,417	-	-	-	-	-	1,234,178	90,962	14,054,557
Securities purchased under resale agreements	49,612	-	-	-	59,664	-	-	-	109,276
Deposits and placements with banks and other financial institutions	-	214,533	35,608	35,130	9,249	-	-	-	294,520
Dealing securities	1,062,037	1,309,204	828,484	239,810	3,160,008	1,846,033	1,569,660	351,742	10,366,978
Investment securities	606,981	1,005,328	842,623	620,421	6,000,290	2,423,813	417,971	30,006	11,947,433
Loans and advances	38,945,478	2,093,905	4,812,864	220,492	6,642,729	4,894,156	(3,126,223)	13,497	54,496,898
Other assets	1,166,844	-	-	111,674	36,478	-	2,416,891	2,149	3,734,036
Taxation recoverable	-	-	-	-	-	-	44,318	-	44,318
Deferred taxation	-	-	-	-	-	-	359,924	-	359,924
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	1,472,599	1,261	1,473,860
Associates	-	-	-	-	-	-	55,377	-	55,377
Fixed assets	-	-	-	-	-	-	675,540	-	675,540
Goodwill	-	-	-	-	-	-	321,260	-	321,260
Total assets	54,560,369	4,622,970	6,519,579	1,227,527	15,908,418	9,164,002	5,441,495	489,617	97,933,977

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2003						Total RM'000		
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000		Non-interest bearing RM'000	Islamic Banking RM'000
Liabilities									
Deposits from customers	33,687,347	7,232,578	5,180,742	5,890,866	2,617,617	-	8,469,502	75,577	63,154,229
Deposits and placements of banks and other financial institutions	4,404,238	2,502,082	1,035,615	118,000	-	-	-	290,874	8,350,809
Obligations on securities sold under repurchase agreements	4,438,397	110,426	-	-	-	-	-	-	4,548,823
Bills and acceptances payable	1,495,839	1,835,667	801,234	158,567	-	-	522,147	-	4,813,454
Other liabilities	367,774	13	-	-	-	-	2,752,583	5,792	3,126,162
Amount due to Cagamas Berhad	-	14,336	11,196	31,074	271,044	974,603	-	-	1,302,253
Loan stocks	-	-	-	-	224,000	600,000	-	41,830	865,830
Bonds	-	-	-	2,964	500,000	-	-	-	502,964
ICULS	-	-	-	-	-	89,029	-	-	89,029
Other borrowings	-	722,000	516,800	-	-	-	69,956	-	1,308,756
Subordinated notes	-	-	-	-	-	1,140,000	-	-	1,140,000
Total liabilities	44,393,595	12,417,102	7,545,587	6,201,471	3,612,661	2,803,632	11,814,188	414,073	89,202,309
On balance sheet – interest rate gap	10,166,744	(7,794,132)	(1,026,008)	(4,973,944)	12,295,757	6,360,370			
Commitments and contingencies									
Cross currency interest rate swaps	5,282	31,917	(401,342)	-	364,143	-	-	-	-
Interest rate futures	-	324,933	(366,965)	-	720,232	(678,200)	-	-	-
Interest rate swaps	1,334,339	1,891,929	283,341	36,850	(2,896,933)	(649,526)	-	-	-
Off balance sheet – interest rate gap	1,339,621	2,248,779	(484,966)	36,850	(1,812,558)	(1,327,726)			
Net interest rate gap	11,506,365	(5,545,353)	(1,510,974)	(4,937,094)	10,483,199	5,032,644			

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2002							Islamic Banking RM'000	Total RM'000
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest bearing RM'000		
Assets									
Cash and short-term funds	6,610,644	921	–	–	–	–	677,587	95,868	7,385,020
Securities purchased under resale agreements	21,513	–	–	–	55,935	–	–	–	77,448
Deposits and placements with banks and other financial institutions	555,917	1,009,738	228,408	6,655	10,000	–	–	–	1,810,718
Dealing securities	936,295	2,273,871	851,757	603,620	3,171,223	1,949,515	809,221	125,969	10,721,471
Investment securities	718,735	1,058,769	1,400,489	1,450,249	6,050,939	3,391,647	2,168,053	–	16,238,881
Loans and advances	34,534,965	1,426,863	4,590,280	1,368,128	5,930,213	4,052,000	(3,130,839)	–	48,771,610
Other assets	458,937	–	–	–	–	–	2,816,999	544	3,276,480
Deferred taxation	–	–	–	–	–	–	278,698	–	278,698
Tax recoverable	–	–	–	–	–	–	138,838	–	138,838
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	–	1,594,425	–	1,594,425
Associates	–	–	–	–	–	–	179,109	–	179,109
Fixed assets	–	–	–	–	–	–	663,990	–	663,990
Goodwill	–	–	–	–	–	–	330,035	–	330,035
Total assets	43,837,006	5,770,162	7,070,934	3,428,652	15,218,310	9,393,162	6,526,116	222,381	91,466,723

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2002							Total RM'000	
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 6 months RM'000	6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest bearing RM'000		Islamic Banking RM'000
Liabilities									
Deposits from customers	29,443,203	7,722,997	4,645,718	8,454,621	2,175,341	-	8,279,683	35,159	60,756,722
Deposits and placements of banks and other financial institutions	3,785,925	3,015,061	763,080	405,629	200,000	-	-	141,881	8,311,576
Obligations on securities sold under repurchase agreements	3,436,636	160,130	269	-	-	-	-	-	3,597,035
Bills and acceptances payable	1,437,936	1,543,000	556,000	16,379	-	-	230,831	-	3,784,146
Other liabilities	364,829	82,633	122,210	282,245	2,779	-	2,352,462	10,603	3,217,761
Amount due to Cagamas Berhad	-	538,768	-	176,453	417,868	357,428	-	-	1,490,517
Loan stocks	-	-	-	-	324,000	600,000	-	-	924,000
Bonds	-	-	-	-	252,964	250,000	-	-	502,964
ICULS	-	-	-	-	-	96,061	-	-	96,061
Other borrowings	-	570,000	478,800	-	132,769	72,290	-	-	1,253,859
Total liabilities	38,468,529	13,632,589	6,566,077	9,335,327	3,505,721	1,375,779	10,862,976	187,643	83,934,641
On balance sheet - interest rate gap	5,368,477	(7,862,427)	504,857	(5,906,675)	11,712,589	8,017,383			
Commitments and contingencies									
Cross currency interest rate swaps	29,665	(101,319)	5,219	103,490	(37,055)	-	-	-	-
Interest rate futures	-	1,902,515	(408,700)	328,800	(1,131,015)	(691,600)	-	-	(691,600)
Interest rate swaps	194,027	1,314,230	140,305	(366,339)	(797,223)	(485,000)	-	-	(485,000)
Off balance sheet - interest rate gap	223,692	3,115,426	(263,176)	65,951	(1,965,293)	(1,176,600)			
Net interest rate gap	5,592,169	(4,747,001)	241,681	(5,840,724)	9,747,296	6,840,783			

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

The Company
2003

	Up to 1 month RM'000	1 – 3 months RM'000	3 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest bearing RM'000	Total RM'000
Assets								
Cash and short-term funds	414,174	-	-	-	-	-	340	414,514
Dealing securities	-	-	-	-	-	-	152,271	152,271
Investment securities	-	-	-	21	90,327	80,200	34,297	204,845
Loans and advances	-	-	-	18	334	2,355	-	2,707
Other assets	-	-	-	-	-	-	581,105	581,105
Subsidiaries	-	-	-	-	-	-	4,337,820	4,337,820
Amount owing by subsidiaries	-	-	-	-	-	-	494,072	494,072
Associates	-	-	-	-	-	-	3,834	3,834
Fixed assets	-	-	-	-	-	-	65,346	65,346
Total assets	414,174	-	-	39	90,661	82,555	5,669,085	6,256,514
Liabilities								
Other liabilities	-	-	-	-	-	-	49,161	49,161
Amount owing to subsidiary	-	-	-	-	-	-	792,669	792,669
Deferred taxation	-	-	-	-	-	-	8,650	8,650
Bonds	-	-	-	2,964	500,000	-	-	502,964
Total liabilities	-	-	-	2,964	500,000	-	850,480	1,353,444
On balance sheet – interest rate gap	414,174	-	-	(2,925)	(409,339)	82,555		
Commitments and contingencies								
Interest rate swaps	(250,000)	-	250,000	-	-	-	-	-
Off balance sheet – interest rate gap	(250,000)	-	250,000	-	-	-		
Net interest rate gap	164,174	-	250,000	(2,925)	(409,339)	82,555		

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Company 2002							Total RM'000
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest bearing RM'000	
Assets								
Cash and short-term funds	167,972	-	-	-	-	-	10,958	178,930
Dealing securities	-	-	-	-	-	-	102,967	102,967
Investment securities	-	-	-	23	61,963	108,586	49,140	219,712
Loans and advances	-	-	-	-	225	1,951	21	2,197
Other assets	-	-	-	-	-	-	641,238	641,238
Tax recoverable	-	-	-	-	-	-	15,330	15,330
Subsidiaries	-	-	-	-	-	-	4,451,214	4,451,214
Amount owing by subsidiaries	14,023	-	-	-	-	-	464,721	478,744
Associates	-	-	-	-	-	-	119,712	119,712
Fixed assets	-	-	-	-	-	-	66,571	66,571
Total assets	181,995	-	-	23	62,188	110,537	5,921,872	6,276,615
Liabilities								
Other liabilities	50,000	-	-	-	-	-	114,908	164,908
Amount owing to subsidiary	-	-	-	-	-	-	992,536	992,536
Deferred taxation	-	-	-	-	-	-	5,120	5,120
Bonds	-	-	-	-	252,964	250,000	-	502,964
Total liabilities	50,000	-	-	-	252,964	250,000	1,112,564	1,665,528
On balance sheet – interest rate gap	131,995	-	-	23	(190,776)	(139,463)		
Commitments and contingencies								
Interest rate swaps	(250,000)	-	250,000	-	-	-	-	
Off balance sheet – interest rate gap	(250,000)	-	250,000	-	-	-		
Net interest rate gap	(118,005)	-	250,000	23	(190,776)	(139,463)		

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**B Interest rate risk (Continued)**

The table below summarises the effective average interest rate by major currencies for each class of financial asset and financial liability:

	The Group 2003			The Company 2003
	MYR	IDR	USD	MYR
	%	%	%	%
Financial assets				
Cash and short-term funds	2.65	–	1.19	2.69
Securities purchased under resale agreements	8.50	–	–	–
Deposits and placements with banks and other financial institutions	2.94	2.88	1.35	–
Dealing securities	3.72	10.19	4.35	–
Investment securities	4.50	2.72	–	–
Loans and advances	5.84	12.28	1.61	1.98
Other assets	8.88	0.73	–	–
Financial liabilities				
Deposits from customers	2.32	4.93	1.06	–
Deposits and placements of banks and other financial institutions	2.72	5.01	1.20	–
Obligations on securities sold under repurchase agreements	2.55	–	–	–
Bills and acceptances payable	2.79	–	–	–
Amount due to Cagamas Berhad	4.61	–	–	–
Other liabilities	1.71	8.51	–	–
ICULS	7.50	–	–	–
Loan stocks	5.89	–	–	–
Bonds	–	–	–	8.06
Other borrowings	–	–	1.53	–
Subordinated notes	–	–	5.13	–

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**B Interest rate risk (Continued)**

	The Group 2002			The Company 2002
	MYR %	IDR %	USD %	MYR %
Financial assets				
Cash and short-term funds	2.27	7.37	1.47	2.74
Securities purchased under resale agreements	7.33	–	–	–
Deposits and placements with banks and other financial institutions	2.98	6.22	3.76	–
Dealing securities	3.62	10.58	4.78	–
Investment securities	4.61	11.58	4.60	–
Loans and advances	6.30	14.37	2.99	3.14
Other assets	3.47	15.00	–	–
Amount owing by subsidiaries	–	–	–	1.80
Financial liabilities				
Deposits from customers	2.78	8.84	1.44	–
Deposits and placements of banks and other financial institutions	3.03	9.03	2.05	–
Obligations on securities sold under repurchase agreements	2.45	14.25	1.90	–
Bills and acceptances payable	2.73	15.00	–	–
Amount due to Cagamas Berhad	3.98	–	–	–
Other liabilities	1.04	6.50	–	5.22
ICULS	7.50	–	–	–
Loan stocks	5.76	–	–	–
Bonds	7.79	–	–	7.79
Other borrowings	–	4.02	2.46	–

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk

The following tables set out the credit risk concentrations:

	The Group 2003									
	Short-term funds and placements with financial institutions RM'000	Securities purchased under resale agreement RM'000	Dealing securities RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	On-balance sheet total contingencies RM'000	Treasury related commit- ments and contingencies RM'000	Credit related commit- ments and contingencies RM'000	
Agricultural	-	-	-	57,000	2,137,487	955	2,195,442	59,268	478,253	
Mining and quarrying	-	-	73,302	151,962	295,877	1,764	522,905	-	701,001	
Manufacturing	-	-	194,141	331,350	10,973,653	3,761	11,502,905	1,428,245	7,442,670	
Electricity, gas and water	-	-	1,235,012	1,066,161	1,305,909	13,690	3,620,772	1,090,019	868,358	
Construction	-	-	459,930	199,050	3,491,715	66,114	4,216,809	22,078	5,812,319	
Real estate	-	-	9,993	174,725	1,620,335	2,334	1,807,387	251	83,840	
General commerce	-	-	22,596	22,553	3,880,382	2,844	3,928,375	316,181	3,357,033	
Transport, storage and communication	-	-	1,042,672	1,185,362	3,578,465	816,154	6,622,653	86,800	1,556,421	
Finance, insurance and business services	13,175,336	109,276	2,654,667	2,460,031	4,724,666	324,104	23,448,080	110,127,710	5,320,578	
Purchase of residential, landed property, securities and transport vehicles	-	-	266,737	2,346	17,998,323	255,698	18,523,104	1,004,237	1,825,697	
Consumption credit	-	-	-	-	1,741,388	-	1,741,388	-	76,038	
Others	1,173,741	-	4,307,546	6,008,077	3,705,488	1,423,062	16,617,914	234,562	10,482,143	
	14,349,077	109,276	10,266,596	11,658,617	55,453,688 [^]	2,910,480	94,747,734	114,369,351	38,004,351	

[^] Excludes general provision amounting to RM956,790,000

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**C Credit risk (Continued)**

The following tables set out the credit risk concentrations:

	The Group 2002									
	Short-term funds and placements with financial institutions RM'000	Securities purchased under resale agreement RM'000	Dealing securities RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	On-balance sheet total RM'000	Treasury related commit- ments and contingencies RM'000	Credit related commit- ments and contingencies RM'000	
Agricultural	-	-	-	57,000	2,192,994	28	2,250,022	32,908	529,315	
Mining and quarrying	-	-	292,200	151,898	287,839	371	732,308	-	541,016	
Manufacturing	-	-	304,978	145,148	9,157,060	2,322	9,609,508	1,196,898	10,649,745	
Electricity, gas and water	-	-	1,013,596	1,263,240	1,303,065	1,590	3,581,491	1,078,129	359,444	
Construction	-	-	577,824	334,988	3,637,646	59,123	4,609,581	41,687	5,264,763	
Real estate	-	-	97,221	215,038	1,575,442	993	1,888,694	314	364,471	
General commerce	-	-	-	104,126	3,106,260	1,762	3,212,148	136,542	3,752,828	
Transport, storage and communication	-	-	877,729	854,587	2,731,235	4,261	4,467,812	4,792	1,340,759	
Finance, insurance and business services	8,441,438	77,448	2,970,128	2,730,258	3,606,832	177,900	18,004,004	66,325,094	1,794,377	
Purchase of residential, landed property, securities and transport vehicles	-	-	288,611	595,661	16,838,471	174,451	17,897,194	-	1,875,658	
Consumption credit	-	-	-	-	1,347,144	-	1,347,144	-	1,257,728	
Others	754,300	-	4,105,624	9,239,629	3,826,259	1,318,656	19,244,468	1,327,003	6,331,126	
	9,195,738	77,448	10,527,911	15,691,573	49,610,247 [^]	1,741,457	86,844,374	70,143,367	34,061,230	

[^] Excludes general provision amounting to RM838,637,000

notes to the financial statements for the financial year ended 31 December 2003

46 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk (Continued)

	The Company 2003							Treasury related commitments and contingencies RM'000
	Short-term funds and placements with financial institutions RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	Amount due from subsidiaries RM'000	On-balance sheet total RM'000		
Finance, insurance and business services	414,514	201,697	–	–	494,072	1,110,283	250,000	
Others	–	–	2,707	440,245	–	442,952	–	
	414,514	201,697	2,707	440,245	494,072	1,553,235	250,000	

	The Company 2002							Treasury related commitments and contingencies RM'000
	Short-term funds and placements with financial institutions RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	Amount due from subsidiaries RM'000	On-balance sheet total RM'000		
Finance, insurance and business services	178,930	189,088	–	414	472,093	840,525	250,000	
Others	–	–	2,197	640,245	6,651	649,093	–	
	178,930	189,088	2,197	640,659	478,744	1,489,618	250,000	

notes to the financial statements for the financial year ended 31 December 2003

47 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the balance sheet date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

In addition, fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of MASB 24 which requires the fair value information to be disclosed.

A range of methodologies and assumptions have been used in deriving the fair values of the Group's and the Company's financial instruments at balance sheet date. The total fair values by each financial instrument approximates the total carrying value, except for the following:

<u>On-balance sheet items</u>	The Group 2003		The Company 2003	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Securities purchased under resale agreements	109,276	113,527	–	–
Dealing securities	10,366,978	10,433,070	152,271	164,811
Investment securities	11,947,433	12,252,529	204,845	263,808
Loans and advances	54,496,898	55,032,653	2,707	2,707

<u>On-balance sheet items</u>	The Group 2002		The Company 2002	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Securities purchased under resale agreements	77,448	87,722	–	–
Dealing securities	10,721,471	10,780,111	102,967	103,457
Investment securities	16,238,881	16,321,837	219,712	248,545
Loans and advances	48,771,610	48,934,102	2,197	2,197

notes to the financial statements for the financial year ended 31 December 2003

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

<u>On-balance sheet items</u>	The Group 2003		The Company 2003	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Amount due to Cagamas Berhad	1,302,253	1,303,388	–	–
Loan stocks	865,830	857,510	–	–
Bonds	502,964	523,182	502,964	523,182

<u>On-balance sheet items</u>	The Group 2002		The Company 2002	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Amount due to Cagamas Berhad	1,490,517	1,523,791	–	–
Loan stocks	924,000	945,038	–	–
Bonds	502,964	527,933	502,964	527,933
Other borrowings	1,253,859	1,427,521	–	–

<u>Off-balance sheet items</u>	The Group 2003			
	Notional amount	Regulatory credit equivalent	Positive mark to market	Negative mark to market
	RM'000	RM'000	RM'000	RM'000
Derivative financial instruments				
Foreign exchange related contracts:				
– Foreign exchange contracts	10,323,185	192,886	70,851	(84,286)
– Cross currency interest rate swaps	912,335	111,635	832,105	(790,541)
– Foreign exchange swaps	22,745	341	101	(304)
Interest rate contracts:				
– Interest rate futures	85,009,612	–	48,746	168,019
– Interest rate swaps	18,011,784	627,995	600,600	(351,297)
– Interest rate option	10,000	–	–	–
Equity related contracts:				
– Future contracts	19,912	–	117	(4)

notes to the financial statements for the financial year ended 31 December 2003

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Notional amount RM'000	The Company 2003		
		Regulatory credit equivalent RM'000	Positive mark to market RM'000	Negative mark to market RM'000
<u>Off-balance sheet items</u>				
Derivative financial instruments				
Interest rate contracts:				
– Interest rate swaps	250,000	6,600	–	(7,138)

	Notional amount RM'000	The Group 2002		
		Regulatory credit equivalent RM'000	Positive mark to market RM'000	Negative mark to market RM'000
<u>Off-balance sheet items</u>				
Derivative financial instruments				
Foreign exchange related contracts:				
– Foreign exchange contracts	7,106,776	172,814	37,873	(41,437)
– Cross currency interest rate swaps	725,817	68,611	8,244	(25,530)
– Foreign exchange swaps	809,507	12,152	10	(1,385)
Interest rate contracts:				
– Interest rate futures	51,315,128	–	16,867	(160,644)
– Interest rate swaps	10,169,606	460,246	146,494	(263,778)
– Interest rate option	10,000	–	5,071	(5,069)
Equity related contracts:				
– Future contracts	6,533	–	100	–

	Notional amount RM'000	The Company 2002		
		Regulatory credit equivalent RM'000	Positive mark to market RM'000	Negative mark to market RM'000
<u>Off-balance sheet items</u>				
Derivative financial instruments				
Interest rate contracts:				
– Interest rate swaps	250,000	6,670	–	(3,317)

notes to the financial statements for the financial year ended 31 December 2003

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The derivative financial instruments become favourable (positive mark to market) or unfavourable (negative mark to market) as a result of fluctuation in market interest rates or foreign exchange rates relative to their terms. The extent to which instruments are favourable or unfavourable and the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair values are based on the following methodologies and assumptions:

Short-term funds and placements with financial institutions

For short-term funds and placements with financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities six months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Securities purchased under resale agreements

The fair values of securities purchased under resale agreements with maturities of less than six months approximate the carrying values. For securities purchased under resale agreements with maturities six months and above, estimated fair value is based on discounted cash flows using market rates for the remaining term to maturity.

Dealing and investment securities

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been assessed by reference to market indicative interest yields or net tangible asset backing of the investee.

Loans and advances

For floating rate loans, the carrying value is generally a reasonable estimate of fair value.

For fixed rate loans, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

The fair values of impaired floating and fixed rate loans are represented by their carrying value, net of specific provision and interest-in-suspense, being the expected recoverable amount.

Other assets

The estimated fair values of other assets identified as financial instruments approximate the carrying values as these assets constitute receivables due from government related agencies and based on the Directors' estimate, the realisable value of the final consideration as at balance sheet date is similar to that of the carrying value.

Amount owing by/to subsidiaries

The estimated fair values of the amount owing by/to subsidiaries approximate the carrying values as the balances are either callable on demand or are based on the current rates for such similar loans.

Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are a reasonable estimate of their fair value. For deposit with maturities of six months or more, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

notes to the financial statements for the financial year ended 31 December 2003

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Deposits and placements of banks and other financial institutions

The estimated fair values of deposits and placements of banks and other financial institutions with maturities of less than six months approximate the carrying values. For deposits and placements with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing money market interest rates for deposits and placements with similar remaining period to maturity.

Obligations on securities sold under repurchase agreements

The estimated fair values of obligations on securities sold under repurchase agreements with maturities of less than six months approximate the carrying values. For obligations on securities sold under repurchase agreements with maturities more than six months, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

Bills and acceptances payable

The estimated fair values of bills and acceptances payable with maturities of less than six months approximate the carrying values. For bills and acceptances payable with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing money market interest rates for bills and acceptances payable with similar remaining period to maturity.

Amount due to Cagamas Berhad

The estimated fair values of the amount due to Cagamas Berhad with maturities of less than six months approximate the carrying values. For amount due to Cagamas Berhad with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing interest rates for loans sold to Cagamas Berhad with similar remaining period to maturity.

Other liabilities

The fair value of other liabilities approximates the carrying value at the balance sheet date.

Bonds

Bonds comprise redeemable unsecured RM bonds and euro-convertible bonds issued by the Company. For bonds with maturities of six months or more, the fair values are estimated based on discounted cash flows using indicative yields taking into consideration the credit rating of the Bonds.

ICULS

The estimated fair value of ICULS approximates the carrying value as based on Directors' estimate, the effective interest rate of the ICULS is a fair reflection of the current rates for such similar long term borrowings.

Loan stocks

Loan stocks comprise negotiable certificates of deposits issued by a subsidiary bank. The estimated fair values are estimated based on discounted cash flows using prevailing market rates for similar negotiable certificates of deposits. Where market rates are not readily available, fair values are estimated by reference to corporate bond indicative yields taking into consideration the credit rating of the subsidiary bank.

notes to the financial statements for the financial year ended 31 December 2003

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Other borrowings

The estimated fair values of other borrowings with maturities of less than six months approximate the carrying values. For other borrowings with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing funding interest rates in line with SBI's (Bank Indonesia Certificate) interest rates for other borrowings with similar remaining period to maturity.

Subordinated Notes

The fair value for the USD300,000,000 Subordinated Notes are calculated using the trading stock price on the Luxembourg Stock Exchange as quoted by investment houses.

Foreign exchange rate and interest rate contracts

The fair values of foreign exchange rate and interest rate related contracts are the estimated amounts the Group or the Company would receive or pay to terminate the contracts at the balance sheet date.

Credit related commitment and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

48 PRIOR YEAR ADJUSTMENT

During the year, the Group and the Company changed its accounting policy with respect to the MASB Standard 25 "Income Taxes".

In the previous years, certain deductible temporary differences were not taken up as their realisation was not assured beyond reasonable doubt as required by the previous standard. Under MASB Standard 25 "Income Taxes", these are now recognised as deferred tax assets, to the extent that it is probable that future profit will be available for their utilisation.

This change in accounting policy has been accounted for retrospectively as follows:

	As previously reported RM'000	Effect of change in policy RM'000	As restated RM'000
The Group			
At 1 January 2002			
<u>Balance sheet:</u>			
Deferred tax assets	(645)	291,169	290,524
Deferred tax liabilities	(1,631)	(17,161)	(18,792)
Retained profit	1,161,070	165,891	1,326,961
Statutory reserve	857,471	108,117	965,588

notes to the financial statements for the financial year ended 31 December 2003

48 PRIOR YEAR ADJUSTMENT (CONTINUED)

	As previously reported RM'000	Effect of change in policy RM'000	As restated RM'000
The Group (Continued)			
As 31 December 2002			
<u>Balance sheet:</u>			
Deferred tax assets	(645)	291,343	290,698
Deferred tax liabilities	(1,631)	(10,369)	(12,000)
Retained profit	1,503,168	179,820	1,682,988
Statutory reserve	1,057,600	101,154	1,158,754
<u>Income statement:</u>			
Taxation	155,247	(6,966)	148,281
Profit after taxation	592,326	6,966	599,292
<hr/>			
The Company			
At 1 January 2002			
<u>Balance sheet:</u>			
Retained profit	453,060	(15,619)	437,441
Deferred tax liability	–	15,619	15,619
As at 31 December 2002			
<u>Balance sheet:</u>			
Retained profit	437,189	(5,120)	432,069
Deferred tax liability	–	(5,120)	(5,120)
<u>Income statement:</u>			
Taxation	(6,161)	10,499	4,338
Profit after taxation	39,247	10,499	49,746
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49 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 March 2004.

shareholders' statistics

as at February 27, 2004

ANALYSIS OF SHAREHOLDINGS

Category	Holders	%	Shares	%
1 - 99	273	1.38	6,569	0.00
100 - 1,000	4,221	21.29	3,876,598	0.15
1,001 - 10,000	11,603	58.54	51,241,947	1.95
10,001 - 100,000	2,758	13.91	82,186,664	3.13
100,001 - 131,257,912	964	4.86	1,293,392,172	49.27
131,257,913 and above	3	0.02	1,194,454,310	45.50
	19,822	100.00	2,625,158,260	100.00

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under Section 69L of the Companies Act, 1965, the substantial shareholders of the company are as follows:-

Substantial Shareholders	No. of shares held	% (before shares buy back)	% (after shares buy back)
1. Employees Provident Fund Board (EPF)	715,521,438	26.89	27.26
2. Khazanah Nasional Berhad	344,008,900	12.93	13.10
3. Kumpulan Wang Amanah Pencen	261,708,172	9.83	9.97

SHAREHOLDERS' STATISTIC

As at 27 February 2004 (as per Register of Members and Records of Depositors)

	No. of shares held	% (before shares buy back)	% (after shares buy back)
1. Employees Provident Fund Board	698,640,238	26.25	26.61
2. Khazanah Nasional Berhad	295,708,900	11.11	11.26
3. Kumpulan Wang Amanah Pencen	200,105,172	7.52	7.62
4. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	53,368,000	2.01	2.03
5. Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	49,501,884	1.86	1.89
6. CIMSEC Nominees (Tempatan) Sdn Bhd Security Trustee (KCW Issue 2)	48,500,000	1.82	1.85
7. Permodalan Nasional Berhad	40,290,000	1.51	1.53
8. UFJ Bank Limited, Labuan Branch	35,732,400	1.34	1.36
9. United Engineers (Malaysia) Berhad	34,405,100	1.29	1.31
10. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	25,727,300	0.97	0.98
11. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020	25,446,100	0.96	0.97

shareholders' statistics

SHAREHOLDERS' STATISTIC

As at 27 February 2004 (as per Register of Members and Records of Depositors)

	No. of shares held	% (before shares buy back)	% (after shares buy back)
12. Kumpulan Wang Amanah Pencen	21,966,000	0.83	0.84
13. Valuecap Sdn Bhd	17,909,000	0.67	0.68
14. Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	13,781,200	0.52	0.52
15. HSBC Nominees (Asing) Sdn Bhd BNY Brussels For The Great Eastern Life Assurance Co Ltd	13,378,900	0.50	0.51
16. Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Nasional	12,330,000	0.46	0.47
17. HSBC Nominees (Asing) Sdn Bhd MSCOIL For ARN Asian Enterprise Fund Limited	10,257,500	0.39	0.39
18. Amanah Raya Nominees (Tempatan) Sdn Bhd Public Growth Fund	9,761,800	0.37	0.37
19. HSBC Nominees (Asing) Sdn Bhd Abu Dhabi Investment Authority	9,588,100	0.36	0.37
20. HSBC Nominees (Asing) Sdn Bhd JPMCB For Fleming Flagship Asian Opportunities Fund	9,344,000	0.35	0.36
21. HSBC Nominees (Asing) Sdn Bhd PICTET and CIE For PICTET Asia Growth Fund FCP (PAM Ref 3186)	9,060,700	0.34	0.35
22. Kumpulan Wang Amanah Pencen	8,170,000	0.31	0.31
23. Cartaban Nominees (Asing) Sdn Bhd State Street London Fund XBIL For UBS Global Emerging Markets Equity Fund	7,933,900	0.30	0.30
24. Citicorp Nominees (Tempatan) Sdn Bhd GSI For WF Asia Fund Limited	7,633,700	0.29	0.29
25. Cartaban Nominees (Asing) Sdn Bhd Investors Bank and Trust Company For Ishares, Inc.	7,611,000	0.29	0.29
26. HSBC Nominees (Asing) Sdn Bhd PICTET and CIE For PICTET Targeted Fund FCP (PAM REF 0933)	6,816,700	0.26	0.26
27. Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Regular Savings Fund (N14011940100)	6,762,200	0.25	0.26
28. HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For GMO Emerging Markets Fund	6,445,000	0.24	0.25
29. Hong Leong Assurance Berhad AS Beneficial Owner (Life PAR)	6,432,100	0.24	0.25
30. HSBC Nominees (Asing) Sdn Bhd JPMCB For BT Pension Scheme	6,412,000	0.24	0.24
	1,699,018,894	63.85	64.72

properties of the group as at December 31, 2003

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (RM'000)	Year of acquisition
PROPERTIES OF COMMERCE ASSET-HOLDING BERHAD:-						
Commerce Square Jalan Semantan Damansara Heights 50490 Kuala Lumpur	Office Premises	Leasehold	70	11	19,742	1992
No. 22-24, Commerce House Jalan Sri Semantan 1 Damansara Heights 50490 Kuala Lumpur	Office Premises	Leasehold	69	7	12,427	1996
No. 32-33 Khoo Hun Yeang Street 93000 Kuching, Sarawak	Bank Premises for Kuching Branch	Leasehold	802	31	496	1972
Sibu Laut 93000 Kuching, Sarawak	Staff Bungalow House	Leasehold	919	39	5	1964
Lot 83, Jalan Sultan Abdullah Pekan, Pahang	Bank Premises for Pekan Branch	Freehold	–	9	290	1994
No. 3 & 4, Taman Mewah Guar Chempedak 08800 Gurun, Kedah	Bank Premises for Guar Chempedak Branch	Freehold	–	9	372	1994
Ground Floor Menara Choy Fook On IB, Jalan Yong Shook Lin Section 7, Petaling Jaya 46050 Selangor	Bank Premises for Petaling Jaya Branch	Leasehold	62	10	5,634	1993
No. 52, Jalan BRP 1/2 Bukit Rahman Putra Sungai Buloh 47100 Selangor	Bank Premises for Sungai Buloh Branch	Freehold	–	7	1,240	1996
Lot 142, Phase 3 Arab-Malaysian Industrial Land Nilai, Negeri Sembilan	Land for proposed BCB Warehouse	Freehold	–	7	4,322	1996
Lot 150, Section 3 Bandar Kuala Lumpur Wilayah Persekutuan	Land	Freehold	–	9	17,181	1994
Lot 904 & 905 Bandar Kuala Pilah 72000 Kuala Pilah Negeri Sembilan	Shop/Office lot	Freehold	–	7	438	1996
No. 1, Jalan Angkasa Jaya Bukit Pilah Perdana 72000 Kuala Pilah Negeri Sembilan	Bank Premises for Kuala Pilah Branch	Leasehold	91	5	541	1998

properties of the group as at December 31, 2003

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (RM'000)	Year of acquisition
PROPERTIES OF BUMIPUTRA-COMMERCE BANK BERHAD:-						
193B & 193C, Batu 41/2 Jalan Skudai, Johor	Bank Premises	Freehold	–	21	727	1982
B-A1, A2, A3 & A4 Pusat Perdagangan Pasir Gudang, Johor	Bank Premises	Leasehold	75	9	1,320	1994
Sri Lagenda Garden Resort Langkawi (2 units)	Holiday Apartment	Freehold	–	8	376	1995
1583, Jln Tunku Ibrahim Alor Star, Kedah	Bank Premises	Leasehold	10	20	941	1983
No. 1787 A-H, Jln Telok Wan Jah Alor Star, Kedah	Bank Premises	Leasehold	89	10	526	1993
Bangunan Bumiputra-Commerce Bank Jalan Maju, Kota Bharu, Kelantan	Bank Premises	Freehold	–	32	220	1971
Lot 522 & 523, Tanah Merah, Kelantan	Bank Premises	Freehold	–	29	38	1974
PTB 261 & 262, HS (D) 2/85 Bandar Machang, Kelantan	Bank Premises	Leasehold	49	7	302	1996
422, 423 & 424, Jln Pasir Puteh Pasir Puteh, Kelantan	Bank Premises	Leasehold	45	21	397	1982
Level 1, 2 & 3, Wisma Square Point Kota Bharu, Kelantan	Bank Premises	Leasehold	93	6	3,949	1997
No. 2, Jln Kaskas, Taman Cheras Kuala Lumpur	Bank Premises	Freehold	–	9	487	1994
No. 39 & 40, Jln 9/55A Taman Setiawangsa, Kuala Lumpur	Bank Premises	Leasehold	88	11	826	1992
G21 & 22, Pertama Kompleks Jln Tuanku Abd Rahman, Kuala Lumpur	Bank Premises	Freehold	–	24	335	1979
No. 138, 140 & 142 Jalan Burhanuddin Helmi, Kuala Lumpur	Bank Premises	Freehold	–	21	1,864	1982
Ground Floor, Podium Level Financial Park, Labuan	Bank Premises	Leasehold	91	8	6,101	1995
Greentop, 7 1/2 Mile, Teluk Kemang (Lot 1017 Mukim SiRusa, Port Dickson) Negeri Sembilan	Holiday Bungalow	Freehold	–	27	295	1976
1A & 2B, Kompleks Bumi Negeri Seremban, Negeri Sembilan	Bank Premises	Leasehold	92	7	3,779	1996
Lot 23 & 24, Jalan Tahan Bandar Baru Jerantut, Pahang	Bank Premises	Freehold	–	13	189	1990
177, Jln Tengku Muda Mansur Pekan, Pahang	Bank Premises	Leasehold	33	27	319	1976

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (RM'000)	Year of acquisition
60, GF, Kompleks Teruntum Kuantan, Pahang	Bank Premises	Leasehold	77	22	576	1981
32, Jalan Bank, (Bangunan BCB) Kuantan, Pahang	Bank Premises	Leasehold	66	33	1,729	1970
Lot 104 & 105, Jln Besar Maran, Pahang	Bank Premises	Leasehold	71	28	37	1975
Lot 32 & 33, Jalan Pasar Teluk Intan, Perak	Bank Premises	Leasehold	89	10	507	1993
Lot 1411, 1422 & 1423, Jalan Gopeng, Kampar, Perak	Vacant Land	Leasehold	78	21	82	1982
No. 38, 39 & 40, Medan Istana Bandar Raya, Ipoh, Perak	Bank Premises	Leasehold	91	8	650	1995
Lot 44, 45, 46 & 47 Jalan Penjara, Kangar, Perlis	Bank Premises	Leasehold	46	14	1,603	1989
Sri Sayang Hotel Apartment Batu Feringhi, Pulau Pinang (2 units)	Holiday Apartment	Freehold	–	8	412	1995
GF, FF & SF, Bangunan DPMM No. 37, Leboh Pantai, Pulau Pinang	Bank Premises	Leasehold	10	20	2,232	1983
Level 1, Phase 1B, Komtar Pulau Pinang	Bank Premises	Leasehold	71	9	2,967	1994
Lot CL2 (GF & FF) Pusat Bandar Bayan Baru Pulau Pinang	Bank Premises	Leasehold	78	11	1,692	1992
No. 7 & 8, Taman Inderawasih Perai, Pulau Pinang	Bank Premises	Leasehold	93	6	2,542	1997
GF, FF, TB 290, 291 & 292, Lot 7-9 Block 30, Fajar Complex, Tawau, Sabah	Bank Premises	Leasehold	994	6	1,806	1997
Lot 1.01, Level 1, Satok Building Jalan Satok, Kuching, Sarawak	Bank Premises	Freehold	–	31	23	1972
Lot 230 & 231, Bandar Serian Sarawak	Bank Premises	Leasehold	36	24	555	1979
No. 2 Jln SG 1/2 Taman Sri Gombak, Selangor	Bank Premises	Freehold	–	23	456	1980
Pusat Putra, Bangi, Selangor	Training Centre	Leasehold	89	20	7,399	1983
395, Jalan Bandar Baru Sg. Buloh, Selangor	Bank Premises	Leasehold	89	10	200	1993
2 units shophouses at Section 18 Shah Alam, Selangor	Bank Premises	Leasehold	88	11	316	1992
Green Hill Resort, Tanah Rata Cameron Highlands, Pahang (2 units)	Holiday Apartment	Freehold	–	8	350	1995

properties of the group as at December 31, 2003

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (RM'000)	Year of acquisition
Precint 3.5, Pusat Bandar Shah Alam Seksyen 14, Selangor	Vacant Land	Leasehold	91	8	4,674	1995
1519B, Jalan Tunku Ibrahim Alor Star, Kedah	Bank Premises	Leasehold	37	23	186	1980
Main Branch & Head Office 6, Jalan Tun Perak, Kuala Lumpur	Bank Premises	Freehold	–	38	9,003	1965
151, Jalan 2/3A, Off 12 km Jalan Ipoh, Batu Caves, Kuala Lumpur	Bank Premises	Leasehold	89	10	1,000	1993
4232, Jalan Besar, Bukit Pelanduk Negeri Sembilan	Bank Premises	Freehold	–	19	875	1984
41, Jalan Terentang, Rembau Negeri Sembilan	Bank Premises	Leasehold	75	24	100	1979
89, Jalan Sultan Yusof, Ipoh, Perak	Bank Premises	Freehold	–	26	861	1977
No. 21-23 China Street Ghaut Pulau Pinang	Vacant Building	Freehold	–	39	398	1964
64 & 65, Leboh Pantai, Pulau Pinang	Vacant Building	Freehold	–	39	113	1964
15, Leboh Pantai, Pulau Pinang	Bank Premises	Freehold	–	43	264	1960
No. 12, Jalan Dato Hamzah Klang, Selangor	Bank Premises	Freehold	–	45	66	1958
No. 280, Jalan Besar, Batang Berjuntai Selangor	Bank Premises	Freehold	–	25	322	1978
No. 24 Jalan Utas, Seksyen 15 Shah Alam, Selangor	CAD	Leasehold	86	13	150	1990
113 & 114, Jalan Genuang Segamat, Johor	Bank Premises	Freehold	–	5	903	1998
39A, Jalan Rahman Batu Pahat, Johor	Bank Premises	Freehold	–	15	770	1988
87-89 Jln Pahlawan Tmn Ungku Tun Aminah Johor Bharu, Johor	Bank Premises	Freehold	–	16	270	1987
G86, G87, F122, F123 & F124 Holiday Plaza, Johor Bharu, Johor	Bank Premises	Leasehold	75	15	647	1988
Plot No. 12, Lot No 1775 Pekan Kuala Nerang, Kedah	Bank Premises	Freehold	–	4	129	1999
No. 40 & 41, Pusat Bandar Kuah Pulau Langkawi, Kedah	Bank Premises	Freehold	–	13	362	1990
Lots 1931, 1932 & 1933 Gua Musang, Kelantan	Vacant Lots	Leasehold	48	18	28	1985
No. 32, Jln Tun Perak Oriental Building, Kuala Lumpur	Bank Premises	Freehold	–	5	3,805	1998

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (RM'000)	Year of acquisition
TL 20753258, 20750388 & 20750389 District of Labuan, Labuan	Vacant Lots	Leasehold	77	13	2,276	1990
Lot 295, No. 11, Tmn Bukit Piatu Seksyen 3, Bukit Baru, Melaka	Bank Premises	Freehold	–	4	302	1999
3690, Jalan Raja Melewar Kuala Pilah, Negeri Sembilan	Bank Premises	Leasehold	84	5	127	1998
No. 114 & 115, Jln Besar Bandar Baru Kuala Lipis, Pahang	Bank Premises	Leasehold	67	15	131	1988
No. 7 & 8, Rumah Kedai Murah LKNP Jalan Ahmad Shah Temerloh, Pahang	Bank Premises	Leasehold	80	15	248	1988
No. 1 & 1A, Kinta Mansion Medan Kidd, Ipoh, Perak	Bank Premises	Freehold	–	4	1,235	1999
No. 6 & 7, Jln Kelichap Parit Buntar, Perak	Bank Premises	Leasehold	82	4	260	1999
Tkt Bawah 1, 2 & 3, Lot 1872 Bangunan BBMB, 4228 Jalan Bagan Luar Butterworth, Pulau Pinang	Bank Premises	Freehold	–	5	1,738	1998
GF, Lot 8 & 9, Block C Ranau New Town Centre, Sabah	Bank Premises	Leasehold	76	13	250	1990
Lot 1.01, Level 1, Satok Building Jalan Satok, Kuching	Bank Premises	Freehold	–	31	63	1972
Lot 507 & 508 Block 9 Miri Concession Land District (MCLD) Jalan Permaisuri, Miri, Sarawak	Bank Premises	Leasehold	76	16	548	1987
Lot 2300 & 2301, BDA-Shahida Commercial Centre, Lebuhraya Abang Gatau, Bintulu, Sarawak	Bank Premises	Leasehold	39	13	690	1990
No. 48 & 50, Jln SS 21/35 Damansara Utama Petaling Jaya, Selangor	Bank Premises	Freehold	–	5	1,208	1998
Lot 12 & 13, Phase 4 (Metro 1) Town Centre, Taman Melawati No 227 & 228, Jalan Bandar 13 Taman Melawati Hulu Klang, Selangor	Bank Premises	Freehold	–	5	526	1998
No. 9 & 10, Jln Tun Aziz Lim Tan Kajang, Selangor	Bank Premises	Leasehold	49	5	1,112	1998
No. 27, 29 & 31, Jln 52/2, Section 52 Petaling Jaya, Selangor	Bank Premises	Leasehold	86	13	1,944	1990
No. K 712 & 713, Jalan Sulaimani Chukai Kemaman, Terengganu	Bank Premises	Freehold	–	4	471	1999

properties of the group as at December 31, 2003

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (RM'000)	Year of acquisition
No. 22 Taman Fulliwa, Labuan	Staff Residence	Leasehold	88	10	117	1993
No. 24 Taman Fulliwa, Labuan	Staff Residence	Leasehold	88	10	117	1993
No. 32 Taman Fulliwa, Labuan	Staff Residence	Leasehold	88	10	125	1993
No. 43 Taman Fulliwa, Labuan	Staff Residence	Leasehold	88	10	133	1993
No. 47 Taman Fulliwa, Labuan	Staff Residence	Leasehold	88	10	133	1993
No. 17 Taman Fulliwa (BCB), Labuan	Staff Residence	Leasehold	88	8	229	1995
No. 6 Taman Fulliwa (BCB), Labuan	Staff Residence	Leasehold	88	8	217	1995
Alpha Condominium 14-06, Labuan	Staff Residence	Leasehold	88	8	561	1995
Alpha Condominium 12-05 (BCB) Labuan	Staff Residence	Leasehold	88	7	463	1996
Kerupang II Apartment D 02-1, Labuan	Staff Residence	Leasehold	88	7	132	1996
Kerupang II Apartment D 02-6, Labuan	Staff Residence	Leasehold	88	7	132	1996
Kerupang II Apartment B 04-1 (BCB) Labuan	Staff Residence	Leasehold	88	7	132	1996
Kerupang II Apartment B 03-8 (BCB) Labuan	Staff Residence	Leasehold	88	6	130	1997
Lot 19 Taman Ranche-Ranche, Labuan	Staff Residence	Leasehold	88	10	142	1993
Lot 20 Taman Ranche-Ranche, Labuan	Staff Residence	Leasehold	88	10	142	1993
TL 207512418 (near golf course) Labuan	Vacant Land	Leasehold	88	10	215	1993
FF Menara Promet Jalan Sultan Ismail, Kuala Lumpur	BCB Finance HQ	Freehold	–	18	5,412	1985
Lot No. 23, Taman Jasa Jalan Tun Mustapha, Labuan	Manager's Resident	Leasehold	87	20	93	1983
Sublot No. 70 & 71, Greentown Business Centre, Ipoh, Perak	Bank Premises	Freehold	–	7	1,303	1996
Lot 3083, Jalan Sultan Ismail Kuala Terengganu, Terengganu	Bank Premises	Freehold	–	11	900	1992
Tembeling Resort Apartment, Kuantan	Holiday Apartment	Freehold	–	8	595	1995
Lot PT 7822, Jalan Dato' Abdullah Raub, Pahang	Vacant Land	Leasehold	40	20	12	1983
TB 331B & 332A, Lot 14, Block 42 GF & 1F, Kompleks Fajar, Sabah	Vacant Building	Leasehold	993	6	1,014	1997

INTERNATIONAL PROPERTIES OF BUMIPUTRA-COMMERCE BANK BERHAD

Location	Country	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003	Year of Acquisition
2-17-3 Mita, Meguro-ku, Tokyo 153-0062	Japan	4 bedroom house	Freehold	–	25	JPY 274,658,077	1978
No. 201 Yoyogi Parkside, 1-33-6 Tomigaya, Shibuya-ku, Tokyo	Japan	Apartment	Freehold	–	33	JPY 39,382,753	1980
Flat 10A, Victoria Heights, 43A Stubbs Road	Hong Kong	Apartment	Leasehold	41	44	HKD 2,656,541	1979
Flat 9C, Block 21, Baguio Villa, 555, Victoria Road	Hong Kong	Apartment	Leasehold	856	143	HKD 778,906	1979
Flat 2B Fook Wai Mansion, 98 Pokfulam Road	Hong Kong	Apartment	Leasehold	69	81	HKD 1,671,912	1981
Room 1802 & 1803, 18th Floor, Tower One Admiralty Centre	Hong Kong	Office Premises	Leasehold	50	25	HKD 19,188,287	1980
7 Temasek Boulevard No. 37-01/01/03 Suntec Tower One Singapore 038987	Singapore	Office Premises (Branch)	Leasehold	85	14	SGD 15,505,498	1995
14 Cavendish Square, London W1G 9HA	United Kingdom	Office Premises (Branch)	Freehold	–	204	GBP 1,935,758	1993
81 Woodford Square, Addison Road London W14 5DS	United Kingdom	4 bedroom house	Leasehold	33	34	GBP 202,333	1986
14C Avenue Road, St Johns Woods London NW9 68P	United Kingdom	3 bedroom house	Freehold	–	39	GBP 29,832	1978
13 Porchester Square Mews, London W2 AG	United Kingdom	Apartment	Leasehold	33	24	GBP 49,372	1978
8 Kingston House East, London SW7 ILJ	United Kingdom	Apartment	Leasehold	50	36	GBP 138,634	1988

PROPERTIES OF COMMERCE ASSET REALTY SDN. BHD.

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (RM'000)	Year of acquisition
No. 170-174, Jalan Sungei Besi 57100 Kuala Lumpur	Bank Premises for Sungei Besi Branch	Freehold	–	50	4,181	1985
No. 1271-2, Jalan Baru Taman Emas 13600 Prai, Pulau Pinang	Bank Premises for Prai Branch	Freehold	–	22	838	1990
Lot 30, Kompleks Munshi Abdullah Jalan Munshi Abdullah 75100 Melaka	Bank Premises for Jalan Munshi Abdullah Branch	Freehold	–	12	1,187	1990

properties of the group as at December 31, 2003

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (IDR'000)	Year of acquisition
PROPERTIES OF PT BANK NIAGA TBK:-						
Jalan Gajah Mada, 18, Jakarta	Bank premises	Freehold	–	11	7,354,032	1992
Jalan Roa Malaka Selatan No. 3–5, Jakarta	Bank premises	Freehold	–	11	355,530	1992
Jalan Falatehan 1, No. 7, Kebayoran	Bank premises	Leasehold	15	11	311,060	1992
Jalan Kwitang, No. 17–18, Jakarta	Bank premises	Freehold	–	11	604,833	1992
Jalan Fatmawati, No. 20, Jakarta	Bank premises	Freehold	–	11	711,084	1992
Jalan Raya Darmo, No. 26, Surabaya	Bank premises	Freehold	–	11	1,131,640	1992
Jalan Pemuda, No. 21B, Semarang	Bank premises	Leasehold	22	11	1,834,302	1992
Komplek Bank Niaga Blok D No. 10–11, Semarang	Warehouse	Leasehold	22	9	6,462	1994
Komplek Bank Niaga Blok A No. 2–3, Semarang	Dormitory	Leasehold	22	12	118,463	1991
Jalan Kepondang, No. 2–4, Semarang	Warehouse	Leasehold	22	28	41,246	1975
Jalan Jend. Sudirman, No. 13, Yogyakarta	Bank premises	Leasehold	3	12	1,304,632	1991
Jalan Slamet Riyadi, No. 8, Solo	Bank premises	Leasehold	14	11	898,048	1992
Jalan Lembong, No. 7, Bandung	Bank premises	Leasehold	11	11	1,476,502	1992
Jalan Riung Mumpulung 2 No. 136.1C, Bandung	Warehouse	Leasehold	2	7	61,737	1996
Jalan Bukit Barisan, No. 5, Medan	Bank premises	Leasehold	16	8	1,300,116	1995
Jalan Turi, Medan	Warehouse	Leasehold	13	6	171,940	1997
Jalan Buah Batu, No. 143, Bandung	Bank premises	Leasehold	9	8	378,589	1995
Jalan A. Yani, No. 33, Ujung Pandang	Bank premises	Leasehold	18	21	726,952	1982
Jalan Laks, Malahayati, No. 24–40, Lampung	Bank premises	Freehold	–	13	596,379	1990
Jalan Dharmahusada, No. 142, Surabaya	Bank premises	Freehold	–	7	260,773	1996
Jalan Basuki Rachmat, No. 26–28, Malang	Bank premises	Freehold	–	11	379,003	1992
Jalan Jend. A. Yani, No. 31, Kudus	Bank premises	Leasehold	19	18	626,332	1985
Jalan Siliwangi, No. 110, Cirebon	Bank premises	Leasehold	1	11	581,134	1992

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2003 (IDR'000)	Year of acquisition
Jalan Melati, No. 29, Denpasar	Bank premises	Leasehold	7	11	814,956	1992
Jalan Jend. Sudirman No. 255 CD, Pekan Baru	Bank premises	Leasehold	7	7	652,377	1996
Jalan Padjajaran, (Gunung Gede) No. 33, Bogor	Bank premises	Freehold	–	10	400,952	1993
Jalan Daan Mogot, No. 58, Tangerang	Bank premises	Freehold	–	11	859,644	1992
Jalan Bulevar Raya, Blok LB3 No. 34–36 Jakarta	Bank premises	Freehold	–	5	351,204	1998
Jalan Tarum Barat, Blok Q No. 2 Jakarta Timur	Bank premises	Freehold	–	8	369,473	1995
Jalan Panglima, Sudirman No. 59–61 Surabaya	Bank premises	Freehold	–	11	2,451,926	1992
Jalan Tunjungan, No. 47, Surabaya	Bank premises	Freehold	–	11	896,456	1992
Jalan Tanggul Angin, Sidoarjo	Warehouse	Leasehold	2	5	110,370	1998
Jalan Kota, No. 60 AB, Surabaya	Bank premises	Freehold	–	9	457,575	1994
Roa Malaka Utara	Warehouse	Leasehold	19	47	12,462	1956
Gedung Cikarang, Jawa Barat	Warehouse	Leasehold	16	4	139,199	1999
Pembangunan gudang Cimande	Warehouse	Leasehold	25	1	671,189	2002
Kios A. Yani, Malang	Bank premises	Leasehold	21	4	78,000	1999
Gedung kantor, Batam	Bank premises	Leasehold	20	2	862,125	2001
Pembangunan Gardu Jaga, BUM Kemang	Warehouse	Freehold	–	0	6,000	2003
Gedung Arsip Tuntang, Semarang	Warehouse	Freehold	–	0	489,325	2003
Gedung Kiostronik ITB	Bank premises	Freehold	–	3	36,724	2000
Gedung Kiostronik Setiabudhi	Bank premises	Freehold	–	3	25,919	2000
Gedung Kantor A. Yani, Ujung Pandang	Bank premises	Freehold	–	21	726,952	1982
Gedung Mess Seminyak Bali	Dormitory	Freehold	–	8	25,407	1995

the commerce group



COMMERCE ASSET-HOLDING BERHAD

The Commerce Group of Companies is a leading financial conglomerate in Malaysia's rapidly growing financial system. At the helm is Commerce Asset-Holding Berhad (CAHB) listed in the financial section of the Malaysia Securities Exchange Berhad (MSEB).

The Group's impeccable reputation, proven track record, excellent domestic and regional connections and wide range of services make it a sound financial institution suitable for those seeking a high level of professionalism and expertise in their financial partners.

A sound foundation of strength, CAHB is a well-diversified investment and management holding company with interests in commercial banking, merchant banking, stock broking, offshore banking, finance company, discount house, leasing, factoring, futures broking, fund management, unit trust management, venture capital and life insurance.

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BUMIPUTRA-COMMERCE BANK BERHAD

Bumiputra-Commerce Bank Berhad (BCB) is the result of the merger between Bank of Commerce (M) Berhad and Bank Bumiputra Malaysia Berhad which was officially launched on October 1, 1999. The commercial bank has one of Malaysia's largest ATM network in the country. With a customer base of over 3.5 million, it provides a comprehensive range of services that will meet the needs of small household through to the largest multinational conglomerate.

BCB is the bank for all people and aims to be an efficient, low-cost provider of financial services through superior processing capabilities. The bank has made substantial investment in information technology subsequent to its merger in a quest to reinvent itself for greater competitiveness and efficiency ahead of an emerging and globalised financial playing field.

The bank's strategic thrust towards a customer focussed marketing approach in its business is seen in its organisational set-up where separate Retail, Business and Corporate bank, each with its own accountability exist within one organisation. Each of these banks specialises on the differing needs of its own customer group, giving their customers better focus.

The bank has a traditional strength in the financing of trade both locally and internationally. Its specialised business centres located in all key market centres throughout the country provides business with financial expertise and timely assistance.

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BUMIPUTRA-COMMERCE BANK (L) LIMITED

A wholly-owned subsidiary of Bumiputra-Commerce Bank Berhad, it offers various offshore banking-services from international finance to advisory and related services.

Contact details: Lot E006, Podium Level, Financial Park Labuan, Jalan Merdeka, 87000 Labuan, Federal Territory of Labuan.
Tel: (087) 451033 Fax: (087) 451032



BUMIPUTRA-COMMERCE FINANCE BERHAD

Offers hire purchase facilities through its outlets located at major branches of Bumiputra-Commerce Bank Berhad.

Contact details: Ground Floor, Menara PROMET, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.
Tel: (603) 2142 6111 Fax: (603) 2148 2184

CIMB **CIMB BERHAD**

CIMB Berhad is the investment banking arm of Commerce Group and comprises five core companies including Commerce International Merchant Bankers Berhad, CIMB Securities Sdn Bhd (CIMB Securities), CIMB Discount House Berhad (CIMB Discount), CIMB Futures Sdn Bhd and CIMB (L) Limited (CIMBL). CIMB is a premier Malaysian investment bank and one of the best capitalised merchant banks in the country, offering a comprehensive range of capital market services. It enjoys a strong reputation in the equity, debt and derivatives markets. A leading corporate finance house in Malaysia, CIMB has been the top advisory fee income earner since 1989 and among the leading advisers and underwriters for raising funds through initial public offerings in Malaysia. CIMB is also the most active originator of Malaysia private debt securities (PDS). Its traditional advisory and origination business is complemented by corporate banking and syndicated loans services. Further, CIMB's growing debt markets & derivatives business offers fixed income, money markets and structured products as well as bond distribution and fixed income research services.

CIMB has impeccable credentials stemming from its track record in engineering innovative financial product to meet the increasingly broad ranging and sophisticated demands of local as well as international clients. Its professionalism, commitment and dedication in serving clients' needs have been the impetus for its impressive and successful growth.

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CIMB **CIMB SECURITIES SDN BHD**

A wholly-owned subsidiary of CIMB, CIMB Securities Sdn Bhd (CIMB Securities) ranks among the top broking houses in Malaysia. CIMB Securities specialises in dealing and trading equities on the Malaysia Securities Exchange Berhad (MSEB) and the Malaysian Exchange of Securities Dealing & Automated Quotation Bhd (MESDAQ), serving foreign and domestic institutions as well as retail investors. The CIMB Group Research Centre team comprises dynamic and experienced professionals who are dedicated to providing high quality research covering in-depth market and company reports, markets reviews and trend analysis, and economic and industry overviews. CIMB Securities also provides underwriting, share placement, corporate advisory and custodian and nominee services.

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CIMB **CIMB DISCOUNT HOUSE BERHAD**

CIMB Discount House Berhad (CIMB Discount) enhances CIMB Group's capabilities in debt trading and debt capital market solutions. CIMB Discount's core business is the trading and market making of fixed income securities and treasury products. CIMB Discount also provides conventional and Islamic money market services.

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CIMB **CIMB (L) LIMITED**

CIMB (L) Limited (CIMBL) operates as a licensed offshore bank as permitted by the offshore Companies Act, 1990. Its activities include non-Ringgit equity and fixed income trading, fund management loan syndication services and origination business. CIMBL is intended to be the CIMB Group's arm in its regionalisation plans. The Group has already established its presence in the Indonesia market through CIMBL's 51% owned subsidiary, PT CIMB Niaga Securities.

Contact details: Unit 11(B1), Level 11, Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 WP Labuan
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the commerce group

 **COMMERCE ASSET FUND MANAGERS SDN BHD**

Commerce Asset Fund Managers Sdn Bhd (CAF) was incorporated to provide discretionary funds management services covering local and global equities, bonds, currency management, options and futures. The Company is a joint venture between CAHB and Principal Financial Group.

CAF services pension funds, government organisations, statutory bodies, corporations and customers of the Commerce Group as its client base. CAF has exceeded RM2.6 billion in funds under management.

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COMMERCE TRUST BERHAD

Commerce Trust Berhad (CTB) specialises in unit trusts management in Malaysia. The Company represents the second joint venture between CAHB and Principal Financial Group (a US Fortune 500 company with USD100 billion assets under management) and is committed to developing a family of investment funds designed to meet the financial needs of individuals and companies in Malaysia. CTB manages five different unit trust funds each tailored to different investor profiles.

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Tel: (603) 2084 2222 Fax: (603) 2084 2233 Website: www.commercetrust.com.my



COMMERCE ASSET VENTURES SDN BHD

Commerce Asset Ventures Sdn Bhd (CAV) is a specialist investment fund and management company wholly-owned by CAHB, that invests equity capital into emerging small and medium sized business. It seeks to support growth industries with a global outlook and typically takes an active role in creating value for the investee companies and its shareholders.

Contact details: No. 6, Commerce House, 22-24, Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: (603) 2732 5577 Fax: (603) 2732 1343 Website: www.commerce-ventures.com.my



COMMERCE LIFE ASSURANCE BERHAD

Commerce Life Assurance Berhad (Commerce Life) was established in response to a growing need among Malaysians to provide for the financial security of their families. Commerce Life is committed to meet the life insurance needs of Malaysian public by introducing policies which can be specially tailored and packaged to meet the specific requirements of customers.

Contact details: 338, Jalan Tunku Abdul Rahman, 50300 Kuala Lumpur, Malaysia.
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BANK NIAGA TBK

Bank Niaga is the 10th largest bank in Indonesia by assets. Established in 1955, it was listed on the Jakarta Stock Exchange in 1989. It has a distribution network of 149 branches and kiosks predominantly in the main commercial centers of Indonesia. It is an award winning franchise in the area of service quality by ranking first in service quality for Indonesian banks for six years running from 1996 to 2001. Bank Niaga was also a recipient of the best practitioner of corporate governance award from Jakarta Stock Exchange in 2001. Boundless Access becomes the new positioning of Bank Niaga with its advanced technology platform as it focuses on providing virtually unlimited access to customers via multi channel deliveries which include branch banking, kiosks, ATMs, phone banking, TV banking, internet banking and mobile banking.

Contact details: P.T Bank Niaga Tbk, Graha Niaga, Jln Jend. Sudirman Kav. 58, Jakarta, 12190, Indonesia.
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50490 Kuala Lumpur
Malaysia
Tel: 03-2093 5333
Fax: 03-2093 3335

SUBSIDIARIES OF CIMB**CIMB SECURITIES SDN BHD**

9th Floor, Commerce Square
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 9999
Fax: 03-2084 9888
Telex: MA 30991 CIMSEC
Website: www.cimb.com.my

CIMB DISCOUNT HOUSE BERHAD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 8888
Fax: 03-2094 3566

CIMB HOLDINGS SDN BHD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 8888
Fax: 03-2084 8899
Telax: MA 30647 PEBSAM

CIMB (L) LIMITED

Unit 11(B1), Level 11
Main Office Tower
Financial Park Complex
Jalan Merdeka, 87000 W.P. Labuan
Tel: (6087) 451 608
Fax: (6087) 451 610

CIMB FUTURES SDN BHD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 9999
Fax: 03-2093 7782

**CIMB NOMINEES (TEMPATAN)
SDN BHD**

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 8888
Fax: 03-2084 8899

CIMB NOMINEES (ASING) SDN BHD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 8888
Fax: 03-2084 8899

**CIMB SECURITIES (HONG KONG)
SDN BHD**

9th Floor, Commerce Square
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 9999
Fax: 03-2084 9888

group directory

SUBSIDIARIES OF BUMIPUTRA-COMMERCE BANK BERHAD**BUMIPUTRA-COMMERCE FINANCE BERHAD**

Ground Floor, Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2142 6111
Fax: 03-2148 2184

BUMIPUTRA-COMMERCE FACTORING BERHAD

10th Floor, No. 338
Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2697 0298
Fax: 03-2697 0092/2290
Telex: FACTOR MA 32225

BUMIPUTRA-COMMERCE LEASING BERHAD

6th Floor, No. 338
Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2693 8455
Fax: 03-2692 0010

BUMIPUTRA-COMMERCE TRUSTEE BERHAD

D-2-6, Megan Phileo Promenade
189, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2161 3282
Fax: 03-2163 4023

BBMB UNIT TRUST MANAGEMENT BERHAD

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BUMIPUTRA-COMMERCE BANK (L) BERHAD

Level 13(A), Main Office Tower
Financial Park Labuan
Jalan Merdeka, 87000 Labuan
Federal Territory of Labuan
Tel: 087-410 305
Fax: 087-410 313
Telex: PUTRA MA 85053

BUMIPUTRA-COMMERCE CORPORATE SERVICES LIMITED

Level 14 (B), Main Office Tower
Financial Park Complex
Jalan Merdeka, 87000 Labuan
Federal Territory of Labuan
Tel: 087-414 252
Fax: 087-411 855
Telex: PUTRA MA 85093

BUMIPUTRA-COMMERCE TRUST LIMITED

Level 14 (B), Main Office Tower
Financial Park Complex
Jalan Merdeka, 87000 Labuan
Federal Territory of Labuan
Tel: 087-414 252
Fax: 087-411 855
Telex: PUTRA MA 85093

BBMB FINANCE (HONG KONG) LIMITED

Suite 3607 & 3608
Two Exchange Square
8, Connaught Place
Central Hong Kong
Tel: (00 852) 252 52829
Fax: (00 852) 252 33287
SWIFT: BBMBHKHH

BBMB FINANCE NOMINEE (HONG KONG) LIMITED

Suite 3607 & 3608
Two Exchange Square
8, Connaught Place
Central Hong Kong
Tel: (00 852) 252 52829
Fax: (00 852) 252 33287
SWIFT: BBMBHKHH

BUMIPUTRA NOMINEE LTD

14, Cavendish Square
London W1M-OHA
United Kingdom
Tel: (020) 7306 6050
Fax: (020) 7306 6060
SWIFT: BCBMGB2L

BUMIPUTRA-COMMERCE NOMINEES SDN BHD

20th Floor, Menara Bumiputra
Jalan Melaka
50100 Kuala Lumpur
Tel: 03-2690 2247/2624
Fax: 03-2691 8051

BUMIPUTRA-COMMERCE NOMINEES (ASING) SDN BHD

20th Floor, Menara Bumiputra
Jalan Merdeka
50100 Kuala Lumpur
Tel: 03-2690 2247/2624
Fax: 03-2691 8051

BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD

20th Floor, Menara Bumiputra
Jalan Melaka
50100 Kuala Lumpur
Tel: 03-2690 2247/ 2624
Fax: 03-2691 8051

SEMERAK SERVICES SDN BHD

4th Floor, Oriental Building
32, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2072 7888
Fax: 03-2078 7980

BOC NOMINEES SDN BHD

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BOC NOMINEES (ASING) SDN BHD

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BOC NOMINEES (TEMPATAN) SDN BHD

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

EPIC-I SDN BHD

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BBMB FUTURES SDN BHD

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BUMIPUTRA-COMMERCE PROPERTIES SDN BHD

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BBMB SECURITIES (HOLDING) SDN BHD

6, Jln Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

directory of BCB branches

FEDERAL TERRITORY OF KUALA LUMPUR

Jalan Raja Chulan

Level 1, Menara Olympia
Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2031 5555
Fax: 03-2031 9077

Jalan Tun Perak

6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 3011
Fax: 03-2698 2261

Jalan Bukit Bintang

Plaza Yeoh Tiong Lay
55, Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: 03-2141 6700
Fax: 03-2144 1136

Kompleks Antarabangsa

Lot G17, Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2142 4131
Fax: 03-2142 5129

Kompleks Dayabumi

Lot 112, 1st Floor
Podium Block Kompleks Dayabumi
Jalan Sultan Hishamuddin
50050 Kuala Lumpur
Tel: 03-2274 8575
Fax: 03-2693 2773

Kuala Lumpur City Centre

Lot G35, Ground Floor
PETRONAS Twin Tower
Kuala Lumpur City Centre
Jalan Ampang
50088 Kuala Lumpur
Tel: 03-2161 5500
Fax: 03-2161 8284

Menara Permodalan Nasional Berhad

1st Floor, Menara PNB
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2161 8000
Fax: 03-2162 5152

Selayang

151, Jalan 2/3A Off 12km
Jalan Ipoh, 68100 Batu Caves
Kuala Lumpur
Tel: 03-6136 9649
Fax: 03-6136 9645

Wisma Cosway

Ground Floor, Wisma Cosway
Jalan Raja Chulan, P.O. Box 10566
50200 Kuala Lumpur
Tel: 03-2142 9177
Fax: 03-2145 6511

Putra World Trade Centre

Level 2, Podium Block
Putra World Trade Centre
Jalan Tun Ismail
50480 Kuala Lumpur
Tel: 03-2693 6033
Fax: 03-2693 0067

Kampung Baru

Wisma Jayanita
64, Jalan Raja Muda Abdul Aziz
50300 Kuala Lumpur
Tel: 03- 2691 8226
Fax: 03-2691 2802

Kompleks Pertama

G21, Kompleks Pertama
Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03- 2698 1132
Fax: 03-2692 7723

Dang Wangi

2, Wisma RKT, Jalan Raja Abdullah
50300 Kuala Lumpur
Tel: 03-2691 5260
Fax: 03-2693 4477

Jalan Tiong, Off Batu 3, Jalan Ipoh

511, Jalan Tiong, Off Batu 3
Jalan Ipoh, 51100 Kuala Lumpur
Tel: 03-4043 7048
Fax: 03-4043 6559

Sentul Raya

2 & 4 The Boulevard Shop Office
Jalan 11/48A, Sentul Raya
51000 Kuala Lumpur
Tel: 03-4041 5259
Fax: 03-4041 5427

Jalan Duta

Block 8, Kompleks Pejabat-Pejabat
Kerajaan
Jalan Duta, 50480 Kuala Lumpur
Tel: 03-6201 7109
Fax: 03-6201 3733

Masjid India

205, Jalan Bunus Off Jalan Masjid India
50100 Kuala Lumpur
Tel: 03-2698 6933
Fax: 03-2693 2137

Taman Connaught

76, Jalan Cheras
Taman Connaught, Cheras
56000 Kuala Lumpur
Tel: 03-9101 5500
Fax: 03-9102 4866

Taman Maluri

279, Jalan Perkasa 1
Taman Maluri, Off Jalan Cheras
55100 Kuala Lumpur
Tel: 03-9284 7900
Fax: 03-9284 7447

Jalan Sungei Besi

170, Jalan Sungei Besi
57100 Kuala Lumpur
Tel: 03-9221 3244
Fax: 03-9221 0784

Taman Danau Kota

108, Jalan 2/23A, Taman Danau Kota
Jalan Genting Klang, Setapak
53300 Kuala Lumpur
Tel: 03-4149 1010
Fax: 03-4142 5348

Taman Setiawangsa

1, Jalan 9A/55A
Taman Setiawangsa
54200 Kuala Lumpur
Tel: 03-4252 0610
Fax: 03-4252 0581

Taman Tun Dr. Ismail

138, Jalan Burhanuddin Helmi
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 03-7729 1630
Fax: 03-7727 8580

directory of BCB branches

Wangsa Maju

18, Jalan 1/27B, Section 1
Wangsa Maju, Setapak
53300 Kuala Lumpur
Tel: 03-4148 1119
Fax: 03-4149 0993

Wisma Indah

498-0-1, Wisma Indah
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-9281 3711
Fax: 03-9281 3722

Taman Mutiara, Cheras

2468, Jalan Mutiara Timur Satu
Taman Mutiara Cheras
56100 Kuala Lumpur
Tel: 03-9130 3222
Fax: 03-9131 8253

Jalan Tuanku Abdul Rahman

Bangunan AMAL
338, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2698 9276
Fax: 03-2692 2137

Bandar Baru Seri Petaling

28, Jalan Radin Tengah
Bandar Baru Seri Petaling
57000 Kuala Lumpur
Tel: 03-9058 6800
Fax: 03-9057 1966

Taman Cheras

2, Jalan Kaskas, Taman Cheras
Cheras, 56100 Kuala Lumpur
Tel: 03-9130 0200
Fax: 03-9130 0140

Lucky Garden, Bangsar

21, Lorong Ara Kiri Satu
Lucky Garden, Bangsar
59100 Kuala Lumpur
Tel: 03-2095 6600
Fax: 03-2095 6631

231 Jalan Tun Sambanthan

231, Wisma Low Kim Her
Jalan Tun Sambanthan
Brickfields, 50470 Kuala Lumpur
Tel: 03-2274 5766
Fax: 03-2274 5781

Pusat Bandar Damansara

Level 1, Lot A4, Block A
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2095 8866
Fax: 03-2095 7506

Pearl Point

Lot 1.0.1., Pearl Point Shopping Mall
Batu 5, Jalan Klang Lama
58000 Kuala Lumpur
Tel: 03-7980 3373
Fax: 03-7982 4289

Universiti Malaya

Lot 5270, Bangunan Pentadbiran Baru
Universiti Malaya, Lembah Pantai
59100 Kuala Lumpur
Tel: 03-7957 0550
Fax: 03-7957 6021

**Wisma Koponas,
Jalan Tun Sambanthan**

70, Wisma Koponas
Jalan Tun Sambanthan
50470 Kuala Lumpur
Tel: 03-2274 6477
Fax: 03-2272 1816

Putrajaya

Ground & 1st Floor
No. C2 & C3, Block C
Jalan P8D, Precint 8
62250 Putrajaya
Tel: 03-8889 2330
Fax: 03-8888 5088

Megamall MidValley

Lot G(E) - 006 & 007
Megamall MidValley City
Batu 2½, Jalan Klang Lama
58000 Kuala Lumpur
Tel: 03-2284 2050
Fax: 03-2284 3268

SELANGOR DARUL EHSAN**Taman Melawati**

227, Jalan Bandar 13
Taman Melawati
53100 Kuala Lumpur
Tel: 03-4108 1515
Fax: 03-4107 5477

Bandar Sri Damansara

8, Jalan Cempaka SD 12/1
Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 03-6275 7924
Fax: 03-6275 8362

Desa Jaya, Kepong

4, Jalan 54, Desa Jaya, Kepong
52100 Kuala Lumpur
Tel: 03-6274 1157
Fax: 03-6276 3966

Pandan Indah

21G, Jalan Pandan Indah 4/34
Pandan Indah
55100 Kuala Lumpur
Tel: 03-4294 3255
Fax: 03-4295 3110

Pandan Jaya

43, Jalan Pandan 3/3
Pandan Jaya
55100 Kuala Lumpur
Tel: 03-9284 5262
Fax: 03-9283 7912

Bangunan Umno, Shah Alam

Bangunan UMNO
Lot P5.5, Persiaran Perbandaran
Section 14, 40000 Shah Alam
Selangor
Tel: 03-5519 8288
Fax: 03-5519 8330

Hicom Industrial Park, Sec. 26,

Shah Alam
2, Wisma Anggerik
Jalan Perubahan 26/2
Hicom Industrial Park
40400 Shah Alam, Selangor
Tel: 03-5191 9916
Fax: 03-5191 9895

Menara MRCB

Ground Floor
No. 2, Jalan Majlis 14/10
Section 14
40000 Shah Alam, Selangor
Tel: 03-5519 1758
Fax: 03-5511 9377

Section 18, Shah Alam

49, Jalan Pinang B18/B
Section 18
40000 Shah Alam, Selangor
Tel: 03-5541 1909
Fax: 03-5541 7299

Wisma Hicom, Glenmarie

Suite No. 1.2, Tingkat 1
Wisma DRB-Hicom
No. 2, Jalan Usahawan U1/8
Section U1
40150 Shah Alam, Selangor
Tel: 03-7805 3299
Fax: 03-7805 2935

Wisma Tractors, Subang Jaya

Ground Floor, West Wing
Wisma Tractors
7, Jalan SS16/1, Subang Jaya
47500 Petaling Jaya, Selangor
Tel: 03-5653 5313
Fax: 03-5635 4276

Bandar Sunway

22, Jalan PJS 11/28A
Bandar Sunway
46100 Petaling Jaya, Selangor
Tel: 03-5637 4389
Fax: 03-5637 4396

Kelana Jaya

60, Jalan SS6/14, Kelana Jaya
47301 Petaling Jaya, Selangor
Tel: 03-7803 2109
Fax: 03-7803 4313

Puchong Jaya

12, Jalan Kenari 5
Bandar Puchong Jaya
41700 Puchong, Selangor
Tel: 03-8075 7501
Fax: 03-8075 7359

Terminal 3, Subang

Lot RB5, Terminal 3
Lapangan Terbang Sultan Abdul Aziz Shah
47200 Subang, Selangor
Tel: 03-7846 1767
Fax: 03-7846 4026

USJ 9, Subang Jaya

31-1, Jalan USJ 9/5S
UEP Subang Jaya
47620 Petaling Jaya, Selangor
Tel: 03-8024 1007
Fax: 03-8024 1014

Menara Choy Fook On, Petaling Jaya

Menara Choy Fook On
1B, Jalan Yong Shook Lin, Section 7
46050 Petaling Jaya, Selangor
Tel: 03-7954 3478
Fax: 03-7957 8782

Bandar Utama

Lot F20, Centre Point
Lebuhr Bandar Utama, Bandar Utama
47800 Petaling Jaya, Selangor
Tel: 03-7726 5080
Fax: 03-7726 5986

Damansara Utama

48, Jalan SS21/35
Damansara Utama
47400 Petaling Jaya, Selangor
Tel: 03-7727 4199
Fax: 03-7729 8278

SEA Park, Petaling Jaya

Lot 27, Jalan 21/11A, SEA Park
46300 Petaling Jaya, Selangor
Tel: 03-7876 9072
Fax: 03-7874 7314

Section 14, Petaling Jaya

6, Jalan 14/14, Jalan Semangat
46860 Petaling Jaya, Selangor
Tel: 03-7957 6433
Fax: 03-7956 0595

Section 52, Petaling Jaya

27, Jalan 52/2
46200 Petaling Jaya, Selangor
Tel: 03-7956 3642
Fax: 03-7955 0695

Taman SEA, Petaling Jaya

67, Block A, Jalan SS23/15
Taman SEA
47400 Petaling Jaya, Selangor
Tel: 03-7805 3177
Fax: 03-7804 2040

Bandar Baru, Sungai Buloh

Lot 395, Jalan 1A/1
Bandar Baru Sungai Buloh
47000 Sungai Buloh, Selangor
Tel: 03-6156 3092
Fax: 03-6156 1136

Batang Berjuntai

280, Jalan Besar
45600 Batang Berjuntai, Selangor
Tel: 03-3271 9322/9321
Fax: 03-3271 9749

Rawang

No. 1 & 1A, Jalan Bandar
Rawang 2, Pusat Bandar Rawang
48000 Rawang, Selangor
Tel: 03-6091 3904
Fax: 03-6091 3907

Jalan Dato Hamzah, Klang

12, Jalan Dato Hamzah
41000 Klang, Selangor
Tel: 03-3371 1771
Fax: 03-3372 4101

Banting

135, Jalan Besar
42700 Banting, Selangor
Tel: 03-3187 2101
Fax: 03-3187 1663

Port Klang

44, Jalan Chungah, Off Jalan Sekolah
42000 Pelabuhan Klang, Selangor
Tel: 03-3168 0995
Fax: 03-3168 2299

Teluk Panglima Garang

54, Jalan J/U2
Taman Jaya Utama, Phase 1
42500 Teluk Panglima Garang, Selangor
Tel: 03-3122 8434
Fax: 03-3122 7298

Jalan Kapar, Klang

77, Jalan Kapar
41700 Klang, Selangor
Tel: 03-3342 6833
Fax: 03-3341 4445

Jalan Meru, Klang

99, Wisma NBC, Pusat Perniagaan NBC
Batu 1^{1/2}, Jalan Meru
41050 Klang, Selangor
Tel: 03-3344 2540
Fax: 03-3344 2544

Kapar

Lot 6, Bangunan UMNO, Jalan Besar
42200 Kapar, Selangor
Tel: 03-3250 8100/8500
Fax: 03-3250 0133

directory of BCB branches

Lorong Batu Tiga, Klang

1, Lorong Batu 3
Off Jalan Lintang Tiga
41300 Klang, Selangor
Tel: 03-3341 9001/9005
Fax: 03-3341 1934

Menara Acmar, Klang

Menara Acmar (Wing A)
1, Jalan Gelugor
41400 Klang, Selangor
Tel: 03-3343 1959
Fax: 03-3341 4142

Ampang Point

23, Jalan Mamanda 7/1
Wisma Ampang Triangle II
Jalan Ampang
68000 Ampang, Selangor
Tel: 03-4270 1746
Fax: 03-4270 1776

Balakong

29, Jalan PCR 1
Kawasan Perniagaan Cheras Raya
Batu 11, 43200 Cheras, Selangor
Tel: 03-9076 9159
Fax: 03-9076 9162

Bandar Baru Ampang

1-A, Jalan Wawasan Ampang 2/2
Bandar Baru Ampang
68000 Ampang, Selangor
Tel: 03-4295 7060
Fax: 03-4295 8559

Country Heights, Kajang

1, Persiaran Sinar Pagi, Country Heights
43000 Kajang, Selangor
Tel: 03-8737 1609
Fax: 03-8737 1611

Jalan Besar, Seri Kembangan

1485, Jalan Besar
43300 Seri Kembangan, Selangor
Tel: 03-8948 4027
Fax: 03-8942 4485

Taman Putra

29, Jalan Bunga Tanjung 9C
Taman Putra
68000 Ampang, Selangor
Tel: 03-4292 2334
Fax: 03-4292 6696

Kajang

9, Jalan Tun Aziz Lim Tan
43000 Kajang, Selangor
Tel: 03-8733 1661
Fax: 03-8733 2553

Bandar Baru Bangi

30, Medan PB1, Section 9
43650 Bandar Baru Bangi, Selangor
Tel: 03-8926 3180
Fax: 03-8926 3186

KLIA, Sepang

Block E, Jalan KLIA S3
Southern Common Amenities Facilities
KLIA (Selatan)
64000 KLIA, Selangor
Tel: 03-8787 2602
Fax: 03-8787 2485

Salak Tinggi

Bangunan UMNO Sepang
Jalan ST1D/2, Bandar Baru, Salak Tinggi
43900 Sepang, Selangor
Tel: 03-8706 2197
Fax: 03-8706 2202

Universiti Kebangsaan Malaysia

Lot 1.04 & 1.05,
Level 1, Wisma UNIKEB
Universiti Kebangsaan Malaysia
43600 UKM Bangi, Selangor
Tel: 03-8925 0214
Fax: 03-8925 0177

Universiti Putra Malaysia

Ground Floor, Block B
Bangunan Pusat Pelajar
Universiti Putra Malaysia
43400 Serdang, Selangor
Tel: 03-8948 6018
Fax: 03-8948 2925

Sungai Besar

22A, Jalan Menteri
45300 Sungai Besar
Sabak Bernam, Selangor
Tel: 03-3224 1205
Fax: 03-3224 1644

Taman Sri Gombak

2, Jalan SG 1/2, Taman Seri Gombak
68100 Batu Caves, Selangor
Tel: 03-6189 5767
Fax: 03-6188 5892

Cyberjaya

G-C, Ground Floor, Block 2320
Century Square, Jalan Usahawan
63000 Cyberjaya, Selangor
Tel: 03-8318 9905
Fax: 03-8318 3421

NEGERI SEMBILAN DARUL KHUSUS**Jalan Dato Bandar Tunggal, Seremban**

1A, Wisma Dewan Perniagaan Melayu
Negeri Sembilan
Jalan Dato' Bandar Tunggal
70000 Seremban, Negeri Sembilan
Tel: 06-762 5305
Fax: 06-763 7680

Bahau

115, Jalan Mewah
72100 Bahau, Negeri Sembilan
Tel: 06-454 5819
Fax: 06-454 5064

Bukit Pilah Perdana, Kuala Pilah

1, Jalan Angkasa Jaya, Bukit Pilah
Perdana
72000 Kuala Pilah, Negeri Sembilan
Tel: 06-481 2358
Fax: 06-481 5900

Tampin

Bangunan Baru UMNO, Jalan Besar
73000 Tampin, Negeri Sembilan
Tel: 06-441 1588
Fax: 06-441 3163

Jalan Terentang, Rembau

13 & 14, Bangunan Risdia
Jalan Terentang
71309 Rembau, Negeri Sembilan
Tel: 06-685 1204
Fax: 06-685 3017

Port Dickson

745, Bangunan UMNO, Jalan Besar
71000 Port Dickson, Negeri Sembilan
Tel: 06-647 1772
Fax: 06-647 1770

Senawang

51, Lorong Sri Mawar 12/2
Taman Sri Mawar
70450 Senawang, Negeri Sembilan
Tel: 06-679 2739
Fax: 06-679 2710

Titi

68, Wisma Gerakan, Jalan Besar
71650 Titi, Negeri Sembilan
Tel: 06-611 3166
Fax: 06-611 2535

Bandar Baru Nilai

7464, Jalan BBN 1/1A, Putra Point 1
71800 Bandar Baru Nilai, Negeri Sembilan
Tel: 06-850 0543
Fax: 06-850 0514

Bukit Pelandok

4232, Jalan Besar
71960 Bukit Pelandok, Negeri Sembilan
Tel: 06-667 3688
Fax: 06-667 2892

Jln TS2/1D Taman Semarak

Ground Floor, Jalan TS 2/1D
Taman Semarak
71800 Nilai, Negeri Sembilan
Tel: 06-799 4864
Fax: 06-799 4861

MELAKA BANDARAYA BERSEJARAH**188-190 Taman Melaka Raya, Melaka**

188, Taman Melaka Raya
Off Jalan Parameswara
75000 Melaka
Tel: 06-284 8960
Fax: 06-283 0582

Alor Gajah

Km30, 59, Prima Alor Gajah
Jalan Besar, Bandar Alor Gajah
78000 Alor Gajah, Melaka
Tel: 06-556 2200
Fax: 06-556 2119

Batu Berendam

30, Jalan Mutiara Melaka 2
Taman Mutiara Melaka
75350 Batu Berendam, Melaka
Tel: 06-317 6397
Fax: 06-317 6467

Bukit Baru

11, Section 3, Taman Bukit Piatu
75150 Bukit Baru, Melaka
Tel: 06-283 8844
Fax: 06-282 8121

Jalan Hang Tuah

Graha UMNO, Jalan Hang Tuah
75300 Melaka
Tel: 06-284 0455
Fax: 06-284 7611

Jalan Munshi Abdullah

Lot 30, Komplek Munshi Abdullah
Jalan Munshi Abdullah
75100 Melaka
Tel: 06-283 7998
Fax: 06-283 7257

Jasin

3733, Jalan Kesang
77000 Jasin, Melaka
Tel: 06-529 8881
Fax: 06-529 4626

Masjid Tanah

AG 8871, Wisma Haji Sulong Siban
Jalan Besar
78300 Masjid Tanah, Melaka
Tel: 06-384 2301
Fax: 06-384 3428

PERLIS INDERA KAYANGAN**Jalan Penjara, Kangar**

44, Jalan Penjara
01000 Kangar, Perlis
Tel: 04-976 1292
Fax: 04-976 0953

KEDAH DARUL AMAN**Bangunan UMNO, Alor Setar**

1583, Bangunan UMNO
Jalan Tunku Ibrahim
05000 Alor Setar, Kedah
Tel: 04-733 1906
Fax: 04-733 1170

Kuah, Langkawi

1, Jalan Pandak Mayah 1
07000 Kuah, Pulau Langkawi, Kedah
Tel: 04-966 6724
Fax: 04-966 7985

Kuala Nerang

Lot 67 & 68, Pekan Kuala Nerang
06300 Kuala Nerang, Kedah
Tel: 04-786 6641
Fax: 04-786 6568

Lebuhraya Darulaman

Kompleks Alor Setar, Lebuhraya
Darulaman
05100 Alor Setar, Kedah
Tel: 04-731 2224
Fax: 04-731 4653

Teluk Wan Jah

1787 A, Jalan Teluk Wan Jah
05200 Alor Setar, Kedah
Tel: 04-730 0222
Fax: 04-731 5197

Wisma Ria, Sungai Petani

Wisma Ria, Taman Ria
08000 Sungai Petani, Kedah
Tel: 04-422 2486
Fax: 04-422 2484

Guar Chempedak

3, Taman Mewah
08800 Guar Chempedak, Kedah
Tel: 04-468 6435
Fax: 04-468 7184

Jalan Kampung Baru, Sungai Petani

A10, Jalan Kampung Baru
08000 Sungai Petani, Kedah
Tel: 04-423 2233
Fax: 04-421 3653

Jitra

Kompleks UMNO
Bahagian Kubang Pasu
Jalan Ibrahim
06000 Jitra, Kedah
Tel: 04-917 1091
Fax: 04-917 5171

Pendang

Bangunan UMNO, Jalan Sungai Tiang
06700 Pendang, Kedah
Tel: 04-759 6312
Fax: 04-759 7188

Taman Sejati Indah, Sungai Petani

8, Jalan Matang Gedong
Taman Sejati Indah
08000 Sungai Petani, Kedah
Tel: 04-431 2905
Fax: 04-431 2895

directory of BCB branches

Universiti Utara Malaysia

Universiti Utara Malaysia
Kompleks The Mall, Sintok
06000 Jitra, Kedah
Tel: 04-924 1929
Fax: 04-924 2075

Kulim

254A, Wisma Koperasi
Jalan Tuanku Putra
09000 Kulim, Kedah
Tel: 04-490 4600
Fax: 04-490 1323

PULAU PINANG

15 Leboh Pantai, Penang

15, Leboh Pantai
10760 Pulau Pinang
Tel: 04-261 3872
Fax: 04-262 5600

1, Leboh Pantai, Penang

Bangunan Dewan Perniagaan &
Perusahaan Melayu
1, Leboh Pantai
10300 Pulau Pinang
Tel: 04-262 2921
Fax: 04-263 1921

Ayer Itam

60 & 62, Lintang Angsana
Bandar Baru Ayer Itam
11500 Pulau Pinang
Tel: 04-829 1699
Fax: 04-829 5926

Jalan Mahsuri, Bandar Bayan Baru

32, Jalan Mahsuri, Bandar Bayan Baru
11950 Pulau Pinang
Tel: 04-644 4144
Fax: 04-644 6169

Kompleks Tun Abdul Razak

Lot 1.05, Level 1, Phase 1B
Kompleks Tun Abdul Razak
10000 Pulau Pinang
Tel: 04-261 3134
Fax: 04-261 8312

Pulau Tikus

409, Jalan Burmah
10350 Pulau Pinang
Tel: 04-226 1644
Fax: 04-226 3221

Tanjung Bungah

Lot GF-08 Menara Asas
598, Jalan Tanjung Bungah
11200 Pulau Pinang
Tel: 04-890 6060
Fax: 04-899 4630

Universiti Sains Malaysia

Block 32, Minden Campus
Universiti Sains Malaysia, Minden
11800 Pulau Pinang
Tel: 04-658 1382
Fax: 04-657 7662

Taman Emas, Prai

1271, Jalan Baru, Taman Emas
13600 Prai, Pulau Pinang
Tel: 04-390 1577
Fax: 04-399 3103

91, Jalan Bagan Luar, Butterworth

91, Jalan Bagan Luar, Taman Selat
12720 Butterworth, Pulau Pinang
Tel: 04-331 2433
Fax: 04-332 3943

Bukit Mertajam

Bangunan Persatuan Bekas-Bekas Polis
Jalan Che Bee Hoor (Jalan Aston)
14000 Bukit Mertajam, Pulau Pinang
Tel: 04-537 3499
Fax: 04-539 1291

Kepala Batas

1283, Jalan Dato Hj Ahmad Badawi
Taman Gooi Seng Tuck, Kepala Batas
13200 Pulau Pinang
Tel: 04-575 1033
Fax: 04-575 3836

Pusat Bandar Seberang Jaya

1, Jalan Todak 3
Bandar Baru Seberang Jaya
13700 Seberang Jaya
Pulau Pinang
Tel: 04-397 6410
Fax: 04-397 6416

Raja Uda, Butterworth

6162, Jalan Ong Yee How
Off Jalan Raja Uda
Taman Teras Jaya
13400 Butterworth
Tel: 04-333 0033
Fax: 04-323 2707

PERAK DARUL RIDZUAN

Jalan Sultan Idris Shah, Ipoh

112, Jalan Sultan Idris Shah
30740 Ipoh, Perak
Tel: 05-254 2316
Fax: 05-255 4058

Bandar Ipoh Raya

2, Medan Istana
Bandar Ipoh Raya
30000 Ipoh, Perak
Tel: 05-241 8802
Fax: 05-253 0393

Grik

Wisma Pernida, Jalan Intan
33300 Grik, Perak
Tel: 05-791 2824
Fax: 05-791 2076

Hutan Melintang

No. 6 & 7, Lorong Satu
Taman Julaiha
36400 Hutan Melintang, Perak
Tel: 05-641 8500
Fax: 05-641 8506

Jelapang, Ipoh

64, Persiaran Silibin Utara, Jelapang
30020 Ipoh, Perak
Tel: 05-527 8605
Fax: 05-527 8604

Kuala Kangsar

95, Pusat Komersil, Jalan Kangsar
33000 Kuala Kangsar, Perak
Tel: 05-777 7011
Fax: 05-777 6372

Taiping

Bangunan Majlis Perbandaran Taiping
42, Jalan Kota
34000 Taiping, Perak
Tel: 05-808 2366/807 2422
Fax: 05-807 8740

Tanjung Rambutan

Lot 259, Jalan Stesen
31250 Tanjung Rambutan, Perak
Tel: 05-533 2182
Fax: 05-533 2180

Jalan Sekolah, Teluk Intan

No. 32 & 33, Jalan Pasar
36000 Teluk Intan, Perak
Tel: 05-621 2711
Fax: 05-621 2714

Lumut

4165, Jalan Sultan Idris Shah
32200 Lumut, Perak
Tel: 05-683 6791/6796
Fax: 05-683 5844

Sitiawan

Lot 2871, Off Jalan Kelab
32000 Sitiawan, Perak
Tel: 05-691 8776
Fax: 05-692 1121

Ipoh Garden

Lot 73207, Jalan Canning Estate
Ipoh Garden, 31400 Ipoh, Perak
Tel: 05-547 5674
Fax: 05-547 6000

Batu Gajah

20, Jalan Pejabat Pos
31000 Batu Gajah, Perak
Tel: 05-366 1905
Fax: 05-366 2840

Jalan Gopeng, Ipoh

288 & 290, Jalan Gopeng
Gunung Rapat, 31350 Ipoh, Perak
Tel: 05-313 5200
Fax: 05-313 1316

Kampar

53A, Jalan Idris
31900 Kampar, Perak
Tel: 05-465 1633
Fax: 05-466 1482

Parit Buntar

6, Jalan Kelichap
34200 Parit Buntar, Perak
Tel: 05-716 1505
Fax: 05-716 4199

Tapah

Bangunan UMNO, Jalan Raja
35000 Tapah, Perak
Tel: 05-401 3062
Fax: 05-401 2858

KELANTAN DARUL NAIM**Tanah Merah**

Lot 522, Jalan Dato' Nik Mustapha
17500 Tanah Merah, Kelantan
Tel: 09-955 6084
Fax: 09-955 8328

Gua Musang

44, Jalan Besar
18300 Gua Musang, Kelantan
Tel: 09-912 1424
Fax: 09-912 2195

Kuala Krai

Lot 1361, Jalan Besar
Guchil Baru
18000 Kuala Krai, Kelantan
Tel: 09-966 7142
Fax: 09-966 7133

Machang

Lot 261, Jalan Masjid
18500 Machang, Kelantan
Tel: 09-975 7380
Fax: 09-975 7386

Pasir Puteh

Lot 422, Jalan Pasir Puteh
16800 Pasir Puteh, Kelantan
Tel: 09-786 4367
Fax: 09-786 7677

Kota Bharu

Wisma Square Point
Lot 1, Jalan Pengkalan Chepa
15400 Kota Bharu, Kelantan
Tel: 09-741 9009
Fax: 09-743 6914

Bachok

Bangunan UMNO
Jalan Tuanku Abdul Hamid
16300 Bachok, Kelantan
Tel: 09-778 9367
Fax: 09-778 8780

Jalan Maju Kota Bahru

Bangunan BCB, Jalan Maju
15000 Kota Bharu, Kelantan
Tel: 09-741 9033
Fax: 09-743 3887

Pasir Mas

110, Serakai Mas Plaza
17000 Pasir Mas, Kelantan
Tel: 09-790 0090
Fax: 09-790 2199

Wakaf Siku

4585-K, Wisma Ibrahim & Sons
Jalan Sultan Yahya Petra
Wakaf Siku
15200 Kota Bharu, Kelantan
Tel: 09-748 5229
Fax: 09-744 4364

TERENGGANU DARUL IMAN**Jalan Sultan Ismail,
Kuala Terengganu**

Lot 3083, Jalan Sultan Ismail
20200 Kuala Terengganu, Terengganu
Tel: 09-625 1866
Fax: 09-624 0603

Bandar Permaisuri, Setiu

Lot P-T 729, Bandar Permaisuri
22110 Setiu, Terengganu
Tel: 09-609 9123
Fax: 09-609 0123

Jerteh

60-B, Jalan Tuan Hitam
22000 Jerteh, Terengganu
Tel: 09-697 1136
Fax: 09-697 2653

Dungun

3679, Bangunan UMNO
Jalan Besar
23000 Dungun, Terengganu
Tel: 09-848 1555
Fax: 09-848 5285

Bandar Al-Muktafibilah Shah

Lot K15, Pusat Bandar
Bandar Al-Muktafibilah Shah
23400 Dungun, Terengganu
Tel: 09-822 1006
Fax: 09-822 1433

Kemaman

K712, Jalan Sulaimani, Chukai
24000 Kemaman, Terengganu
Tel: 09-859 1655
Fax: 09-859 5823

directory of BCB branches

Kerteh

Bangunan PMNT
10A, Bandar Baru Kerteh
24300 Kerteh, Terengganu
Tel: 09-826 1912
Fax: 09-826 1998

Paka

Lot 120 & 121, Jalan Besar Paka
23100 Dungun, Terengganu
Tel: 09-827 5236/5240
Fax: 09-827 5237

PAHANG DARUL MAKMUR

Jalan Bank, Kuantan

Bangunan BCB, Lot 32 Jalan Bank
25000 Kuantan, Pahang
Tel: 09-516 2099
Fax: 09-516 4116

Bandar Muadzam Shah

6, Medan Mewah
26700 Bandar Muadzam Shah, Pahang
Tel: 09-452 2077
Fax: 09-452 2843

Jalan Sultan Abdullah, Pekan

Lot 83 Jalan Sultan Abdullah
26600 Pekan, Pahang
Tel: 09-422 2024
Fax: 09-422 1146

Jalan Teluk Sisek, Kuantan

67, Jalan Teluk Sisek
25710 Kuantan, Pahang
Tel: 09-555 2855
Fax: 09-514 4008

Kompleks Teruntum

Lot G-01, Kompleks Teruntum
Jalan Penjara, 25000 Kuantan, Pahang
Tel: 09-512 1346
Fax: 09-513 8726

Pelabuhan Kuantan

Batu 16, Jalan Kuantan-Kemaman
Tanjong Gelang, Pelabuhan Kuantan
25710 Kuantan, Pahang
Tel: 09-583 3345
Fax: 09-583 3393

Temerloh

77, Bangunan LKNP
Jalan Ahmad Shah
28000 Temerloh, Pahang
Tel: 09-296 1775
Fax: 09-296 4301

Jalan Besar, Karak

16, Jalan Besar
28600 Karak, Pahang
Tel: 09-231 1281
Fax: 09-231 1522

Jalan Tahan, Jerantut

23, Jalan Tahan
27000 Jerantut, Pahang
Tel: 09-266 2250
Fax: 09-266 4250

Kuala Lipis

17, Bangunan LKNP, Jalan Besar
27200 Kuala Lipis, Pahang
Tel: 09-312 1907
Fax: 09-312 3346

Maran

47, Bangunan LKNP
26500 Maran, Pahang
Tel: 09-477 1227
Fax: 09-477 1084

Mentakab

46, Jalan Temerloh
28400 Mentakab, Pahang
Tel: 09-277 7973
Fax: 09-277 7975

Raub

33, Jalan Lipis
Bandar Raub Perdana
27600 Raub, Pahang
Tel: 09-355 9387
Fax: 09-355 3577

JOHOR DARUL TA'ZIM

Taman Pelangi

30, Jalan Serampang
Taman Pelangi
80050 Johor Bahru, Johor
Tel: 07-332 4911
Fax: 07-332 5266

Bangunan UMNO, Johor Bahru

51, Jalan Segget
80000 Johor Bahru, Johor
Tel: 07-222 4833
Fax: 07-223 6904

Holiday Plaza

G86, Holiday Plaza
Jalan Dato' Sulaiman
80250 Johor Bahru, Johor
Tel: 07-333 1961
Fax: 07-332 2773

Tampoi

193B, Batu 4^{1/2}, Jalan Skudai
80200 Tampoi, Johor
Tel: 07-236 3734
Fax: 07-234 0300

Taman Ungku Tun Aminah

87, Jalan Pahlawan 1
Taman Ungku Tun Aminah
81300 Johor Bahru, Johor
Tel: 07-556 7700
Fax: 07-557 7711

Gelang Patah

25, Jalan Medan Nusa
Perintis 6, Taman Nusa Perintis 2
81550 Gelang Patah, Johor
Tel: 07-530 0000
Fax: 07-530 0017

Kulai

31-10, Jalan Raya, Kulai Besar
81000 Kulai, Johor
Tel: 07-663 2678
Fax: 07-663 7716

Pontian Kechil

742, Wisma Koperasi, Jalan Taib
82000 Pontian Kechil, Johor
Tel: 07-687 1533
Fax: 07-687 4033

Senai

182, Jalan Belimbing 1
81400 Senai, Johor
Tel: 07-599 6214
Fax: 07-599 6219

Taman Universiti Skudai

21, Jalan Kebudayaan 4
Taman Universiti
81300 Skudai, Johor
Tel: 07-521 5055
Fax: 07-521 4291

Universiti Teknologi Malaysia, Skudai

Bangunan Hal Ehwal Pelajar
Universiti Teknologi Malaysia
81300 Skudai, Johor
Tel: 07-557 7103
Fax: 07-557 0855

Batu Pahat

39A, Jalan Rahmat
83000 Batu Pahat, Johor
Tel: 07-431 1096
Fax: 07-431 7324

Kluang

7, Jalan Syed Abdul Hamid Sagaff
86000 Kluang, Johor
Tel: 07-771 8080
Fax: 07-772 4657

Labis

81, Taman Orkid Baru
85300 Labis, Johor
Tel: 07-925 3836
Fax: 07-925 3840

Mersing

4, Jalan Ismail
86800 Mersing, Johor
Tel: 07-799 1600
Fax: 07-799 4790

Muar

24, Jalan Maharani, Off Jalan Sisi
84000 Muar, Johor
Tel: 06-953 5399
Fax: 06-951 5808

Parit Raja

4, Jalan Raja Satu
Taman Sri Raja
86400 Parit Raja, Johor
Tel: 07-454 1386
Fax: 07-454 2377

Parit Sulong

76, Jalan Muar, Parit Sulong
83500 Batu Pahat, Johor
Tel: 07-418 6258
Fax: 07-418 7800

Segamat

113, Jalan Genuang
85000 Segamat, Johor
Tel: 07-931 3653
Fax: 07-931 2121

Pusat Perdagangan, Pasir Gudang

13A, Pusat Perdagangan
Jalan Bandar
81700 Pasir Gudang, Johor
Tel: 07-252 4955
Fax: 07-251 2932

Bandar Baru Permas Jaya

39, Jalan Pernas 10/2
Bandar Baru Permas Jaya
81750 Masai, Johor
Tel: 07-386 2519
Fax: 07-386 2527

Kota Tinggi

30, Jalan Niaga 1
Pusat Dagangan Jalan Mawai
81900 Kota Tinggi, Johor
Tel: 07-883 7507
Fax: 07-883 4322

Taman Daya, Johor Bahru

2, Jalan Sagu 1, Taman Daya
81100 Johor Bahru, Johor
Tel: 07-351 1940
Fax: 07-351 1943

Taman Johor Jaya

104, Jalan Dedap 13
Taman Johor Jaya
81100 Johor Bahru, Johor
Tel: 07-355 0784
Fax: 07-355 0782

Bandar Sri Alam, Masai

15, Jalan Suria 3, Bandar Baru Seri Alam
81750 Masai, Johor
Tel: 07-252 5520
Fax: 07-252 8280

FEDERAL TERRITORY OF LABUAN**Labuan**

Lot E006, Podium Level
Financial Park Labuan, Jalan Merdeka
87000 Labuan
Tel: 087-451 033
Fax: 087-451 032

SABAH**Api-Api Centre, Kota Kinabalu**

Api-Api Centre, Lot 4/G3
88000 Kota Kinabalu, Sabah
Tel: 088-264 287
Fax: 088-211 800

Inanam

9, Block A, Inanam Plaza
Phase 3, Inanam New Township
89357 Inanam
Kota Kinabalu, Sabah
Tel: 088-437 657
Fax: 088-437 662

Keningau

Industrial Lot 10A
89007 Keningau, Sabah
Tel: 087-333 515
Fax: 087-334 991

Kompleks KUWASA

42, Block B, Kompleks KUWASA
Jalan Karamunsing
88000 Kota Kinabalu, Sabah
Tel: 088-233 214
Fax: 088-242 794

Lahad Datu

Lot 8, Block A
Metro Shopping Complex
91100 Lahad Datu, Sabah
Tel: 089-880 609
Fax: 089-880 608

Ranau

Ground Floor, Block C
Lot 10, Ranau New Town
89300 Ranau, Sabah
Tel: 088-875 271
Fax: 088-875 834

Sandakan

TL 639, Bangunan Harisons & Crosfield
90000 Sandakan, Sabah
Tel: 089-213 272
Fax: 089-273 087

Tawau

Block 30, Kompleks Fajar
Jalan Haji Karim
91000 Tawau, Sabah
Tel: 089-762 200
Fax: 089-761 617

SARAWAK**Khoo Hun Yeang Street, Kuching**

32, Khoo Hun Yeang Street
93000 Kuching, Sarawak
Tel: 082-422 522
Fax: 082-424 598

directory of BCB branches

Bandar Sri Aman

422, Jalan Hospital
95000 Bandar Sri Aman, Sarawak
Tel: 083-322 007
Fax: 083-320 887

Jalan Satok, Kuching

Lot 1.1, Bangunan Satok
Jalan Satok/Kulas
93400 Kuching, Sarawak
Tel: 082-413 155
Fax: 082-244 553

Jalan Tunku Abdul Rahman, Kuching

Wisma Bukit Mata Kuching
Lot 262 Section 48
Jalan Tunku Abdul Rahman
93100 Kuching, Sarawak
Tel: 082-236 809
Fax: 082-236 797

Petra Jaya

Bangunan MASJA, Ground Floor
Lot 4, Medan Raya, Petra Jaya
93050 Kuching, Sarawak
Tel: 082-443 666/179
Fax: 082-443 418

Sarikei

Lot 1205, Block 36 Jalan Masjid
96100 Sarikei, Sarawak
Tel: 084-651 630
Fax: 084-653 522

Serian

Lot 230, Serian Bazaar
94700 Serian, Sarawak
Tel: 082-876 855
Fax: 082-874 431

Sibu

1, Lorong Kampong Datu 5
Jalan Kampong Datu
96000 Sibu, Sarawak
Tel: 084-314 443
Fax: 084-319 984

Twin Towers

2691, Block 10, KCLD
3rd Mile, Rock Road
93250 Kuching, Sarawak
Tel: 082-419 850/072
Fax: 082-420 263

Jalan Permaisuri, Miri

Lot 507, Block 9
Miri Concession Land District
Jalan Permaisuri
98000 Miri, Sarawak
Tel: 085-420 371
Fax: 085-415 379

BDA-Shahida Commercial Centre, Bintulu

Lot 2300, BDA-Shahida Commercial
Centre
Lebuhraya Abang Galau
97000 Bintulu, Sarawak
Tel: 086-331 320
Fax: 086-336 297

Lutong

Block 1, Pejabat Pentadbiran Tambahan
Sarawak Shell Berhad
98100 Lutong, Sarawak
Tel: 085-652 426
Fax: 085-652 761

Medan Jaya, Tanjung Kidurong

Lot 17, Medan Jaya Commercial Centre
Tanjung Kidurong
97000 Bintulu, Sarawak
Tel: 086-315 015
Fax: 086-315 013

OVERSEAS BRANCHES

Hong Kong

Suite 3607-3608,
Two Exchange Square
8, Connaught Place,
Central Hong Kong
Tel: 00852-2525 2829/6446/7882/
2526 2760
Fax: 00852-2523 3287
SWIFT: BCBMHKHH

Tokyo

1F Hibiya Daibiru
1-2-2, Uchisaiwai-Cho
Chiyoda-ku, 1 Chome
Tokyo 100, Japan
Tel: 00813-3502 1591/1594
Fax: 00813-3508 1049
SWIFT: BCBMJPT

Singapore

7, Temasek Boulevard
#37-01/02/03, Suntec Tower 1
Singapore 038987
Tel: 02-337 5115/7337
Fax: 02-337 5335
SWIFT: BCBMSGSG

London

14, Cavendish Square
London W1M0HA
United Kingdom
Tel: 44171-306 6050/6062
Fax: 44171-306 6060/6061
SWIFT: BCBMGB2L

YANGON REPRESENTATIVE OFFICE

35 (D), Pyang Road
7th Miles, Mayangone Tsp
Yangon, Myanmar
Tel: 951-660 919
Fax: 951-650 838

directory of Bank Niaga branches

HEAD OFFICE

Graha Niaga

Jl. Jend. Sudirman Kav. 58
 Jakarta 12190
 Tel: 021-250 5151/250 5252/250 5353
 Fax: 021-250 5205
<http://www.bankniaga.com>
 e-mail: caniaga@bankniaga.com

BRANCH OFFICES

JAKARTA

JAKARTA PUSAT

Gajah Mada

Jl. Gajah Mada No. 18
 Jakarta 10130
 Tel: 021-6385 7649/6385 7667/
 6385 7711
 Fax: 021-6385 7612

Thamrin

Jl. M.H. Thamrin No. 53
 Jakarta 10350
 Tel: 021-315 6761/315 6721
 Fax: 021-315 6781

Cikini

Jl. Cikini Raya No. 71A
 Jakarta 10350
 Tel: 021-230 1005
 Fax: 021-230 1236

Gambir

Jl. Kwitang No. 17-18, Gambir
 Jakarta 10110
 Tel: 021-230 0687
 Fax: 021-230 0665

Unika Atma Jaya

Kampus Atmajaya
 Jl. Jend. Sudirman Kav. 51
 Jakarta Pusat
 Tel: 021-570 8820/572 2224
 Fax: 021-572 2224

RS Bunda

Jl. Teuku Cik Ditiro No. 28
 Jakarta 10350
 Tel: 021-392 8580/392 8584
 Fax: 021-392 8601

Cempaka putih

Jl. Cempaka Putih Raya No.102
 Jakarta Pusat
 Tel: 021-424 2506, 424 2469
 Fax: 021-2487 5765

ITC Mangga Dua

Ruko Tekstil Blok C VI No. 1
 Jakarta Pusat
 Tel: 021-601 1427
 Fax: 021-601 1425

Tanah Abang

Komp. Pertokoan Tanah Abang Bukit
 Blok B No. 2 Jakarta Pusat
 Tel: 021-345 6218/345 6228
 Fax: 021-345 6223

Wisma Nugra Santana

Jl. Jend. Sudirman Kav. 7-8
 Jakarta Pusat
 Tel: 021-5100 0091

JAKARTA SELATAN

Graha Niaga

Jl. Jend. Sudirman Kav. 58
 Jakarta Selatan
 Tel: 021-250 5050
 Fax: 021-250 5458

Wisma Pondok Indah II

Wisma Pondok Indah, Lt. Dasar
 Jl. Sultan Iskandar Muda Blok V TA
 Jakarta 12310
 Tel: 021-769 7101
 Fax: 021-769 7109

Falatehan

Jl. Falatehan I No. 27
 Jakarta Selatan
 Tel: 021-270 2888/270 0555
 Fax: 021-720 0207

Mahakam

Jl. Mahakam I No.14
 Jakarta Selatan
 Tel: 021-725 1550
 Fax: 021-725 1477

Tebet

Jl. Prof Dr. Supomo SH No. 15 A, Tebet
 Jakarta Selatan
 Tel: 021-829 5579/830 1774
 Fax: 021-829 9032

Fatmawati

Jl. Fatmawati No. 20
 Jakarta 12140
 Tel: 021-765 6523
 Fax: 021-750 4812

Kemang

Jl. Kemang Raya No. 3
 Jakarta 12730
 Tel: 021-719 4462
 Fax: 021-7179 1645

Mampang

Mampang Plaza
 Jl. Buncit Raya No. 100
 Jakarta 12790
 Tel: 021-798 2167, 798 2170
 Fax: 021-797 0551

Bursa Efek Jakarta

Gedung Bursa Efek Jakarta II
 Lantai Dasar
 Suite G.06
 Jl. Jend. Sudirman Kav. 52-53
 Jakarta Selatan
 Tel: 021-515 4766/515 4768
 Fax: 021-515 4763

Soepomo II (Lapangan Roos)

Jl. Lapangan Roos Raya No.8
 Jakarta Selatan
 Tel: 021-829 3751/829 3757
 Fax: 021-829 3758

Gran Melia Kuningan

Graha Surya Inter Nusa
 Jl HR Rasuna Said Kav. X-O, Kuningan
 Jakarta 12950
 Tel: 021-527 2801
 Fax: 021-527 2806

Metro Pondok Indah I

Jl. Metro Duta Niaga
 Pondok Indah Plaza I
 Blok II UA Kav. 67-69
 Jakarta 12310
 Tel: 021-750 3541/750 3543
 Fax: 021-751 3915

Cipulir

Jl. Cipulir Raya No. 17
 Jakarta Selatan
 Tel: 021-734 3344
 Fax: 021-734 3355

ITC Fatmawati

Ruko ITC Fatmawati No. 10
 Jakarta Selatan
 Tel: 021-7279 3900
 Fax: 021-7279 8300

directory of Bank Niaga branches

RPX Center (Fedex)

Jl. Ciputat Raya Kav. 99
Jakarta Selatan
Tel: 021-7590 9101
Fax: 021-7590 9102

Setia Budi Building II

Setia Budi Building II, Ground Floor
Jl. HR Rasuna Said Kav. 62 Kuningan
Jakarta Selatan
Tel: 021-252 3236
Fax: 021-252 2376

Veteran

Jl. RC. Veteran No. 11-E, Bintaro
Jakarta Selatan
Tel: 021-735 4423
Fax: 021-735 5641

Kemang2

Jl. Kemang Raya No. 47-D
Jakarta Selatan
Tel: 021-719 9812/719 9837
Fax: 021-719 9732

JAKARTA BARAT

Kota

Jl. Roa Malaka Selatan No. 3-5
Kota Jakarta 11230
Tel: 021-260 0260
Fax: 021-260 0258

Tomang

Jl Tomang Raya No.25
Jakarta 11440
Tel: 021-566 0904
Fax: 021-566 8276

Jakarta Design Center

Gudang Jakarta Design Center
Jl. Gatot Subroto Kav. 53
Jakarta 10260
Tel: 021-549 5131/549 5134
Fax: 021-549 5135

Puri Indah Mall

Puri Indah Mall (Pintu Timur)
Lantai dasar
Jl. Puri Agung, Puri Indah Kembangan
Jakarta Barat
Tel: 021-582 2639/582 2640
Fax: 021-582 2639

Kebon Jeruk

Taman Aries Blok H-1 No.15-16
Meruya Utara, Kebon Jeruk
Jakarta Barat
Tel: 021-586 5122
Fax: 021-586 5127

JAKARTA UTARA

Kelapa Gading

Jl. Boulevard Raya LB 3 No. 34-36
Kelapa Gading
Jakarta 14240
Tel: 021-450 0195/450 0196
Fax: 021-450 2365

Mega Mall Pluit

Mega Mall Pluit Ruko No R51
Jl. Pluit Raya
Jakarta Utara
Tel: 021-6667 0399/6667 0395
Fax: 021-6667 0396

Sunter Mall

Jl. Danau Sunter Utara Bl G7 Kav. 11
Jakarta Utara
Tel: 021-640 7418
Fax: 021-651 9541

Pulogadung

Gedung Sapta Mulia
Jl Rawa Gelong V, Kav.OR.3B
Pulogadung
Jakarta Utara
Tel: 021-4682 9134/4682 9135
Fax: 021-4682 8052

JAKARTA TIMUR

Jatinegara

Jl. Jatinegara Timur No 84
Jakarta 13300
Tel: 021-8590 8405
Fax: 021-8590 8406

Kalimalang

Jl. Tarum Barat Blok Q No. 2, Kalimalang
Jakarta 13450
Tel: 021-864 9361/864 9364
Fax: 021-865 6029

Gedung Pratama

Jl. Pemuda No. 296, Rawamangun
Jakarta Timur
Tel: 021-470 7067
Fax: 021-470 6360

Cijantung

Jl. Pendidikan I, Cijantung
Jakarta Timur
Tel: 021-8778 1110/8778 1112
Fax: 021-8778 1115

JAWA BARAT

Bandung

Lembong
Jl. Lembong No. 7
Bandung
Tel: 022-423 3360
Fax: 022-423 9158

Dago

Jl. Ir. H. Juanda No. 46
Dago, Bandung
Tel: 022-424 1511
Fax: 022-420 9743

Buah Batu

Jl. Buah Batu No. 143
Bandung
Tel: 022-730 5703
Fax: 022-730 5701

Riau

Jl. RE Martadinata No. 134
Bandung
Tel: 022-424 1852
Fax: 022-424 1855

ITB

Jl. Ganesha No. 10, Kampus ITB
Bandung
Tel: 022-253 4152/2534149
Fax: 022-253 4154

Univ. Bandung Raya (UNBAR)

Jl. Ph Hasan Mustafa No. 25
Bandung
Tel: 022-727 9975
Fax: 022-710 3912

Pasir Koja

Jl. Terusan Pasir Koja No. 245/193 A
Bandung
Tel: 022-721 5708
Fax: 022-721 5708

Cimahi

Jl. Raya Cibabat No. 310, Cimahi
Bandung
Tel: 022-663 4801/663 4803
Fax: 022-663 4804

Sukajadi

Jl. Sukajadi No. 184
Bandung
Tel: 022-203 4412
Fax: 022-203 8061

CIREBON**Cirebon**

Jl. Siliwangi No. 110
Cirebon
Tel: 0231-206 981
Fax: 0231-208 036

Panembahan

Jl. Raya Panembahan No. 40
Kec. Weru-Plered
Cirebon
Tel: 0231-323 500/323600
Fax: 0231-323 400

BOGOR**Pajajaran**

Jl. Pajajaran No. 33
Bogor
Tel: 0251-313 456
Fax: 0251-320 845

Bogor Indah Plaza

Jl. Raya Baru, Kedung Badak
Bogor
Tel: 0251-351 804/351807
Fax: 0251-351 812

Citra Grand Cibubur

Citra Grand Cibubur Blok R1/06
Bogor
Tel: 0251-8459 8592/8459 8594
Fax: 0251-8459 8616

Surya Kencana

Jl. Surya Kencana No. 285
Bogor
Tel: 0251-344 111, 330 555
Fax: 0251-352 666

Bekasi

Ahmad Yani
Jl. A Yani Blok A8 No. 15
Bekasi
Tel: 021-8885 2401/8885 2403
Fax: 021-8885 2386

Samsung Electronic Indonesia

Jl. Jababeka Raya Blok F 29-33 Cikarang
Bekasi
Tel: 021-898 7114
Fax: 021-893 4273

Lippo Cikarang

Ruko Menteng, Blok C No. 1
Jl. MH Thamrin, Lippo Cikarang
Bekasi
Tel: 021-8990 2676
Fax: 021-8990 2668

Depok

Jl. Margonda Raya 192
Depok
Tel: 021-7721 2080/7721 2082
Fax: 021-7721 2085

Cinere

Jl. Cinere Raya Blok A No. 12A & 14
Cinere
Depok
Tel: 021-753 3977, 753 3980
Fax: 021-753 3979

Tasikmalaya

Jl. Sutisna Sejaya No. 77
Tasikmalaya, Jawa Barat
Tel: 0265-323 100
Fax: 0265- 324 714

BANTEN**Cilegon**

Wisma Permata (K Krakatau Steel)
Jl, KH Yasin Beji No. 2, Simpang Tiga
Cilegon
Tel: 0254-383 550
Fax: 0254-383 551

Bintaro Jaya

Jl. Cut Mutia II Bintaro Jaya Sektor VII
Tangerang
Tel: 021-745 0539/7455 2223
Fax: 021-745 2024

Tangerang

Jl Daan Mogot No. 58
Tangerang 15111
Tel: 021-552 2830
Fax: 021-552 1064

BSD Serpong

Bumi Serpong Damai, Sektor IV Ext. Blok
RE No. 51
Tangerang
Tel: 021-537 9280
Fax: 021-537 9240

Pamulang

Pamulang Permai I Blok SH 18 No. 10,
Pamulang
Tangerang
Tel: 021-742 0066/742 0480
Fax: 021-742 0056

LG Electronic

Jl. Tabri, Desa Cirarab, Bitung
Tangerang
Tel: 021-597 9745/597 9746
Fax: 021-597 9747

Cengkareng

Gedung JPT, Cargo Area
Bandar Udara Internasional
Sukarno-Hatta, Cengkareng
Tangerang
Tel: 021-5590 5074
Fax: 021-5591 5075

JAWA TENGAH**Semarang**

Pemuda
Jl. Pemuda No. 21B
Semarang
Tel: 024-351 5240
Fax: 024-354 2421

A Yani

Jl. A. Yani No. 136
Semarang
Tel: 024-831 9715
Fax: 024-831 0892

Banyumanik

Mal Harmoni, Jl. Sukun Raya No. 68
Blok A-5 Banyumanik
Semarang
Tel: 024 747 8766
Fax: 024-747 8770

Majapahit

Jl. Majapahit 218C
Semarang
Tel: 024-673 3216
Fax: 024-673 3122

directory of Bank Niaga branches

Pelindo

PT Pelindo III
 Jl. Coaster No. 10, Tanjung Mas
 Semarang
 Tel: 024-357 4012
 Fax: 024-357 4012

Solo

Slamet Riyadi
 Jl. Slamet Riyadi No. 8
 Solo
 Tel: 0271-647 955
 Fax: 0271-647 391

Manahan

Jl. L.U. Adisutjipto No. 28, Manahan
 Solo
 Tel: 0271-712 555
 Fax: 0271-711 565

Pasar Legi

Jl. S Parman No. 79
 Solo
 Tel: 0271-642 370/642 371

Kudus

Jl.A.Yani No.36
 Kudus
 Tel: 0291-432 323/432 325
 Fax: 0291-432 326

Magelang

Jl. Tidar No. 16
 Magelang
 Tel: 0293-364 391, 364 160
 Fax: 0293-364 121

Temanggung

Jl. Jend. Sudirman 45
 Temanggung
 Tel: 0293-491 213
 Fax: 0293-491 213

Klaten

Jl. Pemuda No. 234
 Klaten
 Tel: 0272-324 968/327 908
 Fax: 0272-327 907

D.I. YOGYAKARTA

Sudirman

Jl. Jend. Sudirman No. 13
 Yogyakarta
 Tel: 0274-565 338
 Fax: 0274-565 095

Katamso

Jl. Brigjen Katamso No. 118
 Yogyakarta
 Tel: 0274-373 800
 Fax: 0274-410 065

Cik Ditiro

Jl. Cik Ditiro No. 7
 Yogyakarta
 Tel: 0274-563 230/565 925
 Fax: 0274-584 440

Banyuraden

Ruko Banyuraden No. 7
 Jl. Godean Km. 5,5
 Yogyakarta
 Tel: 0274-621 779
 Fax: 0274-621 779

Gejayan

Jl. Gejayan No 26A
 Yogyakarta
 Tel: 0274-557 620
 Fax: 0274-557 621

JAWA TIMUR

Surabaya Darmo

Jl. Raya Darmo No. 26
 Surabaya
 Tel: 031-568 3060/568 3013
 Fax: 031-567 4354

Satelite

Kom. Darmo Park I Blk V/2
 May. Jen. Sungkono
 Surabaya
 Tel: 031-567 8200, 566 9501
 Fax: 031-561 2951

Kota

Jl. Stasiun Kota No. 60 A-B
 Surabaya
 Tel: 031-354 2081/354 2085
 Fax: 031-354 1591

Husada

Jl. Dharmahusada No. 142
 Surabaya
 Tel: 031-594 9468
 Fax: 031-594 9480

Tunjungan

Jl. Tunjungan No. 47
 Surabaya
 Tel: 031-534 3537/534 3539
 Fax: 031-531 5430

Sudirman

Jl P. Sudirman No. 59-61
 Surabaya
 Tel: 031-532 0050
 Fax: 031-532 5510

Andayani

Jl. Jemur Andayani No. 53-A
 Surabaya
 Tel: 031-843 8093/843 2125
 Fax: 031-843 4669

Perak

Jl. Perak Barat No. 145
 Surabaya
 Tel: 031-357 7880 357 7884
 Fax: 031-357 7885

Manyar Mega Indah

Pertokoan Manyar Mega Indah
 Jl. Ngagel Jaya Selatan G-3
 Surabaya
 Tel: 031-502 9780/502 9781/503 9782/
 503 0281/503 0282
 Fax: 031-503 0281

Rungkut

Jl Rungkut Madya No. 57
 Surabaya
 Tel: 031-870 4648/871 1079/871 1004/
 871 1106
 Fax: 031-871 1120

Petra

Jl. Siwalankerto, Kampus UK Petra
 Surabaya
 Telp: 031-843 9040/849 4830/849 4831

Kertajaya

Jl. Raya Kertajaya No. 133-134 A
 Surabaya
 Tel: 031-504 9086/5049072
 Fax: 031-504 9087

Mulyosari

Jl Raya Mulyosari No. 166
 Surabaya
 Tel: 031-593 4815/594 1826/594 7598
 Fax: 031-594 5092

Graha Pena

Gedung Graha Pena
 Jl. A Yani No. 88
 Surabaya
 Tel: 031-829 9371/829 9372

STIE Perbanas

Jl. Nginden Semolo 34-36
 Surabaya
 Tel: 031-599 7831/592 4759

Kampus UNAIR

JL. Prof. Moestopo no. 47
 Surabaya
 Tel: 031-504 2647/504 4646/501 7320

Pasar Atum

Pusat Perbelanjaan Pasar Atum
 Jl. Bunguran No. 45
 Surabaya
 Tel: 031-357 3672
 Fax: 031-357 3743

Malang

Jl. Basuki Rakhmat No. 26-28
 Malang
 Telp: 0341-36 3100
 Fax: 0341-327 616

ITN

Jl. Bendungan Sigura-gura No. 2
 Malang
 Tel: 0341-577 700

Galunggung

Jl. Galunggung No. 58
 Malang
 Tel: 0341-581 505
 Fax: 0341-581 506

A. Yani

Jl. A. Yani No. 18-E
 Malang
 Tel: 0341-411 891
 Fax: 0341-411 890

Unibraw

Fakultas Ekonomi Univeritas Brawijaya
 Malang
 Tel: 0341-586 011/586 012
 Fax: 0341-586 011/586 012

RSSA

Rumah Sakit Dr. Saiful Anwar (RSAA)
 Jl. Jaksu Agung Suprpto
 No. 2, Malang
 Tel: 0341-359 960
 Fax: 0341-359 960

Soekarno Hatta

Ruko Soekarno Hatta
 Jl. Sukarno Hatta No. 2-2A
 Malang
 Tel: 0341-404 410/404 416
 Fax: 0331-484264

Sidoarjo

Jl. A. Yani No. 15-A
 Sidoarjo
 Tel: 031-896 1157/896 1159
 Fax: 031-896 1327

Gateway Waru

Ruko Gateway B-9 Sawotratap
 Jl. Suparman Waru
 Sidoarjo 61256
 Tel: 031-854 2908
 Fax: 031-855 4102

Gresik

Jl. Dr. Sutomo No. 32
 Gresik
 Tel: 031 398 2103/398 3995/398 2114
 Fax: 031-398 2605

Jember

Jl. Gajah Mada No. 74
 Jember
 Tel: 0331-487 311
 Fax: 0331-484 264

Kediri

Jl. Diponegoro No.16, Kediri
 Propinsi Jawa Timur
 Tel: 0354-671 777
 Fax: 0354-683 995/671 777

BALI**Badung
Denpasar**

Jl. Melati No. 29
 Denpasar
 Tel: 0361-232 929
 Fax: 0361-263 510

Gatot Subroto

Jl. Gatot Subroto No. 777 X
 Denpasar
 Tel: 0361 428 585
 Fax: 0361 415 844

Sriwijaya

Komplek Pertokoan Sriwijaya, A-8
 Kuta
 Tel: 0361-765 175
 Fax: 0361-759 749

Jimbaran

Jl. Kembar Kampus Unud No. 1,
 Jimbaran
 Badung, Denpasar
 Tel: 0361-742 1658
 Fax: 0361-704 271

Gianyar

Ubud
 Jl. Wanara Wana No. 9A (Monkey
 Forest) Ubud
 Gianyar
 Tel: 0361-972 339
 Fax: 0361-972 340

PAPUA**Mimika****Kuala Kencana**

Suite 103, Kuala Kencana Center
 Timika, Papua
 Tel: 0901-301 234
 Fax: 0901-301 233

Tembaga Pura I

Single Shopping, Mile Post 68
 Tembagapura, Papua
 Tel: 0901-351 234/404 011
 Fax: 0901-351 233

Tembaga Pura II

Family Shopping Center, Mile 68
 Tembagapura, Papua
 Tel: 0901-352 333
 Fax: 0901-352 352

Ridge Camp

Mile Post 72 Ridge Camp
 Tembagapura
 Papua

Yos Sudarso

Jl. Yos Sudarso No. 19A, Timika
 Irian Jaya
 Tel: 0901-323 684/323 685/323 686/
 323 688
 Fax: 0901-323 684

directory of Bank Niaga branches

SUMATRA UTARA

Medan

Bukit Barisan
Jl. Pos (d/h Bukit Barisan) No. 07
Medan 20111
Tel: 061-415 5445/451 2256
Fax: 061-453 0142

Gajah Mada

Jl. Gajah Mada No. 11
Medan 20153
Tel: 061-415 1100
Fax: 061-452 4664

Thamrin Plaza

Jl. Thamrin No. 75-R
Medan
Tel: 061-735 1135
Fax: 061-735 7232

Juanda

Jl. Ir. H Juanda No. 14
Medan
Tel: 061-452 8534
Fax: 061-452 8551

KIM

Kawasan Industri Medan
Jl. Sumatera No. 7
Medan
Tel: 061-684 0080
Fax: 061-685 0090

Medan Mall

Medan Mall, Jl. Puat Pasar No. 10A
Medan
Tel: 061-452 8877
Fax: 061-452 4244

LAMPUNG

Lampung

Jl. Laks. Malahayati No. 34-40
Lampung
Tel: 0721-489 630/489 631/485 773
Fax: 0721-483 296

RIAU

Batam

Jl. Laksamana Bintan, Komp. Executive
Center, Blok I No. 1 ABC, Sei Panas
Batam
Tel: 0778-426 777
Fax: 0778-454 373

Nagoya

Komp. Nagoya Business Center
Blok 6/26, Nagoya
Batam
Tel: 0778-432 832
Fax: 0778-432 834

PEKANBARU

Pekanbaru

Jl. Jend Sudirman Bo.255 CD
Pekanbaru
Tel: 0761-298 68, 295 65
Fax: 0761-298 38

Duri

Jl. Hangtuah No. 410, Duri
Pekanbaru
Tel: 0765-594 760/591 643
Fax: 0765-594 750

Nangka

Jl. Nangka/Tuanku Tambusai
Komp. Taman Mella Blok B No. 7
Pekanbaru
Tel: 0761-572 028
Fax: 0761-572 023

KALIMANTAN TIMUR

Balikpapan

Kompleks Ruko Bandar Balikpapan
Blok C-12A & 14
Jl. Jend. Sudirman, Klandasan Ulu
Balikpapan
Tel: 0542-739 065/739 066/739 067
Fax: 0542-739 069

SULAWESI SELATAN

Makassar

Jl. Ahmad Yani No. 33
Makassar
Tel: 0411-318 718/310 741/310 742
Fax: 0411-317 049

Panakkukang

Jl. Raya Boulevard Ruko Rubby No. 2
Panakkukang
Makassar
Tel: 0411-456 284, 456 285
Fax: 0411-456 286

SULAWESI UTARA

Manado

Jl. Sam Ratulangi No. 205, Manado
Sulawesi Utara
Tel: 0431-863 100, 844 008
Fax: 0431-860 400



Commerce Asset-Holding Berhad
(50841-W)

proxy form

Number of shares _____

I/We _____

of _____

being a member/members of COMMERCE ASSET-HOLDING BERHAD hereby appoint _____

of _____

as my/our proxy to vote for me/us and on my/our behalf at the Forty Seven Annual General Meeting of the Company to be held on Monday, 19 April 2004 and at any adjournment thereof.

As witness my/our hand this _____ day _____ 2004

signed _____

in the presence of _____

My/Our proxy vote as indicated below

Resolution	For	Against
As ordinary business:		
1. Receipt of Audited Financial Statements/Reports	_____	_____
2. Declaration of Dividends	_____	_____
Re-election of Directors:		
3. Tan Sri Datuk Asmat Kamaludin	_____	_____
4. En Mohd Salleh Mahmud	_____	_____
5. Dr. Roslan A. Ghaffar	_____	_____
6. Payment of Directors' fees	_____	_____
7. Re-appointment of Auditors	_____	_____
As special business:		
8. Proposed renewal of the authority for the issue of new ordinary shares	_____	_____
9. Proposed renewal of authority for the purchase of own ordinary shares	_____	_____

NOTES

- Please indicate with an "X" in the appropriate boxes how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit, or at his discretion, abstain from voting.
- A member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies to attend and vote instead of him.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or in some other manner approved by the Directors.
- All proxy forms should be deposited at the Registrar's Office at Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur not less than forty eight hours before the time for holding the meeting or any adjournment thereof.
- For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

fold here

stamp

COMMERCE ASSET-HOLDING BERHAD (50841-W)

Registrar's Office
Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur

fold here