

BOARD OF DIRECTORS

From left to right:

Robert Ralph Davis, Diong Chin Teck, Hugues Jacques Edouard Alain Delcourt
General (Rtd) Tan Sri Dato' Mohd Ghazali Seth (Chairman),
Mohamed Eusoff Abdul Carrim, Krishnan Tan Boon Seng

Absent: Dato' Jorgen Bornhoft, David Wong See Hong (Appointed on 3 December 2002)



CHAIRMAN & MANAGING DIRECTOR'S STATEMENT



General (Rtd) Tan Sri Dato'
Mohd Ghazali Seth
(Chairman)

Message To Shareholder

The challenging state of the global economy has been a consistent factor throughout 2002. Although there were hesitant signs of a recovery at the beginning of the year, these positive signs have not materialised into anything meaningful in the second half of the year. The situation in the Middle East has only added to the increased sense of uncertainty.

In spite of these difficult conditions and intensified market competition, we are pleased to report that ABN AMRO Bank Berhad succeeded in delivering a very strong performance in 2002, actually the best performance it has ever recorded in its 115 years of history in Malaysia. It demonstrates the success of our business model and the benefits of the cost measures taken in 2001 and 2002.

Financial Review

For the year ended 31 December 2002, ABN AMRO Bank Berhad achieved a record pre-tax profit of RM70.7 million as compared to RM11.4 million in 2001. The much improved performance was mainly attributable to the significant increase in non-interest income coupled with lower provisions and reduction in overheads.

ABN AMRO Bank Berhad had done remarkably well in expanding its non-interest income, which rose by 53% to RM69.2 million. Corporate banking revenues increased significantly due to certain major advisory fees and underwriting transactions. A number of capital market transactions were successfully placed, including deals for Maxis Communications Berhad, IOI Corporation Berhad and RHB Group. ABN AMRO Bank Berhad has been able to capitalise on its product strengths and strong client relationships to successfully increase its league table position and market share.

Lending activities of the Bank however were curtailed by the unfavourable economic environment and increasing prominence of the capital market as an alternative source of financing, which had a dampening impact on the loan growth of the domestic banking system. This, coupled with the Bank's rationalisation of its loan base, with a goal to leverage the credit exposure on clients into ancillary business and the sale of its mortgage portfolio, led to lower loans and advances. As at 31 December 2002, loans and advances stood at RM450.1 million. Total assets remained stable at RM2.7 billion.

Non-interest expenses for the Bank fell by 30% to RM46.9 million in 2002. This gives ABN AMRO Bank Berhad a sustainable cost base on which to grow its businesses in Malaysia.

The Bank's profit after tax increased significantly to RM51.2 million in the year 2002 from RM4.3 million the year before.

The continued focus on stringent credit management has helped to maintain asset quality. The Bank's newly classified non-performing loans (NPLs) continued its downward trend during the period under review. Newly classified NPLs fell to RM9.7 million in December 2002 from RM81.8 million in the previous year, resulting in a significant improvement in the net NPLs ratio of 0.7% at the end of 2002 compared to 3.6% at the end of 2001.

With the strong improvement in profitability, the core capital ratio of the Bank improved to 35.9% from 25.0% a year ago. The risk weighted capital ratio also improved from 26.4% to 37.6%.



Hugues Jacques Edouard
Alain Delcourt
(Managing Director)

CHAIRMAN & MANAGING DIRECTOR'S STATEMENT

2002 Deal Highlights

ABN AMRO Bank Berhad's Wholesale Clients (WCS) provides corporate and investment banking services to large corporate, financial and public sector clients. The number of measures taken during the year to sharpen the Bank's business model and tighten the focus on our clients has indeed yielded results.

This can be clearly seen from the Bank's success in the area of Corporate Finance and Advisory as the Bank won the mandate for a number of high value-added transactions. To make the best for our clients, we initiated, executed and financed domestic as well as cross border transactions, delivering in-depth industry knowledge, supported by a thorough understanding of the Malaysian conditions.

ABN AMRO's advisory strengths has led us to the following notable transactions during the year under review:

Maxis Deal

As Maxis Communications' international financial partner, ABN AMRO first supported Maxis' controlling shareholder to acquire a 46% shareholding from strategic shareholder, British Telecom and AT&T. The Bank arranged a US\$735 million bridge facility to effect the transaction which was the largest syndicated financing from Malaysia since 1997 and the largest acquisition financing in Asia in 2001.

ABN AMRO subsequently arranged a US\$435 million and RM640 million term loan facilities to refinance the bridge facility and restructure Maxis' balance sheet in preparation for its listing. In July 2002, ABN AMRO Rothschild was the sole global co-ordinator and joint bookrunner for the company's landmark US\$803 million Initial Public Offering (IPO) on the Kuala Lumpur Stock Exchange, the largest telecoms IPO globally since February 2001 and the largest Malaysian IPO since 1995. The transaction was well oversubscribed against a turbulent market backdrop.

IOI Deal

ABN AMRO was mandated as sole financial adviser and joint underwriter for EUR 230 million bridging loan for IOI Group's successful purchase of Loders Croklaan. The acquisition represented the IOI Group's first major foreign purchase, which has transformed IOI into a global player in palm oil-based products. The acquisition was well received by the equity market and the bridging loan was successfully placed out to a number of local and international banks.

RHB Deal

In August 2002, ABN AMRO successfully won mandates as Sole Arranger for RHB Capital Berhad's RM500 million Senior Bond and RHB Sakura Merchant Bank Berhad's RM165 million Subordinated Bond issuances. The bank was also awarded the mandate of joint bookrunner for RHB Bank's US\$150 million Subordinated Bond issue. RHB Bank became the second Malaysian financial institution to tap the USD funding market.

These well executed deals, completed during a volatile year-end period, cemented the Bank's position as one of the best Debt Capital Market house in Malaysia. ABN AMRO continues to build a successful Financial Markets business by delivering innovative solutions to the RHB Group and other top financial institutions in the Malaysian market.

CHAIRMAN & MANAGING DIRECTOR'S STATEMENT



RHB BANK

RHB Bank Berhad
US\$150,000,000
Subordinated Notes due 2013
 Joint Lead Manager
 and Joint Bookrunner
 December 2002

RHB

RHB Sakura Merchant Bankers Berhad
RM165,000,000
Subordinated Tier-II Bonds due 2012
 Sole Financial Adviser and
 Lead Arranger
 December 2002

RHB

RHB Capital Berhad
RM500,000,000
Serial Fixed Rate Bonds
 Sole Financial Adviser, Lead Arranger
 and Primary Subscriber
 November 2002



IOI Corporation Berhad
€230,000,000
Syndicated Bridge Financing Facility
 Joint Lead Manager
 November 2002



IOI Corporation Berhad
€217,000,000
Acquisition of Loders Croklaan from
Unilever N.V. and Unilever plc
 Sole Financial Adviser
 November 2002

TransAsia Pipeline Company Pvt. Limited

Joint Venture between Petronas,
 ConocoPhillips, Singapore Petroleum
 Corporation and Talisman Energy
US\$187,600,000
Acquisition of a 40% Stake in
P.T. Transgasindo
 Sole Financial Adviser
 September 2002

maxis.

Maxis Mobile Sdn Bhd
RM640,000,000
Syndicated Term Loan Facilities
 Co-ordinating Arranger,
 Agent and Bookrunner
 July 2002

maxis.

Maxis Communications Berhad
US\$802,626,474
Initial Public Offering
 Sole Global Coordinator and
 Joint Bookrunner
 ABN AMRO Rothschild
 July 2002

maxis.

Maxis Mobile Sdn Bhd
Maxis Holdings Sdn Bhd
Maxis Communications Berhad
US\$435,000,000
Syndicated Term Loan Facilities
 Co-ordinating Arranger,
 Agent and Bookrunner
 July 2002

CHAIRMAN & MANAGING DIRECTOR'S STATEMENT

Awards

ABN AMRO is indeed honoured and privileged to receive the following prestigious awards with regards to the Maxis Communications Berhad deal:

- Equity Deal of the Year 2002 by Asiamoney
- Best Equity Deal and Best IPO of the Year by FinanceAsia
- Best Equity Issue / Best IPO by The Asset
- Malaysian Equity Issue of 2002 by IFR, Asia

Outlook for 2003

Amidst a more challenging external environment, the Malaysian economy strengthened further to register a GDP growth of 4.2% in 2002. This growth was driven largely by the government's efforts in sustaining domestic demand and in promoting economic activities amongst domestic-oriented industries. The broad based growth achieved in 2002 has further enhanced the resilience of the Malaysian economy.

Whilst the underlying trend of the Malaysian economy remains generally favourable, visibility of the global and the United States economic outlook is rather hazy at the start of 2003. With looming economic as well as geopolitical uncertainties, the outlook for 2003 will be dampened by downside risks impinging on global growth.

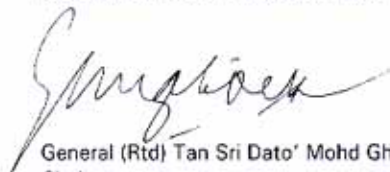
Against the prevailing uncertain external environment, the sustainability of the Malaysian economy in 2003 will depend on the ability to shift towards an increasingly domestic-led economic growth, underpinned by continued growth in private consumption and private investment activity. Malaysia's benign macro policies remain conducive and supportive of the various economic activities, especially in strengthening the key domestic drivers.

In an environment of global uncertainties and the continuous liberalisation of the Malaysian banking industry, the banking sector is expected to remain competitive. The year 2003 is likely to be as tough as the year 2002. Whilst the banking industry remains strong and resilient, net interest margins will continue to be pressured by the excess liquidity in the banking system and the ongoing disintermediation of bank lending in the capital market.

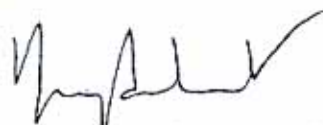
ABN AMRO Bank Berhad will continue to build on the encouraging strides made over the past year, by building assets with identified key clients for stable long term revenue generation. Growth of non-interest, fee generating activities will also gain momentum from increased focus on credit structuring, loan syndication, financial market products (debt origination, FX hedging and derivatives) as well as cash management and trade activities. Whilst the Bank continues to focus on its core areas of operations and competencies, and improve on its efficiency, it will maintain its prudent management of assets to achieve strong asset quality and a healthy balance sheet.

Acknowledgement

On behalf of the Board of Directors, we wish to express our deepest appreciation to the management and staff for their contribution, untiring commitment, dedication and loyalty. We also wish to extend our sincere appreciation to our customers and shareholder for their continued support.



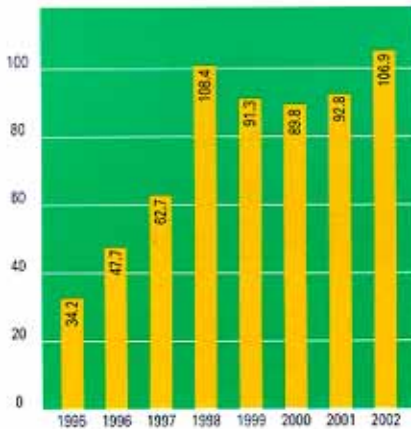
General (Rtd) Tan Sri Dato' Mohd Ghazali Seth
Chairman



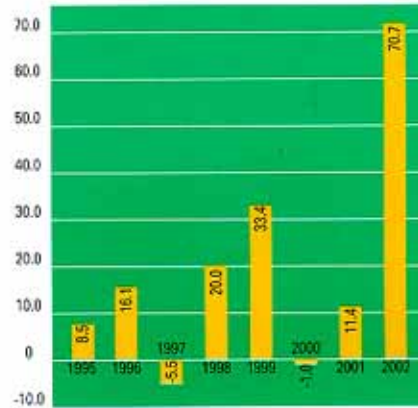
Hugues Jacques Edouard Alain Delcourt
Managing Director

FINANCIAL HIGHLIGHTS

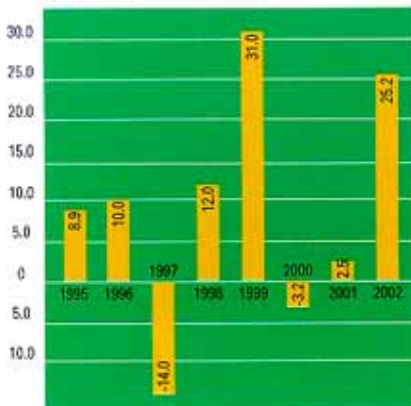
Net Revenue (RM Million)



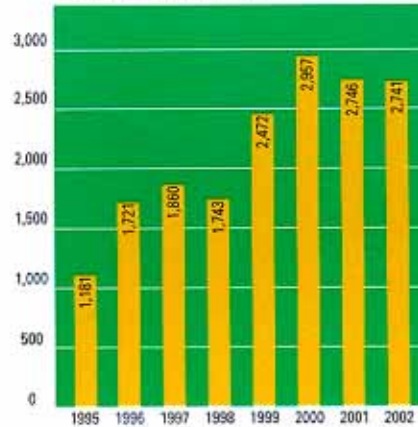
Pre-Tax Profit (RM Million)



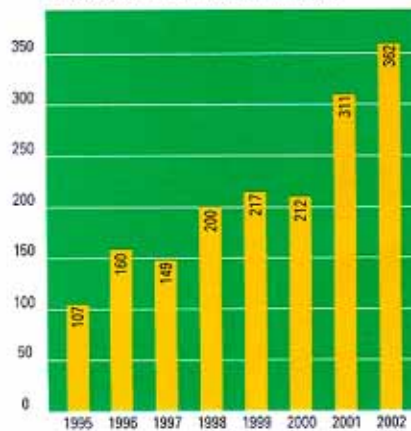
Earnings Per Share (Sen)



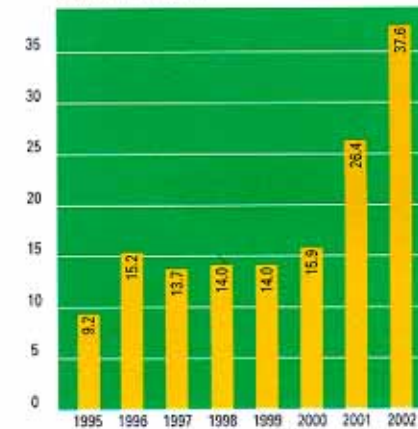
Total Assets (RM Million)



Shareholder's Funds (RM Million)



Capital Ratio (%)



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

The Directors present their report and the audited financial statements of the Bank and of the Group for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Bank are banking and related financial services.

The principal activities of the subsidiary companies are disclosed in Note 11 to the financial statements.

There have been no significant changes in these activities during the year.

FINANCIAL RESULTS

	GROUP/BANK RM'000
Profit before taxation	70,693
Taxation	(19,500)
Profit after taxation	51,193
Transfer to statutory reserves	(25,597)
Profit after transfer to statutory reserves	25,596
Accumulated loss brought forward	(710)
Accumulated profit carried forward	24,886

DIVIDEND

No dividend was paid or proposed since the end of the previous year.

RESERVES AND PROVISIONS

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

NON PERFORMING DEBTS AND FINANCING

Before the financial statements of the Bank and the Group were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and financing and the making of provisions for non-performing debts and financing and satisfied themselves that all known bad debts and financing had been written off and adequate provisions had been made for non-performing debts and financing.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts and financing, or the amount of the provision for non-performing debts and financing, in the financial statements of the Bank and of the Group inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Bank and of the Group were made out, the Directors took reasonable steps to ascertain that any current assets, which were unlikely to be realised in the ordinary course of business, have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Bank and of the Group misleading.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Bank and of the Group misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

As at the date of this report there does not exist:-

- (i) any charge on the assets of the Bank or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Bank or of the Group that has arisen since the end of the financial year other than in the ordinary course of banking business.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the Directors:-

- (i) the results of the operations of the Bank and of the Group for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the financial statements; and
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Bank and of the Group for the current financial year in which this report is made.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

DIRECTORS

The names of the Directors of the Bank in office since the date of the last report and at the date of this report are:-

General (Rtd) Tan Sri Dato' Mohd Ghazali Seth
Diong Chin Teck @ Tiong Chin Sang
Dato' Jorgen Bornhoft
Hugues Jacques Edouard Alain Delcourt
Mohamed Eusoff Abdul Carrim
Robert Ralph Davis
Krishnan Tan Boon Seng
Rosita Ahmad (*Resigned on 31.3.2002*)

General (Rtd) Tan Sri Dato' Mohd Ghazali Seth being over seventy years of age, retires in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that he be re-appointed as Director in accordance with Section 129(6) of the Act.

DIRECTORS' INTERESTS

None of the Directors who held office at the end of the financial year had according to the register required to be kept under Section 134 of the Companies Act 1965 an interest in shares in the Bank or its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements, or the fixed salary of a full-time employee of the Bank) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements to which the Bank is a party whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

HOLDING COMPANIES

The Directors regard ABN AMRO Bank N.V. and ABN AMRO Holding N.V., as the immediate and ultimate holding companies of the Bank. Both companies are incorporated in The Netherlands.

SIGNIFICANT EVENT DURING THE YEAR

Pursuant to the agreement signed between the Bank and a third party bank incorporated in Malaysia on 27 June 2001, the Bank has finalised the sale of its mortgage portfolio on 13 March 2002.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

BUSINESS PLAN AND STRATEGY FOR FINANCIAL YEAR ENDED 31 DECEMBER 2002

ABN AMRO Bank Berhad continued with its strategy of increasing revenues from its key and priority clients in 2002. While there has been a decline in the traditional credit facilities extended by the Bank, it has been able to tap on its expertise in credit structuring, syndication and financial markets to deliver the right solutions to its major clients, resulting in the successful building of relationships and revenue growth in the year.

Improved cost management and allocation of resources have resulted in substantial savings and a lower cost base, as the worldwide restructuring begins to bear fruit. The much improved performance of the Bank is a combination of exceptional income from its key clients, a leaner organisation and the efforts undertaken in recovering the provisioned portfolio of the Bank.

OUTLOOK FOR 2003

The Bank remains confident that the Malaysian economy will continue its resilient performance in 2003, buoyed by the increasing intra ASEAN trade that will help compensate for the slowing demand from the United States for goods and services. The recent entry into the equities market of a large local player, the Bank believes, will also spur interest in the local bourse. Consumer spending remains a key driver of the domestic market together with continued fiscal spending by the Government.

The Bank will selectively build its loan base in 2003 again with its identified key and priority clients. It will also continue to aggressively target clients with sophisticated financing requirements where the Bank has the proven capabilities in fulfilling those needs, thereby continuing its trend of recording exceptional revenues from complex transactions. The Bank will also strive to introduce new, innovative trade related products that are built on its advanced technological platforms giving our local customers access to world class solutions.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2002

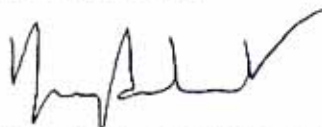
RATING BY AGENCY

RAM, Ratings Agency Malaysia Berhad, reaffirmed the Bank's long term rating of AA₂ and its short-term rating of P1. The ratings were based on the Bank's sound asset quality, relatively stable funding, well-capitalised position and improving profitability. The Bank's healthy asset quality as demonstrated by the low incidence of non-performing loans ("NPLs"), the Bank's promotion of its fee-based activities to sustain its earnings by leveraging on its extensive global as well as the Bank's position as a wholly owned subsidiary of ABN AMRO Holding N.V., a major global banking institution with a very strong franchise and prudent operation, were considered in the above rating.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

On behalf of the Board,



HUGUES JACQUES EDOUARD ALAIN DELCOURT



MOHAMED EUSOFF ABDUL CARRIM

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) DIRECTORS
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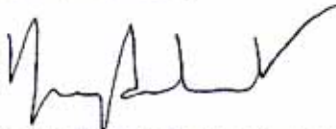
Kuala Lumpur, Malaysia.
25 February 2003

STATEMENT BY DIRECTORS

We, HUGUES JACQUES EDOUARD ALAIN DELCOURT and MOHAMED EUSOFF ABDUL CARRIM, being two of the Directors of ABN AMRO BANK BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 19 to 48 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:-

- i) the financial position of the Group and of the Bank as at 31 December 2002 and of the results of the business of the Group and of the Bank for the year ended on that date;
- ii) the cash flows of the Group and of the Bank for the year ended 31 December 2002.

On behalf of the Board,



HUGUES JACQUES EDOUARD ALAIN DELCOURT



MOHAMED EUSOFF ABDUL CARRIM

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} DIRECTORS
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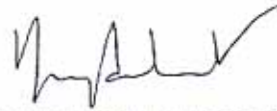
Kuala Lumpur, Malaysia.
25 February 2003

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, HUGUES JACQUES EDOUARD ALAIN DELCOURT being the Director primarily responsible for the financial management of ABN AMRO BANK BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 19 to 48 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed
HUGUES JACQUES EDOUARD ALAIN DELCOURT
at Kuala Lumpur in the Federal Territory
on 25 February 2003



**HUGUES JACQUES EDOUARD
ALAIN DELCOURT**

Before me,



AUDITORS' REPORT

TO THE MEMBERS OF ABN AMRO BANK BERHAD

We have audited the financial statements and consolidated financial statements set out on page 19 to 48. These financial statements are the responsibility of the Bank's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

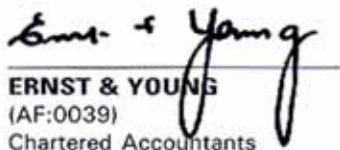
We conducted our audit in accordance with Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting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

In our opinion:-

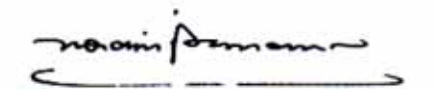
- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Companies Act 1965, Bank Negara Malaysia Guidelines and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:-
 - (i) the financial position of the Group and of the Bank as at 31 December 2002 and of the results and cash flows of the Group and of the Bank for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements and consolidated financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Bank and by the subsidiaries for which we are the auditors have been properly kept in accordance with the provisions of the Act.

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

The Auditors' Reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act 1965.


ERNST & YOUNG
(AF:0039)
Chartered Accountants

Kuala Lumpur, Malaysia
25 February 2003


Dato' Nordin Bin Baharuddin
(837/03/04(J))
Partner

BALANCE SHEET

AS AT 31 DECEMBER 2002

	Note	GROUP		BANK	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
ASSETS					
Cash and short-term funds	4	1,130,851	520,429	1,130,851	520,429
Deposits and placements with financial institutions	5	371,841	659,052	371,841	659,052
Dealing securities	6	25,097	73,866	25,097	73,866
Investment securities	7	618,863	345,114	618,863	345,114
Loans and advances	8	450,137	1,009,850	450,137	1,009,850
Other assets	9	97,710	60,467	97,710	60,467
Statutory deposits with Bank Negara Malaysia	10	42,454	70,832	42,454	70,832
Investment in subsidiary companies	11	-	-	20	20
Property, plant and equipment	12	3,599	6,098	3,599	6,098
TOTAL ASSETS		2,740,552	2,745,708	2,740,572	2,745,728
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	13	1,155,247	1,190,802	1,155,267	1,190,822
Deposits and placements of banks and other financial institutions	14	1,086,298	1,033,537	1,086,298	1,033,537
Bills and acceptances payable		-	9,940	-	9,940
Other liabilities	15	137,174	200,789	137,174	200,789
TOTAL LIABILITIES		2,378,719	2,435,068	2,378,739	2,435,088
Share capital	16	203,000	203,000	203,000	203,000
Reserves	17	158,833	107,640	158,833	107,640
SHAREHOLDERS' FUNDS		361,833	310,640	361,833	310,640
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		2,740,552	2,745,708	2,740,572	2,745,728
COMMITMENTS AND CONTINGENCIES	31	9,448,788	6,670,446	9,448,788	6,670,446

The annexed notes form an integral part of these financial statements.

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	GROUP/BANK	
		2002 RM'000	2001 RM'000
Interest income	18	93,180	140,141
Interest expense	19	(55,488)	(92,710)
Net interest income		37,692	47,431
Loan loss and write back/(provision)	20	4,268	(6,412)
Provision for commitments and contingencies		1,802	(5,694)
		43,762	35,325
Non-interest income	21	69,165	45,363
Net income		112,927	80,688
Non-interest expense	22	(46,851)	(67,015)
		66,076	13,673
Provision for restructuring costs	23	4,617	(2,282)
Profit before taxation		70,693	11,391
Taxation	27	(19,500)	(7,116)
Profit after taxation		51,193	4,275
Earnings per share (sen)	28	25	2

The annexed notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2002

	Issued and fully paid ordinary shares of RM1.00 each		Non-distributable		Distributable	Total
	Number of shares '000	Nominal value RM'000	Share premium RM'000	Statutory reserves RM'000	Retained earnings RM'000	
GROUP AND BANK						
At 1 January 2001	108,818	108,818	76,182	30,030	(2,847)	212,183
Issue of shares	94,182	94,182	-	-	-	94,182
Profit for the year	-	-	-	-	4,275	4,275
Transfer to reserves	-	-	-	2,138	(2,138)	-
At 31 December 2001	203,000	203,000	76,182	32,168	(710)	310,640
Profit for the year	-	-	-	-	51,193	51,193
Transfer to reserves	-	-	-	25,597	(25,597)	-
At 31 December 2002	203,000	203,000	76,182	57,765	24,886	361,833

The annexed notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	GROUP/BANK	
		2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		70,693	11,391
Adjustments for:			
Depreciation of property, plant and equipment		2,298	3,449
Property, plant and equipment written off		46	9
(Gain)/loss on disposal of property, plant and equipment		(116)	19
Provision for bad and doubtful debts		4,268	(6,412)
Provision for interest-in-suspense		(177)	79
Provision for commitments and contingencies		(1,802)	5,694
Loss/(gain) on sale of investment securities		1,949	(1,422)
		<u>6,466</u>	<u>1,416</u>
Operating profit before working capital changes		77,159	12,807
Decrease/(increase) in dealing securities		48,769	(27,535)
Decrease in loans and advances		555,624	164,735
Increase in other assets		(37,243)	(30,251)
Decrease in statutory deposits with Bank Negara Malaysia		28,378	10,451
Decrease in deposits from customers		(35,555)	(156,098)
Decrease/(increase) in deposits and placements of banks and other financial institutions		52,761	(190,070)
(Decrease)/increase in other liabilities		(58,302)	54,711
Decrease in bills and acceptances payable		(9,940)	(19,579)
Cash generated from/(used in) operations		<u>621,651</u>	<u>(180,829)</u>
Income taxes paid		(22,939)	(6,607)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		<u>598,712</u>	<u>(187,436)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(4)	(316)
Proceeds from disposal of property, plant and equipment		201	185
(Increase)/decrease in investment securities		(275,698)	309,242
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		<u>(275,501)</u>	<u>309,111</u>
CASH FLOW FROM FINANCING ACTIVITY			
Issues of shares		-	94,182
NET CASH GENERATED FROM FINANCING ACTIVITY		<u>-</u>	<u>94,182</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		323,211	215,857
CASH AND CASH EQUIVALENTS AT 1 JANUARY		1,179,481	963,624
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	24	<u>1,502,692</u>	<u>1,179,481</u>

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Bank and of the Group have been prepared in accordance with the provisions of the Companies Act, 1965, the Banking and Financial Institutions Act, 1989 and applicable Approved Accounting Standards issued by the Malaysian Accounting Standards Board (MASB).

2. GENERAL

The Bank is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office is located at Level 26, MNI Twins, Tower 2, 11, Jalan Pinang, 50450 Kuala Lumpur.

The principal place of business is located at Levels 25 - 27, MNI Twins, Tower 2, 11, Jalan Pinang, 50450 Kuala Lumpur.

The principal activities of the Bank are banking and related financial services.

The principal activities of the subsidiary companies are to act as nominee, trustees, custodian trustees and agents on behalf of the Bank.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 January 2003 and by Bank Negara Malaysia via its letter dated 24 February 2003.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Bank and all its subsidiaries for the year to 31 December 2002. The results of all subsidiary companies acquired or sold are included in the consolidated financial statements from the date of acquisition or to the date of sale.

(c) Recognition of Interest Income

Interest income is recognised on an accrual basis. Interest income on housing and term loans is recognised by reference to rest periods which are either monthly or yearly.

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

(d) Recognition of Fees and Other Income

Loan arrangement fees and commissions are recognised as income when all conditions precedent are fulfilled.

Commitment fees and guarantee fees which are material are recognised as income based on time apportionment.

Dividends from dealing securities are recognised when received. Dividends from investment securities are recognised when declared.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Provision for Non-Performing Debts and Financing

Specific provisions are made for doubtful debts and financing which have been individually reviewed and specifically identified as sub-standard, doubtful or bad.

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

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

(f) Dealing Securities

Dealing securities are marketable securities that are acquired and held with the intention of resale in the short term, and are stated at the lower of cost and market value.

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

(g) Investment Securities

Investment securities are securities that are acquired and held for yield or capital growth or to meet minimum liquid assets requirement pursuant to Section 38 of the Banking and Financial Institutions Act, 1989, and are usually held to maturity.

Malaysian Government securities, Cagamas bonds, other Government securities and Government and Bank Guaranteed Private debt securities held for investment are stated at cost adjusted for amortisation of premium or accretion of discount to maturity date.

Bankers' acceptances are stated at face value less unearned discount. Other investment securities are stated at cost and provision is made in the event of any permanent diminution in value.

Unquoted equity securities held as long term investments are stated at cost and provision is made in the event of any permanent diminution in value.

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

(h) Investments in Subsidiary Companies

A subsidiary company is a company in which the Bank controls the composition of its board of directors or more than half of its voting power, or holds more than half of its issued ordinary share capital.

Investments in subsidiary companies are stated at cost, and written down when the Directors consider that there is a permanent diminution in the value of such investments.

(i) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, with the exception of freehold land and buildings which are not depreciated. The non-depreciation of buildings on freehold land is a non-compliance of MASB Standard No.14 - Depreciation Accounting, but the effect of this non-compliance is not material. Depreciation of other property, plant and equipment is calculated to write off the cost of the property, plant and equipment on a straight line basis over the expected useful lives of the assets concerned. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(k).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Property, Plant and Equipment (Cont'd)

The principal annual rates of depreciation used are as follows:-

Motor vehicles	20%
Office equipment and machinery	20%
Furniture, fittings and office renovation	10% - 20%
Computer equipment and software	20% - 33 1/3%

(j) Bills and Acceptances Payable

Bills and acceptances payable represents the Bank's own bills and acceptances rediscounted and outstanding in the market.

(k) Impairment of Assets

At each balance sheet date, the Bank reviews the carrying amounts of its assets, other than financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(l) Repurchase Agreements

Securities purchased under resale agreements are securities which the Bank had purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the balance sheet.

Conversely, obligation on securities sold under repurchase agreements are securities which the Bank had sold from its portfolio, with a commitment to repurchase at future dates. Such financing transactions and corresponding obligations to purchase the securities are reflected as a liability on the balance sheet.

(m) Forward Exchange Contracts

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Interest Rates Swap, Futures, Forward and Option Contracts

The Bank acts as an intermediary with counterparties who wish to swap their interest obligations. The Bank also uses interest rate swaps, futures, forward and option contracts in its trading account activities and in overall interest rate risk management.

Interest income or interest expense associated with interest rate swaps that qualify as hedges is recognised over the life of the swap agreement as a component of interest income or interest expense. Gains and losses on interest rates futures, forward and option contracts that qualify as hedges are generally deferred and amortised over the life of the hedged assets or liabilities as adjustments to interest income or interest expense.

Gains and losses on interest rate swaps, futures, forward and option contracts that do not qualify as hedges are recognised in the current year using the mark-to-market method, and are included in net result from dealing securities.

(o) Currency Translations

Individual foreign currency assets and liabilities are reported in Ringgit Malaysia in the balance sheet at spot rates of exchange which closely approximate those ruling at the balance sheet date. Income statement items are recorded at rates prevailing on transaction dates. Exchange gains and losses are recognised in the income statement in the year they arise.

The major exchange rates used by the Bank and the Group are:

	GROUP AND BANK	
	Year end rates	
	2002	2001
United States Dollar	3.8000	3.8000
Euro	3.9410	3.3611
Singapore Dollar	2.1700	2.0548

(p) Deferred Taxation

Provision is made by using the liability method for deferred taxation in respect of all material timing differences. However, where the timing differences give rise to deferred tax benefits, these benefits are not recognised unless there is a reasonable expectation of realisation.

(q) Cash and Cash Equivalents

Cash and cash equivalents as stated in the cash flow statement comprise cash and short-term funds, deposits and placements with financial institutions that are readily convertible to cash with insignificant risk of changes in value.

(r) Financial Instruments

Financial instruments are recognised on the balance sheet when the Bank has become a party to the contractual provisions of the instrument. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement.

(i) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(ii) Other financial instruments

The accounting policies for financial instruments other than equity instruments are disclosed in the individual policies associated with each item.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Derivatives

Derivatives are financial instruments, the contracted or notional amounts of which are not included in the balance sheet either because rights and obligations arise out of one and the same contract, the performance of which is due after balance sheet date, or because the notional amount serve merely as variables for calculation purposes. Examples of derivatives are forward exchange contracts, options, swaps, futures and forward rate agreements. The underlying value may involve interest rate, currency, commodity, bond or equity products or a combination of these.

(i) Hedging transactions

All currency and interest rate swaps undertaken as a hedge against open positions created by customer transactions have been disclosed as contingent items. These transactions are revalued and the income or losses resulting from the revaluation taken to the income statement.

(ii) Trading transactions

There are no proprietary trading positions for money market, interest rate or currency derivatives for the Bank.

4. CASH AND SHORT-TERM FUNDS

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Cash and balances with banks and other financial institutions	25,387	21,518
Money at call and deposit placements maturing within one month	1,105,464	498,911
	1,130,851	520,429

5. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Licensed banks	371,841	659,052

6. DEALING SECURITIES

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Money market instruments:		
Malaysian Government securities	-	23,004
Prasarana bonds	-	50,862
	-	73,866
Quoted securities:		
In Malaysia		
Private debt securities	25,097	-
Total dealing securities	25,097	73,866
Market value of quoted securities:		
Malaysian Government securities	-	23,004
Prasarana bonds	-	51,267
Private debt securities	25,568	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

7. INVESTMENT SECURITIES

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Money market instruments:		
Malaysian Government securities	186,000	125,000
Khazanah bonds	10,000	10,000
Danaharta bonds	135,000	135,000
Danamodal bonds	60,100	60,100
Bankers' acceptances	185,811	-
Prasarana Bonds	50,862	-
Private debt securities	-	30,000
	627,773	360,100
Quoted securities:		
In Malaysia		
Shares	622	622
Unquoted securities:		
In Malaysia		
Shares	1,699	1,699
Debentures	20	20
	1,719	1,719
	630,114	362,441
Amortisation of premium less accretion of discounts	(10,639)	(16,715)
Provision for diminution in value of investment securities	(612)	(612)
Total investment securities	618,863	345,114
Market value of quoted securities:		
Malaysian Government securities	205,059	130,686
Khazanah bonds	9,574	9,279
Danaharta bonds	129,625	125,347
Danamodal bonds	58,637	56,927
Prasarana bonds	51,095	-
Shares	5	12
Private debt securities	-	35,183
The maturity structure of money market instruments held for investment are as follows:		
Maturity within one year	325,911	85,000
One year to three years	130,000	260,100
Three years to five years	126,086	15,000
Over five years	45,776	-
	627,773	360,100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

8. LOANS, ADVANCES AND FINANCING

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Overdrafts	42,595	59,399
Term loans	410,547	866,098
Bills receivable	30,093	88,348
Trust receipts	4,061	5,476
Claims on customers under acceptance credits	26,002	61,910
Staff loans (of which RM179,373 (2001 : RM572,487) to Directors)	11,487	14,784
Gross loans, advances and financing	524,785	1,096,015
Provision for bad and doubtful debts and financing		
- specific	(42,864)	(51,521)
- general	(17,200)	(17,200)
Interest-in-suspense	(14,584)	(17,444)
Total net loans, advances and financing	450,137	1,009,850
(i) The maturity structure of gross loans, advances and financing are as follows:-		
Maturing within one year	486,858	817,982
One year to three years	26,367	25,203
Three years to five years	227	5,473
Over five years	11,333	247,357
	524,785	1,096,015
(ii) Loans, advances and financing analysed by their economic purposes are as follows:-		
Agriculture	30,334	71,667
Mining and quarrying	-	6
Manufacturing	76,950	241,614
Electricity, gas and water	-	-
Construction	26,016	25,279
Real estate	67,090	58,889
Purchase of landed properties (Residential)	20,656	263,529
Transport, storage and communication	95,383	87,810
Finance, insurance and business services	29,472	69,984
Purchase of securities	1,889	8,611
Purchase of transport vehicles	1,218	2,045
Government of Malaysia	114,000	152,000
Wholesale and retail	53,523	100,710
Consumption credit	4,163	9,658
Others	4,091	4,213
	524,785	1,096,015

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

8. LOANS, ADVANCES AND FINANCING (CONT'D)

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
(iii) Movements in the non-performing loans and financing including interest receivable are as follows:-		
Balance as at 1 January	105,612	95,798
Non-performing during the year (gross)	9,705	81,848
Recoveries	(47,200)	(18,026)
Amount written off	(7,216)	(11,675)
Debt equity/bonds conversion	-	(42,333)
Balance as at 31 December	60,901	105,612
(as % of total loans less specific provision (SP) and interest-in-suspense (IIS))	0.74%	3.57%
(iv) Movement in the provision for bad and doubtful debts and financing and interest-in-suspense accounts are as follows:-		
General provision:		
Balance as at 1 January and 31 December	17,200	17,200
(as % of total loans less loan to Government of Malaysia, SP & IIS)	4.87%	1.97%
Specific provision:		
Balance as at 1 January	51,521	53,138
Provision made during the year	2,088	16,372
Amount written back in respect of recoveries	(6,356)	(9,960)
Amount written off	(3,777)	(7,417)
Debt equity conversion	(612)	(612)
Balance as at 31 December	42,864	51,521
Interest-in-suspense:		
Balance as at 1 January	17,444	21,532
Provision made during the year	1,514	6,488
Amount written back in respect of recoveries	(1,691)	(6,409)
Amount written off	(2,683)	(4,167)
Balance as at 31 December	14,584	17,444

9. OTHER ASSETS

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Other debtors, deposits and prepayments	97,710	60,467

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

10. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

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

11. INVESTMENT IN SUBSIDIARY COMPANIES

	BANK	
	2002 RM'000	2001 RM'000
Unquoted shares, at cost	20	20

The subsidiary companies of the Bank, both of which are incorporated in Malaysia, are as follows:

Name	Principal Activity	Percentage of equity held
ABN AMRO Nominees (Tempatan) Sdn Bhd	Nominee Company	100%
ABN AMRO Nominees (Asing) Sdn Bhd	Nominee Company	100%

All income and expenditure arising from the nominee activities of the subsidiary companies have been recognised in the Bank's results.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings RM'000	Motor vehicles RM'000	Office equipment and machinery RM'000	Furniture, fixtures and fittings RM'000	Computer equipment and software RM'000	Total RM'000
GROUP AND BANK						
Net book value:						
As at 1 January 2002	388	416	566	3,211	1,517	6,098
Additions	-	-	-	-	4	4
Disposals/write-offs	-	(86)	(1)	-	(118)	(205)
Depreciation	-	(141)	(380)	(815)	(962)	(2,298)
As at 31 December 2002	388	189	185	2,396	441	3,599
Depreciation for the year ended 31 December 2001	-	208	414	858	1,969	3,449
As at 31 December 2002:						
Cost	388	516	2,276	6,078	8,420	17,678
Accumulated depreciation	-	(327)	(2,091)	(3,682)	(7,979)	(14,079)
Net book value	388	189	185	2,396	441	3,599
As at 31 December 2001:						
Cost	388	949	2,285	6,078	9,138	18,838
Accumulated depreciation	-	(533)	(1,719)	(2,867)	(7,621)	(12,740)
Net book value	388	416	566	3,211	1,517	6,098

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

13. DEPOSITS FROM CUSTOMERS

Type	GROUP		BANK	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Demand deposits	559,490	472,850	559,510	472,870
Saving deposits	5,330	10,283	5,330	10,283
Fixed deposits	535,612	707,669	535,612	707,669
Repurchase agreements	54,815	-	54,815	-
	1,155,247	1,190,802	1,155,267	1,190,822

(i) Maturity structure of fixed deposits are as follows:-

	GROUP AND BANK	
	2002 RM'000	2001 RM'000
Due within six months	480,440	550,675
Six months to one year	41,599	122,939
One year to three years	13,573	34,055
	535,612	707,669

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

	GROUP		BANK	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Business enterprises	892,469	1,018,012	892,489	1,018,032
Individuals	122,669	165,546	122,669	165,546
Others	140,109	7,244	140,109	7,244
	1,155,247	1,190,802	1,155,267	1,190,822

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	GROUP AND BANK	
	2002 RM'000	2001 RM'000
Deposits from licensed banks	827,298	848,537
Negotiable instruments of deposits issued to financial institutions	259,000	185,000
	1,086,298	1,033,537

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

15. OTHER LIABILITIES

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Taxation	5,844	9,283
Retirement benefits	22	22
Other liabilities	127,415	185,790
Provision for commitments and contingencies	3,893	5,694
	137,174	200,789

16. SHARE CAPITAL

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Authorised: 500,000,000 ordinary shares of RM1 each	500,000	500,000
Issued and fully paid:		
Balance as at 1 January	203,000	108,818
Issued during the year	-	94,182
Balance as at 31 December	203,000	203,000

17. RESERVES

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Share premium (see below)	76,182	76,182
Statutory reserves (see below)	57,765	32,168
Accumulated profit / (loss)	24,886	(710)
	158,833	107,640
(a) Share premium		
Balance as at 1 January and 31 December	76,182	76,182
(b) Statutory reserves		
Balance as at 1 January	32,168	30,030
Transfer from distributable earnings	25,597	2,138
Balance as at 31 December	57,765	32,168

The statutory reserves are maintained in compliance with Section 36 of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

18. INTEREST INCOME

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Loans and advances	30,104	62,168
Money at call and deposit placements with financial institutions	33,403	55,456
Investment securities	26,590	21,196
Dealing securities	2,906	1,400
	<u>93,003</u>	<u>140,220</u>
Interest suspended net of recoveries	177	(79)
	<u>93,180</u>	<u>140,141</u>

19. INTEREST EXPENSE

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	22,155	48,956
Deposits from other customers	29,363	37,173
Others	3,970	6,581
	<u>55,488</u>	<u>92,710</u>

20. LOAN LOSS AND WRITE BACK/PROVISION

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Provision for bad and doubtful debts		
- specific provision (net)	(4,268)	6,412
- general provision	-	-
	<u>(4,268)</u>	<u>6,412</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

21. NON-INTEREST INCOME

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Fee income:		
Commission	18,633	3,033
Service charges and fees	1,969	2,822
Guarantee fees	2,120	3,144
Other fee income	1,433	1,754
	<u>24,155</u>	<u>10,753</u>
Investment income:		
Net profit from dealing securities	22,427	10,703
(Loss) / gain from sale of investment securities	(1,949)	1,422
Gross dividend from unquoted investments securities	67	88
	<u>20,545</u>	<u>12,213</u>
Other income:		
Foreign exchange profit	18,349	22,397
Premium on disposal of mortgage loans	6,000	-
Gain on disposal of property, plant and equipment	116	-
	<u>24,465</u>	<u>22,397</u>
Total	69,165	45,363

22. NON-INTEREST EXPENSE

	GROUP AND BANK	
	2002	2001
	RM'000	RM'000
Personnel costs	19,070	21,489
Establishment costs	12,656	22,831
Marketing expenses	444	816
Administration and general expenses	14,681	21,879
	<u>46,851</u>	<u>67,015</u>
Included in the above expenditure are the following:-		
Directors' remuneration and benefits-in-kind (Note 26)	1,259	1,696
Rental of premises	1,823	2,583
Rental of equipment	130	420
Auditors' remuneration - statutory audit	80	80
Depreciation of property, plant and equipment	2,298	3,449
Loss on disposal of property, plant and equipment	-	19
Property, plant and equipment written off	46	9

The number of employees of the Group and of the Bank at the end of the year were 144 (2001 : 177) and 144 (2001 : 177) respectively.

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23. PROVISION FOR RESTRUCTURING COSTS

The provision for restructuring costs was pertaining to restructuring costs provided for by the Bank to be in line with the new structure identified for the Malaysian operations which is a focused wholesale bank. The write back for the year relates to unutilised provision from prior years. Included in the charge to the provision is property, plant and equipment written off during the year in relation to the restructuring exercise amounting to RM74,000 (2001 : RM4,877,000).

24. CASH AND CASH EQUIVALENTS

	GROUP AND BANK	
	2002 RM'000	2001 RM'000
Cash and cash equivalents comprise the following:-		
Cash and short-term funds	1,130,851	520,429
Deposits and placements with financial institutions	371,841	659,052
	1,502,692	1,179,481

25. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

	Immediate holding company RM'000	Subsidiary companies RM'000	Other related companies RM'000
2002			
Income:			
Commission	13,547	-	-
Interest income	23,353	-	162
Expense:			
Interest expense	7,152	-	-
Management fee	14,683	-	-
Commission	69	-	-
Cost sharing automation	3,205	-	-
Amount due from:			
Deposits and current accounts	1,082,216	-	1,173
Interest receivable	5,463	-	-
Amount due to:			
Deposits and current accounts	748,008	20	-
Interest payable	576	-	-
Foreign exchange related contracts:			
- purchased and receivable	413,724	-	140,794
- sold and payable	393,865	-	139,280

NOTES TO THE FINANCIAL STATEMENTS

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25. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D)

	Immediate holding company RM'000	Subsidiary companies RM'000	Other related companies RM'000
2001			
Income:			
Interest income	49,251	-	86
Expense:			
Interest expense	9,864	-	57
Management fee	20,537	-	-
Commission	1,029	-	-
Cost sharing automation	5,997	-	-
Other automation costs	1,815	-	-
Amount due from:			
Deposits and current accounts	837,976	-	-
Interest receivable	16,043	-	-
Amount due to:			
Deposits and current accounts	194,109	20	885
Interest payable	93	-	-
Foreign exchange related contracts:			
- purchased and receivable	186,419	-	-
- sold and payable	190,163	-	-

26. DIRECTORS' REMUNERATION (Note 22)

Forms of remuneration in aggregate for all Directors charged to the income statement for the year are as follows:-

	GROUP AND BANK	
	2002 RM'000	2001 RM'000
Executive directors		
- Salary and other remuneration	876	1,129
- Bonuses	-	339
- Benefits-in-kind	322	194
Non-executive directors		
- Fees	61	34
	1,259	1,696

The remuneration attributable to the Managing Director of the bank, including benefits-in-kind during the year amounted to RM737,000 (2001 : RM659,000)

NOTES TO THE FINANCIAL STATEMENTS

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27. TAXATION

	GROUP AND BANK	
	2002 RM'000	2001 RM'000
Malaysian income tax based on results for the year:		
Current year	19,500	7,116

The effective tax rates of the Bank and of the Group are lower than the statutory rate due to certain income items being not taxable.

Deferred tax benefits of approximately RM970,000 as at 31 December 2002, subject to agreement by the Inland Revenue Board, not dealt with in the financial statements are as follows:-

	GROUP AND BANK	
	2002 RM'000	
Timing differences between depreciation and corresponding capital allowances on property, plant and equipment		1,336
Other short term timing differences		(4,799)
		(3,463)

28. EARNINGS PER SHARE

The earnings per share has been calculated based on the net profit after taxation of RM51,193,000 (2001 : RM4,275,000) on the weighted average number of ordinary shares of RM1 each in issue of RM203,000,002 (2001 : RM174,013,698) during the year.

29. LEASE COMMITMENTS

The Group and Bank have lease commitments in respect of rented premises, computer, office equipment on hire, all of which are classified as operating leases. A summary of the non-cancellable long term lease commitments, net of sub-leases is as follows:-

Year	GROUP AND BANK	
	2002 RM'000	2001 RM'000
2002	-	1,336
2003	1,150	936
2004	218	-

NOTES TO THE FINANCIAL STATEMENTS

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30. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

Risk Weighted Exposures of the Bank as at 31 December:-

	GROUP AND BANK			
	2002		2001	
	Principal amount RM'000	Credit equivalent amount* RM'000	Principal amount RM'000	Credit equivalent amount* RM'000
Direct credit substitutes	44,088	44,088	200,128	200,128
Transaction-related contingent items	443,644	221,822	511,256	255,628
Short-term self-liquidating trade-related contingencies	57,060	11,412	38,726	7,745
Other assets sold with recourse and commitments with certain drawdown	9,860	9,860	5,409	5,409
Irrevocable commitments to extend credit:				
- maturity less than one year	182,234	-	482,407	-
- maturity more than one year	10,306	5,153	33,837	16,919
Foreign exchange related contracts:				
- Forward and futures contracts - less than one year	6,201,596	143,882	5,368,683	74,258
Interest rate related contracts:				
- Forward and futures contracts - less than one year	2,500,000	59,182	30,000	71
	9,448,788	495,399	6,670,446	560,158

* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

Foreign exchange contracts are subject to market risk and credit risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 December 2002, the amount of contracts which were not hedged and, hence, exposed to market risk was RM5.6 million (2001 : RM1.1 million).

Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank has a gain position. As 31 December 2002, the amount of credit risk, measured in terms of the cost to replace the profitable contracts, was RM9.2 million (2001: RM7.4 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

NOTES TO THE FINANCIAL STATEMENTS

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31. FINANCIAL RISK MANAGEMENT POLICIES

The Bank's financial risk management policy seeks to ensure that adequate resources are available for the development of the Bank's business whilst managing its interest rate, market, credit and liquidity risks. The Board of Directors have approved guidelines pertaining to the risk management policies of the Bank which are closely adhered to, ensuring that the operations of the Bank are conducted in a prudent manner.

(a) Operational Risk

Operational risk is the risk of loss to the Bank resulting from weaknesses or failures in its internal processes, people and systems, or due to external events whether within or beyond its control.

The Bank is currently implementing an Internal Operational Self Risk Assessment system, identifying areas and probability of risk. The actual occurrence of operational loss is entered into a Corporate Loss Database and reconciled against the financial statements. The Bank has also the Operational Risk Assessment Process and a Business Continuity Plan already in place.

(b) Credit Risk

Credit risk arises from the possibility that a customer or counterparty may be unable to meet its financial obligations to the Bank, either from a facility granted or a contract in which the Bank has a gain position. At customer level, the Bank will evaluate the total credit risk for all products.

Credit risk for derivatives is measured as sum of replacement cost of the outstanding position (determined by using current market rates) plus an estimate of the Bank's future credit exposure as a result of market price changes. A "Contracts Violations Report" is generated and the report presents credit violations that were committed. These violations will be monitored and reported to Head Office by the Country Risk Officer ("CRO").

With respect to country risk:

- (i) The CRO signs off on the monthly country risk reports which reflect the cross border risk exposure, sovereign risk exposure and gross country exposure in accordance with the Bank's policy on country risk, and
- (ii) The CRO will track limit violations and together with the Business Support Unit, reports the violations to Head Office.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

31. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

The credit risk concentrations of the Group and Bank are set out in the following tables.

Group								
	Short term funds and placements with financial institutions including Statutory Deposit with BNM	Dealing securities	Investment securities	Loans and advances	General provision	Other assets	On balance sheet total	Commitments and contingencies
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agricultural, mining and quarrying	-	-	-	30,334	-	-	30,334	-
Manufacturing	-	-	-	49,686	-	-	49,686	-
Electricity, gas and water	-	-	-	-	-	-	-	-
Construction	-	-	-	7,760	-	-	7,760	-
Real estate	-	-	-	67,090	-	-	67,090	-
Purchase of landed properties (Residential)	-	-	-	20,652	-	-	20,652	-
i) Resident	-	-	-	20,652	-	-	20,652	10,306
ii) Non-resident	-	-	-	-	-	-	-	-
Wholesale and retail	-	-	-	49,907	-	-	49,907	-
Transport, storage and communication	-	-	-	88,708	-	-	88,708	-
Finance, insurance and business services	1,545,146	25,097	185,811	27,864	-	-	1,783,918	8,701,596
Government and government agencies	-	-	431,323	114,000	-	-	545,323	-
Purchase of securities	-	-	-	1,889	-	-	1,889	-
Purchase of transport vehicles	-	-	-	1,218	-	-	1,218	-
Consumption credit	-	-	-	4,156	-	-	4,156	-
Others	-	-	1,729	4,073	(17,200)	101,309	89,911	736,886
	1,545,146	25,097	618,863	467,337	(17,200)	101,309	2,740,552	9,448,788

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

31. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

	Bank							
	Short term funds and placements with financial institutions including Statutory Deposit with BNM	Dealing securities	Investment securities	Loans and advances	General provision	Other assets	On balance sheet total	Commitment and contingencies
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agricultural, mining and quarrying	-	-	-	30,334	-	-	30,334	-
Manufacturing	-	-	-	49,686	-	-	49,686	-
Electricity, gas and water	-	-	-	-	-	-	-	-
Construction	-	-	-	7,760	-	-	7,760	-
Real estate	-	-	-	67,090	-	-	67,090	-
Purchase of landed properties (Residential)	-	-	-	20,652	-	-	20,652	-
i) Resident	-	-	-	20,652	-	-	20,652	10,306
ii) Non-resident	-	-	-	-	-	-	-	-
Wholesale and retail	-	-	-	49,907	-	-	49,907	-
Transport, storage and communication	-	-	-	88,708	-	-	88,708	-
Finance, insurance and business services	1,545,146	25,097	185,811	27,864	-	-	1,783,918	8,701,596
Government and government agencies	-	-	431,323	114,000	-	-	545,323	-
Purchase of securities	-	-	-	1,889	-	-	1,889	-
Purchase of transport vehicles	-	-	-	1,218	-	-	1,218	-
Consumption credit	-	-	-	4,156	-	-	4,156	-
Others	-	-	1,729	4,073	(17,200)	101,329	89,931	736,886
	1,545,146	25,097	618,863	467,337	(17,200)	101,329	2,740,572	9,448,788

(c) Market Risk

Market risk is the potential change in value caused by movements in market rates and prices. The Bank is exposed to foreign exchange and interest rate risks, which are monitored daily through its market risk management systems. Daily reports measuring utilization of currency and holding limits together with price value basis points limits are generated and circulated to the relevant parties for information and action.

All limits are approved by the holding company and are reviewed regularly.

(d) Liquidity Risk

Liquidity risk is the risk of loss due to failure by the Bank to meet its short term funding requirements.

The Assets and Liabilities Committee ("ALCO") is primarily responsible for the strategic management of the Bank's liquidity, the daily operations of which are carried out by the Money Market Desk of the Treasury Department.

ALCO monitors at its monthly meeting, adherence to the liquidity and mismatch limits, and compliance with ABN AMRO Bank N.V worldwide, ALCO guidelines and Bank Negara Malaysia's New Liquidity Framework.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

32. INTEREST RATE RISK

Interest rate risk is the potential change in interest rate levels including changes in interest rate differentials and arises mainly from the differing yields and maturity profiles between assets and liabilities.

Interest rate risk is monitored through the market risk management systems as part of the overall market risk management of the Bank.

The following tables represent the Group and Bank's carrying assets and liabilities at carrying amounts as at 31 December 2002.

At 31.12.2002		Group							
	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Provisions	SPI-related items	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets									
Cash and short-term funds	1,130,851	-	-	-	-	-	-	-	1,130,851
Deposits and placements with financial institutions	-	30,131	156,784	184,926	-	-	-	-	371,841
Dealing securities	-	-	-	25,097	-	-	-	-	25,097
Investment securities	116,069	69,742	115,100	281,086	45,776	-	(8,910)	-	618,863
Loans, advances and financing	178,907	69,083	215,971	51,110	9,714	-	(74,648)	-	450,137
Other assets	-	-	-	-	-	97,710	-	-	97,710
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	42,454	-	-	42,454
Investment in subsidiary companies	-	-	-	-	-	-	-	-	-
Fixed assets	-	-	-	-	-	3,599	-	-	3,599
Total Assets	1,425,827	168,956	487,855	542,219	55,490	143,763	(83,558)	-	2,740,552
Liabilities									
Deposits from customers	1,009,266	90,809	41,599	13,573	-	-	-	-	1,155,247
Deposits and placements of banks and other financial institutions	669,178	355,000	62,120	-	-	-	-	-	1,086,298
Bills and acceptances payable	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	5,844	-	-	5,844
Other Liabilities	-	-	-	-	-	493,163	-	-	493,163
Total Liabilities	1,678,444	445,809	103,719	13,573	-	499,007	-	-	2,740,552
On balance sheet interest rate gap	(252,617)	(276,853)	384,136	528,646	55,490	(355,244)	-	-	83,558
Off balance sheet interest rate gap	-	-	-	-	-	-	-	-	-
Net interest rate gap	(252,617)	(276,853)	384,136	528,646	55,490	(355,244)	-	-	83,558

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

32. INTEREST RATE RISK (CONT'D)

	At 31.12.2002								
	Bank								
	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing	Provisions	SPI-related items	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets									
Cash and short-term funds	1,130,851	-	-	-	-	-	-	-	1,130,851
Deposits and placements with financial institutions	-	30,131	156,784	184,926	-	-	-	-	371,841
Dealing securities	-	-	-	25,097	-	-	-	-	25,097
Investment securities	116,069	69,742	115,100	281,086	45,776	-	(8,910)	-	618,863
Loans, advances and financing	178,907	69,083	215,971	51,110	9,714	-	(74,648)	-	450,137
Other assets	-	-	-	-	-	97,710	-	-	97,710
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	42,454	-	-	42,454
Investment in subsidiary companies	-	-	-	-	-	20	-	-	20
Fixed assets	-	-	-	-	-	3,599	-	-	3,599
Total Assets	1,425,827	168,956	487,855	542,219	55,490	143,783	(83,558)	-	2,740,572
Liabilities									
Deposits from customers	1,009,286	90,809	41,599	13,573	-	-	-	-	1,155,267
Deposits and placements of banks and other financial institutions	669,178	355,000	62,120	-	-	-	-	-	1,086,298
Bills and acceptances payable	-	-	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	5,844	-	-	5,844
Other Liabilities	-	-	-	-	-	493,163	-	-	493,163
Total Liabilities	1,678,464	445,809	103,719	13,573	-	499,007	-	-	2,740,572
On balance sheet interest rate gap	(252,637)	(276,853)	384,136	528,646	55,490	(355,224)	-	-	83,558
Off balance sheet interest rate gap	-	-	-	-	-	-	-	-	-
Net interest rate gap	(252,637)	(276,853)	384,136	528,646	55,490	(355,224)	-	-	83,558

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

32. INTEREST RATE RISK (CONT'D)

Included in the tables are the Group's and Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates and their average effective interest rates per annum at their balance sheet dates.

	GROUP 31.12.2002		BANK 31.12.2002	
	RM	USD	RM	USD
	%	%	%	%
Financial Assets				
Cash and short-term funds	2.79	1.30	2.79	1.30
Deposits and placements with financial institutions	2.92	1.99	2.92	1.99
Dealing securities	5.00	-	5.00	-
Investment securities	4.28	-	4.28	-
Loans, advances and financing	4.42	2.32	4.42	2.32
Other assets	-	-	-	-
Financial Liabilities				
Deposits from customers	3.01	1.14	3.01	1.14
Deposits and placements of banks and other financial institutions	2.70	1.43	2.70	1.43
Obligations on securities sold under repurchase agreements	2.53	-	2.53	-
Other liabilities	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2002

33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying values and fair values of financial assets and liabilities of the Group and the Bank.

At 31.12.2002	GROUP		BANK	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Assets				
Cash and short-term funds	1,130,851	1,130,851	1,130,851	1,130,851
Deposits and placements with financial institutions	371,841	366,483	371,841	366,483
Dealing securities	25,097	25,568	25,097	25,568
Investment securities	618,863	631,695	618,863	631,695
Loans, advances and financing	450,137	437,610	450,137	437,610
Other assets	101,309	97,710	101,329	97,710
Statutory deposit with Bank Negara Malaysia	42,454	42,454	42,454	42,454
Total Assets	2,740,552	2,732,371	2,740,572	2,732,371
Liabilities				
Deposits from customers	1,155,247	1,154,874	1,155,267	1,154,894
Deposits and placements of banks and other financial institutions	1,086,298	1,086,298	1,086,298	1,086,298
Other liabilities	499,007	499,007	499,007	499,007
Total Liabilities	2,740,552	2,740,179	2,740,572	2,740,199

At 31.12.2002	Underlying Notional RM'000	GROUP Fair Value		BANK Fair Value	
		Asset RM'000	Liability RM'000	Asset RM'000	Liability RM'000
Derivative financial instruments					
Foreign exchange contracts:	6,155,770				
- Forward	1,241,162	4,733	6,338	4,733	6,338
- Cross currency swaps	4,914,608	4,500	18,523	4,500	18,523
Interest rate contracts:	2,500,000				
- Futures	-	-	-	-	-
- Swaps	2,500,000	23,829	13,249	23,829	13,249
- Options	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

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33. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONT'D)

Derivative financial assets represent contracts that are in a favourable position, and derivative financial liabilities are contracts that are in an unfavourable position at reporting date and may fluctuate in relation to changes in market rates.

Fair value is the estimated amount at which a financial asset or liability can be exchanged between two parties under normal market conditions.

However, certain assets such as loans, deposits and derivatives, fair values are not readily available as there is no open market where these instruments are traded.

The fair values for these instruments are estimated based on the assumptions and techniques below.

These methods are subjective in nature and therefore the fair values presented may not be indicative of the actual realisable value.

(i) Cash and short term funds

The carrying amounts are a reasonable estimate of the fair values because of their short-term nature.

(ii) Deposits and placements with financial institutions

Deposits and placements of below one year are at carrying amounts while those maturing beyond one year have been valued at discounted cashflows.

(iii) Dealing and investment securities

Dealing and investment securities are valued at market rates prevailing at balance sheet date.

(iv) Loans and advances

Loans, advances and financing have been adjusted to reflect the capacity of the borrowers to repay on demand by calculating the discounted amount payable and credit worthiness of borrowers.

(v) Other assets

Other assets have been reflected at amounts generated from internal sources and credit adjusted for amounts recoverable from external parties.

(vi) Statutory deposits with BNM

Statutory deposits with BNM are stated at carrying amounts.

(vii) Deposits from customers

Deposits from customers are valued at carrying amounts for all amounts on demand and below one year, while deposits over one year have been valued at discounted cashflows.

(viii) Deposits and placements of banks and other financial institutions

Deposits and placements of banks and other financial institutions are valued at carrying amounts.

(ix) Other liabilities

Other liabilities are stated at carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

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34. CAPITAL ADEQUACY

The components of Tier I and Tier II capital are as follows:-

	BANK	
	2002 RM'000	2001 RM'000
Tier-I capital		
Paid-up share capital	203,000	203,000
Share premium	76,182	76,182
Other reserves	57,765	32,168
Accumulated profit / loss	24,886	(710)
Total Tier-I capital	361,833	310,640
Tier-II Capital		
General provision for bad and doubtful debts	17,200	17,200
Total Tier-II capital	17,200	17,200
Total capital base	379,033	327,840
Less: Investment in subsidiaries	(20)	(20)
Capital base	379,013	327,820
Capital Ratios		
Core capital ratio	35.90%	24.98%
Risk-weighted capital ratio	37.60%	26.36%

The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:-

	2002 RM'000	2001 RM'000
0%	-	-
20%	402,287	283,002
50%	232,090	398,758
100%	373,573	561,922
Total	1,007,950	1,243,682

ABN AMRO HOLDING N. V.

2002 ANNUAL RESULTS

	2002	2001
	€ million	€ million
Operating result	5,457	5,063
Pre-tax profit	3,713	3,613
Net profit	2,412	2,363
Earnings per share	€ 1.52	€ 1.53
Dividend per ordinary share	€ 0.90	€ 0.90
	31 Dec 2002	31 Dec 2001
	€ billion	€ billion
Total assets	556.0	597.4
Group capital	30.1	34.0
Total risk-weighted assets	229.6	273.4
BIS tier 1 ratio	7.48%	7.03%
BIS total capital ratio	11.54%	10.91%