

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
ASSETS				
Cash and short-term funds	41,532,007	36,597,027	33,220,439	29,564,959
Deposits and placements with banks and other financial institutions	1,544,478	1,941,445	2,075,532	3,834,326
Securities purchased under resale agreements	1,502,132	5,141,746	2,265	4,762,407
Securities held-for-trading	7,323,763	11,349,842	7,093,760	10,846,741
Securities available-for-sale	11,750,758	5,626,372	10,119,744	4,914,144
Securities held-to-maturity	6,621,064	8,286,719	8,696,209	9,564,579
Loans, advances and financing	131,401,135	118,386,295	104,857,460	93,174,291
Derivative financial assets	431,755	590,229	429,747	589,715
Other assets	1,522,033	1,548,674	1,267,655	2,197,184
Statutory deposits with Central Banks	1,322,289	2,636,708	935,997	1,998,200
Deferred tax assets	503,196	488,855	391,714	387,572
Investment in subsidiary companies	-	-	3,619,681	3,419,681
Investment in associated companies	135,983	127,802	101,325	101,325
Investment properties	73,001	66,012	-	-
Prepaid land lease payments	290,357	291,873	14	15
Property and equipment	1,015,709	1,011,489	624,588	648,322
Intangible assets	2,073,822	2,072,018	695,393	695,393
TOTAL ASSETS	209,043,482	196,163,106	174,131,523	166,698,854
LIABILITIES				
Deposits from customers	182,666,158	162,279,564	147,688,603	134,062,248
Deposits and placements of banks and other financial institutions	3,975,652	5,589,879	6,849,938	7,121,517
Bills and acceptances payable	1,565,607	3,062,374	1,726,962	3,062,374
Recourse obligations on loans sold to Cagamas	22,794	4,537,277	22,794	4,537,277
Derivative financial liabilities	304,719	495,146	267,540	442,654
Other liabilities	2,329,505	2,422,817	1,540,901	1,503,433
Borrowings	660,801	860,234	-	-
Subordinated notes	2,891,882	4,178,195	2,912,324	4,198,220
Hybrid capital securities	2,009,273	2,124,484	2,009,273	2,124,484
Stapled securities	1,185,692	-	1,185,692	-
Provision for tax expense and zakat	423,385	382,454	215,409	254,818
Deferred tax liabilities	1,950	1,950	-	-
TOTAL LIABILITIES	198,037,418	185,934,374	164,419,436	157,307,025

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2008.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
EQUITY				
Share capital	3,531,926	3,531,926	3,531,926	3,531,926
Reserves	7,347,555	7,278,892	6,761,799	7,134,015
Treasury shares	(581,638)	(1,274,112)	(581,638)	(1,274,112)
Equity attributable to equity holders of the Bank	10,297,843	9,536,706	9,712,087	9,391,829
Minority interests	708,221	692,026	-	-
TOTAL EQUITY	11,006,064	10,228,732	9,712,087	9,391,829
TOTAL LIABILITIES AND EQUITY	209,043,482	196,163,106	174,131,523	166,698,854
OFF-BALANCE SHEET EXPOSURES	61,764,090	52,866,868	56,812,687	47,752,572
CAPITAL ADEQUACY				
Core Capital Ratio	8.6%	7.7% *	11.0%	10.1% *
Risk-Weighted Capital Ratio	12.7%	13.1% *	12.1%	12.8% *
Net assets per share attributable to ordinary equity holders of the Bank (RM)	2.98	2.84	2.81	2.80

* After deducting proposed dividend.

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Operating revenue	2,438,035	2,791,159	7,220,116	7,942,750
Interest income	1,807,110	2,141,691	5,482,522	6,171,955
Interest expense	(787,329)	(1,181,635)	(2,521,133)	(3,396,515)
Net interest income	1,019,781	960,056	2,961,389	2,775,440
Net income from Islamic banking business				
Net financing income	172,140	138,944	474,504	387,402
Other Islamic banking income	2,951	1,870	10,381	5,643
	1,194,872	1,100,870	3,446,274	3,168,485
Other operating income	371,610	269,246	1,032,971	1,140,287
Net income	1,566,482	1,370,116	4,479,245	4,308,772
Other operating expenses	(535,115)	(460,581)	(1,548,151)	(1,322,946)
Operating profit	1,031,367	909,535	2,931,094	2,985,826
Allowance for losses on loans, advances and financing	(176,432)	(106,924)	(513,091)	(398,363)
- General allowance	(78,701)	(50,758)	(235,392)	(193,504)
- Other loan loss allowances	(97,731)	(56,166)	(277,699)	(204,859)
Impairment loss	(2,054)	(1,196)	(4,997)	(31,969)
	852,881	801,415	2,413,006	2,555,494
Share of profit after tax of equity accounted associated companies	3,627	2,632	8,212	10,751
Profit before tax expense and zakat	856,508	804,047	2,421,218	2,566,245
Tax expense and zakat	(209,083)	(176,520)	(558,041)	(600,192)
Profit for the period	647,425	627,527	1,863,177	1,966,053
Attributable to :				
Equity holders of the Bank	639,045	616,340	1,839,071	1,927,262
Minority interests	8,380	11,187	24,106	38,791
Profit for the period	647,425	627,527	1,863,177	1,966,053
Earnings per RM1.00 share:				
- basic (sen)	18.5	18.4	53.7	57.4
- diluted (sen)	18.5	18.4	53.7	57.4

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<u>Bank</u>				
Operating revenue	1,779,478	2,275,926	5,323,474	6,586,897
Interest income	1,559,086	1,892,876	4,768,874	5,430,279
Interest expense	(726,526)	(1,092,377)	(2,368,780)	(3,106,646)
Net interest income	832,560	800,499	2,400,094	2,323,633
Net income from Islamic banking business				
Net financing income	-	138,944	-	387,402
Other Islamic banking income	-	1,870	-	5,643
	832,560	941,313	2,400,094	2,716,678
Other operating income	349,213	93,565	821,622	730,662
Net income	1,181,773	1,034,878	3,221,716	3,447,340
Other operating expenses	(348,126)	(352,929)	(1,041,862)	(984,910)
Operating profit	833,647	681,949	2,179,854	2,462,430
Allowance for losses on loans, advances and financing	(81,508)	(77,128)	(250,669)	(331,960)
- General allowance	(58,881)	(50,199)	(177,768)	(204,701)
- Other loan loss allowances	(22,627)	(26,929)	(72,901)	(127,259)
Impairment loss	(2,054)	(843)	(4,997)	(1,032)
Profit before tax expense and zakat	750,085	603,978	1,924,188	2,129,438
Tax expense and zakat	(173,912)	(136,224)	(439,884)	(510,670)
Net profit for the period	576,173	467,754	1,484,304	1,618,768

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

<u>Group</u>	<----- Attributable to Equity Holders of the Bank ----->							
	Non-distributable			Distributable		Total Shareholders' Equity RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Reserves Retained Profits RM'000	Treasury Shares RM'000			
At 1 January 2009	3,531,926	2,132,499	3,243,735	1,902,658	(1,274,112)	9,536,706	692,026	10,228,732
Currency translation differences in respect of foreign operations	-	-	(689)	-	-	(689)	425	(264)
Currency translation differences in respect of net investment hedge	-	-	8,678	-	-	8,678	-	8,678
Unrealised net gain on revaluation of securities available-for-sale	-	-	325,490	-	-	325,490	(1,757)	323,733
Net change in cash flow hedges	-	-	(5,518)	-	-	(5,518)	-	(5,518)
Net income recognised								
directly in equity	-	-	327,961	-	-	327,961	(1,332)	326,629
Net profit for the period	-	-	-	1,839,071	-	1,839,071	24,106	1,863,177
Total recognised income for the period	-	-	327,961	1,839,071	-	2,167,032	22,774	2,189,806
Buy-back of shares	-	-	-	-	(140)	(140)	-	(140)
Transfer to statutory reserves	-	-	76,580	(76,580)	-	-	-	-
Transfer to regulatory reserves	-	-	9,937	(9,937)	-	-	-	-
Dividends paid	-	-	-	(1,405,755)	-	(1,405,755)	(6,579)	(1,412,334)
Share dividend	-	(692,614)	-	-	692,614	-	-	-
At 30 September 2009	3,531,926	1,439,885	3,658,213	2,249,457	(581,638)	10,297,843	708,221	11,006,064

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2008.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

<----- Attributable to Equity Holders of the Bank ----->

<u>Group</u>	<u>Non-distributable Reserves</u>			<u>Distributable Reserves</u>		<u>Total Shareholders' Equity</u> RM'000	<u>Minority Interests</u> RM'000	<u>Total Equity</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>Treasury Shares</u> RM'000			
At 1 January 2008	3,527,891	2,112,204	3,613,724	1,362,252	(1,273,897)	9,342,174	636,249	9,978,423
Currency translation differences in respect of foreign operations	-	-	120,426	-	-	120,426	31,151	151,577
Currency translation differences in respect of net investment hedge	-	-	(119,047)	-	-	(119,047)	-	(119,047)
Unrealised net loss on revaluation of securities available-for-sale	-	-	(128,567)	-	-	(128,567)	(2,859)	(131,426)
Net change in cash flow hedges	-	-	1,769	-	-	1,769	-	1,769
Net expense recognised directly in equity	-	-	(125,419)	-	-	(125,419)	28,292	(97,127)
Net profit for the period	-	-	-	1,927,262	-	1,927,262	38,791	1,966,053
Total recognised (expense) / income for the period	-	-	(125,419)	1,927,262	-	1,801,843	67,083	1,868,926
Issue of shares pursuant to the exercise of share options	4,035	20,295	-	-	-	24,330	-	24,330
Buy-back of shares	-	-	-	-	(215)	(215)	-	(215)
Minority interests' subscription of shares of a subsidiary (net)	-	-	-	-	-	-	9,105	9,105
Transfer to statutory reserves	-	-	11,997	(11,997)	-	-	-	-
Transfer to regulatory reserves	-	-	14,281	(14,281)	-	-	-	-
Dividends paid	-	-	-	(1,986,182)	-	(1,986,182)	(6,493)	(1,992,675)
At 30 September 2008	<u>3,531,926</u>	<u>2,132,499</u>	<u>3,514,583</u>	<u>1,277,054</u>	<u>(1,274,112)</u>	<u>9,181,950</u>	<u>705,944</u>	<u>9,887,894</u>

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

<u>Bank</u>	<----- Attributable to Equity Holders of the Bank ----->						
	Share Capital RM'000	Non-distributable Reserves		Distributable Reserves		Treasury Shares RM'000	Total RM'000
		Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	-		
At 1 January 2009	3,531,926	2,132,499	3,239,059	1,762,457	(1,274,112)	9,391,829	
Unrealised net gain on revaluation of securities available-for-sale	-	-	247,367	-	-	247,367	
Net change in cash flow hedges	-	-	(5,518)	-	-	(5,518)	
Net income recognised directly in equity	-	-	241,849	-	-	241,849	
Net profit for the period	-	-	-	1,484,304	-	1,484,304	
Total recognised income for the period	-	-	241,849	1,484,304	-	1,726,153	
Buy-back of shares	-	-	-	-	(140)	(140)	
Dividends paid	-	-	-	(1,405,755)	-	(1,405,755)	
Share dividend	-	(692,614)	-	-	692,614	-	
At 30 September 2009	<u>3,531,926</u>	<u>1,439,885</u>	<u>3,480,908</u>	<u>1,841,006</u>	<u>(581,638)</u>	<u>9,712,087</u>	

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

<----- Attributable to Equity Holders of the Bank ----->

<u>Bank</u>	Non-distributable <u>Reserves</u>			Distributable <u>Reserves</u>		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Treasury Shares RM'000	
At 1 January 2008	3,527,891	2,112,204	3,504,479	1,479,938	(1,273,897)	9,350,615
Unrealised net loss on revaluation of securities available-for-sale	-	-	(78,940)	-	-	(78,940)
Net change in cash flow hedges	-	-	1,769	-	-	1,769
Net expense recognised directly in equity	-	-	(77,171)	-	-	(77,171)
Net profit for the period	-	-	-	1,618,768	-	1,618,768
Total recognised (expense) / income for the period	-	-	(77,171)	1,618,768	-	1,541,597
Issue of shares pursuant to the exercise of share options	4,035	20,295	-	-	-	24,330
Buy-back of shares	-	-	-	-	(215)	(215)
Transfer to statutory reserves	-	-	4,035	(4,035)	-	-
Dividends paid	-	-	-	(1,986,182)	-	(1,986,182)
At 30 September 2008	<u>3,531,926</u>	<u>2,132,499</u>	<u>3,431,343</u>	<u>1,108,489</u>	<u>(1,274,112)</u>	<u>8,930,145</u>

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2008.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

	Group		Bank	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Profit before tax expense and zakat	2,421,218	2,566,245	1,924,188	2,129,438
Adjustments for non-cash items	638,690	717,775	92,371	396,548
Operating profit before changes in working capital	3,059,908	3,284,020	2,016,559	2,525,986
Changes in working capital:				
Net changes in operating assets	(4,260,593)	(17,721,381)	250,533	(15,734,285)
Net changes in operating liabilities	12,519,720	14,293,710	7,391,634	15,859,755
Tax expense and zakat paid	(617,970)	(579,986)	(538,907)	(516,921)
Net cash generated from / (used in) operating activities	10,701,065	(723,637)	9,119,819	2,134,535
Net cash used in investing activities	(4,141,212)	(7,341,538)	(4,038,662)	(7,709,063)
Net cash used in financing activities	(1,631,689)	(48,624)	(1,425,677)	(564,453)
Net change in cash and cash equivalents	4,928,164	(8,113,799)	3,655,480	(6,138,981)
Cash and cash equivalents at beginning of the period	36,597,027	35,548,788	29,564,959	32,606,147
Exchange differences on translation of opening balances	6,816	142,869	-	-
Cash and cash equivalents at end of the period	41,532,007	27,577,858	33,220,439	26,467,166

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2008.

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(6463-H)
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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 interim financial statements for the 3rd quarter and nine months ended 30 September 2009 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: held-for-trading financial assets, available-for-sale financial assets, derivative financial instruments and investment properties.

The unaudited interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2008.

The unaudited interim financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2008. The following Financial Reporting Standards ("FRS"), amendments to FRSs, IC Interpretations and Technical Release have been issued by the MASB but are not yet effective:

FRS 8	Operating Segments
FRS 139	Financial Instruments: Recognition and Measurement
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 123	Borrowing Costs
FRS 101	Presentation of Financial Statements
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations	
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	
Amendments to FRS 132 Financial Instruments: Presentation	

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A1. Basis of Preparation (Continued)

Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"
TR i-3 Presentation of Financial Statements of Islamic Financial Institutions

All the new FRSs, amendments to FRSs, IC Interpretations and Technical Release above are effective from 1 January 2010 with the exception of FRS 8, which is effective from 1 July 2009. The Group and the Bank have adopted FRS 8 in the previous financial year. The Group and the Bank have chosen to early adopt FRS 123 in this financial year which has no significant financial impact on the Group and the Bank.

Loans, advances and financing are stated at cost less any allowance for bad and doubtful debts and financing. Allowance for bad and doubtful debts and financing are made with regard to specific risks and relate to those loans or trade receivables that have been individually reviewed and specifically identified as sub-standard, doubtful or bad.

The allowance for bad and doubtful debts and financing are computed in conformity with BNM/GP3. Consistent with previous years, the Group and the Bank have adopted a more stringent policies on classification of non-performing loans and specific allowances, whereby loans are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date with a 20% specific allowance.

A general allowance based on a percentage of total outstanding loans (including accrued interest), net of specific allowance for bad and doubtful debts, is maintained by the Group and the Bank against risks which are not specifically identified.

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

Values assigned to collateral held for non-performing loans secured by properties is determined based on the realisable values of the properties, being the force sale value provided by independent parties/valuers, on the following basis:

- (i) Assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than five (5) years but less than seven (7) years; and
- (ii) No value will be assigned to the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than seven (7) years.

The portion of non-performing loans where no realisable value has been assigned will be written off.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2008 was not qualified.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

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 2009.

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 2009.

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 2009.

A6. Debt and Equity Securities

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

(a) Share Buy-back

On 25 February 2009, the shareholders of the Bank renewed their approval for the Bank to buy-back its own shares. During the nine months ended 30 September 2009, the Bank bought back from the open market, 15,000 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 RM9.27 per share. The total consideration paid for the share buy-back of PBB Shares by the Bank during the nine months ended 30 September 2009, including transaction costs, was RM139,494 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.

A total of 95,834,632 treasury shares were distributed as share dividend on 11 March 2009 on the basis of one (1) PBB treasury share listed and quoted as "Local" on the Main Board of Bursa Malaysia Securities Berhad for every thirty-five (35) ordinary shares of RM1.00 each held in PBB on 2 March 2009.

As at 30 September 2009, the number of treasury shares held after deducting share dividend distributed were 80,477,168 PBB Shares.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A6. Debt and Equity Securities (Continued)

(b) Stapled Securities

On 16 March 2009, the Bank had obtained the approval of Bank Negara Malaysia for its Non-Innovative Tier 1 Stapled Securities Programme (the “Programme”). Under the Programme, the Bank can issue up to RM5.0 billion of Non-Cumulative Perpetual Capital Securities (“NCPCS”) which are stapled to Subordinated Notes issued by a wholly-owned subsidiary company, PBFIN Berhad (“PBFIN”) (“Subordinated Notes”). The issuance structure is collectively referred to as the “Stapled Securities”. Approval was also obtained for the NCPCS to be classified as Non-Innovative Tier 1 Capital for inclusion in the computation of the risk-weighted capital adequacy ratios of the Bank and the Group. The approval of the Securities Commission for the above Programme was obtained on 4 May 2009.

On 5 June 2009, the Bank and PBFIN issued RM1.2 billion of Stapled Securities under the Programme, comprising the issuance of NCPCS of RM1.2 billion by the Bank which are stapled to an equivalent nominal value of Subordinated Notes issued by PBFIN. The tenor of the NCPCS is perpetual with the first optional redemption date on 5 June 2019, whilst the Subordinated Notes have a maturity of fifty (50) years and are due on 5 June 2059. The Stapled Securities were issued at par. Under this issuance, the proceeds from the NCPCS were used by the Bank to acquire the rights under a note assignment agreement for the Subordinated Notes. The proceeds from the Subordinated Notes were used by PBFIN to on-lend to the Bank pursuant to an inter-company subordinated loan on terms and conditions which are the same as that of the Subordinated Notes. The proceeds of the inter-company subordinated loan by PBFIN to the Bank was used for working capital, general banking and other corporate purposes of the Bank. The NCPCS are not subject to any distribution until the occurrence of an assignment event, whereas the Subordinated Notes bear interest at the rate of 7.50% per annum, payable semi-annually.

(c) Subordinated Notes

On 22 September 2009, the Bank fully redeemed the USD350 million 5.625% Subordinated Notes together with accrued interest. The Subordinated Notes, which are listed on the Singapore Stock Exchange, will be delisted with effect from 23 September 2009 upon full redemption by the Bank on 22 September 2009.

A7. Dividends Paid and Distributed

During the nine months ended 30 September 2009, the final dividend of 25%, less 25% tax in respect of the financial year ended 31 December 2008, amounting to RM629,178,379 was paid on 11 March 2009.

A share dividend distribution consisting of 95,834,632 treasury shares as mentioned in A6(a) above was also completed on 11 March 2009.

An interim dividend of 30% less 25% tax in respect of the financial year ending 31 December 2009, amounting to RM776,577,075 was paid on 13 August 2009.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A8. Securities Held-for-trading

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
At fair value				
Malaysian Government Treasury Bills	29,752	-	29,752	-
Malaysian Government Securities	476,822	255,573	476,822	255,573
Malaysian Government Investment Certificates	145,899	-	145,899	-
Cagamas bonds	5,099	4,896,761	5,099	4,514,465
Negotiable instruments of deposit Bank Negara Malaysia Monetary Notes	6,162,050	5,139,352	5,982,421	5,139,352
Bank Negara Malaysia Bills	423,520	890,201	423,520	890,201
	-	49,807	-	-
	<u>7,243,142</u>	<u>11,231,694</u>	<u>7,063,513</u>	<u>10,799,591</u>
Quoted securities:				
Shares in Malaysia	924	980	924	980
	<u>924</u>	<u>980</u>	<u>924</u>	<u>980</u>
Unquoted securities:				
Private debt securities in Malaysia	79,697	117,168	29,323	46,170
	<u>79,697</u>	<u>117,168</u>	<u>29,323</u>	<u>46,170</u>
Total securities held-for-trading	<u><u>7,323,763</u></u>	<u><u>11,349,842</u></u>	<u><u>7,093,760</u></u>	<u><u>10,846,741</u></u>

A9. Securities Available-for-sale

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
At fair value				
Malaysian Government Securities	2,430,202	-	2,430,202	-
Malaysian Government Investment Certificates	2,031,807	-	1,213,606	-
Negotiable instruments of deposit	43,974	42,363	307,136	464,017
	<u>4,505,983</u>	<u>42,363</u>	<u>3,950,944</u>	<u>464,017</u>
Quoted securities:				
Shares and convertible loan stocks in Malaysia	48,692	44,964	45,742	41,954
Shares outside Malaysia	6,970	11,546	-	-
Trust units in Malaysia				
- Public Institutional Bond Fund	1,404,311	1,256,645	1,304,346	1,160,239
- Others	2,983,741	1,257,839	2,577,503	857,336
	<u>4,443,714</u>	<u>2,570,994</u>	<u>3,927,591</u>	<u>2,059,529</u>
Unquoted securities:				
Shares in Malaysia	20,875	20,853	20,305	20,283
Shares outside Malaysia	3,107	3,295	61	253
Private debt securities in Malaysia	2,777,079	2,988,867	2,220,843	2,370,062
	<u>2,801,061</u>	<u>3,013,015</u>	<u>2,241,209</u>	<u>2,390,598</u>
Total securities available-for-sale	<u><u>11,750,758</u></u>	<u><u>5,626,372</u></u>	<u><u>10,119,744</u></u>	<u><u>4,914,144</u></u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A10. Securities Held-to-maturity

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
At amortised cost				
Money market instruments:				
Malaysian Government Treasury Bills	23,980	44,557	-	44,557
Malaysian Government Securities	2,724,729	3,220,432	2,642,758	3,215,441
Malaysian Government Investment Certificates	526,084	378,828	526,084	378,828
Bankers' acceptances and Islamic accepted bills	1,276,061	21,326	795,276	-
Cagamas bonds	15,142	15,164	5,001	15,164
Negotiable instruments of deposit	495,135	3,864,744	4,446,655	5,594,802
Bank Negara Malaysia Monetary Notes	-	100,651	-	100,651
Bank Negara Malaysia Bills	9,520	-	-	-
Hong Kong Government Treasury Bills	237,126	142,931	-	-
Sri Lanka Government Treasury Bills	55,760	1,554	55,760	1,554
	<u>5,363,537</u>	<u>7,790,187</u>	<u>8,471,534</u>	<u>9,350,997</u>
Quoted securities:				
Private debt securities outside Malaysia	8,954	8,938	-	-
	<u>8,954</u>	<u>8,938</u>	<u>-</u>	<u>-</u>
Unquoted securities:				
Shares in Malaysia	88,022	88,021	87,579	87,578
Private debt securities in Malaysia	154,955	150,102	149,937	140,069
Private debt securities outside Malaysia	1,018,437	263,536	-	-
	<u>1,261,414</u>	<u>501,659</u>	<u>237,516</u>	<u>227,647</u>
Accumulated impairment losses	(12,841)	(14,065)	(12,841)	(14,065)
Total securities held-to-maturity	<u>6,621,064</u>	<u>8,286,719</u>	<u>8,696,209</u>	<u>9,564,579</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A11. Loans, Advances and Financing

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Overdrafts	9,536,486	9,607,890	8,151,098	8,071,878
Term loans				
- Housing loans / financing	36,659,818	32,699,324	30,979,831	27,275,929
- Syndicated term loan / financing	2,002,173	2,085,055	1,094,836	1,136,904
- Hire purchase receivables	35,322,805	33,172,280	24,092,590	22,153,569
- Other term loans / financing	47,659,957	39,999,452	36,607,820	29,955,354
Credit card receivables	1,112,388	1,028,806	1,102,915	1,019,464
Bills receivables	138,412	129,934	93,114	105,869
Trust receipts	419,804	481,078	333,522	352,593
Claims on customers under acceptance credits	3,086,095	3,071,979	3,074,885	3,057,674
Lease, factored and confirming receivables	1,581	1,581	-	-
Revolving credits	3,303,785	3,659,977	3,335,886	3,660,214
*Staff loans	794,646	693,402	744,806	652,119
	<u>140,037,950</u>	<u>126,630,758</u>	<u>109,611,303</u>	<u>97,441,567</u>
Unearned interest and income	<u>(6,459,574)</u>	<u>(5,962,165)</u>	<u>(3,066,490)</u>	<u>(2,750,835)</u>
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	133,578,376	120,668,593	106,544,813	94,690,732
Islamic house financing sold to Cagamas	-	(350,009)	-	-
Gross loans, advances and financing (excluding Islamic house financing sold to Cagamas)	133,578,376	120,318,584	106,544,813	94,690,732
Allowance for bad and doubtful debts and financing:				
- general	(1,994,287)	(1,759,487)	(1,597,865)	(1,419,932)
- specific	(182,954)	(172,802)	(89,488)	(96,509)
Net loans, advances and financing	<u>131,401,135</u>	<u>118,386,295</u>	<u>104,857,460</u>	<u>93,174,291</u>

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM1,493,804 (2008: RM1,753,341) and RM751,401 (2008 - RM959,654) respectively.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A11. Loans, Advances and Financing (continued)

A11a. By type of customer

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Domestic banking institutions	69,412	-	-	-
Domestic non-bank financial institutions				
- Stock-broking companies	2,010	2,053	2,010	2,053
- Others	3,775,314	3,162,348	3,766,383	3,156,663
Domestic business enterprises				
- Small and medium enterprises	21,941,554	20,664,386	20,850,556	19,657,035
- Others	17,203,278	13,292,658	16,768,290	12,972,116
Government and statutory bodies	350	774	275	687
Individuals	75,379,142	68,150,416	63,232,463	56,944,505
Other domestic entities	24,273	25,636	22,759	24,223
Foreign entities	15,183,043	15,370,322	1,902,077	1,933,450
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	133,578,376	120,668,593	106,544,813	94,690,732
Less: Islamic house financing sold to Cagamas	-	(350,009)	-	-
	133,578,376	120,318,584	106,544,813	94,690,732

A11b. By interest / profit rate sensitivity

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Fixed rate				
- Housing loans / financing	2,703,054	3,909,425	1,625,414	2,579,080
- Hire purchase receivables	29,614,857	27,920,958	21,094,303	19,479,396
- Other fixed rate loans / financing	13,790,614	12,869,448	6,883,309	6,431,674
Variable rate				
- Base lending rate plus	66,594,561	57,224,661	65,096,663	56,544,122
- Cost plus	11,730,845	9,199,229	11,237,660	8,696,698
- Other variable rates	9,144,445	9,544,872	607,464	959,762
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	133,578,376	120,668,593	106,544,813	94,690,732
Less: Islamic house financing sold to Cagamas	-	(350,009)	-	-
	133,578,376	120,318,584	106,544,813	94,690,732

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A11c. Gross loans, advances and financing by economic purpose

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Purchase of securities	2,195,335	1,811,257	2,027,278	1,794,046
Purchase of transport vehicles	31,081,680	29,268,666	21,207,614	19,572,613
Purchase of landed properties	62,572,060	56,032,168	54,303,066	47,971,151
(of which: - residential	36,331,608	32,223,660	31,418,266	27,680,839
- non-residential)	26,240,452	23,808,508	22,884,800	20,290,312
Purchase of fixed assets (excluding landed properties)	330,388	272,420	268,094	265,548
Personal use	7,925,722	7,264,917	3,815,775	3,570,301
Credit card	1,112,388	1,028,806	1,102,915	1,019,464
Purchase of consumer durables	16,884	59,064	12,891	41,853
Construction	1,534,758	1,399,355	912,303	780,484
Mergers & Acquisitions	100,087	10,204	100,087	10,204
Working capital	20,256,036	18,820,617	16,634,991	15,107,077
Other purpose	6,453,038	4,701,119	6,159,799	4,557,991
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	133,578,376	120,668,593	106,544,813	94,690,732
Less: Islamic house financing sold to Cagamas	-	(350,009)	-	-
	133,578,376	120,318,584	106,544,813	94,690,732

A11c. Gross loans, advances and financing by sectors

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Agriculture, hunting, forestry and fishing	2,929,744	1,706,516	2,654,569	1,462,438
Mining and quarrying	100,687	93,749	91,274	84,729
Manufacturing	6,337,351	5,739,672	5,644,380	5,331,885
Electricity, gas and water	66,131	47,600	36,263	34,157
Construction	5,695,025	4,973,467	4,918,935	4,213,719
Wholesale & retail trade and restaurants & hotels	12,718,957	11,599,187	11,488,240	10,550,164
Transport, storage and communication	1,513,099	1,353,015	1,451,525	1,300,761
Finance, insurance and business services	7,705,203	6,785,617	6,855,835	6,155,949
Real estate	9,095,433	7,461,501	8,473,359	7,080,740
Community, social and personal services	941,485	897,690	882,429	837,748
Households	85,158,449	77,695,951	63,720,702	57,359,675
(of which: - purchase of residential properties	35,600,580	31,578,669	30,710,256	27,062,600
- purchase of transport vehicles	25,880,344	24,345,338	16,511,482	15,220,212
- others)	23,677,525	21,771,944	16,498,964	15,076,863
Others	1,316,812	2,314,628	327,302	278,767
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	133,578,376	120,668,593	106,544,813	94,690,732
Less: Islamic house financing sold to Cagamas	-	(350,009)	-	-
	133,578,376	120,318,584	106,544,813	94,690,732

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A11. Loans, Advances and Financing (continued)

A11d. Non-performing loans by economic purpose

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Purchase of securities	2,763	4,084	2,763	4,084
Purchase of transport vehicles	143,900	187,630	90,676	118,786
Purchase of landed properties	587,087	622,538	515,935	558,438
(of which: - residential	486,464	523,429	433,933	470,132
- non-residential)	100,623	99,109	82,002	88,306
Purchase of fixed assets (excluding landed properties)	7,209	535	7,076	405
Personal use	166,542	111,530	52,528	57,280
Credit card	14,368	15,943	14,365	15,943
Purchase of consumer durables	258	1,757	237	1,582
Construction	233	-	233	-
Working capital	331,820	251,964	172,317	185,935
Other purpose	17,199	14,118	16,969	13,876
	1,271,379	1,210,099	873,099	956,329

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000

Non-performing loans by sectors

Agriculture, hunting, forestry and fishing	6,908	3,086	2,807	3,033
Mining and quarrying	41	162	41	162
Manufacturing	134,968	83,890	91,467	82,340
Electricity, gas and water	254	264	254	264
Construction	44,088	43,705	42,295	42,439
Wholesale & retail trade and restaurants & hotels	101,808	81,805	73,346	78,447
Transport, storage and communication	3,848	5,901	3,655	5,667
Finance, insurance and business services	22,070	19,302	17,281	18,964
Real estate	19,203	20,147	14,695	19,352
Community, social and personal services	4,592	4,337	4,121	3,681
Households	861,267	880,247	621,978	700,497
(of which: - purchase of residential properties	477,845	517,762	425,463	464,644
- purchase of transport vehicles	125,522	163,315	75,964	98,429
- others)	257,900	199,170	120,551	137,424
Others	72,332	67,253	1,159	1,483
	1,271,379	1,210,099	873,099	956,329

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A11. Loans, Advances and Financing (continued)

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

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
At 1 January	1,210,099	1,403,760	956,329	1,341,370
Non-performing during the period / year	1,834,003	2,314,078	1,245,009	2,023,579
Reclassified as performing	(1,262,433)	(1,906,369)	(1,069,140)	(1,839,860)
Recoveries	(103,249)	(94,853)	(80,713)	(90,270)
Amount written off	(378,975)	(460,099)	(150,443)	(272,082)
Loans converted to foreclosed properties / securities	(28,231)	(50,006)	(27,943)	(50,006)
Amount vested over to Public Islamic Bank Berhad	-	-	-	(156,585)
Exchange differences	165	3,588	-	183
Closing balance	<u>1,271,379</u>	<u>1,210,099</u>	<u>873,099</u>	<u>956,329</u>
Specific allowance	<u>(182,954)</u>	<u>(172,802)</u>	<u>(89,488)</u>	<u>(96,509)</u>
Net non-performing loans, advances and financing	<u><u>1,088,425</u></u>	<u><u>1,037,297</u></u>	<u><u>783,611</u></u>	<u><u>859,820</u></u>
Net NPL as % of gross loans, advances and financing (including Islamic house financing sold to Cagamas) less specific allowance	<u><u>0.82%</u></u>	<u><u>0.86%</u></u>	<u><u>0.74%</u></u>	<u><u>0.91%</u></u>

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

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
<u>General Allowance</u>				
At 1 January	1,759,487	1,522,964	1,419,932	1,374,846
Allowance made during the period / year	235,392	232,101	177,768	232,437
Amount vested over to Public Islamic Bank Berhad	-	-	-	(187,085)
Exchange differences	(592)	4,422	165	(266)
Closing balance	<u>1,994,287</u>	<u>1,759,487</u>	<u>1,597,865</u>	<u>1,419,932</u>
As % of gross loans, advances and financing (including Islamic house financing sold to Cagamas) less specific allowance	<u><u>1.50%</u></u>	<u><u>1.46%</u></u>	<u><u>1.50%</u></u>	<u><u>1.50%</u></u>

The general allowance of the Group is below 1.50% as at the previous financial year end due to the local regulatory requirements and applicable accounting standards of the Group's overseas subsidiaries in their respective jurisdictions. In addition to general allowance, the Group also maintains regulatory reserves in equity as an additional credit risk absorbent in accordance with the local regulatory requirement of certain overseas subsidiary companies.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

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 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
<u>Specific Allowance</u>				
At 1 January	172,802	153,959	96,509	135,871
Allowance made during the period / year	442,497	542,651	180,960	330,367
Amount written back in respect of recoveries	(53,296)	(74,660)	(41,623)	(70,419)
Amount written off	(378,975)	(460,099)	(150,443)	(272,082)
Reinstatement of amount written off previously due to restructuring / rescheduling, now being classified as performing loan	4,722	721	4,248	670
Amount transferred to accumulated impairment losses in value of foreclosed properties / securities	(163)	(295)	(151)	(295)
Amount vested over to Public Islamic Bank Berhad	-	-	-	(28,263)
Exchange differences	(4,633)	10,525	(12)	660
Closing balance	<u>182,954</u>	<u>172,802</u>	<u>89,488</u>	<u>96,509</u>

A12. Other Assets

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Deferred handling fees	179,309	166,293	126,515	114,548
Interest / Income receivable	47,644	70,803	34,512	51,803
Other receivables, deposits and prepayments	732,067	984,417	605,678	845,488
Manager's stocks	39,672	25,696	-	-
Amount due from trust funds	194,488	96,108	-	-
Foreclosed properties	132,439	129,713	132,048	129,604
Taxi licenses	8,419	9,748	-	-
Outstanding contracts on clients' accounts	187,995	65,896	-	-
Amount due from subsidiary companies	-	-	124,616	824,476
Dividend receivable from subsidiary companies	-	-	244,286	231,265
	<u>1,522,033</u>	<u>1,548,674</u>	<u>1,267,655</u>	<u>2,197,184</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A13. Deposits from Customers

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
<u>By type of customer</u>				
Federal and state governments	1,073,247	1,264,639	558,306	952,163
Local government and statutory authorities	2,259,625	2,198,860	1,795,343	1,658,448
Business enterprises	36,217,772	36,613,403	37,378,889	34,495,900
Individuals	69,879,861	69,735,065	65,991,820	66,117,793
Foreign customers	19,947,708	13,939,357	4,791,950	1,997,651
Others	53,287,945	38,528,240	37,172,295	28,840,293
	<u>182,666,158</u>	<u>162,279,564</u>	<u>147,688,603</u>	<u>134,062,248</u>

A14. Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Licensed banks	2,301,493	1,846,423	524,662	265,209
Licensed investment banks	250,000	200,000	662,267	-
Bank Negara Malaysia	-	866,125	-	866,125
Other financial institutions	1,424,159	2,677,331	5,663,009	5,990,183
	<u>3,975,652</u>	<u>5,589,879</u>	<u>6,849,938</u>	<u>7,121,517</u>

A15. Other Liabilities

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Interest / income payable	746,666	878,147	671,957	776,927
Other payables and accruals	1,281,504	1,365,328	861,938	708,733
Amount due to trust funds	71,961	37,625	-	-
Unprocessed sales and / or redemptions	29,172	22,873	-	-
Employee benefits	(68,654)	(76,901)	(66,161)	(74,024)
Profit Equalisation Reserves	31,023	34,784	-	-
Finance lease liabilities	49,767	70,133	49,767	70,133
Outstanding contracts on clients' accounts	180,057	63,115	-	-
Dividend payable to shareholders	8,009	27,713	8,009	4,063
Amount due to subsidiary companies	-	-	15,391	17,601
	<u>2,329,505</u>	<u>2,422,817</u>	<u>1,540,901</u>	<u>1,503,433</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A16. Interest Income

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Group				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	1,489,711	1,544,313	4,358,829	4,445,796
- Recoveries from NPLs	18,268	20,193	54,990	62,079
Money at call and deposit placements with financial institutions	161,828	379,986	617,877	1,222,226
Securities held-for-trading	42,079	86,396	184,198	234,178
Securities available-for-sale	48,107	35,013	102,127	102,268
Securities held-to-maturity	72,381	88,409	229,139	152,249
Others	15,742	16,284	43,522	41,689
	<u>1,848,116</u>	<u>2,170,594</u>	<u>5,590,682</u>	<u>6,260,485</u>
Amortisation of premium less accretion of discount	(13,623)	(799)	(24,151)	(1,757)
Net interest / income suspended	<u>(27,383)</u>	<u>(28,104)</u>	<u>(84,009)</u>	<u>(86,773)</u>
	<u><u>1,807,110</u></u>	<u><u>2,141,691</u></u>	<u><u>5,482,522</u></u>	<u><u>6,171,955</u></u>

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Bank				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	1,289,174	1,366,579	3,797,470	3,922,721
- Recoveries from NPLs	18,268	20,193	54,990	62,079
Money at call and deposit placements with financial institutions	130,371	342,762	516,141	1,111,729
Securities held-for-trading	35,969	80,496	169,204	210,319
Securities available-for-sale	40,051	28,578	90,210	84,650
Securities held-to-maturity	71,310	68,010	208,533	90,129
Others	15,755	16,283	43,576	41,674
	<u>1,600,898</u>	<u>1,922,901</u>	<u>4,880,124</u>	<u>5,523,301</u>
Amortisation of premium less accretion of discount	(14,427)	(1,921)	(27,253)	(6,249)
Net interest / income suspended	<u>(27,385)</u>	<u>(28,104)</u>	<u>(83,997)</u>	<u>(86,773)</u>
	<u><u>1,559,086</u></u>	<u><u>1,892,876</u></u>	<u><u>4,768,874</u></u>	<u><u>5,430,279</u></u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A17. Interest Expense

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits and placements of banks and other financial institutions	31,126	57,124	97,333	180,935
Deposits from customers	697,742	1,027,588	2,218,362	2,930,195
Loans sold to Cagamas	297	32,018	40,284	101,489
Subordinated notes	24,446	39,357	88,417	109,588
Hybrid capital securities	13,978	21,292	47,649	64,433
Stapled securities	15,523	-	19,908	-
Borrowings	3,278	3,270	5,644	7,797
Others	939	986	3,536	2,078
	<u>787,329</u>	<u>1,181,635</u>	<u>2,521,133</u>	<u>3,396,515</u>

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	17,921	46,538	61,839	143,272
Deposits from customers	653,297	951,999	2,106,700	2,685,733
Loans sold to Cagamas	297	32,018	40,284	101,489
Subordinated notes	24,685	39,600	89,125	109,865
Hybrid capital securities	13,978	21,292	47,649	64,433
Stapled securities	15,523	-	19,908	-
Others	825	930	3,275	1,854
	<u>726,526</u>	<u>1,092,377</u>	<u>2,368,780</u>	<u>3,106,646</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A18. Other Operating Income

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Group				
(a) Fee income:				
Commissions	37,123	41,206	105,685	117,898
Service charges and fees	54,878	53,183	156,079	149,485
Guarantee fees	6,808	8,146	22,729	23,099
Processing fees	3,747	5,006	12,268	18,418
Commitment fees	13,385	12,197	38,997	35,068
Unit trust management fees	104,131	83,243	261,316	261,793
Fee on sale of trust units	22,170	14,435	51,840	58,974
Net brokerage and commissions from stockbroking activities	23,154	13,576	60,698	56,394
Other fee income	10,719	6,461	41,892	38,647
	<u>276,115</u>	<u>237,453</u>	<u>751,504</u>	<u>759,776</u>
(b) Net gain / (loss) arising from sale of securities:				
- held-for-trading	1,628	2,222	9,321	4,137
- available-for-sale	393	(784)	37,924	13,491
	<u>2,021</u>	<u>1,438</u>	<u>47,245</u>	<u>17,628</u>
(c) Gross dividend income from:				
Securities held-for-trading	28	32	42	69
Securities available-for-sale	29,910	10,311	59,407	30,552
Securities held-to-maturity	3,868	3,538	3,992	6,224
	<u>33,806</u>	<u>13,881</u>	<u>63,441</u>	<u>36,845</u>
(d) Unrealised gain / (loss) on revaluation of:				
- securities held-for-trading	7,069	1,094	10,533	4,308
- trading derivatives	(4,705)	(10,965)	(11,768)	(13,078)
	<u>2,364</u>	<u>(9,871)</u>	<u>(1,235)</u>	<u>(8,770)</u>
(e) Unrealised loss on hedging derivatives	(3)	(3,430)	(82)	(3,412)
(f) Other income:				
Foreign exchange profit	47,432	27,972	135,078	122,745
Rental income from:				
- investment properties	1,433	1,351	4,245	3,765
- other properties	2,405	1,909	6,599	5,319
Net (loss) / gain on disposal of property and equipment	(88)	(1,727)	997	(1,501)
Net loss on disposal of foreclosed properties	(613)	(463)	(2,718)	(7,347)
Net (loss) / gain on revaluation of investment properties	(38)	97	7,043	7,881
Lease income and factoring charges	-	-	-	44
Goodwill income	-	-	-	200,000
Others	6,776	636	20,854	7,314
	<u>57,307</u>	<u>29,775</u>	<u>172,098</u>	<u>338,220</u>
Total other operating income	<u>371,610</u>	<u>269,246</u>	<u>1,032,971</u>	<u>1,140,287</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A18. Other Operating Income (continued)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Bank				
(a) Fee income:				
Commissions	46,244	43,536	118,065	127,983
Service charges and fees	39,656	36,976	112,538	102,343
Guarantee fees	5,147	6,511	17,623	18,989
Processing fees	418	355	988	848
Commitment fees	12,494	11,249	36,081	32,511
Other fee income	8,642	7,448	35,401	32,240
	<u>112,601</u>	<u>106,075</u>	<u>320,696</u>	<u>314,914</u>
(b) Net gain / (loss) arising from sale of securities:				
- held-for-trading	1,456	2,243	8,452	4,763
- available-for-sale	459	(784)	25,056	13,491
	<u>1,915</u>	<u>1,459</u>	<u>33,508</u>	<u>18,254</u>
(c) Gross dividend income from:				
Securities held-for-trading	28	32	42	69
Securities available-for-sale	28,983	9,355	56,268	27,349
Securities held-to-maturity	3,800	3,435	3,882	6,074
Associated companies	-	5,130	-	5,130
Subsidiary companies				
- quoted outside Malaysia	-	-	18,249	16,770
- unquoted in Malaysia	125,413	78,763	237,524	166,214
	<u>158,224</u>	<u>96,715</u>	<u>315,965</u>	<u>221,606</u>
(d) Unrealised gain / (loss) on revaluation of:				
- securities held-for-trading	7,118	1,077	10,796	4,310
- trading derivatives	(4,426)	(7,680)	(3,773)	(11,143)
	<u>2,692</u>	<u>(6,603)</u>	<u>7,023</u>	<u>(6,833)</u>
(e) Unrealised gain / (loss) on hedging derivatives	71	(2,481)	114	(2,622)
(f) Other income:				
Foreign exchange profit / (loss)	68,435	(105,559)	125,272	155
Rental income from other properties	1,419	1,005	3,736	2,872
Net (loss) / gain on disposal of property and equipment	(173)	(1,722)	920	(1,474)
Net loss on disposal of foreclosed properties	(613)	(463)	(2,878)	(7,347)
Goodwill income	-	-	-	180,000
Others	4,642	5,139	17,266	11,137
	<u>73,710</u>	<u>(101,600)</u>	<u>144,316</u>	<u>185,343</u>
Total other operating income	<u>349,213</u>	<u>93,565</u>	<u>821,622</u>	<u>730,662</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A19. Other Operating Expenses

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Personnel costs				
- Salaries, allowances and bonuses	261,357	233,585	765,514	653,210
- Pension costs	32,155	17,436	97,285	47,027
- Others	25,271	22,285	73,679	60,622
	318,783	273,306	936,478	760,859
Establishment costs				
- Depreciation and amortisation	33,223	31,476	100,127	85,820
- Rental	17,406	15,968	52,498	45,413
- Insurance	4,352	3,969	13,123	11,908
- Water and electricity	9,926	8,866	27,798	23,074
- General repairs and maintenance	15,892	17,018	46,758	50,305
- Information technology expenses	6,109	5,707	18,396	16,923
- Others	7,960	7,358	23,535	23,059
	94,868	90,362	282,235	256,502
Marketing expenses				
- Sales commission	26,107	22,080	63,821	73,165
- Advertisement and publicity	23,713	18,738	65,048	56,340
- Others	24,286	17,493	59,815	55,440
	74,106	58,311	188,684	184,945
Administration and general expenses				
- Communication expenses	17,110	14,088	52,213	44,114
- Legal and professional fees	13,746	13,751	39,424	36,361
- Others	16,502	10,763	49,117	40,165
	47,358	38,602	140,754	120,640
Total other operating expenses	535,115	460,581	1,548,151	1,322,946

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A19. Other Operating Expenses (continued)

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	198,428	194,333	599,261	527,722
- Pension costs	28,156	13,889	84,871	37,072
- Others	22,522	19,869	64,560	53,432
	249,106	228,091	748,692	618,226
Establishment costs				
- Depreciation and amortisation	26,040	24,806	78,118	66,492
- Rental	17,461	16,782	52,753	49,942
- Insurance	3,361	3,380	10,308	9,943
- Water and electricity	7,156	6,441	20,661	17,101
- General repairs and maintenance	14,375	15,412	41,394	46,184
- Information technology expenses	3,414	3,495	10,242	10,485
- Others	4,824	4,705	14,757	15,342
	76,631	75,021	228,233	215,489
Marketing expenses				
- Advertisement and publicity	9,227	8,171	27,820	25,320
- Others	13,374	13,682	39,311	35,181
	22,601	21,853	67,131	60,501
Administration and general expenses				
- Communication expenses	17,044	11,487	50,102	34,622
- Legal and professional fees	11,248	11,620	32,227	31,171
- Others	6,094	4,857	17,588	24,901
	34,386	27,964	99,917	90,694
Shared service cost charged to Public Islamic Bank Berhad	(34,598)	-	(102,111)	-
Total other operating expenses	348,126	352,929	1,041,862	984,910

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A20. Allowance for Losses on Loans, Advances and Financing

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<u>Group</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	78,701	50,758	235,392	193,504
- specific allowance	155,061	115,734	442,497	381,674
- specific allowance written back	(19,531)	(19,828)	(53,296)	(58,440)
Bad debts recovered from stock broking activities	(146)	-	(248)	(9)
Bad debts and financing written off	942	145	2,142	269
Bad debts and financing recovered	(38,595)	(39,885)	(113,396)	(118,635)
	176,432	106,924	513,091	398,363

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<u>Bank</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	58,881	50,199	177,768	204,701
- specific allowance	60,468	73,449	180,960	264,150
- specific allowance written back	(15,922)	(19,823)	(41,623)	(58,421)
Bad debts and financing written off	145	145	449	269
Bad debts and financing recovered	(22,064)	(26,842)	(66,885)	(78,739)
	81,508	77,128	250,669	331,960

A21. Segment Information

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

i) **By Business Segments**

3rd Quarter Ended 30 September 2009	<----- Operating Segments ----->								Inter- segment Elimination RM'000	Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000		
External revenue	432,881	1,261,662	164,490	307,201	49,755	126,407	4,293	91,346	-	2,438,035
Revenue from other segments	-	159,879	-	51,362	-	-	29	194,457	(405,727)	-
	432,881	1,421,541	164,490	358,563	49,755	126,407	4,322	285,803	(405,727)	2,438,035
Net interest income and Islamic banking income	229,435	819,349	78,421	23,718	3,497	505	(338)	40,285	-	1,194,872
Other operating income	1,366	150,649	9,398	43,410	28,384	117,130	10,619	29,060	(18,406)	371,610
Net income	230,801	969,998	87,819	67,128	31,881	117,635	10,281	69,345	(18,406)	1,566,482
Other operating expenses	(37,714)	(344,602)	(13,542)	(11,024)	(12,670)	(62,830)	(8,002)	(63,137)	18,406	(535,115)
Allowance for losses on loans, advances and financing excluding general allowance	(17,558)	(71,742)	(8,577)	-	146	-	-	-	-	(97,731)
Impairment loss	-	(2,054)	-	-	-	-	-	-	-	(2,054)
Profit by segments	175,529	551,600	65,700	56,104	19,357	54,805	2,279	6,208	-	931,582
Reconciliation of segment profits to consolidated profits:										
General allowance										(78,701)
Share of profit after tax of equity accounted associate companies										3,627
Profit before tax expense and zakat										856,508

A21. Segment Information (continued)

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

i) **By Business Segments** (continued)

3rd Quarter Ended 30 September 2008	<----- Operating Segments ----->									Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000	Inter- segment Elimination RM'000	
External revenue	393,051	1,296,747	176,529	744,264	48,746	97,773	3,624	30,425	-	2,791,159
Revenue from other segments	-	255,026	-	(419)	-	-	56	294,405	(549,068)	-
	<u>393,051</u>	<u>1,551,773</u>	<u>176,529</u>	<u>743,845</u>	<u>48,746</u>	<u>97,773</u>	<u>3,680</u>	<u>324,830</u>	<u>(549,068)</u>	<u>2,791,159</u>
Net interest income and Islamic banking income	87,569	861,172	41,953	49,404	3,225	(196)	(1,045)	58,788	-	1,100,870
Other operating income	(178)	125,590	9,552	20,478	23,627	90,803	10,284	5,064	(15,974)	269,246
Net income	87,391	986,762	51,505	69,882	26,852	90,607	9,239	63,852	(15,974)	1,370,116
Other operating expenses	(29,981)	(298,920)	(13,670)	(13,815)	(10,535)	(45,324)	(7,143)	(57,167)	15,974	(460,581)
Allowance for losses on loans, advances and financing excluding general allowance	(18,840)	(36,261)	(1,142)	-	77	-	-	-	-	(56,166)
Impairment loss	-	(843)	-	(353)	-	-	-	-	-	(1,196)
Profit by segments	<u>38,570</u>	<u>650,738</u>	<u>36,693</u>	<u>55,714</u>	<u>16,394</u>	<u>45,283</u>	<u>2,096</u>	<u>6,685</u>	<u>-</u>	<u>852,173</u>
Reconciliation of segment profits to consolidated profits:										
General allowance										(50,758)
Share of profit after tax of equity accounted associate companies										2,632
Profit before tax expense and zakat										<u>804,047</u>

A21. Segment Information (continued)PUBLIC BANK BERHAD
(6463-H)

(Incorporated in Malaysia)

i) **By Business Segments** (continued)

<----- Operating Segments ----->

Nine Months Ended 30 September 2009	Treasury and Capital Market							Head Office RM'000	Inter- segment Elimination RM'000	Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Others RM'000			
External revenue	1,261,581	3,721,496	490,707	1,063,157	158,743	313,440	12,654	198,338	-	7,220,116
Revenue from other segments	-	499,576	-	54,320	-	-	60	617,318	(1,171,274)	-
	1,261,581	4,221,072	490,707	1,117,477	158,743	313,440	12,714	815,656	(1,171,274)	7,220,116
Net interest income and										
Islamic banking income	659,641	2,356,715	195,543	120,099	14,093	749	(1,215)	100,649	-	3,446,274
Other operating income	3,472	431,225	44,359	110,045	85,598	299,322	38,886	72,511	(52,447)	1,032,971
Net income	663,113	2,787,940	239,902	230,144	99,691	300,071	37,671	173,160	(52,447)	4,479,245
Other operating expenses	(112,423)	(1,023,128)	(38,702)	(30,894)	(35,835)	(147,141)	(23,373)	(189,102)	52,447	(1,548,151)
Allowance for losses on loans, advances and financing excluding general allowance	(50,272)	(207,852)	(19,823)	-	248	-	-	-	-	(277,699)
Impairment loss	-	(4,997)	-	-	-	-	-	-	-	(4,997)
Profit by segments	500,418	1,551,963	181,377	199,250	64,104	152,930	14,298	(15,942)	-	2,648,398
Reconciliation of segment profits to consolidated profits:										
General allowance										(235,392)
Share of profit after tax of equity accounted associated companies										8,212
Profit before tax expense and zakat										2,421,218
Cost income ratio	17.0%	36.7%	16.1%	13.4%	35.9%	49.0%	62.0%	109.2%		34.6%
Gross loans	31,091,940	82,450,170	19,780,272	-	222,570	31,386	2,038	-		133,578,376
Net non-performing loans	100,483	890,297	97,645	-	-	-	-	-		1,088,425
Deposits from customers	-	119,703,762	405,076	58,206,800	4,350,520	-	-	-		182,666,158
Segment assets	30,815,091	117,220,115	19,524,986	65,609,356	5,731,290	388,677	270,409	10,461,108	(44,089,368)	205,931,664
Reconciliation of segment assets to consolidated assets:										
Investment in associated companies										135,983
Unallocated assets										902,013
Intangible assets										2,073,822
Total assets										209,043,482

A21. **Segment Information** (continued)

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

i) **By Business Segments** (continued)

Nine Months Ended 30 September 2008	Operating Segments									Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000	Inter-segment Elimination RM'000	
External revenue	1,150,687	3,775,218	502,599	1,873,739	179,102	321,152	9,869	130,384	-	7,942,750
Revenue from other segments	-	736,550	-	92,730	-	-	226	897,147	(1,726,653)	-
	<u>1,150,687</u>	<u>4,511,768</u>	<u>502,599</u>	<u>1,966,469</u>	<u>179,102</u>	<u>321,152</u>	<u>10,095</u>	<u>1,027,531</u>	<u>(1,726,653)</u>	<u>7,942,750</u>
Net interest income and Islamic banking income	322,427	2,453,414	106,003	137,931	8,286	(803)	(3,139)	144,366	-	3,168,485
Other operating income	3,317	609,660	34,888	101,363	88,833	296,466	37,638	20,860	(52,738)	1,140,287
Net income	<u>325,744</u>	<u>3,063,074</u>	<u>140,891</u>	<u>239,294</u>	<u>97,119</u>	<u>295,663</u>	<u>34,499</u>	<u>165,226</u>	<u>(52,738)</u>	<u>4,308,772</u>
Other operating expenses	(92,653)	(841,171)	(39,153)	(34,932)	(32,202)	(158,171)	(20,809)	(156,593)	52,738	(1,322,946)
Allowance for losses on loans, advances and financing excluding general allowance	(71,763)	(110,915)	(22,627)	-	446	-	-	-	-	(204,859)
Impairment loss	-	(3,373)	-	(28,596)	-	-	-	-	-	(31,969)
Profit by segments	<u>161,328</u>	<u>2,107,615</u>	<u>79,111</u>	<u>175,766</u>	<u>65,363</u>	<u>137,492</u>	<u>13,690</u>	<u>8,633</u>	<u>-</u>	<u>2,748,998</u>
Reconciliation of segment profits to consolidated profits:										
General allowance										(193,504)
Share of profit after tax of equity accounted associated companies										10,751
Profit before tax expense and zakat										<u>2,566,245</u>
Cost income ratio	28.4%	27.5%	27.8%	14.6%	33.2%	53.5%	60.3%	94.8%		30.7%
Gross loans	29,122,419	71,797,750	16,567,435	-	249,454	21,243	1,914	-		117,760,215
Net non-performing loans	125,639	876,937	26,934	-	-	-	-	-		1,029,510
Deposits from customers	-	102,604,626	249,374	49,988,536	2,975,227	-	-	-		155,817,763
Segment assets	<u>28,842,226</u>	<u>108,561,823</u>	<u>16,378,520</u>	<u>57,906,070</u>	<u>4,250,031</u>	<u>450,110</u>	<u>267,652</u>	<u>7,505,680</u>	<u>(36,148,940)</u>	188,013,172
Reconciliation of segment assets to consolidated assets:										
Investment in associated companies										88,758
Unallocated assets										570,268
Intangible assets										2,057,590
Total assets										<u>190,729,788</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

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

(ii) By Geographical Locations

Group	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 Assets RM'000
30 September 2009					
Malaysia	2,178,376	807,984	6,440,013	2,234,425	188,752,755
Overseas	259,659	48,524	780,103	186,793	20,290,727
	2,438,035	856,508	7,220,116	2,421,218	209,043,482
30 September 2008					
Malaysia	2,534,915	715,338	7,145,798	2,274,802	173,162,184
Overseas	256,244	88,709	796,952	291,443	17,567,604
	2,791,159	804,047	7,942,750	2,566,245	190,729,788

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

Certain comparative figures have been reclassified to conform with current year's presentation.

A22. Subsequent Events

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

A23. Changes in the Composition of the Group

There were no significant changes in the composition of the Group during the 3rd quarter and nine months ended 30 September 2009.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A24. Off-Balance Sheet Exposures

Off -balance sheet exposures of the Group and the Bank consist of the various commitments made and contingent liabilities incurred in the normal course of business with legal recourse to its customers. No material losses are anticipated as a result of these transactions. These off-balance sheet exposures 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 2009			As at 31 December 2008		
	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
<u>Credit-related Exposures</u>						
Direct credit substitutes	1,472,339	1,472,339	873,107	1,707,324	1,707,324	967,059
Transaction-related contingent items	628,920	314,460	190,889	597,837	298,918	179,717
Short-term self-liquidating trade-related contingencies	662,003	132,401	98,205	662,108	132,422	82,666
Assets sold with recourse	112,766	112,766	22,553	341,988	341,988	163,770
Obligations under an on-going underwriting agreement	75,000	37,500	37,500	75,000	37,500	37,500
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- exceeding one year	13,410,479	5,298,644	3,686,722	9,939,339	4,969,670	3,959,368
- not exceeding one year	19,668,310	-	-	17,418,621	3,483,724	2,864,928
Unutilised credit card lines	3,287,323	657,465	493,098	2,909,982	581,996	436,497
	<u>39,317,140</u>	<u>8,025,575</u>	<u>5,402,074</u>	<u>33,652,199</u>	<u>11,553,542</u>	<u>8,691,505</u>
<u>Derivative Financial Contracts</u>						
Foreign exchange related contracts:						
- less than one year	11,767,517	259,245	64,226	9,115,195	184,974	78,183
- one year to less than five years	252	13	13	37,532	2,468	1,234
Interest rate related contracts:						
- less than one year	119,350	539	108	2,177,466	37,557	7,533
- one year to less than five years	5,449,714	311,791	63,242	4,040,636	342,340	68,572
- five years and above	4,077,387	408,726	83,982	3,555,860	458,159	95,165
Equity related contracts:						
- one year to less than five years	393,751	48,772	21,042	272,106	37,018	18,509
Precious metal contracts:						
- less than one year	819	10	10	-	-	-
	<u>21,808,790</u>	<u>1,029,096</u>	<u>232,623</u>	<u>19,198,795</u>	<u>1,062,516</u>	<u>269,196</u>
<u>Other Treasury-related Exposures</u>						
Forward asset purchases	638,160	638,160	5,014	15,874	15,874	3,175
	<u>61,764,090</u>	<u>9,692,831</u>	<u>5,639,711</u>	<u>52,866,868</u>	<u>12,631,932</u>	<u>8,963,876</u>

PUBLIC BANK BERHAD
(6463-H)

(Incorporated in Malaysia)

A24. Off-Balance Sheet Exposures (continued)

<u>Bank</u>	As at 30 September 2009			As at 31 December 2008		
	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
<u>Credit-related Exposures</u>						
Direct credit substitutes	1,356,979	1,356,979	848,273	1,564,420	1,564,420	997,053
Transaction-related contingent items	578,175	289,088	176,040	549,206	274,603	162,481
Short-term self-liquidating trade-related contingencies	508,521	101,704	73,048	498,861	99,773	63,237
Obligations under an on-going underwriting agreement	75,000	37,500	37,500	75,000	37,500	37,500
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- exceeding one year	12,300,044	4,873,225	3,365,673	9,224,333	4,612,166	3,666,939
- not exceeding one year	17,644,940	-	-	15,380,577	3,076,116	2,473,726
Unutilised credit card lines	3,094,145	618,829	464,122	2,740,982	548,196	411,147
	<u>35,557,804</u>	<u>7,277,325</u>	<u>4,964,656</u>	<u>30,033,379</u>	<u>10,212,774</u>	<u>7,812,083</u>
<u>Derivative Financial Contracts</u>						
Foreign exchange related contracts:						
- less than one year	11,122,940	252,453	62,868	8,254,482	174,241	76,038
- one year to less than five years	252	13	13	37,532	2,468	1,234
Interest rate related contracts:						
- less than one year	119,350	539	108	1,990,047	37,214	7,443
- one year to less than five years	5,259,001	306,243	62,080	3,971,345	340,955	68,191
- five years and above	3,730,637	387,227	79,682	3,192,087	437,545	91,042
Equity related contracts:						
- one year to less than five years	393,751	48,772	21,042	272,106	37,018	18,509
Precious metal contracts						
- less than one year	819	10	10	-	-	-
	<u>20,626,750</u>	<u>995,257</u>	<u>225,803</u>	<u>17,717,599</u>	<u>1,029,441</u>	<u>262,457</u>
<u>Other Treasury-related Exposures</u>						
Forward asset purchases	628,133	628,133	-	1,594	1,594	319
	<u>56,812,687</u>	<u>8,900,715</u>	<u>5,190,459</u>	<u>47,752,572</u>	<u>11,243,809</u>	<u>8,074,859</u>

* The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors and risk weights as defined in Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework ("RWCAF") and Capital Adequacy for Islamic Banks ("CAFIB") guidelines.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A25. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 30 September 2009 are as follows:
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							
- forwards	1,119,327	780,873	217,773	98,654	21,775	252	-
- swaps	10,600,986	4,280,794	4,637,610	1,654,717	27,865	-	-
- options	47,456	-	-	-	47,456	-	-
Sub total	11,767,769	5,061,667	4,855,383	1,753,371	97,096	252	-
Interest rate related contracts							
- swaps	9,646,451	1,052,851	7,865,425	728,175	-	-	-
Equity related contracts							
- options	393,751	-	-	-	-	393,751	-
Precious metal contracts							
- forwards	819	819	-	-	-	-	-
Total	21,808,790	6,115,337	12,720,808	2,481,546	97,096	394,003	-

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							
- forwards	813,306	474,852	217,773	98,654	21,775	252	-
- swaps	10,262,430	4,261,113	4,369,915	1,603,537	27,865	-	-
- options	47,456	-	-	-	47,456	-	-
Sub total	11,123,192	4,735,965	4,587,688	1,702,191	97,096	252	-
Interest rate related contracts							
- swaps	9,108,988	862,138	7,553,350	693,500	-	-	-
Equity related contracts							
- options	393,751	-	-	-	-	393,751	-
Precious metal contracts							
- forwards	819	819	-	-	-	-	-
Total	20,626,750	5,598,922	12,141,038	2,395,691	97,096	394,003	-

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A25. Derivative Financial Instruments (continued)

The Group and the Bank's derivative financial instruments are subject to market and credit risk, as follows:

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 2009, the amount of contracts which were not hedged in the Group and the Bank and, hence, exposed to market risk was RM1,117,700,000 (31 December 2008 : RM1,060,000,000).

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 2009, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM431,755,000 (31 December 2008 : RM590,191,000) and RM429,747,000 (31 December 2008 : RM589,676,000) respectively. 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

Financial derivatives are recognised at fair value upon inception in the balance sheet, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Group enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statement. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

The Group discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A25. Derivative Financial Instruments (continued)

Fair value hedge

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the income statement. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the income statement over the expected life of the hedged item.

Cash flow hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the derivative is taken to a separate component in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statements. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income statement.

Net investment hedge

The Group also applies net investment hedge accounting, which are for hedges against the exposure to exchange rate fluctuations on the net assets of its foreign operations. The hedge is accounted for similarly to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are taken directly to the foreign currency translation reserve while those relating to the ineffective portion of the hedge are recognised in the income statement. On disposal of the foreign operation, the cumulative gains or losses recognised in equity will be transferred to the income statement.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk

Non trading book

Group As at 30 September 2009	<----->									Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000					
ASSETS													
Cash and short-term funds	40,422,192	-	-	-	-	-	-	-	-	1,109,815	-	41,532,007	1.93
Deposits and placements with banks and other financial institutions	4,625	1,466,174	73,679	-	-	-	-	-	-	-	-	1,544,478	2.00
Securities purchased under resale agreements	2,265	-	-	-	-	-	-	-	-	-	1,499,867	1,502,132	2.01
Securities held-for-trading	-	-	-	-	-	-	-	-	-	-	7,323,763	7,323,763	2.25
Securities available-for-sale	-	-	320,070	4,069,853	315,542	35,265	1,426,757	1,024,626	4,558,645	-	-	11,750,758	2.27
Securities held-to-maturity	1,394,922	1,418,750	1,483,133	790,564	504,543	188,820	542,011	209,716	88,605	-	-	6,621,064	2.87
Loans, advances and financing													
- performing	85,305,283	7,705,403	8,802,715	7,719,526	6,505,091	5,057,238	3,243,280	7,968,461	-	-	-	132,306,997	5.34
- non-performing *	-	-	-	-	-	-	-	-	(905,862)	-	-	(905,862)	-
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	-	7,191,725	176,420	7,368,145	-
TOTAL ASSETS	127,129,287	10,590,327	10,679,597	12,579,943	7,325,176	5,281,323	5,212,048	9,202,803	12,042,928	9,000,050	209,043,482		

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk (continued)

Group As at 30 September 2009	Non trading book									Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND EQUITY												
Deposits from customers	101,572,549	31,521,874	29,934,102	425,136	202,425	236,358	231,100	2,032	18,540,582	-	182,666,158	1.94
Deposits and placements of banks and other financial institutions	2,832,022	561,056	410,442	-	-	-	-	-	172,132	-	3,975,652	1.71
Bills and acceptances payable	509,101	349,125	3,527	-	-	-	-	-	703,854	-	1,565,607	2.16
Recourse obligations on loans sold to Cagamas	4,230	5,358	6,702	4,088	2,416	-	-	-	-	-	22,794	4.29
Borrowings	660,801	-	-	-	-	-	-	-	-	-	660,801	1.76
Subordinated notes	-	-	-	-	1,387,000	1,379,558	-	-	125,324	-	2,891,882	2.30
Hybrid capital securities	-	-	-	-	-	-	-	1,893,500	115,773	-	2,009,273	2.69
Stapled securities	-	-	-	-	-	-	-	1,200,000	(14,308)	-	1,185,692	5.16
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	2,932,080	127,479	3,059,559	-
Total Liabilities	105,578,703	32,437,413	30,354,773	429,224	1,591,841	1,615,916	231,100	3,095,532	22,575,437	127,479	198,037,418	
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	10,297,843	-	10,297,843	-
Minority interests	-	-	-	-	-	-	-	-	708,221	-	708,221	-
Total Liabilities and Equity	105,578,703	32,437,413	30,354,773	429,224	1,591,841	1,615,916	231,100	3,095,532	33,581,501	127,479	209,043,482	
On-balance sheet interest sensitivity gap	21,550,584	(21,847,086)	(19,675,176)	12,150,719	5,733,335	3,665,407	4,980,948	6,107,271	(21,538,573)	8,872,571	-	-
Off-balance sheet interest sensitivity gap (interest rate swaps)	872,850	(3,288,575)	(678,175)	(104,633)	1,071,457	1,500,000	(1,482,537)	2,109,613	-	-	-	-
Total interest sensitivity gap	22,423,434	(25,135,661)	(20,353,351)	12,046,086	6,804,792	5,165,407	3,498,411	8,216,884	(21,538,573)	8,872,571	-	-

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

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk (continued)

Group As at 31 December 2008	Non trading book									Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
ASSETS												
Cash and short-term funds	33,979,116	-	-	-	-	-	-	-	2,617,911	-	36,597,027	3.24
Deposits and placements with banks and other financial institutions	4,496	1,581,038	179,393	-	-	-	-	-	176,518	-	1,941,445	3.74
Securities purchased under resale agreements	3,962,485	799,922	-	-	-	-	-	-	-	379,339	5,141,746	2.96
Securities held-for-trading	-	-	-	-	-	-	-	-	-	11,349,842	11,349,842	3.39
Securities available-for-sale	87,591	-	553,321	161,004	411,816	332,671	-	1,494,450	2,585,519	-	5,626,372	3.71
Securities held-to-maturity	2,722,137	2,422,240	1,057,146	984,232	308,723	312,084	127,921	263,451	88,785	-	8,286,719	3.76
Loans, advances and financing												
- performing	74,633,947	6,187,337	9,973,247	7,192,884	6,048,162	4,628,514	3,655,891	7,138,512	-	-	119,458,494	6.05
- non-performing *	-	-	-	-	-	-	-	-	(722,190)	-	(722,190)	-
- Islamic house financing sold to Cagamas	(200,008)	(150,001)	-	-	-	-	-	-	-	-	(350,009)	3.74
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	8,730,572	103,088	8,833,660	-
TOTAL ASSETS	115,189,764	10,840,536	11,763,107	8,338,120	6,768,701	5,273,269	3,783,812	8,896,413	13,477,115	11,832,269	196,163,106	

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk (continued)

Group As at 31 December 2008	Non trading book									Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND EQUITY												
Deposits from customers	93,704,176	25,428,376	25,467,966	345,119	334,486	179,881	257,695	12,560	16,549,305	-	162,279,564	3.02
Deposits and placements of banks and other financial institutions	4,303,365	239,870	108,088	-	-	-	-	-	938,556	-	5,589,879	2.36
Bills and acceptances payable	848,427	1,392,527	309,942	-	-	-	-	-	511,478	-	3,062,374	3.59
Recourse obligations on loans sold to Cagamas	1,206,190	3,309,160	18,090	3,379	458	-	-	-	-	-	4,537,277	3.63
Borrowings	860,234	-	-	-	-	-	-	-	-	-	860,234	1.11
Subordinated notes	-	-	1,233,361	-	-	1,494,279	1,450,555	-	-	-	4,178,195	3.65
Hybrid capital securities	-	-	-	-	-	-	-	2,124,484	-	-	2,124,484	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	3,073,076	229,291	3,302,367	-
Total Liabilities	100,922,392	30,369,933	27,137,447	348,498	334,944	1,674,160	1,708,250	2,137,044	21,072,415	229,291	185,934,374	
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	9,536,706	-	9,536,706	-
Minority interests	-	-	-	-	-	-	-	-	692,026	-	692,026	-
Total Liabilities and Equity	100,922,392	30,369,933	27,137,447	348,498	334,944	1,674,160	1,708,250	2,137,044	31,301,147	229,291	196,163,106	
On-balance sheet interest sensitivity gap	14,267,372	(19,529,397)	(15,374,340)	7,989,622	6,433,757	3,599,109	2,075,562	6,759,369	(17,824,032)	11,602,978	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	391,480	(2,810,423)	(257,962)	(67,793)	(55,773)	1,070,531	1,500,000	229,940	-	-	-	
Total interest sensitivity gap	14,658,852	(22,339,820)	(15,632,302)	7,921,829	6,377,984	4,669,640	3,575,562	6,989,309	(17,824,032)	11,602,978	-	

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

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk (continued)

Bank	Non trading book									Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000					
As at 30 September 2009													
ASSETS													
Cash and short-term funds	32,454,165	-	-	-	-	-	-	-	-	766,274	-	33,220,439	2.03
Deposits and placements with banks and other financial institutions	-	2,075,532	-	-	-	-	-	-	-	-	-	2,075,532	1.96
Securities purchased under resale agreements	2,265	-	-	-	-	-	-	-	-	-	-	2,265	8.52
Securities held-for-trading	-	-	-	-	-	-	-	-	-	-	7,093,760	7,093,760	2.25
Securities available-for-sale	-	-	113,324	3,644,748	315,542	35,266	1,298,414	673,545	4,038,905	-	-	10,119,744	2.29
Securities held-to-maturity	362,748	1,258,237	3,324,403	1,682,280	1,065,202	168,468	537,003	209,716	88,152	-	-	8,696,209	3.16
Loans, advances and financing													
- performing	74,087,142	6,424,333	6,032,855	5,251,137	4,420,998	3,485,255	2,020,243	3,949,751	-	-	-	105,671,714	5.08
- non-performing *	-	-	-	-	-	-	-	-	(814,254)	-	-	(814,254)	-
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	-	7,891,702	174,412	8,066,114	-
TOTAL ASSETS	106,906,320	9,758,102	9,470,582	10,578,165	5,801,742	3,688,989	3,855,660	4,833,012	11,970,779	7,268,172	174,131,523		

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk (continued)

Bank	Non trading book									Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
As at 30 September 2009												
LIABILITIES AND EQUITY												
Deposits from customers	81,215,327	23,164,558	26,346,735	505,140	158,559	234,296	230,138	2,032	15,831,818	-	147,688,603	2.11
Deposits and placements of banks and other financial institutions	5,322,167	1,191,774	98,765	-	-	-	-	-	237,232	-	6,849,938	0.83
Bills and acceptances payable	670,456	349,125	3,527	-	-	-	-	-	703,854	-	1,726,962	2.16
Recourse obligations on loans sold to Cagamas	4,230	5,358	6,702	4,088	2,416	-	-	-	-	-	22,794	4.29
Subordinated notes	-	-	-	-	1,387,000	1,400,000	-	-	125,324	-	2,912,324	2.30
Hybrid capital securities	-	-	-	-	-	-	-	1,893,500	115,773	-	2,009,273	2.69
Stapled securities	-	-	-	-	-	-	-	1,200,000	(14,308)	-	1,185,692	5.16
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	1,898,586	125,264	2,023,850	-
Total Liabilities	87,212,180	24,710,815	26,455,729	509,228	1,547,975	1,634,296	230,138	3,095,532	18,898,279	125,264	164,419,436	
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	9,712,087	-	9,712,087	-
Total Liabilities and Equity	87,212,180	24,710,815	26,455,729	509,228	1,547,975	1,634,296	230,138	3,095,532	28,610,366	125,264	174,131,523	
On-balance sheet interest sensitivity gap	19,694,140	(14,952,713)	(16,985,147)	10,068,937	4,253,767	2,054,693	3,625,522	1,737,480	(16,639,587)	7,142,908	-	-
Off-balance sheet interest sensitivity gap (interest rate swaps)	682,137	(3,600,650)	(712,850)	(35,283)	1,071,457	1,500,000	(1,361,175)	2,456,364	-	-	-	-
Total interest sensitivity gap	20,376,277	(18,553,363)	(17,697,997)	10,033,654	5,325,224	3,554,693	2,264,347	4,193,844	(16,639,587)	7,142,908	-	-

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

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk (continued)

Bank	Non trading book									Trading book	Total	Effective interest rate	
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 2 years	> 2 - 3 years	> 3 - 4 years	> 4 - 5 years	over 5 years	Non-interest sensitive				
As at 31 December 2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS													
Cash and short-term funds	27,458,539	-	-	-	-	-	-	-	-	2,106,420	-	29,564,959	3.22
Deposits and placements with banks and other financial institutions	-	2,605,145	1,052,664	-	-	-	-	-	-	176,517	-	3,834,326	3.99
Securities purchased under resale agreements	3,962,485	799,922	-	-	-	-	-	-	-	-	-	4,762,407	2.91
Securities held-for-trading	-	-	-	-	-	-	-	-	-	-	10,846,741	10,846,741	3.38
Securities available-for-sale	77,968	-	528,153	161,004	557,770	332,671	-	1,176,513	2,080,065	-	-	4,914,144	3.46
Securities held-to-maturity	2,578,577	1,919,408	1,291,322	2,589,255	399,220	312,084	122,930	263,451	88,332	-	-	9,564,579	3.73
Loans, advances and financing													
- performing	65,590,132	3,929,734	6,592,174	4,639,410	3,978,219	3,012,085	2,430,455	3,562,194	-	-	-	93,734,403	5.98
- non-performing *	-	-	-	-	-	-	-	-	(560,112)	-	-	(560,112)	-
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	-	9,934,833	102,574	10,037,407	-
TOTAL ASSETS	99,667,701	9,254,209	9,464,313	7,389,669	4,935,209	3,656,840	2,553,385	5,002,158	13,826,055	10,949,315	166,698,854		

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A26. Interest / Profit Rate Risk (continued)

Bank As at 31 December 2008	Non trading book									Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND EQUITY												
Deposits from customers	73,779,904	20,477,072	24,348,083	208,907	457,340	179,289	256,930	12,560	14,342,163	-	134,062,248	3.12
Deposits and placements of banks and other financial institutions	6,582,878	196,254	118,131	-	-	-	-	-	224,254	-	7,121,517	2.03
Bills and acceptances payable	848,427	1,392,527	309,942	-	-	-	-	-	511,478	-	3,062,374	3.59
Recourse obligations on loans sold to Cagamas	1,206,190	3,309,160	18,090	3,379	458	-	-	-	-	-	4,537,277	3.63
Subordinated notes	-	-	1,233,361	-	-	1,494,279	1,470,580	-	-	-	4,198,220	3.65
Hybrid capital securities	-	-	-	-	-	-	-	2,124,484	-	-	2,124,484	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	1,973,469	227,436	2,200,905	-
Total Liabilities	82,417,399	25,375,013	26,027,607	212,286	457,798	1,673,568	1,727,510	2,137,044	17,051,364	227,436	157,307,025	
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	9,391,829	-	9,391,829	-
Total Liabilities and Equity	82,417,399	25,375,013	26,027,607	212,286	457,798	1,673,568	1,727,510	2,137,044	26,443,193	227,436	166,698,854	
On-balance sheet interest sensitivity gap	17,250,302	(16,120,804)	(16,563,294)	7,177,383	4,477,411	1,983,272	825,875	2,865,114	(12,617,138)	10,721,879	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	166,288	(3,101,777)	(174,478)	(67,793)	13,517	1,070,531	1,500,000	593,712	-	-	-	
Total interest sensitivity gap	17,416,590	(19,222,581)	(16,737,772)	7,109,590	4,490,928	3,053,803	2,325,875	3,458,826	(12,617,138)	10,721,879	-	

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

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A27. Capital Adequacy

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

	Group		Bank	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Core capital ratio	8.6%	7.7% *	11.0%	10.1% *
Risk-weighted capital ratio	<u>12.7%</u>	<u>13.1% *</u>	<u>12.1%</u>	<u>12.8% *</u>

* After deducting proposed dividend.

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	3,531,926	3,531,926	3,531,926	3,531,926
Share premium	1,439,885	2,132,499	1,439,885	2,132,499
Other reserves	3,672,549	3,604,386	3,552,599	3,552,599
Retained profits	1,489,947	1,902,658	1,275,100	1,772,724
Hybrid capital securities	1,578,611	1,439,510	1,650,810	1,541,477
Stapled securities	1,192,688	-	1,192,688	-
Treasury shares	(581,638)	(1,274,112)	(581,638)	(1,274,112)
Minority interests	684,115	692,026	-	-
Less: Intangible assets	(2,047,473)	(2,045,669)	(695,393)	(695,393)
Less: Deferred tax assets, net	(436,535)	(386,484)	(360,574)	(285,201)
Total Tier I capital	<u>10,524,075</u>	<u>9,596,740</u>	<u>11,005,403</u>	<u>10,276,519</u>
<u>Tier II capital</u>				
General allowance for bad and doubtful debts	1,994,287	1,759,487	1,607,512	1,433,444
Subordinated notes	2,759,704	3,968,793	2,780,146	3,988,818
Hybrid capital securities	312,372	450,609	240,173	348,642
Total Tier II capital	<u>5,066,363</u>	<u>6,178,889</u>	<u>4,627,831</u>	<u>5,770,904</u>
Total capital	15,590,438	15,775,629	15,633,234	16,047,423
Less: Investment in subsidiary companies and associated companies	(960)	(960)	(3,518,384)	(3,318,384)
Capital base	<u>15,589,478</u>	<u>15,774,669</u>	<u>12,114,850</u>	<u>12,729,039</u>

The capital adequacy ratios of the Group consist of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiary companies. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and from its wholly-owned offshore banking subsidiary company, Public Bank (L) Ltd.

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% (2008 - 8.0%) for the risk-weighted capital ratio.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A27. Capital Adequacy (continued)

a) The capital adequacy ratios of the banking subsidiary companies of the Group are as follows:

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵
30 September 2009						
Core capital ratio	9.7%	12.8%	9.1%	15.6%	29.6%	N/A
Risk-weighted capital ratio	11.4%	13.0%	9.4%	15.6%	30.8%	21.8%
31 December 2008						
Core capital ratio	9.1%	19.7%*	8.3%	15.4%	20.6%	N/A
Risk-weighted capital ratio	11.0%	20.0%*	8.8%	15.4%	21.8%	19.0%

* After deducting proposed dividends.

- ¹ The capital adequacy ratios of Public Islamic Bank Berhad are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. Public Islamic Bank Berhad has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- ² The capital adequacy ratios of Public Investment Bank Berhad are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework, which are based on the Basel II capital accord. Public Investment Bank Berhad has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- ³ The capital adequacy ratios of Public Bank (L) Ltd. for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Offshore Financial Services Authority (LOFSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the core capital ratio and risk-weighted capital ratio respectively.
- ⁴ The capital adequacy ratios of these two subsidiary companies, which are located in Hong Kong SAR, are computed in accordance with the Banking (Capital) Rules under section 98A of the Banking Ordinance issued by the Hong Kong Monetary Authority, which is based on the Basel II capital accord. These two subsidiary companies have adopted the Standardised Approach for Credit and Market Risk. Public Bank (Hong Kong) Limited has adopted the Basic Indicator Approach for Operational Risk and Public Finance Limited has adopted the Standardised Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- ⁵ The amount presented here is the Solvency Ratio of Cambodian Public Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as Cambodian Public Bank Plc's net worth divided by its risk-weighted assets and off balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A28. Operations of Islamic Banking

A28a. Balance Sheets as at 30 September 2009

	Group	
	30 September 2009	31 December 2008
	RM'000	RM'000
ASSETS		
Cash and short-term funds	5,974,443	3,323,580
Securities held-for-trading	179,629	382,296
Securities available-for-sale	1,224,366	400,454
Financing and advances	13,496,538	12,023,665
Other assets	60,219	65,039
Statutory deposits with Bank Negara Malaysia	130,000	341,600
Deferred tax assets	85,033	72,304
Property and equipment	493	359
Total Assets	21,150,721	16,609,297
LIABILITIES AND ISLAMIC		
BANKING FUNDS		
Deposits from customers	19,465,437	13,786,574
Deposits and placements of banks and other financial institutions	100,000	700,576
Other liabilities	54,613	974,266
Provision for zakat and taxation	83,017	44,013
Total Liabilities	19,703,067	15,505,429
Islamic Banking Funds	1,447,654	1,103,868
Total Liabilities and Islamic Banking Funds	21,150,721	16,609,297
OFF-BALANCE SHEET EXPOSURES	2,295,637	1,050,966

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A28b. Income Statements for the 3rd Quarter and Nine Months Ended 30 September 2009

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	235,691	178,836	657,350	554,357
Allowance for losses on financing and advances	(19,450)	(18,046)	(44,824)	(49,996)
- General allowance	(9,678)	(9,710)	(17,381)	(20,290)
- Other financing loss allowances	(9,772)	(8,336)	(27,443)	(29,706)
Transfer from / (to) profit equalisation reserves, net	7,187	(1,644)	3,761	(20,160)
Total attributable income	223,428	159,146	616,287	484,201
Income attributable to the depositors	(86,670)	(66,425)	(229,161)	(224,260)
Income attributable to the reporting institutions	136,758	92,721	387,126	259,941
Income derived from investment of Islamic Banking Funds	18,883	30,047	52,935	83,108
Total net income	155,641	122,768	440,061	343,049
Other operating expenses	(38,742)	(35,463)	(115,168)	(100,192)
Profit before zakat and taxation	116,899	87,305	324,893	242,857
Zakat	(49)	(45)	(147)	(134)
Taxation	(30,543)	(23,136)	(80,588)	(64,357)
Profit after zakat and taxation	86,307	64,124	244,158	178,366

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A28c. Financing and Advances

	Group	
	30 September 2009	31 December 2008
	RM'000	RM'000
Bai Bithaman Ajil-i (deferred payment sale)	4,456,730	4,169,347
Ijarah Thamma Al-Bai'-i (leasing)	9,535,945	9,345,331
Bai-Al-Einah-i	3,190,892	2,357,827
	<u>17,183,567</u>	<u>15,872,505</u>
Unearned income	(3,456,212)	(3,284,067)
Gross financing and advances (including Islamic house financing sold to Cagamas)	13,727,355	12,588,438
Less: Islamic house financing sold to Cagamas	-	(350,009)
Gross financing and advances (excluding Islamic house financing sold to Cagamas)	13,727,355	12,238,429
Allowance for losses on financing and advances:		
- general	(208,127)	(190,746)
- specific	(22,690)	(24,018)
Net financing and advances	<u>13,496,538</u>	<u>12,023,665</u>

i) Movements in non-performing financing and advances (“NPF”) are as follows:

	Group	
	30 September 2009	31 December 2008
	RM'000	RM'000
At 1 January	144,359	169,490
Non-performing during the period / year	251,292	350,014
Reclassified as performing	(197,481)	(295,926)
Recoveries	(22,566)	(27,151)
Amount written off	(37,291)	(52,068)
Loans converted to foreclosed properties / securities	(288)	-
Closing balance	<u>138,025</u>	<u>144,359</u>
Specific allowance	(22,690)	(24,018)
Net non-performing financing and advances	<u>115,335</u>	<u>120,341</u>
Net NPF as % of gross financing and advances (including Islamic house financing sold to Cagamas) less specific allowance	<u>0.84%</u>	<u>0.96%</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A28c. Financing and Advances (continued)

ii) Movements in the allowance for losses on financing and advances are as follows:

	Group	
	30 September 2009 RM'000	31 December 2008 RM'000
<u>General allowance</u>		
At 1 January	190,746	165,095
Allowance made during the period / year	17,381	25,651
Closing balance	<u>208,127</u>	<u>190,746</u>
As % of gross financing and advances (including Islamic house financing sold to Cagamas) less specific allowance	<u>1.52%</u>	<u>1.52%</u>

	Group	
	30 September 2009 RM'000	31 December 2008 RM'000
<u>Specific allowance</u>		
At 1 January	24,018	27,883
Allowance made during the period / year	47,201	66,766
Amount written back	(11,700)	(18,589)
Amount written off	(37,291)	(52,068)
Reinstatement of amount written off previously due to restructuring / rescheduling, now being classified as performing financing	474	51
Amount transferred to accumulated impairment losses in value of foreclosed properties	(12)	(25)
Closing balance	<u>22,690</u>	<u>24,018</u>

A28d. Other Assets

	Group	
	30 September 2009 RM'000	31 December 2008 RM'000
Deferred handling fees	52,794	51,745
Income receivable	6,281	388
Other receivables, deposits and prepayments	1,144	12,906
	<u>60,219</u>	<u>65,039</u>

PUBLIC BANK BERHAD
(6463-H)
(Incorporated in Malaysia)

A28e. Deposits from Customers
i) By type of deposit

	Group	
	30 September	31 December
	2009	2008
	RM'000	RM'000
<u>Non-Mudharabah Fund</u>		
Wadiah current deposits-i	2,002,518	1,828,887
Wadiah savings deposits-i	3,484,400	3,232,045
Negotiable debt certificate-i	7,703,048	4,487,970
Others	3,703	2,836
	<u>13,193,669</u>	<u>9,551,738</u>
<u>Mudharabah Fund</u>		
Mudharabah savings deposits-i	76,256	74,033
Mudharabah general investment deposits-i	5,331,752	3,493,453
Mudharabah special investment deposits-i	863,760	667,350
	<u>6,271,768</u>	<u>4,234,836</u>
Deposits from customers	<u>19,465,437</u>	<u>13,786,574</u>

A28f. Other liabilities

	Group	
	30 September	31 December
	2009	2008
	RM'000	RM'000
Income payable	12,246	16,126
Other payables and accruals	12,703	924,871
Employee benefits	(1,359)	(1,515)
Profit equalisation reserves	31,023	34,784
	<u>54,613</u>	<u>974,266</u>

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)

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

B1. Performance Review

The Group achieved a pre-tax profit of RM2,421.2 million and net profit attributable to equity holders of RM1,839.1 million for the nine months ended 30 September 2009. These profits represented a decrease of 5.7% and 4.6% respectively from the previous corresponding period, due to a one-off goodwill income of RM200 million received from ING in respect of a regional strategic alliance on bancassurance distribution included in the previous corresponding period which is non-recurring in the current period. Excluding the one-off ING goodwill, the underlying operating pre-tax profit and net profit attributable to equity holders have actually improved by RM55.0 million (2.3%) and RM57.1 million (3.2%) respectively. The profit improvement was primarily due to higher net interest and financing income by RM273.1 million (8.6%) and higher other operating income by RM92.7 million (9.9%). These were partially offset by higher other operating expenses by RM225.2 million and higher loan loss and impairment loss allowances by RM87.8 million resulting from higher business volumes.

The higher other operating income was mainly due to higher investment income. The higher other operating expenses was mainly due to increase in personnel costs resulting from the expansion of the marketing sales force, whereas the higher loan loss allowance was partly due to higher general allowance by RM41.9 million resulting from higher loan growth achieved during the period.

The Group's net interest and financing income continued to show a growth of 8.6% as compared to the previous corresponding period, despite the slowing economy and the negative impact of the drops in overnight policy rate by BNM from 3.5% to 2.0% at the end of 2008 and beginning of 2009. The growth in the Group's net interest and financing income was driven by continued strong loans and deposits growth coupled with a stable asset quality. Gross loans before deducting Islamic house financing sold to Cagamas has grown by 13.0% to RM133.6 billion as at 30 September 2009 as compared to RM118.2 billion as at 30 September 2008 mainly arising from financing of small- and medium-sized enterprises ("SMEs"), residential mortgages and financing of passenger vehicles. Total deposits from customers had also grown by 17.2% or RM26.8 billion as compared to 30 September 2008 which partly contributed to the higher net interest income for the current financial period. Despite the high loan growth over the past 12 months, the Group's net non-performing loan ratio had further improved to 0.82% from 0.87% a year ago.

The Group's domestic commercial bank, Public Bank, recorded a pre-tax profit of RM1,924.2 million for the nine months ended 30 September 2009 and was lower than the pre-tax profit of RM2,129.4 million achieved in the previous corresponding period. The drop in profit was mainly due to the one-off ING goodwill income received in the previous corresponding period as well as the vesting of its Islamic banking business to its wholly-owned subsidiary, Public Islamic Bank Berhad, on 1 November 2008.

Pre-tax profit contribution from the Group's overseas operations decreased by RM104.6 million or 35.9% from the previous corresponding period to RM186.8 million, mainly due to the one-off ING goodwill of RM20 million received and recognised by Public Bank (Hong Kong) Limited in the previous corresponding period and higher loan loss allowance in the current period.

For the 3rd quarter ended 30 September 2009, the Group registered a pre-tax profit of RM856.5 million, an improvement of RM52.5 million or 6.5% as compared to the previous corresponding quarter. This was achieved on the back of strong loans and deposits growth and stable asset quality, despite the negative impact of the drop in BNM's overnight policy rate and the slowing economy. Earnings attributable to equity holders grew by 3.7% or RM22.7 million over the same period.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)

B2. Variation of Results Against Preceding Quarter

The Group's pre-tax profit of RM856.5 million for the 3rd quarter ended 30 September 2009 shows an increase of RM36.7 million or 4.5% as compared to the pre-tax profit of RM819.8 million for the preceding quarter ended 30 June 2009. Net profit attributable to equity holders increased by RM28.3 million or 4.6% over the same period. The improved performance was mainly attributable to higher net interest and financing income by RM48.1 million, partially offset by higher other operating expenses by RM19.2 million.

B3. Prospects for 2009

Despite the slowing economy, the banking industry in Malaysia is expected to grow positively and remain resilient due to its strong capitalisation, healthy asset quality and improved risk management practices. Amidst excess liquidity and the recent liberalisation of the financial services sector, the banking industry will remain competitive, particularly in the retail sector, and the pressure on net interest margins will remain. Banks are expected to introduce innovative and competitive products and services at a faster pace, pursue competitive pricing strategies and strengthen their customer relationship management and delivery standards to gain market share. The banking industry's loan growth is expected to moderate as households and businesses turn more cautious. Factors that will continue to support loan growth include low financing costs, promotion of BNM funds to support SMEs and the Government's fiscal stimulus to boost economic activity.

The Public Bank Group will continue to focus on its core business of home mortgages, passenger vehicle hire purchase financing and SME loans, whilst sourcing its funds from retail and wholesale deposits, foreign currency deposits and structured deposit products. The Group will continue to grow its Islamic banking business through its wholly-owned subsidiary company, Public Islamic Bank Berhad, by expanding Islamic retail financing and Islamic wealth management products. To expand its business, the Public Bank Group will continue to tap on its extensive branch network, wide array of innovative products and packages, multiple delivery channels, strong corporate image and the PB brand, strong sales and marketing force and superior delivery standards.

The Public Bank Group will continue to accelerate growth in its overseas operations, particularly in Hong Kong and the People's Republic of China, and Cambodia by focusing on financing, lending to SMEs and on the deposit-taking business. The Group's initiatives to promote the PB brand abroad will continue. In its pursuit of business expansion, the Public Bank Group will continue to remain prudent, uphold strong corporate governance and implement sound risk management policies. As a responsible corporate citizen, the Public Bank Group will continue to implement its Corporate Social Responsibility programmes. Despite the current challenging operating environment, the Public Bank Group is expected to continue to record satisfactory performance in 2009.

B4. Profit Forecast or Profit Guarantee

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

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)

B5. Tax Expense and Zakat

The analysis of the tax expense for the 3rd quarter and nine months ended 30 September 2009 are as follows:

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Malaysian income tax	213,665	170,109	631,179	598,683
Overseas income tax	7,696	16,401	28,112	51,210
	<u>221,361</u>	<u>186,510</u>	<u>659,291</u>	<u>649,893</u>
(Over) / under provision in prior years				
- Malaysian income tax	(1,595)	(966)	(1,653)	(23,857)
- Overseas income tax	(7)	(3)	1,926	2,297
	<u>219,759</u>	<u>185,541</u>	<u>659,564</u>	<u>628,333</u>
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(10,725)	(9,066)	(101,670)	(28,275)
Tax expense	<u>209,034</u>	<u>176,475</u>	<u>557,894</u>	<u>600,058</u>
Zakat	49	45	147	134
	<u>209,083</u>	<u>176,520</u>	<u>558,041</u>	<u>600,192</u>

The Group's effective tax rates for the 3rd quarter and nine months ended 30 September 2009 and 30 September 2008 were lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)

B5. Tax Expense and Zakat (Contd.)

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Malaysian income tax	187,628	146,683	527,280	545,291
Overseas income tax	417	259	1,392	650
	188,045	146,942	528,672	545,941
Under provision in prior years				
- Overseas income tax	-	-	719	2,519
	188,045	146,942	529,391	548,460
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(14,133)	(10,763)	(89,507)	(37,924)
Tax expense	173,912	136,179	439,884	510,536
Zakat	-	45	-	134
	173,912	136,224	439,884	510,670

The Bank's effective tax rate for the 3rd quarter and nine months ended 30 September 2009 and 30 September 2008 were lower than the statutory tax rate due to certain income not subject to tax.

B6. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the 3rd quarter and nine months ended 30 September 2009 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 proposals announced but not completed as at 30 September 2009.

B9. Status of Utilisation of Proceeds Raised from Corporate Proposals

The proceeds raised from the issuance of Stapled Securities in the current financial period and the issuances of Subordinated Notes and Hybrid Capital securities in prior years have been used for working capital, general banking and other corporate purposes, as intended.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)

B10. Deposits and Placements of Customers and Financial Institutions and Debt Securities

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Deposits from customers				
- Fixed deposits				
One year or less	88,795,637	77,293,631	65,924,899	61,263,312
More than one year	149,732	270,706	132,914	243,585
- Negotiable instruments of deposits				
One year or less	17,791,398	14,778,850	17,177,463	12,273,069
More than one year	390,277	350,788	373,363	350,788
- Money market deposits				
One year or less	34,628,972	33,504,902	32,220,087	31,250,905
- Savings deposits	21,801,729	19,036,598	15,766,507	14,083,581
- Demand deposits	18,041,971	15,775,587	15,032,284	13,333,758
- Others	1,066,442	1,268,502	1,061,086	1,263,250
	<u>182,666,158</u>	<u>162,279,564</u>	<u>147,688,603</u>	<u>134,062,248</u>
Deposits and placements of banks and other financial institutions				
- One year or less	<u>3,975,652</u>	<u>5,589,879</u>	<u>6,849,938</u>	<u>7,121,517</u>
Borrowings denominated in HKD (unsecured)				
Term loan				
- One year or less	-	860,234	-	-
- More than one year	660,801	-	-	-
	<u>660,801</u>	<u>860,234</u>	<u>-</u>	<u>-</u>
Subordinated notes denominated in USD (unsecured)				
- More than one year	1,472,686	2,727,640	1,472,686	2,727,640
Subordinated notes denominated in RM (unsecured)				
- More than one year	1,419,196	1,450,555	1,439,638	1,470,580
	<u>2,891,882</u>	<u>4,178,195</u>	<u>2,912,324</u>	<u>4,198,220</u>
Hybrid capital securities denominated in USD (unsecured)				
- More than one year	798,372	847,644	798,372	847,644
Hybrid capital securities denominated in RM (unsecured)				
- More than one year	1,210,901	1,276,840	1,210,901	1,276,840
	<u>2,009,273</u>	<u>2,124,484</u>	<u>2,009,273</u>	<u>2,124,484</u>
Stapled securities denominated in RM (unsecured)				
- More than one year	<u>1,185,692</u>	<u>-</u>	<u>1,185,692</u>	<u>-</u>

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)

B11. Derivative Financial Instruments

The value of derivative financial instruments classified by remaining period to maturity / next repricing date (whichever is earlier) as at the latest practicable date, 8 October 2009, is as follows :

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							
- forwards	1,098,391	769,364	194,479	109,461	24,841	246	-
- swaps	10,162,390	3,513,423	5,173,186	1,448,616	27,165	-	-
- options	47,398	-	-	-	47,398	-	-
Sub total	11,308,179	4,282,787	5,367,665	1,558,077	99,404	246	-
Interest rate related contracts							
- swaps	9,601,971	586,528	8,234,478	780,965	-	-	-
Equity related contracts							
- options	388,477	-	-	-	-	388,477	-
Precious metal contracts							
- forwards	185	185	-	-	-	-	-
Total	21,298,812	4,869,500	13,602,143	2,339,042	99,404	388,723	-

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							
- forwards	844,611	515,584	194,479	109,461	24,841	246	-
- swaps	9,828,735	3,490,228	4,912,756	1,398,586	27,165	-	-
- options	47,398	-	-	-	47,398	-	-
Sub total	10,720,744	4,005,812	5,107,235	1,508,047	99,404	246	-
Interest rate related contracts							
- swaps	9,075,668	484,663	7,911,905	679,100	-	-	-
Equity related contracts							
- options	388,477	-	-	-	-	388,477	-
Precious metal contracts							
- forwards	185	185	-	-	-	-	-
Total	20,185,074	4,490,660	13,019,140	2,187,147	99,404	388,723	-

Foreign exchange and interest rate related contracts are subject to market and credit risk.

B12. 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.

B13. Proposed Dividends

No dividend has been proposed for the 3rd quarter ended 30 September 2009.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)

B14. Earnings Per Share (EPS)

Basic

The calculation of the basic earnings per share is based on the Group's net profit attributable to the equity holders divided by the weighted average number of ordinary shares of RM1.00 each in issue during the period excluding the weighted average treasury shares held by the Bank.

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
Net profit attributable to equity holders (RM'000)	<u>639,045</u>	<u>616,340</u>	<u>1,839,071</u>	<u>1,927,262</u>
Weighted average number of PBB Shares ('000)	<u>3,451,450</u>	<u>3,355,633</u>	<u>3,427,232</u>	<u>3,354,974</u>
Basic earnings per share (sen)	<u>18.5</u>	<u>18.4</u>	<u>53.7</u>	<u>57.4</u>

Diluted

In the previous year, the calculation of the diluted earnings per share was based on the Group's net profit attributable to the equity holders 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, which expired on 25 February 2008.

	3rd Quarter Ended		Nine Months Ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
Weighted average number of PBB Shares ('000)	<u>3,451,450</u>	<u>3,355,633</u>	<u>3,427,232</u>	<u>3,354,974</u>
Effects of share options ('000)	<u>-</u>	<u>-</u>	<u>-</u>	<u>664</u>
Adjusted weighted average number of PBB shares in issue or issuable ('000)	<u>3,451,450</u>	<u>3,355,633</u>	<u>3,427,232</u>	<u>3,355,638</u>
Diluted earnings per share (sen)	<u>18.5</u>	<u>18.4</u>	<u>53.7</u>	<u>57.4</u>