

Operations Review

The operating environment in 2003 posed significant challenges to businesses and individuals in Singapore and in the region, as they faced the combined onslaught of economic uncertainties, the Iraq war, lingering terrorism fears and the SARS outbreak.

Despite these challenges, OCBC remained focused on implementing the initiatives and achieving the goals set forth in the New Horizons strategy, and we made good progress in further strengthening our market position in our key markets of Singapore and Malaysia.

Consumer Financial Services

Group Consumer Financial Services offers an array of consumer products and services to more than one and a half million OCBC customers in Singapore and Malaysia. Notwithstanding the weak investment sentiment in the first six months, our consumer banking business still managed to notch up several notable achievements for the year as a whole.

We achieved record sales of retail wealth management products in Singapore and Malaysia in 2003, amounting to S\$5.2 billion, as compared to S\$3.9 billion in 2002. Our sales volume for treasury and structured products doubled from S\$1.5 billion to S\$3.0 billion. Total bancassurance sales premiums amounted to S\$1.0 billion while unit trust sales were S\$1.2 billion.

In bancassurance, OCBC maintained its lead in Singapore with a strong 40% market share. We successfully launched several new products including the *US\$ and S\$ Guaranteed Return Plan*, *New Secured Cash Saver Plan* and *Easi Cash Saver Plan*. Our bancassurance business model was successfully replicated in Malaysia, with similar products tailored to meet Malaysian customer requirements. With approval from Bank Negara Malaysia, we started distributing three third-party life insurance products during the year, achieving strong sales. Under an existing strategic tie-up with Great Eastern Life Assurance (Malaysia) Berhad, we continue to distribute Great

Eastern's mortgage reducing term assurance product and single premium endowment products in Malaysia.

OCBC maintained its position among the top two distributors of unit trusts in Singapore. Capital protected funds and structured deposits continued to be in demand, and new and innovative structured funds were successfully launched to offer investors regular payouts over shorter tenures. In Malaysia, our unit trust sales increased more than four-fold compared to 2002, as we launched four new unit trusts during the year. Helping these sales was our exclusive distributorship for Pacific Mutual Berhad's *Pacific Select Balance Fund* and *Pacific Select Income Fund*. OCBC Malaysia now offers customers a total of 51 approved funds from eight fund management companies.

In Singapore's competitive private home loan market, we sought to meet different customers' needs by introducing a "combo" package, which charges fixed



Helping our customers to achieve their aspirations, with a comprehensive suite of financial products, including housing loans, car loans, credit cards, etc.

rates for a portion of the loan and variable rates for the remainder. With our strong customer focus, service culture and process efficiency, we remained the number one provider of new private home loans for a fourth straight year, achieving a 21% market share based on caveats lodged.

Building on our strengths in the private home loan business, our HDB (Housing Development Board) Home Loan product that was launched in January 2003 proved to be a resounding success. We captured 56% share of the HDB bank loans market based on caveats lodged. Our success in originating new loans resulted from our strong relationship with the housing agents, our immediate in-principle approval via the Internet and our ability to generate offer letters within an hour. An OCBC HDB Home Loans Centre was also set up at the Toa Payoh HDB Hub to provide one-stop service for HDB buyers.

In Malaysia, our housing loan book also grew strongly by 24% to RM4.7 billion. Taking the cue from positive sentiments in the property market, we participated in six home ownership campaigns in Klang Valley, Johor Bahru, Melaka, Ipoh and Kuantan. The various home loan packages we launched met with good response. Apart from targeting new developments, we also increased the number of mobile sales personnel to reach out to more customers, particularly those in the secondary trading market.

Our vehicle financing business in Singapore continued to grow strongly as we focused on acquiring quality dealerships and providing superior customer service. Car loans approved during the year increased by 78% over 2002, while our outstanding car loans surged 33%.

Usage of OCBC Credit Cards in Singapore grew by more than 25% in 2003. The "OCBC Rewards" programme with new rewards every fortnight and every quarter, as well as "OCBC Privileges" that offered discounts at over 500 merchant outlets, helped increase card usage. The OCBC Robinsons Visa card, first introduced in 2002, cemented our position as issuer of the most successful retail co-brand



Responding to customer requests with a big smile. Our call centre has been upgraded to enable us to deliver an even higher standard of service.

card in Singapore. During the year, we also rolled out a multi-million dollar cards processing system to provide increased flexibility, reduce time-to-market and further enhance our ability to offer better product features to our customers.

Recognising the needs of our affluent client base, we re-organised our relationship management and customer service teams within Premier Banking, and enhanced our Private Banking offering. In addition, the range of financial products offered to affluent customers was expanded to include structured products such as range accrual notes, target redemption notes, step-up notes and inverse floaters.

To cater to the needs of small businesses such as sole proprietorships and partnerships, a new product called *Business Credit* was launched to provide these businesses with working capital at an affordable interest rate, along with free life insurance. OCBC also remains a leading provider of *Micro Loans*, a government assistance programme designed to help very small local enterprises gain better access to financing.

Our stockbroking subsidiary, OCBC Securities, benefited from the significant pick-up in trading volume in the second half of 2003. We launched the *Equity Investment Account*, an online discount brokerage trading account linked to the client's bank account that also comes with an automatic margin facility. During the year we began offering interest-



The latest design of *FastLanes*, our off-site auto-banking lobbies, aimed at improving the overall customer experience.

rate and forex-linked structured notes to stockbroking customers, in addition to equity structured products.

In our efforts to be more customer focused, we have re-organised our customer service functions, and a Customer Experience unit has been established to enrich the experience that OCBC delivers to our customers through every interaction. The team is dedicated to total service quality and process improvement. Enhancements made to our customer touchpoints during the year include the upgrading of our call centre, the addition of personalised transaction capabilities for our ATMs, and enhanced security features for our Internet banking service. We continue to see more of our customers banking online, with our Internet Banking user base growing by 24% in 2003 to 176,000.

Business Banking

Group Business Banking serves small and medium enterprises (SMEs), large corporations, real estate

companies, government entities and institutional customers in our key markets. In 2003, we implemented major initiatives under the New Horizons strategy to deepen relationships with our existing Business Banking customers as well as to expand our customer base.

A major initiative was the re-alignment of our business model for the SME market so that we can be even more responsive to changing market and customer needs. Several lending and product programmes were developed and launched to address specific segments of the SME market. An asset-based finance team was also established following the integration of the former OCBC Finance with the Bank in November 2003, to leverage on OCBC Finance's strong franchise in vehicle and equipment financing and factoring. Portfolio and risk management for SME accounts was strengthened, with differentiated risk management approaches and processes applied to different segments of the SME market. The Enterprise Banking department was also reorganised to support the revised business

model and to position OCBC as one of the top three SME banks in Singapore and Malaysia by 2005.

We continued to put strong emphasis on cross selling fee-based products to our business customers so as to strengthen the relationships and to enhance fee-based income. As an example of the success of this cross selling effort, Group Business Banking worked closely with the Investment Banking division to clinch several major mandates during the year, including: Arranger in US\$55 million syndicated loan for Exim Bank of India; Arranger in the S\$506 million commercial mortgage-backed securitization for CapitaRetail Singapore Ltd; and Joint Arranger for the US\$700 million, three-year term loan for International Lease and Finance Corporation.

Group Business Banking also partnered closely with Group Transaction Banking to cross sell our online cash management platform *Velocity@ocbc*, achieving a significant increase in the number of business banking customers using *Velocity@ocbc*. We were equally successful in cross selling treasury products offered by Group Treasury, which included fixed income derivatives, structured deposits, interest rate derivatives and foreign exchange services. As a result, Group Business Banking achieved a 21% growth in fee income from treasury products in 2003.

In a move to provide customers with a one-stop contact point for inquiries, transactional execution and order fulfillment, various customer servicing functions were streamlined and transferred from the marketing units to our Business Banking Commercial Service Centre. This has resulted in dramatically decreased turnaround times, improved customer satisfaction levels and enhanced operational efficiencies.

In Malaysia, the focus was on expanding our SME market share and growing non-interest revenue. Several new products and credit programmes were developed and launched to strengthen our position in the SME market, such as equipment financing and small business lending programme. These programmes target both bumiputera and non-bumiputera SME customers in the manufacturing, trading and services industries.



To better serve our business customers, we continue to improve our business processes, including the process for Letter of Credit issuance, which resulted in faster turnaround time and lower processing costs.

Investment Banking

Group Investment Banking comprises Capital Markets, Corporate Finance and a newly set up Mezzanine Capital Unit.

In 2003, OCBC upheld its strong record in Singapore syndicated loans, arranging 13 deals in diverse industry sectors. Notable transactions include the US\$200 million financing facilities for Tech Semiconductor Singapore and the US\$100 million transferable loan facility for Ramatex Textiles. We also continued to be an active lead arranger of fixed rate bonds, and lead managed a S\$300 million, 10-year fixed rate bond issue for the Land Transport Authority. In a market that holds strong to the custom of fully underwritten, or bought-deal transactions, OCBC and its joint-lead manager JP Morgan broke away from tradition and completed the issue of Power Seraya's S\$350 million 7-year fixed rate bonds via a book-build approach with a resounding success, benefiting our customer with a tighter spread. Our Investment Banking division also managed the S\$500 million issue of OCBC Class E Preference Shares in January 2003 and the subsequent S\$150 million placement of OCBC New Class G Preference Shares in July 2003.

Together with Deutsche Bank, we lead managed a US\$1 billion synthetic Collateralised Debt Obligation (CDO) transaction. The CDO invests in a diversified investment-grade credit portfolio comprising mostly US and European corporate obligors. Our subsidiary, OCBC Asset Management,

now handles the ongoing management of the portfolio. Through this transaction, OCBC enjoys risk diversification benefits in terms of widening our geographical reach and types of borrowers.

In Malaysia, we arranged a number of significant Ringgit and US Dollar syndicated deals during the year, including transactions for listed companies Tenaga Nasional and Malayan Cement.

OCBC sponsored the initial public offers of three SMEs on the Singapore Exchange, for electronic revenue meters manufacturer, EDMI; precision metal stamping solutions provider, Metal Component Engineering; and electronic components distributor, Excelpoint Technology. OCBC was also involved in several fund-raising exercises and advisory projects for corporate customers, including our role as co-lead underwriter for Cycle & Carriage's S\$246 million rights issue, as financial adviser in the scheme of arrangement of Prima and Wah Shing International Holdings, and in the takeover offer of Ssangyong Cement.

In May 2003, we established a Mezzanine Capital Unit to offer structured short-term to medium-term financing to both listed companies and private companies. Tapping on our client base in Singapore, Malaysia and China, this new unit offers funding for private companies as well as financial expertise to assist them towards a public listing.



A trusted financial partner, we work closely with clients and provide a myriad of Investment Banking services and products to help them achieve their goals.

Transaction Banking

Group Transaction Banking offers transaction-related services such as cash management, trade finance, trustee and custody/nominee services, to SMEs, large corporations, financial institutions and government entities in Singapore and Malaysia.

In 2003 OCBC was named, for the third consecutive year, the Best Corporate/Institutional Internet Bank in Singapore by US-based *Global Finance* magazine. This award testifies to the continued success of *Velocity@ocbc*, our flagship online cash management platform. The number of corporate customers using *Velocity@ocbc* jumped by 39% in 2003, and now constitutes approximately a quarter of our total corporate customer base. In addition, *Velocity@ocbc's* transaction volumes more than doubled in 2003. We rolled out additional features in the trade module to improve customers' ability to automate their trade processing activities. Motor dealers and potential vehicle purchasers can now take advantage of our online open-COE (Certificate of Entitlement) bidding system. New features and functionalities were added to enable SMEs to execute foreign exchange, trade transactions and payments online with greater ease.

In July 2003, we launched *Velocity@ocbc* in Malaysia, which affords our corporate base there the same efficiencies and convenience of transacting online with us. Business Banking customers that expand across both sides of the causeway will also be able to take advantage of *Velocity@ocbc* to better manage their cross border operations.

We successfully implemented a cross-functional process improvement project to streamline the process for Letter of Credit (LC) issuance for our trade finance customers in Singapore. This has resulted in faster turnaround time, lower processing costs and enhanced customer satisfaction. We also introduced a number of new trade finance products and services, such as cash-backed import LC issuance, back-to-back LC, parallel car import and garment/apparel manufacturers financing programmes, which have been met with positive responses from customers.



Innovative in design, our award-winning corporate/institutional Internet banking platform, Velocity@ocbc continues to provide new and improved services to make business banking even more convenient.

Treasury

Group Treasury works in partnership with Business Banking and Consumer Financial Services to structure products and financial solutions for customers who need to invest their funds or hedge their exposures. It also engages in proprietary trading in the money, foreign exchange, fixed income securities and equity derivatives markets.

Our customer-related treasury activities grew strongly in 2003 due to the healthy demand for structured and investment products, which was partly driven by the desire for enhanced yields in a low interest rate environment. Our structured deposit sales volume grew to S\$3.0 billion for the year compared to S\$1.4 billion in 2002.

There was also an increase in the provision of structured financial solutions for our corporate customers, including various hedging and risk participation structures. In response to customer feedback, we set up an after office hours service desk to better serve customers' needs beyond normal office hours.

In line with the New Horizons strategy, we expanded our customer-related treasury services in Malaysia by leveraging on our extensive branch network. The treasury unit in Malaysia was also re-organised to enable more effective customer penetration, and we saw encouraging results in terms of increase in market share.

OCBC remains a key market player in various Singapore Dollar instruments. As a primary dealer in Singapore Government Securities, we maintained our ranking among the top three positions in the poll conducted by the Monetary Authority of Singapore. The AsiaRisk interbank derivatives poll for 2003 also ranked OCBC among the top three players in Singapore Dollar Interest Rate Swaps, Forward Rate Agreements and FX Forwards.

Asset Management

Our subsidiary OCBC Asset Management offers discretionary investment management and advisory services as well as an array of unit trust products to institutional and retail customers, with core competencies in global fixed income and Asia-Pacific equities. As one of the largest Singapore-based fund managers, it has S\$5.5 billion of funds under management as at the end of 2003, of which S\$1.7 billion were unit trust funds.

We launched seven capital protected funds in 2003, raising a total of S\$384 million, with most of the funds launched in the first half of the year when the investment climate was still uncertain. In addition, three of our previous capital guaranteed funds, which were launched in 2000, matured in 2003 with positive returns despite the difficult investing climate over the preceding two and a half years. We also saw strong interest from customers for our Asian country funds, due to the improving prospects for global growth, recovery in domestic demand in several Asian countries, attractive valuations as well as the good historical performance of our Asian funds.

Our fund management expertise and track record was duly recognised as we received five awards in the prestigious Standard & Poor's Investment Funds Awards Singapore 2004 and 10 awards in the Edge-Lipper Singapore Unit Trust Fund Awards 2003. Among the award winning funds were the *OCBC Singapore & Malaysia Fund*, *Savers Thailand Fund*, *OCBC Japan Growth Fund*, *OCBC South East Asia Fund*, *Savers SGD Money Market Fund*, *Savers USD Money Market Fund* and *OCBC Value Balanced Fund*.

Malaysia

With a history of more than 70 years in Malaysia, OCBC Malaysia is today one of the top three foreign banks by assets in the country. We have an extensive network of 25



A leader in Islamic banking, we continue to innovate and introduce more products and services to meet the needs of this community.

branches located in major cities throughout Peninsula and East Malaysia, and a significant customer base of close to 400,000 individual customers and more than 30,000 corporate and SME customers, including sole proprietorships and partnerships.

Strengthening our Malaysia business is an integral part of the New Horizons strategy as it will prepare the Group for further expansion overseas. 2003 was a busy year as we implemented various measures to accelerate cross-border business development and the sharing of experiences. This began by an alignment of the organisation structure group-wide. We also began executing our plans to increase market share in Malaysia, which focussed on enhancing our capabilities in sales and distribution, product development, processing and overall operational efficiency. For the year, OCBC Malaysia delivered a creditable performance, with net profit rising 6.6% to RM205 million (S\$94 million), driven by higher fee and commission income and lower provisions.

We are placing greater emphasis and attention on our Islamic Banking products, in line with the growing importance of Malaysia as a regional Islamic financial centre. Islamic equipment financing products were introduced, and in January 2004 we also introduced *Cash Financing-I*, a new unsecured term financing facility. OCBC sponsored and actively participated in a TV documentary series on Islamic Banking, entitled *Kewangan Islam*, a Bank Negara Malaysia initiative to educate the public about Islamic Banking products and services. We also participated in the Islamic Banking & Takaful Week Expo as part of our efforts to raise our profile as an active Islamic Banking player.

International

Outside Singapore and Malaysia, OCBC has an international network of 27 overseas branches, banking subsidiaries and representative offices in 24 cities. This network serves mainly our clients expanding or investing overseas from our core markets in Singapore and Malaysia. Similarly, our overseas branch network also assists and provides banking

services to foreign companies doing business in Singapore and Malaysia.

Our overseas expansion strategy calls for OCBC to become well established in a third country, apart from Singapore and Malaysia, and to be poised to enter a fourth country by the end of 2005. We have made further progress in exploring opportunities in China and ASEAN which remain potentially attractive new markets for OCBC, although no significant new investments have yet been made in any of these markets.

In China, we have a long history dating back to 1925 when we opened our first branch in Xiamen, the first Singapore bank to do so. Our mainland China network now comprises five branches and two representative offices in the cities of Shanghai, Beijing, Chengdu, Qingdao, Tianjin and Xiamen, with another two branches in Hong Kong SAR.

Currently, OCBC's Shanghai branch is licensed to handle foreign currency transactions for all corporate entities and foreign individuals, and Renminbi services for foreign invested enterprises and foreign individuals. The licence covers 13 cities across China (namely Shanghai, Shenzhen, Tianjin, Dalian, Guangzhou, Zhuhai, Qingdao, Wuhan, Nanjing, Jinan, Chengdu, Chongqing, Fuzhou) as well as in two provinces (Zhejiang and Jiangsu). We plan to further upgrade our licence in Shanghai to cater for Renminbi transactions with local enterprises in these same cities and provinces.

In Indonesia, our two joint-venture banks, PT Bank OCBC-NISP and PT Bank Keppel, were merged into a single entity in March 2003, under the name of PT Bank OCBC Indonesia, with OCBC holding a 99% share.

Operations and Technology

In January 2003, Group Operations and Technology was formed by merging all the information technology and operations functions across OCBC Bank and our subsidiaries. With a combined staff strength of more than two thousand, this new group is focused on leveraging OCBC's scale by simplifying, standardising and integrating existing business processes and technology applications, to support OCBC's businesses and growth in Singapore and overseas. Its primary goal is to improve OCBC's service quality and

reliability to meet the high standards expected by our customers, and at the same time, ensure that we continue to reduce unit costs and improve our productivity.

In line with our New Horizons strategy, two major projects are now underway. The first is the consolidation of back-office work for our 25 branches in Malaysia into central processing centres, so that the branches can focus on sales and service. This project is scheduled to be completed by the end of 2004. We have also commenced work on the implementation of cross-border processing for Singapore and Malaysia, so that each location can back the other as the disaster recovery centre. In consolidating our processing and infrastructure into these two centres, we will adopt international best practices and will benchmark ourselves against the best companies from different industries and geographies.

Throughout 2003 we invested heavily in upgrading and integrating our technology infrastructure. Several projects were completed during the year, including:

- Enhancements to *Velocity@ocbc* and our core-banking system offerings
- Replacement of our credit-card processing system
- Treasury back-office automation
- Implementation of a new credit cycle workflow system
- Upgrading of the SWIFT infrastructure (for interbank transactions) across our international network
- Consolidation of former Keppel TatLee Finance and OCBC Finance data centres
- Group-wide upgrade of IT network infrastructure.

OCBC's processing and technology excellence was validated by several awards we received from independent organizations during the year. Apart from awards won by *Velocity@ocbc*, *CIO* magazine also named OCBC as one of the top 100 IT organizations within the Asia-Pacific, while *MIS* magazine similarly chose OCBC as one of Asia's 100 Top IT Users.

Quality & Process Innovation

Quality is an important cornerstone of our drive to be an efficient, low cost service provider. By adopting cross-functional process improvement techniques and striving for 6-sigma quality excellence, we intend to compete more

effectively and differentiate OCBC as a quality financial services institution in the market place.

To spearhead these efforts, a new division – Group Quality & Process Innovation – was formed during the year. Its mission is to institutionalise the quality culture at OCBC, facilitate bank-wide cross-functional process improvement projects, and build organisational competencies in process methodologies, tools, measurement, and application of best practices.

Our first step in striving for 6-sigma quality excellence was to inculcate a set of quality principles in all our employees. A Quality Foundation workshop was introduced to nurture a common understanding and language for quality, so that employees can apply it in day-to-day work and decision-making.

Several cross-functional process improvement projects were launched in 2003, including projects covering LC issuance, mortgage loan processing, and new product approval processes. The results are encouraging. With the new LC issuance process, we are now close to achieving 6-sigma for same day turnaround for LC applications, despite an extended 6 p.m. cut-off time. Re-engineering our mortgage loan processes has resulted in our sales executives being better equipped and more efficient in responding to customers' needs. Our new product approval time is expected to be reduced by more than 50%, paving the way for faster product innovation. Altogether, we estimate that these process improvement



With an average of 5.3 training days per employee in 2003, we remain committed to developing and fostering our human capital.

projects will lead to S\$30 million in revenue increases and/or cost savings every year.

With the successes of these first projects, we will be rapidly scaling up our bank-wide capability in process improvement, and initiating more cross-functional projects in Singapore and Malaysia, to move us closer to our long term goal of becoming a 6 sigma financial services company.

Property Management

OCBC Property Services manages the properties of the Group. Our investment properties, amounting to more than two million square feet of net lettable area and mainly located in Singapore, are actively managed to optimise rental returns and capital values. While our retail properties achieved full occupancy at prevailing market rentals, our office and residential properties faced greater challenges and achieved mixed results, reflecting the over-supply of office and residential space. In Malaysia, our 20-storey head office building is under development and is scheduled to be completed by end 2004.

In line with our stated objective to swap non-core assets for core financial services growth opportunities, we sold our Mount Emily Road residential development site in Singapore for S\$50.5 million, through a public tender in November 2003.

Human Resources

Our Group staff strength was 7,424 as at the end of 2003. Recognising that one of our most valuable assets is our people, staff learning and skill enhancement remain important objectives. In 2003, we achieved an average of 5.3 training days per employee and continued to spend up to 2% of payroll on staff learning programmes. In line with our talent management and staff retention strategy, we have trained a third of our executives on career development principles and performance coaching to further strengthen their managerial competency. We will continue to roll out the programme to all executives over the next two years.

Underscoring our commitment to provide employees with opportunities for job rotations and career development, we more than doubled the number of vacancies within the Group which were filled through

internal postings during the year. This was facilitated by an intranet site dedicated to informing employees of available positions.

During the year, we also focused on recruiting individuals to fill revenue-generating positions and functions that require critical specialist skills. We have also strengthened our senior management team with the recruitment of one Executive Vice President and seven Senior Vice Presidents.

We introduced the OCBC Deferred Share Plan, a new share ownership plan for the Group's Vice Presidents and above, as part of our performance-differentiated compensation rewards. This plan allows employees to better relate their individual performance and contribution to the Group's performance. We ended the year with 10% of our employees owning OCBC shares, up from 6% at the beginning of the year, thus making good progress on our goal to see 30% of our employees owning shares as per our New Horizons strategy.

Following the feedback from our group-wide staff survey in 2002, we implemented several initiatives at both the corporate and divisional levels to improve workplace satisfaction. Employees are continually updated on the developments of these initiatives and a follow-up survey was carried out in 2003.

Corporate Citizenship

As OCBC is a bank with its roots in the community, we are actively involved in supporting the communities in which we operate. Our efforts have been focused mainly on education, the arts and charities.

In support of academic excellence, we committed to contributing a total of S\$1 million over five years to the establishment of The Lee Kuan Yew School of Public Policy. This is in addition to our annual donations for Book Prizes and Scholarships to help outstanding students in tertiary educational institutions.

We are also a keen supporter of the Singapore arts scene, having been a major sponsor of the Singapore Arts Festival for the last nine years. OCBC Bank was named Distinguished Patron of the Arts by National Arts Council for the fifth consecutive year in 2003. We were also recognised by The



“Two Worlds”, a premier cultural production from Bulgaria, was sponsored by OCBC Bank in collaboration with the National Arts Council.

Singapore Symphony Orchestra as one of its Top 25 Donors, for supporting the Orchestra's development and growth to gain international recognition. Our objective under our arts sponsorship programme is twofold: to support local talent and to enrich the lives of Singaporeans by exposing them to internationally renowned artistes and groups.

During the outbreak of SARS, we responded to this national crisis by contributing \$100,000 to The Courage Fund to assist families that have been affected by the outbreak.

Under the OCBC Bank Care Card programme introduced in 1997, a percentage of the charges made by our credit card members is donated to eight selected charities. These charities include the Bone Marrow Donor Programme, Catholic Welfare Services, Handicaps Welfare Association, Kwong Wai Shiu Hospital, Singapore Association for the Deaf, Singapore Association of the Visually Handicapped, Singapore Children's Society and Touch Community Services. In 2003, we also contributed \$136,500 to support the President's Challenge, which is an initiative to help those in need of assistance.