



Bumiputra-Commerce Holdings Berhad (50841-W)
(Formerly known as Commerce Asset-Holding Berhad)

Transforming for **growth**

ANNUAL REPORT 2005

Our strategic transformation is in line with our aim of becoming a leading integrated financial services group in the region, whilst maximising shareholder value.

Corporate

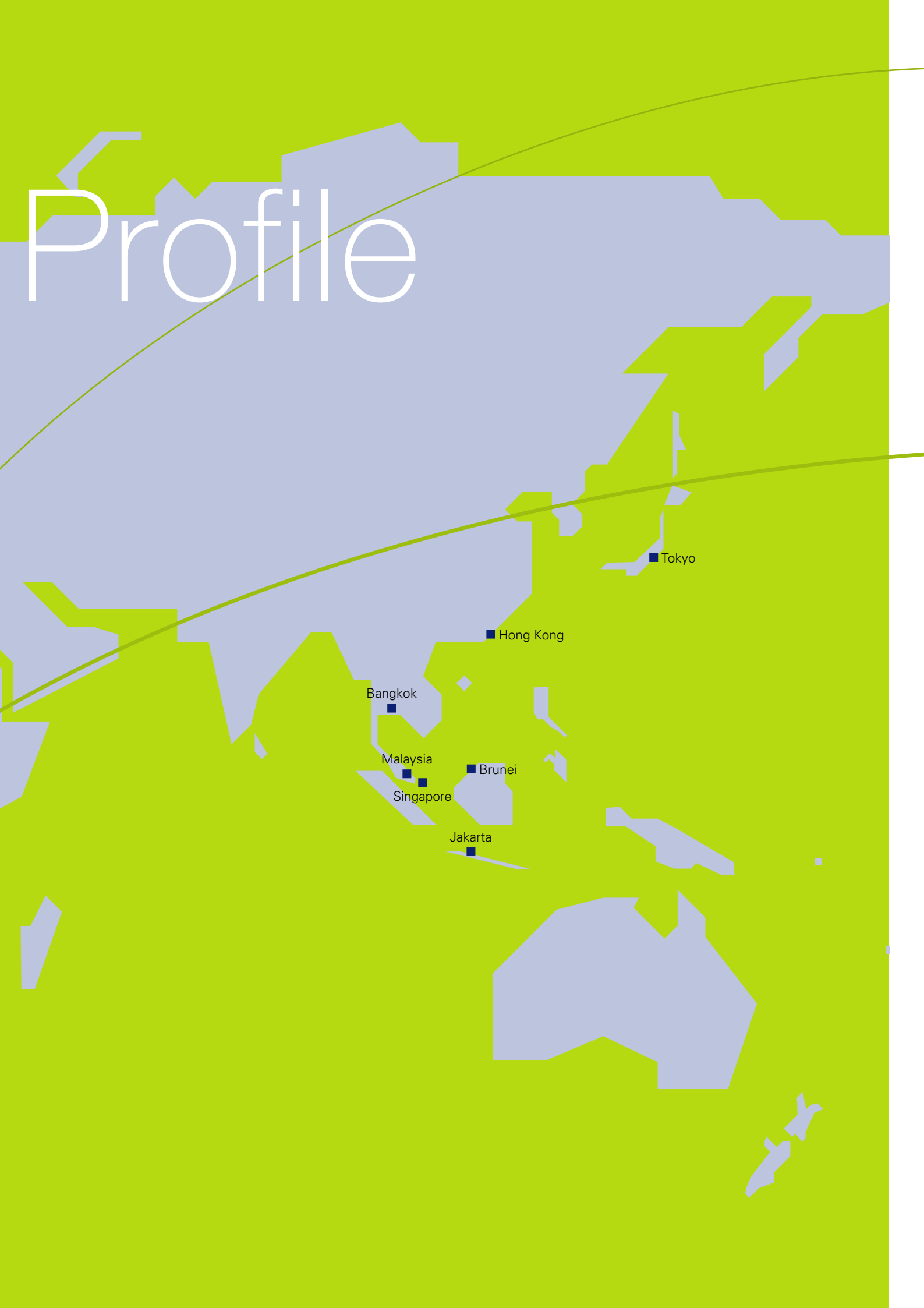
Bumiputra-Commerce Holdings Berhad (BCHB) (formerly known as Commerce Asset-Holding Berhad) Group is a leading financial services player in Malaysia with a growing presence in South East Asia. BCHB has been listed on Bursa Malaysia Securities Berhad since 1987. As at 30 December 2005, it is the eighth largest company by market capitalisation amounting to RM15.698 billion. In 2005, the Group undertook a significant step towards creating a universal banking platform through the internal restructuring of its investment and commercial banking arms, namely CIMB Berhad and Bumiputra-Commerce Bank Bhd. The Group is involved in the full suite of investment banking and commercial banking services.

From a regional perspective, BCHB has a 65% stake in Indonesia's seventh largest bank, P.T. Bank Niaga and in 2005, CIMB acquired the stock broking businesses of GK Goh Holdings Limited, Singapore.

The Group is also involved in venture capital, life & general insurance and takaful business. As for the insurance business, a new insurance holding company, namely Commerce International Group Berhad was established at the end of 2005 to facilitate shared services and provide overall strategic direction for the Group's insurance and takaful businesses.

London

Profile



■ Tokyo

■ Hong Kong

■ Bangkok

■ Malaysia

■ Brunei

■ Singapore

■ Jakarta

contents

Notice of Annual General Meeting	2	Corporate Social Responsibility	62
Statement Accompanying Notice of Annual General Meeting	4	• The Group that Cares	64
Achievements and Awards	10	• BCHB Group 2005 Calendar of Corporate Events	69
Corporate Information	12	Corporate Governance	76
• Group Corporate Structure	14	• Statement on Corporate Governance	78
• Corporate Data	15	• Statement on Internal Control	84
• Board of Directors	16	• Audit Committee Report	86
• Profile of the Directors	18	• Risk Management	88
• Senior Management	22	• Additional Compliance Information	95
• Profile of the Senior Management	23	• Statement of Directors' Responsibility	95
• Profile of Directors for Major Operating Units of the Group	24	• Financial Calendar	96
Performance Review	30	Reports and Financial Statements	97
• Five Year Group Financial Highlights	32	Share Performance	258
• Group Financial Highlights	34	Shareholders' Statistics	259
• Group Performance	35	Properties of the Group	261
• Chairman's Message	37	The Commerce Group	269
• Key Business Review	45	Group Directory	272
– BCB Group	46	Directory of BCB Branches	275
– CIMB Group	50	Directory of Bank Niaga Branches	285
– Bank Niaga	53	Proxy Form	
• Strategic Transformation	56		
• Economic Outlook	59		
• Investor Relations	61		

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Ninth (49th) Annual General Meeting of Bumiputra-Commerce Holdings Berhad will be held at Banquet Hall, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, Kuala Lumpur, on Thursday, 27 April 2006 at 9.30 a.m. to transact the following businesses:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2005 and the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To declare a first and final dividend of 10.0 sen less income tax and special dividend of 5.0 sen less income tax for the year ended 31 December 2005 as recommended by the Directors payable on 29 May 2006 to shareholders registered in the Company's books at the close of business on 8 May 2006. **Resolution 2**
3. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:
 - 3.1 YBhg Tan Sri Dato' Mohd Desa Pachi **Resolution 3**
 - 3.2 YBhg Tan Sri Datuk Asmat Kamaludin **Resolution 4**
 - 3.3 YBhg Dato' Mohd Salleh Mahmud **Resolution 5**
 - 3.4 YBhg Dato' Anwar Aji **Resolution 6**
 - 3.5 En Mohd Shukri Hussin **Resolution 7**
 - 3.6 YBhg Dato' Mohamed Nazir Razak **Resolution 8**
4. To approve the payment of Directors' fees amounting to RM90,000 per director per annum in respect of the year ended 31 December 2005. **Resolution 9**
5. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 10**
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 11**
"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 12**
"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 Bursa Malaysia Securities Berhad ("Bursa Securities") and 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 ("Proposed Shares Buy-Back") as may be determined by the Board of Directors of the Company from time to time through Bursa Securities 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 RM683.6 million and/or share premium account of approximately RM2,038.4 million of the Company based on the audited financial statements for the financial year ended 31 December 2005 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 Bursa Securities **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

NOTICE OF ANNUAL GENERAL MEETING

shall commence immediately upon passing of this ordinary resolution until:

- i. the conclusion of the next AGM of BCHB in 2007 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 Bursa Securities and/or any other relevant authorities.”

NOTICE OF BOOKS CLOSURE

Notice is hereby given that the register of members will be closed from 9 May 2006 to 10 May 2006 (both dates inclusive) to determine shareholders entitlement to the dividend payment. The dividend, if approved will be paid on 29 May 2006 to shareholders whose names appear in the register of members and record of depositors on 8 May 2006.

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 4 May 2006 (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 8 May 2006 in respect of ordinary transfer.
- c. Shares bought on Bursa Securities on a cum entitlement basis according to the rules of the Bursa Securities.

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 (LS 000656)

Idrus Ismail (LS 0008400)

Joint Company Secretaries

Kuala Lumpur

5 April 2006

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. A proxy may but need not be a member of the Company and the provisions of Section 149(1) of the Companies Act, 1965 shall apply to the Company.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. If the appointer is a corporation, the proxy form must be executed either under seal or under the hand of its attorney.
5. For a proxy to be valid, 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.
6. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
7. Explanatory note on special business: Ordinary Resolution 11, 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.
8. The details on Resolution 12 on the proposed renewal of the authority for the purchase of own ordinary shares is contained in the Statement Accompanying Notice of Annual General Meeting in this Annual Report.

Statement Accompanying Notice of Annual General Meeting

Statement Pursuant to Paragraph 8.58(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. Directors who are standing for re-appointments and re-elections at the 49th Annual General Meeting of the Company.

The Directors retiring pursuant to both Section 129(6) of the Companies Act, 1965 and Article 76 of the Company's Articles of Association and seeking re-appointments and re-elections are:

Tan Sri Dato' Mohd Desa Pachi

Tan Sri Datuk Asmat Kamaludin

Dato' Mohd Salleh Mahmud

Dato' Anwar Aji

En Mohd Shukri Hussin and Dato' Mohamed Nazir Razak were appointed as Directors of the Company on 3 January 2006 and on 27 January 2006 respectively. In accordance with Article 83 of the Company's Articles of Association, they are seeking re-election.

The details of all the Directors seeking re-appointment/re-elections are set out on the Directors profile which appear on pages 18 to 21 of the Annual Report.

The details of all the Directors' securities holding in the Company and its subsidiaries (if any) are stated on page 8.

2. Board Meetings held during the financial year ended 31 December 2005.

A total of twelve (12) Board Meetings was held during the financial year ended 31 December 2005 of which four (4) were ordinary Board meetings, seven (7) were Special Board meetings, and one (1) was a Special Joint Board meeting with the Board members of CIMB Berhad and Bumiputra-Commerce Bank Berhad.

Date	Hours	Location	Type
3 February 2005	9.30 a.m	Boardroom, 12th Floor, Commerce Square	Ordinary
9 March 2005	2.00 p.m	Boardroom, 12th Floor, Commerce Square	Special
15 April 2005	9.30 a.m	Boardroom, 12th Floor, Commerce Square	Special
29 April 2005	9.30 a.m	Boardroom, 12th Floor, Commerce Square	Ordinary
5 May 2005	2.30 p.m	Boardroom, 12th Floor, Commerce Square	Special
5 June 2005	9.30 a.m	Boardroom, 10th Floor, CIMB Building	Joint Special
29 July 2005	9.30 a.m	Boardroom, 12th Floor, Commerce Square	Ordinary
16 August 2005	4.00 p.m	Boardroom, 12th Floor, Commerce Square	Special
21 October 2005	3.00 p.m	Boardroom, 12th Floor, Commerce Square	Special
31 October 2005	10.00 a.m	Boardroom, 12th Floor, Commerce Square	Ordinary
9 December 2005	3.00 p.m	Boardroom, 12th Floor, Commerce Square	Special
22 December 2005	9.00 a.m	Boardroom, 12th Floor, Commerce Square	Special

3. Details of attendance at Board Meetings held in the financial year ended 31 December 2005.

Name of Directors	Number of Meetings attended	Percentage of Attendance
Tan Sri Dato' Mohd Desa Pachi	12	100%
Dato' Anwar Aji	10	83%
Dato' Mohd Salleh Mahmud	10	83%
Tan Sri Datuk Asmat Kamaludin	10	83%
Dr. Roslan A. Ghaffar	11	92%
En Izlan Izhah	12	100%
Dr. Rozali Mohamed Ali	8	67%

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Bumiputra-Commerce Holdings Berhad to purchase its own shares
("Proposed Shares Buy-Back")

1. INTRODUCTION

1.1 Renewal Of Authority For Bumiputra-Commerce Holdings Berhad ("the Company" or "BCHB") To Purchase Its Own Shares ("Proposed Shares Buy-Back")

At the Company's Annual General Meeting ("AGM") held on 18 April 2005, the Company had obtained approval from the shareholders of the Company to purchase its own shares as may be determined by the Board of Directors of the Company from time to time through Bursa Securities 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 RM735.1 million and/or share premium account of approximately RM1,881.1 million of the Company based on the audited financial statements for the financial year ended 31 December 2004.

The authority obtained by the Board of Directors for purchasing the Company's own shares in accordance with the Listing Requirements of Bursa Securities governing shares buy-back by listed companies, will lapse at the conclusion of the coming forty-ninth (49th) Annual General Meeting ("AGM").

It is the intention of the Company to renew the authority to purchase its own shares by way of an ordinary resolution.

1.2 Purpose of Statement

The purpose of this Statement is to provide relevant information on the Proposed Shares Buy-Back and to seek your approval for the ordinary resolution, which is to give effect to the Proposed Shares Buy-Back to be tabled at the coming forty-ninth (49th) AGM. A notice of the AGM together with the Proxy Form is set out in this Annual Report.

2. DETAILS OF THE PROPOSED SHARES BUY-BACK

The Board proposes to seek shareholders approval for a renewal of the authority to purchase and/or hold in aggregate of up to ten per centum (10%) of the issued and paid-up share capital of the Company at any point of time through Bursa Securities. Based on the issued and paid up share capital of the Company as at 28 February 2006 of RM2,764,171,260 comprising 2,764,171,260 ordinary shares of RM1.00 each in the Company ("BCHB shares"), a total of 276,417,126 BCHB Shares may be purchased by the Company pursuant to the Proposed Shares Buy-Back. The maximum number of shares that can be bought back under this renewal will take into account the number of shares previously bought back and retained as treasury shares, if any.

Such authority, if so approved, would be effective immediately upon passing of this ordinary resolution until:

- i. the conclusion of the next AGM of BCHB in 2007 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 Bursa Securities and/or any other relevant authorities.

The Board proposed to allocate an amount of up to retained profits and/or share premium account of the Company for the purchase of own shares subject to the compliance with section 67A of the Act (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase ("Prevailing Laws"). The actual number of BCHB Shares to be purchased will depend on the market conditions and sentiments of Bursa Securities as well as the retained profits and the share premium account and financial resources available to the Company. The audited retained profits of the Company as at 31 December 2005 was RM683.6 million whilst the audited share premium account of the Company as at 31 December 2005 was approximately RM2,038.4 million.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Bumiputra-Commerce Holdings Berhad to purchase its own shares ("Proposed Shares Buy-Back")

BCHB may only purchase its own shares at a price which is not more than fifteen per centum (15%) above the weighted average market price for the past five (5) market days immediately preceding the date of the purchase(s). The Company may only resell the purchased shares held as treasury shares at a price which is not less than the weighted average market price of BCHB Shares for the five (5) market days immediately preceding the date of re-sale or not less than five per centum (5%) below the weighted average market price of BCHB Shares for the five (5) market days immediately prior to the re-sale provided that the re-sale takes place no earlier than 30 days from the date of purchase and the re-sale price is not less than the cost of purchase of the BCHB Shares being re-sold. The Company shall, upon each purchase or re-sale of shares, make the necessary announcements to the Bursa Securities.

The Proposed Shares Buy-Back will allow the Board to exercise the power of the Company to purchase its own shares at any time within the abovementioned time period using internal funds of the Company and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on the available internally generated funds, actual number of BCHB Shares to be purchased, the anticipated future cash flows of the Group and other cost factors.

Purchased BCHB Shares held as treasury shares may be distributed as share dividends, re-sold on Bursa Securities in accordance with the relevant rules of Bursa Securities, cancelled or continue to be retained as treasury shares. The decision whether to retain the purchased shares as treasury shares, to cancel the shares purchased, distribute the treasury shares as share dividends and/or resell the treasury shares on Bursa Securities will be made by the Board at the appropriate time.

The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits or the share premium account of the Company. The treatment of the purchased shares held as treasury shares either distributed as share dividends or resold by the Company on Bursa Securities or both will in turn, depend on the availability of, among others, retained profits, share premium account and tax credits (in relation to Section 108 of the Income Tax Act 1967) of the Company.

While the purchased shares are held as treasury shares, the rights attached to them as to voting, dividends and participation in any other distributions or otherwise are suspended and the treasury shares shall not be taken into account in calculating the number of percentage of shares or of a class of shares in the Company for any purposes including, without limiting the generality of the provision of Section 67A of the Act, the provisions of any law or requirements of the Articles of Associations of the Company or the Listing Requirements governing substantial shareholding, takeovers, notices, the requisitioning of meetings, quorum for a meeting and the result of a vote on a resolution at a meeting.

The Proposed Shares Buy-Back will be carried out in accordance with the Prevailing Laws at the time of the purchase including compliance with the public shareholding spread as required by the Listing Requirements.

The public shareholding spread of the Company before and after the Proposed Shares Buy-Back is as follows:

	Before the Proposed Shares Buy-Back	After the Proposed Shares Buy-Back
Public shareholding spread	56.85% * ¹	52.06% * ²

Notes:

*¹ As at 28 February 2006

*² Based on the assumptions that:

- (i) the Proposed Shares Buy-Back involves the aggregate purchase of 276,417,126 BCHB Shares (being an amount of 10% of the issued and paid up share capital of the Company as at 28 February 2006) which are to be retained as treasury shares; and
- (ii) the number of BCHB Shares held by Directors of the BCHB Group, the substantial shareholders of BCHB and persons connected to them remains unchanged.

3. RATIONALE FOR THE PROPOSED SHARES BUY-BACK

The Proposed Shares Buy-Back will enable the BCHB to utilise any of its surplus financial resources to purchase BCHB Shares. The increase in Earnings Per Share (EPS), if any, arising from the Proposed Shares Buy-Back is expected to benefit the shareholders of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Bumiputra-Commerce Holdings Berhad to purchase its own shares
 (“Proposed Shares Buy-Back”)

The purchased shares can be held as treasury shares and re-sold on Bursa Securities with the intention of realising potential gain without affecting the total issued and paid-up share capital of the Company. The distribution of the treasury shares as share dividends also serves to reward the shareholders of the Company.

4. EVALUATION OF THE PROPOSED SHARES BUY-BACK

4.1 Advantages

The potential advantages of the Proposed Shares Buy-Back are as follows:

- (i) Allows the Company to take preventive measures against excessive speculation, in particular when the Company’s shares are undervalued;
- (ii) Allows the Company more flexibility in fine-tuning its capital structure;
- (iii) The resultant reduction of share capital base is expected to improve the earnings per share and may strengthen the net tangible assets (“NTA”) of the remaining shares as well as the probability of declaring a higher quantum of dividend in future;
- (iv) To stabilise a downward trend of the market price of the Company’s shares;
- (v) Treasury shares can be treated as long-term investments. It makes business sense to invest in our own Company as the Board of Directors is confident of BCHB’s future prospects and performance in the long term;
- (vi) If the Treasury shares are distributed as dividend by the Company, it may then serve to reward the shareholders of the Company.

4.2 Disadvantages

The potential disadvantages of the Proposed Shares Buy-Back are as follows:

- (i) The purchase can only be made out of distributable reserves resulting in a reduction of the amount available for distribution as dividends and bonus issues to shareholders; and
- (ii) The purchases of existing shares involve cash outflow from the Company which may otherwise be retained in the business to generate greater profits.

Nevertheless, the Board of Directors will be mindful of the interests of BCHB and its shareholders in undertaking the Proposed Shares Buy-Back.

5. EFFECTS OF PROPOSED SHARES BUY-BACK

Assuming that the Company purchases up to 276,417,126 BCHB Shares representing approximately ten per centum (10%) of its issued and paid-up share capital as at 28 February 2006 and such shares purchased are cancelled or alternatively be retained as treasury shares or both, the effects of the Proposed Shares Buy-Back on the share capital, NTA, working capital, earnings and substantial shareholders’ and Directors’ shareholdings as well as the implication relating to the Malaysian Code on Take-Overs and Mergers 1998 are as set out below:

5.1 Share Capital

In the event that all BCHB Shares purchased are to be cancelled, the Proposed Shares Buy-Back will result in the issued and paid-up share capital of BCHB as at 28 February 2006 be reduced from RM2,764,171,260 comprising 2,764,171,260 BCHB Shares to RM2,487,754,134 comprising 2,487,754,134 BCHB Shares. However, it is not expected to have any effect on the issued and paid-up share capital if all BCHB Shares purchased are to be retained as treasury shares.

The effects of the Proposed Shares Buy-Back on the issued and paid up share capital of BCHB are illustrated below:

	As per audited financial statements as at 31 December 2005	As at 28 February 2006	After share purchase and cancellation
Issued and paid up share capital (RM)	2,756,398,260	2,764,171,260*1	2,487,754,134*2

Notes:

*1 After issuance of 7,773,000 BCHB Shares pursuant to Employee Share Option Scheme

*2 Assuming approximately 10% or 276,417,126 BCHB Shares are purchased and cancelled

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Bumiputra-Commerce Holdings Berhad to purchase its own shares
("Proposed Shares Buy-Back")

5.2 Net Tangible Asset ("NTA") and Working Capital

The effects of the Proposed Shares Buy-Back on the NTA per share of the Group are dependent on the purchase prices of BCHB Shares and the effective funding cost or loss in interest income to the Group.

If all BCHB Shares purchased are to be cancelled or retained as treasury shares, the Proposed Shares Buy-Back will reduce the NTA per share when the purchase price exceeds the NTA per share at the relevant point in time. On the contrary, the NTA per share will be increased when the purchase price is less than the NTA per share at the relevant point in time.

The Proposed Shares Buy-Back will reduce the working capital of the Group, the quantum of which will depend on the amount of financial resources to be utilised for the purchase of BCHB Shares.

5.3 Earnings

The effects of the Proposed Shares Buy-Back on the Earnings Per Share (EPS) of the Group are dependent on the purchase prices of BCHB Shares and the effective funding cost or loss in interest income to the Group.

5.4 Substantial Shareholders' and Directors' Shareholdings

The effects of the Proposed Shares Buy-Back on the substantial Shareholders' and Directors' shareholdings based on the Register of Substantial Shareholders and the Register of Directors shareholdings respectively as at 28 February 2006 are as follows:

Substantial Shareholders	No. of BCHB Shares Held							
	Before the Proposed Shares Buy-Back				After the Proposed Shares Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Khazanah Nasional Berhad* ¹	660,808,872	23.91	–	–	660,808,872	26.56	–	–
Employees Provident Fund Board* ²	531,714,524	19.24	–	–	531,714,524	21.37	–	–

Notes:

*¹ 640,808,872 BCHB Shares are held directly and the remaining 20,000,000 BCHB Shares are held through nominee companies.

*² 525,560,401 BCHB Shares are held directly and the remaining 6,154,123 BCHB Shares are held through nominee companies.

Directors	No. of BCHB Shares Held							
	Before the Proposed Shares Buy-Back				After the Proposed Shares Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Tan Sri Dato' Mohd Desa Pachi	–	–	–	–	–	–	–	–
Dato' Anwar Aji	–	–	–	–	–	–	–	–
Dato' Mohd Salleh Mahmud	–	–	–	–	–	–	–	–
Tan Sri Datuk Asmat Kamaludin* ¹	–	–	17,000* ²	–	–	–	17,000* ²	–
Dr. Roslan A Ghaffar	–	–	–	–	–	–	–	–
En. Izlan Izhah	–	–	–	–	–	–	–	–
Dato' Mohamed Nazir Razak	100,000* ²	–	–	–	100,000* ²	–	–	–
En. Mohd Shukri Hussin* ³	112* ²	–	–	–	112* ²	–	–	–

Notes:

*¹ The shareholding of Tan Sri Datuk Asmat Kamaludin is held indirectly by his children.

*² Below 0.1% of BCHB's equity as at 28 February 2006.

*³ En. Mohd Shukri Hussin's shareholding does not include 300,000 share options granted under the employee share option scheme and 10,000,000 share options granted under the Management Equity Scheme ("MES"), which have not been exercised.

Save as disclosed above, none of the Directors, substantial shareholders, and persons connected with Directors and/or substantial shareholders has held any BCHB Shares.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Bumiputra-Commerce Holdings Berhad to purchase its own shares
("Proposed Shares Buy-Back")

6. APPROVAL REQUIRED

The Proposed Shares Buy-Back is conditional upon the approval of the shareholders of BCHB at the forthcoming AGM.

7. SHARE PRICES

The monthly highest and lowest prices per share of BCHB Shares traded on Bursa Securities for the last twelve (12) months from March 2005 to February 2006 are as follows:

	High (RM)	Low (RM)
2005		
March	4.76	4.54
April	4.60	4.46
May	4.72	4.56
June	5.15	4.60
July	5.90	5.05
August	5.70	5.30
September	5.85	5.55
October	5.75	5.50
November	5.60	5.20
December	5.75	5.30
2006		
January	5.65	5.50
February	5.95	5.70

8. PURCHASES AND RE-SALES MADE IN THE PREVIOUS TWELVE (12) MONTHS

There were no share buy-back transactions and resale of treasury shares during the previous twelve months.

9. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors and substantial shareholders of the Company have any interest, direct or indirect in the Proposed Shares Buy-Back and, if any, the resale of treasury shares. None of the persons connected to the Directors and substantial shareholders of the Company have any interest, direct or indirect in the Proposed Shares Buy-Back and if any, the resale of treasury shares.

10. DIRECTORS' RECOMMENDATION

After careful consideration, your Board is of the opinion that the Proposed Shares Buy-Back is in the interest of the Company. Accordingly, they recommend that you vote in favour of the ordinary resolution for the Proposed Shares Buy-Back to be tabled at the forthcoming AGM.

11. MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 1998 ("CODE")

The Proposed Shares Buy-Back if carried out in full (whether shares are cancelled or treated as treasury shares) may result in a substantial shareholders and/or parties acting in concert with it incurring a mandatory general offer obligation. In this respect, the Board is mindful of the provision under Practice Note 2.7 and 2.9 of the code.

12. STATEMENT BY BURSA SECURITIES

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or reliance upon the whole or any part of the contents of this Statement.

Achievements & Awards

BUMIPUTRA-COMMERCE BANK BERHAD

- Top SMI supporter for ten consecutive years by Credit Guarantee Corporation.

CIMB BERHAD GROUP

- “Visionaries and Leaders Series” South East Asian Honoree to Dato’ Mohamed Nazir Razak by Visionaries & Leaders Series.
- Best bookrunner of Malaysian Ringgit Bonds and Best Malaysian Ringgit Bond by Euroweek.
- Regional award for Best Client Servicing: Runner up (Merit Award), Marketing Personality of the Year (Puan Noripah Kamso), Malaysia’s Most Innovative Product and Most Improved Fund House by Asia Asset Management.
- Best Country Deal for Malaysia, Inaugural Best Islamic Finance Deal, Best Domestic Securitisation Deal in Asia, Best Equity House, Best Broker and Best Investment Bank Malaysia by Finance Asia.
- Number 2 in RM Forward Rate Agreements and Number 1 in RM Interest Rate Swaps by AsiaRisk Interdealer survey.
- Investment Grade Bond of the Year, Malaysia Bond of the Year and Malaysian Equity Deal Awards by IFR Asia’s Review of the year.
- The Outstanding Islamic Financial Institution (CIMB Islamic) by International Institute of Islamic Finance.
- Islamic Finance Deal of the Year, Islamic Finance Product of the Year (Islamic Profit Rate Swap), Best Private Bank in Malaysia, Best Islamic Bank in Malaysia, Best M&A House and Best Domestic Equity House by Euromoney.
- Best Local Brokerage, number 3 in Overall Country Research, Best Overall Sales Services, number 2 in Best Sales Person, Best Execution and Sales Trading, Best Domestic Brokerage House, Best M&A House and Best Domestic Equity House by Asiamoney.



- Best Investor Relations in the Singapore market by a Malaysian Company by IR Magazine.
 - Best Debt House, Best Equity House and Best Domestic Investment Bank by The Asset.
 - Number 1 Counterparty for both Corporate and Government Bonds and Malaysia's Top Asian Stockbroker by The Asset Research Benchmark.
 - Special Merit Award-Malaysian Top Lead Manager 2004 for Overall Corporate Bond Market, Top Lead Manager 2004 for Number of Deals & by Issue Value, Top Lead Manager (Islamic) 2004 for Number of Deals and Issue Value by RAM.
 - Lifetime Dana Barakah and Lifetime Bond Fund by the Star/Standard & Poor's 2005 Malaysia Fund Awards.
- PT BANK NIAGA**
- The Most Active Custodial Bank by Surabaya Stock Exchange.
 - Call Centre Level Award 2005 in the Banking Category by Frontier Center and Marketing Magazine.
 - Ranked Second in Best Service Performance by Marketing Research Indonesia under category of assets below IDR 50 trillion.
 - Ranked Second in Corporate Governance Perception Index by Indonesian Institute of Corporate Governance.
 - Best Bank 2005 in the Recap Bank category for assets between IDR 10-50 trillion by Investor Magazine.
 - First in Annual Report Awards 2004 in Private Sector Listed Financial Companies category in the National Annual Report Award.
 - Best Local Cash Management Bank by Asiamoney.
 - Innovation Award in customer service and ranked 5th in the top twenty best value creator bank by SWA magazine.



Group Corporate Structure	14
Corporate Data	15
Board of Directors	16
Profile of the Directors	18
Senior Management	22
Profile of the Senior Management	23
Profile of Directors for Major Operating Units of the Group	24

Corporate



INFORMATION

Group Corporate Structure as at 31 December 2005

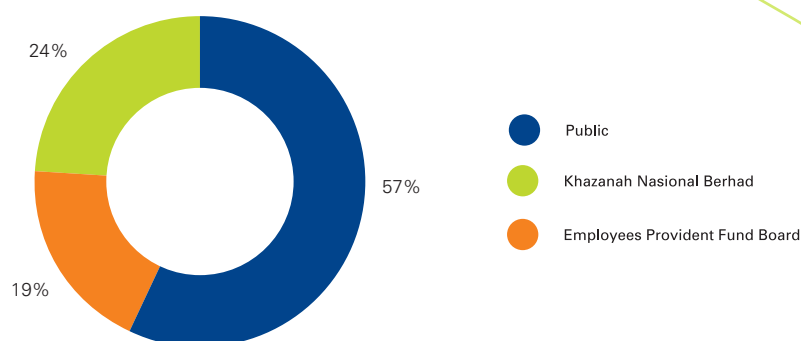
Bumiputra-Commerce Holdings Berhad

Bumiputra-Commerce Bank Berhad	BOC Nominees Sdn Bhd
CIMB Berhad	BOC Nominees (Tempatan) Sdn Bhd
Commerce Asset Ventures Sdn Bhd	BOC Nominees (Asing) Sdn Bhd
Commerce Asset Realty Sdn Bhd	Bumiputra-Commerce Nominees Sdn Bhd
Commerce Capital (Labuan) Ltd	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd
Commerce Asset Nominees Sdn Bhd	Bumiputra-Commerce Nominees (Asing) Sdn Bhd
Commerce International Group Berhad	Bumiputra-Commerce Finance Berhad
Commerce Assurance Berhad	<ul style="list-style-type: none"> • I-Prestige Sdn Bhd
Commerce Life Assurance Berhad	<ul style="list-style-type: none"> • Proton Commerce Sdn Bhd (Jointly controlled entity)
Commerce Takaful Berhad	Bumiputra-Commerce Trustee Berhad
PT Bank Niaga Tbk (Indonesia)	Bumiputra-Commerce Trust Limited
PT Commerce Kapital (Indonesia)	<ul style="list-style-type: none"> • Bumiputra-Commerce Corporate Services Limited
Rangkaian Segar Sdn Bhd (Associate company)	BBMB Unit Trust Management Berhad
	Bumiputra-Commerce FactorsLease Berhad
	Bumiputra-Commerce Bank (L) Limited
	Semerak Services Sdn Bhd
	BBMB Securities (Holdings) Sdn Bhd
	EPIC-I Sdn Bhd
	South East Asian Bank Ltd (Mauritius)
	Bumiputra-Commerce International Trust (Labuan) Berhad
	Commerce TIJARI Bank Berhad
	Commerce International Merchant Bankers Berhad
	<ul style="list-style-type: none"> • CIMB Holdings Sdn Bhd • CIMB Securities Sdn Bhd • CIMSEC Nominees Sdn Bhd • CIMSEC Nominees (Asing) Sdn Bhd • CIMSEC Nominees (Tempatan) Sdn Bhd • CIMB Securities (Hong Kong) Limited • CIMB Futures Sdn Bhd • CIMB Nominees (Tempatan) Sdn Bhd • CIMB Nominees (Asing) Sdn Bhd • CIMB Discount House Berhad • CIMB (L) Limited • Halyconia Asia Fund Limited (British Virgin Islands) • PT CIMB Niaga Securities (Indonesia) • CIMB Private Equity General Partner Limited • CIMB Mezzanine General Partner Limited • Navis-CIMB General Partner Ltd (Associate company)
	CIMB Private Equity Sdn Bhd
	<ul style="list-style-type: none"> • CIMB PE 1 Sdn Bhd • CIMB Mezzanine 1 Sdn Bhd (Associate company) • Sesama Medical College Management Sdn Bhd (Associate company)
	CIMB ShareTech Sdn Bhd
	<ul style="list-style-type: none"> • ShareTech Nominees (Asing) Sdn Bhd • ShareTech Nominees (Tempatan) Sdn Bhd
	Commerce Asset Fund Managers Sdn Bhd
	CIMB-Principal Asset Management Berhad (formerly known as Commerce Trust Berhad)
	CIMB Real Estate Sdn Bhd
	<ul style="list-style-type: none"> • CIMB-Mapletree Management Sdn Bhd • CMREF 1 Sdn Bhd (formerly known as First Century Dynamics Sdn Bhd) (Associate Company)
	CIMB Group Sdn Bhd
	CIMB-GK Pte Ltd (Singapore)
	<ul style="list-style-type: none"> • CIMB-GK Securities Pte Ltd (Singapore) • CIMB-GK Research Pte Ltd (Singapore) • CIMB-GK Securities (UK) Ltd (United Kingdom) • CIMB-GK Securities (HK) Ltd (Hong Kong) • CIMB-GK Securities (HK) Nominees Ltd (Hong Kong) • PT CIMB-GK Securities Indonesia (Indonesia) (formerly known as PT GK Goh Indonesia)
PT Niaga Aset Manajemen	
PT Saseka Gelora Finance	
PT Asuransi Cigna (Associate company)	
CAV Private Equity Management Sdn Bhd	
<ul style="list-style-type: none"> • Commerce-Meridian Capital Sdn Bhd (Jointly controlled entity) 	
Commerce Technology Ventures Sdn Bhd	
<ul style="list-style-type: none"> • Tacara Sdn Bhd • Dbix Systems Sdn Bhd • Explorium (M) Sdn Bhd 	
Titan Setup Sdn Bhd	
<ul style="list-style-type: none"> • Goodmaid Chemical Corporation Sdn Bhd • Goodmaid Marketing Sdn Bhd • EQ Industry Supplies Sdn Bhd 	
Fortlab Holdings Sdn Bhd	
<ul style="list-style-type: none"> • Fortune Laboratories Sdn Bhd • Fortune Organics (F.E.) Sdn Bhd • Polyscience Manufacturing Sdn Bhd 	
Scan Associates Sdn Bhd	
Sesama Medical College Management Sdn Bhd (Associate company)	
Hicks-Woode Corporate Services Sdn Bhd (Associate company)	
IHS Innovations Sdn Bhd (Associate company)	
Meru Utama Sdn Bhd (Associate company)	
Evermal Resources Sdn Bhd (Associate company)	
Upeca Engineering Sdn Bhd (Associate company)	

* The above corporate structure excludes dormant companies.

Major Shareholders

as at 28 February 2006



BOARD OF DIRECTORS

Tan Sri Dato' Mohd Desa Pachi
Chairman

Dr. Rozali Mohamed Ali
Executive Director/
Group Chief Executive Officer
(Retired on 1 January 2006)

Dato' Anwar Aji

Tan Sri Datuk Asmat Kamaludin

Dato' Mohd Salleh Mahmud

Dr. Roslan A. Ghaffar

En Izlan Izhah

En Mohd Shukri Hussin
Managing Director/
Group Chief Executive Officer
(Appointed on 3 January 2006)

Dato' Mohamed Nazir Razak
(Appointed on 27 January 2006)

JOINT COMPANY SECRETARIES

En Jamil Hajar Abdul Muttalib
(LS. 000656)

En Idrus Ismail
(Appointed as Joint Company Secretary
on 1 August 2005)
(LS 0008400)

AUDITORS

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

REGISTRARS

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

Bursa Malaysia Securities Berhad
(Bumiputra-Commerce Holdings Berhad
was 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

Board of Directors



Tan Sri Dato' Mohd Desa Pachi (Chairman)

Dr. Rozali Mohamed Ali • Dato' Anwar Aji • Dato' Mohamed Nazir Razak • En Mohd Shukri Hussin

Dato' Mohd Salleh Mahmud • Dr. Roslan A. Ghaffar • En Izlan Izhah • Tan Sri Datuk Asmat Kamaludin



Profile of the Directors

Tan Sri Dato' Mohd Desa Pachi

Aged 71, Tan Sri Dato' Mohd Desa was appointed to the Board of BCHB on 3 September 1982 as Chairman and Independent Non-Executive Director. He is also the Chairman of the Nomination and Remuneration Committee. Tan Sri Dato' Mohd Desa has been identified as the Senior Independent Non-Executive Director to whom concerns can be conveyed. Tan Sri Dato' Mohd Desa attended all of the 12 Board Meetings held during the year ended 31 December 2005.

He is a Chartered Accountant and is a Fellow of the Institute of Chartered Accountants in Australia. He studied accountancy in Melbourne, Australia under a Colombo Plan Scholarship. 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 Press (Malaysia) Berhad and Chairman of Sistem Televisyen Malaysia Berhad (TV3).

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

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

Dr. Rozali Mohamed Ali

Aged 57, Dr. Rozali was appointed as a Director of the Company on 6 July 1993 and assumed the post of Executive Director/Group CEO in September 2004. He was the Managing Director/Chief Executive Officer of Bumiputra-Commerce Bank Berhad from June 2000 to August 2004. He was also the Chairman of CIMB Berhad. He was appointed as President-Commissioner, PT Bank Niaga Tbk in November 2002. Dr. Rozali attended 8 out of the 12 Board meetings held during the year ended 31 December 2005.

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 Bumiputra-Commerce Holdings Berhad, 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.

He is a member of the MIDA Council and the Malaysian Energy Commission. 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 was a member of the Group Risk Management Committee and Building Committee and Chairman of the ESOS Committee.

Dr. Rozali retired from the Company on 1 January 2006.

Dato' Anwar Aji

Aged 55, Dato' Anwar was appointed as a Non-Independent Non-Executive Director of the Company on 1 June 1999. He graduated from University Malaya with Honours in Economics in 1973 and obtained his Masters in International Studies from Ohio University, USA in 1982. He started his career with the Government and has held various posts in the Ministry of Trade and Industry, the Prime Minister's Department and the Ministry of Finance. He joined Khazanah Nasional Bhd in 1994 and left the company in May 2004 where his last post was as Managing Director.

Dato' Anwar is currently the Chairman of Faber Group Bhd and Inter Heritage (M) Sdn Bhd. He also sits on the Board of Commerce Tijari Bank Berhad. He also sits on the Board of STLR Sdn Bhd, Sistem Transit Aliran Ringan Sdn Bhd and Bakun Hydro Electric Corporation Sdn Bhd.

Dato' Anwar is a member of the Nomination and Remuneration Committee. He attended 10 out of 12 Board Meetings held during the year ended 31 December 2005.

Tan Sri Datuk Asmat Kamaludin

Tan Sri Datuk Asmat Kamaludin, aged 62, was appointed to the Board as an Independent Non-Executive Director on 14 June 2001.

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 had held for 9 years. Dealing with both domestic and international trade sectors at MITI, he has also worked with several international bodies such as ASEAN, WTO and APEC, representing Malaysia in relevant negotiations and agreements. Tan Sri Datuk Asmat has also served on the Boards of various companies as MITI's representative including MATRADE, SMIDEC and Perbadanan Johor.

Currently, Tan Sri Datuk Asmat is the Chairman of UMW Holdings Berhad, PANASONIC Manufacturing Malaysia Berhad (formerly known as 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, Lion Industries Corporation Berhad, YTL Cement Berhad (as Vice Chairman) and Permodalan Nasional Berhad. Tan Sri Datuk Asmat is also the Chairman of Salwan Corporation Berhad, Trans-Asia Shipping Corporation Berhad and Compugates Holdings 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 10 out of the 12 Board Meetings held during the year ended 31 December 2005.

Dato' Mohd Salleh Mahmud

Aged 54, Dato' 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 Master 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 1981. He has served in the Accountant General Department since 1996 and was appointed as the Accountant General Malaysia in May 2005. Currently, Dato' Mohd Salleh sits on the Board of Time dotCom Berhad and Syarikat Ladang Rakyat Trengganu Sdn Bhd. Dato' Mohd Salleh is a member of the Audit Committee, Group Risk Management Committee and Chairman of the Building Committee.

Dato' Mohd Salleh attended 10 of the 12 Board Meetings held during the year ended 31 December 2005.

PROFILE OF THE DIRECTORS

Dr. Roslan A. Ghaffar

Dr. Roslan A. Ghaffar, 53, 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 Ph.D from University of Kentucky, Lexington. He began his career as a lecturer in University Putra Malaysia before his secondment to the EPF in 1994 as a Senior Director. Commencing from 1999, he was transferred permanently to the EPF.

Dr. Roslan sits on the Board of Directors of several private companies in the EPF Group and Malaysian Resources Corporation Berhad. Dr. Roslan also sits on the Board of Commissioners of P.T Bank Niaga Tbk. He has attended 11 out of the 12 Board Meetings held during the year ended 31 December 2005.

En Izlan Izhab

En Izlan Izhab, aged 60, was appointed as an Independent Non-Executive Director of BCHB on 26 July 2004. En Izlan is also appointed as a member of the Audit Committee and chairs the Building Tender Committee for the year ended 31 December 2005.

En Izlan holds a Bachelor of Laws degree from the University of London and attended the Advanced Management Program of the University of Hawaii. He began his career as an Assistant Legal Officer at Majlis Amanah Rakyat. He was Company Secretary of Kompleks Kewangan Malaysia Berhad (1 April 1975 - 31 July 1978) and of Permodalan Nasional Berhad (1978 - 31 December 1984).

From 1985 to 2000, En Izlan was attached with the Kuala Lumpur Stock Exchange, with his last post as Executive Vice President, Corporate and Legal Affairs. He sits on the Board of Directors of the following public companies: Apex Equity Holdings Berhad, Nexnews Berhad, OSK-UOB Unit Trust Management Berhad, Ramunia Holdings Berhad, Malaysia Airports Holdings Berhad and N2N Connect Berhad (as Chairman). En Izlan is also Chairman of Commerce Takaful Berhad. He is a member of Bursa Malaysia Berhad's Appeals Committee. En Izlan attended all 12 Board meetings held during the year.

En Mohd Shukri Hussin

En Mohd Shukri, aged 51, has been the Chief Operating Officer of BCHB since February 2003. He was appointed as Managing Director/Group CEO on 3 January 2006. He holds a Bachelor of Economics (Hons) Degree from the University of Malaya and qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW).

He is also a Director of Commerce Capital (Labuan) Limited since 2 August 2004 and was appointed as a Director of Commerce Tjari Bank Berhad on 2 November 2004. He has held various senior positions within BCHB Group including as Chief Executive Officer of Bank Muamalat Malaysia Berhad from 1999 to 2003 and Chief Executive Officer of CIMB Securities Sdn Bhd from 1992 to 1999.

He is a member of Group Risk Management Committee and Building Committee and Chairman of the ESOS Committee since 27 January 2006.

Dato' Mohamed Nazir Razak

Dato' Mohamed Nazir Razak, aged 39, is the Group Chief Executive/Managing Director of CIMB Group. He was appointed as a Non-Independent Non-Executive Director of the Company on 27 January 2006.

Dato' Mohamed Nazir graduated from University of Bristol with a BSc (Hons) and obtained a Master of Philosophy from the University of Cambridge. He joined CIMB's Corporate Advisory department in 1989 and managed various fund raising, privatisations, listings and corporate restructuring exercises. In 1993, he was transferred to CIMB's wholly-owned subsidiary CIMB Securities where he rose to Executive Director with responsibility for its institutional business comprising equities research, sales and dealing. He moved back to CIMB as Deputy Chief Executive on 1 June 1996 and was appointed as a Director on 15 November 1996. He became Chief Executive on 1 June 1999.

Dato' Mohamed Nazir is a member of the Investment Panel of the Employees Provident Fund, the Securities Commission's Capital Market Advisory Council and the Asia Business Council. He is also a director of CIMB-GK Pte Ltd, Bumiputra-Commerce Bank Berhad, the Multimedia Development Corporation and the Kuala Lumpur Business Club. He was Chairman of the Industry Action Committee to set up MESDAQ, the stock exchange for high growth companies and a member of the Advisory Panel for Bank Negara's Financial Services Master Plan. He is President of University of Bristol Alumni Association and a trustee of the Rahah Foundation.

In 2005, Dato' Mohamed Nazir was named the "Visionaries & Leaders Series" honoree for Southeast Asia. He was the winner of the Malaysia's CEO of the Year Award 2004 organised by Business Times and American Express Global Corporate Services. He was also named one of the "25 Stars of Asia" by BusinessWeek magazine and one of the World Economic Forum's Young Global Leaders.

Note to Profile of Directors:-

- 1) All members of the BCHB Board are Malaysians.
- 2) None of the Directors has:-
 - Any family relationship with any Director and/or major shareholder of BCHB.
 - Any conflict of interest with BCHB.
 - Any conviction of offences within the past 10 years other than traffic offences.

Senior Management

from left to right

En Mohd Shukri Hussin

Managing Director/Group Chief Executive Officer (appointed on 3 January 2006)

Dr. Rozali Mohamed Ali

Executive Director/
Group Chief Executive Officer (retired on 1 January 2006)

En Jamil Hajar Abdul Muttalib

Executive Vice President/Company Secretary

Dato' Halim Muhamat

Group Corporate Advisor (resigned on 31 January 2006)

En Idrus Ismail

Senior Vice President (Legal & Secretarial)/Joint Company Secretary

En Aznam Shahuddin

Senior Vice President (Planning and Risk Management)

En Zamri Mohd Radzi

Senior Vice President (Corporate Services)



Profile of the Senior Management

Dr. Rozali Mohamed Ali

Executive Director/Group Chief Executive Officer (Retired on 1 January 2006)

(Profile as per Bumiputra-Commerce Holdings Berhad's Board of Directors)

En Mohd Shukri Hussin

Managing Director/Group Chief Executive Officer (Appointed on 3 January 2006)

(Profile as per Bumiputra-Commerce Holdings Berhad's Board of Directors)

En Jamil Hajar Abdul Muttalib

Executive Vice President/Company Secretary

En Jamil, aged 55, holds a Bachelor of Laws Degree (University of London) and is a Barrister-at-Law (Lincoln's Inn, London). He is currently the Executive Vice President/Company Secretary of BCHB. He served in the Malaysian Government's judicial and legal service for nine years as a magistrate, sessions judge, deputy public prosecutor and senior federal counsel before joining Fleet Group Sdn Bhd in 1985 as its Legal Advisor and Company Secretary. He was also the Legal Advisor and Company Secretary of Renong Berhad from 1990 to 1992. He has spent more than 14 years with BCHB Group. He is presently the Chairman of Commerce Asset Ventures Sdn Bhd, a Director of Commerce Assurance Berhad, Commerce Life Assurance Berhad, Commerce Takaful Berhad, Commerce International Group Berhad and Commerce Capital (Labuan) Limited.

Dato' Halim Muhamat

Group Corporate Advisor (Resigned on 31 January 2006)

Dato' Halim, aged 58, was appointed as Group Corporate Advisor in February 2004. Dato' Halim had a long and distinguished career at Bank Bumiputra Malaysia Berhad which he joined in 1967. He served as Executive Director and Chief Operating Officer of BCB before his appointment as Group Corporate Advisor at BCHB.

He is at present the Chairman of Commerce International Group Berhad and a Director of Commerce Assurance Berhad, Commerce Life Assurance Berhad, Commerce Takaful Berhad and a member of the Board of Commissioners of PT Bank Niaga.

En Idrus Ismail

Senior Vice President, Legal & Secretarial/Joint Company Secretary

En Idrus, aged 52, graduated in law from the National University of Singapore in 1987, and in economics from Universiti Malaya in 1977. Starting out as a management executive with PETRONAS Berhad, he had a stint with Business Times as a journalist before taking up law. Since 1988, he was company secretary/In House Counsel to two financial institutions (Ban Hin Lee Bank Berhad and Bank Muamalat Malaysia Berhad) prior to joining BCHB in August 2005.

En Aznam Shahuddin

Senior Vice President, Planning & Risk Management

En Aznam, aged 41, joined BCHB in May 2001. He graduated in accountancy from University of Central England, Birmingham and qualified as a Chartered Accountant with the Institute of Chartered Accountants in England and Wales (ICAEW). Prior to joining BCHB, he served at Perbadanan Nasional Berhad and Scomi Engineering Berhad (formerly known as Bell & Order Berhad).

En Zamri Mohd Radzi

Senior Vice President, Corporate Services

En Zamri, aged 35, holds a Bachelor of Accountancy (Hons) degree from International Islamic University, Malaysia. He is a qualified Chartered Accountant and is a member of the Malaysian Institute of Accountants. Prior to joining BCHB in August 1998, he was an auditor with a public accounting firm, Coopers & Lybrand.

Profile of Directors for Major Operating Units of the Group

BCB

BOARD OF DIRECTORS OF BUMIPUTRA-COMMERCE BANK BERHAD

Tan Sri Dato' Seri Haidar Mohamed Nor

Tan Sri Dato' Seri Haidar, aged 66, was appointed as an Independent Non-Executive Chairman of BCB on 3 May 2005, taking over from Tan Sri Radin Soenarno Al-Haj who retired on 12 April 2005. He is the Chairman of the Risk Management Committee and the Nominating Committee.

Tan Sri Dato' Seri Haidar was the Chief Judge of Malaya from December 2002 until November 2004, and has a long and distinguished record of service with the Malaysian judiciary.

Tan Sri Dato' Seri Haidar, qualified as a Barrister-at-Law from Lincoln's Inn, United Kingdom in 1966, began his service with the Magistrate Court in Kuala Lumpur in February 1967. He then became Senior Federal Counsel with the Attorney General's Chambers in Kuala Lumpur and this was followed with appointments as Senior President at the Sessions Court in Pulau Pinang, Alor Setar and Kuala Lumpur between 1974 and 1980. Tan Sri Dato' Seri Haidar had also held the position as State Legal Adviser in Pulau Pinang and Perak.

After becoming Chief Registrar at the Supreme Court in Kuala Lumpur in 1983, he served as Judge at the High Courts in Kuching, Johor Bahru and Kuala Lumpur until January 1998. He was Judge at the Court of Appeal and the Federal Court of Malaysia in Kuala Lumpur before being appointed Chief Judge of Malaya from 2002 until his retirement in November 2004.

Prior to his appointment as Chairman of BCB's Board of Directors, Tan Sri Dato' Seri Haidar was the Chairman of the Financial Mediation Bureau, an independent body with members from the financial institutions and financial services providers. The Bureau helps to settle certain financial disputes as an alternative to the courts.

Tan Sri Dato' Seri Haidar is also Chairman of Bumiputra-Commerce Trustee Berhad and Bumiputra-Commerce Trust Limited, subsidiary companies of BCB. He is also a Trustee of the Perdana Leadership Foundation.

Tan Sri G.K. Rama Iyer

Aged 73, Tan Sri G.K. Rama Iyer has been an Independent Non-Executive Director of BCB since June 1987. He is Chairman of the Audit Committees of BCB and Bumiputra-Commerce Bank (L) Limited, a subsidiary of BCB. In addition, he is Chairman of the Remuneration Committee and a member of the Nominating Committee and the Risk Management Committee.

Tan Sri Rama holds a Master's degree in Public Administration from Harvard University, USA and a B.A. Hons. (Econs) degree from University of Malaya (Singapore). He has also completed the Advanced Management Programme course at Harvard Business School.

PROFILE OF DIRECTORS FOR MAJOR OPERATING UNITS OF THE GROUP

During his 30 years' career in the civil service, he had been Secretary-General of the Ministry of General Planning and Social Economic Research, the Ministry of Works and Utilities and the Ministry of Primary Industries. He was also the first Chairman of Malaysian Airline System and a Director of Malaysian International Shipping Corporation.

Tan Sri Rama is also a Director of Bumiputra-Commerce Bank (L) Limited, YTR Harta Sdn Bhd and Maritime Institute of Malaysia.

Dato' Dr. Mohamad Zawawi Ismail

Dato' Dr. Mohamad Zawawi Ismail, aged 59, joined the Board as an Independent Non-Executive Director in October 2001. He is also a member of the Remuneration Committee, the Nominating Committee, the Audit Committee and the Risk Management Committee.

Dato' Dr. Zawawi gained both his degree and doctorate in electronic engineering from Leeds University, England, in 1969 and 1972 respectively. In 1996, he received the honorary degree of Doctor of Engineering from Leeds University, England. He is a Foundation Fellow of the Academy of Sciences Malaysia, a Professional Engineer and a Member of the Institute of Engineers Malaysia, and a Fellow of The Institute of Physics Malaysia for which he served as its President for many years.

Dato' Dr. Zawawi was Professor of Electronic Engineering and the founding Vice-Chancellor of Universiti Malaysia Sarawak (Unimas), a position he held from October 1992 until December 2000. Other previous appointments include Deputy Director-General, Mimos, Dean of Engineering, and Deputy Vice-Chancellor of Universiti Kebangsaan Malaysia. He still maintains links with academia through being an adjunct Professor of the Department of S&T University of Malaya, Chairman Board of Governors Inti College, and a member of the Board of Governors of International Medical University.

Dato' Dr. Zawawi had served several national bodies including National Information Technology Council, National Aerospace Council, National Scientific Research and Development Council, and National Higher Education Council. He was once advisor to both the National Science Centre and National Planetarium. He is currently a Council Member of the Academy of Sciences Malaysia and Chairman of the IRPA Strategic Research Committee of the Ministry of Science, Technology and Innovation.

He is currently Chairman of EPIC-I Sdn. Bhd. He is also a Director of Commerce Asset Ventures Sdn. Bhd., a subsidiary of BCHB. In addition, Dato' Dr. Zawawi is the Chairman of Mesiniaga Berhad and of Inti Universal Holdings Berhad, both listed companies, and also sits on the Boards of several other private companies.

PROFILE OF DIRECTORS FOR MAJOR OPERATING UNITS OF THE GROUP

Datuk Dr. Syed Muhamad Syed Abdul Kadir

Aged 59, Datuk Dr. Syed Muhamad Syed Abdul Kadir was appointed as an Independent Non-Executive Director of BCB on 8 April 2004. Datuk Dr. Syed is a member of the Remuneration Committee, the Nominating Committee and the Audit Committee.

Datuk Dr. Syed graduated with a Bachelor of Arts (Hons) from the University of Malaya in 1971. He obtained a Masters of Business Administration from the University of Massachusetts, USA in 1977 and proceeded to obtain a Ph.D (Business Management) from Virginia Polytechnic Institute and State University, USA in 1986. In 2005, he obtained a Bachelor of Jurisprudence (Hons) from the University of Malaya.

He started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration (INTAN) and held various positions before his final appointment as Deputy Director (Academic). In November 1988 he joined the Ministry of Education as Secretary of Higher Education and thereafter assumed the post of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management) Finance Division Federal Treasury. From 1993 to 1997, he joined the Board of Directors Asian Development Bank, Manila, Philippines first as Alternate Executive Director and later as Executive Director. Datuk Dr. Syed then joined the Ministry of Finance as Secretary, Tax Analysis Division and later became Deputy Secretary General (Operations). Prior to his retirement, Datuk Dr. Syed was Secretary General, Ministry of Human Resource.

During his career, he wrote and presented many papers relating to Human Resources Development. His special achievement was that his dissertation "A Study on Board of Directors and Organisational Effectiveness" was published by Garland Publisher, Inc. of New York in 1991.

Datuk Dr. Syed is a Director of Bumiputra-Commerce Bank (L) Limited. In addition he is Chairman of Commerce Tijari Bank Berhad, the Islamic Banking subsidiary of BCB. He is also a Director of Export-Import Bank of Malaysia Berhad, Euro Holdings Berhad and Solutions Engineering Holdings Berhad. In addition he holds directorship in a number of private companies.

Dato' Mohamed Nazir Razak

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

PROFILE OF DIRECTORS FOR MAJOR OPERATING UNITS OF THE GROUP



Dr. Rozali Mohamed Ali

Retired on 1 January 2006

Dato' Halim Muhamat

Resigned on 31 January 2006

Dato' Hamzah Bakar

Dato' Hamzah Bakar, aged 62, was appointed as a Director of CIMB Berhad on 28 November 2002 and a Director of CIMB on 26 September 2000. He is also Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees of CIMB Berhad. Presently, he is the Chairman of SapuraCrest Petroleum Berhad (formerly known as Crest Petroleum Berhad) and its subsidiary, Sapura Energy Sdn Bhd, a Director of Scomi Group Berhad and its subsidiaries, Kota Minerals & Chemicals Sdn Bhd and KMC Oiltools Bermuda Ltd. He is also a member of the Board of Commissioners of PT Bank Niaga Tbk and the Board of UEM World Berhad. He served for 20 years in various senior management and Board positions in Petroliam Nasional Berhad ("Petronas"), including Senior Vice President for Refining and Marketing, Senior Vice President for Corporate Planning & Development and Main Board Director. Prior to Petronas, he was a Director of the Economic Planning Unit in the Prime Minister's Department. He 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' Zainal Abidin Putih

Dato' Zainal Abidin Putih, aged 60, was appointed as a Director of CIMB Berhad on 11 July 2003. He also sits on the Board of CIMB, and is the Chairman of the Audit and Nomination Committees, and a member of the Remuneration Committee. He has extensive experience in audit, management consulting and taxation, having been involved as a practising accountant throughout his career. He was the Chairman of Pengurusan Danaharta Nasional Berhad up to 31 December 2005. He is currently the Chairman of the Malaysian Accounting Standards Board and sits on the Boards of Esso Malaysia Berhad and Tenaga Nasional Berhad. He is also a Trustee of the National Heart Institute. He was an Adviser with Ernst & Young Malaysia until his retirement on 31 December 2004 and was formerly the Managing Partner of Hanafiah Raslan & Mohamad, past President of the Malaysian Institute of Certified Public Accountants and previously served as a member of the Malaysian Communication & Multimedia Commission. He 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.

PROFILE OF DIRECTORS FOR MAJOR OPERATING UNITS OF THE GROUP

Dato' Mohamed Nazir Razak

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

Robert Cheim Dau Meng

Robert Cheim Dau Meng, aged 54, was appointed as a Director of CIMB Berhad on 11 June 2002 and CIMB on 17 January 1992. He is presently the Executive Director of CIMB and Chairman of CIMB Securities Sdn Bhd and CIMB Futures Sdn Bhd. He joined CIMB in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of Chief Executive Officer 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 also a Director of CIMB-GK Pte Ltd and is currently the Chairman and Independent Non-Executive Director of Tanjong Plc. He is a Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Malaysian Institute of Accountants.

Zahardin Omardin

Zahardin Omardin, aged 61, was appointed as a Director of CIMB Berhad and CIMB on 5 May 2004. He also sits on the Boards of CIMB Discount House Berhad, CIMB (L) Limited and CIMB Securities Sdn Bhd. He is presently a Partner of Messrs. Chew Kar Meng, Zahardin & Partners and has previously served on the Boards of various companies including Rakyat First Merchant Bankers Berhad. He was formerly the Head of Legal and Secretarial Department/Company Secretary of Rothmans of Pall Mall (Malaysia) Berhad (now known as British American Tobacco (M) Berhad). He qualified as a Barrister-at-Law from the Inns of Court School of Law, United Kingdom in 1973. Upon graduation, he worked at The Royal Courts of Justice and the Tax Office in London, after which he returned to Malaysia to practise law.

Cezar P. Consing

Cezar P. Consing, aged 45, a Philippine national, was appointed as an Independent Non-Executive Director of CIMB Berhad on 5 October 2004. Mr. Consing is one of the most experienced Asian international investment bankers. He was with JP Morgan for 19 years and headed its Investment Banking Division for Asia Pacific until May 2004. He is currently a partner of The Rohatyn Group, a New York based funds management company specialising in emerging markets, where he co-heads its Asian operations from Hong Kong.

Mr. Consing is a graduate in Economics (Magna Cum Laude) of De La Salle University and holds a M.A. in Applied Economics from The University of Michigan, Ann Arbor, U.S.A.

PROFILE OF DIRECTORS FOR MAJOR OPERATING UNITS OF THE GROUP

Bank Niaga

BOARD OF COMMISSIONERS OF PT BANK NIAGA TBK

Dr. Rozali Mohamed Ali – President Commissioner (Retired on 1 January 2006)

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

Gunarni Soeworo – Vice President Commissioner

Vice President Commissioner of PT Bank Niaga Tbk since June 2000. Since 1987 Ms Gunarni Soeworo has held a number of senior management positions in her career at Bank Niaga culminating in serving as President Director from June 1994 to March 1999, at which point she joined the Board of Commissioners.

Ms. Soeworo serves as a Commissioner at Bank Mandiri Tbk, Chairperson of National Private Sector Bank Association Counselors (Perbanas) and member of National Board of the Indonesian Bankers' Institute (IBI). Ms Soeworo was former Chairperson of the Banking Compartment of the Indonesian Chamber of Trade and Commerce (Kadin Indonesia) and Vice Chairperson of National Committee for Corporate Governance.

Sigid Moerkardjono

Commissioner of PT Bank Niaga Tbk since June 2000. Formerly served as Compliance Director (March 1999 – June 2000) and Comptroller (February 1999 – March 1999). Before he joined the Board of Directors in 1999, Mr. Moerkardjono served since 1976 in a variety of senior positions at the bank including Head of Internal Audit (Comptroller), Area Manager and Branch Manager.

Dato' Hamzah Bakar

(As per CIMB's Profile of Directors)

Prof. Roy Hendra Michael Sembel

Commissioner of PT Bank Niaga Tbk since December 2005. He is Program Director of Universitas Bina Nusantara's Master's Degree Program in Financial and Investment Management.

Mr. Sembel's qualifications include a degree from the Institut Pertanian Bogor (IPB), master degree from the Erasmus University, Rotterdam, an MBA in Finance and Banking from the University of Pennsylvania, USA and a Ph.D in Corporate Finance (Econometrics) from the University of Pittsburgh, USA where he was granted professorship in Financial Economy in May 2005.

Dato' Halim Muhamat

(As per Bumiputra-Commerce Holdings Berhad's Profile of Senior Management)

Ananda Barata

Commissioner of PT Bank Niaga Tbk since December 2003. He is currently serving as Director at PT Perusahaan Pengelola Aset ("PPA") (Persero), a state owned asset management company. Various executive positions were held prior to this, including those at the Indonesian Bank Restructuring Agency ("IBRA"), PT Bank Universal, PT Bank Nusa Nasional, and The Chase Manhattan Bank, Jakarta. He holds BSBA degree in Finance from the American University, Washington DC, USA.

Dr. Roslan A. Ghaffar

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



Performance



REVIEW

Five Year Group Financial Highlights	32
Group Financial Highlights	34
Group Performance	35
Chairman's Message	37
Key Business Review	45
Strategic Transformation	56
Economic Outlook	59
Investor Relations	61

Five Year Group

	2005	2004 [#]	2003	2002	2001
1. Income (RM'000)					
(i) Profit before allowances	2,444,881	2,201,415	1,872,388	1,548,366	1,494,666
(ii) Profit before taxation	1,313,485	1,052,647	1,240,867	747,575	515,568
(iii) Net profit for the financial year	826,825	734,540	782,300	565,444	357,546
2. Balance Sheet (RM'000)					
Assets					
(i) Total assets excluding contra ⁺	113,525,964	112,382,591	97,933,977	91,466,723	74,642,055
(ii) Total assets including contra ^{**}	124,197,350	121,076,245	105,658,371	98,591,949	81,913,336
(iii) Loans, advances and financing	69,095,880	62,603,030	54,496,898	48,771,610	42,214,908
Liabilities and Shareholders' Funds					
(i) Total deposits	81,740,235	81,623,044	71,505,038	69,068,298	55,109,043
(ii) Paid-up capital	2,756,398	2,691,740	2,628,960	2,586,290	1,184,647
(iii) Total shareholders' funds ⁺	9,637,453	8,959,476	7,899,587	7,169,199	5,827,597
3. Per share (RM)					
(i) Profit before taxation	0.48	0.40	0.48	0.29	0.21 [^]
(ii) Net profit for the financial year	0.30	0.28	0.31	0.22	0.15 [^]
(iii) Net tangible asset ⁺	3.30	3.19	2.92	2.26	2.31 [^]
(iv) Gross dividend	0.15	0.15	0.10	0.05	0.06
4. Financial Ratios (%)					
(i) Return on paid-up capital ⁺	30.45	27.61	30.56	22.19	14.52 [^]
(ii) Return on average shareholders' funds ⁺	8.89	8.66	10.38	8.70	6.25

* Including credit equivalent.

[^] Adjusted for 1:1 bonus issue.

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

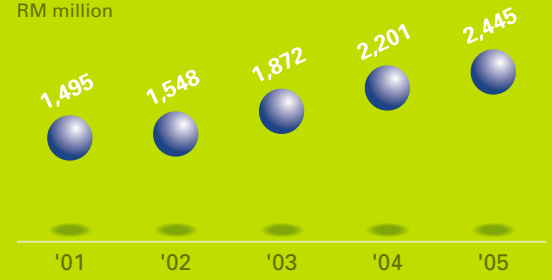
[#] Adjusted for the effects of adoption of Revised Garis Panduan (GP) 8 issued by Bank Negara Malaysia, in financial year ended 31 December 2005.

■ Based on the weighted average number of 2,715,014,907 (2004: 2,660,245,301) ordinary share of RM1.00 each in issue during the financial year ended 31 December 2005.

Financial Highlights

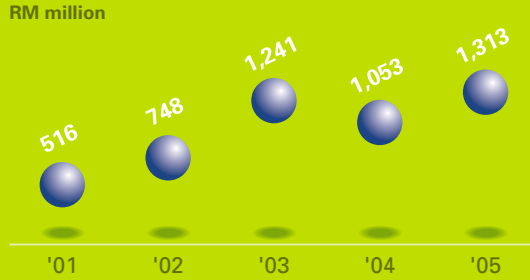
Profit Before Allowances

RM million



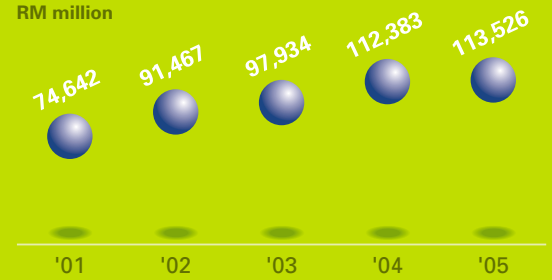
Profit Before Taxation

RM million



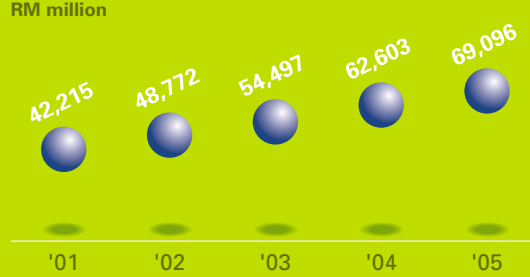
Total Assets

RM million



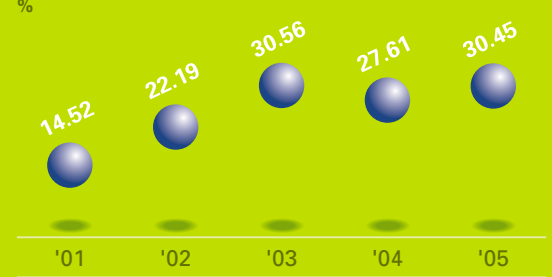
Loans, Advances and Financing

RM million



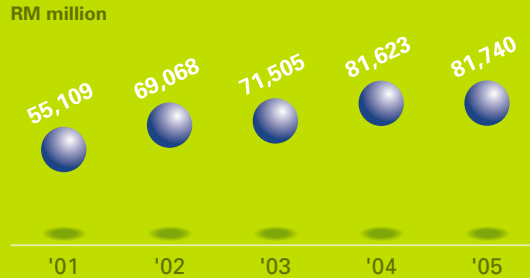
Return on Paid-up Capital

%



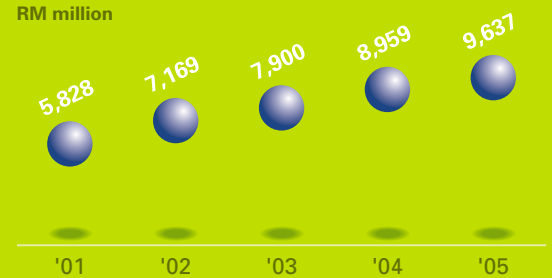
Total Deposits

RM million



Shareholders' Funds

RM million

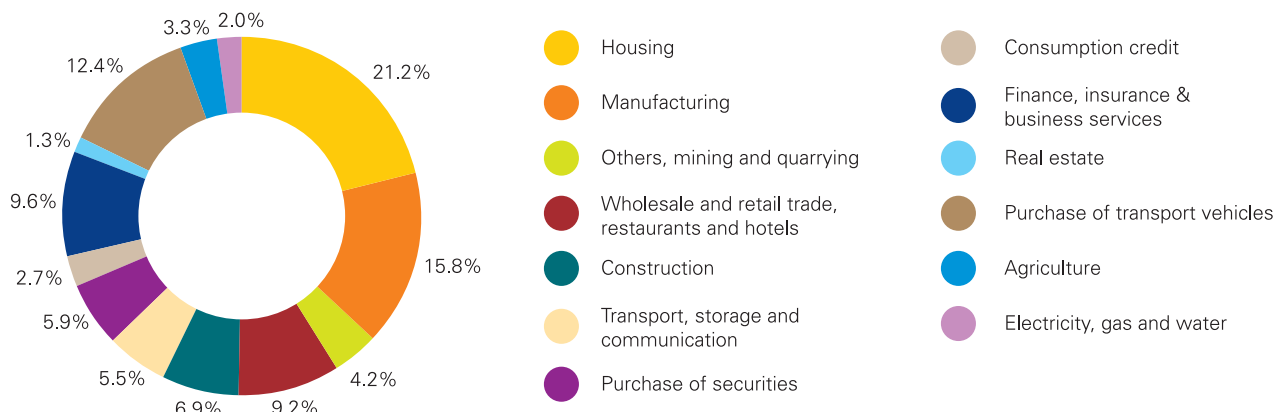


Group Financial Highlights

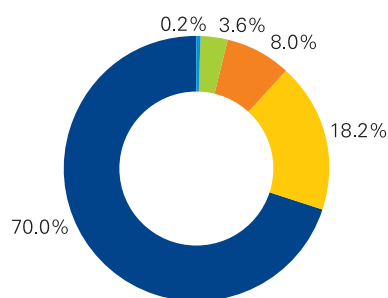
	2005 RM'000	2004 RM'000	Changes	
			2005 %	2004 %
Income statement and balance sheet				
Net interest income	2,986,247	2,690,511	10.99	5.65
Non-interest income	1,736,733	1,464,311	18.60	41.90
Overhead expenses	2,278,099	1,953,407	16.62	14.49
Profit before allowances	2,444,881	2,201,415	11.06	17.57
Allowance for losses on loans, advances and financing	1,021,863	1,122,435	(8.96)	77.62
Profit before taxation	1,313,485	1,052,647	24.78	(15.17)
Net profit for the financial year	826,825	734,540	12.56	(6.11)
Gross dividends	413,460	406,504	1.71	52.59
Loans, advances and financing	69,095,880	62,603,030	10.37	14.87
Total assets	113,525,964	112,382,591	1.02	14.75
Deposits from customers	74,323,587	74,105,175	0.29	17.34
Total liabilities	102,419,486	102,382,275	0.04	14.78
Shareholders' funds	9,637,453	8,959,476	7.57	13.42
Commitments and contingencies	149,479,744	208,586,917	(28.34)	36.89
Ratios	%	%	%	%
Core capital ratio	11.20	9.96	12.45	(8.96)
Risk-weighted capital ratio	15.23	13.81	10.28	(6.63)
Return on average equity	8.89	8.66	2.66	(16.57)
Return on total assets	0.73	0.65	12.31	(18.75)
Cost to income ratio	48.23	47.02	2.57	(1.38)
Cost to total assets	2.01	1.74	15.52	0.00
Gross NPL to gross loans	8.69	9.57	(9.20)	5.75
Net NPL to net loans (net of SA)	5.79	6.96	(16.81)	26.78
Coverage ratio [(GA + SA)/gross NPL]	55.18	47.55	16.05	(20.72)
Loan deposit ratio	92.97	84.48	10.05	(2.10)
Equity to assets	8.49	7.97	6.52	(1.24)
Equity to loans	13.95	14.31	(2.52)	(1.31)
Other information				
Earnings per share (Sen)				
– Basic	30.45	27.61	10.29	(9.65)
– Fully diluted	30.07	26.38	13.99	(12.10)
Net tangible assets per share (RM)	3.30	3.19	3.45	9.25
Gross dividend per share (Sen)	15.00	15.00	0.00	50.00
Number of shares in issue ('000)	2,756,398	2,691,740	2.40	2.39
Weighted average number of shares in issue ('000)	2,715,015	2,660,245	2.06	3.91
Share price at year-end (RM)	5.70	4.70	21.28	14.63
Number of employees	18,335	16,240	12.90	14.71

Group Performance

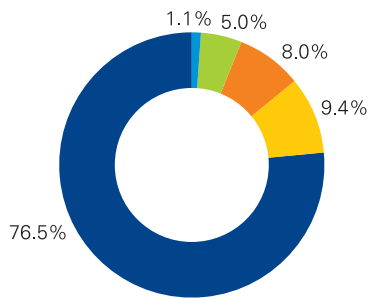
Loans, Advances and Financing by Sector



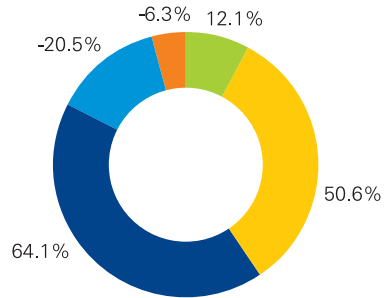
Operating Revenue



Assets Employed



Profit Before Tax



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



The Commerce Group reported a 24.8 percent increase in profit before taxation to RM1.313 billion for the financial year ended 31 December 2005 from the RM1.053 billion recorded in 2004.

Chairman's Message

I am pleased to present the Annual Report and the Audited Financial Statements of the Bumiputra-Commerce Holdings Berhad Group (the Commerce Group) for the financial year ended 31 December 2005.

OPERATING ENVIRONMENT

For the whole of 2005, the Malaysian economy expanded by 5.3 percent. Growth was led by private sector activity. The moderating trend was in line with global conditions as higher oil prices and the rising interest rate scenario contributed to the easing of the growth momentum. For the Malaysian economy, domestic demand and exports provided the drivers for growth.

The banking system continued to remain strong during the year with strong capitalisation and declining non-performing loans. The risk weighted capital ratio of the banking system remained high at 13.1 percent at the end of 2005. Asset quality continued to improve with the decline in non-performing loans (NPLs) following the reclassification of some NPLs to performing accounts, write-offs and the lower incidence of new NPLs. On a three month classification, the net NPL ratio for the banking system improved further to 5.8 percent from 7.6 percent at the end of 2004. Banking system loans outstanding expanded by 8.6 percent during the year.

THE COMMERCE GROUP

The Commerce Group reported a 24.8 percent increase in profit before taxation to RM1.313 billion for the financial year ended

31 December 2005 from the RM1.053 billion recorded in 2004. Total income rose by 13.7 percent from RM4.155 billion to RM4.723 billion. Net interest income grew by 11.0 percent year-on-year from RM2.691 billion to RM2.986 billion with loans growth of 39 percent and 6.6 percent respectively at Bank Niaga and BCB Group. Non-interest income rose by 18.6 percent year on year from RM1.464 billion to RM1.737 billion. This increase is attributable mainly to higher revenue from the major segments of the investment banking business namely advisory, debt and equity business, improvement in service charges and loan related fees, higher commission income, some non-recurring gains at BCB Group and higher gross premiums from general insurance business.

Profit after taxation and minority interests rose by 12.6 percent from RM734.54 million to RM826.83 million which resulted in earnings per share of 30.45 sen compared to 27.61 sen. Return on average equity stood at 8.89 percent from 8.66 percent in 2004. For the combined proforma CIMB-BCB Group, return on average equity of 10.7 percent was achieved. The cost to income ratio increased to 48.23 percent from 47.02 percent mainly due to the higher cost to income ratio year on year at CIMB Group and Bank Niaga. Based on a three months classification, the net non-performing loan ratio improved to 5.79 percent from 6.96 percent at the end of 2004. Gross loans and advances grew by 10.6 percent at Group level to RM72.58 billion while Group deposits were flat at RM74.32 billion. The Commerce Group's shareholders funds strengthened to RM9.64 billion (FY 04: RM8.96 billion) while Group net tangible

CHAIRMAN'S MESSAGE

assets per share improved to RM3.30 from RM3.19 as at 31 December 2004. The financial statements for the financial year ended 31 December 2005 have been prepared in accordance with the Revised BNM/GP8 Guidelines issued by Bank Negara Malaysia and will result in certain comparative numbers to be restated.

At the holding company level, Bumiputra-Commerce Holdings Berhad (BCHB) registered lower pre-tax profits amounting to RM279.4 million compared to RM313.5 million recorded for the year ended 31 December 2004. This is mainly due to higher interest expense relating to the USD125 million Convertible Bonds issued by a wholly owned subsidiary namely Commerce Capital (Labuan) Limited.

THE BUMIPUTRA-COMMERCE BANK BERHAD (BCB) GROUP

It has been a year of transformation for the domestic banking businesses of the Commerce Group. As a start, a strategic review was conducted on BCB with focus on a review of business lines, operations and performance execution capabilities. In summary, the review concluded with the need for a major, multi-year transformation of our commercial banking business. The announcement of the integration and restructuring of CIMB and BCB to create a universal banking platform on 6 June 2005 was a significant milestone in the evolution of the Group. This will be covered separately in a different section of this report.

On 29 July 2005, we announced the proposed merger of the business of BCB with the finance company business of Bumiputra-Commerce Finance Berhad (BCF). This merger is pursuant to the amendments to the Banking and Financial Institutions Act, 1989 (BAFIA) and is part of the internal restructuring of the Group's domestic banking businesses. The merger was completed on 1 January 2006 and BCF ceased operations. The consolidation of finance companies is part of the government's efforts to strengthen the domestic financial

sector outlined under the Financial Sector Masterplan. With the merger, auto loan product and its related services are available at all BCB branches nationwide.

BCB has been named Top SME (Small Medium Enterprise) supporter for the last ten consecutive years by Credit Guarantee Corporation. This commitment to the SME segment was further enhanced during the year under review with the announcement of the strategic alliance between CIMB, BCB and the newly formed SME Bank. Through this alliance, the SME segment will gain access to a complete range of products and services via the CIMB-BCB branch network. The scope of SME funding will be expanded through the provision of private capital funds to companies with development potential. CIMB-BCB also established the Bumiputra Advisory Team during the year which will advise bumiputra companies of their financing requirements to achieve an optimal capital structure.

I mentioned in last year's report on the approval in principle obtained from Bank Negara Malaysia to operate Islamic banking through a subsidiary. Commerce Tijari Bank Berhad was launched on 15 April 2005. At the end of 2005, Commerce Tijari products such as Islamic deposits and investment products have been made available at the two hundred and thirty branches of BCB nationwide. Subsequent to the year end, on 11 January 2006, pursuant to the integration of CIMB with BCB, Commerce Tijari has merged with CIMB Islamic, the CIMB Group's Islamic banking franchise transforming itself into a "universal" Islamic financial services provider in both commercial and investment banking operations.

Subsequent to the year end, a new consumer banking organisation structure was announced. The consumer banking operations will consist of three divisions namely Consumer Sales and Distributions (CSD), Retail Banking and Business Banking. Sales and distributions of retail and business banking products will be consolidated under Consumer Sales and Distributions which will oversee all bank branches, business banking centres, retail business centres and all related delivery

BCB has been named Top SME (Small Medium Enterprise) supporter for the last ten consecutive years by Credit Guarantee Corporation.

channels. Retail and Business Banking will be responsible for development and origination of products and services as well as portfolio management. In place of the Branch Transformation Project which I touched on in last year's report is a New Branch Project. This is a new branch model which will largely be based on a total customer experience paradigm.

For the financial year ended 31 December 2005, the Bumiputra-Commerce Bank Group registered an 80.3 percent increase in Profit Before Tax (PBT) amounting to RM548.76 million compared to the RM304.37 million recorded in the previous year. The increase year on year is mainly attributable to the 17.6 percent increase in total income driven by a 34.1 percent rise in non-interest income. Allowance for losses on loans, advances and financing has declined marginally by 1.4 percent to RM964.95 million from RM978.66 million recorded in 2004. The BCB Group contributed 42 percent to group profits. At the Bank level, BCB recorded a 219 percent increase in PBT to RM572.69 million. Allowances for losses on loan declined by 18 percent year-on-year at BCB level amounting to RM670.39 million from the RM815.51 million recorded in 2004.

THE CIMB BERHAD GROUP

The CIMB Berhad Group reported another record year of net profits of RM358.9 million for the year ended 31 December 2005, 33.9 percent higher from RM268.0 million earned in 2004. The Group's full year revenues and PBT recorded a 41.1 percent and 28.3 percent increase to RM813.1 million and RM454.1 million respectively. The return on equity was 22.2 percent. The positive results reflected strong revenues especially from the debt and equity businesses, as well as the strong maiden six months contribution from CIMB-GK. The CIMB Berhad Group contributed 35.0 percent to Commerce Group profits.

Financial advisory and underwriting fees reported for the year ended 31 December 2005 amounted to RM180.9 million up 28.3 percent from 2004. Reporting its maiden six months earnings, CIMB-GK, the international operations of CIMB Berhad Group contributed RM29.3 million to the Group's financial advisory and underwriting fees. CIMB-GK's flagship advisory deal was the SGD1.05 billion General Offer by Summit Top Investments Limited of the Philippines on United Corporation Limited of Singapore in the fourth quarter of 2005. Having participated in Mergers and Acquisitions (M&A) and advisory transactions with a total deal value of RM14.9 billion for 2005, CIMB topped the year's M&A league table again with a 46 percent market share by deal size.

The debt business reported a sharp increase of 36.6 percent year-on-year to RM391.3 million in net income, representing 48.6 percent of total income. Despite an environment of interest rate uncertainty in 2005, primary issuance was higher year-on-year at RM37.4 billion, 30.3 percent higher than in 2004. Average daily trading volume in the Ringgit bond markets however remained relatively unchanged at RM1.2 billion for both 2004 and 2005. In 2005, CIMB continues to maintain its number one position both in the primary Ringgit bond market and secondary debt trading with a market share of 22 percent and 35 percent respectively. In the equities business, net income rose to a record level of RM171.7 million, an increase of 53.7 percent from 2004. Momentum of new listings to market continued as RM5.4 billion was raised in primary equity listings in 2005, against RM4.1 billion raised in 2004. Equity trading on Bursa Securities however was sluggish and trading value fell year-on-year by 17.5 percent. CIMB maintained its dominant position in the primary domestic equity markets with a 36 percent market share by amount raised for Initial Public Offers. CIMB's notable equity deals for the year included the three biggest domestic listings of the year namely, Bursa Malaysia, Titan Berhad and Kurnia Asia.

CHAIRMAN'S MESSAGE

CIMB continues to maintain its number one position both in the primary Ringgit bond market and secondary debt trading with a market share of 22 percent and 35 percent respectively.

Asset management and securities services contributed 6.1 percent to total income at RM49.1 million. The total assets under management for CIMB Group had also grown to RM11.3 billion from RM7.1 billion managed in 2004. As mentioned in last year's report, there was a strategic decision to enhance the asset management business to provide greater earnings stability for the coming years.

2005 was a year of metamorphosis for CIMB. There were three defining acquisitions beginning with the acquisitions of Commerce Asset Fund Managers Sdn Bhd and Commerce Trust Berhad. This was followed by the acquisition of GK Goh's stock broking businesses to become a regional investment bank. Finally, the acquisition and integration with Bumiputra-Commerce Bank Berhad in the quest to become a universal bank.

THE P.T BANK NIAGA GROUP

Bank Niaga Group reported PBT amounting to IDR746.3 billion for the financial year ended 31 December 2005. This represents a one percent decline year-on-year. The results are attributable to two large non-recurring gains totalling IDR310 billion arising from sale of subsidiary and gains from sales of marketable securities in 2004 and margin squeeze in 2005. Upon translation in Ringgit terms, pre tax profits declined by 11.7 percent to RM289.25 million compared to RM327.72 million recorded in 2004 due to the impact of the weaker exchange rate. The Bank Niaga Group contributed 22 percent to the Commerce Group PBT.

It was a difficult operating environment in Indonesia especially during the second half of the year. There were four successive quarterly declines in GDP growth from 6.65 percent in the December 2004 quarter to 4.9 percent as at December 2005. The Rupiah fell to a four year low in August 2005, inflation rose steeply to 17.1 percent from 6.4 percent in 2004 and benchmark interest rates rose by 532 basis points during the year. As a result, not only did demand for credit slow but a massive redemption of fixed income mutual fund investments led to a wholesale shift into time deposits. These trends impacted profitability with the narrowing of margins.

Taking the external factors into account, lending growth was strong at 39 percent year-on-year with growth coming mainly from the consumer and business segments. Bank Niaga's market share in the mortgage sector is now 10.5 percent placing it at number two in the Indonesian market. Through two successful corporate exercises namely a USD100 million subordinated debt issue and a Rights Issue during the year, the capital adequacy ratio of Bank Niaga improved from 10.3 percent to 17.2 percent. The net non-performing loan ratio (NPL) stood at 4.29 percent as at 31 December 2005 as compared to 1.89 percent as at 31 December 2004 mainly due to the implementation of new rules introduced in 2005 on uniform quality classification on earning assets.

At the halfway stage of Bank Niaga's "Vision 2007" plan to become a premier retail bank in Indonesia, it was an opportune time to conduct a review of the strategy. The competitive landscape has altered enormously since the Asian crisis with the entrant of foreign shareholders in the major domestic banks. There are also inherent constraints in pursuing growth on all fronts from a financial and infrastructural aspect. The main conclusion arising from this review was that Bank Niaga had to concentrate on its core competencies and this would entail some internal reorganisation of operations.

OTHER COMPANIES IN THE COMMERCE GROUP

Commerce Asset Ventures Sdn Bhd (Commerce-Ventures) registered strong performance by recording a growth of 84.2 percent in PBT amounting to RM33.9 million as at 31 December 2005, compared to RM18.4 million in 2004. This was mainly attributable to the realisation of gains from disposal of its investments and good performance of its subsidiaries. The investment focus in 2005 was mostly centered on investments in Buy-Outs and Growth Capital. On the business development front, it has managed to raise additional funds from a local institution. Going forward, Commerce-Ventures will explore investment opportunities in the Asean region.

Commerce Assurance Berhad continues to be a main player in the domestic general insurance industry. Ranked among the

top five in terms of gross written premium in the industry, the company has recorded a PBT of RM33.8 million for 2005, which represents an increase of 56 percent against the previous year's result of RM21.7 million. For the 2004 financial year, ten months of the company's post acquisition results were included in the Commerce Group results. At the PBT level, this amounted to RM18.5 million. The key to the significant growth was prudent underwriting and favourable investment income. Retail and corporate businesses remain the major contributors to the premium income. There was a significant increase of income from the Bancassurance sector by 51 percent aided by specific initiatives undertaken in this segment.

Commerce Life Assurance Berhad (Commerce Life) registered a 25 percent increase in gross premiums year-on-year to RM459 million. Bancassurance continued to be the main business channel accounting for approximately 90 percent of the gross premium income. For the year ended 31 December 2005, Commerce Life reported a loss amounting to RM15.0 million. This is attributable to the impact on the investment portfolio from events affecting specific corporate bonds during the year and an impairment loss of RM6.7 million relating to goodwill written down on acquisition of business from United Oriental Assurance (UOA).

TRANSFORMATION YEAR FOR THE DOMESTIC BANKING BUSINESSES

On 6 June 2005, BCHB and CIMB Berhad announced the strategic transformation of the banking business of BCHB. This would entail the formation of a single universal banking group under a new bank holding company namely CIMB Group Sdn Bhd which will acquire 100 percent of the BCB Group and CIMB Berhad will be privatised and de-listed from Bursa Securities. CIMB Berhad shareholders will be offered either cash or new BCHB shares. It is envisaged that the banking businesses of the Group will assume the "CIMB brand" over a phased period. The change of name for the holding company from Commerce Asset-Holding Berhad to Bumiputra-Commerce Holdings Berhad arose from this restructuring exercise.

The structure of the exercise involved a few inter-related steps. A new wholly owned subsidiary of CIMB Berhad, namely CIMB Group Sdn Bhd (CIMB Group) will acquire 100 percent of BCB Group for approximately RM5.4 billion via issuance of new shares. This will result in BCHB and CIMB Berhad owning 76 and 24 percent respectively of CIMB Group. BCHB will then acquire CIMB Berhad's 24 percent stake in CIMB Group via a Mandatory General Offer. CIMB Berhad will then distribute all of its capital to shareholders via a capital repayment exercise pursuant to Section 64 of the Companies Act, 1965 under a Section 176 scheme. Shareholders of CIMB Berhad can opt to receive RM5.50 per CIMB Berhad share or subscribe for new BCHB share at RM4.80 per share.

The Group's commercial and investment banking businesses have previously been kept separate. The clearest manifestation of this has been the preservation of separate names for CIMB and BCB as well as CIMB Berhad being separately listed on Bursa Securities since January 2003. In the same mould as many global players where there is convergence between investment and commercial banking, the new combined banking group will be able to provide the full scale of commercial banking services as well as investment banking services and leverage on a much larger balance sheet and capital base. This new structure recognises the fact that in order to compete against both global and regional players in investment banking and commercial banking in Malaysia and regionally, scale of operations must be optimised. The restructuring will also position the Group to capitalise on potential opportunities in the domestic banking industry consolidation.

By combining CIMB's successful franchise and investment banking leadership with BCB's extensive network and customer base, this in turn will create a strong and dynamic banking group not just in Malaysia but in the region. This transformation of the Commerce Group's banking business will also energise BCHB's largest asset, namely BCB.

Integration and restructuring are two facets to this transformation agenda and both have separate timelines. Significant potential synergies between CIMB and BCB in

CHAIRMAN'S MESSAGE

corporate and investment banking, treasury and capital management can be realised over an eighteen (18) months timeframe. The physical integration between corporate and investment banking and the two treasury departments of CIMB and BCB were completed in 2005. There are other examples of quick wins with regards to integration such as the merger of BCB's Preferred Circle and CIMB's Private Banking as well as the merger between Commerce Tijari and CIMB Islamic. BCB's international operations will be integrated with CIMB-GK as far as possible. The restructuring and transformation of the business and retail banking divisions will be a multi-year exercise due to the scale of operations and the fact that there is a gestation period before asset quality can improve. Another area of focus would be in recoveries from the non-performing loan portfolio and instituting various strategies for early care of the loan portfolio.

The management, organisational structure and processes for the combined banking group have been put in place. All the regulatory and shareholders approvals for the restructuring exercise have also been obtained. It is extremely gratifying to note the support of shareholders, management, employees and customers to this transformation agenda of the Group's banking businesses. CIMB Berhad had its last trading day on 23 January 2006 and its de-listing is an integral part of this restructuring exercise. Listed on 8 January 2003, CIMB Berhad will go on record as having the shortest listing history in Malaysia. Total shareholders return achieved was 334 percent over three years and market capitalisation grew by 321 percent from RM1.46 billion at IPO to RM6.15 billion.

CORPORATE DEVELOPMENTS

During the year under review, BCHB undertook a strategic review of the Group's insurance businesses. From the review, a reorganisation of the insurance businesses was recommended with the setting up of an Insurance Holding Company (IHC). This will facilitate the sharing of resources for support functions and improve performance monitoring. On 18 January 2006, Bank Negara Malaysia informed that the Minister of Finance

had approved the transfer of all shares of Commerce Assurance Berhad, Commerce Life Assurance Berhad and Commerce Takaful Berhad held by BCHB to Commerce International Group Berhad (CIG), a wholly owned subsidiary of BCHB. CIG will effectively function as the holding company for the insurance businesses of the Group. A new emerging market for the Group is the takaful business. We are pleased to announce that Commerce Takaful Berhad received approval from Bank Negara Malaysia on 30 December 2005 to commence general and family Takaful businesses.

I mentioned in last year's report on the development of the Group Bancassurance Platform. This is a phased approach for BCHB to build its bancassurance capabilities. To initiate the implementation phase for a prescribed period, a Group Bancassurance Office (GBO) was established in 2004. At the end of 2005, to facilitate the next stages of implementation, a new steering committee was formed spearheaded by BCB.

BCHB has increased its stake in Bank Niaga during the year under review from 52.59 percent to 65.29 percent. This is in line with our role at the holding company of allocating capital to high performing subsidiaries in tandem with their growth trajectory and investment requirements. The commitment to Bank Niaga is further evidenced with BCHB subscribing to the Rights Issue in September 2005 where our total cash outlay was approximately RM310 million. Our total cash outlay up to 31 December 2005 for our investment in Bank Niaga inclusive of the Rights Issue and the initial 51 percent strategic stake acquired in 2002 amounted to approximately RM975.9 million.

The acquisition of GK Goh's stockbroking businesses by CIMB was completed on 28 June 2005. The regional footprint for the investment banking business especially in the Indonesian and Singapore market is now firmly in place. We are extremely pleased with the maiden six months results of CIMB-GK as the regional diversification helped to alleviate the impact of declining trading value on Bursa Securities in 2005. CIMB-GK ended 2005 as the number one Initial Public Offer (IPO) adviser in Indonesia, number two in Rupiah bond dealing and number

Talent management, capital management, revenue enhancements and operational improvement are among the key themes from the manual that form the main area of focus for the Commerce Group.

two stock-broking company on the Singapore Exchange. There is already some traction and momentum in the new regional operations as evidenced by the strong deal flow.

As BCHB moves towards its regionalisation phase, there is a critical need to urgently develop leadership talent from within. There is also an increasing war for talent especially with the expansion of activities by foreign banks into the Malaysian market. One of the key initiatives at BCHB in 2005 is the establishment of the Commerce Leadership Institute (CLI). The Institute will play a significant role in establishing an integrated talent management framework within the Group and aims at developing a strong pool of next generation leaders. This will be done through building broad capabilities and supporting top performers in their career development thus creating a pool of talent across the Group. Implementation of the talent management initiatives and the CLI activities will be carried out in 2006.

GOVERNMENT LINKED COMPANIES (GLC) TRANSFORMATION

The Government Linked Companies (GLC) transformation continues to gather pace with the publication of the GLC transformation manual in July 2005. A road show was held to present the transformation initiatives to the Board of Directors and Senior Management of the Commerce Group on 21 October 2005. A Transformation Management Office (TMO) has been established at BCHB and mini-TMOs will be set up at the major operating units to track and monitor the progress of the various initiatives. Talent management, capital management, revenue enhancements and operational improvement are among the key themes from the manual that form the main area of focus for the Commerce Group at present. On 22 March 2006, BCHB announced its headline Key Performance Indicators (KPI) for 2006. The targets for 2006 are for a return on average equity of 13 percent and for Total Shareholders Return (TSR) to outperform the KLCI. BCHB is aiming to be Malaysia's regional champion. Our focus is now on the execution of our strategies.

MERGER OF CIMB BANKING GROUP AND SOUTHERN BANK BERHAD (SBB) BANKING GROUP

On 15 March 2006, CIMB and SBB Banking Groups jointly announced a proposed merger of the banking operations of BCHB and SBB. This proposal has received unanimous support from the Boards of Directors of BCHB and SBB as well as endorsement from substantial shareholders of SBB. This brings closure to an extremely challenging five months' period for both parties after approval was obtained in October 2005 from Bank Negara Malaysia for BCHB and its subsidiaries including CIMB Group to enter into discussions with identified shareholders of SBB.

This is indeed a landmark merger exercise and is the largest public takeover in Malaysian corporate history to date. Under the terms of the transactions, BCHB will acquire the entire business and undertaking of SBB for a total cash consideration of RM6.7 billion equivalent to RM4.30 per SBB share. The consideration for the Voluntary General Offer by BCHB is equivalent to RM4.30 per SBB share and RM2.56 per SBB warrant. Post-acquisition of SBB, BCHB will inject the entire business of SBB into CIMB Group. The proposed merger and acquisition is subject to the approval of the regulatory authorities and shareholders of BCHB and SBB.

This merger and acquisition exercise is strategic and consistent with the Group's priority agenda of transforming the consumer finance franchise. The complementary strengths of both groups will translate into a quantum leap in value creation capabilities particularly in retail and credit card operations, consumer finance and wealth management. This transaction also reflects the realities of the inevitable forces of consolidation that arises under the Financial Sector Master Plan.

CHAIRMAN'S MESSAGE

GROUP PROSPECTS FOR 2006

2005 saw major transformation efforts within the Group mainly through the internal restructuring and integration efforts involving CIMB and BCB. Through the CIMB-GK platform and the increase in BCHB's stake in Bank Niaga, the regional markets are becoming increasingly important to the Commerce Group. The grouping of all insurance subsidiaries under an insurance holding company, Commerce International Group (CIG) will facilitate a focused strategic direction for the insurance businesses.

For 2006, higher investment banking activities and treasury income as well as the intensified recovery efforts will be the key drivers of earnings growth as the rebuilding of retail and business banking continues. The expectation is for the strong momentum in the Ringgit bond markets to continue in 2006. Equity markets may be sluggish in 2006 and cross border transactions are expected to drive M&A advisory work. We expect moderate loan growth in the domestic market and an aggressive push for deposits. With greater combined financial muscle and synergies, the Commerce Group will be able to offer both domestic and regional clients better value added propositions.

ACKNOWLEDGEMENTS

On 1 January 2006, Dr. Rozali Mohamed Ali retired from his post as Executive Director/Group CEO of the Commerce Group. Dr. Rozali joined the Board of Directors of BCHB on 6 July 1993. He had played a key role in the strategic leadership and direction of the Group in particular the merger between Bank of Commerce and Bank Bumiputra Malaysia Berhad and ably led BCB through the transition years post merger. He also played a key role in the Commerce Group's first regional foray, the acquisition of the 51 percent stake in Bank Niaga in 2002. I wish to place on record our heartfelt appreciation and gratitude to Dr. Rozali for his contributions.

Subsequent to the year end on 3 January 2006, En Mohd Shukri Hussin was appointed as Managing Director/Group CEO of the Commerce Group. He has held various senior positions within the Commerce Group including as Chief Executive Officer of Bank Muamalat Malaysia Berhad from 1999 to 2003 and as Chief Executive Officer of CIMB Securities Sdn Bhd from 1992 to 1999. His extensive experience and leadership in the financial services industry will augur well for the Group as BCHB positions itself as Malaysia's first South East Asia-wide regional financial services group.

On 27 January 2006, we welcomed Dato' Mohamed Nazir Razak to the Board of Directors as a Non-Independent Non-Executive Director. As Chief Executive Officer of the CIMB Group, he will lead the transformation and integration initiatives of our banking businesses.

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 continued commitment and dedication. I would also like to extend our appreciation to the regulators, namely Bank Negara Malaysia, the Securities Commission, the Bursa Securities, our business partners, advisers and our customers. Last but not least, we 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 gross dividend of 10 sen (2004: 10 sen) gross per ordinary share less tax at 28 percent. The Board is also recommending a special gross dividend of 5 sen (2004: 5 sen) less income tax at 28 percent.

The Company also announced on 28 February 2006 an annual gross dividend rate target of 15 sen per share. While this will assist investors to estimate a dividend yield, this policy does not preclude us from returning capital from time to time as part of overall capital management.

Tan Sri Dato' Mohd Desa Pachi

Chairman

Kuala Lumpur
5 April 2006

Key Business Review

BCB Group **46**

CIMB Group **50**

Bank Niaga **53**

KEY BUSINESS REVIEW

BCB Group



BUSINESS BANKING

The emphasis during the year has been largely centred on addressing the asset quality position and tightening the credit approval process. In 2005, the major portion of the loan was extended towards the manufacturing sector accounting for 35 percent of Business Banking loans followed by 38 percent from the construction sector. Post the integration announcement in June 2005, an important event from the business development standpoint is the strategic alliance signed between the newly formed SME Bank and CIMB-BCB Group. This collaboration will include the provision of appropriate guarantees by SME Bank and reduce many barriers to financing especially for newly established SME ventures that lack traditional collateral and track record. The alliance will also enable SME Bank to leverage on BCB's large delivery network. BCB will act as collection agents for SME Bank in trade finance, deposits and payment facilities and provide other services not offered by SME Bank.

The product portfolio of business banking will also be refreshed to include capital market products such as fixed income and forex related products. Syariah related products from Commerce Tijari were available from November 2005

throughout BCB's branch network. Private equity will become a core new product of Business Banking with the setting up of a new unit called "Bumiputra Advisory Teams" (BAT). Many bumiputra companies face non-performing loans problems because their businesses have been seeded with too much debt. The BAT professionals will advise businesses on the right capital structure between debt and equity. CIMB Private Equity will have approximately RM500 million in funds to invest or co-invest with entrepreneurs while Business Banking will provide the loans. There were also initial steps taken to develop a segmented business model encompassing mid-sized corporates, SMEs and micros.

RETAIL BANKING

Subsequent to the year end, a new consumer banking organisation structure was announced with three divisions namely Consumer Sales and Distribution (CSD), Retail Banking and Business Banking. CSD will be responsible for all delivery channels including bank branches, business banking centres and retail business centres. Retail Banking will be responsible for development and origination of products and services as well as portfolio management.

Looking forward, through better customer segmentation, the focus will be to increase deposits and fee based income.

Retail loans closed at RM15.8 billion, an increase of 17.7 percent from the previous year. Housing loans constituted the bulk of retail loans at 66.5 percent with total loans valued at RM10.5 billion in 2005, growing by 10 percent compared to RM9.5 billion in 2004. Total retail deposits grew by RM670.5 million to RM12.7 billion in 2005, with fixed deposits making up 46.6 percent of the total. Post the integration announcement, credit tightening measures were introduced. BCB Preferred Circle was merged with CIMB Private Banking. Syariah-compliant products were rolled-out throughout the BCB branch network in October 2005.

In line with sustained growth in transactional activities, fee income, a major component of non-interest income grew by 29.2 percent from RM101.29 million to RM130.86 million in 2005. Looking forward, through better customer segmentation, the focus will be to increase deposits and fee based income. This includes working closely with Treasury to offer new Treasury products.

BCB is constantly upgrading products, services and delivery systems to meet the demands of customers. During the year under review, 106 electronic banking centres were developed

nationwide to offer customers 24-hours banking convenience with the full range of automated machines. As part of the CIMB-BCB integration, a New Branch Project is being developed with the emphasis centred on a total customer experience paradigm. There is also an aggressive campaign to pursue more savings and current accounts.

CORPORATE/INSTITUTIONAL BANKING

The physical integration between corporate banking and investment banking of CIMB took place at the end of 2005. Similarly, the physical integration of the two treasury desks of BCB and CIMB took place in September 2005. It is envisaged that the corporate loan book and larger treasury balance sheet will support deal origination in particular cross-border deals.

During the year, a total of RM9.0 billion in new loans was extended by the corporate banking division, comprising RM3.4 billion in loans to new customers (2004: RM3.2 billion) and RM5.6 billion (2004: RM4.6 billion) in enhancements to existing customers. BCB played an active role in supporting Malaysian companies in their ventures overseas, especially in the construction industry. The international branches will work closely with CIMB-GK in their respective jurisdictions.

KEY BUSINESS REVIEW

BCB Group



I-COMMERCE

The Bank's foray into I-Commerce is through products such as Channel-e, mobile banking, BizChannel and eDealer. The operating environment for I-Commerce continues to be promising, particularly in personal internet banking and SMS-based banking. The increase in the Bank's Channel-e subscriptions in 2005 was 106% largely on the back of the upgraded core Internet Banking Solution. Funds transfer made up the major portion of transactions for Channel-e. BizChannel continued to see increased subscriptions as a result of joint campaigns with Business Banking with funds transfer forming the major component of transactions. New offerings during the year included Bulk Payment services for the Federal and State governments as well as the new online payment system to the Customs and Excise for freight forwarders.

INFORMATION TECHNOLOGY (IT)

With the BCB integration with CIMB in 2005, the IT management model has been changed. The program management is now more geared towards project management. Some new initiatives initiated post the

integration announcement include customer centric integrated delivery channel and regional IT platform. Some other projects initiated during 2005 and scheduled to be completed in 2006 include the Murex treasury system and the incorporation of imaging capability into the loan processing system.

HUMAN RESOURCES

Throughout 2005, the human resource effort focused on building human capital in critical areas such as consumer sales, asset recovery and risk management. Employee resources were also restructured through recruitment, redeployment and training. A large and robust consumer sales force is now in place with more than 600 dedicated sales staff mobilised at our retail outlets. With the focus on asset recovery, a significant increase in employee resource was assigned to these tasks.

Attention to customer service was given priority in the Bank's staff training initiatives for the consumer bank. The "teaming2win" programme introduced earlier was extended to all branches underscoring the quest for service improvement. The way forward is to enhance and enforce a stronger performance based culture throughout the group.

The operating environment for I-Commerce continues to be promising, particularly in personal internet banking and SMS-based banking.

As part of the integration with CIMB, HR introduced a Mutual Separation Scheme in November 2005. The scheme available over a six months time frame, allows staff to consider the demands of the new Bank and their personal aspirations and new directions, providing an opportunity for mutual consideration on separation. A Helpdesk was set up in HR to provide assistance and clarify issues relating to the scheme. At the same time, the integration of Bumiputra-Commerce Finance with BCB resulted in the introduction of a Voluntary Separation Scheme in the auto loans unit.

RISK MANAGEMENT

The risk committees at management level of CIMB and BCB have been streamlined to provide more effective risk management at group level with membership expanded to include senior officers from CIMB and BCB. BCB has issued a board-approved Credit Risk Policy Guide (CRPG) which outlines limiting risk, risk pricing and credit risk rating, measurement and reporting.

BCB is guided by the Treasury Risk Management policy in governing the trading and other global treasury activities. The policy has been reviewed during the year. Progress has also been made in adopting best practice VaR methodology. The VaR approach will be adopted in measuring and controlling market risk. In 2005, some of the initiatives undertaken with regards to operational risk include a road show to enlighten business units, operating and support centres and subsidiaries on Basel II. To enhance the operational risk framework, a key component is the Loss Event Data Collection programme. An Operational Risk Sub-Committee was established to facilitate and validate the Loss Event Data that is reported to the Operational Risk Management unit on a monthly basis.

KEY BUSINESS REVIEW

CIMB Group

CIMB maintained its number one position in the Ringgit Private Debt Securities (PDS) league table, with a market share that stood at 20.4 percent from 19.5 percent in 2004.

INVESTMENT BANKING (IBK)

IBK takes the responsibility of nurturing and improving issuer-client relationships and is pivotal to issuer-client deal flow. The division assumes the "front-line" role of ensuring that the needs and requirements of clients are satisfied through careful analysis and structuring of tailor-made innovative and value enhancing financial solutions. During the year, the number of IBK teams were expanded to five. They are supported by an independent research unit that provides industry specific research support.

EQUITY MARKET AND DERIVATIVES (EMD)

CIMB was involved in numerous equity and equity linked transactions in 2005. Notable Initial Public Offerings (IPO) during the year were Bursa Malaysia Berhad, Titan Chemicals Corp Berhad and Kurnia Asia Berhad. For secondary placements, CIMB acted as Joint Bookrunners in the RM467.5 million placement of PLUS Expressways Berhad shares and Sole Placement Agent in the RM387.7 million placement of Proton Holdings Berhad shares. In 2005, CIMB was appointed the Joint Lead Manager in YTL Power Finance (Cayman) Ltd's USD250.0 million exchangeable bond offering.

In anticipation of the growing appetite for foreign investments following the liberalisation of Exchange Controls by Bank Negara Malaysia in April 2005, CIMB worked on providing the

avenue for domestic investors to invest in foreign capital markets. During the year, the CIMB Group was involved in a number of deals in regional markets where share offerings were made available to local investors. The deals included CIMB-GK's two maiden listings on the Hong Kong Stock Exchange namely the IPOs for One Media Group Ltd and Sincere Watch (Hong Kong) Ltd.

CROSS MARKETS TRADING & TREASURY (CMTT)

CMTT, formerly part of Debt Markets and Derivatives Division, is involved in a wide range of activities including trading in domestic fixed income and equity markets, global fixed income market and foreign exchange market, primary bond markets underwriting, trading and market-making in exchange-traded and over-the-counter derivatives markets, providing asset/liability and risk management solutions, providing repo and money market products and services and Islamic money market services.

During the year, CIMB had an estimated 35 percent share of the secondary market corporate bond trading, making it the most active player in the segment. In 2005, CMTT's trading universe also expanded to cover foreign exchange and equities as a natural extension of its trading activities. It is expected, however that over the intermediate term, the bulk of CMTT's earnings will come from the secondary market bond trading.

CIMB Group



DEBT CAPITAL MARKET SERVICES (DCMS)

DCMS specialises in providing funding, liability management and investment solutions to sovereign, corporate and institutional issuers and investors in South East Asia. The solutions involve accessibility to the domestic and global bond, commercial papers, Medium Term Notes programme and Islamic capital markets.

CIMB maintained its number one position in the Ringgit Private Debt Securities (PDS) league table, with a market share that stood at 20.4 percent from 19.5 percent in 2004. The main driver for the growth has been Islamic PDS issuances which totaled RM7.8 billion in 2005. CIMB's market share in Islamic PDS increased from 10 percent in 2004 to 25.6 percent in 2005. Some of the major deals done in 2005 include World Bank's RM760 million Islamic Bonds, Islamic Development Bank's USD500 million Sukuk, Cagamas MBS Bhd RM2.05 billion Islamic Residential Mortgage Backed Securities and Syarikat Bekalan Air Selangor's (SYABAS) RM3.2 billion Islamic Project Finance facilities.

STRUCTURED PRODUCTS & DERIVATIVES (SPD)

The Structured Products & Derivatives unit of Treasury is responsible for the development of derivative and derivative-linked solutions for CIMB Group. During the year, SPD upgraded its capabilities to offer option based derivative

solutions and launched five new structured products. Following the liberalisation of BNM's Foreign Exchange Administration Rules, CIMB seized the opportunity to launch innovative products providing Malaysian investors access to foreign markets and alternative investments. Examples include RM denominated principal protected investments linked to crude oil and basket of foreign equity indices.

CORPORATE FINANCE (CF)

Conditions for corporate finance activities were challenging during the year with lower levels of market activity compared to previous years, compounded by intense competition. Despite the difficult environment, CIMB managed to maintain its overall lead position. It continued to top the M&A league table with 20 deals (for deal value exceeding RM50 million) for a total deal value of RM14.9 billion or a 45.6 percent market share by value.

PRIVATE CLIENT SERVICES (PCS)

PCS comprises Private Banking (PB), Private Client Unit, Remisiers, Branch Broking and e-Broking. Private Banking's Assets under management (AUM) doubled during the year to RM2.8 billion. PB's business went through a transition during the year, with transaction services de-emphasised while managed funds and structured products enjoyed greater focus, moving closer in line with the business model of international

KEY BUSINESS REVIEW

CIMB Group

CIMB was the Joint Principal Adviser/
Joint Lead Manager/Joint Lead
Arranger of the largest RM Islamic
bond issue of the year for SYABAS
amounting to RM3.2 billion.



private banks. Annuity AUM, comprising largely of discretionary funds and unit trusts grew by 250 percent to RM1.0 billion, while the value of structured products distributed amounted to over RM90 million. PCS expanded its reach by opening branches in Penang and Kuching during the year.

PRIVATE EQUITY (PE)

CIMB Group introduced the "Bumiputra Advisory Team" (BAT) initiative to look into financing needs of bumiputra controlled companies via the introduction of equity financing during the year. Bumiputra companies will be advised on their financing requirements in order to have an optimal capital structure. PE will work closely with BCB on this initiative.

PE launched CIMB Private Equity 1 Fund (South East Asia late stage private equity fund) in early 2005. Total AUM grew to 800 million at the end of the year, a three-fold increase from 2004. Several significant deals were completed for a total investment of RM95 million. CIMB PE completed one of its largest investment to-date by acquiring a significant stake in Sesama Medical College.

CIMB ISLAMIC (CI)

2005 was an excellent year for CI, which was involved in pioneering numerous new products and structures as well as managing and structuring some of the largest issues in the market. CIMB was the Joint Principal Adviser/Joint Lead Manager/Joint Lead Arranger of the largest RM Islamic bond issue of the year for SYABAS amounting to RM3.2 billion. CI was involved in the landmark USD500 million issue by the Islamic Development Bank. CI successfully lead-managed the World Bank's first Islamic Securities, the RM760 million issue by the International Bank for Reconstruction and Development and the inaugural RM2.05 billion Islamic Residential Mortgage Backed Sukuk Musyarakah for Cagamas MBS Berhad.

Other new products and structures that CI developed during the year include Islamic Profit Rate Swap. This innovative product aims to protect financial institutions from fluctuations in borrowing rates and to provide a risk control mechanism. Islamic IPO financing was also introduced during the year. As part of CIMB's growth strategy, the Group opened a branch in the Brunei International Financial Centre. For 2005, CI was ranked number one in the League Table for Lead Managers by ISI Emerging Markets-Islamic Finance Information Service for the global Islamic securities market.

Bank Niaga

Bank Niaga's market share of the home loan segment is now 10.5 percent. This places Bank Niaga as the second largest home loan provider in the country.

CONSUMER BANKING

The focus for the year was to execute a multi-pronged strategy in addressing the consumer business. This involved multiple segmentation with closely targeted campaigns. Data mining capabilities was given added emphasis and the telesales channel was further improved. Efforts were also directed towards better cross selling and enhancing operational and service excellence. In line with the refinement of the consumer banking strategy, the mortgage business in particular achieved resounding success in 2005. Bank Niaga's market share of the home loan segment is now 10.5 percent. This places Bank Niaga as the second largest home loan provider in the country.

There is broad demand for home ownership as home loans are still under penetrated comprising 3 percent of Gross Domestic Product. Home loans constitute 67 percent of total consumer loans which grew by 57 percent to IDR9.2 trillion in 2005. Customers can access one of the most comprehensive mortgage service loan services in the market, featuring fixed and floating rates and different tenors. Housing loan products cater for different age groups and lifestyles among the customers.

The total number of customer accounts is now in excess of 2 million. The cross selling efforts were further refined and

improved during the year. To a large extent, the telesales force were utilised to introduce products ranging from auto loans and insurance products to credit cards. Auto loans grew by 22 percent during the year to IDR1.8 trillion.

New concepts and innovative ideas continued to be introduced. Bank Niaga's Coffee Banking branch in the heart of Jakarta's central business district in partnership with Starbucks was a market leading concept. This new branch is also an important showcase for the strong electronic banking suite of Bank Niaga's ATMs and Self Service Terminals (SST). Electronic transactions now form approximately 70 percent of total bank transactions handled.

In conjunction with Bank Niaga's 50th Anniversary, special programmes offering customers with gold coin and gold bars were introduced across the entire savings range. Total third party deposits grew by 45 percent during the year to IDR17.6 trillion representing 51 percent of total deposits. The mutual fund business was affected by market wide redemptions as interest rates continued to rise. The bank-wide strategic review highlighted that considerable potential was available across the high net worth and mass affluent segment. Bank Niaga is already well represented in these customer segments and will continue to focus on these segments.

KEY BUSINESS REVIEW

Bank Niaga

Asiamoney named Bank Niaga as the best local cash management bank in Indonesia for 2005.



BUSINESS BANKING

Business and SME banking now account for approximately 42 percent of Bank Niaga's total lending. Loans growth for 2005 was commendable at 39 percent amounting to IDR12.3 trillion. The focus going forward will be directed towards the middle commercial segment as a result of the strategic review. Market conditions in 2005 were difficult with worsening macro economic conditions and the highly competitive landscape. Bank Niaga continued to channel their efforts to specific industry sectors. The Commercial Linkage Development (CLD) unit was strengthened to provide vehicle financing and shop-house finance. Branches and commercial desks were relocated closer to large retail developments. A more sales oriented focus has helped strengthen client relationships and the expansion of business centres will assist Bank Niaga in being closer to their customers.

Additional work was completed during the year in partnership with rural banks (BPRs). Working with approximately 160 BPRs, Bank Niaga distributed IDR338 billion in multipurpose loans to rural areas during the year. The linkage programme with BPRs is already part of Bank Indonesia's policy for strengthening the Indonesian Banking Architecture. Rural areas offer sound growth prospects for the future and an understanding of community banking will broaden Bank Niaga's market segmentation.

CORPORATE BANKING

Both the changing market conditions during the year and Bank Niaga's repositioning had an impact on the corporate business. This segment covers companies or groups that have an annual turnover in excess of IDR500 billion. Corporate lending growth was modest. However, foreign exchange and trade finance related service fees were higher as a result of strong import activity in the first half of the year and exchange rate volatility.

Cash management services enjoyed a good year. Asiamoney named Bank Niaga as the best local cash management bank in Indonesia for 2005. Speedier transactions handling was supported by a new automated treasury system completed in 2005. In July 2005, Bank Niaga was appointed by KSEI (the Indonesian Central Securities Depository) as a payment bank to facilitate transactions between securities companies trading on the Jakarta Stock Exchange. The appointment was made against a backdrop of more stringent requirements and criteria set by the Jakarta Stock Exchange. The payment bank generates additional fees from regular intra-day trading and initial public offerings. The Excelcomindo IPO was the flagship primary equity deal of Indonesia in 2005 in which Bank Niaga acted as the payment bank and CIMB-GK was the main underwriter. We expect Bank Niaga's custodial and payments services business to grow as the Jakarta Stock Exchange index hits new records.

Bank Niaga



The custodial business was affected by mutual fund redemptions during the year. Bank Niaga typically handles over 5,000 transactions a month for approximately 284 foreign and local customers. Customers are provided with on-line access to custodial administration and registry services. Assets under management declined with the general redemption of mutual funds. However, new investment products were developed in line with the new focus on high net worth income group. The focus has been shifted to pension fund customers. Funds under management totaled IDR25.9 trillion as at 31 December, 2005.

Corporate banking expects to leverage further on the BCHB and CIMB network. Bank Niaga has a dedicated Malaysian Desk facilitating two-way business ties. In the future, Bank Niaga will collaborate with CIMB Group on supporting selective new infrastructural projects that will be launched by the Government of Indonesia. It is envisaged that Bank Niaga will provide the on the ground support in transactional services and finance while CIMB Group undertakes the lead advisory role. The "Cash Laju" remittance service for workers in Malaysia in cooperation with BCB has been successful. BCB and Bank Niaga have also worked together on fund transfer and insurance products for students studying in Malaysia and Australia.

SYARIAH BANKING

The Syariah Banking service continued to gain momentum with 6,800 account relationships at the end of 2005, its first full year

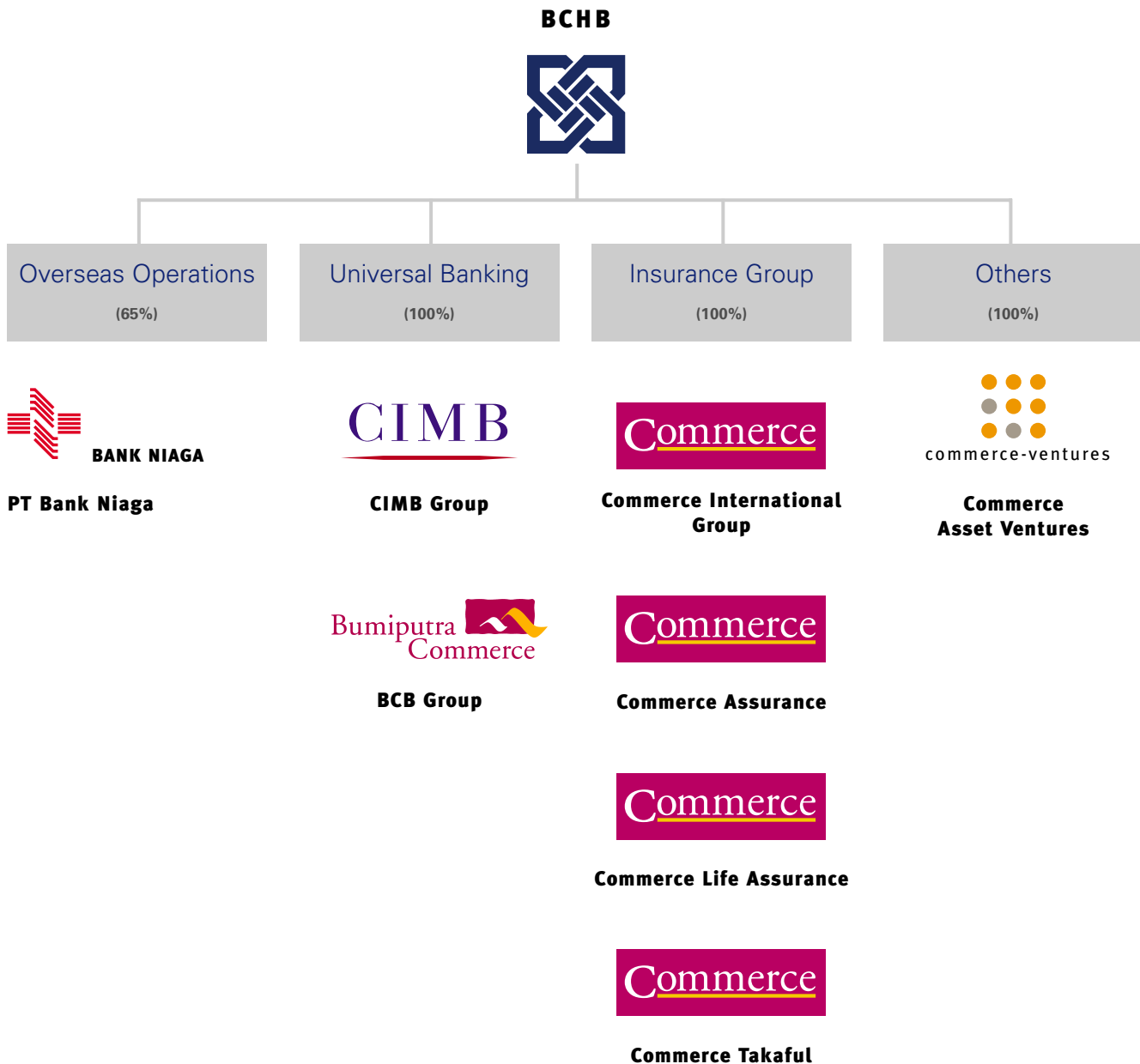
of operations. Earning assets amounted to IDR300 billion and third party funding stood at IDR116 billion. Most significantly, the Syariah Banking operations achieved break-even point within ten months of their establishment.

In addition to six existing outlets, a new branch was opened in Surabaya in 2005. New financing products namely Musyarakah and Mudharabah were launched for business banking customers. A financial lease product called Ijarah Muntahiyah Bi-Tamlik was introduced during the year. New Bank Indonesia regulations to encourage Syariah banking will be a welcome development, allowing Syariah customers to open syariah funding accounts via the counters of the conventional bank. Bank Niaga Syariah will benefit from the proposed new office channeling regulations.

While the substantial rise in conventional interest rates in 2005 affected the usage of Syariah facilities, we believe a downtrend of rates from the second half of 2006 will encourage more customers to switch to Syariah banking. The challenge within the Syariah banking industry is the ability to offer more competitive and flexible products to meet the ever changing needs of the market. During the year, Bank Niaga Syariah supported an orphanage in Jakarta in addition to the distribution of zakat contributions from its business activities for the benefit of several zakat institutions. The Bank Niaga Syariah operations is supervised by an independent Syariah Supervisory Board whose members are appointed by the National Syariah Board, a body under Majelis Ulama Indonesia (MUI).

Strategic

BCHB is an Investment Holding Company...

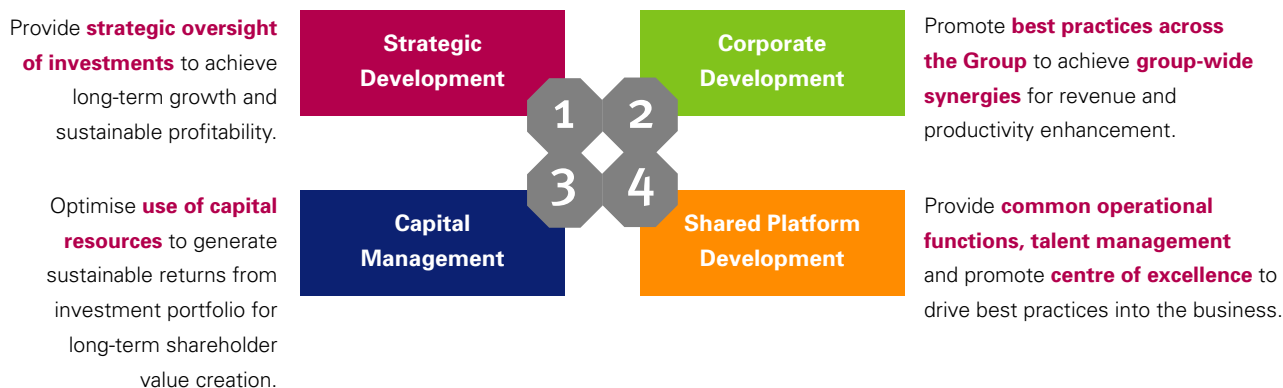


Headline KPIs announced

Key Performance Indicators (KPI)	2005	2006 Target
1. Return on Average Equity	8.9%	13%
2. Total Shareholder Returns (TSR)	24%	To outperform KLCI TSR.

Transformation

As an active strategic investor, BCHB undertakes four key roles.

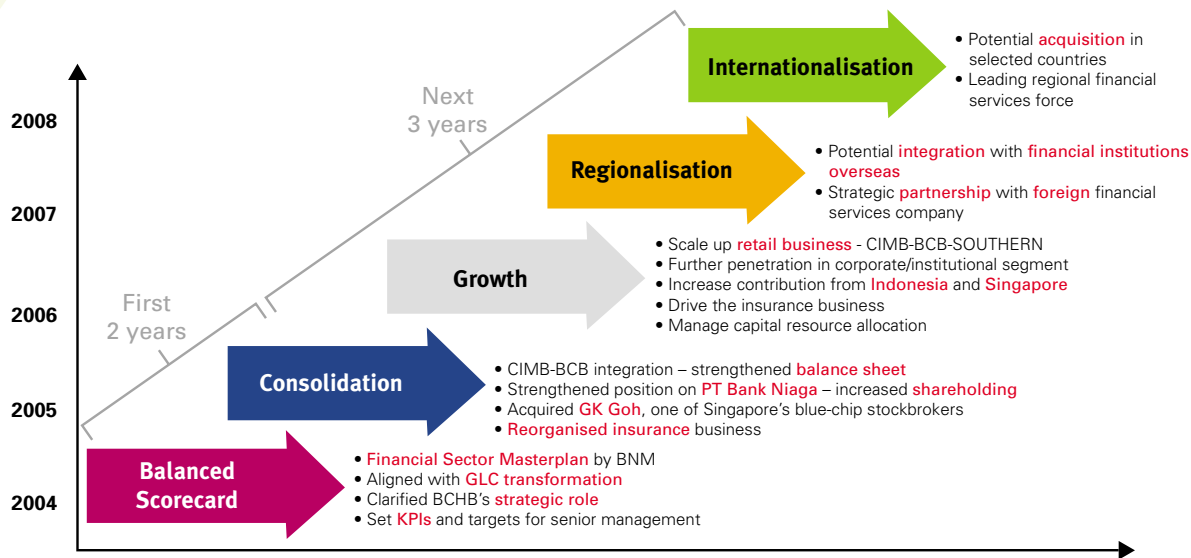


KPIs are tied to strategic objectives and balanced across the four perspectives.

BCHB's Corporate Scorecard	
Corporate Objectives	KPI
A. Optimise use of capital resources to generate sustainable returns from investment portfolio for long term shareholder value creation.	<ul style="list-style-type: none"> Return on average equity. Total shareholder returns (TSR). Business opportunities/investments/initiatives approved by the board.
B. Create value as an integrated financial services group with emerging regional presence.	<ul style="list-style-type: none"> Timeliness of business opportunities/investments/initiatives implemented.
C. Integrate diverse capabilities to provide innovative and comprehensive financial solutions.	<ul style="list-style-type: none"> Compliance to regulations and guidelines: <ul style="list-style-type: none"> Bursa Malaysia, BNM, SC, SSM. Foreign regulators (where applicable).
D. Provide strategic oversight and monitor performance of investments to ensure sustainable growth.	<ul style="list-style-type: none"> BNM rating/audit findings.
E. Optimise deployment of talents to develop competencies for effective boards and management teams.	<ul style="list-style-type: none"> Timeliness of talent management initiatives implemented. Employee/Subsidiary satisfaction index.

STRATEGIC TRANSFORMATION

BCHB's group corporate strategy is phased over the next three (3) years.



Major initiatives prioritised for 2006, building on 2005's

1. Regional Expansion	<ul style="list-style-type: none"> Regional footprint in South East Asia. Further leveraging Bank Niaga into the Group. 	4. Execute Talent Management Initiatives	<ul style="list-style-type: none"> Setting-up of Commerce Leadership Institute (CLI) structure and processes. Launch Emerging Leaders Program.
2. Scaling up Retail Franchise through Domestic Consolidation	<ul style="list-style-type: none"> Southern Bank Berhad acquisition. Retail transformation. 	5. Decide on Insurance Franchise	<ul style="list-style-type: none"> Capitalise on Takaful license. Deepen Bancassurance.
3. Enhance Capital Management	<ul style="list-style-type: none"> Articulate ROE targets. Articulate dividend policy. Better balance sheet management. 	6. Execute along GLC Transformation Manual	<ul style="list-style-type: none"> Set up Mini Transformation Management Office (TMO). Focus implementation in the Group.

In conclusion...

No. 1 We aim to be Malaysia's Regional Champion.	No. 2 Context set by the Financial Sector Masterplan and GLC Transformation initiative.	No. 3 We started our transformation in 2004.	No. 4 We are very focused now in the EXECUTION phase.
--	---	--	---

Economic Outlook

A combination of sustained domestic demand and the continued gains in exports would support growth.

REAL GDP

With the external picture remaining good and domestic demand conditions staying supportive, we expect the Malaysian economy to sustain GDP growth at 5.3% in 2006 (5.3% in 2005). A combination of sustained domestic demand and the continued gains in exports would support growth. The upturn in global semiconductor industry, coupled with firm commodity prices are expected to underpin Malaysia's exports. Although there is upside to GDP growth from the strong exports, there is still downside risk from private spending, which is expected to taper to around 6.3% growth in 2006, from 9.2% in 2005.

On the external side, the US economy is expected to grow at a brisk pace (GDP growth at 3.0-3.4%), while the recovery in Japan is gaining strength and the Euro area economy is cruising along amid concerns over inflation. Malaysia's regional neighbours, namely, Singapore and Indonesia are expected to register respectable GDP growth in 2006. Singapore is expected to expand at a rapid pace of 7.1%, on the back of stronger growth from both the goods-producing as well as the services-producing sectors. The services-producing sector is about 65% of GDP and it is anchored Singapore as being the regional hubs for trading and logistics, info-communications technology and financial services. Indonesian economy is expected to grow by 4.8%, with the key drivers of GDP growth coming from the manufacturing, construction, transport and communications, and the commerce, hotels, and restaurants sectors. Another key growth catalyst is investments (22.7% of GDP), which will be driven largely by public infrastructure spending. Both public and private investments are expected to provide a powerful boost to domestic growth over the medium term. President Susilo Bambang Yudhoyono announced his infrastructure initiative in October 2004, with an initial target of USD85 billion to be spent over five years. During the Indonesian Infrastructure Summit in January 2005, Indonesia's national development planning agency, Bappenas increased this target to USD150 billion in 2005 – 2010.

GROWTH PERFORMANCE BY KEY SECTORS

The growth catalyst for 2006 will mainly be private sector-driven, augmented by a steady recovery in exports. Aggregate domestic demand is projected to expand, albeit at a slower rate of about 5.0% in 2006.

Real GDP by expenditure

	2004	2005	2006E
Real GDP	7.1	5.3	5.3
Private consumption	10.5	9.2	6.3
Public consumption	6.0	5.9	3.7
Investment	3.1	4.7	5.1
Exports	16.3	8.4	10.0
Imports	20.7	7.6	9.3

Source: BNM and CIMBS estimates

All the sectors are expected to register positive growth rates, with the manufacturing and services sector remain the key drivers of GDP growth in 2006.

Real GDP by sector

	2004	2005	2006F
Real GDP	7.1	5.3	5.3
Agriculture	5.0	2.1	2.5
Mining	3.9	0.8	3.0
Manufacturing	9.8	4.9	5.7
Construction	-1.5	-1.6	1.8
Services	6.8	6.5	5.7

Source: BNM and CIMBS estimates

ECONOMIC OUTLOOK

The manufacturing sector is expected to expand by 5.7% in 2006 (4.9% in 2005), benefiting largely from the rebound in electronics demand as well as the improvement in domestic industries catering for the domestic market, namely the construction related building materials. The rollout of the Third Industrial Master Plan (2006 - 2010) by the Ministry of International Trade and Industry in June this year is expected to lay out specific policy directions for the development of high value added manufacturing industries and manufacturing services.

The services sector is expected to sustain at high growth of 5.7% in 2006, reflecting a broad-based expansion in almost all sub-sectors of services. These include the financial, business services, retailing, tourism, communication and transportation. The services sector, which has been expanding at a robust pace of 6.1% during 2000-2005, will remain the prime contributor to overall GDP growth. We see tremendous potential to raise its share to GDP to above 60%, from an average of 57.0% of GDP during the period 2000-2005.

The agriculture and mining sector is expected to gain strength in 2006, registering growth of 2.5% and 3.0% respectively. A moderate rise in palm oil production amidst still strong CPO prices (estimated at RM1,580/metric tones) is expected to support the agriculture sector. Higher output of crude oil and natural gas spurred by firm prices and demand is expected to boost the mining sector.

The construction sector is set to turn around to expand by 1.8% in 2006 following two straight years of decline in 2004 - 2005. This will be spurred by the implementation of new and ongoing infrastructure projects. The continued housing development will also boost the sector's growth. It is expected that the implementation of the Ninth Malaysia Plan (2006 - 2010) will kick start new infrastructure projects.

INFLATION OUTLOOK

Inflationary conditions are expected to accelerate in 2006, driven largely by higher energy prices and other rising costs. The CPI growth is expected to remain high at above 3.5% at least in 1H06, as the hikes in the retail prices of petroleum products ranging between 18.5% - 23.4% resulting in both direct and indirect impact on consumer inflation.

EXTERNAL SECTOR

The external sector is expected to remain strong, benefiting largely from the rebound in electronics as well as firm commodity prices. Exports are expected to sustain at 10% - 12% in 2006, underpinned by the continued strength of the global economy as well as intra-regional trade.

MONETARY POLICY

The expected rise in domestic inflation as well as the persistent widening yield gap with US rate is expected to pressurise domestic interest rates to trend upward. Bank Negara upped the overnight policy rate (OPR) by 30 bps to 3.0% for the first time in seven years on 30 November 2005. This signaled the pre-emptive move to realign domestic interest rates to ensure financial stability and stave off inflation. The OPR was hiked by another 25 bps to 3.25% on 22 February 2006. We expect the OPR to be increased by a total of 50 - 100 bp in 2006. Having said that, the magnitude of rate hike will depend on: (i) the outlook for inflation; (ii) prospects for economic growth; and (iii) the general trend in global interest rates. Also, the pace of monetary tightening could take a breather if the US interest rates cycle reverses or if the ringgit appreciates by 3% - 5%. On balance, the stance of monetary policy remains supportive of economic activities. The increase in rates should not be viewed as being too restrictive given the ample liquidity. There is no liquidity crunch and banking institutions still provide credit facilities at reasonable rates.

(Source: CIMB Securities: Economic Research)

Investor Relations

CIMB Berhad was named as the winner in the category of Best IR in the Singapore market by a Malaysian Company in the 2005 IR magazine awards (South East Asia Investor Relations Awards). BCHB was short listed for the same award.

With the many strategic changes within the Group during the course of 2005, it has been an eventful and busy year for investor relations. Subsequent to the 6 June 2005 announcement of the restructuring and integration of the banking businesses of the Group, the investor relations activities and efforts of BCHB and CIMB were combined and co-ordinated as a joint effort.

Investor relations is entrenched as the communication platform between the Group with the investment community at large. Some of the underlying approach includes accurate and consistent information flow to the investment community as well as providing feedback on perception and issues to management.

ACTIVITIES

Among the activities conducted during the year include:

- Briefing to analyst and press in conjunction with the release of 2004 financial year audited results on 2 March 2005.
- In 2005, BCHB has approximately 140 meetings with equity research analysts, fund managers and investors. (This excludes meetings at roadshows and investor conferences).
- Participated in Invest Malaysia 2005, organised jointly by Bursa Malaysia, CIMB and CSFB.
- Attended the inaugural Bursa Malaysia GLC Forum 2005.
- CIMB Berhad presentation to analysts and press on the acquisition of GK Goh's Stock broking business on 13 January 2005.
- Briefing to press and analyst on 6 June 2005 on proposed restructuring and integration of Group's banking businesses.

- Briefing to press and analyst on the first 100 days up-date on the CIMB-BCB integration and restructuring exercise combined with Group Interim results announcement.
- Participated in both domestic and international non deal roadshows and investor conferences. The international meetings were held at the key global investment centers namely Singapore, Hong Kong, London, New York and Boston.
- Liased with Bank Niaga Investor Relations Department on investor presentation and queries.
- Other channels of communication include the Annual General Meeting in April 2005 and the Extraordinary General Meeting in September 2005 on CIMB-BCB integration.

CIMB Berhad was named as the winner in the category of Best IR in the Singapore market by a Malaysian Company in the 2005 IR magazine awards (South East Asia Investor Relations Awards). BCHB was short listed for the same award.

COVERAGE ON BCHB BY BROKERAGES IS HIGH

	Thomson	Reuters
(coverage to earnings estimates)	28	28

At the last trading day of the year, 30 December 2005, BCHB and CIMB were ranked the 8th and 21st largest company by market capitalisation on Bursa Securities. Market capitalisation of BCHB rose to RM15.7 billion as at 30 December 2005 from RM12.7 billion at the end of 2004. Foreign ownership has increased from 31.11% at the end of 2004 to 37.16% at the end of 2005.



The Group that Cares

64

BCHB Group 2005
– Calendar of Corporate Events

69

CORPORATE SOCIAL



Responsibility

The Group That Cares



BCHB-COBRA RUGBY DEVELOPMENT PROGRAMME FOR MALAYSIAN SCHOOLS

BCHB has in 2005 agreed to become the title sponsor for the Cobra Rugby Development Programme For Malaysian Schools (2005-2007). With the sanction and support of the Ministry of Education, Olympic Council of Malaysia (OCM) and Malaysian Rugby Union (MRU), COBRA has initiated a rugby development programme for Malaysian schools.

The objectives of the programme are three-fold:

- To create a pool of coaches at the schools level who are qualified to provide basic coaching. This is supported by training provided by coaches from the famed Penguin Academy of England.
- To increase the level of proficiency in rugby amongst schoolboys pre-dominantly at the Under 15 level.
- To expose school teams to a higher level of competition than the MSSM level.

The theme of this programme is "to contribute to nation building and character development through teamwork". The aim is to support the game at the grassroots level which is at the schools level, the critical stage for character development and team building. BCHB's participation forms part of its social responsibility activities specifically involving sports at the grassroots level.

In conjunction with the Annual COBRA Rugby 10s Tournament, a schools invitational 10s tournament was also held. The BCHB-COBRA Schools Invitational Tournament on 9-11 September 2005 saw the participation of:

- SM Sains Sultan Mahmud, Kuala Terengganu
- SMK Zaaba, Negeri Sembilan
- Sekolah Alam Shah, Putrajaya
- Kolej Yayasan Saad, Melaka
- SM Agama Haji Othman Abdul Wahab, Sarawak
- St. Andrews College, Singapore
- Broadwater Boarding School, London
- BCHB-COBRA President Selection team (comprising students from MCKK, RMC, Sekolah Sukan Bandar Penawar, SMK Ungku Hussain Endau and Broadwater School, England).

The schools tournament will now be a permanent feature of the COBRA 10s. COBRA had arranged to bring 1,500 school children to be brought to the Petaling Jaya Stadium in Kelana Jaya to watch the tournament.

In the final match held on Sunday, 11 September 2005, playing in front of a full stadium, the BCHB-COBRA President Selection team defeated SM Sains Sultan Mahmud, Kuala Terengganu 21-3. It was a pulsating final and a fitting finale to a very successful programme.

It is in our long-term interest to aim for sustainable and equitable development by working together with the communities to improve the overall quality of life.



Our businesses form an integral part of the communities because we are providing essential financial services to a wide range of people. It is in our long-term interest to aim for sustainable and equitable development by working together with the communities to improve the overall quality of life. This commitment for betterment is not new. As our understanding of the consequences of human activities develops, so too we will evolve and improve.

In this section of the Annual Report, we summarise the main areas of the Group's corporate social responsibility initiatives in 2005, ranging from sports development, sponsorship, donation, relief effort, scholarship, education and community programmes and staff activities.

SPORTS DEVELOPMENT

BCHB-Cobra Rugby Development Programme for Malaysian Schools

As described in more detail on the main page of this section, the primary objective of the programme is to train teachers as Rugby Coaches and increase level of exposure to rugby to schoolboys under the age of 15 every year. This programme was conducted in conjunction with the Ministry of Education, OCM and MRU. BCHB aims to contribute RM210,000 per annum for a period of three years starting 2005 to 2007.

Squash partner

As the corporate partner for squash, which took effect from July 2005, CIMB will continue to support the Squash Rackets Association of Malaysia's activities, which included the hosting of the Kuala Lumpur Open and the Malaysian Men's and Women's Open tournaments.

For CIMB Malaysian Women's Open Squash Championship 2005 held between 25 - 30 July 2005 and CIMB Malaysian Men's Open Squash Championship 2005 held between 14-19 September 2005

at National Squash Centre Bukit Jalil, CIMB sponsored RM180,000 and RM150,000 respectively as the title sponsor. It was very gratifying to note that our own homegrown squash players, Ms Nicol Ann David and Mr Ong Beng Hee won the championships.

CHARITY AND WELFARE

Tsunami relief

Bank Niaga contributed funding for a number of different programmes as follows:

- The Intellectual Community Development Programme organised by University of Indonesia including sponsoring of volunteers who went to provide the ground assistance.
- Food aid for refugees in Medan.
- Food and medicines for Nias survivors handled through the Red Cross.
- Textbook packages for 1,456 primary school students in three districts (Aceh Besar, Pidie and Bireun) in coordination with the Department of National Education in Aceh.

Orphanage

BCHB and CIMB held the annual Staff Buka Puasa during Ramadhan at Mandarin Oriental Kuala Lumpur on 13 October 2005 together with the underprivileged children from two homes. Hari Raya goodies were distributed to the children during the event.

Commerce Life co-organised the "Hari Raya Open House with Orphanage" together with Life Insurance Association of Malaysia (LIAM). Commerce Life sponsored 45 children from Rumah Baitul Ummah to participate in the event. About 40 orphans were involved in the event where most of them were sponsored by other insurance companies in Kuala Lumpur. The children were given goodies bag and duit raya during the event.

THE GROUP THAT CARES

Many schools and institutions of higher learning were beneficiaries of BCB's contributions through an array of academic and community related activities undertaken during 2005.

Pakistan earthquake

BCB contributed RM50,000 to assist earthquake victims in Pakistan through the Red Crescent society.

HEALTH AID

Cancer research

In fulfillment of our commitment, we have further donated RM50,000 in 2005 to Cancer Research Initiatives Foundation (CARIF). BCHB has pledged a fixed sum of donation over a period of five years beginning 2005.

Children care

BCB channeled its contributions to several institutions such as Hospis Malaysia, Yayasan Harapan Kanak-Kanak Malaysia, Pusat Harian Kanak-Kanak Spastik, PELITAWANIS TNB and Persatuan Kebangsaan Pekerja-Pekerja Perubatan & Kesihatan Semenanjung Malaysia. A significant contribution of RM50,000 was pledged to a young engineer, who lost his eye sight in a laboratory mishap, to help restore his vision through a course of medical treatment currently being undertaken at the Singapore Eye Centre, National University of Singapore.

Persatuan Bekas Polis Malaysia – Haemodialysis machine

CIMB sponsored one unit of Haemodialysis machine worth RM50,000 to Persatuan Bekas Polis Malaysia. The dialysis machine is stationed in one of the government hospitals.

Yayasan Nikmat Untuk Rakyat (NUR)

The programme was aimed for special children with down syndrome, autism and mental illness. CIMB sponsored RM10,000 to fund the Open Minds campaign which includes Open Minds Charity Concert and Open Minds-Yayasan Nur Gala Dinner.

“Voices for Hospices” Fundraising Dinner

Hospis Malaysia is an organisation that aims to address the need for professional Palliative Care services for the community.

They held a charity evening “Voices for Hospices 2005” on 24 September 2005 as part of their fundraising efforts and public awareness on Palliative Care. BCHB and CIMB each sponsored RM10,000 to support this charity event.

Blood Donation

Further to the success of Commerce Life 2004 “Save lives – Be a Blood Donor Campaign”, once again Commerce Life had organised the same campaign during 2005, in conjunction with the Insurance Day. The Campaign, which attracted 130 people was held in collaboration with the National Blood Centre to appeal for eligible donors among its employees and tenants, to donate the much-needed blood to boost the national supply.

In addition, a programme of blood donations for the Red Cross was held twice during the year at Niaga Tower, the Gajah Mada Office and in Bintaro.

Blood donation programme was also conducted at Commerce House in 2005 for BCHB Group staff.

COMMUNITY

Rat Race 2005

This year, CIMB sent 5 strong teams aimed to be the Champion compared to 2nd placed for 2004 race. As The Edge Rat Race 2005 was a charity event, a total sum of RM33,000 was contributed.

Founding Sponsorship of the Kuala Lumpur Performing Arts Centre

CIMB join the ranks of Founding Sponsor for the Kuala Lumpur Performing Arts Centre (KLPAC). KLPAC is becoming the hub for the performing arts community, fostering creative excellence through the development and nurturing of performing arts culture. As Founding Sponsor, CIMB commits RM100,000 per year for the next 3 years.



EDUCATION

Sponsorship and scholarship

In line with our objective to support a knowledgeable society, our banking subsidiary, BCB contributed RM49,200 to The New Straits Times newspaper in Education programme benefiting 15 schools throughout the country. BCB also sponsored a nationwide schools debate "Pertandingan Pidato Piala Hasil" organised by the Inland Revenue Board. Many schools and institutions of higher learning were beneficiaries of BCB's contributions through an array of academic and community related activities undertaken during 2005.

Bank Niaga's Scholarships for top grade achievement are made available to discourage students from dropping out of the educational system. This programme was available to Primary, Junior and Senior High School students.

Lingual assistance

In August 2005, BCB undertook a community project benefiting a total of 70 poor students from Sekolah Menengah Kebangsaan Sri Istana, Klang. A 3-day "Language Camp" was organised at BCB's Staff Training Centre in Bangi with the assistance of some dedicated teachers and headmistress who spared their weekend to provide intensive guidance to the students in both English and Bahasa Malaysia ahead of their SPM examinations.

For The New Straits Times' School Sponsorship Programme – A Commitment To Better English programme, Commerce Assurance contribution has benefited 200 students. This programme was officially launched by our Education Minister Datuk Seri Hishammuddin Hussein which aimed to promote the use of English among rural and semi-urban Malaysians.

The Young Enterprise (YE) programme

BCB, as the official bank, embarked on YE programme with the objective to guide students to develop entrepreneurial skills in business acumen, marketing, sales & teamwork by exposing them to setting-up and managing a small business.

BCB developed a process to allow selected 16 year old students who have set up their "model companies" under this programme to open and operate their company's current accounts, just like any other customers at designated branches of the Bank. They were guided by their teachers and their sponsor companies. A total of 35 accounts were opened in March and closed in November 2005 when their "model companies" had achieved their business objectives and were "liquidated". The students were exposed to the activities in banking and were guided on how to manage their company's accounts.

BCB also hosted a YE workshop for the Form 4 students and teachers from 20 schools around Klang Valley on Auditing, conducting of Annual General Meetings and Liquidation.

Sponsoring the UNICEF Awards

In conjunction with UNICEF, YKAI (The Foundation for Indonesian Children's Welfare) and Depdiknas (Ministry of National Education), Bank Niaga sponsored an award for Indonesian Young Writers on the theme "My rights as an Indonesian Child" to stimulate writing skills development among Junior and Senior High School children in Indonesia and at the same time help publicise the basic rights to education, healthcare, freedom, play and safety for minors. Total prize money awarded in Bank Niaga savings accounts amounted to Rp14.5 million.

A prize of Rp10 million in savings was provided for a further UNICEF award for Indonesian Young Leaders in which a number of leading Junior and Senior High Schools participated.

THE GROUP THAT CARES



Help University College Annual Academic Awards 2005

In 2005, CIMB sponsored 3 awards, namely The CIMB Awards for Best Student in Investment, Treasury Risk Management and Financial Institution Lending.

School Rehabilitation Programme

Bank Niaga was involved in two projects firstly a Rp1 billion support programme for school rehabilitation in Aceh in cooperation with UNICEF and secondly, an amount of Rp500 million to establish a school in Simeuleu Island in cooperation with the National Council of Women of Indonesia (KOWANI) and Simeulue Regional Government. Both projects will take about two years in development time.

Creative Development Programme

A Creative Development Programme was sponsored by Bank Niaga to help students who have study difficulties or have dropped out.

Child Friendly School & Learning Communities for Children

Bank Niaga, working with the National Education Department, UNICEF, UNESCO and the region government in Cirebon, participated in this programme which has been running since 2002. The intent is to raise the quality of Primary School education by giving more authority to school management and the local community.

Mobile Library Programme

Bank Niaga's Mobile Library helped students living in areas with a lack of school facilities to cultivate their interests and build their knowledge via reading. This programme was completed in August 2005.

Million Book Programme

Continuing the Million Book programme that has been done since 2003, Bank Niaga worked with the Bunda Yessy Foundation by donating story and scientific books to the foundation.

Educational Tour Programme

As part of the scholarship programme, Bank Niaga supported an educational tour for students who received scholarship from Bank Niaga. The tour was held in the Zoological Gardens of Bogor where students were able to relate to nature outside of the formal schoolroom environment.

STAFF ACTIVITIES

BCHB and CIMB held the annual Staff Buka Puasa during Ramadhan on 13 October 2005. Management from both BCHB and CIMB attended the event. This year, underprivileged children from two homes were invited to break fast with the staff. The event was held at Mandarin Oriental Kuala Lumpur.

Commerce Life continued with its tradition of organising its "buka puasa" with the staff. Held at Quality Hotel City Centre, Jalan Raja Laut on 20 October 2005, the event was done to strengthen the "silaturahmi" between the staff and the Management. The event also included religious lecture and "tarawikh" prayers.

Various other activities for the staff were arranged and supported such as treasure hunts, sports competitions, staff appreciation and other gatherings.

BCHB Group 2005

Calendar of Corporate Events



BCHB

13 JANUARY

BCHB entered into a placement agreement with CIMB for the acquisition of GK Goh Holdings Limited's stockbroking businesses.

24 JANUARY

BCHB's subsidiary, Commerce TIJARI Bank Berhad was granted a license pursuant to Section 3 (4) of the Islamic Banking Act 1983.

21 - 24 MARCH

Participated in Bursa Malaysia Invest Malaysia 2005.

A 18 APRIL

Annual General Meeting held at Emerald Room, Mandarin Oriental Hotel, Kuala Lumpur.

6 JUNE

BCHB announced the reorganisation of BCB - CIMB.

29 JULY

BCHB announced the merger between BCB and BCF.

10 SEPTEMBER

Extraordinary General Meeting held at Nusantara Ballroom, Sheraton Imperial Kuala Lumpur, Kuala Lumpur.

B 15 - 16 SEPTEMBER

Commerce Group Directors' Retreat in Kunming, China with Talent Management as the theme.

21 OCTOBER

BCHB announced that BNM has granted an approval to enter into discussion with certain shareholders of Southern Bank Berhad.

24 OCTOBER

Change of company name to Bumiputra-Commerce Holdings Berhad.

29 DECEMBER

BCHB announced that the merger of BCB and BCF was to be completed on 1 Jan 2006.

30 DECEMBER

Commerce Takaful Berhad was registered under Section 8 of the Akta Takaful 1984 to commence the general and family Takaful business.

BCHB GROUP 2005 – CALENDAR OF CORPORATE EVENTS

BCB



15 - 16 JANUARY

BCB held a Sales Convention to cascade its business plans and targets to its sales teams. Recognition to its high achievers was given.

18 JANUARY

BCB launched a campaign to promote Home Loans with an offer of free 42" plasma TV for a minimum RM400,000 successful HomeFixed loan.

C 19 JANUARY

BAKTI members were briefed on BCB's wealth management services. Gracing the event was BAKTI's then Yang Di Pertua, the late Datin Seri Endon Mahmood.

14 APRIL

An official farewell was held for Chairman Tan Sri Radin Soenarno Al-Haj on the occasion of his retirement. Following this, on May 5 the Bank announced the appointment of Tan Sri Dato' Seri Haidar Mohamed Noor as the new chairman.

15 APRIL

Commerce TIJARI was launched by BNM Governor, Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz in Kuala Lumpur. It extends the Commerce Group's business offerings to Islamic financial services, ensuring the group provides an efficient and robust service chain.

19 APRIL

More than 300 property developers attended the BCB's cocktail reception in Kuala Lumpur aimed at forging closer business relationships. Attendees were

treated to a product briefing that highlighted customer benefits, and a property market talk by the Director-General of the Valuation and Property Services Division, Ministry of Finance.

28 APRIL

BCB launched its latest SME loan product, Fast Track PRO Finance, via a media briefing. Targeted at professional SMEs, PRO Finance was initially offered to accountants, doctors, dentists and veterinarians. Guaranteed by CGC, the facility boasts of a 7-working day approval period.

29 APRIL

BCB's finance arm and Red Book signed a MoU to enable it to leverage on Red Book's expertise in assessing actual value of used cars. Red Book is a leading vehicle valuation company that uses an expert calculation system to determine the actual value of a car, taking into account the used cars' condition, mileage, specifications and years of usage.

14 JULY

Minister of Entrepreneur and Co-operatives Development Dato' Mohamed Khaled Nordin awarded BCB a Certificate of Appreciation at an event aimed at reenergising the SME supplier sector in support of the government's efforts to enhance the development of the industry.

18 JULY

BCB held a reception for 200 developers, real estate agents, lawyers and auctioneers to forge better working relationship and advance its mortgage business.

26 JULY

BCB extended its PRO Finance facility to four other professional bodies comprising engineers, pharmacists, surveyors and architects.

D 10 AUGUST

Malaysia's first-ever web-based customs duty payment facility was launched through a 3-party joint initiative between BCB, the Royal Malaysian Customs and Dagang Net Technologies, an e-commerce and electronic document exchange service provider. This enables businesses to settle customs duty via internet. The event was officiated by the Director-General of Customs.

12 AUGUST

BCB hosted a workshop at its Pusat Putra training center for 180 disadvantaged Form 5 students of the adopted school, Sekolah Menengah Sri Istana, Klang, to undergo weekend intensive workshop on English and Bahasa to prepare them for the 2005 SPM examinations.

16 AUGUST

BCB's Channel-e was appointed as the payment channel for Sarawak utility bills. Jointly organised with SiliconNet Technologies, an internet services provider, the event in Kuching was officiated by the Sarawak State Secretary, YB Datuk Amar Haji Abdul Aziz Dato' Haji Husain. This paved the way for consumers in Sarawak to pay their utility bills via Channel-e.

BCHB GROUP 2005 – CALENDAR OF CORPORATE EVENTS



27 AUGUST

This final phase of the Young Enterprise (YE) programme saw some 60 Form 4 students and 20 teachers from 20 schools around Klang Valley undergoing a workshop on conducting AGM, Auditing and Liquidation. This was a social responsibility project by AMCHAM (American Chamber of Commerce). YE programme was aimed at providing the enterprising 4th formers with hands-on knowledge and experience in managing a business. BCB was appointed as the official bank for the program in 2004. The students had earlier been exposed to the processes of setting up a business entity, opening and managing a bank account, running a business and bookkeeping.

1 SEPTEMBER, 5 SEPTEMBER & 26 SEPTEMBER

CIMB-BCB EXCO Chairman Dato' Mohamed Nazir Razak went on a nationwide roadshow to meet staff to share the new bank's vision and aspirations. The session in Melaka / Negeri Sembilan was held at the A'Famosa, Melaka, in Sarawak at the Merdeka Palace Hotel, Kuching and in Perak at the Casuarina Hotel, Ipoh. Over 100 staff attended the session at all three regions.

7 SEPTEMBER

BCB launched a 6-month campaign to mobilise deposits. To entice customers to increase savings in their accounts, BCB offered three RM500 cash prizes weekly throughout the contest period, with every winner in the running to grab the Grand Prize of RM30,000 cash at the end of the contest.



E 19 SEPTEMBER

BCB and CIMB were jointly mandated by SYABAS (Syarikat Bekalan Air Selangor Sdn Bhd) as the joint lead arrangers / joint lead managers for the Bai Bithaman Ajil Islamic Securities and the Al-Kafalah Performance Bond Facility.

20 SEPTEMBER & 28 SEPTEMBER

BCB held Trade Finance seminars for its customers in Kuala Lumpur and Shah Alam to enrich customers' financial product knowledge as well as to provide updates on facilities and market developments.

23 SEPTEMBER

BCB's Preferred Circle held its inaugural tea reception for its customers to enhance rapport, provide current market outlook and details on private banking services with the integration of CIMB-BCB.

3 OCTOBER

Banks and financial institutions executed an agreement under Central Credit Information System. It aims to avoid legal challenges in the event of loss arising from inaccuracy in credit reporting. The event was organised by the Association of Banks in Malaysia.

F 4 OCTOBER

BCB executed an MoU with Mobile Money International to provide a new payment service using mobile phones. The service enables customers to make payments for their purchases from their savings, current or credit card account by keying in a PIN number using their mobile phone.



27 OCTOBER

BCB staff held a 'Buka Puasa' event for the Tarbiyah Islamiyah Darul Atiq orphanage at Hotel Plaza, Kuala Lumpur. 70 orphans and single mothers attended. BCHB Chairman, Tan Sri Dato' Mohd Desa Pachi attended with senior management.

10 NOVEMBER

CIMB-BCB signed a strategic alliance with SME Bank to offer joint financing and other assistance to eligible Malaysian SMEs for their business growth.

24 NOVEMBER

Directors Tan Sri Dato' Ernest Zulliger who had served the BCB Board for 12 years and Dato' Azmi Abdullah who had clocked in 26 years with the Bank bid farewell on their retirement from BCB Board.

16 DECEMBER

A BCB Service Kiosk was opened at NAZA World showroom, Petaling Jaya. It enables closer cooperation with Malaysia's premier dealer for exclusive cars, NAZA Motors. Applications for motor vehicle loan can now be submitted through the kiosk, which ensures speedier processing.

G 21 DECEMBER

Malayan Commercial Banks Association (MCBA) and the National Union of Bank Employees (NUBE) formalised a long-standing collective agreement on salaries and benefits for employees in the clerical and non-clerical categories.

BCHB GROUP 2005 – CALENDAR OF CORPORATE EVENTS



CIMB

13 JANUARY

CIMB signed a sale and purchase agreement with GK Goh Holdings Limited for the acquisition of the latter's entire stockbroking operations for a total purchase consideration of up to SGD239.14 million or RM554.8 million. The proposed acquisition transforms CIMB into South East Asia's leading investment banking franchise with significant market share in Malaysia, Singapore and Indonesia. In addition, the group will have stockbroking operations in Hong Kong and London.

6 JUNE

CIMB and BCHB announced the proposal to transform the banking businesses into a single "Universal Banking" Group under CIMB Newco. The proposal involved CIMB Newco acquiring 100% of Bumiputra-Commerce Bank Berhad and its subsidiaries.

H 18 JULY

CIMB-Principal Asset Management launched its Global Titan Fund. The event was held at Le Meridien Hotel Kuala Lumpur.

I 21 JULY

CIMB-GK Pte Ltd was launched at Goodwood Park Hotel in Singapore. The launch was officiated by Ms Ho Ching, Executive Director and CEO of Temasek Holdings Limited. Around 500 guests attended the reception which consisted of clients of both CIMB and CIMB-GK from Malaysia and Singapore.

J 8 AUGUST

CIMB was the joint arranger for the RM383 million Syndicated Islamic Revolving Financing for Kulim (Malaysia) Bhd. The purpose of this facility is to finance Kulim's acquisition of approximately 119 million QSR Brands Berhad shares. The event was held at the Boardroom of Bangunan CIMB.

K 23 AUGUST

CIMB-Mapletree Management Sdn Bhd entered into a conditional Sale and Purchase Agreement with Casapark Sdn Bhd, the majority owner of CP Tower. The purchase represents the first direct property acquisition by CIMB-Mapletree. The event was held at CIMB Auditorium.

BCHB GROUP 2005 – CALENDAR OF CORPORATE EVENTS



5 SEPTEMBER

CIMB launched its Kuching branch, its first in East Malaysia. The new branch will provide corporate and retail investors in Sarawak a full array of financial services offered by the CIMB Banking Group. The launch was held at the branch itself.

19 SEPTEMBER

CIMB was the Joint Lead Arranger and Joint Lead Manager of the Bai Bithaman Ajil Islamic Securities of up to RM3 billion and Al-Kafalah Performance Bond Facility of up to RM50 million for Syabas (Syarikat Bekalan Air Selangor Sdn Bhd). The signing ceremony was held at Marriott Putrajaya Hotel.

L 30 SEPTEMBER

CIMB-GK launched CIMB-GK Securities (HK) Limited at the Four Seasons Hotel in Hong Kong. Guests were mainly clients from Hong Kong, Malaysia and Singapore.

13 OCTOBER

CIMB held its annual Staff Buka Puasa during Ramadhan. Management from both BCHB and CIMB attended the event. This year, underprivileged children from two homes were invited to break fast with the staff. The children were given Hari Raya goodies by En Charon Wardini Mokhzani before they left. The event was held at Mandarin Oriental Kuala Lumpur.

16 NOVEMBER

CIMB held its Hari Raya Open House for clients. Senior management of CIMB were the host for the night. The Open House was held at Mandarin Oriental Kuala Lumpur.

29 NOVEMBER

CIMB launched its fifth operating office in South East Asia with the opening of its Brunei Branch. CIMB Brunei was officiated by YB Pehin Orang Kaya Laila Setia Dato' Paduka Awang Haji Abdul Rahman bin Haji Ibrahim, Minister of Finance II Brunei Darussalam attended also by Datuk Zamani Abdul Ghani (Bank Negara Malaysia's Deputy Governor), Dato' Mohamed Nazir Razak (CIMB Group Chief Executive) and some 100 guests.

BCHB GROUP 2005 – CALENDAR OF CORPORATE EVENTS

Bank Niaga

JANUARY

- Awarded “The Most Active Custodial Bank” by Surabaya Stock Exchange.
- Participated in the REI Property Expo at Jakarta Convention Center.

FEBRUARY

- Signed agreement with PT PLN for handling customer electricity payments through Niaga self-service terminals.

MARCH

- Won “Call Center Level Award 2005” in the Banking category sponsored by the Frontier Center for Customer Satisfaction and Loyalty in collaboration with Marketing Magazine.
- Ranked 2nd in the “Best Service Performance” award in the category: asset below Rp50 trillion by MRI.
- Launched “Golden Prize” programme to celebrate Bank Niaga’s 50th anniversary.

APRIL

- Ranked 2nd Corporate Governance Perception Index Award by Indonesian Institute of Corporate Governance.
- Cooperation with Bank Bengkulu in providing Rp31 billion in SME credit.
- Annual General Meeting of Shareholders.

MAY

- Ranked 1st in the “Best Bank 2005” awards in the Recap Bank category: assets Rp10 to Rp50 trillion sponsored by Investor Magazine.

- Ranked 3rd in the “E-company Award 2005” Banking category by Warta Ekonomi Magazine.
- Denpasar SME centre opened.
- Launched the new “Coffee Banking” branch concept in Wisma Metropolitan, Jakarta in cooperation with Starbucks.

JULY

- InfoBank Magazine presented Bank Niaga with the “2005 InfoBank Award” for its “Excellent” 2004 financial performance.
- Received the Most Admired Knowledge Enterprise (MAKE) Award 2005 from the Dunamis Organisation.

AUGUST

- Ranked first in the Annual Report Awards for 2004 among all Private sector Listed Financial Companies in Indonesia as judged by the Ministry of State Owned Enterprises, Directorate General of Tax, the Indonesian Capital Markets Supervisory Board, the Jakarta Stock Exchange, the Indonesian Institute of Accountants and the National Committee for Corporate Governance.
- Awarded “Best Local Cash Management Bank” in Indonesia by AsiaMoney magazine.
- Signed agreement with Business & Management School ITB.
- Extraordinary General Meeting of Shareholders.

SEPTEMBER

- Cooperated with AIA Indonesia in marketing a new Bancassurance product.
- Opened new Palembang branch.
- Launched the new Bank Niaga training centre, Gunung Geulis.
- A new CSR programme officially announced across the bank.

OCTOBER

- Loyalty programme: “Double reward express” for Niaga Gold cardholders launched.

NOVEMBER

- Signed agreement with Adam Air to handle the marketing and payment of their air tickets using Niaga SST.
- Launching the Program of Niaga Student Transfer.

DECEMBER

- Received the “Innovation Award 2005 in Customer Service” from SWA magazine.
- Ranked 5th in the Top 20 “Best Value Creator Bank” awards from SWA magazine.
- SME credit signed for 1,934 South Kalimantan palm oil farmers.
- Extraordinary General Meeting of Shareholders.

Commerce Assurance

FEBRUARY

AMI Insurans Berhad company's name was changed to Commerce Assurance Berhad to reflect the change of shareholding of the company.

JUNE

Contribution for the Tsunami Fund amounted RM20,000.

AUGUST

- a. Commerce Assurance Berhad contributed to the NST School Sponsorship Programme – A Commitment To Better English.
- b. Commerce Assurance Berhad in collaboration with Maphilindo International and Merimen signed an agreement for "24 Hours Virtual Contact Center" to build SMS (short message service) Interactive Messaging Platform (IMP) solutions to enable two way and interactive communications for its claims services utilising SMS. This can be seen in the use of SMS in status of claims, repairs status and Auto Assistance. This collaboration is to encourage and support healthy growth of content for network providers through the rapid creation and market deployment of mobile internet applications and services for insurance industry.

Commerce Life

22 JUNE

"Save lives - Be a Blood Donor Campaign" 2005, in conjunction with the Insurance Day.

20 OCTOBER

"Majlis Buka Puasa" with the staff. Held at Quality Hotel City Centre, Jalan Raja Laut, Kuala Lumpur.

1 DECEMBER

Commerce Life co-organised the "Hari Raya Open House with Orphanage" together with Life Insurance Association of Malaysia (LIAM).

Commerce-Ventures

4 FEBRUARY

Commerce-Ventures held the Dinner and Awards Presentation event on 4 February 2005 at Carcosa Sri Negara. This marked the first time the Commerce-Ventures presented awards for its investee companies in the categories of CEO of the Year, Company of the Year and Most Promising Company of the Year.

7 FEBRUARY

Listing of an investee company, Malaysia Steel Works (KL) Bhd on Main Board.

25 FEBRUARY

Listing of an investee company, NasionCom Holdings Bhd on Mesdaq.

5 APRIL

Listing of an investee company, Hovid Bhd on 2nd Board.

15 APRIL

Listing of an investee company, Carotech Bhd on Mesdaq.



Statement on Corporate Governance	78
Statement on Internal Control	84
Audit Committee Report	86
Risk Management	88
Additional Compliance Information	95
Statement of Directors' Responsibility	95
Financial Calendar	96

CORPORATE



Governance

Statement on Corporate Governance

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

1. INTRODUCTION

The Board of Directors of Bumiputra-Commerce Holdings Berhad (BCHB) is supportive of the adoption of principles and best practices as enshrined in the Malaysian Code on Corporate Governance throughout the Group. It is recognised that the adoption of the highest standards of governance is imperative for the enhancement of stakeholders' value.

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 on Corporate Governance.

2. BOARD OF DIRECTORS

The Board

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

The Board of Directors meets on a scheduled basis at least once every quarter. When the need arises, Special Board Meetings and Joint Special Board Meetings with subsidiaries are also convened. The quarterly Board Meetings are scheduled prior to the commencement of the financial year.

Among the topics for deliberation include the financial statements and results of the Group and its subsidiaries, operational activities, strategic and corporate initiatives as well as matters specifically reserved for the Board's decision. Reports by Board Committees are also presented and discussed.

In 2005, there were four ordinary Board Meetings, seven Special Board Meetings and one Special Joint Board Meeting with the Boards of BCB and CIMB Berhad. In addition, there were two Joint Board briefings in 2005 with the Boards of BCB and CIMB Berhad. The dates, venues and time of the Board Meetings can be found in the Statement Accompanying Notice of Annual General Meeting on page 4 of this Annual Report. The following are the details of attendance of each individual director in respect of Meetings held in 2005.

Directors	No. of Meetings Attended	Percentage
Tan Sri Dato' Mohd Desa Pachi	12/12	100%
Dato' Anwar Aji	10/12	83%
Tan Sri Datuk Asmat Kamaludin	10/12	83%
Dato' Mohd Salleh Mahmud	10/12	83%
Dr. Roslan A. Ghaffar	11/12	92%
En Izlan Izhab	12/12	100%
Dr. Rozali Mohamed Ali (retired on 1 January 2006)	8/12	67%
En Mohd Shukri Hussin (appointed on 3 January 2006)	Not applicable	Not applicable
Dato' Mohamed Nazir Razak (appointed on 27 January 2006)	Not applicable	Not applicable

Composition of Board of Directors/Board Balance

The Board of BCHB as at the date of this statement consists of eight (8) members. Three (3) Directors are independent as defined under the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities). Two (2) Directors represent shareholders, namely Khazanah Nasional Berhad and Employees Provident Fund (EPF), one represents Minister of Finance Inc, one is the Managing Director/Group CEO and one is a Non-Independent Non-Executive Director holding an executive post in the banking group.

There is optimum board balance and there is compliance with the independent directors criteria of the Bursa Securities' Listing Requirements. The current set of Directors with their wide experiences in both the public and private sector and academic background provides a collective range of skills, expertise and experience. The independent directors fulfill their role by providing objective judgment and participation in the decision-making process.

Tan Sri Dato' Mohd Desa Pachi who is the Chairman, has been identified as the Senior Independent Director to whom concerns from stakeholders may be conveyed. On 3 January 2006, En Mohd Shukri Hussin was appointed as the Managing Director/Group CEO. He was previously Chief Operating Officer of BCHB from 2003. He started his banking career in 1986 at then Bank of Commerce (M) Bhd and moved up to hold various senior positions in companies within the Group.

STATEMENT ON CORPORATE GOVERNANCE

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

The roles of the Chairman of the Board and Managing Director/ Group CEO are separate which will help to ensure a balance of power and authority, such that no one individual has unfettered powers of decision.

The Chairman of the Board is an Independent Non-Executive Director and his main responsibility is to lead and manage the work of the Board in order to ensure that it functions efficiently and effectively and fully discharges its responsibilities.

The responsibility for the day-to-day management of the Company rests with the Managing Director/Group CEO. He is ultimately accountable for implementing the policies/decisions approved by the Board, leading the corporate team and instilling an appropriate corporate culture.

At the beginning of each financial year, the Board deliberates and approves a set of measures and expectations for the Managing Director/Group CEO via the Corporate Balanced Scorecard. This acts as a yardstick against which his performance will be measured, evaluated and rewarded.

Supply of Information

Prior to the Board Meetings, all Directors will receive the agenda and a set of Board papers containing information relevant to the matters to be deliberated at the Meetings. Seven (7) days prior to Board Meetings was set as a target for Management to deliver the respective papers to the members of the Board. Any deviation from the set timelines will require explanation from Management. The Board will receive information that is not only historical or quantitative but also those that look at qualitative performance factors.

Management is responsible to provide the Board with all information of which it is aware. The Chairman of the Board shall undertake the primary responsibility of organising information for the agenda during the Board Meeting.

Directors have access to all the information within the Company and the Group, whether as a full board or in their individual capacity, in the furtherance of their duties. Directors whether acting as a full board or in their individual capacity can take independent professional advice at the Company's expense.

All the Directors have direct access to the advice and services of the Company Secretary. The Company Secretary is capable of carrying out the duties to which the post entails. The Directors are regularly updated on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors. The Board recognises that the Chairman is entitled to the full support of the Company Secretary.

Appointments to the Board

There is in place a formal and transparent procedure for the appointment of new directors to the Board. The proposed appointment of new member(s) of the Board as well as the proposed re-appointment/re-election of Directors seeking re-appointment or re-election at the Annual General Meeting, are recommended by the Nomination and Remuneration Committee to the Board for its approval. The Board makes the final decision on the appointment and the approval from Bank Negara Malaysia is then sought.

Board Committees

To assist the Board in the discharge of its duties, various Board Committees were established. The functions and terms of references of the Board Committees are clearly defined as further described below.

(a) Nomination and Remuneration Committee

This Committee was formed on 31 October 2001 and is made up entirely of non-executive directors with the majority being independent. In 2005, there were six Meetings held by this Committee. The members of the Nomination and Remuneration Committee and details of attendance at the meeting are as follows:-

	Attendance
Tan Sri Dato' Mohd Desa Pachi (Chairman)	6/6
Independent Non-Executive Director	
Dato' Anwar Aji	5/6
Non-Independent Non-Executive Director	
Tan Sri Datuk Asmat Kamaludin	5/6
Independent Non-Executive Director	

STATEMENT ON CORPORATE GOVERNANCE

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

The terms of reference of the Committee with regards to the nomination role are 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 subsidiaries of BCHB. All subsidiaries shall submit the names of new directors proposed for the respective Boards to the Committee for recommendation.
- To review the required mix of 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 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 advisors or consultants as it deems necessary to fulfill its responsibilities.

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

- To determine and recommend to the Board on the Company's or the Group's director fees, allowances and other remuneration.
- To determine and recommend to the Board on the framework or broad policy for the remuneration of the Company's or Group's 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 scheme for the Company or the 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 advisors or consultants as it deems necessary to fulfill its responsibilities.

The Board through this Committee periodically reviews the relevant mix of skills and experiences inherent in the Board. With regards to assessing the effectiveness of the Board as a whole, the committees of the Board as a whole, and for assessing the contribution of each individual director, an appropriate framework has been adopted by the Board during the financial year.

The Company Secretary will ensure that all appointments are properly made, that all necessary information is obtained from directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Rules or other regulatory requirements. The Board will periodically examine the effectiveness of its present size in discharging its duties.

All Directors have attended the Mandatory Accreditation Programme and various courses linked to the Continuing Education Programme. The Company has on an ongoing basis identified conferences and seminars both locally and

STATEMENT ON CORPORATE GOVERNANCE

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

regionally with particular emphasis on the financial services sector which will be beneficial to the Directors. Bursa Securities has informed via its circular dated 28 September 2004, that effective 1 January 2005 the Board of public listed companies will assume the onus of determining or overseeing the training needs of the directors. Relevant conferences will be identified throughout the financial year. A Commerce Group Directors' retreat was held in Kunming, China in September 2005. The main issue discussed was on the talent management initiative.

In accordance with the Articles of Association, all directors are required to submit themselves for re-election at regular intervals subject to approval being obtained from Bank Negara Malaysia, at least once every three years.

(b) Audit Committee

In 2005, the members of the Audit Committee are as follows:-

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

Dato' Mohd Salleh Mahmud
Non-Independent Non-Executive Director

En Izlan Izzah
Independent Non-Executive Director

The Audit Committee met five (5) times during the financial year. The Audit Committee Report is presented on pages 86 and 87 of the Annual Report. Its principal function is to assist the Board in maintaining a sound system of internal control.

(c) Building Committee

The Committee was established in October 2003 with the principal role of reviewing and approving issues pertaining to the purchase and development of the new BCHB Group corporate headquarters before recommending to the Board for final approval. In broad terms, the three phases involved would be firstly, the clarification of design and sale agreement documentation, followed by design development and finally the implementation stage.

The members of the Building Committee are as follows:-

Dato' Mohd Salleh Mahmud (Chairman)
Non-Independent Non-Executive Director

Dato' Hamzah Bakar
Independent Non-Executive Director of CIMB Berhad

En Mohd Shukri Hussin
(appointed to the Committee on 27 January 2006)
Managing Director/Group CEO

Dr Rozali Mohamed Ali (retired on 1 January 2006)
Executive Director/Group CEO

(d) Group Risk Management Committee

The Committee was established on 30 July 2003 with the primary responsibility of ensuring the effective functioning of the integrated risk management function within the organisation. In 2005, there were four meetings held by this Committee.

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 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 risks, 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 methodology to be followed for risk based economic capital computation.
- Approving the contingency plan for dealing with various extreme internal/external events and disasters.
- Ensuring a risk aware culture in the organisation.
- Any other related issues.

STATEMENT ON CORPORATE GOVERNANCE

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

The members of the Committee and the details of attendance at the meeting are as follows:-

	Attendance
Tan Sri Datuk Asmat Kamaludin (Chairman) Independent Non-Executive Director	4/4
Dato' Mohd Salleh Mahmud Non-Independent Non-Executive Director	4/4
En Mohd Shukri Hussin (appointed to the Committee on 27 January 2006) Managing Director/Group CEO	–
Dr Rozali Mohamed Ali (retired on 1 January 2006) Executive Director/Group CEO	3/4

(e) Employees Share Option Scheme (ESOS) Committee

The BCHB Group ESOS Committee was established to administer BCHB's Employee Share Option Scheme. The Committee's principal function is to ensure that the Scheme is administered in accordance with the by-laws approved by the shareholders of the Company. The present ESOS Scheme (ESOS 2002/2007) was implemented on 20 November 2002 and 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 sufficient to attract and retain the Directors needed to manage the Group successfully. The Nomination and Remuneration Committee will review the remuneration framework of Directors and Senior Management of the Group. This will include fee and allowance structure as well as performance linked rewards or compensation. External advisers or consultants may be engaged by the Nomination and Remuneration Committee to advise on specific areas where necessary.

The determination of remuneration packages of non-executive directors is a matter for the Board as a whole. Subject to approval by the shareholders at the forthcoming Annual General Meeting, there is a recommendation to increase the annual fees for Non-Executive Directors of the Company from

RM60,000 per director to RM90,000 per director. Meeting allowances have been fixed at RM1,000 per Meeting per Director for a Board/Special Board Meeting and RM500 per Meeting per Director for Board Committee Meetings. For Executive Directors and those who head the operating subsidiaries, the remuneration will be based on the level of responsibilities, skills, experience and job performance. The remuneration package is also governed by the relevant human resource policy of the entity. For Non-Executive Directors, the level of remuneration will reflect the level of responsibilities and experience involved.

The aggregate remuneration of the Directors of the Company for the financial year ended 31 December 2005 categorised into the appropriate components is as follows:-

	Group RM'000	Company RM'000
<u>Executive Director</u>		
Salary and other remuneration	1,609	710
Benefits-in-kind	49	49
	1,658	759
<u>Non-Executive Directors</u>		
Fees	600	600
Other remuneration	555	276
Benefits-in-kind	–	–
	1,155	876
	2,813	1,635

The aggregate remuneration of Directors of BCHB paid and payable for the financial year ended 31 December 2005, in respective bands of RM50,000 are as follows:-

Range of Remuneration	Number of Directors
<u>Executive Director</u>	
RM1,650,001 – RM1,700,000	1
<u>Non-Executive Directors</u>	
RM100,001 – RM150,000	4
RM250,001 – RM300,000	1
RM350,001 – RM400,000	1

STATEMENT ON CORPORATE GOVERNANCE

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

4. SHAREHOLDERS

Since the announcement of the CIMB-BCB integration in June 2005, the investor relations activities are conducted jointly between BCHB and CIMB. This is described in a separate section of this Annual Report on page 61.

The Annual Report of BCHB is also an important channel of communication to reach shareholders and investors. There is a determined effort to enhance the contents of the Annual Report in line with best corporate governance practices.

The Annual General Meeting of the Company is still the principal avenue for shareholders to communicate and engage in dialogue with the Board and Senior Management. There has always been a reasonable turnout at the Company's Annual General Meeting with around 500 shareholders attending the Meeting held in 2005. Notices and agenda of the Meeting are sent in accordance with the rules. There is always a healthy dialogue and interaction with shareholders, which is greatly encouraged.

Another aspect of effective communications is through early and timely dissemination of material information, financial results, corporate proposals and other announcement to Bursa Securities. Our website www.commerz.com.my can also be accessed for the relevant announcement and corporate information. With regards to the release of quarterly results we will consistently meet the financial results deadline as specified in the Bursa Securities' Rules and Regulations.

5. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board intends to present a balanced, clear and comprehensible assessment of the Group's financial position and its future prospects in its reports to shareholders, investment community and regulators. This is done through the release of quarterly results accompanying press releases

and statement of responsibility for preparing the financial statements which can be found on page 95 of this Annual Report. The Audit Committee assists the Board in overseeing the financial reporting process.

Audit Committee

A report on the Audit Committee and its terms of reference is included on page 86 and 87 of this Annual Report. The minutes of the Audit Committee Meetings are tabled to the Board. The Board and the Audit Committee maintain a formal and appropriate relationship with the external auditors.

Internal Controls

The Board of Directors has overall responsibility for maintaining sound internal control systems that cover financial controls, effective and efficient operations, compliance with law and regulations as well as risk management. The size and complexity of the BCHB Group necessitates the managing of a wide and diverse spectrum of risks. The nature of these risks means that events may occur which would give rise to unanticipated or unavoidable losses. The inherent system of internal control is designed to provide reasonable though not absolute assurance against the risk of material errors, fraud or losses occurring. The Statement on Internal Control which provides an overview of the state of internal control is set out on pages 84 and 85. The internal audit function of the Group which rests with the Group Internal Audit Division (GIAD) is described in the Audit Committee report on page 87 of this Annual Report.

6. CONCLUSION

The Board is pleased to inform that BCHB has been in compliance with the principles and best practices of the Malaysian Code on Corporate Governance during the financial year under review.

This statement is made in accordance with a resolution of the Board of Directors dated 10 March 2006.

Statement on Internal Control

for the Financial Year Ended 31 December 2005

INTRODUCTION

The Bursa Malaysia Securities Berhad's Listing Requirements paragraph 15.27(b) requires the Board to make a statement in the Company's Annual Report about the state of its internal controls. The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets.

Accordingly, the Board is pleased to set out below the Statement on Internal Control (Statement) that was prepared in accordance with Statement on Internal Control – Guidance for Directors of Public Listed Companies. The Board recognises that the practice of good corporate governance is an important continuous process and not just a matter to be published for compliance purposes in the annual report.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining sound internal control systems to safeguard shareholders' interest and the Group's assets; and for reviewing the adequacy and integrity of these systems. Such systems, however, are 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 process to identify, evaluate and manage the significant risks is a concerted and continuing effort throughout the financial year under review. This process is regularly reviewed by the Board.

The role of the management is to assist the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and manage these risks.

In addition, as part of the overall assessment of major subsidiaries' state of internal control, these 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. The banking and insurance subsidiaries' Statements were approved by their respective Audit Committees.

KEY INTERNAL CONTROL PROCESSES

A. RISK MANAGEMENT

The Strategic Risk Management Framework (Framework) was adopted by the Board in 2004. The prime objective of the Framework is to put in place integrated risk management capabilities that enable the holding company to achieve a single view of risks across its various subsidiaries and business operations and to gain strategic competitive advantage from its risk management capabilities.

The following are the key principles of the Framework:

- Retain the dynamism of the Group and the subsidiaries' autonomy in managing their risks
- Drive the Group's risk management through:
 - Analysing comprehensive and timely information on subsidiaries' risk and performance status through the Group Risk Dashboard
 - Building processes to speedily control wayward situations in subsidiaries, if required
 - Enhancing consistency in risk management approaches through periodic intra-group risk management dialogue
- Build the Group's capabilities for pro-active economic capital management

The risk management practices implemented by the major subsidiaries such as Bumiputra-Commerce Bank Berhad (BCB), Commerce International Merchant Bankers Berhad (CIMB) and PT Bank Niaga (Bank Niaga), Commerce Life Assurance Berhad (Commerce Life), Commerce Assurance Berhad (Commerce Assurance) and Commerce Asset Ventures Sdn Bhd continue to evolve further. A separate section of the Annual Report will further describe Bumiputra-Commerce Holdings Berhad (BCHB) and its major subsidiaries' risk management framework and initiatives.

Furthermore, the major banking subsidiaries have specific committees which have been delegated the responsibility to examine all matters within their scope and report to the respective board of directors on significant matters. The major banking subsidiaries' Board Risk Management Committees and their sub-committees have been entrusted to manage

STATEMENT ON INTERNAL CONTROL

for the Financial Year Ended 31 December 2005

different types of risks common to financial institutions which include credit risk, market risk, operational risk and liquidity risk. During the financial year, pursuant to the restructuring of the banking subsidiaries, the risk sub-committees of BCB and CIMB have been combined so as to provide a more effective and efficient oversight at both Board and committee levels for the banking group. These risk sub-committees meet regularly to review and manage the risks and recommend suitable follow-up actions.

B. AUDIT COMMITTEE

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

The BCB Group, CIMB Group, Bank Niaga Group, Commerce Life and Commerce Assurance have their own separate Audit Committees. The significant summary reports of these committees are forwarded to the BCHB Audit Committee. Subject to approval of the relevant regulatory authority, the Audit Committees of the BCB Group and CIMB Group will be combined at their intermediate holding company namely CIMB Group Sdn Bhd pursuant to the restructuring of the domestic banking subsidiaries. The Audit Committees of Commerce Life and Commerce Assurance have been combined at their intermediate holding company namely Commerce International Group Berhad in January 2006.

There is a channel available for interaction between the BCHB 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.

C. INTERNAL AUDIT FUNCTION

The internal audit function is carried out by the Internal Audit Division of BCB which also functions as BCHB Group Internal Audit Division. For CIMB Group (before the restructuring exercise) and Bank Niaga Group, the internal audit function is entrusted to their own departments called Corporate Assurance Department and Group Internal Auditor respectively. Their reports are forwarded to BCHB Group Internal Audit. Pursuant to the restructuring of the domestic banking subsidiaries, the Corporate Assurance Department has been integrated within the Group Internal Audit Division.

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

D. OTHER KEY ELEMENTS OF INTERNAL CONTROL

- BCHB and its subsidiaries had designed the organisation structure with the objective to delineate appropriate authorisation levels and proper segregation of duties.
- The roles, responsibilities and expectations between the holding company and the subsidiaries are clearly defined.
- Various executive, management and operational committees are established by the major subsidiaries to assist their respective Board in ensuring the effectiveness of the operations.
- Policies and procedures to ensure compliance with internal controls and the relevant laws and regulations are documented and duly approved by the respective Boards. The policies and procedures of major banking subsidiaries are stated in operation manuals, guidelines and directives issued by the subsidiaries which are updated from time to time.
- Group annual budget is prepared and tabled for the Board approval. Actual performance is compared against budget and reviewed by the Board with explanation of major variances.
- The internal control culture is promoted via the introduction of various forms of initiatives which include, amongst others, emphasis on avoidance of conflict of interest and confidentiality of information, code of ethics and exceptions management procedure.
- The major banking subsidiaries have established policies and procedures for anti-money laundering to facilitate the detection and reporting of money laundering activities.

This statement is made in accordance with a resolution of the Board of Directors dated 10 March 2006.

Audit Committee Report

MEMBERSHIP AND MEETINGS

The Audit Committee members shall be appointed by the Board of Directors 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 2005 are as follows:-

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

Dato' Mohd Salleh Mahmud
Non-Independent Non-Executive Director

En Izlan Izhab
Independent Non-Executive Director

Dato' Mohd Salleh Mahmud is the member of the Audit Committee which meets the requirements of Section 15.10 (1) of the Listing Rules which requires at least one qualified accountant as a member of the committee. Dato' Mohd Salleh Mahmud is currently the Accountant General, Accountant General's Office, Ministry of Finance.

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 Division (GIAD). 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 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 is the Company Secretary. Minutes of each meeting shall be distributed to each member 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 2005, there were five Audit Committee meetings. The details of attendance of the meetings are as follows:-

Tan Sri Datuk Asmat Kamaludin	5/5
Dato' Mohd Salleh Mahmud	4/5
En Izlan Izhab	5/5

The Audit Committee meetings were held on the following dates:-

31 January 2005
3 March 2005
26 April 2005
26 July 2005
26 October 2005

On 3 March 2005, the Audit Committee met with the external auditors without the presence of the management representatives.

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 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.
- Reviewed 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 coordination of audit where more than one audit firm is involved. To evaluate the performance of the external auditors and make recommendations 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 Bursa Malaysia Securities Berhad 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 the GIAD.
 - 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 reports 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 Group including any transaction, procedure of course of conduct that raises question of management integrity.
 - To consider the assistance given by the employees of the Company 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:-

- Reviewed the audit scope, programmes, functional and resource requirements of the GIAD.
- Reviewed the annual audit plan, audit report and the scope of work with the external auditors.
- Reviewed the internal control issues identified by the GIAD, external auditors and regulatory authorities, and management's response to the recommendations and the implementation of agreed action plans.
- Reviewed the financial statements of the Group on a quarterly basis and the draft announcement to Bursa Securities before recommending them for the approval of the Board of Directors.
- Reviewed the statement included in the Annual Report namely the Statement on Internal Control.

- Reviewed the annual audited financial statements of the Company and the Group with external auditors prior to submission to the Board of Directors for their approval. The review would entail due compliance with provisions of the Companies Act, 1965, the Banking and Financial Institutions Act, 1989, Listing Requirements of Bursa Securities, applicable approved accounting standards in Malaysia as well as other legal and regulatory requirements.

INTERNAL AUDIT FUNCTION

The group internal audit function is carried out by the GIAD of Bumiputra-Commerce Bank Berhad (BCB), which conducts audit for the whole BCHB Group except for CIMB Group (CIMB), South East Asian Bank Limited and Bank Niaga, which have their own internal audit departments. The internal audit department of Commerce Assurance Berhad was placed under GIAD on 17 January 2005. Oversight is in place as the Head of GIAD is invited to attend the respective Audit Committee meetings, in addition to quarterly reports submitted to the Audit Committee. Pursuant to the restructuring of the domestic banking subsidiaries, the internal audit department of CIMB, namely Corporate Assurance Department, has been integrated within the Group Internal Audit Division.

The Audit Committee determines the terms of reference of the internal audit function, which main role is to evaluate risk, and monitor the effectiveness of the system of internal control and risk management processes. It also provides independent oversight of the internal audit function i.e. its authority, resources and scope of work.

GIAD assists the Board, Audit Committee and management in the effective discharge of their responsibilities in establishing cost-effective controls, assessing risks, recommending measures to mitigate those risks and assuring proper governance process. GIAD provides monthly/quarterly reports to the Audit Committee, reporting on the outcome of the audits conducted, effectiveness of the system of internal control and highlighting key control issues and/or significant risks impacting the Group.

The Audit Committee reviews/evaluates the key concerns/issues raised by GIAD and ensure that appropriate and prompt remedial action is taken by management.

Risk Management

1. BUMIPUTRA-COMMERCE HOLDINGS BERHAD (BCHB)

Risk management is an integral part of our business activities. In today's challenging and dynamic economic environment, we believe that an effective risk management system is critical for the Group to achieve continued profitability and sustainable growth in shareholders' value. We will continue to enhance the structure and capabilities within our integrated risk management framework to support our strategic role in improving operational and financial performance for the Group and optimising the use of capital resources, while ensuring compliance with the regulatory requirements.

Strategic Risk Management Framework

BCHB adopts the Strategic Risk Management Framework (Framework) as a guiding principle in managing its risks. The approach taken in this Framework reflects the Group's risk aspiration, profile, philosophy and strategy.

The prime objectives of the Framework are to put in place integrated risk management capabilities that enable the holding company to achieve a single view of risks across BCHB and its various subsidiaries and business operations; and to gain strategic competitive advantage from its risk management capabilities.

3 KEY PRINCIPLES OF STRATEGIC RISK MANAGEMENT FRAMEWORK

Principle 1: Retain the dynamism of the Group and the subsidiaries' autonomy in risk management and risk organisation.

Principle 2: Drive Holding Company risk management through:

- (i) Analysing comprehensive and timely information on subsidiaries' risk and performance status through the Group Risk Dashboard.
- (ii) Building processes to speedily control wayward situations if required.
- (iii) Enhancing consistency in risk management approaches through periodic intra-group risk management dialogue.

Principle 3: Build the Group's capabilities for pro-active economic capital management.

Group Risk Dashboard

Integrated within our Framework, the Group Risk Dashboard (Risk Dashboard) acts as a tool to monitor the Group's risk exposure and risk-adjusted return performance. This contributes to the creation of shareholder value by facilitating the deployment of resources to those subsidiaries or businesses whose value or earnings significantly exceed their risk profile.

The Risk Dashboard is structured to capture the key indicators of BCHB and its subsidiaries' risk profile and performance. In combination, the key indicators aim to provide a 'helicopter' view of the 'health' of the Group and its subsidiaries. Economic Profit (EP), a key indicator used to facilitate economic capital management, also forms part of the Risk Dashboard.

Group Risk Management Committee (GRMC)

During the year, the GRMC had sat four times deliberating and discussing amongst others the Risk Dashboard and various risk related matters.

The GRMC is chaired by an independent non-executive director. The composition of GRMC is as follows:

Tan Sri Datuk Asmat Kamaludin (Chairman)

Independent Non-Executive Director

Dato' Mohd Salleh Mahmud

Non-Independent Non-Executive Director

Dr Rozali Mohamed Ali

Executive Director/Group CEO

(retired on 1 January 2006)

En Mohd Shukri Hussin

Managing Director/Group CEO

(appointed to the Committee on 27 January 2006)

In line with best practices in corporate governance, the GRMC is primarily responsible for the effective functioning of the integrated risk management function within the Group which includes 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.

The Risk Management Department (RMD) has been entrusted by GRMC to complement the functions of GRMC in implementing several risk related initiatives. During the year, RMD has arranged a number of meetings for directors and senior management of the Group to engage in internal discussion on and sharing of risk related matters.

2. MAJOR SUBSIDIARIES IN THE GROUP

a. CIMB-BCB Group

(i) Bumiputra-Commerce Bank Berhad (BCB) Group

The Risk Management Framework adopted by BCB Group involves on-going process of identifying, evaluating, monitoring and managing significant risks that may affect the achievement of its business objectives.

Sitting at the apex of the risk management structure at BCB Group, the Board Risk Management Committee comprising of only non-executive directors, determines the risk policy objectives and assumes ultimate responsibility for risk management. The Board Risk Management Committee is supported by specialised sub-committees, namely Credit Risk Committee, Market Risk Committee and Operational Risk Committee that meet monthly to review and deliberate on the risk exposure profile reports and accordingly recommend suitable follow-up actions.

The roles and responsibilities of the sub-committees are as follows:



RISK MANAGEMENT

During the year, several new initiatives have been introduced and the key risk management initiatives that have been put in place are further refined and improved to be in line with the current development in the market and to achieve compliance with Bank Negara Malaysia (BNM) guidelines, Basel II and other regulatory authorities.

- **Basel Programme Office (BPO)**

The BPO has taken a phased approach to provide incremental solutions to respond and adapt to the new regulatory requirements for Basel II. Among the BPO initiatives taken during the year include the development of action plans aimed at closing credit risk gaps for Pillar 1 and Pillar 2, and exploration of various IT solutions for overall Basel II compliance. For operational risk, a high-level gap and cost-benefit analysis has been undertaken, covering the Basic Indicator Approach and Standardised Approach.

Subsequent to the CIMB-BCB integration, BPO will facilitate the adoption of the Foundation Internal Rating Based Approach for credit risk and Standardised Approach for operational risk for the enlarged banking group.

- **Business Continuity Management**

Business Continuity Management Department was established in July 2005 with the primary role to identify all activities and operations that are critical to sustaining the Bank's business operations with the intent of ensuring that all associated operational risks are eliminated or minimised.

Business Continuity Plans which assist to bring back 'business as usual' have been developed for the 'mission critical functions' such as Treasury Operations, Cheque Clearing Operations, Administration Services, Capital Market, Futures and Equity Operations.

Information Technology Disaster Recovery (IT-DR) plans have been established between the Group

Information & Operations Division IT and IT service provider. BCB has subscribed to a dedicated DR warm site, which serves as the IT-DR Back-up site. These are on-going projects, which require regular testings and rehearsals to be conducted. Meanwhile, BCB has set up a dedicated Treasury Operations Business Recovery site at Bangi.

Details on other risk management initiatives carried out by BCB Group are included in the notes to the financial statements (Note 52).

(ii) CIMB Berhad (CIMB) Group

CIMB Group continues to adopt the Enterprise-Wide Risk Management (EWRM) framework 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. With EWRM framework, the Board and management are equipped with comprehensive methodology to anticipate and manage both the existing and potential risks. CIMB employs a Capital-at-Risk ("CaR") framework as a common measure of these risks within the CIMB Group, which forms the basis of return on risk-adjusted-capital across differing businesses and for measuring performance. This co-ordinated and formalised approach is cascaded downwards through the Management's efforts of fostering a risk-aware and control conscious environment across the CIMB Group.

The risk management structure at CIMB Group begins with the Board Risk Committee, which reports directly to the Board of CIMB Berhad. It comprised of five non-executive directors and assumes ultimate responsibility for risk management for CIMB Group. The day-to-day responsibility for risk management and control has been delegated to the Group Risk Committee, which comprised of the senior management of CIMB Group. It performs the oversight function for capital allocations and overall risks limits guided by the risk appetite as defined by the Board Risk Committee. The Group Risk Committee is further supported by specialised sub-committees; namely Market Risk Committee, Credit Risk Committee, Liquidity Risk Committee and Operational Risk Committee.

The roles and responsibilities of the sub-committees are as follows:



CIMB Group has, during the year, further enhanced the key risk management initiatives that have been put in place to be in line with the current development in the market and to achieve compliance with BNM guidelines, Basel II and other regulatory authorities. Specific to compliance with the requirements of Basel II, pursuant to CIMB-BCB integration, facilitated by the BPO, the Foundation Internal Rating Based Approach for credit risk and Standardised Approach for operational risk will be adopted by the enlarged banking group.

Further details on risk management initiatives/activities carried out by CIMB Group are included in the notes to the financial statements (Note 52).

RISK MANAGEMENT

Pursuant to the CIMB-BCB integration announced in June 2005, the sub-committees of CIMB and BCB have been combined to better support the Group Risk Committee in managing and controlling risk for the enlarged banking group. The Group Risk Committee reports to Board Risk Committee of CIMB and Board Risk Management Committee of BCB, which will then report to its respective Board of Directors.

Risk organisation structure of the combined CIMB-BCB Group is as follows:



The EWRM has been adopted for the enlarged banking group, representing a structured, consistent and continuous approach towards assessing and managing risk on an enterprise-wide basis. The EWRM is guided by the following principles:-

- Best practice in corporate governance
- Independent of operating units
- Common risk measurement within the Group
- Economic capital allocation
- Risk-adjusted performance
- Transparent and consistent risk controls
- Diversification

b. PT Bank Niaga (Bank Niaga) Group

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

- Risk Management Committee
- Credit Risk and Policy Committee
- Asset/Liability Committee (ALCO)
- Market Risk Committee (MARCO)
- Operational and Information Risk Committee

Members of these committees are primarily from the Board of Directors and senior management of Bank Niaga Group. The Risk Management Committee (which meets at least every three months) determines the risk appetite of Bank Niaga Group, the business opportunities involved and its capital adequacy. Decisions of the Risk Management Committee are incorporated in operating policies and working guidelines at all organisational level of Bank Niaga Group.

The roles and responsibilities of the executive committees are as follows:



In addition to the executive committees' role, independent supervision and control over the Bank Niaga Group's operations is conducted by the Bank Niaga's Group Internal Auditor, a working unit led by the Comptroller.

Continuous review and enhancement of the implemented risk management initiatives are carried out by Bank Niaga Group to be inline with the current development in the market and to ensure compliance with the local regulatory authorities and requirements of Basel II. In respect of compliance with Basel II, Bank Niaga has opted for Standardised Approach for credit risk.

Details on other risk management initiatives/activities carried out by Bank Niaga Group are included in the notes to the financial statements (Note 52).

RISK MANAGEMENT

3. OTHER SUBSIDIARIES IN THE GROUP

a. Commerce Assurance Berhad (Commerce Assurance) and Commerce Life Assurance Berhad (Commerce Life)

Commerce Assurance has adopted an Enterprise Risk Management Framework intended to manage its risks. The adoption of the Enterprise Risk Management Framework is the responsibility of the Board, while its implementation is delegated to the Chief Executive Officer. A Risk Management Committee comprising of a minimum of three (3) non-executive directors supports the Board in carrying out its role. The Risk Management Committee oversees senior management's activities in managing key risk areas and ensures that the risk management process is in place and functioning effectively.

At Commerce Life, its Risk Management Committee is responsible to implement the Risk Management Policy, which has been approved by the Board of Directors in 2002. The Committee is scheduled to meet four times a year to review the company's risk profile and its impact on business.

Pursuant to the re-organisation of the insurance subsidiaries, the Risk Management Committee of Commerce Assurance and Commerce Life are combined at the intermediate holding company namely Commerce International Group Berhad.

b. Commerce Asset Ventures Sdn Bhd (Commerce-Ventures)

At Commerce-Ventures, a risk management framework has been adopted to manage its risks through a mechanism of an enterprise-wide Risk Control Report to assist the Board in reviewing and monitoring the risks. The management of the risks is under the overall strategy determined by the Commerce-Ventures' Risk Management Committee and the implementation is coordinated by the Commerce-Ventures' 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 respective departments and monitored by the Risk Management Division.

Additional Compliance Information

as at 31 December 2005

1. SHARES BUY-BACK

There were no shares buy-back transactions and resale of treasury shares during the financial year.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued during the financial year by the Company.

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 SANCTION 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 RM4,623,000 for various audit related work relating to financial due diligence, reporting accountants work on proforma

consolidated balance sheets and debt and rights issuance, quarterly and 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 2005 as the results announced were the audited results.

7. PROFIT GUARANTEE

The Company did not give any profit guarantee during the financial year ended 31 December 2005.

8. REVALUATION POLICY ON LANDED PROPERTIES

Please refer to accounting policy on fixed assets on page 129 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 48 and Note 49 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.
- Make judgments and estimates that are prudent and reasonable.

The Directors have responsibilities 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.

Financial Calendar

Monday, 28 February 2005	Announcement of audited consolidated results for the fourth quarter and financial year ended 31 December 2004
Wednesday, 2 March 2005	Analyst /Press briefing on financial year 2004 results
Saturday, 26 March 2005	Issue of Notice of 48th Annual General Meeting, Notice of Books Closure and Annual Report for the financial year ended 31 December 2004
Monday, 18 April 2005	48th Annual General Meeting
Wednesday, 27 April 2005	Date of entitlement to the first and final dividend of 10.0 sen less income tax and special dividend of 5.0 sen less income tax for the financial year ended 31 December 2004
Wednesday, 11 May 2005	Date of payment of the first and final dividend of 10.0 sen less income tax and special dividend of 5.0 sen less income tax for the financial year ended 31 December 2004
Wednesday, 11 May 2005	Announcement of the unaudited consolidated results for the first quarter ended 31 March 2005
Monday, 29 August 2005	Announcement of the unaudited consolidated results for the second quarter and half year ended 30 June 2005 and press/analyst briefing in conjunction with the half year results
Saturday, 10 September 2005	Extraordinary General Meeting in relation to the proposed CIMB – BCB Restructuring and change of name to BCHB
Thursday, 17 November 2005	Announcement of the unaudited consolidated results for the third quarter ended 30 September 2005

Report & Financial Statements

for the year ended 31 December 2005

Directors' Report	98
Statement by Directors	111
Statutory Declaration	111
Report of the Auditors	112
Consolidated Balance Sheet	113
Consolidated Income Statement	114
Company Balance Sheet	115
Company Income Statement	116
Consolidated Statement of Changes in Equity	117
Company Statement of Changes in Equity	119
Consolidated Cash Flow Statement	120
Company Cash Flow Statement	122
Summary of Significant Accounting Policies	124
Notes to the Financial Statements	138

Directors' Report

for the financial year ended 31 December 2005

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 2005.

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 12 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 after taxation	1,029,227	227,164
Minority interests	(202,402)	–
Net profit for the financial year	826,825	227,164

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 2004	
• A first and final dividend of 10 sen gross per ordinary share, less income tax of 28%, paid on 11 May 2005	
– as shown in Directors' report of that year, dividend on 2,691,740,260 shares	193,805
– dividend on additional 18,289,000 shares due to exercise of employee share option scheme	1,317
• A special dividend of 5 sen gross per ordinary share, less income tax of 28%, paid on 11 May 2005	
– as shown in Directors' report of that year, dividend on 2,691,740,260 shares	96,903
– dividend on additional 18,289,000 shares due to exercise of employee share option scheme	658
	292,683
(b) In respect of the financial year ended 31 December 2005*	
• A first and final dividend of 10 sen gross per ordinary share, less income tax of 28%	198,461
• A special dividend of 5 sen gross per ordinary share, less income tax of 28%	99,230
	297,691

* The dividend payable amount is based on the Company's issued and paid-up share capital as at 31 December 2005. The actual dividend payment amount will be based on the Company's issued and paid-up share capital at book's closure date and may vary from the amount shown above.

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 and notes to the financial statements.

ISSUANCE OF SHARES

During the financial year, the issued and fully paid ordinary share capital was increased from 2,691,740,260 to 2,756,398,260 ordinary shares of RM1.00 each by the issuance of:

Number of shares ('000)	Purpose of issue	Class of issue	Term of issue
41,866	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM2.13 per share
3,228	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM2.62 per share
78	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM2.69 per share
19,486	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM3.05 per share

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

EMPLOYEE SHARE OPTION SCHEME

On 20 November 2002, the Company implemented an Employee Share Option Scheme ("ESOS 2002/2007"). The ESOS 2002/2007 is governed by the bye-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 and the Company's associates) 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 higher of the following:
 - (i) the weighted average market price of the shares of the Company as shown in the Daily Official List of the Bursa Malaysia Securities Berhad ("Bursa Securities") for the five market days immediately preceding the offer date with an allowance for a discount of not more than ten per centum therefrom at the Option Committee's discretion; or
 - (ii) the par value of the 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.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

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

Subsequent share options were offered to eligible employees as follows:

- (a) On 29 December 2003, 10,994,000 share options were offered at an option price of RM3.62 per share option (being the 5 days weighted average price from 19 December 2003 to 26 December 2003, net of 10% discount).
- (b) On 7 January 2004, 351,000 share options were offered at an option price of RM3.69 per share option (being the 5 days weighted average price from 26 December 2003 to 5 January 2004, net of 10% discount).
- (c) On 14 October 2004, 37,721,000 share options were offered at an option price of RM4.05 per share option (being the 5 days weighted average price from 7 October 2004 to 13 October 2004, net of 10% discount).

These issuances have similar main features with the first issuance and are governed by the similar bye-laws which were approved by the shareholders on 26 April 2002.

SHARE BUY-BACK

The shareholders of the Company, via an ordinary resolution passed at the Annual General Meeting held on 18 April 2005, 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 buy-back can be applied in the best interests of the Company and its shareholders.

There were no share buy-back transactions and resale of treasury shares during the financial year.

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:

Tan Sri Dato' Mohd Desa Pachi

Dato' Anwar Aji

Tan Sri Datuk Asmat Kamaludin

Dato' Mohd Salleh Mahmud

Dr. Roslan A. Ghaffar

Izlan Izhab

Mohd Shukri Hussin

(appointed on 3.1.2006)

Dato' Mohamed Nazir Abdul Razak

(appointed on 27.1.2006)

Dr. Rozali Mohamed Ali

(retired on 1.1.2006)

Tan Sri Dato' Mohd Desa Pachi, being over seventy years of age, retires in accordance with Section 129 of the Companies Act, 1965 and offers himself for re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting of the Company.

In accordance with Article 76 of the Articles of Association, Tan Sri Datuk Asmat Kamaludin, Dato' Mohd Salleh Mahmud and Dato' Anwar Aji, retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 83 of the Articles of Association, Mohd Shukri Hussin and Dato' Mohamed Nazir Abdul Razak, retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

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 28 to the financial statements), Management Equity Scheme ("MES") 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 38 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' INTERESTS IN SHARES AND SHARE OPTIONS

According to the Register of Directors' Shareholdings, the beneficial interests of the Directors who held office at the end of the financial year in the shares and share options 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
Bumiputra-Commerce Holdings Berhad				
Tan Sri Datuk Asmat Kamaludin				
– indirect	26,000	15,000	(6,000)	35,000
Dr. Rozali Mohamed Ali				
– direct	314,800	400,000	(100,000)	614,800
CIMB Berhad				
Tan Sri Datuk Asmat Kamaludin	50,000	13,444	(29,000)	34,444
Dr. Rozali Mohamed Ali	201,000	16,666	–	217,666
Dato' Mohd Salleh Mahmud	50,000	–	(50,000)	–
	No. of employees' share option			
	As at 1 January	Granted	Exercised	As at 31 December
Bumiputra-Commerce Holdings Berhad				
Dr. Rozali Mohamed Ali				
– direct	800,000	–	(800,000)	–
	No. of share options over ordinary shares of RM1 each granted under a Management Equity Scheme ("MES")			
	As at 1 January	Granted	Exercised	As at 31 December [^]
Bumiputra-Commerce Holdings Berhad				
Dr. Rozali Mohamed Ali				
– direct	9,000,000	–	(2,310,000)	6,690,000

[^] Balance lapsed due to retirement on 1 January 2006

DIRECTORS' REPORT

for the financial year ended 31 December 2005

DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS (CONTINUED)

This scheme was initiated as part of the performance linked compensation scheme by a substantial shareholder of the Company. The allocation of the MES is based on performance and seniority. The scheme is governed by its own terms and conditions.

The effective date of the MES is on 1 March 2004 and the scheme will continue to be in force for five years until 28 February 2009.

The eligible persons are senior management of the Group who have been in the employment of the Company and its subsidiaries (excluding CIMB Group, Bank Niaga Group and the South East Asian Bank Ltd) when an offer is made in writing to the senior management to participate in the scheme. The eligibility for participation in the scheme shall be at the discretion of the Nomination and Remuneration Committee of the Company.

The voting rights of the unexercised balance remain with the substantial shareholder.

None of the other Directors in office at the end of the financial year held any interest in the shares and share options 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:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) 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:

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

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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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 Notes 8, 36, 48 and 54 to the financial statements; and
- (b) except as disclosed in Note 49 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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 48 to the financial statements.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

Subsequent events after the financial year end are disclosed in Note 49 to the financial statements.

2005 BUSINESS PLAN AND STRATEGY

The year 2005 saw major transformation efforts within the Group mainly via the formation of a universal banking platform involving Commerce International Merchant Bankers Berhad ("CIMB") and Bumiputra-Commerce Bank Berhad ("BCB"). Through the CIMB-GK acquisition and the substantial increase in the Company's stake in PT Bank Niaga, the regional markets are becoming increasingly important to the Group.

On the insurance business, Bank Negara Malaysia and the Minister of Finance have approved the setting up of the Group's new insurance holding company, Commerce International Group Bhd ("CIG"). CIG will facilitate the sharing of resources for support functions, improve performance monitoring and provides overall strategic direction for the Group's insurance business.

OUTLOOK FOR 2006

For the financial year ending 2006, we anticipate higher investment banking activities and treasury income as well as intensified recovery efforts to be the key drivers for earnings growth as the rebuilding of retail and business banking continues.

With greater combined financial muscle and group synergies, the Group will be able to offer both domestic and regional clients better value added propositions.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

CORPORATE GOVERNANCE

(i) Board responsibility and oversight

Board of Directors

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

The Board of Directors meets on a scheduled basis at least once every quarter. When the need arises, Special Board Meetings and Joint Special Board Meetings/Briefings with subsidiaries are also convened. The quarterly Board Meetings are scheduled prior to the commencement of the financial year.

Among the topics for deliberation include the financial statements and results of the Group and its subsidiaries, operational activities, strategic and corporate initiatives as well as matters specifically reserved for the Board's decision. Reports by Board Committees are also presented and discussed.

There were four ordinary Board meetings, seven Special Board Meetings and one special Joint Board Meeting with the Boards of BCB and CIMB Berhad held in 2005. In addition, there were two Joint Board Briefings held with the Boards of BCB and CIMB Berhad.

The details of the attendance of each individual director in respect of the Board and Special Board Meetings held are as follows:

List of directors

Directors	No. of Meetings	Percentage Attended	Designation
Tan Sri Dato' Mohd Desa Pachi (Chairman)	12/12	100%	NE, I
Dato' Anwar Aji	10/12	83%	NE, NI
Tan Sri Datuk Asmat Kamaludin	10/12	83%	NE, I
Dato' Mohd Salleh Mahmud	10/12	83%	NE, NI
Dr. Roslan A. Ghaffar	11/12	92%	NE, NI
En Izlan Izhab	12/12	100%	NE, I
Dr. Rozali Mohamed Ali (retired on 1 January 2006)	8/12	67%	ED/CEO

Note: NE – Non-Executive, NI – Non-Independent, I – Independent, ED – Executive Director, CEO – Chief Executive Officer

(ii) Risk Management

Risk management is an integral part of the financial services business activities. In a challenging and dynamic economic environment, an effective risk management system is critical for the Group to achieve continued profitability and sustainable growth in the shareholders' value. Continuous enhancements of the structure and capabilities within the integrated risk management framework are carried out to support the Company's strategic role in improving operational and performance for the Group and optimising the use of capital resources, while ensuring compliance with the regulatory requirements.

Strategic Risk Management Framework

The Company adopts the Strategic Risk Management Framework ("Framework") as a guiding principle in managing its risks. The approach taken in this Framework reflects the Group's risk aspiration, profile, philosophy and strategy.

The prime objectives of the Framework are to put in place integrated risk management capabilities that enable the holding company to achieve a single view of risks across the Company and its various subsidiaries and business operations and to gain strategic competitive advantage from its risk management capabilities.

CORPORATE GOVERNANCE (CONTINUED)

(ii) Risk Management (Continued)

3 Key Principles of Strategic Risk Management Framework

Principle 1: Retain the dynamism of the Group and the subsidiaries' autonomy in risk management and risk organisation.

Principle 2: Drive the holding company's risk management through:

- (i) Analysing comprehensive and timely information on subsidiaries' risk and performance status through Group Risk Dashboard;
- (ii) Building processes to speedily control wayward situations if required; and
- (iii) Enhancing consistency in risk management approaches through periodic intra-group risk management dialogue.

Principle 3: Build the Group's capabilities for pro-active economic capital management.

Group Risk Dashboard

Integrated within the Framework, the Group Risk Dashboard ("Risk Dashboard") enables the Group to monitor the Group's risk exposure and risk-adjusted return performance. The Risk Dashboard is structured to capture the key indicators of the Company and its subsidiaries' risk profile and performance. In combination, the key indicators aim to provide a 'helicopter' view of the 'health' of the Company and its subsidiaries.

BCHB Risk Management Structure

The Group Risk Management Committee ("GRMC") is primarily responsible for the effective functioning of the integrated risk management function.

During the year, the GRMC had sat four times deliberating and discussing amongst others the Risk Dashboard and various risk related matters.

The Risk Management Department ("RMD") has been entrusted by GRMC to complement the functions of GRMC and to implement several risk related initiatives. During the year, RMD has arranged a number of meetings for directors and senior management of the Group to engage in internal discussion on and sharing of risk related matters.

Other subsidiaries' risk management

Risk management frameworks have also been implemented by the major banking subsidiaries group such as BCB, CIMB and PT Bank Niaga ("Bank Niaga") and other subsidiaries such as Commerce Life Assurance Berhad, Commerce Assurance Berhad and Commerce Asset Ventures Sdn Bhd. The frameworks involve a continuous process of risk identification, assessment, control, monitoring and reporting.

The major banking subsidiaries have specific committees which have been delegated the responsibility to examine all matters within their scope and report 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.

The major banking subsidiaries also continuously review their internal control policies and practices to be in line with the current developments in the market and to comply with Bank Negara Malaysia ("BNM") guidelines and other regulatory authorities.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

CORPORATE GOVERNANCE (CONTINUED)

(iii) Internal Audit and Internal Control Activities

For all major subsidiaries under the Group except for CIMB Berhad Group and Bank Niaga Group, the internal audit function is carried out by the Internal Audit Division of BCB which is also functioning as the Group Internal Audit Division. For CIMB Berhad Group and Bank Niaga Group, the internal audit function is entrusted to their own departments called Corporate Assurance Department and Group Internal Auditor respectively. Pursuant to the restructuring of the domestic banking subsidiaries, the Corporate Assurance Department of CIMB has been integrated within the Group Internal Audit Division.

The Company's Board will determine the remit of the internal audit function. The Group Internal Audit Division assists the Company's Board and Audit Committee in discharging their responsibilities. Oversight is in place as the Head of Group Internal Audit Division is invited to attend CIMBB and Bank Niaga Audit Committees meetings. In addition quarterly reports are submitted to the Company's Audit Committee. The internal audit function is independent of activities they audit and duties are performed with impartiality, proficiency and professional care.

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 an adequate internal control system. The management is responsible to ensure that corrective actions on reported weaknesses are undertaken within an appropriate time frame. Final audit reports (after discussion and agreement with respective management) are tabled to the Company's Audit Committee and progress of implementation of the recommendations is updated periodically to the Audit Committee.

Other Key Elements Of Internal Control

- The Company and its subsidiaries had designed the organisation structure with the objective to delineate appropriate authorisation levels and proper segregation of duties.
- The roles, responsibilities and expectations between the holding company and the subsidiaries are clearly defined.
- Various executive, management and operational committees are established by the major subsidiaries to assist their respective Boards in ensuring the effectiveness of the operations.
- The internal control culture is promoted via the introduction of various forms of initiatives which include, amongst others, emphasis on avoidance of conflict of interest and confidentiality of information, code of ethics and exceptions management procedure.
- The major banking subsidiaries have established policies and procedures for anti-money laundering to facilitate the detection and reporting of money laundering activities.
- Policies and procedures to ensure compliance with internal controls and the relevant laws and regulations are documented and duly approved by the respective Boards. The policies and procedures of major banking subsidiaries are stated in operation manuals, guidelines and directives issued by the subsidiaries which are updated from time to time.
- Group annual budget is prepared and tabled for the Board's approval. Actual performance is compared against budget and reviewed by the Board with explanation of major variances.

(iv) Management reports

At the Company level, consolidated numbers for the Group are tabled to the Board for deliberation and approval on every quarter for the purpose of quarterly report to BNM as well as quarterly announcement to Bursa Malaysia.

Major subsidiaries' performance reports are also circulated to and tabled on every quarter in the Board meetings.

INFORMATION ON COMMITTEES OF THE COMPANY

(i) Audit Committee

The members of the Audit Committee are as follows:

Tan Sri Datuk Asmat Kamaludin (Chairman)
Dato' Mohd Salleh Mahmud
En. Izlan Izhah

The Audit Committee met five times during the year. Its principal function is to assist the Board in maintaining a sound system of internal control.

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

- 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 coordination 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 Bursa Securities 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 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.

(ii) Group Risk Management Committee ("GRMC")

The GRMC was established on 30 July 2003 with the primary responsibility of ensuring the effective functioning of the integrated risk management function within the organisation.

The members of the GRMC are as follows:

Tan Sri Datuk Asmat Kamaludin (Chairman)
Dato' Mohd Salleh Mahmud
En. Mohd Shukri Hussin (appointed on 27 January 2006)
Dr. Rozali Mohamed Ali (retired on 1 January 2006)

DIRECTORS' REPORT

for the financial year ended 31 December 2005

INFORMATION ON COMMITTEES OF THE COMPANY (CONTINUED)

(ii) Group Risk Management Committee ("GRMC") (Continued)

The terms of reference of the GRMC 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 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 risks, 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 methodology to be followed for risk based economic capital computation.
- Approving the contingency plan for dealing with various extreme internal/external events and disasters.
- Ensuring a risk aware culture in the organisation.
- Any other related issues.

(iii) Building Committee

The Building Committee was established in October 2003 with the principal role of reviewing and approving issues pertaining to the purchase and development of the new corporate headquarters of the Group before recommending to the Board for final approval. In broad terms, the three phases involved would be firstly, the clarification of design and sale agreement documentation, followed by design development and finally the implementation stage.

The members of the Building Committee are as follows:

Dato' Mohd Salleh Mahmud (Chairman)

Dato' Hamzah Bakar

En. Mohd Shukri Hussin

(appointed on 27 January 2006)

Dr. Rozali Mohamed Ali

(retired on 1 January 2006)

(iv) Nomination and Remuneration Committee

The Nomination and Remuneration Committee is made up entirely of non-executive directors with the majority being independent. The members of the Nomination and Remuneration Committee are as follows:

Tan Sri Dato' Mohd Desa Pachi (Chairman)

Dato' Anwar Aji

Tan Sri Datuk Asmat Kamaludin

INFORMATION ON COMMITTEES OF THE COMPANY (CONTINUED)

(iv) Nomination and Remuneration Committee (Continued)

The terms of reference of the Committee with regards to the nomination role are 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.
- To be responsible for identifying, nominating and recommending 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 subsidiaries of the Company. All subsidiaries 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. To assess the effectiveness of the Board Committees and also to assess the 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 Officer for the Company and subsidiaries.
- To recommend to the Board for 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 advisors or consultants as it deems necessary to fulfill its responsibilities.

The terms of reference of the Committee with regards to the remuneration role are as follows:

- To determine and recommend to the Board on the Company's or the Group's director fees, allowances and other remuneration.
- To determine and recommend to the Board on the framework or broad policy for the remuneration of the Company's or Group's 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 scheme for the Company or the 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 advisors or consultants as it deems necessary to fulfill its responsibilities.

The Board through the Nomination and Remuneration Committee periodically reviews the relevant mix of skills and experiences inherent in the Board.

(v) Employee Share Option Scheme (ESOS) Committee

The BCHB Group ESOS Committee was established to administer BCHB's Employee Share Option Scheme. The Committee's principal function is to ensure that the Scheme is administered in accordance with the by-laws approved by the shareholders of the Company. The present ESOS Scheme (ESOS 2002/2007) was implemented on 20 November 2002 and approved by the shareholders on 26 April 2002.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

RATINGS BY EXTERNAL RATING AGENCY

Details of the ratings of the Company and its debt securities are as follows:

Rating agency	Date Accorded	Rating classification
Malaysian Rating Corporation Berhad	August 2004	Long Term Rating: A+

Rating classification description:

Malaysian Rating Corporation Berhad ("MARC") has affirmed the long-term rating of the Company at A+. This reflects the firm credit standing of the Group, which benefits from a strong franchise of its core subsidiaries; improving overall Group-wide earnings and asset quality; continuous efforts to keep gearing at bay and a proactive management. The rating however is constrained by the Group's exposure to the financial services industry as a whole; the expanding earnings exposure to other countries and the limitations surrounding the Company's cash generation.

SHARIAH COMMITTEE

The Shariah Committee is formed as legislated under Section 3 (5)(b) of the Islamic Banking Act 1983 and as per BNM/GPS1 (Guidelines on the Governance of Shariah Committee for Islamic Financial Institutions) to advise the subsidiary bank's wholly owned subsidiary, Commerce TIJARI Bank Berhad ("Commerce TIJARI"), on the operation of its banking business and operations with the objective of ensuring that Commerce TIJARI is not involved in any activity that is against the religion of Islam. In advising Commerce TIJARI on such matters, the Shariah Committee also considers the views of the Shariah Council/Committees of relevant authorities such as BNM and the Securities Commission on issues relating to the activities and operations of Islamic banking and finance.

ZAKAT OBLIGATIONS

The subsidiary bank's wholly owned subsidiary, Commerce TIJARI, is obliged to pay business zakat to comply with the principles of Shariah. Commerce TIJARI does not pay zakat on behalf of the shareholders or depositors.

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.

Tan Sri Dato' Mohd Desa Pachi

Director

Mohd Shukri Hussin

Director

Kuala Lumpur
28 February 2006

Statement by Directors

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

We, Tan Sri Dato' Mohd Desa Pachi and Mohd Shukri Hussin, being two of the Directors of Bumiputra-Commerce Holdings Berhad state that, in the opinion of the Directors, the financial statements set out on pages 113 to 257 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 2005 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the MASB 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.

Tan Sri Dato' Mohd Desa Pachi

Director

Mohd Shukri Hussin

Director

Kuala Lumpur

28 February 2006

Statutory Declaration

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

I, Zamri Mohd Radzi, the Officer primarily responsible for the financial management of Bumiputra-Commerce Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 113 to 257 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.

Zamri Mohd Radzi

Subscribed and solemnly declared by the abovenamed Zamri Mohd Radzi at Kuala Lumpur before me, on 28 February 2006.

Commissioner for Oaths

Report of the Auditors

to the members of Bumiputra-Commerce Holdings Berhad

We have audited the financial statements set out on pages 113 to 257. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 MASB 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 Company as at 31 December 2005 and of the results and cash flows of the Group and 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 12 to the financial statements. We have considered the financial statements of these 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

Dato' Ahmad Johan Bin Mohammad Raslan

(1867/09/06 (J))

Partner

Kuala Lumpur

28 February 2006

Consolidated Balance Sheet

as at 31 December 2005

	Note	2005 RM'000	2004 RM'000
Assets			
Cash and short-term funds	2	12,078,145	16,634,934
Securities purchased under resale agreements		4,473,563	4,498,908
Deposits and placements with banks and other financial institutions	3	1,354,952	1,443,047
Securities held for trading	4	9,556,127	6,556,140
Available-for-sale securities	5	7,759,349	11,621,682
Held-to-maturity securities	6	2,420,509	2,691,566
Derivative financial instruments	7	385,740	287,976
Loans, advances and financing	8	69,095,880	62,603,030
Other assets	9	2,411,745	2,032,432
Deferred tax assets	10	359,478	307,867
Tax recoverable		281,355	446,563
Statutory deposits with Bank Negara Malaysia	11	1,659,940	1,934,890
Investment in associates	13	95,583	71,145
Jointly controlled entities	14	118,722	121,416
Fixed assets	15	940,258	779,492
Goodwill	16	534,618	351,503
Total assets		113,525,964	112,382,591
Liabilities and shareholders' funds			
Deposits from customers	17	74,323,587	74,105,175
Deposits and placements of banks and other financial institutions	18	7,416,648	7,517,869
Derivative financial instruments	7	514,185	511,784
Obligations on securities sold under repurchase agreements		5,316,721	5,606,264
Bills and acceptances payable		3,295,456	3,029,937
Floating rate certificates of deposits	19	226,770	342,000
Other liabilities	20	4,374,428	3,957,939
Deferred tax liabilities	10	13,690	22,106
Current tax liabilities		104,610	48,772
Amount due to Cagamas Berhad		2,375,329	2,283,878
Loan stocks	22	782,763	778,346
Bonds	24	928,708	912,118
Irredeemable convertible unsecured loan stocks ("ICULS")	25	44,682	45,216
Other borrowings	26	829,893	1,704,657
Subordinated Notes	27	1,872,016	1,516,214
Total liabilities		102,419,486	102,382,275
Minority interests		1,269,025	840,840
Perpetual preference shares	29	200,000	200,000
Share capital	28	2,756,398	2,691,740
Reserves	30	6,881,055	6,267,736
Less: Treasury shares, at cost	31	-	-
Shareholders' funds		9,637,453	8,959,476
Total liabilities and shareholders' funds		113,525,964	112,382,591
Commitments and contingencies	43	149,479,744	208,586,917

Consolidated Income Statement

for the financial year ended 31 December 2005

	Note	2005 RM'000	2004 RM'000
Interest income	32	6,025,130	5,271,312
Interest expense	33	(3,038,883)	(2,580,801)
Net interest income		2,986,247	2,690,511
Income from Islamic banking operations	55	24,101	14,835
Non-interest income	34	1,712,632	1,449,476
		4,722,980	4,154,822
Overhead expenses	35	(2,278,099)	(1,953,407)
Profit before allowances		2,444,881	2,201,415
Allowance for losses on loans, advances and financing	36	(1,021,863)	(1,122,435)
Allowance for other receivables		(16,612)	(11,527)
Provision for commitments and contingencies	20	(684)	(259)
Allowance for impairment of securities	37	(100,636)	(14,807)
		1,305,086	1,052,387
Share of results of jointly controlled entities		(1,824)	(3,509)
Share of results of associates		10,223	3,769
Profit before taxation		1,313,485	1,052,647
Taxation			
– Company and subsidiaries	39	(280,718)	(116,843)
– Jointly controlled entities	39	(870)	(75)
– Associates	39	(2,648)	(3,315)
– Zakat		(22)	–
Profit after taxation		1,029,227	932,414
Minority interests		(202,402)	(197,874)
Net profit for the financial year		826,825	734,540
Earnings per share (sen)			
– Basic	40	30.5	27.6
– Fully diluted	40	30.1	26.4
Dividends per ordinary share (sen)			
– First and final dividend of 10 sen less taxation of 28% (2004: 10 sen less taxation of 28%)	41	7.2	7.2
– Special dividend of 5 sen less taxation of 28% (2004: 5 sen less taxation of 28%)	41	3.6	3.6

Company Balance Sheet

as at 31 December 2005

	Note	2005 RM'000	2004 RM'000
Assets			
Cash and short-term funds	2	450,581	1,328,411
Securities held for trading	4	320,244	354,936
Available-for-sale securities	5	–	21,203
Held-to-maturity securities	6	183,064	215,194
Derivative financial instruments	7	202	1,061
Loans, advances and financing	8	3,219	3,058
Other assets	9	2,115	1,399
Tax recoverable		12,962	–
Investment in subsidiaries	12	5,042,309	4,251,770
Amount owing by subsidiaries net of allowance for doubtful debts of RM852,820 (2004: RM852,820)		603,378	413,607
Investment in associate	13	3,834	3,834
Fixed assets	15	82,137	100,514
Total assets		6,704,045	6,694,987
Liabilities and shareholders' funds			
Other liabilities	20	13,607	14,418
Amount owing to subsidiaries		703,980	821,820
Deferred tax liabilities	10	8,069	18,418
Bonds	24	500,000	500,000
Total liabilities		1,225,656	1,354,656
Share capital	28	2,756,398	2,691,740
Reserves	30	2,721,991	2,648,591
Less: Treasury shares, at cost	31	–	–
Shareholders' funds		5,478,389	5,340,331
Total liabilities and shareholders' funds		6,704,045	6,694,987
Commitments and contingencies	43	250,000	250,000

Company Income Statement

for the financial year ended 31 December 2005

	Note	2005 RM'000	2004 RM'000
Interest income	32	41,598	33,554
Interest expense	33	(64,158)	(45,239)
Net interest expense		(22,560)	(11,685)
Non-interest income	34	341,388	356,234
Net income		318,828	344,549
Overhead expenses	35	(39,463)	(31,050)
Profit before allowances		279,365	313,499
Writeback of allowance for impairment of securities	37	–	1,019
Profit before taxation		279,365	314,518
Taxation	39	(52,201)	(18,809)
Net profit for the financial year		227,164	295,709
Dividends per ordinary share (sen)			
– First and final dividend of 10 sen less taxation of 28%			
(2004: 10 sen less taxation of 28%)	41	7.2	7.2
– Special dividend of 5 sen less taxation of 28%			
(2004: 5 sen less taxation of 28%)	41	3.6	3.6

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2005

The Group	Note	Share capital RM'000	Share premium RM'000	Hedging reserve- cash flows RM'000	Statutory reserves RM'000	Merger reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserves RM'000	Convertible bonds (equity component) RM'000	Reserve arising on consolidation RM'000	Revaluation reserve- available- for-sale securities RM'000	Retained profit RM'000	Total RM'000
At 1 January 2005:													
- as previously reported		2,691,740	1,881,079	-	1,477,329	65,746	27,367	(59,123)	68,173	-	-	2,635,428	8,787,739
- change in accounting policies	54	-	-	-	-	-	-	-	-	-	198,053	(26,316)	171,737
- as restated		2,691,740	1,881,079	-	1,477,329	65,746	27,367	(59,123)	68,173	-	198,053	2,609,112	8,959,476
Net gain/(loss) not recognised in the income statement:	30												
- currency translation difference		-	-	-	-	-	-	(43,894)	-	-	-	-	(43,894)
- revaluation reserve - available-for-sale securities		-	-	-	-	-	-	-	-	-	(191,884)	-	(191,884)
- hedging reserve - cash flow hedge		-	-	(4,339)	-	-	-	-	-	-	-	-	(4,339)
- negative goodwill		-	-	-	-	-	-	-	-	119,747	-	-	119,747
Net profit for the financial year		-	-	(4,339)	-	-	-	(43,894)	-	119,747	(191,884)	-	(120,370)
Dividend for the financial year ended 31 December 2004	41	-	-	-	-	-	-	-	-	-	-	(292,683)	(292,683)
Transfer to statutory reserve	30	-	-	-	272,602	-	-	-	-	-	-	(272,602)	-
Issue of share capital arising from exercise of Employee Share Option Scheme	28	64,658	157,274	-	-	-	-	-	-	-	-	-	221,932
Arising from accretion of equity interests in subsidiary		-	-	-	-	-	50,451	-	-	-	-	(8,178)	42,273
At 31 December 2005		2,756,398	2,038,353	(4,339)	1,749,931	65,746	77,818	(103,017)	68,173	119,747	6,169	2,862,474	9,637,453

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2005

The Group	Note	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Merger reserve RM'000	Capital reserve RM'000	Exchange fluctuation reserves RM'000	Treasury shares RM'000	Convertible bonds (equity component) RM'000	Revaluation reserve- available-for-sale securities RM'000	Retained profit RM'000	Total RM'000
At 1 January 2004:												
- as previously reported		2,628,960	1,786,730	1,330,562	65,746	15,949	31,754	(153,992)	-	-	2,193,878	7,899,587
- change in accounting policies	54	-	-	-	-	-	-	-	-	119,690	(8,629)	111,061
- as restated		2,628,960	1,786,730	1,330,562	65,746	15,949	31,754	(153,992)	-	119,690	2,185,249	8,010,648
Net gain/(loss) not recognised in the income statement:												
- currency translation difference	30	-	-	-	-	-	(90,877)	-	-	-	-	(90,877)
- revaluation reserve - available-for-sale securities		-	-	-	-	-	-	-	-	78,363	-	78,363
		-	-	-	-	-	(90,877)	-	-	78,363	-	(12,514)
Net profit for the financial year, as restated												
	54	-	-	-	-	-	-	-	-	-	734,540	734,540
Dividend for the financial year ended 31 December 2003												
Transfer to statutory reserve	30	-	-	146,767	-	-	-	-	-	-	(191,814)	(191,814)
Issue of share capital arising from exercise of Employee Share Option Scheme												
	28	98,633	212,488	-	-	-	-	-	-	-	-	311,121
Cancellation of treasury shares												
	31	(35,853)	(118,139)	-	-	-	-	153,992	-	-	-	-
Arising from accretion of equity interests in subsidiary												
		-	-	-	-	11,418	-	-	-	-	27,904	39,322
Issue of convertible bonds												
- equity component	24	-	-	-	-	-	-	-	68,173	-	-	68,173
At 31 December 2004		2,691,740	1,881,079	1,477,329	65,746	27,367	(59,123)	-	68,173	198,053	2,609,112	8,959,476

Company Statement of Changes in Equity

for the financial year ended 31 December 2005

The Company	Note	Non-distributable			Distributable		Total RM'000
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Revaluation reserve – available- for-sale securities RM'000	Retained profit RM'000	
At 1 January 2005:							
– as previously reported		2,691,740	1,881,079	–	–	735,090	5,307,909
– change in accounting policies	54	–	–	–	18,355	14,067	32,422
– as restated		2,691,740	1,881,079	–	18,355	749,157	5,340,331
Net profit for the financial year		–	–	–	–	227,164	227,164
Dividend for the financial year ended 31 December 2004	41	–	–	–	–	(292,683)	(292,683)
Net loss not recognised in the income statement:							
– revaluation reserve- available-for-sale securities	30	–	–	–	(18,355)	–	(18,355)
Issue of share capital arising from exercise of Employee Share Option Scheme	28	64,658	157,274	–	–	–	221,932
At 31 December 2005		2,756,398	2,038,353	–	–	683,638	5,478,389
At 1 January 2004:							
– as previously reported		2,628,960	1,786,730	(153,992)	–	641,372	4,903,070
– change in accounting policies	54	–	–	–	20,405	3,890	24,295
– as restated		2,628,960	1,786,730	(153,992)	20,405	645,262	4,927,365
Net profit for the financial year, as restated		–	–	–	–	295,709	295,709
Dividend for the financial year ended 31 December 2003		–	–	–	–	(191,814)	(191,814)
Net loss not recognised in the income statement:							
– revaluation reserve – available-for-sale securities	30	–	–	–	(2,050)	–	(2,050)
Issue of share capital arising from exercise of Employee Share Option Scheme	28	98,633	212,488	–	–	–	311,121
Cancellation of treasury shares	31	(35,853)	(118,139)	153,992	–	–	–
At 31 December 2004		2,691,740	1,881,079	–	18,355	749,157	5,340,331

Consolidated Cash Flow Statement

for the financial year ended 31 December 2005

	2005 RM'000	2004 RM'000
Operating Activities		
Profit before taxation	1,313,485	1,052,647
Adjustments for:		
Depreciation of fixed assets	149,183	128,418
Gain on disposal of fixed assets	(2,761)	(186)
Gain on disposal of leased assets	(241)	(122)
Fixed assets written off	1,231	110
Unrealised foreign exchange gain	(23,882)	(16,759)
Dividends from securities held for trading	(20,484)	(15,708)
Dividends from available-for-sale securities	(8,782)	(3,915)
Allowance for losses on loans, advances and financing	1,115,136	1,229,826
Net interest suspended	131,180	125,677
Gain on sale of available-for-sale securities	(266,562)	(124,228)
Gain on sale of securities held for trading	(80,289)	(96,786)
Allowance for impairment of securities	100,636	14,807
Accretion of discounts less amortisation of premiums	(73,412)	(84,829)
Amortisation of goodwill	24,361	13,196
Amortisation of premium of associates	43	43
Gain on disposal of associate	-	(5,116)
Loss/(gain) on disposal of interest in subsidiary	4,267	(73,371)
Share of results of associates	(10,223)	(3,769)
Unrealised loss/(gain) on revaluation of securities held for trading	103,706	(139,552)
Unrealised (gain)/loss on revaluation of derivative financial instruments	(101,341)	107,289
Allowance for other receivables	16,612	11,527
Provision for commitments and contingencies	684	259
Share of results of jointly controlled entities	1,824	3,509
	1,060,886	1,070,320
	2,374,371	2,122,967
(Increase)/decrease in operating assets		
Securities purchased under resale agreements	25,345	(4,389,632)
Deposits and placements with banks and other financial institutions	100,995	(1,014,266)
Securities held for trading	(2,886,842)	5,530,738
Loans, advances and financing	(7,535,177)	(9,492,998)
Other assets	426,410	1,111,168
Statutory deposits with Bank Negara Malaysia	274,950	(461,030)
	(9,594,319)	(8,716,020)
Increase/(decrease) in operating liabilities		
Deposits from customers	218,412	10,950,946
Deposits and placements of banks and other financial institutions	(101,221)	(832,940)
Obligations on securities sold under repurchase agreements	(289,543)	1,057,441
Amount due to Cagamas Berhad	91,451	981,625
Bills and acceptances payable	265,519	(1,783,517)
Other liabilities	(603,179)	846,807
	(418,561)	11,220,362
Cash flows (used in)/generated from operations	(7,638,509)	4,627,309
Taxation paid	(77,624)	(349,148)
Net cash flow (used in)/generated from operating activities	(7,716,133)	4,278,161

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 December 2005

	Note	2005 RM'000	2004 RM'000
Investing Activities			
Proceeds from disposal of fixed assets		31,875	15,588
Dividends received from securities held for trading		20,484	15,708
Dividends received from available-for-sale securities		8,782	3,915
Proceeds from disposal of associate		–	143,449
Proceeds from disposal of subsidiary shares		322,105	115,902
Proceeds from disposal/(purchase) of available-for-sale securities		3,908,906	(3,046,782)
Proceeds from disposal/(purchase) of held-to-maturity securities		344,653	(165,754)
Net cash outflow from acquisition of subsidiaries	51	(472,845)	(174,500)
Purchase of fixed assets		(234,823)	(207,663)
Issuance of perpetual preference shares		–	200,000
Investment in jointly controlled entities		–	(125,000)
Net cash flow generated from/(used in) investing activities		3,929,137	(3,225,137)
Financing Activities			
Dividends paid to shareholders		(292,683)	(191,814)
Redemption of ICULS		(534)	(43,813)
Proceeds from issuance of shares of the Company		221,932	311,121
Proceeds from other borrowings		72,445	167,901
Proceeds from Subordinated Notes		355,802	376,214
Net proceeds from syndicated term loan		–	988,000
Proceeds from/(redemption of) loan stocks		4,417	(87,484)
Repayment of syndicated term loans		(975,670)	(760,000)
Redemption of 1.75% Redeemable Euro-Convertible Bonds 1994/2005		–	(2,964)
(Repayment of)/proceeds from floating rate certificates of deposits		(115,230)	342,000
Proceeds from bond issuance		–	480,291
Net cash flow (used in)/generated from financing activities		(729,521)	1,579,452
Net (decrease)/increase in cash and cash equivalents during the financial year		(4,516,517)	2,632,476
Effect of exchange rate changes		(40,272)	(52,099)
Cash and cash equivalents at beginning of the financial year		16,634,934	14,054,557
Cash and cash equivalents at end of the financial year	47	12,078,145	16,634,934

Company Cash Flow Statement

for the financial year ended 31 December 2005

	2005 RM'000	2004 RM'000
Operating Activities		
Profit before taxation	279,365	314,518
Adjustments for:		
Depreciation of fixed assets	2,281	2,244
Gain on disposal of fixed assets	(2,246)	(304)
Gain on disposal of interest in subsidiary	(18,842)	(40,610)
Unrealised foreign exchange loss	3,691	1,282
Unrealised loss/(gain) on revaluation of securities held for trading	27,120	(5,936)
Unrealised loss/(gain) on revaluation of derivative financial instruments	859	(8,199)
Dividends from subsidiaries	(284,394)	(246,970)
Dividends from securities held for trading	(10,708)	(6,773)
Net gain from disposal of securities held for trading	(7,371)	(10,795)
Write back of allowance for impairment of securities	-	(1,019)
Interest expense on bonds	64,158	45,239
Accretion of investment gain	(32,665)	(30,316)
Accretion of discounts less amortisation of premium	(12,894)	(13,522)
	(271,011)	(315,679)
	8,354	(1,161)
(Increase)/decrease in operating assets		
Loans, advances and financing	(161)	(351)
Securities held for trading	14,943	(194,061)
Other assets	(716)	438,839
	14,066	244,427
Decrease in operating liabilities		
Other liabilities	(15,115)	(13,139)
	(15,115)	(13,139)
Cash flows generated from operations	7,305	230,127
Net taxation (paid)/refund	(16,311)	21,396
Net cash flow (used in)/generated from operating activities	(9,006)	251,523

COMPANY CASH FLOW STATEMENT

for the financial year ended 31 December 2005

	Note	2005 RM'000	2004 RM'000
Investing Activities			
Proceeds from disposal of fixed assets		19,623	1,663
Proceeds from disposal of available-for-sale securities		–	333
Proceeds from disposal of associate		–	139,590
Purchase of subsidiary		–	(173,500)
Proceeds from disposal of subsidiaries		–	35,000
Purchase of preference shares in subsidiary		–	(33,000)
Capital distribution of available-for-sale securities		14,173	–
Proceeds from disposal of securities held for trading		–	21,674
Proceeds from disposal of held-to-maturity securities		45,024	–
Purchase of fixed assets		(1,281)	(38,771)
(Advances to)/repayment from subsidiaries		(164,420)	135,329
Disposal of interest in subsidiary		43,781	35,306
Capital return on investment in subsidiary		–	262,854
Dividends from subsidiaries		91,217	194,234
Dividends from securities held for trading		9,788	5,743
Acquisition of additional interest in subsidiary		(798,951)	–
Incorporation of new subsidiary		(16,527)	–
Net cash flow (used in)/generated from investing activities		(757,573)	586,455
Financing Activities			
Dividends paid to shareholders		(292,683)	(191,814)
Interest paid to bondholders		(40,500)	(40,424)
Proceeds from issuance of shares of the Company		221,932	311,121
Redemption of 1.75% Redeemable Euro-Convertible Bonds 1994/2005		–	(2,964)
Net cash flow (used in)/generated from financing activities		(111,251)	75,919
Net (decrease)/increase in cash and cash equivalents during the financial year		(877,830)	913,897
Cash and cash equivalents at beginning of the financial year		1,328,411	414,514
Cash and cash equivalents at end of the financial year	47	450,581	1,328,411

Summary of Significant Accounting Policies

for the financial year ended 31 December 2005

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 financial year unless otherwise stated.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company are prepared under the historical cost convention and modified by the revaluation of available-for-sale securities, securities held for trading and all derivative contracts.

The financial statements of the Group and the Company comply with the MASB approved accounting standards in Malaysia, Bank Negara Malaysia Guidelines, Shariah requirements and the provisions of the Companies Act, 1965.

The financial statements incorporate activities relating to Skim Perbankan Islam ("SPI") which have been undertaken by the Group. SPI refers generally to the acceptance of deposits and dealing in Islamic Securities under Shariah principles.

The new applicable Bank Negara Malaysia guidelines adopted in these financial statements is the revised 'Guidelines on Financial Reporting for Licensed Institutions' ("BNM/GP8") which became effective for the current financial year. The adoption of the revised BNM/GP8 resulted in changes in the accounting policies of the Group and the Company for classification and measurement of the securities portfolio and derivatives (see accounting policies K and Q).

Comparative figures have been adjusted or extended to conform with the changes in presentation due to the requirements of the revised BNM/GP8 that have been applied retrospectively, and the effects of these changes are disclosed in Note 54 to the financial statements.

However, BNM has granted indulgence to the Group and the Company from complying with the requirements on the impairment of loans under the revised BNM/GP8. The Group and the Company will be deemed to be in compliance with the requirement on the impairment of loans under the revised BNM/GP8 if the allowance for non-performing loans, advances and financing is computed based on BNM's guidelines on the 'Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts' ("BNM/GP3") requirements.

The preparation of financial statements which is in conformity with the provisions of the Companies Act, 1965, MASB approved accounting standards in Malaysia and Bank Negara Malaysia Guidelines requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Although these estimates and assumptions are based on the management and Directors' best knowledge of current events and actions, actual results may differ from those estimates.

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. 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 is recognised as reserve arising on consolidation in the balance sheet. The results of subsidiaries acquired or disposed off during the financial year are included from the date of acquisition up to the date of disposal.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

B BASIS OF CONSOLIDATION (CONTINUED)

At each balance sheet date, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds their recoverable amount. See accounting policy Note W on impairment of assets.

Subsidiaries which were acquired in the past and have 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 FRS 122 – Business Combinations which is effective for accounting periods 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.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree company. Separate disclosure is made on minority interest.

C INVESTMENT IN 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 less accumulated impairment losses. Where there is an indication of impairment, the carrying amount of the investment is assessed. A write down is made if the carrying amount exceeds its recoverable amount.

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

D JOINTLY CONTROLLED ENTITIES

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties. The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting.

Investment in a jointly controlled entity is stated at cost less accumulated impairment losses. Where there is an indication of impairment, the carrying amount of the investment is assessed. A write down is made if the carrying amount exceeds its recoverable amount.

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. These amounts are taken from the latest management financial statements of the jointly controlled entities concerned, made up to the financial year of the Group.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

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.

Goodwill arising from the acquisition of associates are amortised over 25 years. The carrying amount of such goodwill is reassessed when there is an indication of impairment and written down where it is considered necessary.

Investments in associates are stated at cost less accumulated impairment losses. 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.

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 securities are recognised on the effective yield basis.

Where a loan becomes non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing are reversed out of income and set off against the accrued interest receivable account in the balance sheet. Subsequently, the interest accrued on the non-performing loans is recognised as income on a cash basis instead of being accrued and suspended at the same time as prescribed previously. Customers' accounts are classified as non-performing where repayments are in arrears for 3 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.

Income from Islamic Banking is recognised on an accrual basis in accordance with the principles of Shariah and Bank Negara Malaysia's "Guidelines on the Specimen Financial Statements for the Banking Industry, BNM/GP8".

The Group's policy on recognition of interest income on loans and advances 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") and Revised BNM/GP8.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

G RECOGNITION OF FEES AND OTHER INCOME

Loans, advances and financing 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 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 are recognised as income based on time apportionment.

Brokerage fees 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 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.

I ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

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

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

Any uncollectible loans or portion of loans classified as bad are 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 allowances 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 regards to allowance for subordinated debts subscribed by the subsidiary bank arising from its collateralised bond obligation, the subordinated debts are held at cost and allowance is made for any diminution based on the position of the special purpose vehicle and its underlying assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

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 on 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 on the balance sheet. Securities sold are not recognised 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 the effective yield method.

K SECURITIES

The Group and the Company classify their securities portfolio into the following categories: securities held for trading, available-for-sale securities and held-to-maturity securities. Management determines the classification of securities at initial recognition.

(a) Securities held for trading

This category comprises securities held for trading and those designated at fair value through profit or loss at inception. Securities are classified into this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

(b) Available-for-sale securities

Available-for-sale securities are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

(c) Held-to-maturity securities

Held-to-maturity securities are non-derivate instruments with fixed or determinable payments and fixed maturities that the Group's and the Company's management has the positive intent and ability to hold to maturity. If the Group or the Company sell other than an insignificant amount of held-to-maturity securities, the entire category will be tainted and reclassified as available-for-sale securities.

Securities are initially recognised at fair value plus transaction costs for all securities not carried at fair value through profit or loss. Securities are derecognised when the rights to receive cash flows from the securities have expired or where the Group or the Company have transferred substantially all risks and rewards of ownership.

Securities held for trading and available-for-sale securities are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the securities held for trading category are included in the income statement in the period which they arise. Gains and losses arising from changes in fair value of available-for-sale securities are recognised directly in equity, until the securities are derecognised or impaired at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost.

Held-to-maturity securities are subsequently measured at amortised cost using the effective interest method. Gains or losses arising from the derecognition or impairment of the securities are recognised in the income statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

K SECURITIES (CONTINUED)

Interest from securities held for trading, available-for-sale securities and held-to-maturity securities is calculated using the effective interest method and is recognised in the income statement. Dividends from available-for-sale equity instruments are recognised in the income statement when the entity's right to receive payment is established.

The fair value of quoted securities in active markets is based on market price. If the market for an instrument is not active (and for unquoted securities), the Group and the Company establish fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

L FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. 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 to 800 years	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% or over the remaining 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%

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Repairs and maintenance are charged to the income statement during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related asset.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

M 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.

N 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.

O BILLS AND ACCEPTANCES PAYABLE

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

P FORWARD EXCHANGE CONTRACTS

Forward exchange contracts that have not matured 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

Q DERIVATIVE FINANCIAL INSTRUMENTS

(i) Trading

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently remeasured at their fair values. The fair values 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 options pricing models.

(ii) Hedging

Gain or loss on derivative financial instruments that are part of a hedging relationship which qualifies for hedge accounting is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in the fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged item affects the income statement.

R 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 an 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 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 an allowance is made for any diminution in value based on the position of the SPV and its underlying assets.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

S 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 is the amount at which the liability for the Bonds is stated as at the date of conversion. No gain or loss is 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, is provided over the period from the date of initial issue to the date of option to redeem, and is 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 they arise.

T 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 10 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 profits will be available against which the temporary differences can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

U SHARE CAPITAL

(i) Treasury shares

The Company's 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 are taken to reserves as appropriate.

(ii) Dividends

Dividends on ordinary shares are recognised as liabilities when the shareholders' right to receive the dividends is established.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

V 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 and Company.

(ii) Post employment benefits

The Group and Company have 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 and the Company pay 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 and the Company'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 and the Company have 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 approximate the terms of the related liability.

Plan assets in excess of the defined obligation are subject to the asset limitation specified in FRS 119 – Employee Benefits.

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 FRS 119 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 FRS 119 in the financial year ended 31 December 2003, the increase in defined benefit liability has been 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 2005

V 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 a basis similar to that for defined benefit plans.

(iv) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

(v) Equity compensation benefits

The share options granted to directors and employees of the Group are disclosed in the Directors' Report and Note 28 to the financial statements. The Group does not make a charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium.

W 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 asset's 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.

X IMPAIRMENT OF SECURITIES PORTFOLIO

The Group and the Company assess at each balance sheet date whether there is objective evidence that the securities are impaired. A security or a group of securities is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the securities (a 'loss event') and that loss event has an impact on the estimated future cash flows of the securities that can be reliably estimated.

(a) Securities carried at amortised cost

If there is an objective evidence that an impairment loss on held-to-maturity securities held at amortised cost has been incurred, the amount of loss is measured as the difference between the securities' carrying amount and the present value of estimated future cash flows discounted at the securities' original effective interest rate. The carrying amount of the securities is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

X IMPAIRMENT OF SECURITIES PORTFOLIO (CONTINUED)

(b) Securities carried at fair value

In the case of equity instruments classified as available-for-sale securities, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If there is objective evidence that an impairment loss on available-for-sale securities has been incurred, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the securities previously recognised in income statement is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale securities increases and the increase can be related objectively to an event occurring after the impairment was recognised in the income statement, the impairment loss is reversed through the income statement.

Y CURRENCY TRANSLATIONS

Reporting currency

The financial statements are presented in Ringgit Malaysia.

Foreign currency transactions and balances

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. Financial statements of foreign subsidiaries that are integral to the operations of the Group and the Company are translated as if the transactions of the foreign subsidiaries had been those of the Group and the Company.

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 an 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.

Closing rates

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

Foreign currency	2005 RM	2004 RM
Australian Dollar	2.7730	2.9610
Canadian Dollar	3.2510	3.1610
Euro	4.4840	5.1820
Hong Kong Dollar (100)	48.7000	48.9000
Indian Rupee (100)	8.4000	8.7000
Indonesian Rupiah (100)	0.0380	0.0410
Japanese Yen (100)	3.2180	3.7030
Mauritius Rupee (100)	12.4000	13.5000
Philippines Peso (100)	7.1000	6.8000
Singapore Dollar	2.2730	2.3280
Sterling Pound	6.5260	7.3200
Swiss Franc	2.8800	3.3590
Thai Baht (100)	9.2000	9.8000
United States Dollar	3.7795	3.8000

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

Z FORECLOSED PROPERTIES

Foreclosed properties are stated at cost less accumulated impairment losses. Where an indication of impairment exist, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

AA PROVISIONS

Provisions, other than allowance for bad and doubtful debts, are recognised when the Group and the Company have 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 when a reliable estimate of the amount of the obligation can be made.

AB HIRE PURCHASE RECEIVABLES SECURITISATION PROGRAMME

The Group through its Hire Purchase Receivables Securitisation Programme, sells 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 an allowance is made for any diminution in value based on the position of the SPV and its underlying assets.

AC 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 that are readily convertible into cash without significant risk of changes in value.

AD COMPOUND FINANCIAL INSTRUMENTS

Compound financial instruments contain both a liability and equity element. The Group's compound financial instruments comprise the Irredeemable Convertible Unsecured Loan Stocks ("ICULS"). Pursuant to the transitional provision of FRS 132 – Financial Instruments: Disclosure and Presentation, the classification of compound instruments into equity and liability components need to be applied only to financial instruments that are issued during reporting period beginning on or after 1 January 2003. Accordingly, the ICULS which were issued in 2001 have not been classified into component parts as required by FRS 132.

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as liability on the amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in shareholders' equity; the value of the conversion option is not charged in subsequent periods.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2005

AE SEGMENT REPORTING

A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), which is subject to risks and rewards that are different from those of other segments. Segments with a majority of operating income earned from providing products or services to external clients and whose operating income, results or assets are 10 per cent or more of all the segments are reported separately.

AF ZAKAT

This represents business zakat. It is an obligating amount payable by the Group to comply with the principles of Shariah. Zakat provision is calculated based on the adjusted growth method.

AG PROFIT EQUALISATION RESERVE

Profit Equalisation Reserve ("PER") is a mechanism to reduce the fluctuation in the profit rates payable to depositors. It is provided based on the Framework of the Rate of Return issued by Bank Negara Malaysia. The amount of PER is appropriated from and written back to the total gross income. PER is reflected under 'other liabilities' of the Group.

AH GENERAL INSURANCE

General insurance underwriting surplus before management expenses are determined after accounting for net premium, unearned premium reserves, net claims incurred and net commissions.

Premium income is recognised in a year in respect of risks assumed during that particular year. Unearned premium reserves are calculated in accordance with the fixed percentage method or time apportionment method, where applicable.

Provision is made for outstanding claims based on the estimated cost of claims, less reinsurance recoveries in respect of claims notified, and include claims incurred but not reported ("IBNR") at the balance sheet date. Provision for IBNR is computed based on an actuarial valuation carried out by a qualified actuary.

Commission is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

Notes to the Financial Statements

for the financial year ended 31 December 2005

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 12 to the financial statements. There was no significant change in the nature of these activities during the financial year.

The number of employees at the end of the financial year was 18,335 (2004: 16,240) in the Group and 33 (2004: 32) in the Company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities 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	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and balances with banks and other financial institutions	2,321,022	3,352,456	2,596	9,840
Money at call and deposit placements maturing within one month	9,757,123	13,282,478	447,985	1,318,571
	12,078,145	16,634,934	450,581	1,328,411

Included in the Group's cash and short-term funds are RM28,405,000 (2004: RM12,056,000) of money at call and deposit placements maturing within one month relating to a jointly controlled entity, Proton Commerce Sdn Bhd ("PCSB"). The balances are held in the books of a Bank's subsidiary, Bumiputra-Commerce Finance Berhad ("BCF").

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	2005 RM'000	2004 RM'000
Licensed banks	1,149,588	1,045,224
Licensed finance companies	2,038	36,849
Licensed merchant banks	57,630	40,346
Bank Negara Malaysia	79,900	–
Other financial institutions	65,796	320,628
	1,354,952	1,443,047

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

4 SECURITIES HELD FOR TRADING

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Money market instruments:				
Quoted				
Malaysian Government securities	519,617	447,983	–	–
Cagamas bonds	74,177	171,275	–	–
Khazanah bonds	4,350	–	–	–
Unquoted				
Malaysian Government treasury bills	29,596	34,703	–	–
Malaysian Government Investment certificates	4,998	–	–	–
Bank Negara Malaysia bills	218,451	–	–	–
Bank Negara negotiable notes	–	1,273	–	–
Negotiable instruments of deposit	1,082,933	850,000	–	–
Bankers' acceptances	23,071	47,771	–	–
Private debt securities	171,655	287,584	–	–
Credit-linked notes	375,208	343,160	–	–
Other Government's securities	19,102	84,146	–	–
Commercial papers	–	9,730	–	–
	2,523,158	2,277,625	–	–
Quoted securities:				
<u>In Malaysia</u>				
Warrants	2,376	11,261	–	–
Shares	275,543	274,838	79,292	115,762
Loan stocks	125	7,043	–	–
Unit trusts	287,426	253,861	240,952	238,861
<u>Outside Malaysia</u>				
Shares	101,572	773	–	–
Private debt securities	603,006	205,480	–	–
	3,793,206	3,030,881	320,244	354,623
Unquoted securities:				
<u>In Malaysia</u>				
Private and Islamic debt securities	4,322,609	2,202,837	–	313
Shares	5,000	12,957	–	–
Bonds	704,935	697,263	–	–
<u>Outside Malaysia</u>				
Private debt securities	25,573	43,614	–	–
Unit trusts	–	12,987	–	–
Bonds	704,804	555,601	–	–
	9,556,127	6,556,140	320,244	354,936

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

4 SECURITIES HELD FOR TRADING (CONTINUED)

Included in the securities held for trading by the Group and the Company are:

- (a) Shares quoted in Malaysia which include the Company's portfolio and unit trusts managed by CIMB – Principal Asset Management Berhad (formerly known as Commerce Trust Berhad) amounting to RM79,292,000 (2004: RM115,762,000) and RM240,952,000 (2004: RM238,861,000).
- (b) Securities amounting to RM36,080,000 (2004: RM60,007,000) invested by assets management companies on behalf of the Group.
- (c) Malaysian Government securities, unquoted private and Islamic debt securities in Malaysia amounting to principal value of RM41,500,000 (2004: RM61,000,000) have been pledged by the Group as credit support assets for certain over-the-counter derivative contracts.

5 AVAILABLE-FOR-SALE SECURITIES

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Debt securities				
Money market instruments:				
Quoted				
Malaysian Government securities	713,068	1,531,305	–	–
Cagamas bonds	580,296	680,673	–	–
Khazanah bonds	164,674	195,950	–	–
Unquoted				
Malaysian Government treasury bills	9,943	63,088	–	–
Other Government treasury bills	10,784	–	–	–
Malaysian Government bonds	2,329	54,550	–	–
Bank Negara Malaysia bills	92,477	1,107	–	–
Danaharta bonds	–	17,520	–	–
Bankers' acceptance, Islamic accepted bills and Islamic debt securities	–	770	–	–
Private debt securities	3,378,962	3,033,613	–	–
Other Government's securities	–	3,629	–	–
Floating rate notes	20,440	33,383	–	–
Commercial papers	–	38,856	–	–
	4,972,973	5,654,444	–	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

5 AVAILABLE-FOR-SALE SECURITIES (CONTINUED)

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Equity securities				
Quoted securities:				
<u>In Malaysia</u>				
Shares	204,184	209,597	-	-
Bonds	-	3,490	-	-
Warrants	690	452	-	-
Unit trusts	13,260	13,820	-	-
<u>Outside Malaysia</u>				
Private debt securities	-	173,469	-	-
Shares	-	6,357	-	-
Bonds	1,542,359	1,524,060	-	-
Mutual funds	-	19,431	-	-
Unquoted securities:				
<u>In Malaysia</u>				
Private and Islamic debt securities	955,805	2,292,891	-	-
Shares	417,880	400,260	-	-
Bonds	6,291	871,382	-	-
Loan stocks	36,204	44,585	-	-
Property trusts	16,051	21,203	-	21,203
Unit trusts	-	473,227	-	-
<u>Outside Malaysia</u>				
Private debt securities	-	7,596	-	-
Shares	18,460	10,659	-	-
Bonds	-	257,539	-	-
Mutual funds	11,294	-	-	-
Private equity funds	41,512	34,817	-	-
	3,263,990	6,364,835	-	21,203
	8,236,963	12,019,279	-	21,203
Allowance for impairment loss:				
Private debt securities	(443,790)	(365,843)	-	-
Quoted shares	(6,402)	(15,011)	-	-
Unquoted shares	(27,422)	(12,805)	-	-
Loan stocks	-	(3,938)	-	-
	7,759,349	11,621,682	-	21,203

Debt securities available-for-sale at fair value of RM275,121,288 (2004: RM643,750,000) have been pledged by the Group to third parties in relation to securities sold under repurchase agreement.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

6 HELD-TO-MATURITY SECURITIES

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Quoted securities outside Malaysia:				
Bonds	29,146	25,491	-	-
Unquoted securities:				
<u>In Malaysia</u>				
Danaharta Urus Sdn Bhd ("DUSB") Bonds	1,718,596	1,890,310	-	-
Private debt securities	391,827	391,826	-	-
Detachable coupons	-	-	134,422	170,527
Other Government's securities	21,748	11,878	-	-
Government's treasury bills	122,335	85,229	-	-
<u>Outside Malaysia:</u>				
Bonds	19,993	20,938	-	-
	2,303,645	2,425,672	134,422	170,527
Accretion of discount net of amortisation of premium	116,864	265,894	48,642	44,667
	2,420,509	2,691,566	183,064	215,194

7 DERIVATIVE FINANCIAL INSTRUMENTS

	Notional Amount RM'000	The Group Fair values		Notional Amount RM'000	The Company Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
At 31 December 2005						
<u>Foreign exchange derivatives</u>						
Currency forward	3,097,972	45,814	(72,930)	-	-	-
Currency swaps	1,128,805	3,265	(6,401)	-	-	-
Currency spot	996,717	993	(1,415)	-	-	-
Cross currency swaps	7,808,310	25,273	(6,389)	-	-	-
Cross currency interest rate swap	793,696	-	(42,357)	-	-	-
		75,345	(129,492)		-	-
<u>Interest rate derivatives</u>						
Interest rate swaps	58,912,369	254,830	(326,691)	250,000	202	-
Interest rate futures	31,944,242	14,747	(38,515)	-	-	-
Interest rate options	3,031,400	19,836	(19,299)	-	-	-
		289,413	(384,505)		202	-
<u>Equity derivatives</u>						
Equity futures	39,094	228	(188)	-	-	-
Equity options	170,627	20,754	-	-	-	-
		20,982	(188)		-	-
Total derivative assets/(liabilities)		385,740	(514,185)		202	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

7 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Notional Amount RM'000	The Group Fair values		Notional Amount RM'000	The Company Fair values	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
At 31 December 2004						
<u>Foreign exchange derivatives</u>						
Currency forward	3,890,752	10,954	(18,810)	-	-	-
Currency swaps	214,977	2	(10)	-	-	-
Currency spot	512,681	880	(1,563)	-	-	-
Cross currency swaps	5,326,159	19,095	(3,194)	-	-	-
Cross currency interest rate swaps	819,714	2,066	(30,473)	-	-	-
		32,997	(54,050)		-	-
<u>Interest rate derivatives</u>						
Interest rate swaps	35,278,753	249,438	(393,159)	250,000	1,061	-
Interest rate futures	122,512,616	4,725	(64,286)	-	-	-
Interest rate options	16,000	794	-	-	-	-
		254,957	(457,445)		1,061	-
<u>Equity derivatives</u>						
Equity futures	13,830	22	-	-	-	-
Equity options	33,929	-	(289)	-	-	-
		22	(289)		-	-
Total derivative assets/(liabilities)		287,976	(511,784)		1,061	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

8 LOANS, ADVANCES AND FINANCING

(i) By type

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Overdrafts	3,935,242	3,535,536	-	-
Term loans				
- Housing loan/financing	12,445,596	10,462,512	-	-
- Syndicated term loans	4,659,768	4,419,881	-	-
- Hire purchase receivables	10,542,325	9,238,436	-	-
- Lease receivables	272,505	231,303	-	-
- Factoring receivables	190,007	229,760	-	-
- Other term loans/financing	21,920,406	20,274,990	-	-
Bills receivable	373,568	403,679	-	-
Trust receipts	1,048,353	885,763	-	-
Claims on customers under acceptance credits	6,553,531	6,363,058	-	-
Subordinated debt	127,277	127,277	-	-
Staff loans [of which RM435,952 (2004: RM484,834) are to Directors]	604,870	598,096	3,219	3,058
Credit card receivables	531,364	333,176	-	-
Revolving credits	10,839,659	10,196,037	-	-
Share margin financing	339,332	127,619	-	-
Other loans	291,305	67,633	-	-
	74,675,108	67,494,756	3,219	3,058
Less: Unearned interest	(2,099,564)	(1,906,588)	-	-
Gross loans, advances and financing	72,575,544	65,588,168	3,219	3,058
Allowance for bad and doubtful debts				
- Specific	(2,305,753)	(1,919,403)	-	-
- General	(1,173,911)	(1,065,735)	-	-
Total net loans, advances and financing	69,095,880	62,603,030	3,219	3,058

Included in the Group's loans, advances and financing balances are RM1,568,092,000 (2004: RM405,497,000) of net loans relating to that of a jointly controlled entity, PCSB. The balances are held in the books of a Bank's subsidiary, BCF. The revenue and risk of these loan accounts are shared equally between joint venture parties, BCF and Proton Edar Sdn Bhd, pursuant to the terms of Joint Venture Agreement.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(i) By type (Continued)

The maturity structure of loans, advances and financing is as follows:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Maturing within one year	24,065,684	22,392,611	59	18
One year to three years	11,745,782	10,893,183	110	95
Three years to five years	6,570,293	7,145,605	165	240
Over five years	30,193,785	25,156,769	2,885	2,705
	72,575,544	65,588,168	3,219	3,058

(ii) By type of customer

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Domestic banking institutions	294,997	60,877	–	–
Domestic non-bank financial institutions				
– stockbroking companies	41,057	80,025	–	–
– others	3,400,377	1,829,157	–	–
Domestic business enterprises				
– small medium enterprises	13,201,946	11,884,540	–	–
– others	20,308,750	18,378,591	–	–
Government and statutory bodies	49,516	58,487	–	–
Individuals	28,047,147	23,059,186	3,219	3,058
Other domestic entities	2,138,733	4,637,934	–	–
Foreign entities	5,093,021	5,599,371	–	–
	72,575,544	65,588,168	3,219	3,058

(iii) By interest/profit rate sensitivity

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fixed rate				
– Housing loans	2,001,692	1,454,580	–	–
– Hire-purchase receivables	8,738,993	7,881,032	–	–
– Other fixed rate loan	14,272,961	12,242,257	3,219	3,058
Variable rate				
– BLR plus	34,294,484	28,860,513	–	–
– Cost-plus	10,229,534	10,479,873	–	–
– Other variable rates	3,037,880	4,669,913	–	–
	72,575,544	65,588,168	3,219	3,058

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(iv) Loans, advances and financing analysed by their economic purposes are as follows:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Agriculture	2,358,609	2,351,314	–	–
Mining and quarrying	173,653	145,982	–	–
Manufacturing	11,495,572	11,796,258	–	–
Electricity, gas and water	1,444,836	1,598,257	–	–
Construction	5,025,893	4,286,970	–	–
Real estate	938,401	1,011,881	–	–
Purchase of landed property				
– Residential	12,900,905	10,886,480	–	–
– Non-residential	2,497,003	2,346,956	–	–
Wholesale and retail trade, restaurants and hotels	6,683,626	6,308,368	–	–
Transport, storage and communication	3,968,574	3,824,000	–	–
Finance, insurance and business services	6,985,621	5,447,575	–	–
Purchase of securities	4,254,434	3,252,260	–	–
Purchase of transport vehicles	9,035,388	7,689,506	–	–
Consumption credit	1,968,511	1,858,705	–	–
Others	2,844,518	2,783,656	3,219	3,058
	72,575,544	65,588,168	3,219	3,058

(v) Movements in the non-performing loans, advances and financing are as follows:

	The Group	
	2005 RM'000	2004 RM'000
At 1 January	6,278,029	5,212,499
Classified as non-performing during the year	4,249,222	4,186,188
Reclassified as performing during the year	(2,409,192)	(1,306,591)
Amount written back in respect of recoveries	(1,143,362)	(929,688)
Amount written off	(650,196)	(864,765)
Exchange fluctuation	(18,103)	(19,614)
At 31 December	6,306,398	6,278,029
Specific allowance	(2,305,753)	(1,919,403)
Net non-performing loans, advances and financing	4,000,645	4,358,626

Ratio of net non-performing loans, advances and financing to net loans, advances and financing

5.8% 7.0%

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(vi) Movements in the allowance for bad and doubtful debts and financing are as follows:

	The Group	
	2005	2004
	RM'000	RM'000
General allowance		
At 1 January	1,065,735	956,790
Net allowance made during the year	131,872	109,166
Amount transferred to specific allowance	(10,627)	–
Allowance for loans in relation to loans in jointly controlled entities	17,677	6,202
Exchange fluctuation	(30,746)	(6,423)
At 31 December	1,173,911	1,065,735
As % of gross loans, advances and financing less specific allowance	1.7%	1.7%
Specific allowance		
At 1 January	1,919,403	1,713,758
Allowance made during the year	1,507,535	1,420,001
Amount transferred from general allowance	10,627	–
Amount written back in respect of recoveries	(525,326)	(300,678)
Amount written off	(651,770)	(884,806)
Amount transferred in respect of loan converted to bond	–	(7,777)
Allowance for loans in relation to loans in jointly controlled entities	7,294	2,071
Exchange fluctuation	37,990	(23,166)
At 31 December	2,305,753	1,919,403

(vii) Non-performing loans by sector:

	The Group	
	2005	2004
	RM'000	RM'000
Agriculture	146,952	122,177
Mining and quarrying	12,846	11,348
Manufacturing	902,709	665,290
Electricity, gas and water	363,508	277,671
Construction	519,355	377,716
Real estate	117,816	128,341
Purchase of landed property:		
– Residential	1,977,711	2,075,250
– Non-residential	344,139	313,613
Wholesale and retail trade, restaurants and hotels	429,158	378,292
Transport, storage and communication	105,298	155,543
Finance, insurance and business services	188,552	177,104
Purchase of securities	292,808	324,450
Purchase of transport vehicles	546,282	897,115
Consumption credit	220,482	197,650
Others	138,782	176,469
Total	6,306,398	6,278,029

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

9 OTHER ASSETS

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest receivable	414,866	404,639	-	-
Due from brokers and clients net of allowance for doubtful debts of RM13,060,000 (2004: RM7,924,000)	622,464	538,128	-	-
Other debtors, deposits and prepayments net of allowance for doubtful debts of RM31,318,875 (2004: RM26,113,031)	1,215,720	1,023,319	2,115	1,399
Due from insurers, brokers and reinsurers net of allowance for doubtful debts of RM13,867,254 (2004: RM4,798)	111,242	6,863	-	-
Foreclosed properties net of allowance for impairment in value	47,453	59,483	-	-
	2,411,745	2,032,432	2,115	1,399

10 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 are offset and shown in the balance sheet.

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax assets	359,478	307,867	-	-
Deferred tax liabilities	(13,690)	(22,106)	(8,069)	(18,418)
	345,788	285,761	(8,069)	(18,418)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

10 DEFERRED TAXATION (CONTINUED)

The gross movement on the deferred income tax account is as follows:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January:				
– as previously reported	321,347	359,924	(12,948)	(8,650)
– change in accounting policy	(35,586)	(13,155)	(5,470)	(1,512)
– as restated	285,761	346,769	(18,418)	(10,162)
Credited/(charged) to income statement (Note 39)				
– loans, advances and financing	16,461	(37,882)	–	(285)
– unutilised tax losses	1,259	73,165	–	–
– excess of capital allowance over depreciation	(3,791)	(3,237)	111	(226)
– available-for-sale securities	571	(192)	–	–
– other temporary differences	(7,515)	(45,526)	10,238	(7,745)
	6,985	(13,672)	10,349	(8,256)
Acquisition of subsidiaries	(3,636)	1,917	–	–
Transferred to equity				
– revaluation reserve – available-for-sale securities	56,678	(49,253)	–	–
At 31 December	345,788	285,761	(8,069)	(18,418)
Deferred tax assets (before offsetting)				
Loans, advances and financing	289,442	274,049	239	239
Available-for-sale securities	(626)	(41,047)	–	–
Fixed assets	(9,041)	(9,482)	–	–
Unutilised tax losses	50,862	47,592	–	–
Revaluation reserve – available- for-sale securities	1,170	–	–	–
Other temporary differences	57,428	71,131	6,790	357
	389,235	342,243	7,029	596
Offsetting	(29,757)	(34,376)	(7,029)	(596)
Deferred tax assets (after offsetting)	359,478	307,867	–	–
Deferred tax liabilities (before offsetting)				
Available-for-sale securities	(10,200)	(10,077)	–	–
Fixed assets	(15,723)	(5,875)	(676)	(787)
Revaluation reserve – available-for-sale securities	(221)	(19,512)	–	–
Other temporary differences	(17,303)	(21,018)	(14,422)	(18,227)
	(43,447)	(56,482)	(15,098)	(19,014)
Offsetting	29,757	34,376	7,029	596
Deferred tax liabilities (after offsetting)	(13,690)	(22,106)	(8,069)	(18,418)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

11 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.

12 INVESTMENT IN SUBSIDIARIES

	The Company	
	2005 RM'000	2004 RM'000
Shares at cost:		
Quoted	1,610,014	836,003
Unquoted	3,433,570	3,417,042
Allowance for impairment in value of a subsidiary	(1,275)	(1,275)
	5,042,309	4,251,770

The direct subsidiaries of the Company are:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Bumiputra-Commerce Bank Berhad	Commercial banking and related financial services	100	100	RM2,063,956,000
CIMB Berhad	Investment holding of merchant banking group	71.10	72.36	RM1,000,515,000
Commerce Asset Ventures Sdn Bhd	Provision of management services	100	100	RM500,000 (ordinary shares) ^ RM6,800,000 (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	Life assurance business	100	100	RM122,000,000
Commerce Assurance Berhad	General insurance business	100	100	RM110,000,000
PT Bank Niaga Tbk + (Incorporated in the Republic of Indonesia)	Commercial banking and related financial services	64.25	52.59	IDR11,882,341,330
Commerce Volantia Sdn Bhd	Dormant	100	100	RM3
Commerce MGI Sdn Bhd	Dormant	51	51	RM2,500,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The direct subsidiaries of the Company are: (Continued)

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Commerce Capital (Labuan) Ltd (Incorporated in the Federal Territory of Labuan)	Special purpose vehicle	100	100	USD1
Commerce Takaful Berhad	Takaful general and family business	100	–	RM2
Commerce International Group Berhad	Investment holding	100	–	RM2
PT Commerce Kapital # (Incorporated in the Republic of Indonesia)	Special purpose vehicle	99	–	USD4,421,000
Modified CIMB ESOS Trust (unincorporated)	Holding of accelerated CIMB ESOS option	–	–	–

^ Preference shares of RM0.10 each

+ Audited by an affiliate of PricewaterhouseCoopers, Malaysia

Not audited by PricewaterhouseCoopers

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

The subsidiaries, held through the Company's subsidiary bank, Bumiputra-Commerce Bank Berhad ("BCB") are:

Name of Subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2005
		Directly by BCB		Through BCB's subsidiary company		
		2005 %	2004 %	2005 %	2004 %	
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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through the Company's subsidiary bank, Bumiputra-Commerce Bank Berhad ("BCB") are: (Continued)

Name of Subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2005
		Directly by BCB		Through BCB's subsidiary company		
		2005 %	2004 %	2005 %	2004 %	
Bumiputra-Commerce Corporate Services Limited (Incorporated in the Federal Territory of Labuan)	Nominee services	–	–	100	100	USD1
BC Management Services Ltd (Incorporated in the Federal Territory of Labuan)	Nominee services	–	–	100	100	USD1
Bumiputra-Commerce Finance Berhad	Finance company	100	100	–	–	RM275,000,000 (ordinary shares) RM125,000,000 (redeemable cumulative preference shares) RM200,000,000* (perpetual preference shares)
I-Prestige Sdn Bhd	Special purpose vehicle	–	–	100	100	RM12,750,002
Bumiputra-Commerce Trustee Berhad	Trustee services	20	20	80	80	RM500,000
Bumiputra-Commerce Trust Limited (Incorporated in the Federal Territory of Labuan)	Trustee services	100	100	–	–	USD40,000
BBMB Unit Trust Management Berhad	Investment holding	100	100	–	–	RM5,000,000
Bumiputra-Commerce Factors Lease Berhad	Leasing, factoring and loan management	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
EPIC-I Sdn Bhd	Provision of outsourcing services	100	100	–	–	RM25,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through the Company's subsidiary bank, Bumiputra-Commerce Bank Berhad ("BCB") are: (Continued)

Name of Subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2005
		Directly by BCB		Through BCB's subsidiary company		
		2005 %	2004 %	2005 %	2004 %	
South East Asian Bank Ltd # (Incorporated in Republic of Mauritius)	Commercial banking and related financial services	60	60	–	–	MUR200,000,000
Bumiputra-Commerce Factoring Berhad	Dormant	100	100	–	–	RM2 (effective 16.9.2005)
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
Bumiputra-Commerce International Trust (Labuan) Berhad	Offshore trust	100	100	–	–	RM150,000
Commerce TIJARI Bank Berhad	Islamic banking and related financial services	100	100	–	–	RM100,000,000

During the financial year, the subsidiary bank's wholly owned subsidiary, BBMB International Bank (L) Ltd, completed the proceedings for shareholders' voluntary liquidation.

Not audited by PricewaterhouseCoopers

* Held by jointly controlled entity, Proton Commerce Sdn Bhd.

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through the Company's subsidiary, CIMB Berhad are:

Name of Subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2005
		Directly by CIMB Berhad		Through CIMB Berhad's subsidiary company		
		2005 %	2004 %	2005 %	2004 %	
Commerce International Merchant Bankers Berhad	Merchant banking and the provision of related financial services	100	100	–	–	RM219,242,000
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 (ordinary shares) RM116,000,000 (preference shares)
CIMB (L) Limited (Incorporated in the Federal Territory of Labuan)	Offshore banking	–	–	100	100	USD25,000,000 (ordinary shares) @@USD6,250,000 (redeemable non-cumulative preference share)
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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through the Company's subsidiary, CIMB Berhad are: (Continued)

Name of Subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2005
		Directly by CIMB Berhad		Through CIMB Berhad's subsidiary company		
		2005 %	2004 %	2005 %	2004 %	
CIMB ShareTech Sdn Bhd	Trading in securities	100	100	–	–	RM40,003,120 (ordinary shares) * RM300 (preference shares)
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) **USD2 (redeemable preference shares)
P.T. CIMB Niaga Securities +	Stock and sharebroking	–	–	99	51	IDR50,400,000,000
CIMB – Principal Asset Management Berhad (formerly known as Commerce Trust Berhad)	Unit Trust Manager	60	70	–	–	RM7,000,000
Commerce Asset Fund Managers Sdn Bhd	Fund management	60	70	–	–	RM5,500,000
CIMB Private Equity Sdn Bhd	Private equity	100	100	–	–	RM2 (ordinary shares) RM535,000 (# redeemable preference shares)
CIMB Private Equity General Partner Limited (Incorporated in the Federal Territory of Labuan)	Fund management	–	–	100	100	USD2

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through the Company's subsidiary, CIMB Berhad are: (Continued)

Name of Subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2005
		Directly by CIMB Berhad		Through CIMB Berhad's subsidiary company		
		2005 %	2004 %	2005 %	2004 %	
CIMB Mezzanine General Partner Limited (Incorporated in Federal Territory of Labuan)	Fund management	–	–	100	100	USD2
CIMB Mapletree Management Sdn Bhd	Real estate fund management	–	–	60	–	RM2,000,000
CIMB Real Estate Sdn Bhd	Real estate investment	100	100	–	–	RM100,000 (ordinary shares)
CIMB-GK Pte Ltd (Incorporated in Singapore)+	Investment holding	100	–	–	–	RM120,000 (# redeemable preference shares) SGD10,000,000 (ordinary shares) SGD4,184 (^preference shares)
CIMB Group Sdn Bhd	Investment holding	100	–	–	–	RM2
CIMB-GK Securities Pte Ltd (Incorporated in Singapore)+	Stock and sharebroking	–	–	100	–	SGD70,000,000
CIMB-GK Research Pte Ltd (Incorporated in Singapore)+	Investment research	–	–	100	–	SGD150,000
CIMB-GK Securities (HK) Ltd (Incorporated in Hong Kong)+	Stock and sharebroking	–	–	100	–	HK\$65,000,000
CIMB-GK Securities (HK) Nominees Ltd (Incorporated in Hong Kong)+	Nominee services	–	–	100	–	HK\$2

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through the Company's subsidiary, CIMB Berhad are: (Continued)

Name of Subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2005
		Directly by CIMB Berhad		Through CIMB Berhad's subsidiary company		
		2005 %	2004 %	2005 %	2004 %	
CIMB-GK Securities (UK) Ltd (Incorporated in United Kingdom)+	Securities related business	-	-	100	-	GBP500,000
CIMB-GK Securities (USA), Inc (Incorporated in USA)+	Dormant	-	-	100	-	USD100,000
PT CIMB-GK Securities Indonesia (Incorporated in the Republic of Indonesia)+	Stock and sharebroking	-	-	100	-	IDR48,500,000,000
G.K Goh Research (M) Sdn Bhd+	Dormant	-	-	100	-	RM500,000

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

** Redeemable preference shares of USD0.01 each

@@ Redeemable non-cumulative preference shares of USD0.05 each

Redeemable preference shares of RM0.01 each

^ Preference shares of SGD0.10 each

+ Audited by an affiliate of PricewaterhouseCoopers, Malaysia

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

The subsidiaries, held through the Company's subsidiary, Commerce Asset Ventures Sdn Bhd are:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Ekspedisi Yakin Sdn Bhd #	Leisure and entertainment services	100	100	RM1,000,000 (ordinary shares) RM365,850 (*redeemable preference shares)
CAV Private Equity Management Sdn Bhd	Providing management and advisory services	100	100	RM100,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through the Company's subsidiary, Commerce Asset Ventures Sdn Bhd are: (Continued)

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Scan Associates Sdn Bhd #	Providing ICT security system consultancy services	55.66	55.66	RM4,285,000 (ordinary shares) RM5,000 (** redeemable preference shares)
Commerce Technology Ventures Sdn Bhd	Investment holding company	100	–	RM2,000 (ordinary shares) RM150,000 (preference shares)
Titan Setup Sdn Bhd #	Investment holding company	100	–	RM2
Fortlab Holdings Sdn Bhd #	Investment holding company	65	–	RM4,767,079 (ordinary shares) RM100,000 (*** redeemable preference shares)

The subsidiaries, held through its indirect subsidiary, Ekspedisi Yakin Sdn Bhd are:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Radiant Direction Sdn Bhd#	Dormant	100	100	RM50,000
Quantum Epic Sdn Bhd#	Dormant	100	100	RM50,000

The subsidiaries, held through its indirect subsidiary, Titan Setup Sdn Bhd are:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Goodmaid Chemical Corporation Sdn Bhd#	Manufacturing of household care products	99.60	–	RM4,610,000
Goodmaid Marketing Sdn Bhd#	Trading and marketing of household care products	100	–	RM2
EQ Industry Supplies Sdn Bhd#	Trading and marketing of industrial chemicals	100	–	RM70,000

* Redeemable preference shares of RM0.15 each

** Redeemable preference shares of RM1.00 each

*** Redeemable preference shares of RM0.10 each

Not audited by PricewaterhouseCoopers

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

The subsidiaries, held through its indirect subsidiary, Fortlab Holdings Sdn Bhd are:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Fortune Laboratories Sdn Bhd#	Manufacturing of toiletries, pharmaceutical, cosmetic and health supplement products	65	–	RM500,000
Polyscience Manufacturing Sdn Bhd#	Manufacturing of household care products	65	–	RM200,000

The subsidiary, held through its indirect subsidiary, Fortune Laboratories Sdn Bhd is:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Fortune Organics (F.E) Sdn Bhd#	Property company	54.99	–	RM755,000

The subsidiary, held indirectly through its indirect subsidiary, CIMB Private Equity Sdn Bhd and through its subsidiary, Commerce Asset Ventures Sdn Bhd is:

Name of Subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2005
		2005 %	2004 %	
Sesama Medical College Management Sdn Bhd#	Learning and education	72.70	–	RM8,700,002

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 31.12.2005
		2005 %	2004 %	
PT Niaga Aset Manajemen #	Investment management	99.2	99.2	IDR3,000,000,000
PT Saseka Gelora Finance #	Financing services	85.78	82	IDR40,000,000,000

Not audited by PricewaterhouseCoopers

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

13 INVESTMENT IN ASSOCIATES

	The Company	
	2005 RM'000	2004 RM'000
Unquoted shares, at cost	3,834	3,834
	<hr/>	
	The Group	
	2005 RM'000	2004 RM'000
Share of net assets other than premium of associates	85,072	57,593
Premium on acquisition	10,511	13,552
	95,583	71,145

The direct associate is:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2005 %	2004 %	
Rangkaian Segar Sdn Bhd	Establishment, operation and management of an electronic collection system for toll and transport operators	20	20	30 June

The associates, held through the Company's subsidiary, CIMB Berhad are:

Name of Associate	Principal activities	Percentage of equity held				Financial year end
		Directly by subsidiary		Through subsidiary		
		2005 %	2004 %	2005 %	2004 %	
Navis-CIMB General Partner Ltd (Incorporated in the Federal Territory of Labuan)	Fund management	–	–	25	25	31 December
CIMB Mezzanine 1 Sdn Bhd	Private equity's fund	–	–	100	100	31 December
CIMB PE 1 Sdn Bhd	Private equity's fund	–	–	100	100	31 December
CMREF 1 Sdn Bhd (formerly known as First Century Dynamics Sdn Bhd)	Real estate fund management operation and services	–	–	49.9	–	31 December

CIMB Mezzanine 1 Sdn Bhd ("CIMBM") and CIMB PE 1 Sdn. Bhd. ("CIMBPE") are special purpose entities, set up by CIMB Berhad to facilitate investments in private companies. The entire paid up ordinary share capital of CIMBM and CIMBPE of RM2 is held by CIMB Berhad.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

13 INVESTMENT IN ASSOCIATES (CONTINUED)

Both CIMBM and CIMBPE are funded primarily by the issuance of redeemable preference shares ("RPS") to investors. The terms and conditions of the RPS and the Memorandum and Articles of Association of both companies are structured in such a manner that the residual risks and rewards of the companies are borne by the investors in RPS. As at 31 December 2005, CIMB Berhad holds 28% and 19% of the RPS in CIMBPE and CIMBM (2004: Nil and 19%) respectively amounting to RM7.80 million and RM5.77 million (2004: RM Nil and RM1 million). In addition, CIMB, a subsidiary of CIMB Berhad, has been appointed as the investment advisor to CIMBM and earns management and incentive fees.

Although CIMB Berhad holds the entire ordinary share capital of CIMBM and CIMBPE, CIMB Berhad does not have control over both companies and therefore does not regard both the companies as subsidiaries. However, CIMB Berhad has significant influence over both companies by virtue of its holding of the RPS and its role as an investment advisor to CIMBM and CIMBPE. Accordingly, CIMBM and CIMBPE have been accounted for as associates of CIMB Berhad using the equity method of accounting.

The associates, held through the Company's subsidiary, Commerce Asset Ventures Sdn Bhd are:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2005 %	2004 %	
Hicks-Woode Corporate Services Sdn Bhd	Corporate and secretarial services	30	30	31 December
IHS Innovations Sdn Bhd	Manufacturing and trading	36.31	–	31 December
Meru Utama Sdn Bhd	Provider of media space	20	–	31 December
Evermal Resources Sdn Bhd	Manufacturing and trading	41.12	–	31 May
Upeca Engineering Sdn Bhd	Design, manufacture, installation and servicing of factory automation system	29.95	–	31 March

The associate, held through its indirect subsidiary, Ekspedisi Yakin Sdn Bhd is:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2005 %	2004 %	
Opera Café Sdn Bhd	Leisure and entertainment services	49	49	31 December

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

13 INVESTMENT IN ASSOCIATES (CONTINUED)

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

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2005 %	2004 %	
Tacara Sdn Bhd	Manufacturing of seaweed based products	30	–	30 June
Dbix Systems Sdn Bhd	Provision of IT and internet solutions for enterprises	34.99	–	30 June
Sesama Equilab Sdn Bhd	Dormant	29	–	31 August
Consolidated Liquid Eggs Sdn Bhd	Dormant	30	–	31 January
Explorium (M) Sdn Bhd	Provider for customer and marketing management services, e-learning, brand experience	30	–	31 December

The associate, held through the Company's subsidiary bank, PT Bank Niaga Tbk is:

Name of Associate	Principal activities	Percentage of equity held		Financial year end
		2005 %	2004 %	
PT Asuransi Cigna (Incorporated in the Republic of Indonesia)	Life assurance business	20	20	31 December

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

14 JOINTLY CONTROLLED ENTITIES

	The Group	
	2005 RM'000	2004 RM'000
Share of net assets of the jointly controlled entities	118,722	121,416

The jointly controlled entity, held through a Bank's subsidiary, BCF is:

Name of Jointly Controlled Entity	Principal activities	Percentage of equity held		Financial year end
		2005 %	2004 %	
Proton Commerce Sdn Bhd ("PCSB")	Financing of vehicles	50	50	31 March

The Group's share of the assets and liabilities of PCSB other than those that are held in trust by a subsidiary, BCF is as follows:

	2005 RM'000	2004 RM'000
Non-current assets	100,244	100,352
Current assets	18,917	23,846
Current liabilities	(439)	(2,782)
Net assets	118,722	121,416

The Group's share of the income and expenses of the jointly controlled entity is as follows:

	2005 RM'000	2004 RM'000
Income	24,803	4,986
Expenses	(26,627)	(8,495)
Loss before taxation	(1,824)	(3,509)
Taxation	(870)	(75)
Net loss for the financial year	(2,694)	(3,584)

The jointly controlled entity, held through a subsidiary, CAV Private Equity Management Sdn Bhd is:

Name of Jointly Controlled Entity	Principal activities	Percentage of equity held		Financial year end
		2005 %	2004 %	
Commerce-Meridian Capital Sdn Bhd	Provision of management and advisory of venture capital funds	49.99	49.99	31 December

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

15 FIXED ASSETS

The Group 2005		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 50 years or more RM'000	Buildings on leasehold land less than 50 years RM'000	Buildings on office equipment, furniture and fixtures RM'000	Renovations, computer equipment and software RM'000	Computer equipment under lease RM'000	Motor vehicles RM'000	General plant and machinery RM'000	Capital work in progress RM'000	Total RM'000
Cost	At 1 January 2005	101,135	23,656	1,992	131,418	197,689	41,071	346,908	420,498	19,553	48,240	139	41,677	1,373,976
	Additions	-	-	-	7,584	817	11,764	150,920	40,742	7,440	13,384	1,024	1,148	234,823
	Arising from acquisition of subsidiary	31,366	-	-	62,793	-	9,358	30,195	37,839	1,033	4,005	14,320	-	190,909
	Disposals/written off	(18,235)	-	-	(14,357)	-	(3,043)	(14,239)	(18,224)	(188)	(10,756)	(219)	-	(79,261)
	Transfer/reclassification	4,117	18,609	-	580	(18,612)	10,724	(5,888)	(5,982)	(54)	822	(139)	(4,177)	-
	Exchange adjustments	(3,964)	(2)	-	(2,954)	(1,034)	(2,112)	(4,392)	495	-	(398)	-	-	(14,361)
	At 31 December 2005	114,419	42,263	1,992	185,064	178,860	67,762	503,504	475,368	27,784	55,297	15,125	38,648	1,706,086
Accumulated Depreciation	At 1 January 2005	-	7,063	120	60,280	54,934	8,968	153,140	275,645	8,777	25,419	138	-	594,484
	Arising from acquisition of subsidiary	-	-	-	6,653	-	1,584	24,086	33,286	945	2,561	6,681	-	75,796
	Charge for the year	-	953	4	3,118	5,480	9,765	63,763	49,492	5,927	9,911	735	35	149,183
	Disposals/written off	-	-	-	(6,585)	-	(2,688)	(15,016)	(17,975)	(140)	(7,558)	(185)	-	(50,147)
	Transfer/reclassification	-	500	-	(194)	1,249	1,182	34,426	(37,026)	(490)	491	(138)	-	-
	Exchange adjustments	-	-	-	(498)	(182)	(634)	(2,028)	104	-	(250)	-	-	(3,488)
	At 31 December 2005	-	8,516	124	62,774	61,481	18,177	258,371	303,526	15,019	30,574	7,231	35	765,828
Net book value	at 31 December 2005	114,419	33,747	1,868	122,290	117,379	49,585	245,133	171,842	12,765	24,723	7,894	38,613	940,258
At 31 December 2004	Cost	101,135	23,656	1,992	131,418	197,689	41,071	346,908	420,498	19,553	48,240	139	41,677	1,373,976
	Accumulated depreciation	-	7,063	120	60,280	54,934	8,968	153,140	275,645	8,777	25,419	138	-	594,484
Net book value at 31 December 2004		101,135	16,593	1,872	71,138	142,755	32,103	193,768	144,853	10,776	22,821	1	41,677	779,492

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

15 FIXED ASSETS (CONTINUED)

The Company 2005	Renovations, office										
	Freehold land RM'000	Leasehold land 50 years or more RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Buildings equipment, furniture and fixtures RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total	RM'000	RM'000
At 1 January 2005	18,895	6,787	4,435	44,812	1,812	937	2,362	37,500	117,540		
Additions	-	-	-	817	362	102	-	-	1,281		
Disposals	(17,182)	-	(255)	-	-	-	-	-	(17,437)		
At 31 December 2005	1,713	6,787	4,180	45,629	2,174	1,039	2,362	37,500	101,384		
Accumulated Depreciation											
At 1 January 2005	-	1,642	854	12,619	721	422	768	-	17,026		
Charge for the year	-	159	130	1,352	96	72	472	-	2,281		
Disposals	-	-	(60)	-	-	-	-	-	(60)		
At 31 December 2005	-	1,801	924	13,971	817	494	1,240	-	19,247		
Net book value											
at 31 December 2005	1,713	4,986	3,256	31,658	1,357	545	1,122	37,500	82,137		
At 31 December 2004											
Cost	18,895	6,787	4,435	44,812	1,812	937	2,362	37,500	117,540		
Accumulated depreciation	-	1,642	854	12,619	721	422	768	-	17,026		
Net book value at 31 December 2004	18,895	5,145	3,581	32,193	1,091	515	1,594	37,500	100,514		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

16 GOODWILL

	The Group	
	2005 RM'000	2004 RM'000
At 1 January	351,503	321,260
Goodwill arising from acquisition of subsidiaries	212,464	45,037
Goodwill arising from acquisition of additional interest in subsidiary	2,561	–
Disposal of interest in subsidiary	(7,549)	(1,598)
Less: Amortisation in the financial year	(24,361)	(13,196)
At 31 December	534,618	351,503
Goodwill arising from acquisition of subsidiaries	610,032	402,556
Accumulated amortisation	(75,414)	(51,053)
	534,618	351,503

17 DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	The Group	
	2005 RM'000	2004 RM'000
Demand deposits	17,491,203	17,239,634
Savings deposits	6,932,108	6,966,598
Fixed deposits	46,912,868	47,564,463
Negotiable instruments of deposit	2,360,893	985,302
Others	626,515	1,349,178
	74,323,587	74,105,175

The maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Due within six months	42,652,818	38,183,820
Six months to one year	5,910,346	8,235,660
One year to three years	637,345	2,075,489
Three years to five years	73,252	54,796
	49,273,761	48,549,765

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

17 DEPOSITS FROM CUSTOMERS (CONTINUED)

(ii) By type of customer

	The Group	
	2005 RM'000	2004 RM'000
Government and statutory bodies	6,079,260	7,075,201
Business enterprises	37,759,417	35,638,215
Individuals	19,221,935	18,232,564
Others	11,262,975	13,159,195
	74,323,587	74,105,175

18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	2005 RM'000	2004 RM'000
Licensed banks	6,277,272	5,560,111
Licensed finance companies	75	75,081
Licensed merchant banks	302,420	424,000
Bank Negara Malaysia	74,139	15,756
Other financial institutions	762,742	1,442,921
	7,416,648	7,517,869

Included in the Group's deposits and placements of banks and other financial institutions are RM410,000,000 (2004: RM220,000,000) of deposits and placements relating to the jointly controlled entity, PCSB. These are held in the books of a Bank's subsidiary, BCF. The expenses on these deposits and placements are shared equally between joint venture parties, BCF and Proton Edar Sdn Bhd, pursuant to the terms of Joint Venture Agreement.

19 FLOATING RATE CERTIFICATES OF DEPOSITS

	The Group	
	2005 RM'000	2004 RM'000
(a) Floating rate certificates of deposit		
– USD30 million	–	114,000
(b) Floating rate certificates of deposit		
– USD60 million	226,770	228,000
	226,770	342,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

19 FLOATING RATE CERTIFICATES OF DEPOSITS (CONTINUED)

The main features of the floating rate certificates of deposit issued are as follows:

- (a) The USD30 million floating rate certificates of deposit issued by a subsidiary Bank carried floating rates calculated with a spread based on London Interbank Offered Rate ("LIBOR"). It matured on 12 August 2005.
- (b) The USD60 million floating rate certificates of deposit issued by a subsidiary of a subsidiary Bank are guaranteed by the subsidiary Bank and carry floating interest rates calculated with a spread based on LIBOR. It will mature on 8 April 2007.

20 OTHER LIABILITIES

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest payable	492,359	487,395	4,438	4,438
Due to brokers and clients	563,351	454,333	–	–
Short-term borrowings (Note 23)	81,042	563,228	–	–
Insurance fund – life insurance business	971,631	750,841	–	–
Insurance fund – general insurance business (a)	335,265	274,690	–	–
Amount due to Bank Muamalat Malaysia Berhad	–	22,641	–	–
Provision for commitments and contingencies (b)	3,776	2,293	–	–
Post employment benefit obligations (Note 21)	92,023	76,292	96	130
Zakat	5	14	–	–
Others	1,834,976	1,326,212	9,073	9,850
	4,374,428	3,957,939	13,607	14,418

- (a) General insurance business

	The Group	
	2005 RM'000	2004 RM'000
Provision for outstanding claims	205,939	151,789
Unearned premium reserve	129,326	122,901
	335,265	274,690

- (b) The movements in provision for commitments and contingencies are as follows:

	The Group	
	2005 RM'000	2004 RM'000
At 1 January	2,293	2,034
Provision made during the year	684	259
Provision arising from acquisition of subsidiary	799	–
At 31 December	3,776	2,293

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

21 POST EMPLOYMENT BENEFIT OBLIGATIONS

		The Group		The Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Defined contribution plan – EPF	(a)	11,990	10,164	96	130
Defined benefit plans	(b)	80,033	66,128	–	–
		92,023	76,292	96	130

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the Employees Provident Fund (“EPF”), the national defined contribution plan. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(b) Defined benefit plans

The Group operates final salary defined benefit plans for its employees in Malaysia and Indonesia, the assets of which are held in separate trustee – administered funds. The latest actuarial valuations of the plans in Malaysia and Indonesia were carried out as at 12 January 2006 and 26 January 2006 respectively.

The amount recognised in the balance sheet in respect of defined benefit plans is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Present value of funded obligations	307,568	272,318
Fair value of plan assets	(240,563)	(209,415)
Status of funded plan	67,005	62,903
Unrecognised actuarial gains	13,028	3,225
Liability	80,033	66,128

The amount recognised in the income statement in respect of defined benefit plans is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Current service cost	16,566	9,446
Interest cost	24,088	9,436
Expected return on plan assets	(15,517)	(5,377)
Net actuarial losses recognised during the year	8,080	–
Past service cost	48	–
Amortisation of transition liability	(2,512)	5,707
Total included in personnel costs (Note 35)	30,753	19,212

The actual return on plan assets of the Group was RM1,948,538 (2004: RM4,417,626).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

21 POST EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(b) Defined benefit plans (Continued)

The principal actuarial assumptions used in respect of the Group's defined benefit plans are as follows:

	The Group	
	2005	2004
	%	%
Discount rates	7.00	7.00
Expected return on plan assets	1.25	6.34
Future salary increases	5.08	5.09

22 LOAN STOCKS

	The Group	
	2005	2004
	RM'000	RM'000
Negotiable certificates of deposits	782,763	778,346

	The Group	
	2005	2004
	RM'000	RM'000
Maturity structure of loan stocks is as follows:		
– One year to two years	4,000	100,000
– Two years to five years	165,362	62,076
– Five years to ten years	613,401	616,270
	782,763	778,346

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	
		2005	2004
		RM'000	RM'000
Year 2006	5.00	–	100,000
Year 2007	3.35	4,000	4,000
Year 2008	–	134,628	41,830
Year 2009	–	16,546	16,246
Year 2010	–	14,188	–
Year 2011	6.50	613,401	616,270
		782,763	778,346

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

23 SHORT-TERM BORROWINGS

	The Group	
	2005 RM'000	2004 RM'000
Revolving credit facilities	81,042	449,228
USD term loan	–	114,000
	81,042	563,228

The revolving credit facilities from financial institutions are unsecured and carry interest rates of between 2.87% to 18.25% (2004: 1.85% to 7.90%) per annum for the Group during the financial year.

24 BONDS

		The Group		The Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
7.85% Redeemable unsecured RM bonds 2001/2006	(a)	250,000	250,000	250,000	250,000
8.35% Redeemable unsecured RM bonds 2001/2008	(a)	250,000	250,000	250,000	250,000
USD zero coupon guaranteed convertible bonds 2005/2009	(b)	428,708	412,118	–	–
		928,708	912,118	500,000	500,000

(a) 7.85% Redeemable unsecured RM bonds 2001/2006 and 8.35% Redeemable unsecured RM bonds 2001/2008

The redeemable unsecured RM bonds were 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 values of each tranche of the RM bonds are RM250 million.
- (ii) Each tranche of the RM bonds is represented by a Global Certificate to be deposited with 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 2005

24 BONDS (CONTINUED)

(b) USD zero coupon guaranteed convertible bonds 2005/2009 ("USD Convertible Bonds")

The main features of the USD convertible bonds are as follows:

- (i) The USD convertible bonds are issued by a special purpose vehicle, a subsidiary, Commerce Capital (Labuan) Ltd and are guaranteed by the Company.
- (ii) The nominal values of the USD convertible bonds are USD125 million.
- (iii) The USD convertible bonds will mature on 22 September 2009.
- (iv) The USD convertible bonds are convertible by holders into ordinary shares, par value RM1.00 per shares, of the Company at any time on or after 22 October 2005 but prior to 8 September 2009. The conversion price was initially RM6.03 per share upon issuance. Effective from 11 May 2005, the conversion price was revised to RM5.91 per share due to capital distribution.
- (v) The USD convertible bonds are listed on Labuan International Financial Exchange Inc. and Singapore Exchange Securities Trading Limited.
- (vi) Unless the USD convertible bonds have been previously redeemed, repurchased and cancelled or converted, the Issuer will redeem the USD convertible bonds on the maturity date at 107.758% of the principal amount.

In accordance with FRS 132 – Financial Instruments : Disclosure and Presentation, the fair values of the liability component and the equity conversion component were determined upon the issuance of the USD convertible bonds. The fair value of the liability component was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component is included in shareholders' equity in reserves, as detailed in Note 30 to the financial statements.

The USD convertible bonds are recognised in the balance sheet as follows:

	The Group	
	2005 RM'000	2004 RM'000
Face value	475,000	475,000
Equity conversion component (Note 30)	(68,173)	(68,173)
Liability component on initial recognition	406,827	406,827
Interest expense	21,881	5,291
Liability component at 31 December	428,708	412,118

25 IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	The Group	
	2005 RM'000	2004 RM'000
Detachable coupons from 7.5% irredeemable convertible unsecured loan stocks ("ICULS") 2001/2011	44,682	45,216

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

25 IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") (CONTINUED)

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.

26 OTHER BORROWINGS

		The Group	
		2005	2004
		RM'000	RM'000
Syndicated term loan – USD136 million	(a)	–	516,800
Syndicated term loan – USD120 million	(b)	–	456,000
Syndicated term loan – USD140 million	(c)	529,130	532,000
Others	(d)	300,763	199,857
		829,893	1,704,657

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

26 OTHER BORROWINGS (CONTINUED)

- (a) The syndicated term loan of USD136 million was an unsecured term loan facility which matured on 24 May 2005. It carried interest rates of between 2.04% to 3.15% (2004: 1.76% to 2.21%) during the financial year.
- (b) The syndicated term loan of USD120 million was an unsecured term loan facility which matured on 12 August 2005. It carried interest rates of 3.15% (2004: 2.04%) during the financial year.
- (c) In 2004, a subsidiary, Bumiputra-Commerce Bank (L) Limited secured a 3-year syndicated term loan facility amounting to USD140 million which will mature on 8 April 2007. It carried interest rates of between 1.48% to 4.55% (2004: 1.48% to 2.47%) during the financial year.
- (d) Other borrowings consist of secured and unsecured commercial papers and term loan facilities which will mature between 2004 to 2017. It carried interest rates of between 3.50% to 7.54% (2004: 2.20% to 9.00%) during the financial year.

27 SUBORDINATED NOTES

		The Group	
		2005	2004
		RM'000	RM'000
Subordinated Notes 2003/2013	(a)	1,133,850	1,140,000
Subordinated Notes 2004/2014	(b)	360,216	376,057
Subordinated Notes 2005/2015	(c)	377,950	-
Others		-	157
		1,872,016	1,516,214

(a) Subordinated Notes 2003/2013

The USD300 million Subordinated Notes due 2013 Callable with Step Up in 2008 were issued by a subsidiary bank, BCB.

The main features of the Subordinated Notes are as follows:

- (i) The 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.
- (iv) The principal of, and interest and any additional amounts payable on, the Notes will be subordinated 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 subordinated 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

27 SUBORDINATED NOTES (CONTINUED)

(b) Subordinated Notes 2004/2014

The USD100,000,000 Subordinated Notes due 2014 Callable with Step Up in 2009 were issued by a subsidiary bank, CIMB. The main features of the Subordinated Notes are as follows:

- (i) The Notes are in bearer form, serially numbered and in denominations of USD100,000 each.
- (ii) The Notes will bear interest at the rate of 5 per cent per annum from and including 15 April 2004 to, but excluding, 15 April 2009 and, thereafter, at a rate per annum equal to the US Treasury Rate plus 3.7 per cent. Interest will be payable semi-annually in arrears on 15 April and 15 October, in each year, commencing on 15 October 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 rank pari passu without any preference among themselves. The instrument is listed on the Luxembourg Stock Exchange.
- (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) CIMB may at its option, but subject to the prior written approval of BNM, redeem the Notes on 15 April 2009 at their principal amount plus accrued interest.
- (vi) The Notes were issued at a price of 99.843 per cent of the principal amount of the Notes.
- (vii) The Notes constitute liabilities of CIMB and are subordinated in right of payment to the deposit liabilities of CIMB in accordance with the terms and conditions of the issue and qualify as Tier 2 capital for the purpose of determining the capital adequacy ratios of CIMB.

(c) Subordinated Notes 2005/2015

The Subordinated Notes Callable with Step Up in 2010 Coupon 2005/2015 were issued by a subsidiary bank, PT Bank Niaga.

The main features of the Subordinated Notes are as follows:

- (i) The USD100,000,000 Notes are issued in registered form and are represented by the Global Certificate and in denominations of USD1,000.
- (ii) The Notes will bear interest at the rate of 7.75 per cent per annum from and including 14 July 2005 to, but excluding, 14 July 2010 and, thereafter, at a rate per annum equal to the US Treasury Rate plus 6.1875 per cent. Interest will be payable semi-annually in arrears on 14 January and 14 July, in each year, commencing 14 January 2006.
- (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 will rank pari passu without any preference among themselves. The instrument is listed on the Singapore Exchange.
- (iv) The principal of, and interest and any additional amounts payable on, the Notes will be subordinated in right of payment upon occurrence of any Winding Up Proceeding (as defined in the Condition of the Notes) 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 are subordinate to the Notes.
- (v) PT Bank Niaga may at its option, but subject to the prior written approval of Bank Indonesia, redeem the Notes on 14 July 2010 at their principal amount plus accrued interest.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

28 SHARE CAPITAL

	The Group and The Company	
	2005	2004
	RM'000	RM'000
Ordinary shares of RM1.00 each:		
Authorised:		
At 1 January/31 December	5,000,000	5,000,000
Issued and fully paid:		
At 1 January	2,691,740	2,628,960
Issued upon exercise of Employee Share Option Scheme	64,658	98,633
Cancellation of treasury shares	–	(35,853)
At 31 December	2,756,398	2,691,740

The issued and paid-up share capital of the Company increased upon the issuance of the new Company shares pursuant to the exercise of ESOS.

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 expired on 20 June 2002. The ESOS 2002/2007 is governed by the bye-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.

Subsequent share options were offered to eligible employees are as follows:

- (a) 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 2003 to 26 December 2003, net of 10% discount).
- (b) On 7 January 2004, 351,000 share options were offered at an option price of RM3.69 per share option (being the 5 day weighted average price from 26 December 2003 to 5 January 2004, net of 10% discount).
- (c) On 14 October 2004, 37,721,000 share options were offered at an option price of RM4.05 per share option (being the 5 day weighted average price from 7 October 2004 to 13 October 2004, net of 10% discount).

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 the Company's associates) 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

28 SHARE CAPITAL (CONTINUED)

Employee Share Option Scheme (Continued)

- (d) The subscription price for each RM1.00 share shall be the higher of the following:
- (i) the weighted average market price of the shares of the Company as shown in the Daily Official List of the Bursa Malaysia Securities Berhad ("Bursa Securities") for the five market days immediately preceding the offer date with an allowance for a discount of not more than ten per centum therefrom at the Option Committee's discretion; or
 - (ii) the par value of the 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	Granted '000	Exercised '000	At end of year '000
Year ended						
31.12.2005						
22 November 2002	19 November 2007	3.13	75,014	–	(41,866)	33,148
29 December 2003	19 November 2007	3.62	6,348	–	(3,228)	3,120
7 January 2004	19 November 2007	3.69	128	–	(78)	50
14 October 2004	19 November 2007	4.05	37,721	–	(19,486)	18,235
			119,211	–	(64,658)	54,553

Year ended						
31.12.2004						
22 November 2002	19 November 2007	3.13	168,778	–	(93,764)	75,014
29 December 2003	19 November 2007	3.62	10,994	–	(4,646)	6,348
7 January 2004	19 November 2007	3.69	–	351	(223)	128
14 October 2004	19 November 2007	4.05	–	37,721	–	37,721
			179,772	38,072	(98,633)	119,211

	The Company	
	2005 '000	2004 '000
Number of share options vested at balance sheet date	54,553	81,139

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

28 SHARE CAPITAL (CONTINUED)

Employee Share Option Scheme (Continued)

Details relating to options exercised during the year are as follows:

	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued	
			2005 '000	2004 '000
Exercise date				
January 2004 – December 2004	4.06 – 5.50	3.13	–	93,764
March 2004 – December 2004	4.18 – 5.45	3.62	–	4,646
June 2004 – December 2004	4.18 – 4.88	3.69	–	223
January 2005 – December 2005	4.46 – 5.90	3.13	41,866	–
January 2005 – December 2005	4.46 – 5.90	3.62	3,228	–
January 2005 – December 2005	4.46 – 5.90	3.69	78	–
January 2005 – December 2005	4.46 – 5.90	4.05	19,486	–
			2005	2004
			RM'000	RM'000
Ordinary share capital – at par			64,658	98,633
Share premium			157,274	212,488
Proceeds received on exercise of share options			221,932	311,121
Fair value at exercise date of shares issued			336,638	487,799

29 PERPETUAL PREFERENCE SHARES

	The Group	
	2005 RM'000	2004 RM'000
Authorised		
Perpetual preference shares of RM1.00 each		
At 1 January	200,000	–
Created during the year	300,000	200,000
At 31 December	500,000	200,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

29 PERPETUAL PREFERENCE SHARES (CONTINUED)

	The Group	
	2005 RM'000	2004 RM'000
Issued and fully paid		
Perpetual preference shares of RM1.00 each		
At 1 January	200,000	–
Issued during the year	–	200,000
At 31 December	200,000	200,000

On 1 September 2004, a subsidiary, BCF has allotted and issued perpetual preference shares (“PPS”) amounting to RM200,000,000 to the jointly controlled entity, PCSB.

The main features of the PPS are as follows:

- (a) The PPS has no right to dividends.
- (b) In the event of liquidation, dissolution or winding-up of BCF, PCSB as holder of the PPS will be entitled to receive full repayment of the capital paid up on the PPS in priority to any payments to be made to the ordinary shareholders of BCF.
- (c) The PPS rank pari passu in all aspects among themselves.
- (d) BCF must not redeem or buy back any portion of the PPS and the PPS will be perpetual except for any capital reduction exercise permitted by the Companies Act, 1965 and as approved by Bank Negara Malaysia.

The shareholders of BCF approved the creation of RM300 million perpetual preference shares of RM1.00 each in an Extraordinary General Meeting on 7 December 2005.

30 RESERVES

	Note	The Group		The Company	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Share premium		2,038,353	1,881,079	2,038,353	1,881,079
Statutory reserves	(a)	1,749,931	1,477,329	–	–
Merger reserve		65,746	65,746	–	–
Capital reserve		77,818	27,367	–	–
Exchange fluctuation reserves	(b)	(103,017)	(59,123)	–	–
Convertible bonds (equity component) (Note 24(b))		68,173	68,173	–	–
Reserve arising on consolidation		119,747	–	–	–
Revaluation reserve – available-for-sale securities		6,169	198,053	–	18,355
Hedging reserve – cash flow hedge		(4,339)	–	–	–
Retained profit	(c)	2,862,474	2,609,112	683,638	749,157
		6,881,055	6,267,736	2,721,991	2,648,591

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

30 RESERVES (CONTINUED)

- (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 Bursa Malaysia Securities Berhad Rules and Regulations. These reserves are not distributable by way of cash dividends.
- (b) Exchange 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's tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income under Section 12 of the Income Tax (Amendment) Act 1999 are sufficient to frank approximately RM313,365,171 (2004: RM414,610,676) of dividends out of its retained profit as at 31 December 2005. The extent of the retained profit not covered at that date amounted to RM370,272,684 (2004: RM334,546,324).

31 TREASURY SHARES, AT COST

	The Group and the Company			
	2005		2004	
	Units '000	RM'000	Units '000	RM'000
At 1 January	–	–	35,853	153,992
Cancelled during the year	–	–	(35,853)	(153,992)
At 31 December	–	–	–	–

The shareholders of the Company, via an ordinary resolution passed at the Annual General Meeting held on 18 April 2005, 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 buy-back can be applied in the best interests of the Company and its shareholders.

Share buy-back transactions were financed by internally generated funds. These shares are being held as treasury shares under the treasury stock method of accounting for share buy-backs. Treasury shares have no rights to vote, dividends and participation in other distribution.

32 INTEREST INCOME

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Loans, advances and financing				
– interest income other than recoveries	4,159,981	3,546,009	1,073	620
– recoveries from non-performing loans	245,578	213,715	–	–
Money at call and deposit with financial institutions	579,270	542,555	25,895	18,075
Securities held for trading	357,047	343,210	–	–
Available-for-sale securities	514,960	579,138	–	–
Held-to-maturity securities	15,952	16,453	–	–
Others	210,110	71,080	1,736	1,337
	6,082,898	5,312,160	28,704	20,032
Accretion of discounts less amortisation of premium	73,412	84,829	12,894	13,522
Net interest suspended	(131,180)	(125,677)	–	–
	6,025,130	5,271,312	41,598	33,554

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

33 INTEREST EXPENSE

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits and placements of banks and other financial institutions	518,811	560,574	-	-
Deposits from other customers	2,010,051	1,650,560	-	-
Obligation on securities sold under repurchase agreements	65,756	54,655	-	-
Bonds	97,165	50,530	64,158	45,239
Loan stocks/ICULS	72,998	64,117	-	-
Subordinated Notes	76,137	58,111	-	-
Others	197,965	142,254	-	-
	3,038,883	2,580,801	64,158	45,239

34 NON-INTEREST INCOME

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fee income:				
Commissions	170,809	164,921	-	-
Fee on loans, advances and financing	173,334	121,907	-	-
Portfolio management fees	16,325	46,013	-	-
Service charges and fees	169,172	133,183	-	-
Corporate advisory fees	58,171	59,985	-	-
Guarantee fees	59,700	57,992	-	-
Other fee income	201,993	170,892	1,436	2,068
	849,504	754,893	1,436	2,068

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

34 NON-INTEREST INCOME (CONTINUED)

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Investment income:				
Accretion of investment gain	-	-	32,665	30,316
Gain from sale of available-for-sale securities	266,562	124,228	-	-
Gain from sale of securities held for trading and derivatives	80,289	96,786	7,371	10,795
Unrealised gain/(loss) on revaluation of:				
- Securities held for trading	(103,706)	139,552	(27,120)	5,936
- Derivative financial instruments	101,341	(107,289)	(859)	8,199
Gross dividends from:				
<u>In Malaysia</u>				
- Subsidiaries	-	-	249,127	236,328
- Securities held for trading	20,484	15,708	10,708	6,773
- Available-for-sale securities	8,782	3,915	-	-
<u>Outside Malaysia</u>				
- Subsidiary	-	-	35,267	10,642
Gain on disposal of associate	-	5,116	-	-
(Loss)/gain on disposal of interest in subsidiary	(4,267)	73,371	18,842	40,610
	369,485	351,387	326,001	349,599
Other income:				
Foreign exchange gain/(loss):				
- Realised	99,174	72,181	(782)	258
- Unrealised	23,882	16,759	(3,691)	(1,282)
Rental income	5,520	10,717	4,112	4,106
Gain on disposal of fixed assets	2,761	186	2,246	304
Gain on disposal of leased assets	241	122	-	-
Net gain from insurance business	-	2,224	-	-
Underwriting surplus before management expenses (Note (a))	76,442	50,171	-	-
Net brokerage fee	119,002	95,367	-	-
Other non-operating income (Note (b))	166,621	95,469	12,066	1,181
	493,643	343,196	13,951	4,567
	1,712,632	1,449,476	341,388	356,234

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

34 NON-INTEREST INCOME (CONTINUED)

(a) Underwriting surplus before management expenses is as follows:-

	The Group	
	2005 RM'000	2004 RM'000
Insurance premium earned	288,222	172,270
Net claims incurred	(186,663)	(104,524)
Net commissions	(25,117)	(17,575)
	76,442	50,171

(b) Included in the Group's other non-operating income is the reversal of deferred income of RM31 million (2004 :RM Nil) relating to the compensation given by Danaharta Urus Sdn Bhd when a subsidiary bank loans were transferred to BCF in 1999. Due to the recoveries of these loans, deferral of the income is no longer required and the deferred income has been correspondingly reversed to the income statement in the financial year ended 31 December 2005.

35 OVERHEAD EXPENSES

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Personnel costs				
- Salaries, allowances and bonus	818,132	590,393	4,259	3,714
- Pension costs (defined contribution plan)	76,361	66,453	690	652
- Pension costs (defined benefit plan) (Note 21(b))	30,753	19,212	-	-
- Others	177,543	257,593	991	921
Establishment costs				
- Depreciation of fixed assets	149,183	128,418	2,281	2,244
- Rental	104,319	87,823	420	231
- Insurance	13,623	12,082	378	401
- Others	243,653	193,944	2,876	8,527
Marketing expenses				
- Sales commission	38,285	68,324	-	-
- Advertisement	64,444	61,046	128	104
- Others	27,038	16,263	-	-
Administration and general expenses				
- Amortisation of goodwill	24,361	13,196	-	-
- Legal and professional fees	92,117	41,082	20,451	14,256
- Communication	57,407	32,574	-	-
- Others	360,880	365,004	6,989	-
	2,278,099	1,953,407	39,463	31,050

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

35 OVERHEAD EXPENSES (CONTINUED)

The above expenditure includes the following statutory disclosures:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Directors' remuneration (Note 38)	2,813	3,233	1,635	877
Rental of premises	94,963	81,686	-	-
Hire of equipment	9,568	16,399	-	-
Lease rental	42,765	2,745	-	-
Auditors' remuneration				
- Statutory audit (Malaysian firm)	2,076	1,983	80	80
- Statutory audit (Overseas firms)	1,784	765	-	-
- Others (Malaysian firm)				
- reporting accountants	100	788	-	-
- other work	3,995	2,336	432	580
- Others (Overseas firms)	528	1,102	-	1,102
Fixed assets written off	1,231	110	-	-
Amortisation of premium of associates	43	43	-	-

36 ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group	
	2005 RM'000	2004 RM'000
Allowance for bad and doubtful debts on loans and financing		
(a) Specific allowance		
- made during the financial year	1,507,535	1,420,001
- written back	(525,326)	(300,678)
(b) General allowance		
- made during the financial year	131,872	109,166
Bad debts on loan and financing		
- recovered	(93,273)	(107,391)
- written off	1,055	1,337
	1,021,863	1,122,435

During the financial year, a subsidiary bank has evaluated its portfolio of non-performing loans, advances and financing that have been in default and that remained uncollected for more than 7 years and also those non-performing loans, advances and financing in default for more than 5 but less than 7 years. For loans, advances and financing in default for more than 7 years, no value is assigned as the realisable value of collateral. For loans, advances and financing which are in default for more than 5 but less than 7 years, 50% of the realisable value of assets held has been assigned as the value of collateral. The effect of this exercise resulted in specific allowance of RM95,788,000 (2004: RM129,416,000) made during the financial year for the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

37 ALLOWANCE FOR/(WRITEBACK OF ALLOWANCE FOR) IMPAIRMENT OF SECURITIES

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Securities held for trading				
– made during the financial year	650	–	–	–
– written back	(234)	–	–	–
Available-for-sale securities				
– made during the financial year	100,537	35,304	–	–
– written back	(133)	(20,497)	–	(1,019)
Held-to-maturity securities				
– written back	(184)	–	–	–
	100,636	14,807	–	(1,019)

38 DIRECTORS' REMUNERATION

The Directors of the Company in office during the year are as follows:

Executive Director

Dr. Rozali Mohamed Ali (retired on 1 January 2006)

Non-Executive Directors

Tan Sri Dato' Mohd Desa Pachi

Dato' Anwar Aji

Tan Sri Datuk Asmat Kamaludin

Dato' Mohd Salleh Mahmud

Dr. Roslan A. Ghaffar

Izlan Izhah

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Executive Director</u>				
– Salary and other remuneration	1,609	450	710	224
– Benefits-in-kind	49	14	49	14
<u>Non-Executive Directors</u>				
– Fees	600	1,246	600	411
– Other remuneration	555	1,477	276	228
– Benefits-in-kind	–	46	–	–
	2,813	3,233	1,635	877

Included in the Group's Non-Executive Directors' remuneration in 2004 is amount paid to a Director in his capacity as Executive Director for a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

38 DIRECTORS' REMUNERATION (CONTINUED)

The number of directors whose total remuneration for the financial year which fall within the following bands are as follows:

	The Group	
	Number of Directors	
	2005	2004
Range of remuneration:		
<u>Non-Executive Directors</u>		
RM50,000 and below	–	1
RM50,001 – RM100,000	–	2
RM100,001 – RM150,000	4	2
RM200,001 – RM250,000	–	1
RM250,001 – RM300,000	1	–
RM350,001 – RM400,000	1	–
RM400,001 – RM450,000	–	1
<u>Executive Directors</u>		
RM1,650,001 – RM1,700,000	1	–
RM2,150,001 – RM2,200,000	–	1*

* Dr. Rozali Mohamed Ali was appointed as Executive Director of the Company on 1 September 2004.

39 TAXATION

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current tax				
Malaysian income tax	254,632	221,082	56,172	46,849
(Over)/under provision in prior years	(26,529)	(114,471)	6,319	(36,296)
Benefit from previously unrecognised tax loss	(15,252)	(44,625)	–	–
Share of tax of associates	2,648	3,315	–	–
Share of tax of jointly controlled entities	870	75	–	–
	216,369	65,376	62,491	10,553
Foreign tax	74,852	41,185	59	–
Deferred tax (Note 10)				
Origination and reversal of temporary differences	(6,407)	83,528	(10,349)	8,256
Benefit from previously unrecognised tax loss	(578)	(69,856)	–	–
	(6,985)	13,672	(10,349)	8,256
	284,236	120,233	52,201	18,809

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

39 TAXATION (CONTINUED)

Reconciliation between tax charge and the Malaysian tax rate:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Profit before tax	1,313,485	1,052,647	279,365	314,518
Tax calculated at a rate of 28% (2004: 28%)	367,776	294,741	78,222	88,065
Income not subject to tax	(107,988)	(47,900)	(35,444)	(36,594)
Effect of different tax rates in other countries	4,048	(8,013)	–	–
Expenses not deductible for tax purposes	62,759	110,357	3,104	3,634
Utilisation of previously unrecognised tax losses	(15,830)	(114,481)	–	–
(Over)/under provision in prior years	(26,529)	(114,471)	6,319	(36,296)
Tax charge of current year	284,236	120,233	52,201	18,809

	The Group	
	2005 RM'000	2004 RM'000
Tax losses		
Tax losses which the related tax credit has not been recognised in the financial statements	21,525	23,589

40 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 by the weighted average number of ordinary shares in issue during the financial year.

	2005	2004
Net profit for the financial year (RM'000)	826,825	734,540
Weighted average number of ordinary shares in issue ('000)	2,715,015	2,660,245
Basic earnings per share (expressed in sen per share)	30.5	27.6

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

40 EARNINGS PER SHARE (CONTINUED)

(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: USD Zero Coupon Guaranteed Convertible Bonds and Employee Share Option Scheme. The USD Zero Coupon Guaranteed Convertible Bonds is assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the applicable interest expense. 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 is 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 in respect of Employee Share Options.

	2005	2004
	RM'000	RM'000
Net profit for the financial year	826,825	734,540
Elimination of interest expense on 1.75% Redeemable Euro-Convertible Bonds (net of tax effect)	–	19
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	19,121	5,291
Net profit used to determine diluted earnings per share	845,946	739,850

	2005	2004
	Unit '000	Unit '000
Weighted average number of ordinary shares in issue	2,715,015	2,660,245
Adjustments for		
– Conversion of USD Zero Coupon Guaranteed Convertible Bonds	80,372	78,773
– Bonus element on conversion of 1.75% Redeemable Euro-Convertible Bonds	–	475
– ESOS	17,505	65,335
Weighted average number of ordinary shares for diluted earnings per share	2,812,892	2,804,828
Diluted earnings per share (expressed in sen per share)	30.1	26.4

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

41 DIVIDENDS PER ORDINARY SHARE

Dividends declared or proposed in respect of the financial year ended 31 December 2005 are as follows:

	The Group and the Company			
	2005		2004	
	Gross per share sen	Amount of dividend net of tax RM'000	Gross per share sen	Amount of dividend net of tax RM'000
• First and final dividend of 10 sen gross per ordinary share less tax of 28%	10.0	198,461	10.0	195,122
• A special dividend of 5 sen gross per ordinary share less tax of 28%	5.0	99,230	5.0	97,561
	15.0	297,691	15.0	292,683

The proposed dividends for the previous financial year were approved by the shareholders and paid in the current 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 dividend and the special 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 dividend will be reflected in the financial statements for the next financial year ending 31 December 2006 when approved by the shareholders.

42 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	
	2005 RM'000	2004 RM'000
Income from subsidiaries:		
Interest on fixed deposits and money market	25,599	17,943
Interest on loans, advances and financing	83	113
Interest on preference shares	990	507
Accretion on held-to-maturity securities	12,894	13,522
Accretion of investment gain	32,665	30,316
Dividend income	284,394	246,970
Rental income	4,112	4,106

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

42 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	The Company	
	2005 RM'000	2004 RM'000
Amount due from subsidiaries:		
Current accounts, deposits and placements	450,581	1,328,411
Loans, advances and financing	2,010	2,610
ICULS 2001/2011	439,255	406,589
Amount due to Commerce Capital (Labuan) Ltd	463,710	463,855
Detachable coupons	134,422	170,527

	The Company	
	2005 Units	2004 Units
Director		
Employee Share Option Scheme (a)	–	800,000

(a) 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 28 to the financial statements.

43 COMMITMENTS AND CONTINGENCIES

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

The commitments and contingencies constitute the following:

	2005			2004		
	Principal RM'000	Credit equivalent RM'000	Risk weighted amount RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted amount RM'000
The Group						
Direct credit substitutes	4,047,929	4,047,929	1,964,139	3,079,400	3,079,400	2,310,163
Certain transaction-related contingent items	3,331,837	1,774,632	1,135,033	2,865,650	1,432,826	965,868
Short-term self-liquidating trade- related contingencies	2,968,051	593,611	174,346	3,297,660	659,532	522,013
Obligations under underwriting agreement	397,761	198,881	190,614	390,493	195,245	187,246
Irrevocable commitments to extend credit:						
– Maturity not exceeding one year	21,536,945	–	–	20,710,987	–	–
– Maturity exceeding one year	4,348,572	2,174,289	1,773,795	3,886,611	1,943,306	1,083,764
Miscellaneous commitments and contingencies	4,916,884	4,893	–	5,736,705	–	–
	41,547,979	8,794,235	5,237,927	39,967,506	7,310,309	5,069,054

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

43 COMMITMENTS AND CONTINGENCIES (CONTINUED)

	2005			2004		
	Principal RM'000	Credit equivalent RM'000	Risk weighted amount RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted amount RM'000
The Group						
Foreign exchange related contracts:						
– less than one year	11,248,639	154,051	45,265	9,275,483	94,140	30,165
– one year to less than five years	2,250,630	229,066	73,477	1,488,800	159,820	31,964
– five years and above	326,231	50,635	25,318	–	–	–
	13,825,500	433,752	144,060	10,764,283	253,960	62,129
Interest rate related contracts:						
– less than one year	23,616,446	40,127	7,679	49,380,750	31,116	6,260
– one year to less than five years	64,120,840	1,047,056	297,708	101,282,876	763,814	176,527
– five years and above	6,150,725	356,216	80,475	7,143,743	334,455	63,038
	93,888,011	1,443,399	385,862	157,807,369	1,129,385	245,825
Equity related contracts:						
– less than one year	39,094	–	–	25,180	–	–
– one year to less than five years	170,627	–	–	22,579	–	–
	209,721	–	–	47,759	–	–
Commodity related contracts:						
– less than one year	8,533	–	–	–	–	–
	149,479,744	10,671,386	5,767,849	208,586,917	8,693,654	5,377,008
The Company						
Interest rate related contracts:						
– less than one year	90,000	258	129	–	–	–
– one year to less than five years	160,000	1,634	817	250,000	4,100	2,050
	250,000	1,892	946	250,000	4,100	2,050

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

43 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Breakdown of foreign exchange contracts and interest rate contracts:

	2005			2004		
	Principal RM'000	Credit equivalent RM'000	Risk weighted amount RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted amount RM'000
The Group						
Foreign exchange related contracts:						
- Forward exchange contracts	4,094,689	51,482	40,619	4,403,433	44,443	29,314
- Cross currency swaps	7,808,310	303,295	87,397	5,326,159	119,813	14,874
- Cross currency interest rate swap	793,696	69,259	13,852	819,714	89,130	17,826
- Foreign exchange swaps	1,128,805	9,716	2,192	214,977	574	115
	13,825,500	433,752	144,060	10,764,283	253,960	62,129
Interest rate related contracts:						
- Interest rate futures	31,944,242	-	-	122,512,616	-	-
- Interest rate swaps	58,912,369	1,410,563	369,914	35,278,753	1,129,375	245,823
- Interest rate option	3,031,400	32,836	15,948	16,000	10	2
	93,888,011	1,443,399	385,862	157,807,369	1,129,385	245,825
Equity related contracts:						
- Future contracts	39,094	-	-	13,830	-	-
- Put option	170,627	-	-	33,929	-	-
	209,721	-	-	47,759	-	-
Commodity related companies:						
- Options	8,533	-	-	-	-	-
	107,931,765	1,877,151	529,922	168,619,411	1,383,345	307,954
The Company						
Interest rate related contracts:						
- Interest rate swaps	250,000	1,892	946	250,000	4,100	2,050

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

44 CAPITAL COMMITMENTS

Capital expenditure approved by Directors but not provided for in the financial statements are as follows:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Capital expenditure:				
Authorised and contracted for	706,764	466,882	337,500	339,020
Authorised but not contracted for	678,539	810,671	200,000	421,650
At 31 December	1,385,303	1,277,553	537,500	760,670

Analysed as follows:

	The Group		The Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fixed assets	1,053,577	840,703	337,500	339,020
Subscription for investments	181,134	15,200	150,000	–
Acquisition of subsidiary	104,236	–	50,000	–
Bank guarantee	46,356	–	–	–
Subscription of additional shares in subsidiary	–	421,650	–	421,650
At 31 December	1,385,303	1,277,553	537,500	760,670

45 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	
	2005 RM'000	2004 RM'000
Within one year	25,938	48,881
One year to five years	39,011	40,446
Over five years	–	187,121

46 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

46 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (continued)

Corporate Banking

Corporate and institutional banking focus 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. Also, included under this segment is the commercial banking and related financial services of South East Asian Bank Limited, which focuses predominantly on the middle market customers. Leasing and financing activities carried out by Bumiputra-Commerce FactorsLease Berhad (formerly known as Bumiputra-Commerce Leasing Berhad) whose clientele consist of mainly middle market customers have also been included in this segment.

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.

Treasury

Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and capital market instruments trading.

Financial advisory and underwriting business

Financial advisory and underwriting business 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 Bursa Malaysia Securities Berhad. It also includes income from trading and investing in domestic and regional equities market.

Support and others

Support comprises all back-office processes, cost centres 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 2005

46 SEGMENT REPORTING (CONTINUED)
(a) Primary reporting format – business segments (Continued)

Group	2005										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	Asset management and securities services RM'000	Support and others RM'000			
Net interest income												
- external	1,414,769	837,982	354,411	244,064	-	209,062	-	-	(74,041)	-	2,986,247	
- inter-segment	133,199	(13,768)	175,922	(309,210)	-	-	-	-	13,857	-	-	
Non-interest income	1,547,968	824,214	530,333	(65,146)	-	209,062	-	-	(60,184)	-	2,986,247	
	238,616	242,182	205,777	290,594	166,626	170,290	48,603	202,378	1,736,733			
Overhead expenses	1,786,584	1,066,396	736,110	225,448	166,626	379,352	48,603	142,194	(781,381)	-	4,722,980	
	(726,187)	(276,292)	(102,397)	(37,937)	(52,121)	(90,733)	(33,065)	(781,381)	(2,214,998)			
Profit before allowances	1,060,397	790,104	633,713	187,511	114,505	288,619	15,538	(639,187)	2,507,982			
Allowance for losses on loan, advances and financing	(481,710)	(489,058)	(60,591)	-	-	9,496	-	-	(1,021,863)			
Allowance for other receivables	-	(134)	-	(1,729)	413	(5,631)	282	(594)	(16,612)			
Provision for commitment and contingencies	-	(61)	-	-	-	-	-	(623)	(684)			
Allowance for impairment of securities	-	-	(20,700)	(62,726)	-	-	-	(17,210)	(100,636)			
Segment result	578,687	300,851	552,422	123,056	114,918	292,484	15,820	(657,614)	1,368,187			
Unallocated costs	-	-	-	-	-	-	-	(38,740)	(38,740)			
Share of results of jointly controlled entities	(1,824)	-	-	-	-	-	-	-	(1,824)			
Share of results of associates	-	-	-	-	-	-	-	10,223	10,223			
Goodwill amortisation	-	-	-	-	-	-	-	(24,361)	(24,361)			
Profit before taxation	576,863	300,851	552,422	123,056	114,918	292,484	15,820	(710,492)	1,313,485			
Taxation	-	-	-	-	-	-	-	(280,718)	(280,718)			
Share of tax of associates	-	-	-	-	-	-	-	(2,648)	(2,648)			
Share of tax of jointly controlled entities	-	-	-	-	-	-	-	(870)	(870)			
Zakat	-	-	-	-	-	-	-	(22)	(22)			
Net profit after taxation before minority interests	576,863	300,851	552,422	123,056	114,918	292,484	15,820	(994,750)	1,029,227			

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

46 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

Group	2005										Total
	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	Asset management and securities services RM'000	Support and others RM'000	Total RM'000	
Segment assets	28,030,304	20,358,709	20,658,182	22,801,600	29,704	12,066,073	1,200,952	133,261	4,426,016	109,704,801	
Investment in associates	-	-	-	-	-	-	285	57,951	37,347	95,583	
	28,030,304	20,358,709	20,658,182	22,801,600	29,704	12,066,073	1,201,237	191,212	4,463,363	109,800,384	
Unallocated assets	-	-	-	-	-	-	-	-	3,725,580	3,725,580	
Total assets	28,030,304	20,358,709	20,658,182	22,801,600	29,704	12,066,073	1,201,237	191,212	8,188,943	113,525,964	
Segment liabilities	19,512,507	18,718,312	25,219,220	24,002,177	1,747	10,995,275	750,022	87,830	2,741,239	102,028,329	
Unallocated liabilities	-	-	-	-	-	-	-	-	391,157	391,157	
Total liabilities	19,512,507	18,718,312	25,219,220	24,002,177	1,747	10,995,275	750,022	87,830	3,132,396	102,419,486	
Other segment items											
Incurring capital expenditure	24,080	22,249	1,599	792	3,238	6,914	15,144	3,551	157,256	234,823	
Depreciation of fixed assets	38,171	16,042	2,988	422	1,327	2,894	5,444	2,270	79,625	149,183	
Accretion of discounts less amortisation of premium	-	-	-	(84,125)	-	11,290	-	-	(577)	(73,412)	

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 2005

46 SEGMENT REPORTING (CONTINUED)
(a) Primary reporting format – business segments (Continued)

Group	2004										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	Asset management and securities services RM'000	Support and others RM'000			
Net interest income												
- external	1,350,156	667,414	218,187	368,526	-	187,024	-	-	(100,796)	-	-	2,690,511
- inter-segment	124,174	15,370	208,148	(478,990)	-	-	-	-	131,298	-	-	-
	1,474,330	682,784	426,335	(110,464)	-	187,024	-	-	30,502	-	-	2,690,511
Non-interest income	181,416	196,554	193,692	206,591	139,848	89,714	111,698	14,523	330,275	-	-	1,464,311
Overhead expenses	1,655,746	879,338	620,027	96,127	139,848	276,738	111,698	14,523	360,777	-	-	4,154,822
	(655,096)	(207,287)	(86,915)	(25,844)	(50,340)	(71,552)	(26,562)	(7,498)	(771,472)	-	-	(1,902,566)
Profit before allowances	1,000,650	672,051	533,112	70,283	89,508	205,186	85,136	7,025	(410,695)	-	-	2,252,256
Allowance for losses on loan, advances and financing	(323,047)	(538,859)	(291,656)	30,122	-	5,221	-	-	(4,216)	-	-	(1,122,435)
Allowance for other receivables	-	-	-	-	(14,826)	-	3,318	-	(19)	-	-	(11,527)
Provision for commitment and contingencies	-	-	-	-	-	-	-	-	(259)	-	-	(259)
Allowance for impairment of securities	-	-	(4,443)	(5,361)	-	(6,022)	-	-	1,019	-	-	(14,807)
Segment result	677,603	133,192	237,013	95,044	74,682	204,385	88,454	7,025	(414,170)	-	-	1,103,228
Unallocated costs	-	-	-	-	-	-	-	-	(37,645)	-	-	(37,645)
Share of results of jointly controlled entities	(3,509)	-	-	-	-	-	-	-	-	-	-	(3,509)
Share of results of associates	-	-	-	-	-	-	-	-	3,769	-	-	3,769
Goodwill amortisation	-	-	-	-	-	-	-	-	(13,196)	-	-	(13,196)
Profit before taxation	674,094	133,192	237,013	95,044	74,682	204,385	88,454	7,025	(461,242)	-	-	1,052,647
Taxation	-	-	-	-	-	-	-	-	(116,843)	-	-	(116,843)
Share of tax of associates	-	-	-	-	-	-	-	-	(3,315)	-	-	(3,315)
Share of tax of jointly controlled entities	-	-	-	-	-	-	-	-	(75)	-	-	(75)
Net profit after taxation before minority interest	674,094	133,192	237,013	95,044	74,682	204,385	88,454	7,025	(581,475)	-	-	932,414

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

46 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

Group	2004										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	Asset management and securities services RM'000	Support and others RM'000		
Segment assets	23,267,991	18,887,818	21,734,356	26,958,199	67,129	14,040,815	607,050	6,800	2,292,367		107,862,525
Investment in associates	-	-	-	-	-	-	1,274	-	69,871		71,145
	23,267,991	18,887,818	21,734,356	26,958,199	67,129	14,040,815	608,324	6,800	2,362,238		107,933,670
Unallocated assets	-	-	-	-	-	-	-	-	4,448,921		4,448,921
Total assets	23,267,991	18,887,818	21,734,356	26,958,199	67,129	14,040,815	608,324	6,800	6,811,159		112,382,591
Segment liabilities	23,003,754	15,983,097	30,280,003	19,046,315	3,085	12,723,247	385,592	13,392	263,510		101,701,995
Unallocated liabilities	-	-	-	-	-	-	-	-	680,280		680,280
Total liabilities	23,003,754	15,983,097	30,280,003	19,046,315	3,085	12,723,247	385,592	13,392	943,790		102,382,275
Other segment items											
Incurring capital expenditure	39,939	28,059	1,476	509	1,857	6,919	4,642	3,609	120,653		207,663
Depreciation of fixed assets	29,341	13,734	1,311	402	1,710	6,486	2,866	775	71,793		128,418
Accretion of discounts less amortisation of premium	-	-	-	(84,927)	-	632	-	-	(534)		(84,829)

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 2005

46 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.

	Net interest income RM'000	Total assets RM'000	Capital expenditure RM'000
The Group			
2005			
Malaysia	2,389,087	96,140,776	170,272
Indonesia	584,565	15,948,335	55,778
Other countries	12,595	1,436,853	8,773
	2,986,247	113,525,964	234,823
2004			
Malaysia	2,066,011	89,239,931	169,133
Indonesia	531,464	12,489,847	33,204
Other countries	93,036	10,652,813	5,326
	2,690,511	112,382,591	207,663

47 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	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and balances with banks and other financial institutions	2,321,022	3,352,456	2,596	9,840
Money at call and deposit placements maturing within one month	9,757,123	13,282,478	447,985	1,318,571
	12,078,145	16,634,934	450,581	1,328,411

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 RM31,959,000 (2004: RM35,339,000) and RM7,954,000 (2004: RM6,206,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Bumiputra-Commerce Holdings Berhad ("the Company")

(a) Approval to establish Takaful

On 25 April 2005, Suruhanjaya Syarikat Malaysia has approved the incorporation of a new company, a wholly owned subsidiary of the Company to undertake Takaful business under the Takaful Act 1984. The name of the new company will be announced upon approval being obtained from the relevant authorities.

The business shall commence upon obtaining a certificate for commencement of business and other pre-registration conditions have been satisfactorily met and approved by Bank Negara Malaysia ("BNM").

(b) Possible merger of the businesses of Southern Bank Berhad ("SBB") Group and CIMB Group

BNM had, on 21 October 2005, granted its approval for the Company and its subsidiaries, namely, CIMB Group Sdn Bhd, Bumiputra-Commerce Bank Berhad and/or Commerce International Merchant Bankers Berhad to enter into discussions with the identified shareholders for the possible merger of the above.

(c) Change of name

On 24 October 2005, pursuant to the restructuring exercise of Commerce group, the Company has announced that its name has been changed to Bumiputra-Commerce Holdings Berhad.

(d) Incorporation of Commerce International Group Berhad ("CIG")

The Company had on 28 October 2005 incorporated a new company, Commerce International Group Berhad ("CIG") pursuant to the restructuring exercise of the insurance subsidiaries of the Group.

Subject to the approval of the authorities, CIG shall be the holding company of all the insurance subsidiaries of the Group namely Commerce Assurance Berhad, Commerce Life Assurance Berhad and Commerce Takaful Berhad.

(e) Incorporation of PT Commerce Kapital

The Company has announced on the incorporation of a new subsidiary company, PT Commerce Kapital. The final approval in relation to the incorporation was obtained from the relevant authority of the Republic of Indonesia on 29 December 2005.

PT Commerce Kapital will hold at least 1% of PT Bank Niaga's shares which will be made unlisted in order to comply with the regulatory requirement of the Republic of Indonesia.

PT Commerce Kapital is 99% owned by the Company and 1% owned by CIMB Holdings Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

Bumiputra-Commerce Bank Berhad ("BCB") Group

(a) Proposed merger between BCB and Bumiputra-Commerce Finance Berhad ("BCF")

On 29 July 2005, Commerce International Merchant Bankers Berhad ("CIMB") announced on behalf of the Board of Directors of the Company that BCB and BCF propose to carry out the BCF merger.

The Minister of Finance ("MoF") through Bank Negara Malaysia ("BNM") had, via the letter from BNM dated 19 August 2005, granted amongst others, its approvals for the following in relation to the BCF merger:

- (i) Cancellation of the RM200 million perpetual preference shares ("PPS") of BCF and the issuance of new PPS of BCB and for the new PPS of BCB to be classified;
- (ii) Redemption of the RM125 million redeemable convertible preference shares of BCF;
- (iii) Capitalisation of the statutory reserves, distributable reserves and retained earnings of BCF by BCB, which will be effected following the surrender of BCF's banking license to BNM; and
- (iv) Reduction of the share capital of BCF through a capital reduction exercise prior to the subsequent liquidation of BCF.

The Securities Commission had via its letter dated 5 October 2005 approved the proposed new PPS issuance.

On 30 November 2005, BCB and BCF had entered into a business transfer agreement ("BTA") to give effect to the proposed transfer of finance company business and assets and liabilities of BCF to BCB (inclusive of BCF's subsidiary, I-Prestige Sdn Bhd and joint venture company, PCSB), an integral part of the merger. The order of High Court of Malaya for the proposed transfer in relation to the BCF merger was obtained on 29 December 2005.

(b) Commerce TIJARI Bank Berhad

Commerce TIJARI Bank Berhad, a wholly owned subsidiary of BCB, commenced operations on Islamic banking business and related financial services on 14 April 2005.

CIMB Berhad Group

(a) (i) Acquisition of the stockbroking and stockbroking related companies of G.K. Goh Holdings Limited ("stockbroking businesses") by CIMB-GK Pte Ltd ("CIMB-GK"), a wholly-owned subsidiary of CIMB Berhad incorporated in Singapore

CIMB Berhad had on 13 January 2005 entered into a conditional Sale and Purchase Agreement with G.K. Goh Holdings Limited ("GKGH") for the acquisition of the stockbroking businesses from GKGH by CIMB-GK for a total cash consideration of SGD239.14 million (equivalent to approximately RM554.80 million).

The acquisition was completed in July 2005.

(ii) Issuance of CIMB Berhad ordinary shares to the Company

CIMB Berhad had on 13 January 2005 entered into a placement agreement with the Company for the issuance of 93,663,167 new ordinary shares of RM1.00 each in CIMB Berhad at an issue price of RM4.50 per CIMB Berhad share for a total cash consideration of approximately RM421.48 million.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

CIMB Berhad Group (Continued)

(iii) Renounceable restricted offer for sale of the CIMB Berhad's share by the Company

Upon completion of (i) and (ii) above, the Company offered CIMB Berhad's shares for sale to the existing CIMB Berhad's shareholders, at an offer price of RM4.50 per CIMBB share on the basis of one CIMBB share for every nine existing CIMBB shares.

The renounceable restricted offer for sale was completed on 21 September 2005.

(b) Acquisition of Sesama Medical College Management Sdn Bhd ("SMCM")

On 1 April 2005, CIMB Berhad through its wholly-owned subsidiary, CIMB Private Equity Sdn Bhd ("CIMB PE") had proposed to acquire 2,175,000 ordinary shares of RM1.00 each in SMCM representing approximately 25.0% equity interest in SMCM for a cash consideration of RM30 million.

The acquisition was completed on 17 October 2005.

CIMB PE subsequently increased its equity interest to 37% following the unconditional mandatory offer for the remaining ordinary shares not already owned by acquiring 1,042,500 ordinary shares of RM1.00 each in SMCM for a cash consideration of RM14.37 million.

(c) Disposal of 10% equity interest in CIMB-Principal Asset Management Berhad (formerly known as Commerce Trust Berhad) ("CPAM") and 10% equity interest in Commerce Asset Fund Managers Sdn Bhd ("CAFM")

On 22 April 2005, CIMB Berhad had entered into a share sale agreement for the Proposed CPAM Shares Disposal and Proposed CAFM Shares Disposal ("Proposed Disposals") with Principal International (Asia) Limited ("PIA"), for a total cash consideration of RM9 million.

The Proposed Disposals entail CIMB Berhad disposing and PIA acquiring, the 700,000 CPAM shares and 550,000 CAFM shares which represent 10% equity interest in CPAM and 10% equity interest in CAFM.

The disposals were completed on 30 August 2005.

(d) Acquisition of P.T. CIMB Niaga Securities ("PTCNS")

CIMB Berhad had on 17 August 2005 announced of the proposed acquisition by CIMB-GK Pte Ltd ("CIMB-GK"), a wholly-owned subsidiary, of approximately 48% equity interest of PTCNS from P.T. Bank Niaga TBK, a subsidiary of BCHB for a cash consideration of Indonesian Rupiah ("IDR") 27,616,009,158 (equivalent to RM10.58 million).

The acquisition was completed on 20 October 2005.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

CIMB Berhad Group (Continued)

(e) Proposed rationalisation of the fund management business of CAFM with unit trust business of CPAM ("Proposed Business Rationalisation")

On 10 December 2004, CIMB Berhad proposed to undertake a rationalisation of its fund management and unit trust businesses through CPAM. In relation thereto, CAFM had on 9 December 2004, entered into the Business Rationalisation Agreement with CPAM for the purpose of the Proposed Business Rationalisation whereby CAFM shall sell and transfer to CPAM the assets and liabilities in relation to or utilised in the fund management business of CAFM ("CAFM Business") to form a single fund management and unit trust entity under CPAM.

CPAM will assume the obligations and responsibilities in discharging all the liabilities and other obligations of CAFM pursuant to the CAFM Business and in consideration, CAFM will transfer and vest to CPAM all its rights, titles and interests on the assets including all rights of enforcements, demands, claims and entitlements of CAFM arising from or in connection with the fund management business of CAFM, up to and including the completion date of the Proposed Business Rationalisation.

The Proposed Business Rationalisation was completed on 31 May 2005. With effect from 1 June 2005, the fund management and unit trust businesses of CAFM and CPAM were merged under a single entity, to be known as CIMB-Principal Asset Management Berhad.

(f) CIMB Group Rationalisation – Proposed Integration of CIMBB Group and BCB Group

- Proposed acquisition by CIMB Group Sdn Bhd ("CIMBG"), a wholly-owned subsidiary of CIMB Berhad ("CIMBB"), of all the assets (inclusive of its shareholdings in all its subsidiaries and associated companies) and liabilities of CIMBB ("Proposed CIMBB Acquisition");
- Proposed acquisition by CIMBG of 2,063,920,111 ordinary shares of RM1.00 each in Bumiputra-Commerce Bank Berhad ("BCB") held by the Company representing approximately 99.998% of the issued and paid-up share capital of BCB ("Proposed BCB Acquisition");
- Proposed acquisition by the Company of all such ordinary shares of RM1.00 each in CIMBG held by CIMBB after the proposed CIMBB Acquisition and proposed BCB Acquisition via a mandatory take-over offer ("Proposed CIMBG Acquisition"); and
- Proposed section 176 scheme of arrangement involving CIMBB, the Company and other shareholders of CIMBB in relation to the capital repayment of cash or share alternative in the form of new ordinary shares of RM1.00 each to be issued by the Company ("BCHB Shares") as at an entitlement date to be determined later, on the basis of approximately 1.146 new BCHB shares for every one (1) ordinary share of RM1.00 each in CIMBB ("CIMBB Share") ("Proposed CIMBB Scheme").

The Proposed CIMBB Acquisition, Proposed BCB Acquisition and Proposed CIMBG Acquisition are collectively referred to as "Proposed CIMBB Restructuring" and the Proposed CIMBB Restructuring and Proposed CIMBB Scheme are collectively referred to as the "Proposals".

With reference to the announcement dated 6 June 2005, CIMB Berhad announced that the Minister of Finance ("MoF") through BNM had, via the letter from BNM dated 19 August 2005 ("BNM Letter") granted the necessary approvals pursuant to the Banking and Financial Institutions Act, 1989 to give effect to the Proposed CIMBB Restructuring.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

CIMB Berhad Group (Continued)

(f) CIMB Group Rationalisation – Proposed Integration of CIMBB Group and BCB Group (Continued)

The approval of the MoF is subject to the following conditions:

- (i) Following the completion of the Proposed CIMBB Restructuring, CIMBG will be classified as a bank-holding company and accordingly the Company (as the ultimate bank-holding company) and CIMBG will be subject to such relevant guidelines and are required to obtain such approvals from BNM which would be necessary in their roles as bank-holding companies;

In addition, following the completion of the Proposed CIMBB Restructuring, CIMBB will no longer be considered a bank-holding company and accordingly, the conditions previously imposed by the MoF on CIMBB will no longer apply to CIMBB. CIMBG will assume these conditions in its role as a bank-holding company instead; and

- (ii) The Proposed CIMBB Restructuring must be completed by 18 August 2006.

The Company is also pleased to announce that via the BNM letter, BNM had granted its approvals for the following, amongst others:

- 1) The incorporation of a wholly-owned subsidiary of CIMBB for the purposes of the Proposed CIMBB Restructuring;
- 2) The increase in the authorised share capital of CIMBB from RM2 billion to RM7 billion for the Proposals; and
- 3) The change of the Company name from Commerce Asset-Holding Berhad to Bumiputra-Commerce Holdings Berhad.

Following the receipt of the abovementioned approvals, the Company had on 19 August 2005 acquired 2 ordinary shares of RM1.00 each in CIMBG, a company incorporated under the Companies Act, 1965, representing 100% equity interest in CIMBG, for total cash consideration of RM2 from Ng Ing Peng and Rossaya binti Mohd. Nashir. The authorised share capital of CIMBG is RM100,000 comprising 100,000 ordinary shares of RM1.00 each.

Following the acquisition of the abovementioned equity interest in CIMBG on 19 August 2005, the Company entered into a reconstruction agreement with CIMBG for the Proposed CIMBB Acquisition ("Reconstruction Agreement"), while CIMBG and the Company had on the same day entered into a restructuring agreement for the Proposed BCB Acquisition ("Restructuring Agreement").

The Proposed CIMBB acquisition, Proposed BCB Acquisition and Proposed CIMBG Acquisition were completed on 9 January 2006 while the Proposed CIMBB Scheme is expected to be completed by the end of the first quarter of 2006.

Pursuant to the CIMBB Restructuring, the CIMBB ESOS was modified whereby a trust was set up to subscribe for all the remaining CIMBB Shares through an accelerated vesting of the unexercisable tranches under the CIMBB ESOS. The ESOS Trustee shall opt for new shares in the Company at the ratio of approximately 1.146 of the Company's shares for one (1) CIMBB Share held pursuant to the CIMBB Scheme. The Executive Employees will then be entitled to instruct the ESOS Trustee to the sale on Bursa Securities or transfer to them such shares of the Company in accordance with the terms and conditions of the Modified Scheme for CIMBB ESOS agreed between the Executive Employees, the ESOS Trustee and CIMBB.

On 23 December 2005, 35,794,044 shares were exercised through the accelerated vesting of the unexercisable tranches under the CIMBB ESOS.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

48 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(f) CIMB Group Rationalisation – Proposed Integration of CIMBB Group and BCB Group (Continued)

Pursuant to the CIMBB Restructuring, the CIMBB CEO option was modified whereby a trust was set up to subscribe for the remaining unexercisable options on CIMBB shares being delisted on 24 January 2006. The modified CEO option will encompass a trust being set up to acquire the remaining CIMBB shares under the CEO option scheme via an accelerated vesting of the unexercisable options at a ratio of approximately 1.146 of the Company's shares for one (1) CIMBB share held by which, the CEO will be entitled to instruct the trust as to the sale or transfer of such shares in the same manner as similarly provided under the existing CEO option.

Payment for the acquisition of the CIMBB shares by the trustee for the trust to the Company will be deferred. Such amounts deferred will be recovered upon instruction by the CEO to transfer or sell in the market whereby a proportion of the proceeds will be retained by the trust and used to offset the deferred amounts.

PT Bank Niaga ("Bank Niaga") Group

(a) Disposal of investment in foreign subsidiaries, Niaga Finance Company Ltd., Hong Kong and its subsidiary, Niaga Remittance Ltd., Hong Kong ("Niaga Finance Group") by PT Bank Niaga

On 31 January 2005, PT Bank Niaga has received the second installment payment of HKD25 million in relation to the above disposal.

(b) Subordinated Bonds

On 14 July 2005, Bank Niaga issued subordinated bonds through its Cayman Islands branch of USD100 million which will mature on 14 July 2015 but callable at the Issuer's option starting 2010. The subordinated bonds were issued at the price of 99.188% with a fixed interest rate of 7.75% per annum from 14 July 2005 to 14 July 2010 and thereafter, at a rate per annum equal to the US Treasury Rate plus 6.1875%.

(c) Rights Issue

As approved by Bank Niaga's Extraordinary Shareholders' Meeting on 25 August 2005, Bank Niaga increased its issued and paid up capital by issuing new shares through rights issue from the unissued capital of 3,970,987,908 class B shares with nominal value of IDR50 per share with exercise price of IDR330 per share. Total fund received from the rights issue was IDR1.3 trillion. Warrants issued amounted to 1,985,493,954 and are attached to the new shares issuance.

(d) Disposal of Subsidiaries

On 20 October 2005, Bank Niaga disposed its entire equity interest of 49% in PT CIMB Niaga Securities with proceeds of IDR28.19 billion which resulted in a net gain of IDR3.87 billion.

On 21 November 2005, Bank Niaga disposed its entire equity interest of 53% in PT Niaga International Factor with proceeds of IDR1.89 billion which resulted in a net gain of IDR1.37 billion.

(e) Acquisitions of additional Class B shares and subscription of Rights Issue of IDR 50 each in PT Bank Niaga TBK

During the financial year, BCHB Group had acquired additional 3,624,879,606 Class B shares for a total consideration of IDR1.36 trillion (or approximately RM514.4 million).

Pursuant to the Acquisitions, BCHB Group currently holds 7,757,979,706 Class B shares, representing approximately 65.29% equity interest in Bank Niaga, of which 64.25% is held by the Company, 0.69% is held by PT Commerce Kapital and 0.35% is held by PT CIMB-GK Securities Indonesia (formerly known as PT GK Goh Indonesia).

The above acquisitions exercise includes shares subscription by the Company on 16 September 2005 pursuant to rights issue exercise undertaken by Bank Niaga. The Company had subscribed for its entitlement of 2,543,890,254 Class B shares for a total consideration of IDR839.5 trillion (or approximately RM312.3 million).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

49 SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE

(a) Merger between BCB and BCF

Pursuant to the Vesting Order obtained from the High Court on 29 December 2005, the finance company business and the related assets and liabilities of BCF (including I-Prestige Sdn Bhd and Proton Commerce Sdn Bhd) were transferred to BCB on 1 January 2006.

(b) Takaful business – Registration under the Takaful Act 1984 for commencement of business

On 4 January 2006, the Company had announced that BNM has informed that a wholly-owned subsidiary, Commerce Takaful Berhad has been registered under Section 8 of the Takaful Act 1984, effective from 30 December 2005 to commence its General and Family Takaful business.

(c) Acquisition by CIMB Group Sdn Bhd (“CIMBG”), a wholly-owned subsidiary of CIMBB, of all the assets (inclusive of all its subsidiaries and associated companies) and liabilities of CIMBB (“CIMBB acquisition”);

Acquisition by CIMBG of all the ordinary shares of RM1.00 each in BCB (“BCB acquisition”);

Acquisition by the Company of all such ordinary shares of RM1.00 each in CIMBG held by CIMBB after the proposed CIMBB acquisition via a mandatory take-over offer (“CIMBG acquisition”); and

Section 176 Scheme of Arrangement involving CIMBB, the Company and other shareholders of CIMBB relating to capital repayment of cash or share alternative in the form of new ordinary shares of RM1.00 each to be issued by the Company.

On 11 January 2006, it was announced that following the issuance/transfer of CIMBG shares pursuant to the CIMBB acquisition, BCB acquisition and CIMBG acquisition, the CIMBB restructuring has been completed on 9 January 2006.

On the even date, 11 January 2006, CIMBB has obtained the sanction of the High Court of Malaya for the CIMBB scheme and accordingly, the notice of books closure for the CIMBB scheme has been announced on the same date.

On 13 January 2006, CIMBB has announced that trading of CIMBB’s shares will be suspended with effect from 9am, 24 January 2006 to facilitate the implementation of the CIMBB scheme.

The CIMBB restructuring was completed where CIMB and BCB has entered into a Business Transfer Agreement, whereby BCB has acquired the assets and liabilities of CIMB for a consideration based on the consolidated net book value of CIMB assets and liabilities, (save for the investment in CIMB (L) which will be based on the consolidated NTA of CIMB (L)), to be satisfied by the issuance of such number of new BCB shares as at 31 December 2004. In conjunction with the proposed CIMB acquisition, BCB will assume the obligations and responsibilities in discharging all the liabilities and obligations of CIMB and in consideration, CIMB will transfer and vest in BCB all rights, titles and interests in the assets and liabilities of CIMB including all rights of enforcements, demands claims and entitlements of CIMB arising from or in connection with the banking businesses of CIMB up to and including the completion date of CIMB.

The transfer of CIMB (L) assets and liabilities to Bumiputra-Commerce (L) Limited (“BCB(L)”) based on the net book value of CIMB (L) assets and liabilities will be carried out and to be satisfied wholly in cash.

Subsequently, the entire equity interest in CIMB (L) held by BCB will be disposed to Commerce TIJARI, following the completion of the proposed CIMB acquisition and proposed CIMB (L) transfer.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

49 SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE (CONTINUED)

(d) Approval of transfer of shares to CIG

The Company, had on 19 January 2006, announced that BNM has on 18 January 2006, informed that the Minister of Finance has approved the transfer of all shares of Commerce Assurance Berhad, Commerce Life Assurance Berhad and Commerce Takaful Berhad (collectively known as Licensees) held by the Company to CIG, a wholly owned subsidiary of the Company, pursuant to the restructuring of the insurance subsidiaries of the Group. CIG will effectively function as the holding company of the Licensees.

(e) Announcement by Southern Bank Berhad ("SBB") to discontinue merger with the Company

On 8 February 2006, the Company had announced that it has noted that Southern Bank Berhad ("SBB") has discontinued negotiations with the Company for a possible merger.

The Company intends to continue discussions with shareholders of SBB who remain interested in a merger between the Company and SBB.

(f) Proposed acquisition by the Company of the entire business and undertaking of SBB ("Proposed acquisition") Conditional Voluntary Offer by the Company for all the ordinary shares of RM1.00 each in SBB ("SBB shares") and warrants 1996/2006 in SBB ("SBB warrants") not already held by the Company ("Proposed offer") (Collectively the "Proposals")

On 13 February 2006, the Company had announced that it has made an offer to SBB for the acquisition of its entire business and undertaking for cash and served a conditional notice of Voluntary General Offer ("VGO") to acquire all of the outstanding shares and warrants of SBB for cash and new BCHB Redeemable Convertible Unsecured Loan Stocks ("RCULS").

The VGO is conditional upon the sale of the entire business and undertaking of SBB to the Company. For the acquisition of SBB's entire business and undertaking, the Company is offering a purchase consideration of RM4.08 per share. With the RCULS valued at current market levels of 7 sen per SBB share, the effective offer price is approximately RM4.15 per share. This would entail a maximum total cash outlay for both the business acquisition and VGO of RM6.35 billion.

The proposed merger would combine the leading position of CIMB group in treasury, investment banking and corporate banking as well as large consumer franchise with SBB's strengths in key segments of retail and SME banking to create a leading financial services group. The complementary businesses of CIMB Group and SBB would result in significant synergies which are expected from the revenue enhancement from greater cross-selling opportunities and cost savings from rationalisation of operations.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

50 CAPITAL ADEQUACY

(a) The capital adequacy ratios are as follows:

	The Group	
	2005 RM'000	2004 RM'000
Tier I capital	8,158,529	6,597,911
Eligible Tier II capital	3,690,372	3,291,819
	11,848,901	9,889,730
Less:		
Investment in subsidiaries and holding of other banking institutions' capital	(761,306)	(737,696)
Capital base	11,087,595	9,152,034
Before deducting proposed dividends		
Core capital ratio	11.20%	9.96%
Risk-weighted capital ratio	15.23%	13.81%
After deducting proposed dividends		
Core capital ratio	11.12%	9.67%
Risk-weighted capital ratio	15.14%	13.52%

(b) Components of Tier I and Tier II capital are as follows:

	2005 RM'000	2004 RM'000
Tier I capital		
Paid-up capital	2,676,884	2,598,846
Share premium	1,634,162	1,200,012
Other reserves	4,096,697	3,019,743
Deferred tax assets	(249,214)	(220,690)
Total Tier I capital	8,158,529	6,597,911
Tier II capital		
Subordinated loans	667,000	718,825
Subordinated notes issued	1,922,124	1,519,403
General allowance for bad and doubtful debts	1,003,159	949,771
Other	98,089	103,820
Total Eligible Tier II capital	3,690,372	3,291,819
Less:		
Investment in subsidiaries and holding of other banking institutions' capital	(761,306)	(737,696)
	11,087,595	9,152,034

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

50 CAPITAL ADEQUACY (CONTINUED)

- (b) Components of Tier I and Tier II capital are as follows: (Continued)
Breakdown of gross risk-weighted assets in the various categories of risk-weights are as follows:

	2005	2004
	RM'000	RM'000
0%	19,852,781	22,782,638
10%	1,008,559	1,213,197
20%	11,929,330	18,709,519
50%	13,604,068	14,235,067
100%	58,434,356	55,289,804
<hr/>		
Total risk-weighted assets equivalent for credit risk	67,723,112	66,270,561
Total risk-weighted assets equivalent for market risk	5,099,953	–
<hr/>		
Total risk-weighted assets	72,823,065	66,270,561

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 RM Nil (2004: RM375,195,000) that carry zero risk-weight in accordance with Bank Negara Malaysia's approval letter dated 16 July 1999.

51 ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Sesama Medical College Management Sdn Bhd ("SMCM")

On 17 October 2005, a subsidiary company of CIMB Berhad, CIMB Private Equity Sdn Bhd ("CIMB PE") has completed the acquisition of 25% equity interest in SMCM. The total purchase consideration of RM30 million has been settled via cash. As at the same date, a direct subsidiary company, Commerce Asset Ventures Sdn Bhd ("CAV") held direct and indirect equity interest of 35.75% in SMCM. The Group's effective equity interest, jointly via the two subsidiaries was 53.62%.

The effects of the acquisition on the financial results of the Group during the financial year are as follows:

	2005
	RM'000
Interest income	215
Interest expense	(261)
<hr/>	
Net interest income	(46)
Non-interest income	19,406
<hr/>	
Overhead expenses	(11,851)
<hr/>	
Profit before taxation	7,509
Taxation	(2,703)
<hr/>	
Increase in Group's net profit for the financial year	4,806

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

51 ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Sesama Medical College Management Sdn Bhd ("SMCM") (Continued)

The effects of the acquisition on the financial position of the Group as at 31 December 2005 are as follows:

	2005 RM'000
Cash and short-term funds	18,255
Deposits and placements with banks and other financial institutions	7,000
Other assets	4,495
Fixed assets	96,598
Other liabilities	(36,054)
Current tax liabilities	(9,341)
Other borrowings	(13,054)
Increase in Group's net assets	67,899

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	21,727
Other assets	13,307
Fixed assets	96,197
Other liabilities	(36,607)
Deferred tax liabilities	(3,831)
Current tax liabilities	(8,188)
Other borrowings	(19,512)
Fair value of total net assets	63,093
Minority interest	(29,261)
Fair value of net asset acquired	33,832
Goodwill	33,671
Purchase consideration	67,503
Purchase consideration discharged by cash	67,503
Less: Cash and short-term funds acquired	(21,727)
Cash outflow of the Company on acquisition	45,776

Pursuant to the Malaysian Code on Take-Overs and Mergers, 1998, arising from the acquisition by CIMB PE, CIMB Berhad, on behalf of the two subsidiaries, has served a Notice of Unconditional Mandatory Offer ("the Offer") to the remaining shareholders of SMCM. The remaining shares not held by them was offered at RM13.79 per the Offer share, eventually resulting CIMB PE and CAV equity interest in SMCM was 36.98% and 47.73% respectively. The Group's effective equity interest as at year end was 72.70%.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

51 ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of the stockbroking businesses of GK Goh Holdings Limited by CIMB-GK Pte. Ltd, a wholly owned subsidiary of CIMB Berhad

A subsidiary company, CIMB Berhad had on 13 January 2005 entered into a conditional Sale and Purchase Agreement (“SPA”) with G.K.Goh Holdings Limited (“GKGH”) for the acquisition of the stockbroking businesses from GKGH by CIMB-GK Pte Ltd (“CIMB-GK”) for a total cash consideration of SGD239.14 million (equivalent to approximately RM554.80 million).

The acquisition was completed in July 2005.

The effects of the acquisition on the financial results of the Group during the financial year are as follows:

	2005
	RM'000
Interest income	13,406
Interest expense	(8,536)
Net interest income	4,870
Non-interest income	109,413
Overhead expenses	114,283
Profit before allowances	(87,563)
	26,720
Allowance for other receivables	(367)
	26,353
Share of loss of associates	(1,504)
Profit before taxation	24,849
Taxation	(8,131)
Profit after taxation	16,718
Minority interests	(65)
Increase in Group's net profit for the financial year	16,653

The effects of the acquisition on the financial position of the Group as at 31 December 2005 are as follows:

	2005
	RM'000
Cash and short-term funds	179,949
Securities held for trading	84,474
Loans, advances and financing	218,715
Other assets	411,077
Goodwill	144,813
Deferred tax assets	346
Investment in associates	9,435
Fixed assets	10,895
Other liabilities	(351,608)
Current tax liabilities	(23,666)
Other borrowings	(229,866)
Amount owing to ultimate holding company	(5,212)
Amount owing to holding company	(279,395)
Amount owing to subsidiary company	(21,948)
Increase in Group's net assets	148,009

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

51 ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) Acquisition of the stockbroking businesses of GK Goh Holdings Limited by CIMB-GK Pte. Ltd, a wholly owned subsidiary of CIMB Berhad (Continued)

Details of net assets acquired, goodwill and cash flows arising from the acquisition are as follows:

	At date of acquisition RM'000
Cash and short-term funds	128,490
Securities held for trading	105,218
Available-for-sale securities	3,171
Loans, advances and financing	213,355
Other assets	937,155
Deferred tax asset	215
Fixed assets	5,923
Amount due from related company	2,230
Amount due from holding company	7,878
Other liabilities	(934,586)
Deferred tax liabilities	(713)
Current tax liabilities	(9,784)
Other borrowings	(8,949)
Amount owing to related company	(3,670)
Amount owing to holding company	(44,584)
Fair value of net assets acquired	401,349
Goodwill	154,647
Purchase consideration	555,996
Purchase consideration discharged by cash	555,996
Less: Cash and short-term funds acquired	(128,490)
Cash outflow on acquisition	427,506

(c) Acquisition of Commerce Technology Ventures Sdn Bhd

On 1 March 2005, a subsidiary company, Commerce Asset Ventures Sdn Bhd has completed the acquisition of 100% equity interest in Commerce Technology Ventures Sdn Bhd.

The effects of the acquisition on the financial result of the Group during the financial year are as follows:

	2005 RM'000
Interest income	10,393
Interest expenses	(3,913)
Profit before taxation	6,480
Taxation	(85)
Increase in Group's net profit for the financial year	6,395

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

51 ACQUISITION OF SUBSIDIARIES (CONTINUED)

(c) Acquisition of Commerce Technology Ventures Sdn Bhd (Continued)

The effects of the acquisition on the financial position of the Group during the financial year are shown below:

	2005
	RM'000
Cash and short-term funds	726
Deposit and placements with banks and other financial institutions	15,300
Securities held for trading	25,769
Available-for-sale securities	72,119
Other assets	14,142
Deferred tax assets	700
Tax recoverable	42
Other liabilities	(2,655)
Increase in Group's net assets	126,143

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	439
Deposit and placements with banks and other financial institutions	12,900
Securities held for trading	31,761
Available-for-sale securities	69,097
Other assets	5,105
Deferred tax assets	700
Tax recoverable	42
Other liabilities	(295)
Fair value net assets acquired	119,749
Goodwill	(119,747)
Purchase consideration	2
Purchase consideration discharged by cash	2
Less: Cash and short-term funds acquired	(439)
Cash inflow on acquisition	(437)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS

A Financial risk management objectives and policies

The Group's financial risk management policy is adopted from the Company and the main operating subsidiaries risk management policies. Various initiatives and development have been formed at the Company and 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 Company and the major areas of banking activities represented by the commercial banks, namely Bumiputra-Commerce Bank Berhad and PT Bank Niaga Tbk and the investment banking group, CIMB Group are set out as follows:

Market risk

The Company

The Company's market risk exposures arise mainly from placement of cash at banking subsidiaries such as Bumiputra-Commerce Bank Berhad, Bumiputra-Commerce Finance Berhad, Commerce International Merchant Bankers Berhad, PT Bank Niaga and placement of funds managed by CIMB – Principal Asset Management Berhad. For these placements, market risks is mitigated by risk management framework and regulated investment policies and procedures that exist at the respective subsidiaries. The performance of respective placements is monitored via the monthly statements and reports submitted and acknowledged by the management.

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, 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 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 is guided by the Treasury Risk Management policy in governing the trading and other global treasury activities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS

A Financial risk management objectives and policies (Continued)

Market risk (Continued)

Bumiputra-Commerce Bank Berhad ("BCB") (Continued)

BCB has made progress in adopting best practice Value-at-Risk ("VaR") methodology in estimating the potential loss over certain confidence interval ("CI") and over specific time horizon. 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 at a given CI.

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 ("Marco").

Marco 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 once 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 gap, which indicates a potential loss greater than the allowable limits.

Bank Niaga is recently implementing Treasury & Risk Management System Automation. The system which covers front, middle and back office enables Bank Niaga to have more efficient and effective treasury and market risk management.

CIMB Group

Market risk is defined as any fluctuations in value of the portfolio resulting from changes in market prices and market parameters, such as interest rates, exchange rates and share prices.

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 together with CIMB Discount House Bhd ("CIMBDH"), make markets in debt securities as well as interest rate and currency derivative instruments; while equity proprietary activities are carried out by CIMB itself, its broking arm and offshore subsidiary. In general, CIMB Group hedges 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 Group Risk Committee ("GRC"). The GRC is assisted by the Market Risk Committee ("MRC"), whose role, amongst others, is to oversee CIMB Group's exposure to market risks and to consider and determine trading, investment and underwriting proposals within defined limits.

The utilisation of market risk limits is reviewed on a daily basis, by the Risk Management & Analytics ("RMA") which employs statistical methods to measure and monitor the risks associated with CIMB Group's trading activities. The RMA, together with the Risk Middle Office ("RMO"), also provides independent valuation of portfolios and generates daily and weekly risk position reports for the information of the GRC.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS

A Financial risk management objectives and policies (Continued)

Market risk (Continued)

CIMB Group (Continued)

CIMB Group has adopted a Value-at-Risk ("VaR") approach in the measurement of market 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. Duration-weighted gap VaR and various other multi-factor models are also employed to assess market risks.

Credit risk

The Company

Credit risk is the risk of loss due to the failure of a counter party to meet its financial obligations due to the Company.

Except for intercompany balances, the Company is not exposed to any other significant 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 Basel II.

Credit risk is the potential for loss due to the failure of a counterparty or borrower to meet its financial obligations. Credit Risk Management is vested in the Credit Risk Committee ("CRC") which is a Board delegated Committee. CRC will assume the Board delegated approved authorities and overseas credit risk management is being managed in accordance with policies and also to approve and review credit policies and procedures and loans as stipulated in the Credit Policy Guide. CRC reports to the Risk Management Committee and to Group Risk Committee on all credit risk functions.

Key to the credit risk management is to ensure that structures and processes are in place to maintain and continuously enhance BCB's risk assessment capabilities in key areas of credit. Some examples of risk management initiatives already put in place are:

- (a) CRC for approving loans,
- (b) An independent pre-approved vetting machinery in place, which is best practice,
- (c) Rules governing loans approved, policy governing limits, escalator process, etc. refined over time,
- (d) Setting up a working Committee to review and formulate Risk Limit Framework and Single Customer Limit Monitoring Infrastructure for the Group.

These initiatives will translate into sound credit policies/procedures, quality credit approvals, appropriate risk measurement/methodology, strong credit controls with independent reviewers and effective workable recovery strategies. Credit portfolio risk is also monitored through setting and reviewing concentration limits according to various categories such as customer, industry, segment and product types.

BCB has issued board-approved Credit Risk Policy Guide, which outlines limiting risk, risk pricing, and credit risk rating and measurement, reporting and Management Information System ("MIS"). Key business unit's policies and procedures have been documented and approved by the Board for application across BCB. Regular review and updates are performed to ensure the documentation is current.

BCB has established an internal rating system for corporate and business loans that enable credit officers to classify the credit risk of individual credit, assists them in making informed decisions on approval and pricing of loans. Additionally, it assists in tracking and monitoring loans at portfolio basis. For retail exposures, which are defined as large homogeneous portfolio 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.

52 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 granting loan. 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. Credit risk is managed based on the review of:

- 1) The diversification of credit risk and portfolio (business segment/industry sector/largest borrowers composition).
- 2) Credit policy and procedure (including target market and risk acceptance criteria).
- 3) Adequacy of provisions for loan losses.
- 4) Other major risk indicators and methods of credit risk measurement.

The credit strategy and goal setting are planned and established by the Credit Risk and Policy Committee who is also responsible for managing credit portfolio and credit risk. The Credit Risk and Policy Committee meets at least 6 times a year and is chaired by Director of Compliance and Risk Management and attended by the President Director and the other Board of Senior Executive members.

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 Group

Credit and counterparty risk is defined as the possibility of losses due to an unexpected default or a deterioration of a credit-worthiness of a business partner.

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 as a result 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 Credit Risk Committee ("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 the Management are carefully monitored and proactive measures taken, where possible, to minimise financial loss to CIMB Group.

All credit exposures are given an internal rating, based on a combination of quantitative ratios and qualitative criteria. Adherence to set credit limits is monitored on a daily basis by the RMA which combines 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 guidelines that limit its exposure to any one counterparty or group, industry sector and rating classification.

In summary, potential credit exposures are evaluated by the CRC and are monitored against approved limits on a regular basis. The alleviation of credit risk exposures adopted by CIMB Group includes restricting concentration of risks to any one large sector/industry, or to a particular counter party group or individual, the application of single customer limit, as well as assessing the quality of collateral.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Credit risk (Continued)

CIMB Group (Continued)

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 (2) 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.

The extent to which the CIMB Group's overall exposure to credit risk is reduced through a master netting arrangement may change substantially within a short period following the balance sheet date because the exposure is affected by each transaction subject to the agreement.

Liquidity risk

The Company

Liquidity risk is the risk where the Company is unable to meet its obligations when they fall due.

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Company and any potential strategic investments.

Bumiputra-Commerce Bank Berhad ("BCB")

Liquidity risk is defined as the risk that BCB, although solvent, either does not have available sufficient financial resources to enable it to 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 BCB's risk management framework, comprehensive governance and management processes surrounding liquidity activities are undertaken by the Market Risk Committee ("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 the liquidity and interest rate risk management is also on going with the progressive implementation of a Funds Transfer Pricing System ("FTP"). Meanwhile, BCB has in place an asset liability management system to measure overall balance sheet performance and under various scenarios. 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.

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Liquidity risk (continued)

PT Bank Niaga Tbk ("Bank Niaga")

The Asset and Liability Committee ("ALCO") is responsible for directing liquidity and asset-liability management position. The committee meets with business, 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.

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.

The Liquidity Risk Committee ("LRC") 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 of the liquidity risk management framework.

CIMB Group's liquidity risk management focuses on avoiding over dependence on volatile sources of funding, diversification 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 RMA prepares liquidity analyses in line with Bank Negara Malaysia'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.

In summary, the methods of managing liquidity risks employed by CIMB Group are generally aimed at providing timely forewarning on liquidity pressure as well as the severity of potential exposures.

Operational risk

The Company

Operational risk arises from inadequacies or failure in internal processes and controls due to fraud, errors, inefficiencies, systems failures or external events.

In order to reduce or mitigate these risks, the Company established and maintained an internal control environment, which incorporates various control mechanisms at different levels throughout the organisation. These control mechanisms ensure that operational policies and procedures are being adhered to. The responsibilities to oversee compliance with internal control has been delegated to Group Internal Audit division.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Operational risk (Continued)

Bumiputra-Commerce Bank Berhad ("BCB")

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk, but excluding strategic and reputation risk.

ORC provides extensive internal support services to entire cross-section of BCB's operational functions. Thus the department is poised to focus on specific tactical initiatives that are being implemented by BCB. The external factors however, call for a focus on broad issues brought forth by regulatory influences and industry concerns and pressures. Consequently, efforts to improve risk management capabilities and to comply with regulatory requirements especially Basel II and attain best practices in risk management will have to be undertaken. The department therefore consciously pursued its efforts to drive and support viable and justified projects to enable and establish effective and efficient operational risk management in all the new endeavours of BCB.

Although business and support units have the primary responsibility for managing specific operational risk exposures, the ORC is central resource for quantifying and managing the portfolio of risks as a whole. In 2005 some of the initiatives undertaken include a road show to enlighten and increase awareness amongst Business Units, Operating and Support Centres and Subsidiaries on Peer Learning on Basel II and Operational Risk.

In addition, Control and Risk Self-Assessment, which was rolled out to specific business divisions and branches in the past 2 years, 2003 and 2004, was further deployed to 25 Trade Services Centres and our EPIC-I subsidiary during the year. By employing a robust risk and control-based tool, the Control and Risk Self-Assessment initiative, assisted the business lines in assessing and identifying operational risks, also delivered specific action plans for business lines and supporting units and departments to mitigate identified risks and control weaknesses.

BCB is continuously looking for ways to enhance its Operational Risk Framework; one key component of the Bank's ORC framework is the Loss Event Data Collection program. In line with this objective, an Operational Risk Sub-Committee was set-up to facilitate and validate Loss Event Data that is reported to the Operational Risk Management unit on a monthly basis. The Operational Risk Sub-Committee also serves as a channel to inculcate awareness of operational risk across the Bank, through the sharing and of risk-related, "lessons learned" and facilitated discussions by Operational Risk Management.

Operational Risk Management has also used another operational risk tool, Key Risk Indicators, for management tracking and escalation triggering during the year. Key Risk Indicators are defined as a set of parameters that are assumed to be highly predictive regarding changes in operational risk profile valid for the whole bank (general) or from specific business units, processes or systems (specific). A number of Bank level general Key Risk Indicators like staff turnover, disciplinary cases, customer complaints, system incidents vis-a-vis queue times, external and internal fraud and Service Level breaches by EPIC-I and Electronic Data Systems ("EDS") have been tracked monthly by Operational Risk and Risk Management Committees. Likewise, BCB's Risk Monitoring unit under Group Information and Operations Division has also been tracking other specific Key Risk Indicators.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Operational risk (Continued)

PT Bank Niaga Tbk ("Bank Niaga")

Bank Niaga's Operational and Information Risk Committee ("OIRC") which meets at least four times a year is chaired by the Director of IT and System with participation by the Board of Senior Executives and selected Group Heads. OIRC's function includes amongst others, defining the roles and responsibilities for managing and reporting operational risks. In keeping with governance structure, the Risk Taking Units ("RTU") are responsible for all the operational risks within the business. Such risks are managed through bank-wide or business segment specific policies and procedures, operational risk limits, controls and monitoring tools. To manage operational risks, Bank Niaga maintains a specialised Control Unit to assist the RTUs to monitor all operational risk exposures from transactions on daily basis, and to ensure that the execution of transaction complies with the policies, procedures and limits established by senior management and adhere to Accounting Principle and Standards applied. Operational Risk Management unit, working in conjunction with senior business segment executives developing key tools to help manage, monitor and summarise operational risks. Internal Audit unit attests internal control systems effectiveness, including those of operational risks.

Bank Niaga has implemented Key Risk Indicators as well as Control Risk Self Assessment ("CRSA") as a tool to identify a specific operational risk profile (high risk potential) for business lines. Bank Niaga's CRSA is also used for identifying emerging operational risk issues and determining how they should be managed. Focus is on business efficiency and improvement of control. Bank Niaga continuously reviews Risk Library and if necessary, revises its policies, procedures and risk limits to mitigate operational risks arising from data reconciliation process, money-laundering activities, transaction processing, systems interruptions, fraud management and new product introduction processes. Bank Niaga continues its efforts to minimise operational risk associated with communication, security, data and processing systems through the development of back-up systems, emergency plans and enhanced information technology ("IT") capability. To strengthen its operational risk management capability, Bank Niaga always places great importance in its personnel management practices and employee development specially on the implementation and enforcing good ethics and integrity as stated in Bank Niaga's code of conduct. Bank Niaga engages in regular employee training to help limit the operational defects or mistakes. Where appropriate, Bank Niaga purchases insurance against operational risks.

Going forward, Bank Niaga is in the process of enhancing operational risk management practices through development of additional operational risk management tools, including Loss Event Database and Risk Dashboard.

CIMB Group

Operational risk includes risks that arise from internal processes of an organisation. These may result from inadequacies or failures in processes and controls or in 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.

The Operational Risk Committee ("ORC") has an oversight responsibility for all operational and other matters that affect CIMB Group's day-to-day activities. The ORC also reviews the operating policies and procedures for new products/businesses to ensure that the supporting infrastructure is in place prior to doing the business as well as conducting investigation on any malfunction to determine the root problems and following up on remedial measures.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

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.

Assets	The Group							Total RM'000
	2005							
	Non-trading book							
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	
Cash and short-term funds	9,987,919	-	-	-	-	2,090,226	-	12,078,145
Securities purchased under resale agreements	1,392,935	2,830,870	249,758	-	-	-	-	4,473,563
Deposits and placements with banks and other financial institutions	165,453	533,677	655,009	813	-	-	-	1,354,952
Securities held for trading	-	-	-	-	-	-	9,556,127	9,556,127
Available-for-sale securities	1,451,248	578,594	753,224	2,349,336	1,744,323	882,624	-	7,759,349
Held-to-maturity securities	52,767	542,276	181,769	370,505	1,273,192	-	-	2,420,509
Derivative financial instruments	68,063	-	202	-	-	-	317,475	385,740
Loans, advances and financing								
- performing	36,018,312	4,411,626	9,006,600	8,761,252	8,071,356	-	-	66,269,146
- non-performing	-	-	-	-	-	2,826,734	-	2,826,734
Other assets	257,650	852	484	661	59	2,044,776	107,263	2,411,745
Deferred tax assets	-	-	-	-	-	359,478	-	359,478
Tax recoverable	-	-	-	-	-	281,355	-	281,355
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	1,659,940	-	1,659,940
Investment in associates	-	-	-	-	-	95,583	-	95,583
Jointly controlled entities	-	-	-	-	-	118,722	-	118,722
Fixed assets	-	-	-	-	-	940,258	-	940,258
Goodwill	-	-	-	-	-	534,618	-	534,618
Total assets	49,394,347	8,897,895	10,847,046	11,482,567	11,088,930	11,834,314	9,980,865	113,525,964

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2005						
	Non-trading book					Trading book	Total
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	RM'000
Liabilities							
Deposits from customers	39,543,964	10,116,243	11,880,879	783,156	653	11,998,692	74,323,587
Deposits and placements of banks and other financial institutions	3,015,148	2,129,883	1,964,773	303,547	-	3,297	7,416,648
Derivative financial instruments	154,839	-	-	287	-	-	514,185
Obligations on securities sold under repurchase agreements	5,281,225	35,496	-	-	-	-	5,316,721
Bills and acceptances payable	1,115,694	1,348,897	68,783	-	-	762,082	3,295,456
Floating rate certificates of deposits	226,770	-	-	-	-	-	226,770
Other liabilities	-	4	309	4,816	-	4,369,299	4,374,428
Deferred tax liabilities	-	-	-	-	-	13,690	13,690
Current tax liabilities	-	-	-	-	-	104,610	104,610
Amount due to Cagamas Berhad	-	24,935	94,385	1,516,627	739,382	-	2,375,329
Loan stocks	-	-	-	169,362	613,401	-	782,763
Bonds	-	-	250,000	678,708	-	-	928,708
ICULS	-	-	-	-	44,682	-	44,682
Other borrowings	32,716	58,554	684,851	53,772	-	-	829,893
Subordinated Notes	-	-	-	1,872,016	-	-	1,872,016
Total liabilities	49,370,356	13,714,012	14,943,980	5,382,291	1,398,118	17,251,670	102,419,486
Total interest rate sensitivity gap	23,991	(4,816,117)	(4,096,934)	6,100,276	9,690,812		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2004						Trading book RM'000	Total RM'000
	Non-trading book			Over 5 years RM'000				
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	
Liabilities								
Deposits from customers	36,226,656	10,054,327	13,294,750	4,145,464	10,383,978	–	74,105,175	
Deposits and placements of banks and other financial institutions	4,237,712	2,178,214	1,097,437	–	4,506	–	7,517,869	
Derivative financial instruments	194,189	–	–	–	–	317,595	511,784	
Obligations on securities sold under repurchase agreements	5,300,701	305,563	–	–	–	–	5,606,264	
Bills and acceptances payable	1,278,032	892,998	251,781	–	607,126	–	3,029,937	
Floating rate certificates of deposits	228,000	114,000	–	–	–	–	342,000	
Other liabilities	261,773	36	114,051	–	3,582,079	–	3,957,939	
Deferred tax liabilities	–	–	–	–	22,106	–	22,106	
Current tax liabilities	–	–	–	–	48,772	–	48,772	
Amount due to Cagamas Berhad	–	2,472	–	1,841,393	–	–	2,283,878	
Loan stocks	57,944	–	–	120,402	–	–	778,346	
Bonds	–	–	–	912,118	–	–	912,118	
ICULS	–	–	–	–	–	–	45,216	
Other borrowings	100,577	456,000	1,103,024	45,056	–	–	1,704,657	
Subordinated Notes	–	–	–	1,516,214	–	–	1,516,214	
Total liabilities	47,885,584	14,003,610	15,861,043	8,580,647	14,648,567	317,595	102,382,275	
Total interest rate sensitivity gap	6,438,998	(6,000,235)	(7,513,174)	4,278,642	9,816,901			

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Company 2005							Total RM'000
	Non-trading book							
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	
Assets								
Cash and short-term funds	446,400	-	-	-	-	4,181	-	450,581
Securities held for trading	-	-	-	-	-	-	320,244	320,244
Held-to-maturity securities	-	-	25,819	84,175	24,428	48,642	-	183,064
Derivative financial instruments	-	-	202	-	-	-	-	202
Loans, advances and financing	-	-	60	274	2,885	-	-	3,219
Other assets	-	-	-	-	-	2,115	-	2,115
Tax recoverable	-	-	-	-	-	12,962	-	12,962
Investment in subsidiaries	-	-	-	-	-	5,042,309	-	5,042,309
Amount owing by subsidiaries	-	-	-	-	-	603,378	-	603,378
Investment in associate	-	-	-	-	-	3,834	-	3,834
Fixed assets	-	-	-	-	-	82,137	-	82,137
Total assets	446,400	-	26,081	84,449	27,313	5,799,558	320,244	6,704,045

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Company 2005							
	Non-trading book							
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
Liabilities								
Other liabilities	-	-	-	-	-	13,607	-	13,607
Amount owing to subsidiaries	-	-	-	-	-	703,980	-	703,980
Deferred tax liabilities	-	-	-	-	-	8,069	-	8,069
Bonds	-	-	250,000	250,000	-	-	-	500,000
Total liabilities	-	-	250,000	250,000	-	725,656	-	1,225,656
Total interest rate sensitivity gap	446,400	-	(223,919)	(165,551)	27,313			

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Company 2004						Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	
Assets							
Cash and short-term funds	1,318,571	-	-	-	-	9,840	-
Securities held for trading	-	-	-	-	-	-	354,936
Available-for-sale securities	-	-	-	-	-	21,203	-
Held-to-maturity securities	-	-	36,106	83,295	51,126	44,667	-
Derivative financial instruments	-	-	-	1,061	-	-	-
Loans, advances and financing	-	-	-	336	2,705	17	-
Other assets	-	-	-	-	-	1,399	-
Investment in subsidiaries	-	-	-	-	-	4,251,770	-
Amount owing by subsidiaries	-	-	-	-	-	413,607	-
Investment in associate	-	-	-	-	-	3,834	-
Fixed assets	-	-	-	-	-	100,514	-
Total assets	1,318,571	-	36,106	84,692	53,831	4,846,851	354,936
Liabilities							
Other liabilities	-	-	-	-	-	14,418	-
Amount owing to subsidiaries	-	-	-	-	-	821,820	-
Deferred tax liabilities	-	-	-	-	-	18,418	-
Bonds	-	-	-	500,000	-	-	-
Total liabilities	-	-	-	500,000	-	854,656	-
Total interest rate sensitivity gap	1,318,571	-	36,106	(415,308)	53,831		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 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 2005			The Company 2005
	MYR %	IDR %	USD %	MYR %
Financial assets				
Cash and short-term funds	2.99	–	4.27	2.83
Securities purchased under resale agreements	2.91	–	–	–
Deposits and placements with banks and other financial institutions	3.00	7.28	3.93	–
Securities held for trading	4.19	11.05	5.51	–
Available-for-sale securities	4.73	12.36	5.73	–
Held-to-maturity securities	0.15	7.60	0.15	–
Loans, advances and financing	6.35	13.41	5.92	3.00
Other assets	9.03	–	–	–
Financial liabilities				
Deposits from customers	2.56	6.92	3.65	–
Deposits and placements of banks and other financial institutions	2.97	8.84	4.23	–
Obligations on securities sold under repurchase agreements	2.60	–	–	–
Bills and acceptances payable	2.95	–	–	–
Amount due to Cagamas Berhad	6.22	–	–	–
Loan stocks	4.09	–	5.39	–
Bonds	8.10	–	–	8.10
ICULS	7.50	–	–	–
Other borrowings	–	12.30	3.68	–
Subordinated Notes	–	–	4.67	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2004			The Company 2004
	MYR %	IDR %	USD %	MYR %
Financial assets				
Cash and short-term funds	2.76	–	2.24	2.87
Securities purchased under resale agreements	2.87	–	–	–
Deposits and placements with banks and other financial institutions	2.91	6.55	2.55	–
Securities held for trading	3.62	10.02	5.27	–
Available-for-sale securities	5.23	7.33	2.93	–
Held-to-maturity securities	0.15	–	–	–
Loans, advances and financing	6.26	13.52	3.81	3.00
Other assets	9.17	–	–	–
Financial liabilities				
Deposits from customers	2.55	5.68	2.11	–
Deposits and placements of banks and other financial institutions	2.86	6.66	2.34	–
Obligations on securities sold under repurchase agreements	2.53	–	–	–
Bills and acceptances payable	2.47	–	–	–
Other liabilities	3.23	–	–	–
Amount due to Cagamas Berhad	6.33	–	–	–
Loan stocks	4.45	–	5.04	–
Bonds	8.10	–	–	8.10
ICULS	7.50	–	–	–
Other borrowings	3.21	6.98	1.92	–
Subordinated Notes	–	–	3.86	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk

The following tables set out the credit risk concentrations:

	The Group 2005										
	Short-term funds and placements with financial institutions RM'000	Securities purchased under resale agreement RM'000	Securities held for trading RM'000	Available- for-sale securities RM'000	Held-to- maturity securities RM'000	Derivative financial instruments RM'000	Loans, advances and financing RM'000	Other debtors, deposits and prepayments RM'000	On- balance sheet total RM'000	Credit related commitments and contingencies RM'000	Treasury related commitments and contingencies RM'000
Agricultural	-	-	28,798	38,331	-	265	2,297,617	371	2,365,382	170,963	1,685
Mining and quarrying	-	-	47,710	71,025	-	-	169,879	371	288,985	38,050	-
Manufacturing	-	-	261,959	253,566	-	25,899	11,035,697	9,781	11,586,902	1,303,812	94,314
Electricity, gas and water	-	-	1,846,649	1,077,073	-	14,811	1,297,996	18,747	4,255,276	171,719	51,167
Construction	-	-	375,584	321,837	-	-	4,734,871	3,721	5,436,013	2,156,992	418
Real estate	-	-	77,951	274,496	-	1,278	3,273,842	1,840	3,629,407	44,871	-
Wholesale and retail trade, restaurants and hotels	-	-	216,642	310,773	-	1,034	6,431,148	9,827	6,969,424	626,085	3,439
Transport, storage and communication	-	-	1,392,083	771,837	-	7	3,946,768	10,981	6,121,676	500,522	6
Finance, insurance and business services	8,151,424	1,872,213	3,155,094	1,009,079	2,323,940	323,633	7,212,206	602,340	24,649,929	2,255,835	1,722,322
Purchase of residential, landed property, securities and transport vehicles	-	-	240,766	5,020	-	-	25,220,720	555,702	26,022,208	1,028,206	3,800
Consumption credit	-	-	-	-	-	-	2,055,706	-	2,055,706	30,958	-
Others	5,281,673	2,601,350	1,616,063	3,389,460	47,927	18,813	2,593,341	890,242	16,438,869	466,222	-
	13,433,097	4,473,563	9,259,299	7,522,497	2,371,867	385,740	70,269,791	2,103,923	109,819,777	8,794,235	1,877,151
Assets not subject to credit risk	-	-	296,828	236,852	48,642	-	-	307,822	890,144	-	-
	13,433,097	4,473,563	9,556,127	7,759,349	2,420,509	385,740	70,269,791[^]	2,411,745	110,709,921	8,794,235	1,877,151

[^] Excludes general allowance amounting to RM1,173,911,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk (Continued)

The following tables set out the credit risk concentrations:

	The Group 2004										
	Short-term funds and placements with financial institutions RM'000	Securities purchased under resale agreement RM'000	Securities held for trading RM'000	Available for-sale securities RM'000	Held-to- maturity securities RM'000	Derivative financial instruments RM'000	Loans, advances and financing RM'000	Other debtors, deposits and prepayments RM'000	On- balance sheet total RM'000	Credit related commitments and contingencies RM'000	Treasury related commitments and contingencies RM'000
Agricultural	-	-	-	9,660	-	27	2,312,010	1,113	2,322,810	194,614	4,800
Mining and quarrying	-	-	-	13,895	-	-	1,060,296	10	1,074,201	48,285	-
Manufacturing	-	-	172,541	481,652	13,184	1,552	11,693,377	5,375	12,367,681	1,247,829	11,892
Electricity, gas and water	-	-	466,708	1,575,813	-	4,107	1,417,518	15,727	3,479,873	390,429	-
Construction	-	-	166,102	408,187	-	9	4,164,868	4,453	4,743,619	2,105,817	-
Real estate	-	-	47,492	253,400	-	-	2,353,599	1,806	2,656,297	53,174	80
Wholesale and retail trade, restaurants and hotels	-	-	28,978	1,034,430	-	74	4,733,223	2,490	5,799,195	693,121	114
Transport, storage and communication	-	-	671,378	1,491,035	-	-	3,877,554	17,124	6,057,091	531,961	-
Finance, insurance and business services	14,864,857	2,022,963	3,590,891	890,293	2,656,473	279,831	5,357,014	412,711	30,075,033	645,942	1,328,177
Purchase of residential, landed property, securities and transport vehicles	-	-	243,626	2,361	-	-	20,571,495	358,987	21,176,469	858,200	-
Consumption credit	-	-	-	-	-	31	3,965,538	-	3,965,569	21,370	-
Others	3,213,124	2,475,945	1,009,309	5,039,812	21,909	2,345	2,162,273	622,508	14,547,225	519,567	38,282
Assets not subject to credit risk	18,077,981	4,498,908	6,397,025	11,200,538	2,691,566	287,976	63,668,765	1,442,304	108,265,063	7,310,309	1,383,345
	-	-	159,115	421,144	-	-	-	590,128	1,170,387	-	-
	18,077,981	4,498,908	6,556,140	11,621,682	2,691,566	287,976	63,668,765 [^]	2,032,432	109,435,450	7,310,309	1,383,345

[^] Excludes general allowance amounting to RM 1,065,735,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

52 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk (Continued)

	The Company 2005							
	Short-term funds and placements with financial institutions RM'000	Securities held for trading RM'000	Held-to- maturity securities RM'000	Derivative financial instruments RM'000	Loans, advances and financing RM'000	Other debtors, deposits and prepayments RM'000	On- balance sheet total contingencies RM'000	Treasury related commitments and contingencies RM'000
Finance, insurance and business services	450,581	320,039	134,422	202	-	-	905,244	1,892
Others	-	205	-	-	3,219	1,452	4,876	-
	450,581	320,244	134,422	202	3,219	1,452	910,120	1,892
Assets not subject to credit risk	-	-	48,642	-	-	663	49,305	-
	450,581	320,244	183,064	202	3,219	2,115	959,425	1,892

	The Company 2004								
	Short-term funds and placements with financial institutions RM'000	Securities held for trading RM'000	Available- for-sale securities RM'000	Held-to- maturity securities RM'000	Derivatives financial instruments RM'000	Loans, advances and financing RM'000	Other debtors, deposits and prepayments RM'000	On- balance sheet total contingencies RM'000	Treasury related commitments and contingencies RM'000
Finance, insurance and business services	1,328,411	354,936	21,203	215,194	1,061	-	-	1,920,805	4,100
Others	-	-	-	-	-	3,058	733	3,791	-
	1,328,411	354,936	21,203	215,194	1,061	3,058	733	1,924,596	4,100
Assets not subject to credit risk	-	-	-	-	-	-	666	666	-
	1,328,411	354,936	21,203	215,194	1,061	3,058	1,399	1,925,262	4,100

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

53 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 FRS 132 – Financial Instruments: Disclosure and Presentation 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:

	The Group			
	2005		2004	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Held-to-maturity securities	2,420,509	2,363,790	2,691,566	2,706,106
Loans, advances and financing	69,095,880	70,122,038	62,603,030	63,628,852
Financial liabilities				
Amount due to Cagamas Berhad	2,375,329	2,426,748	2,283,878	2,426,748
Loan stocks	782,763	828,114	778,346	845,139
Bonds	928,708	966,039	912,118	1,031,843
Subordinated Notes	1,872,016	1,887,039	1,516,214	1,560,443
	The Company			
	2005		2004	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Held-to-maturity securities	183,064	188,102	215,194	237,948
Financial liabilities				
Bonds	500,000	537,331	500,000	539,841

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

53 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amount of the held-to-maturity securities at the balance sheet date were not reduced to their estimated fair values as these securities will be held-to-maturity and the Directors are of the opinion that the amounts will be recoverable in full on the maturity date.

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, the 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.

Securities held for trading, available-for-sale and held-to-maturity securities

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other revaluation techniques commonly used by market participants.

Loans, advances and financing

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 maturity.

The fair values of impaired floating and fixed rate loans are represented by their carrying value, net of specific allowance 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 2005

53 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 of 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.

Floating rate certificates of deposits

For floating rate certificates of deposits, values are estimated based on discounted cash flow using prevailing market interest rates for floating rate certificates of deposits.

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 of 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 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 the 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 2005

53 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 market rates for borrowings with similar risk profile.

Subordinated Notes

For Subordinated Notes 2003/2013, the fair value is calculated using the trading stock price at the Luxembourg Stock Exchange.

For Subordinated Notes 2004/2014, the fair value is estimated based on discounted cash flows using prevailing market rates for borrowings with similar risks profile.

For Subordinated Notes 2005/2015, the fair value is determined by referencing to the securities price quoted by Bloomberg.

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.

54 CHANGE IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES

During the financial year, the Group and the Company adopted Bank Negara Malaysia's revised Guidelines on Financial Reporting for Licensed Institutions' ("BNM/GP8") which resulted in a change in the accounting policy for the classification and measurement of the Group's and the Company's securities portfolio and derivative financial instruments.

(a) Securities portfolio

In previous years, the securities portfolio was classified into dealing and investment securities. Dealing securities were stated at the lower of cost and market value. Investment securities were stated at amortised cost or cost and allowance was made in the event of any permanent diminution in value.

Due to the adoption of the revised BNM/GP8, the securities portfolio is now classified into securities held for trading, available-for-sale securities and held-to-maturity securities. Securities are initially recognised at fair value.

Securities held for trading ("HFT") and available-for-sale ("AFS") securities are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the HFT category are included in the income statement in the period which they arise. Gains and losses arising from changes in the fair value of AFS securities are recognised directly in equity, until the securities are derecognised or impaired at which time the cumulative gains or losses previously recognised in equity are recognised in the income statement. Investment in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost.

Held-to-maturity securities are subsequently measured at amortised cost using the effective interest method. Gains and losses arising from the derecognition or impairment of the securities are recognised in the income statement.

The change in accounting policy has been accounted for retrospectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

54 CHANGE IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES (CONTINUED)

(b) Derivative financial instruments

In the previous years, the Group's and the Company's derivative transactions were not recorded on the balance sheet with the exception of forward exchange contracts, which are fair valued and the related gains and losses are recognised in the income statement.

Due to the adoption of revised BNM/GP8, all derivatives are now initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

The change in accounting policy has been accounted for retrospectively.

	As previously reported RM'000	Effect of change in accounting policies RM'000	As restated RM'000
Group			
At 31 December 2004			
Balance sheets			
Securities held for trading	–	6,556,140	6,556,140
Available-for-sale securities	–	11,621,682	11,621,682
Held-to-maturity securities	–	2,691,566	2,691,566
Other assets	2,275,005	(242,573)	2,032,432
Derivative financial instruments – assets	–	287,976	287,976
Derivative financial instruments – liabilities	–	511,784	511,784
Deferred tax assets (net)	321,347	(35,586)	285,761
Tax recoverable	466,877	(20,314)	446,563
Other liabilities	4,277,563	(319,624)	3,957,939
Loan stocks	762,232	16,114	778,346
Subordinated Notes	1,519,488	(3,274)	1,516,214
Minority interests	827,753	13,087	840,840
Statement of changes in equity			
Retained profit	2,635,428	(26,316)	2,609,112
Revaluation reserve – available-for-sale securities	–	198,053	198,053
Income statements			
Interest income	5,276,500	(5,188)	5,271,312
Interest expense	2,572,976	7,825	2,580,801
Non-interest income	1,473,968	(24,492)	1,449,476
Allowance for impairment of securities	–	14,807	14,807
Taxation	144,027	(23,794)	120,233
Minority interests	193,870	4,004	197,874
Net profit for the financial year	752,227	(17,687)	734,540

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

54 CHANGE IN ACCOUNTING POLICIES AND COMPARATIVE FIGURES (CONTINUED)

	As previously reported RM'000	Effect of change in accounting policies RM'000	As restated RM'000
Company			
At 31 December 2004			
Balance sheets			
Securities held for trading	–	354,936	354,936
Available-for-sale securities	–	21,203	21,203
Held-to-maturity securities	–	215,194	215,194
Derivative financial instruments – asset	–	1,061	1,061
Deferred tax liabilities	12,948	5,470	18,418
Statement of changes in equity			
Retained profit	735,090	14,067	749,157
Revaluation reserve – available-for-sale securities	–	18,355	18,355
Income statements			
Non-interest income	343,118	13,116	356,234
Write back of allowance for impairment of securities	–	1,019	1,019
Taxation	14,851	3,958	18,809
Net profit for the financial year	285,532	10,177	295,709
	As previously reported RM'000	Effect of change in accounting policies RM'000	As restated RM'000
Group			
At 1 January 2004			
Balance sheets			
Deferred tax assets (net)	359,924	(13,155)	346,769
Statement of changes in equity			
Retained profit	2,193,878	(8,629)	2,185,249
Revaluation reserve – available-for-sale securities	–	119,690	119,690
Company			
At 1 January 2004			
Balance sheets			
Deferred tax liabilities	8,650	1,512	10,162
Statement of changes in equity			
Retained profit	641,372	3,890	645,262
Revaluation reserve – available-for-sale securities	–	20,405	20,405

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING

Consolidated balance sheet as at 31 December 2005

	Note	2005 RM'000	2004 RM'000
Assets			
Cash and short-term funds	(a)	755,969	486,192
Deposits and placements with banks and other financial institutions	(b)	5,000	100,000
Securities held for trading	(c)	13,978	53,209
Available-for-sale securities	(d)	109,403	–
Financing, advances and other loans	(e)	15,893	–
Deferred tax assets	(f)	4,375	–
Statutory deposits with Bank Negara Malaysia	(g)	3,120	–
Fixed assets	(h)	9,878	–
Other assets	(i)	3,537	956
Total assets		921,153	640,357
Liabilities and Islamic banking capital funds			
Deposits from customers	(j)	555,820	197,416
Deposits and placements of banks and other financial institutions	(k)	130,684	306,965
Bills and acceptances payable		694	–
Amount due to holding company		165	–
Amount due to related companies		169	–
Provision for taxation and zakat	(l)	7,141	5,053
Long-term borrowings	(m)	41,830	41,830
Other liabilities	(n)	7,385	5,271
Total liabilities		743,888	556,535
Islamic banking funds		169,683	69,683
Reserves		7,582	14,139
Total Islamic banking capital funds		177,265	83,822
Total liabilities and Islamic banking capital funds		921,153	640,357
Commitments and contingencies			
Principal	(o)	110,108	177,000
Credit equivalent	(o)	71,822	101,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**Consolidated income statement
for the financial year ended 31 December 2005**

	Note	2005 RM'000	2004 RM'000
Income derived from investment of depositors' funds and others	(q)	20,997	20,117
Transfer to/(from) profit equalisation reserve	(p)	2,348	(1,555)
Other expense directly attributable to the investment of the depositors and Islamic banking capital funds		(57)	(69)
Total attributable income		23,288	18,493
Income attributable to depositors	(r)	(15,034)	(12,669)
Income attributable to Reporting Institutions		8,254	5,824
Income derived from investment of Islamic banking capital funds	(s)	15,847	9,011
Total net income		24,101	14,835
(Allowance for)/writeback of losses on financing, advances and other loans		(245)	206
Overhead expenses	(t)	(28,992)	(3,418)
(Loss)/profit before taxation and zakat		(5,136)	11,623
Taxation and zakat	(u)	523	(3,344)
Net (loss)/profit for the financial year		(4,613)	8,279

**Consolidated statement of changes in equity
for the financial year ended 31 December 2005**

	Non-distributable			Distributable	
	Islamic banking funds RM'000	Statutory reserves RM'000	Revaluation reserve- available- for-sale securities RM'000	Retained profits RM'000	Total RM'000
2005					
Balance as at 1 January 2005	69,683	2,740	-	11,399	83,822
Net loss for the financial year	-	-	-	(4,613)	(4,613)
Net gain from change in fair value of available-for-sale securities	-	-	864	-	864
Deferred tax impact	-	-	(242)	-	(242)
Net gain not recognised in income statement	-	-	622	-	622
Issue of share capital	100,000	-	-	-	100,000
Transfer to statutory reserves	-	534	-	(534)	-
Interim dividend paid for 2005	-	-	-	(2,566)	(2,566)
Balance as at 31 December 2005	169,683	3,274	622	3,686	177,265
2004					
Balance as at 1 January 2004	69,683	1,163	-	4,697	75,543
Net profit for the financial year	-	-	-	8,279	8,279
Transfer to statutory reserves	-	1,577	-	(1,577)	-
Balance as at 31 December 2004	69,683	2,740	-	11,399	83,822

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**Consolidated cash flow statement
for the financial year ended 31 December 2005**

	2005 RM'000	2004 RM'000
Operating activities		
(Loss)/profit before taxation and zakat	(5,136)	11,623
Add/(less) adjustments:		
Transfer (from)/to profit equalisation reserve	(2,348)	1,555
Depreciation of fixed assets	218	–
Net unrealised (gain)/loss on revaluation of securities held for trading	(177)	188
Accretion of discount less amortisation of premium	(2,168)	–
Net loss from sale of available-for-sale securities	20	–
Net gain from sale of securities held for trading	(11,284)	–
Allowance for/(writeback of) losses on financing, advances and other loans	245	(206)
	(20,630)	13,160
(Increase)/decrease in operating assets		
Deposits and placements with banks and other financial institutions	95,000	(100,000)
Securities held for trading	50,583	298,345
Financing, advances and other loans	(16,138)	13,703
Statutory deposits with Bank Negara Malaysia	(3,120)	1,261
Other assets	(2,599)	1,192
Increase/(decrease) in operating liabilities		
Deposits from customers	358,404	121,839
Bills and acceptances payable	694	–
Deposits and placements of banks and other financial institutions	(176,281)	16,091
Other liabilities	4,456	1,220
Amount due to holding company	165	–
Amount due to related companies	169	–
Cash flow generated from operations	290,703	366,811
Taxation paid	(1,999)	(1,587)
Net cash flow generated from operating activities	288,704	365,224
Investing activities		
Net proceeds from (purchase)/disposal of available-for-sale securities	(106,265)	30,006
Purchase of fixed assets	(10,096)	–
Net cash (used in)/generated from investing activities	(116,361)	30,006

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

**Consolidated cash flow statement
 for the financial year ended 31 December 2005 (Continued)**

	Note	2005 RM'000	2004 RM'000
Financing activities			
Issuance of share capital		100,000	–
Dividend paid		(2,566)	–
Net cash flow generated from financing activities		97,434	–
Net increase in cash and cash equivalents during the financial year		269,777	395,230
Cash and cash equivalents at beginning of the financial year		486,192	90,962
Cash and cash equivalents at end of the financial year	(a)	755,969	486,192
(a) Cash and short-term funds			
Cash and balances with banks and other financial institutions		569	242
Money at call and deposit placements maturing within one month		755,400	485,950
		755,969	486,192
(b) Deposits and placements with banks and other financial institutions			
General investment funds:			
Licensed banks		5,000	–
Specific investment funds:			
Licensed banks		–	70,000
Licensed finance companies		–	15,000
Other financial institutions		–	15,000
		–	100,000
(c) Securities held for trading			
Money market instruments:			
Islamic Bank Negara Negotiable notes		–	1,273
Negotiable instruments of deposits		4,932	–
		4,932	1,273
Unquoted securities:			
<i>In Malaysia</i>			
Islamic private debt securities		9,046	51,936
		13,978	53,209

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

	2005 RM'000	2004 RM'000
(d) Available-for-sale securities		
Money market instruments:		
<u>Unquoted</u>		
Malaysian Government Investment issues	70,007	–
Khazanah bond	13,094	–
Private debt securities	26,302	–
	109,403	–
(e) Financing, advances and other loans		
Cash	3	–
Term financing	22,417	–
	22,420	–
Less: Unearned income	(6,282)	–
Gross financing, advances and other loans	16,138	–
Allowance for bad and doubtful financing:		
– General	(245)	–
Total net financing, advances and other loans	15,893	–
(i) Financing analysed by contract is as follows:		
Murabahah	9,807	–
Bai-Bithaman (deferred payment sale)	6,310	–
Others	21	–
	16,138	–
(ii) The maturity structure of financing is as follows:		
Maturity within 1 year	21	–
One year to three years	9,807	–
Three years to five years	49	–
Over five years	6,261	–
	16,138	–
(iii) Financing according to economic sector is as follows:		
Construction	9,807	–
Purchase of residential landed property	6,310	–
Others	21	–
	16,138	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

	2005	2004
	RM'000	RM'000
(e) Financing, advances and other loans (Continued)		
(iv) Movement in the allowance for bad and doubtful financing are as follows:		
<u>General allowance</u>		
At 1 January	–	206
Net allowance made during the financial year	245	–
Amount written back during the financial year	–	(206)
Balance at 31 December	245	–
	1.52%	–
(as % of gross financing, advances and other loans)		

(f) Deferred tax assets

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:

	2005
	RM'000
Unutilised tax losses	4,764
General allowance for bad and doubtful financing	27
Accelerated tax depreciation	(202)
Other temporary differences	(214)
	4,375

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Directors are of the opinion that the Group will be able to generate future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(f) Deferred tax assets (Continued)

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

Deferred tax assets/(liabilities)	Unutilised tax losses RM'000	General allowance for bad and doubtful financing RM'000	Accelerated tax depreciation RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2005	–	–	–	–	–
Credited/(charged) to income statement	4,764	27	(202)	28	4,617
Transferred to equity	–	–	–	(242)	(242)
At 31 December 2005	4,764	27	(202)	(214)	4,375

(g) Statutory deposits with Bank Negara Malaysia

The statutory deposits are maintained 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.

(h) Fixed assets

2005	Renovations, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Computer equipment and software under lease RM'000	Total RM'000
Cost				
At 1 January	–	–	–	–
Additions	9,427	193	476	10,096
At 31 December	9,427	193	476	10,096
Accumulated depreciation				
At 1 January	–	–	–	–
Charge for the financial period	133	20	65	218
At 31 December	133	20	65	218
Net book value at 31 December 2005	9,294	173	411	9,878

The above fixed assets include renovations and computer equipment and software under construction at cost of RM7,691,000.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

	2005	2004
	RM'000	RM'000
(i) Other assets		
Dividend receivables	1,781	628
Other debtors, deposits and prepayments	1,756	328
	3,537	956
(j) Deposits from customers		
Non-Mudharabah fund:		
Demand deposits	5,906	–
Saving deposits	8,639	–
	14,545	–
Mudharabah fund:		
Savings deposits	8,361	–
Demand deposits	3,249	–
General investment deposits	301,390	–
Special investment deposits	123,230	197,416
Others	105,045	–
	541,275	197,416
	555,820	197,416
(i) Maturity structure of investment deposits are as follow:		
Due within six months	422,364	197,416
Six months to one year	1,255	–
Three years to five years	1,001	–
	424,620	197,416
(ii) The deposits are sourced from following customers:		
– Business enterprises	228,374	117,336
– Others	327,446	80,080
	555,820	197,416
(k) Deposits and placements of banks and other financial institutions		
Mudharabah fund:		
Bank Negara Malaysia	20,154	–
Other financial institutions	110,530	306,965
	130,684	306,965

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

				2005 RM'000	2004 RM'000	
(l) Provision for taxation and zakat						
Taxation				7,136	5,052	
Zakat				5	1	
				7,141	5,053	
(m) Long-term borrowings						
Negotiable certificate of deposits				41,830	41,830	
(n) Other liabilities						
Dividend payable				3,677	2,210	
Profit equalisation reserve (Note p)				389	2,737	
Other liabilities				3,319	324	
				7,385	5,271	
(o) Commitments and contingencies						
		2005		2004		
	Principal	Credit	Risk	Principal	Credit	
	RM'000	equivalent	weighted	RM'000	equivalent	
		RM'000	amount		RM'000	
			RM'000			
Direct credit substitutes	33,535	33,535	26,643	75,000	75,000	58,544
Irrevocable commitments						
to extend credit						
– maturity less than						
one year	–	–	–	50,000	–	–
– maturity exceeding						
one year	44,923	22,462	22,119	52,000	26,000	26,000
Certain transaction related						
contingencies	31,650	15,825	15,825	–	–	–
	110,108	71,822	64,587	177,000	101,000	84,544
				2005 RM'000	2004 RM'000	
(p) Profit equalisation reserve						
At 1 January				2,737	1,182	
Amount provided during the financial year				1,554	6,887	
Amount written back during the financial year				(3,902)	(5,332)	
At end of financial year				389	2,737	

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

	2005 RM'000	2004 RM'000
(q) Income derived from investment of depositors' funds and others		
Income derived from investment of:		
(i) General investment deposits	8,091	10,367
(ii) Specific investment deposits	12,099	9,750
(iii) Others	807	–
	20,997	20,117
(i) Income derived from investment of general investment deposits		
Finance income and hibah:		
Financing, advances and other loans	12	–
Securities held for trading	642	3,402
Available-for-sale securities	407	555
Money at call and deposit with financial institutions	2,964	1,701
	4,025	5,658
Accretion of discount less amortisation of premium	1,382	–
	5,407	5,658
Other operating income:		
Net gain from foreign exchange transaction	32	–
Net loss from sale of available-for-sale securities	(13)	–
Net gain from sale of securities held for trading	1,734	4,711
Net unrealised gain/(loss) on revaluation of securities held for trading	80	(101)
	1,833	4,610
Fees and commission income:		
Fees on financing, advances and other loans	153	–
Advisory fees	194	–
Guarantor fees	426	98
Facility fees	70	–
	843	98
Other income	8	1
	8,091	10,367

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

	2005 RM'000	2004 RM'000
(q) Income derived from investment of depositors' funds and others (Continued)		
(ii) Income derived from investment of specific investment deposits		
Finance income and hibah:		
Financing, advances and other loans	58	272
Securities held for trading	1,557	4,953
Money at call and deposit with banks and other financial institutions	10,490	4,201
	12,105	9,426
Other dealing income:		
Net (loss)/gain from sale of securities held for trading	(6)	324
	12,099	9,750
(iii) Income derived from investment of other deposits		
Finance income and hibah:		
Financing, advances and other loans	4	-
Available-for-sale securities	130	-
Money at call and deposit with banks and other financial institutions	196	-
	330	-
Accretion of discount less amortisation of premium	439	-
	769	-
Other operating income:		
- Net loss from sale of available-for-sale securities	(4)	-
- Net gain from sale of securities held for trading	27	-
- Net gain from foreign exchange transactions	10	-
	33	-
Fees and commission income	2	-
Other income	3	-
	807	-
(r) Income attributable to depositors		
Deposits from customers		
- Mudharabah Fund	8,943	2,479
- Non-Mudharabah Fund	8	-
Deposits and placements of banks and other financial institutions		
- Mudharabah Fund	6,083	10,190
	15,034	12,669

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

	2005 RM'000	2004 RM'000
(s) Income derived from investment of Islamic banking capital funds		
Finance income and hibah:		
Financing, advances and other loans	766	–
Available-for-sale securities	106	1,763
Securities held for trading	851	992
Money at call and deposit with financial institutions	1,950	1,001
Accretion of discount less amortisation of premium	347	–
	4,020	3,756
Other dealing income:		
Net gain from sale of securities held for trading	9,529	4,223
Net unrealised gain/(loss) on revaluation of securities held for trading	97	(87)
Net gain from foreign exchange transaction	8	–
Net loss from sale of available-for-sale securities	(3)	–
	9,631	4,136
Fees and commission income:		
Fees on financing, advances and other loans	106	–
Advisory fees	145	65
Arrangement fees	1,560	795
Guarantee fees	341	225
Facility fees	39	–
Others	3	34
	2,194	1,119
Other income	2	–
	15,847	9,011

All unrestricted funds received from the Group's deposits are co-mingled into a single pool of funds under general investment deposits. Restricted funds categorised under specific investment deposits are managed separately, where the utilisation of the funds is identified and matched with specific funds. Islamic income/profit generated from the general investment and specific investment deposits' funds are allocated to various categories of depositors by using the weighted average rate of return method effective 1 October 2005 (previously, annualised rate of return).

For the placement of funds by external parties under Mudharabah Placement, the depositors shall only be entitled to the profit sharing of the Islamic income earned from Fund Based Income and Trading Income as the depositors are not investing in the Fee Based Islamic business except underwriting and guarantee fees. Under a typical Mudharabah Placement Agreement, it shall be clearly spelt out to the depositors on the above agreement.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

The Group distributes Islamic income/profit derived from depositors' funds based on a pre-determined ratio in the case of Mudharabah, and on a ratio determined at the discretion of the Group in the case of Non-Mudharabah. The profit/income distribution rate is arrived based on the framework of the rate of return issued by BNM.

Where an account is classified as non-performing, recognition of profit income is suspended until it is realised on a cash basis. Customers accounts are classified as non-performing when payments are in arrears for 3 months or more from first day of default for financing and after 3 months from maturity date.

	2005	2004
	RM'000	RM'000
(t) Overhead expenses		
Personnel costs		
– salaries, allowances and bonuses	6,493	1,033
– EPF	205	127
– others	1,258	66
	7,956	1,226
Establishment costs		
– rental	1,254	101
– others	12,533	270
	13,787	371
Marketing expenses		
– advertisement and publicity	1,726	373
– others	1,061	493
	2,787	866
Administration and general expenses		
– legal and professional fees	1,344	311
– communication	110	63
– others	3,008	581
	4,462	955
	28,992	3,418

Included in the personnel costs are fees paid to the Shariah Committee's members amounting to RM129,000 (2004: RM184,000).

The number of employees of the Group at the end of financial year was 84 (2004: 12).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

	2005	2004
	RM'000	RM'000
(u) Taxation		
(i) Tax expense for the financial year		
Current year tax		
– Malaysian income tax	4,094	3,344
Deferred taxation	(4,617)	–
	(523)	3,344

(ii) Numerical reconciliation of income tax expense

The explanation on the relationship between tax expense and profit before taxation and zakat is as follows:

	2005	2004
	RM'000	RM'000
(Loss)/profit before taxation and zakat	(5,136)	11,623
Tax calculated at tax rate of 28% (2004: 28%)	(1,438)	3,254
Non-taxable income	(179)	–
Expenses not deductible for tax purposes	1,094	90
	(523)	3,344

(v) Capital Adequacy Ratio

The capital adequacy ratios of the Group's Islamic banking operation are as follows:

	2005	2004
	RM'000	RM'000
Tier-1 capital	129,842	42,636
Eligible Tier-2 capital	245	–
Total capital base	130,087	42,636

Capital ratios

Core capital ratio	63.12%	37.07%
Risk-weighted capital ratio	63.24%	37.07%

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(v) Capital Adequacy Ratio (Continued)

Components of Tier-1 and Tier-2 capital are as follows:

	2005 RM'000	2004 RM'000
Tier-1 capital		
Islamic banking funds	135,000	35,000
Reserves	(5,158)	7,636
Total Tier-1 capital	129,842	42,636
Tier-2 capital		
General allowance for bad and doubtful debts	245	–
Total Tier-2 capital	245	–
Total capital base	130,087	42,636

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

	2005 Principal RM'000	2004 Principal RM'000	2005 Risk weighted RM'000	2004 Risk weighted RM'000
0%	87,271	1,349	–	–
10%	–	–	–	–
20%	504,575	95,358	100,915	19,072
50%	6,996	–	3,498	–
100%	101,293	95,945	101,293	95,945
Total risk-weighted equivalents for credit risk	700,135	192,652	205,706	115,017
Total risk-weighted equivalents for market risk			–	–
Total risk-weighted assets			205,706	115,017

Pursuant to Bank Negara Malaysia's circular, "Recognition of Deferred Tax Asset ("DTA") and Treatment of DTA for RWCR Purposes" dated 8 August 2004, deferred tax income/(expenses) is excluded from the calculation of Tier-1 capital and DTA is excluded from the calculation of risk-weighted assets.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(w) Distribution of assets (Continued)

The tables below summarises the effective average profit rate for each class of financial asset and financial liabilities. The calculation of effective average profit rate excludes non-profit bearing financial assets and financial liabilities:

	The Group	
	2005 RM %	2004 RM %
Financial assets		
Cash and short-term funds	2.93	2.18
Deposits and placements with banks and other financial institutions	2.28	2.80
Available-for-sale securities	3.70	-
Securities held for trading	4.18	5.17
Financing, advances and other loans	2.87	-
Financial liabilities		
Deposits from customers	1.85	2.61
Deposits and placements of banks and other financial institutions	2.61	2.58
Long-term borrowings	3.60	3.60

(x) Concentration of assets risks

The following table sets out the concentrations of assets by economic sectors of the Group:

	The Group						
	Cash and short-term funds and deposits and placements with banks and other financial institutions RM'000	Securities held for trading RM'000	Available for-sale securities RM'000	Financing, advances and other loans [^] RM'000	Other assets RM'000	On-balance sheet total RM'000	Commitments and contingencies RM'000
2005							
Electricity, gas and water	-	4,874	16,757	-	-	21,631	175
Construction	-	-	-	9,807	-	9,807	70,960
General commerce	-	-	9,545	-	-	9,545	-
Finance, insurance and business services	610,075	4,932	-	-	1,393	616,400	-
Government and government agencies	150,000	-	83,101	-	-	233,101	-
Purchase of residential, landed property, securities and transport vehicles	-	-	-	6,331	-	6,331	687
Others	894	4,172	-	-	512	5,578	-
	760,969	13,978	109,403	16,138	1,905	902,393	71,822
Assets not subject to assets risks	-	-	-	-	18,760	18,760	-
Total	760,969	13,978	109,403	16,138	20,665	921,153	71,822

[^] Excludes general allowance amounting to RM245,000.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2005

55 THE OPERATIONS OF ISLAMIC BANKING (CONTINUED)

(x) Concentration of assets risks (Continued)

The following table sets out the concentrations of assets by economic sectors of the Group:

	The Group				
	Cash and short-term funds and deposits and placements with banks and other financial institutions	Securities held for trading	Other assets	On-balance sheet total	Commitments and contingencies
	RM'000	RM'000	RM'000	RM'000	RM'000
2004					
Manufacturing	–	20,130	345	20,475	–
Electricity, gas and water	–	10,219	60	10,279	101,000
Construction	–	11,244	113	11,357	–
Real estate	–	10,343	176	10,519	–
Finance, insurance and business services	491,692	–	238	491,930	–
Government and government agencies	94,500	1,273	13	95,786	–
Others	–	–	11	11	–
	586,192	53,209	956	640,357	101,000

56 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 28 February 2006.

Share Performance

Bumiputra-Commerce Holdings Berhad (Commerz) Price Movement 2005



1. The Kuala Lumpur Composite Index (KLCI) was down 1% year to date as at end of 2005. It has underperformed the regional markets in two out of the last three years. External factors such as the rise in oil prices, unprecedented price wars in certain sectors such as telecommunications and cement as well as overall earnings volatility contributed to the lacklustre performance of the equity market. The KLCI hit a 6 year high in August 2005 shortly after the 7 year ringgit peg was scrapped. Foreign investors rushed into the market to take advantage of the undervalued currency. The performance of the KLCI, however masks the weak underlying performance of the smaller cap stocks as the KLCI is being held up by the heavyweight blue chip stocks. The on-going revamp of the Government-Linked Companies (GLC) which began in earnest in mid 2004 provided the support to big cap blue chips. By the last quarter of 2004, the ringgit has not strengthened to expectation. By year end, ringgit has firmed by about 0.6% to RM3.78 to the US dollar, as opposed to the expected strengthening of around 6% to 9%. This led to an out flow of foreign funds.
2. BCHB's share price reached its highest for the year on 25 July 2005 at RM5.90. The lowest price for the year was RM4.46 per share on 6 April 2005.

Post the 6 June 2005 announcement of the strategic transformation of BCHB's banking business, there was a positive reaction by the investment community.

On a combined basis, post the announcement of the CIMB-BCB integration exercise, the market capitalisation of BCHB and CIMB has increased by approximately RM4.5 billion by the year end.

BCHB was the eighth largest company by market capitalisation on Bursa Securities as at 30 December 2005. Market capitalisation at the end of 2005 amounted to RM15.7 billion compared to RM12.7 billion at the end of 2004.

Shareholders' Statistics

as at 28 February 2006

ANALYSIS OF SHAREHOLDINGS

Category	Holders	%	Shares	%
1 – 99	331	1.90	8,141	0.00
100 – 1,000	4,377	25.15	3,929,481	0.14
1,001 – 10,000	9,483	54.48	39,989,047	1.45
10,001 – 100,000	2,313	13.29	68,058,704	2.46
100,001 – 138,208,562	899	5.17	1,485,816,614	53.75
138,208,563 and above	2	0.01	1,166,369,273	42.20
	17,405	100.00	2,764,171,260	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 28 FEBRUARY 2006

	No. of shares held	% of shares
1. Khazanah Nasional Berhad	660,808,872	23.91
2. Employees Provident Fund Board (EPF)	531,714,524	19.24

SHAREHOLDERS' STATISTICS AS AT 28 FEBRUARY 2006

(as per Register of Members and Records of Depositors)

List of Top 30 Shareholders	No. of shares held	% of shares
1. Khazanah Nasional Berhad	640,808,872	23.18
2. Employees Provident Fund Board	525,560,401	19.01
3. Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	93,646,184	3.39
4. HSBC Nominees (Asing) Sdn Bhd For JPMorgan Chase Bank, National Association (U.S.A)	51,779,800	1.87
5. HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston for Gmo Emerging Markets Fund	49,781,030	1.80
6. CIMSEC Nominees (Tempatan) Sdn Bhd Security Trustee (KCW Issue 2)	48,477,900	1.75
7. Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (c)	44,461,525	1.61
8. HSBC Nominees (Asing) Sdn Bhd For JPMorgan Bank Luxembourg S.A.	42,504,700	1.54
9. THE BANK OF TOKYO-MITSUBISHI UFJ Bank Limited	35,732,400	1.29
10. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia 2020	28,628,300	1.04
11. HSBC Nominees (Asing) Sdn Bhd For JPMorgan Chase Bank, National Association (U.K)	27,029,400	0.98

SHAREHOLDERS' STATISTICS

as at 28 February 2006

SHAREHOLDERS' STATISTICS AS AT 28 FEBRUARY 2006

(as per Register of Members and Records of Depositors)

List of Top 30 Shareholders	No. of shares held	% of shares
12. HSBC Nominees (Asing) Sdn Bhd Abu Dhabi Investment Authority	25,514,190	0.92
13. Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore (H)	21,236,900	0.77
14. CIMSEC Nominees (Tempatan) Sdn Bhd Khazanah Nasional Berhad (MES-POOL Account)	20,000,000	0.72
15. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	19,000,000	0.69
16. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	16,083,500	0.58
17. Cartaban Nominees (Asing) Sdn Bhd Investors Bank and Trust Company for Ishares, Inc.	14,862,600	0.54
18. HSBC Nominees (Asing) Sdn Bhd For JPMorgan Chase Bank, National Association (Netherlands)	13,742,900	0.50
19. Cartaban Nominees (Asing) Sdn Bhd Investors Bank and Trust Company for William Blair International Growth (Fund)	13,270,500	0.48
20. Cartaban Nominees (Asing) Sdn Bhd State Street Australia Fund Q3VD for Fullerton (Private) Limited	13,000,000	0.47
21. HSBC Nominees (Asing) Sdn Bhd TNTC for Government of Singapore Investment Corporation Pte Ltd	12,882,800	0.47
22. Citigroup Nominees (Asing) Sdn Bhd For American International Assurance Company Limited	12,109,800	0.44
23. HSBC Nominees (Asing) Sdn Bhd Pictet and Cie for Pictet Asia Growth Fund FCP (Pam Ref 3186)	11,145,200	0.40
24. Citigroup Nominees (Tempatan) Sdn Bhd For Prudential Assurance Malaysia Berhad	10,472,000	0.38
25. Kumpulan Wang Amanah Pencen Jabatan Akauntan Negara Malaysia	10,053,000	0.36
26. Permodalan Nasional Berhad Investment Processing Dept.	9,876,200	0.36
27. Cartaban Nominees (Asing) Sdn Bhd Credit Suisse First Boston (Europe) Limited	9,702,400	0.35
28. Valuecap Sdn Bhd	9,660,000	0.35
29. Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 1 LNO for The Genesis Group Trust Employee Benefit Plans	8,637,500	0.31
30. HSBC Nominees (Asing) Sdn Bhd For JPMorgan Chase Bank, National Association (BTPS)	7,976,000	0.29
	1,847,636,002	66.84

Properties of the Group

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
PROPERTIES OF BUMIPUTRA-COMMERCE HOLDINGS BERHAD:-						
Commerce Square, Jalan Semantan Damansara Heights, 50490 Kuala Lumpur	Office Premises	Leasehold	68	13	18,974	1992
No. 22-24, Commerce House Jalan Sri Semantan 1, Damansara Heights 50490 Kuala Lumpur	Office Premises	Leasehold	67	9	11,523	1996
No. 32-33, Khoo Hun Yeang Street 93000 Kuching, Sarawak	Bank Premises for Kuching Branch	Leasehold	800	33	469	1972
Sibu Laut, 93000 Kuching, Sarawak	Vacant Land	Leasehold	917	41	5	1964
Lot 83, Jalan Sultan Abdullah Pekan, Pahang	Bank Premises for Pekan Branch	Freehold	–	11	275	1994
No. 3 & 4, Taman Mewah Guar Chempedak 08800 Gurun, Kedah	Bank Premises for Guar Chempedak Branch	Freehold	–	11	354	1994
Ground Floor, Menara Choy Fook On 1B, Jalan Yong Shook Lin Section 7, Petaling Jaya, 46050 Selangor	Bank Premises for Petaling Jaya Branch	Leasehold	60	12	5,172	1993
Lot 142, Phase 3 Arab-Malaysian Industrial Land Nilai, Negeri Sembilan	BCB Warehouse	Freehold	–	9	4,122	1996
Lot 904, Bandar Kuala Pilah 72000 Kuala Pilah, Negeri Sembilan	Shop/Office lot	Freehold	–	9	212	1996
No. 1, Jalan Angkasa Jaya Bukit Pilah Perdana, 72000 Kuala Pilah Negeri Sembilan	Bank Premises for Kuala Pilah Branch	Leasehold	89	7	505	1998
PROPERTIES OF BUMIPUTRA-COMMERCE BANK BERHAD:-						
193B & 193C, Batu 4½ Jalan Skudai, Johor	Bank Premises	Freehold	–	23	676	1982
B-A1, A2, A3 & A4, Pusat Perdagangan Pasir Gudang, Johor	Bank Premises	Leasehold	73	11	1,236	1994
Sri Lagenda Garden Resort Langkawi (2 units)	Holiday Apartment	Freehold	–	10	353	1995
1583, Jln Tunku Ibrahim, Alor Star, Kedah	Bank Premises	Leasehold	8	22	846	1983
No. 1787 A-H, Jln Telok Wan Jah Alor Star, Kedah	Bank Premises	Leasehold	87	12	492	1993
Bangunan Bumiputra-Commerce Bank Jalan Maju, Kota Bharu, Kelantan	Bank Premises	Freehold	–	34	173	1971
Lot 522 & 523, Tanah Merah, Kelantan	Bank Premises	Freehold	–	31	37	1974
PTB 261 & 262, HS (D) 2/85 Bandar Machang, Kelantan	Bank Premises	Leasehold	47	9	285	1996
422, 423 & 424, Jln Pasir Puteh Pasir Puteh, Kelantan	Bank Premises	Leasehold	43	23	355	1982
Level 1, 2 & 3, Wisma Square Point Kota Bharu, Kelantan	Bank Premises	Leasehold	91	8	3,722	1997
No. 2, Jln Kaskas, Taman Cheras Kuala Lumpur	Bank Premises	Freehold	–	11	456	1994
No. 39 & 40, Jln 9/55A Taman Setiawangsa, Kuala Lumpur	Bank Premises	Leasehold	86	13	771	1992

PROPERTIES OF THE GROUP

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
G21 & 22, Pertama Kompleks Jln Tuanku Abd Rahman, Kuala Lumpur	Bank Premises	Freehold	–	26	292	1979
No. 138, 140 & 142 Jalan Burhanuddin Helmi, Kuala Lumpur	Bank Premises	Freehold	–	23	1,778	1982
Ground Floor, Podium Level Financial Park, Labuan	Bank Premises	Leasehold	89	10	5,729	1995
Greentop, 7 1/2 Mile, Teluk Kemang (Lot 1017 Mukim SiRusa, Port Dickson) Negeri Sembilan	Holiday Bungalow	Freehold	–	29	290	1976
1A & 2B, Kompleks Bumi Negeri Seremban, Negeri Sembilan	Bank Premises	Leasehold	90	9	3,555	1996
Lot 23 & 24, Jalan Tahan Bandar Baru Jerantut, Pahang	Bank Premises	Freehold	–	15	175	1990
177, Jln Engku Muda Mansur Pekan, Pahang	Bank Premises	Leasehold	31	29	271	1976
60, GF, Kompleks Teruntum Kuantan, Pahang	Bank Premises	Freehold	–	24	511	1981
32, Jalan Bank, (Bangunan BCB) Kuantan, Pahang	Bank Premises	Leasehold	64	35	1,173	1970
Lot 104 & 105, Jln Besar, Maran, Pahang	Bank Premises	Leasehold	69	30	31	1975
Lot 32 & 33, Jalan Pasar, Teluk Intan, Perak	Bank Premises	Leasehold	87	12	474	1993
Lot 1411, 1422 & 1423, Jalan Gopeng, Kampar, Perak	Vacant Land	Leasehold	76	23	73	1982
No. 38, 39 & 40, Medan Istana Bandar Raya, Ipoh, Perak	Bank Premises	Leasehold	89	10	610	1995
Lot 44, 45, 46 & 47 Jalan Penjara, Kangar, Perlis	Bank Premises	Leasehold	44	16	1,483	1989
Sri Sayang Hotel Apartment Batu Ferringhi, Pulau Pinang (2 units)	Holiday Apartment	Freehold	–	10	387	1995
GF, FF & SF, Bangunan DPMM No. 37, Leboh Pantai, Pulau Pinang	Bank Premises	Leasehold	8	22	2,006	1983
Level 1, Phase 1B, Komtar, Pulau Pinang	Bank Premises	Leasehold	69	11	2,782	1994
Lot CL2 (GF & FF) Pusat Bandar Bayan Baru, Pulau Pinang	Bank Premises	Leasehold	76	13	1,577	1992
No. 7 & 8, Taman Inderawasih Perai, Pulau Pinang	Bank Premises	Leasehold	91	8	2,398	1997
GF, FF, TB 290, 291 & 292, Lot 7-9 Block 30, Fajar Complex, Tawau, Sabah	Bank Premises	Freehold	–	8	1,703	1997
Lot 1.01, Level 1, Satok Building Jalan Satok, Kuching, Sarawak	Bank Premises	Freehold	–	33	3,205	1972
Lot 230 & 231, Bandar Serian, Sarawak	Bank Premises	Leasehold	34	26	487	1979
No. 2 Jln SG 1/2 Taman Sri Gombak, Selangor	Bank Premises	Freehold	–	25	662	1980
Pusat Putra, Bangi, Selangor	Training Centre	Leasehold	87	22	6,655	1983
395, Jalan Bandar Baru Sg. Buloh, Selangor	Bank Premises	Leasehold	87	12	187	1993
2 units shophouses at Section 18 Shah Alam, Selangor	Bank Premises	Leasehold	86	13	295	1992
Green Hill Resort, Tanah Rata Cameron Highlands, Pahang (2 units)	Holiday Apartment	Freehold	–	10	328	1995

PROPERTIES OF THE GROUP

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
Precint 3.5, Pusat Bandar Shah Alam Seksyen 14, Selangor	Vacant Land	Leasehold	89	10	4,393	1995
1519B, Jalan Tunku Ibrahim Alor Star, Kedah	Bank Premises	Leasehold	35	25	164	1980
Main Branch & Head Office 6, Jalan Tun Perak, Kuala Lumpur	Bank Premises	Freehold	–	40	7,308	1965
151, Jalan 2/3A, Off 12 km Jalan Ipoh, Batu Caves, Kuala Lumpur	Bank Premises	Leasehold	87	12	935	1993
4232, Jalan Besar, Bukit Pelanduk Negeri Sembilan	Bank Premises	Freehold	–	21	824	1984
41, Jalan Terentang, Rembau Negeri Sembilan	Bank Premises	Leasehold	73	26	88	1979
89, Jalan Sultan Yusof, Ipoh, Perak	Bank Premises	Freehold	–	28	781	1977
No. 21-23 China Street Ghaut Pulau Pinang	Vacant Building	Freehold	–	41	389	1964
64 & 65, Leboh Pantai, Pulau Pinang	Vacant Building	Freehold	–	41	111	1964
15, Leboh Pantai, Pulau Pinang	Bank Premises	Freehold	–	45	264	1960
No. 12, Jalan Dato Hamzah Klang, Selangor	Bank Premises	Freehold	–	47	66	1958
No. 280, Jalan Besar, Batang Berjuntai, Selangor	Bank Premises	Freehold	–	27	288	1978
No. 24 Jalan Utas, Seksyen 15 Shah Alam, Selangor	CAD	Leasehold	84	15	138	1990
113 & 114, Jalan Genuang Segamat, Johor	Bank Premises	Freehold	–	7	881	1998
39A, Jalan Rahman, Batu Pahat, Johor	Bank Premises	Freehold	–	17	747	1988
87-89 Jln Pahlawan Tmn Ungku Tun Aminah Johor Bharu, Johor	Bank Premises	Freehold	–	18	264	1987
G86, G87, F122, F123 & F124 Holiday Plaza, Johor Bharu, Johor	Bank Premises	Leasehold	73	17	595	1988
Plot No. 12, Lot No 1775 Pekan Kuala Nerang, Kedah	Bank Premises	Freehold	–	6	126	1999
No. 40 & 41, Pusat Bandar Kuah Pulau Langkawi, Kedah	Bank Premises	Freehold	–	15	356	1990
Lots 1931, 1932 & 1933 Gua Musang, Kelantan	Vacant Lots	Leasehold	46	20	26	1985
No. 32, Jln Tun Perak Oriental Building, Kuala Lumpur	Bank Premises	Freehold	–	7	3,778	1998
Vacant development land at Ulu Kelang, Selangor	Vacant Lots	Freehold	–	13	1,000	1992
TL 20753258, 20750388 & 20750389 District of Labuan, Labuan	Vacant Lots	Leasehold	75	15	2,113	1990
Lot 295, No. 11, Tmn Bukit Piatu Seksyen 3, Bukit Baru, Melaka	Bank Premises	Freehold	–	6	296	1999
3690, Jalan Raja Melewar Kuala Pilah, Negeri Sembilan	Bank Premises	Leasehold	82	7	616	1998
No. 114 & 115, Jln Besar Bandar Baru Kuala Lipis, Pahang	Bank Premises	Leasehold	65	17	121	1988
No. 7 & 8, Rumah Kedai Murah LKNP Jalan Ahmad Shah, Temerloh, Pahang	Bank Premises	Leasehold	78	17	229	1988

PROPERTIES OF THE GROUP

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
No. 1 & 1A, Kinta Mansion Medan Kidd, Ipoh, Perak	Bank Premises	Freehold	–	6	1,208	1999
No. 6 & 7, Jln Kelichap Parit Buntar, Perak	Bank Premises	Leasehold	80	6	246	1999
Lot 1872, Bangunan BBMB 4228 Jalan Bagan Luar Butterworth, Pulau Pinang	Bank Premises	Freehold	–	7	1,711	1998
GF, Lot 8 & 9, Block C Ranau New Town Centre, Sabah	Bank Premises	Leasehold	74	15	232	1990
Lot 507 & 508 Block 9 Miri Concession Land District (MCLD) Jalan Permaisuri, Miri, Sarawak	Bank Premises	Leasehold	74	18	503	1987
Lot 2300 & 2301, BDA-Shahida Commercial Centre, Lebuhraya Abang Gatau, Bintulu, Sarawak	Bank Premises	Leasehold	37	15	640	1990
No. 48 & 50, Jln SS 21/35 Damansara Utama, Petaling Jaya, Selangor	Bank Premises	Freehold	–	7	1,179	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	–	7	510	1998
No. 9 & 10, Jln Tun Aziz Lim Tan Kajang, Selangor	Bank Premises	Leasehold	47	7	1,052	1998
No. 27, 29 & 31, Jln 52/2, Section 52 Petaling Jaya, Selangor	Bank Premises	Leasehold	84	15	1,802	1990
No. K712 & 713, Jalan Sulaimani Chukai Kemaman, Terengganu	Bank Premises	Freehold	–	6	755	1999
Lot 139A-B, Jalan Satok 93400 Kuching, Sarawak	Bank Premises	Leasehold	848	33	25	1972
No. 22 Taman Fulliwa, Labuan	Staff Residence	Leasehold	86	12	111	1993
No. 24 Taman Fulliwa, Labuan	Staff Residence	Leasehold	86	12	111	1993
No. 32 Taman Fulliwa, Labuan	Staff Residence	Leasehold	86	12	119	1993
No. 43 Taman Fulliwa, Labuan	Staff Residence	Leasehold	86	12	126	1993
No. 47 Taman Fulliwa, Labuan	Staff Residence	Leasehold	86	12	126	1993
No. 17 Taman Fulliwa (BCB), Labuan	Staff Residence	Leasehold	86	10	218	1995
No. 6 Taman Fulliwa (BCB), Labuan	Staff Residence	Leasehold	86	10	207	1995
Alpha Condominium 14-06, Labuan	Staff Residence	Leasehold	86	10	533	1995
Alpha Condominium 12-05 (BCB), Labuan	Staff Residence	Leasehold	86	9	440	1996
Kerupang II Apartment D 02-1, Labuan	Staff Residence	Leasehold	86	9	125	1996
Kerupang II Apartment D 02-6, Labuan	Staff Residence	Leasehold	86	9	125	1996
Kerupang II Apartment B 04-1 (BCB) Labuan	Staff Residence	Leasehold	86	9	125	1996
Kerupang II Apartment B 03-8 (BCB) Labuan	Staff Residence	Leasehold	86	8	123	1997
Lot 19 Taman Ranchar-Ranchar, Labuan	Staff Residence	Leasehold	86	12	135	1993
Lot 20 Taman Ranchar-Ranchar, Labuan	Staff Residence	Leasehold	86	12	135	1993
TL 207512418 (near golf course), Labuan	Vacant Land	Leasehold	86	12	204	1993

PROPERTIES OF THE GROUP

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
FF Menara Promet, Jalan Sultan Ismail Kuala Lumpur	Commerce Tijari HQ	Freehold	–	20	5,145	1985
Lot No. 23, Taman Jasa Jalan Tun Mustapha, Labuan	Manager's Resident	Leasehold	85	22	84	1983
Sublot No. 70 & 71, Greentown Business Centre, Ipoh, Perak	Bank Premises	Freehold	–	9	1,227	1996
Lot 3083, Jalan Sultan Ismail Kuala Terengganu, Terengganu	Bank Premises	Freehold	–	13	2,874	1992
Tembeling Resort Apartment, Kuantan	Holiday Apartment	Freehold	–	10	559	1995
Lot PT 7822, Jalan Dato' Abdullah Raub, Pahang	Vacant Land	Leasehold	38	22	11	1983
TB 331B & 332A, Lot 14, Block 42 GF & 1F, Kompleks Fajar, Sabah	Vacant Building	Leasehold	991	8	955	1997

Location	Country	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005	Year of Acquisition
----------	---------	-------------	--------	--------------------------------	-------------------------	-----------------------	---------------------

INTERNATIONAL PROPERTIES OF BUMIPUTRA-COMMERCE BANK BERHAD:-

2-17-3 Mita, Meguro-ku, Tokyo 153-0062	Japan	4 bedroom house	Freehold	–	27	JPY 270,898,133	1978
No. 201 Yoyogi Parkside, 1-33-6 Tomigaya, Shibuya-ku, Tokyo	Japan	Apartment	Freehold	–	25	JPY 37,581,636	1980
Flat 10A, Victoria Heights, 43A Stubbs Road	Hong Kong	Apartment	Leasehold	39	26	HKD 1,427,546	1979
Flat 9C, Block 21, Baguio Villa, 555, Victoria Road	Hong Kong	Apartment	Leasehold	854	26	HKD 372,642	1979
Flat 2B Fook Wai Mansion, 98 Pokfulam Road	Hong Kong	Apartment	Leasehold	67	24	HKD 843,334	1981
Room 1802 & 1803, 18th Floor, Tower One Admiralty Centre	Hong Kong	Office Premises	Leasehold	48	25	HKD 19,188,287	1980
7 Temasek Boulevard No. 37-01/02/03 Suntec Tower One Singapore 038987	Singapore	Office Premises (Branch)	Leasehold	83	10	SGD 14,770,623	1995
14 Cavendish Square, London W1G 9HA	United Kingdom	Office Premises (Branch)	Freehold	–	12	GBP 1,144,440	1993
81 Woodsford Square, Addison Road London W14 5DS	United Kingdom	4 bedroom house	Leasehold	31	19	GBP 188,233	1986
14C Avenue Road, St Johns Woods London NW9 68P	United Kingdom	3 bedroom house	Freehold	–	27	GBP 25,080	1978
13 Porchester Square Mews, London W2 AG	United Kingdom	Apartment	Leasehold	31	27	GBP 45,872	1978
8 Kingston House East, London SW7 ILJ	United Kingdom	Apartment	Leasehold	48	17	GBP 103,414	1988

PROPERTIES OF THE GROUP

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
PROPERTIES OF COMMERCE ASSET REALTY SDN. BHD.:-						
No. 170-174, Jalan Sungei Besi 57100 Kuala Lumpur	Bank Premises for Sungei Besi Branch	Freehold	–	20	3,980	1985
No. 1271-2, Jalan Baru, Taman Emas 13600 Prai, Pulau Pinang	Bank Premises for Prai Branch	Freehold	–	15	779	1990
Lot 30, Kompleks Munshi Abdullah Jalan Munshi Abdullah 75100 Melaka	Bank Premises for Jalan Munshi Abdullah Branch	Freehold	–	15	1,135	1990

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (IDR'000)	Year of Acquisition
PROPERTIES OF PT BANK NIAGA TBK.:-						
Jalan Gajah Mada, 18, Jakarta	Bank premises	Freehold	–	13	7,559,797	1992
Jalan Roa Malaka Selatan No. 3–5, Jakarta	Bank premises	Freehold	–	13	364,255	1992
Jalan Falatehan 1, No. 7, Kebayoran	Bank premises	Leasehold	13	13	315,603	1992
Jalan Kwitang, No. 17–18, Jakarta	Bank premises	Freehold	–	13	619,675	1992
Jalan Fatmawati, No. 20, Jakarta	Bank premises	Freehold	–	13	728,535	1992
Jalan Raya Darmo, No. 26, Surabaya	Bank premises	Freehold	–	13	1,159,413	1992
Jalan Pemuda, No. 21B, Semarang	Bank premises	Leasehold	20	13	1,879,315	1992
Komplek Bank Niaga Blok D No. 10–11, Semarang	Warehouse	Leasehold	20	11	51,968	1994
Komplek Bank Niaga Blok A No. 2–3, Semarang	Dormitory	Leasehold	20	14	127,367	1991
Jalan Kepondang, No. 2–4, Semarang	Warehouse	Leasehold	20	30	331,687	1975
Jalan Jend. Sudirman, No. 13, Yogyakarta	Bank premises	Leasehold	1	14	1,336,646	1991
Jalan Slamet Riyadi, No. 8, Solo	Bank premises	Leasehold	12	13	920,086	1992
Jalan Lembong, No. 7, Bandung	Bank premises	Leasehold	9	13	1,512,734	1992
Jalan Riung Mumpulung 2 No. 136.1C, Bandung	Warehouse	Leasehold	0	9	57,066	1996
Jalan Bukit Barisan, No. 5, Medan	Bank premises	Leasehold	14	10	1,481,315	1995
Jalan Turi, Medan	Warehouse	Leasehold	11	8	158,988	1997
Jalan Buah Batu, No. 143, Bandung	Bank premises	Leasehold	7	10	387,879	1995
Jalan Laks, Malahayati, No. 24–40, Lampung	Bank premises	Freehold	–	15	704,950	1990
Jalan Dharmahusada, No. 142, Surabaya	Bank premises	Freehold	–	9	237,988	1996
Jalan Basuki Rachmat, No. 26–28, Malang	Bank premises	Freehold	–	13	334,611	1992
Jalan Jend. A. Yani, No. 31, Kudus	Bank premises	Leasehold	17	20	641,702	1985
Jalan Siliwangi, No. 110, Cirebon	Bank premises	Leasehold	–	13	595,395	1992
Jalan Melati, No. 29, Denpasar	Bank premises	Leasehold	5	13	834,955	1992
Jalan Jend. Sudirman No. 255 CD, Pekanbaru	Bank premises	Leasehold	5	9	607,715	1996
Jalan Padjajaran, (Gunung Gede) No. 33, Bogor	Bank premises	Freehold	–	12	410,791	1993
Jalan Daan Mogot, No. 58, Tangerang	Bank premises	Freehold	–	13	880,739	1992

PROPERTIES OF THE GROUP

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (IDR'000)	Year of Acquisition
PROPERTIES OF PT BANK NIAGA TBK.- (CONTINUED)						
Jalan Bulevar Raya, Blok LB3 No. 34-36, Jakarta	Bank premises	Freehold	-	7	313,807	1998
Jalan Tarum Barat, Blok Q No. 2 Jakarta Timur	Bank premises	Freehold	-	10	349,988	1995
Jalan Panglima, Sudirman No. 59-61 Surabaya	Bank premises	Freehold	-	13	2,537,906	1992
Jalan Tunjungan, No. 47, Surabaya	Bank premises	Freehold	-	13	918,455	1992
Jalan Tanggul Angin, Sidoarjo	Warehouse	Leasehold	0	7	103,020	1998
Jalan Kota, No. 60 AB, Surabaya	Bank premises	Freehold	-	11	437,376	1994
Roa Malaka Utara	Warehouse	Leasehold	17	49	100,219	1956
Gedung Cikarang, Jawa Barat	Warehouse	Leasehold	14	6	164,540	1999
Pembangunan Gudang Cimande	Warehouse	Leasehold	23	3	598,907	2002
Kios A. Yani, Malang	Bank premises	Leasehold	19	6	67,519	1999
Gedung Kantor, Batam	Bank premises	Leasehold	18	4	759,825	2001
Pembangunan Gardu Jaga, BUM Kemang	Warehouse	Freehold	-	2	6,892	2003
Gedung Arsip Tuntang, Semarang	Warehouse	Freehold	-	2	440,870	2003
Gedung Kiostronik ITB	Bank premises	Freehold	-	5	128,136	2000
Gedung Kiostronik Setiabudhi	Bank premises	Freehold	-	5	62,920	2000
Gedung Kantor A. Yani, Ujung Pandang	Bank premises	Freehold	-	23	915,121	1982
Bandung Dago	Bank premises	Freehold	-	1	1,316,111	2004
Pekanbaru	Bank premises	Freehold	-	0	371,858	2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
----------	-------------	--------	--------------------------------	-------------------------	--------------------------------	---------------------

PROPERTIES OF COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD

Bangunan CIMB, Jalan Semantan, Damansara Heights, 50490, Kuala Lumpur	Office Premises	Leasehold	67	3	24,027	2002
---	-----------------	-----------	----	---	--------	------

PROPERTIES OF COMMERCE LIFE ASSURANCE BHD:-

54 Jalan Gambut, 25000 Kuantan	Office Premises	Freehold	-	23	329	1982
68, Jalan Tun Abdul Razak 80000 Johor Bahru	Office Premises	Freehold	-	22	987	1983
34 Jalan Sultan Iskandar Shah 30000, Ipoh	Office Premises	Freehold	-	21	400	1984
No 163, Jalan Tun Dr Ismail 70200, Seremban	Office Premises	Freehold	-	19	346	1986
Lot 300, Section 8, No 119 Jalan Haji Taha, 94300 Kuching	Office Premises	Freehold	-	9	900	1996
39/41 Jalan Medan Tuanku 50300 Kuala Lumpur	Office Premises	Freehold	-	7	7,500	1998
Lot 369 - 374, Jln Tunku Abd Rahman 50100, Kuala Lumpur	Office Premises	Freehold	-	5	41,576	2000

PROPERTIES OF THE GROUP

as at 31 December 2005

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2005 (RM'000)	Year of Acquisition
PROPERTIES OF COMMERCE ASSURANCE BHD:-						
Lot 28, Block C, Damai Plaza Jalan Damai, Luyang, 88300 Kota Kinabalu	Vacant	Leasehold	76	10	836	1995
12C, Jalan Kampung Datu 96000, Sibul	Office Premises	Leasehold	53	10	690	1995
152-4-2 to 152-4-5 Kompleks Maluri, Jln Jejaka Taman Maluri, 55100, Kuala Lumpur	Office Premises	Leasehold	72	10	1,279	1995
No 1, Jln Prima 9 Pusat Niaga Metro Prima 52100 Kepong, Kuala Lumpur	Office Premises	Leasehold	91	7	1,502	1998
No 7, 9, 11, 13, 15 & 17 Jalan Seksyen 3/5 Taman Kajang Utama 43000 Kajang	Office Premises	Freehold	–	6	1,939	1999
Level 10, 12, 13, 13A & 15 Block 3A, Plaza Sentral Jalan Stesen Sentral 5 Kuala Lumpur Sentral 50470 Kuala Lumpur	Head Office	Freehold	–	4	16,252	2001
PROPERTIES OF SESAMA MEDICAL COLLEGE MANAGEMENT SDN BHD:-						
Fasa 1, Bukit Jalil, Mukim Petaling Wilayah Persekutuan	Vacant Land	Freehold	–	6	6,122	1999
Plaza Komanwel, Bukit Jalil 57000 Kuala Lumpur	Main Campus	Freehold	–	6	71,433	1999

The Commerce Group



BUMIPUTRA-COMMERCE HOLDINGS BERHAD

The Commerce Group of Companies is a leading financial conglomerate in Malaysia's rapidly growing financial system. At the helm is Bumiputra-Commerce Holdings Berhad (BCHB) listed in the financial section of the Bursa Malaysia Securities Berhad.

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, BCHB 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, life and general insurance and Takaful business.

Contact details: 12th Floor, Commerce Square, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: (603) 2093 5333 Fax: (603) 2093 3335 Website: www.commerz.com.my



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 1 October 1999. The commercial bank has one of Malaysia's largest ATM network in the country. With a customer base of over 4.0 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 in a quest to reinvent itself for greater competitiveness and efficiency ahead of 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 its 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 provide business with financial expertise and timely assistance.

During the year, the wholly-owned subsidiary of BCB, Bumiputra-Commerce Finance Berhad (BCF) was merged into the Bank. Since then, the hire purchase facilities offered by BCF are made available at all branches of BCB throughout Malaysia.

On 11 January 2006, BCB and its sister company, CIMB, completed the group restructuring exercise involving the integration of CIMB with BCB. The enlarged CIMB group, is currently undergoing changes to transform itself into a "universal" financial services provider by integrating the group's commercial and investment banking operations. Being the second-largest financial services provider in Malaysia, CIMB-BCB Group now has a combined staff strength of more than 11,000.

Contact details: 5th Floor, Bangunan CIMB, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia
Tel: (603) 2084 9668 Fax: (603) 2093 9688 Website: www.bcb.com.my



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, Malaysia.
Tel: (6087) 451033 Fax: (6087) 451032



COMMERCE TIJARI BANK BERHAD

Commerce Tijari Bank Berhad incorporated on 2 November 2004, and launch on 15 April 2005, is a subsidiary of Bumiputra-Commerce Bank, which focuses on Islamic banking, operating in accordance with the rules of Syariah, known as Fiqh al-Muamalat (Islamic rules on transactions). It aims to be a leading provider of Islamic banking and financial solutions in the country with significant presence in the region manifested through its mission to build a financial institution with competencies and capabilities to deliver the highest standards of service and innovative financial products and services to satisfy the needs of the business communities and individual customers.

Contact details: 1st Floor, Menara Promet, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Tel: (603) 2145 5959 Fax: (603) 2144 4746 Website: www.commerce-tijari.com.my

THE COMMERCE GROUP

CIMB CIMB BERHAD GROUP

CIMB Berhad is the investment banking arm of Commerce Group and comprises the following core companies including Commerce International Merchant Bankers Berhad (CIMB), CIMB Securities Sdn. Bhd. (CIMB Securities), CIMB Discount House Berhad. (CIMB Discount), CIMB Futures Sdn. Bhd., CIMB (L) Limited (CIMBL), CIMB-Principal Asset Management Berhad, CIMB Real Estate Sdn Bhd and CIMB-GK. CIMB is a fully integrated investment bank, offering the full range of services in banking, debt and equity markets and corporate advisory. CIMB also provides services in funds management, private equity, Islamic capital markets as well as research economics and the debt and equity markets. CIMB is currently undergoing changes to transform itself into a 'universal' financial services provider.

Contact details: 10th Floor, Bangunan CIMB, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: (603) 2084 8888 Fax: (603) 2084 8899 Website: www.cimb.com.my

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 Bursa Malaysia Securities Berhad 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, market reviews and trend analysis, and economic and industry overviews. CIMB Securities also provides underwriting, share placement, corporate advisory and custodian and nominee services.

Contact details: 9th Floor, Commerce Square, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: (603) 2084 9999 Fax: (603) 2084 9888



COMMERCE ASSET VENTURES SDN BHD

Commerce Asset Ventures Sdn Bhd (CAV) is a specialist investment fund and management company wholly-owned by BCHB which invests equity capital in emerging small and medium sized enterprises primarily in communications, information technology, healthcare and consumer sectors either in a manufacturing or service oriented environment. It seeks to support growth industries with a global outlook and typically takes an active role in creating value for the investee companies and maximise returns to 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 INTERNATIONAL GROUP BERHAD

Commerce International Group Berhad was established in February 2006. The company will function mainly as an insurance holding company, primarily providing shared services and overall direction to the insurance group. The new structure will facilitate the overall decision making process of the insurance group and thus making the group more dynamic and progressive.

Contact details: Suite 3A-15, Level 15, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.
Tel: (603) 2264 0400 / 0600 Fax: (603) 2264 0500 Website: www.commercegroup.com.my



COMMERCE ASSURANCE BERHAD

Commerce Assurance Berhad has been established since 1959 to serve the multi-national interests in insurance services. Since then Commerce Assurance has evolved into a reckoning player that has positioned her in the top five insurer in the country.

Commerce Assurance has a complete range of general insurance products to serve the interests of individuals to the huge corporations through their nationwide network of branches and intermediaries such as Agencies, Brokers and Banks outlets.

Contact details: Suite 3A-15, Level 15, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.
Tel: (603) 2264 0400 / 0600 Fax: (603) 2264 0500 Website: www.commercegroup.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 Malaysians public by introducing policies which can be specially tailored and packaged to meet the specific requirements of customers.

Contact details: Suite 3A-15, Level 15, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. Tel: (603) 2264 0412 Fax: (603) 2264 0402 Website: www.commercegroup.com.my



COMMERCE TAKAFUL BERHAD

Commerce Takaful Berhad incorporated in April 2005 is the fifth entrance of takaful company operating in Malaysia. The company thrives on transparency, partnership, friendly and moderate Islamic approach that caters to both Muslim and non-Muslim customers alike. Commerce Takaful's core business encompass a range of family and general takaful products.

Being the latest and a new entrant into the Takaful industry, Commerce Takaful will leverage on the experience and expertise of its sister companies; Commerce Assurance and Commerce Life.

Contact details: Suite 3A-10, Level 10, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia. Tel: (603) 2264 0505 Fax: (603) 2264 0555 Website: www.commercegroup.com.my



BANK NIAGA TBK

Bank Niaga is the 7th largest bank in Indonesia by assets. Established in 1955, it was listed on the Jakarta and Surabaya Stock Exchange in 1989. Bank Niaga today is a sophisticated retail banking franchise, employing over 4,000 skilled and experienced staff in 222 branches. The success has been built on solid foundations, namely state-of-the-art technology, a strong service and knowledge ethnic, reputation for sound risk management and the commitment of shareholders and management. It has earned a top 3 position in service quality awards by Marketing Research Indonesia (MRI) for nine consecutive years. It was also a recipient of Corporate Governance Perception Index Award 2004 from the HCG. Bank Niaga has implemented advanced technology platform as it focuses on providing virtually unlimited access to customers via multi channel deliveries which include branch banking, ATMs, Self Terminal (SST), phone banking, internet banking and mobile banking.

Contact details: PT Bank Niaga Tbk, Graha Niaga, Jl. Jend. Sudirman Kav. 58, Jakarta 12190, Indonesia.
Tel: (6221) 250 5252 Fax: (6221) 252 6749 Website: www.bankniaga.com

Group Directory

BUMIPUTRA-COMMERCE HOLDINGS BERHAD

12th floor, Commerce Square
Jalan Semantan,
Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: (03) 2093 5333
Fax: (03) 2093 3335
Website: www.commerz.com.my

Mohd. Shukri Hussin

Managing Director/Group Chief Executive Officer
E-mail: shukrihussin@commerz.com.my

Jamil Hajar Abdul Muttalib

Executive Vice President/Company Secretary
E-mail: jamilhajar@commerz.com.my

Idrus Ismail

Senior Vice President/Legal & Secretarial
E-mail: idrus@commerz.com.my

Aznam Shahuddin

Senior Vice President
Planning & Risk Management
E-mail: aznam@commerz.com.my

Zamri Mohd. Radzi

Senior Vice President
Corporate Services
E-mail: zamri@commerz.com.my

BUMIPUTRA-COMMERCE BANK BERHAD / CIMB

5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: (603) 2084 9668
2093 9688
Website: www.bcb.com.my
www.cimb.com.my

Dato' Mohamed Nazir Razak

Group Chief Executive, CIMB Group
E-mail: nazir@cimb.com.my

Charon Wardini Mokhzani

Executive Director (Designate)
Head, Investment Banking
E-mail: charon.mokhzani@cimb.com.my

Tunku Ahmad Burhanuddin

Executive Director (Designate)
E-mail: Tab@mailsvr.bcb.com.my

Dr. Gan Wee Beng

Executive Director/Head, Risk Management
E-mail: weebeng@cimb.com.my

Peter England

Head, Retail Banking
E-mail: pwengland@mailsvr.bcb.com.my

Abu Bakar Buyong

Head, Business Banking
E-mail: abubakar@mailsvr.bcb.com.my

Sulaiman Mohd Tahir

Head, Consumer Sales & Distribution
E-mail: SulaimanT@mailsvr.bcb.com.my

Lee Kok Kwan

Head, Group Treasury
E-mail: kkwan@cimb.com.my

Badlisyah Abdul Ghani

Head, Islamic Banking
E-mail: badlisyah@cimb.com.my

Hamidah Naziadin

Head, Group Corporate Resources
E-mail: hamidah@cimb.com.my

Iswaraan Suppiah

Head, Group Information & Operations
E-mail: iswaraan@cimb.com.my

Kenny Kim

Head, Group Strategy
E-mail: kenny@cimb.com.my

Robert Cheim Dau Meng

Adviser, Investment Banking
E-mail: Robert@cimb.com.my

Ng Ing Peng

Head, Group Finance
E-mail: ingpeng@cimb.com.my

PT BANK NIAGA TBK

Graha Niaga
Jl. Jend. Sudirman Kav. 58,
Jakarta 12190
Indonesia
Tel: (6221) 250 5252
Fax: (6221) 252 6749
Website: www.bankniaga.com

Peter B. Stok

President Director

Hashemi Albakri Abu Bakar

Vice President Director

C. Heru Budiargo

Director

Tay Un Soo

Director

Daniel James Rompas

Director

V. Catherinawati Hadiman

Director

COMMERCE ASSET VENTURES SDN. BHD.

6, Commerce House
22, Jalan Sri Semantan Satu
Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: (603) 2732 5577
Fax: (603) 2732 1343
Website: www.commerce-ventures.com.my

Raja Shamsul Kamal

Chief Executive Officer
E-mail: sham@commerce-ventures.com.my

Lee Yu Lian

Chief Operating Officer
E-mail: yulian@commerce-ventures.com.my

COMMERCE INTERNATIONAL GROUP BERHAD

Suite 3A-15, Level 15, Block 3A, Plaza Sentral
Jalan Stesen Sentral 5, Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel: (603) 2264 0400/0600
Fax: (603) 2264 0500
Website: www.commercegroup.com.my

Azman Dahlan

Group Chief Executive Officer
E-mail: azman@commercegroup.com.my

Shamsul Azman Alias

Senior Vice President - Operations
E-mail: shamsul@commercegroup.com.my

Abd Aziz Hussin

Senior Vice President - Marketing
E-mail: abdaziz@commercegroup.com.my

Mohamad Ariff Ibrahim

Senior Vice President - Corporate Services
E-mail: ariff@commercegroup.com.my

COMMERCE ASSURANCE BERHAD

Suite 3A-15, Level 15 Block 3A
Plaza Sentral, Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel: (603) 2264 0400/0600
Fax: (603) 2264 0500
Website: www.commercegroup.com.my

Faiz Ishak

Chief Executive Officer/Executive Director
E-mail: faizishak@commercegroup.com.my

COMMERCE LIFE ASSURANCE BERHAD

Suite 3A-15, Level 15, Block 3A, Plaza Sentral
Jalan Stesen Sentral 5, Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel: (603) 2264 0412
Fax: (603) 2264 0402
Website: www.commercegroup.com.my

Muhammad Fikri Mohamad Rawi

Acting Chief Executive Officer
E-mail: mfikrimr@commercegroup.com.my

COMMERCE TAKAFUL BERHAD

Suite 3A-10, Level 10, Block 3A, Plaza Sentral
Jalan Stesen Sentral 5, Kuala Lumpur Sentral
50470 Kuala Lumpur, Malaysia
Tel: (603) 2264 0505
Fax: (603) 2264 0555
Website: www.commercegroup.com.my

Zainudin Ishak

Acting Chief Executive Officer
E-mail: zainudin@commercegroup.com.my

COMMERCE ASSET REALTY SDN. BHD.

Ground Floor, Commerce Square
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: (603) 2092 2577
Fax: (603) 2093 8760

SUBSIDIARIES OF CIMB

CIMB SECURITIES SDN. BHD.

9th Floor, Commerce Square
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: (603) 2084 9999
Fax: (603) 2084 9888
Telex: MA 30991 CIMSEC
Website: www.cimb.com.my

CIMB (L) LIMITED

Unit 11 (B1), Level 11
Main Office Tower
Financial Park Complex
Jalan Merdeka
87000 Labuan
Federal Territory of Labuan
Malaysia
Tel: (6087) 451 608
Fax: (6087) 451 610

CIMB-GK PTE LTD

50th Raffles Place
#33-00 Singapore Land Tower
Singapore 048623
Tel: (65) 6225 1228
Fax: (65) 6225 1522

CIMB-PRINCIPAL ASSET MANAGEMENT

Level 5, Menara Millenium
8, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Malaysia
Tel: (603) 2084 2222
Fax: (603) 2084 2233
Website: www.commercetrust.com.my

SUBSIDIARIES OF BUMIPUTRA-COMMERCE BANK BERHAD

I-PRESTIGE SDN BHD

(subsidiary of Bumiputra-Commerce Finance Berhad)

No. 1, Jalan 51A/219
46100 Petaling Jaya
Selangor Darul Ehsan
Tel: 03 7688 8118
Fax: 03 7960 7618

BUMIPUTRA-COMMERCE TRUSTEE BERHAD

Level 3, Bangunan Amanah Raya Bhd
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 8888
Fax: 03 2092 2717

BUMIPUTRA-COMMERCE FACTORS LEASE BERHAD

6th Floor, No. 338,
Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03 2697 0298
Fax: 03 2697 0092

BBMB UNIT TRUST MANAGEMENT BERHAD

5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9668
Fax: 03 2093 9688

BUMIPUTRA-COMMERCE BANK (L) LIMITED

Level 14(A), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Labuan
Federal Territory of Labuan
Tel: 087 410 305
Fax: 087 410 313

BUMIPUTRA-COMMERCE INTERNATIONAL TRUST (LABUAN) BERHAD

Level 14(A), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Labuan
Federal Territory of Labuan
Tel: 087 411 252
Fax: 087 411 855

BUMIPUTRA-COMMERCE TRUST LIMITED

(Subsidiary of Bumiputra-Commerce International Trust (Labuan) Berhad)
Level 14(A), Main Office Tower
Financial Park Labuan, Jalan Merdeka
87000 Labuan
Federal Territory of Labuan
Tel: 087 411 252
Fax: 087 411 855

BUMIPUTRA-COMMERCE CORPORATE SERVICES LIMITED

(Subsidiary of Bumiputra-Commerce Trust Limited)
Level 14(A), Main Office Tower
Financial Park Labuan, Jalan Merdeka
87000 Labuan
Federal Territory of Labuan
Tel: 087 411 252
Fax: 087 411 855

COMMERCE TIJARI BANK BERHAD

1st Floor, Menara Promet
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2145 5959
Fax: 03-2144 4746

EPIC-I SDN. BHD.

10th Floor, Menara Atlas
Plaza Pantai, 5 Jalan 4/83A
Off Jalan Pantai Baru
59200 Kuala Lumpur
Tel: 03 2296 0000
Fax: 03 2710 9570

BBMB SECURITIES (HOLDINGS) SDN. BHD.

5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9668
Fax: 03 2093 9688

BBMB FUTURES SDN. BHD.

(Subsidiary of BBMB Securities (Holdings) Sdn. Bhd.)

5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9668
Fax: 03 2093 9688

GROUP DIRECTORY

BUMIPUTRA-COMMERCE NOMINEES SDN. BHD.

Level 2, Bangunan Amanah Raya Bhd
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 6932
Fax: 03 2094 8876/03 2093 8770

BUMIPUTRA-COMMERCE NOMINEES (ASING) SDN. BHD.

Level 2, Bangunan Amanah Raya Bhd
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 6932
Fax: 03 2094 8876/03 2093 8770

BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN. BHD.

20th Floor, Menara Bumiputra
Level 2, Bangunan Amanah Raya Bhd
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 6932
Fax: 03 2094 8876/03 2093 8770

SEMERAK SERVICES SDN. BHD

4th Floor, Oriental Building
32, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03 2072 7888
Fax: 03 2078 7980

BUMIPUTRA-COMMERCE PROPERTIES SDN. BHD.

5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9668
Fax: 03 2093 9688

BOC NOMINEES SDN. BHD.

5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9668
Fax: 03 2093 9688

BOC NOMINEES (ASING) SDN. BHD.

5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9668
Fax: 03 2093 9688

BOC NOMINEES (TEMPATAN) SDN. BHD.

5th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9668
Fax: 03 2093 9688

BBMB FINANCE (HONG KONG) LTD.

19/F Central Tower
22-28 Queen's Road, Central,
Hong Kong Special Administrative Region
(HKSAR)
Tel: 00 852 252 52829
Fax: 00 852 252 33287
SWIFT: BCBMHKHH

BBMB FINANCE NOMINEE (HONG KONG) LTD.

(Subsidiary of BBMB Finance
Hong Kong Ltd.)
Suite 3607
19/F Central Tower
22-28 Queen's Road, Central Hong Kong
Special Administrative Region (HKSAR)
Tel: 00 852 252 52829
Fax: 00 852 252 33287
SWIFT: BCBMHKHH

BUMIPUTRA NOMINEE LTD.

14, Cavendish Square
London W1M-0HA
United Kingdom
Tel: 00 44171 306 6050
Fax: 00 44171 306 6060
SWIFT: BCBMGB2L

SOUTH EAST ASIAN BANK LIMITED

Max City Building
2nd Floor, Corner Remy Ollier
& Louis Pasteur Streets
Port-Louis
Republic of Mauritius
Tel: 00230 216 8826
Fax: 00230 241 7146
Telex: 5328 SEABANK IW

Directory of BCB Branches

HEAD OFFICE

Postal Address
P.O. Box 10753
50724 Kuala Lumpur
Malaysia

Visiting Address

6, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia
Tel: 03-2693 1722 (General)
03-2698 1166 (Forex)
03-2693 4433 (Money Market)
1300 880 481 (ATM Hotline)
Telex: MA31144, MA33527 (General)
Fax: 03-2698 6628 (General)
SWIFT Code: BCBMMYKL
E-mail: callcenter@bcb.com.my

FEDERAL TERRITORY OF KUALA LUMPUR

Jalan Tun Perak
(Preferred Circle Centre & Flagship)
6, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2693 3011
Fax: 03-2698 2261

Bandar Baru Seri Petaling
28, Jalan Radin Tengah
Bandar Baru Seri Petaling
57000 Kuala Lumpur
Tel: 03-9058 6800
Fax: 03-9057 1966

Damansara Town Centre
Level 1, Lot A4, Block A
Damansara Town Centre
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2095 8866
Fax: 03-2095 7506

Dang Wangi
2, Wisma RKT
Jalan Raja Abdullah
50300 Kuala Lumpur
Tel: 03-2691 5260
Fax: 03-2693 4477

Jalan Bukit Bintang
Plaza Yeoh Tiong Lay
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel: 03-2141 6700
Fax: 03-2144 1136

Jalan Duta
Block 8, Kompleks Pejabat Kerajaan
Jalan Duta
50480 Kuala Lumpur
Tel: 03-6201 7109
Fax: 03-6201 3733

Jalan Raja Chulan (Flagship)
Level 1, Menara Olympia
Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2031 5555
Fax: 03-2031 9077

Jalan Sungei Besi
170, Jalan Sungei Besi
57100 Kuala Lumpur
Tel: 03-9221 3244
Fax: 03-9221 0784

Jalan Ipoh, Kuala Lumpur
Bangunan Lim
803, Batu 4 1/2, Jalan Ipoh
51200 Kuala Lumpur
Tel: 03-6250 1130
Fax: 03-6250 1162

Jalan Tuanku Abdul Rahman
Bangunan Commerce Life
338, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2698 9276
Fax: 03-2692 2137

Kampung Baru
64, Wisma Jayanita
Jalan Raja Muda Abdul Aziz
Kampung Baru
50300 Kuala Lumpur
Tel: 03-2691 8226
Fax: 03-2691 2802

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

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

Kompleks Pertama
G21, Kompleks Pertama
Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2698 1132
Fax: 03-2692 7723

Lucky Garden, Bangsar (Flagship)
21, Lorong Ara Kiri Satu
Lucky Garden, Bangsar
59100 Kuala Lumpur
Tel: 03-2095 6600
Fax: 03-2095 6631

Masjid India
205, Jalan Bunus
Off Jalan Masjid India
50100 Kuala Lumpur
Tel: 03-2698 6933
Fax: 03-2693 1818

Megamall Mid-Valley
Lot G (E) – 006
Megamall Mid-Valley City
Batu 2 1/2, Jalan Klang Lama
58000 Kuala Lumpur
Tel: 03-2283 5620
Fax: 03-2284 3268

Menara Permodalan Nasional Berhad (PNB)
1st Floor, Menara PNB
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2161 8000
Fax: 03-2162 5152

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

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

Selayang
151, Jalan 2/3A
Off 12 Km, Jalan Ipoh
68100 Batu Caves, Kuala Lumpur
Tel: 03-6136 9649
Fax: 03-6136 9645

Sentul Raya
4, The Boulevard Shop Office
Jalan 11/48A, Sentul Raya
51000 Kuala Lumpur
Tel: 03-4041 5259
Fax: 03-4041 5427

Taman Cheras
2, Jalan Kaskas
Taman Cheras, Cheras
56100 Kuala Lumpur
Tel: 03-9130 0200
Fax: 03-9130 0140

Taman Connaught
76, Jalan Cheras
Taman Connaught, Cheras
56000 Kuala Lumpur
Tel: 03-9101 5500
Fax: 03-9102 4866

DIRECTORY OF BCB BRANCHES

Taman Danau Kota

108, Jalan 2/23A
Taman Danau Kota
Jalan Genting Klang
53300 Kuala Lumpur
Tel: 03-4149 1010
Fax: 03-4142 5348

Taman Maluri

279, Jalan Perkasa 1
Taman Maluri
Off Jalan Cheras
55100 Kuala Lumpur
Tel: 03-9284 7900
Fax: 03-9284 7447

Taman Mutiara, Cheras

2468, Jalan Mutiara Timur Satu
Taman Mutiara, Cheras
56100 Kuala Lumpur
Tel: 03-9130 3222
Fax: 03-9131 8253

Taman Setiawangsa

1, Jalan 9A/55A
Taman Setiawangsa
54200 Kuala Lumpur
Tel: 03-4252 0610
Fax: 03-4252 0581

Taman Tun Dr. Ismail

(Preferred Circle Lounge & Flagship)
138, Jalan Burhanuddin Helmi
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel: 03-7729 1630
Fax: 03-7727 8580

Universiti Malaya

Lot 5270, Bangunan Pentadbiran Baru
Universiti Malaya, Lembah Pantai
59100 Kuala Lumpur
Tel: 03-7957 0550
Fax: 03-7957 6021

Wisma Cosway

Ground Floor
Wisma Cosway
Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2142 9177
Fax: 03-2145 6511

Wisma Indah

498-0-1, Wisma Indah
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-9281 3711
Fax: 03-9281 3722

Wisma Koponas

70, Wisma Koponas
Jalan Tun Sambanthan
50470 Kuala Lumpur
Tel: 03-2274 6477
Fax: 03-2272 1816

Wisma Segar

231, Jalan Tun Sambanthan
Wisma Low Kim Her
Jalan Tun Sambanthan
Brickfields
50470 Kuala Lumpur
Tel: 03-2274 5766
Fax: 03-2274 5781

FEDERAL TERRITORY OF PUTRAJAYA

Putrajaya

No. C6 & C7, Block C,
Jalan P8C/1, Precint 8,
62250 Putrajaya
Tel: 03-8889 2330
Fax: 03-8888 5088

SELANGOR DARUL EHSAN

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

Ampang Point (Flagship)

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 Bangi

67, Jalan 8/1, Section 8
43650 Bandar Baru Bangi, Selangor
Tel: 03-8926 3180
Fax: 03-8926 3186

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

Bandar Sri Damansara

8, Jalan Cempaka SD 12/1
Bandar Sri Damansara
52200 Kuala Lumpur
Tel: 03-6275 7924
Fax: 03-6275 8362

Bandar Sunway

22, Jalan PJS 11/28A
Bandar Sunway
46100 Petaling Jaya, Selangor
Tel: 03-5637 4389
Fax: 03-5637 4396

Bandar Utama (Retail)

Lot F20, Centre Point,
Lebuhr Bandar Utama,
Bandar Utama
47800 Petaling Jaya, Selangor
Tel: 03-7726 5080
Fax: 03-7726 5986

Bangunan UMNO, Kapar

Lot 6, Bangunan UMNO
Jalan Besar
42200 Kapar, Selangor
Tel: 03-3250 8500
Fax: 03-3250 0133

Banting

135, Jalan Besar
42700 Banting, Selangor
Tel: 03-3187 2101
Fax: 03-3187 1663

Batang Berjuntai

280, Jalan Besar
45600 Batang Berjuntai, Selangor
Tel: 03-3271 9322
Fax: 03-3271 9749

Batang Kali

25, Jalan Meranti 1A, Section 3
Bandar Utama Batang Kali
44300 Ulu Selangor, Selangor
Tel: 03-6057 0558
Fax: 03-6057 9539

Country Heights, Kajang

1, Persiaran Sinar Pagi,
Country Heights
43000 Kajang, Selangor
Tel: 03-8737 1609
Fax: 03-8737 1611

Cyberjaya

Unit G-C, Ground Floor, Block 2320
Century Square,
Jalan Usahawan
63000 Cyberjaya, Selangor
Tel: 03-8318 9905
Fax: 03-8318 3421

Damansara Utama (Retail)

48, Jalan SS21/35
Damansara Utama
47400 Petaling Jaya, Selangor
Tel: 03-7277 4197
Fax: 03-7729 8278

Desa Jaya, Kepong

4, Jalan 54, Desa Jaya, Kepong
52100 Kuala Lumpur
Tel: 03-6274 1157
Fax: 03-6276 3966

HICOM Industrial Park

2, Wisma Anggerik
Jalan Perbahan 26/2
HICOM Industrial Park
40400 Shah Alam, Selangor
Tel: 03-5191 9916
Fax: 03-5191 9895

Jalan Dato Hamzah, Klang

12, Jalan Dato Hamzah
41000 Klang, Selangor
Tel: 03-3371 1771
Fax: 03-3372 4101

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 1½, Jalan Meru,
41050 Klang, Selangor
Tel: 03-3344 2540
Fax: 03-3344 2544

Kajang

9, Jalan Tun Aziz Lim Tan,
43000 Kajang, Selangor
Tel: 03-8733 1661
Fax: 03-8733 2553

Kelana Jaya

60, Jalan SS6/14,
Kelana Jaya
47301 Petaling Jaya, Selangor
Tel: 03-7803 2109
Fax: 03-7803 4313

KLIA, Sepang

Block E, Jalan KLIA S3
Southern Common Amenities Facilities
KLIA (Selatan),
64000 KLIA, Selangor
Tel: 03-8787 2602
Fax: 03-8787 2485

Kuala Selangor

30, Jalan Melati 3/1,
Bandar Melawati
45000 Kuala Selangor
Selangor
Tel: 03-3289 6991
Fax: 03-3281 3709

Lorong Batu Tiga, Klang

1, Lorong Batu 3
Off Jalan Lintang Tiga
41300 Klang, Selangor
Tel: 03-3341 9001
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

**Menara Choy Fook Onn
Petaling Jaya**

(Preferred Circle Lounge & Flagship)
Menara Choy Fook Onn
1B, Jalan Yong Shook Lin, Section 7
46050 Petaling Jaya, Selangor
Tel: 03-7956 3853
Fax: 03-7957 8782

Menara MRCB

Ground Floor,
2, Jalan Majlis 14/10,
Section 14
40000 Shah Alam, Selangor
Tel: 03-5519 1758
Fax: 03-5511 9377

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

Pelabuhan Klang

44, Jalan Chungah,
Off Jalan Sekolah
42000 Pelabuhan Klang, Selangor
Tel: 03-3168 0995
Fax: 03-3168 2299

Puchong Jaya

12, Jalan Kenari 5
Bandar Puchong Jaya
41700 Puchong, Selangor
Tel: 03-8075 7501
Fax: 03-8075 7359

Rawang

1 & 1A, Jalan Bandar,
Rawang 2, Pusat Bandar Rawang
48000 Rawang Selangor
Tel: 03-6091 3904
Fax: 03-6091 3907

Salak Tinggi

Bangunan UMNO Sepang
Jalan ST1D/2,
Bandar Baru Salak Tinggi
43900 Sepang, Selangor
Tel: 03-8706 2197
Fax: 03-8706 2202

SEA Park, Petaling Jaya (Retail)

Lot 27, Jalan 21/11A, SEA Park
46300 Petaling Jaya, Selangor
Tel: 03-7876 9072
Fax: 03-7874 7314

Section 14, Petaling Jaya (Retail)

6, Jalan 14/14, Jalan Semangat
46860 Petaling Jaya, Selangor
Tel: 03-7957 6433
Fax: 03-7956 0595

Section 18, Shah Alam

49, Jalan Pinang B18/B
Section 18,
40000 Shah Alam, Selangor
Tel: 03-5541 1909
Fax: 03-5541 7299

Section 52, Petaling Jaya (Retail)

27, Jalan 52/2,
46200 Petaling Jaya, Selangor
Tel: 03-7956 3642
Fax: 03-7955 0695

Seri Kembangan

1485, Jalan Besar
43300 Seri Kembangan, Selangor
Tel: 03-3224 4027
Fax: 03-8942 4485

Sungai Besar

22A, Jalan Menteri
45300 Sungai Besar
Sabak Bernam, Selangor
Tel: 03-3224 1205
Fax: 03-3224 1644

Taman Melawati

227, Jalan Bandar 13,
Taman Melawati
53100 Kuala Lumpur
Tel: 03-4108 1515
Fax: 03-4107 5477

Taman Putra

29, Jalan Bunga Tanjung 9C
Taman Putra
68000 Ampang, Selangor
Tel: 03-4292 2333
Fax: 03-4292 6696

Taman Seri Gombak

2, Jalan SG1/2,
Taman Seri Gombak
68100 Batu Caves, Selangor
Tel: 03-6189 2389
Fax: 03-6188 5892

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

Terminal 3, Subang

Lot RB5, Terminal 3
Lapangan Terbang Sultan Abdul Aziz Shah
47200 Subang, Selangor
Tel: 03-7846 1767
Fax: 03-7846 4026

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 UPM Serdang, Selangor
Tel: 03-8948 6018
Fax: 03-8948 2925

DIRECTORY OF BCB BRANCHES

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

Wisma DRB-HICOM

Suite 1.2, Tingkat 1,
Wisma DRB-HICOM
2, Jalan Usahawan U1/8,
Section U1
40150 Shah Alam, Selangor
Tel: 03-7805 3299
Fax: 03-7805 2935

Wisma Tractors, Subang Jaya (Flagship)

West Wing, Wisma Consplant 2
7, Jalan SS16/1, Subang Jaya
47500 Petaling Jaya, Selangor
Tel: 03-5633 5315
Fax: 03-5635 4276

NEGERI SEMBILAN DARUL KHUSUS

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

21, Jalan Mahligai,
72100 Bahau Negeri Sembilan
Tel: 06-454 5819
Fax: 06-454 5064

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

Kuala Pilah

1, Jalan Angkasa Jaya
Bukit Pilah Perdana
72000 Kuala Pilah
Negeri Sembilan
Tel: 06-481 2358
Fax: 06-481 5900

Port Dickson

745, Bangunan UMNO
Jalan Besar
71000 Port Dickson
Negeri Sembilan
Tel: 06-647 1772
Fax: 06-647 1770

Rembau

Bangunan RISDA,
13, Jalan Terentang
71309 Rembau
Negeri Sembilan
Tel: 06-685 1204
Fax: 06-685 3017

Senawang

51, Lorong Sri Mawar 12/2,
Taman Sri Mawar
70450 Senawang
Negeri Sembilan
Tel: 06-679 2739
Fax: 06-679 2710

Taman Semarak, Nilai

5717, Jalan TS 2/1D,
Taman Semarak
71800 Nilai, Negeri Sembilan
Tel: 06-799 4864
Fax: 06-799 4861

Tampin

Bangunan Baru UMNO,
Jalan Besar
73000 Tampin
Negeri Sembilan
Tel: 06-441 1588
Fax: 06-441 3163

Titi

68, Wisma Gerakan,
Jalan Besar
71650 Titi,
Negeri Sembilan
Tel: 06-611 3166
Fax: 06-611 2535

MELAKA BANDARAYA BERSEJARAH

Taman Melaka Raya

188, Taman Melaka Raya
Off Jalan Parameswara
75000 Melaka
Tel: 06-284 8960
Fax: 06-283 0582

Alor Gajah

KM 3059, 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, Kompleks 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

Kangar

44, Jalan Penjara,
01000 Kangar, Perlis
Tel: 04-976 1292
Fax: 04-976 0953

KEDAH DARUL IMAN

Alor Star

1583, Bangunan Tunku, Alor Star
Jalan Tunku Ibrahim,
05000 Alor Star, Kedah
Tel: 04-733 1906
Fax: 04-733 1170

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 1090
Fax: 04-917 5171

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

Kulim

254A, Wisma Koperasi,
Jalan Tuanku Putra
09000 Kulim, Kedah
Tel: 04-490 4600
Fax: 04-490 1323

Persiaran Sultan Abdul Hamid

(Preferred Circle Lounge & Flagship)
101, Persiaran Sultan Abdul Hamid
05050 Alor Star, Kedah
Tel: 04-772 6095
Fax: 04-772 3500

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

Teluk Wan Jah

1787 A, Jalan Teluk Wan Jah
05200 Alor Star, Kedah
Tel: 04-730 0222
Fax: 04-731 5197

Universiti Utara Malaysia

Universiti Utara Malaysia
Kompleks The Mall, Sintok,
06000 Jitra, Kedah
Tel: 04-924 1929
Fax: 04-924 2075

Wisma RIA, Sungai Petani

Wisma RIA, Taman RIA
08000 Sungai Petani, Kedah
Tel: 04-422 2486
Fax: 04-422 2484

PULAU PINANG

15, Lebuh Pantai, Penang

15, Lebuh Pantai,
10760 Pulau Pinang
Tel: 04-261 3872
Fax: 04-262 5600

1, Lebuh Pantai, Penang

Bangunan Dewan Perniagaan &
Perusahaan Melayu
1, Lebuh Pantai,
10300 Pulau Pinang
Tel: 04-262 2921
Fax: 04-263 1921

AutoCity, Prai

Unit G5, 1688, Jalan Perusahaan
Highway Auto-City,
Juru Interchange
13600 Prai, Pulau Pinang
Tel: 04-508 9358
Fax: 04-507 2713

Ayer Itam

60, Lintang Angsana
Bandar Baru Ayer Itam
11500 Pulau Pinang
Tel: 04-829 1699
Fax: 04-829 5926

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

Jalan Mahsuri, Bayan Baru

32, Jalan Mahsuri,
Bandar Bayan Baru
11950 Pulau Pinang
Tel: 04-644 4145
Fax: 04-644 6169

Jelutong

375, Vantage Point,
Jalan Perak
11600 Jelutong, Pulau Pinang
Tel: 04-283 2178
Fax: 04-282 5596

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

Kompleks Tun Abdul Razak (KOMTAR)

Lot 1.05, Level 1, Phase 1B
Kompleks Tun Abdul Razak (KOMTAR)
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

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 Yi How,
Off Jalan Raja Uda
Taman Teras Jaya
13400 Butterworth, Pulau Pinang
Tel: 04-323 2707
Fax: 04-323 2715

Taman Emas, Prai

1271, Jalan Baru, Taman Emas
13600 Prai, Pulau Pinang
Tel: 04-390 1577
Fax: 04-399 3103

Taman Selat, Butterworth

91, Jalan Bagan Luar,
Taman Selat
12720 Butterworth, Pulau Pinang
Tel: 04-331 2433
Fax: 04-332 3943

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 USM Pulau Pinang
Tel: 04-658 1382
Fax: 04-657 7662

PERAK DARUL RIDZUAN

Ipoh

112, Jalan Sultan Idris Shah, Ipoh
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

Batu Gajah

20, Jalan Pejabat Pos
31000 Batu Gajah, Perak
Tel: 05-366 1905
Fax: 05-366 2840

Grik

Wisma Pernida, Jalan Intan
33300 Grik, Perak
Tel: 05-791 2824
Fax: 05-791 2076

Hutan Melintang

6, Lorong Satu
Taman Julaiha
36400 Hutan Melintang, Perak
Tel: 05-641 8500
Fax: 05-641 8506

Ipoh Garden

Lot 73207, Jalan Canning Estate
Ipoh Garden
31400 Ipoh, Perak
Tel: 05-547 5678
Fax: 05-547 6000

DIRECTORY OF BCB BRANCHES

Jalan Gopeng, Ipoh

288, Jalan Gopeng,
Gunung Rapat
31350 Ipoh, Perak
Tel: 05-313 5200
Fax: 05-313 1316

Jelapang, Ipoh

64, Persiaran Silibin Utara
Jalan Jelapang,
30020 Ipoh, Perak
Tel: 05-527 8605
Fax: 05-527 8604

Kampar

23, Jalan Idris,
31900 Kampar, Perak
Tel: 05-465 1633
Fax: 05-466 1482

Kuala Kangsar

95, Pusat Komersil,
Jalan Kangsar
33000 Kuala Kangsar, Perak
Tel: 05-777 7011
Fax: 05-777 6372

Lumut

4165, Jalan Sultan Idris Shah
32200 Lumut, Perak
Tel: 05-683 6791
Fax: 05-683 5844

Parit Buntar

6, Jalan Kelichap
34200 Parit Buntar, Perak
Tel: 05-716 1505
Fax: 05-716 4199

Sitiawan

Lot 2871, Off Jalan Kelab
32000 Sitiawan, Perak
Tel: 05-691 8776
Fax: 05-692 1121

Taiping

Bangunan Majlis Perbandaran Taiping
42, Jalan Kota,
34000 Taiping, Perak
Tel: 05-807 2422
Fax: 05-807 8740

Tanjung Malim

21, Jalan Bunga Anggerek
35900 Tanjung Malim, Perak
Tel: 05-459 7910
Fax: 05-459 5080

Tanjung Rambutan

Lot 259, Jalan Stesen
31250 Tanjung Rambutan, Perak
Tel: 05-533 2182
Fax: 05-533 2180

Tapah

Bangunan UMNO, Jalan Raja
35000 Tapah, Perak
Tel: 05-403 3105
Fax: 05-401 2858

Teluk Intan

32, Jalan Pasar,
36000 Teluk Intan, Perak
Tel: 05-621 2711
Fax: 05-621 2714

KELANTAN DARUL NAIM

Wisma Square Point

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

Gua Musang

44, Jalan Besar,
18300 Gua Musang, Kelantan
Tel: 09-912 1424
Fax: 09-912 2195

Jalan Maju Kota Bharu

Bangunan BCB, Jalan Maju
15000 Kota Bharu, Kelantan
Tel: 09-741 9033
Fax: 09-743 3887

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 Mas

110, Serakai Mas Plaza
17000 Pasir Mas, Kelantan
Tel: 09-790 0090
Fax: 09-790 2199

Pasir Puteh

Lot 422, Jalan Pasir Puteh
16800 Pasir Puteh, Kelantan
Tel: 09-786 4367
Fax: 09-786 7677

Tanah Merah

Lot 522, Jalan Dato' Nik Mustapha
17500 Tanah Merah, Kelantan
Tel: 09-955 6084
Fax: 09-955 8328

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 Al-Muktafibilah Shah

Lot K15, Pusat Bandar
Bandar Al-Muktafibilah Shah
23400 Dungun, Terengganu
Tel: 09-822 1006
Fax: 09-822 1433

Bandar Permaisuri, Setiu

Lot P-T 729, Bandar Permaisuri
22110 Setiu, Terengganu
Tel: 09-609 2301
Fax: 09-609 0123

Dungun

3679, Bangunan UMNO
Jalan Besar
23000 Dungun, Terengganu
Tel: 09-848 1555
Fax: 09-848 5285

Jerteh

Bangunan UMNO (Baitul Ehsan)
Jalan Besar,
22000 Jerteh, Terengganu
Tel: 09-697 1136
Fax: 09-697 2653

Kemaman

K712, Jalan Sulaimani, Chukai
24000 Kemaman, Terengganu
Tel: 09-859 1655
Fax: 09-859 5823

Kerteh

Bangunan PMINT
10A, Bandar Baru Kerteh
24300 Kerteh, Terengganu
Tel: 09-826 1912
Fax: 09-826 1998

Paka

Lot 120, Jalan Besar Paka
23100 Dungun, Terengganu
Tel: 09-827 5236
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 Teluk Sisek, Kuantan

67, Jalan Teluk Sisek,
25710 Kuantan, Pahang
Tel: 09-516 2855
Fax: 09-514 4008

Jerantut

23, Jalan Tahan,
27000 Jerantut, Pahang
Tel: 09-266 2250
Fax: 09-266 4250

Karak

16, Jalan Besar,
28600 Karak, Pahang
Tel: 09-231 1281
Fax: 09-231 1522

Kompleks Teruntum

Lot G-01, Kompleks Teruntum
Jalan Penjara
25000 Kuantan, Pahang
Tel: 09-512 1346
Fax: 09-513 8726

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 7976
Fax: 09-277 7975

Pekan

Lot 83 Jalan Sultan Abdullah
26600 Pekan, Pahang
Tel: 09-422 2024
Fax: 09-422 1146

Pelabuhan Kuantan

Batu 16, Jalan Kuantan-Kemaman
Tanjong Gelang, Pelabuhan Kuantan
25710 Kuantan, Pahang
Tel: 09-583 3345
Fax: 09-583 3393

Raub

33, Jalan Lipis,
Bandar Raub Perdana
27600 Raub, Pahang
Tel: 09-355 9387
Fax: 09-355 3577

Temerloh

77, Bangunan LKNP,
Jalan Ahmad Shah
28000 Temerloh, Pahang
Tel: 09-296 1775
Fax: 09-296 4301

JOHOR DARUL TA'ZIM

Taman Pelangi

30, Jalan Serampang
Taman Pelangi,
80050 Johor Bahru, Johor
Tel: 07-332 4911
Fax: 07-332 5266

Bandar Baru Permas Jaya

39, Jalan Pemas 10/2
Bandar Baru Permas Jaya,
81750 Masai, Johor
Tel: 07-386 2520
Fax: 07-386 2527

Bandar Sri Alam, Masai

15, Jalan Suria 3
Bandar Baru Seri Alam
81750 Masai, Johor
Tel: 07-252 5520
Fax: 07-252 8280

Bangunan UMNO, Johor Bahru

51, Jalan Segget
80000 Johor Bahru, Johor
Tel: 07-222 4833
Fax: 07-223 6904

Batu Pahat

39A, Jalan Rahmat,
83000 Batu Pahat, Johor
Tel: 07-431 1096
Fax: 07-431 7324

Gelang Patah

25, Jalan Medan Nusa Perintis 6
Taman Nusa Perintis 2
81550 Gelang Patah, Johor
Tel: 07-530 0000
Fax: 07-530 0017

Holiday Plaza

G86, Holiday Plaza,
Jalan Dato' Sulaiman
80250 Johor Bahru, Johor
Tel: 07-333 1961
Fax: 07-332 2773

Kluang

7, Jalan Syed Abdul Hamid Sagaff
86000 Kluang, Johor
Tel: 07-771 8080
Fax: 07-772 4657

Kota Tinggi

30, Jalan Niaga 1
Pusat Dagangan Jalan Mawai
81900 Kota Tinggi, Johor
Tel: 07-883 7507
Fax: 07-883 4322

Kulai

Lot 1.05A, Kulai Hypermarket
Jalan Anggerik 8
Taman Kulai Utama
81000 Kulai, Johor
Tel: 07-663 1488
Fax: 07-663 7716

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

57-3, Jalan Sulaiman
84000 Muar, Johor
Tel: 06-953 5399
Fax: 06-951 5808

Nusa Bestari

76, Jalan Nusa Bestari 2/4
Taman Nusa Bestari 2
81200 Johor Bahru, Johor
Tel: 07-512 1788
Fax: 07-512 2788

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

Pontian Kechil

742, Wisma Koperasi
Jalan Taib
82000 Pontian Kechil, Johor
Tel: 07-687 1533
Fax: 07-687 4033

Pusat Perdagangan, Pasir Gudang

13A, Pusat Perdagangan,
Jalan Bandar
81700 Pasir Gudang, Johor
Tel: 07-252 4955
Fax: 07-251 2932

Segamat

113, Jalan Genuang,
85000 Segamat, Johor
Tel: 07-931 3653
Fax: 07-931 2121

Senai

182, Jalan Belimbing 1,
81400 Senai, Johor
Tel: 07-599 6214
Fax: 07-599 6219

DIRECTORY OF BCB BRANCHES

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

Taman Molek

73, Jalan Molek 3/1,
Taman Molek
81100 Johor Bahru, Johor
Tel: 07-358 4378
Fax: 07-358 3877

Taman Ungku Tun Aminah

87, Jalan Pahlawan 1
Taman Ungku Tun Aminah
81300 Skudai, Johor
Tel: 07-556 7700
Fax: 07-557 7711

Taman Universiti, Skudai

21, Jalan Kebudayaan 4
Taman Universiti,
81300 Skudai, Johor
Tel: 07-521 5055
Fax: 07-521 4291

Tampoi

193B, Batu 4^{1/2}, Jalan Skudai
80200 Tampoi, Johor
Tel: 07-236 3734
Fax: 07-234 0300

Universiti Teknologi Malaysia, Skudai

Bangunan Hal Ehwal Pelajar
Universiti Teknologi Malaysia
81300 Skudai, Johor
Tel: 07-557 7103
Fax: 07-557 0855

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: 087-331 515
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

Bandar Sri Aman

422, Jalan Hospital
95000 Bandar Sri Aman, Sarawak
Tel: 083-322 007
Fax: 083-320 887

Boulevard, Miri

Lot 2382, Block 5 MCLD
Boulevard Commercial Centre
Jalan Pujut,
08000 Miri, Sarawak
Tel: 085-416 559
Fax: 085-410 454

Jalan Permaisuri, Miri

Lot 507, Block 9
Miri Concession Land District
Jalan Permaisuri,
98000 Miri, Sarawak
Tel: 085-420 371
Fax: 085-415 379

Jalan Satok, Kuching

Lot 1.1, Bangunan Satok
Jalan Satok / Jalan 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
Fax: 082-443 418

Sarikei

12, Lorong 1,
Jalan Abdul Razak
96100 Sarikei, Sarawak
Tel: 084-651 624
Fax: 084-653 522

Serian

Lot 230, Serian Bazaar,
94700 Serian, Sarawak
Tel: 082-874 135
Fax: 082-874 431

Shahida Commercial Centre

Bintulu
Lot 2300,
BDA-Shahida Commercial Centre
Lebuhraya Abang Galau
97000 Bintulu, Sarawak
Tel: 086-331 320
Fax: 086-336 297

Sibu

1, Lorong Kampong Datu 5
Jalan Kampong Datu,
96000 Sibu, Sarawak
Tel: 084-342 404
Fax: 084-319 984

Tanjung Kidurong

Lot 17, Medan Jaya Commercial Centre
Tanjung Kidurong,
97000 Bintulu, Sarawak
Tel: 086-315 015
Fax: 086-315 013

Twin Towers Kuching

2691, Block 10, KCLD,
3rd Mile, Rock Road
93250 Kuching, Sarawak
Tel: 082-419 072
Fax: 082-420 263

SERVICE KIOSK

FEDERAL TERRITORY OF KUALA LUMPUR

Central Market (*Service Kiosk*)
Lot 1.03, Central Market Annex
Jalan Hang Kasturi
50050 Kuala Lumpur
Tel: 03-2026 3037
Fax: 03-2026 3040

KL Sentral (*Service Kiosk*)
Unit 4, Level 2, West Wing
KL Sentral
50470 Kuala Lumpur
Tel: 03-2279 8757
Fax: 03-2273 1960

Plaza Pantai (*Service Kiosk*)
Lot B1.37, Ground Floor
Plaza Pantai Park Mall
5, Jalan 4/83A
Off Jalan Pantai Baru
59200 Kuala Lumpur
Tel: 03-2284 1553
Fax: 03-2284 1557

Wangsa Maju (*Service Kiosk*)
18, Jalan 1/27A, Section 1
Wangsa Maju
53300 Kuala Lumpur
Tel: 03-4148 1119
Fax: 03-4149 0993

SELANGOR DARUL EHSAN

Amcorp Mall (*Service Kiosk*)
G19, Ground Floor
Amcorp Mall
Jalan Persiaran Barat Off Jalan Timur
46050 Petaling Jaya, Selangor
Tel: 03-7957 1225
Fax: 03-7957 1273

Bandar Baru Ampang (*Service Kiosk*)
1-A, Jalan Wawasan Ampang 2/2
Bandar Baru Ampang
68000 Ampang, Selangor
Tel: 03-4295 7060
Fax: 03-4295 8559

Naza World (*Service Kiosk*)
Lot 1, Jalan 51A/221
Naza World
46100 Petaling Jaya, Selangor

Plaza Shah Alam (*Service Kiosk*)
Lot LG 9, Level 2, Plaza Shah Alam
2, Jalan Tengku Ampuan Zabidah E9/E
Section 9, 40100 Shah Alam, Selangor
Tel: 03-5511 5395
Fax: 03-5511 5401

Taman SEA, Petaling Jaya (*Service Kiosk*)
67, Block A, Jalan SS 23/15
Taman SEA
47400 Petaling Jaya, Selangor
Tel: 03-7805 3177
Fax: 03-7804 2040

USJ Summit (*Service Kiosk*)

Lot G 01, The Summit
Subang Jaya USJ
Persiaran Kewajipan, USJ 1
47600 UEP Subang Jaya, Selangor
Tel: 03-8024 7490
Fax: 03-8024 6935

JOHOR DARUL TA'ZIM

Kompleks Plaza Angsana (*Service Kiosk*)
Lot L 2.34, Level 2
Kompleks Plaza Angsana
Pusat Bandar Tampoi
81200 Johor Bahru, Johor
Tel: 07-236 8591
Fax: 07-236 8619

MELAKA BANDARAYA BERSEJARAH

Mahkota Parade (*Service Kiosk*)
G-11, Ground Floor
Mahkota Parade
1, Jalan Merdeka
75000 Melaka
Tel: 06-281 1397
Fax: 06-281 1400

PAHANG DARUL MAKMUR

Bera, Pahang (*Service Kiosk*)
Ground Floor
10, Jalan Sri Kerayong 2
Bandar Baru Kerayong
28300 Bera, Pahang
Tel: 09-255 3766
Fax: 09-255 3541

RETAIL SERVICE OUTLETS

FEDERAL TERRITORY OF KUALA LUMPUR

Alpha Angle
Lot F29, 1st Floor
Alpha Angle Shopping Centre
Section 1, Bandar Baru Wangsa Maju
53300 Kuala Lumpur
Tel: 03-4143 7689
Fax: 03-4143 8204

Ampwalk, Jalan Ampang
Lot G.08A-1, The Ampwalk
218, Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2161 9037
Fax: 03-2161 9042

Bandar Tun Razak
46, Jalan Jujur
Bandar Tun Razak, Cheras
56000 Kuala Lumpur
Tel: 03-9171 0818
Fax: 03-9171 0826

City Square
Lot LG 10, Lower Ground Floor
City Square, Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-2161 5057
Fax: 03-2161 5061

Desa Sri Hartamas

22, Jalan 24/70A
Desa Sri Hartamas
50480 Kuala Lumpur
Tel: 03-6203 5364
Fax: 03-6203 5371

Endah Parade

Lot G. 009, Ground Floor
Endah Parade, 1, Jalan 1/149E
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Tel: 03-9056 1422
Fax: 03-9056 1424

Kota Raya Complex

Lot 1.06, 1st Floor
Kota Raya Complex
Jalan Tun Cheng Lock
50000 Kuala Lumpur
Tel: 03-2026 9397
Fax: 03-2026 1545

President's House

Shop 9, Ground Floor
President's House
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2144 0854
Fax: 03-2144 0871

Taman Bunga Raya

17, Jalan Malinja 2
Taman Bunga Raya
Off Jalan Genting Klang
53000 Kuala Lumpur
Tel: 03-4015 2654
Fax: 03-4015 2644

SELANGOR DARUL EHSAN

MAKRO, Shah Alam
MAKRO, Shah Alam
PLTL, Lot 1
Jalan Hishamuddin Alam Shah 2
Section 13
40000 Shah Alam, Selangor
Tel: 03-5510 5303
Fax: 03-5510 4118

Multimedia University, Cyberjaya

Bangunan Delta
Multimedia University
Jalan Multimedia
63100 Cyberjaya, Selangor
Tel: 03-8313 6424
Fax: 03-8313 6430

Pasar Borong Selangor

Lot 41579
Kompleks Pasar Borong Selangor
Jalan Puchong
43300 Serdang, Selangor
Tel: 03-8944 1973
Fax: 03-8944 1958

Selayang Capitol

Lot 12, Ground Floor, Selayang Capitol
Selayang-Kepong Expressway
68100 Batu Caves, Selangor
Tel: 03-6120 3932
Fax: 03-6120 3934

DIRECTORY OF BCB BRANCHES

Selayang Mall

Lot LG 27, Lower Ground Floor
Selayang Mall Shopping Centre
Jalan SU 9, Taman Selayang Utama
68100 Batu Caves, Selangor
Tel: 03-6120 5496
Fax: 03-6120 5498

Shaw Centre Point, Klang

Lot LG 14, Shaw Centre Point
Jalan Raja Hassan
41400 Klang, Selangor
Tel: 03-3343 6805
Fax: 03-3343 6845

The Mines Resort

Lot L 3-4, 2nd Floor
Mines Shopping Fair
Jalan Dulang
43300 Seri Kembangan, Selangor
Tel: 03-8941 3855
Fax: 03-8941 3853

Universiti Kebangsaan Malaysia (UKM), Bangi

Level 3, Kompleks Pusanika
Universiti Kebangsaan Malaysia
43600 UKM Bangi, Selangor
Tel: 03-8925 0507
Fax: 03-8925 0506

Warta Supermarket, Bangi Utama

Lot G11, Ground Floor
Bangi Utama Shopping Complex
1, Jalan Medan Bangi
Off Persiaran Kemajuan, Section 6
43650 Bandar Baru Bangi, Selangor
Tel: 03-8210 0161
Fax: 03-8210 0162

PERAK DARUL RIDZUAN

Universiti Teknologi PETRONAS (UTP), Tronoh

G44, Students Services Centre
Universiti Teknologi PETRONAS
31750 Tronoh, Perak
Tel: 05-365 5452
Fax: 05-365 5455

NEGERI SEMBILAN DARUL KHUSUS

Seremban Centre Point
Lot G17A, Ground Floor
Seremban Centre Point
Jalan Dato' Siamang Gagap
70100 Seremban
Negeri Sembilan
Tel: 06-762 0498
Fax: 06-762 0494

Terminal 1 Shopping Centre

Terminal 1, Shopping Centre
G-09, Ground Floor
20B, Jalan Lintang
70200 Seremban
Negeri Sembilan
Tel: 06-763 2885
Fax: 06-763 2916

MELAKA BANDARAYA BERSEJARAH

Multimedia University, Ayer Keroh
Student Plaza Complex
Multimedia University
Jalan Ayer Keroh Lama
75440 Melaka
Tel: 06-252 3325
Fax: 06-252 3327

SARAWAK

Imperial Mall

Unit UGF 1.35, Level 1
The Imperial Mall & Court
Jalan Merpati
98000 Miri, Sarawak
Tel: 085-430 652
Fax: 085-431 739

TERENGGANU DARUL IMAN

Kolej Universiti Sains dan Teknologi Malaysia (KUSTEM)

Block Y, Mengabang Telipot
21030 Kuala Terengganu
Terengganu
Tel: 09-669 9914
Fax: 09-669 9916

SABAH

Universiti Malaysia Sabah (UMS)

Premise Bank 2
UMS Student Service Center
Locked Bag 2073
88999 Kota Kinabalu
Sabah
Tel: 088-429 201
Fax: 088-426 405

BUREAU DE CHANGE

FEDERAL TERRITORY OF KUALA LUMPUR

Kompleks Budaya Kraf Kuala Lumpur

Section 63, Jalan Conlay
50450 Kuala Lumpur
Tel: 03-2164 7473
Fax: 03-2164 7473

Suria, KLCC

Lot G35, Ground Floor
PETRONAS Twin Tower
Kuala Lumpur City Centre
Jalan Ampang,
50088 Kuala Lumpur
Tel: 03-2161 1594
Fax: 03-2161 1624

SELANGOR DARUL EHSAN

Main Terminal Building KLIA Sepang

Arrival Hall, Main Terminal Building
Kuala Lumpur International Airport
43900 KLIA Sepang, Selangor
Tel: 03-8786 3887
Fax: 03-8786 3885

Satellite Terminal Building KLIA Sepang

C08, Satellite Terminal Building
Kuala Lumpur International Airport
43900 KLIA Sepang, Selangor
Tel: 03-8787 3991
Fax: 03-8787 3992

SABAH

Kota Kinabalu International Airport

Level 1, Lot 13
Kota Kinabalu International Airport
88740 Kota Kinabalu, Sabah
Tel: 088-316 448
Fax: 088-316 464

PENANG

Arrival Hall

Pulau Pinang International Airport

Lot AL05, Arrival Hall
Pulau Pinang International Airport
11900 Bayan Lepas, Pulau Pinang
Tel: 04-645 7296
Fax: 04-645 7297

Departure Hall

Pulau Pinang International Airport

Departure Hall
Pulau Pinang International Airport
11900 Bayan Lepas, Pulau Pinang
Tel: 04-644 7890
Fax: 04-645 7297

OVERSEAS BRANCHES

Hong Kong

19/F Central Tower
22-28 Queen's Road
Central, Hong Kong
Special Administrative Region (HKSAR)
Tel: 00 852 2525 2829
Fax: 00 852 2523 3287
SWIFT: BCBMHKHH

London

14, Cavendish Square
London W1G 9HA
United Kingdom
Tel: 00 44 20 7306 6063
Fax: 00 44 20 7306 6060
SWIFT: BCBMGB2L

Tokyo

1F Hibiya Daibiru
1-2-2, Uchisaiwai-Cho
Chiyoda-ku, 1 Chome
Tokyo 100-0011, Japan
Tel: 00 813 3502 1591/1594
Fax: 00 813 3508 1049
SWIFT: BCBMJPT

Singapore

7, Temasek Boulevard
#37-01/02/03, Suntec Tower 1
Singapore 038987
Tel: 02-6337 5115/7337
Fax: 02-6337 5335
SWIFT: BCBMSGSG

YANGON REPRESENTATIVE OFFICE

35 (D), Pyay Road
7th Miles, Mayangone Tsp
Yangon, Myanmar
Tel: 00 951 660919
Fax: 00 951 650838

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 OFFICE

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 10330
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 8802, 572 2224
Fax: (021) 572 2224

Kramat

Jl. Kramat Raya, No. 148
Jakarta Pusat

Cempaka Putih

Jl. Cempaka Putih Raya No.102
Jakarta Pusat
Tel: (021) 424 2506, 424 2469
Fax: (021) 4287 5765

ITC Mangga Dua

Ruko Tekstil Blok C VI No. 1
Jakarta Pusat
Tel: (021) 601 1427, 601 9210
Fax: (021) 601 1425, 601 7605

Tanah Abang

Gedung Melawai
Jl. Tanah Abang II No. 76
Jakarta Pusat
Tel: (021) 386 8344, 386 8374, 386 8386,
386 8387, 350 3568, 386 8402
Fax: (021) 386 8401

Wisma Nugra Santana

Jl. Jend. Sudirman Kav. 7-8
Jakarta Pusat
Tel: (021) 5100 0091, 5100 0092, 5100 0093
Fax: (021) 5100 0096

Benhil

Ruko Bendungan Hilir Raya,
Blok A, No. 15
Jakarta Pusat
Tel: (021) 5795 1750, 5795 1751, 571 4514
Fax: (021) 571 4504

Gunung Sahari

Jl. Gunung Sahari, No 73C
Jakarta Pusat
Tel: (021) 421 2582
Fax: (021) 421 2612

Pecenongan

Jl. Pecenongan Raya
Ruko Pecenongan Raya No. 17E
Jakarta Pusat
Tel: (021) 384 8150
Fax: (021) 384 8152

Cempaka Mas

Rukan Graha Cempaka Mas
No. BL A/20, Jl. Letjend. Suprpto
Jakarta Pusat

JAKARTA SELATAN

Sudirman 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) 270 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, 830 1776
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

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

DIRECTORY OF BANK NIAGA BRANCHES

Kemang 2

Jl. Kemang Raya No. 47-D
Jakarta Selatan
Tel: (021) 719 9812, 719 9837
Fax: (021) 719 9732

Ambasador

Ruko Mall Ambasador No. R-5
Jl. Sartio RT 08/03
Jakarta Selatan
Tel: (021) 5793 1047, 5793 1048, 5793 1049
Fax: (021) 5793 1046

Sucofindo

Graha Sucofindo, Lt. 1
Jl. Raya Ps. Minggu Kav. 34,
Jakarta Selatan
Tel: (021) 7918 8303, 7918 8305
Fax: (021) 7918 8307

Permata Hijau

Jl. Arteri Permata Hijau, Grogol Utara,
Keb. Lama, Ruko Grand Permata Hijau
– Emerald No. 18
Jakarta Selatan
Tel: (021) 5366 3250, 5366 3714, 5366 3719
Fax: (021) 5366 3251

Arcadia

Perkantoran Hijau Arcadia,
Tower E, Ground Floor
Jl. TB. Simatupang Kav. 88,
Jakarta Selatan
Tel: (021) 7883 7660
Fax: (021) 7883 7721

Coffee Banking

Wisma Metropolitan I, Ground Floor
Jl. Jend Sudirman Kav. 29-31
Jakarta Selatan
Tel: (021) 5261 069

PI Mall 2

Mall Pondok Indah 2
Ground Floor Unit No. G33D
Jl. Metro Pondok Indah
Jakarta Selatan

Bidakara

Manara Bidakara, Jl. Gatot Subroto Kav. 71-73,
Lobby Bidakara
Jakarta Selatan

JAKARTA BARAT

Kota

Jl. Roa Malaka Selatan No.3-5,
Kota Jakarta 11230
Tel: (021) 260 0260, 260 0266
Fax: (021) 260 0258

Tomang

Jl. Tomang Raya No.25
Jakarta 11440
Tel: (021) 566 0904
Fax: (021) 566 8276

Jakarta Design Center

Gedung 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)
Ruko Puri Indah Blok A No. 9
Jl. Puri Agung, Puri Indah
Kembangan
Jakarta Barat
Tel: (021) 5822 639, 5822 640
Fax: (021) 5822 776

Kebon Jeruk

Taman Aries Blok H-1 No.15-16,
Meruya Utara, Kebon Jeruk
Jakarta Barat
Tel: (021) 586 5122
Fax: (021) 586 5127

Pasar Puri

Ruko Pasar Puri Blok A No. 9
Jakarta Barat
Tel: (021) 5830 4751
Fax: (021) 5803 359

Mangga Dua

Ruko Mall Mangga Dua No. 11
Jakarta Barat
Tel: (021) 6230 3837
Fax: (021) 6230 3845

Tanjung Duren

Ruko Tanjung Duren Raya No. 84 B
Jakarta Barat
Tel: (021) 5694 0094
Fax: (021) 5694 0096

Green Garden

Green Garden, Ruko Green Garden Blok I -9/19
Jakarta Barat
Tel: (021) 581 0331, 581 0416
Fax: (021) 5830 3638

Roxy

Jl. KH. Hasyim Ashari Roxy Mas
Blok D3, No 15
Jakarta Barat
Tel: (021) 633 9484, 633 9477, 633 9641
Fax: (021) 633 9483

Taman Palem

Taman Palem, Ruko Taman Palem Blok D1,
No. 2, Jakarta Barat
Tel: (021) 5596 2942, 5596 2949
Fax: (021) 5596 2949

Joglo

Apartemen Permata
Eksekutif Lobby Lt. 1, Tower II,
Jl. Pos Pengumben Raya
Jakarta Barat 11550

Mall Taman Anggrek

Ground Level, Ruang C1
Jl. S Parman Kav. 21
Jakarta Barat
Tel: (021) 5699 9195
Fax: (021) 5699 9196

Citra Garden

Komp. Citra II Niaga
Ruko Citra II Blok B/8
Jl. Utan Jati Blok H3, Kalideres
Jakarta Barat
Tel: (021) 5441 445
Fax: (021) 5441 466

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

Kelapa Gading II

KCP Kelapa Gading II, Jl. Raya Barat,
Boulevard Blok LC 8 No. 6, Kelapa Gading
Jakarta Utara
Tel: (021) 4585 3533, 452 5674, 452 5686,
453 3239
Fax: (021) 452 5686

Kapuk

Pantai Indah Kapuk, Ruko Mediterania Tahap II
Blok K BK, Pluit
Jakarta Utara
Tel: (021) 588 4094

JAKARTA TIMUR

Kalimalang

Jl. Tarum Barat Blok Q No. 2, Kalimalang
Jakarta Timur
Tel: (021) 864 9361, 864 9364
Fax: (021) 865 6029

Jatinegara

Jl. Jatinegara Timur No 84
Jakarta 13300
Tel: (021) 8590 8405
Fax: (021) 8590 8406

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

Jayabaya

Kampus Jayabaya, Jl. Pulomas Selatan,
Kav. 23, Jakarta Timur
Tel: (021) 470 0884, 470 0886, 470 0887
Fax: (021) 470 0886

JAWA BARAT

BANDUNG

Center Bandung Lembong

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, 253 4149
Fax: (022) 253 4154

Univ. Bandung Raya (UNBAR)

Jl. Ph Hasan Mustafa No. 25
Bandung
Tel: (022) 710 3912
Fax: (022) 721 5919

Pasir Koja

Jl. Terusan Pasir Koja No. 245/193A
Bandung
Tel: (022) 604 6641, 604 6642
Fax: (022) 604 6641

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

Cihampelas

Jl. Cihampelas No. 155
Bandung
Tel: (022) 204 2715
Fax: (022) 204 0466

Pasar Baru

Pusat Perbelanjaan Pasar Baru, Lantai 2,
Unit Kios D2-03,
Jl. Otto Iskandarinata No. 70
Bandung
Tel: (022) 424 5002, 424 5004
Fax: (022) 424 5001

Sentrasari

Jl. Dr. Sutami No. 14, Ruko Sentrasari Mall
Blok II No. 14
Bandung
Tel: (022) 200 1437, 200 1438, 200 1163
Fax: (022) 200 1522

MTC

Metro Trade Centre,
Jl. Soekarno Hatta Blok C-20
Bandung
Tel: (022) 753 6453
Fax: (022) 753 6253

CIREBON

Cirebon

Cirebon
Jl. Siliwangi No. 110
Cirebon
Tel: (0231) 206 981
Fax: (0231) 208 036

Tegalwangi

Jl. Raya Tegalwangi No. 19
Cirebon
Tel: (0231) 323 500, 323 600, 325 466, 325 471
Fax: (0231) 323 400

Yos Sudarso

Jl. Yos Sudarso No. 15 D,E,F
Cirebon
Tel: (0231) 223 437, 223 439
Fax: (0231) 223 462, 223 464

TASIKMALAYA

Tasikmalaya

Jl. Sutisna Senjaya No. 77, Tasikmalaya,
Jawa barat
Tel: (0265) 323 100
Fax: (0265) 324 714

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, 351 807
Fax: (0251) 351 812

Citra Grand Cibubur

Citra Grand Cibubur Blok R1/06,
Bogor
Tel: (0251) 8459 8592, 8459 8594
Fax: (0251) 8459 8616

Tajur

Ruko V Point, Jl. Pajajaran No. 1,
Bogor

BEKASI

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

Pondok Gede

Ruko Pondok Gede Baru
Blok H No. 9
Bekasi
Tel: (021) 8499 5266, 8499 5299, 8499 5135
Fax: (021) 8499 5250

Cikarang

Ruko Capitol Business Park,
Tipe Sudut Blok 2A, Jababeka
Cikarang
Tel: (021) 8983 5892, 8983 5896
Fax: (021) 8983 5890

DEPOK

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

SUKABUMI

Sukabumi

Jl. RE Martadinata No 56
Sukabumi
Tel: (0266) 242 932
Fax: (0266) 222 050

CIANJUR

Cianjur

Jl. Dr. Muardi No. 117
Cianjur
Tel: (0263) 269 618, 269 621
Fax: (0263) 263 613

DIRECTORY OF BANK NIAGA BRANCHES

BANTEN

CILEGON

Cilegon
Wisma Permata (K Krakatau Steel)
Jl. KH Yasin Beji No. 2
Simpang Tiga
Cilegon
Tel: (0254) 383 550
Fax: (0254) 383 551

Cilegon 2

Jl. A. Yani No. 135G
Cilegon
Banten
Tel: (0254) 399 940
Fax: (0254) 399 919

TANGERANG

Bintaro Jaya

Jl. Cut Mutia II Bintaro Jaya Sektor VII,
Tangerang
Tel: (021) 745 0539, 7455 2223
Fax: (021) 745 2024

Daan Mogot

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) 5591 5074
Fax: (021) 5591 5075

Karawaci

Supermall Karawaci, Lippo Karawaci 1200
Tangerang 15811
Tel: (021) 5421 1990, 5421 2025, 5421 2026
Fax: (021) 5421 1991

Bandara

Bandara Soekarno Hatta
Terminal E, Keberangkatan EOD 68,
Cengkareng
Tangerang
Tel: (021) 559 4384
Fax: (021) 559 4385

BSD

Ruko ITC BSD No 26
Jl. Pahlawan Seribu
Tangerang

JAWA TENGAH

SEMARANG

Semarang Pemuda
Pemuda
Jl. Pemuda No. 21B
Semarang
Tel: (024) 351 5240
Fax: (024) 354 2421

A Yani

Jl. A. Yani No. 136 A
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

Jurnatan

Jl. H.A. Salim No. 49, Jurnatan
Semarang
Tel: (024) 358 4147, 358 4149
Fax: (024) 358 4150

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
Fax: (0271) 642 371

SALATIGA

Salatiga

Komp. Ruko Tamansari Shopping Center
No. 7 & 8, Jl. Jend Sudirman
Salatiga
Tel: (0298) 329 455, 329 458
Fax: (0298) 329 457

KUDUS

Center A. Yani Kudus

Jl. A. Yani No. 31
Kudus
Tel: (0291) 432 323, 432 325
Fax: (0291) 432 326

MAGELANG

Center Magelang

Jl. Tidar No. 16
Magelang
Tel: (0293) 364 391, 364 160
Fax: (0293) 364 121

PURWOREJO

Purworejo

Jl. Ahmad Yani No. 2
Purworejo
Tel: (0275) 324 444
Fax: (0275) 323 179

TEMANGGUNG

Temanggung

Jl. Jend. Sudirman 45, Temanggung
Tel: (0293) 491 213
Fax: (0293) 491 213

KLATEN

Klaten

Jl. Pemuda No. 234
Klaten
Tel: (0272) 324 968, 327 908
Fax: (0272) 327 907

TEGAL

Center Tegal

Jl. Jend. Sudirman No. 2
Tegal 52113
Tel: (0283) 343 800, 343 801, 343 805
Fax: (0283) 343 814

PURWOKERTO

Center Purwokerto

Jl. Jend Sudirman, No. 417
Purwokerto
Provinsi Jawa Tengah
Tel: (0281) 642 660
Fax: (0281) 642 651/ 642 652

YOGYAKARTA

YOGYAKARTA

Center Sudirman

Jl. Jend. Sudirman No. 13
Yogyakarta
Tel: (0274) 565 338
Fax: (0274) 565 095

Katamso

Garuda, 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**

Center 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

Center II 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

Center Jemur Andayani

Jl. Jemur Andayani No. 53-A
Surabaya
Tel: (031) 843 8093, 843 2125, 843 4194
Fax: (031) 843 4669

Perak

Jl. Perak Barat No. 145
Surabaya
Tel: (031) 357 7880, 357 7884
Fax: (031) 357 7885

RMI

Pertokoan Manyar Mega Indah,
Jl. Ngagel Jaya Selatan G-3
Surabaya
Tel: (031) 502 6660, 502 6661, 502 6662,
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
Tel: (031) 843 9040, 849 4830, 849 4831
Fax: (031) 843 6418

Kertajaya

Jl. Raya Kertajaya No. 133-134 A
Surabaya
Tel: (031) 504 9086, 504 9072
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
Fax: (031) 599 7831

UNAIR

Kampus UNAIR
Jl. Prof. Moestopo No. 47
Surabaya
Tel: (031) 504 2647, 504 4646, 501 7320
Fax: (031) 504 2647

Pasar Atum

Pusat Perbelanjaan Pasar Atum,
Lantai 1 No. 67, Jl. Bunguran No. 45,
Surabaya
Tel: (031) 357 3672
Fax: (031) 357 3743

Rich Palace

Jl. Mayjen Sungkono, No. 151,
Ruko Rich Palace
Blok R-22
Surabaya
Tel: (031) 568 8044, 568 7754, 568 7834,
568 7924, 568 7945
Fax: (031) 568 7649

Pakuwon Trade Center

Komplek Pertokoan Super Mall Lt. 2 Blok T1
No. 12
Surabaya
Tel: (031) 739 0562, 739 0564, 739 0584,
739 0603, 739 0604
Fax: (031) 739 0561

Jemursari

Jl. Jemursari No. 161
Surabaya
Tel: (031) 847 6249, 847 8380
Fax: (031) 847 8386

Galaxy

Mega Galaxy, Jl. Kertajaya Indah Timur 16-B/6
Surabaya
Tel: (031) 596 8266, 596 8288
Fax: (031) 596 8237

Unair

Kampus C Unair, Jl. Mulyorejo
Surabaya
Tel: (031) 591 5059
Fax: (031) 591 5056

Kembang Jepun

Jl. Kembang Jepun No. 129
Surabaya
Tel: (031) 532 0050
Fax: (031) 532 0510

Kapas

Jl. Kapas Krampung No. 71-A
Surabaya
Tel: (031) 6000 9212, 6000 9213, 6000 9215
Fax: (031) 6000 9216

MALANG

Malang

Jl. Basuki Rakhmat No. 26-28
Malang
Tel: (0341) 363 100
Fax: (0341) 327 616

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

MATOS

Malang Town Square (Matos)
Unit GE-2 No. 11, Jl. Veteran No. 2
Malang
Tel: (0341) 586 011
Fax: (0341) 559 145

RSSA

Rumah Sakit Dr. Saiful Anwar (RSAA)
Jl. Jaksa Agung Suprpto No. 2,
Malang
Tel: (0341) 359 960
Fax: (0341) 359 960

DIRECTORY OF BANK NIAGA BRANCHES

Soekarno Hatta

Ruko Soekarno Hatta,
Jl. Sukarno Hatta No. 2-2A,
Malang
Tel: (0341) 404 411
Fax: (0341) 404 410

SIDOARJO

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

Gresik

Jl. Dr. Sutomo No. 32
Gresik, Surabaya
Tel: (031) 398 2103, 398 3995, 398 2114
Fax: (031) 398 2605

JEMBER

Jember

Jl. Gajah Mada No. 74
Jember
Tel: (0331) 487 311
Fax: (0331) 484 264

KEDIRI

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 – Bali
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

Teuku Umar

Rukan Telkom
Jl. Teuku Umar No. 4-5
Denpasar
Tel: (0361) 236 779
Fax: (0361) 236 950, 236 884

GIANYAR

Ubud

Jl. Wanara Wana No. 9A
(Monkey Forest)
Ubud
Kabupaten Gianyar
Tel: (0361) 972 339
Fax: (0361) 972 340

IRIAN JAYA (PAPUA)

MIMIKA

Center Kuala Kencana

Suite 103, Kuala Kencana Center
Mimika, Papua 99920
Tel: (0901) 301 234
Fax: (0901) 301 233

Tembaga Pura I

Single Shopping, Mile 68
Tembagapura, Papua 99930
Tel: (0901) 351 234, 351 235, 351 286
Fax: (0901) 351 233

Tembaga Pura II

Family Shopping Center, Mile 68
Tembagapura, Papua 99930
Tel: (0901) 352 333
Fax: (0901) 352 352

Ridge Camp

Ridge Camp Mile Post 72
Tembagapura
Papua 99930
Tel: (0901) 412 867

Yos Sudarso

Jl. Yos Sudarso No. 19A, Timika, Mimika,
Papua 99910
Tel: (0901) 323 684, 323 685, 323 686, 323 688
Fax: (0901) 323 684

SUMATERA UTARA

KOTA MADYA MEDAN

Center 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. 20 I
Medan
Tel: (061) 452 8550
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. Pukat Pasar No. 10A, Medan
Tel: (061) 452 8877
Fax: (061) 452 4244

Aksara

Jl. Aksara No. 56
Medan
Tel: (061) 733 0707
Fax: (061) 735 4807

Petisah

Jl. Gatot Subroto No. 79
Medan
Tel: (061) 455 3344
Fax: (061) 455 2244

Glugur

Glugur, Jl. Kom Yos Sudarso
No 14A/49A
Medan
Tel: (061) 663 4231
Fax: (061) 661 9566

BINJAI

Binjai

KCP Binjai, Jl. Jend. Sudirman No. 292 – 294
Binjai
Tel: (061) 882 0001
Fax: (061) 882 0002

SUMATERA SELATAN

PALEMBANG

Center Palembang

Jl. Jend. Sudirman
No. 132 B, Palembang
Sumatera Selatan
Tel: (0711) 377 770, 377 778
Fax: (0711) 377 755

LAMPUNG

LAMPUNG

Center Lampung

Jl. Laks. Malahayati No. 34-40
Lampung
Tel: (0721) 489 630, 489 631, 485 773
Fax: (0721) 483 296

Raden Intan

Jl. Raden Intan No. 140 A
Bandar Lampung
Tel: (0721) 259 877
Fax: (0721) 259 787

**KEPULAUAN RIAU
BATAM**

Center 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

Hang Kesturi
Jl. Hang Kesturi KM IV
Kabil Indonusa Estate
Batam

Top 100
Kompleks Pertokoan Plaza TOP 100 Penuin,
Blok A No. 11
Batam

**RIAU
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**

Center Balikpapan
Kompleks Ruko Bandar Balikpapan
Blok C12A & C14
Jl. Jend. Sudirman, Klandasan Ulu
Balikpapan
Tel: (0542) 739 200
Fax: (0542) 739 201

Mall Fantasy
Mall Fantasi Balikpapan Baru
Tel: (0542) 875 609
Fax: (0542) 876 475

**SULAWESI SELATAN
MAKASSAR**

Center 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

Kakatua
Jl. Kakatua No. 150
Makassar
Tel: (0411) 811 338, 871 891
Fax: (0411) 811 0338

Losari
KCP Losari
Jl. Penghibur No. 62
Makassar
Tel: (0411) 321 903
Fax: (0411) 321 925

**SULAWESI UTARA
MANADO**

Center Manado
Jl. Sam Ratulangi No. 205, Manado
Sulawesi Utara
Tel: (0431) 863 100, 844 008
Fax: (0431) 860 400

Sisingamangaraja
KCP Sisingamangaraja
Jl. Sisingamangaraja No. 34 Calaca
Manado
Tel: (0431) 878 524
Fax: (0431) 878 527

**OVERSEAS BRANCHES
CAYMAN ISLANDS**

Cayman Island
PO BOX 1784 GT
Elizabethan Square, Phase III, 3rd Floor,
Grand Islands, BWI
Tel: 1 345 945 2003
Fax: 1 345 945 2004

**SYARIAH BUSINESS UNIT
PROPINSI DKI JAKARTA
JAKARTA SELATAN**

Syariah Victoria
Lobby Gedung Victoria, Jl. Hasanudin
No. 47 – 51
Kebayoran Baru
Jakarta Selatan
Tel: (021) 726 8050, 726 8051
Fax: (021) 725 5557

Syariah Graha Niaga
Graha Niaga, Jl. Jend. Sudirman Kav. 58
Jakarta Selatan
Tel: (021) 250 6634
Fax: (021) 250 6635

Syariah Metro Pn. Indah I
Metro Pondok Indah I
Pondok Indah Plaza I
Blok II UA Kav. 67 - 69
Jakarta Selatan

Syariah Supromo
Jl. Prof. Dr. Supomo
SH No. 15A, Tebet
Jakarta Selatan
Tel: (021) 830 1774, 830 1775
Fax: (021) 8378 3849

JAKARTA PUSAT

Syariah Cikini
Jl. Cikini Raya No. 71A
Jakarta Pusat
Tel: (021) 390 4875, 314 3205
Fax: (021) 390 8781

**PROPINSI BANTEN
TANGERANG**

Syariah Bintaro
Griya Niaga I Bintaro
Jl. Wahid Hasyim Blok B 4/3
Bintaro Jaya Sektor VII
Pusat Kawasan Niaga Terpadu

**PROPINSI JAWA TIMUR
DARMO**

Syariah Darmo
Jl. Darmo No. 75
Surabaya
Tel: (031) 566 2900
Fax: (031) 566 9377



Bumiputra-Commerce Holdings Berhad
(Formerly known as Commerce Asset-Holding Berhad)
(Incorporated in Malaysia)
(50841-W)

Proxy Form

CDS Account No. _____

Number of Shares _____

I/We _____ (name of shareholder as per NRIC, in capital letters)

IC No./ID No./Company No. _____ (new) _____ (old) of

(full address) being a member(s) of the abovenamed Company, hereby appoint _____ (name of proxy as per NRIC, in capital letters) IC No. _____ (new) _____ (old) of

(full address) or failing him/her _____ (name of proxy per NRIC, in capital letters) IC No. _____ (new) _____ (old) of

(full address) failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Forty Ninth Annual General Meeting of the Company to be held at the Banquet Hall, Kuala Lumpur Convention Centre, Kuala Lumpur City Centre, Kuala Lumpur on Thursday, 27th April 2006 at 9.30 a.m. and at each and every adjournment thereof.

My/our proxy is to vote as indicated below .

	RESOLUTIONS	FOR	AGAINST
A	<i>As Ordinary Business</i>		
1.	Receipt of Audited Financial Statements and Reports Resolution 1		
2.	Declaration of Dividends Resolution 2		
3.	Re-Appointment of Director Tan Sri Dato' Mohd Desa Pachi Resolution 3		
4.	Re-Election of Directors Tan Sri Datuk Asmat Kamaludin Resolution 4		
5.	Dato' Mohd Salleh Mahmud Resolution 5		
6.	Dato' Anwar Aji Resolution 6		
7.	En Mohd Shukri Hussin Resolution 7		
8.	Dato' Mohamed Nazir Razak Resolution 8		
9.	Payment of Directors Fees Resolution 9		
10.	Re-Appointment of Auditors Resolution 10		
B	<i>As Special Business</i>		
11.	Proposed renewal of the authority for the issue of new ordinary shares Resolution 11		
12.	Proposed renewal of authority to purchase own ordinary shares Resolution 12		

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature/Common Seal

Date:

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. A proxy may but need not be a member of the Company and the provisions of Section 149(1) of the Companies Act, 1965 shall apply to the Company.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. If the appointer is a corporation, the proxy form must be executed either under seal or under the hand of its attorney.
5. For a proxy to be valid, 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.
6. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

fold here

AFFIX
STAMP

The Share Registrars
TENAGA KOPERAT SDN. BHD. (118401-V)
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur

fold here

Bumiputra-Commerce Holdings Berhad (50841-W)

(Formerly known as Commerce Asset-Holding Berhad)

12th Floor, Commerce Square

Jalan Semantan, Damansara Heights

50490 Kuala Lumpur

Tel: (03) 2093 5333

Fax: (03) 2093 3335

www.commerz.com.my