



Commerce Asset-Holding Berhad
(50841-W)

Creating Value

annual report
20⁰04



Commerce Asset-Holding Berhad (CAHB) is today a leading financial services group in the region. This year's annual report features a traditional game known as 'congak'. Just as a congak player strategises to accumulate as many playing seeds as possible, CAHB is focused on maximising its strengths to create long-term value. With well integrated capabilities, the Group will continue to move forward in an increasingly global and competitive operating environment. All with the aim of providing the level of returns expected of a world class financial services group.



Five Year Group Financial

	2004	2003	2002	2001	2000
1. Income (RM'000)					
(i) Profit before provision	2,224,085	1,872,388	1,548,366	1,494,666	1,331,025
(ii) Profit before taxation	1,090,124	1,240,867	747,575	515,568	830,032
(iii) Net profit for the financial year	752,227	782,300	565,444	357,546	535,745
2. Balance Sheet (RM'000)					
Assets					
(i) Total assets excluding contra ⁺	111,970,661	97,933,977	91,466,723	74,642,055	72,207,468
(ii) Total assets including contra ^{**}	120,546,815	105,658,371	98,591,949	81,913,336	79,098,983
(iii) Loans and advances	62,603,030	54,496,898	48,771,610	42,214,908	38,800,603
Liabilities and Shareholders' Funds					
(i) Total deposits	81,623,044	71,505,038	69,068,298	55,109,043	53,732,092
(ii) Paid-up capital	2,691,740	2,628,960	2,586,290	1,184,647	1,183,312
(iii) Total shareholders' funds ⁺	8,787,739	7,899,587	7,169,199	5,827,597	5,606,424
3. Per share (RM)					
(i) Profit before taxation	0.41	0.48	0.29	0.21 [^]	0.34 [^]
(ii) Net profit for the financial year	0.28	0.31	0.22	0.15 [^]	0.22 [^]
(iii) Net tangible asset ⁺	3.13	2.92	2.66	2.31 [^]	2.23 [^]
(iv) Gross dividend	0.15	0.10	0.05	0.06	0.06
4. Financial Ratios (%)					
(i) Return on paid-up capital ⁺	28.28	30.56	22.19	14.52 [^]	21.72 [^]
(ii) Return on average shareholders' funds ⁺	9.02	10.38	8.70	6.25	10.10

* Including credit equivalent.

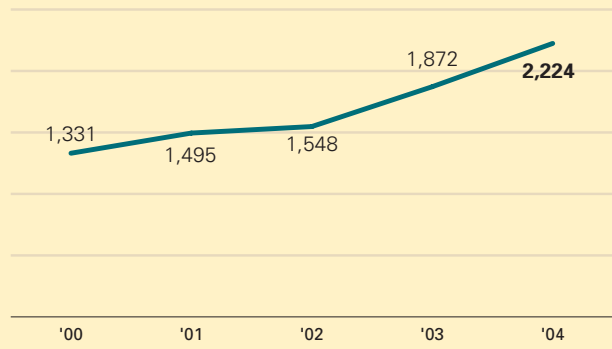
[^] Adjusted for
1:1 bonus issue.

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

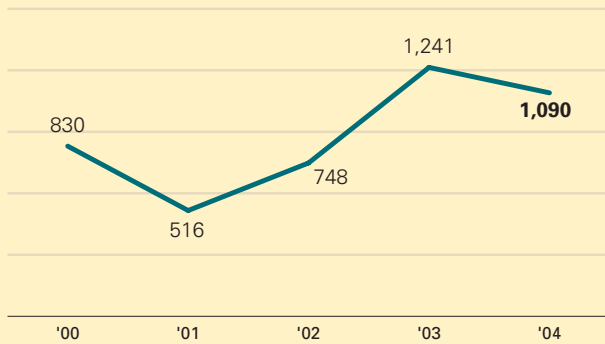
■ Based on the weighted average number
of 2,660,245,301 (2003: 2,560,177,518)
ordinary share of RM1.00 each in
issue during the financial year ended
31 December 2004.

Highlights

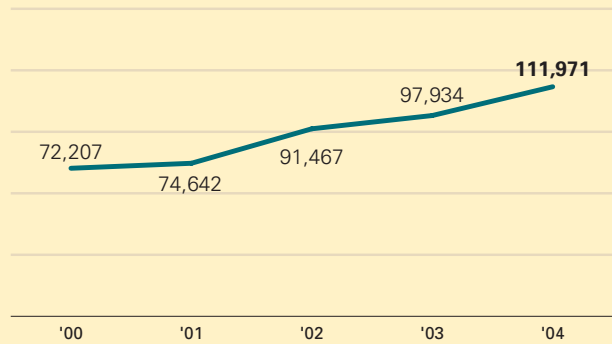
Profit Before Provision RM million



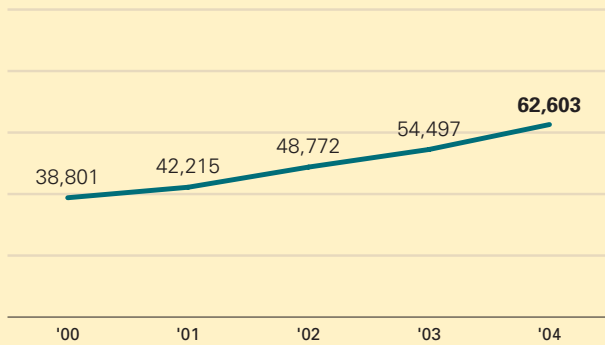
Profit Before Tax RM million



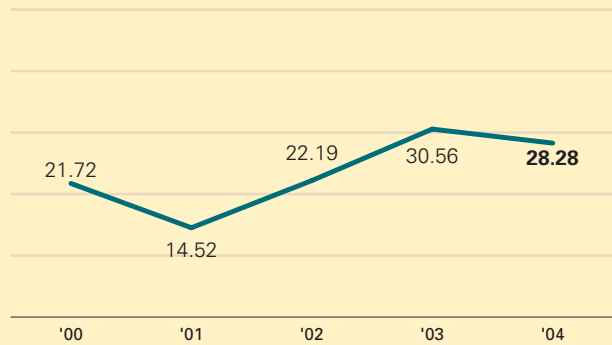
Total Assets RM million



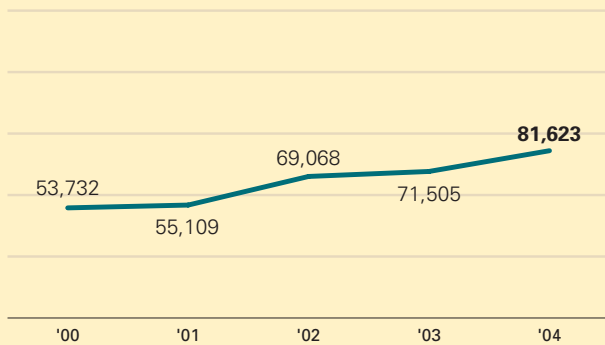
Loans and Advances RM million



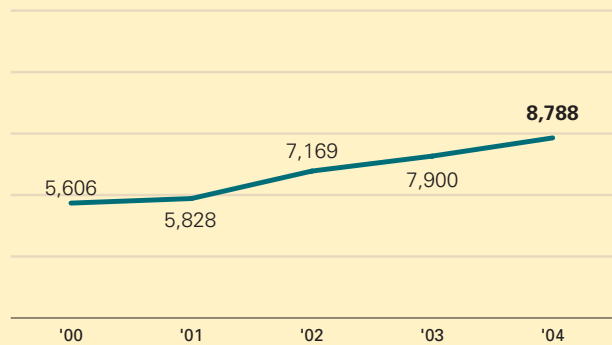
Return on Paid-up Capital %



Total Deposits RM million



Shareholders' Funds RM million



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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty Eighth (48th) Annual General Meeting of Commerce Asset-Holding Berhad will be held at Emerald Room, Mandarin Oriental Hotel, Kuala Lumpur City Centre, 50088, Kuala Lumpur on Monday, 18 April 2005 at 10.00 a.m. to transact the following business:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2004 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 2004 as recommended by the Directors payable on 11 May 2005 to shareholders registered in the Company's books at the close of business on 26 April 2005. **Resolution 2**
3. To consider and if thought fit, pass the resolution pursuant to Section 129(6) of the Companies Act, 1965 to re-appoint Tan Sri Dato' Mohd Desa Pachi as Director of the Company, to hold office until the conclusion of the next Annual General Meeting. **Resolution 3**
4. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:
 - 4.1 Dato' Anwar Aji **Resolution 4**
 - 4.2 Dr. Roslan A. Ghaffar **Resolution 5**
 - 4.3 En. Izlan Izhab **Resolution 6**
5. To approve the payment of Directors' fees amounting to RM60,000 per director per annum in respect of the year ended 31 December 2004. **Resolution 7**
6. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Resolution 8**
7. To transact any other ordinary business.

As special business:

To consider and if thought fit to pass the following Ordinary Resolutions:

8. Proposed renewal of the authority for the issue of new ordinary shares. **Resolution 9**

"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."

9. Proposed renewal of the authority for the purchase of own ordinary shares. **Resolution 10**

"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 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 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 shall commence immediately upon passing of this ordinary resolution until:

- i. the conclusion of the next AGM of CAHB in 2006 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 27 April 2005 to 28 April 2005 (both dates inclusive) to determine shareholders entitlement to the dividend payment. The dividend, if approved will be paid on 11 May 2005 to shareholders whose names appear in the register of members and record of depositors on 26 April 2005.

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

- a. Shares deposited into the depositor’s securities accounts before 12.30 p.m. on 22 April 2005 (in respect of shares which are exempted from mandatory deposit).
- b. Shares transferred into the depositor’s securities accounts before 4.00 p.m. on 26 April 2005 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

Secretary (LS. 000656)

Kuala Lumpur
26 March 2005

NOTES:

- 1. A member of the company entitled to attend and vote at the meeting may appoint more than one (1) proxy to attend and vote instead of him. Each proxy shall represent a minimum of 100 shares.
- 2. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- 3. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- 4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or 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 9, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without convening a General Meeting. The authorisation will, unless revoked or varied by the Company at a General Meeting, expire at the next Annual General Meeting.

The details on Resolution 10 on the proposed renewal of the authority for the purchase of own ordinary shares is contained in the statement accompanying this Notice of Annual General Meeting in this Annual Report.

Statement Accompanying Notice of Annual General Meeting

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

1. Directors who are standing for re-appointment and re-elections at the 48th Annual General Meeting of the Company.

The Directors retiring pursuant to the Section 129(6) of the Companies Act, 1965 and the Articles of Association and seeking re-appointment/re-elections are:-

Tan Sri Dato' Mohd Desa Pachi

Dato' Anwar Aji

Dr Roslan A. Ghaffar

A Director was appointed during the year. In accordance with the Articles of Association, he is seeking re-election.

The Director is:-

En Izlan Izhah (Appointed on 26 July 2004)

The details of the four Directors seeking re-appointment/re-elections are set out in the Directors' profile which appear on pages 16 to 17 of the Annual Report.

The details of the four Directors' securities holding in the Company and its subsidiaries (if any) are stated on pages 7 and 89.

2. Board meetings held during the financial year ended 31 December, 2004.

A total of fifteen (15) Board Meetings were held during the financial year ended 31 December, 2004 in which four (4) were Ordinary Board meetings, nine (9) were Special Board meetings and two (2) were Joint Special Board meetings with the Board of Bumiputra-Commerce Bank Berhad.

Date	Hours	Location	Type
19 January, 2004	10.00 a.m	Boardroom, 12th Floor, Commerce Square	Special
4 February, 2004	10.00 a.m	Boardroom, 12th Floor, Commerce Square	Ordinary
12 February, 2004	3.00 p.m	Boardroom, 12th Floor, Commerce Square	Special
27 February, 2004	9.00 a.m	Boardroom, 12th Floor, Commerce Square	Special
13 April, 2004	10.00 a.m	Boardroom, 12th Floor, Commerce Square	Special
26 April, 2004	2.00 p.m	Boardroom, 12th Floor, Commerce Square	Ordinary
4 June, 2004	8.30 a.m	Boardroom, 12th Floor, Commerce Square	Special
12 July, 2004	4.00 p.m	Boardroom, 12th Floor, Commerce Square	Special
6 August, 2004	3.00 p.m	Boardroom, 12th Floor, Commerce Square	Ordinary
23 August, 2004	2.15 p.m	Meeting Room, Kuala Lumpur Golf Country Club	Special
27 August, 2004	9.30 a.m	Boardroom, 12th Floor, Commerce Square	Joint Special
6 October, 2004	8.30 a.m	Meeting Room, Kuala Lumpur Golf Country Club	Joint Special
29 October, 2004	9.30 a.m	Boardroom, 12th Floor, Commerce Square	Ordinary
3 November, 2004	2.30 p.m	Boardroom, 12th Floor, Commerce Square	Special
22 December, 2004	2.30 p.m	Boardroom, 12th Floor, Commerce Square	Special

3. Details of attendance at Board Meetings held in the financial year ended 31 December, 2004.

Name of Directors	Number of meetings attended	Percentage of attendance
Tan Sri Dato' Mohd Desa Pachi	15/15	100%
Dr Rozali Mohamed Ali	15/15	100%
Dato' Anwar Aji	14/15	93%
En Mohd Salleh Mahmud	15/15	100%
Tan Sri Datuk Asmat Kamaludin	12/15	80%
Dr Roslan A. Ghaffar	14/15	93%
En Izlan Izhah	6/7 (a)	86%
Mr Masayuki Kunishige	5/7 (b)	71%

(a) En Izlan Izhah attended six out of the seven Board Meetings held since his appointment on 26 July 2004.

(b) Mr Masayuki Kunishige attended five out of the seven Board Meetings prior to his resignation on 28 June 2004.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Commerce Asset-Holding Berhad to Purchase Its Own Shares ("Proposed Shares Buyback")

1. INTRODUCTION

1.1 Renewal Of Authority For Commerce Asset-Holding Berhad ("the Company" or "CAHB") To Purchase Its Own Shares

At the Company's Annual General Meeting ("AGM") held on April 19, 2004, the Company had obtained approval from the shareholders, for 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 Malaysia Securities Berhad ("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 RM641.4 million and/or share premium account of approximately RM1,787.7 million of the Company based on the audited financial statements for the financial year ended 31 December 2003.

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 share buy-back by listed companies will lapse at the conclusion of the coming forty-eighth (48th) 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-eighth (48th) 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 of Directors 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 2005 of RM2,704,541,260 comprising 2,704,541,260 ordinary shares of RM1.00 each in the Company ("CAHB Shares"), a total of 270,454,126 CAHB 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 brought back and retained as treasury shares.

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

- i. the conclusion of the next AGM of CAHB in 2006 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 of Directors 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 CAHB 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 2004 was RM735.1 million whilst the audited share premium account of the Company as at 31 December 2004 was approximately RM1,881.1 million.

CAHB 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 CAHB Shares for the five (5) market days immediately preceding the date of re-sale or not less than 5% below the weighted average market price of CAHB Shares for the five (5) market day 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 CAHB Shares being re-sold. The Company shall, upon each purchase or re-sale of shares, make the necessary announcements to the Bursa Securities. As at 28 February 2005, all the shares bought back which have been treated as treasury shares have been cancelled.

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 CAHB Shares to be purchased, the anticipated future cashflows of the Group and other cost factors.

Purchased CAHB Shares held as treasury shares may be distributed as share dividends, re-sold on Bursa Securities in accordance with the relevant rule 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Commerce Asset-Holding Berhad to Purchase Its Own Shares ("Proposed Shares Buyback")

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 are as follows:

	Before the Proposed Shares Buy-Back	After the Proposed Shares Buy-Back
Public shareholding spread	53.5% * ¹	48.3% * ²

Notes:

*¹ As at 28 February 2005

*² Based on the assumptions that:

- (i) the Proposed Shares Buy-Back involves the aggregate purchase of 270,454,126 CAHB Shares (being an amount of 10% of the issued and paid up share capital of the Company as at 28 February 2005) which are to be retained as treasury shares; and
- (ii) the number of CAHB Shares held by Directors of the CAHB Group, the substantial shareholders of CAHB and persons connected to them remain unchanged.

3. RATIONALE FOR THE PROPOSED SHARES BUY-BACK

The Proposed Shares Buy-Back will enable the CAHB Group to utilise any of its surplus financial resources to purchase CAHB 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.

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 follow:

- (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 EPS 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 CAHB'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 interest of CAHB and its shareholders in undertaking the Proposed Shares Buy-Back.

5. EFFECTS OF PROPOSED SHARES BUY-BACK

Assuming that the Company purchases up to 270,454,126 CAHB Shares representing approximately ten per centum (10%) of its issued and paid-up share capital as at 28 February 2005 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 Code are as set out below:

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Commerce Asset-Holding Berhad to Purchase Its Own Shares ("Proposed Shares Buyback")

5.1 Share Capital

In the event that all the CAHB Shares purchased are to be cancelled, the Proposed Shares Buy-Back will result in the issued and paid-up share capital of CAHB as at 28 February 2005 be reduced from RM2,704,541,260 comprising 2,704,541,260 CAHB Shares to RM2,434,087,134 comprising 2,434,087,134 CAHB Shares. However, it is not expected to have any effect on the issued and paid-up share capital if all the CAHB 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 CAHB are illustrated below:

	As per Audited Financial Statements At 31 December 2004	As at 28 February 2005	After Share Purchase and Cancellation
Issued and paid up share capital (RM)	2,691,740,260	2,704,541,260* ¹	2,434,087,134* ²

Notes:

*¹ After issuance of 12,801,000 CAHB Shares pursuant to Employee Share Option Scheme.

*² Assuming approximately 10% or 270,454,126 CAHB Shares are purchased and cancelled.

5.2 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 CAHB Shares and the effective funding cost or loss in interest income to the Group.

If all the CAHB 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 CAHB Shares.

5.3 Earnings

The effects of the Proposed Shares Buy-Back on the EPS of the Group are dependent on the purchase prices of CAHB Shares purchased 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 2005 are as follow:

Substantial Shareholders	No. of CAHB Shares Held							
	Before the Proposed Shares Buy-Back				After the Proposed Shares Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Employees Provident Fund Board	655,616,326* ¹	24.24	–	–	655,616,326* ¹	26.93	–	–
Khazanah Nasional Berhad	342,908,900	12.68	–	–	342,908,900	14.09	–	–
Kumpulan Wang Amanah Pencen	258,719,172* ²	9.57	–	–	258,719,172* ²	10.63	–	–

Notes:

*¹ 645,135,926 CAHB Shares are held directly and the remaining 10,480,400 CAHB Shares are held through nominees companies.

*² 58,270,000 CAHB Shares are held directly, 5,284,000 CAHB Shares are held through nominee companies and 195,165,172 CAHB Shares are swap shares with Minister of Finance ("MoF").

Directors	No. of CAHB Shares Held							
	Before the Proposed Shares Buy-Back				After the Proposed Shares Buy-Back			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Tan Sri Dato' Mohd Desa Pachi	–	–	–	–	–	–	–	–
Dr Rozali Mohamed Ali	314,800	–	* ¹	–	314,800	–	* ¹	–
Dato' Anwar Aji	–	–	–	–	–	–	–	–
Mohd Salleh Mahmud	–	–	–	–	–	–	–	–
Tan Sri Datuk Asmat Kamaludin	–	–	26,000	* ¹	–	–	26,000	* ¹
Dr Roslan A. Ghaffar	–	–	–	–	–	–	–	–
Izlan Izzah	–	–	–	–	–	–	–	–

Notes:

*¹ Below 0.1% equity interest as at 28 February 2005.

The shareholding of Dr Rozali Mohamed Ali does not include 800,000 share options granted under the employee share option scheme 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 CAHB Shares.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement of Proposed Renewal of Authority for Commerce Asset-Holding Berhad to Purchase Its Own Shares ("Proposed Shares Buyback")

6. SHARE PRICES

The monthly highest and lowest prices of CAHB Shares traded on Bursa Securities for the last twelve (12) months from March 2004 to February 2005 are as follow:

	High (RM)	Low (RM)
2004		
March	5.65	5.20
April	5.20	4.86
May	5.10	4.46
June	4.90	4.60
July	5.25	4.66
August	4.68	4.18
September	4.80	4.48
October	4.60	4.44
November	4.90	4.46
December	4.90	4.68
2005		
January	5.05	4.70
February	4.86	4.66

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

There were no share buyback transactions and resale of treasury shares during the previous twelve (12) months. The Company has cancelled 35,853,000 treasury shares against the share capital on 27 February 2004. The adjusted number of issued and fully paid shares with voting rights as at 31 December 2004 was 2,691,740,260 shares.

8. 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.

9. DIRECTORS' RECOMMENDATION

After careful consideration, your Board of Directors are 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 Share Buy-Back to be tabled at the forthcoming AGM.

10. MALAYSIAN CODE OF TAKE-OVERS AND MERGERS 1998 ("CODE")

The Proposed Share Buy-Back if carried out in full (whether shares are cancelled or treated as treasury shares) may result in a substantial shareholder 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.

11. 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 and Awards

COMMERCE ASSET-HOLDING BERHAD

- Citra Award for 2003 Annual Report (Private Sector) in Bahasa Malaysia by Dewan Bahasa Dan Pustaka – Merit Award

BUMIPUTRA-COMMERCE BANK BERHAD

- Accorded “Superbrand” status by the Malaysian Chapter of Superbrands International
- Placed in the top 10 in Brand Visibility by the Brand Equity Magazine Award

CIMB BERHAD

- Best Provider of Islamic Financial Services in Asia for 2004 by Euromoney
- Best Asian Bond, Best Bookrunner of Malaysian Ringgit Bonds, Best Malaysian Ringgit Bond, Best Asian Domestic Currency Bond by Euroweek
- Best Local Currency Bond and Best Investment Grade Bond by Asiamoney
- Best Local Currency Bond by The Asset
- Best Malaysia Equity Deal by IFR Asia
- Multiple awards from The Edge Annual Awards
- Best Investment Bank, Malaysia and Best Equity House, Malaysia by The Asset
- Multiple awards by Asiamoney including Best Overall Country Research and Best Local Brokerage
- Best Malaysia Deal, Best Secondary Offering Best Local Investment Bank, Best Equity House, Best Investor Relations Representative and Best Broker by Finance Asia
- Top Lead Manager (Islamic) 1990 - 2002 for Cumulative Number of Issues and Cumulative Issue Value by RAM

- Top Lead Manager 1990 - 2002 for Cumulative Number of Issues and Cumulative Issue Value by RAM

- Best Debt House, Best Equity House and Best M & A House – Malaysia by Euromoney

- Best Domestic Equity House and Best Domestic Bond House by Asiamoney

BANK NIAGA

- Banking Service Excellence Award by Marketing Research Indonesia (1996 - 2004, 8 years in a row)
- Best Bank of 2004 – Investor Magazine
- One of the most admired companies in Indonesia by Warta Ekonomi
- Indonesia’s Top Ten Value Creator Award by SWA, University of Indonesia and Markplus & Co
- Good Corporate Governance Perception Index Award 2004 – The Indonesian Institute of Corporate Governance
- Best Annual Report 2003

COMMERCE ASSET FUND MANAGERS SDN BHD

- Best Three Years Realised Return Equity Manager by Employees Provident Fund
- Best Overall Fixed Income Manager 2004 by Employees Provident Fund

COMMERCE TRUST BERHAD

- Top Performer for Lifetime Bond Fund by The Edge – Malaysian Unit Trust Award



At CAHB, we are committed to creating long-term value as an integrated financial services group.

Corporate Information

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Corporate Profile

Commerce Asset-Holding Berhad (CAHB) has been listed on the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) since 1987.

As at 31 December 2004, it is the 11th largest company by market capitalisation amounting to RM12.651 billion.

CAHB is a diversified financial services group. Its principal operating entities are the Bumiputra-Commerce Bank Group, one of Malaysia's leading commercial banking groups, CIMB Berhad Group, Malaysia's premier investment banking group and PT Bank Niaga, Indonesia's eighth largest bank by assets. The CAHB Group is also involved in venture capital, life & general insurance, unit trust and fund management.

Group Corporate Structure

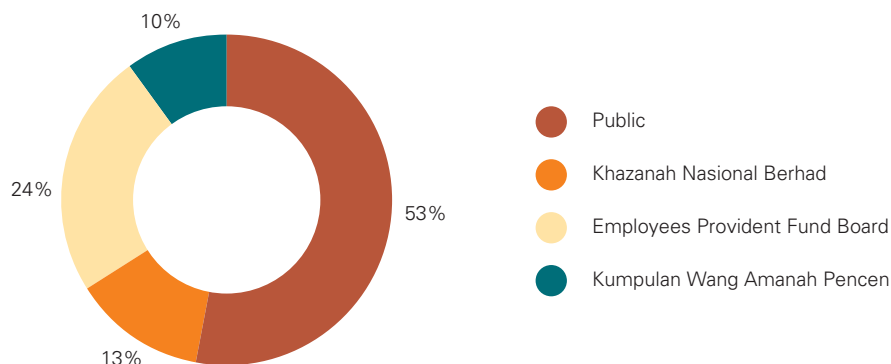
Commerce Asset-Holding Berhad

Bumiputra-Commerce Bank Berhad	EPIC-I Sdn Bhd
CIMB Berhad	Bumiputra-Commerce Factors Lease Berhad (formerly known as Bumiputra-Commerce Leasing Berhad)
Commerce Life Assurance Berhad	Bumiputra-Commerce Trustee Berhad
Commerce Asset Ventures Sdn Bhd	BBMB Unit Trust Management Berhad
Commerce Asset Realty Sdn Bhd	Bumiputra-Commerce Bank (L) Limited
Commerce Asset Nominees Sdn Bhd	Bumiputra-Commerce International Trust (Labuan) Berhad
Commerce Assurance Berhad (formerly known as AMI Insurans Berhad)	Bumiputra-Commerce Trust Limited
Commerce Capital (Labuan) Ltd	Bumiputra-Commerce Finance Berhad
PT Bank Niaga Tbk (Indonesia)	I-Prestige Sdn Bhd
Rangkaian Segar Sdn Bhd (Associate company)	Bumiputra-Commerce Nominees Sdn Bhd
	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd
	Bumiputra-Commerce Nominees (Asing) Sdn Bhd
	Semerak Services Sdn Bhd
	BOC Nominees Sdn Bhd
	BOC Nominees (Tempatan) Sdn Bhd
	BOC Nominees (Asing) Sdn Bhd
	BBMB Securities (Holdings) Sdn Bhd
	South East Asian Bank Ltd (Mauritius)
	Bumiputra-Commerce Corporate Services Limited
	Commerce Tijari Bank Berhad
	Proton Commerce Sdn Bhd (Jointly controlled entity)
	Commerce International Merchant Bankers Berhad
	<ul style="list-style-type: none"> • CIMB Holdings Sdn Bhd <ul style="list-style-type: none"> • CIMB Securities Sdn Bhd <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Halyconia Asia Fund Limited • PT CIMB Niaga Securities • 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 Private Equity 1 Sdn Bhd • CIMB Mezzanine 1 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
	Commerce Trust Berhad
	CIMB Real Estate Sdn Bhd
PT Niaga Aset Manajemen	
PT Saseka Gelora Finance	
PT Niaga International Factors	
CAV Private Equity Management Sdn Bhd	
Ekspedisi Yakin Sdn Bhd	
Scan Associates Sdn Bhd	

Corporate Data

Major Shareholders

as at 28 February 2005



BOARD OF DIRECTORS

Tan Sri Dato' Mohd Desa Pachi
Chairman

Dr. Rozali Mohamed Ali
Executive Director/
Group Chief Executive Officer
(Effective 1 September 2004)

Dato' Anwar Aji

En Mohd Salleh Mahmud

Tan Sri Datuk Asmat Kamaludin

Dr. Roslan A. Ghaffar

En Izlan Izhah
(Appointed on 26 July 2004)

Masayuki Kunishige
(Resigned on 28 June 2004)

CHIEF OPERATING OFFICER

En Mohd Shukri Hussin

COMPANY SECRETARY

En Jamil Hajar Abdul Muttalib
(LS. 000656)

GROUP CORPORATE ADVISOR

Dato' Halim Muhamat

AUDITORS

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

REGISTRAR

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Commerce Asset-Holding 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



1	2	
3	4	5
	6	7

1. Tan Sri Dato' Mohd Desa Pachi
2. Dr Rozali Mohamed Ali
3. Dato' Anwar Aji
4. Tan Sri Datuk Asmat Bin Kamaludin
5. En Mohd Salleh Mahmud
6. Dr Roslan A. Ghaffar
7. En Izlan Izhab

Profile of the Directors

Tan Sri Dato' Mohd Desa Pachi

Aged 70, Tan Sri Dato' Mohd Desa was appointed to the Board of CAHB on 3 September, 1982. He is also the Chairman of the Nomination and Remuneration Committee. 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 15 Board Meetings held during the year ended 31 December, 2004.

He is a Chartered Accountant by profession 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 (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, Xian Leng Holdings Berhad (Chairman), Amanah Saham Nasional Berhad and Tracoma Holdings Berhad (Chairman).

Dr Rozali Mohamed Ali

Aged 56, 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 is also the Chairman of CIMB Berhad. He was appointed as President-Commissioner of PT Bank Niaga Tbk in November 2002. Dr Rozali attended all of the 15 Board meetings held during the year ended 31 December, 2004.

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 Commerce Asset-Holding 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.

Dr Rozali is currently the Chairman of the Association of Banks in 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 is a member of the Group Risk Management Committee and Building Committee and Chairman of the ESOS Committee.

Dr Rozali is a Non-Independent Executive Director of the Company.

Dato' Anwar Aji

Aged 54, 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.

Dato' Anwar is currently the Chairman of Faber Group Bhd and Inter Heritage (M) Sdn Bhd. He also sits on the Board of the following companies; STLR Sdn Bhd, Sistem Transit Aliran Ringan Sdn Bhd, Syarikat Danasaham Sdn Bhd and Bakun Hydro-Electric Corporation Sdn Bhd.

Dato' Anwar is a member of the Nomination and Remuneration Committee. He attended 14 out of the 15 Board Meetings held during the year ended 31 December, 2004.

Tan Sri Datuk Asmat Bin Kamaludin

Tan Sri Datuk Asmat bin Kamaludin, aged 60, was appointed to the Board on 14 June, 2001 as an Independent Non-Executive Director.

Tan Sri Datuk Asmat obtained a Bachelor of Economics (Honours) degree from the University of Malaya and later attended a special programme on the European Economic Community in Amsterdam. Tan Sri Datuk Asmat served in the Ministry of International Trade and Industry (MITI) for 35 years, and retired as its Secretary General, a position he 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 Chairman of UMW Holdings Berhad, Matsushita Electric Company (Malaysia) Berhad, Symphony House Berhad and SCOMI Group Berhad. He also sits on the board of directors of the following public companies: Malaysian Pacific Industries Berhad, Carlsberg Brewery Berhad, Lion Industries Berhad, YTL Cement Berhad (as Vice Chairman), Permodalan Nasional Berhad and Salwan Corporation 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 12 out of the 15 Board Meetings held during the year ended 31 December, 2004.

En Mohd Salleh Mahmud

Aged 53, En Mohd Salleh was appointed as a Non-Independent Non-Executive Director of the Company on 27 February, 2001. He graduated from University of Malaya with Honours in Accounting in 1976 and obtained his Masters in Business Administration in 1991. He started his career in 1976 in the Foreign Investment Committee, Economic Planning Unit, Prime Minister's Department and was made the Chief Accountant of Pension Division, Public Services Department in 1991. He has held his current post as Deputy Accountant General in the Accountant General's Department, Ministry of Finance since 1996. Currently, En Mohd Salleh sits on the Board of Syarikat Ladang Rakyat Trengganu Sdn Bhd. En Mohd Salleh is a member of the Audit Committee, Group Risk Management Committee and Chairman of the Building Committee.

En Mohd Salleh attended all of the 15 Board Meetings held during the year ended 31 December, 2004.

Dr Roslan A. Ghaffar

Dr Roslan A. Ghaffar, 52, was appointed as a Non-Independent Non-Executive Director of the Company on 3 November, 2003. Dr Roslan is currently the Deputy Chief Executive Officer (Investments) of the Employees Provident Fund (EPF) a post he has held since July, 2002.

Dr Roslan holds a Bachelor of Science Degree from Louisiana State University, Baton Rouge and a Ph.D from 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 PT Bank Niaga Tbk. He has attended 14 out of the 15 Board Meetings held during the year ended 31 December, 2004.

En Izlan Izhah

En Izlan Izhah, 59, was appointed as an Independent Non-Executive Director of the Company on 26 July, 2004. En Izlan is also a member of the Audit Committee. En Izlan attended 6 out of the 7 Board meetings held since his appointment on 26 July 2004.

En Izlan holds a Bachelor of Laws from 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 from 1975 to 1978 and of Permodalan Nasional Berhad from 1978 to 1984.

From 1985 to 2000, En Izlan was attached with the Kuala Lumpur Stock Exchange holding the post of Executive Vice President, Corporate and Legal Affairs. He sits on the Board of Directors of the following public companies: Grand United Holdings Berhad, Apex Equity Holdings Berhad, Nexnews Berhad, OSK-UOB Unit Trust Management Berhad and Ramunia Holdings Berhad. He is a member of Bursa Malaysia Securities Berhad's Appeals Committee.

Note to Profile of Directors:-

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

Senior Management

from left to right

Dato' Halim Muhamat

Group Corporate Advisor

Dr Rozali Mohamed Ali

Executive Director/
Group Chief Executive Officer

En Mohd Shukri Hussin

Chief Operating Officer

En Jamil Hajar Abdul Muttalib

Executive Vice President/Company Secretary



Profile of the Senior Management

Dr Rozali Mohamed Ali

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

En Mohd Shukri Hussin

En Mohd Shukri, aged 50, has been the Chief Operating Officer of CAHB since February, 2003. 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 Non-Independent Non-Executive Director of Commerce Tijari Berhad on 2 November, 2004. He has held various senior positions within CAHB 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.

En Jamil Hajar Abdul Muttalib

En Jamil, aged 54, 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 CAHB. 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 has spent more than 12 years with CAHB Group. He is presently Chairman of Commerce Asset Ventures Sdn Bhd, a director of Commerce Assurance Berhad and director of Commerce Life Assurance Berhad. He is also a Director of Commerce Capital (Labuan) Limited since 2 August, 2004.

Dato' Halim Muhamat

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

Profile of Directors for Major Operating Units of the Group

BUMIPUTRA-COMMERCE BANK BERHAD

Tan Sri Radin Soenarno Al-Haj Chairman

Aged 72, Tan Sri Radin Soenarno Al-Haj has been an Independent Non-Executive Chairman of Bumiputra-Commerce Bank Berhad (the Bank) since 1987. Tan Sri Radin holds a Masters degree in Public and International Affairs in Development Economics and Agricultural Economics from University of Pittsburgh, USA and a B.A. (Hons) degree from University of Malaya.

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

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

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

Tan Sri G. K. Rama Iyer

Aged 73, Tan Sri G. K. Rama Iyer has been an Independent Non-Executive Director of the Bank since June 1987. Tan Sri Rama holds a Masters 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.

During his 30 years career in the civil service, he had been the Secretary-General of the Ministry of General Planning and Social Economic Research, the Ministry of Works and Utilities and the Ministry of Primary Industries.

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

Tan Sri Dato' Ernest Zulliger

Aged 72, Tan Sri Dato' Ernest Zulliger has been an Independent Non-Executive Director of the Bank since September 1993. He has wide experience heading a reputable multinational consumer products group of companies. He has spent thirty-seven years with Nestle in Mexico, Ecuador and Chile and as Managing Director in Malaysia for a total of ten years. He studied Commerce and Business Administration in Switzerland and attended International Management School (IMD) in Lausanne, Switzerland.

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

Tan Sri Zulliger is also a director of Nestlé (M) Bhd and a number of private companies.

Dr Rozali Mohamed Ali

Non-Independent Director of the Bank since 1 September 2004

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

Dato' Azmi Abdullah

Aged 54, Dato' Azmi Abdullah joined the Board as an Executive Director in January 2001. In September 2004, he took over from Dr. Rozali Mohamed Ali as Managing Director/Chief Executive Officer (MD/CEO) of the Bank. Prior to taking on the post of MD/CEO, he was an Executive Director/Chief Operating Officer of the Bank. Dato' Azmi graduated with a B.A. Hons. (Econs) from Universiti Kebangsaan Malaysia (UKM) in 1974.

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

He is presently a Director on the Board of Commerce Tijari Bank Berhad, the newly established Islamic Banking arm of BCB. He also sits on the Board of Commerce Technology Ventures Sdn Bhd, a subsidiary company of Commerce Asset-Holding Berhad. In addition, he serves as a Director on the Boards of ERF Sdn Bhd and Universiti Kebangsaan Malaysia. He is also a Council Member of Hospital UKM, Malaysia.

Dato' Halim Muhamat

Aged 57, Dato' Halim was appointed as an Executive Director of the Bank in November 1999. Since February 2004, he sits on the Board as a Non-Independent Non-Executive Director. He was the Executive Director/Chief Operating Officer of the Bank prior to his present appointment as Group Corporate Advisor at Commerce Asset-Holding Berhad (CAHB) in February 2004.

Dato' Halim joined the International Banking Division of the former Bank Bumiputra Malaysia (BBMB) in November 1967. Since 1967, he has held various positions at the branches of BBMB, including senior positions in the Los Angeles Agency of BBMB, Systems Division, Branch Operations, Branch Performance, Consumer, Commercial and other Divisions in Head Office. In July 1998, he was appointed as Chief Operating Officer of BBMB.

Dato' Halim sits on the Boards of Bumiputra-Commerce Finance Berhad and EPIC-I Sdn Bhd, subsidiary companies of the Bank. He is also a Director of Commerce Life Assurance Berhad, CIMB Berhad and Commerce Assurance Berhad and a member of the Board of Commissioners of PT Bank Niaga Tbk, subsidiary companies of Commerce Asset-Holding Berhad. In addition, Dato' Halim is a Board member of Labuan Reinsurance (L) Ltd and Financial Park (Labuan) Sdn Bhd.

Dato' Dr. Mohamad Zawawi Ismail

Aged 59, Dato' Dr. Zawawi joined the Board as an Independent Non-Executive Director on 9 October, 2001.

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

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

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

Dato' Robert Lim Git Hooi

Aged 66, Dato' Robert Lim joined the Board as an Independent Non-Executive Director on 15 January, 2002.

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

Dato' Robert Lim started his career in the accounting profession as an articled clerk with DCA Robertson & Co., Perth in July 1960. He later joined Bell, Frost & Aitken, Perth and qualified as a Chartered Accountant before returning to Malaysia in 1966 to join Turquand Young & Company, Kuala Lumpur/lpoh as an audit assistant. He worked his way up to the senior auditor level and left the Company at the end of 1970. In 1971 he set up his own

accounting practice, Robert Lim & Company, which later expanded to Lim Ali & Company and became affiliated to Arthur Young and Company. When Arthur Young and Ernst & Whinney merged to form Ernst & Young in 1990, Dato' Robert Lim became the Partner-in-charge of the combined Ipoh practice. He retired as a Partner of the firm in December 1996.

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

Dato' Robert Lim is a Director of Gopeng Berhad and other public and private companies.

Datuk Dr. Syed Muhamad bin Syed Abdul Kadir

Aged 58, Datuk Dr. Syed Muhamad was appointed as an Independent Non-Executive Director of the Bank on 8 April 2004. 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 1997 and proceeded to obtain a Ph.D (Business Management) from Virginia Polytechnic Institute and State University, USA in 1986.

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 of 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 and Bumiputra-Commerce Finance Berhad, subsidiaries of the Bank. He also sits on the Boards of a number of public and private companies.

PROFILE OF DIRECTORS FOR MAJOR OPERATING UNITS OF THE GROUP

CIMB BERHAD

Dr. Rozali bin Mohamed Ali Chairman

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

Dato' Hamzah bin Bakar

Dato' Hamzah bin Bakar, aged 61, was appointed an Independent Non-Executive Director of CIMB Berhad on 28 November 2002 and nominated as the Senior Independent Director on 16 April 2003. He has been an Independent Non-Executive Director of Commerce International Merchant Bankers Berhad since 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 sits on the Board of UEM World Berhad. He served for 20 years in various senior management and board positions in Petrolia 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. Dato' Hamzah holds a B.Sc. (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' Nazir Razak

Dato' Nazir Razak, aged 38, was appointed a Non-Independent Non-Executive Director of CIMB Berhad on 11 June 2002 and a member of the Nomination Committee on 30 June 2004. He was appointed Non-Independent Executive Director of Commerce International Merchant Bankers Berhad on 5 November 1996 and has been its Managing Director and Chief Executive since 1 June 1999. He joined CIMB's corporate advisory department in 1989 and had managed various incorporations, privatisations, listings and corporate restructuring exercises. He then transferred to CIMB's wholly-owned subsidiary, CIMB Securities Sdn. Bhd. in 1993 where he rose to Executive Director with responsibility for its institutional business comprising equities research, sales and dealing. He moved back to Commerce International Merchant Bankers Berhad as Deputy Chief Executive on 1 June 1996 and became Managing Director/Chief Executive on 1 June 1999. He is a Director of CIMB Discount House Berhad, CIMB (L) Limited and the Kuala Lumpur Business Club. He is a member of the Investment Panel of the Employees Provident Fund and the Securities Commission's Capital Market Advisory Council. 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 Malaysia's Financial Services Master Plan. He is also President of University of Bristol Alumni Association and a trustee of the

Rahah Foundation. He graduated from University of Bristol with a Bachelor of Social Science (Hons) and obtained a Master of Philosophy from the University of Cambridge. In 2004, Dato' Nazir was named the winner of the Malaysia's CEO of the year award organised by Business Times and American Express Global Corporate Services. He was also named as one of the "25 Stars of Asia" by Business Week magazine and one of the World Economic Forum's "Young Global Leaders".

Mr Robert Cheim Dau Meng

Mr Robert Cheim Dau Meng, aged 53, was appointed a Non-Independent Non-Executive Director of CIMB Berhad on 11 June 2002. He is presently Executive Director of Commerce International Merchant Bankers Berhad and Chairman of its subsidiaries, CIMB Securities Sdn. Bhd. and CIMB Futures Sdn. Bhd. He joined Commerce International Merchant Bankers Berhad in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of CEO from 1993 to 1999. Prior to joining Commerce International Merchant Bankers Berhad, he served in various capacities with the former United Asian Bank Berhad (now known as Bumiputra-Commerce Bank Berhad) between 1977 to 1984, holding the positions of Operations Manager, Audit Manager, Branch Manager and Senior Manager of the Planning and Accounts division. He has also worked in several accounting firms in London. He is a Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Malaysian Institute of Accountants.

Dato' Halim Muhamat

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

Dato' Zainal Abidin Putih

Dato' Zainal Abidin Putih, aged 59, was appointed an Independent Non-Executive Director of CIMB Berhad 11 July 2003 and Independent Non-Executive Director of Commerce International Merchant Bankers Berhad on 30 June 2004. He is also Chairman of its Audit and Nomination Committees, and a member of the Remuneration Committee. Dato' Zainal was an Adviser with Ernst & Young Malaysia until his retirement on 31 December 2004. He is presently Chairman of Pengurusan Danaharta Nasional Berhad and the Malaysian Accounting Standards Board. 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. He has extensive experience in audit, management consulting and taxation, having been involved as a practising accountant throughout his career. He was formerly the Managing Partner of Hanafiah Raslan & Mohamad, past President of the Malaysian Institute of Certified Public Accountants and previously served as a member of the Malaysian Communication & Multimedia Commission. He is presently a Trustee of the National Heart Institute and sits on the Boards of Esso Malaysia Berhad and Tenaga Nasional Berhad.

En Zahardin bin Omardin

En Zahardin bin Omardin, aged 60, was appointed an Independent Non-Executive Director of CIMB Berhad and Commerce International Merchant Bankers Berhad on 5 May 2004. He also sits on the Boards of other subsidiaries within the CIMB Group, such as CIMB (L) Limited, CIMB Discount House Berhad 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 Company Secretarial Department 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 practice law.

Mr Cezar Peralta Consing

Mr Cezar Peralta Consing, aged 44, was appointed Independent Non-Executive Director of CIMB Berhad on 5 October 2004. 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. He also sits on the Boards of TRG Management Hong Kong Ltd and the Bank of the Philippine Islands.

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

BOARD OF COMMISSIONERS OF PT BANK NIAGA TBK

Dr. Rozali Mohamed Ali

President Commissioner since 25 November 2002

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

Ibu Gunarni Soeworo

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

Dato' Hamzah Bakar

Commissioner since 25 November 2002

(As per CIMB Berhad's Profile of Directors)

Dato' Halim Muhamat

Commissioner since 25 November 2002

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

Dr Roslan A. Ghaffar

Commissioner since 23 August 2004

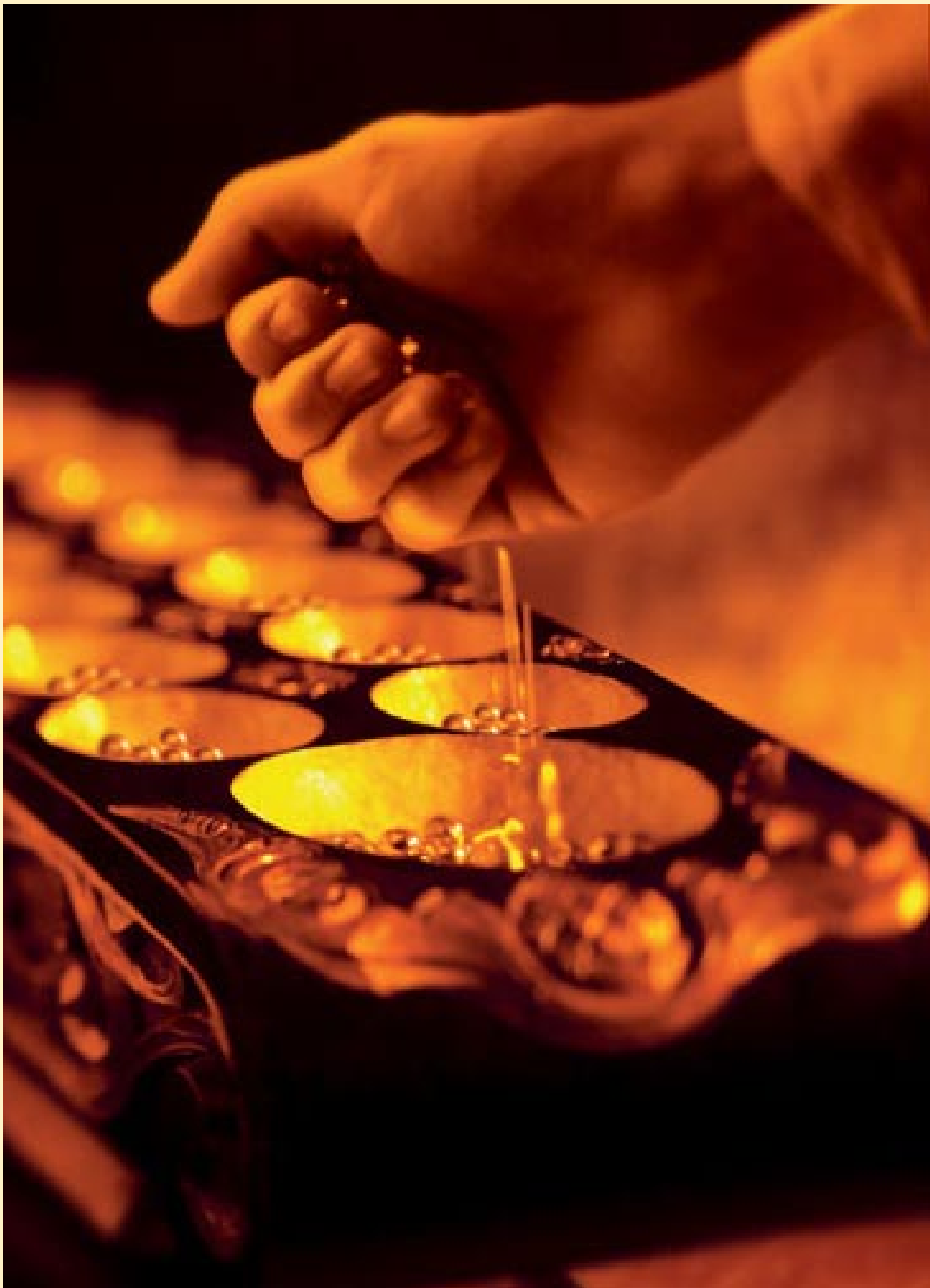
(As per Commerce Asset-Holding Berhad's Profile of Directors)

Bpk Sigid Moerkardjono

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

Bpk Ananda Barata

- Commissioner of PT Bank Niaga Tbk, since 2003 - present
- Director of PT Perusahaan Pengelola Aset, 2004 - present
- Division Head, Bank Restructuring Unit, Indonesian Bank Restructuring Agency, 2000 - 2004
- PT Bank Nusa Nasional, 1998 - 2000
- PT Bank Nusa International, 1997 - 1998
- The Chase Manhattan Bank, Jakarta, 1984 - 1996



The Group is focused
on maximising its capabilities
to achieve sustainable progress.

Performance Review

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Group Financial Highlights

Income statement and balance sheet

	2004	2003	Changes	
	RM'000	RM'000	2004 %	2003 %
Net interest income	2,703,524	2,546,633	6.16	22.49
Non interest income	1,473,968	1,031,934	42.84	37.68
Overhead expenses	1,953,407	1,706,179	14.49	33.27
Profit before provision	2,224,085	1,872,388	18.78	20.93
Loan loss and provisions	1,122,435	631,916	77.62	(21.92)
Profit before taxation	1,090,124	1,240,867	(12.15)	65.99
Net profit for the financial year	752,227	782,300	(3.84)	38.35
Gross dividends	403,761	259,311	55.71	>100.00
Loans and advances	62,603,030	54,496,898	14.87	11.74
Total assets	111,970,661	97,933,977	14.33	7.07
Deposits from customers	74,105,175	63,154,229	17.34	3.95
Total liabilities	102,155,169	89,202,309	14.52	6.28
Shareholders' funds	8,787,739	7,899,587	11.24	10.19
Commitments and contingencies	208,351,918	152,373,702	36.74	46.23

Ratios

	2004 %	2003 %	2004 %	2003 %
Core capital ratio	9.75	10.94	(10.88)	3.89
Risk-weighted capital ratio	13.62	14.79	(7.91)	19.47
Return on average equity	9.02	10.38	(13.10)	19.31
Return on total assets	0.67	0.80	(16.25)	29.03
Cost to income ratio	46.76	47.68	(1.93)	5.35
Cost to total assets	1.74	1.74	0.00	24.29
Gross NPL to gross loans	10.19*	9.05	12.60	(11.71)
Net NPL to net loans (net of SP and IIS)	6.85*	5.49	24.77	(10.00)
Coverage ratio [(GP + SP + IIS)/gross NPL]	51.04*	59.98	(14.90)	1.92
Loan deposit ratio	84.48	86.29	(2.10)	7.50
Equity to assets	7.85	8.07	(2.73)	2.93
Equity to loans	14.04	14.50	(3.17)	(1.36)

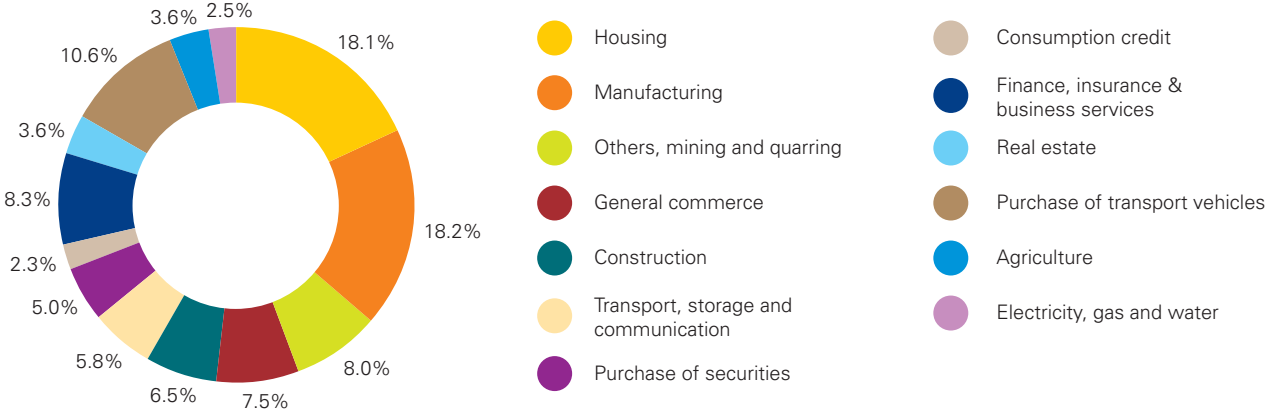
Other information

Earnings per share (Sen)				
– Basic	28.28	30.56	(7.46)	37.72
– Fully diluted	27.01	30.01	(10.00)	35.30
Net tangible assets per share (RM)	3.13	2.92	7.19	9.77
Gross dividend per share (Sen)	15.00	10.00	50.00	100.00
Number of shares in issue ('000)	2,691,740	2,628,960	2.39	1.65
Weighted average number of shares in issue ('000)	2,660,245	2,560,177	3.91	0.45
Share price at year-end (RM)	4.70	4.10	14.63	26.54
Number of employees	16,240	14,157	13.57	1.94

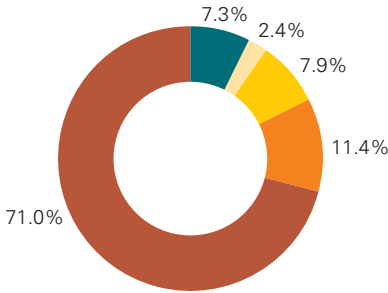
* Based on 3 months (2003: 6 months) NPL classification.

Group Performance

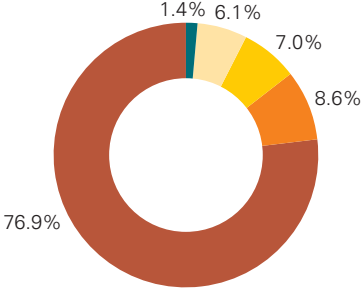
Loans by Sector



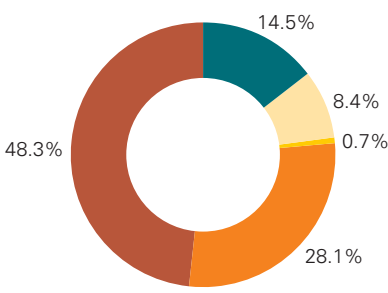
Operating Revenue



Assets Employed



Profit Before Tax



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

Financial Calendar

Friday, 27 February 2004

Announcement of audited consolidated results for the fourth quarter and financial year ended 31 December 2003 concurrently held with a press/analyst briefing.

Thursday, 26 March 2004

Issue of Notice of 47th Annual General Meeting, Notice of Books Closure and Annual Report for the financial year ended 31 December 2003.

Monday, 19 April 2004

47th Annual General Meeting.

Monday, 26 April 2004

Date of entitlement to the first and final dividend of 5.0 sen less income tax and special dividend of 5.0 sen less income tax for the financial year ended 31 December 2003.

Wednesday, 12 May 2004

Date of payment of the first and final dividend of 5.0 sen less income tax and special dividend of 5.0 sen less income tax for the financial year ended 31 December 2003.

Monday, 17 May 2004

Announcement of the unaudited consolidated results for the first quarter ended 31 March 2004.

Friday, 27 August 2004

Announcement of the unaudited consolidated results for the second quarter and half year ended 30 June 2004.

Friday, 19 November 2004

Announcement of the unaudited consolidated results for the third quarter ended 30 September 2004.

Share Performance

Commerce Asset-Holding Berhad (Commerz) Price Movement 2004



The Kuala Lumpur Composite Index (KLCI) which ended 2003 at 793.94 points improved to close at 907.43 points as at end of 2004. This is the second consecutive year that KLCI has ended in positive territory. The KLCI peaked at 909 points on 22 March, 2004 and bottomed out on 17 May, 2004 at 781 points. The interruption to this ascent in March was mainly driven by external factors such as concerns of US interest rate hike, China hard landing and higher oil prices.

During the year, there were two good periods of equity market performance. One was in the first quarter of the year, when the global outlook was still positive and foreign investors were warming up very quickly to the changes implemented by the new administration. The second period of good performance began in early November driven by the falling greenback and the speculation of a ringgit re-peg.

Through efforts such as the Government Linked Companies (GLC) restructuring, the investor perception of listed Corporate Malaysia has significantly improved. Significant inflow of portfolio money has occurred beginning third quarter 2003 and up to third quarter 2004. For this five quarter period, the total net portfolio inflow was RM29.2 billion. It can be surmised that foreign funds are no longer underweight in Malaysia.

For CAHB, total market capitalisation stood at RM12.7 billion at the end of 2004 compared to RM10.6 billion as at the end of 2003. Foreign ownership increased from 20.67% at the end of 2003 to 31.11% at the end of 2004.



chairman's

I am pleased to present the Annual Report and the Audited Financial Statements of the Commerce Asset-Holding Berhad Group (the Commerce Group) for the financial year ended 31 December 2004.

THE OPERATING ENVIRONMENT

During the first half of 2004, the Malaysian economy accelerated its growth momentum. This was attributable to improvements in domestic consumer and business sentiments as well as growth in exports. The key factors supporting exports growth were improved global economic conditions which saw upsurge in electronics demand and higher commodity prices. There was an easing of the growth momentum in the second half of 2004. Global growth prospects had turned weaker in light of global interest rates trending upwards as well as the continued uncertainty in oil prices. On the regional front, there were concerns on the potential impact from China's proposed softening of its overheating economy.

For 2004 as a whole, the Malaysian economy expanded by 7.1 percent. Growth was led by private sector activity. Private investment activity during the fourth quarter was robust on account of expenditure on replacement of plant and machinery in the manufacturing sector and investment for oil exploration activities.

The banking sector continued to exhibit increased resilience in the fourth quarter, with a high level of capitalisation, improvement in profitability and the lowest level of non-performing loans since the Asian financial crisis. The risk-weighted capital ratio (RWCR) and core capital ratio (CCR) of the banking system remained high at 13.8 percent and 10.8 percent. The net NPLs based on the 6-month classification continued trending downwards to account for 5.9 percent of total net loans, the lowest level since the Asian crisis (3Q2004: 6.1 percent). Based on a 3-month classification, the net NPLs showed significant improvements to 7.6 percent of total net loans (3Q2004: 8.1 percent). The improvement was largely attributed to higher recoveries, reclassifications and write-offs.

THE COMMERCE GROUP

The Commerce Group reported an 18.8 percent increase in operating profits before provisions to RM2.224 billion for the financial year ended 31 December 2004. Total revenue increased by 16.7 percent from RM3.579 billion to RM4.177 billion. Net interest income grew by 6.2 percent from RM2.547 billion to RM2.704 billion with stronger loan growth at BCB Group and Bank Niaga Group. Non interest income rose by 42.8 percent to RM1.474 billion from RM1.032 billion attributable to improvement in fee and commission income, higher revenue from financial advisory, debt and equity business and the inclusion of post acquisition results of Commerce Assurance Berhad (formerly known as AMI Insurans Berhad).

The Commerce Group reported a decline of 12.1 percent for profit before taxation to RM1.090 billion for the financial year ended 31 December 2004 from the RM1.241 billion recorded in 2003. The decline is attributable to higher loan loss provisions arising from the decision of the Board of Directors to address any concerns on the asset quality issue at our commercial banking subsidiary, Bumiputra-Commerce Bank Berhad in the fourth quarter of the year. This includes the adoption of a three month classification compared to a six month classification in the recognition of non performing loan from the fourth quarter of 2004, accelerating provisions on certain specific accounts and adopting a prudent approach towards non performing loans aged between five and seven years and those aged above seven years. There was a conscious decision to address the asset quality issue in the fourth quarter of the year. The other main subsidiaries namely CIMB Berhad and PT Bank Niaga Group registered record profits for the year under review.

Net profit for the financial year declined by 3.8 percent from RM782.3 million to RM752.2 million which resulted in a drop in earnings per share of 28.28 sen compared to 30.56 sen. Return on average equity declined to 9.02 percent from 10.38 percent.

message

CHAIRMAN'S MESSAGE

The cost to income ratio improved slightly to 46.76 percent from 47.68 percent mainly due to higher revenue. Based on a three months classification, the net non-performing loan ratio was 6.85 percent at the end of 2004. Loans and advances grew by 14.9 percent at Group level to RM62.6 billion while Group deposits grew by 17.3 percent for the full year to RM74.1 billion. The Group's liquidity position was strong with a loans to deposits ratio of 84.5 percent. The Commerce Group's shareholders funds strengthened to RM8.8 billion (FY 03: RM7.9 billion) while Group net tangible assets per share improved to RM3.13 from RM2.92 as at 31 December 2003.

At the holding company level, Commerce Asset-Holding Berhad registered slightly lower profit before tax amounting to RM300.4 million compared to RM379.3 million recorded for the year ended 31 December 2003. Included in the 2003 results were one off gains arising from the Restricted Offer For Sale exercise of CIMB Berhad.

THE BUMIPUTRA-COMMERCE BANK BERHAD (BCB) GROUP

In 2004, Bumiputra-Commerce Bank embarked on various strategic initiatives to position the Bank for growth. The faster growing business segments namely consumer and Small and Medium Enterprises (SME) was a clear area of focus. During the year under review, BCB formalised an alliance with the Small and Medium Industries Development Corporation (SMIDEC) to facilitate the extension of various financing facilities to Small and Medium Enterprises. In addition to traditional banking products, BCB also focused on generating sales from financial planning products, developing new avenues for fee-based income and improving the cross selling of products of the Commerce Group. Throughout the year, there was a continuous emphasis on cost management. Risk management continued to be strengthened in line with BCB's road map to implement Basel II recommendations.

A major initiative that started in 2004 was the nationwide roll out of the Branch Transformation Project. This project to be undertaken over three years in various stages encompasses an extensive branch reconfiguration programme. Different branch formats will be tailored to various customer needs. Among the

rationale for this major project is to enhance delivery system and customer service in line with the transformation of the Bank into a customer centric organisation.

Efforts were also directed towards strengthening the risk management system. The focus was mainly on the continued progress towards conforming with Basel II requirements. I mentioned in last year's Report that the Bank had embarked on a project to develop an integrated Decision Support System. The enhancement to the decision support infrastructure which would encompass financial management, performance management, risk management and customer relationship management continued in the year under review. This will be useful in providing BCB with an integrated insight into its customer profiles and enhanced decision making capabilities.

Proton Commerce, a joint venture between Bumiputra-Commerce Finance Berhad and Proton Edar Sdn Bhd commenced operations in the year under review. It is still early days for the business but it is certainly beginning to establish a presence in the auto financing market leveraging on the resources and expertise of its partners.

In terms of new business opportunities going forward, in the second quarter of 2004, BCB received approval in principle by Bank Negara Malaysia to operate Islamic banking through a subsidiary. The expectation is for the Islamic banking subsidiary to commence operations in the second quarter of 2005. The new Islamic bank to be known as Commerce Tijari Bank Berhad will leverage on BCB's existing IT infrastructure and network resources and provide a new platform for earnings growth.

For the financial year ended 31 December 2004, the Bumiputra-Commerce Bank Group registered a 46.0 percent decline in Profit Before Tax (PBT) amounting to RM345.8 million compared to the RM640.0 million registered in the previous year. At the Bank level, BCB recorded a 53.9 percent decline in PBT to RM225.0 million (FY 03: RM488.2 million). The BCB Group contributed 31.7 percent to group profits. The decline in PBT was attributable to the decision to address the asset quality position in the fourth quarter of the year. This move should assist in providing a clearer line of sight for loan loss provisions going forward.

THE CIMB BERHAD GROUP

2004 was another record year for the CIMB Berhad Group with Profit Before Tax amounting to RM384.9 million, 9.7 percent higher than that recorded in the year ended 31 December 2003. Total revenue increased by 13.6 percent year on year to RM601.1 million with all core business divisions continuing to excel. Net profit for the financial year increased by 11.2 percent from RM260.6 million to RM289.7 million, their best ever results. The return on equity was 20.7 percent. The CIMB Berhad Group contributed 35.3 percent to Commerce Group profits.

The results were recorded amidst a fiercely competitive operating environment both on the local and regional fronts. Gross funds raised in the Malaysian Capital Markets were lower in 2004 amounting to RM91.8 billion compared to RM109.1 billion raised in 2003. Although there was improvement in the trading volumes on Bursa Securities, average daily trading volume was approximately 25 percent lower year on year in the Ringgit Bond Markets. CIMB topped the M&A league table for 2004 with a 48.0 percent market share by deal size. In the primary bond market and primary equity market, CIMB maintained its leadership position. It was a landmark year for secondary equity placements with the notable deals during the year undertaken by CIMB were for clients such as Telekom Malaysia Berhad, Perusahaan Otomobil Nasional Berhad and Shell Refining Company (FOM) Berhad.

During the year CIMB embarked on a series of strategic initiatives to maintain and enhance its competitive edge. In the area of product diversification, there was renewed focus on structured investment products and other products such as Ringgit Malaysia Convertible Bonds. Annuity income derived from funds management, private equity, private banking, agency and securities services became a new revenue line disclosure in 2004. During the year, CAHB disposed its 70 percent stake in Commerce Trust Berhad and Commerce Asset Fund Managers Sdn Bhd to CIMB Berhad for a total consideration amounting to RM35.0 million. This disposal by CAHB is part of an internal restructuring to place the asset management businesses under the purview of the group's investment banking business. The annuity income stream emanating from the asset management businesses will provide greater earnings stability for CIMB in the future.

In March 2004, CIMB successfully completed the issuance of Tier 2 Subordinated Debt of USD100 million. The issue was an overwhelming success and was oversubscribed by 4.25 times. The latest ratings accorded to the notes are Ba1 by Moody's and BBB- by both Fitch and S&P. The issue of Subordinated Bonds was part of a two fold exercise whereby Tier 2 capital amounting to RM380 million was raised followed by a cash distribution by CIMB to CIMB Berhad amounting to RM350 million. The capital swap resulted in a cash distribution to shareholders of CIMB Berhad of approximately 40.7 sen per share. This is an illustration of CIMB's proactive stance in capital management. This was further reinforced by the announcement of a target annual dividend payout of 15 sen per share.

With its continued market leadership position in the Capital Markets in Malaysia, it is a natural progression for CIMB to look at a regional presence. The initial tentative steps has been taken through the acquisition of PT CIMB Niaga Securities in October 2003. Subsequent to the year end, in January 2005, CIMB Berhad announced the proposal to acquire the stockbroking businesses of Singapore listed GK Goh Holdings. I will touch on this in the corporate development section of this statement. Of all the awards garnered in 2004, I wish to highlight the National CEO of the year award accorded to CIMB Berhad's Chief Executive Officer, Dato' Nazir Razak. It is a singular honour and we extend our heartfelt congratulations.

THE PT BANK NIAGA GROUP

Bank Niaga Group reported another record year with PBT equivalent to RM307.6 million for the year ended 31 December 2004. This was an increase of 55.2 percent from the RM198.2 million recorded in the corresponding year. The PT Bank Niaga Group contributed 28.2 percent to the Commerce group profits. The sterling performance was fuelled by a 46 percent growth in loans with the commercial and consumer segments leading the way. The Group's net profit for the financial year equivalent of RM268.1 million was 28.2 percent higher than last year. In only the second year of inclusion of its full year results, Bank Niaga is becoming a significant contributor to Commerce group results.

CHAIRMAN'S MESSAGE

The Indonesian economy was stable and registered steady growth in 2004. The macro economy stability evident during the year saw exports and investments starting to support domestic consumer consumption as levers of economic growth. Political stability was very much in evidence despite the long election process. Consumer confidence was at its highest for the past three years and inflation remained at manageable levels. The banking sector continued with its intermediary role.

The "Vision 2007" strategic initiative for Bank Niaga continued to make good progress. The combined loan and deposits market share of Niaga stood at 3.1 percent at the end of 2004 compared to the 5.0 percent target in 2007. As at end September 2004, Bank Niaga was the eight largest bank by assets in Indonesia. Progress on both fee income and net profit growth was very encouraging. Low cost deposits made up 42 percent of total deposits. The contributions from the consumer and SME businesses in 2004 clearly indicates that the goal of becoming a retail force is gathering momentum.

Bank Niaga began paying dividends in 2004, the first time after the Asian Financial Crisis. One of the strategic initiatives undertaken during the year include the risk management system that was enhanced to support rapid loan growth. Syariah banking was also launched, an area which has much potential in Indonesia. Bank Niaga received many accolades during the year. The strong customer service heritage continued to be recognised with Bank Niaga clinching for the 8th successive year the Banking Services Excellence Award by Marketing Research Indonesia.

OTHER COMPANIES IN THE COMMERCE GROUP

Commerce Asset Ventures Sdn Bhd (Commerce-Ventures) registered a strong growth of 48.4 percent in PBT amounting to RM18.4 million as at end of 2004 compared to the RM12.4 million recorded in 2003. This is attributable mainly to the realisation of gains from disposal of its investments. The focus on 2004 was largely centred on buy-outs. In 2004, Commerce-Ventures went through a re-branding exercise cementing the leading role it has played in the Malaysian venture capital industry.

Commerce Asset Fund Managers Sdn Bhd (CAFM) and Commerce Trust Berhad (CTB) collectively have RM5.3 billion funds under management at the year end. At CAFM, pretax profits rose by 17.0 percent to RM5.5 million from RM4.7 million recorded in 2003. The higher profit was due to higher revenue from both wholesale and retail business as well as lower expenditure. At CTB, pretax profits rose by 6.1 percent to RM5.2 million from the RM4.9 million recorded in 2003. This was due to higher sales during the year with the introduction of five new unit trust funds to complement the present range of funds.

Commerce Life Assurance Berhad (Commerce Life) registered a 20.4 percent rise in PBT to RM5.9 million from the RM4.9 million registered in 2003. Gross premium income for the year ended 31 December 2004 amounted to RM364.9 million, a significant rise of 157.9 percent from the RM141.5 million recorded in 2003. A new significant contributor to premium income came from the sale of investment linked products.

We have included ten months of the post acquisition results of AMI Insurans Berhad (AMI) to the Commerce Group results in 2004. At the PBT level, this amounted to RM18.5 million. There was a concerted emphasis on the retail business during the year in particular personal line of business such as motor insurance. Subsequent to the year end AMI changed its name to Commerce Assurance Berhad. This signifies not only its entry into the Commerce family but also the strategic focus on bancassurance.

CORPORATE DEVELOPMENTS

One of the main themes in Corporate Malaysia for 2004 was the Government's initiative towards promoting a culture of high performance in Government Linked Corporations (GLC). This would involve the implementation of Key Performance Indicators and the introduction of Performance Linked Compensation. This is a wake up call for all GLCs including the Commerce Group where execution and performance will be the prevailing theme going forward. In tandem with this GLC reform theme, Commerce Asset-Holding Berhad has adopted and finalised its corporate scorecard with both quantitative and qualitative targets set for 2005 as a start.

Another major initiative undertaken during the year was the development of the Group Bancassurance Blueprint. This exercise was taken to provide a platform for the Group Bancassurance business to grow significantly over the next few years. We believe this will form an important component of non interest income in the future. This is truly a group-wide initiative led from the centre and supported by a dedicated team comprising representatives from the commercial bank, finance company, the two insurance subsidiaries and unit trust company in the implementation of the blueprint.

In September 2004, CAHB via its Labuan incorporated subsidiary, Commerce Capital (Labuan) Ltd successfully completed the issuance of USD125 million zero-coupon convertible bonds. The pricing was at the tightest end of the marketing range to achieve a yield to maturity/ yield to put of 1.5 percent and conversion premium of 30 percent. The offering is the first US dollar convertible bonds issued by a Malaysian financial institution post the 1997 financial crisis. The deal was warmly received with strong demand coming from investors in Asia, UK and Europe. The books were closed early as the deal was well oversubscribed within 2½ hours of launch. The bonds are listed on the Labuan International Financial Exchange Inc and Singapore Exchange Securities Trading Limited. Proceeds from the issue will be used for working capital and other corporate purposes of the Commerce Group.

I mentioned in last year's Annual Report that the disposal of our 30 percent equity interest in Bank Muamalat Malaysia Berhad would pave the way for BCB to embark on Islamic Banking activities. Approval in principle was given to BCB in July 2004 to commence Islamic Banking activities through a subsidiary. At the CAHB level, approval in principle was also given by Bank Negara Malaysia in October 2004 for the Group to conduct Takaful business. These developments will extend the range of products and services offered by the Commerce Group in the near future.

Subsequent to the year end, CIMB Berhad announced that it had signed a sale and purchase agreement with G.K. 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 approximately RM554.8 million which will be satisfied entirely in cash. The proposed acquisition which is subject to regulatory and shareholder approvals will transform CIMB into South East Asia's leading investment banking franchise with significant market share in Malaysia, Singapore and Indonesia. Inter-conditional with the proposed acquisition, CIMB will issue 93.66 million new CIMB Berhad shares at an issue price of RM4.50 per share to Commerce Asset-Holding Berhad, thereby raising approximately 75 percent of the total purchase consideration amounting to RM421.48 million. CAHB will then carry out a renounceable restricted offer for sale of approximately 26.3 million of the consideration shares to the minority shareholders of CIMB Berhad on a rights basis of one CIMB share for every nine existing CIMB shares held. We are excited at the prospects of the proposed acquisition in particular to the regional footprint that it will provide for the Group's investment banking activities.

PROSPECTS FOR 2005

Though domestic economic conditions are expected to moderate slightly in 2005, we still expect that the overall environment will provide a conducive platform for growth in the banking sector. There will be renewed focus on growing the core business segments and developing new sources of revenue. Continued efforts will be in place to enhance the asset quality position and to control costs.

For the Malaysian capital markets, we are expecting higher activity levels and better market conditions for equity and debt. The Mergers and Acquisitions outlook will likely be driven by the level of cross border transactions. Despite recent announcements on regional aspirations, the prospects for the Group's investment banking activities will be dependant on the Ringgit capital markets.

The Indonesian economy is expected to grow by 5.4 percent in 2005 based on official estimates. The credit cycle continues on an upward trend and the banking sector has room for growth with its relatively low loan to deposit ratio. The pro business government is taking the lead by promoting infrastructure projects and increasing foreign investment. This augurs well for the banking sector as a whole.

CHAIRMAN'S MESSAGE

ACKNOWLEDGEMENTS

On 28 June 2004, Mr Masayuki Kunishige resigned from the Board of Directors. Mr Kunishige was a representative of UFJ Bank on the Board of Directors. Mr Kunishige had also served as Executive Advisor of Japanese Business at BCB and then as Director of BCB. I wish to place on record our appreciation and gratitude to Mr Kunishige for his contributions. On 26 July 2004, we welcomed En Izlan Izhab to the Board of Directors as an Independent Non-Executive Director. En Izlan was also appointed as a member of the Audit Committee. A lawyer by profession, En Izlan had a distinguished career including a fifteen years stint at the Kuala Lumpur Stock Exchange, the forerunner to Bursa Malaysia Securities Berhad. Effective 1 September 2004, Dr Rozali was appointed as Executive Director/Group CEO of the Commerce Group. Dr Rozali ably led BCB through the transition years post merger.

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 Malaysia Securities Berhad, our business partners, advisers and customers. We would also 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 (2003: 5 sen) gross per ordinary share less tax at 28 percent. The Board is also recommending a special gross dividend of 5 sen (2003: 5 sen) less income tax at 28 percent. The payment of special dividend in particular is an illustration of our commitment to maximise shareholders value and our continued pro-active approach to capital management.

Tan Sri Dato' Mohd Desa Pachi

Chairman

Kuala Lumpur

28 February 2005

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It's more than commercial banking...



It's about **listening**



BCB Group

CORPORATE AND INSTITUTIONAL BANKING

The main sectors served by the Division during the year were Finance, Insurance, Real Estate and Business Services, Construction and Manufacturing. The financial facilities extended comprised largely funded products, which were mainly term loans and revolving credit. Efforts were also directed towards improving the customer acquisition rate and enhancing present business relationships. For fee income, it was mainly derived from facility fees and profit sharing fees.

Treasury and International Banking continued to be active during the year. The Foreign Exchange and Corporate Sales Desks performed well. For International Banking, the key deliverables for the year were diversifying the Division's loan portfolio in terms of country exposure, tenor and industry. There was a clear focus to increase the trade finance volume, increase investment portfolio in high-return investment papers and introduce new products to boost fee-based income.

BUSINESS BANKING

Efforts were directed at achieving growth in loan assets and better return on these assets, improving loan asset quality and strengthening the Bank's presence in the small and medium-sized enterprises market. Various programmes were also implemented to increase the utilisation rate of trade finance facilities, improve the contribution of non-interest income from non-borrowing customers and enhance the overall quality of customer service.

The Business Banking unit recorded the highest loan growth year on year at 12 percent. Approximately 53 percent of the Division's gross loans comprised loans to small and medium-sized enterprises. The leading sectors for loan disbursement during the year include manufacturing and wholesale.

RETAIL BANKING

Retail loans in 2004 amounted to RM13.4 billion, an increase of 6 percent from the previous year. Housing loans made up approximately 71 percent of retail loans with a year on year growth of 7.7 percent. During the year, a number of acquisition programmes have been designed such as a referral incentive scheme as well as preferential end financing packages.

During the year, the Division surpassed initial targets for approved new Credit Cards and loans for Amanah Saham Bumiputra (ASB). The Credit Cards business is an area of focus. Several new initiatives involving special credit card programmes were introduced during the year. Branches were empowered to process and approve ASB loans during the year.

The Bank's Branch Transformation Project began in earnest during the year. Feedback obtained indicated that customer satisfaction and service level at the branches have been very favourable since the commencement of the project in mid-2004. In December 2004, the Bank launched its Preferred Circle service. This service is offered by invitation only to high net worth and high standing individual customers of the Bank. Preferred Circle will be a one-stop center where all banking and financial needs of eligible customers are attended to in an exclusive environment. The service will be launched in phases with the initial opening of a Preferred Circle Centre at Jalan Tun Perak Branch and a Preferred Circle Lounge at Menara Choy Fook Onn Branch and Taman Tun Dr Ismail Branch.

The Bank will continue to focus on increasing sales through the setting up of a centralised call center for consumer loan products, redesigning and rebranding products and refining processes. There will also be aggressive marketing to retain or acquire market share through for instance the implementation of loyalty programmes.

RISK MANAGEMENT

Efforts continued to be directed towards enhancing the risk management framework in line with the road map to implement Basel II recommendations. The Basel II Project Management Office was established during the year. A number of initiatives have been in place to improve credit monitoring as well as enhance credit policy management, credit surveillance and retail process efficiency. Various tools such as risk-pricing matrix, credit risk management framework and credit data mart have been developed to assist in credit monitoring. Policies and procedures were reviewed to ensure that they are current and are in line with industry practices and comply with regulatory requirements.

The Bank's Decision Support System (DSS) project includes systems to assist in managing market risk. During the year, the new Fund Transfer Pricing system, the Asset and Liability Management (ALM) Data Autofeed and the first phase of the ALM system were completed. Policies, systems and manuals have been put in place to enhance risk identification, measurement and control of treasury risk.

Operational risk initiatives continued to be directed at driving revenue enhancement and improving process efficiency, attaining an acceptable level of operational risk management standards and harnessing the benefits of outsourcing. Charges for banking services are being reviewed and realigned to industry practice, with revised charges implemented for business loans, trade services and nominee services during the year under review. Various measures were introduced for more efficient banking services, such as credit scoring scorecards and statement-based fixed deposits.

INFORMATION TECHNOLOGY

Information technology (IT) services during the year under review aimed to derive benefits from outsourcing initiatives, improve IT cost management, conduct a pilot study on shared services and support business initiatives. To manage IT costs, unit pricing for infrastructure, output-based pricing for applications and benchmarking for competitive market pricing of IT services have been undertaken.

A review of the Bank's IT network infrastructure was completed during the year. Other projects implemented to support the Bank's business initiatives include Credit Risk Management, e-HR Performance Appraisal and DSS Profitability Management.

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. Financial transactions through Channel-e were trending upwards through the year, with funds transfers making up the major portions of these transactions. Subscribers have begun to increasingly use Channel-e for bill payments.

Joint campaigns with the Business Banking Division helped to increase BizChannel subscriptions for the year under review. Funds transfers formed the major component of transactions and there was a doubling of transactions for eTrade Finance. There was a deliberate attempt for gradual growth in Channel-e subscriptions. This was to accommodate a new Internet Banking platform which was completed in December 2004. The Bank provides the web based eDealer service to Bumiputra-Commerce Finance (BCF) which in turn provides the service to Proton-Commerce.

HUMAN RESOURCES

Talent management and succession planning are crucial elements of the Bank's value driven culture. The process to determine the Bank's future leaders is ongoing to ensure continuity in management. Another value promoted by the Bank is attention to customer service and to encourage improvements in this area, the "Teaming2Win" programme was introduced in all branches during the year under review.

The performance-linked rewards scheme was implemented during the year. The drive within the Bank towards a performance-based culture was promoted through programmes such as the Assessment Centre which was launched in June 2004. This programme which puts participants through a number of interactive exercises will greatly assist the Bank to assess the capabilities and potential of its employees, particularly at the supervisory and managerial levels.

GROUP REVIEW

The Bank

At the Bank, gross loans growth for the year ended 31 December, 2004 was 8.9 percent while deposits grew by 16.2 percent. In terms of business unit, Business Banking registered the highest growth of 12 percent followed by Corporate Banking at 8 percent and Retail Banking at 6 percent. There was a change in the fourth quarter in the NPL classification to three months from six months. The change in the period of classification was made to conform with international standards and to be in line with Basel II Accord requirements. The net NPL ratio on a three month classification as at end of December 2004 was 8.10 percent. The cost to income ratio improved to 50.41 percent at the end of 2004 from 53.37 percent. There was a focused and concerted effort all year to reduce overall costs. At the end of the year, the core capital ratio and the risk weighted capital adequacy ratio stood at 8.87 percent (2003: 9.49 percent) and 13.17 percent (2003: 14.43 percent) respectively.

BUMIPUTRA-COMMERCE FINANCE BERHAD (BCF)

It was a challenging year for BCF with intensifying business competition from the existing financiers which included manufacturers who provide in-house financing. Loan growth at BCF was strong at 59 percent from RM4.68 billion in 2003 to RM7.43 billion in 2004 due to aggressive and extensive marketing efforts. BCF recorded a PBT for the financial year ended 31 December 2004 amounting to RM7.5 million, an 89.9 percent decline year on year compared to the RM74.7 million recorded in 2003 mainly due to the change in NPL classification from 6 months to 3 months.

The announcement on the new tariff structure with the implementation of the Asean Free Trade Area (AFTA) stabilised the uncertainty in car consumer market behaviour. In widening its customer reach, BCF has expanded its business outlets to 76 and enhanced the eDealer system to improve its market share. BCF continued to improve collection methods by leveraging on the Credit Scoring Model, establishment of a dedicated Call Centre and the introduction of Field Operation Officers.

BUMIPUTRA-COMMERCE BANK (LABUAN) LIMITED (BCBL)

BCBL registered PBT for the year amounting to RM57.0 million, a 7.8 percent increase from the RM52.9 million recorded in 2003. Loans growth was around 5 percent year on year. The modest growth was mainly due to prepayments and principal maturity. In terms of country exposure, Malaysia remained the highest with 73 percent followed by 16 percent to Indonesia. As for industry exposure, manufacturing heads the list with 26 percent followed by purchase of securities at 19 percent.

It's more than investment banking...



It's about **partnerships**



CIMB Berhad Group

INVESTMENT BANKING (IBK)

During the year, this division continued to play the “front-line” role in identifying and originating structures and proposals for existing and potential clients, making it pivotal to issuer client flows, an instrumental part in CIMB’s achievements in 2004. The structure of having four IBK teams and an independent research unit within the division was maintained during the year. CIMB was named as the Best Domestic Investment Bank by The Asset and Finance Asia in 2004.

EQUITY MARKETS & DERIVATIVES (EMD)

EMD had an excellent 2004 with CIMB sweeping the awards in the equity arena and leading all key league tables. EMD also capitalised on strong foreign interest to generate secondary placement deals.

CIMB maintained its market leadership in the domestic IPO market, being the Sole Bookrunner for three out of the six largest IPOs in 2004 namely KLCC Property Holdings Berhad, Ornasteel Holdings Berhad and Sin Chew Media Corporation Berhad. For secondary placements, it was an outstanding year with the three major transactions as follows: Khazanah’s sale of RM2.91 billion worth of Telekom shares; Mitsubishi Motors Corporation’s sale of Proton shares worth RM396 million and Shell Overseas Holdings Limited’s RM464 million worth of shares in Shell Refining Company (FOM). The Telekom transaction, in which CIMB was Sole Global Co-ordinator and Joint Bookrunner, received Finance Asia’s Achievements Awards 2004 for Best Secondary Offering and Best Malaysia Deal as well as the IFR’s Award for Best Malaysia Equity Deal.

Apart from traditional products, CIMB also led the way for convertible bond issuance for Malaysian issuers. Major deals for 2004 were Tenaga Nasional’s RM200 million convertible issue, the first ringgit convertible deal and Khazanah’s USD414.5 million exchangeable bond issue.

DEBT MARKETS AND DERIVATIVES (DMD)

Despite a slow start for 2004, the Ringgit bond markets saw a decent rally in the second half of the year. Against this backdrop, DMD’s businesses performed relatively well in both the primary and secondary markets.

DMD notched up a number of significant deals in the primary markets this year. CIMB jointly lead managed the first residential mortgage-backed securities issue in Malaysia by Cagamas MBS, a subsidiary of Cagamas. CIMB also joint-lead managed the RM500 million Islamic bond issue by the International Finance Corporation, the first Islamic bond issue by a supranational in the world.

CIMB was also actively involved in assisting Malaysian corporates raise USD via straight debt as well as convertibles to take advantage of a perceived trough in the USD interest rate cycle. The flagship USD debt transaction for the year was Telekom’s USD500 million global bond issue lead managed by CIMB, UBS and Deutsche Bank.

DMD’s new initiative for the year was the launch of structured products following the issuance of Bank Negara Malaysia’s and the Securities Commission’s guidelines on structured products. New products launched during the year include range accrual notes, inverse floater notes and equity-linked notes. This strategy will have to be reviewed in due course as there has been some disappointment with the slow development of investor interest, high cost of product development and regulatory restrictions.

In the debt market category, CIMB won among others, Asiamoney’s “Deal of the Year” awards for the Telekom and Cagamas deals and were recognised as “Best Debt House” by Euromoney and Asiamoney.

CORPORATE FINANCE (CF)

CF's portfolio continued to expand in 2004 from advisory, mergers and acquisitions, origination and compliance for equity capital market transactions, corporate and retail banking to include corporate agency and securities services (CASS) and development of new investment management opportunities. Product widening is part of CF's strategy to mitigate a general decline in margins in some of the traditional "bread and butter" products.

CIMB continued to top the M&A league table during the year and was named the Best M&A House by Euromoney. Thomson Financial Publications also recognised CIMB as Number 1 in Asia ex-Japan for the number of M&A transactions.

A new joint venture with Mapletree, signed in November 2004 was a major initiative for CIMB. Both CIMB and Mapletree have each committed RM100 million to anchor a real estate fund, CM-1, which intends to raise a further RM300 million in equity and about RM1 billion in debt to invest in properties. The objective for the venture is to earn annuity income from funds management and to obtain investor returns.

PRIVATE CLIENT SERVICES (PCS)

Private Banking's (PB) assets under management doubled from RM760.3 million at the beginning of the year to RM1.52 billion at the end of 2004. The number of financial advisors also increased from 11 to 21. PB also played important distributor roles in many primary debt and equity transactions during the year. As a first step in geographical expansion, a Penang branch was opened during the year.

The remisier headcount remained steady at 90 people. There are plans to expand the retail reach by placing remisiers in branches in other parts of the country. There has also been investment in technology to provide alternative investment tools for customers. In 2004, CIMB enhanced the i-trade system to incorporate the e-IPO module to enable IPO subscription via the internet and also launched m-Trade for customers to trade shares using their mobile phones.

PRIVATE EQUITY (PE)

2004 marks a milestone in the maturation of PE. It has now captured sufficient funds under management to be self-financing. At the end of 2004, PE funds under management have increased to just under RM300 million in two funds namely CIMB Muamalat Fund 1 Ltd. P, a shariah compliant regional buy-out fund and CIMB Mezzanine Fund focusing on pre-IPO investments. One of the most encouraging elements for PE has been its success in raising funds from the Middle-East, with the support of CIMB Islamic.

CIMB ISLAMIC (CI)

CI is responsible for ensuring that CIMB is able to offer an Islamic version of its products and services whenever possible and to support sales of these products. The success of the PE offering in the Middle-East is one such example. Although just two years old, CI has built an excellent reputation and was recognised by Euromoney as the "best provider of Islamic financial services in Asia" in 2004.

CI broke new ground in 2004 with the International Finance Corporation (IFC) RM500 million BaiDS facility which CIMB jointly lead managed. This deal had three historic milestones. It was the first Islamic deal by a non-Islamic supranational in the world, the first ever Islamic issuance in domestic currency by a supranational and the first Islamic Ringgit securities issued by a foreign issuer since the liberalisation of exchange control.

Another innovative deal was the first Ijarah/Murabahah programme in the domestic market by Dawama Sdn Berhad in which CIMB lead managed.

It's more than extending reach...



It's about **service**



Bank Niaga

CONSUMER BANKING

The main thrust of the strategy adopted in a highly competitive market place during 2004 was to focus on three core product lines namely auto loans, housing loans and credit cards. Efforts were also directed towards cross selling other consumer products. Market segmentation was prevalent in initiating specific sales campaign of products such as deposit and insurance products as well as pension plan. During the year, there was the successful launch of Mini Visa Cards and Mini Debit Cards. Bank Niaga is now the second largest issuer of credit cards in this specific lifetime segment which is targeting at young professionals.

Bank Niaga's stated aim of becoming a premier retail bank is beginning to take shape as customer response has been overwhelming. Consumer loans and deposits now constitute 28 percent and 49 percent of the Bank's overall portfolio. Individual customers assets under management, largely focused on mutual funds, grew at a mammoth pace of 115 percent to IDR5 trillion. The Bank's customer base has also grown by 23 percent to 1.6 million customers.

There are no gaps in the range of individual customer products offered by Bank Niaga. With the successful launch of Niaga Pension Plan during the year, every key segment of financial services from day to day banking services to lifetime needs is available at Bank Niaga. Other products offered include life insurance, credit shield for credit cards and general insurance as well as investment linked products. During the year, Private Banking was reorganised with expanded products lines in both local and foreign currencies and new talents were recruited to focus on the affluent target market.

A key feature in 2004 was the expansion of the distribution network from 156 to 209 branches. The number of shared network ATMs available to Bank Niaga customers were doubled to 5,117 and the dedicated ATM network increased by 24 percent to 288 units. In the fourth quarter of 2004, self-service terminals (SST) were launched at 62 locations. Largely used for non-cash transactions, the SST is also linked to Garuda Indonesia to facilitate instant purchases of air tickets.

Improving customer service is a common feature in the banking industry. Bank Niaga stands out in having a long standing record of leadership in customer service excellence. We are pleased to report that Marketing Research Indonesia awarded the Bank as Second Overall in its annual service quality awards, the eight successive year that Bank Niaga has earned a top three position in these awards.

BUSINESS BANKING

This segment covers SME (Small and Medium Enterprises) and other medium-sized enterprises with assets or turnover up to IDR500 million. The Bank's network of individual and institutional business partners continued to grow throughout the year. These partners include Government institutions and cooperatives, rural banks and multi finance companies and large corporations through whom Bank Niaga offers financing to end users in agriculture, property, trading and local retailing.

Bank Niaga also continued to concentrate in sectors such as Palm Oil where it has built considerable industry and local knowledge. In July 2004, Bank Niaga signed an agreement with Koperasi Unit Desa in Banjarmasin to provide credit to 2,374 end users totaling IDR117 billion. Using industry expertise and the value chain approach, the Bank covers the business banking segment through a total of 34 branches and 20 commercial desks.

Knowledge and understanding of any business is a prerequisite to a successful lending relationship. This principle was extended up and down the value chain during 2004. This entailed capturing financing opportunities at every stage from manufacturer through distributor, dealer and ultimately to the end consumer through close cooperation with the Consumer Banking Division. Channel financing as it is known at Bank Niaga was used effectively in a number of sectors in 2004 including plantation, agriculture, automotive, heavy equipment, commercial property and electronics equipment.

CORPORATE BANKING

This segment covers companies or groups that have an annual turnover above IDR500 billion. The activities in this segment cover corporate lending, trade finance, cash management, money market and foreign exchange services. Investment services including custodial services, is a growing contributor to fee income.

Corporate sector loan represented 30 percent of the Bank's total lending base in 2004 and saw a growth of 31 percent year on year. This growth was achieved without sacrificing quality. Fee income increased significantly primarily due to trade finance, investment services commissions and custodial fees. In cooperation with CIMB Niaga Securities, Bank Niaga assisted companies to make effective use of commercial lending, equity and debt capital markets. Growth in lending was well spread across both primary resource-based sectors as well as general manufacturing, retailing and consumer goods. Trade finance volume continued to grow to over USD840 million. Warehouse financing, pioneered by the Bank has continued to be an area of success.

In a year in which the Rupiah depreciated, foreign exchange activities increased significantly and Bank Niaga was one of the market leaders in this sector. Exchange earnings also benefited from the increase in trade finance business and fee income from treasury operation also increased year on year. Investments in Information Technology during the year included enhancements to cash management service and improvements to the treasury dealing systems will contribute to expand the Bank's capabilities.

Bank Niaga was voted the most active custodial bank in 2003 and 2004 by Bursa Efek Surabaya. The Bank is a leading local custodial bank in Indonesia with a market share of almost 40 percent in the local bond trustee agency services market and a 40 percent share among the pension fund custodial client market. During the year, investment services commission income was up 40 percent and custodial fees grew by 45 percent. Together with BCB, the Financial Institutions Group continued to develop the CashLaju remittance service launched in 2003. There was also collaboration with BCB on new trade finance arrangements.

SYARIAH BANKING

Syariah Banking services were launched in September 2004. Within a short period of its launch, we have witnessed a modest yet encouraging start with almost 1,000 customers to date and deposits of IDR16 Billion. The Syariah banking market is expected to grow at about 45 percent annually over the next few years. In accordance with central bank regulations, the Syariah Banking operation is completely segregated from conventional banking with a separate IT system in place. All Syariah Banking customers can benefit from access to the full range of E-Banking service including ATM, phone banking and access via the internet. Indonesia's total Islamic Banking assets in 2004 were less than 1 percent of total banking assets. Bank Niaga expects to play a significant role in the future of this market.

Economic Outlook

Operating Environment in 2005

1. GLOBAL ECONOMIC OUTLOOK 2005

Global economic growth is expected to moderate to 4.3% in 2005 from its recent peak of 5.0% in 2004 on the back of an anticipated worldwide slowdown in the manufacturing sector particularly the tech sector, a less accommodative fiscal and monetary policies and the lagged impact of high oil prices. In the US, real GDP is expected to register a slower growth of 3.5% in 2005 (2004: 4.4%), but this is still within its optimal growth trend. Consumer spending, the main driver of the economy, making up about 70% of GDP, is expected to slow down in 2005 (3.1% vs. 3.7% in 2004), due to the waning effects of the 2001-03 tax cuts, low interest rates and mortgage refinancing cash-outs. However, this is expected to be mitigated by strong capital spending, with real business fixed investment projected to grow by 9.4% (2004: 10.4%). Meanwhile, the Japanese economy may slow to 2.1% in 2005 after registering a growth of 2.6% in 2004, its fastest since 1996, on the back of less favourable external developments and a stronger yen. Furthermore, high private investment growth rate seen in 2004 is likely fizzle off moderately in 2005, resulting in short-lived recovery in the labour market. As a result, household spending may remain anaemic and deflationary pressure in the economy continues to prevail. In the Eurozone, overall growth to remain relatively subdued with real GDP expected to grow by 1.9% in 2005 (2004: 2.0%). Economic activity will be restrained by relatively high oil prices, a strong euro and softer global growth. In the Asian region, some moderation is anticipated in 2005 after 3 straight years of accelerating growth. Overall growth is likely to be supported by domestic demand as export growth slows down. Within the region, China is expected to lead, with real GDP growth of 8.5% in 2005 (2004: 9.5%).

Real GDP Growth for Major Economies

	2003	2004 ^e	2005 ^f
	y-o-y%		
World	3.9	5.0	4.3
US	3.0	4.4	3.5
Japan	2.5	2.6	2.1
Euro	0.5	2.0	1.9
ASIA	7.2	7.3	6.5
China	9.3	9.5	8.5

Source: IMF World Economic Outlook – September 2004, OECD Economic Outlook – November 2004, Asian Development Outlook 2004 Update, various official releases

^e estimate, ^f forecast

Inflation may tick up in most countries as the impact of high oil prices begin to trickle through to consumers, but the rates are likely to remain at non-threatening levels. The still high excess capacity, stiff price competition, slower domestic demand and tighter monetary policy environment would put a check on excessive upward pressure on prices. In the US, the core inflation is expected to remain low, though the rate may move above 2.0% from 1.6% at end of 2004. In Japan, although consumer prices may be exhibiting some inflationary pressures for the first time in a long while, any y-o-y growth is expected to be marginal. Inflation is likely to remain mild in the euro-region on the back of weak domestic demand. On the other hand, in the Asian region, inflation may edge up gradually due to the lagged effect of high oil prices.

Inflation Forecast for Major Economies

	2003	2004 ^e	2005 ^f
	y-o-y%		
US	2.3	3.0	3.0
Japan	-0.2	-0.2	-0.1
Euro	2.1	2.2	1.9
ASIA	2.5	4.3	3.9
China	1.2	3.9	4.9

Source: IMF World Economic Outlook – September 2004, OECD Economic Outlook – November 2004, Asian Development Outlook 2004 Update, various official releases

^e estimate, ^f forecast

Most major central banks with the exception of the Bank of Japan are likely to step up efforts in tightening their monetary policies.

- US Fed Fund rate likely to rise to 3.50 - 3.75% at the end of 2005 (2004-end: 2.25%).
- Bank of England may continue hiking up its base lending rate, but at a less aggressive pace than the US, bringing the rate to 5.00 - 5.50% at end of 2005 (2004-end: 4.75%).
- European Central Bank to remain focused on supporting economic recovery and may move rates upward only in the second half of 2005 (end-2004: 2.00%).
- Asian central banks are likely to push rates higher going into 2005. In its bid to bring investment spending under control, China's central bank may continue to put in place restrictive measures in 2005. The central bank may also increase its interest rate further following its rate hike of 27bp to 5.58% on October 29, 2004 – the first in 9 years. Nonetheless, the pace is unlikely to be aggressive so as to ensure the economy is still on track for a soft landing.

2. MALAYSIA'S ECONOMIC OUTLOOK 2005

REAL GDP

After expanding briskly in 2004, Malaysia's real GDP is expected to trend down slightly in 2005 on the back of weaker external demand and the public sector's commitment to consolidate its financial position. A number of external factors such as the persistent high oil prices, China's slowdown and the anticipated slow down in the US consumer spending would have a bearing on Malaysia's economic performance in 2005. Of the three factors mentioned above, the concern is more on the impact of the record high oil prices on demand which is likely to slow as consumers in our major trading partners set aside more spending on oil and energy related purchases. Nevertheless, given that Malaysia is a net oil exporter, higher earnings derived from the exports of crude oil and oil related products would likely mitigate any slowdown in external demand. The overall growth in the economy in 2005 would be supported largely by sustained domestic demand with main contribution to growth emanating from the private sector as the public sector consolidates its position. Small-and medium sized enterprises (SMEs) are expected to play an increasingly important role in driving domestic investments in key sectors of the economy in 2005. Thus, growth in real GDP is projected to moderate to 5.5-6.0% in 2005 from a high of 7.1% in 2004, which was the highest growth recorded since 2001.

Real GDP by Expenditure

	2003	2004	2005
	y-o-y %		
Private Consumption	6.6	0.4	10.0
Private Investment	3.9	6.3	5.0
Public Consumption	5.3	10.1	16.1
Public Investment	8.0	-3.7	18.6
Exports of Goods & Services	21.2	7.1	7.5
Imports of Goods & Services	10.5	4.0	-4.5
Real GDP	10.5	10.5	5.5 - 6.0

KEY SECTORS

Growth Projection for Key Sectors

	2003	2004	2005
	y-o-y %		
Agriculture	5.7	5.9	8.3
Mining	1.9	4.4	5.3
Manufacturing	5.0	4.1	9.8
Construction	-1.9	6.7	7.1
Services	3.8	5.0	7.5
Real GDP	1.5	5.5	5.5 - 6.0

Growth in the manufacturing sector is expected to moderate to 7.5% in 2005 (2004: 9.8%) on account of a weak external demand mainly for electrical and electronic products. Despite this, the sector will remain to be the key engine of growth in the economy. There is a discernible shift away from labour-intensive production to high value added production in the manufacturing sector with knowledge-based labour of higher productivity and skills. Sub-sectors which have good growth potential in 2005 include:

- Resource based industries such as palm oil products, rubber products and food products.
- Building materials, especially steel and fabricated metals industry.
- Water-related industries, such as the manufacture of pipes.
- ICT-related equipment industries.

New sources of growth to emerge in:

- food processing industries (new market segments such as halal food),
- biotechnology/pharmaceutical industry,
- marine & aerospace industry, and
- machinery & equipment industries.

Industries likely to be exposed to keener competition during the year include:

- textiles and apparels,
- automotive,
- wood based products especially furniture,
- plastic products, and
- electrical products.

ECONOMIC OUTLOOK

Operating Environment in 2005

The agriculture sector which is to be developed as the third engine of growth is expected to continue to grow, but at a more moderate pace of 3.8% in 2005 on account of lower prices and production of palm oil and rubber following a high base in 2004. Among factors affecting output of palm oil will include slower demand from importers in China and India, high stockpile brought forward from 2004 and strong output of soybean oil in 2005. Meanwhile, crude palm oil price is expected to average between RM1,300 - RM1,400 per tonne in 2005 compared with an average of RM1,650 per tonne in 2004.

The mining sector is expected to record a higher growth of 5.0% in 2005 on account of higher production in both crude oil and natural gas. Better demand, firm prices of oil and gas and expansion of new oil and gas fields would boost output of both mineral products.

The construction sector is expected to turnaround to grow by 1.5% in 2005 (2004: -1.9%) to be supported by the implementation of new and ongoing infrastructure projects (the Phase 2 of the East-West Highway, the Tanjung Bin Power Station in Johor, interstate power projects and national sewerage projects in northern area). Higher activities in residential property development would also support construction activities during the year. Activity in the non-residential sub-sectors such as commercial and industrial is expected to remain subdued.

The services sector, the second engine of growth, is projected to expand by 5.5% in 2005 (2004: 6.7%) supported by continued expansion in trade and tourism activities, communication as well as financial services. Tourist arrivals are projected to increase to 16 - 17 million in 2005 from about 15.7 million registered in 2004.

Sub-sectors likely to experience strong growth:

- wholesale & retail trade, hotels & restaurants;
- transport, storage and communication; and
- finance, insurance & business services sub-sectors.

Government promoted activities include:

- ICT-related services
- Business process outsourcing (BPO)
- Healthcare
- Private education
- Tourism

INFLATION

Inflation rate is expected to be slightly higher in 2005 following the gradual rise in the consumer price index (CPI) in the last few months of 2004. The CPI is expected to rise to above the 2.0% level averaging at about 2.5% in 2005 (2004: 1.4%) as excess capacity in the economy is being fully absorbed, and also reflecting the pass through effects of high oil prices in the economy following the gradual reduction in the government's fuel subsidy.

BALANCE OF PAYMENTS

The country's balance of payments position is expected to remain healthy in 2005. A sustaining surplus in the merchandise goods account, is expected to keep the current account in a favourable surplus position during the year, as the services account remain in deficit.

BANKING SYSTEM

In the banking sector, with real GDP expected to grow by about 5.5-6.0% in 2005, loan growth can be expected to stabilise in the region of 8.0% (2004: 8.5%), supported by a revival in business loans as investment activities continue to expand.

MONETARY POLICY

Monetary policy is expected to remain accommodative to ensure domestic demand remains healthy especially in the face of slowing external demand. Interest rates are expected to remain at current levels at least up to the first half of 2005 given the ample liquidity in the banking system and a relatively moderate inflation. Any tightening will only be in the second half of 2005 with the overnight policy rate likely to be raised by 50 bps in two steps bringing the rate up to 3.2% at the end of the year. No aggressive hike in interest rate is expected as the central bank's focus will be to ensure private sector expansion remains on track.

(Source: BCB's economic research department)

This is an important platform of communication with investors and the investment community at large. This function will facilitate the transfer of information to investors about corporate issues that they consider relevant to the exercise of their rights as shareholders. Feed back on perception and market concern is also of utmost importance to management.

Among the activities conducted during the year include:-

- Briefing to analyst and press in conjunction with the release of the 2003 financial year audited results on 27 February, 2004.
- In 2004, CAHB had 140 meetings with equity research analysts, fund managers and investors. This includes both direct meetings and conference calls.
- Participated in Invest Malaysia 2004, Bursa Malaysia's inaugural investors exposition with a special emphasis on retail investors.
- Participated in two overseas non deal road show in London and Hong Kong and one overseas investor conference on Malaysia in London.
- Provided support to the USD125 million Convertible Bond issue by Labuan incorporated subsidiary, Commerce Capital (Labuan) Ltd.
- Attended the Inaugural Asian Banker Investor Relations conference in March 2004 in Singapore.

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

- Dr Rozali Mohamed Ali
Executive Director/Group Chief Executive Officer
- En Mohd Shukri Hussin
Chief Operating Officer
- En Jamil Hajar Abdul Muttalib
Executive Vice President/Company Secretary
- En Aznam Shahuddin
Senior Vice President, Corporate Services

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

	Thomson	Reuters
Coverage to earnings estimates	27	28

On December, 17, 2004, Standard & Poor's assigned a BBB-rating to both the Company and the USD125 million zero-coupon five year convertible bonds. In its commentary, Standard & Poor's cited the company's financial strength and ability to take advantage of Malaysia's economic recovery. The agency further mentioned that the ratings reflects Commerce Asset's leading franchise in commercial banking with its 12 percent share of the loans market and its stake in leading investment bank, CIMB Berhad.

In line with the Government linked companies restructuring initiatives introduced in 2004, there will be specific action plans and initiatives that needs to be undertaken by CAHB including in the area of investor relations in 2005. This will be towards enhancing further the investor relations function.

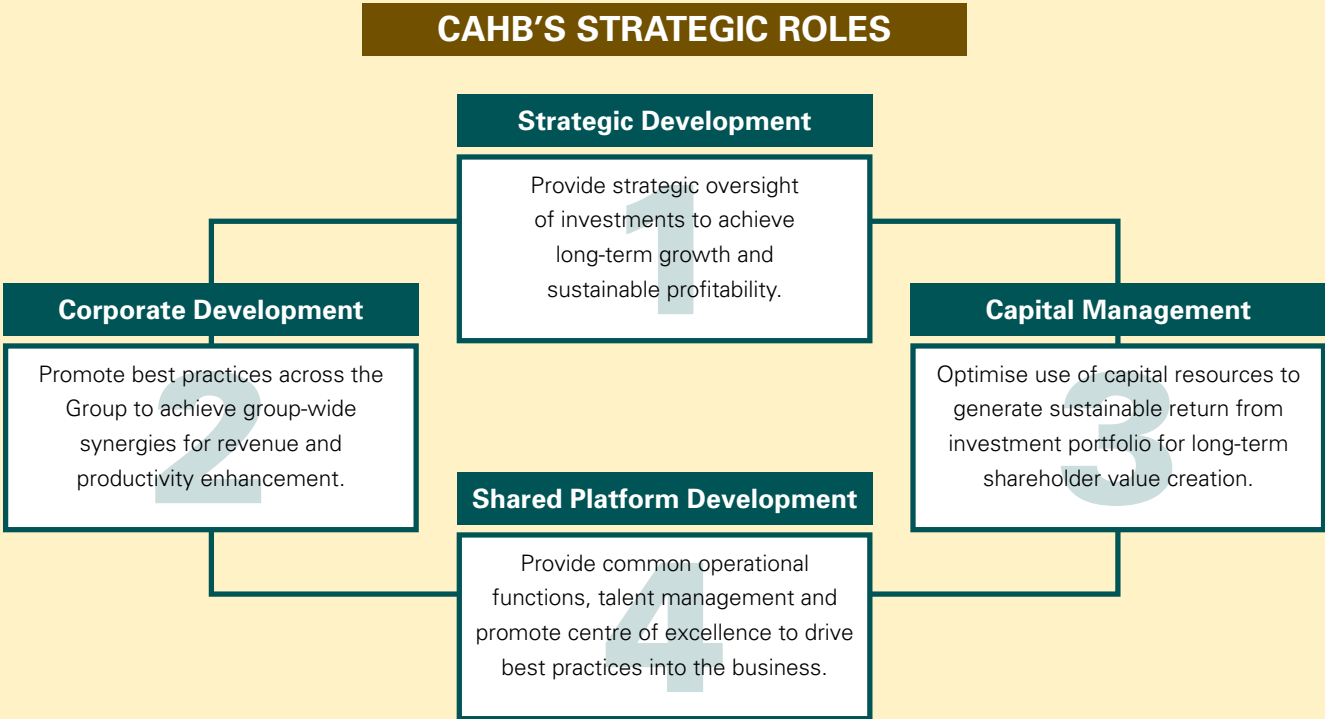
Balanced Scorecard 2004

In recognising the potential benefit of introducing Key Performance Indicators (KPIs) to measure and evaluate performance, and linking it with the organisation's compensation package, the Board initiated a Balanced Scorecard (BSC) project in 2004. The BSC Framework, the BSC and KPIs for senior management of CAHB have been established in December 2004 and currently being implemented at CAHB. Integrated within the BSC Framework is the establishment of the Corporate Scorecard for which the senior management of CAHB are accountable for. CAHB's Corporate Scorecard was approved by the Board in December 2004.

The BSC adopted translates CAHB's vision and mission into strategic objectives and a coherent set of performance measures. Those measures span across four different perspectives as depicted in the diagram below.



CAHB aims to be a leading integrated financial services industry player that maximises its shareholder value. In achieving this, as an active strategic investor CAHB undertakes four key roles.



CAHB’s corporate objectives reflect its strategic vision and role. KPIs are tied to these strategic objectives and balanced across the four BSC perspectives that enable CAHB to track its financial results while simultaneously monitor the progress in building the capabilities and acquiring the intangible assets it needs for future growth.

CAHB'S CORPORATE OBJECTIVES

- A. Optimise use of capital resources to generate sustainable returns from investment portfolio for long term shareholder value creation.**
- B. Create value as an integrated financial services group with emerging regional presence.**
- C. Provide strategic oversight and monitor performance of investments to ensure sustainable growth.**
- D. Integrate diverse capabilities to provide innovate and comprehensive financial solutions.**
- E. Optimise deployment of talents to develop competencies for effective boards and management teams.**

Following from the establishment of Corporate Scorecard and BSC for the senior management of CAHB, we are now in the process of cascading the BSC throughout the organisation. This will assist to integrate and align the overall CAHB’s strategic direction with individual KPIs and thence develop an integrated performance appraisal that links performance to reward system.

The current implementation of BSC project comprises 3 key components; Performance Management Process, Performance Management Infrastructure and Performance Management Culture. The Balanced Scorecard will be fully implemented throughout the organisation in 2005.



We strive to make a difference
by working closely with all stakeholders
in the communities where we operate.

Corporate Social Responsibility

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The Group that Cares

We are committed to contribute to sustainable and equitable economic development to improve quality of life. The core values are economic viability, environmental responsibility and social accountability and these can be translated through diverse platforms such as community investment, governance, workplace, stakeholder management and accountability. This objective and aspiration which are in alignment with our stakeholders expectation have inspired companies within the Group to be involved in many projects of such nature.

In 2004, we remained an active corporate citizen by carrying out our social responsibility through programmes ranging from donation, relief effort, scholarship and inspirational programmes, some of which are described below.

TSUNAMI RELIEF EFFORT

Our thoughts and prayers are with the victims and survivors of this ravaging disaster.

The Commerce Group of companies donated in total RM1.0 million cash in response to the initiative coordinated by Khazanah Nasional Berhad who spearheaded the effort to invite Malaysian Government Linked Companies (GLCs) and corporations to contribute to the Indonesian Tsunami Fund. Included in this donation is IDR1.0 billion cash contributed by our Indonesian subsidiary, PT Bank Niaga (PTBN). The donation from Commerce Group of companies was presented to the President of Indonesia by Malaysia's Prime Minister, Dato' Seri Abdullah Ahmad Badawi during his visit to Indonesia. On top of their significant contributions to the Commerce Group's total RM1.0 million donation, our major subsidiaries, Bumiputra-Commerce Bank Berhad (BCB) and Commerce International

Merchant Bankers Berhad (CIMB) have contributed RM50,000 and RM25,000 respectively to the domestic disaster fund. Meanwhile, Commerce Asset Ventures Sdn Bhd contributed RM20,000 to University Sains Malaysia to set up a field laboratory for infectious diseases in Banda Aceh.

PTBN has taken a more active part in their effort to respond to the tragedy in Aceh and North Sumatra. In addition to the cash donation mentioned earlier, PTBN assisted by opening Niaga Cares account to which people can transfer their donations. This effort is on-going until September 2005 and involves all employees, customers and the public. The funds collected will be used for the reconstruction of destroyed educational facilities and infrastructure in the disaster affected areas.

CANCER RESEARCH IN MALAYSIA, BY MALAYSIANS, FOR MALAYSIA

Cancer is unfortunately a disease of increasing prevalence and millions have died every year from it. The establishment of Cancer Research Initiatives Foundation (CARIF) in Malaysia was both timely and essential. CARIF is the first independent cancer research unit established in Malaysia. Its mission is to conduct fundamental and pioneering research on cancers prevalent in our country, with potentially far-reaching implications for diagnosis and therapy.

In support to this cause and in line with our aspiration to make a noble contribution to Malaysian society, Commerce Asset-Holding Berhad (CAHB) donated RM10,000 during the year and has further pledged a fixed sum of donation over the next five years on an annual basis beginning 2005 to ensure continuous support to CARIF.

Commerce Group of companies donated in total RM1.0 million cash in response to the initiative coordinated by Khazanah Nasional Berhad who spearheaded the effort to invite Malaysian Government Linked Companies (GLCs) and corporations to contribute to the Indonesian Tsunami Fund. Included in this donation is IDR1.0 billion cash contributed by our Indonesian subsidiary, PT Bank Niaga (PTBN).

SAY YOU CARE WITH BCB PARENTCARE

Parents have always loved and cared for their children and there is no measure for such dedication. There are many ways to demonstrate our gratitude, love and responsibility to them and providing regular financial support on a monthly basis is one way. However such financial support may be threatened when an individual is seriously injured resulting in total permanent disability causing loss of earning, or in the event of the individual predeceasing the parent. Under such circumstances the aged parents often lose all means of financial support.

BCB understands such predicaments and has taken a proactive approach to offer Malaysian with a remarkable solution through BCB ParentCare. Developed jointly with Commerce Life Assurance Berhad (Commerce Life), BCB ParentCare guarantees continuous monthly financial support for as long as the parent lives even in the event of total permanent disability of the individual or in the event that the individual predeceases the parent. This unique and carefully designed plan offers BCB's customers total security, well-being, comfort and a sense of peace. BCB also does not charge a fee for this service.

FORMULA ONE

For the fourth consecutive year, BCB continued its tradition to organise the "BCB Formula One Tickets Giveaway" contest for its five over million loyal customers. Since the Formula One was staged on our Malaysian shores in 1998, its exhilaration and excitement has been increasing over the years. Local F1 fans look forward to the fast-paced action and splendid manoeuvres on our world class racing track. BCB supported the successful staging of this world class event by promoting greater awareness and provided an opportunity for ordinary

Malaysian to watch a world class sporting event which they otherwise would not afford. This year, 450 customers won two Hillside tickets and for the first time around, 10 lucky BCB credit card holders won two exclusive Garnett grandstand tickets worth RM800 each. Indeed, the winners of this contest were in for a special treat as the 'C1' Hillside and Garnett grandstand areas are among the best seats to watch the race live. In addition, the winners and their partners were given a goodie bag each on the race day.

SELF DISCOVERY FOR YOUNG ADULTS PROGRAMME

Youths are a significant part of our society and will be future leaders one day. However, there are some youths who are disadvantaged due to various circumstances. Without a sound academic background and other setbacks, they will face more challenges than others.

Realising the needs of this group, BCB embarked on a noble cause with Yayasan Raja Muda Selangor to assist disadvantaged youths prepare for their future upon leaving school. Towards this aim, BCB hosted a workshop entitled Self Discovery For Young Adults designed for the fifth formers with an attempt to help school leavers develop personal and interpersonal skills, which, combined with social values would give them the edge to start a career and stand on their own.

SCHOLARSHIP PROGRAM

PTBN's scholarship program has provided financial assistance to 585 outstanding elementary, junior and senior high school students all over Indonesia. This scholarship will be available for three years.



THE GROUP THAT CARES

MOBILE LIBRARY PROGRAMME

This program was organised by PTBN in conjunction with 2003's A Million Book program. This involved financing the operation of three mobile library units. They will give free library services at school which lack such facility.

SCHOOL-BASED PROGRAMME

PTBN organised a School-Based Management Programme in collaboration with Indonesia's Department of Education, UNICEF, UNESCO and the local government, beginning 2002 until 2005. The aim is to improve the quality of education through enhanced school management and the application of community-involved learning.

Meanwhile, Commerce Life brought smile to the faces of 18 orphans under the care of Persatuan Ehsan & Anak-anak Kuala Lumpur (PEWANIDA) when they were treated to a shopping trip at Mid Valley Megamall.

GREEN PROGRAM

This replanting program was initiated by PTBN and Bank Indonesia. As many as 3,000 trees were planted in an area of 3 hectares in Cibubur Camping Ground.

SAVE LIVES – BE A BLOOD DONOR

Every year, a blood donation campaign will be launched at Commerce Square and CIMB Building. This campaign was envisaged to help inculcate the social obligation value amongst employees of the Group.

In conjunction with the Insurance Day, Commerce Life organised in collaboration with National Blood Centre to appeal for eligible donors among its employees and tenants to donate much needed blood for the national supply.

CHARITY GATHERING FOR MENTALLY CHALLENGED CHILDREN

CIMB organised and hosted a group community service in aid of 100 mentally challenged children from Pertubuhan Kanak-kanak Insan Istimewa Cemerlang (KIIC). A group of 50 CIMB staff helped to upgrade the home, which included the installation of fixtures and fittings, and painting the home, while others entertained and minded the children for the afternoon. In addition, the children of KIIC were also presented with gifts from CIMB.

MAJLIS KANSER NASIONAL (MAKNA)

In conjunction with our commitment to make a meaningful and noble contribution to the Malaysian society, BCB has agreed to part-finance MAKNA's research programme with a total sum of RM500,000 over a three-year period beginning last year.

Meanwhile, CIMB sponsored the MAKNA Cross Nation Run 2004 where Suwaibah Muhammad Nasir was the first Malaysian woman to run solo around Peninsular Malaysia with a distance of 2,004 km. It was held in conjunction with Merdeka Month and World Women's Day, which was also MAKNA's 10th anniversary.

DONATIONS

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

CIMB espouses similar causes, including, amongst others, Kiwanis Down Syndrome Foundation, Tabung Kebajikan Pendidikan Kelab Komunikasi Belia, Yayasan Anak-anak Yatim PTTDI, Malaysian Red Crescent Society, Pertubuhan Kanak-Kanak Kanser Malaysia and Tabung Amanah Pewira Dan Pertahanan Negara. CIMB was also a sponsor for Malaysia's Aspirations & Achievements IV, produced in recognition of Malaysians successful in offering community services, and services above one self, each coming from their respective fields of practice showcased the different aspects of the individuals involved, their efforts and achievements, trials and tribulations.

PTBN continued its involvement and contribution to various social programmes and charities. It spent a total of up to IDR2.13 billion on aid and donations for all its social activities in 2004.

In addition, Commerce Life arranged a charity car wash campaign in November 2004 in aid of an organisation for HIV-infected women and children. Commerce Assurance Berhad (formerly known as AMI Insurans Berhad) also raised funds from blood donation-cum-jumble sale event at Rumah Solehah (Half Way Home for HIV positive women and children).

CAHB Group 2004 Calendar of Corporate Events



DPM LAUNCHES MENARA COMMERCE PROJECT

3 June 2004 marked a historical day for the Commerce Group. In a simple but significant ceremony hosted jointly by Commerce Asset-Holding Berhad and IJM Corporation Berhad (the holding company of the developer), the Menara Commerce Project was officially launched by our Deputy Prime Minister, YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak.

The landmark ceremony underscores the evolution and growth of the Commerce Group. Over the years, the Group has expanded steadily through both organic growth and mergers and acquisition to become a leading domestic financial services group. It has touched the lives of millions of Malaysians, providing them with the broadest range of financial services and products.

Bumiputra-Commerce Bank Group is expected to be the anchor tenant and most of the operating subsidiaries of the Commerce Group may also be based at Menara Commerce.

CAHB had entered into a Sale and Purchase Agreement with IJM Properties Sdn Berhad on 20 January 2004. It involved the acquisition of a piece of land measuring approximately 10,149 square meters together with a 39 storey building to be developed for a cash consideration of RM375 million. The development project is expected to be completed in the first quarter 2008. The location of the proposed Menara Commerce is situated at the intersection of Jalan Raja Laut and Jalan Esfahan.

According to the project's architect, ATSA Architects, the building's design concept is inspired by a unique tropical plant, Heliconia Caribaea. The artistic element in its architectural design will be integrated with technological, social, environmental and functional issues to harmonise a unique and attractive style for Menara Commerce. Upon completion, Menara Commerce will stand as a new landmark rejuvenating the skyline at the center of the Kuala Lumpur Business District.



CAHB

20 January

Signing ceremony between CAHB and IJM Corporation Berhad on the Menara Commerce development.

12 February

CAHB entered into a share sale agreement with NSTP Berhad and Pitisan Sdn Berhad for the acquisition of the entire issued and paid up capital of AMI Insurans Berhad.

18 February

Completion of the proposed acquisition of 100% of AMI Insurans Berhad by CAHB from NSTP Berhad and Pitisan Sdn Bhd.

23 - 24 March

Participated in non-deal roadshow in London organised by ABN AMRO.

19 April **A**

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

22 - 23 April

Participated in non-deal roadshow in Hong Kong organised by ING.

13 May

Group Risk Awareness Workshop held at Hyatt Saujana.

3 June

Official launch of the "Menara Commerce" project officiated by Dato' Sri Najib Bin Tun Haji Abdul Razak, Deputy Prime Minister of Malaysia.

14 - 16 August

Commerce Group Director's Retreat in Hanoi, Vietnam.

18 August

CAHB entered into conditional share sale agreements with CIMB Berhad for the disposal of 70% equity interest in both Commerce Trust Berhad and Commerce Asset Fund Managers Sdn Bhd.

23 August

Extraordinary General Meeting held at Banquet Hall, Kuala Lumpur Golf & Country Club.

26 - 29 August

CAHB took part in the Bursa Malaysia Invest Malaysia Expo in 2004 at Putra World Trade Centre.

15 September

CAHB via its Labuan incorporated subsidiary Commerce Capital (Labuan) Ltd successfully completed the sale of USD 110million zero-coupon convertible bonds (with greenshoe option). CIMB was the Sole Global Coordinator and acted together with JP Morgan and Morgan Stanley as Joint Bookrunners and Joint Lead Managers for the transaction.

17 September

Issuance of the additional USD15 million principal amount (greenshoe option) of the USD125 million convertible bonds issued by Commerce Capital (Labuan) Limited, a Labuan incorporated subsidiary of CAHB.

22 - 23 September

Participated in ABN AMRO Malaysia Conference in London.

23 November

Completion of the proposed disposal of CAHB's 70% equity interest in both Commerce Trust Berhad and Commerce Asset Fund Managers Sdn Bhd to CIMB Berhad.



BCB

13 January

BCB was appointed as Collection Agent for Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) enabling customers to make payments for PTPTN loans via our personal internet banking service, channel-e.com.my and also at over 280 branches of the Bank.

30 January **B**

For the fourth consecutive year, BCB made it possible for 1,000 of its customers and staff to watch the exhilarating Formula One Grand Prix race live at Sepang International Circuit. The "BCB Formula One Tickets Giveaway" ensures BCB customers and credit card holders get an opportunity to win free tickets to the race through a simple contest. It attracted wide participation.

16 February

BCB launched Channel-e promotions for the second consecutive year at Universiti Kebangsaan Malaysia, Bangi targeting the university's 2004 intake. UKM has endorsed Channel-e as the payment for its tuition fees from 2004 onwards.



17 February

BCB executed an MOU with Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) together with Bank Simpanan Nasional, Bank Pertanian and Bank Rakyat, paving the way for the launching of Skim Simpanan Pendidikan Nasional, a new education savings scheme.

25 February **C**

BCB launched Proton Commerce a 50:50 joint venture between subsidiary Bumiputra-Commerce Finance Berhad and Proton Edar Sdn Bhd, announcing new, attractive financing packages aimed at winning a sizeable share of the auto financing market.

25 March

BCB Labuan formalised the successful arrangement of USD200 million syndicated financing facilities from a consortium of off-shore banks comprising among others, CitiGroup, ABN Amro and Standard Chartered who acted as the arrangers.

6 April

BCB launched ParentCare, a first of its kind product designed for individuals who regularly send monetary contributions to their parents. It ensures parents regularly receive the money even in the unlikely event of early demise of the individual.



BCB

15 April

BCB formalised an alliance with the Small and Medium Industries Development Corporation (SMIDEC) to facilitate the extension of various SME facilities to SMEs, in particular "BCB Fast Track SME loans."

16 April

In a joint effort with Yayasan Raja Muda Selangor, BCB launched and hosted a workshop entitled "Self Discovery for Young Adults" designed to assist marginalised and disadvantaged fifth formers develop critical interpersonal and motivational skills which, combined with social values will prepare them to rise to new challenges as they venture out from school.

5 May

BCB was awarded Superbrand status by the Malaysian chapter of Superbrands International upon nomination by selection committee comprising advertising professionals and veterans.

3 June

A ground breaking ceremony was held at the site of CAHB's proposed new 39 storey office tower officiated by Deputy Prime Minister, Dato' Sri Mohd. Najib Tun Razak. Located in the heart of the golden triangle of banking along Jalan Raja Laut and Jalan Esfahan, it will also house BCB's head office operations and its main branch when completed.

28 June

BCB was named as a Top 10 brand in the Brand Visibility category during the annual Brand Equity Magazine Awards 2003 "Tribute Nite". The Visibility award recognizes brands that garner high consumer visibility over all TV medium.

6 August

Prime Minister, Dato' Seri Abdullah Ahmad Badawi launched Skim Simpanan Pendidikan Nasional (SSPN), which aims to encourage parents to save for their children's higher education. BCB was the only commercial bank appointed in the savings scheme managed by Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN).

12 August

BCB and Commerce Life launched Commerce Investment Guarantee 2 (CIG 2), which guarantees investors a minimum return on investment, providing both total security of capital and benefits of life insurance protection.

18 August

BCB sponsored the Inland Revenue Board's "Pertandingan Pidato Piala Hasil 2004" for secondary schools nation-wide. The final round concluded at the Inland Revenue's Board Complex in Bangi. The event was officiated by Deputy Minister of Finance, Datuk Tengku Putera Tengku Awang.

2 December **D**

BCB's Program Design Centre was awarded the ISO9001:2000 Certification in recognition of its efforts in developing staff capability by providing the best training that would lead to enhancement in services to customers. The award was given by Lloyd's Register Quality Assurance, London and its Malaysian counterpart, Akreditasi Malaysia.

27 December

BCB donated an initial sum of RM50,000 to the Malaysian Tsunami Disaster Relief Fund set up by The New Straits Times and Berita Harian Group.



CIMB

13 January

CIMB was conferred Best Debt House, Best Equity House and Best M&A House by Euromoney.

14 January

CIMB was conferred Best Overall Country Research, Best Overall Sales Services, Best Execution and Best in Sales Trading by Asiamoney Magazine.

15 January

CIMB participated in the Asian Strategy & Leadership Institute Malaysia Strategic Outlook 2004 Conference at the Renaissance Hotel, Kuala Lumpur. The conference was officiated by Deputy Prime Minister, Dato' Sri Mohd Najib Tun Razak.

26 February

CIMB was the joint lead manager and bookrunner for the Guthrie Property Development Holding Bhd's RM750 million Murabahah Medium Term Notes Programme in the domestic debt capital market. The launch and investor presentation was held at the Mandarin Oriental, Kuala Lumpur.

8 March

CIMB launched its Indonesian operations, PT CIMB Niaga Securities. The launch was held at The Grand Hyatt Jakarta and was officiated by the Ambassador of Malaysia to the Republic of Indonesia, His Excellency Dato' Hamidon Ali and Chairman of Capital Market Executive Agency of Indonesia (Bapepam), Bapak Herwidayatmo.

16 March

CIMB organised the Telecommunications Conference 2004 entitled 'Emerging Drivers of Malaysian Telecommunications' at The Westin Hotel, Kuala Lumpur. The conference saw six of the largest telecommunications companies come together to discuss strategies and expansion with escalating deregulation of the telecommunications industry.

18 March

CIMB organised its first Derivatives and Structured Products Conference 2004 entitled, 'Towards Alternative Investments in Malaysia' at Mandarin Oriental Kuala Lumpur. Guest of Honour at the conference was Acting Chairman and Deputy Chief Executive of Securities Commission Y Bhg. Datin Zarinah Anwar.



16 April

CIMB was the lead arranger and lead manager for the issuance of the Dawama Sdn Bhd combined Ijarah and Murabahah issue in the domestic debt market. The commercial paper and medium term note issuance programme under the Islamic-financing concept was to raise up to RM150 million in nominal value. A signing ceremony was held at the Kuala Lumpur Golf and Country Club.

13 May

CIMB held its Investment Conference on Indonesia entitled 'Evaluating Investment Opportunities' at the Mandarin Oriental, Kuala Lumpur. Jointly organised by PT Danareksa, Indonesia's leading securities company and PT CIMB Niaga Securities, the two-day conference presented CIMB's clients with a comprehensive overview of investment opportunities, risks and potential returns in Indonesia. The conference was officiated with a keynote address by Second Finance Minister YB Tan Sri Nor Mohamed Yakcop.

12 July

CIMB together with Maxis launched its mobile phone share trading system (M*trade) which provides real time stock market information and share portfolio management with mobile phones. The launch was officiated by Bursa Malaysia Securities Berhad's CEO, En Yusli Mohamed Yusoff.

CIMB



21 July **F**

CIMB was the adviser and sole bookrunner for the Institutional Offering and Managing Underwriter for the Retail Offering of KLCC Property Holdings Berhad. The launch and underwriting signing agreement ceremony was held at Mandarin Oriental Kuala Lumpur.

3 August

CIMB Berhad was one of the co-sponsors of the Euromoney Conference on Malaysia entitled 'Remaking Malaysia: Investing in the New Malaysia'. As a co-sponsor, CIMB hosted a workshop session on 'Prospects of the Malaysian Capital Market'. The conference was held at the Mandarin Oriental, Kuala Lumpur.

3 - 4 August

CIMB was awarded Best Debt House, Best Equity House and Best M&A House for Euromoney Magazine Awards for Excellence 2004 held at the Mandarin Oriental, Kuala Lumpur.

6 August

CIMB co-sponsored the Faculty of Economics and Administration Graduation Nite 2004 & Dinner at the PJ Hilton. The money was used to set up a Memorial Award in recognition of the late Datuk Dr Mokhzani Abdul Rahim, which will be given to the best student in the Master of Economics programme, students on the Dean's list and staff who have contributed distinctively.

10 August

CIMB was awarded Best Local Investment Bank, Best Equity House, Best Broker, Best Investor Relations Representative and second runner up for Best Investor Relations in Malaysia by Finance Asia' Country Awards for Achievements 2004 at the Ritz Carlton Hotel Kuala Lumpur.

11 August

CIMB co-sponsored the 2nd Asia Economic Summit entitled "Securing Asia's Future in an Uncertain World". The 2nd Asia Economic Summit organised by the Asian Strategy & Leadership Institute, a leading private sector Think Tank is about bringing Asia's future well-being and assess the strategic directions for Asian Governments and Companies. The summit was officiated by Dato' Seri Abdullah Ahmad Badawi with a keynote address, "The Rise of A New Asia – Shaping Asia's Response to Global Economic Challenges". The summit was held at Hotel Nikko, Kuala Lumpur.

19 August

CIMB Private Banking took its first step by expanding to Penang. The first branch for CIMB's Private Banking is aimed at providing personalised financial services to affluent private investors and organisations based in the northern region.

26 - 29 August

CIMB took part in the four day Bursa Malaysia Invest Malaysia 2004 exposition which featured the Malaysian capital market. The exposition held at Putra World Trade Centre (PWTC), Kuala Lumpur showcased Malaysia's finest companies and a series of educational seminars and workshops on smart investing and the financial markets.

4 September

CIMB hosted its fifth Retail Investment Workshop at the Suruhanjaya Securities.

16 September

CIMB celebrated its 30th Anniversary at Mandarin Oriental Kuala Lumpur. Present at the reception was Deputy Prime Minister, Dato' Sri Najib Tun Abdul Razak and Datin Seri Dato' Rosmah Mansor. In addition, three long serving staff were conferred an award for loyal service during the reception.



20 September

CIMB organised the Sin Chew Media Corporation Berhad prospectus launch at the Mandarin Oriental Hotel, Kuala Lumpur.

24 September

CIMB was joint lead manager and joint bookrunner for the inaugural Cagamas MBS Berhad issuance of their Residential Mortgage Back Securities (RMBS). The issue which total value RM1.8 billion is the first ever residential mortgage based securities in the Malaysian capital market history. The investor's presentation was held at the Mandarin Oriental, Kuala Lumpur.

6 - 8 October

CIMB was the co-sponsor of the 2nd Asian Pacific Venture Capital Alliance Forum held at the Renaissance Hotel, Kuala Lumpur. The forum highlighted investment opportunities in Southeast Asia, as well as provided an outlook of what is ahead. Deputy Finance Minister, Dato' Dr Ng Yen Yen was present at the forum.

18 October

CIMB was joint lead arranger and joint lead manager for the SAJ Holdings Sdn Bhd RM1.28 billion nominal value Bai Bithaman Ajil Islamic Debt Securities issue. A signing ceremony was held at the Hotel Nikko, Kuala Lumpur.

25 October

CIMB on behalf of WCT Land Berhad hosted a prospectus launch ceremony at the Renaissance Hotel, Kuala Lumpur.

8 November

CIMB was the adviser, sole bookrunner and underwriter of the Ornasteel Holdings Berhad flotation on the main board of Bursa Malaysia. The listing involved a public issue of 195.12 million shares of RM1.00 each. The underwriting agreement signing ceremony was held at the CIMB auditorium.

10 November

CIMB Real Estate Sdn Bhd formed a joint venture with Mapletree Capital Management Pte Ltd of Singapore. The joint venture known as CIMB-Mapletree Management Berhad (CMM) will undertake real estate investment advisory and real estate fund management services to a proposed real estate fund. Present at the launch were Deputy Finance Minister, Dato' Dr Ng Yen Yen and Temasek executive director and chief executive officer, Miss Ho Ching.

1 December

The International Finance Corporation (IFC) mandated CIMB as joint lead manager and joint bookrunner to launch its inaugural Ringgit-denominated Bai Bithaman Ajil Islamic Securities in the domestic Malaysian Capital Market.

10 December **G**

CIMB's CEO, Dato' Nazir Razak was conferred Malaysia's CEO of The Year award. Dato' Nazir is the youngest ever CEO to receive the award since its launch in 1994. The award is jointly collaborated between NST/Business Times and American Express. The award was presented by Tan Sri Nor Mohamed Yakcop, Minister of Finance II.

30 December **H**

Launch of Kurnia Asia Berhad prospectus.



Bank Niaga

January

- New Customer Relationship Assistant Service System announced.

February

- New logo unveiled for Bank Niaga Priority Service: Preferred Circle.
- 2003 One million book charity officially completed with 802,621 books.
- Corporate Governance Perception Index Award – Ranked fifth in 2003 from The Indonesian Institute for Corporate Governance.
- Awarded Best E-Company in Banking Industry category by Warta Ekonomi Magazine.
- Employee Stock Option Program rolled out.

March

- Three new UKM (Small Medium Enterprises) Centres opened.
- Held Direct Sales Award for Bank Niaga Marketing Representatives and Telesales.

April

- Reverse Stock split of ten to one completed.
- Awarded Banking Service Excellence in 2004 by Marketing Research Indonesia.

May

- Yogyakarta SME Centre opened.
- Outstanding Performance Award for all Bank Niaga employees held by Bank Niaga nationally.
- Awarded Best Bank of 2004 by Investor Magazine.

June

- Niaga Visa Mini Card launched.
- Four new Bank Niaga branches opened.
- Awarded Excellent Financial Performance of Year 2003 by Infobank Magazine.

July

- Major SME Credit signed for 2,374 South Kalimantan oil palm farmers.

August

- Awarded Best Annual Report for 2003 by the Ministry of State Owned Enterprises, Directorate General of Tax, The Indonesian Capital Markets Supervisory Agency, the Jakarta Stock Exchange, the Indonesian Institute of Accountants and the National Committee for Corporate Governance.
- Launched mobile library and scholarship program supported by Bank Niaga & Yayasan Kesejahteraan Anak Indonesia.
- SDI Technologies & Cash Tech sign agreement to build Cash Management System for corporate customers.

September

- Syariah Banking service launched.
- Makassar SME Centre opened.

October

- Bank Niaga holds blood donation program “Care for others”
- Three new products was launched.

November

- Self Service Terminal officially launched.
- Awarded the Best E-Corporation in 2004 by SWA Magazine.

December

- E-Banking Journey Fair held in major Jakarta shopping mall.
- SME credit signed for 510 oil palm farmers in Jambi.
- Awarded The Most Active Custodian Bank for 2003 by Surabaya Stock Exchange.
- Commenced donation for Aceh and North Sumatra until September 2005.
- Awarded one of the Most Admirable Companies by Warta Ekonomi Magazine.
- Awarded Best Website in Indonesia in the Economy & Business category by Computer Active Magazine.
- Indonesia’s Top Ten Value Creator Award by SWA Magazine, University of Indonesia and Mark Plus & Co.

Commerce Life

5 July

Memorandum of Understanding with Koperasi Pekerja Perbadanan Pinjaman Sabah Bhd (KOPPS) – Sutera Harbour Resort, Kota Kinabalu Sabah.

12 August

Exchange of MOU for Wasiyah Service between Commerce Life and Bumiputra Commerce Trustee (BCT) - Commerce Life Customer Relationship Management Office, Jalan Medan Tuanku, Kuala Lumpur.

7 - 13 October

Chairman’s Cup 2004 – Kinrara Golf & Country Resort, Saujana Impian Kajang and Tasik Puteri Golf, Rawang.

29 October

Majlis Berbuka Puasa with staff – Plaza Hotel , Kuala Lumpur.

3 December

Commerce Life 1st Anniversary, “NITE OF ALL STARS”– Kuala Lumpur Golf & Country Club (KLGCC, Bukit Kiara, Kuala Lumpur).

22 December

Commerce Life launches EZLife with Proton Commerce – Crown Plaza Mutiara, Kuala Lumpur.

This is a life protection scheme specially designed for individuals taking up a hire purchase facility with Proton Commerce which provides protection to the purchaser in the event of death or disability.

Commerce Assurance

February

An important and significant event that took place in February, 2004, was the disposal of 100% shareholding by The New Straits Times Press (Malaysia) Berhad to Commerce Asset-Holding Berhad.

Reorganisation and shift of focus was the strategy established in order to meet new challenges and to enable the company to position itself to develop the Bancassurance business into a significant contributor to the Group's bottomline.

March

Opening of new branches in Shah Alam, Kepong and Kajang to prepare for the anticipated expansion of business in coming years.

AMI (now known as Commerce Assurance Berhad) being an active player not only in large and specialised risks but also one of the biggest providers of motor insurance in the industry.

July I

In July, 2004, AMI officially launched the electronic Agency Management System. Whilst this system meets JPJ's initiative of issuance of electronic covernote, it add more features like issuance of on-line quote, proposals and finally for a seamless integration with the back end system for issuance of policies.

August

A full pledged HR Management System including the ESS (Employee Self Service) solution was implemented in August, 2004.

October

Agency Convention was held in Jakarta specially for AMI Agents and Top Achievers for their outstanding achievements. The ceremony is an annual event held to honour their valuable contribution to the success of AMI. General Insurance Agents remain the main and important channel of distribution for retail business.

In terms of the ranking in the insurance industry, AMI was ranked number 16 in the year 2001 and number 5 in the year 2004.



Commerce-Ventures

13 - 15 January

Commerce-Ventures Annual Executive Conference.

18 - 24 March

Investment Committee Retreat and participated at CEBIT.

25 June J

Rebranding and launch of new logo of Commerce-Ventures Sdn Bhd at Mandarin Oriental Hotel.

September

Roadshow to BCB regional business centers.





The Group will continue to build on a strong framework for managing risk and sound corporate governance practices.

Corporate Governance

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Statement of Corporate Governance

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

INTRODUCTION

The Board of Directors of Commerce Asset-Holding Berhad (CAHB) is supportive of the adoption of principles and best practices as enshrined in the Malaysian Code of 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 of Corporate Governance.

1. 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 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 2004, there were 4 Board Meetings, 9 Special Board Meetings and 2 Joint Special Board Meetings with the Board of BCB. 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.

Directors	No. of Meetings Attended	Percentage
Tan Sri Dato' Mohd Desa Pachi	15/15	100%
Dr Rozali Mohamed Ali	15/15	100%
Dato' Anwar Aji	14/15	93%
En Mohd Salleh Mahmud	15/15	100%
Tan Sri Datuk Asmat Kamaludin	12/15	80%
Dr Roslan A. Ghaffar	14/15	93%
En Izlan Izhab (Appointed on 26 July, 2004)	6/7	86%
Mr Masayuki Kunishige (Resigned on 28 June, 2004)	5/7	71%

COMPOSITION OF BOARD OF DIRECTORS / BOARD BALANCE

The Board of CAHB as at the date of this statement consists of seven (7) members. Three (3) directors are independent as defined under the Listing Requirements of Bursa Malaysia Securities Berhad. Three (3) directors represent shareholders namely Employees Provident Fund (EPF), Khazanah Nasional Berhad and Kumpulan Wang Amanah Pencen (KWAP) and one is an Executive Director.

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 may be conveyed. On 1 September, 2004, Dr Rozali Mohamed Ali was appointed as Executive Director/Group CEO. He was previously the Managing Director/Group Chief Executive Officer of Bumiputra-Commerce Bank Berhad, our commercial banking subsidiary as well as a Non-Independent Non-Executive Director at CAHB. The roles of Chairman and Executive Director are distinct and separate.

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. In 2004, specific number of days prior to Board Meetings were set as targets 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 primary responsibility for organising information for the agenda of the Board.

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 someone who 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 their approval. The Board makes the final decision on appointment and the approval from Bank Negara Malaysia is then sought.

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)
Independent Non-Executive Director

Dato' Anwar Aji
Non-Independent Non-Executive Director

Tan Sri Datuk Asmat Kamaludin
Independent Non-Executive Director

In 2004, there were five meetings held by this committee. Two Directors were not able to attend one of the five meetings scheduled during the year.

The terms of reference of the Nomination and Remuneration 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 CAHB. 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, 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 sack 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. 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 put forward to the Board for adoption.

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 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. For the first quarter 2005, the Board has identified two executive education programmes on corporate governance. Further relevant conferences will be identified throughout 2005. A Commerce Group Director's retreat was held in Hanoi, Vietnam in August 2004. The main issues discussed were on risk management initiatives.

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

2. BOARD COMMITTEES

To assist the Board in the discharging of its duties, various Board Committees were established. The functions and terms of references of the Board Committees are clearly defined.

(a) Audit Committee

In 2004, the members of the Audit Committee were as follows:-

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

En Mohd Salleh Mahmud
Non-Independent Non-Executive Director

En Izlan Izhab
Independent Non-Executive Director
(Appointed on 26 July, 2004)

The Audit Committee met four (4) times during the year. The Audit Committee Report is presented on page 86 of the Annual Report. Its principal function is to assist the Board in maintaining a sound system of internal control.

STATEMENT OF CORPORATE GOVERNANCE

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

(b) 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 CAHB 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:

En Mohd Salleh Mahmud (Chairman)
Non-Independent Non-Executive Director

Dr Rozali Mohamed Ali
Executive Director/Group CEO

Datuk Hamzah Bakar
Independent Non-Executive Director of CIMB

(c) 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.

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.

The members of the Committee are as follows:-

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

En Mohd Salleh Mahmud
Non-Independent Non-Executive Director

Dr Rozali Mohamed Ali
Executive Director/Group CEO

(d) Nomination and Remuneration Committee

This committee was formed on 31 October, 2001. It is made up entirely of non-executive directors as stated on page 73. The terms of reference with regards to the remuneration role are as follows:-

- To determine and recommend to the Board the Company's or the Group's director fees, allowances and other remuneration.
- To determine and recommend to the Board the framework or broad policy for the remuneration of the Company's or Group Managing Director (MD), Executive Director (ED), Chief Executive Officer (CEO) and Senior management reporting directly to the MD/ED/CEO.
- To determine and recommend to the Board of any performance related 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 advisers or consultants as it deems necessary to fulfill its responsibilities.

(e) Employee Share Option Scheme (ESOS) Committee

The CAHB Group ESOS Committee was established to administer CAHB'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 run 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. All Non-Executive Directors of the Company receive annual fees of RM60,000 per director which are subject to shareholders approval at the Annual General Meeting. Meeting allowances 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 Director and those who head operating subsidiary, the remuneration will be based on 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.

STATEMENT OF CORPORATE GOVERNANCE

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

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

	Group RM'000	Company RM'000
Executive Director		
Salary and other remuneration	450	224
Benefits-in-kind	14	14
	464	238
Non-Executive Directors*		
Fees	1,246	411
Other remuneration	1,477	228
Benefits-in-kind	46	-
	2,769	639
	3,233	877

* Included in the Non-Executive Directors' remuneration are amounts paid to a Director in his capacity as executive director for the subsidiary.

The aggregate remuneration of directors of CAHB for the financial year ended 31 December, 2004, in respective bands of RM50,000 are as follows:-

Range of Remuneration	Number of Directors
Non-Executive Directors	
RM50,000 and below	1
RM50,001 - RM100,000	2
RM100,001 - RM150,000	2
RM200,001 - RM250,000	1
RM400,001 - RM450,000	1
Executive Director	
RM2,150,001 - RM2,200,000	1

4. SHAREHOLDERS

CAHB has an Investor Relations Unit which provides a platform for two way communication between the Company with shareholders and investors. This is described in a separate section of this Annual Report on page 53.

The Annual Report of CAHB 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 2004. 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 strive to consistently meet the financial results deadline as specified in the Bursa Malaysia Securities Berhad Rules and Regulations.

5. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board intends to present a balanced, clear and understandable 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 84 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 pages 78 and 79 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 have 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 CAHB 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 assurance but 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 76 and 77. The internal audit function of the Group which rests with the group internal audit division (GIAD) which is based at Bumiputra-Commerce Bank Berhad is described in the audit committee report on page 79 of this annual report.

CONCLUSION

CAHB has been in compliance with the Malaysian Code of Corporate Governance during the financial year under review.

This statement is made in accordance with a resolution of the Board of Directors dated 28 February, 2005.

Statement on Internal Control

for the financial year ended 31 December 2004

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 and accords with the guidance from the Statement of Internal Control – Guidance for Directors of Public Listed Companies issued by Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance.

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' statement of internal control were approved by its respective Audit Committee.

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

RISK MANAGEMENT

In January 2004, the Group Risk Management Committee (GRMC) initiated a Strategic Risk Management Framework (Framework) project. The project was completed and approved by the Board in June 2004. The approach taken in this Framework reflects the Group's risk aspiration, profile, philosophy and strategy.

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 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

Risk management frameworks have also been implemented by the major banking subsidiaries such as Bumiputra-Commerce Bank Berhad (BCB), Commerce International Merchant Bankers Berhad (CIMB) and PT Bank Niaga (PTBN) and other subsidiaries such as Commerce Life Assurance Berhad (Commerce Life), Commerce Assurance Berhad (formerly known as AMI Insurans Bhd) (Commerce Assurance) and Commerce Asset Ventures Sdn Bhd. The frameworks involve a continuous process of risk identification, assessment, control, monitoring and reporting. A separate section of the Annual Report will further describe CAHB and its major subsidiaries' risk management framework and initiatives which will also include Basel II efforts where relevant.

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 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 continuously review its internal control policies and practices to be in line with the current developments in the market and are aiming to comply with Basel II, Bank Negara Malaysia (BNM) guidelines and other regulatory authorities. During the year, several initiatives taken by BCB include, amongst others, the establishment of the Basel Programme Office to manage Basel II implementation with its immediate focus

of assessing the key issues and identifying critical success factors for implementing the Standardised Approach for credit risk; the enhancement to the Treasury Risk Management Policy to incorporate Value-at-Risk methodology and Treasury Trading Statement Policy to comply with BNM's market risk adequacy framework; and the continuous effort in setting up a Banking Data Warehouse to ensure comprehensive, accurate and up-to-date data is available for the Bank's risk management. At CIMB, its initiative includes the establishment of Group Risk Monitoring during the year to review compliance with regulatory requirements, compliance to internal policies and procedures and undertake investigations for breaches. During the year, the initiatives at PTBN include the Control Self Assessment Tool for operational risk and development of the Historical Loss Event Database.

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, PTBN Group, Commerce Life and Commerce Assurance have their own separate Audit Committees. The summary reports of these committees are forwarded to the CAHB Audit Committee.

There is a channel available for interaction between the CAHB Audit Committee and the major subsidiaries' Audit Committees to discuss specific issues. Further details on the Audit Committee are set out in the Audit Committee Report.

INTERNAL AUDIT FUNCTION

For all major subsidiaries under CAHB Group except for CIMB Group and PTBN Group, the internal audit function is carried out by the Internal Audit Division of BCB which is also functioning as CAHB Group Internal Audit Division. For CIMB Group and PTBN Group, the internal audit function is entrusted to their own

departments called Corporate Assurance Department and Group Internal Auditor respectively. CAHB Group Internal Audit reviews their reports.

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL

- The internal control culture is promoted via the introduction of various forms of initiatives which include, amongst others, emphasis on avoidance of conflict of interest and confidentiality of information, authorised credit limit, Code of Ethics and exceptions management procedure. At CIMB a Group-wide Chinese Wall Policy to manage the conflict of interest arising from the convergence of various business practices was developed.
- Our 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 Board. 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.

This statement was made in accordance with a Board of Directors resolution dated 28 February, 2005.

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, 2004 are as follows:-

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

En Mohd Salleh Mahmud
Non-Independent Non-Executive Director

En Izlan Izzah
Independent Non-Executive Director
(Appointed to the Board of Directors on 26 July 2004)

En Mohd Salleh Mahmud is the member of the Audit Committee which meets the requirements of Section 15.10 (1) of the Bursa Securities Listing Requirements which requires at least one qualified accountant as member of the committee. En Mohd Salleh Mahmud is currently the Deputy Accountant General, Accountant General 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. Due notice is given of issues to be discussed and conclusions are minuted. 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. The Audit Committee met with the external auditors without any management representative presence on 31 January 2005. This is an annual event.

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 2004 there were 4 Audit Committee meetings. The details of attendance of the meetings are as follows:-

Tan Sri Datuk Asmat Kamaludin	4/4
En Mohd Salleh Mahmud	4/4
En Izlan Izzah	2/2

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

24 February 2004
26 April 2004
30 July 2004
27 October 2004

AUTHORITY

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

TERMS OF REFERENCE OF AUDIT COMMITTEE

- Ensure that the financial statements are prepared in a timely and accurate manner with frequent review of the adequacy of provisions of commitments and contingencies and bad and doubtful debts. Review the Balance Sheet and Income Statement for submission to the Board of Directors and ensure the prompt publication of financial statements.
- Review internal controls, including the scope of the internal audit programme, internal audit findings and recommend action to be taken by Management.
- To consider the appointment of external auditors and the audit fee.
- To discuss with the external auditors prior to the commencement of audit, the nature and scope of audit and to ensure 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 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 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.
- To review and discuss significant and unusual events.

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 were as follows:-

- Reviewed the audit scopes, programmes, functions and resources requirement of the Group Internal Audit Division and that it has the necessary authority to carry out its work.
- Reviewed the annual audit plan, audit report and the scope of work with external auditors.
- Reviewed the internal audit reports, audit recommendation and management response to these recommendations.
- 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 statements included in the Annual Report namely Statement of Corporate Governance and Statement on Internal Control.
- Initiated a high level review of the Group Internal Audit Function by an external party.
- Monitored and reviewed the action plan timelines for points raised during Audit.
- 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 provision of the Companies Act, 1965 and the Banking and Financial Institution Act, 1989, Listing Requirement of Bursa Securities, applicable approved accounting standards in Malaysia as well as other legal and regulatory requirements.
- In accordance with the new ESOS Guidelines issued by Bursa Securities in February 2004, the Audit Committee verified that the allocation of ESOS Options during the year were in accordance with the relevant criteria set.

INTERNAL AUDIT FUNCTION

The Group Internal Audit Division (Group IAD) is the Group Internal Audit Division of Bumiputra-Commerce Bank Berhad Group. The Board will determine the remit of the internal audit function. The Group IAD assists CAHB Board in discharging its responsibilities. For CIMB Group and Bank Niaga, the internal audit function is entrusted to their own departments called Corporate Assurance Department and Group Internal Auditor respectively. The internal audit division of Commerce Assurance Berhad (formerly known as AMI Insurans Berhad) was placed under Group IAD on 17 January, 2005. Oversight is in place as the Group Chief Internal Auditor is invited to attend CIMB and Bank Niaga Audit Committee meetings and quarterly reports are forwarded to the CAHB Audit Committee and Group IAD. The internal audit function is independent of activities they audit and duties are performed with impartiality, proficiency and professional care.

In 2004, the Group IAD implemented various process engineering exercises as follows:-

- Reorganised the set up of the division including setting up of Credit Department to focus on credit risk and the introduction of Central Auditors concept.
- The introduction and implementation of certification to Common Audit Findings (CAF).
- The development and implementation of Self-Audit Questionnaires (SAQ).
- Recommended on the introduction of Rules of Business Conduct that were implemented.
- The development and implementation of new grading system with emphasis on risk and its impact to the financial position and business of the audited business units.
- The introduction of virtual/desktop auditing as part of the audit process.
- Conceptualised the new audit approach of reviewing the whole business in the region in terms of business prospects and opportunities.

In 2004, 549 reports were issued compared to 414 reports in 2003. The Division achieved an improvement of 32.6% in reports issued as compared to 2003 with an increase in personnel of 14.7%. Other activities in 2004 conducted by Group IAD include:-

- Various training and development programmes.
- Co-sourcing with external consultants in auditing of Treasury, Risk Management and IT.
- Special review on specific areas of operations.
- Introduce the BCB Young Leaders programme together with BCB.

In 2005, Group IAD will strive to enhance its value added assurance services with emphasis as a change agent and knowledge repository for best practices.

Risk Management

1. COMMERCE ASSET-HOLDING BERHAD (CAHB)

Risk-taking is an integral part of the financial services business. We at CAHB believe, that strong corporate governance essentially provides a guiding vision in managing risk in an increasingly dynamic and complex environment. An effective risk management system that commensurates with the size and complexity of operations will help ensure that the risks undertaken are well managed within the boundaries of the organisation's risk appetite.

Strategic Risk Management Framework

Acknowledging and thus responding to these challenges, in January 2004, the Group Risk Management Committee (GRMC) initiated a Strategic Risk Management Framework (Framework) project. The project was completed and approved by the Board in June 2004. The approach taken in this Framework reflects the Group's risk aspiration, profile, philosophy and strategy.

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 CAHB and its various subsidiaries and business operations and to gain strategic competitive advantage from its risk management capabilities.

The framework provides a holistic approach by segmenting financial risk management into four areas that covers strategy, organisation, process and measurement.

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 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

Integrated within our Framework, we have developed the Group Risk Dashboard (Risk Dashboard) to enable CAHB to monitor the Group's risk exposure and risk-return performance. The Risk Dashboard is structured to capture the key indicators of CAHB 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.

Recognising the fact that the business is dynamic and constantly changing, the Framework also recommends identifying any shifts from the approved strategy and evaluating the resulting impact.

Group Risk Management Committee

During the year, the GRMC has 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

Dr Rozali Mohamed Ali
Executive Director/Group CEO

En Mohd Salleh Mahmud
Non-Independent Non-Executive Director

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 and to implement several Group wide risk related initiatives to cultivate and increase the risk awareness within the Group. During the year, RMD has arranged a number of meetings for directors and senior management of the Group. Internal discussion on and sharing of risk related matters are encouraged in order to optimise and improve the Group's strengths.

2. MAJOR SUBSIDIARIES IN THE GROUP

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

a. Bumiputra-Commerce Bank Berhad (BCB) Group

At BCB Group, the BCB's Board Risk Management Committee (RMC), which comprises only Non-Executive Directors, sits at the apex of the risk management structure of BCB Group. The RMC provides an oversight and direction of BCB Group's risk profile and risk appetite, including formulation of risk policies; and reviews and ensures risk exposures are within the defined parameters and risk limits. Supporting the RMC are three specific risk 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. These committees are in turn supported by independent risk management units that report to RMC.

BCB's Risk Management Framework includes risk identification, assessment, control, monitoring, and compliance with regulations, which are duly addressed in the Board-approved Risk Management Policy. The implementation of BCB's Board-approved Risk Management Policy and the monitoring of compliance with the policy and limits set are embedded across the risk committees.

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.

Credit Risk

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

BCB's Credit Risk Management is vested upon the Credit Risk Committee (CRC). The CRC reports to and assists the Board (through the RMC) in its oversight role on management of credit risk of BCB Group. Regular meetings are held to monitor credit risk exposures and to deliberate on appropriate measures to minimise any adverse financial implications based on the conduct of accounts and on a portfolio basis.

As an initiative to achieve compliance to Basel II, a Basel Programme Office has been set up during the year to facilitate its implementation at BCB Group. As an immediate focus, the Basel Programme Office has assessed the key issues and identified critical success factors for implementing the Basel II Standardised Approach for credit risk. The Basel Programme Office meets monthly and on a need basis and reports directly to the Management Committee and RMC.

Market Risk

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

During the year, TRM has initiated enhancement to the Treasury Risk Management Policy to incorporate a new methodology in risk management (Value-at-Risk) and a Treasury Trading Statement Policy to comply with the BNM's market risk adequacy framework. ALM has also developed a methodology to compute an Internal Base Lending Rate in response to the introduction of BNM's New Interest Rate Framework. The Funds Transfer Pricing Policy which was drawn up since last year to centralise the management of interest rate risk, improve performance evaluation and assist asset liability management is currently being implemented.

For liquidity management, MRC has approved a Liquidity Contingency Plan and has adopted several measures in addressing liquidity risk, taking into account market conditions, prevailing interest rates, liquidity needs and the desired maturity profile of its liabilities. ALM reports to the MRC on maturity mismatches during normal conditions, BCB's liquidity position based on BNM's New Liquidity Framework, concentration of funding sources and liquid asset ratio. Additionally, stress test is conducted on the net interest income including worst-case scenario analysis as well as generation of gap and simulation reports which are furnished to MRC on a timely basis. BCB uses derivative products, such as Interest Rate Swap and Cross-Currency Interest Rate Swap, to hedge interest rate risk in fixed rate loans. All derivative hedgings are done back-to-back with counter-parties.

Recognising liquidity risks from treasury activities, BCB's investments portfolios are monitored and marked-to-market by TRM regularly and reported to the Investment Committee and MRC on a monthly basis. TRM also monitors the trading cut loss limits and reports to senior management of any breaches for further escalation.

Operational Risk

BCB's Operational Risk Committee (ORC) has the functions of managing and mitigating operational risk. ORC also ensures that there are clear and predefined roles and responsibilities among ORC and other risk committees, business units as well as Internal Audit. In order to carry out these functions, ORC is guided by a comprehensive Operational Risk Policy that forms part of the Board-approved Risk Management Policy which outlines the risk identification, controls, mitigation and prioritisation issues; and supported by the Operational Risk Management Department that acts as the central resource for quantifying and managing the portfolio of risks as a whole.

There is ongoing monitoring and reporting on the effectiveness of operational risk management processes. Some of the initiatives currently undertaken are the introduction of risk framework for development of new products and services, the development of Internal Watchlist Database and Loss Event Database to track and monitor actual and potential operational losses. Other projects being implemented are Control Risk Self Assessment programme and development of Key Risk Indicators.

Substantial progress has also been achieved in some of the ongoing initiatives including the implementation of new anti-money laundering report for tracking of possible money laundering activities, a cheque fraud management tool for customers who issue large volume of "printed" cheques, development of Business Continuity Planning manuals, review of controls in outsourced operations at EPIC-I, promotion of a risk culture as well as communication on operational risk alerts.

b. CIMB Berhad (CIMBB) Group

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

The risk management structure begins with the Board Risk Committee which comprises five Non-Executive Directors and reports directly to the Board of CIMBB Group. It oversees the entire EWRM and provides strategic guidance and reviews decisions made by the various risk committees as well as establishes the yearly allocation of risk capital to support all risks taken by CIMBB Group.

The day-to-day responsibility for risk management and control has been delegated to the Group Risk Committee, which reports directly to the Board Risk Committee. The Group Risk Committee comprising the senior management of the CIMBB Group performs the oversight function for capital allocations and overall risks limit guided by the risk appetite as defined by the Board. The Group Risk Committee is further supported by four specialised sub-committees; namely Market Risk Committee, Credit Risk Committee, Liquidity Risk Committee and Operational Risk Committee. These are all Board delegated committees that meet at least on a monthly basis with respective responsibilities as summarised in the following sub heading.

RISK MANAGEMENT

Market Risk

Market risk arises from changes in market prices such as interest rates, exchange rates and share prices. Market risk is managed through risk limits set by the Group Risk Committee. The Market Risk Committee oversees the exposure to interest rate, foreign exchange and equity risks and determines that trading, investment and underwriting arrangements are within defined limits. CIMBB Group has adopted a value-at-risk (VaR) approach in the measurement of interest rate, foreign exchange and equity risks.

Credit Risk

Credit risk arises from the losses due to unexpected default or a deterioration of business partner's creditworthiness. The Credit Risk Committee ensures that the risk exposures undertaken match the risk appetite of the CIMBB Group, and proper authorisation procedures are adhered to. As an immediate effort in implementing Basel II to be inline with BNM's requirements, CIMB has adopted Standardised Approach for credit risk.

Liquidity Risk

Liquidity risk relates to the funding and liquidity management of the CIMBB Group's activities. The Liquidity Risk Committee's role, amongst others, is to oversee the overall liquidity management of CIMBB Group and to ensure compliance with the liquidity framework prescribed by BNM. At CIMBB Group, the liquidity risk management focuses on avoiding over dependence on volatile sources of funding, diversification of sources of funds and their funding maturity structure, and maintenance of sufficient liquid assets.

Operational Risk

Operational risk relates to the potential for losses arising from a breakdown in controls and the implementation of safeguards to ensure the proper functioning of people, systems and facilities. This includes legal and regulatory issues and the need to ensure that all work undertaken by CIMBB Group is adequately documented and meets regulatory standards. These responsibilities have been delegated to the Operational Risk Committee. In anticipation of the implementation of Basel II, Operational Risk Sub-Committee has been formed to develop and implement enterprise-wide operational risk framework and initiatives.

c. PT Bank Niaga (PTBN) Group

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

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

Members of these committees are primarily from the Board of Directors and senior management of PTBN Group. The Risk Management Committee (which meets at least in every three months) determines PTBN Group's risk appetite based on analyses of risk profiles of business within the PTBN Group, the business opportunities involved and its capital adequacy. The decisions made in the executive committees meeting are strategic decisions that become operating policies and guidelines for all operational level of PTBN Group.

The Risk Management Committee reviews:

1. Framework and governance in risk management
2. Direction, strategy and risk management programme
3. Risk profile and capital adequacy analysis
4. Policy and implementation for risk management
5. Contingency plans for extraordinary events
6. Adequacy of provision made for losses

The responsibility of the other executive committees are summarised under the sub-heading of credit, market, liquidity and operational risks below.

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

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

Credit Risk

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 six 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.

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

In respect of compliance with Basel II, at present PTBN has opted for Standardised Approach for credit risk.

Liquidity Risk

ALCO is responsible for managing liquidity and asset-liability position. The committee meets with business, treasury, credit and other relevant units on a monthly basis to ensure that PTBN's liquidity objectives are met.

PTBN sets the interest rate through interest sensitivity gap simulation and adjustment between the interest rate of asset and liability and source of fund composition.

PTBN 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 PTBN's funding. This includes maintaining proper check and balance in the concentration of the depositors, as well as the amount and maturity of deposits. In addition, PTBN assures liquidity by maintaining its ability to access the financial market, which is dependent upon its credibility and market standing.

Market Risk

Market risk involves the possibility of losses incurred from changes in interest rate and foreign exchange rate due to market volatility. PTBN 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.

The Market Risk Committee defines acceptable limits on trading exposures, including daily net open position limits and potential losses on current positions. Factors considered in setting these position limits include risk and return levels acceptable by management. Position limits are reviewed at least twice a year, although in periods of extreme volatility they are scrutinised more often or suspended altogether momentarily.

Trading limits are monitored daily on a mark-to-market basis and by applying the VaR concept. Thus, by keeping track of its daily VaR, PTBN is in a position to liquidate its gap, which indicates a potential loss greater than the allowable limits.

PTBN is currently preparing the implementation of Treasury and Risk Management System Automation to enhance the effectiveness and efficiency of its treasury and risk management.

Operational Risk

Operational risk includes the risks that arise from failure of internal processes. Operational risk is less direct than credit and market risk but managing them is equally critical. For this purpose, PTBN Group has an Operational and Information Risk Committee which defines the roles and responsibilities for managing and reporting operational risks arising from the daily operation of PTBN Group.

PTBN has a Risk Library and performs operational risk self-assessment using Control Risk Self Assessment (CRSA) tool to identify a specific operational risk profile (high risk potential) for business lines. The CRSA is also used for identifying emerging operational risk issues and determining how these issues should be managed. PTBN continuously reviews its 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.

PTBN is in the process of enhancing operational risk management practices through the development of additional operational risk management tools, including Loss Event Database, Key Risk Indicator and Risk Dashboard.

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

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

b. Commerce Asset Ventures Sdn Bhd (CAV)

At CAV, a risk management framework has been implemented during the financial year 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 CAV's Risk Management Committee and the implementation is coordinated by the CAV's Risk Management Division. Major risks identified will be discussed in the Management Committee meeting for possible solutions. The implementation of the proposed solutions will be carried out by the risk owner and monitored by the Risk Management Division.

c. Commerce Assurance Berhad (formerly known as AMI Insurans Berhad) (Commerce Assurance)

Commerce Assurance has adopted an Enterprise Risk Management Framework during the financial year intended to consider the balance between risk and reward in day-to-day planning, execution and monitoring of the strategy and the achievement of its corporate goals in order to optimise the rewards gained from business and operational activities. The approach to the management and control of risks is determined by the appetite and tolerance level as defined by the Board.

The adoption of the Framework is the responsibility of the Board, while its implementation is delegated to the Chief Executive Officer. A Risk Management Committee comprising a minimum of 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.

Additional Compliance Information

as at 31 December 2004

1. SHARE BUY BACK

There were no share buyback transactions and resale of treasury shares during the financial year. The Company has cancelled 35,853,000 treasury shares against the share capital on 27 February 2004.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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).

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 Company has not issued any warrants or convertible securities. A wholly owned subsidiary, Commerce Capital (Labuan) Ltd issued USD125 million Convertible Bonds guaranteed by the Company during the year. The USD Convertible Bonds are convertible into ordinary shares of 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 SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or the

Management by any regulatory body during the financial year under review.

5. NON-AUDIT FEES

Non-audit fees payable to the external auditors, Messrs PricewaterhouseCoopers and its affiliates amounted to RM4,226,000 for various audit related work relating to listing exercise, reporting accountants work on debt issuance, half year review and other professional services including tax compliance and advisory.

6. VARIATION IN RESULTS

There were no variation in results for the fourth quarter and year ended 31 December 2004 as the results announced were the audited results.

7. PROFIT GUARANTEE

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

8. REVALUATION POLICY ON LANDED PROPERTIES

Please refer to accounting policy on fixed assets on page 109 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 45 and Note 46 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.

Report and Financial Statements

for the year ended 31 December 2004

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Directors' Report

for the financial year ended 31 December 2004

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 2004.

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation	946,097	285,532
Minority interests	(193,870)	–
Net profit for the financial year	752,227	285,532

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 2003	
• A first and final dividend of 5 sen gross per ordinary share less tax at 28%, paid on 11 May 2004	
– as shown in the Directors' report of that year, dividend on 2,593,107,260 shares	93,352
– dividend on the additional 70,973,000 shares due to exercise of employee share option scheme	2,555
• A special dividend of 5 sen gross per ordinary share less tax at 28%, paid on 11 May 2004	
– as shown in the Directors' report of that year, dividend on 2,593,107,260 shares	93,352
– dividend on the additional 70,973,000 shares due to exercise of employee share option scheme	2,555
	191,814
(b) In respect of the financial year ended 31 December 2004	
• A first and final dividend of 10 sen gross per ordinary share less tax at 28%	193,805
• A special dividend of 5 sen gross per ordinary share less tax at 28%	96,903
	290,708

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.

ISSUANCE AND CANCELLATION OF SHARES

During the financial year, the issued and fully paid ordinary share capital was increased from 2,628,960,260 to 2,691,740,260 ordinary shares of RM1.00 each by the issue of:

(a)	Number of shares ('000)	Purpose of issue	Class of issue	Term of issue
	93,764	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM2.13 per share
	4,646	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM2.62 per share
	223	Exercise of Employee Share Option Scheme ("ESOS")	Ordinary	At premium of RM2.69 per share

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

(b) On 27 February 2004, the Company has cancelled 35,853,000 ordinary share capital previously held as treasury 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 by-laws which were approved by the shareholders on 26 April 2002.

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

- (a) Eligible persons are employees of the Group who have been in the employment of the Group (excluding CIMB Berhad Group and CAHB's associate companies) when an offer is made in writing to an employee to participate in the Scheme. The eligibility for participation in the Scheme shall be at the discretion of the Board of Directors.
- (b) The total number of new ordinary shares available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the Scheme, which shall be in force for a period of five years, expiring on 19 November 2007 or any extension thereof.
- (c) No option shall be granted for less than 1,000 shares and shall always be in multiples of 1,000 ordinary shares.
- (d) The subscription price for each RM1.00 share shall be 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.

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

DIRECTORS' REPORT

for the financial year ended 31 December 2004

EMPLOYEE SHARE OPTION SCHEME (CONTINUED)

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 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 governed by the similar by-laws which were approved by the shareholders on 26 April 2002.

SHARE BUYBACK

The shareholders of the Company, via an ordinary resolution passed at the Annual General Meeting held on 19 April 2004, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of existing total paid-up share capital. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the share buyback can be applied in the best interests of the Company and its shareholders.

There were no share buyback transactions and resale of treasury shares during the financial year. The Company has cancelled 35,853,000 treasury shares against the share capital on 27 February 2004. The adjusted number of issued and fully-paid shares with voting rights as at financial year end was 2,691,740,260 shares.

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
Tan Sri Datuk Asmat Kamaludin
Dr. Rozali Mohamed Ali
Dato' Anwar Aji
Mohd Salleh Mahmud
Dr. Roslan A. Ghaffar
Izlan Izhah (appointed on 26.7.2004)
Masayuki Kunishige (resigned on 28.6.2004)

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, Dato' Anwar Aji and Dr. Roslan A. Ghaffar, 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, Izlan Izhah, retires from the Board at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's Employee Share Option Scheme (see Note 26 to the financial statements) and other than those disclosed in this report.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than directors' remuneration disclosed in Note 35 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 EMPLOYEE SHARE OPTION SCHEME

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

	No. of ordinary shares of RM1 each			
	As at 1 January	Bought	Sold	As at 31 December
Commerce Asset-Holding Berhad				
Tan Sri Datuk Asmat Kamaludin				
– indirect	30,000	5,000	(9,000)	26,000
Dr. Rozali Mohamed Ali				
– direct	314,800	200,000	(200,000)	314,800
CIMB Berhad				
Tan Sri Datuk Asmat Kamaludin	50,000	–	–	50,000
Dr. Rozali Mohamed Ali	201,000	–	–	201,000
Mohd Salleh Mahmud	50,000	–	–	50,000
	No. of employees' share option			
	As at 1 January	Granted	Exercised	As at 31 December
Commerce Asset-Holding Berhad				
Dr. Rozali Mohamed Ali				
– direct	1,000,000	–	(200,000)	800,000

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

DIRECTORS' REPORT

for the financial year ended 31 December 2004

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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (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 provisions 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.

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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in Note 6, 34 and 45 to the financial statements; and
- (b) except as disclosed in Note 46 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

AUDITORS

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

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

Tan Sri Dato' Mohd Desa Pachi

Director

Dr. Rozali Mohamed Ali

Director

Kuala Lumpur
28 February 2005

Statement by Directors

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

We, Tan Sri Dato' Mohd Desa Pachi and Dr. Rozali Mohamed Ali, two of the Directors of Commerce Asset-Holding Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 94 to 212 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 2004 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia, Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

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

Tan Sri Dato' Mohd Desa Pachi

Director

Dr. Rozali Mohamed Ali

Director

Kuala Lumpur
28 February 2005

Statutory Declaration

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

I, Mohd Shukri Hussin, the Officer primarily responsible for the financial management of Commerce Asset-Holding Berhad, do solemnly and sincerely declare that the financial statements set out on pages 94 to 212 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Mohd Shukri Hussin

Chief Operating Officer

Subscribed and solemnly declared by the abovenamed Mohd Shukri Hussin at Kuala Lumpur before me, on 28 February 2005.

Commissioner for Oaths

Report of the Auditors

to the members of Commerce Asset-Holding Berhad

We have audited the financial statements set out on pages 94 to 212. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965, Bank Negara Malaysia Guidelines and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2004 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 10 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

Mohammad Faiz bin Mohammad Azmi

(2025/03/06 (J))

Partner

Kuala Lumpur

28 February 2005

Consolidated Balance Sheet

as at 31 December 2004

	Note	2004 RM'000	2003 RM'000
Assets			
Cash and short-term funds	2	16,634,934	14,054,557
Securities purchased under resale agreements		4,498,908	109,276
Deposits and placements with banks and other financial institutions	3	1,443,047	294,520
Dealing securities	4	8,295,118	10,366,978
Investment securities	5	12,173,949	11,947,433
Loans and advances	6	62,603,030	54,496,898
Other assets	7	2,275,005	3,734,036
Deferred taxation	8	321,347	359,924
Tax recoverable		466,877	44,318
Statutory deposits with Bank Negara Malaysia	9	1,934,890	1,473,860
Associates	11	71,145	55,377
Jointly controlled entities	12	121,416	–
Fixed assets	13	779,492	675,540
Goodwill	14	351,503	321,260
Total assets		111,970,661	97,933,977
Liabilities and shareholders' funds			
Deposits from customers	15	74,105,175	63,154,229
Deposits and placements of banks and other financial institutions	16	7,517,869	8,350,809
Obligations on securities sold under repurchase agreements		5,606,264	4,548,823
Bills and acceptances payable		3,029,937	4,813,454
Floating rate certificates of deposits	17	342,000	–
Other liabilities	18	4,277,563	2,855,311
Taxation		48,772	270,851
Amount due to Cagamas Berhad		2,283,878	1,302,253
Loan stocks	20	762,232	865,830
Bonds	22	912,118	502,964
Irredeemable convertible unsecured loan stocks ("ICULS")	23	45,216	89,029
Other borrowings	24	1,704,657	1,308,756
Subordinated notes	25	1,519,488	1,140,000
Total liabilities		102,155,169	89,202,309
Minority interests		827,753	832,081
Perpetual preference shares	27	200,000	–
Share capital	26	2,691,740	2,628,960
Reserves	28	6,095,999	5,424,619
Less: Treasury shares, at cost	29	–	(153,992)
Shareholders' funds		8,787,739	7,899,587
Total liabilities and shareholders' funds		111,970,661	97,933,977
Commitments and contingencies	40	208,351,918	152,373,702

Consolidated Income Statement

for the financial year ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
Interest income	30	5,276,500	5,080,361
Interest expense	31	(2,572,976)	(2,533,728)
Net interest income		2,703,524	2,546,633
Non-interest income	32	1,473,968	1,031,934
		4,177,492	3,578,567
Overhead expenses	33	(1,953,407)	(1,706,179)
Profit before provision		2,224,085	1,872,388
Loan loss and provision	34	(1,122,435)	(631,916)
Provision for other receivables		(11,527)	(12,642)
(Provision for)/writeback of commitments and contingencies	18	(259)	2,101
		1,089,864	1,229,931
Share of results of jointly controlled entities		(3,509)	–
Share of results of associates		3,769	10,936
Profit before taxation		1,090,124	1,240,867
Taxation			
– Company and subsidiaries	36	(140,637)	(285,006)
– Jointly controlled entities	36	(75)	–
– Associates	36	(3,315)	(1,387)
Profit after taxation		946,097	954,474
Minority interests		(193,870)	(172,174)
Net profit for the financial year		752,227	782,300
Earnings per share (sen)			
– Basic	37	28.3	30.6
– Fully diluted	37	27.0	30.0
Dividends per share (sen)			
– First and final dividend of 10 sen less taxation (2003: 5 sen less taxation)	38	7.2	3.6
– Special dividend 5 sen less taxation (2003: 5 sen less taxation)	38	3.6	3.6

Company Balance Sheet

as at 31 December 2004

	Note	2004 RM'000	2003 RM'000
Assets			
Cash and short-term funds	2	1,328,411	414,514
Dealing securities	4	336,460	152,271
Investment securities	5	218,042	204,845
Loans and advances	6	3,058	2,707
Other assets	7	1,399	581,105
Subsidiaries	10	4,251,770	4,337,820
Amount owing by subsidiaries net of provision for doubtful debts of RM852,820 (2003: RM852,820)		413,607	494,072
Associates	11	3,834	3,834
Fixed assets	13	100,514	65,346
Total assets		6,657,095	6,256,514
Liabilities and shareholders' funds			
Other liabilities	18	19,020	49,161
Amount owing to subsidiary		817,218	792,669
Deferred taxation	8	12,948	8,650
Bonds	22	500,000	502,964
Total liabilities		1,349,186	1,353,444
Share capital	26	2,691,740	2,628,960
Reserves	28	2,616,169	2,428,102
Less: Treasury shares, at cost	29	-	(153,992)
Shareholders' funds		5,307,909	4,903,070
Total liabilities and shareholders' funds		6,657,095	6,256,514
Commitments and contingencies	40	250,000	250,000

Company Income Statement

for the financial year ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
Interest income	30	33,554	22,077
Interest expense	31	(45,239)	(41,264)
Net interest expense		(11,685)	(19,187)
Non-interest income	32	343,118	414,209
Net income		331,433	395,022
Overhead expenses	33	(31,050)	(15,713)
Profit before taxation		300,383	379,309
Taxation	36	(14,851)	(74,620)
Net profit for the financial year		285,532	304,689
Dividends per share (sen)			
– First and final dividend of 10 sen less taxation (2003: 5 sen less taxation)	38	7.2	3.6
– Special dividend 5 sen less taxation (2003: 5 sen less taxation)	38	3.6	3.6

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2004

The Group	Note	Share	Share	Statutory	Merger	Capital	Exchange	Treasury	Convertible	Retained	Total
		capital	premium	reserves	reserve	reserve	fluctuation	shares	bonds	profit	
		RM'000	RM'000	RM'000	RM'000	arising on	reserves	RM'000	(equity	RM'000	RM'000
						consolidation	RM'000	RM'000	component)	RM'000	RM'000
At 1 January 2004		2,628,960	1,786,730	1,330,562	65,746	15,949	31,754	(153,992)	-	2,193,878	7,899,587
Currency translation differences	28	-	-	-	-	-	(90,877)	-	-	-	(90,877)
Net loss not recognised in the income statement		-	-	-	-	-	(90,877)	-	-	-	(90,877)
Net profit for the financial year		-	-	-	-	-	-	-	-	752,227	752,227
Dividend for 2003	38	-	-	-	-	-	-	-	-	(191,814)	(191,814)
Transfer to statutory reserve	28	-	-	146,767	-	-	-	-	-	(146,767)	-
Issue of share capital arising from exercise of Employee Share Option Scheme	26	98,633	212,488	-	-	-	-	-	-	-	311,121
Cancellation of treasury shares	29	(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	22	-	-	-	-	-	-	-	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	2,635,428	8,787,739

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2004

The Group	Note	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Merger reserve RM'000	Capital reserve arising on consolidation RM'000	Exchange fluctuation reserves RM'000	Treasury shares RM'000	Retained profit RM'000	Total RM'000
At 1 January 2003		2,586,290	1,695,842	1,158,754	65,746	28,233	54,460	(103,114)	1,682,988	7,169,199
Currency translation differences	28	-	-	-	-	-	(22,703)	-	-	(22,703)
Net loss not recognised in the income statement		-	-	-	-	-	(22,703)	-	-	(22,703)
Net profit for the financial year		-	-	-	-	-	-	-	782,300	782,300
Dividend for 2002	38	-	-	-	-	-	-	-	(95,386)	(95,386)
Transfer to statutory reserve	28	-	-	239,265	-	-	-	-	(239,265)	-
Issue of share capital arising from exercise of Employee Share Option Scheme	26	42,670	90,888	-	-	-	-	-	-	133,558
Purchase of treasury shares	29	-	-	-	-	-	-	(50,878)	-	(50,878)
Arising from dilution/ disposal of equity interests in subsidiary		-	-	(67,457)	-	(12,284)	(3)	-	63,241	(16,503)
At 31 December 2003		2,628,960	1,786,730	1,330,562	65,746	15,949	31,754	(153,992)	2,193,878	7,899,587

Company Statement of Changes in Equity

for the financial year ended 31 December 2004

The Company	Note	Non-distributable			Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained profit RM'000	
At 1 January 2004		2,628,960	1,786,730	(153,992)	641,372	4,903,070
Net profit for the financial year		-	-	-	285,532	285,532
Dividend for 2003	38	-	-	-	(191,814)	(191,814)
Issue of share capital arising from exercise of Employee Share Option Scheme	26	98,633	212,488	-	-	311,121
Cancellation of treasury shares	29	(35,853)	(118,139)	153,992	-	-
At 31 December 2004		2,691,740	1,881,079	-	735,090	5,307,909
At 1 January 2003		2,586,290	1,695,842	(103,114)	432,069	4,611,087
Net profit for the financial year		-	-	-	304,689	304,689
Dividend for 2002	38	-	-	-	(95,386)	(95,386)
Issue of share capital arising from exercise of Employee Share Option Scheme	26	42,670	90,888	-	-	133,558
Purchase of treasury shares	29	-	-	(50,878)	-	(50,878)
At 31 December 2003		2,628,960	1,786,730	(153,992)	641,372	4,903,070

Consolidated Cash Flow Statement

for the financial year ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
Operating Activities			
Profit before taxation		1,090,124	1,240,867
Adjustments for:			
Depreciation of fixed assets		128,418	127,393
Gain on disposal of fixed assets		(186)	(666)
Gain on disposal of leased assets		(122)	(27)
Fixed assets written off		110	454
Unrealised foreign exchange gain		(16,759)	(33,684)
Dividends from dealing and investment securities		(19,623)	(29,524)
Loan loss and provision		1,229,826	683,372
Net interest suspended		226,439	202,968
Gain on sale of investment securities		(58,638)	(256,309)
Net profit from dealing securities		(135,165)	(238,017)
(Write back of)/provision for diminution of investment securities		(41,358)	285,860
Provision for amounts recoverable from Danaharta		-	62,418
Accretion of discounts less amortisation of premium		(87,180)	(125,638)
Amortisation of goodwill		13,196	14,214
Amortisation of premium of associates		43	1,041
Gain on disposal of associate		(5,116)	(20,881)
(Gain)/loss on disposal of subsidiary shares		(73,371)	18,957
Share of results of associates		(3,769)	(10,936)
(Write back)/write down of dealing securities		(70,692)	74,932
Provision for other receivables		11,527	12,642
Provision for/(write back of) commitments and contingencies		259	(2,101)
Share of results of jointly controlled entities		3,509	-
		1,101,348	766,468
		2,191,472	2,007,335
(Increase)/decrease in operating assets			
Securities purchased under resale agreements		(4,389,632)	(31,828)
Deposits and placements with banks and other financial institutions		(1,014,266)	1,521,698
Dealing securities		2,277,717	517,578
Loans and advances		(9,593,760)	(6,536,871)
Other assets		976,621	(352,574)
Statutory deposits with Bank Negara Malaysia		(461,030)	120,565
		(12,204,350)	(4,761,432)
Increase/(decrease) in operating liabilities			
Deposits from customers		10,950,946	2,274,709
Deposits and placements of banks and other financial institutions		(832,940)	39,222
Obligations on securities sold under repurchase agreements		1,057,441	951,788
Amount due to Cagamas Berhad		981,625	(188,264)
Bills and acceptances payable		(1,783,517)	1,028,717
Other liabilities		954,183	(299,269)
		11,327,738	3,806,903
Cash flows generated from operations		1,314,860	1,052,806
Taxation paid		(378,281)	(69,875)
Net cash flow generated from operating activities		936,579	982,931

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
Investing Activities			
Proceeds from disposal of fixed assets		15,588	13,983
Dividends received from investment securities		19,623	29,524
Proceeds from disposal of associate		143,449	15,510
Proceeds on disposal of subsidiary shares		106,819	254,890
Proceeds from disposal of investment securities		150,969	4,431,489
Cash (outflow)/inflow from acquisition of subsidiary		(174,500)	10,181
Acquisition of additional interest in subsidiary		–	(17,558)
Purchase of fixed assets		(207,663)	(139,050)
Issuance of perpetual preference shares		200,000	–
Investment in jointly controlled entities		(125,000)	–
Net cash flow generated from investing activities		129,285	4,598,969
Financing Activities			
Dividends paid to shareholders		(191,814)	(95,386)
Redemption of ICULS		(43,813)	(7,032)
Proceeds from issuance of shares of the Company		311,121	133,558
Proceeds from /(repayment of) other borrowings		167,901	(135,103)
Proceeds from subordinated notes		379,488	1,140,000
Net proceeds from syndicated term loan		988,000	190,000
Redemption of loan stocks		(103,598)	(58,170)
Repayment of syndicated term loans		(760,000)	–
Redemption of 1.75% Redeemable Euro-Convertible Bonds 1994/2004		(2,964)	–
Proceeds from floating rate certificates of deposits		342,000	–
Proceeds from bond issuance		480,291	–
Purchase of treasury shares		–	(50,878)
Net cash flow generated from financing activities		1,566,612	1,116,989
Net increase in cash and cash equivalents during the financial year		2,632,476	6,698,889
Effect of exchange rate changes		(52,099)	(29,352)
Cash and cash equivalents at beginning of the financial year		14,054,557	7,385,020
Cash and cash equivalents at end of the financial year	44	16,634,934	14,054,557

Company Cash Flow Statement

for the financial year ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
Operating Activities			
Profit before taxation		300,383	379,309
Adjustments for:			
Depreciation of fixed assets		2,244	2,178
Gain on disposal of fixed assets		(304)	(92)
Gain on disposal of associate		–	(39,222)
Gain on disposal of subsidiary shares		(40,610)	(123,942)
Unrealised foreign exchange loss		1,282	–
Dividends from subsidiaries		(246,970)	(184,686)
Dividends from dealing and investment securities		(6,773)	(3,942)
Net profit from dealing securities		(10,795)	(3,372)
Write back of provision for diminution of investment securities		(1,019)	–
Write back of dealing securities		–	(21,948)
Interest expense on short-term borrowings		–	729
Interest expense on bonds		45,239	40,535
Accretion of investment gain		(30,316)	(27,982)
Accretion of discounts less amortisation of premium		(13,522)	(12,633)
		(301,544)	(374,377)
		(1,161)	4,932
(Increase)/decrease in operating assets			
Loans and advances		(351)	(510)
Dealing securities		(194,061)	(43,034)
Other assets		438,839	120,034
		244,427	76,490
Decrease in operating liabilities			
Other liabilities		(13,139)	(63,445)
		(13,139)	(63,445)
Cash flows generated from operations		230,127	17,977
Net taxation refund		21,396	23,933
Interest paid on short-term borrowings		–	(966)
Net cash flow generated from operating activities		251,523	40,944

COMPANY CASH FLOW STATEMENT

for the financial year ended 31 December 2004

	Note	2004 RM'000	2003 RM'000
Investing Activities			
Proceeds from disposal of fixed assets		1,663	106
Proceeds from disposal of investment securities		333	26,481
Proceeds from disposal of associate		139,590	15,510
Purchase of subsidiary		(173,500)	–
Proceeds from disposal of subsidiaries		35,000	–
Purchase of preference shares in subsidiary		(33,000)	–
Proceeds from disposal of dealing securities		21,674	19,050
Purchase of fixed assets		(38,771)	(967)
Repayment from/(advances to) subsidiaries		135,329	(135,500)
Disposal of interest in subsidiary		35,306	237,332
Capital return on investment in subsidiary		262,854	–
Dividends from subsidiaries		194,234	132,974
Dividends from investment securities		5,743	3,118
Net cash flow generated from investing activities		586,455	298,104
Financing Activities			
Dividends paid to shareholders		(191,814)	(95,386)
Interest paid to bondholders		(40,424)	(40,758)
Proceeds from issuance of shares of the Company		311,121	133,558
Repayment of short-term borrowings		–	(50,000)
Redemption of 1.75% Redeemable Euro-Convertible Bonds 1994/2004		(2,964)	–
Purchase of treasury shares		–	(50,878)
Net cash flow generated from/(used in) financing activities		75,919	(103,464)
Net increase in cash and cash equivalents during the financial year		913,897	235,584
Cash and cash equivalents at beginning of the financial year		414,514	178,930
Cash and cash equivalents at end of the financial year	44	1,328,411	414,514

Major non-cash transactions during the previous financial year:

In 2003, the Company had increased its investment in PT Bank Niaga from 51% to 52.83% amounting to RM17,557,000 via the conversion of amount due from subsidiary.

Summary of Significant Accounting Policies

for the financial year ended 31 December 2004

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements and are also consistent with those applied in the previous year.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

B BASIS OF CONSOLIDATION

The consolidated financial statements include the audited financial statements of the Company and all its subsidiaries made up to the end of the financial year. The Company adopts both the acquisition and merger methods of consolidation.

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

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 X 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 MASB 21 Business Combinations which is effective for accounting period commencing 1 July 2001. As allowed under the standard, the provisions of the standard are applied prospectively and no retrospective changes in respect of the previous merger accounting have been made.

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

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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2004

C SUBSIDIARIES

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

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

External costs directly attributable to an acquisition, other than cost of issuing shares and other capital instruments, 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 are 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 equity method of accounting.

Investment in a jointly controlled entity is stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to 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.

E ASSOCIATES

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

Premium arising from the acquisition of associates is 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. 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 investment securities are recognised on the effective yield basis.

Where an account is classified as non-performing, recognition of interest income is suspended until it is realised on a cash basis. Customers' accounts are classified as non-performing where repayments are in arrears for 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.

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

G RECOGNITION OF FEES AND OTHER INCOME

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

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

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

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

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

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

H LIFE ASSURANCE REVENUE SURPLUS

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2004

I PROVISION FOR BAD AND DOUBTFUL DEBTS

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

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

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

The policy on provision for non-performing debts of Malaysian subsidiary banks is in conformity with the minimum requirements of Bank Negara Malaysia's "Guidelines on the Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts" ("GP3") as well as Bursa Securities Schedule 7 requirement.

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

J SALE AND REPURCHASE AGREEMENTS

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

Conversely, obligations on securities sold under repurchase agreements are securities which the Group had sold from its portfolio, with a commitment to repurchase at future dates. Such financing transactions and the obligation to repurchase the securities are reflected as a liability in the balance sheet. Securities sold are 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 effective yield method.

K DEALING SECURITIES

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

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

L INVESTMENTS SECURITIES

Investment securities are securities that are acquired and held for yield or capital growth or to meet minimum liquid assets requirement pursuant to Bank Negara Malaysia's New Liquidity Framework. Investment securities are usually held to maturity.

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

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

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

M FIXED ASSETS AND DEPRECIATION

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

Long-term leasehold land – 50 years or more	Over the lease period
Short-term leasehold land – less than 50 years	Over the lease period
Buildings on freehold land	2% – 2.5%
Buildings on leasehold land	2% or over the balance period of the lease, whichever is shorter
Office equipment, furniture and fixtures	10% – 33 1/3%
Computer equipment and software	20% – 33 1/3%
Computer equipment and software under lease	33 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 2004

N ASSETS PURCHASED UNDER LEASE

Finance lease

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

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

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

Operating lease

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

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

O ASSETS SOLD UNDER LEASE

Finance lease

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

Operating lease

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

P BILLS AND ACCEPTANCES PAYABLE

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

Q FORWARD EXCHANGE CONTRACTS

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

R DERIVATIVE FINANCIAL INSTRUMENTS**Trading**

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

The fair value of trading derivative financial instruments is 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 losses from trading activities.

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

Hedging

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

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

S COLLATERALISED BOND OBLIGATIONS

A subsidiary bank through its collateralised bond obligation ("CBO") programme, packages and sells Private Debt Securities to a special purpose vehicle ("SPV"). The SPV will in turn issue bonds to raise funds for the purchase of assets. The Group is also a counterparty to the SPV for certain interest rate swaps contracted on 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 being measured at their fair values.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2004

T BONDS

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

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

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

U INCOME TAXES

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

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

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

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 differences will not reverse in the foreseeable future.

V SHARE CAPITAL

(i) Treasury shares

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

(ii) Dividends

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

W 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 MASB 29.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2004

W EMPLOYEE BENEFITS (CONTINUED)

(iii) Other long term employee benefits

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

(iv) Equity compensation benefits

The share options granted to directors and employees of the Group are disclosed in Note 26 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.

X 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.

Y CURRENCY TRANSLATIONS

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2004

Y CURRENCY TRANSLATIONS (CONTINUED)

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

Foreign currency	2004 RM	2003 RM
Australian Dollar	2.9610	2.8540
Canadian Dollar	3.1610	2.9420
Euro	5.1820	4.7920
Hong Kong Dollar (100)	48.9000	48.9000
Indian Rupee (100)	8.7000	8.3000
Indonesian Rupiah (100)	0.0410	0.0450
Japanese Yen (100)	3.7030	3.5530
Mauritius Rupee (100)	13.5000	14.5000
Philippines Peso (100)	6.8000	6.8000
Singapore Dollar	2.3280	2.2350
Sterling Pound	7.3200	6.7760
Swiss Franc	3.3590	3.0730
Thai Baht (100)	9.8000	9.6000
United States Dollar	3.8000	3.8000

Z FORECLOSED PROPERTIES

Foreclosed properties are stated at cost, 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 provision for bad and doubtful debts, are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and 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 a provision 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 readily convertible into cash without significant risk of changes in value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the financial year ended 31 December 2004

AD FINANCIAL INSTRUMENTS

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Financial instruments recognised on the balance sheet

Compound financial instruments

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 changed in subsequent periods.

AE GENERAL INSURANCE

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

Premium income is recognised in the 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.

Commissions are 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 2004

1 GENERAL INFORMATION

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

The number of employees at the end of the financial year was 16,240 (2003: 14,157) in the Group and 32 (2003: 24) 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	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash and balances with banks and other financial institutions	3,352,456	1,902,984	9,840	8,697
Money at call and deposit placements maturing within one month	13,282,478	12,151,573	1,318,571	405,817
	16,634,934	14,054,557	1,328,411	414,514

Included in the Group's cash and short-term funds are RM12,056,000 (2003: Nil) of money at call and deposit placements relating to the jointly controlled entity, Proton Commerce Sdn Bhd. 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	
	2004 RM'000	2003 RM'000
Licensed banks	1,085,570	248,531
Licensed finance companies	36,849	30,000
Other financial institutions	320,628	15,989
	1,443,047	294,520

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

4 DEALING SECURITIES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Money market instruments:				
Quoted				
Malaysian Government securities	800,086	871,978	-	-
Cagamas bonds	233,927	137,728	-	-
Khazanah bonds	33,865	20,472	-	-
Unquoted				
Malaysian Government treasury bills	37,940	145,165	-	-
Bank Negara Malaysia bills	1,095	292,500	-	-
Danaharta bonds	-	121,456	-	-
Negotiable instruments of deposit	850,000	1,475,547	-	-
Bankers' acceptances	47,771	204,350	-	-
Private debt securities	14,925	95,476	-	-
Other Government's securities	88,988	206,240	-	-
	2,108,597	3,570,912	-	-
Quoted securities				
<u>In Malaysia</u>				
Warrants	11,261	13,504	-	9
Shares	244,964	247,548	103,733	121,840
Loan stocks	7,043	65	-	-
Unit Trusts	232,305	30,000	232,305	30,000
<u>Outside Malaysia</u>				
Shares	831	5,637	-	-
Private debt securities	1,919,310	2,634,365	-	-
	4,524,311	6,502,031	336,038	151,849
Unquoted securities				
<u>In Malaysia</u>				
Private debt securities	3,706,667	3,763,971	422	422
<u>Outside Malaysia</u>				
Private debt securities	64,140	100,976	-	-
	8,295,118	10,366,978	336,460	152,271

4 DEALING SECURITIES (CONTINUED)

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Market value of quoted money market instruments and quoted securities:				
Malaysian Government securities	805,019	872,846	–	–
Cagamas bonds	234,671	138,196	–	–
Khazanah bonds	34,841	20,495	–	–
Warrants	15,265	14,825	–	13
Shares in Malaysia	274,632	285,039	115,762	131,847
Loan stocks	7,419	92	–	–
Unit trusts	238,861	32,476	238,861	32,476
Shares outside Malaysia	839	6,187	–	–
Private debt securities outside Malaysia	2,049,225	2,636,888	–	–

Included in the dealing securities held by the Group are:

- (a) Shares quoted in Malaysia includes the Company's portfolio managed by Commerce Asset Fund Managers Sdn Bhd amounting to RM103,733,000 (2003: RM103,330,000) and unit trusts managed by Commerce Trust Berhad amounting to RM232,305,000 (2003: RM30,000,000).
- (b) Securities amounting to RM60,007,000 (2003: RM50,757,000) 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 values of RM61,000,000 (2003: RM25,000,000) of the Group have been pledged as credit support assets for certain over-the-counter derivative contracts.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

5 INVESTMENT SECURITIES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Money market instruments:				
Quoted				
Malaysian Government securities	1,204,780	1,456,907	-	-
Cagamas bonds	610,321	776,829	-	-
Khazanah bonds	152,562	135,006	-	-
Unquoted				
Malaysian Government treasury bills	59,321	313,250	-	-
Malaysian Government bonds	70,703	135,320	-	-
Bank Negara Malaysia bills	-	554,340	-	-
Cagamas notes	-	50,000	-	-
Danaharta bonds	-	23,536	-	-
Danaharta Urus Sdn Bhd ("DUSB") bonds	1,904,832	2,091,019	-	-
Negotiable instruments of deposit	-	30,000	-	-
Bankers' acceptance, Islamic accepted bills and Islamic debt securities	770	10,577	-	-
Private debt securities	3,641,238	2,795,207	-	-
Other Government's securities	97,107	95,020	-	-
Floating rate notes	36,781	164,516	-	-
Credit-linked notes	342,000	285,000	-	-
	8,120,415	8,916,527	-	-
Quoted securities				
<u>In Malaysia</u>				
Shares	208,641	157,199	-	300
Bonds	3,490	58,981	-	-
Warrants	452	1,168	-	-
Property trust	13,556	13,369	-	-
<u>Outside Malaysia</u>				
Bonds	25,490	118,849	-	-

5 INVESTMENT SECURITIES (CONTINUED)

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted securities				
<u>In Malaysia</u>				
Shares	403,248	390,904	–	–
Bonds	2,251,732	1,824,278	–	–
Loan stocks	44,585	46,805	–	–
Detachable coupons	–	–	170,527	170,548
Property trust	2,848	2,848	2,848	2,848
Unit trust	450,135	–	–	–
Others	–	112	–	–
<u>Outside Malaysia</u>				
Shares	12,888	15,470	–	–
Bonds	912,579	660,927	–	–
	12,450,059	12,207,437	173,375	173,696
Accretion of discount less amortisation of premium	198,725	240,923	44,667	31,149
Provision for diminution in value of investment securities:				
– Private debt securities and bonds	(358,767)	(379,514)	–	–
– Quoted shares	(16,435)	(10,902)	–	–
– Unquoted shares	(16,719)	(23,268)	–	–
– Unquoted bonds	(82,914)	(87,243)	–	–
	12,173,949	11,947,433	218,042	204,845

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Malaysian Government securities	1,167,960	1,311,234	–	–
Cagamas bonds	617,278	642,680	–	–
Khazanah bonds	160,432	130,296	–	–
Quoted shares in Malaysia	190,439	145,761	–	444
Quoted bonds in Malaysia	1,585	57,025	–	–
Quoted warrants in Malaysia	452	179	–	–
Quoted property trust in Malaysia	13,820	8,669	–	–
Quoted bonds outside Malaysia	21,903	118,849	–	–

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

5 INVESTMENT SECURITIES (CONTINUED)

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Maturing within one year	2,036,092	2,031,378	-	-
One year to three years	2,783,999	3,775,767	-	-
Three years to five years	1,163,604	1,751,938	-	-
Over five years	2,136,720	1,357,444	-	-
	8,120,415	8,916,527	-	-

6 LOANS AND ADVANCES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Overdrafts	3,582,754	3,497,672	-	-
Term loans				
- Fixed rate	9,569,842	9,388,896	-	-
- Floating rate	36,346,875	31,788,002	-	-
Bills receivable	339,459	331,268	-	-
Trust receipts	887,139	894,055	-	-
Claims on customers under acceptance credits	6,362,508	5,575,969	-	-
Subordinated debt	127,277	127,294	-	-
Staff loans [of which RM484,834 (2003: RM418,053) are to directors]	598,704	583,430	3,058	2,707
Factoring receivables	229,760	304,123	-	-
Lease receivables	232,769	179,211	-	-
Hire purchase receivables	9,238,436	5,826,238	-	-
Credit card receivables	340,227	224,827	-	-
Other loans	18,448	13,874	-	-
	67,874,198	58,734,859	3,058	2,707
Less: Unearned interest	(1,837,861)	(1,111,738)	-	-
Gross loans and advances	66,036,337	57,623,121	3,058	2,707
Provision for bad and doubtful debts				
- Specific provision (SP)	(1,919,403)	(1,713,758)	-	-
- General provision (GP)	(1,065,735)	(956,790)	-	-
Interest-in-suspense (IIS)	(448,169)	(455,675)	-	-
Total net loans and advances	62,603,030	54,496,898	3,058	2,707

6 LOANS AND ADVANCES (CONTINUED)

Included in the Group's loans and advances balances are RM405,497,000 of net loans (2003: RM Nil) relating to the jointly controlled entity, Proton Commerce Sdn Bhd. The balances are held in the books of a Bank's subsidiary, Bumiputra-Commerce Finance Berhad ("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 the joint venture agreement.

During the year, the Group has changed its basis of provisioning by changing the period of default for non-performing loans from 6 months to 3 months.

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Maturing within one year	22,317,804	23,124,392	18	18
One year to three years	10,917,314	7,249,422	95	159
Three years to five years	7,175,858	6,986,558	240	175
Over five years	25,625,361	20,262,749	2,705	2,355
	66,036,337	57,623,121	3,058	2,707

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Agriculture	2,365,814	2,156,618	–	–
Mining and quarrying	146,295	342,788	–	–
Manufacturing	12,049,867	11,358,984	–	–
Electricity, gas and water	1,641,463	1,367,443	–	–
Construction	4,318,404	3,790,871	–	–
Real estate	2,398,982	1,681,940	–	–
Purchase of landed property				
– Residential	9,606,504	8,920,832	–	–
– Non-residential	2,367,874	2,385,255	–	–
General commerce	4,964,712	4,048,767	–	–
Transport, storage and communication	3,823,604	3,641,027	–	–
Finance, insurance and business services	5,453,460	4,734,940	–	–
Purchase of securities	3,269,859	2,830,822	–	–
Purchase of transport vehicles	7,027,345	4,419,092	–	–
Consumption credit	1,490,471	1,847,948	–	–
Others	5,111,683	4,095,794	3,058	2,707
	66,036,337	57,623,121	3,058	2,707

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

6 LOANS AND ADVANCES (CONTINUED)

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

	The Group	
	2004	2003
	RM'000	RM'000
At 1 January	5,212,499	5,319,933
Non-performing during the year	5,069,003	3,729,582
Performing during the year	(1,330,907)	(1,595,438)
Recoveries	(1,106,377)	(1,577,186)
Amount written off	(1,098,615)	(712,512)
Non-performing loans arising from acquisition of a foreign subsidiary bank	–	33,431
Exchange fluctuation	(19,405)	14,689
At 31 December	6,726,198	5,212,499
Total loans and advances (net of SP and IIS)	63,668,765	55,453,688
Net non-performing loans	4,358,626	3,043,066
Ratio of net non-performing loans to total loans less SP and IIS	6.8%	5.5%

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

	2004	2003
	RM'000	RM'000
General Provision		
At 1 January	956,790	838,637
Net provision made during the year	109,166	113,177
Amount transferred to specific provision	–	(514)
Provision arising from acquisition of a foreign subsidiary bank	–	649
Provision for loans in relation to loans in jointly controlled entities	6,202	–
Exchange fluctuation	(6,423)	4,841
At 31 December	1,065,735	956,790
(as % of total loans, less SP and IIS)	1.7%	1.7%

6 LOANS AND ADVANCES (CONTINUED)

	The Group	
	2004	2003
	RM'000	RM'000
Specific provision		
At 1 January	1,713,758	1,726,470
Provisions made during the year	1,420,001	919,493
Amount transferred from general provision	–	514
Amount written back in respect of recoveries	(300,678)	(353,343)
Amount written off	(884,806)	(584,963)
Amount transferred in respect of loan converted to bond	(7,777)	–
Provision arising from acquisition of a foreign subsidiary bank	–	6,682
Provision for loans in relation to loans in jointly controlled entities	2,071	–
Exchange fluctuation	(23,166)	(1,095)
At 31 December	1,919,403	1,713,758
Interest-in-suspense		
At 1 January	455,675	565,732
Interest suspended during the year	438,423	501,680
Amount written back in respect of recoveries	(187,668)	(235,603)
Amount written back in respect of non-performing loans reclassified as performing	(24,316)	(63,109)
Amount written off	(234,882)	(320,716)
Provision arising from acquisition of a foreign subsidiary bank	–	7,424
Interest-in-suspense for loans in relation to loans in jointly controlled entities	154	–
Exchange fluctuation	783	267
At 31 December	448,169	455,675

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

7 OTHER ASSETS

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest receivable	404,639	398,073	-	-
Deposits and revaluation of derivative financial instruments	319,461	319,776	-	-
Due from brokers and clients net of provision for doubtful debts of RM7,924,000 (2003: RM8,058,295)	461,240	281,044	-	-
Other debtors, deposits and prepayments net of provision for doubtful debts of RM26,113,031 (2003: RM14,409,407) (a)	1,023,319	1,776,420	1,399	140,860
Due from insurers, brokers and reinsurers net of provision for doubtful debts of RM4,798 (2003: RM Nil)	6,863	-	-	-
Amount due from shareholder and Minister of Finance (Incorporation) (b)	-	440,245	-	440,245
Amount due from DUSB (c)	-	492,011	-	-
Foreclosed properties net of provision for impairment in value	59,483	26,386	-	-
Unit trust stock	-	81	-	-
	2,275,005	3,734,036	1,399	581,105

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

There were no trade receivables (2003: RM800,000,000) arising from the forward sale of dealing securities by a subsidiary bank.

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

This amount represents balance of the full and final settlement amounts agreed in respect of the claims submitted by a subsidiary bank through the Company to the MoF and Khazanah Nasional Berhad ("Khazanah") pursuant to the Share Exchange Agreement ("SEA") dated 8 February 1999 and the Supplemental Agreement to the SEA dated 16 August 1999. This amount has been fully settled during the year.

(c) Amount due from DUSB

This amount is in respect of the Put Option exercised pursuant to the Share Exchange Agreement between the Minister of Finance (Incorporation), Khazanah Nasional Berhad and the Company dated 8 February 1999 and a Supplemental Agreement dated 16 August 1999. Put Option was granted to a subsidiary bank to put to Danaharta's special purpose vehicle company, the Qualifying Loans and those assets which are considered Credit Impaired as defined in the Share Exchange Agreement. The special purpose vehicle company for the purpose was Danaharta Urus Sdn Bhd ("DUSB"). The Put Option expired on 31 July 2001. In the current financial year, the subsidiary bank has received the full and final settlement of all amounts due from DUSB.

8 DEFERRED TAXATION

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

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deferred tax assets	336,575	379,272	–	–
Deferred tax liabilities	(15,228)	(19,348)	(12,948)	(8,650)
	321,347	359,924	(12,948)	(8,650)

(a) Deferred tax assets

	The Group	
	2004 RM'000	2003 RM'000
General provision for doubtful debts	273,810	317,402
Accelerated tax depreciation	(12,162)	(6,676)
Unabsorbed tax losses	49,589	11,319
Other temporary differences	25,338	57,227
	336,575	379,272

(b) Deferred tax liabilities

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
General provision for doubtful debts	239	524	239	524
Accelerated tax depreciation	(787)	(3,236)	(787)	(561)
Other temporary differences	(14,680)	(16,636)	(12,400)	(8,613)
	(15,228)	(19,348)	(12,948)	(8,650)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

8 DEFERRED TAXATION (CONTINUED)

(b) Deferred tax liabilities (continued)

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

The Group	General provision for doubtful debts RM'000	Accelerated tax depreciation RM'000	Unabsorbed tax losses RM'000	Other temporary differences RM'000	Total RM'000
(a) Deferred tax assets					
At 1 January 2004	317,402	(6,676)	11,319	57,227	379,272
Acquisition of subsidiary (Note 48(a))	–	–	–	2,057	2,057
(Charged)/credited to income statement	(43,592)	(5,486)	38,270	(33,946)	(44,754)
At 31 December 2004	273,810	(12,162)	49,589	25,338	336,575
At 1 January 2003	280,852	(8,315)	13,271	4,890	290,698
(Charged)/credited to income statement	36,550	1,639	(1,952)	52,337	88,574
At 31 December 2003	317,402	(6,676)	11,319	57,227	379,272
(b) Deferred tax liabilities					
At 1 January 2004	524	(3,236)	–	(16,636)	(19,348)
Acquisition of subsidiary (Note 48(a))	–	–	–	(140)	(140)
Credited/(charged) to income statement	(285)	2,449	–	2,096	4,260
At 31 December 2004	239	(787)	–	(14,680)	(15,228)
At 1 January 2003	239	(2,065)	196	(10,370)	(12,000)
Credited/(charged) to income statement	285	(1,171)	(196)	(6,266)	(7,348)
At 31 December 2003	524	(3,236)	–	(16,636)	(19,348)
The Company					
	General provision for doubtful debts RM'000	Accelerated tax depreciation RM'000	Other temporary differences RM'000	Total RM'000	
Deferred tax liabilities					
At 1 January 2004	524	(561)	(8,613)	(8,650)	
Charged to income statement	(285)	(226)	(3,787)	(4,298)	
At 31 December 2004	239	(787)	(12,400)	(12,948)	
At 1 January 2003	239	(415)	(4,944)	(5,120)	
(Charged)/credited to income statement	285	(146)	(3,669)	(3,530)	
At 31 December 2003	524	(561)	(8,613)	(8,650)	

9 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

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

10 SUBSIDIARIES

	The Company	
	2004	2003
	RM'000	RM'000
Shares at cost		
Quoted	836,003	1,118,390
Unquoted	3,417,042	3,220,705
Provision for impairment in value of a subsidiary	(1,275)	(1,275)
	4,251,770	4,337,820
Market value of quoted subsidiaries	4,086,949	3,481,396

The direct subsidiaries are:

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2004
		2004	2003	
		%	%	
Bumiputra-Commerce Bank Berhad	Commercial banking and related financial services	100	100	RM2,063,956,000
CIMB Berhad	Investment holding of merchant banking group	72.36	74.22	RM855,905,600
Commerce Asset Fund Managers Sdn Bhd (Note 45(n))	Fund management	–	70	RM5,500,000
Commerce Trust Berhad (Note 45(n))	Unit trust manager	–	70	RM7,000,000
Commerce Asset Ventures Sdn Bhd	Provision management services	100	100	RM500,000 (ordinary shares) ^ RM6,700,000 (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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2004
		2004 %	2003 %	
Commerce Assurance Berhad (formerly known as AMI Insurans Berhad) (Note 45(c))	General insurance business	100	–	RM110,000,000
PT Bank Niaga Tbk + (Incorporated in the Republic of Indonesia)	Commercial banking and related financial services	52.59	52.83	IDR748,594,369,200
Commerce Volantia Sdn Bhd	Dormant	100	100	RM3
Commerce MGI Sdn Bhd	Dormant	51	51	RM2,500,000
Commerce Capital (Labuan) Ltd (Incorporated in the Federal Territory of Labuan)^	Special purpose vehicle	100	–	USD1

^ Preference shares of RM0.10 each

^^ Commerce Capital (Labuan) Ltd was incorporated on 2 August 2004

+ Audited by a member firm of PricewaterhouseCoopers International

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

Name of subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2004
		Directly by the Bank		Through subsidiary company		
		2004 %	2003 %	2004 %	2003 %	
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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2004
		Directly by the Bank		Through subsidiary company		
		2004 %	2003 %	2004 %	2003 %	
Bumiputra-Commerce Nominees (Asing) Sdn Bhd	Nominee services	100	100	–	–	RM10,000
Bumiputra-Commerce Corporate Services Limited (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 FactorsLease Berhad (formerly known as Bumiputra-Commerce Leasing 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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2004
		Directly by the Bank		Through subsidiary company		
		2004 %	2003 %	2004 %	2003 %	
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
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	–	–	RM15,000,000
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	Dormant	100	–	–	–	& RM2

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2004
		Directly by the Bank		Through subsidiary company		
		2004 %	2003 %	2004 %	2003 %	
BBMB International Bank (L) Ltd (Incorporated in the Federal Territory of Labuan)	Under voluntary liquidation	100	100	–	–	USD4,000,000

Not audited by PricewaterhouseCoopers

& Commerce Tijari Bank Berhad was incorporated on 2 November 2004. As at year end, it was dormant. On 11 January 2005, its paid up capital was increased from RM2 to RM100 million.

@ Held by jointly controlled entity, Proton Commerce Sdn Bhd.

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

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

Name of subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2004
		Directly by the company		Through subsidiary company		
		2004 %	2003 %	2004 %	2003 %	
Commerce International Merchant Bankers Berhad ("CIMB")	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)

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for the financial year ended 31 December 2004

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2004
		Directly by the company		Through subsidiary company		
		2004 %	2003 %	2004 %	2003 %	
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 shares)
iCIMB Sdn Bhd	Dormant	–	–	100	100	RM2
CIMB Securities Sdn Bhd	Stock and sharebroking	–	–	100	100	RM40,000,000
CIMB Securities (Hong Kong) Limited (Incorporated in Hong Kong) +	Trading in securities	–	–	100	100	HK\$5,000,000
CIMSEC Nominees (Tempatan) Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMSEC Nominees (Asing) Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMSEC Nominees Sdn Bhd	Nominee services	–	–	100	100	RM10,000
CIMB ShareTech Sdn Bhd	Trading in securities	100	–	–	100	RM40,003,120 (ordinary shares) * RM300 (preference shares)
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	–	–	51	51	IDR50,000,000,000

* 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

+ Audited by a member firm of PricewaterhouseCoopers International

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held				Paid up capital as at 31.12.2004
		Directly by the company		Through subsidiary company		
		2004 %	2003 %	2004 %	2003 %	
Commerce Trust Berhad (Note 45(n))	Unit Trust Manager	70	–	–	–	RM7,000,000
Commerce Asset Fund Managers Sdn Bhd (Note 45(n))	Fund management	70	–	–	–	RM5,500,000
CIMB Private Equity Sdn Bhd (i)	Private equity	100	–	–	–	RM2 (ordinary shares) RM165,000 (redeemable preference shares)
CIMB Private Equity General Partner Limited (Incorporated in the Federal Territory of Labuan) (ii)	Fund management	–	–	100	–	USD2
CIMB Mezzanine General Partner Limited (Incorporated in Federal Territory of Labuan) (ii)	Fund management	–	–	100	–	USD2
CIMB Private Equity 1 Sdn Bhd (i)	Private equity	–	–	100	–	RM2
CIMB Real Estate Sdn Bhd (iii)	Real estate investment	100	–	–	–	RM2 (ordinary shares) RM2 (redeemable preference shares)

(i) In April 2004, CIMB incorporated a new subsidiary, CIMB Private Equity Sdn Bhd ("CIMB PE"). CIMB PE then incorporated CIMB Private Equity 1 Sdn Bhd.

(ii) CIMB's wholly-owned subsidiary, CIMB (L) Limited, had on 18 June 2004 received the Certificates of Incorporation dated 15 June 2004 from the Labuan Offshore Financial Services Authority for the incorporation of two new offshore subsidiaries, CIMB Private Equity General Partner Limited and CIMB Mezzanine General Partner Limited.

(iii) In November 2004, CIMB incorporated a new subsidiary, CIMB Real Estate Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

10 SUBSIDIARIES (CONTINUED)

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

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2004
		2004 %	2003 %	
Ekspedisi Yakin Sdn Bhd	Leisure and entertainment services	100	100	RM1,000,000
CAV Private Equity Management Sdn Bhd	Providing management and advisory services	100	100	RM100,000
Scan Associates Sdn Bhd	Providing ICT security system consultancy	55.66	–	RM4,285,000

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

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2004
		2004 %	2003 %	
Radiant Direction Sdn Bhd	Dormant	100	100	RM50,000
Quantum Epic Sdn Bhd	Dormant	100	100	RM50,000

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

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

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2004
		2004 %	2003 %	
Niaga Finance Company Limited # (Incorporated in Hong Kong) (Note 49)	Money lender	–	100	HK\$150,000,000
PT Niaga Aset Manajemen #	Investment management	99	99	IDR5,000,000,000
PT Saseka Gelora Finance #	Financing services	82	82	IDR40,000,000,000
PT Niaga International Factors #	Finance and factoring services	53	53	IDR25,000,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

10 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Principal activities	Percentage of equity held		Paid-up capital as at 31.12.2004
		2004 %	2003 %	
Niaga Remittance Limited # (Incorporated in Hong Kong) (Note 49)	Remittance services	-	60	HK\$1,300,000

Not audited by PricewaterhouseCoopers

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

11 ASSOCIATES

	The Company	
	2004 RM'000	2003 RM'000
Unquoted shares, at cost	3,834	3,834
	The Group	
	2004	2003
	RM'000	RM'000
Share of net assets other than premium of associates	57,593	41,874
Premium on acquisition	13,552	13,503
	71,145	55,377

The direct associate is:

Name of associate	Principal activities	Percentage of equity held		Financial year end
		2004 %	2003 %	
Rangkaian Segar Sdn Bhd	Establishment, operation and management of an electronic collection system for toll and transport operators	20	20	30 June

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

11 ASSOCIATES (CONTINUED)

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

Name of associate	Principal activities	Percentage of equity held				Financial year end
		Directly by subsidiary		Through subsidiary		
		2004 %	2003 %	2004 %	2003 %	
Banyan Ventures Sdn Bhd (i)	Fund management investment holding	–	–	–	37	30 June
Navis-CIMB General Partner Ltd (Incorporated in the Federal Territory of Labuan)	Fund management	–	–	25	25	31 December
CIMB Mezzanine 1 Sdn Bhd (ii)	Private equity's fund	–	–	100	–	31 December

(i) On 30 January 2004, CIMB had disposed its 37.04% equity interest comprising 1,000,000 ordinary shares of RM1.00 each in Banyan Ventures Sdn Bhd for a total consideration of RM39,338. The Sale and Purchase agreement was subsequently completed on 16 February 2004.

(ii) CIMB Mezzanine 1 Sdn Bhd ("CIMBM") is a special purpose entity set up by CIMB Group to facilitate investments in private companies. The entire paid up ordinary share capital of CIMBM of RM2 is held by CIMB Group.

CIMBM is 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 CIMBM are structured in such a manner that the residual risks and rewards of CIMBM are borne by the investors in RPS. As at 31 December 2004, CIMB Group holds 19% of the RPS of the entity amounting to 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 Group holds the entire ordinary share capital of CIMBM, CIMB Group does not have control over CIMBM and therefore does not regard CIMBM as a subsidiary. However, CIMB Group has significant influence over CIMBM by virtue of its holding of the RPS and its role as an investment advisor to CIMBM. Accordingly, CIMBM has been accounted for as an associate of CIMB Berhad using the equity method of accounting.

11 ASSOCIATES (CONTINUED)

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

Name of associate	Principal activities	Percentage of equity held		Financial year end
		2004 %	2003 %	
Carotech Sdn Bhd	Production of palm oil based and pharmaceutical products	–	24.29	30 June
Goodway Rubber Industries Sdn Bhd	Manufacture of masterbatch and other rubber products	–	30	31 December
Sesama Medical College Management Sdn Bhd	Learning and education	30	–	31 August
Hicks-Woode Corporate Services Sdn Bhd	Corporate and secretarial services	30	–	31 December

On 12 July 2004, Goodway Rubber had been listed on the Second Board of Bursa Malaysia Securities Berhad. Subsequently, Commerce Asset Ventures Sdn Bhd had disposed part of its equity interest to 9.53%. As such the balance held is now recorded as simple investment.

Commerce Asset Ventures Sdn Bhd also had disposed its equity interest in Carotech Sdn Bhd to 12.75% during the year. As such, the balance held is now recorded as simple investment.

The associate, held through subsidiary of a subsidiary, Ekspedisi Yakin Sdn Bhd is:

Name of associate	Principal activities	Percentage of equity held		Financial year end
		2004 %	2003 %	
Opera Café Sdn Bhd	Leisure and entertainment services	49	49	31 December

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

Name of associate	Principal activities	Percentage of equity held		Financial year end
		2004 %	2003 %	
PT Asuransi Cigna (Incorporated in the Republic of Indonesia)	Life assurance business	20	20	31 December
P.T. CIMB Niaga Securities (Incorporated in the Republic of Indonesia)	Stock and sharebroking	49	49	31 December

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

12 JOINTLY CONTROLLED ENTITIES

	The Group	
	2004 RM'000	2003 RM'000
Share of net assets of the jointly controlled entities	121,416	–

The jointly controlled entity, held through a Bank's subsidiary, Bumiputra-Commerce Finance Berhad ("BCF") is:

Name of Jointly Controlled Entity	Principal activities	Percentage of equity held		Financial year end
		2004 %	2003 %	
Proton Commerce Sdn Bhd	Financing of vehicles	50	–	31 March

The jointly controlled entity, held through a subsidiary of a subsidiary, CAV Private Equity Management Sdn Bhd is:

Name of Jointly Controlled Entity	Principal activities	Percentage of equity held		Financial year end
		2004 %	2003 %	
Commerce-Meridian Capital Sdn Bhd	Provision of management and advisory of venture capital funds	49.99	49.99	31 December

The Group's share of the assets and liabilities of Proton Commerce Sdn Bhd other than those that are held in trust by a subsidiary, BCF is as follows:

	2004 RM'000
Non-current assets	100,352
Current assets	23,846
Current liabilities	(2,782)
Net assets	121,416

The Group's share of the income and expenses of the jointly controlled entity is as follows:

	2004 RM'000
Income	4,986
Expenses	(8,495)
Loss before taxation	(3,509)
Taxation	(75)
Net loss for the financial period	(3,584)

13 FIXED ASSETS

The Group 2004	Buildings										Renovations, on office		Computer equipment and software		General plant and machinery		Capital work in progress		Total RM'000
	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	Computer equipment and software under lease RM'000	Motor vehicles RM'000	General plant and machinery RM'000	Capital work in progress RM'000	Total RM'000							
Cost	100,155	20,441	165	113,674	196,934	42,268	317,864	388,547	14,544	40,963	1,671	4,338	1,241,564						
Additions	1,432	-	1,827	-	92	8,268	99,157	30,023	14,432	9,354	3	43,075	207,663						
Arising from acquisition of subsidiary	-	-	-	20,518	4,583	-	8,497	22,371	-	3,015	-	3,126	62,110						
Disposals/written off	(90)	-	-	(3,616)	-	(12,943)	(67,543)	(33,289)	(9,292)	(7,336)	(1,410)	-	(135,519)						
Transfer/reclassification	4,387	3,215	-	-	(5,570)	6,460	(6,465)	7,157	(131)	108	(125)	(9,036)	-						
Exchange adjustments	(4,749)	-	-	842	1,650	(2,982)	(4,602)	5,689	-	2,136	-	174	(1,842)						
At 31 December 2004	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						
Depreciation	-	5,419	117	56,969	52,429	14,628	155,140	251,286	12,125	17,221	690	-	566,024						
At 1 January 2004	-	-	-	608	271	-	2,982	12,810	-	1,089	-	-	17,760						
Arising from acquisition of subsidiary	-	-	-	3,786	3,786	7,908	49,972	49,130	4,696	9,527	373	-	128,418						
Charge for the year	-	470	3	(313)	-	(12,771)	(63,400)	(30,808)	(7,562)	(4,365)	(898)	-	(120,117)						
Disposals/written off	-	-	-	-	-	164	9,632	(8,881)	(482)	207	(27)	-	-						
Transfer/reclassification	-	1,174	-	-	(1,787)	-	(1,186)	2,108	-	1,740	-	-	2,399						
Exchange adjustments	-	-	-	463	235	(961)	(1,186)	2,108	-	1,740	-	-	2,399						
At 31 December 2004	-	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						
At 31 December 2003	100,155	20,441	165	113,674	196,934	42,268	317,864	388,547	14,544	40,963	1,671	4,338	1,241,564						
Cost	-	5,419	117	56,969	52,429	14,628	155,140	251,286	12,125	17,221	690	-	566,024						
Accumulated depreciation	100,155	15,022	48	56,705	144,505	27,640	162,724	137,261	2,419	23,742	981	4,338	675,540						
Net book value	100,155	15,022	48	56,705	144,505	27,640	162,724	137,261	2,419	23,742	981	4,338	675,540						

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

13 FIXED ASSETS (CONTINUED)

	Freehold land RM'000	Leasehold land 50 years or more RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovations, office furniture and fixtures RM'000			Computer equipment and software RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
					Buildings on leasehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000				
The Company											
2004											
Cost											
At 1 January 2004	18,985	6,787	5,954	44,812	1,643	449	1,903	-	80,533		
Additions	-	-	-	-	169	493	609	37,500	38,771		
Disposals	(90)	-	(1,519)	-	-	(5)	(150)	-	(1,764)		
At 31 December 2004	18,895	6,787	4,435	44,812	1,812	937	2,362	37,500	117,540		
Depreciation											
At 1 January 2004	-	1,482	1,001	11,276	613	378	437	-	15,187		
Charge for the year	-	160	166	1,343	108	49	418	-	2,244		
Disposals	-	-	(313)	-	-	(5)	(87)	-	(405)		
At 31 December 2004	-	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		
At 31 December 2003											
Cost	18,985	6,787	5,954	44,812	1,643	449	1,903	-	80,533		
Accumulated depreciation	-	1,482	1,001	11,276	613	378	437	-	15,187		
Net book value	18,985	5,305	4,953	33,536	1,030	71	1,466	-	65,346		

14 GOODWILL

	The Group	
	2004 RM'000	2003 RM'000
At 1 January	321,260	330,035
Goodwill arising from acquisition of subsidiaries	45,037	–
Goodwill arising from acquisition of additional interest in subsidiary	–	5,439
Disposal of interest in subsidiary	(1,598)	–
Less: Amortisation in the year	(13,196)	(14,214)
At 31 December	351,503	321,260
Goodwill arising from acquisition of subsidiaries	402,556	359,117
Accumulated amortisation	(51,053)	(37,857)
	351,503	321,260

15 DEPOSITS FROM CUSTOMERS

	The Group	
	2004 RM'000	2003 RM'000
Demand deposits	17,239,634	14,861,509
Savings deposits	6,966,598	6,121,129
Fixed deposits	47,564,463	40,122,684
Negotiable instruments of deposit	985,302	1,392,060
Others	1,349,178	656,847
	74,105,175	63,154,229

(i) Maturity structure of fixed deposits and negotiable instruments of deposit is as follows:

	The Group	
	2004 RM'000	2003 RM'000
Due within six months	38,183,820	32,803,872
Six months to one year	8,235,660	6,089,431
One year to three years	2,075,489	2,615,073
Three years to five years	54,796	6,368
	48,549,765	41,514,744

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for the financial year ended 31 December 2004

15 DEPOSITS FROM CUSTOMERS (CONTINUED)

(ii) The deposits are sourced from the following customers:

	The Group	
	2004 RM'000	2003 RM'000
Business enterprises	35,889,216	29,130,378
Individuals	18,231,564	16,154,608
Others	19,984,395	17,869,243
	74,105,175	63,154,229

16 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	2004 RM'000	2003 RM'000
Licensed banks	5,949,867	6,277,475
Licensed finance companies	75,081	226,561
Other financial institutions	1,492,921	1,846,773
	7,517,869	8,350,809

Included in the Group's deposits and placements of banks and other financial institutions are RM220,000,000 (2003: RM Nil) of deposits and placements relating to the jointly controlled entity, Proton Commerce Sdn Bhd. These are held in the books of a Bank's subsidiary, Bumiputra-Commerce Finance Berhad ("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.

17 FLOATING RATE CERTIFICATES OF DEPOSITS

	The Group	
	2004 RM'000	2003 RM'000
(a) Floating rate certificate of deposit		
– USD30 million	114,000	–
(b) Floating rate certificate of deposit		
– USD60 million	228,000	–
	342,000	–

The main features of the Floating Rate Certificates of Deposit issued during the year are as follows:

- The USD30 million Floating Rate Certificates of Deposit issued by a subsidiary Bank carry interest at a fixed rate of 2.04% per annum from 17 August 2004 to 17 February 2005 and, thereafter at a rate per annum at floating rates calculated with a spread based on London Interbank Offered Rate ("LIBOR") to maturity on 12 August 2005.
- 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.

18 OTHER LIABILITIES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest payable	487,395	447,421	9,040	4,225
Due to brokers and clients	454,333	343,782	–	–
Short-term borrowings (Note 21)	563,228	363,982	–	–
Insurance fund – life insurance business	750,841	514,748	–	–
Insurance fund – general insurance business (a)	274,690	–	–	–
Amount due to Bank Muamalat Malaysia Berhad	22,641	27,296	–	–
Revaluation of derivative financial instruments	317,595	212,247	–	–
Provision for commitments and contingencies (b)	2,293	2,034	–	–
Post employment benefit obligations (Note 19)	76,292	65,670	130	–
Zakat	14	14	–	–
Others	1,328,241	878,117	9,850	44,936
	4,277,563	2,855,311	19,020	49,161

(a) General Insurance Funds

	The Group	
	2004 RM'000	2003 RM'000
Provision for outstanding claims	151,789	–
Unearned premium reserve	122,901	–
At 31 December	274,690	–

(b) The movement in provision for commitments and contingencies are as follows:

	The Group	
	2004 RM'000	2003 RM'000
At 1 January	2,034	4,135
Provision made during the year	259	–
Write back during the year	–	(2,101)
At 31 December	2,293	2,034

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for the financial year ended 31 December 2004

19 POST EMPLOYMENT BENEFIT OBLIGATIONS

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Defined contribution plan	10,164	7,453	130	–
Defined benefit plans	66,128	58,217	–	–
	76,292	65,670	130	–

(a) Defined contribution plan

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group 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 on 26 January 2004 and 25 January 2005 respectively.

The amount recognised in the balance sheet in respect of defined benefit plans is as follows:

	The Group	
	2004 RM'000	2003 RM'000
Present value of funded obligations	272,318	137,027
Fair value of plan assets	(209,415)	(73,103)
Status of funded plan	62,903	63,924
Unrecognised transition liability	3,225	(5,707)
Liability	66,128	58,217

The amount recognised in the income statement in respect of defined benefit plans is as follows:

	The Group	
	2004 RM'000	2003 RM'000
Current service cost	9,446	8,610
Interest cost	9,436	8,502
Expected return on plan assets	(5,377)	(6,648)
Amortisation of transition liability	5,707	5,707
Total included in personnel costs (Note 33)	19,212	16,171

The actual return on plan assets of the subsidiary bank group was RM4,418,000 (2003: RM6,518,000).

19 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	
	2004	2003
	%	%
Discount rates	7.00	7.00
Expected return on plan assets	6.34	6.34
Future salary increases	5.09	5.09

20 LOAN STOCKS

		The Group	
		2004	2003
		RM'000	RM'000
Negotiable Certificates of Deposits	(a)	762,232	865,830

		The Group	
		2004	2003
		RM'000	RM'000
Maturity structure of loan stocks is as follows:			
– One year to two years		100,156	120,000
– Two years to five years		62,076	145,830
– Five years to ten years		600,000	600,000
		762,232	865,830

(a) The negotiable certificates of deposits issued are unsecured. The details of the negotiable certificates of deposits are as follows:

Principal segregated by maturity year	Range of fixed interest rate per annum (%)	The Group	
		2004	2003
		RM'000	RM'000
Year 2005	3.7 – 6.1	–	120,000
Year 2006	5.0	100,156	100,000
Year 2007	3.35	4,000	4,000
Year 2008	–	41,830	41,830
Year 2009	–	16,246	–
Year 2011	6.5	600,000	600,000
		762,232	865,830

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for the financial year ended 31 December 2004

21 SHORT-TERM BORROWINGS

	The Group	
	2004 RM'000	2003 RM'000
Revolving credit facilities	449,228	363,982
USD term loan	114,000	–
	563,228	363,982

The revolving credit facilities from financial institutions are unsecured and carry interest rates of between 1.85% to 7.90% (2003: 2.45% to 10.65%) per annum for the Group during the financial year.

22 BONDS

		The Group		The Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
1.75% Redeemable Euro – Convertible					
Bonds 1994/2004	(a)	–	2,964	–	2,964
7.85% Redeemable unsecured RM					
Bonds 2001/2006	(b)	250,000	250,000	250,000	250,000
8.35% Redeemable unsecured RM					
Bonds 2001/2008	(b)	250,000	250,000	250,000	250,000
USD Zero coupon guaranteed					
convertible bonds 2004/2009	(c)	412,118	–	–	–
		912,118	502,964	500,000	502,964

(a) 1.75% Redeemable Euro-Convertible Bonds 1994/2004

The 1.75% Redeemable Euro-Convertible Bonds 1994/2004 had the following main features:-

- (i) The Bonds were in denominations of USD5,000 or integral multiples thereof, constituted by a Trust Deed, carried interest at the rate of 1.75% per annum payable annually in arrears on 26 September each year.
- (ii) Unless previously redeemed, purchased and cancelled, the Bonds may be converted on or after 26 October 1994 up to and including 19 September 2004 into fully paid-up ordinary shares of RM1.00 each of the Company at an initial conversion price, subject to adjustment in certain circumstances, of RM13.60 per ordinary share and with a fixed exchange rate of RM2.554 to USD1.00.

As a result of the bonus issue, rights issue and offer for sale of warrants 1997/2002, the conversion price of the Bonds had been adjusted in accordance with the Trust Deed dated 26 September 1994 resulting the Bonds price being changed from RM13.60 per share to RM3.10 per share at the fixed exchange rate of RM2.554 to USD1.00 with effect from 5 September 2002.

22 BONDS (CONTINUED)**(a) 1.75% Redeemable Euro-Convertible Bonds 1994/2004 (Continued)**

- (iii) Unless previously redeemed, purchased and cancelled or converted, each Bond will be redeemed on 26 September 2004 at its principal amount. On 26 September 1999, USD34,720,000 was redeemed at the option of bondholders at 131.75 per cent of principal amount. The Bonds may also be redeemed, in whole or in part, by the Company at any time on or after 26 September 1996 at fixed redemption prices.

The Bonds have been fully redeemed on 26 September 2004.

(b) 7.85% Redeemable unsecured RM Bonds 2001/2006 and 8.35% Redeemable unsecured RM Bonds 2001/2008

The redeemable unsecured RM Bonds are issued in 2 tranches:

Tranche 1

7.85% RM250 million nominal value redeemable unsecured bonds, 5 years, maturing on 22 May 2006; and

Tranche 2

8.35% RM250 million nominal value redeemable unsecured bonds, 7 years, maturing on 22 May 2008.

The main features of the RM Bonds are as follows:

- (i) Nominal 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 Bank Negara Malaysia ("BNM") and is exchangeable for definitive bearer only in certain limited circumstances.
- (iii) The RM Bonds are in the denominations or multiples of RM1,000.
- (iv) The RM Bonds are constituted by a Trust Deed dated 4 May 2001 made between the Company and the Trustees, to act for the benefit of the bondholders.
- (v) The RM Bonds bear interest at 7.85% per annum (tranche 1) and 8.35% per annum (tranche 2) on the nominal value of the outstanding bonds, payable semi annually.
- (vi) The RM Bonds will be redeemed by the Company at their nominal value together with interest accrued to the date of redemption.
- (vii) The Bonds shall constitute direct, unconditional, subordinated and unsecured obligations of the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

22 BONDS (CONTINUED)

(c) USD Zero Coupon Guaranteed Convertible Bonds 2004/2009 ("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 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 2004 but prior to 8 September 2009. The conversion price will initially be RM6.03 per shares.
- (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 MASB 24 "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 28 to the financial statements.

The USD Convertible Bonds is recognised in the balance sheet as follows:

	RM'000
Face value	475,000
Equity conversion component (Note 28)	(68,173)
Liability component on initial recognition	406,827
Interest expense	5,291
Liability component at 31 December 2004	412,118

23 IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

	The Group	
	2004	2003
	RM'000	RM'000
Detachable coupons from 7.5% irredeemable convertible unsecured loan stocks ("ICULS") 2001/2011	45,216	89,029

23 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, Bumiputra-Commerce Bank Berhad ("BCB").

The Company with Commerce International Merchant Bankers Berhad ("CIMB") as the arranger purchased the ICULS from BCB and CIMB restructured the ICULS, where the Coupons were detached from the ICULS and placed out to investors.

The main features of the 7.5% irredeemable convertible unsecured loan stocks ("ICULS") 2001/2011 are as follows:

- (i) Nominal value of the ICULS are RM667,000,000 in denominations or multiples of RM1,000 with detachable coupons.
- (ii) The ICULS bear fixed interest at the rate of 7.5% per annum payable annually in arrears by BCB from the date of issue of the ICULS. The detachable coupons represent the interest of the ICULS and as such, bear no further interest.
- (iii) The ICULS are not redeemable for cash except upon the occurrence and declaration of an event of default as provided in the Trust Deed. All outstanding ICULS will be mandatorily converted by BCB into new ordinary shares of BCB on the last day of the tenure of the ICULS.
- (iv) The ICULS shall constitute unsecured and subordinated obligations of BCB.
- (v) All new ordinary shares to be issued upon conversion of ICULS will rank *pari passu* in all respects with the existing ordinary shares of BCB save and except that they will not be entitled to any dividend, right, allotment and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares of BCB.

The main features of the Detachable Coupons ("the Coupons") are as follows:

- (i) Nominal value of the Coupons are RM500,250,000 and are issued in bearer form in multiples of RM1,000 and constituted by the Trust Deed.
- (ii) The Coupons mature over ten tranches with tenures ranging from one to ten years from the date of issue of the ICULS.
- (iii) The Coupons represent the interest of the ICULS and as such, bear no further interest.
- (iv) Each Coupon entitles the Coupon holder to redeem the Coupon at their respective nominal values.
- (v) The Coupons shall constitute direct, unconditional, subordinated and unsecured obligations of BCB.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

24 OTHER BORROWINGS

		The Group	
		2004	2003
		RM'000	RM'000
Syndicated term loan – USD136 million	(a)	516,800	478,800
Syndicated term loan – USD200 million	(b)	–	760,000
Syndicated term loan – USD120 million	(c)	456,000	–
Syndicated term loan – USD140 million	(d)	532,000	–
Others	(e)	199,857	69,956
		1,704,657	1,308,756

Maturity structure of other borrowings is as follows:

– One year to two years	1,108,776	1,239,246
– Two years to five years	532,000	–
– Five years to ten years	63,881	69,510
	1,704,657	1,308,756

- (a) The syndicated term loan is an unsecured term loan facility which will mature on 24 May 2005. It carried interest rates of between 1.76% to 2.21% (2003: 1.66% to 1.95%).
- (b) On 10 March 2003, a subsidiary Bank secured a 1-year syndicated term loan facility amounted to USD200 million which matured on 4 March 2004. It was an unsecured term loan facility which carried interest rates at 1.38% (2003: 1.38% to 1.46%) during the financial year.
- (c) During the financial year, a subsidiary bank secured a syndicated term loan amounted to USD120 million which will mature on 12 August 2005. It carried interest rates of 2.04% (2003: nil).
- (d) On 8 April 2004, Bumiputra-Commerce Bank (L) Limited secured a 3-year syndicated term loan facility amounted to USD140 million which will mature on 8 April 2007. It carried interest rates of between 1.48% to 2.47% (2003: nil).
- (e) Other borrowings consist of secured and unsecured commercial papers and term loan facilities. The range of interest rates was between 2.20% to 9.00% (2003: 1.45% to 16.75%). These borrowings mature between 2004 to 2017.

25 SUBORDINATED NOTES

		The Group	
		2004	2003
		RM'000	RM'000
Subordinated Notes 2003/2013	(a)	1,140,000	1,140,000
Subordinated Notes 2004/2014	(b)	379,488	–
		1,519,488	1,140,000

25 SUBORDINATED NOTES (CONTINUED)**(a) Subordinated notes 2003/2013**

The Subordinated Notes Callable with Step Up in 2008 were issued by a subsidiary bank, BCB.

The main features of the Subordinated Notes Callable with Step Up in 2008 issued during that year are as follows:

- (i) The USD300,000,000 Notes are in bearer form, serially numbered and in denominations of USD1,000, USD10,000 and USD100,000.
- (ii) The Notes will bear interest at the rate of 5.125 per cent per annum from and including 16 October 2003 to, but excluding, 16 October 2008 and, thereafter, at a rate per annum equal to the US Treasury Rate plus 3.55 per cent. Interest will be payable semi-annually in arrears on 16 April and 16 October, in each year, commencing 16 April 2004.
- (iii) The Notes and Coupons constitute direct and unsecured obligations of the Issuer and are subordinated in the manner described in the Conditions of the Notes and, for the avoidance of doubt, rank pari passu with the Issuer's 7.5 per cent RM667,000,000 ICULS with detachable coupons 2001/2011. The Notes and the Coupons rank and will rank pari passu without any preference among themselves. The instrument is listed on the Luxembourg Stock Exchange.
- (iv) The principal of, and interest and any additional amounts payable on, the Notes will be subordinate in right of payment upon occurrence of any Winding Up Proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer, except in each case to those liabilities which by their terms rank equally in right of payment with or subordinate to the Notes.
- (v) The subsidiary Bank may at its option, but subject to the prior written approval of BNM, redeem the Notes on 16 October 2008 at their principal amount plus accrued interest.

(b) Subordinated notes 2004/2014

The Subordinated Notes Callable with Step Up in 2009 were issued by a subsidiary bank, CIMB. The main features of the Subordinated Notes Callable with Step Up in 2009 issued during the year are as follows:

- (i) The USD100,000,000 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.

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for the financial year ended 31 December 2004

25 SUBORDINATED NOTES (CONTINUED)

(b) Subordinated notes 2004/2014 (Continued)

- (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.

26 SHARE CAPITAL

The Group and The Company

	2004 RM'000	2003 RM'000
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Ordinary shares of RM1.00 each:

Authorised:

At 1 January/31 December	5,000,000	5,000,000
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Issued and fully paid:

At 1 January	2,628,960	2,586,290
Issued upon exercise of Employee Share Option Scheme	98,633	42,670
Cancellation of treasury shares	(35,853)	–
At 31 December	2,691,740	2,628,960

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 had expired on 20 June 2002. The ESOS 2002/2007 is governed by the by-laws which were approved by the shareholders on 26 April 2002.

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

26 SHARE CAPITAL (CONTINUED)

Employee Share Option Scheme (Continued)

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 day weighted average price from 19 December 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 CAHB's associate companies employees) when an offer is made in writing to an employee to participate in the Scheme. The eligibility for participation in the Scheme shall be at the discretion of the Board of Directors.
- (b) The total number of new ordinary shares available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any point of time during the existence of the Scheme, which shall be in force for a period of five years, expiring 19 November 2007 or any extension thereof.
- (c) No option shall be granted for less than 1,000 shares and shall always be in multiples of 1,000 ordinary shares.
- (d) The subscription price for each RM1.00 share shall be the 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						
31.12.2004						
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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

26 SHARE CAPITAL (CONTINUED)

Employee Share Option Scheme (Continued)

Grant date	Expiry date	Exercise price RM/share	At start of year '000	Granted '000	Exercised '000	At end of year '000
Year ended						
31.12.2003						
22 November 2002	19 November 2007	3.13	211,448	–	(42,670)	168,778
29 December 2003	19 November 2007	3.62	–	10,994	–	10,994
			211,448	10,994	(42,670)	179,772
						The Company
						2004
						2003
						'000
						'000
Number of share options vested at balance sheet date						81,139
						168,778

Details relating to options exercised during the year are as follows:-

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued	
			2004 '000	2003 '000
July 2003 – December 2003	3.48 – 4.40	3.13	–	42,670
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	–
			2004	2003
			RM'000	RM'000
Ordinary share capital – at par			98,633	42,670
Share premium			212,488	90,888
Proceeds received on exercise of share options			311,121	133,558
Fair value at exercise date of shares issued			489,799	174,572

27 PERPETUAL PREFERENCE SHARES

	The Group	
	2004 RM'000	2003 RM'000
Perpetual preference shares of RM1.00 each		
Authorised		
At 1 January	–	–
Created during the year	200,000	–
At 31 December	200,000	–
Issued and fully paid		
At 1 January	–	–
Issued during the year	200,000	–
At 31 December	200,000	–

On 1 September 2004, a Bank's subsidiary, Bumiputra-Commerce Finance Berhad ("BCF") allotted and issued perpetual preference shares ("PPS") amounting to RM200,000,000 to the jointly controlled entity, Proton Commerce Sdn. Bhd. ("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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

28 RESERVES

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Share premium	1,881,079	1,786,730	1,881,079	1,786,730
Statutory reserves (a)	1,477,329	1,330,562	–	–
Merger reserve	65,746	65,746	–	–
Capital reserve arising on consolidation	27,367	15,949	–	–
Exchange fluctuation reserves (b)	(59,123)	31,754	–	–
Convertible bonds (equity component) (Note 22(c))	68,173	–	–	–
Retained profit (c)	2,635,428	2,193,878	735,090	641,372
	6,095,999	5,424,619	2,616,169	2,428,102

- (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) Currency translation differences have arisen from translation of net assets of Labuan Offshore subsidiaries, foreign subsidiary banks and foreign branches.
- (c) Subject to agreement by Inland Revenue Board, the Company's tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt income under Section 12 of the Income Tax (Amendment) Act 1999 are only sufficient to frank approximately RM422,462,000 (2003: RM641,372,000) of dividends out of its retained profit as at 31 December 2004. The extent of the retained profit not covered at that date amounted to RM312,628,000 (2003: nil).

29 TREASURY SHARES, AT COST

	The Group and The Company			
	2004		2003	
	Units '000	RM'000	Units '000	RM'000
At 1 January	35,853	153,992	18,954	103,114
Purchased during the year	–	–	16,899	50,878
Cancelled during the year	(35,853)	(153,992)	–	–
At 31 December	–	–	35,853	153,992

The shareholders of the Company, via an ordinary resolution passed at the Annual General Meeting held on 19 April 2004, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of existing total paid-up share capital. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the share buyback can be applied in the best interests of the Company and its shareholders.

Share buyback transactions were financed by internally generated funds. These shares are being held as treasury shares under the treasury stock method of accounting for share buybacks. Treasury shares have no rights to vote, dividends and participation in other distribution.

There were no share buyback transactions and resale of treasury shares during the financial year. The Company has cancelled 35,853,000 treasury shares against the share capital on 27 February 2004. The adjusted number of issued and fully-paid shares with voting rights as at financial year end was 2,691,740,260 shares.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

30 INTEREST INCOME

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Loans and advances	3,861,038	3,564,622	620	112
Money at call and deposit with financial institutions	542,555	397,099	18,075	8,308
Dealing securities	500,819	653,908	-	-
Investment securities	436,926	447,500	-	-
Others	74,421	94,562	1,337	1,024
	5,415,759	5,157,691	20,032	9,444
Accretion of discounts less amortisation of premium	87,180	125,638	13,522	12,633
Net interest suspended	(226,439)	(202,968)	-	-
	5,276,500	5,080,361	33,554	22,077

31 INTEREST EXPENSE

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deposits and placements of banks and other financial institutions	572,528	508,458	-	-
Deposits from other customers	1,650,560	1,717,162	-	-
Bonds	118,556	62,360	45,239	40,535
Loan stocks/ICULS	56,916	88,340	-	-
Others	174,416	157,408	-	729
	2,572,976	2,533,728	45,239	41,264

32 NON-INTEREST INCOME

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fee income:				
Commissions	164,921	157,975	-	-
Fee on loans and advances	121,907	108,260	-	-
Portfolio management fees	46,013	22,605	-	-
Service charges and fees	133,183	121,765	-	-
Corporate advisory fees	59,985	60,661	-	-
Guarantee fees	57,992	60,938	-	-
Other fee income	170,892	75,995	2,068	236
	754,893	608,199	2,068	236

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for the financial year ended 31 December 2004

32 NON-INTEREST INCOME (CONTINUED)

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Investment income:				
Accretion of investment gain	–	–	30,316	27,982
Gain from sale of investment securities	58,638	256,309	–	–
Net profit/(loss) from dealing securities:				
– Treasury	89,102	258,328	–	–
– Equity	46,063	(20,311)	10,795	3,372
Write back of/(provision for) diminution of investment securities	41,358	(285,860)	1,019	–
Write back/(write down) of dealing securities	70,692	(74,932)	–	21,948
Gross dividends from:				
<u>Malaysia</u>				
– Subsidiaries	–	–	236,328	184,686
– Investment and dealing securities	19,623	29,524	6,773	3,942
<u>Outside Malaysia</u>				
– Subsidiary	–	–	10,642	–
Gain on disposal of associate	5,116	20,881	–	39,222
Gain/(loss) on disposal of interest in subsidiary	73,371	(18,957)	40,610	123,942
	403,963	164,982	336,483	405,094
Other income:				
Foreign exchange gain/(loss):				
– Realised	72,181	64,266	258	4,586
– Unrealised	16,759	33,684	(1,282)	–
Rental income	10,717	9,062	4,106	4,085
Gain on disposal of fixed assets	186	666	304	92
Gain on disposal of leased assets	122	27	–	–
Net gain from insurance business	2,224	4,926	–	–
Underwriting surplus before management expenses (Note (a))	50,171	–	–	–
Net brokerage fee	95,367	56,886	–	–
Other non-operating income	51,645	70,564	1,181	116
Income from business under Shariah principle	15,740	18,672	–	–
	315,112	258,753	4,567	8,879
	1,473,968	1,031,934	343,118	414,209

32 NON-INTEREST INCOME (CONTINUED)

(a) Underwriting surplus before management expenses is as follows:-

	The Group	
	2004 RM'000	2003 RM'000
Insurance premium earned	172,270	–
Net claims incurred	(104,524)	–
Net commissions	(17,575)	–
	50,171	–

33 OVERHEAD EXPENSES

		The Group		The Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Personnel costs	(a)	933,651	807,884	5,287	2,453
Establishment costs		422,267	337,180	–	–
Marketing expenses		145,633	99,106	–	–
Administration and general expenses		451,856	462,009	25,763	13,260
		1,953,407	1,706,179	31,050	15,713

(a) Personnel costs

Wages and salaries	544,587	490,056	3,714	1,563
Pension costs – defined contribution plans	65,161	54,897	652	266
Pension costs – defined benefit plans	19,212	16,171	–	–
Other post-employment medical benefits	1,548	4,901	–	–
Other staff related costs	303,143	241,859	921	624
	933,651	807,884	5,287	2,453

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for the financial year ended 31 December 2004

33 OVERHEAD EXPENSES (CONTINUED)

The above expenditure includes the following statutory disclosures:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Directors' remuneration (Note 35)	3,233	2,258	877	603
Rental of premises	81,686	62,689	–	–
Hire of equipment	16,399	6,985	–	–
Lease rental	2,745	350	–	–
Auditors' remuneration				
– Statutory audit (Malaysian firm)	1,983	1,605	80	70
– Statutory audit (overseas firms)	765	744	–	–
– Others (Malaysian firm)				
– reporting accountant work	788	305	–	–
– other work	2,336	2,144	580	170
– Others (overseas firm)	1,102	420	1,102	–
Depreciation of fixed assets	128,418	127,393	2,244	2,178
Fixed assets written off	110	454	–	–
Amortisation of goodwill	13,196	14,214	–	–
Amortisation of premium of associates	43	1,041	–	–

34 LOAN LOSS AND PROVISION

	The Group	
	2004 RM'000	2003 RM'000
Provision for bad and doubtful debts:		
– specific provision (net)	1,119,323	566,150
– general provision	109,166	113,177
Bad debts:		
– recovered	(107,391)	(113,874)
– written off	1,337	4,045
	1,122,435	569,498
Provision for amounts recoverable from Danaharta		
– provision for impairment during the year	–	62,418
	1,122,435	631,916

During the year, the Group has changed the default period from 6 months to 3 months. The resulting specific provision in relation to the change in classification of loan accounts amounted to RM52,858,000. The related interest-in-suspense required amount is RM33,716,000 which has been included in Note 30.

In addition, a subsidiary Bank has also evaluated its portfolio of non-performing loans that have been in default and remained uncollected for more than 7 years and also those non-performing loans in default for more than 5 years but less than 7 years. For the loans in default for more than 7 years, no value is assigned as the realisable value of collateral. For the loans which are in default for more than 5 years but less than 7 years, 50% of the realisable value of asset held has been assigned as the value of collateral. The effect of this exercise amounted to RM129,416,000.

35 DIRECTORS' REMUNERATION

The Directors of the Company in office during the year are as follows:

Executive Director

Dr. Rozali Mohamed Ali (appointed as Executive Director of the Company on 1.9.2004)

Non-Executive Directors

Tan Sri Dato' Mohd Desa Pachi

Tan Sri Datuk Asmat Kamaludin

Dato' Anwar Aji

Mohd Salleh Mahmud

Dr. Roslan A. Ghaffar

Izlan Izhah

(appointed on 26.7.2004)

Masayuki Kunishige

(resigned on 28.6.2004)

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Executive Director				
– Salary and other remuneration	450	–	224	–
– Benefits-in-kind	14	–	14	–
Non-Executive Directors				
– Fees	1,246	1,062	411	408
– Other remuneration	1,477	1,127	228	195
– Benefits-in-kind	46	69	–	–
	3,233	2,258	877	603

Included in the Non-Executive Directors' remuneration are amounts paid to a Director in his capacity as executive director for the subsidiary.

The number of directors whose total remuneration for the financial year which fall within the following bands are as follows:

	The Group	
	2004 RM'000	2003 RM'000
Range of remuneration		
<u>Non-Executive Directors</u>		
RM50,000 and below	1	1
RM50,001 – RM100,000	2	2
RM100,001 – RM150,000	2	2
RM200,001 – RM250,000	1	1
RM300,001 – RM350,000	–	1
RM400,001 – RM450,000	1	–
RM1,300,001 – RM1,350,000	–	1
<u>Executive Director</u>		
RM2,150,001 – RM2,200,000	1	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

36 TAXATION

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current tax				
Malaysian income tax	218,054	365,582	46,849	71,090
Overaccrual of prior years	(114,471)	(1,288)	(36,296)	–
Benefit from previously unrecognised tax loss	(44,625)	(3,495)	–	–
Share of tax of associates	3,315	1,387	–	–
Share of tax of jointly controlled entities	75	–	–	–
	62,348	362,186	10,553	71,090
Foreign tax	41,185	5,433	–	–
Deferred tax				
Origination and reversal of temporary differences	110,350	(81,226)	4,298	3,530
Benefit from previously unrecognised tax loss	(69,856)	–	–	–
	40,494	(81,226)	4,298	3,530
	144,027	286,393	14,851	74,620

Reconciliation between tax charge and the Malaysian tax rate:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit before tax	1,090,124	1,240,867	300,383	379,309
Tax calculated at a rate of 28% (2003: 28%)	305,235	347,443	84,107	106,206
Income not subject to tax	(47,900)	(57,407)	(36,594)	(49,612)
Effect of different tax rates in other countries	(23,960)	(8,027)	–	–
Expenses not deductible for tax purposes	124,497	7,879	3,634	18,026
Utilisation of previously unrecognised tax losses	(114,481)	(3,495)	–	–
Overprovision in prior years	(99,364)	–	(36,296)	–
Tax charge of current year	144,027	286,393	14,851	74,620

The Group	
2004 RM'000	2003 RM'000

Tax losses

Tax losses which the related tax credit has not been recognised in the financial statements

898 197,748

37 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, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

	2004	2003
Net profit for the financial year (RM'000)	752,227	782,300
Weighted average number of ordinary shares in issue ('000)	2,660,245	2,560,177
Basic earnings per share (expressed in sen per share)	28.3	30.6

(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 three categories of dilutive potential ordinary shares: 1.75% Redeemable Euro-Convertible Bonds, USD Zero Coupon Guaranteed Convertible Bonds and Employee Share Option Scheme. The 1.75% Redeemable Euro-Convertible Bonds and USD Zero Coupon Guaranteed Convertible Bonds are 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 are calculated to determine the 'unpurchased' shares to be added to ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year in respect of Employee Share Options.

	2004 RM'000	2003 RM'000
Net profit for the financial year	752,227	782,300
Elimination of interest expense on 1.75% Redeemable Euro-Convertible Bonds (net of tax effect)	19	25
Elimination of interest expense on USD Zero Coupon Guaranteed Convertible Bonds	5,291	–
Net profit used to determine diluted earnings per share	757,537	782,325

	2004 Unit '000	2003 Unit '000
Weighted average number of ordinary shares in issue	2,660,245	2,560,177
Adjustments for		
– Conversion of USD Zero Coupon Guaranteed Convertible Bonds	78,773	–
– Bonus element on conversion of 1.75% Redeemable Euro-Convertible Bonds	475	643
– ESOS	65,335	45,862
Weighted average number of ordinary shares for diluted earnings per share	2,804,828	2,606,682
Diluted earnings per share (expressed in sen per share)	27.0	30.0

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

38 DIVIDENDS PER SHARE

Dividends declared or proposed in respect of the financial year ended 31 December 2004 are as follows:

	The Group and the Company			
	2004		2003	
	Gross per share sen	Amount of dividend net of tax RM'000	Gross per share sen	Amount of dividend net of tax RM'000
• A first and final dividend of 10 sen gross per ordinary share less tax at 28%	10.0	193,805	5.0	95,907
• A special dividend of 5 sen gross per ordinary share less tax at 28%	5.0	96,903	5.0	95,907
	15.0	290,708	10.0	191,814

The proposed dividends for the previous financial year were approved by the shareholders and paid in this financial year. This is shown as a deduction from the retained profits in the statement of changes in equity.

In respect of this financial year, the proposed first and final dividend and the special dividend 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 dividend and the special dividend will be reflected in the financial statements for the next financial year ending 31 December 2005 when approved by the shareholders.

39 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	
	2004 RM'000	2003 RM'000
Income from subsidiaries:		
Interest on fixed deposits and money market	17,943	8,308
Interest on loans and advances	113	112
Interest on preference shares	507	–
Accretion on investment securities	13,522	12,633
Accretion of investment gain	30,316	27,982
Dividend income	246,970	184,686
Rental income	4,106	4,085

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	The Company	
	2004	2003
	RM'000	RM'000
Amount due from/(to) subsidiaries:		
Current accounts, deposits and placements	1,328,411	414,514
Amount due from shareholder and Minister of Finance (Incorporation) (a)	–	(440,245)
Loans and advances	2,610	11,321
ICULS 2001/2011	406,589	376,274
Amount due to Commerce Capital (Labuan) Ltd	463,855	–
Detachable coupons	170,527	170,548
<hr/>		
Amount due from shareholder and Minister of Finance (Incorporation):		
Amount due from shareholder and Minister of Finance (Incorporation) (a)	–	440,245
<hr/>		
	Units	Units
Director		
Employee Share Option Scheme (b)	800,000	1,000,000
<hr/>		

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

This amount represents balance of the full and final settlement amount agreed in respect of the claims submitted by a subsidiary bank through the Company to the MoF and Khazanah Nasional Berhad ("Khazanah") pursuant to the Share Exchange Agreement ("SEA") dated 8 February 1999 and the Supplemental Agreement to the SEA dated 16 August 1999. The amount has been fully settled during the year.

(b) The employee share options were granted to a Director on the same terms and conditions as those offered to other employees of the Company as disclosed in Note 26 to the financial statements.

40 COMMITMENTS AND CONTINGENCIES

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

40 COMMITMENTS AND CONTINGENCIES (CONTINUED)

	2004		2003	
	Principal RM'000	Credit equivalent RM'000	Principal RM'000	Credit equivalent RM'000
The Group				
Direct credit substitutes	3,079,400	3,079,400	3,008,062	3,008,062
Certain transaction-related contingent items	2,865,650	1,432,825	2,668,862	1,334,432
Short-term self-liquidating trade-related contingencies	3,297,660	659,532	2,957,962	591,593
Obligations under underwriting agreement	155,493	77,746	163,546	81,773
Irrevocable commitments to extend credit:				
– Maturity not exceeding one year	20,710,988	–	19,139,243	–
– Maturity exceeding one year	3,886,611	1,943,306	3,418,163	1,709,082
Asset sold under recourse	–	–	66,570	66,570
Miscellaneous commitments and contingencies	5,736,705	–	6,581,943	–
	39,732,507	7,192,809	38,004,351	6,791,512
Foreign exchange related contracts:				
– less than one year	8,881,841	94,140	10,362,620	193,727
– one year to less than five years	1,882,442	159,820	895,645	111,135
	10,764,283	253,960	11,258,265	304,862
Interest rate related contracts:				
– less than one year	49,380,750	31,116	30,461,795	10,278
– one year to less than five years	101,282,876	763,814	65,983,075	443,729
– five years and above	7,143,743	334,455	6,586,526	173,988
	157,807,369	1,129,385	103,031,396	627,995
Equity related contracts:				
– less than one year	25,180	–	19,912	–
– one year to less than five years	22,579	–	59,778	25
	47,759	–	79,690	25
	208,351,918	8,576,154	152,373,702	7,724,394
The Company				
Interest rate related contracts:				
– one year to less than five years	250,000	4,100	250,000	6,600

40 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Breakdown of foreign exchange contracts and interest rate contracts:

	2004		2003	
	Principal RM'000	Credit equivalent RM'000	Principal RM'000	Credit equivalent RM'000
The Group				
Foreign exchange related contracts:				
– Forward exchange contracts	9,261,781	90,718	10,323,185	192,886
– Cross currency swaps	1,502,502	163,242	912,335	111,635
– Foreign exchange swaps	–	–	22,745	341
	10,764,283	253,960	11,258,265	304,862
Interest rate related contracts:				
– Interest rate futures	122,512,616	–	85,009,612	–
– Interest rate swaps	35,278,753	1,129,375	18,011,784	627,995
– Interest rate option	16,000	10	10,000	–
	157,807,369	1,129,385	103,031,396	627,995
Equity related contracts:				
– Future contracts	13,830	–	19,912	–
– Put option	33,929	–	59,778	25
	47,759	–	79,690	25
	168,619,411	1,383,345	114,369,351	932,882
The Company				
Interest rate related contracts:				
– Interest rate swaps	250,000	4,100	250,000	6,600

The Group has also given a continuing guarantee to Bank Negara Malaysia and Labuan Offshore Financial Services Authority to meet the liabilities and financial obligations and requirements of its subsidiaries, Bumiputra-Commerce Bank (L) Limited and CIMB (L) Limited respectively, arising from their offshore banking business in the Federal Territory of Labuan.

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

Included in the Group's commitments and contingencies is RM34,517,000 of irrevocable commitments to extend credit with maturity less than one year relating to the jointly controlled entity.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 December 2004, the amount of contracts which were not hedged and, hence, exposed to market risk was RM1,521,853,000 (2003: RM1,371,158,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

40 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position. As at end of 2004, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM1,381,494,000 (2003: RM1,004,255,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

41 CAPITAL COMMITMENTS

Capital expenditure approved by Directors but not provided for in the financial statements amounted to approximately:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Capital expenditure:				
Authorised and contracted for	466,882	103,368	339,020	160
Authorised but not contracted for	810,671	553,417	421,650	548,500
At 31 December	1,277,553	656,785	760,670	548,660

Analysed as follows:

	The Group		The Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fixed assets	840,703	474,165	339,020	375,160
Subscription for investments	15,200	9,120	–	–
Acquisition of subsidiary	–	173,500	–	173,500
Subscription of additional shares in subsidiary	421,650	–	421,650	–
At 31 December	1,277,553	656,785	760,670	548,660

42 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	
	2004 RM'000	2003 RM'000
Within one year	48,881	43,326
One year to five years	40,446	56,707
Over five years	187,121	–

43 SEGMENT REPORTING**(a) Primary reporting format – business segments**Definition of segments

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

Corporate Banking

Corporate and institutional banking focuses on the large listed corporations, multinational companies, Federal and State Government clients. It promotes traditional banking products, project financing, corporate loans, margin lending and others. Included under Corporate Banking are offshore activities carried out by Bumiputra-Commerce Bank (L) Limited, the offshore banking arm for the Group. Borrowing and lending facilities are offered in major currencies mainly to corporate clients.

Business Banking

Business banking focuses on middle market customers. It promotes trade finance and overdraft facilities for small and medium enterprises. 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 ("BCFLB") (previously known as Bumiputra-Commerce Leasing Berhad) which 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

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43 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

Group	2004							Support and others RM'000	Total RM'000
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and under-writing business RM'000	Debt business RM'000	Equity business RM'000		
Net interest income									
- external	1,126,961	667,414	216,168	597,412	-	197,686	-	(102,117)	2,703,524
- inter-segment	124,183	15,359	208,215	(478,990)	-	-	-	131,233	-
	1,251,144	682,773	424,383	118,422	-	197,686	-	29,116	2,703,524
Non interest income	188,495	196,554	174,898	199,946	139,848	110,075	111,697	352,455	1,473,968
Overhead expenses	1,439,639	879,327	599,281	318,368	139,848	307,761	111,697	381,571	4,177,492
	(655,096)	(207,287)	(86,915)	(25,843)	(50,340)	(77,574)	(26,561)	(780,063)	(1,909,679)
Profit before provision	784,543	672,040	512,366	292,525	89,508	230,187	85,136	(398,492)	2,267,813
Loan loss and provision	(323,047)	(538,859)	(301,556)	30,122	-	5,221	-	5,684	(1,122,435)
Provision for other receivables	-	-	-	-	(14,826)	-	3,318	(19)	(11,527)
Provision for commitment and contingencies	-	-	-	-	-	-	-	(259)	(259)
Segment result	461,496	133,181	210,810	322,647	74,682	235,408	88,454	(393,086)	1,133,592
Unallocated costs	-	-	-	-	-	-	-	(43,728)	(43,728)
Share of results of jointly controlled entities	(3,509)	-	-	-	-	-	-	-	(3,509)
Share of results of associates	-	-	-	-	-	-	-	3,769	3,769
Profit before taxation	457,987	133,181	210,810	322,647	74,682	235,408	88,454	(433,045)	1,090,124
Taxation	-	-	-	-	-	-	-	(140,637)	(140,637)
Share of tax of associates	-	-	-	-	-	-	-	(3,315)	(3,315)
Share of tax of jointly controlled entities	-	-	-	-	-	-	-	(75)	(75)
Net profit for the financial year	457,987	133,181	210,810	322,647	74,682	235,408	88,454	(577,072)	946,097

43 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

	2004									
	Retail banking	Business banking	Corporate banking	Treasury	Financial advisory and under-writing business	Debt business	Equity business	Support and others	Total	
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	23,076,044	18,888,971	21,734,356	26,277,090	67,129	13,954,753	607,050	6,286,779	110,892,172	
Investment in associates	-	-	-	-	-	-	1,274	69,871	71,145	
Unallocated assets	23,076,044	18,888,971	21,734,356	26,277,090	67,129	13,954,753	608,324	6,356,650	110,963,317	
Total assets	23,076,044	18,888,971	21,734,356	26,277,090	67,129	13,954,753	608,324	7,363,994	111,970,661	
Segment liabilities	22,889,848	15,927,210	26,159,851	21,875,108	3,085	12,705,903	385,592	2,011,846	101,958,443	
Unallocated liabilities	-	-	-	-	-	-	-	196,726	196,726	
Total liabilities	22,889,848	15,927,210	26,159,851	21,875,108	3,085	12,705,903	385,592	2,208,572	102,155,169	
Other segment items										
Incurring capital expenditure	39,939	28,059	1,476	509	1,857	6,919	4,642	124,262	207,663	
Depreciation	29,341	13,734	1,311	402	1,710	6,486	2,866	72,568	128,418	
Amortisation of goodwill	-	-	-	-	-	-	-	13,196	13,196	
Accretion of discount less amortisation of premium for investment securities	(1,452)	-	(304)	(85,649)	-	632	-	(407)	(87,180)	
(Write back of) / provision for diminution in value of investment securities	-	-	5,362	(19,478)	9,662	(16,220)	(14)	(20,670)	(41,358)	
Investment in jointly controlled entities	121,416	-	-	-	-	-	-	-	121,416	

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.

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43 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

Group	2003							Support and others RM'000	Total RM'000
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and under-writing business RM'000	Debt business RM'000	Equity business RM'000		
Net interest income									
– external	631,512	429,063	336,926	688,516	–	206,963	–	253,653	2,546,633
– inter-segment	217,148	79,754	78,195	(620,855)	–	–	–	245,758	–
Non interest income	848,660	508,817	415,121	67,661	–	206,963	–	499,411	2,546,633
	120,860	179,709	83,116	196,943	130,814	68,692	106,462	145,338	1,031,934
Overhead expenses	969,520	688,526	498,237	264,604	130,814	275,655	106,462	644,749	3,578,567
	(453,055)	(185,602)	(63,787)	(26,754)	(34,984)	(69,706)	(24,821)	(807,956)	(1,666,665)
Profit before provision	516,465	502,924	434,450	237,850	95,830	205,949	81,641	(163,207)	1,911,902
Loan loss and provision	(152,408)	(206,780)	(81,362)	–	–	9,995	–	(201,361)	(631,916)
Provision for other receivables	–	–	–	(3,021)	(9,621)	–	–	–	(12,642)
Writeback of provision for commitments and contingencies	–	–	–	–	–	–	–	2,101	2,101
Segment result	364,057	296,144	353,088	234,829	86,209	215,944	81,641	(362,467)	1,269,445
Unallocated costs	–	–	–	–	–	–	–	(39,514)	(39,514)
Share of results of associates	–	–	–	–	–	–	–	10,936	10,936
Profit before taxation	364,057	296,144	353,088	234,829	86,209	215,944	81,641	(391,045)	1,240,867
Taxation	–	(2,067)	–	–	–	–	–	(282,939)	(285,006)
Share of tax of associates	–	–	–	–	–	–	–	(1,387)	(1,387)
Net profit for the financial year	364,057	294,077	353,088	234,829	86,209	215,944	81,641	(675,371)	954,474

43 SEGMENT REPORTING (CONTINUED)

(a) Primary reporting format – business segments (Continued)

Group	2003									
	Retail banking RM'000	Business banking RM'000	Corporate banking RM'000	Treasury RM'000	Financial advisory and under-writing business RM'000	Debt business RM'000	Equity business RM'000	Support and others RM'000	Total RM'000	Total RM'000
Segment assets	13,497,746	16,241,091	16,536,233	23,787,558	85,939	12,641,888	402,002	14,279,266	97,471,723	
Investment in associates	-	-	-	-	-	-	319	55,058	55,377	
Unallocated assets	13,497,746	16,241,091	16,536,233	23,787,558	85,939	12,641,888	402,321	14,334,324	97,527,100	
Total assets	13,497,746	16,241,091	16,536,233	23,787,558	85,939	12,641,888	402,321	14,741,201	97,933,977	
Segment liabilities	16,079,388	14,806,871	17,642,210	20,232,762	2,118	11,163,976	270,506	8,737,780	88,935,611	
Unallocated liabilities	-	-	-	-	-	-	-	266,698	266,698	
Total liabilities	16,079,388	14,806,871	17,642,210	20,232,762	2,118	11,163,976	270,506	9,004,478	89,202,309	
Other segment items										
Incurred capital expenditure	3,440	5,619	178	21	1,104	1,961	1,487	130,679	144,489	
Depreciation	6,633	7,178	353	93	1,512	2,796	2,093	106,736	127,393	
Amortisation of goodwill	-	-	-	-	-	-	-	14,214	14,214	
Accretion of discount less amortisation of premium for investment securities	(3,750)	-	(609)	(120,768)	-	(511)	-	-	(125,638)	
Provision for diminution in value of investment securities	-	-	26,460	83,901	-	58,958	-	116,541	285,860	

Basis of pricing for inter-segment transfers:

Intersegmental charges are computed on the interest-bearing assets and liabilities of each business segment with rates applied based on the interest yield curve according to the term structure of maturity.

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43 SEGMENT REPORTING (CONTINUED)

(b) Secondary reporting format – geographical segments

The Group's business segments are managed on a worldwide basis and they operate mainly in three main geographical areas:

- Malaysia, the home country of the Group, which includes all the areas of operations in the primary business segments.
- Indonesia, the areas of operation in this country include all the primary business segments of its subsidiary bank, PT Bank Niaga Tbk.
- Other countries include branch and subsidiary operations in Singapore, Japan, United Kingdom, Hong Kong and Republic of Mauritius. The overseas operations are involved mainly in corporate lending and borrowing activities. With the exception of Malaysia and Indonesia, no other individual country contributed more than 10% of the consolidated net interest income or assets.

The Group	Net interest income RM'000	Total assets RM'000	Capital expenditure RM'000
2004			
Malaysia	2,079,024	88,827,061	169,133
Indonesia	531,464	12,490,787	33,204
Other countries	93,036	10,652,813	5,326
	2,703,524	111,970,661	207,663
2003			
Malaysia	1,802,736	78,955,751	126,465
Indonesia	415,061	10,597,471	17,466
Other countries	328,836	8,380,755	558
	2,546,633	97,933,977	144,489

44 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	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash and balances with banks and other financial institutions	3,352,456	1,902,984	9,840	8,697
Money at call and deposit placements maturing within one month	13,282,478	12,151,573	1,318,571	405,817
	16,634,934	14,054,557	1,328,411	414,514

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 RM35,339,000 (2003: RM31,976,044) and RM6,206,000 (2003: RM5,990,892) respectively.

45 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**(a) Acquisition of land for the development of a new corporate headquarters**

On 20 January 2004, the Company entered into a Sale and Purchase Agreement ("SPA") with IJM Properties Sdn Bhd ("IJMP"), a wholly-owned subsidiary of IJM Corporation Berhad ("IJM") to acquire three (3) pieces of land held under Geran 30000 Lot 1724, Geran 7158 Lot 1508 and Geran 7157 Lot 1507 and part of a piece of land held under Geran 7162 Lot 1512, all in Seksyen 46, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan measuring in area approximately 10,149 square meters ("Development Land") together with a thirty-nine storey office building with four (4) levels of basement office building with an approximate total built up area of 114,744 square meters and an approximate lettable area of 58,528 square meters together with 1,120 car parks to be erected thereon ("Building") for a total cash consideration of RM375,000,000 ("Purchase Consideration").

The total cash consideration of RM375,000,000 will be financed by the internally generated funds and borrowings. As at 31 December 2004, the Company has paid RM37,500,000 being the ten per centum (10%) of the total cash consideration upon signing of the SPA.

(b) Completion of the Acquisition of ShareTech Sdn Bhd

On 6 January 2004, CIMB Berhad had proposed to acquire the entire ordinary equity interest in CIMB ShareTech Sdn Bhd ("ShareTech") comprising of 40,003,120 ordinary shares of RM1.00 each from CIMB Securities Sdn Bhd ("CIMB Securities"), a wholly-owned subsidiary of the Bank, for a cash consideration of RM47.8 million. The acquisition was completed on 8 September 2004.

ShareTech had been acquired by CIMB Securities in 2001, in line with the industry consolidation drive. Subsequent to that, its stock-broking business had been merged with that of CIMB Securities, and ShareTech's stock-broking licence had been surrendered to the regulators.

(c) Acquisition of the entire paid-up share capital of 110,000,000 ordinary shares of RM1.00 each in Commerce Assurance Berhad (formerly known as AMI Insurans Berhad) from New Straits Times Press (Malaysia) Berhad ("NSTP") and Pitisan Sdn Bhd ("Pitisan")

On 12 February 2004 the Company entered into a share sale agreement ("Agreement") with NSTP and Pitisan, a wholly-owned subsidiary of NSTP (collectively referred to as the "Vendors") to acquire the entire issued and paid-up share capital in Commerce Assurance Berhad comprising 110,000,000 shares for a total cash consideration of RM173,500,000.

The purchase consideration of RM173,500,000 was arrived at on a willing-buyer willing-seller basis.

The 110,000,000 Commerce Assurance Berhad shares are acquired free from all encumbrances and together with all rights attached or attaching thereto (including the right to all dividends or distributions declared, made or paid thereon) at the date of completion of the acquisition.

The total cash consideration of RM173,500,000 will be satisfied in the following manner:

- (i) the sum of RM17,350,000 being ten per centum (10%) of the purchase consideration shall be paid by the Company to the vendors upon execution of the agreement; and
- (ii) the balance sum of RM156,150,000 shall be paid on the date of completion of the acquisition.

The acquisition was completed on 18 February 2004.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

45 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) Executive Employee Share Option Scheme ("EESOS")

CIMB Berhad had on 11 February 2004, made an offer to grant options to eligible employees of CIMB Berhad Group to subscribe for the shares of CIMB Berhad under the EESOS. The number of EESOS options offered to the eligible employees of CIMB Berhad Group amounted to 24,751,000 new ordinary shares of RM1.00 each of CIMB Berhad.

(e) Joint Venture Agreement entered into between Bumiputra-Commerce Finance Berhad ("BCF") and Proton Edar Sdn Bhd ("PESB") ("Proposed Joint Venture")

BCF, a Bank's subsidiary, had earlier in 2003, entered into a Joint Venture Agreement with PESB to set up a Joint Venture Company with the business objective of gaining access to the customers of PESB. A joint venture entity was formed, namely Proton Commerce Sdn Bhd ("PCSB"). The shareholding was held in equal proportions between BCF and PESB.

On 15 January 2004, approval was obtained from the relevant authority on BCF investment in PCSB. As a result, the Proposed Joint Venture became unconditional on 20 February 2004.

On 20 February 2004, BCF had entered into an Operation Agreement ("OA") with PESB and PCSB in relation to the business operation of PCSB and the said OA became effective on the same date.

(f) Cancellation of the Company's Treasury Shares

On 27 February 2004, the Company had announced that a total of 35,853,000 units of its treasury shares were cancelled. After the cancellation, the adjusted issued and paid-up share capital was 2,625,158,260 units ordinary shares at RM1.00 each on that date.

(g) Issuance of Subordinated Notes

On 15 April 2004, CIMB issued USD100 million in aggregate principal amount of Subordinated Notes ("the Notes") due 2014 callable with step-up in 2009. The Notes bear interest at the rate of 5% 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%. The interest is payable semi-annually in arrears on 15 April and 15 October in each year, commencing on 15 October 2004. The Notes were issued at a price of 99.843 per cent of the principal amount of the Notes. The Notes will, subject to the prior written approval of Bank Negara Malaysia, be redeemable in whole but not in part, at the option of CIMB in the event of certain changes affecting taxation in Malaysia at any time at their principal amount plus accrued interest.

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 ratio of CIMB.

45 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)**(h) Increase in authorised and paid-up share capital of PT Bank Niaga**

PT Bank Niaga had, via its shareholders' approval in its Extraordinary General Meeting dated 23 April 2004, resolved the followings:

- (i) The increase of PT Bank Niaga's authorised share capital from IDR1,400,000,000 to IDR2,900,000,000.
- (ii) The increase of PT Bank Niaga's issued and paid-up capital by the issuing of new shares without pre-emptive rights.
- (iii) The increase of PT Bank Niaga's nominal value of ordinary shares through reverse stock split with the ratio of 10 shares to 1 share.

The reverse stock split became effective at the Jakarta and Surabaya Stock Exchange on 21 May 2004.

(i) Capital distribution to CIMB Berhad's shareholders

On 30 July 2004, CIMB Berhad implemented a cash distribution of approximately RM350 million or 40.7 sen per share to the shareholders from its share premium account.

(j) Transfer of business from Bumiputra-Commerce Factoring Berhad ("BCFB") to Bumiputra-Commerce FactorsLease Berhad ("BCFLB")

On 30 August 2004, a 100% owned subsidiary of BCB, Bumiputra-Commerce Factoring Berhad ("BCFB") signed a sale and purchase agreement with another 100% owned subsidiary of BCB, Bumiputra-Commerce FactorsLease Berhad ("BCFLB") (previously known as Bumiputra Commerce Leasing Berhad) for the transfer of its business encompassing all assets and liabilities for a consideration of RM79,951,993. The consideration was settled via intercompany between BCFB and BCFLB. BCFLB now assumes the operations of BCFB being debt factoring and loan management in addition to its existing business activities. BCFB has become dormant as at year end.

(k) Subscription of redeemable non-cumulative preference shares in CIMB (L) Limited

CIMB has on 9 August 2004, subscribed for 125 million redeemable non-cumulative preference shares at USD0.05 each at an issue price of USD1.00 each in its wholly-owned subsidiary, CIMB (L) Limited, for a total consideration of USD125 million. CIMB is entitled to dividend at the discretion of the Board of Directors of CIMB (L) Limited.

The redeemable non-cumulative preference shares rank in priority to the existing ordinary shares of CIMB (L) Limited with respect to payment of dividend and amounts recoverable upon liquidation, dissolution or winding up of CIMB (L) Limited.

(l) Issuance of USD125 million nominal value zero coupon guaranteed convertible bonds due 2009 by Commerce Capital (Labuan) Ltd.

On 20 September 2004, the Company announced that the aggregate principal amount of the guaranteed convertible bonds to be issued by Commerce Capital (Labuan) Ltd, a subsidiary, is USD125 million.

The five year zero coupon guaranteed convertible bonds are convertible into new ordinary shares of RM1.00 each in the Company at the option of the bondholders at anytime during the Conversion Period. The bonds may also be redeemed at the option of the bondholders in whole or in part at any time after three years.

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for the financial year ended 31 December 2004

45 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(m) Proposed Joint Venture with Mapletree Capital Management Pte Ltd

On 10 November 2004, CIMB Bhd announced that through its wholly-owned subsidiary, CIMB Real Estate Sdn Bhd ("CIMB RE"), had formed a joint venture with Mapletree Capital Management Pte Ltd ("Mapletree"), a wholly owned subsidiary of Mapletree Investments Pte Ltd, which is in turn a wholly-owned subsidiary of Temasek Holdings (Private) Limited, Singapore ("Temasek"). CIMB RE was incorporated on 5 November 2004.

The joint venture company is known as CIMB-Mapletree Management Bhd ("CMM") and will undertake real estate investment advisory and real estate fund management services to a proposed real estate fund to be set up by both parties to be known as "CM-1" and other real estate funds in Malaysia. CIMB RE will hold a 60% stake in CMM while Mapletree will hold the balance 40%.

(n) Disposal of Commerce Asset Fund Managers Sdn Bhd ("CAFM") and Commerce Trust Berhad ("CTB") to CIMB Berhad

Pursuant to the Sale and Purchase Agreement between the Company and CIMB Berhad dated 18 August 2004 the Company had disposed off its direct 70% equity interest in CAFM comprising 3,850,000 ordinary shares of RM1.00 each for a cash consideration of RM18,000,000 and its direct 70% equity interest in CTB comprising 4,900,000 ordinary shares of RM1.00 each for a cash consideration of RM17,000,000 respectively. The disposal was completed on 23 November 2004.

The disposal of CAFM and CTB resulted in a gain of RM13,875,000 and RM10,960,000 respectively in the Company's financial statements.

The effects of the disposal on the results and the financial position of the Group amounted to approximately RM102,000 and RM138,000 respectively.

(o) Proposed rationalisation of the fund management business of CAFM with unit trust business of CTB ("Proposed Business Rationalisation")

On 10 December 2004, CIMB Berhad proposed to undertake a rationalisation of its fund management and unit trust businesses through CTB. In relation thereto, CAFM had on 9 December 2004, entered into the Business Rationalisation Agreement with CTB for the purpose of the Proposed Business Rationalisation whereby CAFM shall sell and transfer to CTB 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 CTB.

CTB 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 CTB 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 is expected to be completed in the second quarter of the financial year ending 31 December 2005.

45 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)**(p) Capital injection in P.T. CIMB Niaga Securities**

Pursuant to the Ministry of Finance, Indonesia's decision letter No.179/KMK/010/2003 dated 5 May 2003, the wholly owned subsidiary of CIMB Berhad, CIMB (L) Limited ("CIMBL") had on 3 December 2004 made a capital injection amounting to IDR3,813,158,317 into P.T. CIMB Niaga Securities in order to increase the share capital of the company to IDR50 billion by 31 December 2004. CIMBL's equity interest has not changed, and remains at 51% of the total paid up share capital of P.T. CIMB Niaga Securities.

(q) 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

As at 31 December 2004, PT Bank Niaga has divested all of its ownership of 150,000,000 shares in Niaga Finance Company Ltd. at the disposal price of HKD147 million. On 31 December 2004, the purchaser, Royal Delight Ltd. has made payment of HKD10 million whilst the remaining balance will be paid in three installments in 2005. The remaining balance is secured by all shares of Niaga Finance Company Ltd. and a personal guarantee from the ultimate major shareholder of Royal Delight Ltd.

Arising from the disposal, PT Bank Niaga has recognised a net income of IDR150,249,000,000 in the current year's income statement (from the income of realisation of cumulative translation adjustments, including exchange gain from dividend received, and the loss on the difference between the disposal price and the carrying value on the date of the disposal of the investment).

46 SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE**(a) (i) Proposed acquisition of stock broking business of G. K. Goh Holdings Limited by a wholly-owned subsidiary (a Special Purpose Vehicle company to be incorporated in Singapore) of CIMB Berhad**

On 13 January 2005, the Company had announced on the proposed acquisition of the stockbroking and stockbroking-related companies of G.K. Goh Holdings Limited by a wholly owned subsidiary of CIMB Berhad to be incorporated in Singapore ("CIMBB SPV"), for a total cash consideration of Singapore Dollar, SGD239.14 million.

(ii) Proposed issuance of CIMB Berhad ordinary shares to the Company

CIMB Berhad has proposed to issue 93,663,167 new ordinary shares of RM1.00 each in CIMB Berhad ("CIMBB shares") at an issue price of RM4.50 per CIMBB share for a total cash consideration of approximately RM421.48 million to the Company.

(iii) Proposed renounceable restricted offer for sale of the CIMB Berhad's share by the Company

Upon completion of (i) and (ii) above, the Company will offer CIMBB'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.

(b) 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 from Royal Delight Ltd.

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47 CAPITAL ADEQUACY

(a) The capital adequacy ratios are as follows:

	The Group	
	2004	2003
	RM'000	RM'000
Tier I capital	6,440,158	6,327,117
Eligible Tier II capital	3,291,819	2,889,081
	9,731,977	9,216,198
Less:		
Investment in subsidiaries and holding of other banking institutions' capital	(737,696)	(609,305)
Subordinated term debt	-	(52,402)
Capital base	8,994,281	8,554,491
Core capital ratio	9.75%	10.94%
Risk-weighted capital ratio	13.62%	14.79%

(b) Components of Tier I and Tier II capital are as follows:

	2004	2003
	RM'000	RM'000
Tier I capital		
Paid-up capital	2,587,839	2,718,341
Share premium	213,867	525,212
Other reserves	3,638,452	3,083,719
Total Tier I capital	6,440,158	6,327,272
Tier II capital		
Subordinated loans	718,740	736,510
Subordinated notes issued	1,519,488	1,140,000
General provision for bad and doubtful debts	949,771	862,183
Other	103,820	150,388
Total Eligible Tier II capital	3,291,819	2,889,081
Less:		
Investments in subsidiaries	(718,696)	(609,305)
Subordinated term debt	-	(52,402)
Holding of other banking institution's capital	(19,000)	-
	8,994,281	8,554,646

47 CAPITAL ADEQUACY (CONTINUED)

(b) Components of Tier I and Tier II capital are as follows: (Continued)

	The Group	
	2004	2003
	RM'000	RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:		
0%	22,763,621	19,322,719
10%	1,212,616	1,827,897
20%	18,641,374	16,474,568
50%	14,234,623	11,950,645
100%	55,085,272	48,402,538

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 RMnil (2003: RM375,195,000) that carry zero risk-weight in accordance with Bank Negara Malaysia's approval letter dated 16 July 1999.

48 ACQUISITION

(a) Acquisition of Commerce Assurance Berhad (formerly known as AMI Insurans Berhad)

On 18 February 2004, the Company completed the acquisition of 100% equity interest in Commerce Assurance Berhad (formerly known as AMI Insurans Berhad). Total purchase consideration has been settled via cash.

The effect of the acquisition on the financial results of the Group during the financial year is as follows:

	2004
	RM'000
Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:	
Interest income	12,910
Interest expense	-
Net interest income	12,910
Loan loss and provision	-
Non interest income	53,965
Net income	66,875
Overhead expenses	(48,328)
Profit before taxation	18,547
Taxation	(6,479)
Profit after taxation	12,068
Minority interest	-
Net profit for the financial year	12,068

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for the financial year ended 31 December 2004

48 ACQUISITION (CONTINUED)

(a) Acquisition of Commerce Assurance Berhad (formerly known as AMI Insurans Berhad) (Continued)

The effect of the acquisition on the financial position of the Group as at 31 December 2004 is as follows:

	2004
	RM'000
Cash and short-term funds	480
Deposits and placements with financial institutions	176,897
Investment securities	211,334
Loans and advances	2,199
Other assets	97,287
Taxation recoverable	8,825
Deferred tax assets	631
Fixed assets	44,271
Other liabilities	(369,334)
Taxation	(10,908)
Increase in Group's net assets	161,682

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	3,398
Deposits and placements with financial institutions	134,261
Investment securities	190,310
Loans and advances	1,911
Other assets	98,893
Taxation recoverable	1,640
Deferred tax assets	1,917
Fixed assets	42,161
Other liabilities	(322,596)
Taxation	(2,281)
Fair value of total net assets	149,614
Goodwill	23,886
Purchase consideration	173,500
Purchase consideration discharged by cash	173,500
Less: Cash and short-term funds acquired	(3,398)
Cash outflow of the Company on acquisition	170,102

48 ACQUISITION (CONTINUED)**(b) Acquisition of Scan Associates Sdn Bhd**

On 27 August 2004, a subsidiary company, Commerce Asset Ventures Sdn Bhd has completed the acquisition of 55.66% equity interest in Scan Associates Sdn Bhd. Total purchase consideration has been settled via cash.

The effect of the acquisition on the financial results of the Group during the financial year is as follows:

	2004 RM'000
Interest income	278
Interest expense	(17)
Net interest income	261
Loan loss and provision	-
Non interest income	12,983
Net income	13,244
Overhead expenses	(2,246)
Profit before taxation	10,998
Taxation	(145)
Profit after taxation	10,853
Minority interest	(4,783)
Net profit for the financial year	6,070

The effect of the acquisition on the financial position of the Group as at 31 December 2004 is as follows:

	2004 RM'000
Cash and short-term funds	1,011
Deposits and placements with financial institutions	10,308
Investment securities	380
Other assets	15,755
Property, plant and equipment	2,471
Other liabilities	(4,571)
Taxation and zakat	(131)
Other borrowings	(11,364)
Hire-purchase	(692)
Minority interest	(5,861)
Increase in Group's net assets	7,306

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

48 ACQUISITION (CONTINUED)

(b) Acquisition of Scan Associates Sdn Bhd (Continued)

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	1,463
Deposits and placements with financial institutions	13,408
Other assets	8,345
Property, plant and equipment	2,189
Other liabilities	(4,766)
Taxation and zakat	(53)
Other borrowings	(17,598)
Hire-purchase	(768)
Fair value of total net assets	2,220
Minority interest	(984)
Fair value of net asset acquired	1,236
Goodwill	18,033
Purchase consideration	19,269
Purchase consideration discharged by cash	19,269
Less: Cash and short-term funds acquired	(14,871)
Cash outflow of the Company on acquisition	4,398

49 DISPOSAL

Disposal of Niaga Finance Company Ltd, Hong Kong and its subsidiary, Niaga Remittance Ltd, Hong Kong ("Niaga Finance Group")

On 30 December 2004, PT Bank Niaga has disposed off its 100% equity interest in Niaga Finance Company Limited. The disposal represents the total equity stake of PT Bank Niaga in Niaga Finance Group.

The effect of the disposal on the financial results of the group is as follows:

	At date of disposal RM'000
Niaga Finance Group	
Interest income	14,340
Interest expense	(62)
Net interest income	14,278
Loan loss and provision	(4,872)
	9,406
Non interest income	3,754
Net income	13,160
Overhead expense	(9,161)
Profit before taxation	3,999
Taxation	(1,165)
Net profit for the financial period	2,834

49 DISPOSAL (CONTINUED)

The effect of the disposal on the financial position of the Group as at 31 December 2004 is as follows:

	At date of disposal RM'000
Niaga Finance Group	
Cash and short term funds	15,928
Deposits and placements with banks and other financial institutions	7,095
Loans and advances	65,182
Other assets	4,244
Fixed assets	1,150
Deposits and placements of banks and financial institutions	(3,888)
Other liabilities	(14,983)
Taxation	(629)
Fair value of net assets disposed	74,099

The cash flow on disposal is determined as follows:

Proceeds from disposals – cash considerations	71,446
Cash and cash equivalents of subsidiary disposed	(23,023)
Net cash inflow from disposal	48,423

50 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, placement of funds managed by Commerce Asset Fund Managers Sdn Bhd and also placement of funds in the form of unit trusts managed by Commerce Trust 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Market risk (Continued)

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 the investment in corporate bond, either in Private Debt Securities ("PDS") or in the international bond market where the bonds may be fixed or floating rate bonds.

BCB also transacts in derivatives such as Interest Rate Swap ("IRS"), Currency Swap, Cross Currency Interest Rate Swap ("CCIRS"), Assets Swap and Futures.

BCB also sets cut loss limit for all trading activities. The cut loss limit set is by day, month and year, where it also takes into account the realised and unrealised losses. Based on the current low and stable interest, interest rate risk at BCB is currently assessed as low.

BCB is adopting a strategy by entering into derivative swap transactions to swap the fixed interest rates to floating rates and to change repricing into shorter and manageable period of 3 or 6 months.

BCB is guided by the Treasury Risk Management policy in governing the trading and other global treasury activities.

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. A stress testing will also be conducted. BCB will be adopting the VaR approach in measuring and controlling market risk. VaR is a technique that produces estimate of potential loss in value over a portfolio over a specified time horizon at a given CI.

The setting up of a banking data warehouse under the Decision Support System ("DSS") Project has almost come to its completion for the entire Risk Management and Financial Analysis requirement.

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 twice a year, although in periods of extreme volatility they are scrutinised more often or suspended altogether momentarily.

Trading limits are monitored daily on a mark-to-market basis and by applying the VaR concept. Thus, by keeping track of its daily VaR, Bank Niaga is in a position to liquidate its gap, which indicates a potential loss greater than the allowable limits.

Bank Niaga is currently preparing the implementation of Treasury & Risk Management System Automation. The system which covers front, middle and back office will enable Bank Niaga to have more efficient and effective treasury and market risk management.

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**A Financial risk management objectives and policies (Continued)****Market risk (Continued)****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 and CIMB Discount House Bhd, make markets in debt securities as well as interest rate and currency derivative instruments; while equity proprietary activities are carried out by CIMB, broking arm and offshore subsidiary. In general, CIMB Group manages its trading positions by employing a variety of hedging strategies, including the use of derivative instruments.

CIMB Group manages market risk through risk limits set by the Risk Committee. The Market Risk Committee ("MRC"), whose role, amongst others, is to oversee CIMB Group's exposure to interest rate and equity risks and to consider and determine trading, investment and underwriting proposals within defined limits.

The utilisation of interest rate and equity risk limits is reviewed on a daily basis, by the Risk Management Unit ("RMU") who employs statistical methods to measure and monitor the risks associated with CIMB Group's trading activities. The RMU also provides independent valuation of portfolios and generates daily and weekly risk position reports for the information of senior management.

CIMB Group has adopted a VaR approach in the measurement of interest rate and equity risks. VaR is a statistical measure of the potential losses that could occur due to movements in market rates and prices over a specified time horizon within a given confidence level.

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. 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. These include sound credit policies/procedures, quality credit approvals, appropriate risk measurement/methodology, strong credit controls with independent reviews and effective/workable recovery strategies. Credit portfolio risk is also monitored through setting and reviewing concentration limits according to various categories such as customer, industry, segment and product types.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Bumiputra-Commerce Bank Berhad ("BCB") (Continued)

Credit Risk Management is vested in the Credit Risk Committee ("CRC") which has been established at management level with clear roles and responsibilities. The CRC reports to and assists the Board (through the Risk Management Committee) in its oversight role on management of credit risk of BCB. Proactive management is provided to Line arising from direction and guidance by CRC. At banking divisions, monthly asset quality meetings are held to monitor credit risk exposures, appropriate measures are also deliberated to minimise any adverse financial implications based on the conduct of accounts and portfolio basis and ensure timely reporting to risk committees.

BCB has issued board-approved Credit Risk Policy Guide ("CRPG"), which outlines limiting risk, risk pricing, and credit risk rating and measurement, reporting and Management Information System ("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.

The process of evaluating and categorising risk is at the heart of credit risk management. It is the foundation of good decisions, good pricing and good control.

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.

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.

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**A Financial risk management objectives and policies (Continued)****Credit risk (Continued)****CIMB Group**

Credit and counterparty risk is defined as the possibility of losses due to an unexpected default or due to deterioration of a business partner's credit-worthiness.

Credit risk arises in many of the CIMB Group's business activities. In lending activities, it occurs primarily through loans as well as commitments to support clients' obligations to third parties, i.e. guarantees. In sales and trading activities, credit risk arises because of the possibility that CIMB Group's counterparties will not be able or willing to fulfill their obligation on transactions on or before settlement date. In derivative activities, credit risk arises when counterparties to derivative contracts, such as interest rate swaps, are obligated to pay CIMB Group the positive fair value or receivable resulting from the execution of contract terms.

The CRC ensures that the risk exposures undertaken match the risk appetite of CIMB Group, and that proper authorisation procedures are adhered to. Problematic exposures identified by the business units and management are carefully monitored and proactive measures taken, where possible, to minimise financial loss to CIMB Group. All exposures are proactively assessed for potential risk and those identified as potentially problematic are managed centrally by the Credit & Special Assets Unit, a dedicated and specialised team within the risk management function.

All credit exposures are given an internal rating, based on a combination of ratios and qualitative criteria. Adherence to set credit limits is monitored on a daily basis by the RMU who combine all exposures for each counterparty, including off-balance sheet and potential exposures, and ensure that limits are not exceeded. CIMB Group also has in place credit guidelines that limit its exposure to any one counterparty or group, industry sector and rating classification.

Netting arrangements

CIMB Group also enters into master agreements that provide for close-out and settlement netting with counterparties, whenever possible. A master agreement that governs all transactions between two parties, creates the greatest legal certainty that credit exposure will be netted. In effect, it enables the netting of outstanding obligations upon termination of outstanding transactions if an event of default occurs.

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, as 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

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 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 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.

PT Bank Niaga Tbk ("Bank Niaga")

The Asset and Liability Committee ("ALCO") is responsible for managing liquidity and asset-liability position. The committee meets with business, 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.

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**A Financial risk management objectives and policies (Continued)****Liquidity risk (Continued)****CIMB Group**

Liquidity risk is defined as the risk of CIMB Group being unable to fulfill its current or future payment obligations in full and at the due date.

There is a Liquidity Risk Committee whose main role is to oversee the overall liquidity management of CIMB Group, ensure compliance with the liquidity framework prescribed by Bank Negara Malaysia, and review periodically the assumptions underlying the liquidity risk management framework.

CIMB Group's liquidity risk management focuses on avoiding over dependence on volatile sources of funding, diversification of funding maturity structure and of sources of funds, and maintenance of sufficient liquid assets. To ensure that CIMB Group is able to cover all payment obligations on due dates as part of the liquidity management process, the RMU prepares liquidity analysis for CIMB and CIMB Discount House Bhd in line with Bank Negara 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.

Operational risk**The Company**

Operational risks that arise 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.

Bumiputra-Commerce Bank Berhad ("BCB")

Operational risk is the risk resulting from inadequate or failed internal processes, people and systems or from external events.

To monitor and control such risk, BCB has established the Operational Risk Management policy to provide the framework and sets the direction of operational risk management activities.

The Operational Risk Support ("ORS") Department's role, which is independent of the Internal Audit Department ("IAD"), is to carry out pre-emptive measures and control activities to identify, assess, monitor and suggest methods on mitigation.

The key focus of the ORS's approach is to add value to the operational risk management function. The activities carried out by the ORS include the development and implementation of an Operational Risk Management framework, centralised monitoring of money laundering activities, managing data integrity, review and improve work processes and controls, and to identify and report on bank-wide operational risks to inculcate awareness of high risk areas in operations.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

A Financial risk management objectives and policies (Continued)

Operational risk (Continued)

Bumiputra-Commerce Bank Berhad ("BCB") (Continued)

The ORS also reports findings and other operational initiatives to the Operational Risk Committee ("ORC"), who has the jurisdiction on all operational risk areas of BCB and also to follow closely on the developments of the Basel II requirements.

The ORC comprises senior executives from the operational and business units who meet monthly to discuss key operational risk issues and oversees the operational risk management practices within their respective business units.

BCB has made substantial investments in implementing various Operational Risk Management tools and methodologies. Among the key initiatives undertaken are:

- Implementation of a bankwide centralised Loss Event Database ("LED") to collate all loss data within BCB. This is to enable the tracking of internal losses due to operational activities. This will enable BCB to develop appropriate mitigation measures for various operational functions especially those that are prone to operational losses. In addition, the LED will also prepare BCB for advance measurement methods for Operational Risk Measurement as stated in the Basel II Accord.
- BCB has also implemented a pilot Control Risk Self Assessment ("CRSA") exercise with several key operating units. This process had allowed the process owners to independently evaluate the risk that are existent in their own operational environment to enable high stake issues to be identified and remedial actions taken. The Operational Risk Management function is targeting to have all the major business units of BCB to undergo the CRSA process by the end of 2005.
- In addition, BCB has also implemented a pilot project to develop Key Risk Indicators ("KRI") which are to serve as early warnings to deterioration of effectiveness in major operational functions. This will be an on-going process and the learnings from the pilot project will enable BCB to develop proficient methods in analysing data collected for the KRIs.

The objective of the Operational Risk Management function is to enable improvements to corporate governance and internal control system of BCB. Ultimately, BCB aims to attain and implement all the best practices of Operational Risk Management.

PT Bank Niaga Tbk ("Bank Niaga")

Bank Niaga's Operational and Information Risk Committee ("OIRC") which meets at least three times a year chaired by the Director of IT and System with participation by the Board of Senior Executives and selected Group Heads, defines 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 each transaction 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 develops key tools to help manage, monitor and summarise operational risks. Internal Audit unit attests internal control systems effectiveness, including those of operational risks.

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**A Financial risk management objectives and policies (Continued)****Operational risk (Continued)****PT Bank Niaga Tbk ("Bank Niaga") (Continued)**

Bank Niaga has Risk Library and performs operational risk "self assessment" using Control Risk Self Assessment ("CRSA") 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 on 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 the development of additional operational risk management tools, including Loss Event Database, Key Risk Indicator 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, controls or projects due to fraud, unauthorised activities, error, omission, inefficiency, systems failures or from external events.

Operational risks are less direct than credit and market risk, but managing them is critical, particularly in a rapidly changing environment with increasing transaction volumes. In order to reduce or mitigate these risks, CIMB Group has established and maintained an effective internal control environment, which incorporates various control mechanisms at different levels throughout the organisation. These control mechanisms are designed to better ensure that operational policies and procedures are being followed and that CIMB Group's various businesses are operating within established corporate policies and limits.

CIMB Group has an Operational Risk Committee with oversight responsibility for all operational and other matters that affect CIMB Group's day-to-day activities. The committee also reviews the operating policies and procedures for new products/businesses to ensure that the supporting infrastructure is in place prior to doing business.

CIMB Group's aspirations to meet the highest standards in risk, controls and governance are further demonstrated through its Corporate Risk Scorecard project. This initiative complements the Enterprise Wide Risk Management ("EWRM"), by capturing and profiling CIMB Group's risk in a systematic and organised method for identifying, controlling and monitoring its risk exposure. The scorecard maps out and prioritises the various risks, based on the possibility of a risk event occurring and its impact on shareholders' value. It provides the senior management with a complete view of the enterprise-wide operational risk exposure on a single common platform. This facilitates the prioritisation of risk issues for CIMB Group to plan its resources and address them accordingly.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk

The tables below summarise the Group's and the Company's exposure to interest rate risks. Included in the tables are the Group's and the Company's assets and liabilities at their full carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The off-balance sheet gap represents the net notional amounts of all interest rate sensitive derivative financial instruments. As interest rates and yield curves change over time the Group and the Company may be exposed to a loss in earnings due to the effects of interest rates on the structure of the balance sheets. Sensitivity to interest rates arises from mismatches in the repricing dates, cash flows and other characteristics of the assets and their corresponding liabilities funding.

	The Group 2004							Total RM'000	
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000		Islamic Banking RM'000
Assets									
Cash and short-term funds	14,653,908	-	-	-	-	-	1,494,834	486,192	16,634,934
Securities purchased under resale agreements	2,548,521	1,899,680	18,645	16,032	16,030	-	-	-	4,498,908
Deposits and placements with banks and other financial institutions	-	990,793	278,408	63,736	10,110	-	-	100,000	1,443,047
Dealing securities	1,532,870	881,697	185,594	264,132	3,642,247	1,173,251	562,117	53,210	8,295,118
Investment securities	630,007	747,442	382,829	1,194,469	4,574,339	3,867,151	777,712	-	12,173,949
Loans and advances	41,308,315	3,638,893	3,081,288	2,115,719	7,363,633	8,528,489	(3,433,307)	-	62,603,030
Other assets	603,516	97	-	-	-	-	1,670,438	954	2,275,005
Deferred taxation	-	-	-	-	-	-	321,347	-	321,347
Tax recoverable	-	-	-	-	-	-	466,877	-	466,877
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	1,934,890	-	1,934,890
Associates	-	-	-	-	-	-	71,145	-	71,145
Jointly controlled entities	-	-	-	-	-	-	121,416	-	121,416
Fixed assets	-	-	-	-	-	-	779,492	-	779,492
Goodwill	-	-	-	-	-	-	351,503	-	351,503
Total assets	61,277,137	8,158,602	3,946,764	3,654,088	15,606,359	13,568,891	5,118,464	640,356	111,970,661

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2004							Islamic Banking RM'000	Non- interest bearing RM'000	Total RM'000
	Up to 1 month RM'000	1-3 months RM'000	3-6 months RM'000	6-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Over interest bearing RM'000			
Liabilities										
Deposits from customers	36,029,240	10,054,365	4,967,213	8,327,537	4,145,753	-	10,383,651	197,416	74,105,175	
Deposits and placements of banks and other financial institutions	3,930,746	2,178,214	1,005,613	91,824	-	-	4,506	306,966	7,517,869	
Obligations on securities sold under repurchase agreements	5,300,701	305,563	-	-	-	-	-	-	5,606,264	
Bills and acceptances payable	1,278,032	892,998	134,490	117,291	-	-	607,126	-	3,029,937	
Floating rate certificates of deposits	228,000	114,000	-	-	-	-	-	-	342,000	
Other liabilities	450,700	36	114,051	-	-	-	3,702,453	10,323	4,277,563	
Taxation	-	-	-	-	-	-	48,772	-	48,772	
Amount due to Cagamas Berhad	-	2,207	-	-	1,841,658	440,013	-	-	2,283,878	
Loan stocks	-	-	-	-	120,402	600,000	-	41,830	762,232	
Bonds	-	-	-	-	912,118	-	-	-	912,118	
ICULS	-	-	-	-	-	45,216	-	-	45,216	
Other borrowings	617,377	456,000	586,224	-	45,056	-	-	-	1,704,657	
Subordinated notes	-	-	-	-	379,488	1,140,000	-	-	1,519,488	
Total liabilities	47,834,796	14,003,383	6,807,591	8,536,652	7,444,475	2,225,229	14,746,508	556,535	102,155,169	
On balance sheet										
- interest rate gap	13,442,341	(5,844,781)	(2,860,827)	(4,882,564)	8,161,884	11,343,662	-	-	-	
Commitments and contingencies										
Cross currency interest rate swaps	-	38,000	(950,000)	-	912,000	-	-	-	-	
Interest rate futures	-	1,590,850	(1,050,163)	187,733	(207,200)	(521,200)	-	-	-	
Interest rate swaps	1,812,279	1,925,198	(568,331)	(2,226,688)	738,935	(1,681,393)	-	-	-	
Off balance sheet										
- interest rate gap	1,812,279	3,554,048	(2,568,514)	(2,038,955)	1,443,735	(2,202,593)	-	-	-	
Net interest rate gap	15,254,620	(2,290,733)	(5,429,341)	(6,921,519)	9,605,619	9,141,069				

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Group 2003							Non- interest bearing RM'000	Islamic Banking RM'000	Total RM'000
	Up to 1 month RM'000	1 - 3 months RM'000	3 - 6 months RM'000	6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
Assets										
Cash and short-term funds	12,729,417	-	-	-	-	-	1,234,178	90,962	14,054,557	
Securities purchased under resale agreements	49,612	-	-	-	59,664	-	-	-	109,276	
Deposits and placements with banks and other financial institutions	-	214,533	35,608	35,130	9,249	-	-	-	294,520	
Dealing securities	1,062,037	1,309,204	828,484	239,810	3,160,008	1,846,033	1,569,660	351,742	10,366,978	
Investment securities	606,981	1,005,328	842,623	620,421	6,000,290	2,423,813	417,971	30,006	11,947,433	
Loans and advances	38,945,478	2,093,905	4,812,864	220,492	6,642,729	4,894,156	(3,126,223)	13,497	54,496,898	
Other assets	1,166,844	-	-	111,674	36,478	-	2,416,891	2,149	3,734,036	
Deferred taxation	-	-	-	-	-	-	359,924	-	359,924	
Tax recoverable	-	-	-	-	-	-	44,318	-	44,318	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	1,472,599	1,261	1,473,860	
Associates	-	-	-	-	-	-	55,377	-	55,377	
Fixed assets	-	-	-	-	-	-	675,540	-	675,540	
Goodwill	-	-	-	-	-	-	321,260	-	321,260	
Total assets	54,560,369	4,622,970	6,519,579	1,227,527	15,908,418	9,164,002	5,441,495	489,617	97,933,977	

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

The Group
2003

	Up to 1 month RM'000	1 – 3 months RM'000	3 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000	Islamic Banking RM'000	Total RM'000
Liabilities									
Deposits from customers	33,687,347	7,232,578	5,180,742	5,890,866	2,617,617	-	8,469,502	75,577	63,154,229
Deposits and placements of banks and other financial institutions	4,404,238	2,502,082	1,035,615	118,000	-	-	-	290,874	8,350,809
Obligations on securities sold under repurchase agreements	4,438,397	110,426	-	-	-	-	-	-	4,548,823
Bills and acceptances payable	1,495,839	1,835,667	801,234	158,567	-	-	522,147	-	4,813,454
Other liabilities	367,774	13	-	-	-	-	2,752,583	5,792	3,126,162
Amount due to Cagamas Berhad	-	14,336	11,196	31,074	271,044	974,603	-	-	1,302,253
Loan stocks	-	-	-	-	224,000	600,000	-	41,830	865,830
Bonds	-	-	-	2,964	500,000	-	-	-	502,964
ICULS	-	-	-	-	-	89,029	-	-	89,029
Other borrowings	-	722,000	516,800	-	-	-	69,956	-	1,308,756
Subordinated notes	-	-	-	-	-	1,140,000	-	-	1,140,000
Total liabilities	44,393,595	12,417,102	7,545,587	6,201,471	3,612,661	2,803,632	11,814,188	414,073	89,202,309

On balance sheet – interest rate gap	10,166,773	(7,794,132)	(1,026,008)	(4,973,944)	12,295,757	6,360,370
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Commitments and contingencies

Cross currency interest rate swaps	5,282	31,917	(401,342)	-	364,143	-
Interest rate futures	-	324,933	(366,965)	-	720,232	(678,200)
Interest rate swaps	1,334,339	1,891,929	283,341	36,850	(2,896,933)	(649,526)

Off balance sheet – interest rate gap	1,339,621	2,248,779	(484,966)	36,850	(1,812,558)	(1,327,726)
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Net interest rate gap	11,506,394	(5,545,353)	(1,510,974)	(4,937,094)	10,483,199	5,032,644
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NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 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 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest bearing RM'000	
Assets								
Cash and short-term funds	1,318,571	-	-	-	-	-	9,840	1,328,411
Dealing securities	-	-	-	-	-	-	336,460	336,460
Investment securities	-	-	36,106	-	83,295	51,126	47,515	218,042
Loans and advances	-	-	-	-	336	2,705	17	3,058
Other assets	-	-	-	-	-	-	1,399	1,399
Subsidiaries	-	-	-	-	-	-	4,251,770	4,251,770
Amount owing by subsidiaries	-	-	-	-	-	-	413,607	413,607
Associates	-	-	-	-	-	-	3,834	3,834
Fixed assets	-	-	-	-	-	-	100,514	100,514
Total assets	1,318,571	-	36,106	-	83,631	53,831	5,164,956	6,657,095
Liabilities								
Other liabilities	-	-	-	-	-	-	19,020	19,020
Amount owing to subsidiary	-	-	-	-	-	-	817,218	817,218
Deferred tax liability	-	-	-	-	-	-	12,948	12,948
Bonds	-	-	-	-	500,000	-	-	500,000
Total liabilities	-	-	-	-	500,000	-	849,186	1,349,186
On balance sheet								
- interest rate gap	1,318,571	-	36,106	-	(416,369)	53,831	-	
Commitments and contingencies								
Interest rate swaps	-	-	(250,000)	-	250,000	-	-	
Off balance sheet – interest rate gap	-	-	(250,000)	-	250,000	-	-	
Net interest rate gap	1,318,571	-	(213,894)	-	(166,369)	53,831	-	

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

B Interest rate risk (Continued)

	The Company 2003							Total RM'000
	Up to 1 month RM'000	1 – 3 months RM'000	3 – 6 months RM'000	6 – 12 months RM'000	1 – 5 years RM'000	Over 5 years RM'000	Non-interest bearing RM'000	
Assets								
Cash and short-term funds	414,174	-	-	-	-	-	340	414,514
Dealing securities	-	-	-	-	-	-	152,271	152,271
Investment securities	-	-	-	21	90,327	80,200	34,297	204,845
Loans and advances	-	-	-	18	334	2,355	-	2,707
Other assets	-	-	-	-	-	-	581,105	581,105
Subsidiaries	-	-	-	-	-	-	4,337,820	4,337,820
Amount owing by subsidiaries	-	-	-	-	-	-	494,072	494,072
Associates	-	-	-	-	-	-	3,834	3,834
Fixed assets	-	-	-	-	-	-	65,346	65,346
Total assets	414,174	-	-	39	90,661	82,555	5,669,085	6,256,514
Liabilities								
Other liabilities	-	-	-	-	-	-	49,161	49,161
Amount owing to subsidiary	-	-	-	-	-	-	792,669	792,669
Deferred tax liability	-	-	-	-	-	-	8,650	8,650
Bonds	-	-	-	2,964	500,000	-	-	502,964
Total liabilities	-	-	-	2,964	500,000	-	850,480	1,353,444
On balance sheet – interest rate gap	414,174	-	-	(2,925)	(409,339)	82,555	-	-
Commitments and contingencies								
Interest rate swaps	(250,000)	-	(250,000)	-	-	-	-	-
Off balance sheet – interest rate gap	(250,000)	-	(250,000)	-	-	-	-	-
Net interest rate gap	164,174	-	(250,000)	(2,925)	(409,339)	82,555	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 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 2004			The Company 2004
	MYR	IDR	USD	MYR
	%	%	%	%
Financial assets				
Cash and short-term funds	2.76	–	2.37	2.87
Securities purchased under resale agreements	2.87	–	–	–
Deposits and placements with banks and other financial institutions	2.90	6.82	3.00	–
Dealing securities	4.13	7.40	4.78	–
Investment securities	4.81	7.10	4.84	–
Loans and advances	6.26	13.33	3.88	3.00
Other assets	9.17	–	–	–
Financial liabilities				
Deposits from customers	2.55	5.72	2.13	–
Deposits and placements of banks and other financial institutions	2.85	6.92	2.33	–
Obligations on securities sold under repurchase agreements	2.53	–	–	–
Bills and acceptances payable	2.47	–	–	–
Amount due to Cagamas Berhad	6.33	–	–	–
Other liabilities	3.23	–	–	–
ICULS	7.50	–	–	–
Loan stocks	6.09	–	–	–
Bonds	8.10	–	–	8.10
Other borrowings	3.21	6.86	1.77	–
Subordinated notes	–	–	3.85	–

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)**B Interest rate risk (Continued)**

		The Group 2003		The Company 2003	
	MYR	IDR	USD	MYR	
	%	%	%	%	
Financial assets					
Cash and short-term funds	2.65	–	1.19		2.69
Securities purchased under resale agreements	8.50	–	–		–
Deposits and placements with banks and other financial institutions	2.94	2.88	1.35		–
Dealing securities	3.72	10.19	4.35		–
Investment securities	4.50	2.72	–		–
Loans and advances	5.84	12.28	1.61		1.98
Other assets	8.88	0.73	–		–
Financial liabilities					
Deposits from customers	2.32	4.93	1.06		–
Deposits and placements of banks and other financial institutions	2.72	5.01	1.20		–
Obligations on securities sold under repurchase agreements	2.55	–	–		–
Bills and acceptances payable	2.79	–	–		–
Amount due to Cagamas Berhad	4.61	–	–		–
Other liabilities	1.71	8.51	–		–
ICULS	7.50	–	–		–
Loan stocks	5.89	–	–		–
Bonds	–	–	–		8.06
Other borrowings	–	–	1.53		–
Subordinated notes	–	–	5.13		–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk

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	Dealing securities RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	On- balance sheet total RM'000	Treasury related commit- ments and contin- gencies RM'000	Credit related commit- ment and contin- gencies RM'000	
Agricultural	-	-	-	5,014	2,312,010	1,113	2,318,137	93,933	594,966	
Mining and quarrying	-	-	-	13,895	1,060,296	10	1,074,201	10,141	1,511,121	
Manufacturing	-	-	253,554	327,855	11,693,377	5,375	12,280,161	1,583,494	7,763,118	
Electricity, gas and water	-	-	776,267	1,127,344	1,417,518	15,727	3,336,856	598,550	1,307,905	
Construction	-	-	343,732	180,048	4,164,868	4,453	4,693,101	36,179	6,152,818	
Real estate	-	-	77,835	198,748	2,353,599	1,806	2,631,988	80	351,582	
General commerce	-	-	28,978	1,072,218	4,733,223	2,490	5,836,909	56,126	3,981,183	
Transport, storage and communication	-	-	1,247,675	897,517	3,877,554	17,124	6,039,870	361,000	1,713,011	
Finance, insurance and business services	14,864,857	2,022,963	1,749,780	2,998,344	5,357,014	343,253	27,336,211	164,975,884	4,102,920	
Purchase of residential, landed property, securities and transport vehicles	-	-	243,626	2,361	20,571,495	358,987	21,176,469	-	2,293,044	
Consumption credit	-	-	-	-	3,965,538	-	3,965,538	-	1,658,823	
Others	3,213,124	2,475,945	3,125,939	4,911,619	2,162,273	691,966	16,580,866	904,024	8,302,016	
	18,077,981	4,498,908	7,847,386	11,734,963	63,668,765 [^]	1,442,304	107,270,307	168,619,411	39,732,507	

[^] Excludes general provision amounting to RM1,065,735,000

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk (Continued)

The following tables set out the credit risk concentrations:

	The Group 2003									
	Short-term funds and placements with financial institutions RM'000	Securities purchased under resale agreement RM'000	Dealing securities RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	On- balance sheet total RM'000	Treasury related commit- ments and contin- gencies RM'000	Credit related commit- ment and contin- gencies RM'000	
Agricultural	-	-	-	57,000	2,137,487	955	2,195,442	59,268	478,253	
Mining and quarrying	-	-	73,302	151,962	295,877	1,764	522,905	-	701,001	
Manufacturing	-	-	194,141	331,350	10,973,653	3,761	11,502,905	1,428,245	7,442,670	
Electricity, gas and water	-	-	1,235,012	1,066,161	1,305,909	13,690	3,620,772	1,090,019	868,358	
Construction	-	-	459,930	199,050	3,491,715	66,114	4,216,809	22,078	5,812,319	
Real estate	-	-	9,993	174,725	1,620,335	2,334	1,807,387	251	83,840	
General commerce	-	-	22,596	22,553	3,880,382	2,844	3,928,375	316,181	3,357,033	
Transport, storage and communication	-	-	1,042,672	1,185,362	3,578,465	816,154	6,622,653	86,800	1,556,421	
Finance, insurance and business services	13,175,336	109,276	2,654,667	2,460,031	4,724,666	324,104	23,448,080	110,127,710	5,320,578	
Purchase of residential, landed property, securities and transport vehicles	-	-	266,737	2,346	17,998,323	255,698	18,523,104	1,004,237	1,825,697	
Consumption credit	-	-	-	-	1,741,388	-	1,741,388	-	76,038	
Others	1,173,741	-	4,307,546	6,008,077	3,705,488	1,423,062	16,617,914	234,562	10,482,143	
	14,349,077	109,276	10,266,596	11,658,617	55,453,688 [^]	2,910,480	94,747,734	114,369,351	38,004,351	

[^] Excludes general provision amounting to RM956,790,000

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

50 USE OF FINANCIAL INSTRUMENTS (CONTINUED)

C Credit risk (Continued)

The Company 2004

	Short-term funds and placements with financial institutions RM'000	Dealing securities RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	Amount due from subsidiaries RM'000	On-balance sheet total RM'000	Treasury related and contin- gencies RM'000
Finance, insurance and business services	1,328,411	336,038	215,194	-	-	413,607	2,293,250	250,000
Others	-	422	-	3,058	733	-	4,213	-
	1,328,411	336,460	215,194	3,058	733	413,607	2,297,463	250,000

The Company 2003

	Short-term funds and placements with financial institutions RM'000	Dealing securities RM'000	Investment securities RM'000	Loans and advances RM'000	Other assets RM'000	Amount due from subsidiaries RM'000	On-balance sheet total RM'000	Treasury related and contin- gencies RM'000
Finance, insurance and business services	414,514	151,840	201,697	-	-	494,072	1,262,123	250,000
Others	-	431	-	2,707	440,245	-	443,383	-
	414,514	152,271	201,697	2,707	440,245	494,072	1,705,506	250,000

51 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the balance sheet date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

In addition, fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of MASB 24 which requires the fair value information to be disclosed.

A range of methodologies and assumptions have been used in deriving the fair values of the Group's and the Company's financial instruments at balance sheet date. The total fair values by each financial instrument approximates the total carrying value, except for the following:

<u>On-balance sheet items</u>	The Group 2004		The Company 2004	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Dealing securities	8,295,118	8,381,075	336,460	354,936
Investment securities	12,173,949	12,713,548	218,042	259,153
Loans and advances	62,603,030	63,628,852	3,058	3,058

<u>On-balance sheet items</u>	The Group 2003		The Company 2003	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets				
Securities purchased under resale agreements	109,276	113,527	–	–
Dealing securities	10,366,978	10,433,070	152,271	164,811
Investment securities	11,947,433	12,252,529	204,845	263,808
Loans and advances	54,496,898	55,312,557	2,707	2,707

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

51 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

<u>On-balance sheet items</u>	The Group 2004		The Company 2004	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Amount due to Cagamas Berhad	2,283,878	2,426,748	–	–
Loan stocks	762,232	829,025	–	–
Bonds	912,118	1,031,843	500,000	539,841

<u>On-balance sheet items</u>	The Group 2003		The Company 2003	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
Financial liabilities				
Amount due to Cagamas Berhad	1,302,253	1,303,388	–	–
Loan stocks	865,830	857,510	–	–
Bonds	502,964	523,182	502,964	523,182

<u>Off-balance sheet items</u>	The Group 2004			
	Notional amount	Regulatory credit equivalent	Positive mark to market	Negative mark to market
	RM'000	RM'000	RM'000	RM'000
Derivative financial instruments				
Foreign exchange related contracts:				
– Foreign exchange contracts	9,261,781	90,718	19,003	(21,363)
– Cross currency interest rate swaps	1,502,502	163,242	9,051	(15,959)
Interest rate contracts:				
– Interest rate futures	122,512,616	–	141,634	(201,194)
– Interest rate swaps	35,278,753	1,129,375	246,640	(346,127)
– Interest rate option	16,000	10	872	–
Equity related contracts:				
– Future contracts	13,830	–	28	–
– Put option	33,929	–	–	(602)

51 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

<u>Off-balance sheet items (Continued)</u>	The Company 2004			
	Notional amount RM'000	Regulatory credit equivalent RM'000	Positive mark to market RM'000	Negative mark to market RM'000
Derivative financial instruments				
Interest rate contracts:				
– Interest rate swaps	250,000	4,100	–	(1,061)

<u>Off-balance sheet items</u>	The Group 2003			
	Notional amount RM'000	Regulatory credit equivalent RM'000	Positive mark to market RM'000	Negative mark to market RM'000
Derivative financial instruments				
Foreign exchange related contracts:				
– Foreign exchange contracts	10,323,185	192,886	70,851	(84,286)
– Cross currency interest rate swaps	912,335	111,635	832,105	(790,541)
– Foreign exchange swaps	22,745	341	101	(304)
Interest rate contracts:				
– Interest rate futures	85,009,612	–	48,746	(168,019)
– Interest rate swaps	18,011,784	627,995	600,600	(351,297)
– Interest rate option	10,000	–	–	–
Equity related contracts:				
– Future contracts	19,912	–	117	(4)

<u>Off-balance sheet items</u>	The Company 2003			
	Notional amount RM'000	Regulatory credit equivalent RM'000	Positive mark to market RM'000	Negative mark to market RM'000
Derivative financial instruments				
Interest rate contracts:				
– Interest rate swaps	250,000	6,600	–	(7,138)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

51 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The derivative financial instruments become favourable (positive mark to market) or unfavourable (negative mark to market) as a result of fluctuation in market interest rates or foreign exchange rates relative to their terms. The extent to which instruments are favourable or unfavourable and the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair values are based on the following methodologies and assumptions:

Short-term funds and placements with financial institutions

For short-term funds and placements with financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities six months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Securities purchased under resale agreements

The fair values of securities purchased under resale agreements with maturities of less than six months approximate the carrying values. For securities purchased under resale agreements with maturities six months and above, estimated fair value is based on discounted cash flows using market rates for the remaining term to maturity.

Dealing and investment securities

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been assessed by reference to market indicative interest yields or net tangible asset backing of the investee.

Loans and advances

For floating rate loans, the carrying value is generally a reasonable estimate of fair value.

For fixed rate loans, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturity.

The fair values of impaired floating and fixed rate loans are represented by their carrying value, net of specific provision and interest-in-suspense, being the expected recoverable amount.

Other assets

The estimated fair values of other assets identified as financial instruments approximate the carrying values as these assets constitute receivables due from government related agencies and based on the Directors' estimate, the realisable value of the final consideration as at balance sheet date is similar to that of the carrying value.

Amount owing by/to subsidiaries

The estimated fair values of the amount owing by/to subsidiaries approximate the carrying values as the balances are either callable on demand or are based on the current rates for such similar loans.

51 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**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.

Deposits and placements of banks and other financial institutions

The estimated fair values of deposits and placements of banks and other financial institutions with maturities of less than six months approximate the carrying values. For deposits and placements with maturities six months or more, the fair values are estimated based on discounted cash flows using prevailing money market interest rates for deposits and placements with similar remaining period to maturity.

Obligations on securities sold under repurchase agreements

The estimated fair values of obligations on securities sold under repurchase agreements with maturities of less than six months approximate the carrying values. For obligations on securities sold under repurchase agreements with maturities more than six months, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2004

51 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

ICULS

The estimated fair value of ICULS approximates the carrying value as based on Directors' estimate, the effective interest rate of the ICULS is a fair reflection of the current rates for such similar long term borrowings.

Loan stocks

Loan stocks comprise negotiable certificates of deposits issued by a subsidiary bank. The estimated fair values are estimated based on discounted cash flows using prevailing market rates for similar negotiable certificates of deposits. Where market rates are not readily available, fair values are estimated by reference to corporate bond indicative yields taking into consideration the credit rating of the subsidiary bank.

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

The fair values for Subordinated Notes are calculated using the trading stock price on the Luxembourg Stock Exchange as quoted by investment houses.

Foreign exchange rate and interest rate contracts

The fair values of foreign exchange rate and interest rate related contracts are the estimated amounts the Group or the Company would receive or pay to terminate the contracts at the balance sheet date.

Credit related commitment and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

52 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 3 February 2005.

Shareholders' Statistics

as at 28 February 2005

ANALYSIS OF SHAREHOLDINGS

Category	Holders	%	Shares	%
1 – 99	295	1.24	7,205	0.00
100 – 1,000	5,985	25.12	5,448,719	0.20
1,001 – 10,000	13,403	56.25	57,739,800	2.13
10,001 – 100,000	3,235	13.58	92,962,404	3.44
100,001 – 135,227,062	906	3.80	1,408,853,134	52.09
135,227,063 and above	3	0.01	1,139,529,998	42.14
	23,827	100.00	2,704,541,260	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 28 FEBRUARY 2005

According to the register required to be kept under Section 69L of the Companies Act, 1965, the substantial shareholders of the company are as follows:-

	No. of shares held	% of shares
1. Employees Provident Fund Board (EPF)	655,616,326	24.24
2. Khazanah Nasional Berhad	342,908,900	12.68
3. Kumpulan Wang Amanah Pencen	258,719,172	9.57

SHAREHOLDERS' STATISTIC

As at 28 February 2005 (as per Register of Members and Records of Depositors)

	No. of shares held	% of shares
1. Employees Provident Fund Board	645,135,926	23.85
2. Khazanah Nasional Berhad	294,408,900	10.89
3. Kumpulan Wang Amanah Pencen	199,985,172	7.39
4. Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	96,249,084	3.56
5. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	51,439,900	1.90
6. CIMSEC Nominees (Tempatan) Sdn Bhd Security Trustee (KCW Issue 2)	48,500,000	1.79
7. Cartaban Nominees (Asing) Sdn Bhd Government Of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	45,560,400	1.68
8. HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For GMO Emerging Markets Fund	42,833,000	1.58
9. UFJ Bank Limited	35,732,400	1.32
10. HSBC Nominees (Asing) Sdn Bhd Emerging Markets Growth Fund	35,336,200	1.31

SHAREHOLDERS' STATISTICS

as at 28 February 2005

SHAREHOLDERS' STATISTIC

As at 28 February 2005 (as per Register of Members and Records of Depositors)

	No. of shares held	% of shares
11. Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	24,011,800	0.89
12. Valuecap Sdn Bhd	22,850,000	0.84
13. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020	22,163,900	0.82
14. Kumpulan Wang Amanah Pencen	21,966,000	0.81
15. HSBC Nominees (Asing) Sdn Bhd Abu Dhabi Investment Authority	19,079,690	0.71
16. HSBC Nominees (Asing) Sdn Bhd Capital International Emerging Markets Investment Fund	15,628,500	0.58
17. Permodalan Nasional Berhad	14,296,400	0.53
18. Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Nasional	13,930,000	0.52
19. Cartaban Nominees (Asing) Sdn Bhd Government Of Singapore Investment Corporation Pte Ltd For Monetary Authority Of Singapore (H)	11,309,200	0.42
20. HSBC Nominees (Asing) Sdn Bhd BNY Brussels For The Great Eastern Life Assurance Co Ltd	11,047,200	0.41
21. Cartaban Nominees (Asing) Sdn Bhd Investors Bank And Trust Company For Ishares, Inc.	10,602,300	0.39
22. HSBC Nominees (Asing) Sdn Bhd TNTC For Government Of Singapore Investment Corporation Pte Ltd	10,301,100	0.38
23. Citicorp Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (INV-IL PAR)	9,773,000	0.36
24. Citicorp Nominees (Asing) Sdn Bhd CBHK For Fortis L Fund-Fortis L Fund Equity Best Selection Asia	9,608,100	0.36
25. Citicorp Nominees (Asing) Sdn Bhd American International Assurance Company Limited (P Core)	9,533,800	0.35
26. Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority Of Singapore (J)	9,400,000	0.35
27. HSBC Nominees (Asing) Sdn Bhd PICTET And CIE For PICTET Asia Growth Fund FCP (PAM REF 3186)	9,060,700	0.34
28. HSBC Nominees (Asing) Sdn Bhd Stichting Pensioenfonds ABP	7,887,400	0.29
29. Kumpulan Wang Amanah Pencen	7,770,000	0.29
30. HSBC Nominees (Asing) Sdn Bhd PICTET And CIE For PICTET Targeted Fund FCP (PAM REF 0933)	7,379,200	0.27
	1,762,779,272	65.18

Properties of the Group

as at 31 December 2004

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (RM'000)	Year of acquisition
PROPERTIES OF COMMERCE ASSET-HOLDING BERHAD:-						
Commerce Square, Jalan Semantan Damansara Heights, 50490 Kuala Lumpur	Office Premises	Leasehold	69	12	18,954	1992
No. 22-24, Commerce House Jalan Sri Semantan 1, Damansara Heights 50490 Kuala Lumpur	Office Premises	Leasehold	68	8	11,960	1996
No. 32-33, Khoo Hun Yeang Street 93000 Kuching, Sarawak	Bank Premises for Kuching Branch	Leasehold	801	32	482	1972
Sibu Laut, 93000 Kuching, Sarawak	Staff Bungalow House	Leasehold	918	40	5	1964
Lot 83, Jalan Sultan Abdullah Pekan, Pahang	Bank Premises for Pekan Branch	Freehold	–	10	282	1994
No. 3 & 4, Taman Mewah Guar Chempedak 08800 Gurun, Kedah	Bank Premises for Guar Chempedak Branch	Freehold	–	10	363	1994
Ground Floor, Menara Choy Fook On IB, Jalan Yong Shook Lin Section 7, Petaling Jaya, 46050 Selangor	Bank Premises for Petaling Jaya Branch	Leasehold	61	11	5,403	1993
Lot 142, Phase 3 Arab-Malaysian Industrial Land Nilai, Negeri Sembilan	Land for proposed BCB Warehouse	Freehold	–	8	4,222	1996
Lot 150, Section 3, Bandar Kuala Lumpur Wilayah Persekutuan	Land	Freehold	–	10	17,181	1994
Lot 904 & 905, Bandar Kuala Pilah 72000 Kuala Pilah, Negeri Sembilan	Shop/Office lot	Freehold	–	8	423	1996
No. 1, Jalan Angkasa Jaya Bukit Pilah Perdana, 72000 Kuala Pilah Negeri Sembilan	Bank Premises for Kuala Pilah Branch	Leasehold	90	6	524	1998
PROPERTIES OF BUMIPUTRA-COMMERCE BANK BERHAD:-						
193B & 193C, Batu 41/2 Jalan Skudai, Johor	Bank Premises	Freehold	–	22	703	1982
B-A1, A2, A3 & A4, Pusat Perdagangan Pasir Gudang, Johor	Bank Premises	Leasehold	74	10	1,280	1994
Sri Lagenda Garden Resort Langkawi (2 units)	Holiday Apartment	Freehold	–	9	365	1995
1583, Jln Tunku Ibrahim, Alor Star, Kedah	Bank Premises	Leasehold	9	21	895	1983
No. 1787 A-H, Jln Telok Wan Jah Alor Star, Kedah	Bank Premises	Leasehold	88	11	510	1993
Bangunan Bumiputra-Commerce Bank Jalan Maju, Kota Bharu, Kelantan	Bank Premises	Freehold	–	33	198	1971
Lot 522 & 523, Tanah Merah, Kelantan	Bank Premises	Freehold	–	30	38	1974
PTB 261 & 262, HS (D) 2/85 Bandar Machang, Kelantan	Bank Premises	Leasehold	48	8	294	1996
422, 423 & 424, Jln Pasir Puteh Pasir Puteh, Kelantan	Bank Premises	Leasehold	44	22	377	1982
Level 1, 2 & 3, Wisma Square Point Kota Bharu, Kelantan	Bank Premises	Leasehold	92	7	3,840	1997
No. 2, Jln Kaskas, Taman Cheras Kuala Lumpur	Bank Premises	Freehold	–	10	472	1994
No. 39 & 40, Jln 9/55A Taman Setiawangsa, Kuala Lumpur	Bank Premises	Leasehold	87	12	800	1992

PROPERTIES OF THE GROUP

as at 31 December 2004

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (RM'000)	Year of acquisition
G21 & 22, Pertama Kompleks Jln Tuanku Abd Rahman, Kuala Lumpur	Bank Premises	Freehold	–	25	315	1979
No. 138, 140 & 142 Jalan Burhanuddin Helmi, Kuala Lumpur	Bank Premises	Freehold	–	22	1,823	1982
Ground Floor, Podium Level Financial Park, Labuan	Bank Premises	Leasehold	90	9	5,924	1995
Greentop, 7 1/2 Mile, Teluk Kemang (Lot 1017 Mukim SiRusa, Port Dickson) Negeri Sembilan	Holiday Bungalow	Freehold	–	28	293	1976
1A & 2B, Kompleks Bumi Negeri Seremban, Negeri Sembilan	Bank Premises	Leasehold	91	8	3,672	1996
Lot 23 & 24, Jalan Tahan Bandar Baru Jerantut, Pahang	Bank Premises	Freehold	–	14	182	1990
177, Jln Engku Muda Mansur Pekan, Pahang	Bank Premises	Leasehold	32	28	296	1976
60, GF, Kompleks Teruntum Kuantan, Pahang	Bank Premises	Freehold	–	23	545	1981
32, Jalan Bank, (Bangunan BCB) Kuantan, Pahang	Bank Premises	Leasehold	65	34	1,463	1970
Lot 104 & 105, Jln Besar, Maran, Pahang	Bank Premises	Leasehold	70	29	34	1975
Lot 32 & 33, Jalan Pasar, Teluk Intan, Perak	Bank Premises	Leasehold	88	11	491	1993
Lot 1411, 1422 & 1423, Jalan Gopeng, Kampar, Perak	Vacant Land	Leasehold	77	22	78	1982
No. 38, 39 & 40, Medan Istana Bandar Raya, Ipoh, Perak	Bank Premises	Leasehold	90	9	631	1995
Lot 44, 45, 46 & 47 Jalan Penjara, Kangar, Perlis	Bank Premises	Leasehold	45	15	1,546	1989
Sri Sayang Hotel Apartment Batu Feringhi, Pulau Pinang (2 units)	Holiday Apartment	Freehold	–	9	400	1995
GF, FF & SF, Bangunan DPMM No. 37, Leboh Pantai, Pulau Pinang	Bank Premises	Leasehold	9	21	2,124	1983
Level 1, Phase 1B, Komtar, Pulau Pinang	Bank Premises	Leasehold	70	10	2,879	1994
Lot CL2 (GF & FF) Pusat Bandar Bayan Baru, Pulau Pinang	Bank Premises	Leasehold	77	12	1,637	1992
No. 7 & 8, Taman Inderawasih Perai, Pulau Pinang	Bank Premises	Leasehold	92	7	2,473	1997
GF, FF, TB 290, 291 & 292, Lot 7-9 Block 30, Fajar Complex, Tawau, Sabah	Bank Premises	Freehold	–	7	1,757	1997
Lot 1.01, Level 1, Satok Building Jalan Satok, Kuching, Sarawak	Bank Premises	Freehold	–	32	3,208	1972
Lot 230 & 231, Bandar Serian, Sarawak	Bank Premises	Leasehold	35	25	523	1979
No. 2 Jln SG 1/2 Taman Sri Gombak, Selangor	Bank Premises	Freehold	–	24	679	1980
Pusat Putra, Bangi, Selangor	Training Centre	Leasehold	88	21	7,043	1983
395, Jalan Bandar Baru Sg. Buloh, Selangor	Bank Premises	Leasehold	88	11	194	1993
2 units shophouses at Section 18 Shah Alam, Selangor	Bank Premises	Leasehold	87	12	306	1992
Green Hill Resort, Tanah Rata Cameron Highlands, Pahang (2 units)	Holiday Apartment	Freehold	–	9	340	1995

PROPERTIES OF THE GROUP

as at 31 December 2004

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (RM'000)	Year of acquisition
Precint 3.5, Pusat Bandar Shah Alam Seksyen 14, Selangor	Vacant Land	Leasehold	90	9	4,539	1995
1519B, Jalan Tunku Ibrahim Alor Star, Kedah	Bank Premises	Leasehold	36	24	176	1980
Main Branch & Head Office 6, Jalan Tun Perak, Kuala Lumpur	Bank Premises	Freehold	–	39	8,179	1965
151, Jalan 2/3A, Off 12 km Jalan Ipoh, Batu Caves, Kuala Lumpur	Bank Premises	Leasehold	88	11	969	1993
4232, Jalan Besar, Bukit Pelanduk Negeri Sembilan	Bank Premises	Freehold	–	20	851	1984
41, Jalan Terentang, Rembau Negeri Sembilan	Bank Premises	Leasehold	74	25	95	1979
89, Jalan Sultan Yusof, Ipoh, Perak	Bank Premises	Freehold	–	27	823	1977
No. 21-23 China Street Ghaut Pulau Pinang	Vacant Building	Freehold	–	40	389	1964
64 & 65, Leboh Pantai, Pulau Pinang	Vacant Building	Freehold	–	40	111	1964
15, Leboh Pantai, Pulau Pinang	Bank Premises	Freehold	–	44	264	1960
No. 12, Jalan Dato Hamzah Klang, Selangor	Bank Premises	Freehold	–	46	66	1958
No. 280, Jalan Besar, Batang Berjuntai, Selangor	Bank Premises	Freehold	–	26	305	1978
No. 24 Jalan Utas, Seksyen 15 Shah Alam, Selangor	CAD	Leasehold	85	14	144	1990
113 & 114, Jalan Genuang Segamat, Johor	Bank Premises	Freehold	–	6	892	1998
39A, Jalan Rahman, Batu Pahat, Johor	Bank Premises	Freehold	–	16	759	1988
87-89 Jln Pahlawan Tmn Ungku Tun Aminah Johor Bharu, Johor	Bank Premises	Freehold	–	17	267	1987
G86, G87, F122, F123 & F124 Holiday Plaza, Johor Bharu, Johor	Bank Premises	Leasehold	74	16	622	1988
Plot No. 12, Lot No 1775 Pekan Kuala Nerang, Kedah	Bank Premises	Freehold	–	5	127	1999
No. 40 & 41, Pusat Bandar Kuah Pulau Langkawi, Kedah	Bank Premises	Freehold	–	14	359	1990
Lots 1931, 1932 & 1933 Gua Musang, Kelantan	Vacant Lots	Leasehold	47	19	27	1985
No. 32, Jln Tun Perak Oriental Building, Kuala Lumpur	Bank Premises	Freehold	–	6	3,793	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	76	14	2,198	1990
Lot 295, No. 11, Tmn Bukit Piatu Seksyen 3, Bukit Baru, Melaka	Bank Premises	Freehold	–	5	299	1999
3690, Jalan Raja Melewar Kuala Pilah, Negeri Sembilan	Bank Premises	Leasehold	83	6	634	1998
No. 114 & 115, Jln Besar Bandar Baru Kuala Lipis, Pahang	Bank Premises	Leasehold	66	16	126	1988
No. 7 & 8, Rumah Kedai Murah LKNP Jalan Ahmad Shah, Temerloh, Pahang	Bank Premises	Leasehold	79	16	239	1988

PROPERTIES OF THE GROUP

as at 31 December 2004

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (RM'000)	Year of acquisition
No. 1 & 1A, Kinta Mansion Medan Kidd, Ipoh, Perak	Bank Premises	Freehold	–	5	1,222	1999
No. 6 & 7, Jln Kelichap Parit Buntar, Perak	Bank Premises	Leasehold	81	5	253	1999
Lot 1872, Bangunan BBMB 4228 Jalan Bagan Luar Butterworth, Pulau Pinang	Bank Premises	Freehold	–	6	1,725	1998
GF, Lot 8 & 9, Block C Ranau New Town Centre, Sabah	Bank Premises	Leasehold	75	14	242	1990
Lot 507 & 508 Block 9 Miri Concession Land District (MCLD) Jalan Permaisuri, Miri, Sarawak	Bank Premises	Leasehold	75	17	526	1987
Lot 2300 & 2301, BDA-Shahida Commercial Centre, Lebuhraya Abang Gatau, Bintulu, Sarawak	Bank Premises	Leasehold	38	14	666	1990
No. 48 & 50, Jln SS 21/35 Damansara Utama, Petaling Jaya, Selangor	Bank Premises	Freehold	–	6	1,194	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	–	6	518	1998
No. 9 & 10, Jln Tun Aziz Lim Tan Kajang, Selangor	Bank Premises	Leasehold	48	6	1,083	1998
No. 27, 29 & 31, Jln 52/2, Section 52 Petaling Jaya, Selangor	Bank Premises	Leasehold	85	14	1,876	1990
No. K712 & 713, Jalan Sulaimani Chukai Kemaman, Terengganu	Bank Premises	Freehold	–	5	769	1999
Lot 139A-B, Jalan Satok 93400 Kuching, Sarawak	Bank Premises	Leasehold	849	33	29	1972
No. 22 Taman Fulliwa, Labuan	Staff Residence	Leasehold	87	11	114	1993
No. 24 Taman Fulliwa, Labuan	Staff Residence	Leasehold	87	11	114	1993
No. 32 Taman Fulliwa, Labuan	Staff Residence	Leasehold	87	11	122	1993
No. 43 Taman Fulliwa, Labuan	Staff Residence	Leasehold	87	11	129	1993
No. 47 Taman Fulliwa, Labuan	Staff Residence	Leasehold	87	11	129	1993
No. 17 Taman Fulliwa (BCB), Labuan	Staff Residence	Leasehold	87	9	223	1995
No. 6 Taman Fulliwa (BCB), Labuan	Staff Residence	Leasehold	87	9	211	1995
Alpha Condominium 14-06, Labuan	Staff Residence	Leasehold	87	9	547	1995
Alpha Condominium 12-05 (BCB), Labuan	Staff Residence	Leasehold	87	8	451	1996
Kerupang II Apartment D 02-1, Labuan	Staff Residence	Leasehold	87	8	128	1996
Kerupang II Apartment D 02-6, Labuan	Staff Residence	Leasehold	87	8	128	1996
Kerupang II Apartment B 04-1 (BCB) Labuan	Staff Residence	Leasehold	87	8	128	1996
Kerupang II Apartment B 03-8 (BCB) Labuan	Staff Residence	Leasehold	87	7	126	1997
Lot 19 Taman Ranchar-Ranchar, Labuan	Staff Residence	Leasehold	87	11	139	1993
Lot 20 Taman Ranchar-Ranchar, Labuan	Staff Residence	Leasehold	87	11	139	1993
TL 207512418 (near golf course), Labuan	Vacant Land	Leasehold	87	11	209	1993

PROPERTIES OF THE GROUP

as at 31 December 2004

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (RM'000)	Year of acquisition
FF Menara Promet, Jalan Sultan Ismail Kuala Lumpur	BCB Finance HQ	Freehold	–	19	5,277	1985
Lot No. 23, Taman Jasa Jalan Tun Mustapha, Labuan	Manager's Resident	Leasehold	86	21	89	1983
Sublot No. 70 & 71, Greentown Business Centre, Ipoh, Perak	Bank Premises	Freehold	–	8	1,267	1996
Lot 3083, Jalan Sultan Ismail Kuala Terengganu, Terengganu	Bank Premises	Freehold	–	12	2,949	1992
Tembeling Resort Apartment, Kuantan	Holiday Apartment	Freehold	–	9	578	1995
Lot PT 7822, Jalan Dato' Abdullah Raub, Pahang	Vacant Land	Leasehold	39	21	12	1983
TB 331B & 332A, Lot 14, Block 42 GF & 1F, Kompleks Fajar, Sabah	Vacant Building	Leasehold	992	7	986	1997

Location	Country	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec	Year of Acquisition
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INTERNATIONAL PROPERTIES OF BUMIPUTRA-COMMERCE BANK BERHAD

2-17-3 Mita, Meguro-ku, Tokyo 153-0062	Japan	4 bedroom house	Freehold	–	26	JPY 272,242,397	1978
No. 201 Yoyogi Parkside, 1-33-6 Tomigaya, Shibuya-ku, Tokyo	Japan	Apartment	Freehold	–	34	JPY 38,228,892	1980
Flat 10A, Victoria Heights, 43A Stubbs Road	Hong Kong	Apartment	Leasehold	40	45	HKD 2,553,962	1979
Flat 9C, Block 21, Baguio Villa, 555, Victoria Road	Hong Kong	Apartment	Leasehold	855	144	HKD 752,129	1979
Flat 2B Fook Wai Mansion, 98 Pokfulam Road	Hong Kong	Apartment	Leasehold	68	82	HKD 1,616,912	1981
Room 1802 & 1803, 18th Floor, Tower One Admiralty Centre	Hong Kong	Office Premises	Leasehold	49	26	HKD 19,188,287	1980
7 Temasek Boulevard No. 37-01/02/03 Suntec Tower One Singapore 038987	Singapore	Office Premises (Branch)	Leasehold	84	15	SGD 15,138,061	1995
14 Cavendish Square, London W1G 9HA	United Kingdom	Office Premises (Branch)	Freehold	–	205	GBP 1,184,177	1993
81 Woodsford Square, Addison Road London W14 5DS	United Kingdom	4 bedroom house	Leasehold	32	35	GBP 195,583	1986
14C Avenue Road, St Johns Woods London NW9 68P	United Kingdom	3 bedroom house	Freehold	–	40	GBP 26,505	1978
13 Porchester Square Mews, London W2 AG	United Kingdom	Apartment	Leasehold	32	35	GBP 47,622	1978
8 Kingston House East, London SW7 1LJ	United Kingdom	Apartment	Leasehold	49	37	GBP 107,665	1988

PROPERTIES OF THE GROUP

as at 31 December 2004

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (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	–	51	4,080	1985
No. 1271-2, Jalan Baru, Taman Emas 13600 Prai, Pulau Pinang	Bank Premises for Prai Branch	Freehold	–	23	808	1990
Lot 30, Kompleks Munshi Abdullah Jalan Munshi Abdullah 75100 Melaka	Bank Premises for Jalan Munshi Abdullah Branch	Freehold	–	13	1,161	1990

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (IDR'000)	Year of acquisition
PROPERTIES OF PT BANK NIAGA TBK:-						
Jalan Gajah Mada, 18, Jakarta	Bank premises	Freehold	–	12	8,131,678	1992
Jalan Roa Malaka Selatan No. 3–5, Jakarta	Bank premises	Freehold	–	12	391,810	1992
Jalan Falatehan 1, No. 7, Kebayoran	Bank premises	Leasehold	14	12	339,477	1992
Jalan Kwitang, No. 17–18, Jakarta	Bank premises	Freehold	–	12	666,552	1992
Jalan Fatmawati, No. 20, Jakarta	Bank premises	Freehold	–	12	783,647	1992
Jalan Raya Darmo, No. 26, Surabaya	Bank premises	Freehold	–	12	1,247,120	1992
Jalan Pemuda, No. 21B, Semarang	Bank premises	Leasehold	21	12	2,021,480	1992
Komplek Bank Niaga Blok D No. 10–11, Semarang	Warehouse	Leasehold	21	10	55,899	1994
Komplek Bank Niaga Blok A No. 2–3, Semarang	Dormitory	Leasehold	21	13	137,002	1991
Jalan Kepondang, No. 2–4, Semarang	Warehouse	Leasehold	21	29	356,778	1975
Jalan Jend. Sudirman, No. 13, Yogyakarta	Bank premises	Leasehold	2	13	1,437,760	1991
Jalan Slamet Riyadi, No. 8, Solo	Bank premises	Leasehold	13	12	989,688	1992
Jalan Lembong, No. 7, Bandung	Bank premises	Leasehold	10	12	1,627,169	1992
Jalan Riung Mumpulung 2 No. 136.1C, Bandung	Warehouse	Leasehold	1	8	61,383	1996
Jalan Bukit Barisan, No. 5, Medan	Bank premises	Leasehold	15	9	1,593,373	1995
Jalan Turi, Medan	Warehouse	Leasehold	12	7	171,015	1997
Jalan Buah Batu, No. 143, Bandung	Bank premises	Leasehold	8	9	417,221	1995
Jalan A. Yani, No. 33, Ujung Pandang	Bank premises	Leasehold	17	22	884,944	1982
Jalan Laks, Malahayati, No. 24–40, Lampung	Bank premises	Freehold	–	14	758,278	1990
Jalan Dharmahusada, No. 142, Surabaya	Bank premises	Freehold	–	8	255,991	1996
Jalan Basuki Rachmat, No. 26–28, Malang	Bank premises	Freehold	–	12	359,924	1992
Jalan Jend. A. Yani, No. 31, Kudus	Bank premises	Leasehold	18	19	690,245	1985
Jalan Siliwangi, No. 110, Cirebon	Bank premises	Leasehold	–	12	640,435	1992
Jalan Melati, No. 29, Denpasar	Bank premises	Leasehold	6	12	898,117	1992
Jalan Jend. Sudirman No. 255 CD, Pekanbaru	Bank premises	Leasehold	6	8	653,688	1996
Jalan Padjajaran, (Gunung Gede) No. 33, Bogor	Bank premises	Freehold	–	11	441,867	1993
Jalan Daan Mogot, No. 58, Tangerang	Bank premises	Freehold	–	12	947,365	1992

PROPERTIES OF THE GROUP

as at 31 December 2004

Location	Description	Tenure	Remaining Lease Period (Years)	Age of Property (Years)	NBV as at 31 Dec 2004 (IDR'000)	Year of acquisition
Jalan Bulevar Raya, Blok LB3 No. 34-36, Jakarta	Bank premises	Freehold	-	6	337,546	1998
Jalan Tarum Barat, Blok Q No. 2 Jakarta Timur	Bank premises	Freehold	-	9	376,464	1995
Jalan Panglima, Sudirman No. 59-61 Surabaya	Bank premises	Freehold	-	12	2,729,893	1992
Jalan Tunjungan, No. 47, Surabaya	Bank premises	Freehold	-	12	987,934	1992
Jalan Tanggul Angin, Sidoarjo	Warehouse	Leasehold	1	6	110,814	1998
Jalan Kota, No. 60 AB, Surabaya	Bank premises	Freehold	-	10	470,463	1994
Roa Malaka Utara	Warehouse	Leasehold	18	48	107,800	1956
Gedung Cikarang, Jawa Barat	Warehouse	Leasehold	15	5	176,987	1999
Pembangunan gudang Cimande	Warehouse	Leasehold	24	2	635,858	2002
Kios A. Yani, Malang	Bank premises	Leasehold	20	5	72,461	1999
Gedung kantor, Batam	Bank premises	Leasehold	19	3	810,013	2001
Pembangunan Gardu Jaga, BUM Kemang	Warehouse	Freehold	-	1	7,298	2003
Gedung Arsip Tuntang, Semarang	Warehouse	Freehold	-	1	465,779	2003
Gedung Kiostronik ITB	Bank premises	Freehold	-	4	137,106	2000
Gedung Kiostronik Setiabudhi	Bank premises	Freehold	-	4	67,249	2000
Gedung Kantor A. Yani, Ujung Pandang	Bank premises	Freehold	-	22	884,944	1982
Gedung Mess Seminyak Bali	Dormitory	Freehold	-	9	23,001	1995
Bandung Dago	Bank premises	Freehold	-	0	797,724	2004

The Commerce Group



COMMERCE ASSET-HOLDING BERHAD

The Commerce Group of Companies is a leading financial conglomerate in Malaysia's rapidly growing financial system. At the helm is Commerce Asset-Holding Berhad (CAHB) listed in the financial section of the 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, CAHB is a well-diversified investment and management holding company with interests in commercial banking, merchant banking, stock broking, offshore banking, finance company, discount house, leasing, factoring, futures broking, fund management, unit trust management, venture capital and life and general insurance.

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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 October 1, 1999. The commercial bank has one of Malaysia's largest ATM network in the country. With a customer base of over 3.5 million, it provides a comprehensive range of services that will meet the needs of small household through to the largest multinational conglomerate.

BCB is the bank for all people and aims to be an efficient, low-cost provider of financial services through superior processing capabilities. The bank has made substantial investment in information technology subsequent to its merger in a quest to reinvent itself for greater competitiveness and efficiency ahead of an emerging and globalised financial playing field.

The bank's strategic thrust towards a customer focussed marketing approach in its business is seen in its organisational set-up where separate Retail, Business and Corporate bank, each with its own accountability exist within one organisation. Each of these banks specialises on the differing needs of its own customer group, giving their customers better focus.

The bank has a traditional strength in the financing of trade both locally and internationally. Its specialised business centres located in all key market centres throughout the country provides business with financial expertise and timely assistance.

Contact details: 6, Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia.

Tel: (603) 2693 1722 Fax: (603) 2698 6628 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.

Tel: (087) 451033 Fax: (087) 451032



BUMIPUTRA-COMMERCE FINANCE BERHAD

Offers hire purchase facilities through its outlets located at major branches of Bumiputra-Commerce Bank Berhad.

Contact details: Ground Floor, Menara PROMET, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

Tel: (603) 2142 6111 Fax: (603) 2148 2184

CIMB **CIMB BERHAD**

CIMB Berhad is the investment banking arm of Commerce Group and comprises five core companies including Commerce International Merchant Bankers Berhad (CIMB), CIMB Securities Sdn Bhd (CIMB Securities), CIMB Discount House Berhad (CIMB Discount), CIMB Futures Sdn Bhd and CIMB (L) Limited (CIMBL). CIMB is a premier Malaysian investment bank and one of the best capitalised merchant banks in the country, offering a comprehensive range of capital market services. It enjoys a strong reputation in the equity, debt and derivatives markets. A leading corporate finance house in Malaysia, CIMB has been the top advisory fee income earner since 1989 and among the leading advisers and underwriters for raising funds through initial public offerings in Malaysia. CIMB is also the most active originator of Malaysia private debt securities (PDS). Its traditional advisory and origination business is complemented by corporate banking and syndicated loans services. Further, CIMB's growing debt markets & derivatives business offers fixed income, money markets and structured products as well as bond distribution and fixed income research services.

CIMB has impeccable credentials stemming from its track record in engineering innovative financial product to meet the increasingly broad ranging and sophisticated demands of local as well as international clients. Its professionalism, commitment and dedication in serving clients' needs have been the impetus for its impressive and successful growth.

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 Malaysia Securities Exchange Berhad (MSEB) and the Malaysian Exchange of Securities Dealing & Automated Quotation Bhd (MESDAQ), serving foreign and domestic institutions as well as retail investors. The CIMB Group Research Centre team comprises dynamic and experienced professionals who are dedicated to providing high quality research covering in-depth market and company reports, markets reviews and trend analysis, and economic and industry overviews. CIMB Securities also provides underwriting, share placement, corporate advisory and custodian and nominee services.

Contact details: 9th Floor, Commerce Square, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: (603) 2084 9999 Fax: (603) 2084 9888

CIMB **CIMB DISCOUNT HOUSE BERHAD**

CIMB Discount House Berhad (CIMB Discount) enhances CIMB Group's capabilities in debt trading and debt capital market solutions. CIMB Discount's core business is the trading and market making of fixed income securities and treasury products. CIMB Discount also provides conventional and Islamic money market services.

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CIMB **CIMB (L) LIMITED**

CIMB (L) Limited (CIMBL) operates as a licensed offshore bank as permitted by the offshore Companies Act, 1990. Its activities include non-Ringgit equity and fixed income trading, fund management loan syndication services and origination business. CIMBL is intended to be the CIMB Group's arm in its regionalisation plans. The Group has already established its presence in the Indonesia market through CIMBL's 51% owned subsidiary, PT CIMB Niaga Securities.

Contact details: Unit 11(B1), Level 11, Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 WP Labuan
Tel: (6087) 451 608 Fax: (6087) 451 610 Tel: (603) 2084 8888 (KL Office) Fax: (603) 2095 0080 (KL Office)

COMMERCE ASSET FUND MANAGERS SDN BHD

Commerce Asset Fund Managers Sdn Bhd (CAF) was incorporated to provide discretionary funds management services covering local and global equities, bonds, currency management, options and futures. During the year, CAFM was disposed to CIMB. It represented an internal restructuring to place CAFM under the purview of CIMB, which has the necessary resources to manage and expand the Group's asset management business. This would result in CIMB having the full complement of capital markets activities and enable CAHB and its subsidiaries to synergise all their capital markets operations to extract maximum value. The Company is held by CIMB Berhad and Principal Financial Group.

CAF services pension funds, government organisations, statutory bodies, corporations and customers of the Commerce Group as its client base. CAFM has exceeded RM5.0 billion in funds under management.

Contact details: Level 5, Menara Millenium, 8, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Malaysia.
Tel: (603) 2084 2000 Fax: (603) 2084 2002 E-mail: www.cafm.com.my



COMMERCE TRUST BERHAD

Commerce Trust Berhad (CTB) specialises in unit trusts management in Malaysia. During the year, CTB was disposed to CIMB. Similarly to CAFM, it represented an internal restructuring to place CTB under the purview of CIMB, which has the necessary resources to manage and expand the Group's asset management business. This would result in CIMB having the full complement of capital markets activities and enable CAHB and its subsidiaries to synergise all their capital markets operations to extract maximum value. The Company represents the second company held by CIMB Berhad and Principal Financial Group (a US Fortune 500 company with USD152 billion assets under management) and is committed to developing a family of investment funds designed to meet the financial needs of individuals and companies in Malaysia. CTB manages twelve different unit trust funds each tailored to different investor profiles.

Contact details: 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



COMMERCE ASSET VENTURES SDN BHD

Commerce Asset Ventures Sdn Bhd (CAV) is a specialist investment fund and management company wholly-owned by CAHB, that invests equity capital into emerging small and medium sized business. It seeks to support growth industries with a global outlook and typically takes an active role in creating value for the investee companies and its shareholders.

Contact details: No. 6, Commerce House, 22-24, Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur, Malaysia.
Tel: (603) 2732 5577 Fax: (603) 2732 1343 Website: www.commerce-ventures.com.my



COMMERCE LIFE ASSURANCE BERHAD

Commerce Life Assurance Berhad (Commerce Life) was established in response to a growing need among Malaysians to provide for the financial security of their families. Commerce Life is committed to meet the life insurance needs of Malaysian public by introducing policies which can be specially tailored and packaged to meet the specific requirements of customers.

Contact details: 338, Jalan Tunku Abdul Rahman, 50300 Kuala Lumpur, Malaysia.
Tel: (603) 2612 3600 Fax: (603) 2698 0201/2692 6982 Website: www.commerce-life.com.my



BANK NIAGA TBK

Bank Niaga is the 8th largest bank in Indonesia by assets. Established in 1955, it was listed on the Jakarta Stock Exchange in 1989. It has a distribution network of 210 branches and kiosks predominantly in the main commercial centers of Indonesia. It is an award winning franchise in the area of service quality by ranking first in service quality for Indonesian banks for six years running from 1996 to 2001. Bank Niaga was also a recipient of the best practitioner of corporate governance award from Jakarta Stock Exchange in 2001. Boundless Access becomes the new positioning of Bank Niaga with its advanced technology platform as it focuses on providing virtually unlimited access to customers via multi channel deliveries which include branch banking, kiosks, ATMs, phone banking, TV banking, internet banking and mobile banking.

Contact details: P.T Bank Niaga Tbk, Graha Niaga, Jln Jend. Sudirman Kav. 58, Jakarta, 12190, Indonesia.
Tel: (62-21) 250 5151/5252/5353 Fax: (62-21) 250 5205 Website: www.bankniaga.com



COMMERCE ASSURANCE BERHAD (Formerly known as AMI Insurans Berhad)

Commerce Assurance Berhad (CAB) 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.

CAB has a complete range of general insurance products to serve the interests of individual to the huge corporations through their nationwide network of agencies, intermediaries, branches and bank outlets.

Contact details: Suite 3A-15, Level 15, Block 3A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia.
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C. Heru Budiargo

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Fax: 03-2093 3335

COMMERCE VOLANTIA SDN BHD

12th Floor, Commerce Square
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: 03-2093 5333
Fax: 03-2093 3335

SUBSIDIARIES OF CIMB

CIMB SECURITIES SDN BHD

9th Floor, Commerce Square
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 9999
Fax: 03-2084 9888
Telex: MA 30991 CIMSEC
Website: www.cimb.com.my

CIMB DISCOUNT HOUSE BERHAD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 8888
Fax: 03-2094 3566

CIMB HOLDINGS SDN BHD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 03-2084 8888
Fax: 03-2084 8899
Telax: MA 30647 PEBSAM

CIMB (L) LIMITED

Unit 11(B1), Level 11, Main Office Tower
Financial Park Complex
Jalan Merdeka, 87000 W.P. Labuan
Tel: (6087) 451 608
Fax: (6087) 451 610

**COMMERCE ASSET FUND
MANAGERS SDN BHD**

Level 5, Menara Millenium
8, Jalan Damanlela, Bukit Damansara
50490 Kuala Lumpur, Malaysia
Tel: 03-2084 2000
Fax: 03-2084 2002
Website: www.cafm.com.my

CIMB FUTURES SDN BHD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: 03-2084 9999
Fax: 03-2093 7782

CIMB NOMINEES (TEMPATAN) SDN BHD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: 03-2084 8888
Fax: 03-2084 8899

CIMB NOMINEES (ASING) SDN BHD

10th Floor, Bangunan CIMB
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: 03-2084 8888
Fax: 03-2084 8899

CIMB SECURITIES (HONG KONG) SDN BHD

9th Floor, Commerce Square
Jalan Semantan, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: 03-2084 9999
Fax: 03-2084 9888

COMMERCE TRUST BERHAD

Level 5, Menara Millenium
8, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur, Malaysia
Tel: 03-2084 222
Fax: 03-2084 2233
Website: www.commercetrust.com.my

SUBSIDIARIES OF BUMIPUTRA-COMMERCE BANK BERHAD**BUMIPUTRA-COMMERCE FINANCE BERHAD**

No.1, Jalan 51A/219, 46100 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7688 8118
Fax: 03-7960 7618

I-PRESTIGE SDN BHD

No.1, Jalan 51A/219, 46100 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7688 8118
Fax: 03-7960 7618

BUMIPUTRA-COMMERCE FACTORING BERHAD

10th Floor, No. 338
Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2697 0298
Fax: 03-2697 0092
Telex: FACTOR MA 32225

BUMIPUTRA-COMMERCE FACTORS LEASE BERHAD

10th Floor, No. 338
Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel: 03-2697 0298
Fax: 03-2697 0092

BUMIPUTRA-COMMERCE TRUSTEE BERHAD

D-2-6, Megan Phileo Promenade
189, Jalan Tun Razak, 50400 Kuala Lumpur
Tel: 03-2161 3282
Fax: 03-2163 4023

BBMB UNIT TRUST MANAGEMENT BERHAD

6, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BUMIPUTRA-COMMERCE BANK (L) 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
Telex: PUTRA MA 85053

BUMIPUTRA-COMMERCE CORPORATE SERVICES 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
Telex: PUTRA MA 85093

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
Telex: PUTRA MA 85093

BUMIPUTRA-COMMERCE CORPORATE SERVICES 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

BBMB FINANCE (HONG KONG) LTD

Suite 3607 & 3608
Two Exchange Square
8, Connaught Place
Central Hong Kong
Tel: (00 852) 252 52829
Fax: (00 852) 252 33287
SWIFT: BCBMHKHH

BBMB FINANCE NOMINEE (HONG KONG) LTD

Suite 3607 & 3608
Two Exchange Square
8, Connaught Place
Central Hong Kong
Tel: (00 852) 252 52829
Fax: (00 852) 252 33287
SWIFT: BCBMHKHH

BUMIPUTRA NOMINEE LTD

14, Cavendish Square
London W1G 9HA
United Kingdom
Tel: 0044 207 306 6080/6063
Fax: 0044 207 306 6060
SWIFT: BCBMGB2L

SOUTH EAST ASIAN BANK LIMITED

26, Bourbon Street
Port Louis
Republic of Mauritius
Tel: 00230 2088826
Fax: 00230 2114900

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 NOMINEES SDN BHD

20th Floor, Menara Bumiputra
Jalan Melaka, 50100 Kuala Lumpur
Tel: 03-2690 2247
Fax: 03-2691 8051

BUMIPUTRA-COMMERCE NOMINEES (ASING) SDN BHD

20th Floor, Menara Bumiputra
Jalan Merdeka
50100 Kuala Lumpur
Tel: 03-2690 2247
Fax: 03-2691 8051

COMMERCE TIJARI BANK BERHAD

1st Floor, Menara Promet
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel: 03-2145 5959
Fax: 03-2144 4746

BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD

20th Floor, Menara Bumiputra
Jalan Melaka, 50100 Kuala Lumpur
Tel: 03-2690 2247
Fax: 03-2691 8051

SEMERAK SERVICES SDN BHD

4th Floor, Oriental Building
32, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2072 7888
Fax: 03-2078 7980

BOC NOMINEES SDN BHD

6, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BOC NOMINEES (ASING) SDN BHD

6, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BOC NOMINEES (TEMPATAN) SDN BHD

6, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

EPIC-I SDN BHD

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 FUTURES SDN BHD

6, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BUMIPUTRA-COMMERCE PROPERTIES SDN BHD

6, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

BBMB SECURITIES (HOLDING) SDN BHD

6, Jalan Tun Perak, 50050 Kuala Lumpur
Tel: 03-2693 1722
Fax: 03-2694 5948

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)
03-2693 6860 (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

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-Pejabat Kerajaan
Jalan Duta, 50480 Kuala Lumpur
Tel: 03-6201 7109
Fax: 03-6201 3733

Jalan Raja Chulan

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 Tiong, Off Batu 3, Jalan Ipoh

511, Jalan Tiong, Off Batu 3
Jalan Ipoh, 51100 Kuala Lumpur
Tel: 03-4043 7048
Fax: 03-4043 6559

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

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 1818
Fax: 03-2693 2137

Megamall MidValley

Lot G(E) – 006 & 007
Megamall MidValley City
Batu 2½, Jalan Klang Lama
58000 Kuala Lumpur
Tel: 03-2283 5620
Fax: 03-2284 3268

Menara Permodalan Nasional Berhad

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

Putrajaya

Ground & 1st Floor, No. C2 & C3, Block C
Jalan P8D, Precinct 8, 62250 Putrajaya
Tel: 03-8889 2330
Fax: 03-8888 5088

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 12km
Jalan Ipoh, 68100 Batu Caves, Kuala Lumpur
Tel: 03-6136 9649
Fax: 03-6136 9645

Sentul Raya

2 & 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

Taman Danau Kota

108, Jalan 2/23A, Taman Danau Kota
Jalan Genting Klang, Setapak
53300 Kuala Lumpur
Tel: 03-4149 1010
Fax: 03-4142 5348

Taman 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

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

Wangsa Maju

18, Jalan 1/27A, Section 1
Wangsa Maju, 53300 Kuala Lumpur
Tel: 03-4148 1119
Fax: 03-4149 0993

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

Jalan Tun Sambanthan
231, Wisma Low Kim Her
Jalan Tun Sambanthan, Brickfields
50470 Kuala Lumpur
Tel: 03-2274 5766
Fax: 03-2274 5781

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

23, Jalan Mamanda 7/1
Wisma Ampang Triangle II
Jalan Ampang, 68000 Ampang, Selangor
Tel: 03-4270 1746
Fax: 03-4270 1776

Balakong

29, Jalan PCR 1
Kawasan Perniagaan Cheras Raya
Batu 11, 43200 Cheras, Selangor
Tel: 03-9076 9159
Fax: 03-9076 9162

Bandar Baru Ampang

1-A, Jalan Wawasan Ampang 2/2
Bandar Baru Ampang
68000 Ampang, Selangor
Tel: 03-4295 7060
Fax: 03-4295 8559

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

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 9322/9321
Fax: 03-3271 9749

Country Heights, Kajang

1, Persiaran Sinar Pagi, Country Heights
43000 Kajang, Selangor
Tel: 03-8737 1609
Fax: 03-8737 1611

Cyberjaya

G-C, Ground Floor, Block 2320
Century Square, Jalan Usahawan
63000 Cyberjaya, Selangor
Tel: 03-8318 9905
Fax: 03-8318 3421

Damansara Utama

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, Sec. 26, Shah Alam

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

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 On, Petaling Jaya

Menara Choy Fook On
1B, Jalan Yong Shook Lin, Section 7
46050 Petaling Jaya, Selangor
Tel: 03-7954 3478
Fax: 03-7957 8782

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

Lot 27, Jalan 21/11A, SEA Park
46300 Petaling Jaya, Selangor
Tel: 03-7876 9072
Fax: 03-7874 7314

Section 14, Petaling Jaya

6, Jalan 14/14, Jalan Semangat
46860 Petaling Jaya, Selangor
Tel: 03-7957 6433
Fax: 03-7956 0595

Section 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

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: 03-8948 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 2334
Fax: 03-4292 6696

Taman SEA, Petaling Jaya

67, Block A, Jalan SS23/15, Taman SEA
47400 Petaling Jaya, Selangor
Tel: 03-7805 3177
Fax: 03-7804 2040

Taman Seri Gombak

2, Jalan SG 1/2, Taman Seri Gombak
68100 Batu Caves, Selangor
Tel: 03-6189 5767
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

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, Glenmarie

Suite No. 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

Ground Floor, West Wing, Wisma Consplant 2
7, Jalan SS16/1, Subang Jaya
47500 Petaling Jaya, Selangor
Tel: 03-5633 5313
Fax: 03-5635 4276

Kuala Selangor

30, Jalan Melati 3/1, Bandar Melawati
45000 Kuala Selangor, Selangor
Tel: 03-3289 6991
Fax: 03-3281 3709

Batang Kali

25, Jalan Meranti 1A, Section 3
Bandar Utama Batang Kali
44300 Ulu Selangor, Selangor
Tel: 03-6057 0558
Fax: 03-6057 9539

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 & 14, 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, Komplek Munshi Abdullah
Jalan Munshi Abdullah, 75100 Melaka
Tel: 06-283 7998
Fax: 06-283 7257

Jasin

3733, Jalan Kesang, 77000 Jasin, Melaka
Tel: 06-529 8881
Fax: 06-529 4626

Masjid Tanah

AG 8871, Wisma Haji Sulong Siban
Jalan Besar, 78300 Masjid Tanah, Melaka
Tel: 06-384 2301
Fax: 06-384 3428

PERLIS INDERA KAYANGAN

Kangar

44, Jalan Penjara, 01000 Kangar, Perlis
Tel: 04-976 1292
Fax: 04-976 0953

KEDAH DARUL AMAN

Bangunan UMNO, Alor Star

1583, Bangunan UMNO
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 1091
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

Lebuhraya Darulaman

Kompleks Alor Star, Lebuhraya Darulaman
05100 Alor Star, Kedah
Tel: 04-731 2224
Fax: 04-731 4653

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 & G6, 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 4144
Fax: 04-644 6169

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
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
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

Jelutong

375, Vantage Point, Jalan Perak
11600 Jelutong, Pulau Pinang
Tel: 04-283 2178
Fax: 04-282 5596

PERAK DARUL RIDZUAN

Jalan Sultan Idris Shah, Ipoh

112, Jalan Sultan Idris Shah
30740 Ipoh, Perak
Tel: 05-254 2316
Fax: 05-255 4058

Bandar Ipoh Raya

2, Medan Istana, Bandar Ipoh Raya
30000 Ipoh, Perak
Tel: 05-241 8802
Fax: 05-253 0393

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

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 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

Tanjung Malim

21, Jalan Bunga Anggerek
35900 Tanjung Malim, Perak
Tel: 05-459 7910
Fax: 05-459 5080

KELANTAN DARUL NAIM

Kota Bharu

Wisma Square Point
Lot 1, Jalan Pengkalan Chepa
15400 Kota Bharu, Kelantan
Tel: 09-741 9009
Fax: 09-743 6914

Bachok

Bangunan UMNO, Jalan Tuanku Abdul Hamid
16300 Bachok, Kelantan
Tel: 09-778 9367
Fax: 09-778 8780

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 9123
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: 09-555 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 7973
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 Pernas 10/2
Bandar Baru Permas Jaya, 81750 Masai, Johor
Tel: 07-386 2519
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

31-10, Jalan Raya, Kulai Besar
81000 Kulai, Johor
Tel: 07-663 2678
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

24, Jalan Maharani, Off Jalan Sisi
84000 Muar, Johor
Tel: 06-953 5399
Fax: 06-951 5808

Parit Raja

4, Jalan Raja Satu, Taman Sri Raja
86400 Parit Raja, Johor
Tel: 07-454 1386
Fax: 07-454 2377

Parit Sulong

76, Jalan Muar, Parit Sulong
83500 Batu Pahat, Johor
Tel: 07-418 6258
Fax: 07-418 7800

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

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 Ungku Tun Aminah

87, Jalan Pahlawan 1
Taman Ungku Tun Aminah
81300 Johor Bahru, 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

Taman Molek

73, Jalan Molek 3/1, Taman Molek
81100 Johor Bahru, Johor
Tel: 07-358 4378
Fax: 07-358 3877

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 Karamuning, 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: 084-651 630
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

2691, Block 10, KCLD, 3rd Mile, Rock Road
93250 Kuching, Sarawak
Tel: 082-419 072
Fax: 082-420 263

OVERSEAS BRANCHES

Hong Kong

Suite 3607-3608,
Two Exchange Square
8, Connaught Place,
Central Hong Kong
Tel: 00852-2525 2829/6446/7882
Fax: 00852-2523 3287
SWIFT: BCBMHKHH

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14, Cavendish Square
London W1G 9HA
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SWIFT: BCBMGB2L

Tokyo

1F Hibiya Daibiru
1-2-2, Uchisaiwai-Cho
Chiyoda-ku, 1 Chome
Tokyo 100-0011, Japan
Tel: 00813-3502 1591/1594
Fax: 00813-3508 1049
SWIFT: BCBMJPJT

Singapore

7, Temasek Boulevard
#37-01/02/03, Suntec Tower 1
Singapore 038987
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Fax: 02-6337 5335
SWIFT: BCBMSGSG

YANGON REPRESENTATIVE OFFICE

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Directory of Bank Niaga Branches

HEAD OFFICE

Graha Niaga

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e-mail: caniaga@bankniaga.com

BRANCH OFFICES

JAKARTA

JAKARTA PUSAT

Gajah Mada

Jl. Gajah Mada No. 18, Jakarta 10130
Tel: 021-6385 7649/6385 7667/6385 7711
Fax: 021-6385 7612

Thamrin

Jl. M.H. Thamrin No. 53, Jakarta 10350
Tel: 021-315 6761/315 6721
Fax: 021-315 6781

Cikini

Jl. Cikini Raya No. 71A, Jakarta 10330
Tel: 021-230 1005
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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
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Fax: 021-2487 5765

ITC Mangga Dua

Ruko Tekstil Blok C VI No. 1
Jakarta Pusat
Tel: 021-601 1427
Fax: 021-601 1425/601 7605

Tanah Abang

Komp. Pertokoan
Tanah Abang Bukit Blok B No. 2, Jakarta Pusat
Tel: 021-345 6218/345 6228
Fax: 021-345 6223

Wisma Nugra Santana

Jl. Jend. Sudirman Kav. 7-8, Jakarta Pusat
Tel: 021-5100 0091/5100 0092/5100 0093
Fax: 021-5100 0096

Benhil

Ruko Bendungan Hilir Raya, Blok A, No.15
Jakarta Pusat

Gunung Sahari

Jl. Gunung Sahari, No. 73C, Jakarta Pusat
Tel: 021-421 2582
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Pecenongan

Jl. Pecenongan Raya
Ruko Pecenongan Raya, No. 17E
Jakarta Pusat
Tel: 021-384 8150

JAKARTA SELATAN

Graha Niaga

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Wisma Pondok Indah II

Wisma Pondok Indah, Lt. Dasar
Jl. Sultan Iskandar Muda Blok V TA
Jakarta 12310
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Fax: 021-769 7109

Falatehan

Jl. Falatehan I No. 27, Jakarta Selatan
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Mahakam

Jl. Mahakam 1 No.14, Jakarta Selatan
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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
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Bursa Efek Jakarta

Gedung Bursa Efek Jakarta II
Lantai Dasar, Suite G.06
Jl. Jend. Sudirman Kav. 52-53
Jakarta Selatan
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Fax: 021-515 4763

Soepomo II (Lapangan Roos)

Jl. Lapangan Roos Raya No.8
Jakarta Selatan
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Fax: 021-829 3758

Gran Melia Kuningan

Graha Surya Inter Nusa
Jl. HR Rasuna Said Kav. X-O, Kuningan
Jakarta 12950
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Fax: 021-527 2806

Metro Pondok Indah I

Jl. Metro Duta Niaga
Pondok Indah Plaza I
Blok II UA Kav. 67-69, Jakarta 12310
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Fax: 021-751 3915

Cipulir

Jl. Cipulir Raya No. 17, Jakarta Selatan
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ITC Fatmawati

Ruko ITC Fatmawati No. 10
Jakarta Selatan
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RPX Center (Fedex)

Jl. Ciputat Raya Kav. 99, Jakarta Selatan
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Setia Budi Building II

Setia Budi Building II, Ground Floor
Jl. HR Rasuna Said Kav. 62 Kuningan
Jakarta Selatan
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Fax: 021-252 2376

Veteran

Jl. RC. Veteran No. 11-E, Bintaro
Jakarta Selatan
Tel: 021-735 4423
Fax: 021-735 5641

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

Permata Hijau

Jl. Arteri Permata Hijau, Grogol Utara
Keb. Lama, Ruko Grand Permata Hijau
- Emerald No. 18, Jakarta Selatan

Arcadia

Perkantoran Hijau Arcadia
Tower E, Ground Floor
Jl. TB. Simatupang Kav. 88
Jakarta Selatan

JAKARTA BARAT

Kota

Jl. Roa Malaka Selatan No. 3-5
Kota Jakarta 11230
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Tomang

Jl Tomang Raya No.25, Jakarta 11440
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Fax: 021-566 2122

Jakarta Design Center

Gudang Jakarta Design Center
Jl. Gatot Subroto Kav. 53, Jakarta 10260
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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
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Fax: 021-5803 359

Kebon Jeruk

Taman Aries Blok H-1 No.15-16
Meruya Utara, Kebon Jeruk, Jakarta Barat
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Pasar Puri

Ruko Pasar Puri, Blok A, No. 9, Jakarta Barat

Mangga Dua

Ruko Mall Mangga Dua, No. 11, Jakarta Barat

Tanjung Duren

Ruko Tanjung Duren Raya, No. 11
Jakarta Barat

Green Garden

Green Garden, Ruko Green Garden
Blok 1-9/19, Jakarta Barat
Tel: 021-581 0331

Roxy

JL. KH. Hasyim Ashari Roxy Mas
Blok D3, No. 15, Jakarta Barat
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Taman Palem

Taman Palem, Ruko Taman Palem
Blok D1, No. 2, Jakarta Barat

JAKARTA UTARA

Kelapa Gading

Jl. Boulevard Raya LB 3 No. 34-36
Kelapa Gading, Jakarta 14240
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Mega Mall Pluit

Mega Mall Pluit Ruko No R51
Jl. Pluit Raya, Jakarta Utara
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Sunter Mall

Jl. Danau Sunter Utara BI G7 Kav. 11
Jakarta Utara
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Fax: 021-651 9541

Pulogadung

Gedung Sapta Mulia
Jl Rawa Gelong V, Kav.OR.3B
Pulogadung, Jakarta Utara
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Fax: 021-4682 8052

Kelapa Gading II

KCP Kelapa Gading II
Jl. Raya Barat, Boulevard Blok LC 8, No. 6,
Kelapa Gading, Jakarta Utara
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Fax: 021-452 5686

Kapuk

Pantai Indah Kapuk
Ruko Mediterania Tahap II, Blok K BK, Pluit
Jakarta Utara
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JAKARTA TIMUR

Kalimalang

Jl. Tarum Barat, Blok Q, No. 2
Kalimalang, Jakarta Timur
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Jatinegara

Jl. Jatinegara Timur No. 84, Jakarta 13300
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Gedung Pratama

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Jakarta Timur
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Cijantung

Jl. Pendidikan I, Cijantung, Jakarta Timur
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Jayabaya

Kampus Jayabaya, Jl. Pulomas Selatan
Kav. 23, Jakarta Timur
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JAWA BARAT

BANDUNG

Center Bandung Lembong

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Dago

Jl. Ir. H. Juanda No. 46, Dago, Bandung
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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
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Fax: 022-424 1855

ITB

Jl. Ganesha No. 10, Kampus ITB, Bandung
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Fax: 022-253 4154

Univ. Bandung Raya (UNBAR)

Jl. Ph Hasan Mustafa No. 25, Bandung
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Fax: 022-710 3912

Pasir Koja

Jl. Terusan Pasir Koja No. 245/193 A
Bandung
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Fax: 022-604 6641

Cimahi

Jl. Raya Cibabat No. 310, Cimahi, Bandung
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Sukajadi

Jl. Sukajadi No. 184, Bandung
Tel: 022-203 4412
Fax: 022-203 8061

Cihampelas

Jl. Cihampelas, No. 155, Bandung
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Fax: 022-204 0466

Pasar Baru

Pusat Perbelanjaan Pasar Baru
Lantai 2, Unit kios D203
Jl. Otto Iskandardinata, 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
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Fax: 022-200 1522

MTC

Metro Trade Centre, Jl. Soekarno Hatta
Blok C-20, Bandung
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Fax: 022-753 6253

CIREBON

Cirebon

Jl. Siliwangi No. 110, Cirebon
Tel: 0231-206 981
Fax: 0231-208 036

Plered

Jl. Raya Panembahan No. 40
Kec. Weru-Plered, Cirebon
Tel: 0231-323 5003/323 600
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DIRECTORY OF BANK NIAGA BRANCHES

Panembahan

Jl. Raya Panembahan No. 40
Kec. Weru-Plered, Cirebon
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Yos Sudarso

Jl. Yos Sudarso, No. 15 D, E, F, Cirebon
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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
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Citra Grand Cibubur

Citra Grand Cibubur Blok R1/06, Bogor
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Fax: 0251-8459 8616

Surya Kencana

Jl. Surya Kencana No. 285, Bogor
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Fax: 0251-352 666

BEKASI

Bekasi

Ahmad Yani
Jl. A Yani Blok A8 No. 15, Bekasi
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Fax: 021-8885 2386

Samsung Electronic Indonesia

Jl. Jababeka Raya, Blok F 29-33 Cikarang
Bekasi
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Fax: 021-893 4273

Lippo Cikarang

Ruko Menteng, Blok C No. 1
Jl. MH Thamrin, Lippo Cikarang, Bekasi
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Fax: 021-8990 2668

Pondok Gede

Ruko Pondok Gede Baru
Blok H, No. 9, Bekasi

Cikarang

Plaza Jababeka, Jababeka, Cikarang

DEPOK

Depok

Jl. Margonda Raya 192, Depok
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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. Zaenal Zakse, No. 44, Sukabumi

BANTEN

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

Bintaro Jaya

Jl. Cut Mutia II, Bintaro Jaya Sektor VII
Tangerang
Tel: 021-745 0539/7455 2223
Fax: 021-745 2024

Tangerang

Jl. Daan Mogot No. 58, Tangerang 15111
Tel: 021-552 2830
Fax: 021-552 1064

BSD Serpong

Bumi Serpong Damai, Sektor IV Ext. Blok
RE No. 51, Tangerang
Tel: 021-537 9280
Fax: 021-537 9240

Pamulang

Pamulang Permai I, Blok SH 18 No. 10,
Pamulang, Tangerang
Tel: 021-742 0066/742 0480
Fax: 021-742 0056

LG Electronic

Jl. Tabri, Desa Cirarab, Bitung, Tangerang
Tel: 021-597 9745/597 9746
Fax: 021-597 9747

Cengkareng

Gedung JPT, Cargo Area
Bandar Udara Internasional
Sukarno-Hatta, Cengkareng, Tangerang
Tel: 021-5591 5074
Fax: 021-5591 5075

Karawaci

Supermall Karawaci, Lippo
Karawaci 1200, Tangerang 15811

Bandara

Bandara Soekarno Hatta
Terminal E, Keberangkatan EOD
68, Cengkareng, Tangerang

JAWA TENGAH

SEMARANG

Semarang Pemuda

Pemuda, Jl. Pemuda, No. 21B, Semarang
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Fax: 024-354 2421

A Yani

Jl. A. Yani No. 136 A, Semarang
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Fax: 024-831 0892

Banyumanik

Mal Harmoni, Jl. Sukun Raya No. 68
Blok A-5 Banyumanik, Semarang
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Fax: 024-747 8770

Majapahit

Jl. Majapahit 218C, Semarang
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Fax: 024-673 3122

Jumatan

Jl. H. A. Salim, No. 49, Jumatan, Semarang

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

SALATIGA

Salatiga

Kom. Ruko Tamansari Shopping Center
No. 7 & 8, Jl. Jend Sulaiman, Salatiga

KUBUS

Center A. Yani Kudus

Jl. A. Yani No. 36, Kudus
Tel: 0291-432 323/432 325
Fax: 0291-432 326

MAGELANG

Center Magelang

Jl. Tidar No. 16, Magelang
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Fax: 0293-364 121

PURWEREJO

Purworejo

Jl. Ahmad Yani, No. 2, Purworejo

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
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Fax: 0283-343 814

D.I. YOGYAKARTA

Sudirman

Jl. Jend. Sudirman No. 13, Yogyakarta
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Fax: 0274-565 095

Katamso

Jl. Brigjen Katamso No. 118, Yogyakarta
Tel: 0274-373 800
Fax: 0274-410 065

Cik Ditiro

Jl. Cik Ditiro No. 7, Yogyakarta
Tel: 0274-563 230/565 925
Fax: 0274-584 440

Banyuraden

Ruko Banyuraden No. 7
Jl. Godean Km. 5,5, Yogyakarta
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Fax: 0274-621 779

Gejayan

Jl. Gejayan No 26A, Yogyakarta
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Fax: 0274-557 621

JAWA TIMUR

SURABAYA

Darmo

Jl. Raya Darmo No. 26, Surabaya
Tel: 031-568 3060/568 3013
Fax: 031-567 4354

Satelite

Kom. Darmo Park I Blk V/2
May. Jen. Sungkono, Surabaya
Tel: 031-567 8200, 566 9501
Fax: 031-561 2951

Kota

Jl. Stasiun Kota No. 60 A-B, Surabaya
Tel: 031-354 2081/354 2085
Fax: 031-354 1591

Husada

Jl. Dharmahusada No. 142, Surabaya
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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
Fax: 031-843 4669

Perak

Jl. Perak Barat No. 145, Surabaya
Tel: 031-357 7880 357 7884
Fax: 031-357 7885

Manyar Mega Indah

Pertokoan Manyar Mega Indah
Jl. Ngagel Jaya Selatan G-3, Surabaya
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Fax: 031-503 0281

Rungkut

Jl Rungkut Madya No. 57, Surabaya
Tel: 031-870 4648/871 1079/871 1004/871 1106
Fax: 031-871 1120

Petra

Jl. Siwalankerto, Kampus UK Petra, Surabaya
Telp: 031-843 9040/849 4830/849 4831

Kertajaya

Jl. Raya Kertajaya No. 133-134 A, Surabaya
Tel: 031-504 9086/5049072
Fax: 031-504 9087

Mulyosari

Jl Raya Mulyosari No. 166, Surabaya
Tel: 031-593 4815/594 1826/594 7598
Fax: 031-594 5092

Graha Pena

Gedung Graha Pena, Jl. A Yani No. 88
Surabaya
Tel: 031-829 9371/829 9372

STIE Perbanas

Jl. Nginden Semolo 34-36, Surabaya
Tel: 031-599 7831/592 4759

Kampus UNAIR

JL. Prof. Moestopo no. 47, Surabaya
Tel: 031-504 2647/504 4646/501 7320

Pasar Atum

Pusat Perbelanjaan Pasar Atum
Jl. Bunguran No. 45, Surabaya
Tel: 031-357 3672
Fax: 031-357 3743

Rrich 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

Komplk 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

Galaxy

Mega Galaxy
Jl. Kertajaya Indah Timur, 16-B/6, Surabaya

KCP Unair

Kompus C Unair, Jl. Mulyorejo, Surabaya

Kembang Jepun

Jl. Kembang Jepun, No. 129, Surabaya

Kapas

Jl. Kapas Krampung, No. 71-A, Surabaya

MALANG

Malang

Jl. Basuki Rakhmat No. 26-28, Malang
Telp: 0341-36 3100
Fax: 0341-327 616

ITN

Jl. Bendungan Sigura-gura No. 2, Malang
Tel: 0341-577 700

Galunggung

Jl. Galunggung No. 58, Malang
Tel: 0341-581 505
Fax: 0341-581 506

A. Yani

Jl. A. Yani No. 18-E, Malang
Tel: 0341-411 891
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Unibraw

Fakultas Ekonomi Univeritas Brawijaya
Malang
Tel: 0341-586 011/586 012
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RSSA

Rumah Sakit Dr. Saiful Anwar (RSAA)
Jl. Jaksas Agung Suprpto, No. 2, Malang
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Soekarno Hatta

Ruko Soekarno Hatta
Jl. Sukarno Hatta No. 2-2A, Malang
Tel: 0341-404 410/404 416

SIDOARJO

Sidoarjo

Jl. A. Yani No. 15-A, Sidoarjo
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Gateway Waru

Ruko Gateway B-9 Sawotratap
Jl. Suparman Waru, Sidoarjo 61256
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Fax: 031-855 4102

GRESIK

Gresik

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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: 0354-671 777/683 995
 Fax: 0354-671 778

BALI

BADUNG

Denpasar
 Jl. Melati No. 29, Denpasar
 Tel: 0361-232 929
 Fax: 0361-263 510

Gatot Subroto
 Jl. Gatot Subroto No. 777X, Denpasar
 Tel: 0361 428 585
 Fax: 0361 415 844

Sriwijaya
 Komplek Pertokoan Sriwijaya, A-8, Kuta
 Tel: 0361-765 175
 Fax: 0361-759 749

Jimbaran
 Jl. Kembar Kampus Unud No. 1, Jimbaran
 Badung, Denpasar
 Tel: 0361-742 1658
 Fax: 0361-704 271

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, Gianyar
 Tel: 0361-972 339
 Fax: 0361-972 340

PAPUA

MIMIKA

Center Kuala Kencana
 Suite 103, Kuala Kencana Center
 Timika, Papua
 Tel: 0901-301 234
 Fax: 0901-301 233

Tembaga Pura I
 Single Shopping, Mile Post 68
 Tembagapura, Papua
 Tel: 0901-351 234/404 011
 Fax: 0901-351 233

Tembaga Pura II
 Family Shopping Center, Mile 68
 Tembagapura, Papua
 Tel: 0901-352 333
 Fax: 0901-352 352

Ridge Camp
 Mile Post 72 Ridge Camp
 Tembagapura, Papua

Yos Sudarso
 Jl. Yos Sudarso No. 19A, Timika, Irian Jaya
 Tel: 0901-323 684/323 685/323 686/323 688
 Fax: 0901-323 684

SUMATRA 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. 14, Medan
 Tel: 061-452 8534
 Fax: 061-452 8551

KIM
 Kawasan Industri Medan
 Jl. Sumatera No. 7, Medan
 Tel: 061-684 0080
 Fax: 061-685 0090

Medan Mall
 Medan Mall, Jl. Pusat Pasar No. 10A
 Medan
 Tel: 061-452 8877
 Fax: 061-452 4244

Aksara
 Jl. Aksara, No. 56, Medan

Petisah
 Jl. Gatot Subroto, No. 79, Medan

BINJAI

Binjai
 KCP Binjai, Jl. Jend. Sudirman, No. 292-294
 Binjai

LAMPUNG

LAMPUNG
Center Lampung
 Jl. Laksamana Malahayati No. 34-40
 Lampung
 Tel: 0721-489 630/489 631/485 773
 Fax: 0721-483 296

Raden Intan
 Jl. Raden Intan, No. 140A, Bandar Lampung
 Tel: 0721-259 877

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

PEKANBARU

Pekanbaru
 Jl. Jend Sudirman Bo.255 CD, Pekanbaru
 Tel: 0761-298 68, 295 65
 Fax: 0761-298 38

Duri
 Jl. Hang Tuah 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 C-12A & 14
 Jl. Jend. Sudirman, Klandasan Ulu
 Balikpapan
 Tel: 0542-739 065/739 066/739 067
 Fax: 0542-739 069

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

Losari
 KCP Losari, Jl. Penghibur, No. 62, Makassar

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

Dear Shareholder,

We are pleased to inform you that the Annual Report and Financial Statements for 2004 is also available in Bahasa Malaysia. Should you require a printed copy of the Bahasa Malaysia version, please fax your request to Corporate Services at (603) 2093 3335.

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Proxy Form

Commerce Asset-Holding Berhad
(50841-W)

CDS Account No. _____

Number of Shares _____

I/We _____

I.C. No. / I.D. No. _____ (new) _____ (old) being a

member(s) of COMMERCE ASSET-HOLDING BERHAD, hereby appoint _____

I.C. No. _____ (new) or failing him/her _____

the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Forty Eight Annual General Meeting of the Company to be held on Monday, 18 April 2005 and at any adjournment thereof.

As witness my/our hand this _____ day _____ 2005

signed _____

in the presence of _____

My/Our proxy vote as indicated below:

Resolution	For	Against
<i>As ordinary business:</i>		
1. Receipt of Audited Financial Statements and Reports	_____	_____
2. Declaration of Dividends	_____	_____
<i>Re-appointment of Director:</i>		
3. Tan Sri Dato' Mohd Desa Pachi	_____	_____
<i>Re-elections of Directors:</i>		
4. Dato' Anwar Aji	_____	_____
5. Dr. Roslan A. Ghaffar	_____	_____
6. En Izlan Izhah	_____	_____
7. Payment of Directors' fees	_____	_____
8. Re-appointment of Auditors	_____	_____
<i>As special business:</i>		
9. Proposed renewal of the authority for the issue of new ordinary shares	_____	_____
10. Proposed renewal of authority for the purchase of own ordinary shares	_____	_____

Notes

- Please indicate with an "X" in the appropriate boxes how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit, or at his discretion, abstain from voting.
- A member of the Company entitled to attend and vote at the meeting may appoint more than one (1) to a proxy to attend and vote instead of him. Each proxy shall represent a minimum of 100 shares.
- Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of its attorney.
- All proxy forms should be deposited at the Registrar's Office at Tenaga Koperat Sdn Bhd, 20th Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur not less than forty eight hours before the time for holding the meeting or any adjournment thereof.
- For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.

fold here

STAMP

COMMERCE ASSET-HOLDING BERHAD (50841-W)

Registrar's Office
Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur

fold here