



Blending the ingredients for the

Future.

Annual Report 2006

Bumiputra-Commerce Holdings Berhad (50841-W)

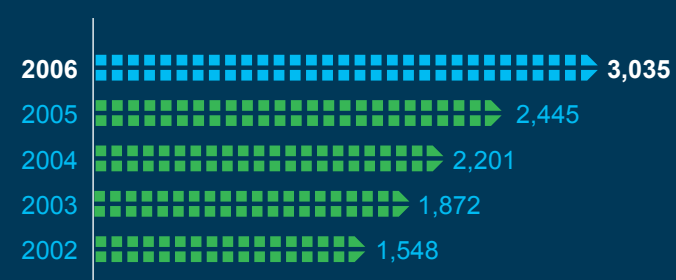
COVER RATIONALE

The transformation of the Bumiputra-Commerce Holdings Berhad Group into a regional universal bank has provided the basis for a strong foundation for our future. We depict children on the cover of our annual report in this year of transformation to reflect on our relative youth as a combined organisation. It also reminds us that the decisions that we make, the lessons we learn and the changes we make will have an impact on our future. It is a lot like parents bringing up their children. Our corporate ambitions are linked to those of the budding artist, musician, doctor and scientist by a common thread - what lies ahead for us depends on how successfully we blend the ingredients for the future.

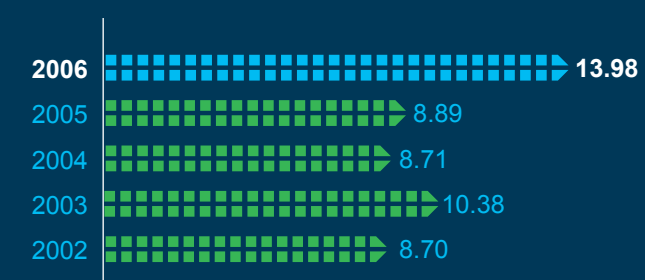
Five Year Group Financial Highlights

	2006	2005	2004	2003	2002
1. INCOME (RM'000)					
(i) Profit before allowances	3,034,600	2,444,881	2,201,415	1,872,388	1,548,366
(ii) Profit before taxation	2,002,042	1,309,967	1,052,647	1,240,867	747,575
(iii) Net profit for the financial year	1,504,427	826,825	734,540	782,300	565,444
2. BALANCE SHEET (RM'000)					
Assets					
(i) Total assets excluding contra	159,607,244	113,525,964	112,382,591	97,933,977	91,466,723
(ii) Total assets including contra	174,325,810	124,197,350	121,076,245	105,658,371	98,591,949
(iii) Loans, advances and financing	90,334,759	69,095,880	62,603,030	54,496,898	48,771,610
Liabilities and Shareholders' Funds					
(i) Total deposits	111,590,494	81,740,235	81,623,044	71,505,038	69,068,298
(ii) Paid-up capital	3,184,429	2,756,398	2,691,740	2,628,960	2,586,290
(iii) Total shareholders' funds	11,883,530	9,637,453	8,959,476	7,899,587	7,169,199
3. PER SHARE					
(i) Gross earnings (sen)	64.86	48.25	39.57	48.47	29.33
(ii) Net earnings (sen)	48.74	30.45	27.61	30.56	22.19
(iii) Net tangible asset (RM)	2.14	3.26	3.19	2.92	2.26
(iv) Gross dividend (sen)	15.0	15.0	15.0	10.0	5.0
4. FINANCIAL RATIO (%)					
(i) Return on average equity	13.98	8.89	8.71	10.38	8.70

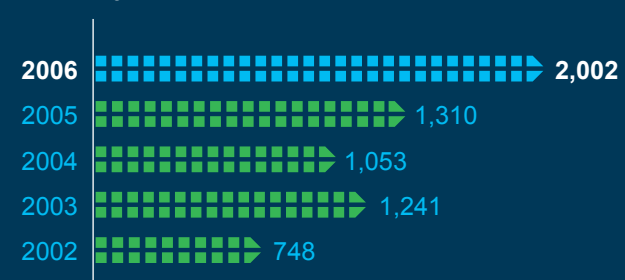
Profit Before Allowances
RM million



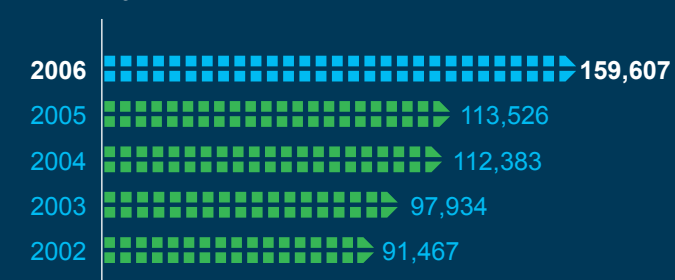
Return On Average Equity
%



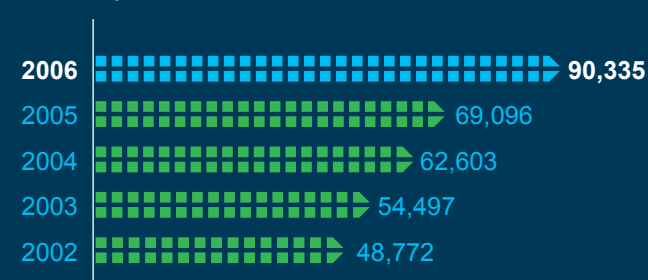
Profit Before Taxation
RM million



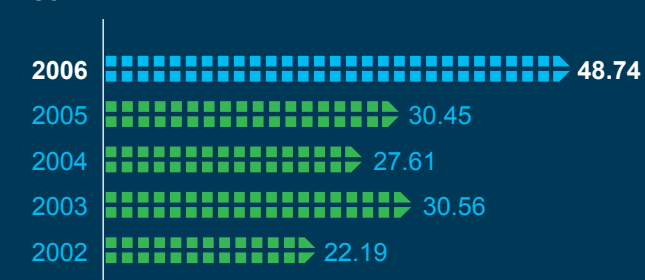
Total Assets
RM million



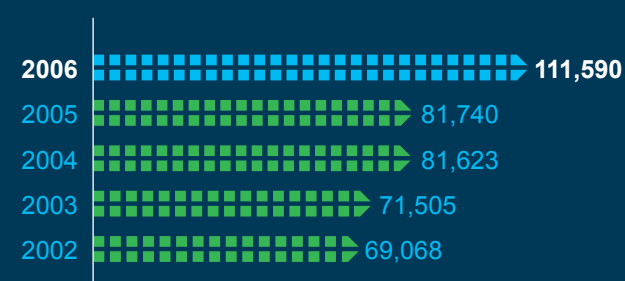
Loans, Advances and Financing
RM million



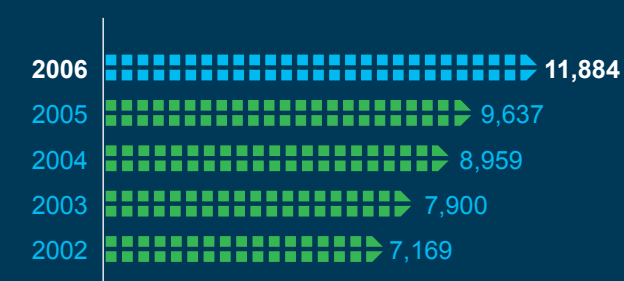
Net Earnings Per Share
Sen



Total Deposits
RM million



Shareholders' Funds
RM million



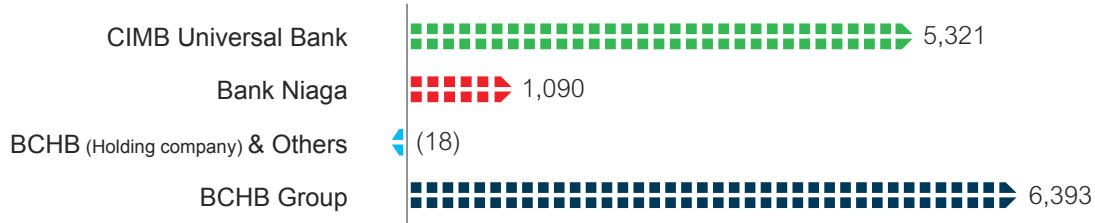
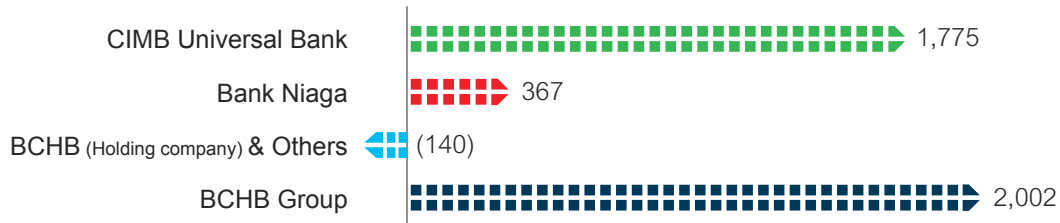
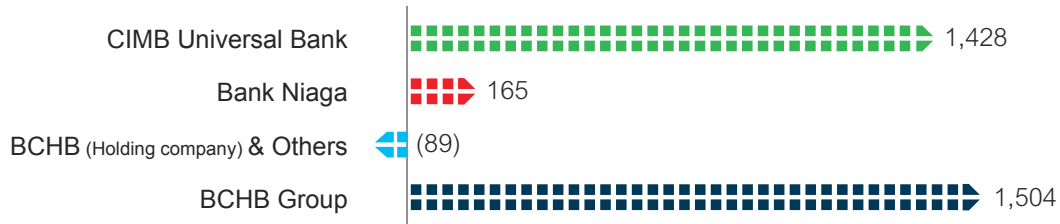
Based on the weighted average number of 3,086,649,739 (2005: 2,715,014,907) ordinary share of RM1.00 each in issue during the financial year ended 31 December 2006.

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Group Financial Highlights

	Changes			
	2006	2005	2006	2005
	RM'000	RM'000	%	%
INCOME STATEMENT AND BALANCE SHEET				
Net interest income	3,658,441	2,986,247	22.51	10.99
Non-interest income	2,734,129	1,736,733	57.43	18.60
Overhead expenses	3,357,970	2,278,099	47.40	16.62
Profit before allowances	3,034,600	2,444,881	24.12	11.06
Allowance for losses on loans, advances and financing	1,016,595	1,021,863	(0.52)	(8.96)
Profit before taxation	2,002,042	1,309,967	52.83	24.44
Net profit for the financial year	1,504,427	826,825	81.95	12.56
Gross dividends	477,664	472,717	1.05	16.29
Loans, advances and financing	90,334,759	69,095,880	30.74	10.37
Total assets	159,607,244	113,525,964	40.59	1.02
Deposits from customers	104,568,715	74,323,587	40.69	0.29
Total liabilities	146,917,924	102,419,486	43.45	0.04
Shareholders' funds	11,883,530	9,637,453	23.31	7.57
Commitments and contingencies	244,870,248	149,479,744	63.81	(28.34)
RATIOS				
	%	%	%	%
Core capital ratio	9.59	11.20	(14.38)	12.45
Risk-weighted capital ratio	13.62	15.23	(10.57)	10.28
Return on average equity	13.98	8.89	57.26	2.66
Return on total assets	0.94	0.73	28.77	12.31
Cost to income ratio	52.53	48.23	8.92	2.57
Cost to total assets	2.10	2.01	4.48	15.52
Gross NPL to gross loans	8.91	8.69	2.53	(9.20)
Net NPL to net loans	5.54	5.69	(2.64)	(18.25)
Coverage ratio	57.51	55.18	4.22	16.05
Loan deposit ratio	86.39	92.97	(7.08)	10.05
Equity to assets	7.45	8.49	(12.25)	6.52
Equity to loans	13.15	13.95	(5.73)	(2.52)
OTHER INFORMATION				
Earnings per share (Sen)				
– Basic	48.74	30.45	60.06	10.29
– Fully diluted	48.04	30.07	59.76	13.99
Net tangible assets per share (RM)	2.14	3.26	(34.36)	2.19
Gross dividend per share (Sen)	15.00	15.00	0.00	0.00
Number of shares in issue ('000)	3,184,429	2,756,398	15.53	2.40
Weighted average number of shares in issue ('000)	3,086,650	2,715,015	13.69	2.06
Share price at year-end (RM)	7.75	5.70	35.96	21.28
Number of employees	24,267	18,335	32.35	12.90

REVENUE**(RM mil)****PROFIT/ (LOSS) BEFORE TAX****(RM mil)****NET PROFIT/ (LOSS)****(RM mil)**

Our Vision



To be South East Asia's
Most **Valued** Universal Bank

Core Philosophies of the Group

We are in the business of creating value for our customers

We exist to create value for our customers. Creating value rests on understanding our customers' needs and creating solutions to answer these needs - the more value we can create, the more our customers will turn to us.

We believe the best way to create the most value is by enabling our people

Enabling our people involves effectively placing, motivating and supporting them and ultimately, unleashing their true potential. The better we enable our people, the more value we can create for our customers.

In order to protect our reputation and business, we speak and act with integrity

Integrity means speaking and acting honestly and sincerely, and treating our customers' needs and interests as our primary focus. Our unwavering belief in integrity is what allows our customers to entrust their business to us.

Our Legacy

Our legacy is the combined heritage of the 12 financial institutions intertwined with the journey of our progress: Bank Bumiputra, Bank of Commerce, Southern Bank, Ban Hin Lee Bank, United Asian Bank, and several others dating as far back as 1924 with the founding of Bian Chiang Bank. Our legacy is the product of the contribution of thousands of people who were involved with these financial institutions - the founders, employees, shareholders, regulators and policy makers. It is a rich legacy upon which we had built the foundations for us to mature into Malaysia's second largest financial services group, and upon which we have built our ambitions to be South East Asia's most valued universal bank.





Corporate History

Year	Historical Event	
1924	<p>Bian Chiang Bank established in 1924 in Kuching.</p> <p>Bian Chiang Bank was established in Kuching by Wee Kheng Chiang in 1924. In its early days, the bank's activities were mainly related to business financing and the issuance of bills of exchange.</p> <p>The prominent Wee family soon became famous as founding members of the United Overseas Bank (UOB) in Singapore in 1971.</p>	
1935	<p>Ban Hin Lee Bank (BHLB) established in 1935 in Penang.</p> <p>BHLB, founded by "Towkay" Yeap Chor Ee, was formally incorporated as a private limited company on 17th September, 1935.</p> <p>The Bank's original business focus was serving local businessmen in their trading and merchanting activities. In the 1960's, it also branched into real estate and house financing.</p> <p>By the 1990s, the bank had become a modern and thriving financial institution, reaching throughout Malaysia and Singapore from its headquarters in Penang.</p> <p>Reflecting the confidence of investors, BHLB became a public-listed company on the Kuala Lumpur Stock Exchange (KLSE) on 7th January, 1991.</p>	
1965	<p>Southern Bank Berhad (SBB) founded as Southern Banking Ltd. in 1965.</p> <p>From humble roots in Penang, Southern Banking Limited quickly expanded to other parts of the country. In 1978, the bank set up operations in Kuala Lumpur.</p> <p>SBB was to become recognised as an important player in wealth management products, credit cards and SME lending. The bank was the first in the country to set up the MEPS / ATM system used throughout Malaysia today.</p>	
1965	<p>Bank Bumiputra Malaysia Berhad (BBMB) incorporated In 1965.</p> <p>BBMB was established in 1965 in line with government initiatives to increase the Bumiputra participation in the national economy.</p> <p>The bank grew to become the most prominent bank for all Malaysians with branches throughout the country. Its banking infrastructure provided access to banking facilities where there was none before, contributing to the growth of small-scale enterprises and assisting the flow of investment into rural areas.</p> <p>By the 1980s, it had become the largest bank in the country in terms of assets and was the first domestic bank to have operations in New York, London, Tokyo, Bahrain and Hong Kong. In 1982, it was listed as the largest bank in South East Asia by Asian Finance magazine.</p>	

Corporate History

	Year	Historical Event
	<p>1972</p>	<p>United Asian Bank Berhad (UAB) established in Kuala Lumpur as a result of the merger of three Indian-owned banks; Indian Overseas Bank Ltd, Indian Bank Ltd and United Commercial Bank Ltd.</p> <p>UAB started as a joint-venture in banking between Malaysia and India, taking over the operations of the Malaysian branches of Indian banks in 1972.</p> <p>The bank's business was mainly directed at small businesses and individuals. In its time, UAB established a reputation for encouraging enterprise amongst less prosperous sections of the community.</p>
	<p>1974</p>	<p>Pertanian Baring Sanwa Multinational Berhad (PBS) incorporated April in 1974.</p> <p>PBS was incorporated in 1974 by founding shareholders Bank Pertanian, Baring Brothers of United Kingdom, Sanwa Bank of Japan and Multinational Bank of the United Kingdom.</p> <p>In early days, managed by Baring Brothers, its core business was to provide corporate advisory and funding services to multinationals. It also undertook corporate restructuring and merger and acquisition activities for Malaysian companies.</p> <p>The small merchant bank practised a conservative and prudent approach towards business, with a strict credit culture that limited its trading activities and it remained relatively small compared to other merchant banks.</p>
	<p>1979</p>	<p>Bian Chiang Bank renamed Bank of Commerce Berhad in November 1979.</p> <p>The purchase of Bian Chiang Bank by the UMNO-owned Fleet Group in 1979 led to the formation of Bank of Commerce Berhad. The new bank had a strong focus on systems and transparency from the very beginning, reflecting the management style of co-shareholder JP Morgan.</p> <p>An aggressive, performance-driven work culture pushed the bank forward, contributing to its emergence as one of the most progressive banks in the industry.</p> <p>In 1982, just three years since incorporation, what started out as a one-branch bank worth RM8 million had become an institution with the total assets of RM367 million and total shareholders' funds of RM12.8 million.</p>

Year	Historical Event
------	------------------

1986 PBS renamed Commerce International Merchant Bankers Berhad.

In 1986, Bank of Commerce Berhad replaced Bank Pertanian as the controlling shareholder of PBS, following which its name was changed to Commerce International Merchant Bankers Berhad (CIMB). The new shareholders retained its focus on corporate finance and IPOs and in 1989 it emerged as Malaysia's top adviser for new listings.

CIMB soon added stockbroking to complement its advisory and listings expertise, establishing an award-winning reputation as an equities broker and IPO house. This positioned the firm to enjoy high profits during the early 1990s equities "bull run".

At the height of the buoyant era in equities, CIMB took a major strategic decision to build its capabilities in fixed income in anticipation of future market opportunities. This placed CIMB in an excellent position to reap rewards from the exponential bond market growth in the late 1990s.



1991 Bank of Commerce Berhad merges with UAB In November 1991 and the new entity named Bank of Commerce (M) Berhad (BOC). Bank of Commerce Berhad, the listed holding company, is renamed Commerce-Asset Holding Berhad (CAHB).

The acquisition of UAB by Bank of Commerce was the starting point for the significant expansion of this nascent force in banking. With the acquisition, the BOC branch network increased almost fourfold, complementing its established reputation in the corporate lending market.






1999 BBMB and BOC merge to form Bumiputra-Commerce Bank (BCB) under CAHB.

In 1999, BBMB emerged out of the Asian Financial Crisis and other financial problems to merge with the BOC, resulting in the biggest merger in Malaysia's banking history. Together as BCB, it became the bank of choice to many multinational and local corporations, government organisations and individual Malaysians.

Over the years, BCB became part of the fabric of Malaysian society - a bank for the people.



Corporate History

	Year	Historical Event
	<p>2000</p>	<p>SBB acquired BHLB on 1 July 2000 along with United Merchant Finance Berhad (now Southern Finance Berhad), Perdana Finance Berhad and Cempaka Finance Berhad.</p> <p>As part of the government initiated banking consolidation plan, SBB and BHLB merged and also took over two small finance companies, Perdana Finance Berhad and Cempaka Finance Berhad.</p>
	<p>2003</p>	<p>CIMB Berhad listed on the Main Board of the KLSE in January 2003.</p> <p>The listing of CIMB on the KLSE exceeded the expectations of investors and employees alike. The listed CIMB surpassed the IPO Prospectus forecast within six months.</p> <p>As it turned out, CIMB's listing lasted only three years due to upcoming developments, but not before delivering returns of 340% to its shareholders.</p>
	<p>2003</p>	<p>CIMB Islamic launched in 2003.</p> <p>Officially launched by Bank Negara Malaysia Governor, Tan Sri Dato' Dr. Zeti Akhtar Aziz, in June 2003. Since that time, CIMB Islamic has won numerous accolades for its innovative Shariah compliant solutions.</p> <p>Later in April 2005, Commerce-Tijari Bank Berhad was launched as the Islamic banking subsidiary of BCB.</p>
	<p>2004</p>	<p>CIMB Berhad acquired 70% of Commerce Trust Berhad (CTB) and Commerce Asset Fund Managers Sdn Bhd (CAFM) from BCHB. CTB and CAFM were subsequently merged to become CIMB-Principal Asset Management Berhad (CIMB-Principal)</p> <p>The formation of CIMB-Principal marked the entry of a new player to Malaysia's burgeoning asset management sector. The acquisition of CTB and CAFM led to the formation of CIMB-Principal, a joint venture with the Principal Group of USA.</p>

Year	Historical Event	
2005	<p>CIMB acquired G. K. Goh Securities Pte Ltd's stockbroking businesses in June 2005.</p> <p>The acquisition of Singapore based G. K. Goh led to the formation of CIMB-GK, CIMB's international investment banking operations. G. K. Goh was founded in Singapore in 1979, evolving into a reputable pan-Asian stockbroking franchise with operations in Singapore, Jakarta, Hong Kong, London and the United States.</p>	
2005	<p>CIMB announced acquisition of BCB Group from CAHB.</p> <p>The acquisition of the BCB Group by CIMB was announced following the strategic decision by CAHB to create a universal bank by combining its commercial and investment banks. As part of the exercise, CAHB was renamed Bumiputra-Commerce Holdings Berhad (BCHB).</p>	
2006	<p>CIMB Group becomes a universal bank.</p> <p>The beginning of 2006 marked the birth of the new CIMB Group, a universal bank. Complemented by the resources and reach of BCB, one of Malaysia's foremost retail providers, CIMB Group made the transition to a full-service banking provider, serving a range of customers, from corporates to individuals.</p>	
2006	<p>SBB acquired by BCHB in March 2006.</p> <p>After months of negotiations, the acquisition of SBB marked the addition of a valued niche player in commercial banking to the CIMB Group. The merger combined the extensive resources and reach of BCB with the expertise and agility of SBB.</p>	

CIMB, South East Asia's most awarded investment bank, is now a universal bank.

The CIMB Group is now a comprehensive full-service bank. We offer our expertise through a full range of conventional and Islamic financial solutions, simple or complex.

From Investment Banking to Consumer Banking, Islamic Banking and Asset Management, with presence in Malaysia, Singapore, Thailand, Indonesia, Brunei, Hong Kong, London and Bahrain, the Group is your gateway to South East Asia.

With our breadth of experience and an unwavering commitment to your financial needs, the CIMB Group stands ready to serve you. Bank on us to see beyond.



FORWARD BANKING  **CIMB GROUP**





Re-branding

THE NEED TO REBRAND

The year 2006 was one of transformation and consolidation for CIMB Group, the commercial and investment banking group of Bumiputra-Commerce Holdings Berhad. Having evolved into a regional investment bank and universal bank the year before, 2006 marked the integration of BCB and SBB into a strengthened consumer franchise for the newly-restructured CIMB Group.

The rebranding exercise of CIMB Group was a concerted effort to re-define the organisation and align our market positioning to the needs and expectations of our new market segments, steering us towards our vision of becoming South East Asia's most valued universal bank.

The new positioning and brand values of the Group were derived from an in-depth research exercise of interviews and focus groups, involving both internal and external parties.

BRAND VALUES

The main entities that integrated to form the new CIMB Group brought with them a shared legacy of continuous improvement, vision, insight and an emphasis on the customer. With that, CIMB Group derived its new cornerstone principles of "value creation", "enabling people" and "integrity" from this combined heritage.

The philosophy of value creation through forward thinking is CIMB Group's brand promise to its customers. Forward thinking means continuously anticipating the future needs of all our customers and identifying emerging opportunities to address those needs.

Re-branding

The organisation lives and breathes as a result of its people. To best serve the needs of customers, the Group believes in empowering and enabling its people in order for them to perform to the best of their abilities.

Underlying everything is a culture of honesty and transparency; of always putting the customers' interests first. Unwavering integrity is what enables customers to entrust their affairs to CIMB Group with confidence.

Together, these values are the foundation of the CIMB Group brand.

VISUAL IDENTITY

The new CIMB Group corporate identity represents the renewed focus on value creation through forward thinking.

The logomark of an abstract arrow within a square symbolises our philosophy of forward thinking : dynamic and never stationary, yet rooted in stability, dependability and commitment. The custom font represents clarity and solidity.

Within CIMB Group there are three main brand entities : CIMB, CIMB Bank and CIMB Islamic. The new visual identity system is unique in its use of colour to differentiate. While the Group is united in its commitment to creating value, it does so in different ways and for a different spectrum of customers. The colour system enables CIMB Group to convey this approach.

Blue is the corporate colour of the brand, representing CIMB Group as well as the Investment Bank.

Red is the colour of CIMB Bank, the consumer bank.

Green is the colour of CIMB Islamic, representing the Shariah-compliant dimension of all divisions throughout the CIMB Group. The group-wide policy of parallel banking is reflected in the ultimate aim of providing Islamic versions of all products and services to our customers.

The new tagline "Forward Banking" is the core message of all CIMB Group communications. Forward thinking spearheads all advertising content and is encapsulated in the slogan: Bank on us to see beyond. The approach represents the Group's commitment to looking for value where others do not, beyond the present, the obvious and the norm, in order to capture opportunities for its customers.

As part of the drive to create consistency with BCB Group as a whole, BCB also unveiled its new identity in late 2006, incorporating the logomark of CIMB Group. The new identity creates a strong visual synergy between BCB and its subsidiaries, presenting a strong foundation for the organisation to best assert itself in the region and beyond. In line with this, BCB plans to rebrand the Indonesian banking operations of Bank Niaga in 2007 to best leverage off the brands of BCB and its subsidiaries. With this, BCB will proudly portray itself as a truly synergised regional competitor.

CIMB Group Launch



CIMB GROUP LAUNCH – 7th SEPTEMBER 2006

CIMB Group was launched by YAB Dato' Seri Abdullah Haji Ahmad Badawi, Prime Minister of Malaysia on 7th September 2006. At the event, the Prime Minister also unveiled the 3 brand entities of CIMB Group – CIMB, CIMB Bank and CIMB Islamic – as well as the new logo of the Group.

The launch was attended by more than 2,000 distinguished guests including government officials, regulators and corporate leaders. Among them were personalities who had played a key role in the 12 financial institutions which form the rich heritage of CIMB Group — Tengku Razaleigh Hamzah, whose name was ubiquitous in the annals of BBMB, BOC and the UAB; Tan Sri Dato' Md Nor Md Yusof the present Chairman of BCHB who had led the BOC through two mergers; Tan Sri Desa Pachi, who had served as the Commerce Group Chairman for 23 years; previous Chief Executives within the Commerce Group - Dr Rozali Mohd Ali, Dato' Dr Munir Majid, Dato' Robert Cheim, Dato' Azmi Abdullah and Dato' Shukri Hussin; Tan Sri Tan Teong Hean, CEO of SBB for more than 23 years; and Dato' Stephen Yeap whose family founded BHLB.

Speaking at the launch, the Prime Minister said, "... saya ingin mengambil kesempatan ini untuk mengucapkan syabas kepada semua anggota Kumpulan CIMB yang telah berusaha gigih untuk menjadikannya sebuah jenama Malaysia, yang juga terkenal sebagai salah sebuah institusi kewangan yang unggul dalam sector perbankan serantau." ("...I would like to take this opportunity to congratulate everyone at CIMB Group who has put in a great deal of effort to make it a Malaysian brand which is also known as a premier financial institution in the regional banking sector.")



In his keynote address, CIMB Group Chief Executive Officer, Dato' Nazir Razak, paid tribute to the contribution of thousands of people who had been involved in the creation of rich heritage of the Group. Linking the past to the Group's future, he explained that the new tagline "Forward Banking" and the call to action "Bank on us to see beyond" represent not only a new beginning, but also what the Group had brought along from the past - namely the paradigm of continual self-improvement, always with an eye to the future, always with the intent of value creation. That corporate culture has been ingrained in CIMB's DNA and has long been the cornerstone of the Group's achievements todate.

The Prime Minister also declared open the first CIMB Bank branch at the Starhill Gallery in Kuala Lumpur on the same day, and signed up as the first customer of the branch as well as of CIMB Club, the Bank's new highly personalised banking service.



Corporate Information

BOARD OF DIRECTORS

Tan Sri Dato' Mohd Desa Pachi
Chairman
(Retired on 31st July 2006)

Tan Sri Dato' Md Nor Md Yusof
Chairman w.e.f 31st July 2006
(Appointed on 27th June 2006)

Dr. Roslan A. Ghaffar

Dato' Anwar Aji
(Resigned on 7th November 2006)

Tan Sri Datuk Asmat Kamaludin
(Resigned on 7th November 2006)

Dato' Mohd Salleh Mahmud
(Resigned on 7th November 2006)

Izlan Izhab
(Resigned on 7th November 2006)

Dato' Nazir Razak
Group Managing Director/Chief Executive Officer w.e.f 7th November 2006
(Appointed on 27th January 2006)

Dato' Mohd Shukri Hussin
Executive Director/Group Advisor w.e.f 7th November 2006
(Appointed on 3rd January 2006)

Dato' Hamzah Bakar
(Appointed on 7th November 2006)

Tan Sri Dato' Seri Haidar Mohamed Nor
(Appointed on 7th November 2006)

Dato' Zainal Abidin Putih
(Appointed on 7th November 2006)

Datuk Dr.Syed Muhamad Syed Abdul Kadir
(Appointed on 7th November 2006)

Dato' Robert Cheim Dau Meng
(Appointed on 7th November 2006)

Cezar Peralta Consing
(Appointed on 7th November 2006)

JOINT COMPANY SECRETARIES

Jamil Hajar Abdul Muttalib
(LS 000656)

Idrus Ismail
(LS 0008400)

AUDITORS

PricewaterhouseCoopers
11th Floor, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur

REGISTRARS

Tenaga Koperat Sdn Bhd
Tingkat 20, Plaza Permata
Jalan Kampar Off Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03 – 40416522
Fax: 03 – 40426352

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Listed on Main Board of Bursa Securities on 3rd November 1987)

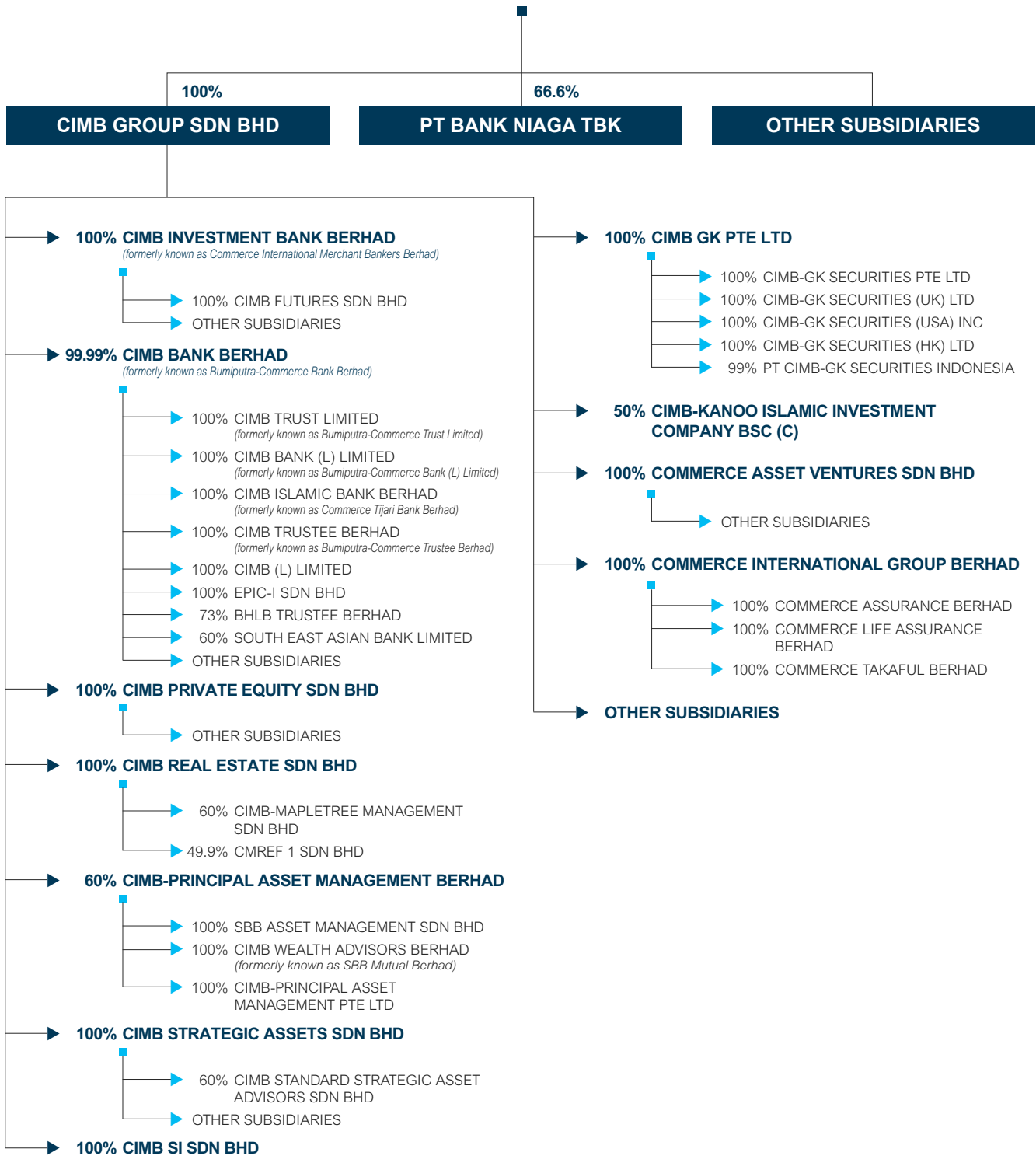
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Corporate Structure



Corporate Profile



BUMIPUTRA-COMMERCE HOLDINGS BERHAD

Bumiputra-Commerce Holdings Berhad (BCHB) is the listed holding company for Malaysia's second largest financial services provider, CIMB Group. As at the end of 2006, BCHB was the seventh largest company on Bursa Malaysia with a market capitalisation of RM24.7 billion.



CIMB GROUP SDN BHD

CIMB Group is the operating entity of BCHB and is Malaysia's 2nd largest financial services group. Anchored by CIMB Investment Bank, CIMB Group undertook mergers and acquisitions worth RM12.8 billion to transform itself into a universal bank and was officially launched on 7th September 2006. Following an internal restructuring exercise to transfer all of BCHB's operating entities to CIMB Group, the universal bank now comprises 5 major business divisions - consumer banking, investment banking, treasury, asset management and insurance. The Banker named CIMB Group as bank of the year for Malaysia in 2006.



CIMB BANK BERHAD

CIMB Bank (formerly known as Bumiputra-Commerce Bank Berhad) is the Group's commercial bank. In 2005, CIMB Bank was integrated with CIMB Investment Bank in the quest to operate as a universal bank. In 2006, the bank merged with Southern Bank Berhad and further strengthened its consumer banking franchise. The merger resulted in a combined customer base of 4.5 million customers, 383 branches nationwide and significant market leadership positions in credit cards, sub-prime leading and auto finance. CIMB Bank has a full banking licence in Singapore and branches in Hong Kong, Tokyo and London.

Corporate Profile



CIMB INVESTMENT BANK BERHAD

CIMB Investment Bank (formerly known as Commerce International Merchant Bankers Berhad) is South East Asia's largest investment bank. It offers the full range of services in advisory, corporate and international banking, debt markets, equity markets and derivatives. It is a market leader in the Malaysian capital markets most notably in mergers and acquisition, debt capital and equity markets. The investment bank is also involved in asset management, private equity, private banking, research, investors and transaction services. The acquisition of stockbroking businesses of GK Goh Securities Pte. Ltd. in 2005 has been the catalyst for its regional expansion. As at the end of 2006, CIMB-GK Securities Pte. Ltd. was the largest IPO and bond house in Indonesia, number one in Singapore for advisory deals and number 4 in Singapore for stockbroking. CIMB Investment Bank commenced operations as an investment bank on 1st January 2007 pursuant to the Guidelines on Investment Bank jointly issued by the Securities Commission and Bank Negara Malaysia on 1st July 2005.



CIMB ISLAMIC BANK BERHAD

CIMB Islamic was established as the Islamic financial boutique of CIMB during its inception but is today an Islamic universal bank providing both Islamic consumer and investment banking services following the merger with Commerce Tijari Bank on 6th June 2005. CIMB Islamic was recognised as Islamic Investment Banking House of the year 2006.

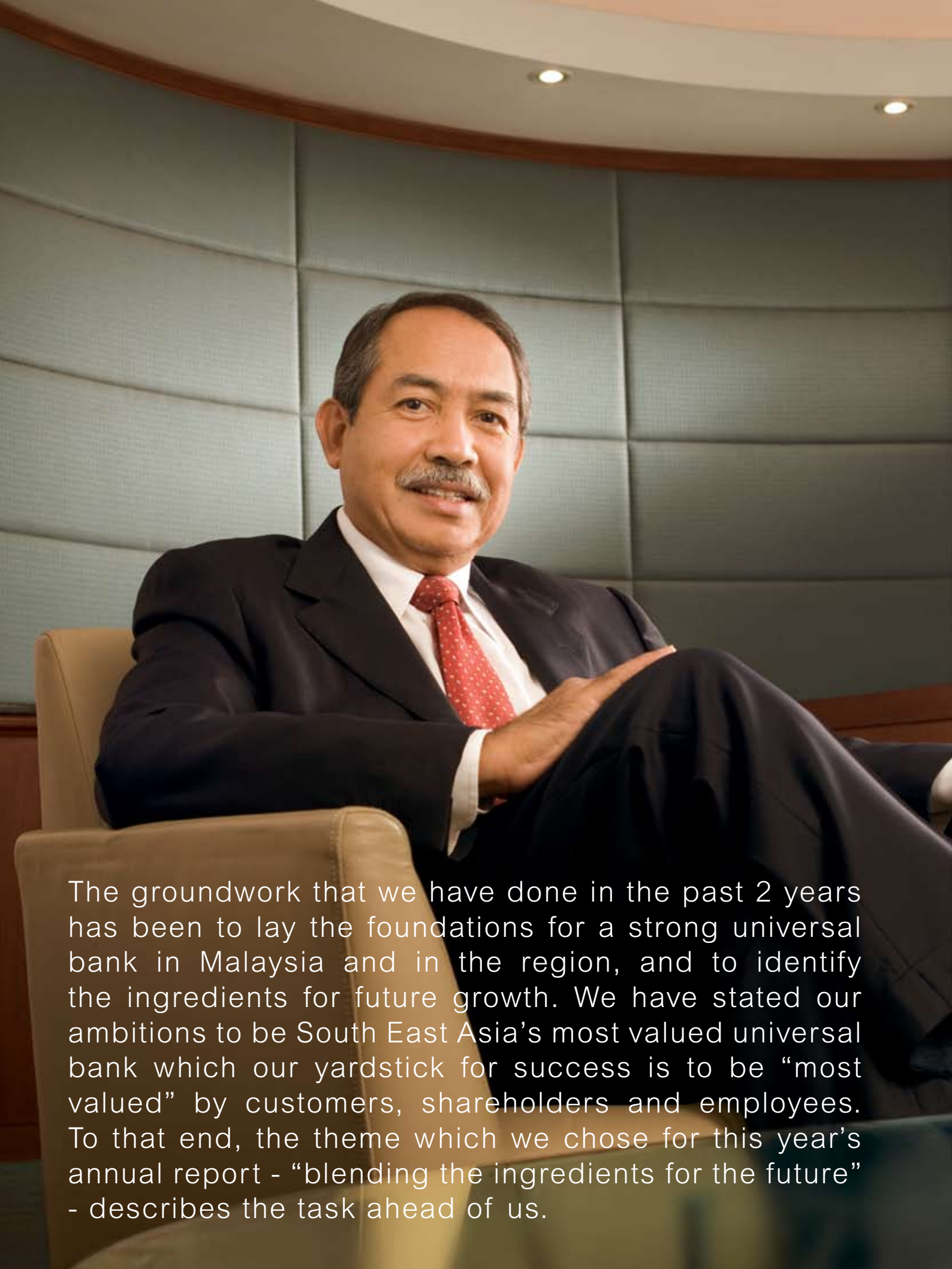


PT BANK NIAGA tbk

Bank Niaga was established in 1955. It is currently the 7th largest bank in Indonesia by assets. It has an established track record in customer services excellence and management development. BCHB became the majority shareholder in November 2002 after it acquired a strategic stake from the Indonesian Government via the Indonesian Bank Restructuring Agency (IBRA). In tandem with its vision to become a premier retail bank, Bank Niaga is currently the second largest mortgage provider in Indonesia with a 10.2% market share.

COMMERCE INTERNATIONAL GROUP BERHAD

Commerce International Group is the holding company for the insurance arm of the universal bank. It comprises 3 companies - Commerce Life Assurance Berhad, Commerce Takaful Berhad and Commerce Assurance Berhad. In January 2007, the BCHB Group announced the proposed sale of a 49% stake in Commerce Life Berhad and Commerce Takaful Berhad to Aviva Pte Ltd, as well as its entire stake in Commerce Assurance Berhad to Allianz General Insurance Malaysia Berhad (Allianz) coupled with a strategic alliance with Allianz to distribute general insurance products through CIMB Bank. This is in line with BCHB's decision to focus on life insurance and takaful businesses which are synergistic with its universal banking model.



The groundwork that we have done in the past 2 years has been to lay the foundations for a strong universal bank in Malaysia and in the region, and to identify the ingredients for future growth. We have stated our ambitions to be South East Asia's most valued universal bank which our yardstick for success is to be "most valued" by customers, shareholders and employees. To that end, the theme which we chose for this year's annual report - "blending the ingredients for the future" - describes the task ahead of us.

Chairman's Message

Dear Shareholders,

It's good to be back at the BCHB Group after a 6-year sojourn. When I arrived, I was struck by two things - the changes to the Group brought about by the transformation agenda which we have pursued, as well as the pace at which the changes had taken place.

As recently as mid-2005, we were a financial services group which operated largely as separate entities, each with its own corporate identity, business focus, clients and operations. Today, we are a universal bank which has a new corporate identity and common logo, a collective approach across entities in the Group and a shared vision to create value for our clients, and closely integrated operations. BCHB itself was re-branded to align its identity with that of its core operations, CIMB.

We began our transformation agenda in October 2004, when CIMB assumed ownership of CAFM and CTB. In the subsequent 18 months, CIMB undertook RM12.8 billion worth of mergers and acquisitions to morph into a universal bank. In November 2006, we announced plans to transfer all our operating entities to CIMB Group.

The universal banking model has been successfully adopted by financial institutions globally. Fueled by the belief that financial institutions must cater to all customers, from the large corporations to the smallest retail customer, universal banks offer solutions which serve all their financial needs. As such, the transformation agenda is the cornerstone of the BCHB Group's future as we look ahead to a business environment which will be dominated by increased liberalisation and deregulation. This state of play inevitably leads to more intense competition, not only among local banking groups, but also with the large global players.

The groundwork that we have done in the past 2 years has been to lay the foundations for a strong universal bank in Malaysia and in the region, and to identify the ingredients for future growth. We have stated our ambitions to be South East Asia's most valued universal bank which our yardstick for success is to be "most valued" by customers, shareholders and employees.

To that end, the theme which we chose for this year's annual report - "blending the ingredients for the future" - describes the task ahead of us. The rich heritage of our legacy which spans more than 82 years and 12 financial institutions coupled with our alliances, our customers, our people and our values are the building blocks which we use as the foundation of our new universal banking model.

Chairman's Message

We have already demonstrated the potential of our universal banking model as the synergies gain momentum Group-wide. As you will read in the performance review for 2006 by the Group Chief Executive in the following pages, the financial performance of the Group has significantly improved and we were even able to announce our medium term net ROE target of 18% for 2007 onwards. We are also pleased with our post merger management so far, having exceeded targets such as branch conversions and IT integration.

In line with the business transformation of the Group, it was timely for the Board of Directors to redefine BCHB's organisational and management hierarchy. Dato' Nazir Razak was redesignated as Group Managing Director/Chief Executive Officer of BCHB from 7th November 2006 onwards. Dato' Nazir has been instrumental in orchestrating and leading the restructuring and transformation of the Group. It is a great pleasure for me to welcome him to the helm of the Group. As some of you may be aware, Dato' Nazir's first job was as a corporate finance executive in our investment bank in 1989, and since then he has served the Group in various capacities including as Executive Director of CIMB Securities and as Chief Executive Officer of CIMB.

Dato' Shukri Hussin remains as a key executive within the Group following the redesignation. I would like to thank Dato' Shukri for his leadership in his capacity as Group Chief Executive of BCHB and as Chief Operating Officer prior to that. We are very fortunate that we continue to have the benefit of his wise counsel and vast experience in his position as Executive Director and Group Advisor of BCHB as well as a member of the Group Management Committee.

As we reflect on the contributions of the many people who make up the BCHB Group, I would like to extend our thanks to an outstanding personality who has been so much a part of the fabric of the Group - my predecessor, Tan Sri Dato' Mohd Desa Pachi, who retired on 31st July 2006. Tan Sri Desa has been a pillar of strength in leading the Group as Chairman for almost 24 years, since September 1982. The Group has been very fortunate to have been able to tap on his wealth of experience which spans a wide range of industries including media, funds management, oil and gas and finance, since we acquired Bian Chiang Bank, the forerunner of CIMB Bank, in 1979. I would like to wish Tan Sri Desa all the very best in his future endeavours.

As to my colleagues who make up the BCHB Board of Directors, I would also like to thank my colleagues who retired in 2006 - Dato' Anwar Aji, Tan Sri Datuk Asmat Kamaludin, Dato' Salleh Mahmud, and Encik Izlan Izhab, for their contribution, services and guidance to the Group. In this regard, I also welcome my new colleagues to the Board of Directors - Dato' Hamzah Bakar, Tan Sri Dato' Seri Haidar Mohamed Nor, Dato' Zainal Abidin Putih, Datuk Dr. Syed Muhamad Syed Abdul Kadir, Dato' Robert Cheim Dau Meng and Mr. Cezar Peralta Consing. I look forward to working closely with them to further the Group's ambitions.

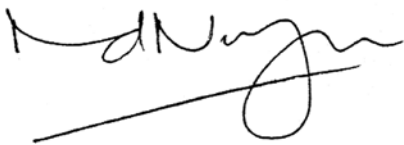
Chairman's Message

The changes that we had undertaken Group-wide were made possible by the collective efforts of all my colleagues. I am very heartened by the hard work, commitment and team spirit which they have demonstrated in the light of the challenges put before them. However, despite the demands that work places on them, I would like to highlight their humanity as demonstrated by their support for the Group's corporate social responsibility programmes.

For example, when the floods hit Johor at the end of 2006, we were one of the first corporations to step forward in support of the Government's "Adopt a Village" campaign. The Group pledged an initial sum of RM500,000 for more than 1,500 families consisting of over 8,000 people in villages in and around Batu Pahat to assist them in rebuilding their lives, but our philanthropy was not merely telescopic in nature. More than 400 of my colleagues were on the ground in Batu Pahat. They worked round the clock to help the affected villagers to clean up and rebuild their houses.

Similarly, when the earthquake devastated Yogyakarta in May 2006, BCHB, together with CIMB Group, Bank Niaga, Commerce International Group and customers of CIMB Bank, SBB and Bank Niaga, pooled their efforts to raise a total of almost Rp3 billion (RM1.18 million) as aid for the victims. Out of that, Rp2 billion was channeled to reconstruct SDN Glagah, one of the area's leading public elementary schools. The school will accommodate 483 students, and will be equipped with modern learning facilities. Funds were also channeled towards reconstruction of homes of Bank Niaga employees and the set up of an emergency hospital. In addition to that, just a day after the earthquake, Bank Niaga formed a team of volunteers who carried out humanitarian relief works in several villages affected by the earthquake and provided direct assistance to the victims. I am very encouraged by the compassion displayed by the Group's employees in response to these humanitarian crises.

Finally, and not least, I would like to take this opportunity to thank you, our shareholders, as well as other stakeholders including regulators and policy makers for your unstinting support of the Group through the major changes which we undertook.



Md Nor Yusof
Chairman



2006 was a remarkable year for us. Despite being involved in a protracted take-over battle and confronting a 3-bank integration challenge, we achieved record profits and surpassed our primary financial target of 13% net return on equity (ROE). Our full year ROE was 13.98%, a significant lift from 8.9% in 2005 and our highest since the Asian financial crisis. Our target of beating the KLCI on total shareholder return was also exceeded comfortably — 39.3% vs the KLCI return of 21.9%.

Performance Review by Group Chief Executive

Dear Shareholders

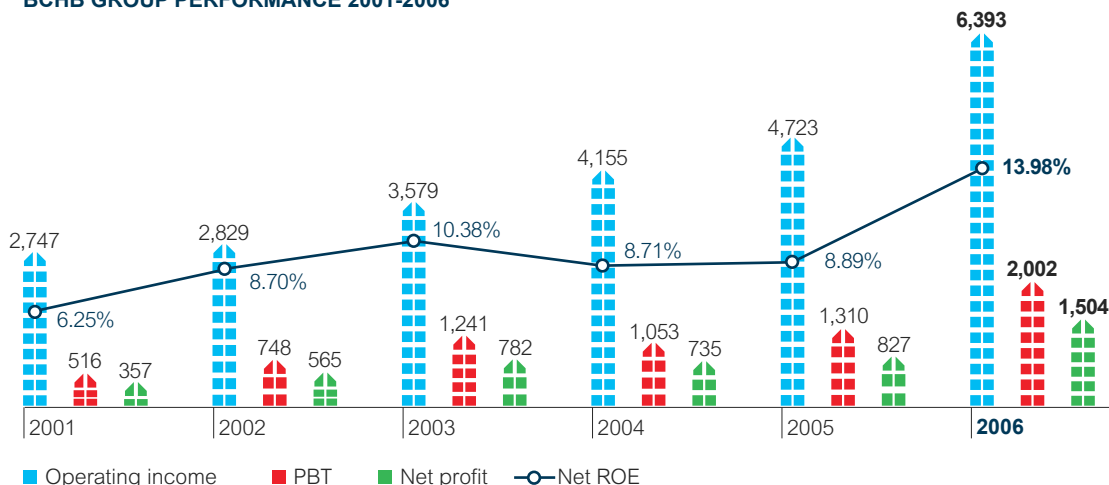
In our annual report for 2005, we spoke about the strategic transformation of the banking businesses of the BCHB Group. Our ambition was to create a strong and dynamic banking group, not just in Malaysia, but in the region. The process had begun with the creation of a universal banking platform through the merger of CIMB and BCB, the Group's investment and consumer banking businesses. To strengthen our domestic consumer banking franchise, we were poised to merge with SBB.

We are pleased to report to you that 2006 was a remarkable year for us. Despite being involved in a protracted take-over battle and confronting a 3-bank integration challenge, we achieved record profits and surpassed our primary financial target of 13% net return on equity (ROE). Our full year ROE was 13.98%, a significant lift from 8.9% in 2005 and our highest since the Asian financial crisis. Our target of beating the KLCI on total shareholder return (TSR) was also exceeded comfortably - 39.3% vs the KLCI return of 21.9%. We also met our dividend target of 15 sen per share.

In this early stage of transformation, our priority was capacity building for future growth. We made changes almost everywhere, and most extensively in consumer banking, where we launched a completely new organisation structure and business model at the beginning of the year and then added SBB to it in mid-year. There is still so much to do but the results so far are beyond my own best expectations. That's why I use "remarkable" to describe 2006 at BCHB Group.

To top it all, we were honoured when The Banker, the flagship publication of the Financial Times of the UK, named us "Bank of the Year for Malaysia" citing our transformation agenda and financial performance as the key deciding factors. This first major accolade for us in commercial banking, joined a long list of accolades we won for treasury and investment banking for 2006.

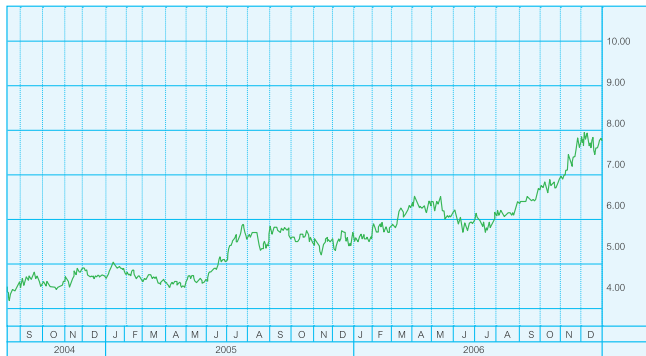
BCHB GROUP PERFORMANCE 2001-2006



* Amounts denoted in RM million

Performance Review by Group Chief Executive

BCHB SHARE PRICE SEPT 2004 - DEC 2006



Source : Bloomberg

SHAREHOLDER VALUE CREATION

Since we embarked on this journey to be South East Asia’s most valued universal bank with the announcement of the CIMB-BCB merger in June 2005, our share price has appreciated by 68% and some RM10 billion in value in terms of market capitalisation has been created for shareholders from then to end 2006. In 2006 alone our share price increased by 36% and market capitalisation grew by RM6.6 billion.

For shareholders who participated in the CIMB Berhad IPO via Restricted Offer for Sale in December 2002, the investment would have returned over 400% over 4 years; RM1,000 capital invested then would return profits of RM4,090 today, or an average of 102.5% p.a.

TRANSFORMING EVENTS - A SNAPSHOT

There were 3 major corporate moves during the year which, when added to the CIMB-BCB merger and CIMB-GK acquisition in 2005, meant that the Group has undergone a complete “make-over”.

First was the merger with SBB, a deal which we inked in July after more than 8 months in the hot glare of the media spotlight. The merger was extremely complementary for the Group. SBB’s strengths in certain consumer banking segments - credit cards, direct banking, sub-prime, hire-purchase - and its wide base of mass-affluent customers, have significantly strengthened our consumer franchise. Post merger, the combined consumer bank has a network



of 383 branches nationwide. The merger also enabled us to be licensed as a full-fledged bank in Singapore and emerge as the largest asset manager in the country with more than RM20.8 billion* of assets under management (AUM) as at 31 December 2006.

*Note : AUM includes private banking and wholesale funds.



Secondly, we united all the entities of the merged group with a common brand and identity. CIMB Group was officially relaunched by the Prime Minister on 7th September. The Prime Minister also launched the 1st CIMB Bank branch at Starhill Gallery in Kuala Lumpur.



Performance Review by Group Chief Executive

The third move was the proposed internal restructuring of the BCHB Group with the consolidation of all of the other BCHB Group's operating companies, notably Bank Niaga, Commerce International Group (the insurance arm) and Commerce Asset Ventures, under CIMB Group (the Bank Niaga transfer is still pending regulatory approvals). BCHB remains as the listed vehicle for the CIMB Group, and has adopted the same logo and corporate identity of the CIMB Group.

Underscoring the events in the public eye was a more subtle but equally important transformation, namely the move from operating as distinct entities to operating as a universal bank. We had previously stated that the key to our future lies in exploiting synergies between investment and consumer banking and between our various businesses in general. I am therefore pleased that in 2006 we began to see early results-

- We created more capital market products for retail banking customers, in particular, taking the lead in capital guaranteed structured products which we named "All Stars", "Star Select" and "Best Select". In February 2007, we distributed the Shariah-compliant version called "Islamic All Stars Global".



- We leveraged on the combined branch network of both BCB/CIMB Bank and SBB through the cross-selling of joint products such as Xpress Cash, motor insurance, Dream Home loan, and Money Multiplier.



- We also tapped our corporate relationships to enhance our consumer offerings. Examples of these include the opening of the CIMB Bank branch at Genting Highlands, and the launch of "CIMB Enrich MasterCard" with Malaysia Airlines.
- We made significant advances in regional investment banking transactions by combining the strengths of CIMB Investment Bank and CIMB-GK and leveraging on the balance sheet of CIMB Bank. We were highly placed in league tables in Indonesia where we led the largest bond and IPO deals and in Singapore where we advised some major M&A's including the creation of the new mega plantation group, Wilmar International.

In addition to the SBB merger, the Group made other significant expansionary moves this year -

- Thailand - In May, the Group acquired a stockbroking company in Thailand. CIMB-GK Securities (Thailand) Ltd further enhances our South East Asian stockbroking platform and serves as the foundation for us to develop other investment banking products and services in Thailand. We have had a research presence in Bangkok since July 2005 and are confident that we will do well here.
- Middle East - In December, the Group's first partnership in the Middle East, CIMB-Kanoo was officially launched. Based in Bahrain, CIMB-Kanoo is a partnership with Yusuf Bin Ahmed Kanoo (Holdings)

Performance Review by Group Chief Executive



Group of companies (Kanoo Group). It is licenced as an Islamic Investment Company by the Central Bank of Bahrain. Through CIMB-Kanoo, the Group will extend its investment banking footprint into the Middle East building on an already impressive record of deals we have won in the region.



- SEASAF - In March, the Group in partnership with Standard Bank Plc of South Africa officially launched "SEASAF" - the South East Asian Strategic Assets Fund. Co-sponsored by the Employees Provident Fund of Malaysia (EPF), SEASAF is a USD250 million private equity fund investing in the infrastructure, energy and natural resource sectors and associated industries in South East Asia.

FINANCIAL PERFORMANCE

The BCHB Group posted a record net profit of RM1.504 billion for the financial year ended 31st December 2006, an 82% increase compared to RM827 million earned in 2005. This translates to an annualised net ROE of 13.98%, significantly above its KPI target of 13% and the

FINANCIAL PERFORMANCE SNAPSHOT

(RM mil)	FY06	FY05	Y-o-Y
Net interest income	3,658	2,986	23%
Non interest income	2,735	1,737	57%
Operating income	6,393	4,723	35%
Loan provisions	(1,017)	(1,022)	(0.5%)
Overhead expenses	(3,358)	(2,278)	47%
PBT	2,002	1,310	53%
Net profit	1,504	827	82%
Earning Per share (sen)	48.7	30.5	60%
ROAE	13.98%	8.89%	57%

Source : CIMB

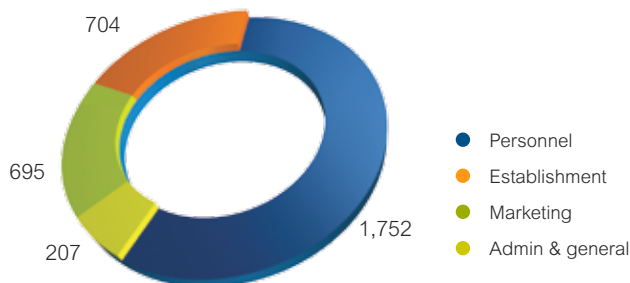
8.89% achieved in 2005. Total shareholder return over the year of 39.3% outperformed the KLCI TSR of 21.9%, and we declared a gross dividend per share of 15 sen, in line with our dividend policy. Net earnings per share of 48.7 sen was 60% over 30.5 sen recorded in 2005 and compares favourably with average consensus estimates of 43.5 sen.

The Group's total operating income for the financial year rose 35% to RM6.393 billion. The Group's profit before tax rose 53% to RM2.002 billion from RM1.310 billion recorded in 2005 despite a 47% increase in overhead expenses while loan loss provisions was flat at RM1.017 billion. The higher year on year revenues and costs reflect a first full year consolidation of CIMB-GK, six months consolidation and merger related expenses for SBB as well as Mutual Separation Scheme payments at CIMB Bank. Cost to income ratio stood at 52.5% compared to 48.2% in the previous year although excluding the MSS and integration costs the ratio would be lower at 49.7%. The Group's loan loss coverage ratio was higher at 57.5% as at end December 2006 compared to 55.2% at the end of 2005. Net NPL ratio was down to 5.5% compared to 5.7% previously following higher provisions and large old NPL write-offs by CIMB Bank. Loan loss cover has increased to 57.5% from 55.2% a year ago.

In terms of contribution to the Group's full year profit before tax, CIMB Universal Bank, consisting of the former BCB and CIMB Investment Bank operations, CIMB-GK's first full year earnings and SBB's earnings since 1st July, contributed 89% at RM1.775 billion. Bank Niaga achieved a profit before tax of RM367 million, representing 18% of Group's profit before tax while

Performance Review by Group Chief Executive

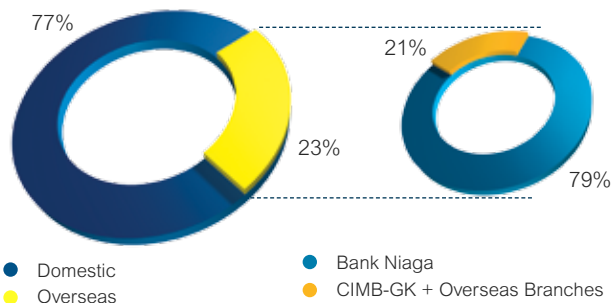
OPERATING EXPENSES (RM million)



Source : CIMB

BCHB, the holding company, made a loss of RM140 million arising from interest expense relating to the SBB acquisition. Approximately 23% of BCHB's full year profit before tax is derived from the Group's foreign operations with Bank Niaga contributing 79% and CIMB-GK 9%. The remaining 12% contribution comes from the Group's overseas branches.

OVERSEAS CONTRIBUTION



Source : CIMB

Full year non-interest income surged 57% on year to RM2.735 billion. 42% or RM1.141 billion was earned in the 4th quarter. This was driven by CIMB Group's strong performance in the capital markets. 2006 was a record year for announced M&A transactions with domestic industry M&A deal value of RM106.9 billion in 2006 (2005: RM32.6 billion). CIMB-GK also did well in the regional markets. In the primary domestic bond markets, 2006 was also a record year with RM56.9 billion primary corporate bonds issued.

The Group's total net interest income increased by 23% on year to RM3.658 billion. Total gross loans of the Group stands at RM95.214 billion as at 31st December 2006. There was modest gross loans growth at Bank Niaga of 13% whilst CIMB Group's loans were relatively unchanged as CIMB Bank spent most of the year improving its credit processes and lending operations as a whole.

As at 31st December 2006, the BCHB Group's total shareholders funds stood at RM11.884 billion. Its subsidiaries, CIMB Investment Bank Berhad and CIMB Bank Berhad had a Risk-Weighted Capital Ratio of 20.1% and 12.9% respectively whilst Bank Niaga's RWCR was 16.8% as at 31st December 2006.

BCHB GROUP KEY RATIOS

%	FY06	FY05
Return On Average Equity	13.98	8.89
Net interest margin*	2.68	2.64
Fee income/ total income	19.0	18.0
Non-interest income/ total income	42.8	36.8
Cost/ income	52.5	48.2
Loan loss coverage	57.5	55.2
Gross NPL ratio	8.9	8.7
Net NPL ratio	5.5	5.7
Average shareholders' funds	10,760	9,298
Double leverage (Company)	150%	92%

*Excluding interest in suspense.

BCHB GROUP CREDIT RATINGS

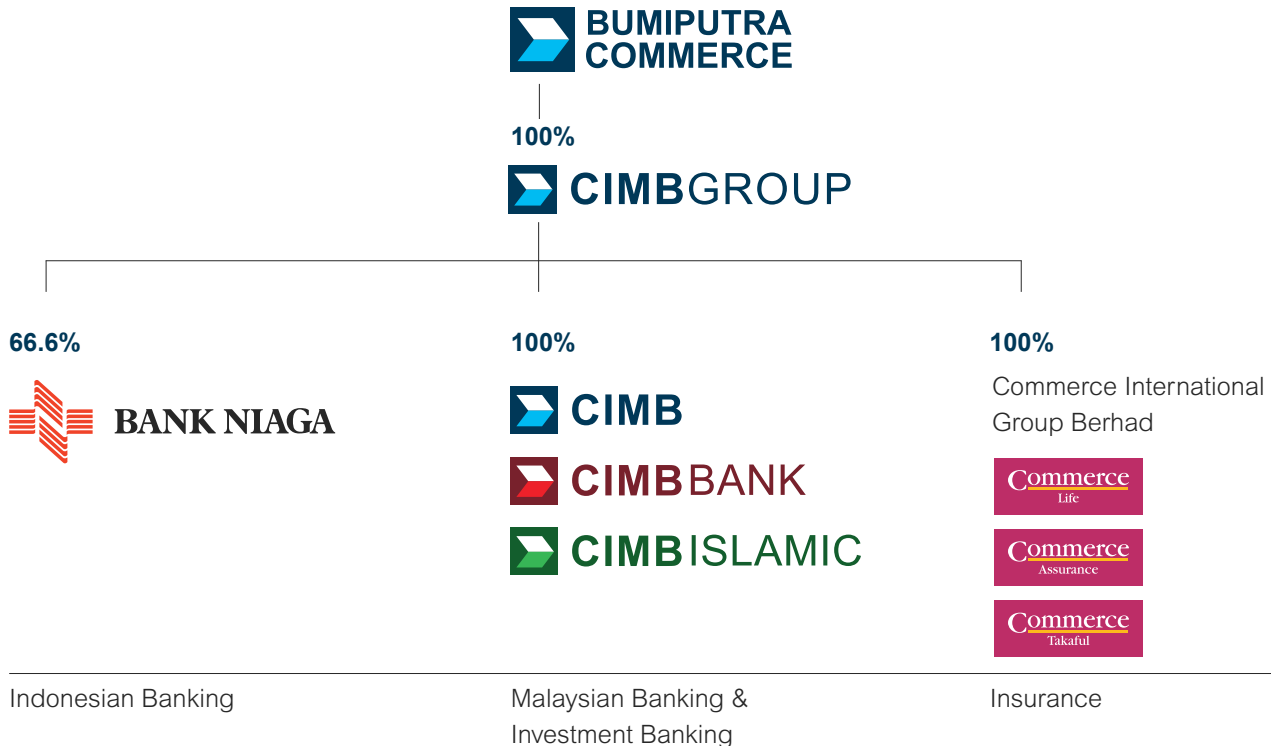
Rating Agency	Issuer	Rating	Subordinated Debt
Moody's	CIMB IB	A3	Baa1
	CIMB Bank	A3	Baa1
Standard & Poor's	BCHB	BBB-	n/a
	CIMB IB	BBB	BBB-
Fitch Ratings	CIMB Bank	BBB+	n/a
	CIMB IB	BBB	BBB-
RAM	BCHB	A1	n/a
	CIMB IB	AA2	n/a
MARC	CIMB Bank	AA	n/a
	BCHB	AA-	n/a

Source : CIMB

In our quest to maximise equity value, we decided to debt-finance the RM6.7 billion SBB acquisition. Although we hit a high gearing ratio of 108% and BCHB (holding company) double leverage ratio of 193.4% upon completion of the deal, we managed to retain all our credit ratings. This was because we clearly articulated our de-gearing strategy to

Performance Review by Group Chief Executive

PROPOSED NEW BCHB GROUP



the rating agencies and methodically followed up with its execution. These included rationalisation of assets post SBB merger and sale of our insurance businesses.

In February 2007, we announced a new issue of 117 million shares to Bank of Tokyo-Mitsubishi UFJ (BTMU) raising RM1.335 billion in capital. On a proforma basis, the various asset sales and the BTMU placement would reduce our double leverage ratio to 110% as at 31st December 2006.

Over a period of 12 months, we have changed the complexion of our capital structure from being highly leveraged to possibly over-capitalised. In mid-2007, we will review our present dividend policy.

CHANGES TO CORPORATE ORGANISATION AND STRUCTURE

Internal restructuring

In 2005, we had set in motion the internal restructuring necessary to create a universal banking platform under CIMB Group Sdn Bhd. By April 2006, we completed the exercise which resulted in the delisting of CIMB Berhad, the transfer of the assets of CIMB Berhad to CIMB Group

and the transfer of BCHB's shareholding in BCB to CIMB Group. Shareholders of CIMB Berhad received either capital repayment of RM5.50 per CIMB Berhad share or 1.146 BCHB shares for every CIMB Berhad share held. The end result was the merger of the investment banking and consumer banking arms of the Group under CIMB Group.

SBB Acquisition and Integration

Our unsolicited bid for SBB hogged the corporate headlines for the first 4 months of 2006. We first announced our negotiations with a group of shareholders of SBB in October 2005. However, the SBB Board rejected our overtures outright, and we felt compelled to launch a conditional general offer. The offer valued SBB at RM 6.3 billion. Although this firm offer was also rejected by the SBB Board, we demanded that it be taken to all shareholders for a decision. After several rounds of negotiations, on 15th March 2006, the SBB Board finally agreed to endorse our revised offer which valued SBB at RM6.7 billion. This was a landmark in banking mergers in Malaysia and won many accolades including:

- Best Domestic Deal in Asia - The Asset
- Best Malaysia Deal - Finance Asia
- Best M&A Deal - The Edge Malaysia

Performance Review by Group Chief Executive

The merger continues to set new benchmarks with the publication of an interim merger report, “Southern Bank Merger Progress and Achievement Report” which was made available to the public on 19th October. The level of disclosure in the report is unprecedented in Malaysia, and outlines among others, the costs and expected benefits of the merger, including a 3-year potential synergy target of RM200 million per annum.

In the final analysis, post due diligence and asset rationalisation, our investment in SBB was at 2.15x price to book. While already justifiable on a “comparables” basis, this deal is unique in that the two banks were an extremely good match. We are confident that this merger will prove hugely value creating for BCHB.

The assets of SBB were legally vested in CIMB Bank on 1st November 2006 pursuant to a vesting order of the High Court. The business integration programme is currently well on-track, with the single IT and operations platform implemented on 18th March 2006, a month ahead of the original schedule.

KEY PERSONNEL CHANGES

We bade farewell to Tan Sri Dato’ Mohd Desa Pachi following his retirement as Chairman of BCHB on 31st July 2006. He had served as Chairman of the Group for 24 years since his appointment to the post on 3rd September 1982. Tan Sri Desa has been a Board member from the initial acquisition of Bian Chiang Bank by the Fleet Group in 1979. We thank Tan Sri Desa for his leadership of the Board throughout the Group’s evolution from a one branch bank to its present status as a full-fledged integrated financial services group with a regional presence.

We extended a warm welcome back to Tan Sri Dato’ Md Nor Yusof who was appointed Chairman of BCHB following Tan Sri Desa’s retirement. Tan Sri Md Nor has a distinguished career with the Group spanning more than two decades most of which was as President and Chief Executive Officer of Bank of Commerce Berhad, the predecessor of BCB. We also welcomed all new directors - Dato’ Hamzah Bakar, Tan Sri Dato’ Seri Haidar Mohamed Nor, Dato’ Zainal Abidin Putih, Datuk Dr Syed Muhamad Syed Abdul Kadir, Dato’ Robert Cheim Dau Meng and Mr Cezar Peralta Consing. We would also like to record our heartfelt thanks to the retiring directors, Dato’ Anwar Aji, Tan Sri Datuk Asmat Kamaludin, Dato’ Salleh Mahmud, and Encik Izlan Izhab, for their services to the Group.

Following the SBB merger, the Group Management Committee was reorganised. We welcomed new members of the Group Management Committee who joined us from SBB in July, namely, Tengku Zaitun Tengku Mahdi, Ms Jean Yap, Mr Tan Leng Hock, Mr Peter Miller and Encik Abdul Karim Md Lassim. The Group also appointed Mr Lim Tiang Siew as Chief Financial Officer in October. Mr Lim was previously head of Corporate Finance of CIMB Group. Following the BCHB Group internal reorganisation, Dato’ Shukri was redesignated as Advisor and Executive Director of BCHB and sits on the Group Management Committee. We also bade farewell to Encik Abu Bakar Buyong, Executive Vice President of the Business Banking Division, who retired after 32 years of service with the Group.

At Bank Niaga, we bade farewell to Mr Peter Stok, who retired from his post as President Director effective 1st January 2007 after serving in that capacity since June 2000, and as Vice President Director from 1994 - 1997. The Group would like to record a heartfelt thanks to Mr Stok who has contributed greatly to making Bank Niaga the success that it is today. Mr Hashemi Albakri who has taken over the post of President Director has served as Vice President Director for since 2002. A lawyer by training, Mr Hashemi has also served the Group in various capacities including Head of Corporate and Institutional Banking at BCB.

REBRANDING EXERCISE AND NEW BRANDS

CIMB Group

Our universal banking platform was rebranded and relaunched as CIMB Group. The exercise also saw the introduction of “CIMB Group” as a new brand and 3 brand entities which emphasise the different ways we connect with our customers – CIMB Bank (the consumer bank), CIMB (the capital markets franchise) and CIMB Islamic which operates as a comprehensive Shariah-compliant parallel bank. We also launched a new logo which appears in red for CIMB Bank, blue for CIMB Group and CIMB and green for CIMB Islamic to reflect customer segmentation and product design priorities. We also introduced a new tagline “Forward Banking” and our call to action “Bank On Us To See Beyond” representing not only a new beginning, but also what we have brought along with us from the past - namely our paradigm of continual self-improvement, always with an eye to the future, always with the intent of value creation. This

Performance Review by Group Chief Executive

corporate culture which has been ingrained in our DNA has long been the cornerstone of our achievements.

CIMB Express



CIMB Express is a new microfinance division launched in October 2006, dedicated to serving the financial needs of lower-income individuals and small businesses, including those who are shunned by the traditional bank. The core product of the new division is “Xpress Cash” an SBB product first unveiled in January 2005. Xpress Cash is structured as a term loan for personal or business use. It is available for amounts as little as RM3,000 to a maximum of RM50,000 for tenures from 6 months to 5 years.

CIMB Wealth Advisors



Following the acquisition of SBB Mutual jointly with The Principal Financial Group, we rebranded SBB Mutual as “CIMB Wealth Advisors”. It is a fresh identity for our 4,400-strong agency force and reflects a customer-centric approach focused on helping them create, preserve and protect their wealth. CIMB Wealth Advisors will distinguish itself by the high level of training which we will provide our agency force through a new training and development centre.

Direct Access

Direct Access is a monoline which the Group acquired through the SBB merger. Catering to the mass affluent market, Direct Access provides customers with direct banking services on a 24x7 365-days a year basis. The brand serves a specific consumer segment who prefers the convenience and ease of performing their banking needs “anywhere, anytime” as customers can access the bank through various channels including telephone, fax, the internet, ATMs, and even mail. In addition to issuing “Free for Life” credit cards targeted at professionals and graduates, Direct Access also offers consumer loans and deposit products.

INTERNATIONAL ADVISORY PANEL



The International Advisory Panel was formed in 2006 to act as an advisory body to the senior management of CIMB Group in the formulation and implementation of its international expansion policies. Tun Musa Hitam, the founding Chairman of International Advisory Panel, together with the other members, comprise various nationalities whose combined experience spans a



Performance Review by Group Chief Executive

broad spectrum including the financial markets, industry, policy formulation and academia, both domestically and internationally. The inaugural meeting of the Panel was held in November 2006.

PERFORMANCE BY BUSINESS DIVISIONS

Following the transformation, we have changed the way we analyse the financial performance of the Group's entities. The 3 key entities are now BCHB, the holding company, CIMB Universal Bank and Bank Niaga.

BCHB is principally the listed financing vehicle for the Group and its RM140 million loss in 2006 arose from the cost of funding the SBB acquisition.

Bank Niaga is the Group's consumer banking arm in Indonesia.

CIMB UNIVERSAL BANK

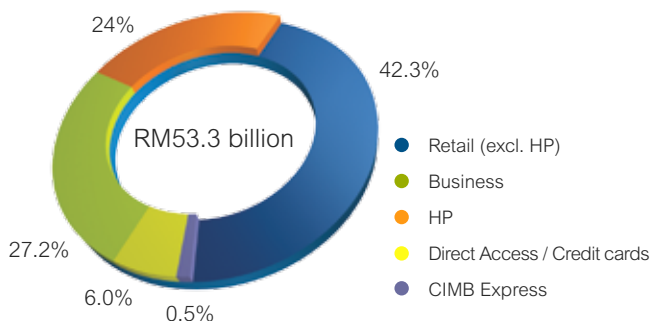
Consumer Banking

Consumer Banking is divided into 4 main parts. Retail Banking caters to all our individual retail customers including our Hire Purchase monoline, while Business Banking serves our base of small and medium enterprise (SME) customers. Direct Banking and Cards is a division which houses the SBB "Direct Access" monoline, the credit cards business and CIMB Express. Consumer Sales and Distribution oversees all the consumer distribution channels of the bank including the branch network.

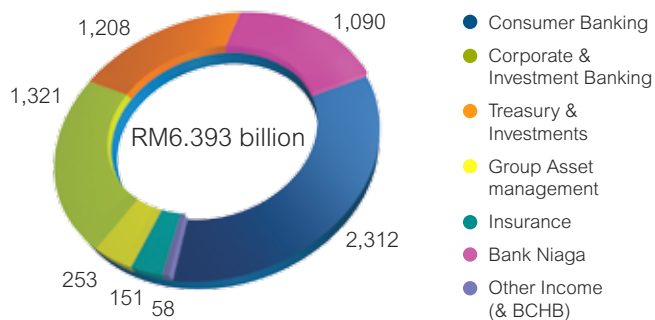
BCHB GROUP : FY06 CONTRIBUTION BY ENTITY

(RM mil)	CIMB Universal Bank	Bank Niaga	BCHB (Holding company) & Others	BCHB Group
Revenue	5,321	1,090	(18)	6,393
Profit/ (loss) before tax	1,775	367	(140)	2,002
Net profit/ (loss)	1,428	165	(89)	1,504

TOTAL CONSUMER LOANS



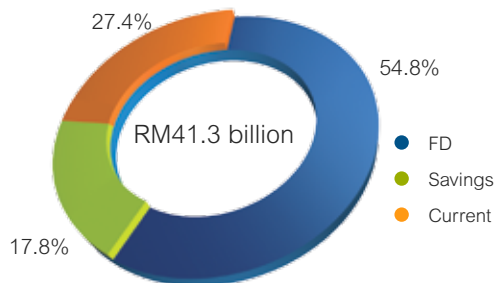
TOTAL INCOME (RM million)



Source : CIMB

CIMB Universal Bank comprises 5 core divisions — consumer banking, corporate and investment banking, treasury and investments, asset management and insurance. These divisions operate out of many different entities including CIMB Bank, CIMB Investment Bank, CIMB Islamic and CIMB-GK.

TOTAL CONSUMER DEPOSITS



Source : CIMB

2006 was a year of massive changes for the consumer bank. With the SBB merger, our distribution network increased to 383 branches and more than 1,900 self-service terminals to serve over 4.5 million customers. SMEs and mid-sized corporations are serviced through our branches as well as a wide network of 27 Business Centres and 33 Retail Banking Centres nationwide.

Performance Review by Group Chief Executive

We spent most of the year repairing the consumer bank after seeing 2 consecutive years of high NPLs and loan losses. Key change initiatives include the new credit framework and processes, new fund transfer pricing (FTP) framework and a new incentive framework for staff. As we regarded our credit engine as weak, we allowed our loan assets to shrink and focused instead on deposits and wealth management products.

On 7th September, the consumer bank was rebranded and launched as “CIMB Bank” by the Prime Minister who also declared open the first CIMB Bank branch at Starhill Gallery in Kuala Lumpur. Subsequently, 4 more new CIMB Bank branches were opened by end of 2006 - at The Curve Shopping Centre in Petaling Jaya, Bukit Tinggi in Klang, Serdang Perdana and at Genting Highlands Resort. Existing BCB and SBB branches will be rebranded as “CIMB Bank” in stages until August 2007. As at 31st December, we had 76 CIMB Bank branches, and we are ahead of schedule in our branch conversion exercise.

We are focusing our efforts on reconnecting with our existing customers to become their primary banker by delivering better product and services. The branches are being subjected to a revamp not only of the physical aspects and cosmetic features but down to the very heart of our service offering by each and every member of the branch staff.

As the whole bank mobilised itself to achieve the new service standards, the results were impressive. For example, average queue times in branches dropped from 11.84 minutes in January 2006 to as low as 3.23 minutes in December, with over 90% of branches achieving the target of keeping queue times under 5 minutes. The continuous internal 5-star certification became a coveted badge when the results were published bank-wide each month and branches could keep track of one another's progress. The mystery shopping process also kept branch staff on their toes.

Our Retail Banking division introduced innovative campaigns and marketing initiatives such as Dream Deposits and Dream Home Loan. New products such as “Money Multiplier” Current Account, Global All-Stars structured deposit, the single premium Best Select product, the new preferred banking offering - CIMB Club

- as well as preferential end-financing packages were all met with enthusiastic response from our customers. We also renamed our internet banking portal as “CIMB Clicks” with additional offerings for our customers' convenience.

For our Business Banking division, it was a year of consolidation and our emphasis was on asset quality. With the aim to be the “Bank of the Entrepreneur”, the division concentrated its efforts on cross-selling the Group's products, servicing customers using a needs-based approach. Our bankers also took on the less pleasant task of repricing loan facilities as the results of a comprehensive review of risk/return profile of our portfolio showed that a large portion of our mid-cap and SME portfolio had been mispriced.

Direct Banking and Cards is a division which has shown remarkable growth within SBB. Direct Access has a strong niche in the mass affluent customer segment. The merged credit card unit is now ranked 4th in credit card receivables and 2nd in merchant acquiring business among the domestic banks in Malaysia. In 2006, we registered double digit growth in both areas, with cardholder billings growing at 17% and merchant billings at 12%. The growth of 12% in the loan receivables was achieved while maintaining the asset quality with an NPL ratio which is below industry levels. We also formed a strategic alliance with Malaysia Airlines in November 2006 to issue the CIMB Enrich MasterCard, Malaysia Airline's first co-branded credit card.

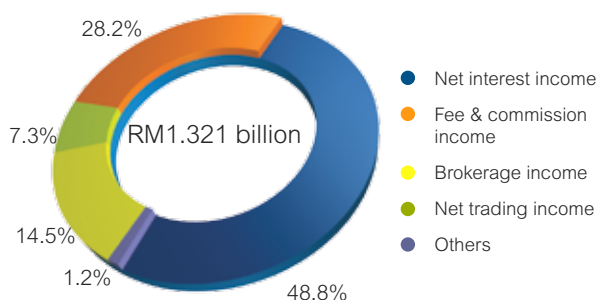
CIMB Express represents a new growth area for the group and supports its philosophy of a universal bank, providing financial services to customers who were previously “unbanked” ie. customers who typically have had little or no access to financial institutions. These customers have been either denied financial services or do not seek them as mainstream financial products as it does not match their needs nor their means. Many have to resort to the informal sector for financing. In 2006, we grew our loan base from RM57.6 million to RM269.3 million and we expect that this unit will continue to be our fastest growing segment in 2007.

Corporate and Investment Banking

Corporate and Investment Banking is anchored by CIMB Investment Bank in Malaysia and CIMB-GK overseas. In 2006, the division sought to retain its leading market

Performance Review by Group Chief Executive

CORPORATE & INVESTMENT BANKING INCOME



Source : CIMB

At a glance	RM bil
• Loans	28.7
• Deposits	22.5
• Assets under management (PB)	3.7

position in the Malaysian domestic market while seeking to expand its regional franchise. By leveraging on the balance sheet of CIMB Bank, the division widened its universe of deals, especially outside Malaysia.

We had a spectacular year in mergers and acquisitions. We even broke the record for Malaysia's largest M&A 4 times during the year! We emerged 7th in the Asia (ex-Japan) league table for mergers and acquisitions ranked by deal value. We were the only Malaysian and South East Asian bank to be ranked in the top 10.

Organisational changes resulting from the merger with SBB saw SBB's corporate banking department being one of the first to be merged with CIMB.

ASIA (ex-JAPAN) M&A ANNOUNCED FOR FULL YEAR 2006

Rank	Advisor	USD mil	Deals
1	JP Morgan	48,372	42
2	Goldman Sachs	38,143	33
3	UBS	32,013	35
4	Citigroup	29,739	43
5	Morgan Stanley	26,175	48
6	China International Capital Corp	25,722	27
7	CIMB	25,458	81
8	Credit Suisse	22,982	25
9	ABN AMRO	22,145	26
10	Deutsche Bank	18,411	17

Source : Dealogic

Mr Ong Liang Heng was appointed Head of Corporate Finance, replacing Mr Lim Tiang Siew who was appointed as Group Chief Financial Officer. Mr Kok Kong Chin and Ms Kong Sooi Lin were appointed co-heads of Investment Banking. Mr William Toh was appointed Deputy Chief Executive Officer of CIMB-GK, and Encik Mohammed Rafidz Rasiddi was appointed Country Head for CIMB-GK Thailand.

PT CIMB-GK Securities Indonesia was officially launched in January in Jakarta. CIMB-GK also opened CIMB-GK Securities (Thailand) in Bangkok and CIMB Investment Bank opened a new branch in Kota Kinabalu in November.

CIMB'S KEY M&A & EQUITY DEALS - DOMESTIC

- Synergy Drive Sdn Bhd's RM31 billion takeover of Sime Darby, Kumpulan Guthrie and Golden Hope and their subsidiaries.
- MMC Corporation Berhad's RM9.3 billion acquisition of Malakoff Berhad.
- Daikin Industries' RM7.6 billion takeover of OYL Industries.
- Bumiputra-Commerce Holdings Berhad's RM6.7 billion acquisition of SBB.
- Malaysian Mosaics Berhad's RM686 million divestment of shares in Hap Seng Berhad.
- Samling Global Ltd's RM660 million acquisition and conditional takeover of Lingui Development Berhad.
- TH Plantations Berhad's RM93 million IPO.
- Tower REIT's RM216 million IPO.
- Genting Berhad's RM1.0395 billion placement.
- Magnum Corporation Berhad's RM1.339 billion underwriting.



Performance Review by Group Chief Executive

CIMB'S KEY M&A & EQUITY DEALS - OVERSEAS

- Wilmar International's US\$2.7 billion takeover of Kuok Group companies including PPB Oil Palms, Kuok Oils & Grains Pte Ltd (KOG) and PGEO Group Sdn Bhd (Malaysia/Singapore).
- Wilmar International Ltd's SGD1.3 billion reverse takeover of Ezyhealth Asia Pacific Ltd (Singapore).
- Salemi International Ltd's US\$540 million mandatory conditional cash offer for First Pacific Company Ltd (Hong Kong).
- Gems TV's SGD308.63 million IPO (Singapore).
- PT Berlian Laju Tankers US\$120 million IPO (Indonesia).
- PT Mobile-8's USD96 million IPO (Indonesia).
- China Kangda Food Company Limited's SGD46 million IPO (Singapore).
- Pan Hong Property Group Ltd's SGD44 million IPO (Singapore).
- Future Park Property Fund's THB4.7 billion IPO (Thailand).
- Wilmar International's SGD345 million placement of shares (Singapore).

INVESTMENT BANKING

The Investment Banking department continued to play a pivotal role in identifying and capturing capital market deal opportunities for the CIMB Group. The competitive landscape in the capital markets industry proved to be even more intense in 2006, requiring greater level of creativity and responsiveness to clients. We were also challenged by significant changes in personnel in this unit as many senior relationship managers were tapped to run other units in the enlarged firm. With this backdrop, our success in sustaining our large market shares across the capital market was very commendable.

CORPORATE FINANCE

2006 was a year of M&A in Malaysia with the industry M&A deal value reaching RM106.9 billion, 3 times larger than the 2005 figure of RM32.6 billion. CIMB continued to top the domestic M&A league table with 31 deals announced (exceeding RM50 million) for a total deal value of RM 77 billion or a 42% market share by value.

In 2006, the industry also saw a substantial increase in the value of equity/equity-linked issues from RM4.7 billion in 2005 to RM7.9 billion in 2006. Out of the RM7.9 billion issued, CIMB was no.1 with RM5.3 billion worth of issues.

There were a significantly less number of IPOs in 2006 - 40 IPOs with a total issue size of RM1.9 billion, compared to 2005 of 79 IPOs with a total issue size of RM5.4 billion. CIMB was the adviser for 5 IPOs with total amount raised of RM421 million.

CORPORATE BANKING

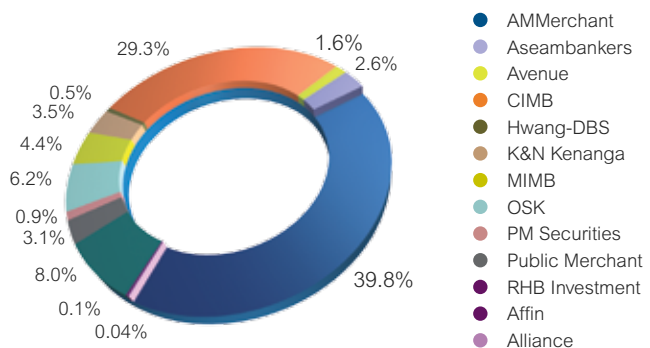
Following the SBB merger, Corporate Banking department has a combined portfolio of about 1,700 corporate banking customers with facilities of over RM51 billion. We believe that the integration of corporate banking within our whole investment banking set-up has worked well, increasing customer reach and improving customer service levels. The loans portfolio grew to RM21.4 billion while the deposit base grew to RM17.6 billion. In terms of asset quality, corporate banking net NPL is low at 5.2% and in 2006 had net loan loss writebacks.

EQUITIES

2006 was a slower year compared with 2005, attributable to weaker mid-year market conditions and deferment of transactions. Nevertheless, CIMB did well in the Malaysian equity capital markets with several landmark transactions

We played a key role in developing the structured warrants market in Malaysia. Out of the 25 structured warrants issued in Malaysia in 2006, 23 were issued by CIMB, earning us the position as market leaders in structured warrants. In line with our commitment to raise market awareness and understanding of equity derivatives products, we also conducted numerous product briefings and press conferences for investors throughout Malaysia in 2006. In February 2007, we launched the CIMB Warrants Portal, a public website which is a one-stop education, information

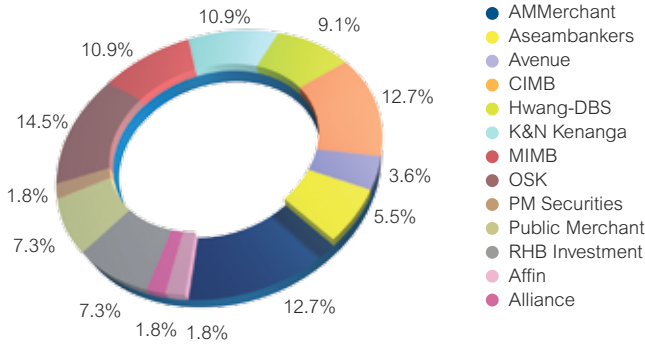
MARKET SHARE OF EQUITY/EQUITY-LINKED ISSUES IN 2006 BY VALUE



Source : CIMB, Bursa Malaysia announcement

Performance Review by Group Chief Executive

MARKET SHARE OF EQUITY/EQUITY-LINKED ISSUES IN 2006 BY NUMBER



Source : CIMB, Bursa Malaysia announcement

and investment tool on call warrants, further entrenching our position as a market leader in the development of the warrants market in Malaysia.

Our proprietary equities trading portfolios performed well on the back of strong global equity markets. The KLCI hit new highs and several regional markets (China, Hong Kong, India, Indonesia and Singapore) reached all time highs. We will continue to refine investing strategies, grow assets under management and adopt new trading strategies into 2007 in order to further enhance return on capital.

PRIVATE CLIENT SERVICES

Private Client Services comprises 2 sub-units, namely, Retail Equities (which provides equity trading for retail clients) and Private Banking which caters to the wealth management needs of high net worth investors.

Although Bursa Malaysia's turnover expanded 42% in 2006, retail interest was not as strong resulting in Retail Equities recording an income growth of only 21% from 2005.



In respect of Private Banking, we were able to further consolidate our position, developing offshore products, widening the range of structured products including 3rd party products, offering forex remittance and other services as well as growing our network to 3 locations with Kota Kinabalu being this year's addition. This was to offset a weaker retail interest in equities as well as a weaker bond market in 2006 which recorded a decline of 32% in turnover. Hence, despite the weak contributions from domestic equities and bonds, Private Banking's turnover grew by 19%. As at end December 2006, Private Banking's AUM totalled RM3.48 billion, which represented an increase of 22% over the year.

SECURITIES FINANCING

The Securities Financing department provides financing secured by investment deposits, structured products and securities. Growth in loans of 25.3% was commendable but slower than expected. In 2007, this unit will be integrated with Retail Banking to widen its reach.

INTERNATIONAL BANKING & TRANSACTIONS SERVICES (IBTS)

In 2006, IBTS was reorganised into 3 business units, namely, International Banking (which encompasses International Credit, Loans Syndication & Trade Finance and Global Financial Institutions), Cash Management and Securities Services.

The screenshot displays the CIMB website interface with the following sections:

- Navigation:** Home, About Us, Analysts, News, Information.
- Market Data:**
 - CONSUMER 202.12 ↑ 1.76
 - IND-PROD 106.75 ↓ 0.10
 - CONSTRUCTN 227.82 ↓ 0.92
 - TRAD/NOV 164.81 ↓ 0.22
 - TECHN
- News & Analysis:**
 - This Week's Picks:**

Warrants Name	EQ F (Premium x 1)	SHARES ISSUED (Million)	PERCENTAGE (US\$M)
081010-CB	100	100	28.1
081010-CC	4.30	100	29.1
081010-CD	0.87	100	25.7
081010-CE	4.40	100	27.4
 - CHARTS:**
 - 081010-CB (1000) Share Price Chart (Jan to Mar)
 - 252007 KLRMI KLCI 252007 (H-06) Index Chart (Jan to Mar)
 - DISCLAIMER:** Standard disclaimer text.
 - Stock / Warrants Quote:** Search bar for real-time quotes.
 - Announcement:**
 - SHARES/EMPLOYEE SHARE (EPC/Scheme) (Scheme)
 - Linked Warrant
 - Market Summary:**
 - Top 5 Most Attractive
 - Top 5 Least Attractive

Performance Review by Group Chief Executive

International Credit remains the core contributor to IBTS' results. Total gross loans increased by 8% to RM7.4 billion as at end 2006. The Loans Syndication and Trade Finance unit has made good progress in Singapore. Since its relocation in August 2006, the unit has successfully committed RM1.03 billion in funds at top arranger level. Cash Management continued to build its business model, recording growth in its CIMB Biz-Channel income. Moving forward, income from the Cash Management unit is expected to grow significantly. Security Services comprises credit agency, credit operations, fund accounting, trustee and custodian services. In 2006, efforts were focused on integrating the security services units under CIMB Investment Bank, CIMB Bank and SBB into a single operating unit.



CIMB-GK PTE. LTD. (CIMB-GK)

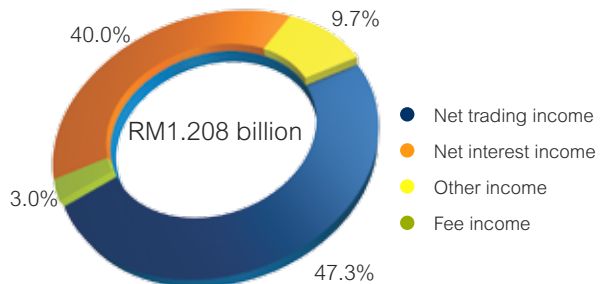
CIMB-GK made its first full year contribution to CIMB Group in 2006, following its acquisition in June 2005. Its revenue of RM406 million (SDG178 million) was 24% higher than in 2005, with growth coming from all its business divisions on the back of buoyant market sentiment.

Institutional Equities, which has been consolidated Group-wide under CIMB-GK to cover all markets in South East Asia (including Malaysia) and Hong Kong, recorded strong earnings growth of 20% to SGD37.3 million in 2006. Corporate Finance which completed several major transactions during the year recorded revenue growth of 55%. This was partially offset by slightly lower earnings in Retail Broking and Wealth Management due to rising operating costs. Commission revenue from GohDirect online continues to be a significant channel for Retail Equities with monthly online average commission increasing by 30% from 2005.

Treasury and Investments

The Group Treasury Division is the merged markets and treasury operations of CIMB, BCB and SBB which provides the BCHB Group with strong capabilities to intermediate in interest rate, credit spread and FX term structures across every market segment including the consumer, SME, corporate, institutional investor and inter-bank markets. Group Treasury is also responsible for the balance sheet and capital management as well as funding for BCHB Group and its banking subsidiaries including investment management of the Group's capital and managing the Group's capital and debt gearing structure.

TREASURY & INVESTMENT INCOME



Source : CIMB

In July 2006, we implemented the Option Adjusted Matched Duration Funds Transfer Pricing ("FTP") framework for CIMB Bank. The key objective of the FTP system is to measure cost and credit for funds for each loan and deposit reflecting the interest rate, optionality and liquidity risk return profile of each asset/liability item in the loan and deposit balance sheet accurately. Adoption of the FTP framework has been, and will continue to be, crucial for-

- preservation and optimization of the economic value of the commercial bank's loan and deposit balance sheet.
- periodic net interest income management.
- transforming the commercial bank into a spread intermediation franchise and reducing its Net Interest Income volatility from interest rate movements.
- expansion of loan and deposit banking products out the interest rate and optionality term structure.
- management of the bank's balance sheet in terms of hedging, net interest income profiling and product pricing guidance.

Performance Review by Group Chief Executive

In recognition of the initiatives put in place, CIMB was awarded The House of the Year, Malaysia by AsiaRisk, for improvement in Asset Liability Management of the bank's loan and deposit balance sheet.

STRUCTURED PRODUCTS



We significantly expanded our Structured Product/Deposit offerings in 2006 and successfully utilized the enlarged sales and distribution channels of the universal bank to cover a much larger market segment. In July 2006, we launched Malaysia's first structured deposit, the All Stars Global Guaranteed Deposit, which is a principal protected structure where the payout is based on a basket of highly identifiable global equity counters. This was well received by the Malaysian markets and was followed swiftly with several other successful product launches including the Star Select and Best Select. AsiaMoney's Structured Products Poll voted CIMB Bank the Best Domestic Provider of Local Currency Products in 2006.

FIXED INCOME SECURITIES - ORIENTATION, SYNDICATION AND MARKET MAKING

In 2006, we retained our No. 1 position in the Malaysian (Ringgit Private Debt Securities) League Table, with a market share of 47.1% where we significantly widened our market leadership position as compared with a 20.1% market share in 2005. In the USD-denominated bond segment issued by Malaysian issuers, CIMB increased its market share from 8% in 2005 to 25% in 2006.

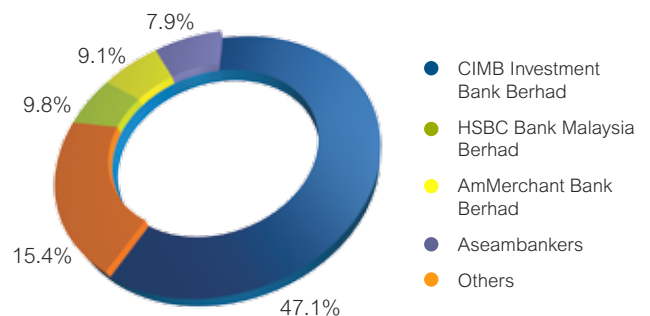
A significant growth driver for 2006 and the future continues to be Islamic corporate debt issuances. In

recognising and tapping this growing sector of the market, CIMB managed to rank No.1 domestically and globally for Islamic corporate debt issues.

CIMB'S KEY DEBT TRANSACTIONS - DOMESTIC

- Khazanah Nasional Berhad's US\$750 million Islamic Exchangeable bond via a special purpose vehicle, Rafflesia Capital Berhad.
- Public Bank's RM1.2 billion tier 1 capital instrument.
- Penerbangan Malaysia Berhad's US\$1 billion global bonds.
- Resorts World Berhad's RM1.1 billion convertible bond issue.
- Project Lebuhraya Utara-Selatan Bhd's MTN Programme - RM2.26 billion Sukuk Series 1, RM2.41 billion Sukuk Series 2 and RM4.5 billion Sukuk.
- Bank Pembangunan & Infrastruktur Malaysia Bhd's RM7.0 billion Islamic and Conventional MTN Programme.
- MISC Berhad's RM1 billion CP/MTN Program.
- Rantau Abang Capital Berhad's RM3 billion Islamic CP/MTN and RM7 billion Islamic MTN Programme.
- Sabah Development Bank Berhad's RM500 million bond issue.

RAM & MARC LEAGUE TABLES FOR DOMESTIC BOND ISSUES - 2006



Source : RAM & MARC

Performance Review by Group Chief Executive

CIMB'S KEY DEBT TRANSACTIONS - OVERSEAS

- US\$250 million Notes issued by a unit of P.T. Excelcomindo Pratama of Indonesia.
- US\$200 million Sukuk Istisna & Ijara Trust Certificates issued by Tabreed 06 Financing Corporation, guaranteed by the National Central Cooling Company PJSC of the United Arab Emirates.
- IDR1 trillion 5-year Bonds issued by PT Bank Jabar of Indonesia.

We made progress into the regional and Middle Eastern debt capital markets as we lead managed several USD-denominated global bond issues by non-Malaysian issuers.

CIMB also made inroads into the regional domestic currency bond markets with our inaugural Rupiah-denominated IDR1 trillion 5-year bond issued by P.T. Bank Jabar which was jointly lead managed and underwritten by P.T. CIMB-GK Securities Indonesia.

PRIMARY AND SECONDARY MARKET TRADING

CIMB takes principal positions through market making and proprietary trading activities in fixed income, foreign exchange, commodities, equity and their derivatives. We achieved strong levels of profitability on the back of volatility in the currency, interest rate and credit markets. We continue to command a sizeable 11% and 25% market share of secondary trading volume in the Ringgit sovereign and corporate bond markets respectively. We were awarded the Best Secondary Trading House in Sovereign and Corporate Ringgit Bonds by The Asset and Best Domestic Provider of FX Services by AsiaMoney. We also expanded our trading activities to cover commodities.

We expanded our sales trading coverage especially for foreign exchange and the regional fixed income markets. With domestic banking licenses in Malaysia, Singapore and Indonesia, we have been building up our sales

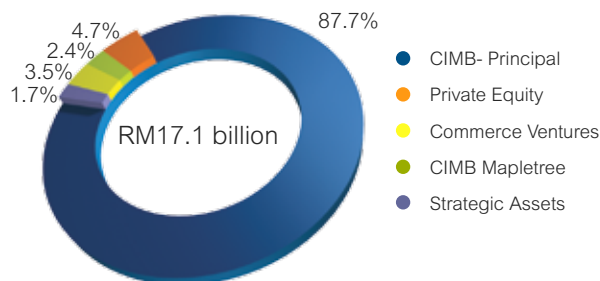
trading coverage to enable us to take advantage of the growing trade and investment flows between these three economies and to meet the foreign exchange and investment needs of our government, institutional, corporate and retail clients. Our Institutional Sales team now covers accounts in Singapore, Brunei, Hong Kong, London, Indonesia and the Middle East, in addition to our coverage in Malaysia. We have reorganised our Foreign Exchange Sales teams to significantly expand our market making in foreign exchange spot, forwards and swaps and longer-term foreign exchange products.

In 2006, we expanded our trading presence in the Asian Dollar bond markets as well as commenced Singapore Dollar-denominated and Hong Kong Dollar-denominated fixed income trading. As a natural progression of our trading activities, we initiated market-making activities in FX Options and started trading in commodities. We won the Best Secondary Trading House in Sovereign and Corporate MYR bond market for 2006 award by The Asset and the Best Domestic Provider of FX Services for 2006 by Asiamoney.

Asset Management

Group Asset Management is a new division within the universal bank which combines all the Group's funds management activities. CIMB-Principal houses the Group's conventional funds management business while retail agency business is conducted through CIMB Wealth Advisors, our agency force. In respect of wholesale funds, private equity and venture capital funds are managed by Commerce-Ventures and CIMB Private Equity. The real estate fund is managed by CIMB Mapletree while a newly

ASSET MANAGEMENT AUM



(excludes private banking and CIMB-GK)

Source : CIMB

Performance Review by Group Chief Executive



Group Asset Management

From left to right:

Vijay Sethu

Darawati Hussain

Raja Noorma
Othman

Raja Shamsul
Kamal

Noripah Kamso

Adrian Ong

Tan Beng Wah

Suryono Darnor

formed fund for investment in strategic assets is managed by the South East Asian Strategic Assets Fund.

With over RM20 billion of AUM, we are the largest fund management company in Malaysia.

2006 was a challenging year for CIMB-Principal, with a high redemption rate of unit trusts, resulting in AUM falling 13% year on year. The AUM for wholesale funds however, rose 36%. We launched 5 funds, leading the market in

innovation. Among the new funds were Malaysia's 1st Islamic Asia Pacific Equity Fund (Asia Pacific Adil fund), Malaysia's 1st closed-ended Bond Fund with foreign FIS exposure (Multi-maturity Income Fund), Malaysia 1st global balanced fund (SBB Global Balanced Fund) and the 1st Asia (including Japan) equity fund (SBB Asian Equity Fund). Our regional business continued to gain traction. We listed the 1st ASEAN Exchange Traded Fund (ETF), the FTSE/ASEAN 40 ETF, on the Singapore Stock Exchange in September. In the same month, we also launched the Kausar Balance Growth Fund in Indonesia, which is Indonesia's 1st Shariah compliant unit trust fund with offshore exposure. We were also the 1st asset management company to distribute RM-denominated mutual funds in Singapore and Indonesia through CIMB-GK and Bank Niaga.

In respect of our wholesale funds, our private equity arm, Commerce-Ventures, exited 2 investments in Big Tree Outdoor (a media company) and the International Medical University. As a result, Commerce-Ventures recorded a



Performance Review by Group Chief Executive

record profit before tax of RM103 million for 2006. CIMB Mapletree, our real estate fund, is now fully invested. We also launched the South East Asian Strategic Assets Fund (SEASAF) in partnership with the Standard Bank of South Africa, with USD100 million in commitments from CIMB Group, Standard Bank and the Employee Provident Fund (EPF).

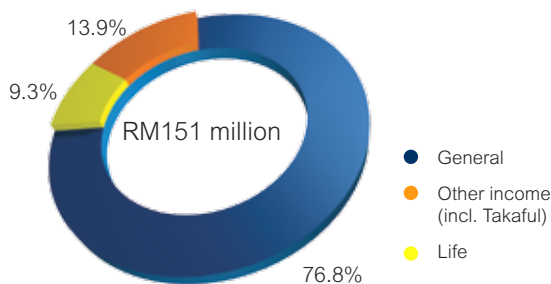
We won 5 Asia Asset Management Awards for 2006. In the Best of Best Malaysia category, we won all the 4 awards offered including the inaugural award for Best Offshore Fund for our Global Asset Spectra Fund and Best Islamic Fund House. For the second year in a row, CIMB-Principal won Most Improved Fund House as well as Most Innovative Product, and this year it was for the groundbreaking FTSE/ASEAN 40 ETF. CIMB-Principal's Chief Executive, Noripah Kamso, was named Marketing Personality of the Year, a pan-Asian Best of Best Regional category. Noripah has won this award for the second year in a row.

Insurance

This division comprises general insurance, life insurance and takaful.

In September 2006 we began a process to rationalise our insurance business and trim our portfolio to optimise management resources. We undertook an extensive RFP process to select suitable partners for its insurance businesses. The response to our RFP was very encouraging with attractive bids from various global bancassurance players, demonstrating the potential of our new universal banking franchise and the Malaysian insurance market as a whole.

INSURANCE INCOME



Source : CIMB

In line with our decision to strengthen our customer value proposition in insurance products and services and focus on core competencies, we announced our decision to sell a 49% stake in Commerce Life Assurance Berhad and Commerce Takaful Berhad for a cash consideration of RM500 million to Aviva Pte Ltd. We also announced our decision to sell 100% of Commerce Assurance Berhad to Allianz General Insurance Malaysia Berhad for a cash consideration of RM490 million, retaining with Allianz a strategic alliance to distribute general insurance products through CIMB Bank. The deals are scheduled for completion in the 2nd and 3rd quarters respectively.

Islamic Banking



2006 saw the merger of CIMB Investment Bank's Islamic division with Commerce Tijari Bank Berhad, a subsidiary of Bumiputra-Commerce Bank. CIMB Islamic is the product of this merger and combines the investment banking expertise of the CIMB Group with the reach of the consumer bank's wide distribution network. CIMB Islamic appointed Encik Badlisyah Abdul Ghani as Chief Executive Officer. Encik Badlisyah was formerly head of CIMB Investment Bank's Islamic division. Encik Muzaffar Hisham was appointed Deputy Chief Executive Officer of CIMB Islamic.

As a step towards ensuring that our customers have a choice of either conventional or Islamic banking options, we took the strategic move of operating CIMB Islamic on a dual banking or parallel basis for the entire range of services of CIMB Group. By focusing on providing comprehensive and innovative Shariah-

Performance Review by Group Chief Executive

compliant products and services, all customers - whether individuals or corporations - will have a Shariah-compliant option for any financial transaction or instrument - whether it is in respect of consumer banking, investment banking, treasury or asset management. CIMB Islamic also manages and oversees the overall development, marketing, execution and distribution of CIMB Group's Islamic banking and finance products and services.

As part of CIMB's growth strategy and to further extend its reach to clients, we launched CIMB-Kanoo Islamic Investment Company BSC (C) ("CIMB-Kanoo") in Bahrain. CIMB-Kanoo, which is a joint venture with Yusuf Bin Ahmed Kanoo WLL, started operations in January 2007. It is also CIMB's first venture outside of South East Asia.

The joint venture will allow us to participate in the Islamic capital markets in the Middle East, which has gone through an unprecedented period of growth. It also signifies our deep commitment to the Middle East market to better serve our customers there as well as provide a financial services bridge between the two regions.

For 2006, CIMB Islamic advised a total of 31 issues worth USD7.1 billion and capturing 32.5% of the global sukuk market. This placed us as the top sukuk issuer globally. In the domestic market, our market share was 55%.

CIMB has led the market again this year by pioneering several groundbreaking deals including the world's first exchangeable sukuk. CIMB acted as Joint Bookrunner, Joint Lead Manager and Joint Shariah Advisor for Rafflesia Capital Limited's (Rafflesia) USD750 million Exchangeable Sukuk in the world's first Shariah-compliant exchangeable bond. Rafflesia is a subsidiary

of Khazanah Nasional Berhad, the investment arm of the Malaysian Government. The Exchangeable Sukuk was also the largest ever exchangeable bond out of Malaysia and the largest exchangeable instrument issued out of Asia ex-Japan to date. The Rafflesia issue won several awards from various publications during the year.

OTHER KEY SHARIAH FINANCING DEALS

- Projek Lebuhraya Utara-Selatan Berhad's RM9.8 billion Sukuk.
- Rantau Abang Capital Berhad's RM3.0 billion Islamic Commercial Papers/Medium Term Notes Programme and RM7.0 billion Islamic Medium Term Notes Programme.
- Bank Pembangunan Malaysia Berhad's Islamic MTN Programme of up to RM7 billion and Conventional MTN Programme of up to RM7 billion.
- United Arab Emirates National Central Cooling Company's (TABREED) USD200 million Sukuk.
- Penang Bridge Sdn Bhd's RM695 Million Zero Coupon Serial Sukuk Istisna.
- Putrajaya Holdings Sdn Bhd's RM2.2 billion Murabaha facility.

BANK NIAGA

Bank Niaga reported net income for the financial year ended 31st December 2006 of Rp 648 billion, up 18% from a year ago which translates to a net ROE of 16.6%. Net interest income grew by 28% over the year to a record figure of Rp 2.21 trillion with net interest margins

BANK NIAGA - FINANCIAL PERFORMANCE SNAPSHOT

(Rp billion)	FY06	FY05	Y-o-Y
Net interest income	2,212	1,726	28%
Non interest income	692	411	68%
Other operating expense	(1,467)	(1,209)	21%
Operating income before provision	1,437	928	55%
Loan provisions	(351)	(169)	108%
Other provisions	(58)	(32)	81%
Non operating/ (loss) income	(96)	19	(605%)
PBT	932	746	25%
Net profit	648	547	18%
Net profit (RM mil)	259	212	22%

Performance Review by Group Chief Executive



PT Bank Niaga tbk

From left to right:

James Rompas

Tay Un Soo

Catherine Hadiman

C. Heru Budiargo

Hashemi Albakri

improving 34 basis points on year to 5.94%, due to the decreasing trend of the benchmark interest rates during the year.

Bank Niaga's gross and net NPL ratios have improved significantly to 3.47% (31st December 2005: 5.23%) and 2.72% (31st December 2005: 4.29%) respectively with the disposal of its largest corporate NPL in September 2006. Loan loss coverage ratio stood at 60% from 41.6% a year ago. Cost to income ratio also improved to 47.6% from 54.4% at the end of 2005 with higher total income generated.

The Bank opened 11 new branches, with a total of 240 branches at the end of 2006. We also increased the ATMs by 62 units to a total of 397 machines. We are also happy to have served 34,000 new customers in 2006.

Bank Niaga again received many domestic and regional accolades, recognizing its achievements on various fronts. Among others, the Bank was named as "The Most Consistent Bank in Service Excellence by the InfoBank

magazine, "The Best Commercial Bank for Real Estate 2006" by Euromoney and "The Best Managed Company in Mid Cap Category" by AsiaMoney. Bank Niaga was also selected as one of the 'Highly Trusted Companies' in the 2005 Corporate Governance Perception Index (CGPI) Award presented by the Indonesian Institute for Corporate Governance (IICG) and SWA Magazine.

KEY SUPPORT SERVICES

Group Finance

During the year, Group Finance continued to play a key role in the various mergers and acquisitions undertaken by the CIMB Group, having been actively involved in the implementation of the integration between CIMB Investment Bank and CIMB Bank, the merger between CIMB Discount House and CIMB Investment Bank, CIMB Securities and CIMB Investment Bank, and between SBB and CIMB Bank. This included the successful alignment of finance functions, accounting policies and chart of accounts mapping of CIMB Investment Bank, CIMB Bank and SBB.

Performance Review by Group Chief Executive


**Group
Information &
Operations
Division**

From left to right:

Norazah Mohd Noor

Kong Kim Yihe

Iswaraan Suppiah

Francis Collin
Lazaroo

Chin Seow Si

Significant efforts were also made to further improve finance work flows and processes to better serve the Group, with commendable progress. This included the successful implementation of the new FTP framework for the CIMB Group, the implementation of a new and enhanced treasury system, the generation of profit & loss statements for products by foreign exchange currencies as well as the significant time reduction in the generation of daily profit & loss statements for all our trading units.

Group Information and Operations Division

GIOD, the operations and technology hub of CIMB, has seamlessly integrated its varied service offerings under one umbrella. Adopting a one-stop service concept, GIOD has reaped operational benefits in many frontiers across the Group. One of its greatest achievements for the year was the development of an IT and Operations Strategic Blueprint, which is currently in the implementation stage. IT continues to play a pivotal role in CIMB as an enabler in creating a customer

centric, robust and scalable universal banking platform at optimal cost. Among the notable projects completed in the year include the Private Banking and Treasury system implementations.

We also launched a bank-wide initiative to correct errors in our customer information. This will pave the way for us to communicate more effectively with our customers and to support our CRM marketing initiative.

To facilitate our growth in mortgages, we initiated a “loan processing transformation” project to improve turnaround time for disbursement of mortgage loans. As part of this project we became the first financial services company in Malaysia to deploy document management and imaging technology called “EMC Documentum”. This initiative won the “Best Change Management” award at MIS Asia’s IT Excellence awards to 2006.

We were the first bank in Malaysia to sign on to Telekom Malaysia’s managed network solution, TM IP VPN

Performance Review by Group Chief Executive

(Internet Protocol Virtual Private Network) Premier. This solution prioritises network traffic using advanced Multi Protocol Label Switching technology, and offers a cost-effective, secure, flexible, IP VPN service. This ensures that all mission-critical information is delivered in a timely and reliable manner to multiple users throughout the head office and branches.

After about 9 months of negotiations, we signed a new 10-year IT outsourcing agreement with EDS, a move which will enable us to achieve rapid and sustainable cost reduction in IT, and improved service quality and operational flexibility. This includes a 22% overall cost savings from our 2005 baseline after an initial period of 18 months following transformation and cost savings initiatives to be introduced by EDS. We estimate that, under the new agreement, our cost savings over the 10-year period will amount to RM250 million.

Group Strategy

During the year, Group Strategy played a pivotal role in the merger with SBB. The transaction garnered awards from several business publications - a further testament to its innovative deal structure and synergistic fit. Post merger, Group Strategy anchored the integration process - key in merging the businesses of the merged entity to become more efficient and competitive and realise the potential synergy values.

Group Strategy anchored a number of other strategic projects, including the sale of CIMB Wealth Advisors and SBB Asset Management; on-going proposed sale of Southern Investment Bank; internal reorganisation of BCHB; rationalisation of the Group's insurance business; and spearheaded the synergy realisation plans between CIMB Universal Bank and Bank Niaga.

GROUP RISK MANAGEMENT

The Group Risk Management Framework continues to emphasise the establishment of a risk culture that places risk considerations (credit, market, liquidity and operational risks) as key focal points in evaluating and pricing potential business transactions. By this measure, the officers who are responsible for generating revenue are regarded as the true risk managers, and they take primary responsibility to establish the "first line of defence" against downside consequences.

This was coupled with the introduction of a revised credit framework in line with domestic and international best practices for credit risk management. A credit-scoring model for all products which aim to price risks correctly in all business transactions was also implemented.

Recent asset quality measurements have indicated that there have been improvements in the asset quality as the rate of fresh NPLs and loan delinquencies has started to decline, particularly in the 2nd half of the year. Additionally, as risks are more correctly priced into deals and credit facilities, this has led to better profitability despite loan asset shrinkage and high credit charge on legacy assets.

Group CEO's Office

The Group CEO's Office comprises four main departments - Government Relationship Management, Customer Care, Group Recovery and Group Internal Audit (which reports primarily to the Audit Committee).

Performance Review by Group Chief Executive

An important aspect of customer relationship management is the role of the Government Relationship Department as the contact point with government bodies and agencies and Government-linked companies (GLCs) with about 600 relationship accounts. During the year, it actively participated in ICT projects undertaken by government agencies (particularly the Accountant General Office, EPF, IRB and Royal Customs) and in promoting the Group's products and services especially the CIMB Biz-Channel, Autopay, Direct Debit Services and CIMB Clicks to both the government agencies and GLCs.

The Customer Care Department set the industry standard in handling of customers complaints. During the year, it had consistently upheld the BNM industry wide benchmarking complaints handling standard. The department had been consistently rated above the industry average standard in every quarter.

Group Internal Audit had a very busy year transforming itself in line with the needs of the enlarged business.

Group Recovery is key to creating a strong banking franchise. It covers the non-performing portfolios of Retail Consumer, Corporate, Business and Retail Business, with a legally claimable NPL book of RM14.2 billion.

Group Recovery recovered and re-classified a total of RM2.8 billion worth of NPL during the year. We also decentralised Retail Business Recovery and Retail Consumer Recovery into 5 centres and 11 centres respectively to enable us to better reach our customers. This, coupled with the new credit framework and credit scoring models has seen the monthly fresh transfer of loans into NPL and total delinquents trending down from May 2006 onwards.

We continued to be innovative in our recovery methods. For instance, we took the industry lead in "mega auctions" for properties and introduced "clinical days" at weekends throughout the country to help customers restructure their facilities.

Investor Relations

2006 was a very eventful year for Investor Relations. With the increase in market capitalisation, high free float and frequent news flow, investors and analysts intensely followed our corporate moves. In addition to the analyst briefings, conference calls organised for BCHB's financial results, we held over 100 Investor Relations meetings, domestically and overseas, throughout the year to uphold our high standards of transparency and accountability towards investors.

Group Corporate Resources

Group Corporate Resources covers Human Resources, Corporate Communications, Administration and the Sports and Recreation Departments.

For Human Resources, in 2006, we focused on inculcating a high performance culture in the consumer bank, while ensuring a successful transition for SBB staff post-merger. We introduced a new compensation paradigm with performance-driven rewards and recognition. We were also quite successful in obtaining support from employee unions for this new paradigm.

For staff who felt they could not accept the paradigm, we made available exit options via a Voluntary Separation Scheme (VSS) and a Mutual Separation Scheme (MSS). About 12.5% of BCB staff took up the VSS and MSS offer with a total cost of RM119.5 million to the Group in 2006.

Performance Review by Group Chief Executive

In respect of the SBB merger integration, more than 4,000 SBB staff joined us post-merger, with 99.5% of staff accepting our offer of employment. Grading and compensation structures were harmonised throughout the merged bank, while training and re-skilling activities were conducted to ensure a smooth transition towards becoming “one bank”.

As part of talent management, the Commerce Leadership Institute continued to work with senior management to groom the Group's future leaders. A total of 134 candidates were identified for the talent management and succession planning pool and will undergo a continuous development programme.

For Corporate Communications, much of our focus was spent this year on the launch of the Group's new brand, and managing the communications strategy in line with the rebranding exercise. In addition, the department managed more than 100 events

The Group Administration Department was focused on the relocation of staff and various departments following the merger with SBB. It also provided the physical support for the rebranding exercise in ensuring that all the Group's buildings, signage, stationery, calling cards and a myriad of other matters were all updated promptly with the new logos. It also initiated a centralised procurement system to better manage risks.

The Sports and Recreation Department represents the fun part of working in CIMB. However, competitive as we are, we encouraged staff participation in sporting activities, in particular the MIBA Games and the Interbank Games, emerging 2nd and 3rd respectively. The Department also organised a Treasure Hunt in which more than 800 staff participated (in a total of more than 200 cars).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We believe in giving back directly to each community that we serve and in which we thrive. Total CSR spend in 2006 was in excess of RM7.3 million in the form



of donations and sponsorships for a long list of charities and causes.

Responding to the earthquake in Jogjakarta, Bank Niaga and CIMB Group collaborated to set up the CIMB-Niaga Jogja Relief Fund. Proceeds from the fund were used to help rebuild a school which was completely destroyed by the earthquake. The new building will have 12 classrooms and other amenities to accommodate 480 students.

At CIMB Bank, we unveiled the CIMB Community Link Fund, a CSR programme in which bank branches and customers will contribute to the surrounding community on an on-going basis. Customers do not come up with any cash, but instead CIMB Bank will donate a portion of its earnings or cost-savings to fund community projects. Customers contribute to the fund by utilising branch features which generate cost-savings such as using the ATM instead of teller services, opting for statement based accounts instead of passbook-based ones and actively using internet banking facilities. This means that when customers bank with us, they are banking for their community. Customers also help select the community project or charity to which we contribute each month or quarter by casting votes at a special voting console at the branches.

At the beginning of 2006, we announced our partnership with Majlis Sukan Negara and The Squash Rackets Association of Malaysia as “Rakan Sukan Squash” for a period of two years. We agreed to sponsor a sum of

Performance Review by Group Chief Executive



RM3 million (RM1.5 million per year) to support Majlis Sukan Negara and The Squash Rackets Association of Malaysia in their effort to develop and promote squash in the country. With this sponsorship, we hosted the CIMB Kuala Lumpur Open Squash, CIMB Malaysian Women's Open and CIMB Malaysian Men's Open.

CIMB also signed an agreement with World Squash Champion, Nicol David, as her main sponsor. We have been deeply inspired by Nicol's ability to continuously improve her game; and apparent complete lack of complacency. At CIMB, our corporate culture is one of high performance and continuous improvement. Nicol is an inspiration to all of us at CIMB, and I'm sure, to all Malaysians as well.

The BCHB COBRA Rugby Development Programme which is to run from 2005 to 2007 continued to flourish. The programme aims to train teachers as rugby coaches and to increase yearly, the availability of rugby as a sport to schoolboys under the age of 15. This programme has the sanction and support of the Ministry of Education, the Olympic Council of Malaysia and the Malayan Rugby Union.

The BCHB Group adopted two schools in Penang, Sekolah Kebangsaan Pulau Betong, Balik Pulau and Sekolah Kebangsaan Jelutong, under PINTAR, a project launched by Khazanah Nasional in 2006. The main goal of PINTAR is to implement a customized programme

at each adopted school to help improve academic performance and character building. The priority thrust of the programme is to raise the children's motivation to excel while the supplementary thrust is to ensure that there is a conducive learning environment.

KEY AWARDS

In addition to being named Bank of the Year in Malaysia by The Banker, CIMB Group's investment banking and Islamic banking franchises won an unprecedented haul of awards and accolades in 2006.

CIMB Investment Bank continued to be the region's most awarded investment bank. It was named Malaysia's Best Investment Bank by The Asset and Finance Asia. The equity franchise swept the equity awards by The Asset, Euromoney and Asia Money while we were also named the Best Bond House by Finance Asia. Our expertise and leadership in structured products and other derivatives as well as risk management was also acknowledged in the "House of the Year, Malaysia 2006" award by AsiaRisk.

CIMB Islamic was awarded global recognition when it won The Banker's global award for "Islamic Investment Bank of the Year", beating the Islamic banking franchises of bulge bracket global investment banks along the way. CIMB Islamic was also named "Best Islamic Finance House", a pan-Asian award by FinanceAsia as well as "Best Islamic Bank in Asia" by Euromoney.

The Group also won several deal awards, most notably for 2 transactions in which we played leading roles-

- Khazanah Nasional's USD750 Exchangeable Sukuk
 - Best Equity Linked Deal in Asia - Finance Asia, The Asset
 - Best Islamic Finance Deal in Asia - Finance Asia
- BCHB's acquisition of SBB
 - Best Domestic Deal in Asia - The Asset
 - Best Malaysia Deal - Finance Asia
 - Best M&A Deal - The Edge Malaysia

Performance Review by Group Chief Executive

2007 - PROSPECTS, STRATEGIC PRIORITIES AND GOALS

Prospects

For 2007, we forecast the Malaysian economy to grow at a moderate rate of 5.6%, weighed down by concerns over the US economy and global growth. Consumer sentiment is expected to be weaker with the lagged effect of higher borrowing costs and fuel prices. With the inflation outlook easing, we expect the OPR to remain unchanged throughout the year. Malaysia's GDP growth will be fueled largely by the manufacturing and services sectors. From the 2007 Budget, we expect pump-priming to drive the private sector as the real engine of growth, while the 2-stage corporate tax reduction will enhance cost effectiveness and attract new investment flows. We expect to see acceleration in the implementation of 9th Malaysia Plan projects. In our main overseas markets, we expect Singapore's GDP growth to ease to 5.7% fuel mainly by both goods and services-producing industries and construction related spending. In Indonesia, we expect GDP growth to increase to 6% as domestic spending recovers coupled with continued government spending.

The operating environment should be quite conducive for us to focus on business growth and our strategic priorities. We should in particular see our corporate and investment bankers and treasury teams able to take advantage of good capital markets and corporate lending opportunities in Malaysia and elsewhere in the region and achieve another set of good numbers in 2007.

We believe that by the end of Q1 2007, most of the operational transformation for the consumer bank will have been completed, including the establishment of a single IT platform for the whole bank. This will then enable us to prioritise business growth again. On a full cost allocated basis, the consumer bank is not profitable yet and we remain dependent on our wholesale franchise. Furthermore, we remain challenged by our legacy portfolio of consumer loans which have yet to peak in terms of NPL formation. It is critical that we start seeing top line growth, synergy extraction and strong

recoveries for consumer banking to be profitable again. We are encouraged though by the early response to our re-branding and new branches although I suspect that it will only be in 2008 that we will see our consumer engine at full throttle.

For Bank Niaga we think that there is momentum in its existing businesses to carry it through to a good 2007 although longer term we will need to develop synergies with Malaysian operations to offset stiffer competition, especially in mortgages where we have done so well in recent years.

Strategic Priorities

For 2007 we have adopted the twin pillars of "Optimisation and Regionalisation" to guide us in prioritising our activities. Our key priorities are-

Optimisation

- SBB integration
- Synergy realisation throughout the Group
- Re-energising insurance businesses
- Preserving and leveraging capital market leadership
- Fully exploiting our branch distribution capabilities
- Maximise NPL recovery
- Better cost management
- Leveraging on our partners
- Strengthening our brand

Regionalisation

- Strengthen core markets - Singapore, Indonesia and explore other high growth markets in South East Asia
- Unlocking synergy value from CIMB Group and Bank Niaga
- Rationalising international offices

Goals

We have adopted an annual net ROE target of 18% effective from 2007. For 2007, this represents a significant increase from our earlier announced ROE target of 15.5%.

Performance Review by Group Chief Executive

The increase in ROE target is based on an expectation that we will be able to defend our strong position in the capital markets as a whole and begin to see improvements in the consumer bank following the major transformation initiatives implemented in 2006. We also expect to recognise a gain of approximately RM650 million from the earlier announced sale of 100% of our General Insurance business and 49% of our Life Insurance and Takaful businesses.

The Group will maintain its dividend policy of at least 15 sen per share and its annual KPI target of TSR outperforming the KLCI. However, after the expected completion of the sale of its insurance businesses and private placement of shares to Bank of Tokyo-Mitsubishi UFJ to raise RM1.335 billion in new capital in mid 2007, we intend to review our dividend policy.

While we are very pleased to have significantly exceeded our financial targets in 2006 despite our ambitious transformation agenda, we acknowledge that our ROE is still lower than leading banks in the region. We are optimistic though that our consumer bank transformation, including the merger with SBB, will yield positive results from 2007 onwards to mitigate our current dependence on investment banking and treasury.

In next year's edition of this letter, I hope to be able to tell you that in addition to maintaining our dominant position the local capital markets, we became a truly regional franchise and are starting to reap the rewards from our consumer banking transformation exercise. Of course, I expect to be able to report that we met our 18% ROE target too.

ACKNOWLEDGEMENTS

On behalf of the Management, I would like to express our gratitude for the encouragement and support of so many stakeholders - the Malaysian Government, our shareholders, regulators, customers, partners and friends. I would also like to thank our board of directors for their unwavering support and guidance.

My colleagues now number 24,267 and are located in 12 countries. They make up a very large team of talented and driven individuals who have worked very hard throughout this year to make our ambitions become a reality. I thank each and every one of them for their support and look forward to their continued commitment in the future.



Nazir Razak

Our People

We have 24,267 people in 12 countries within the Group. Despite the diversity of the cultures and geographical dispersion, everyday, each of them goes about their daily tasks with one single aim of creating value for our customers. We embrace a high performance culture which demands that our people perform to the best of their abilities at all times. In return, we enable our people, train them, nurture their careers and reward them accordingly.



Corporate Organisation Chart



Board of Directors



From left to right:
Dr. Roslan A. Ghaffar
Datuk Dr. Syed Muhamad Syed Abdul Kadir
Dato' Hamzah Bakar
Tan Sri Dato' Seri Haidar Mohamed Nor
Tan Sri Dato' Md Nor Md Yusof



From left to right:
Dato' Nazir Razak
Dato' Mohd. Shukri Hussin
Dato' Robert Cheim Dau Meng
Dato' Zainal Abidin Putih
Cezar P. Consing

Board of Directors' Profile

TAN SRI DATO' MD NOR MD YUSOF

Tan Sri Dato' Md Nor Md Yusof, a Malaysian, aged 59, was appointed to the Board of BCHB as Director on 27 June 2006 and assumed the post of Chairman on 31 July 2006. He is a member of the Group Risk Management Committee and Chairman of CIMB Group Sdn. Bhd.

He is also Director and Chairman of the Executive Committee of Khazanah Nasional Berhad. He sits on the Boards of several companies and institutions including Malaysian Agrifood Corporation Bhd, Pelaburan Hartanah Bumiputera Berhad and Synergy Drive Sdn Bhd.

Tan Sri had completed his term as Chairman of the Securities Commission on 31 March 2006. Prior to that appointment he was the Managing Director of Malaysian Airlines System Berhad after serving a period as advisor to the Ministry of Finance.

Tan Sri Dato' Md Nor had spent 18 years of his working career with the Commerce group as a director of BCHB and more notably as President and Chief Executive Officer of Bank of Commerce Berhad (BOC).

Tan Sri Dato' Md Nor graduated with a Bachelor's Degree in Commerce from the University of Otago, New Zealand and qualified as a Chartered Accountant.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company, except by virtue of being a representative of Khazanah Nasional Berhad. He has not been convicted of any offence within the past ten years.

Tan Sri Dato' Md Nor attended 4 Board Meetings held in 2006 since his appointment.

TAN SRI DATO' SERI HAIDAR MOHAMED NOR

Tan Sri Dato' Seri Haidar Mohamed Nor, a Malaysian, aged 67, was appointed as Independent Non-Executive Director on 7 November 2006. He is also the Chairman of the Nomination and Remuneration Committee and a member of the Group Risk Management Committee.

Tan Sri Dato' Seri Haidar is also Chairman of CIMB Bank Berhad and its subsidiary companies CIMB Trustee Berhad, CIMB Trust Limited, and South East Asian Bank Ltd (Mauritius) and a director of CIMB Group Sdn. Bhd. He is also a Trustee of the Perdana Leadership Foundation and a board member of a number of private companies.

Tan Sri Dato' Seri Haidar was the Chief Judge of Malaya from December 2002 until November 2004, and has a long and distinguished record of service with the Malaysian judiciary. He qualified as a Barrister-at-Law from Lincoln's Inn, United Kingdom in 1966 and began his service with the Magistrate Court in Kuala Lumpur in February 1967. He then became Senior Federal Counsel with the Attorney General's Chambers in Kuala Lumpur and this was followed with appointments as Senior President at the Sessions Court in Pulau Pinang, Alor Setar and Kuala Lumpur between 1974 and 1980. Tan Sri Dato' Seri Haidar had also held the position as State Legal Adviser in Pulau Pinang and Perak.

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

Board of Directors' Profile

DATUK DR. SYED MUHAMAD SYED ABDUL KADIR

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

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

Tan Sri Dato' Seri Haidar attended the one Board Meeting held in 2006 since his appointment.

Datuk Dr. Syed Muhamad Syed Abdul Kadir, a Malaysian, aged 60, was appointed as an Independent Non-Executive Director on 7 November 2006. Datuk Dr. Syed is a member of the Audit Committee, Group Risk Management Committee as well as the Nomination and Remuneration Committee.

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

He started his career in 1973 as Senior Project Officer, School of Financial Management at the National Institute of Public Administration (INTAN) and held various positions before his final appointment as Deputy Director (Academic). In November 1988 he joined the Ministry of Education as Secretary of Higher Education and thereafter assumed the post of Deputy Secretary (Foreign and Domestic Borrowing, Debt Management) Finance Division, Federal Treasury. From 1993 to 1997, he joined the Board of Directors 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.

Board of Directors' Profile

Datuk Dr. Syed is Chairman of CIMB Islamic Bank Berhad and a director of CIMB Bank (L) Ltd. In addition, he is a director of CIMB Group Sdn. Bhd. and Deputy Chairman of CIMB-Kanoo Islamic Investment Company BSC (C), Bahrain. He is also a director of Euro Holdings Berhad and Solutions Engineering Holdings Berhad, both public companies. In addition he holds directorship in a number of private companies.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

Datuk Dr. Syed attended the one Board Meeting held in 2006 since his appointment.

DATO' NAZIR RAZAK

Dato' Nazir Razak, aged 40, a Malaysian, was appointed a Non-Independent Non-Executive Director on 27 January 2006 and is also a Director and Deputy Chairman of CIMB Investment Bank Berhad, CIMB Bank Berhad and CIMB Islamic Bank Berhad.

Dato' Nazir graduated from University of Bristol with a BSc (Hons) and obtained an MPhil from the University of Cambridge. He joined CIMB's corporate advisory department in 1989 and managed various fund raising, privatisation, listing and corporate restructuring exercises. In 1993 he transferred to CIMB's wholly-owned subsidiary CIMB Securities where he rose to Executive Director with responsibility for its institutional business comprising equities research, sales and dealing. He moved back to CIMB as Deputy Chief Executive on 1 June 1996 and became Chief Executive on 1 June 1999. He assumed the position of BCHB Group Managing Director/Chief Executive Officer on 7 November 2006.

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

Board of Directors' Profile

DATO' MOHD SHUKRI HUSSIN

Dato' Nazir was the winner of the Malaysia's CEO of the Year Award 2004 organised by Business Times and American Express Global Corporate Services. In 2005 he was named one of the "25 Stars of Asia" by BusinessWeek magazine and one of the World Economic Forum's Young Global Leaders. In 2006 Asiamoney listed him 29th in their inaugural list of top 100 most powerful and influential people in business and finance throughout the Asia-Pacific region. In 2006, Dato' Nazir was named one of Asia's 50 most influential figures of the last decade (1996-2006) by FinanceAsia magazine. In Asiamoney's 2006 poll amongst analysts and fund managers, Dato' Nazir was named Malaysia's best executive.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

Dato' Nazir attended 7 out of the 9 Board Meetings held in 2006 since his appointment.

Dato' Mohd Shukri Hussin, a Malaysian, aged 52, is currently the Executive Director/Group Advisor of BCHB.

Dato' Shukri was previously the Chief Operating Officer of BCHB. He has held various senior positions within the BCHB Group including as Chief Executive Officer of Bank Muamalat Malaysia Berhad from 1999 to 2003 and Chief Executive Officer of CIMB Securities Sdn Bhd from 1992 to 1999. He was appointed as a Director of BCHB on 3 January 2006. On 8 May 2006 he was appointed as Commissioner of PT Bank Niaga tbk. 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.

He is also a director of CIMB Group Sdn Bhd, CIMB Bank Berhad, CIMB Islamic Bank Berhad, Commerce Capital (Labuan) Limited and CIMB-Kanoo Islamic Investment Company BSC (C), Bahrain.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

Dato' Shukri attended all the 10 Board Meetings held in 2006.

Board of Directors' Profile

DATO' ZAINAL ABIDIN PUTIH

Dato' Zainal Abidin Putih, a Malaysian, aged 61, was appointed as an Independent Non-Executive Director on 7 November 2006. In addition, he is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee and the Group Risk Management Committee. Dato' Zainal has extensive experience in audit, management consulting and taxation, having been involved as a practising accountant throughout his career. He was the Chairman of Pengurusan Danaharta Nasional Berhad up to 31 December 2005. He was an Adviser with Ernst & Young Malaysia until his retirement on 31 December 2004 and was formerly the Country Managing Partner of Hanafiah Raslan & Mohamad which merged with Arthur Andersen in 1990. He is also a Past President of the Malaysian Institute of Certified Public Accountants and previously served as a member of the Malaysian Communication & Multimedia Commission. He qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is currently the Chairman of the Malaysian Accounting Standards Board.

Dato' Zainal also sits on the Boards of CIMB Group Sdn Bhd, CIMB Bank Berhad and CIMB Investment Bank Berhad. Dato' is also a director of ESSO Malaysia Berhad and Tenaga Nasional Berhad, both public listed companies, Synergy Drive Sdn. Bhd. and a Trustee of the National Heart Institute Foundation and was a member of the Investment Panel of the Employees Provident Fund. Dato' is also the Chairman of Mobile Money International Sdn Bhd and also holds directorship in a number of private companies.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

Dato' Zainal did not attend the one Board Meeting held in 2006 since his appointment.

DATO' HAMZAH BAKAR

Dato' Hamzah Bakar, a Malaysian, aged 63, was appointed an Independent Non-Executive Director on 7 November 2006 and is the Chairman of Group Risk Management Committee, a member of the Audit Committee and the Nomination and Remuneration Committee. He also sits on the Board of CIMB Group Sdn Bhd and is the Chairman of CIMB Investment Bank Berhad.

Presently, he is the Chairman of SapuraCrest Petroleum Berhad and its subsidiary, Sapura Energy Sdn Bhd, a Director of Scomi Group Berhad and its subsidiaries, Kota Minerals & Chemicals Sdn Bhd and KMC Oiltools Bermuda Ltd. He is also a member of the Board of Commissioners of PT Bank Niaga tbk and the Board of UEM World Berhad. He served for 20 years in various senior management and Board positions in Petroliaam Nasional Berhad ("Petronas"), including Senior Vice President for Refining and Marketing, Senior Vice President for Corporate Planning & Development and Main Board Director. Prior to Petronas, he was a Director of the Economic Planning Unit in the Prime Minister's Department. He holds a BSc (Hons) in Economics from the Queen's University of Belfast and an MA in Public Policy and Administration, with Development Economics, from the University of Wisconsin.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

Dato' Hamzah did not attend the one Board Meeting held in 2006 since his appointment.

Board of Directors' Profile

DATO' ROBERT CHEIM DAU MENG

Dato' Robert Cheim Dau Meng, a Malaysian, aged 55, was appointed a Non-Independent Non-Executive Director on 7 November 2006 and is a member of the Nomination & Remuneration Committee as well as the Group Risk Management Committee. He is presently CIMB's Advisor for Investment Banking, a Director of CIMB Group Sdn Bhd, CIMB-GK Pte Ltd and Chairman of CIMB Futures Sdn Bhd. He is also currently the Chairman and Independent Non-Executive Director of Tanjong Plc.

Dato' Robert Cheim joined CIMB in 1984 and held the position of Head of Corporate Finance, General Manager and Executive Director, before assuming the position of Chief Executive Officer from 1993 to 1999. From 1999 to 2006, he was an Executive Director of CIMB. Prior to joining CIMB, he served in various capacities with the former United Asian Bank Berhad (now known as CIMB 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 various accounting firms in London. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

He attended the one Board meeting held in 2006 since his appointment.

CEZAR PERALTA CONSING

Cezar P. Consing, a Philippine national, aged 47, was appointed an Independent Non-Executive Director on 7 November 2006 and is a member of the Group Risk Management Committee. He is one of the most experienced Asian international investment bankers. He was previously with J.P. Morgan for 19 years and headed its Investment Banking Division in Asia Pacific until May 2004. He is currently a partner of The Rohatyn Group, a New York-based investment management company specialising in the emerging markets, where he co-heads its Asian operations from Hong Kong. He is also a Director of TRG Management Hong Kong Ltd. and the Hong Kong-based Asian Youth Orchestra, and Premiere Development Bank and First Gen Corporation in the Philippines. He was previously an independent non-executive Director of Bank of the Philippine Islands.

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

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company. He has not been convicted of any offence within the past ten years.

Mr. Consing did not attend the one Board Meeting in 2006 since his appointment.

Board of Directors' Profile

DR. ROSLAN A. GHAFAR

Dr. Roslan A. Ghaffar, aged 54, was appointed as a Non-Independent Non-Executive Director on 3 November 2003 and is a member of the Group Risk Management Committee. Dr. Roslan is currently the Deputy Chief Executive Officer of the Employees Provident Fund Board (EPF), a post he has held since July 2002.

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

Dr. Roslan sits on the Board of Directors of several private companies in the EPF Group and Malaysian Resources Corporation Berhad. Dr. Roslan also sits on the Board of Commissioners of PT Bank Niaga Tbk.

He does not have any family relationship with other directors and/or major shareholders of the Company nor does he have any conflict of interest with the Company, except by virtue of being a representative of EPF. He has not been convicted of any offence within the past ten years.

Dr. Roslan has attended 8 out of the 10 Board Meetings held in 2006.

Company Secretaries' Profile



JAMIL HAJAR ABDUL MUTTALIB
Executive Vice President / Company Secretary

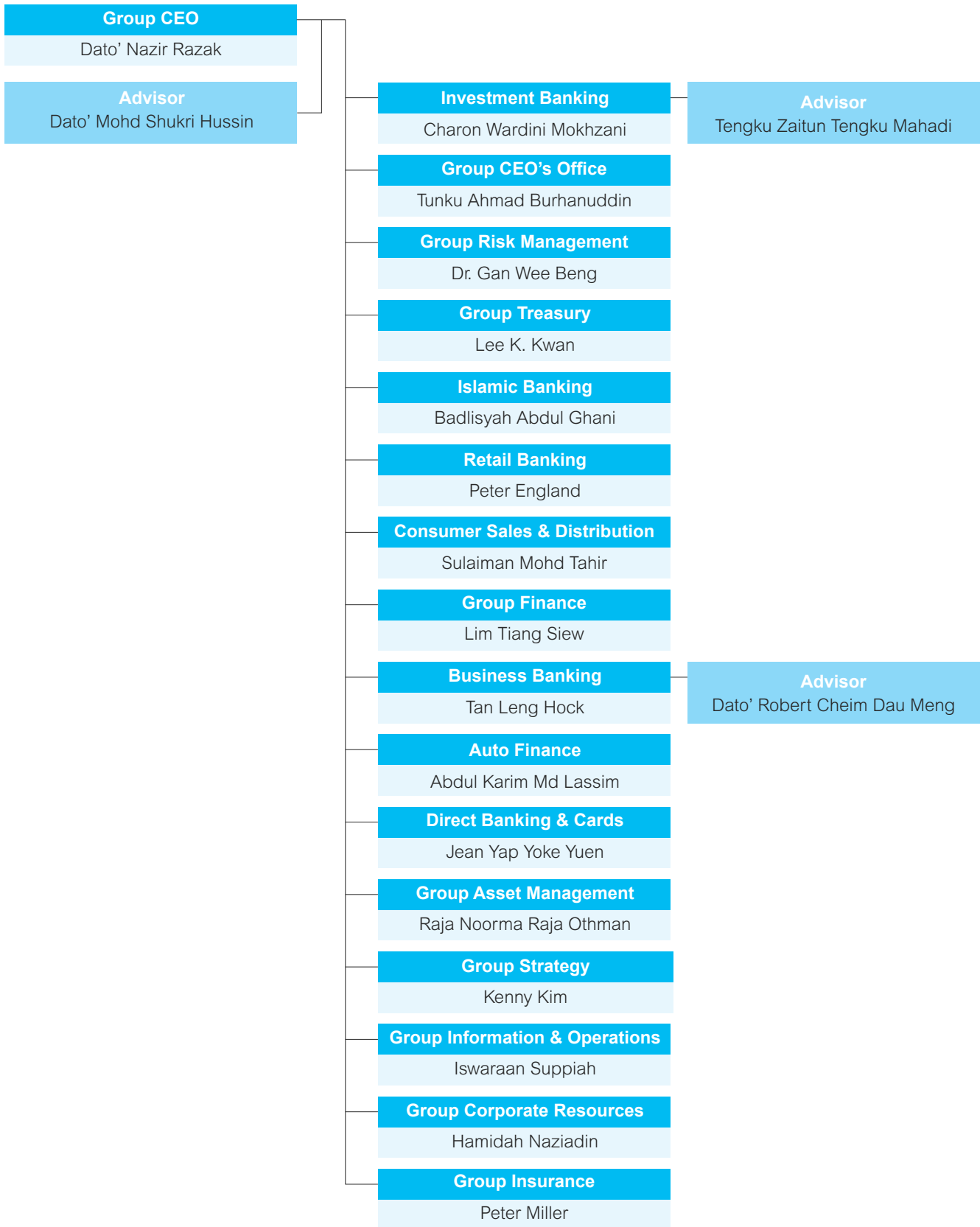
Jamil Hajar Abdul Muttalib, aged 57, holds a Bachelor of Laws Degree (University of London) and is a Barrister-at-Law (Lincoln's Inn, London). He had been with the BCHB Group since 1992. He is currently the Executive Vice President/Company Secretary of BCHB. He served in the Malaysian Government's judicial and legal service for nine years as a magistrate, sessions judge, deputy public prosecutor and senior federal counsel before joining Fleet Group Sdn Bhd in 1985 as its Legal Advisor and Company Secretary. He was also the Legal Advisor and Company Secretary of Renong Berhad from 1990 to 1992. He is presently Chairman of Commerce Asset Ventures Sdn Bhd, a Director of Commerce Assurance Berhad, Chairman of Commerce Life Assurance Berhad, a Director of Commerce Takaful Berhad, a Director of Commerce International Group Berhad and a Director of Commerce Capital (Labuan) Limited.



IDRUS ISMAIL
Senior Vice President / Joint Company Secretary

Idrus Ismail, aged 53, graduated in Economics and Law from Universiti Malaya and National University of Singapore respectively. He was called to the Malaysian Bar in 1988 and had served in the banking industry for 17 years as company secretary/in house counsel to three financial institutions, including an Islamic bank. He joined BCHB in 2005.

Group Management Committee



Group Management Committee



CHARON WARDINI MOKHZANI
Investment Banking

Charon Wardini Mokhzani, aged 43, was appointed CIMB's Deputy Chief Executive on 1st August 2004 and assumed the position of Executive Director of CIMB on 2nd May 2006. He is the Chairman of CIMB-Principal Asset Management Berhad, CIMB (L) Limited and CIMB-Mapletree Management Sdn Bhd, and a Director of CIMB-GK Pte. Ltd., and CMREF 1 Sdn Bhd.

He is a member of the Company Law Reform Committee, established by the Companies Commission of Malaysia, and chairs one of the 4 working groups. He is also a council member of the Malaysia Investment Banking Association and the Institute of Bankers, Malaysia.

Prior to joining CIMB, he was the Managing Partner of Zaid Ibrahim & Co, Malaysia's largest law firm as well as an Independent Director of CIMB Berhad when it was first listed until his retirement from CIMB Berhad's Board in July 2003. Before that, he worked in corporate finance at Rashid Hussain Securities Sdn Bhd and as an advocate and solicitor with Shearn Delamore & Co. International legal publications have recognised him as having been one of the leading corporate and finance lawyers in Malaysia.

He was educated at the Malay College Kuala Kangsar and Bloxham School, England and read Philosophy, Politics and Economics at Balliol College, University of Oxford (BA Hons) and Law at the School of Oriental and African Studies, University of London (LLB Hons). He is a barrister of the Middle Temple and an advocate and solicitor of the High Court of Malaya.



TUNKU AHMAD BURHANUDDIN
Group CEO's Office

Tunku Ahmad Burhanuddin, aged 45, joined the Commerce Group in November 1984. On 2nd May 2006, he was appointed as the Executive Director of CIMB Bank in addition to his responsibilities of managing the CIMB Group CEO's Office since June 2005.

He has 22 years of extensive working experience in senior financial and managerial positions which includes, the post of Financial Controller of Commerce Asset-Holding Berhad (now known as BCHB), Executive Director of Commerce Asset Fund Managers Sdn Bhd and most recently as the Chief Internal Auditor of the CAHB and BCB Group.

He has also served at various divisions of CIMB Bank (previously known as BCB) which includes, inter-alia, Finance, Strategic Planning, Retail and Corporate Banking. A qualified accountant, he is a fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

Group Management Committee



DR. GAN WEE BENG
Group Risk Management

Dr. Gan Wee Beng, aged 54, was appointed Executive Director of CIMB Bank on 2nd May 2006 and currently heads the Group Risk Management. He has been a consultant to various local and international agencies, which included Bank Negara Malaysia, the Economic Planning Unit of the Prime Minister's Department, Ministry of Finance, World Bank, International Labour Organisation, Asian Development Bank, and United Nations Conference on Trade and Development. He was a member of Bank Negara Malaysia Working Group on Market Risk Capital Adequacy Framework. Currently he is a member of National Economic Advisory Committee Steering Committee on Price Control & Subsidies. He received the Tun Abdul Razak Foundation Award for Best Published Article in an academic journal.

Prior to joining CIMB Bank, Dr. Gan was the Senior Adviser (Economics) for the Monetary Authority of Singapore besides having held positions as Executive Director of CIMB Investment Bank, General Manager, Executive Director of CIMB Securities Sdn Bhd, Senior Vice President and Head of Corporate Banking for CIMB Bank and as an Associate Professor at University of Malaya. He holds a Bachelor's and Masters' Degree in Economics from the University of Malaya and obtained his PhD from the University of Pennsylvania, USA.



LEE K. KWAN
Group Treasury

Lee K. Kwan, aged 41, joined CIMB Investment Bank in November 1996 as an Assistant General Manager where he set up the Risk Management Department and developed a rudimentary risk measurement infrastructure necessary to commence trading activities. In 1997, he was appointed Treasurer / Head of Debt Markets & Derivatives with the mandate to build and develop the bank's trading and market-making businesses in interest rates, credit, foreign exchange and derivatives as well as the debt capital markets origination franchise. In 2002, he was appointed to the Group CEO's Office responsible for strategy and structuring the firm's larger transactions.

In 2005, after the acquisition of GK Goh's stockbroking businesses and merger with BCB, Kwan moved to his current position as Group Treasurer where his responsibilities include Asset Liability Management of the commercial bank's loan and deposit balance sheet, banking product development, capital management and debt gearing structure of the BCHB Group and its banking subsidiaries, in addition to the bank's markets businesses in interest rates, credit, foreign exchange, derivatives and debt origination.

Prior to joining CIMB, Kwan had more than 7 years of treasury experience in the Canadian banking industry, where in his last posting prior to moving back to Malaysia, he was the Treasury Portfolio Manager responsible for interest rate and optionality risk and return management for a leading Canadian bank. He holds a BBA Joint Honours (1st Class) degree in Business Administration and Economics and a Master of Business Administration degree from Simon Fraser University, Canada.

Group Management Committee



BADLISYAH ABDUL GHANI
Islamic Banking

Badlisyah Abdul Ghani, aged 34, was appointed Executive Director and Chief Executive Officer of CIMB Islamic Bank Berhad on 28th February 2006.

He joined CIMB Investment Bank in 2002 and was attached to the Corporate Finance Division, prior to his appointment as the Group Head of CIMB Islamic. He is responsible for all Islamic banking and finance business of the CIMB Group. He sits on various group management committees of the CIMB Group.

Under his leadership, CIMB Islamic has since its launch in June 2003 received numerous accolades awarded by local and international financial fraternities. "The Best Islamic Bank in Asia 2006" awarded by Euromoney and the "Global Islamic Investment Bank of The Year 2006" from the Banker is the latest testimony to CIMB Islamic's expertise and excellence in Islamic finance and underlines its dominance in this field.

Prior to CIMB Group, he was attached with an offshore banking subsidiary of a premier Malaysian Islamic financial group in Structured Finance, Capital Market and Syndications.

As a thoroughbred Islamic Banker, he has been involved in more than US\$10 billion Islamic financial deals locally and globally. Amongst his notable accomplishments is the creation and introduction of the world's first sukuk al ijarah, the world's first istisna' sukuk, and the world's first musyarakah asset-backed securities and residential mortgage-backed securities. Badlisyah was named by Euromoney as one of the "Global Top 20 Pioneer in Islamic Finance" for his prominent contribution to the development of the Islamic financial sector in Malaysia and globally.

He sits on various industry committees. Amongst them are -

- The Treasury & Debt Markets Committee, Malaysian Investment Banking Association

- The Consultative Committee on Islamic Securities Guideline, Securities Commission Malaysia
- The Board of Directors, the International Islamic Financial Market, Bahrain
- The Islamic Accounting Standard Committee, Malaysian Accounting Standard Board
- The Listing Committee, Labuan International Financial Exchange
- The Exchange Committee, Labuan International Financial Exchange
- The Islamic Capital Market Consultative Panel, Bursa Malaysia

He has a Bachelor of Laws Degree from the University of Leeds, United Kingdom.

He is also a director of CIMB-Kanoo Islamic Investment Company BSC (C), Bahrain.



PETER ENGLAND
Retail Banking

Peter England, aged 46, joined the CIMB Group in January 2006 and is responsible for CIMB Bank's Retail Banking business. He has over 25 years extensive working experience in senior managerial positions and has been based in Asia for most of the last 10 years. During this time he has been the Head of Retail Banking for two large Malaysian banking institutions as well as HSBC in Singapore, and headed HSBC's credit card business in Malaysia up until 1998. Prior to coming to Asia, Peter worked for the State Bank of NSW in Australia in a variety of management positions for many years. He has extensive experience in all aspects of retail banking and wealth management. Peter holds a Masters of Business Administration (specialising in Personal Financial Planning) from the University of Southern Queensland, Australia.

Group Management Committee



SULAIMAN MOHD TAHIR
Consumer Sales and Distribution

Sulaiman Mohd Tahir, aged 44, graduated from RMIT University, Australia with a Degree in Accounting and was employed with Price Waterhouse before joining Bank of Commerce Berhad, where he served in various departments. Sulaiman was Group Head of the Japanese Business Unit, Branch Manager at Shah Alam and later rose from Area Business Manager managing Business Credit relationships in the Shah Alam and Petaling Jaya areas to Regional Manager, managing 2000 Business Credit relationships in Selangor and Wilayah Persekutuan regions.

After Heading the Credit Card Centre in 2002, Sulaiman was appointed as Head of Retail Sales, managing Regional Managers, Area Sales Managers, Consumer Loan Officers and Personal Financial Advisers. From January 2005, Sulaiman headed the Retail Sales & Distribution Division, managing the sales channel, this being, branches and sales force of the Bank, responsible for loans growth, deposit growth and interest income and fee based income.

In July 2005, Sulaiman was appointed the Head of Consumer Sales & Distribution. His portfolio expanded and now has the primary responsibility of developing, implementing and managing sales and distribution for Retail and Business Banking products and services besides providing leadership for new business opportunities and developing strategies to achieve desired targets for the Group's Consumer Banking Division.



LIM TIANG SIEW
Group Finance

Lim Tiang Siew, aged 50, joined CIMB in January 1991 and is currently the Chief Financial Officer of the CIMB Group. Prior to his appointment as Chief Financial Officer, Tiang Siew was the Head of the Corporate Finance Department at CIMB.

He started his career in 1976 with a major accounting firm, where he spent some 10 years, including 18 months overseas. He moved into the corporate finance industry in 1987.

During his tenure in corporate finance, he was involved in all areas of corporate finance work, both in respect of domestic transactions as well as cross border acquisitions and fund raising. He had advised some of the largest companies listed on Bursa Malaysia and on many major transactions by listed companies.

Tiang Siew had also been actively involved in the formulation and amendments to guidelines, regulations and law reforms in relation to capital market matters.

He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

Group Management Committee



TAN LENG HOCK
Business Banking

Tan Leng Hock, aged 48, graduated from the University of Birmingham, United Kingdom with a Bachelor's degree in Commerce. He has been in commercial banking since 1980 and has had 26 years of extensive experience in business banking management, starting at the Head Office of the former Ban Hin Lee Bank Berhad.

Following the amalgamation of the commercial banking portfolios of the former Ban Hin Lee Bank Berhad with SBB in July 2001, he was appointed a Senior Vice President and Head of Commercial Banking Division of SBB. His role in Commercial Banking Division included managing a team at the headquarters, leading the salesforce at the Commercial Banking Centres and the team at the Trade Finance Centres.

In 2001, he was appointed a director of BHLB Trustee Berhad, a position he held until March 2007. BHLB Trustee Berhad is a trust company which provides complimentary financial services to help individuals and corporations alike, offering professional solutions to holding management on the protection of assets and investments. He was also the Chairman of Audit & Risk Management Committee from 2003 to 2005 until the audit functions were consolidated back to SBB's Internal Audit Group in 2006.

Leng Hock currently serves as the Chairman of Kooperasi Serbaguna Bekas Kakitangan BHL Bank, a position that he has held for more than 10 years.

Leng Hock assumed the position of the Executive Vice President and Head of Business Banking Division in CIMB Bank Berhad following the merger of SBB with BCB.



ABDUL KARIM MD LASSIM
Auto Finance

Abdul Karim Md Lassim, aged 47, graduated with an honours degree in Economics Analysis and Public Policy in 1982 from Universiti Kebangsaan Malaysia, and later, in 2002, he obtained his Masters of Business Administration from Keele University, United Kingdom.

Abdul Karim was attached to various organisations such as Malaysian Airline System, Royal Malaysian Police Force and Inland Revenue Board before committing his career to the banking fraternity. In September 1987, he joined Mayban Finance Berhad, and worked his way up from a Sub Accountant to the post of Assistant General Manager, Branch Operations and Credit Control while at the same time seconded to KBB Finance as Acting Chief Executive Officer.

In 2000, Abdul Karim joined Credit Guarantee Corporation as Assistant General Manager, Organisation and Methods. Then in March 2001, he joined United Merchant Finance (UMF) as General Manager, Business and Operations. With the name changed to Southern Finance Berhad he was appointed as Deputy CEO and eventually the post of Chief Executive Officer/Director in December 2003. With the merger to SBB in January 2006, he was redesignated as the Executive Vice President/Head of Auto Finance/ Islamic Banking Group for SBB.

Group Management Committee



JEAN YAP YOKE YUEN
Direct Banking & Cards

Jean Yap, aged 46, joined SBB in August 1997 and is currently responsible for the credit cards, direct banking and micro credit loan financing for the enlarged CIMB Group. Prior to joining SBB, Jean was the Head of Credit Card for United Overseas Bank for about 7 years. She also had a short stint at Citibank Card Centre for a year as Card Operations Head and as the Assistant Accountant at Diners Club for 3 years.

Jean and team have grown SBB credit cards business to become the second largest card and acquirer amongst the local banks in Malaysia.

Jean is a member of The Malaysian Institute of Accountants and The Chartered Institute of Management Accountants.



RAJA NOORMA RAJA OTHMAN
Group Asset Management

Raja Noorma Raja Othman, aged 48, is a director of the Group Asset Management arm of CIMB Investment Bank Berhad, where she oversees the entire Asset Management businesses of the CIMB Group. She is also the Chief Executive Officer of CIMB-Mapletree Management Sdn Bhd since March 2005, an advisor to a privately held real estate fund.

Prior to joining CIMB Group, she was previously the Vice-President of Investment Banking for JP Morgan, a position held for over 5 years. She was attached to JP Morgan's offices in Hong Kong, Singapore and Malaysia as both industry and client coverage banker. At JP Morgan, she originated and executed several transactions involving corporate advisory, equity and debt capital markets, private equity, cross border mergers and acquisitions as well as initial public offerings. Her other previous working experience include several years in Malaysian Industrial Development Finance Berhad, Malaysian International Merchant Bankers Berhad and 10 years in Telekom Malaysia Berhad where the last post held was as Head of Corporate Finance. She holds a Bachelor of Business Administration degree from Ohio University/Institut Teknologi Mara.



KENNY KIM
Group Strategy

Kenny Kim, aged 39, is currently head of Group Strategy Division. He was formerly a unit head in CIMB's Investment Banking and Corporate Finance Department. He joined the Corporate Finance Department of CIMB in 1993 and has been involved in all aspects of corporate finance activities including mergers and acquisitions, initial public offerings, fund raising and debt restructuring before moving to Investment Banking in 2002. Prior to joining CIMB, he worked as an auditor with Moore Stephens Chartered Accountants, London. Kenny has extensive experience in the financial services sector and advised on a number of the country's major financial institution deals. He advised on 3 of the first round banking consolidation transactions in Malaysia, domestication and merger of the largest insurer in Malaysia, debt restructuring of a major financial institution group as well as entry of a major international GLC investor in a local financial institution. He was also involved in most of the BCHB Group's major corporate exercises, including CIMB's acquisitions of BCB and SBB. He is responsible for overseeing the CIMB

Group Management Committee

Group's strategic initiatives including the integration of BCB and SBB and also CIMB Group's regionalisation strategy. Kenny is a fellow of the Association of Chartered Certified Accountants, United Kingdom, a member of the Malaysian Institute of Accountants and holds a Masters of Science in Finance from the University of Lancaster, United Kingdom.



ISWARAAN SUPPIAH
Group Information and Operations

Iswaraan Suppiah, aged 43, is the Head of Group Information & Operations Division. He joined CIMB Securities Sdn Bhd in 1994 and last held the position of Executive Director of Operations and Head, Equity Risk Management Department before assuming the position of Head of Strategic Risk & Compliance with CIMB. He currently oversees CIMB Group's entire operations, information technology, legal and risk monitoring functions. He started his career with Messrs Arthur Andersen & Co., a firm of public accountants in 1984 and later joined BCB in 1990 and left as the Section Head in the Internal Audit Department.

He is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Financial Planning Association of Malaysia.



HAMIDAH NAZIADIN
Group Corporate Resources

Hamidah Naziadin, aged 43, is currently the Director of CIMB's Group Corporate Resources Division. This division encompasses several departments, namely Human Resources, Administration, Sport and Recreational, Knowledge Management, Corporate Communications and Special Projects. A human resource practitioner for over 23 years in the financial industry covering the areas of commercial and investment banking, Hamidah joined CIMB Securities Sdn Bhd in 1991. Here, she set up the Human Resource and Administration departments. 10 years later, in line with the reorganisation of CIMB, Hamidah moved to the Investment Bank to head, manage and integrate the overall Group Human Resource and Administration functions. By 2004, her portfolio expanded to include Knowledge Management, Corporate Communications and Special Projects.

In all, Hamidah's responsibilities and experiences in human resource management include among others, manpower planning, compensation and benefits, talent development, industrial relations, performance management and procurement. Other notable areas in her scope covers right sizing the organization via the Voluntary Separation Scheme (VSS) and the Mutual Separation Scheme (MSS), the integration of the commercial banks and subsidiaries and the rebranding exercise of the CIMB Group. Prior to joining CIMB, Hamidah was attached to another financial institution. She holds a Bachelor of Laws degree from the University of Wolverhampton, United Kingdom.

Group Management Committee



TENGGU ZAITUN TENGGU MAHADI
Advisor, Consumer Sales & Distribution

Tengku Zaitun Tengku Mahadi, aged 57, joined SBB in 1973 as a credit officer after graduating from University of Malaya with a BSc (Hons.) degree in Economics. Since joining SBB she has held several management positions. She was appointed Regional Manager in 1986, Senior Manager in 1994 and the General Manager of Retail Banking Group in 1997. Through these appointments she had gathered wide experience and expertise in effective supervision of branches, smooth running of support departments of operations, conceptualisation and implementation of system and procedures for operational efficiency and productive staff management. The final appointment before executive directorship was as Executive Vice President of Branch Distribution Group in 2000 where generation of sales and marketing became her core tasks.

She was appointed to the Board of SBB as Executive Director on 25th August 2004 and served in that position until 1st November 2006 when the CIMB - SBB merger was completed.



PETER MILLER
Group Insurance

Peter Miller, aged 42, oversees the Insurance business of CIMB Group including representing CIMB's interests in the planned Malaysian Life and Takaful joint-ventures with Aviva and strategic partnership with Allianz.

Peter joined the CIMB Group following the acquisition of SBB prior to which he worked for AIG for 5 years focusing exclusively on bank-related business and including 2 years in China and 3 years in an Asia regional capacity.

Peter's career is split equally between UK and International. He first came to Malaysia in 1995 to work on a major bancassurance project and spent the next 5 years consulting across 5 continents in financial services distribution in particular alternative distribution.

Peter has a BSc (Hons) degree in Mathematics from Leicester University, England.

Functional Divisions

The functional divisions of the BCHB Group are primarily organised under CIMB Universal Bank, with the exception of Bank Niaga, our Indonesian banking operations.

CIMB Universal Bank comprises 5 main business divisions:

- Consumer Banking
- Investment Banking
- Treasury
- Asset Management
- Insurance

CIMB Islamic, our Islamic banking division, operates as a parallel bank to offer Shariah compliant solutions throughout the universal bank.

In addition, the business divisions are supported by group-wide divisions which perform middle and back office functions. These divisions are:

- Group Information and Operations
- Group Strategy
- Group Finance
- Group Risk Management
- Group Corporate Resources
- Group CEO's Office

CONSUMER BANKING

Consumer Banking is anchored by CIMB Bank. Pending the full integration with SBB and the ongoing branch conversion, CIMB Bank currently is represented by 3 consumer banking brands - CIMB Bank, BCB and SBB

Internally, Consumer Banking is managed according to function and business focus, namely:

- Retail Banking - individual customers
- Business Banking - small and medium enterprise (SME) customers
- Direct Banking and Cards - direct banking, credit cards and CIMB Express
- Consumer Sales and Distribution - the distribution channels of the bank

Retail Banking

The Retail Banking division is accountable for the overall management and financial performance of the bank's business for individual customers. To this end Retail Banking develops and sources a range of products and services to be sold to these customers. Key product lines include mortgage loans, personal loans, auto finance, deposits, and wealth management products.

Key functions within Retail Banking include product development, credit cycle management, alternate channels development (internet, phone banking, self service terminals), auto finance, customer relationship management, and retail Islamic banking.

Business Banking

Business Banking is responsible for the development of products and services for customer segments comprising micro-enterprises, SMEs and mid-sized corporations as well as the management of business loan portfolios of these customer segments.

Business banking operates from 17 business centres and 33 retail business centres throughout the country. It also works closely with various partners to provide better access to financing for SME's, namely SME Bank and Credit Guarantee Corporation.

Functional Divisions

Consumer Sales & Distribution

Consumer Sales & Distribution (CSD) has the primary responsibility of developing, implementing and managing sales and distribution for Retail Banking and Business Banking products and services. CSD distributes a wide range of products and services to more than 4.5 million customers through its network of 383 branches, and more than 1,900 self service terminals and Internet channels (CIMB Clicks and CIMB BizChannel). CSD is structured into 12 teams comprising of eight Regional Centres, Mobile Sales Force, CSD Sales, CSD Projects & Support and CSD Operations. The eight Regional Centres, which are overseen by Regional Directors, are responsible for formulating sales and strategies for their respective areas.

Direct Banking & Cards

There are 3 components to Direct Banking & Cards:-

- (i) "Direct Access" which is a brand the Group acquired through the SBB merger. Catering to the mass affluent market, Direct Access provides customers with direct banking services on a 24-hours, 7-days a week and 365-days a year basis. It serves a specific consumer segment which prefers performing their banking needs "anywhere, anytime". In addition to issuing 'Free for Life' credit cards targeted at professionals and graduates, Direct Access also provides consumer banking products, including consumer loans and deposit products.
- (ii) "CIMB Card Centre" which has two main business portfolios, credit card issuing and merchant acquiring businesses. CIMB Bank is currently the only bank in Malaysia that issues three major credit card brands, ie. MasterCard, Visa and JCB. Besides its main card service centre in Kuala Lumpur, it also has 2 full-fledged card service centres in Penang and Johor Bahru.
- (iii) "CIMB Express" which is responsible for developing product & services for sub-prime customers.

INVESTMENT BANKING

Investment Banking is anchored by CIMB Investment Bank in Malaysia and CIMB-GK overseas.

Investment Banking

The Investment Banking department is responsible for client coverage and relationship management. Drawing upon the varied expertise across the CIMB Group, the department constantly seeks to create value for our corporate and institutional clients, whilst at the same time maximises the cross selling of investment banking products across the Group. The Investment Banking team comprises a pool of professional bankers with a broad range of experience from both equity and debt markets, backed by a strong independent research team.

Corporate Finance

Corporate Finance continues to be Malaysia's leading advisor on matters relating to mergers and acquisitions, initial public offerings, issuance of equity and equity-linked products, project financing, real investment trust funds, debt restructuring and all other equity-related transactions. The department plays an important role in managing the completion of corporate transactions undertaken by its clients. This includes co-ordinating amongst other advisers such as legal advisers and reporting accountants for the preparation of various documentations for submission to the relevant authorities and third parties as well as handling all regulatory queries relating to the transaction.

Corporate Banking

Corporate Banking is the investment bank's lending arm for Malaysian corporate clients, offering a broad range of funding solutions, including working capital finance, trade finance and transactional financing to support their businesses. Corporate Banking's core strength is in its ability to provide the necessary lending support for our

Functional Divisions

corporate clients' transaction activities, which provides an important base for developing long term relationships with our clients.

Through our headquarters in Kuala Lumpur and new regional offices in Johor, Penang and Kuching, Corporate Banking now serves about 1,700 public and private sector customers with facilities of over RM51 billion. The ongoing deepening and expansion of our relationships with existing clients continue to drive consistent and sustainable long term performance for the department.

Securities Financing

Securities Financing enables clients within the CIMB Group's retail franchise to obtain financing secured against investment deposits, structured products and securities (i.e. share margin). Our range of products enable clients to unlock and leverage their existing assets for higher returns. Our clients include both high net-worth individuals as well as the mass affluent. This department also serves as an integral referral conduit for other wealth management offerings such as trustee, insurance, and private banking products.

International Banking & Transactions Services (IBTS)

IBTS is responsible for providing non-Ringggit financing solutions to our clients as well as providing transaction services to complement the Group's banking business. IBTS currently comprises five business units. International Credit provides a spectrum of non-ringgit financial services for our clients which include bilateral loans, trade finance and transactional lending, leveraging on the Group's overseas branches in Singapore, Hong Kong, Japan and London and our offshore banking subsidiary located at Labuan. Loans Syndication and Trade Finance, based in Singapore, is primarily involved in loan syndications and trade finance/forfeiting activities globally. Global Financial Institutions is the correspondent banking arm of the bank which maintains relationships with financial institutions worldwide. Cash Management provides advisory services which are tailored for companies to accelerate collections, control disbursements, maximize the use of excess cash and minimise cost of funding. Security Services comprises credit agency, credit operations, fund accounting, trustee and custodian services.

Equity Capital Markets (ECM)

ECM serves as an intermediary between issuers and investors in the equity and equity-linked markets. It provides a valuable service to issuers by arranging and executing transactions that allow issuers to access the equity and equity-linked markets in Malaysia as well as internationally. ECM's role includes pitching, structuring, syndication, marketing, distribution, pricing and underwriting as well as after-market services.

Equity Derivatives Unit (EDU)

EDU develops and issues new equity derivatives instruments such as structured warrants and over-the-counter ("OTC") equity derivatives products to provide investors with alternative investment avenues.

Equity Investments & Trading (EIT)

EIT is the Group's proprietary equity trading unit. It seeks to derive gains from investing in undervalued securities as well as benefiting from market inefficiencies. The unit's investment objective is to achieve an absolute return on its investment, with the goal of enhancing shareholders' returns. EIT invests in the equity and derivatives markets in Malaysia, Singapore, Hong Kong, Indonesia, Thailand, Taiwan, South Korea and Japan.

CIMB-GK

CIMB-GK represents the regional securities and corporate finance platform of CIMB. Its headquarter is in Singapore, with offices in London, Bangkok, Hong Kong and Indonesia. Its main business divisions are Institutional and Retail Broking, Wealth Management, Investment Banking and Corporate Finance which are supported by a strong research team of more than 40 personnel, covering equity markets in Singapore, Indonesia, Hong Kong and Thailand.

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CIMB-GK's product range includes stockbroking and research, corporate finance & advisory, structured financial solutions, management and underwriting of initial public offerings, secondary listings, private placements, divestments, corporate and capital restructuring, independent financial advisory, and general financial and corporate advice, and private banking.

Its distribution network covers all major Asian markets through dealers in the regional offices as well as through its online business portal, GohDirect.

Private Client Services

Private Client Services comprises Private Banking and Retail Broking. Private Banking offers the whole array of wealth management services catering to high net worth individuals, leveraging on the services and products of the Group's investment and commercial bank as well as working with external parties via an open architecture model. Retail clients are offered retail broking services via a broad range of platforms/intermediaries including remisiers, company dealers, online broking and mobile broking.

Structured Investments

Structured Investments was established in June 2006 as the proprietary investment arm of the CIMB Group which focuses on investing in buyouts, recapitalisations, expansions and restructuring situations. The department provides capital and employs investment and financing techniques to address market imperfections and to unlock value for the Group's clients, both existing and prospective.

Singapore Business Banking

The Singapore Business Banking unit was formed in 1st November 2006 following the merger with SBB. Based in Singapore, the unit's core activities include trade finance and lending targeted at SMEs, share margin loans to priority individuals and directors of companies, and club loan transactions.

TREASURY

The Group Treasury Division is the merged markets and treasury operations of CIMB, BCB and SBB which provides the BCHB Group with strong capabilities to intermediate in interest rate, credit spread and FOREX term structures across every market segment including the consumer, SME, corporate, institutional investor and inter-bank markets. The business is conducted by the following units:

Global Sales & Group Funding

Global Sales & Group Funding comprises of two major sub-groups, Global Sales and Group Funding.

Global Sales is the client facing unit for the firm's entire suite of treasury products. Client activities are segmented into 3 main areas, namely Foreign Exchange Sales, Institutional Sales and Derivatives Sales.

Group Funding undertakes the responsibility of adequate and efficient funding requirements of the entire CIMB Group, including our foreign branches in Singapore, London, Tokyo, Hong Kong and offshore Labuan. In addition, the team offers a wide range of products to corporate and institutional investors and depositors to help generate return on their funds. These products include overnight placements to investments of up to 1 year at competitive rates. Fixed deposit rates are quoted for Ringgit as well as all major foreign currencies.

Debt Capital Market & Syndication and Securitisation & Structured Finance units

Debt Capital Market & Syndication and Securitisation & Structured Finance specialise in providing funding, liability management and investment solutions to sovereign, corporate and institutional issuers and investors in the ASEAN

Functional Divisions

region. Its leading position in the country and in moving forward towards becoming a leading regional capital market solutions provider is underlined by CIMB's capability in the domestic and global bond, commercial papers, medium term notes programme, Islamic capital markets, convertible bonds, asset-backed securities, credit derivatives and structured finance markets.

Cross Markets Trading

Cross Markets Trading is primarily engaged in the trading of over-the-counter and exchange-listed fixed income, foreign exchange, equity, commodities and derivative products in the domestic, regional currency and G2 markets as well as an active market-maker in Islamic debt securities.

Structured Products & Derivatives

Structured Products & Derivatives is responsible for market-making in interest rate derivatives and in developing derivative-linked solutions for the Group. It offers customised solutions for the entire range of clients, from corporations, government agencies, institutional investors and high net worth individuals.

Balance Sheet Management

The Balance Sheet Management team was set up in the third quarter of 2005 to manage the interest rate risk and return of the commercial bank's loan and deposit base as well as to coordinate pricing of all loan and deposit products.

ASSET MANAGEMENT

CIMB-Principal Asset Management Berhad (CIMB - Principal)

CIMB-Principal provides fund management expertise in equities, fixed income, cash and Shariah compliant products and offers customised/tailored portfolio mandates and unit trust funds to both institutional and retail clients. It currently has in its product offering 16 unit trusts designed for retail investors, of which the Global Titans Fund offers exposure to multinationals while the Hidden Values Fund offers exposure to companies in India, Singapore, Malaysia, Indonesia and Thailand.

CIMB-Mapletree Management Sdn Bhd (CIMB - Mapletree)

CIMB - Mapletree is a 60:40 joint venture between CIMB Real Estate Sdn Bhd and Mapletree Investments Pte. Ltd. of Singapore. Launched in April 2005, it is involved in real estate fund management and real estate related advisory activities leveraging on both CIMB and Mapletree's distinct expertise and knowledge of the Malaysian market, structured corporate finance and real estate. To date, CIMB - Mapletree has achieved successful closure of its first privately held closed-end real estate fund, CMREF 1, which is an acronym for CIMB-Mapletree Real Estate Fund 1, which has an approved fund size of RM2 billion. It has since acquired 2 major properties - CP Tower and Menara CSM/Jaya.

Private Equity (PE)

PE services include providing equity and mezzanine financing for mid and late stage investment opportunities, particularly management buyouts, restructuring and re-capitalisation exercises and aims to create value by investing in companies using CIMB's expertise and established network. With funds under management exceeding half a billion ringgit, PE is aggressively seeking local and regional investment opportunities.

Strategic Assets

Strategic Assets is a 60:40 joint venture between CIMB Group and the Standard Bank Plc and focuses on providing equity and equity-related risk capital to businesses in the energy, infrastructure and natural resource sectors. Strategic Assets' investment portfolio in these sectors includes privately managed and controlled operating companies, brown-field expansions, privatisation, restructuring, project financed entities and publicly listed companies.

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Commerce Asset Ventures

Commerce Asset Ventures is a specialised investment fund and management company wholly owned by CIMB Group. It is a leading venture capital company in Malaysia.

INSURANCE

The Group's insurance business are held under Commerce International Group Berhad (CIG). CIG underwent dramatic changes in early 2007 with the Group's announcement of the sale of certain segments of our insurance businesses. Following the completion of the transactions later in 2007, the Group's insurance business will comprise a 51% stake in both Commerce Life Assurance Berhad and Commerce Takaful Berhad, namely our life insurance and takaful businesses. The other 49% of the companies will be held by Aviva Pte Ltd, the world's 5th largest insurance group. The Group also disposed of its entire stake in its general insurance company, Commerce Assurance Berhad, to Allianz General Insurance Berhad.

The disposals are in line with the Group's focus on finding synergies between its banking and insurance businesses through bancassurance. As a Universal Bank, we need to be able to offer a full suite of products to our customers, by further growing the firm's bancassurance value proposition.

BANK NIAGA

Bank Niaga, the 7th largest bank in Indonesia, is the Group's Indonesian consumer banking arm and is listed on the Jakarta Stock Exchange. The Group's shareholding in Bank Niaga is 66.6%.

Bank Niaga's extensive network and channels in Indonesia provide the bank's customers service with unlimited access, anytime and anywhere. The bank has 228 branches, 366 ATMs, 154 Self Service Terminal (SST), Phone Banking (Niaga Access 14041), Internet Banking (Niaga Global@ccess) and mobile banking (Niaga Ponsel Access).

Bank Niaga is ranked 2nd in the Indonesian mortgages market with a 10.2% market share. Bank Niaga's other services consist of international banking (correspondence bank activities, export-import and remittances), Treasury and Custodian & Trustee investment services.

Since its inception over four decades ago, Bank Niaga has built a strong foundation to ensure continuous growth through the creation of a corporate culture which values integrity, quality service, and prudential banking management. Its many accolades including "Indonesia's Best Managed Mid-Cap Company 2006" (Asia Money) and "The Best Commercial Bank for Real Estate 2006" (Euromoney) are testament to the Bank Niaga's strengths.

Going forward Bank Niaga will focus on being a market leader in the affluent and mass affluent consumer, mortgage and middle commercial business, while continuing the development of existing business such as auto loans, credit cards, custody and corporate trust, trade finance and shariah banking.

The Group has launched the "Niaga Synergy Programme" to enable the capture of more synergies between Bank Niaga and the other operating entities in the Group.

ISLAMIC BANKING

CIMB Islamic focuses on providing comprehensive and innovative Shariah compliant financial products and services in the areas of Investment Banking, Consumer Banking, Asset Management and Takaful. In ensuring effective and efficient business delivery the division operates on full leverage model in that the division works closely with all other divisions and entities within the CIMB Group.

Functional Divisions

As the Group's Islamic banking franchise, CIMB Islamic transcends all legal entities within the Group and the business is currently undertaken in various constituents of the Group. The core Islamic business entity is CIMB Islamic Bank Berhad, a fully licensed Islamic bank, which is the result of a merger between BCB, SBB and CIMB. The other core operating entities operating as a window includes CIMB Investment Bank, CIMB Bank (overseas branches and subsidiaries), CIMB - Principal, Commerce Takaful and CIMB-GK. On the international front, the Group has recently launched CIMB-Kanoo Islamic Investment Company BSC (C) to expand its Islamic portfolio overseas and to establish a presence in the Middle East.

CIMB Islamic operates as a parallel bank, leveraging on the Group's infrastructure and network locally and globally. To ensure strict adherence to Shariah principles, all its operations are monitored by the CIMB Islamic Shariah Committee, comprising scholars from around the globe.

GROUP INFORMATION & OPERATIONS (GIOD)

Group Information and Operations Division (GIOD), the operations and technology hub of the Group, has seamlessly integrated its varied service offerings under one umbrella. GIOD provides the foundation for an effective legal and risk monitoring framework, efficient operations and value added and enabling Information Technology and business process platform for CIMB Group. GIOD undertakes all the back office operations for the Group under its 3 operating pillars, namely Operations, IT & Programme Management Office and Legal & Risk Monitoring.

GROUP FINANCE

Group Finance plays a vital role in supporting management and the Board of Directors in their strategic planning and decision making process with 6 core units namely Financial Accounting/Management Reporting, Regulatory Reporting, Payments & Fixed Assets, Corporate Strategies & Implementation, Tax and Secretarial Services. The division is responsible for preparing various financial reports (both internal and external) as well as providing advice and opinions on all financial and tax matters as required by management from time to time. In addition, the division is also overall responsible for all corporate secretarial matters pertaining to the Group.

GROUP STRATEGY

Group Strategy is responsible for identifying, developing, executing and managing the implementation of key strategic initiatives and processes for the Group. By overseeing strategy from inception to completion, new markets, new products or new processes can be identified and evaluated accurately and synergy benefits can be realised with focused execution. This will enable the Group to deliver value to all its stakeholders as quickly as possible and meet the expectations embedded in the Group's vision of being the "Most Valued Universal Bank" in South East Asia.

Group Strategy consists of Group Corporate Finance, Strategy & Innovation, Strategy Management & Integration and Special Projects.

GROUP CORPORATE RESOURCES

Group Corporate Resources forms the integral part of CIMB Group's commitment towards developing and optimising its resources to support the Group's vision. It comprises Group Human Resources, Group Corporate Communications, Group Administration and the Sports and Recreation Department.

Group Human Resources is primarily responsible for the full spectrum of human capital management processes within the Bank, as well as ensuring the inclusion and escalation of human capital issues to the strategic level of decision

Functional Divisions

making within the Group. In line with CIMB Group's integration, Group Human Resources underwent a transformation programme focusing on restructuring of its delivery system to better support the business through five pillars - HR Strategy, HR Services, Relationship Management, Learning and Talent Development; and Knowledge Management.

Group Corporate Communications leads the re-branding exercise and communication within and outside CIMB Group. Through various activities such as advertising and promotions; public and media relations; event management and corporate social responsibilities programme, Group Corporate Communications continues to communicate CIMB Group's brand promise of creating value through "Forward Banking".

Group Administration provides a one-stop centre administrative support to fulfill the needs of the business units. The roles cover building and maintenance, transportation and other physical infrastructure needs within CIMB Group.

The Sports and Recreational Departments offers employees a work-life balance through a host of activities organised throughout the year. These range from competitive industry-wide games and sports events; fun group activities such as treasure hunt and annual dinner; as well as charity event for the less fortunate during their difficult times.

GROUP RISK MANAGEMENT

Following the transformation of the Group into a universal bank, the role of Group Risk Management has been also to continuously anticipate the changing risk profile of the Group, and to take the necessary measures to manage risks group-wide. Among the main areas of focus for Group Risk Management has been the formulation of the Group Risk Management Framework. The framework contains the principles that determine how the Board of Directors and Management perceive the role of risk management and how the Group intends to manage risk.

GROUP CEO'S OFFICE

Group CEO's Office comprises four main divisions, Government Relationship Management, Customer Care, Group Recovery and Group Internal Audit (which reports directly to the Audit Committee and indirectly to Group CEO's Office). Also reporting to the Group CEO's Office is the CIMB Bank's subsidiary in Mauritius, the South East Asian Bank Ltd.

The Investor Relations Department which is responsible for all communications with shareholders and investors also comes under the ambit of the Group CEO's Office.

Boards of Major Subsidiaries

CIMB GROUP SDN. BHD.

Chairman

Tan Sri Dato' Md Nor Md Yusof

Members

Tan Sri Dato' Seri Haidar Mohamed Nor
 Dato' Hamzah Bakar
 Dato' Zainal Abidin Putih
 Datuk Dr. Syed Muhamad Syed Abdul Kadir
 Cezar P. Consing
 Dato' Mohd Shukri Hussin
 Dato' Robert Cheim Dau Meng
 Dato' Nazir Razak - Group Chief Executive

Secretary

Rossaya Mohd Nashir

CIMB BANK BERHAD

Chairman

Tan Sri Dato' Seri Haidar Mohamed Nor

Members

Dato' Nazir Razak – Deputy Chairman
 Tan Sri G.K. Rama Iyer
 Dato' Dr. Mohamad Zawawi Ismail
 Datuk Dr. Syed Muhamad Syed Abdul Kadir
 Dato' Mohd Shukri Hussin
 Dato' Zainal Abidin Putih
 Dato' Yeap Leong Huat
 Tunku Ahmad Burhanuddin – Executive Director
 Dr. Gan Wee Beng – Executive Director, Risk Management

Joint Secretaries

Jamil Hajar Abdul Muttalib
 Rossaya Mohd Nashir

CIMB INVESTMENT BANK BERHAD

Chairman

Dato' Hamzah Bakar

Members

Dato' Nazir Razak – Deputy Chairman
 Nicholas R.H. Bloy
 Zahardin Omardin
 Dato' Zainal Abidin Putih
 Charon Wardini Mokhzani - Executive Director

Joint Secretaries

Jamil Hajar Abdul Muttalib
 Carol Tan Ae Luh

CIMB ISLAMIC BANK BERHAD

Chairman

Datuk Dr. Syed Muhamad Syed Abdul Kadir

Members

Dato' Nazir Razak – Deputy Chairman
 Dato' Mohd Shukri Hussin
 Dato' Anwar Aji
 Dr. Nungsari Ahmad Radhi
 Raja Shaharul Niza Raja Abdul Aziz
 Badlisyah Abdul Ghani – Executive Director/Chief Executive Officer

Joint Secretaries

Rossaya Mohd Nashir
 Idrus Ismail

PT BANK NIAGA tbk

President Commissioner

Dato' Halim Muhamat

Commissioners

Gunarni Soeworo - Vice President Commissioner
 Sigid Moerkardjono
 Dato' Hamzah Bakar
 Dr. Roslan A. Ghaffar
 Dato' Mohd Shukri Hussin
 Ananda Barata
 Prof. Dr. Roy Hendra Michael Sembel

Secretary

Rizki P. Hasan