

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2005

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
ASSETS				
Cash and short-term funds	19,593,711	19,670,005	18,429,568	19,893,236
Deposits and placements with banks and other financial institutions	8,115,613	1,460,309	8,279,502	1,573,127
Securities purchased under resale agreements	1,913,007	1,495,438	1,165,979	978,552
Securities held-for-trading	2,229,877	5,261,938	2,148,430	5,199,416
Securities available-for-sale	3,864,662	3,140,213	3,365,098	1,132,430
Securities held-to-maturity	1,669,756	832,676	1,188,034	610,839
Loans, advances and financing	63,862,662	55,718,729	61,753,062	53,856,112
Other assets	893,222	767,380	913,252	935,282
Statutory deposits with Central Banks	2,163,455	1,869,256	2,114,500	1,823,000
Deferred tax assets	308,935	280,554	248,629	220,646
Investment in subsidiary companies	-	-	1,316,156	1,376,156
Investment in associated companies	45,229	45,936	28,465	28,465
Investment properties	49,156	33,594	-	-
Property and equipment	922,538	942,192	566,164	567,101
Goodwill/Intangible asset	776,149	811,399	706,133	738,356
TOTAL ASSETS	106,407,972	92,329,619	102,222,972	88,932,718
LIABILITIES				
Deposits from customers	85,066,747	72,246,303	82,504,725	68,265,639
Deposits and placements of banks and other financial institutions	3,990,744	2,958,481	3,746,892	4,765,730
Obligations on securities sold under repurchase agreements	1,859,666	3,258,431	1,456,151	3,018,317
Bills and acceptances payable	2,246,530	1,260,992	2,245,154	1,258,917
Recourse obligations on loans sold to Cagamas	289,879	346,213	289,879	346,213
Other liabilities	1,402,879	1,644,918	1,294,327	1,333,525
Subordinated notes	2,766,833	1,375,214	2,766,833	1,375,214
Provision for tax expense and zakat	258,765	233,170	193,620	154,372
Deferred tax liabilities	5,101	3,080	-	-
TOTAL LIABILITIES	97,887,144	83,326,802	94,497,581	80,517,927

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	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
SHAREHOLDERS' EQUITY				
Share capital	3,410,356	3,355,767	3,410,356	3,355,767
Reserves	5,463,873	4,708,368	5,099,635	4,488,453
Proposed dividends	-	1,172,012	-	1,172,012
Treasury shares	(784,600)	(601,441)	(784,600)	(601,441)
	8,089,629	8,634,706	7,725,391	8,414,791
Minority interests	431,199	368,111	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	106,407,972	92,329,619	102,222,972	88,932,718
COMMITMENTS AND CONTINGENCIES	25,538,671	19,780,677	25,231,808	19,535,337
CAPITAL ADEQUACY				
Core Capital Ratio	10.7%	11.8%	10.5%	11.6%
Risk-Weighted Capital Ratio	16.6%	15.7%	14.4%	13.1%
NET TANGIBLE ASSETS PER SHARE (RM)	2.23	2.40	2.14	2.36

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2005

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Group				
Operating revenue	1,527,047	1,260,556	4,360,348	3,620,310
Interest income	1,181,567	985,455	3,394,696	2,777,100
Interest expense	(543,852)	(397,477)	(1,545,280)	(1,060,135)
Net interest income	637,715	587,978	1,849,416	1,716,965
Net income from Islamic Banking business				
Net financing income	98,792	94,907	291,411	279,442
Other Islamic banking income	2,003	1,387	5,421	4,150
	738,510	684,272	2,146,248	2,000,557
Other operating income	237,190	176,230	671,149	534,976
Net income	975,700	860,502	2,817,397	2,535,533
Other operating expenses	(357,983)	(322,120)	(1,037,388)	(966,010)
Operating profit	617,717	538,382	1,780,009	1,569,523
Allowance for losses on loans, advances and financing	(119,057)	(71,130)	(288,800)	(224,422)
Impairment written back/(loss)	(21)	(2,219)	5,883	(835)
	498,639	465,033	1,497,092	1,344,266
Share of results in associated companies	1,719	926	4,197	2,701
Profit before tax expense and zakat	500,358	465,959	1,501,289	1,346,967
Tax expense and zakat	(132,709)	(127,609)	(382,804)	(367,464)
Profit after tax expense	367,649	338,350	1,118,485	979,503
Minority interests	(19,785)	(19,375)	(59,338)	(47,354)
Net profit for the period	347,864	318,975	1,059,147	932,149
Earnings per RM1.00 share:				
- basic (sen)	10.6	9.9	32.3	29.0
- diluted (sen)	10.5	9.8	32.0	28.7

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UNAUDITED INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2005

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
<u>Bank</u>				
Operating revenue	1,307,426	939,268	3,721,479	2,453,272
Interest income	1,058,698	769,894	3,032,733	2,010,961
Interest expense	(529,323)	(392,928)	(1,511,732)	(1,016,583)
Net interest income	529,375	376,966	1,521,001	994,378
Net income from Islamic Banking business				
Net financing income	98,792	59,437	291,411	131,743
Other Islamic banking income	2,003	1,368	5,421	4,098
	630,170	437,771	1,817,833	1,130,219
Other operating income	124,895	1,262,039	458,670	1,898,305
Net income	755,065	1,699,810	2,276,503	3,028,524
Other operating expenses	(279,635)	(199,368)	(807,042)	(578,700)
Operating profit	475,430	1,500,442	1,469,461	2,449,824
Allowance for losses on loans, advances and financing	(96,618)	(47,726)	(235,763)	(79,818)
Impairment written back/(loss)	(21)	(2,219)	5,883	(865)
Profit before tax expense and zakat	378,791	1,450,497	1,239,581	2,369,141
Tax expense and zakat	(112,167)	(413,654)	(338,457)	(556,561)
Net profit for the period	266,624	1,036,843	901,124	1,812,580

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2005

<u>Group</u>	<u>Non-distributable Reserves</u>		<u>Distributable Reserves</u>		<u>Proposed Dividends</u>	<u>Treasury Shares</u>	<u>Total</u>
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Other Reserves</u>	<u>Retained Profits</u>			
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2005							
As previously stated	3,355,767	1,347,084	2,614,989	682,324	1,172,012	(601,441)	8,570,735
Prior year adjustments	-	-	44,531	19,440	-	-	63,971
At 1 January 2005, as restated	3,355,767	1,347,084	2,659,520	701,764	1,172,012	(601,441)	8,634,706
Issue of shares pursuant to:							
- exercise of share options	54,589	203,431	-	-	-	-	258,020
Currency translation differences	-	-	(3,265)	-	-	-	(3,265)
Net profit for the period	-	-	-	1,059,147	-	-	1,059,147
Unrealised net loss on revaluation of securities available-for-sale	-	-	(24,199)	-	-	-	(24,199)
Transfer to statutory reserves	-	-	158,392	(158,392)	-	-	-
Buy-back of shares	-	-	-	-	-	(183,159)	(183,159)
Transfer to proposed dividends	-	-	-	(479,609)	479,609	-	-
Dividend paid	-	-	-	-	(1,651,621)	-	(1,651,621)
At 30 September 2005	3,410,356	1,550,515	2,790,448	1,122,910	-	(784,600)	8,089,629
At 1 January 2004							
As previously stated	3,206,600	928,433	2,387,630	1,762,092	503,000	(169,960)	8,617,795
Prior year adjustments	-	-	10,751	17,890	-	-	28,641
At 1 January 2004, as restated	3,206,600	928,433	2,398,381	1,779,982	503,000	(169,960)	8,646,436
Issue of shares pursuant to:							
- exercise of share options	114,894	312,046	-	-	-	-	426,940
Currency translation differences	-	-	128	-	-	-	128
Net profit for the period	-	-	-	932,149	-	-	932,149
Unrealised net gain on revaluation of securities available-for-sale	-	-	6,815	-	-	-	6,815
Transfer to statutory reserves	-	-	116,888	(116,888)	-	-	-
Buy-back of shares	-	-	-	-	-	(431,481)	(431,481)
Transfer to proposed dividend	-	-	-	(936,166)	936,166	-	-
Dividend paid	-	-	-	-	(511,427)	-	(511,427)
At 30 September 2004	3,321,494	1,240,479	2,522,212	1,659,077	927,739	(601,441)	9,069,560

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2005

<u>Bank</u>	<u>Non-distributable Reserves</u>			<u>Distributable Reserves</u>		<u>Proposed Dividends</u> RM'000	<u>Treasury Shares</u> RM'000	<u>Total</u> RM'000
	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Profits</u> RM'000	<u>Retained Profits</u> RM'000			
At 1 January 2005								
As previously stated	3,355,767	1,347,084	2,401,569	732,497	1,172,012	(601,441)	8,407,488	
Prior year adjustments	-	-	5,331	1,972	-	-	7,303	
At 1 January 2005, as restated	3,355,767	1,347,084	2,406,900	734,469	1,172,012	(601,441)	8,414,791	
Issue of shares pursuant to:								
- exercise of share options	54,589	203,431	-	-	-	-	258,020	
Net profit for the period	-	-	-	901,124	-	-	901,124	
Unrealised net loss on revaluation of securities available-for-sale	-	-	(13,764)	-	-	-	(13,764)	
Transfer to statutory reserves	-	-	158,625	(158,625)	-	-	-	
Buy-back of shares	-	-	-	-	-	(183,159)	(183,159)	
Transfer to proposed dividends	-	-	-	(479,609)	479,609	-	-	
Dividends payable	-	-	-	-	(1,651,621)	-	(1,651,621)	
At 30 September 2005	3,410,356	1,550,515	2,551,761	997,359	-	(784,600)	7,725,391	
At 1 January 2004								
As previously stated	3,206,600	928,433	1,842,160	1,172,318	503,000	(169,960)	7,482,551	
Prior year adjustments	-	-	20,452	(2,179)	-	-	18,273	
At 1 January 2004, as restated	3,206,600	928,433	1,862,612	1,170,139	503,000	(169,960)	7,500,824	
Issue of shares pursuant to:								
- exercise of share options	114,894	312,046	-	-	-	-	426,940	
Net profit for the period	-	-	-	1,812,580	-	-	1,812,580	
Unrealised net loss on revaluation of securities available-for-sale	-	-	3,280	-	-	-	3,280	
Transfer to statutory reserves	-	-	452,091	(452,091)	-	-	-	
Buy-back of shares	-	-	-	-	-	(431,481)	(431,481)	
Transfer to proposed dividends	-	-	-	(936,166)	936,166	-	-	
Dividends payable	-	-	-	-	(511,427)	-	(511,427)	
At 30 September 2004	3,321,494	1,240,479	2,317,983	1,594,462	927,739	(601,441)	8,800,716	

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UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2005

	Group		Bank	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Profit before tax expense and zakat	1,501,289	1,346,967	1,239,581	2,369,141
Adjustments for non-cash items	395,999	381,053	212,878	(1,431,760)
Operating profit before changes in working capital	1,897,288	1,728,020	1,452,459	937,381
Changes in working capital				
Net changes in operating assets	(12,986,056)	(11,431,628)	(12,367,088)	(2,003,171)
Net changes in operating liabilities	11,484,363	19,819,063	10,784,273	(3,283,211)
Tax expense and zakat paid	(376,341)	(250,367)	(309,950)	(194,828)
Net cash (used in)/generated from operating activities	19,254	9,865,088	(440,306)	(4,543,829)
Net cash (used in)/generated from investing activities	(1,655,024)	(556,191)	(2,583,801)	8,836,470
Net cash generated from/(used in) financing activities	1,561,659	570,460	1,560,439	644,071
Net change in cash and cash equivalents	(74,111)	9,879,357	(1,463,668)	4,936,712
Cash and cash equivalents at beginning of the year	19,670,005	7,970,828	19,893,236	11,498,710
Exchange differences on translation of opening balance	(2,183)	-	-	-
Cash and cash equivalents at end of the period	19,593,711	17,850,185	18,429,568	16,435,422

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Part A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) Issued by Bank Negara Malaysia

A1. Basis of Preparation

The unaudited condensed interim financial statements for the 3rd quarter and the nine months ended 30 September 2005 have been prepared in accordance with FRS134 (Interim Financial Reporting) (formerly known as MASB26) issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 31 December 2004.

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements except for the adoption of the revised guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia which became effective for the current financial year. The adoption of the revised BNM/GP8 have resulted in changes in the accounting policies of the Group and the Bank which have been applied retrospectively in this unaudited condensed interim financial statements and the details are disclosed in Note A30.

Bank Negara Malaysia has granted indulgence to Public Bank Berhad from complying with the requirement on the impairment of loans under the revised BNM/GP8 until 1 January 2006. Therefore, the allowance for bad and doubtful debts and financing of the Group are computed based on the requirement of BNM/GP3 which is consistent with the adoption made in the previous audited annual financial statements.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2004 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the 3rd quarter and the nine months ended 30 September 2005.

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the 3rd quarter and the nine months ended 30 September 2005.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 3rd quarter and the nine months ended 30 September 2005 other than as disclosed in Note A30.

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A6. Debt and Equity Securities

Save as disclosed below, there were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Bank ("PBB"):

(a) Issuance of Shares

During the nine months ended 30 September 2005, the issued and paid-up share capital of the Bank was increased from 3,355,767,324 ordinary shares of RM1.00 each in the Bank ("PBB Shares") to 3,410,356,408 PBB Shares by the issuance of 54,589,084 PBB Shares pursuant to the exercise of options granted under the Public Bank Berhad Employees' Share Option Scheme at the following option prices:

<u>Number of PBB Shares issued:</u>	<u>Option price per share:</u>
62,157	RM 1.64
691,300	RM 3.40
8,375,027	RM 3.56
7,776,100	RM 4.60
34,529,500	RM 4.92
3,155,000	RM 6.37

(b) Share Buy-back

On 30 March 2005, the shareholders of the Bank renewed their approval for the Bank to buy-back its own shares. During the nine months ended 30 September 2005, the Bank bought back from the open market, 24,007,100 PBB Shares listed and quoted as "Local" on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average buy-back price of RM7.61 per share. The total consideration paid for the share buy-back of PBB Shares by the Bank during the nine months ended 30 September 2005, including transaction costs, was RM183,158,887 and was financed by internally generated funds. The PBB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. As at 30 September 2005, the total shares bought back, all of which are held as treasury shares, amounted to 124,184,500 PBB Shares. None of the treasury shares held were resold or cancelled during the nine months ended 30 September 2005.

(c) Subordinated Notes

On 20 June 2005, the Bank issued USD400 million in aggregate principal amount of Subordinated Notes ("the Notes") due 2017 callable with step-up in 2012. The Notes bear interest at the rate of 5% per annum from (and including) 20 June 2005 to (but excluding) 20 June 2012 and, thereafter, at a rate per annum equal to the interest rate of five year US treasury notes plus 2.827%. The interest is payable semi-annually in arrear on 20 June and 20 December in each year commencing on 20 December 2005. The Notes were issued at a price of 99.383 per cent of the principal amount of the Notes. The Notes will, subject to prior consent of Bank Negara Malaysia, be redeemable in whole but not in part, at the option of the Bank in the event of certain changes affecting taxation in Malaysia or on 20 June 2012 at their principal amount plus accrued interest (if applicable). The Notes constitute unsecured liabilities of the Bank, and are subordinated in right of payment upon occurrence of any winding up proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Bank in accordance with the terms and conditions of the Notes and qualify as Tier II capital for the purpose of determining the capital adequacy ratio of the Group and the Bank.

A7. Dividends Paid

During the nine months ended 30 September 2005, the following dividends were paid:

- i) The final dividend of 35%, less 28% tax and the special dividend of 15%, less 28% tax in respect of financial year ended 31 December 2004, amounting to RM1,178,412,537.60 were paid on 12 April 2005; and
- ii) The interim dividend of 20% less 28% tax in respect of the financial year ending 31 December 2005, amounting to RM473,208,700.86 were paid on 18 August 2005.

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A8. Securities Held-for-trading

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
At fair value				
Malaysian Government Securities	335,412	644,872	285,753	644,872
Malaysia Government Investment Certificates	-	55,798	-	55,798
Cagamas bonds	-	1,189,404	-	1,189,404
Negotiable instruments of deposit	1,496,135	2,982,523	1,496,135	2,982,523
Khazanah bonds	-	46,954	-	46,954
Bank Negara Malaysia Negotiable notes	135,116	1,335	135,116	1,335
	<u>1,966,663</u>	<u>4,920,886</u>	<u>1,917,004</u>	<u>4,920,886</u>
Quoted securities:				
Shares in Malaysia	10,268	5,112	6,604	5,112
	<u>10,268</u>	<u>5,112</u>	<u>6,604</u>	<u>5,112</u>
Unquoted securities:				
Private debt securities	252,946	335,940	224,822	273,418
	<u>252,946</u>	<u>335,940</u>	<u>224,822</u>	<u>273,418</u>
Total securities held-for-trading	<u><u>2,229,877</u></u>	<u><u>5,261,938</u></u>	<u><u>2,148,430</u></u>	<u><u>5,199,416</u></u>

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A9. Securities Available-for-sale

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
At fair value				
Quoted securities:				
Shares and convertible loan stocks in Malaysia	17,883	45,736	17,883	45,736
Shares outside Malaysia	20,017	17,954	-	-
Bonds trust units in Malaysia	1,134,564	1,109,779	1,039,285	1,016,581
Bonds trust units outside Malaysia	143	-	-	-
	<u>1,172,607</u>	<u>1,173,469</u>	<u>1,057,168</u>	<u>1,062,317</u>
Unquoted securities:				
Shares	13,947	63,005	13,377	62,408
Private debt securities	2,678,108	1,903,739	2,294,553	7,705
	<u>2,692,055</u>	<u>1,966,744</u>	<u>2,307,930</u>	<u>70,113</u>
Total securities available-for-sale	<u>3,864,662</u>	<u>3,140,213</u>	<u>3,365,098</u>	<u>1,132,430</u>

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A10. Securities Held-to-maturity

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
At amortised cost				
Money market instruments:				
Malaysian Government Treasury Bills	79,769	-	79,769	-
Malaysian Government Securities	327,086	-	327,086	-
Malaysian Government Investment Certificates	4,728	-	4,728	-
Cagamas bonds	253,875	-	253,875	-
Cagamas Mudharabah bonds	127,460	127,503	127,460	127,503
Negotiable instruments of deposit	754,528	503,032	304,748	281,405
Other government bonds	-	-	-	-
	<u>1,547,446</u>	<u>630,535</u>	<u>1,097,666</u>	<u>408,908</u>
Unquoted securities:				
Shares	87,503	37,713	87,058	37,503
Private debt securities	70,638	213,260	39,141	213,260
	<u>158,141</u>	<u>250,973</u>	<u>126,199</u>	<u>250,763</u>
Accumulated impairment losses	(35,831)	(48,832)	(35,831)	(48,832)
Total securities held-to-maturity	<u><u>1,669,756</u></u>	<u><u>832,676</u></u>	<u><u>1,188,034</u></u>	<u><u>610,839</u></u>

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A11. Loans, Advances and Financing

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Overdrafts	6,875,061	6,351,805	6,698,625	6,251,543
Term loans				
- Housing loans/financing	18,047,959	15,210,093	17,961,654	14,936,248
- Syndicated term loan/financing	258,298	320,270	237,092	293,149
- Hire purchase receivables	22,210,599	19,659,110	21,921,830	19,570,181
- Other term loans/financing	16,657,856	14,234,079	15,004,398	12,573,686
Credit card receivables	532,892	477,221	532,839	477,009
Bills receivables	82,566	71,695	81,326	70,570
Trust receipts	333,668	317,002	312,612	309,516
Claims on customers under acceptance credits	1,686,850	1,443,472	1,686,850	1,442,264
Lease, factored and confirming receivables	36,910	83,261	34,538	43,176
Revolving credits	2,004,205	2,130,482	2,021,915	2,338,269
*Staff loans	645,137	639,079	619,094	613,589
	<u>69,372,001</u>	<u>60,937,569</u>	<u>67,112,773</u>	<u>58,919,200</u>
Unearned interest and income	(4,250,729)	(4,025,116)	(4,248,711)	(4,021,191)
Gross loans, advances and financing	<u>65,121,272</u>	<u>56,912,453</u>	<u>62,864,062</u>	<u>54,898,009</u>
Allowance for bad and doubtful debts and financing:				
- general	(1,012,315)	(895,833)	(941,380)	(821,318)
- specific	(246,295)	(297,891)	(169,620)	(220,579)
Net loans, advances and financing	<u><u>63,862,662</u></u>	<u><u>55,718,729</u></u>	<u><u>61,753,062</u></u>	<u><u>53,856,112</u></u>

* Included in staff loans of the Group and the Bank are loans to Directors amounting to RM2,955,000 (2004: RM1,377,000) and Nil (2004 - Nil) respectively.

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A11. Loans, Advances and Financing (continued)

A11a. By type of customer

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Domestic non-bank financial institutions				
- Stock broking companies	2,054	88,564	2,054	88,564
- Others	1,532,410	1,884,453	1,512,389	2,092,241
Domestic business enterprises				
- Small and medium enterprises	14,370,834	13,058,537	14,265,131	12,975,529
- Others	4,676,053	4,153,732	4,454,308	3,780,161
Government and statutory bodies	1,847	3,705	1,847	3,705
Individuals	42,434,874	35,744,658	42,395,519	35,728,279
Other domestic entities	98,067	126,826	98,067	126,826
Foreign entities	2,005,133	1,851,978	134,747	102,704
Gross loans, advances and financing	<u>65,121,272</u>	<u>56,912,453</u>	<u>62,864,062</u>	<u>54,898,009</u>

A11b. By interest/profit rate sensitivity

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Fixed rate				
- Housing loans/financing	7,315,466	7,032,304	7,300,830	7,028,793
- Hire purchase receivables	18,932,518	16,612,976	18,881,017	16,508,488
- Other fixed rate loan/financing	11,618,685	10,027,810	9,963,847	8,586,237
Variable rate				
- Base lending rate plus	24,371,104	20,289,544	24,337,942	20,154,646
- Cost plus	2,062,495	2,328,050	2,021,846	2,331,136
- Other variable rates	821,004	621,769	358,580	288,709
Gross loans, advances and financing	<u>65,121,272</u>	<u>56,912,453</u>	<u>62,864,062</u>	<u>54,898,009</u>

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A11. Loans, Advances and Financing (continued)

A11c. By economic purposes

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Agriculture	566,133	594,712	565,655	593,749
Mining and quarrying	44,952	36,479	43,501	34,120
Manufacturing	3,152,210	2,854,301	3,089,912	2,771,624
Electricity, gas and water	36,980	34,553	30,449	27,442
Construction	2,047,452	1,963,517	1,943,638	1,867,005
Real estate	2,075,825	1,798,680	2,087,726	1,716,974
Purchase of landed properties	25,561,139	20,827,668	25,528,835	20,792,004
(of which: - residential	16,913,285	14,034,091	16,880,981	13,998,427
- non-residential)	8,647,854	6,793,577	8,647,854	6,793,577
General commerce	5,921,202	5,429,135	5,706,300	5,244,164
Transport, storage and communication	482,601	541,110	462,645	516,480
Finance, insurance and business services	2,326,256	2,756,497	2,238,804	2,876,037
Purchase of securities	545,158	537,880	542,140	534,879
Purchase of transport vehicles	16,265,976	14,184,166	16,013,911	13,957,563
Consumption credit	5,105,446	4,493,521	3,668,272	3,147,898
Others	989,942	860,234	942,274	818,070
Gross loans, advances and financing	65,121,272	56,912,453	62,864,062	54,898,009

A11d. Non-performing loans by sector

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Agriculture	10,528	6,534	10,437	6,502
Mining and quarrying	314	572	314	572
Manufacturing	94,028	95,486	89,807	94,478
Electricity, gas and water	8,238	649	8,238	649
Construction	95,032	129,583	56,683	90,226
Real estate	33,748	32,572	33,748	32,572
Purchase of landed properties	602,570	580,711	601,964	579,964
(of which: - residential	529,669	499,232	529,063	498,485
- non-residential)	72,901	81,479	72,901	81,479
General commerce	137,395	164,240	137,175	163,748
Transport, storage and communication	10,917	13,751	7,936	13,461
Finance, insurance and business services	35,476	37,872	23,977	36,667
Purchase of securities	44,187	90,054	44,187	90,054
Purchase of transport vehicles	161,793	191,242	161,742	191,229
Consumption credit	146,513	142,559	78,031	81,303
Others	17,909	24,390	17,909	24,390
	1,398,648	1,510,215	1,272,148	1,405,815

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A11. Loans, Advances and Financing (continued)

A11e. Movements in non-performing loans, advances and financing ("NPL") are as follows:

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
At 1 January	1,510,215	1,781,055	1,405,815	1,000,762
Non-performing during the period/year	1,827,522	1,767,839	1,722,249	1,529,636
Reclassified as performing	(1,576,328)	(1,485,533)	(1,573,746)	(1,423,619)
Recoveries	(75,008)	(187,134)	(73,487)	(110,256)
Amount written off	(286,202)	(361,238)	(207,706)	(155,412)
Loans converted to portfolio of securities	(1,003)	(4,574)	(1,003)	(4,574)
Amount vested over from PBFIN Berhad (formally known as Public Finance Berhad)	-	-	-	569,278
Exchange differences	(548)	(200)	26	-
Closing balance	<u>1,398,648</u>	<u>1,510,215</u>	<u>1,272,148</u>	<u>1,405,815</u>
Specific allowance	<u>(246,295)</u>	<u>(297,891)</u>	<u>(169,620)</u>	<u>(220,579)</u>
Net non-performing loans, advances and financing	<u><u>1,152,353</u></u>	<u><u>1,212,324</u></u>	<u><u>1,102,528</u></u>	<u><u>1,185,236</u></u>
Net NPL as a % of gross loans, advances and financing less specific allowance	<u><u>1.78%</u></u>	<u><u>2.14%</u></u>	<u><u>1.76%</u></u>	<u><u>2.17%</u></u>

A11f. Movements in the allowance for bad and doubtful debts (and financing) accounts are as follows:

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
<u>General Allowance</u>				
At 1 January	895,833	826,892	821,318	445,439
Allowance made during the period/year	125,606	108,878	120,106	375,887
Amount written back	(8,452)	(39,781)	-	-
Exchange differences	(672)	(156)	(44)	(8)
Closing balance	<u>1,012,315</u>	<u>895,833</u>	<u>941,380</u>	<u>821,318</u>
As % of gross loans, advances and financing less specific allowance	<u><u>1.56%</u></u>	<u><u>1.58%</u></u>	<u><u>1.50%</u></u>	<u><u>1.50%</u></u>

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A11. Loans, Advances and Financing (continued)

A11f. Movements in the allowance for bad and doubtful debts (and financing) accounts are as follows: (continued)

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
<u>Specific Allowance</u>				
At 1 January	297,891	376,989	220,579	173,728
Allowance made during the period/year	267,488	354,006	189,039	149,378
Amount written back in respect of recoveries	(29,245)	(69,267)	(29,071)	(24,811)
Amount written off	(286,177)	(363,248)	(207,681)	(157,353)
Amount transferred to accumulated impairment losses in value of securities	(3,245)	(500)	(3,245)	(500)
Amount vested over from PBFIN Berhad (formally known as Public Finance Berhad)	-	-	-	80,137
Exchange differences	(417)	(89)	(1)	-
Closing balance	<u>246,295</u>	<u>297,891</u>	<u>169,620</u>	<u>220,579</u>

A12. Other Assets

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Interest/Income receivable	72,089	45,539	60,970	37,028
Other debtors, deposits and prepayments	560,956	326,931	477,658	359,285
Foreclosed properties	110,910	98,080	110,646	97,816
Taxi licenses	44,909	14,490	-	-
Amount due from clients	11,801	12,386	-	-
Outstanding contracts on clients' accounts	62,528	206,254	-	-
Amount due from subsidiary companies	-	-	157,402	227,345
Dividend receivable from subsidiary companies	-	-	76,546	150,108
Derivatives	30,029	63,700	30,030	63,700
	<u>893,222</u>	<u>767,380</u>	<u>913,252</u>	<u>935,282</u>

A13. Deposits from Customers

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
<u>By type of customer</u>				
Federal and state governments	290,193	258,528	290,193	258,528
Local government and statutory authorities	806,035	554,184	806,035	554,184
Business enterprises	21,391,828	18,356,782	20,628,038	16,072,496
Individuals	44,908,948	41,668,674	44,671,021	40,903,032
Foreign customers	2,122,259	1,199,966	1,432,029	1,050,029
Others	15,547,484	10,208,169	14,677,409	9,427,370
	<u>85,066,747</u>	<u>72,246,303</u>	<u>82,504,725</u>	<u>68,265,639</u>

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A14. Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Licensed banks	1,971,459	1,146,857	1,346,951	769,850
Licensed finance companies	-	240,000	-	240,000
Licensed merchant banks	105,000	104,000	26,375	44,878
Other financial institutions	1,914,285	1,467,624	2,373,566	3,711,002
	<u>3,990,744</u>	<u>2,958,481</u>	<u>3,746,892</u>	<u>4,765,730</u>

A15. Other Liabilities

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Interest/Profit payable	480,579	422,185	462,387	407,063
Other creditors and accruals	660,755	551,697	441,851	274,276
Accrued restoration cost	7,665	8,589	7,665	7,665
Profit Equalisation Reserves	28,334	28,393	28,334	28,393
Outstanding contracts on clients' accounts	57,396	202,621	-	-
Dividend payable to shareholders	-	305,379	-	305,379
Amount due to subsidiary companies	-	-	197,034	292,988
Derivatives	168,150	126,054	157,056	17,761
	<u>1,402,879</u>	<u>1,644,918</u>	<u>1,294,327</u>	<u>1,333,525</u>

A16. Interest Income

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Group				
Loan, advances and financing				
- Interest income other than recoveries from NPL	924,076	815,608	2,674,392	2,358,021
- Recoveries from NPLs	19,215	20,827	66,116	54,121
Money at call and deposit placements with financial institutions	188,693	121,753	556,504	271,941
Securities held-for-trading	14,936	34,336	70,317	114,868
Securities available-for-sale	23,355	14,465	56,180	34,531
Securities held-to-maturity	35,568	6,311	56,674	14,744
Others	7,720	4,600	17,452	10,575
	<u>1,213,563</u>	<u>1,017,900</u>	<u>3,497,635</u>	<u>2,858,801</u>
Amortisation of premium less accretion of discount	(4,134)	(3,555)	(13,102)	(8,538)
Interest income suspended	(27,862)	(28,890)	(89,837)	(73,163)
	<u>1,181,567</u>	<u>985,455</u>	<u>3,394,696</u>	<u>2,777,100</u>

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A16. Interest Income (continued)

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
<u>Bank</u>				
Loan, advances and financing				
- Interest income other than recoveries from NPL	823,422	551,787	2,378,294	1,418,890
- Recoveries from NPLs	18,738	19,112	65,487	50,975
Money at call and deposit placements with financial institutions	177,289	179,169	531,082	465,346
Securities held-for-trading	14,625	33,264	69,013	111,325
Securities available-for-sale	20,418	9,498	34,238	20,661
Securities held-to-maturity	30,511	4,004	46,496	9,559
Others	7,646	2,379	17,144	4,445
	<u>1,092,649</u>	<u>799,213</u>	<u>3,141,754</u>	<u>2,081,201</u>
Amortisation of premium less accretion of discount	(6,001)	(3,624)	(20,027)	(8,786)
Interest income suspended	(27,950)	(25,695)	(88,994)	(61,454)
	<u>1,058,698</u>	<u>769,894</u>	<u>3,032,733</u>	<u>2,010,961</u>

A17. Interest Expense

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
<u>Group</u>				
Deposits and placements of banks and other financial institutions	27,075	12,750	76,616	30,993
Deposits from customers	479,839	365,887	1,391,484	989,857
Loans sold to Cagamas	2,766	4,332	9,363	14,821
Subordinated notes	32,269	8,767	61,263	9,544
Others	1,903	5,741	6,554	14,920
	<u>543,852</u>	<u>397,477</u>	<u>1,545,280</u>	<u>1,060,135</u>

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	28,379	66,592	89,946	191,175
Deposits from customers	465,874	315,130	1,351,055	810,829
Loans sold to Cagamas	2,766	2,422	9,363	4,988
Subordinated notes	32,269	8,767	61,263	9,544
Others	35	17	105	47
	<u>529,323</u>	<u>392,928</u>	<u>1,511,732</u>	<u>1,016,583</u>

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A18. Other Operating Income

Group	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
(a) Fee income:				
Commissions	25,174	23,422	70,830	65,743
Service charges and fees	43,953	41,564	130,900	120,872
Guarantee fees	4,982	4,888	14,878	14,217
Processing fees	7,479	5,212	18,799	15,331
Commitment fees	8,109	7,399	23,722	21,507
Unit trust management fees	35,193	28,606	98,804	85,781
Net brokerage and commissions from stock broking activities	4,922	4,894	14,778	17,420
Other fee income	5,289	4,875	16,514	17,167
	<u>135,101</u>	<u>120,860</u>	<u>389,225</u>	<u>358,038</u>
(b) Gain/loss arising from sale of securities:				
Net gain from sale of securities held-for-trading	1,133	5,084	9,417	15,611
Net (loss)/gain from sale of securities available-for-sale	(44)	2,094	767	3,457
	<u>1,089</u>	<u>7,178</u>	<u>10,184</u>	<u>19,068</u>
(c) Gross dividend income from:				
Securities held-for-trading	214	(9)	412	274
Securities available-for-sale	9,202	9,912	32,034	26,507
Securities held-to-maturity	1,254	1	2,340	562
	<u>10,670</u>	<u>9,904</u>	<u>34,786</u>	<u>27,343</u>
(d) Unrealised (loss)/gain on revaluation of securities held-for-trading and derivatives	(3,167)	6,718	14,387	9,151
(e) Other income:				
Foreign exchange profit				
- Realised	36,677	18,710	60,016	54,139
- Unrealised	217	133	456	133
Rental income	2,257	1,478	5,879	5,318
Gain on disposal of property and equipment (net)	817	125	2,967	150
(Loss)/gain on disposal of foreclosed properties	(53)	(20)	89	35
Gain on sale of trust units	35,191	18,788	96,921	59,206
Lease income and factoring charges	513	619	1,562	1,679
Others	17,878	(8,263)	54,677	716
	<u>93,497</u>	<u>31,570</u>	<u>222,567</u>	<u>121,376</u>
Total other operating income	<u>237,190</u>	<u>176,230</u>	<u>671,149</u>	<u>534,976</u>

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A18. Other Operating Income (continued)

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Bank				
(a) Fee income:				
Commissions	26,603	21,996	71,517	61,460
Service charges and fees	29,216	25,144	86,159	71,426
Guarantee fees	4,342	4,045	12,760	11,541
Processing fees	231	161	570	439
Commitment fees	8,109	7,399	23,722	21,507
Other fee income	3,767	2,402	11,671	8,925
	<u>72,268</u>	<u>61,147</u>	<u>206,399</u>	<u>175,298</u>
(b) Gain arising from sale of securities:				
Net gain from sale of securities				
held-for-trading	1,885	4,705	8,922	14,988
available-for-sale	-	2,094	-	2,094
	<u>1,885</u>	<u>6,799</u>	<u>8,922</u>	<u>17,082</u>
(c) Gross dividend income from:				
Securities held-for-trading	72	164	236	262
Securities available-for-sale	8,257	8,926	28,588	22,210
Securities held-to-maturity	1,254	1	2,280	412
Associated companies	2,080	-	2,311	347
Subsidiary companies	-	1,156,821	118,106	1,603,402
	<u>11,663</u>	<u>1,165,912</u>	<u>151,521</u>	<u>1,626,633</u>
(d) Unrealised (loss)/gain on revaluation of securities held-for-trading and derivatives	(3,637)	6,747	12,399	9,012
(e) Other income:				
Foreign exchange profit				
- Realised	37,719	18,572	60,936	53,982
Rental income	876	748	1,993	2,478
Gain/(loss) on disposal of property and equipment (net)	613	(45)	2,404	(13)
(Loss)/gain on disposal of foreclosed properties	(53)	(20)	89	35
Others	3,561	2,179	14,007	13,798
	<u>42,716</u>	<u>21,434</u>	<u>79,429</u>	<u>70,280</u>
Total other operating income	<u>124,895</u>	<u>1,262,039</u>	<u>458,670</u>	<u>1,898,305</u>

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A19. Other Operating Expenses

<u>Group</u>	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	145,523	141,821	432,219	417,282
- Pension costs	17,269	20,947	51,183	61,838
- Others	15,603	12,213	42,342	37,960
Establishment costs				
- Depreciation	23,492	23,028	68,231	67,141
- Rental	12,545	12,267	37,095	37,643
- Insurance	4,911	3,434	10,254	11,577
- Water and electricity	5,692	5,264	15,935	15,348
- General repairs	4,516	4,567	13,412	14,521
- Information technology expenses	4,585	1,509	12,231	16,114
- Others	15,575	7,352	37,811	29,174
Marketing expenses				
- Sales commission	35,483	22,025	101,303	56,867
- Advertisement and publicity	11,570	10,738	33,977	29,380
- Handling fees	4,557	5,910	14,325	23,771
- Others	16,134	14,710	45,790	34,000
Administration and general expenses				
- Amortisation of goodwill/intangible assets	11,542	11,340	34,627	33,931
- Communication expenses	12,683	14,481	46,700	39,807
- Others	16,303	10,514	39,953	39,656
	<u>357,983</u>	<u>322,120</u>	<u>1,037,388</u>	<u>966,010</u>

<u>Bank</u>	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	125,444	97,828	369,571	268,631
- Pension costs	15,366	15,654	45,575	42,356
- Others	14,477	9,743	39,531	28,102
Establishment costs				
- Depreciation	19,377	17,069	55,902	48,025
- Rental	16,321	15,801	48,457	47,279
- Insurance	4,660	3,083	9,411	8,919
- Water and electricity	4,521	4,085	12,835	11,659
- General repairs	3,641	3,361	10,913	10,143
- Information technology expenses	3,601	(5,054)	9,308	2,144
- Others	13,818	2,221	32,493	12,845
Marketing expenses				
- Advertisement and publicity	5,030	3,897	15,744	11,793
- Handling fees	4,556	(966)	14,318	(7,239)
- Others	12,207	7,513	35,171	20,080
Administration and general expenses				
- Amortisation of goodwill/intangible assets	10,740	6,857	32,222	16,685
- Communication expenses	9,904	12,732	37,967	34,633
- Others	15,972	5,544	37,624	22,645
	<u>279,635</u>	<u>199,368</u>	<u>807,042</u>	<u>578,700</u>

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A20. Allowance for Losses on Loans, Advances and Financing

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
<u>Group</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	43,915	14,566	117,154	80,709
- specific allowance	104,597	85,153	267,488	268,958
- specific allowance written back	(8,189)	(11,081)	(29,245)	(55,199)
Net / (write back) of allowance / allowance in share broking activities	(163)	289	(183)	(3,041)
Bad debts and financing written off	309	251	879	905
Bad debts and financing recovered	(21,412)	(18,048)	(67,293)	(67,910)
	<u>119,057</u>	<u>71,130</u>	<u>288,800</u>	<u>224,422</u>
	3rd Quarter ended	30 September	Nine months ended	30 September
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	40,570	29,848	120,106	65,882
- specific allowance	78,270	29,675	189,039	70,572
- specific allowance written back	(8,131)	(4,804)	(29,071)	(20,912)
Bad debts and financing written off	309	251	871	881
Bad debts and financing recovered	(14,400)	(7,244)	(45,182)	(36,605)
	<u>96,618</u>	<u>47,726</u>	<u>235,763</u>	<u>79,818</u>

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A21. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets

By Business Segments

	3rd Quarter ended 30 September 2005		Nine months ended 30 September 2005		
	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Total Asset RM'000
<u>Group</u>					
Retail operations	1,221,098	386,659	3,562,563	1,204,100	61,461,957
Corporate lending	77,649	30,182	200,788	81,733	3,980,482
Treasury and capital market operations	306,832	95,584	833,756	241,892	35,611,957
Investment banking	22,793	2,335	64,859	6,451	3,348,595
Share broking and fund management	75,552	24,383	211,266	70,630	497,594
Others	1,045	2,397	3,030	7,144	212,937
	<u>1,704,969</u>	<u>541,540</u>	<u>4,876,262</u>	<u>1,611,950</u>	<u>105,113,522</u>
Inter-segment elimination	<u>(177,922)</u>	<u>0</u>	<u>(515,914)</u>	<u>0</u>	<u>0</u>
	<u>1,527,047</u>	<u>541,540</u>	<u>4,360,348</u>	<u>1,611,950</u>	<u>105,113,522</u>
Unallocated expenses	0	(31,359)	0	(80,231)	0
Amortisation of goodwill/intangible asset	0	(11,542)	0	(34,627)	0
Share of results in associated companies	0	1,719	0	4,197	0
Goodwill/intangible asset	0	0	0	0	776,149
Unallocated assets	0	0	0	0	473,072
Investment in associated companies	0	0	0	0	45,229
	<u>1,527,047</u>	<u>500,358</u>	<u>4,360,348</u>	<u>1,501,289</u>	<u>106,407,972</u>

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A21. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (continued)

	3rd Quarter ended 30 September 2004		Nine months ended 30 September 2004		Total Asset RM'000
	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Operating Revenue RM'000	Profit Before Tax Expense RM'000	
<u>Group</u>					
Retail operations	1,087,681	397,607	3,176,890	1,118,656	50,317,353
Corporate lending	59,334	17,824	162,588	87,902	4,277,842
Treasury and capital market operations	236,533	58,401	617,321	151,679	26,610,870
Investment banking	23,171	4,280	66,951	12,024	2,901,527
Share broking and fund management	44,349	17,980	163,551	72,441	462,723
Others	727	2,241	2,653	7,496	222,864
	<u>1,451,795</u>	<u>498,333</u>	<u>4,189,954</u>	<u>1,450,198</u>	<u>84,793,179</u>
Inter-segment elimination	(191,239)	-	(569,644)	-	-
	<u>1,260,556</u>	<u>498,333</u>	<u>3,620,310</u>	<u>1,450,198</u>	<u>84,793,179</u>
Unallocated expenses	-	(21,960)	-	(72,001)	-
Amortisation of goodwill/intangible assets	-	(11,340)	-	(33,931)	-
Share of results in associated companies	-	926	-	2,701	-
Goodwill/intangible asset	-	-	-	-	795,199
Unallocated assets	-	-	-	-	634,383
Investment in associated companies	-	-	-	-	49,577
	<u><u>1,260,556</u></u>	<u><u>465,959</u></u>	<u><u>3,620,310</u></u>	<u><u>1,346,967</u></u>	<u><u>86,272,338</u></u>

Inter-segment pricing is determined on a negotiated basis.

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A21. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (continued)

By Geographical Locations

	3rd Quarter ended		Nine months ended		
	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Total Asset RM'000
<u>Group</u>					
<u>30 September 2005</u>					
Malaysia	1,402,195	424,263	3,997,349	1,280,310	103,880,905
Outside Malaysia	124,852	76,095	362,999	220,979	2,527,067
	<u>1,527,047</u>	<u>500,358</u>	<u>4,360,348</u>	<u>1,501,289</u>	<u>106,407,972</u>
 <u>30 September 2004</u>					
Malaysia	1,144,240	398,715	3,284,130	1,183,774	83,894,961
Outside Malaysia	116,316	67,244	336,180	163,193	2,377,377
	<u>1,260,556</u>	<u>465,959</u>	<u>3,620,310</u>	<u>1,346,967</u>	<u>86,272,338</u>

The Group has operations in Hong Kong SAR, Sri Lanka, Socialist Republic of Vietnam, Cambodia and the People's Democratic Republic of Laos.

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A22. Carrying Amount of Revalued Assets

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the year ended 31 December 2004.

A23. Subsequent Events

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

A24. Changes in the Composition of Group

There were no significant changes in the composition of the Group for the 3rd quarter and the nine months ended 30 September 2005.

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A25. Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's and the Bank's assets.

The risk-weighted exposures of the Group and the Bank as at the following dates are as follows:

<u>Group</u>	As at 30 September 2005			As at 31 December 2004		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	834,141	834,141	611,682	864,582	864,582	621,841
Certain transaction-related contingent items	378,207	189,102	127,548	356,632	178,316	122,975
Short-term self-liquidating trade-related contingencies	541,935	108,387	101,926	549,886	109,977	104,049
Forward assets purchased	112,552	112,552	-	-	-	-
Obligations under underwriting agreements	81,320	40,660	40,660	45,850	22,925	22,925
Irrevocable commitments to extend credit:						
- maturity exceeding one year	4,418,423	2,209,211	1,762,419	4,086,615	2,043,308	1,640,070
- maturity not exceeding one year	9,501,780	-	-	8,342,491	-	-
Forward placements	52,836	-	-	-	-	-
Foreign exchange related contracts:						
- less than one year	4,648,965	83,628	22,417	3,445,413	50,731	14,614
- one year to less than five years	-	-	-	381,201	24,457	4,891
Interest rate related contracts:						
- less than one year	45,296	45	9	70,798	177	35
- one year to less than five years	1,979,236	57,682	11,536	638,209	19,918	3,984
- five years and above	2,943,980	191,829	38,177	999,000	73,076	14,615
	<u>25,538,671</u>	<u>3,827,237</u>	<u>2,716,374</u>	<u>19,780,677</u>	<u>3,387,467</u>	<u>2,549,999</u>

* The credit equivalent amount is arrived at using the credit conversion factors as specified by Bank Negara Malaysia.

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A25. Commitments and Contingencies (continued)

<u>Bank</u>	As at 30 September 2005			As at 31 December 2004		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	830,600	830,600	603,755	861,544	861,544	618,801
Certain transaction-related contingent items	366,603	183,302	121,747	348,568	174,284	118,981
Short-term self-liquidating trade-related contingencies	443,576	88,715	82,382	474,999	95,000	89,415
Forward assets purchased	112,552	112,552	-	-	-	-
Obligations under underwriting agreements	70,000	35,000	35,000	30,000	15,000	15,000
Irrevocable commitments to extend credit:						
- maturity exceeding one year	4,406,836	2,203,418	1,756,647	4,085,883	2,042,942	1,639,866
- maturity not exceeding one year	9,350,176	-	-	8,218,756	-	-
Forward placements	52,836	-	-	-	-	-
Foreign exchange related contracts:						
- less than one year	4,648,965	83,628	22,417	3,445,413	50,731	14,614
- one year to less than five years	-	-	-	381,201	24,457	4,891
Interest rate related contracts:						
- less than one year	45,296	45	9	70,798	177	35
- one year to less than five years	1,979,236	57,682	11,536	638,175	19,915	3,983
- five years and above	2,925,132	190,887	38,177	980,000	71,936	14,387
	25,231,808	3,785,829	2,671,671	19,535,337	3,355,986	2,519,973

* The credit equivalent amount is arrived at using the credit conversion factors as specified by Bank Negara Malaysia.

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A26. Off-Balance Sheet Financial Instruments

Details of financial instruments with off-balance sheet risk as at 30 September 2005:

Value of contracts classified by remaining period to maturity / next repricing date (whichever is earlier).

Group

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	>5 years RM'000
Foreign exchange related contracts							
- forward	931,053	289,906	305,262	269,744	66,141	-	-
- swap	3,717,912	995,294	1,344,652	998,917	379,049	-	-
Sub total	4,648,965	1,285,200	1,649,914	1,268,661	445,190	-	-
Interest rate related contracts							
- forward	-	-	-	-	-	-	-
- swap	4,968,512	806,673	2,718,120	1,443,719	-	-	-
Sub total	4,968,512	806,673	2,718,120	1,443,719	-	-	-
Total	9,617,477	2,091,873	4,368,034	2,712,380	445,190	-	-

Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	>5 years RM'000
Foreign exchange related contracts							
- forward	931,053	289,906	305,262	269,744	66,141	-	-
- swap	3,717,912	995,294	1,344,652	998,917	379,049	-	-
Sub total	4,648,965	1,285,200	1,649,914	1,268,661	445,190	-	-
Interest rate related contracts							
- forward	-	-	-	-	-	-	-
- swap	4,949,664	787,825	2,718,120	1,443,719	-	-	-
Sub total	4,949,664	787,825	2,718,120	1,443,719	-	-	-
Total	9,598,629	2,073,025	4,368,034	2,712,380	445,190	-	-

The Group and the Bank do not have any transaction in respect of equity and commodity related contracts. Foreign exchange and interest rate related contracts are subject to market and credit risk.

Market Risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts 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 30 September 2005, the amount of contracts which were not hedged in the Group and the Bank and, hence, exposed to market risk was RM1,464,705,000 (31 December 2004 : RM1,377,179,000).

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A26. Off-Balance Sheet Financial Instruments (continued)

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 30 September 2005, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM17,881,000 (31 December 2004 : RM11,502,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Related Accounting Policies

Derivatives financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the income statements unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

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

Cash flow hedge

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

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A27. Interest/Profit Rate Risk

Group	Non trading book							Trading book	Total	Effective interest rate %
	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non- interest				
	1 month	months	months	years	years	sensitive				
As at 30 September 2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
ASSETS										
Cash and short-term funds	18,967,052	-	-	-	-	626,659	-	19,593,711	2.83	
Deposits and placements with banks and other financial institutions	-	8,025,769	79,644	10,200	-	-	-	8,115,613	2.88	
Securities purchased under resale agreements	900,891	724,495	68,655	-	-	-	218,966	1,913,007	2.86	
Securities held-for-trading	-	-	-	-	-	-	2,229,877	2,229,877	2.93	
Securities available-for-sale	-	48,078	-	1,051,619	1,590,193	1,160,825	13,947	3,864,662	4.49	
Securities held-to-maturity	4,800	91,486	611,772	873,619	-	88,079	-	1,669,756	3.23	
Loans, advances and financing										
- performing	29,048,241	3,901,808	10,920,782	15,286,850	4,564,943	-	-	63,722,624	6.55	
- non-performing *	-	-	-	-	-	140,038	-	140,038	-	
Other non-interest sensitive balances	-	-	-	-	-	5,140,803	17,881	5,158,684	-	
TOTAL ASSETS	48,920,984	12,791,636	11,680,853	17,222,288	6,155,136	7,156,404	2,480,671	106,407,972		
LIABILITIES AND SHAREHOLDERS' EQUITY										
Deposits from customers	44,411,736	14,579,551	17,065,444	360,419	5,086	8,644,511	-	85,066,747	2.67	
Deposits and placements of banks and other financial institutions	3,133,884	579,567	207,323	-	-	69,970	-	3,990,744	3.25	
Obligations on securities sold under repurchase agreements	1,690,802	137,851	-	-	-	-	31,013	1,859,666	2.58	
Bills and acceptances payable	413,129	862,825	166,510	-	-	804,066	-	2,246,530	2.88	
Recourse obligations on loans sold to Cagamas	16,759	33,516	144,059	95,545	-	-	-	289,879	3.75	
Short-term borrowings	-	-	-	-	-	-	-	-	-	
Subordinated notes	-	-	-	1,317,367	1,449,466	-	-	2,766,833	4.74	
Other non-interest sensitive balances	-	-	-	-	-	1,657,099	9,646	1,666,745	-	
Total Liabilities	49,666,310	16,193,310	17,583,336	1,773,331	1,454,552	11,175,646	40,659	97,887,144		
Shareholders' equity	-	-	-	-	-	8,089,629	-	8,089,629		
Minority interests	-	-	-	-	-	431,199	-	431,199		
Total Liabilities and Shareholders' Equity	49,666,310	16,193,310	17,583,336	1,773,331	1,454,552	19,696,474	40,659	106,407,972		
On-balance sheet interest sensitivity gap	(745,326)	(3,401,674)	(5,902,483)	15,448,957	4,700,584	(12,540,070)	2,440,012	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	806,674	(342,776)	(1,194,932)	659,414	71,620	-	-	-		
Total interest sensitivity gap	61,348	(3,744,450)	(7,097,415)	16,108,371	4,772,204	(12,540,070)	2,440,012	-		

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A27. Interest/Profit Rate Risk (continued)

Group	Non trading book							Total	Effective interest rate
	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-	Trading		
	1 month	months	months	years	years	interest sensitive	book		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short-term funds	19,121,121	-	-	-	-	548,884	-	19,670,005	2.68
Deposits and placements with banks and other financial institutions	745	1,243,558	216,006	-	-	-	-	1,460,309	2.64
Securities purchased under resale agreements	347,700	1,147,738	-	-	-	-	-	1,495,438	2.79
Securities held-for-trading	-	-	-	-	-	-	5,261,938	5,261,938	3.01
Securities available-for-sale	-	-	74,513	733,106	1,123,420	1,146,169	63,005	3,140,213	4.84
Securities held-to-maturity	4,702	112,162	174,035	516,996	1,756	23,025	-	832,676	3.12
Loans, advances and financing									
- performing	24,434,545	2,761,239	8,974,495	15,339,420	3,892,539	-	-	55,402,238	6.96
- non-performing *	-	-	-	-	-	316,491	-	316,491	-
Other non-interest sensitive balances	-	-	-	-	-	4,738,810	11,501	4,750,311	-
TOTAL ASSETS	43,908,813	5,264,697	9,439,049	16,589,522	5,017,715	6,773,379	5,336,444	92,329,619	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	36,612,072	12,501,026	14,714,562	336,916	5,258	8,076,469	-	72,246,303	2.63
Deposits and placements of banks and other financial institutions	1,969,618	439,163	431,315	-	-	118,385	-	2,958,481	2.38
Obligations on securities sold under repurchase agreements	3,253,431	5,000	-	-	-	-	-	3,258,431	2.64
Bills and acceptances payable	431,285	74,717	-	-	-	754,990	-	1,260,992	2.85
Recourse obligations on loans sold to Cagamas	291,747	5,674	23,781	25,011	-	-	-	346,213	4.00
Subordinated notes	-	-	-	1,375,214	-	-	-	1,375,214	3.44
Other non-interest sensitive balances	-	-	-	-	-	1,863,407	17,761	1,881,168	-
Total Liabilities	42,558,153	13,025,580	15,169,658	1,737,141	5,258	10,813,251	17,761	83,326,802	
Shareholders' equity	-	-	-	-	-	8,634,706	-	8,634,706	
Minority interests	-	-	-	-	-	368,111	-	368,111	
Total Liabilities and Shareholders' Equity	42,558,153	13,025,580	15,169,658	1,737,141	5,258	19,816,068	17,761	92,329,619	
On-balance sheet interest sensitivity gap	1,350,660	(7,760,883)	(5,730,609)	14,852,381	5,012,457	(13,042,689)	5,318,683	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	577,200	(427,193)	157,202	691,791	(999,000)	-	-	-	
Total interest sensitivity gap	1,927,860	(8,188,076)	(5,573,407)	15,544,172	4,013,457	(13,042,689)	5,318,683	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A27. Interest/Profit Rate Risk (continued)

Bank	Non trading book							Total	Effective interest rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 5 years	over 5 years	Non-interest sensitive	Trading book		
As at 30 September 2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short-term funds	17,874,682	-	-	-	-	554,886	-	18,429,568	2.88
Deposits and placements with banks and other financial institutions	-	8,239,801	39,701	-	-	-	-	8,279,502	2.88
Securities purchased under resale agreements	657,472	220,886	68,655	-	-	-	218,966	1,165,979	2.90
Securities held-for-trading	-	-	-	-	-	-	2,148,430	2,148,430	2.92
Securities available-for-sale	-	48,078	-	781,402	1,465,072	1,057,169	13,377	3,365,098	4.07
Securities held-to-maturity	4,800	-	348,322	747,278	-	87,634	-	1,188,034	3.35
Loans, advances and financing									
- performing	28,426,149	3,613,227	10,315,608	14,733,089	4,503,841	-	-	61,591,914	6.09
- non-performing *	-	-	-	-	-	161,148	-	161,148	
Other non-interest sensitive balances	-	-	-	-	-	5,875,418	17,881	5,893,299	
TOTAL ASSETS	46,963,103	12,121,992	10,772,286	16,261,769	5,968,913	7,736,255	2,398,654	102,222,972	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	42,728,854	13,569,177	16,962,702	740,739	5,086	8,498,167	-	82,504,725	2.67
Deposits and placements of banks and other financial institutions	2,917,503	533,270	228,976	-	-	67,143	-	3,746,892	3.49
Obligations on securities sold under repurchase agreements	1,282,287	137,851	-	-	-	-	36,013	1,456,151	2.55
Bills and acceptances payable	413,129	862,825	166,510	-	-	802,690	-	2,245,154	2.88
Recourse obligations on loans sold to Cagamas	16,759	33,516	144,059	95,545	-	-	-	289,879	3.75
Short-term borrowings	-	-	-	-	-	-	-	-	-
Subordinated notes	-	-	-	1,317,367	1,449,466	-	-	2,766,833	4.74
Other non-interest sensitive balances	-	-	-	-	-	1,478,301	9,646	1,487,947	
Total Liabilities	47,358,532	15,136,639	17,502,247	2,153,651	1,454,552	10,846,301	45,659	94,497,581	
Shareholders' equity	-	-	-	-	-	7,725,391	-	7,725,391	
Total Liabilities and Shareholders' Equity	47,358,532	15,136,639	17,502,247	2,153,651	1,454,552	18,571,692	45,659	102,222,972	
On-balance sheet interest sensitivity gap	(395,429)	(3,014,647)	(6,729,961)	14,108,118	4,514,361	(10,835,437)	2,352,995	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	787,826	(342,776)	(1,194,932)	659,414	90,468	-	-	-	
Total interest sensitivity gap	392,397	(3,357,423)	(7,924,893)	14,767,532	4,604,829	(10,835,437)	2,352,995	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A27. Interest/Profit Rate Risk (continued)

Bank	Non trading book							Trading book	Total RM'000	Effective interest rate %
	Up to	> 1 - 3	> 3 - 12	> 1 - 5	over 5	Non-				
	1 month	months	months	years	years	interest sensitive				
As at 31 December 2004	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
ASSETS										
Cash and short-term funds	19,383,268	-	-	-	-	509,968	-	19,893,236	2.68	
Deposits and placements with banks and other financial institutions	-	1,497,127	76,000	-	-	-	-	1,573,127	2.43	
Securities purchased under resale agreements	147,393	831,159	-	-	-	-	-	978,552	2.81	
Securities held-for-trading	-	-	-	-	-	-	5,199,416	5,199,416	3.00	
Securities available-for-sale	-	-	-	-	-	1,070,022	62,408	1,132,430	-	
Securities held-to-maturity	4,702	1,119	83,737	496,710	1,756	22,815	-	610,839	3.23	
Loans, advances and financing										
- performing	23,918,520	2,492,233	8,381,560	14,853,258	3,846,623	-	-	53,492,194	6.47	
- non-performing *	-	-	-	-	-	363,918	-	363,918	-	
Other non-interest sensitive balances	-	-	-	-	-	5,677,505	11,501	5,689,006	-	
TOTAL ASSETS	43,453,883	4,821,638	8,541,297	15,349,968	3,848,379	7,644,228	5,273,325	88,932,718		
LIABILITIES AND SHAREHOLDERS' EQUITY										
Deposits from customers	33,297,789	11,817,049	14,851,531	329,963	5,258	7,964,049	-	68,265,639	2.67	
Deposits and placements of banks and other financial institutions	3,696,546	493,890	471,200	-	-	104,094	-	4,765,730	2.61	
Obligations on securities sold under repurchase agreements	3,013,317	5,000	-	-	-	-	-	3,018,317	2.64	
Bills and acceptances payable	431,285	74,717	-	-	-	752,915	-	1,258,917	2.85	
Recourse obligations on loans sold to Cagamas	291,747	5,674	23,781	25,011	-	-	-	346,213	4.00	
Subordinated notes	-	-	-	1,375,214	-	-	-	1,375,214	3.44	
Other non-interest sensitive balances	-	-	-	-	-	1,470,136	17,761	1,487,897	-	
Total Liabilities	40,730,684	12,396,330	15,346,512	1,730,188	5,258	10,291,194	17,761	80,517,927		
Shareholders' equity	-	-	-	-	-	8,414,791	-	8,414,791		
Total Liabilities and Shareholders' Equity	40,730,684	12,396,330	15,346,512	1,730,188	5,258	18,705,985	17,761	88,932,718		
On-balance sheet interest sensitivity gap	2,723,199	(7,574,692)	(6,805,215)	13,619,780	3,843,121	(11,061,757)	5,255,564	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	444,200	(479,025)	(13,798)	971,623	(923,000)	-	-	-		
Total interest sensitivity gap	3,167,399	(8,053,717)	(6,819,013)	14,591,403	2,920,121	(11,061,757)	5,255,564	-		

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A28. Capital Adequacy

The capital adequacy ratios of the Bank and the Group as at the following dates:

	Group		Bank	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
	RM'000	RM'000	RM'000	RM'000
Core capital ratio	10.7%	11.8%	10.5%	11.6%
Risk-weighted capital ratio	16.6%	15.7%	14.4%	13.1%

The capital adequacy ratios of the Bank and the Group as at 30 September 2005 have incorporated the market risk pursuant to the Bank Negara Malaysia's Market Risk Capital Adequacy Framework which became effective on 1 April 2005.

	Group		Bank	
	30 September 2005	31 December 2004	30 September 2005	31 December 2004
	RM'000	RM'000	RM'000	RM'000
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	3,410,356	3,355,767	3,410,356	3,355,767
Share premium	1,550,515	1,347,084	1,550,515	1,347,084
Other reserves	2,773,380	2,614,753	2,609,090	2,450,465
Retained profits, as restated	698,030	1,874,012	750,626	1,926,371
As previously stated	-	1,854,572	-	1,924,399
Prior year adjustments ^{*1}	-	19,440	-	1,972
Treasury shares	(784,600)	(601,441)	(784,600)	(601,441)
Minority interests	411,414	368,111	-	-
Less: Goodwill/intangible assets	(776,149)	(811,399)	(706,133)	(738,356)
Less: Deferred tax assets, net, as restated	(297,486)	(282,700)	(243,180)	(222,719)
As previously stated	-	(283,542)	-	(223,486)
Prior year adjustments ^{*1}	-	842	-	767
Total Tier I capital	6,985,460	7,864,187	6,586,674	7,517,171
<u>Tier II capital</u>				
General allowance for bad and doubtful debts	1,024,098	930,994	957,649	862,723
Subordinated notes, at cost	2,808,590	1,323,014	2,808,590	1,323,014
Total Tier II capital	3,832,688	2,254,008	3,766,239	2,185,737
Total capital	10,818,148	10,118,195	10,352,913	9,702,908
Less: Investment in subsidiary companies	-	-	(1,305,365)	(1,365,364)
Capital base	10,818,148	10,118,195	9,047,548	8,337,544

*1 The prior year adjustments are in respect of the change in accounting policies as disclosed in Note A1 and Note A30.

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A29. Operations of Islamic Banking

A29a. Unaudited Balance Sheets as at 30 September 2005

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
ASSETS				
Cash and short-term funds	69,358	204,385	69,358	204,385
Deposits and placements with banks and other financial institutions	-	-	-	-
Securities held-to-maturity	127,460	127,503	127,460	127,503
Financing, advances and other loans	7,003,083	6,179,167	7,003,083	6,179,167
Other assets	1,978	1,580,488	1,978	1,580,517
Statutory deposits with Bank Negara Malaysia	218,558	78,700	218,558	78,700
Deferred tax assets	39,589	38,273	39,589	38,273
Property and equipment	68	52	68	52
Total Assets	7,460,094	8,208,568	7,460,094	8,208,597
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	3,739,901	3,491,355	3,739,901	3,491,355
Deposits and placements of banks and other financial institutions	2,004,112	3,585,613	2,004,112	3,585,613
Bills and acceptances payable	33,316	29,830	33,316	29,830
Other liabilities	382,250	40,737	382,250	40,737
Provision for tax expense and zakat	25,510	34,012	25,510	34,012
Total Liabilities	6,185,089	7,181,547	6,185,089	7,181,547
Islamic Banking Funds	1,275,005	1,027,021	1,275,005	1,027,050
Total Liabilities and Islamic Banking Funds	7,460,094	8,208,568	7,460,094	8,208,597
COMMITMENTS AND CONTINGENCIES	113,629	145,575	113,629	145,575

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A29b. Unaudited Income Statements for the Financial Half Year Ended 30 September 2005

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Group				
Income derived from investment of depositors' funds and financial institutions	103,504	146,672	308,570	355,358
Allowance for losses on financing, advances and other loans	(8,706)	62,372	(28,756)	43,179
Transfer to profit equalisation reserve	1,584	(168)	59	(4,031)
Total attributable income	96,382	208,876	279,873	394,506
Income attributable to the depositors and financial institutions	(24,508)	(43,202)	(72,230)	(102,732)
Income attributable to the reporting institutions	71,874	165,674	207,643	291,774
Income derived from investment of Islamic Banking Funds	20,215	(7,008)	60,433	34,997
Total net income	92,089	158,666	268,076	326,771
Other operating expenses	(18,411)	(14,403)	(54,935)	(44,457)
Profit before zakat and tax expense	73,678	144,263	213,141	282,314
Zakat	(36)	(18)	(112)	(56)
Tax expense	(25,817)	(47,611)	(65,075)	(86,267)
Net profit for the financial period	47,825	96,634	147,954	195,991

	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Bank				
Income derived from investment of depositors' funds and financial institutions	103,504	56,088	308,570	127,123
Allowance for losses on financing, advances and other loans	(8,706)	(7,017)	(28,756)	(14,577)
Transfer to profit equalisation reserve	1,584	(2,168)	59	(4,031)
Total attributable income	96,382	46,903	279,873	108,515
Income attributable to the depositors and financial institutions	(24,508)	(7,355)	(72,230)	(22,196)
Income attributable to the reporting institutions	71,874	39,548	207,643	86,319
Income derived from investment of Islamic Banking Funds	20,215	14,240	60,433	34,945
Total net income	92,089	53,788	268,076	121,264
Other operating expenses	(18,411)	(10,155)	(54,935)	(24,559)
Profit before zakat and tax expense	73,678	43,633	213,141	96,705
Zakat	(36)	(18)	(112)	(56)
Tax expense	(25,817)	(17,152)	(65,075)	(32,012)
Net profit for the financial period	47,825	26,463	147,954	64,637

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A29c. Financing, Advances and Other Loans

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Al-Qardhassan (overdraft)	16,796	9,737	16,796	9,737
Al-Bai Bithaman Ajil (deferred payment sale)	3,228,120	2,965,698	3,228,120	2,962,784
Al-Ijarah Thamma Al-Bai' (leasing)	5,823,896	5,191,063	5,823,896	5,193,977
Bai-Al-Einah	267,100	194,494	267,100	194,494
	<u>9,335,912</u>	<u>8,360,992</u>	<u>9,335,912</u>	<u>8,360,992</u>
Unearned income	(2,198,387)	(2,048,460)	(2,198,387)	(2,048,460)
Gross financing, advances and other loans	<u>7,137,525</u>	<u>6,312,532</u>	<u>7,137,525</u>	<u>6,312,532</u>
Allowance for bad and doubtful debts and financing:				
- general	(112,995)	(107,295)	(112,995)	(107,295)
- specific	(21,447)	(26,070)	(21,447)	(26,070)
Net financing, advances and other loans	<u>7,003,083</u>	<u>6,179,167</u>	<u>7,003,083</u>	<u>6,179,167</u>

i) Movements in non-performing financing, advances and other loans ("NPL") are as follows:

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
At 1 January	150,538	88,562	150,538	21,067
Non-performing during the period/year	285,186	260,175	285,186	224,373
Amount vested over from PBFIN Berhad (formally known as Public Finance Berhad)	-	-	-	79,746
Reclassified as performing	(234,821)	(160,355)	(234,821)	(157,713)
Recoveries	(26,367)	(17,194)	(26,367)	(7,762)
Amount written off	(31,112)	(20,650)	(31,112)	(9,173)
Closing balance	<u>143,424</u>	<u>150,538</u>	<u>143,424</u>	<u>150,538</u>
Specific allowance	(21,447)	(26,070)	(21,447)	(26,070)
Net non-performing financing, advances and other loans	<u>121,977</u>	<u>124,468</u>	<u>121,977</u>	<u>124,468</u>
Net NPL as % of gross financing, advances and other loans less specific allowance	<u>1.71%</u>	<u>1.98%</u>	<u>1.71%</u>	<u>1.98%</u>

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A29c. Financing, Advances and Other Loans (continued)

ii) Movements in the allowance for bad and doubtful debts and financing accounts are as follows:

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
<u>General allowance</u>				
At 1 January	107,295	99,224	107,295	26,744
Allowance made during the period/year	5,700	8,071	5,700	80,551
Closing balance	<u>112,995</u>	<u>107,295</u>	<u>112,995</u>	<u>107,295</u>
As % gross loans, financing and other loans less specific allowance	<u>1.59%</u>	<u>1.71%</u>	<u>1.59%</u>	<u>1.71%</u>
	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
<u>Specific allowance</u>				
At 1 January	26,070	15,337	26,070	3,164
Allowance made during the period/year	30,373	33,858	30,373	15,466
Amount vested over from PBFIN Berhad (formally known as Public Finance Berhad)	-	-	-	17,006
Amount written back	(3,861)	(2,467)	(3,861)	(384)
Amount written off	(31,112)	(20,658)	(31,112)	(9,182)
Amount transferred to accumulated impairment losses in value of securities	(23)	-	(23)	-
Closing balance	<u>21,447</u>	<u>26,070</u>	<u>21,447</u>	<u>26,070</u>

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A29d. Deposits from Customers
i) By type of deposit

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
<u>Non-Mudharabah Fund</u>				
Demand deposits	966,251	946,052	966,251	946,052
Savings deposits	1,962,243	1,684,094	1,962,243	1,684,094
	2,928,494	2,630,146	2,928,494	2,630,146
<u>Mudharabah Fund</u>				
Savings deposits	57,135	43,407	57,135	43,407
General investment deposit	754,272	817,802	754,272	817,802
	811,407	861,209	811,407	861,209
Deposits from customers	3,739,901	3,491,355	3,739,901	3,491,355

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A30. Change in Accounting Policies and Prior Year Adjustments

(a) Change in Accounting Policies

During the nine months ended 30 September 2005, the Group and the Bank have adopted the revised BNM/GP8 which have resulted in the following new accounting policies:

- 1) The holdings of the securities portfolio of the Group and the Bank are segregated based on the following categories and valuation methods:

- i) Securities held-for-trading

Securities are classified as held-for-trading if they are acquired principally for the purpose of benefiting from actual or expected short-term price movement or to lock in arbitrage profits. The securities held-for-trading will be stated at fair value and any gain or loss arising from a change in their fair values and the derecognition of securities held-for-trading are recognised in the income statements.

- ii) Securities held-to-maturity

Securities held-to-maturity are financial assets with fixed or determinable payments and fixed maturity that the Group and Bank have the positive intent and ability to hold to maturity. The securities held-to-maturity are measured at accreted/amortised cost based on effective yield method. Amortisation of premium, accretion of discount and impairment as well as gain or loss arising from derecognition of securities held-to-maturity are recognised in the income statements.

- iii) Securities available-for-sale

Securities available-for-sale are financial assets that are not classified as held-for-trading or held-to-maturity. The securities available-for-sale are measured at fair value or at amortised cost (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising from a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statements.

- 2) Derivatives financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the income statements unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

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

Cash flow hedge

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

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A30. Change in Accounting Policies and Prior Year Adjustments (continued)

- 3) When a loan becomes non-performing, interest accrued and recognised as income prior to the date the loan is classified as non-performing is reversed out of income and set-off against the accrued interest receivable account in the balance sheet. Thereafter, the interest accrued on the non-performing loan shall be recognised as income on a cash basis instead of being accrued and suspended at the same time as practised previously.

(b) Prior Year Adjustments

The changes in accounting policies as described above were applied retrospectively and have the following impact on the opening reserves and results of the Group and Bank:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Effects on retained profits:				
At 1 January, as previously stated	682,324	1,762,092	732,497	1,172,318
Effects of adopting the fair value accounting for securities held-for-trading	1,513	(3,004)	1,319	(2,832)
Effects of recognising previously recognised loss on securities available-for-sale to equity	17,927	20,894	653	653
At 1 January, as restated	<u>701,764</u>	<u>1,779,982</u>	<u>734,469</u>	<u>1,170,139</u>

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Effects on other reserves				
At 1 January, as previously stated	2,614,989	2,387,630	2,401,569	1,842,160
Effects of adopting the fair value accounting for securities available for-sale	44,531	10,751	5,331	20,452
At 1 January, as restated	<u>2,659,520</u>	<u>2,398,381</u>	<u>2,406,900</u>	<u>1,862,612</u>

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A30. Change in Accounting Policies and Prior Year Adjustments (continued)

Group	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Effects on net profit for the period Net profit before changes in accounting policies	347,404	321,118	1,059,225	941,920
Effects of adopting the fair value accounting for securities held-for- trading	460	4,301	(78)	7,151
Effects of recognising previously recognised gain on securities available-for-sale to equity	-	(132)	-	(3,051)
* Effect of change in method of assigning of collateral values to certain non-performing loans	-	(6,312)	-	(13,871)
	460	(2,143)	(78)	(9,771)
Net profit for the period	347,864	318,975	1,059,147	932,149

Bank	3rd Quarter ended		Nine months ended	
	30 September 2005 RM'000	30 September 2004 RM'000	30 September 2005 RM'000	30 September 2004 RM'000
Effects on net profit for the period Net profit before changes in accounting policies	266,502	1,032,785	902,633	1,808,365
Effects of adopting the fair value accounting for securities held-for- trading	122	4,273	(1,509)	7,051
* Effect of change in method of assigning of collateral values to certain non-performing loans	-	(215)	-	(2,836)
	122	4,058	(1,509)	4,215
Net profit for the period	266,624	1,036,843	901,124	1,812,580

* The previous corresponding quarter has been adjusted to reflect the effect of the change in method of assigning of collateral values to certain non-performing loans which was adopted by the Group and the Bank in the 4th quarter and financial year ended 31 December 2004.

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A30. Change in Accounting Policies and Prior Year Adjustments (continued)

(c) Comparative Figures

The following comparative figures have been restated for the effects of adopting the above change in accounting policies:

	Group		Bank	
	As restated RM'000	As previously reported RM'000	As restated RM'000	As previously reported RM'000
(i) Balance Sheet as at 31 December 2004				
Dealing securities	-	6,645,591	-	5,192,470
Investment securities	-	2,432,848	-	1,740,071
Securities held-for-trading	5,261,938	-	5,199,416	-
Securities available-for-sale	3,140,213	-	1,132,430	-
Securities held-to-maturity	832,676	-	610,839	-
Deferred tax assets	280,554	283,542	220,646	223,486
Other assets	767,380	678,555	935,282	865,322
Other liabilities	1,644,918	1,518,864	1,333,525	1,315,764
Subordinated notes	1,375,214	1,323,014	1,375,214	1,323,014
Reserves	4,708,368	4,644,397	4,488,453	4,481,150
(ii) Income statement for the 3rd quarter ended 30 September 2004				
Other operating income	176,230	168,258	1,262,039	1,253,885
Net income	860,502	852,530	1,699,810	1,691,656
Operating profit	538,382	530,410	1,500,442	1,492,289
Allowance for losses on loans, advances and financing	(71,130)	(62,363)	(47,726)	(47,428)
Profit before tax expense and zakat	465,959	468,973	1,450,497	1,444,861
Tax expense and zakat	(127,609)	(128,480)	(413,654)	(412,076)
Profit after tax expense	338,350	340,493	1,036,843	1,032,785
Net profit for the period	318,975	321,118	1,036,843	1,032,785
(ii) Income statement for the nine months ended 30 September 2004				
Other operating income	534,976	527,415	1,898,305	1,887,646
Net income	2,535,533	2,527,972	3,028,524	3,017,865
Operating profit	1,569,523	1,561,962	2,449,824	2,439,165
Allowance for losses on loans, advances and financing	(224,422)	(205,157)	(79,818)	(75,879)
Profit before tax expense and zakat	1,346,967	1,359,506	2,369,141	2,363,286
Tax expense and zakat	(367,464)	(370,232)	(556,561)	(554,922)
Profit after tax expense	979,503	989,274	1,812,580	1,808,364
Net profit for the period	932,149	941,920	1,812,580	1,808,364

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa
Malaysia Securities Berhad**

B1. Performance Review

The Group's pre-tax profit for the nine months ended 30 September 2005 of RM1,501.3 million was RM154.3 million or 11.5% higher than that of the previous corresponding period of RM1,347.0 million. Profit attributable to shareholders improved by 13.6% to RM1,059.1 million. The improvement in earnings was primarily due to higher net interest income, including net income from Islamic Banking operations, which improved by RM145.7 million or 7.3% and higher other operating income of RM136.2 million. The increases were partially offset by higher other operating expenses of RM71.4 million and higher allowance for losses on loans, advances and financing of RM64.4 million.

The growth in the Group's net interest income was driven by strong loans growth of RM10.8 billion or 19.8% to RM65.1 billion and lower non-performing loans at the end of September 2005 as compared to the corresponding period in 2004. The growth in loans arose mainly from financing of small-and medium-sized enterprises ("SMEs"), residential mortgages and financing of passenger vehicles. As at 30 September 2005, the Group's net non-performing loans ratio ("NPL") stood at 1.8%.

The Group's commercial bank, Public Bank, recorded a pre-tax profit of RM1,239.6 million for the nine months ended 30 September 2005 and was 47.7% lower than the pre-tax profit of RM2,369.1 million achieved in the previous corresponding period. This was mainly due to lower dividend income from subsidiary companies.

The overseas operations of the Group recorded a 35.4% improvement in pre-tax profit to RM221.0 million from the previous corresponding period. This was mainly due to loans growth and lower specific allowance charges net of recoveries due to the declining number of delinquent accounts.

For the 3rd quarter ended 30 September 2005, the Group registered a pre-tax profit of RM500.4 million, an improvement of RM34.4 million or 7.4% compared to the previous corresponding quarter. This was achieved on the back of strong loans growth in financing SMEs, vehicle hire purchase financing and residential mortgages. Earnings attributable to shareholders grew by 9.1% or RM28.9 million for the same period.

B2. Variation of Results Against Preceding Quarter

The Group's pre-tax profit of RM500.4 million for the 3rd quarter ended 30 September 2005 was RM21.0 million or 4.0% lower compared to the 2nd quarter ended 30 June 2005. Net profit attributable to shareholders is lower by RM18.3 million or 5.0% over the previous quarter ended 30 June 2005.

B3. Prospects for 2005

The good economic conditions in Malaysia will continue to provide a supportive environment for growth in the banking system. Going forward, the Public Bank Group will further leverage on its strategic domestic network of 252 branches, its online channels and strong *PB* brand to continue to build on the momentum of its strong loan growth. Barring any unforeseen circumstances, the Group's and the Bank's performance are expected to continue to record satisfactory performance for 2005.

B4. Profit Forecast or Profit Guarantee

There were no profit forecast or profit guarantee issued by the Group and the Bank.

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B5. Tax Expense and Zakat

The analysis of the tax expense for the 3rd quarter and nine months ended 30 September 2005 are as follows:

Group	3rd Quarter ended		Nine months ended	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	130,098	119,159	364,769	353,176
Overseas income tax	12,654	8,607	38,417	34,463
	142,752	127,766	403,186	387,639
(Over)/Under provision in prior period/years				
- Malaysian income tax	-	(11)	(1,294)	939
- Overseas income tax	-	-	4	(19)
	142,752	127,755	401,896	388,559
Share of tax expense in associated companies	509	42	1,259	88
	143,261	127,797	403,155	388,647
Deferred tax expense				
- Origination and reversal of temporary differences, as restated	(10,588)	(206)	(20,463)	(21,239)
As previously stated	-	665	-	(18,471)
Prior year adjustments*	-	(871)	-	(2,768)
	132,673	127,591	382,692	367,408
Tax expense	36	18	112	56
Zakat	132,709	127,609	382,804	367,464

The Group's effective tax rates for the 3rd quarter and the nine months are lower than the statutory tax rate due to the effects of lower tax rates in other jurisdictions.

Bank	3rd Quarter ended		Nine months ended	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	122,539	421,001	360,491	570,981
Overseas income tax	291	105	485	300
	122,830	421,106	360,976	571,281
Deferred tax expense				
- Origination and reversal of temporary differences, as restated	(10,699)	(7,470)	(22,631)	(14,776)
As previously stated	-	(9,048)	-	(16,415)
Prior year adjustments*	-	1,578	-	1,639
	112,131	413,636	338,345	556,505
Tax expense	36	18	112	56
Zakat	112,167	413,654	338,457	556,561

The Bank's effective tax rate for the nine months is lower than the statutory tax rate due to dividend received from its Hong Kong subsidiary which is not subject to tax. The Bank's effective tax rate for 3rd quarter is higher than the statutory tax rate due to certain expenses being disallowed for tax purposes.

* The prior year adjustments are in respect of the change in accounting policies as disclosed in Note A1 and Note A30.

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B6. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties for the 3rd quarter and the nine months ended 30 September 2005 other than in the ordinary course of business.

B7. Quoted Securities

Financial institutions are exempted from the disclosure requirements relating to quoted securities.

B8. Status of Corporate Proposals Announced but Not Completed

There were no corporate proposal announced but not completed as at 30 September 2005.

B9. Deposits and Placements of Customers and Financial Institutions and Debt Securities

	Group		Bank	
	30 September 2005 RM'000	31 December 2004 RM'000	30 September 2005 RM'000	31 December 2004 RM'000
Deposits from customers				
- Fixed deposits				
One year or less	41,785,706	39,162,055	40,000,577	35,734,517
More than one year	121,537	153,392	116,351	146,438
- Negotiable instruments of deposits				
One year or less	21,497,095	12,481,507	20,672,095	12,218,267
More than one year	24,494	-	410,000	-
- Savings deposits	12,078,994	11,498,368	11,894,085	11,328,835
- Demand deposits	9,245,925	8,682,720	9,100,920	8,570,697
- Others	312,996	268,261	310,697	266,885
	<u>85,066,747</u>	<u>72,246,303</u>	<u>82,504,725</u>	<u>68,265,639</u>
Deposits and placements of banks and other financial institutions				
One year or less	3,990,744	2,958,481	3,746,892	4,765,730
More than one year	-	-	-	-
	<u>3,990,744</u>	<u>2,958,481</u>	<u>3,746,892</u>	<u>4,765,730</u>
Subordinated notes denominated in United States Dollar (unsecured)				
- more than one year	<u>2,766,833</u>	<u>1,375,214</u>	<u>2,766,833</u>	<u>1,375,214</u>

B10. Off-Balance Sheet Financial Instruments

Please refer to note A26.

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B11. Changes in Material Litigation

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and the Bank.

B12. Proposed Dividends

No dividend has been proposed or declared for 3rd quarter ended 30 September 2005.

B13. Earning Per Share (EPS)

Basic

The calculation of the basic earnings per share is based on the net profit for the 3rd quarter and the nine months ended 30 September 2005 divided by the weighted average number of ordinary shares of RM1.00 each in issue during the 3rd quarter and the nine months ended 30 September 2005 excluding the weighted average treasury shares held by the Bank. The weighted average number of ordinary shares used in the previous corresponding quarter and the nine months ended 30 September 2004 have been adjusted for the effects of the share consolidation which was completed on 2 June 2004 for comparability purposes.

	3rd Quarter ended		Nine months ended	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
Net profit for the period (RM'000)	<u>347,864</u>	<u>318,975</u>	<u>1,059,147</u>	<u>932,149</u>
Weighted average number of PBB Shares ('000)	<u>3,281,858</u>	<u>3,227,510</u>	<u>3,275,370</u>	<u>3,210,561</u>
Basic earnings per share (sen)	<u>10.6</u>	<u>9.9</u>	<u>32.3</u>	<u>29.0</u>

Diluted

The calculation of the diluted earnings per share is based on the net profit for the 3rd quarter and the nine months ended 30 September 2005 divided by the adjusted weighted average number of PBB Shares of RM1.00 each in issue and issuable under the exercise of share options granted under the Public Bank Berhad Employees' Share Option Scheme.

	3rd Quarter ended		Nine months ended	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
<i>Weighted average number of PBB Shares ('000)</i>				
Weighted average number of PBB Shares	<u>3,281,858</u>	<u>3,227,510</u>	<u>3,275,370</u>	<u>3,210,561</u>
Effects of share options	<u>37,774</u>	<u>24,921</u>	<u>32,308</u>	<u>38,829</u>
Adjusted weighted average number of ordinary shares in issue or issuable	<u>3,319,632</u>	<u>3,252,431</u>	<u>3,307,678</u>	<u>3,249,390</u>
Diluted earnings per share (sen)	<u>10.5</u>	<u>9.8</u>	<u>32.0</u>	<u>28.7</u>