

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012**

	<b>Group</b>		<b>Bank</b>			
	<b>30 September</b>	<b>31 December</b>	<b>1 January</b>	<b>30 September</b>	<b>31 December</b>	
	<b>2012</b>	<b>2011</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	
		<b>(Restated)</b>	<b>(Restated)</b>		<b>(Restated)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
					<b>(Restated)</b>	
					<b>RM'000</b>	
<b>ASSETS</b>						
Cash and balances with banks	<b>18,480,043</b>	18,633,783	34,690,439	<b>11,411,098</b>	10,508,349	27,172,447
Reverse repurchase agreements	<b>7,581,447</b>	9,287,255	365,877	<b>6,781,088</b>	8,435,611	10,737
Financial assets held-for-trading	<b>18,306,490</b>	10,656,825	6,360,620	<b>14,572,846</b>	10,406,551	5,812,736
Derivative financial assets	<b>435,399</b>	493,852	326,622	<b>431,601</b>	492,536	322,596
Financial investments						
available-for-sale	<b>16,315,340</b>	16,719,433	17,852,284	<b>14,633,921</b>	14,287,941	14,269,479
Financial investments						
held-to-maturity	<b>6,029,171</b>	7,629,233	5,229,617	<b>4,413,358</b>	7,073,857	5,230,399
Loans, advances and financing	<b>191,081,129</b>	175,952,777	154,864,165	<b>159,000,799</b>	143,385,498	125,949,437
Other assets	<b>2,247,333</b>	2,008,254	1,995,880	<b>1,851,294</b>	1,913,726	1,703,642
Statutory deposits with						
Central Banks	<b>6,108,179</b>	5,597,801	1,612,575	<b>5,009,904</b>	4,496,365	1,106,330
Deferred tax assets	<b>63,499</b>	46,093	296,815	-	-	194,657
Investment in subsidiary						
companies	-	-	-	<b>4,263,581</b>	4,088,581	3,888,581
Investment in associated						
companies	<b>148,282</b>	155,997	118,624	<b>121,325</b>	121,325	101,325
Investment properties	<b>71,232</b>	70,754	65,552	-	-	-
Property and equipment	<b>1,282,858</b>	1,341,940	1,278,319	<b>589,025</b>	657,124	617,544
Intangible assets	<b>1,927,735</b>	1,965,476	1,930,372	<b>695,393</b>	695,393	695,393
<b>TOTAL ASSETS</b>	<b><u>270,078,137</u></b>	<u>250,559,473</u>	<u>226,987,761</u>	<b><u>223,775,233</u></b>	<u>206,562,857</u>	<u>187,075,303</u>
<b>LIABILITIES</b>						
Deposits from customers	<b>220,197,354</b>	200,370,525	176,872,119	<b>176,567,116</b>	159,384,439	140,789,266
Deposits from banks	<b>13,570,116</b>	15,806,732	21,327,476	<b>15,112,331</b>	16,717,349	21,069,781
Bills and acceptances payable	<b>3,278,015</b>	2,095,335	2,308,836	<b>3,436,717</b>	2,095,076	2,450,006
Recourse obligations on loans						
and financing sold to Cagamas	<b>504,779</b>	11,789	16,319	<b>4,779</b>	11,789	16,319
Derivative financial liabilities	<b>317,833</b>	236,724	375,529	<b>280,314</b>	190,325	340,995
Debt securities issued and other						
borrowed funds	<b>9,687,821</b>	11,317,833	8,094,880	<b>9,136,894</b>	10,422,749	7,196,528
Other liabilities	<b>3,976,893</b>	3,467,535	2,839,874	<b>2,670,303</b>	2,368,327	1,675,651
Provision for tax expense						
and zakat	<b>893,692</b>	777,405	800,464	<b>673,588</b>	563,807	568,565
Deferred tax liabilities	<b>38,756</b>	55,625	8,391	<b>24,226</b>	51,708	-
<b>TOTAL LIABILITIES</b>	<b><u>252,465,259</u></b>	<u>234,139,503</u>	<u>212,643,888</u>	<b><u>207,906,268</u></b>	<u>191,805,569</u>	<u>174,107,111</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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012**

	<b>Group</b>			<b>Bank</b>		
	<b>30 September 2012</b>	<b>31 December 2011 (Restated)</b>	<b>1 January 2011 (Restated)</b>	<b>30 September 2012</b>	<b>31 December 2011 (Restated)</b>	<b>1 January 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY</b>						
Share capital	<b>3,531,926</b>	3,531,926	3,531,926	<b>3,531,926</b>	3,531,926	3,531,926
Reserves	<b>13,600,655</b>	12,406,132	10,375,062	<b>12,552,611</b>	11,440,934	9,651,569
Treasury shares	<b>(215,572)</b>	(215,572)	(215,303)	<b>(215,572)</b>	(215,572)	(215,303)
<b>Equity attributable to equity holders of the Bank</b>	<b>16,917,009</b>	15,722,486	13,691,685	<b>15,868,965</b>	14,757,288	12,968,192
Non-controlling interests	<b>695,869</b>	697,484	652,188	-	-	-
<b>TOTAL EQUITY</b>	<b>17,612,878</b>	16,419,970	14,343,873	<b>15,868,965</b>	14,757,288	12,968,192
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>270,078,137</b>	250,559,473	226,987,761	<b>223,775,233</b>	206,562,857	187,075,303
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>79,567,490</b>	70,847,182	69,205,908	<b>75,521,531</b>	66,266,801	64,532,682
<b>CAPITAL ADEQUACY</b>						
Tier I Capital Ratio	<b>10.2%</b>	10.6% *	10.6% *	<b>12.2%</b>	12.8% *	13.1% *
Risk-Weighted Capital Ratio	<b>13.5%</b>	15.0% *	13.5% *	<b>13.1%</b>	14.9% *	13.1% *
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b>4.83</b>	4.49	3.91	<b>4.53</b>	4.21	3.70

\* After deducting second interim dividend.

*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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	<b>3,588,750</b>	3,272,466	<b>10,428,040</b>	9,434,727
Interest income	<b>2,648,257</b>	2,418,322	<b>7,687,818</b>	6,949,161
Interest expense	<b>(1,299,111)</b>	(1,160,346)	<b>(3,770,436)</b>	(3,245,348)
Net interest income	<b>1,349,146</b>	1,257,976	<b>3,917,382</b>	3,703,813
Net income from Islamic banking business	<b>214,917</b>	229,948	<b>637,737</b>	656,438
	<b>1,564,063</b>	1,487,924	<b>4,555,119</b>	4,360,251
Net fee and commission income	<b>296,781</b>	290,082	<b>868,845</b>	847,606
Net gains and losses on financial instruments	<b>40,331</b>	44,426	<b>128,557</b>	121,667
Other operating income	<b>85,710</b>	53,574	<b>220,752</b>	197,008
Net income	<b>1,986,885</b>	1,876,006	<b>5,773,273</b>	5,526,532
Other operating expenses	<b>(591,598)</b>	(555,753)	<b>(1,779,403)</b>	(1,647,211)
Operating profit	<b>1,395,287</b>	1,320,253	<b>3,993,870</b>	3,879,321
Allowance for impairment on loans, advances and financing	<b>(81,488)</b>	(90,729)	<b>(195,077)</b>	(220,650)
Writeback of impairment / (impairment) on other assets	<b>153</b>	407	<b>(1,291)</b>	1,035
	<b>1,313,952</b>	1,229,931	<b>3,797,502</b>	3,659,706
Share of (loss) / profit after tax of equity accounted associated companies	<b>(1,416)</b>	1,213	<b>922</b>	6,426
Profit before tax expense and zakat	<b>1,312,536</b>	1,231,144	<b>3,798,424</b>	3,666,132
Tax expense and zakat	<b>(320,396)</b>	(290,088)	<b>(893,943)</b>	(864,088)
Profit for the period	<b>992,140</b>	941,056	<b>2,904,481</b>	2,802,044
Profit for the period attributable to :				
- Equity holders of the Bank	<b>983,294</b>	931,953	<b>2,876,804</b>	2,770,897
- Non-controlling interests	<b>8,846</b>	9,103	<b>27,677</b>	31,147
	<b>992,140</b>	941,056	<b>2,904,481</b>	2,802,044
Earnings per RM1.00 share:				
- basic / diluted (sen)	<b>28.1</b>	26.6	<b>82.1</b>	79.1

*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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<b>992,140</b>	941,056	<b>2,904,481</b>	2,802,044
Other comprehensive (loss) / income:				
Currency translation differences in respect of foreign operations	<b>(146,961)</b>	201,974	<b>(131,238)</b>	134,397
Currency translation differences in respect of net investment hedge	<b>113,050</b>	(160,591)	<b>105,801</b>	(104,509)
Net gain / (loss) on revaluation of financial investments available-for-sale	<b>14,284</b>	(72,231)	<b>27,905</b>	(49,302)
Net change in cash flow hedges	<b>(523)</b>	(1,729)	<b>(29,967)</b>	(2,778)
Income tax relating to components of other comprehensive (income) / loss	<b>(1,662)</b>	13,709	<b>2,751</b>	9,137
Other comprehensive loss for the period, net of tax	<b>(21,812)</b>	(18,868)	<b>(24,748)</b>	(13,055)
Total comprehensive income for the period	<b>970,328</b>	922,188	<b>2,879,733</b>	2,788,989
Total comprehensive income / (loss) for the period attributable to:				
- Equity holders of the Bank	<b>987,820</b>	875,481	<b>2,875,543</b>	2,732,134
- Non-controlling interests	<b>(17,492)</b>	46,707	<b>4,190</b>	56,855
	<b>970,328</b>	922,188	<b>2,879,733</b>	2,788,989

*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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

<b><u>Bank</u></b>	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	<b>2,746,641</b>	2,382,615	<b>7,865,249</b>	6,947,708
Interest income	<b>2,412,130</b>	2,199,251	<b>6,985,322</b>	6,298,342
Interest expense	<b>(1,241,642)</b>	(1,112,416)	<b>(3,594,608)</b>	(3,102,473)
Net interest income	<b>1,170,488</b>	1,086,835	<b>3,390,714</b>	3,195,869
Net fee and commission income	<b>127,956</b>	119,404	<b>364,594</b>	332,524
Net gains and losses on financial instruments	<b>41,915</b>	46,979	<b>127,561</b>	123,031
Other operating income	<b>308,422</b>	175,121	<b>872,379</b>	706,934
Net income	<b>1,648,781</b>	1,428,339	<b>4,755,248</b>	4,358,358
Other operating expenses	<b>(397,877)</b>	(383,527)	<b>(1,207,428)</b>	(1,128,471)
Operating profit	<b>1,250,904</b>	1,044,812	<b>3,547,820</b>	3,229,887
(Allowance) / writeback of allowance for impairment on loans, advances and financing	<b>(22,720)</b>	10,178	<b>(43,575)</b>	(6,408)
Writeback of impairment / (impairment) on other assets	<b>291</b>	522	<b>(1,130)</b>	2,120
Profit before tax expense and zakat	<b>1,228,475</b>	1,055,512	<b>3,503,115</b>	3,225,599
Tax expense and zakat	<b>(251,867)</b>	(209,406)	<b>(694,110)</b>	(646,528)
Profit for the period	<b>976,608</b>	846,106	<b>2,809,005</b>	2,579,071

*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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2012	30 September 2011 (Restated)	30 September 2012	30 September 2011 (Restated)
<b><u>Bank</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<b>976,608</b>	846,106	<b>2,809,005</b>	2,579,071
Other comprehensive income / (loss):				
Net gain / (loss) on revaluation of financial investments available-for-sale	<b>11,646</b>	(52,884)	<b>16,587</b>	(39,580)
Net change in cash flow hedges	<b>(20,983)</b>	(1,729)	<b>(38,331)</b>	(2,778)
Income tax relating to components of other comprehensive loss / (income)	<b>2,334</b>	13,653	<b>5,436</b>	10,589
Other comprehensive loss for the period, net of tax	<b>(7,003)</b>	(40,960)	<b>(16,308)</b>	(31,769)
Total comprehensive income for the period	<b>969,605</b>	805,146	<b>2,792,697</b>	2,547,302

*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 2011.*

**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 2012**

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

<b>Group</b>	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Non-distributable</b>	<b>Distributable</b>	<b>Treasury Shares RM'000</b>	<b>Total Shareholders' Equity RM'000</b>	<b>Non- controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
			<b><u>Reserves</u> Other Reserves RM'000</b>	<b><u>Reserves</u> Retained Profits RM'000</b>				
<b>At 1 January 2012</b>								
- as previously stated	3,531,926	1,073,310	4,056,014	6,417,544	(215,572)	14,863,222	697,484	15,560,706
- effect of change in accounting policy	-	-	-	859,264	-	859,264	-	859,264
<b>At 1 January 2012, as restated</b>	<b>3,531,926</b>	<b>1,073,310</b>	<b>4,056,014</b>	<b>7,276,808</b>	<b>(215,572)</b>	<b>15,722,486</b>	<b>697,484</b>	<b>16,419,970</b>
Profit for the period	-	-	-	2,876,804	-	2,876,804	27,677	2,904,481
Currency translation differences in respect of foreign operations	-	-	(107,751)	-	-	(107,751)	(23,487)	(131,238)
Currency translation differences in respect of net investment hedge	-	-	105,801	-	-	105,801	-	105,801
Net gain on revaluation of financial investments available-for-sale	-	-	27,905	-	-	27,905	-	27,905
Net change in cash flow hedges	-	-	(29,967)	-	-	(29,967)	-	(29,967)
Income tax relating to component of other comprehensive loss	-	-	2,751	-	-	2,751	-	2,751
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,261)</b>	<b>2,876,804</b>	<b>-</b>	<b>2,875,543</b>	<b>4,190</b>	<b>2,879,733</b>
Transactions with owners:								
Transfer to statutory reserves	-	-	4,733	(4,733)	-	-	-	-
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	530	(530)	-	-	-	-
Transfer from regulatory reserves	-	-	(3,843)	3,843	-	-	-	-
Transfer to general reserves	-	-	673	(673)	-	-	-	-
Dividends paid	-	-	-	(1,681,020)	-	(1,681,020)	(5,805)	(1,686,825)
<b>At 30 September 2012</b>	<b>3,531,926</b>	<b>1,073,310</b>	<b>4,056,846</b>	<b>8,470,499</b>	<b>(215,572)</b>	<b>16,917,009</b>	<b>695,869</b>	<b>17,612,878</b>

*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 2011.*

**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 2012**

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

<u>Group</u>	Non-distributable		Distributable		Treasury Shares RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	<u>Reserves</u> Other Reserves RM'000	<u>Reserves</u> Retained Profits RM'000				
At 1 January 2011								
- as previously stated	3,531,926	1,073,310	3,888,562	4,754,405	(215,303)	13,032,900	652,188	13,685,088
- effect of change in accounting policy	-	-	-	658,785	-	658,785	-	658,785
At 1 January 2011, as restated	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,888,562</u>	<u>5,413,190</u>	<u>(215,303)</u>	<u>13,691,685</u>	<u>652,188</u>	<u>14,343,873</u>
Profit for the period	-	-	-	2,770,897	-	2,770,897	31,147	2,802,044
Currency translation differences in respect of foreign operations	-	-	108,689	-	-	108,689	25,708	134,397
Currency translation differences in respect of net investment hedge	-	-	(104,509)	-	-	(104,509)	-	(104,509)
Net loss on revaluation of financial investments available-for-sale	-	-	(49,302)	-	-	(49,302)	-	(49,302)
Net change in cash flow hedges	-	-	(2,778)	-	-	(2,778)	-	(2,778)
Income tax relating to component of other comprehensive loss	-	-	9,137	-	-	9,137	-	9,137
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(38,763)</u>	<u>2,770,897</u>	<u>-</u>	<u>2,732,134</u>	<u>56,855</u>	<u>2,788,989</u>
Transactions with owners:								
Buy-back of shares	-	-	-	-	(269)	(269)	-	(269)
Transfer to statutory reserves	-	-	4,810	(4,810)	-	-	-	-
Transfer to regulatory reserves	-	-	26,362	(26,362)	-	-	-	-
Transfer to general reserves	-	-	128,114	(128,114)	-	-	-	-
Dividends paid	-	-	-	(1,637,246)	-	(1,637,246)	(6,014)	(1,643,260)
At 30 September 2011	<u>3,531,926</u>	<u>1,073,310</u>	<u>4,009,085</u>	<u>6,387,555</u>	<u>(215,572)</u>	<u>14,786,304</u>	<u>703,029</u>	<u>15,489,333</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 2011.*



**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

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

<b>Bank</b>	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Non-distributable</b>	<b>Distributable</b>	<b>Treasury Shares RM'000</b>	<b>Total RM'000</b>
			<b>Reserves Other Reserves RM'000</b>	<b>Reserves Retained Profits RM'000</b>		
<b>At 1 January 2012</b>						
- as previously stated	3,531,926	1,073,310	3,515,306	6,004,958	(215,572)	13,909,928
- effect of change in accounting policy	-	-	-	847,360	-	847,360
<b>At 1 January 2012, as restated</b>	<b>3,531,926</b>	<b>1,073,310</b>	<b>3,515,306</b>	<b>6,852,318</b>	<b>(215,572)</b>	<b>14,757,288</b>
Profit for the period	-	-	-	2,809,005	-	2,809,005
Net gain on revaluation of financial investments available-for-sale	-	-	16,587	-	-	16,587
Net change in cash flow hedges	-	-	(38,331)	-	-	(38,331)
Income tax relating to component of other comprehensive loss	-	-	5,436	-	-	5,436
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>-</b>	<b>(16,308)</b>	<b>2,809,005</b>	<b>-</b>	<b>2,792,697</b>
Transactions with owners:						
Transfer to general reserves	-	-	673	(673)	-	-
Dividends paid	-	-	-	(1,681,020)	-	(1,681,020)
<b>At 30 September 2012</b>	<b>3,531,926</b>	<b>1,073,310</b>	<b>3,499,671</b>	<b>7,979,630</b>	<b>(215,572)</b>	<b>15,868,965</b>

*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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

<b><u>Bank</u></b>	<----- Attributable to Equity Holders of the Bank ----->					
	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Non-distributable Reserves Other Reserves RM'000</b>	<b>Distributable Reserves Retained Profits RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Total RM'000</b>
At 1 January 2011						
- as previously stated	3,531,926	1,073,310	3,538,614	4,374,204	(215,303)	12,302,751
- effect of change in accounting policy	-	-	-	665,441	-	665,441
At 1 January 2011, as restated	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,538,614</u>	<u>5,039,645</u>	<u>(215,303)</u>	<u>12,968,192</u>
Profit for the period	-	-	-	2,579,071	-	2,579,071
Net loss on revaluation of financial investments available-for-sale	-	-	(39,580)	-	-	(39,580)
Net change in cash flow hedges	-	-	(2,778)	-	-	(2,778)
Income tax relating to component of other comprehensive loss	-	-	10,589	-	-	10,589
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(31,769)</u>	<u>2,579,071</u>	<u>-</u>	<u>2,547,302</u>
Transactions with owners:						
Buy-back of shares	-	-	-	-	(269)	(269)
Transfer to general reserves	-	-	544	(544)	-	-
Dividends paid	-	-	-	(1,637,246)	-	(1,637,246)
At 30 September 2011	<u><u>3,531,926</u></u>	<u><u>1,073,310</u></u>	<u><u>3,507,389</u></u>	<u><u>5,980,926</u></u>	<u><u>(215,572)</u></u>	<u><u>13,877,979</u></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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows from Operating Activities</b>				
Profit before tax expense and zakat	<b>3,798,424</b>	3,666,132	<b>3,503,115</b>	3,225,599
Adjustments for non-cash items:				
Share of profit after tax of equity accounted associated companies	<b>(922)</b>	(6,426)	-	-
Allowance for impaired loans and financing	<b>345,229</b>	402,572	<b>127,242</b>	136,133
Depreciation of property and equipment	<b>125,529</b>	104,152	<b>101,804</b>	79,111
Net gain on financial instruments	<b>(5,267)</b>	(5,652)	<b>(8,307)</b>	(10,716)
Dividends received	<b>(113,941)</b>	(109,513)	<b>(756,181)</b>	(662,950)
Transfer to / (from) profit equalisation reserve	<b>302</b>	(33,436)	-	-
Impairment losses / (written back)	<b>1,291</b>	(1,035)	<b>1,130</b>	(2,120)
Other non-cash items	<b>(8,408)</b>	(9,868)	<b>(1,262)</b>	(8,713)
Operating profit before working capital changes	<b>4,142,237</b>	4,006,926	<b>2,967,541</b>	2,756,344
Changes in working capital:				
Increase in operating assets	<b>(21,850,082)</b>	(32,142,970)	<b>(18,119,258)</b>	(29,308,686)
Increase in operating liabilities	<b>20,057,554</b>	9,951,003	<b>17,341,704</b>	7,383,730
Tax expense and zakat paid	<b>(808,732)</b>	(797,755)	<b>(606,378)</b>	(627,037)
Net cash generated from / (used in) operating activities	<b>1,540,977</b>	(18,982,796)	<b>1,583,609</b>	(19,795,649)
<b>Cash Flows from Investing Activities</b>				
Purchase of property and equipment	<b>(68,314)</b>	(79,468)	<b>(35,572)</b>	(32,623)
Proceeds from disposal of properties	<b>21,293</b>	21,624	<b>20,767</b>	21,951
Net sale / (purchase) of financial investments	<b>2,006,070</b>	(1,266,529)	<b>2,309,726</b>	(400,109)
Additional investment in a subsidiary company	-	-	<b>(175,000)</b>	-
Additional investment in an associated company	-	(40,000)	-	(20,000)
Dividends received	<b>118,724</b>	109,473	<b>912,318</b>	756,346
Net cash generated from / (used in) investing activities	<b>2,077,773</b>	(1,254,900)	<b>3,032,239</b>	325,565

*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 2011.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2012**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows from Financing Activities</b>				
Dividends paid	<b>(1,686,825)</b>	(1,643,260)	<b>(1,681,020)</b>	(1,637,246)
Buy-back of shares	-	(269)	-	(269)
Repayment of borrowings	<b>(344,157)</b>	(2,455)	-	-
Net proceeds from issuance of debt securities	-	2,997,000	-	2,997,000
Redemption of debt securities	<b>(1,263,400)</b>	-	<b>(1,263,400)</b>	-
Net cash (used in) / generated from financing activities	<b>(3,294,382)</b>	1,351,016	<b>(2,944,420)</b>	1,359,485
Net change in cash and cash equivalents	<b>324,368</b>	(18,886,680)	<b>1,671,428</b>	(18,110,599)
Cash and cash equivalents at beginning of the period	<b>16,570,679</b>	32,082,569	<b>8,111,742</b>	24,691,629
Exchange differences on translation of opening balances	<b>(134,178)</b>	140,501	-	-
Cash and cash equivalents at end of the period (Note)	<b><u>16,760,869</u></b>	<u>13,336,390</u>	<b><u>9,783,170</u></b>	<u>6,581,030</u>
Note:				
Cash and balances with banks	<b>18,480,043</b>	14,246,436	<b>11,411,098</b>	7,648,108
Less: Balances with banks with maturity more than one month	<b>(1,719,174)</b>	(910,046)	<b>(1,627,928)</b>	(1,067,078)
Cash and cash equivalents at end of the period	<b><u>16,760,869</u></b>	<u>13,336,390</u>	<b><u>9,783,170</u></b>	<u>6,581,030</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 2011.*

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

**Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") and Revised Guidelines on Financial Reporting for Banking Institutions Issued by Bank Negara Malaysia**

**A1. Basis of Preparation**

The unaudited interim financial statements for the 3rd quarter and nine months ended 30 September 2012 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale, derivative financial instruments and investment properties.

The unaudited interim financial statements have been prepared in accordance with MFRS 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 of the Group and the Bank for the financial year ended 31 December 2011. 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 2011.

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.

Since the previous annual audited financial statements as at 31 December 2011 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The financial effects of convergence to the MFRS framework and any consequential changes in accounting policies as a result of the convergence are discussed in Note A30 Changes in Accounting Policies.

The following MFRS, IC Interpretation and Amendments to MFRSs have been adopted by the Group during the current period:

IC Interpretation 19            Extinguishing Financial Liabilities with Equity Instruments  
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to MFRS 1)  
Disclosures - Transfers of Financial Assets (Amendments to MFRS 7)

The adoption of the IC Interpretation and Amendments to MFRSs above did not have any financial impact on the Group and the Bank as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

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

**A1. Basis of Preparation** (Continued)

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1 July 2012

Presentation of Items of Other Comprehensive income (Amendments to MFRS 101)

Effective for annual periods commencing on or after 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)	
MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)

Amendments to MFRSs contained in the documents entitled "Annual Improvements 2009-2011 Cycle"

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities:

Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)

MFRS 127	Consolidated and Separate Financial Statements (IAS 27 Consolidated and Separate Financial Statements revised by IASB in December 2003)
----------	---

Effective for annual periods commencing on or after 1 January 2014

Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)

Effective for annual periods commencing on or after 1 January 2015

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

IC Interpretation 20 will not have any financial impact to the Group as it is not relevant to the Group's operations. The financial effects of the above MFRSs and Amendments to MFRSs are still being assessed due to the complexity of these new MFRSs and Amendments to MFRSs, and their proposed changes.

During the financial period, the Islamic banking subsidiary company of the Group adopted the Guidelines on Profit Equalisation Reserve issued by Bank Negara Malaysia, which addresses the management of displaced commercial risk by Islamic banking institutions. A discussion of the financial effects of adoption of these guidelines is provided in Note A30 Changes in Accounting Policies.

**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2011 was not qualified.

**A3. Comments about Seasonal or Cyclical Factors**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the 3rd quarter and nine months ended 30 September 2012.

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

**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 nine months ended 30 September 2012.

**A5. Changes in Estimates**

Other than as disclosed in Note A30 Changes in Accounting Policies, there were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 3rd quarter and nine months ended 30 September 2012.

**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:

**Subordinated Notes**

On 20 June 2012, the Bank fully redeemed the USD400 million 5.00% Subordinated Notes together with accrued interest. The Subordinated Notes, which were listed on the Singapore Stock Exchange, were delisted with effect from 21 June 2012 upon full redemption by the Bank on 20 June 2012.

**A7. Dividends Paid and Distributed**

During the nine months ended 30 September 2012, a second interim single tier dividend of 28% in respect of the financial year ended 31 December 2011, amounting to RM980,595,036 was paid on 27 February 2012.

A first interim single tier dividend of 20% in respect of the financial year ending 31 December 2012, amounting to RM700,425,026 was paid on 15 August 2012.

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

**A8. Financial Assets Held-for-trading**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	86,682	-	86,682	-
Malaysian Government Securities	130,085	350,463	130,085	350,463
Malaysian Government Investment Certificates	72,835	334,009	72,835	334,009
Bank Negara Malaysia Monetary Notes	3,925,920	226,552	2,116,437	226,552
Bank Negara Malaysia Bills	299,134	-	-	-
	<u>4,514,656</u>	<u>911,024</u>	<u>2,406,039</u>	<u>911,024</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit	<u>13,607,244</u>	9,445,212	<u>12,165,948</u>	9,494,719
<b>Non-money market instruments:</b>				
Equity securities:				
- Quoted shares in Malaysia	859	808	859	808
Debt securities:				
- Unquoted private debt securities	183,731	299,781	-	-
	<u>184,590</u>	<u>300,589</u>	<u>859</u>	<u>808</u>
Total financial assets held-for-trading	<u>18,306,490</u>	<u>10,656,825</u>	<u>14,572,846</u>	<u>10,406,551</u>



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

**A9. Financial Investments Available-for-sale**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	817,176	194,678	817,176	194,678
Malaysian Government Securities	498,448	500,182	498,448	500,182
Malaysian Government Investment Certificates	1,426,899	501,137	774,791	87,828
Bank Negara Malaysia Monetary Notes	6,480,036	8,480,813	6,480,036	7,492,295
	<u>9,222,559</u>	<u>9,676,810</u>	<u>8,570,451</u>	<u>8,274,983</u>
<b>Non-money market instruments:</b>				
Equity securities:				
- Quoted shares and convertible loan stocks in Malaysia	34,414	37,069	34,414	37,069
- Quoted shares and convertible loan stocks outside Malaysia	11,535	7,718	-	-
- Unquoted shares	108,416	108,836	104,643	104,972
Debt securities:				
- Unquoted private debt securities	2,014,727	2,072,214	1,549,508	1,591,926
Unit trust funds	4,923,689	4,816,786	4,374,905	4,278,991
	<u>7,092,781</u>	<u>7,042,623</u>	<u>6,063,470</u>	<u>6,012,958</u>
Total financial investments available-for-sale	<u>16,315,340</u>	<u>16,719,433</u>	<u>14,633,921</u>	<u>14,287,941</u>

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

**A10. Financial Investments Held-to-maturity**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
<b>At amortised cost</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	-	9,896	-	9,896
Malaysian Government Securities	<b>1,141,646</b>	1,355,119	<b>1,091,229</b>	1,254,175
Malaysian Government Investment Certificates	<b>1,560,300</b>	702,108	<b>1,560,300</b>	702,108
Foreign Government Treasury Bills	<b>768,032</b>	707,336	<b>98,388</b>	98,562
	<u><b>3,469,978</b></u>	<u>2,774,459</u>	<u><b>2,749,917</b></u>	<u>2,064,741</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit	<b>1,492,905</b>	1,281,183	<b>1,459,052</b>	2,309,611
Bankers' acceptances and Islamic accepted bills	<b>342,182</b>	3,011,092	<b>43,178</b>	2,555,206
	<u><b>1,835,087</b></u>	<u>4,292,275</u>	<u><b>1,502,230</b></u>	<u>4,864,817</u>
<b>Non-money market instruments:</b>				
Debt securities:				
- Cagamas bonds	<b>15,270</b>	20,246	<b>5,118</b>	5,059
- Unquoted private debt securities	<b>708,995</b>	543,355	<b>156,252</b>	140,342
	<u><b>724,265</b></u>	<u>563,601</u>	<u><b>161,370</b></u>	<u>145,401</u>
Accumulated impairment losses	<b>(159)</b>	(1,102)	<b>(159)</b>	(1,102)
Total financial investments held-to-maturity	<u><b>6,029,171</b></u>	<u>7,629,233</u>	<u><b>4,413,358</b></u>	<u>7,073,857</u>

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

**A11. Loans, Advances and Financing**

	Group		Bank	
	30 September 2012	31 December 2011 (Restated)	30 September 2012	31 December 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
Overdrafts	9,494,160	9,447,558	8,338,765	8,326,695
Term loans				
- Housing loans / financing	57,638,923	51,315,764	50,571,697	44,743,319
- Syndicated term loan / financing	2,424,577	2,318,612	1,193,440	917,264
- Hire purchase receivables	41,266,220	38,727,779	29,813,399	26,680,963
- Other term loans / financing	69,772,849	64,851,835	58,111,079	52,886,921
Credit card receivables	1,542,255	1,522,267	1,532,935	1,512,099
Bills receivables	114,220	85,401	86,492	82,204
Trust receipts	333,493	382,921	288,241	309,675
Claims on customers under acceptance credits	4,007,246	3,936,947	3,996,999	3,921,063
Revolving credits	5,033,020	4,003,269	5,108,791	4,144,668
Staff loans *	1,188,230	1,101,664	1,117,265	1,033,587
Gross loans, advances and financing	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>
Allowance for impaired loans and financing:				
- collective assessment allowance	(1,515,915)	(1,496,044)	(1,044,759)	(1,038,212)
- individual assessment allowance	(218,149)	(245,196)	(113,545)	(134,748)
Net loans, advances and financing	<u>191,081,129</u>	<u>175,952,777</u>	<u>159,000,799</u>	<u>143,385,498</u>

\* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM3,894,000 (2011: RM3,374,000) and RM3,404,000 (2011 - RM2,823,000) respectively.

**A11a. By class**

	Group		Bank	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	RM'000	RM'000	RM'000	RM'000
Retail loans / financing				
- Housing loans / financing	57,638,923	51,315,764	50,571,697	44,743,319
- Hire purchase	41,266,220	38,727,779	29,813,399	26,680,963
- Credit cards	1,542,255	1,522,267	1,532,935	1,512,099
- Other loans / financing *	64,822,996	59,650,401	55,799,928	50,654,228
	<u>165,270,394</u>	<u>151,216,211</u>	<u>137,717,959</u>	<u>123,590,609</u>
Corporate loans / financing	27,544,799	26,477,806	22,441,144	20,967,849
	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>

\* Included in other loans / financing are term loans, trade financing, overdrafts and revolving credits.

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

**A11. Loans, Advances and Financing** (continued)

**A11b. By type of customer**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Banking institutions	572,827	577,887	398,128	412,759
Non-bank financial institutions				
- Stock-broking companies	14,662	2,010	14,662	2,010
- Others	7,456,801	7,508,401	7,280,128	7,285,444
Business enterprises				
- Small and medium enterprises	37,531,752	31,893,730	33,884,954	28,410,394
- Others	22,323,590	23,208,613	18,123,055	18,625,966
Government and statutory bodies	333,442	324,378	7,289	368
Individuals	122,600,575	112,227,634	98,597,991	88,005,106
Other entities	43,276	32,698	40,392	29,501
Foreign entities	1,938,268	1,918,666	1,812,504	1,786,910
	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>

**A11c. By interest / profit rate sensitivity**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Fixed rate				
- Housing loans / financing	1,239,884	1,506,165	487,734	680,468
- Hire purchase receivables	39,782,391	37,204,687	29,803,733	26,671,253
- Other fixed rate loans / financing	15,289,707	16,785,545	7,891,345	9,020,044
Variable rate				
- Base lending rate plus	108,980,542	96,548,480	103,842,037	92,614,278
- Cost plus	18,296,562	15,676,220	17,513,826	14,996,284
- Other variable rates	9,226,107	9,972,920	620,428	576,131
	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>

**A11d. By residual contractual maturity**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Maturity within one year	27,498,777	28,165,244	23,456,972	23,903,369
More than one year to three years	20,579,766	16,730,279	16,496,277	12,487,913
More than three years to five years	19,335,409	19,594,355	14,996,019	14,966,255
More than five years	125,401,241	113,204,139	105,209,835	93,200,921
	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>

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

**A11. Loans, Advances and Financing** (continued)

**A11e. By geographical distribution**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Malaysia	179,878,139	164,081,299	159,792,551	144,234,053
Hong Kong SAR and the People's Republic of China	10,537,466	11,347,423	-	-
Cambodia	2,033,036	1,940,890	-	-
Other countries	366,552	324,405	366,552	324,405
	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>

**A11f. Gross loans, advances and financing by economic purpose**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Purchase of securities	2,397,858	1,855,949	2,319,403	1,799,724
Purchase of transport vehicles	41,485,845	38,947,135	30,019,064	26,893,997
Purchase of landed properties	104,226,315	91,177,930	92,984,028	80,554,811
(of which: - residential	58,812,754	52,207,176	51,767,649	45,660,415
- non-residential)	45,413,561	38,970,754	41,216,379	34,894,396
Purchase of fixed assets (excluding landed properties)	290,285	269,973	250,713	238,335
Personal use	9,483,305	9,721,813	4,239,587	4,117,175
Credit card	1,542,255	1,522,267	1,532,935	1,512,099
Purchase of consumer durables	17,133	16,754	13,613	13,358
Construction	2,326,050	1,899,289	1,812,401	1,254,784
Mergers and acquisitions	272,757	208,269	272,757	208,269
Working capital	26,888,144	27,685,514	23,099,267	23,837,744
Other purpose	3,885,246	4,389,124	3,615,335	4,128,162
	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>

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

**A11. Loans, Advances and Financing** (continued)

**A11g. Gross loans, advances and financing by sectors**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
Agriculture, hunting, forestry and fishing	2,662,004	2,536,271	2,390,396	2,273,676
Mining and quarrying	149,399	136,637	131,544	117,603
Manufacturing	8,021,393	7,794,879	7,169,857	6,875,511
Electricity, gas and water	326,288	337,187	302,779	305,237
Construction	5,885,381	5,803,527	5,121,707	4,914,034
Wholesale & retail trade and restaurants & hotels	16,877,265	15,545,359	15,485,045	14,248,824
Transport, storage and communication	3,123,800	2,952,295	2,431,347	2,321,421
Finance, insurance and business services	13,112,061	13,304,589	11,989,414	11,953,772
Real estate	17,148,632	14,295,594	14,282,218	11,565,396
Community, social and personal services	1,940,863	1,755,094	1,536,206	1,358,412
Households	122,878,276	112,543,232	99,151,133	88,449,903
Others	689,831	689,353	167,457	174,669
	<u>192,815,193</u>	<u>177,694,017</u>	<u>160,159,103</u>	<u>144,558,458</u>

**A11h. Loans, advances and financing pledged as collateral are as follows:**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
Bankers' acceptances rediscounted	<u>2,374,598</u>	<u>1,294,373</u>	<u>2,373,263</u>	<u>1,292,261</u>

**A11i. Movements in impaired loans, advances and financing ("impaired loans") are as follows:**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
At 1 January	1,529,657	1,784,277	1,150,234	1,401,321
Impaired during the period / year	1,881,308	2,613,345	1,378,762	1,913,028
Reclassified as non-impaired	(1,424,875)	(2,042,648)	(1,160,029)	(1,711,860)
Recoveries	(218,645)	(308,784)	(171,968)	(219,155)
Amount written off	(344,002)	(509,166)	(140,219)	(220,039)
Loans converted to foreclosed properties / investments	(23,734)	(14,333)	(23,477)	(13,169)
Exchange differences	(7,217)	6,966	(164)	108
Closing balance	<u>1,392,492</u>	<u>1,529,657</u>	<u>1,033,139</u>	<u>1,150,234</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.72%</u>	<u>0.86%</u>	<u>0.65%</u>	<u>0.80%</u>

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

**A11. Loans, Advances and Financing** (continued)

**A11j. Impaired loans, advances and financing by geographical distribution**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
Malaysia	1,231,710	1,348,309	1,030,208	1,146,075
Hong Kong SAR and the People's Republic of China	112,788	118,278	-	-
Cambodia	45,063	58,911	-	-
Other countries	2,931	4,159	2,931	4,159
	<b>1,392,492</b>	<b>1,529,657</b>	<b>1,033,139</b>	<b>1,150,234</b>

**A11k. Impaired loans, advances and financing by economic purpose**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
Purchase of securities	5,851	5,892	5,847	5,883
Purchase of transport vehicles	254,900	267,817	180,648	198,061
Purchase of landed properties	611,073	660,005	516,636	563,476
(of which: - residential	440,526	466,238	389,480	413,183
- non-residential)	170,547	193,767	127,156	150,293
Purchase of fixed assets (excluding landed properties)	6,081	6,187	6,018	6,126
Personal use	164,950	176,834	49,154	52,995
Credit card	23,353	22,284	23,228	22,257
Purchase of consumer durables	125	13	58	13
Construction	21,761	33,652	13,753	19,696
Working capital	283,041	329,539	216,556	254,487
Other purpose	21,357	27,434	21,241	27,240
	<b>1,392,492</b>	<b>1,529,657</b>	<b>1,033,139</b>	<b>1,150,234</b>

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

**A11. Loans, Advances and Financing** (continued)

**A11l. Impaired loans, advances and financing by sectors**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Agriculture, hunting, forestry and fishing	7,909	6,254	7,891	5,978
Mining and quarrying	45	145	10	110
Manufacturing	134,717	152,709	102,635	121,174
Electricity, gas and water	1,207	1,251	-	-
Construction	94,886	120,275	86,006	105,144
Wholesale & retail trade and restaurants & hotels	100,664	109,014	82,739	92,027
Transport, storage and communication	57,683	103,802	48,445	95,242
Finance, insurance and business services	32,483	49,142	19,392	22,287
Real estate	61,667	71,180	30,664	39,658
Community, social and personal services	14,286	14,501	14,197	14,488
Households	885,291	899,344	640,101	652,370
Others	1,654	2,040	1,059	1,756
	<u>1,392,492</u>	<u>1,529,657</u>	<u>1,033,139</u>	<u>1,150,234</u>

**A11m.** Movements in the allowance for impaired loans, advances and financing are as follows:

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 (Restated) RM'000	30 September 2012 RM'000	31 December 2011 (Restated) RM'000
<u>Collective Assessment Allowance</u>				
At 1 January				
- as previously stated	2,644,535	2,296,158	2,168,025	1,914,653
- effect of change in accounting policy	(1,148,491)	(881,185)	(1,129,813)	(887,254)
At 1 January, as restated	<u>1,496,044</u>	<u>1,414,973</u>	<u>1,038,212</u>	<u>1,027,399</u>
Allowance made during the period / year	203,041	335,845	130,769	196,942
Amount written off	(181,503)	(256,031)	(123,947)	(186,226)
Exchange differences	(1,667)	1,257	(275)	97
Closing balance	<u>1,515,915</u>	<u>1,496,044</u>	<u>1,044,759</u>	<u>1,038,212</u>

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
<u>Individual Assessment Allowance</u>				
At 1 January	245,196	264,934	134,748	166,346
Allowance made during the period / year	173,097	269,634	9,790	33,783
Amount written back in respect of recoveries	(30,909)	(49,124)	(13,317)	(31,568)
Amount written off	(162,499)	(253,135)	(16,272)	(33,813)
Amount transferred to allowance for impairment loss on foreclosed properties	(1,404)	-	(1,404)	-
Exchange differences	(5,332)	12,887	-	-
Closing balance	<u>218,149</u>	<u>245,196</u>	<u>113,545</u>	<u>134,748</u>



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

**A12. Other Assets**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Deferred handling fees	235,290	230,402	175,599	162,827
Interest / Income receivable	41,703	52,824	28,121	39,141
Other receivables, deposits and prepayments	1,347,714	1,231,339	1,263,598	1,165,635
Manager's stocks	96,099	22,696	-	-
Amount due from trust funds	124,070	99,987	-	-
Foreclosed properties	100,991	109,529	98,435	106,652
Taxi licenses	1,057	1,093	-	-
Outstanding contracts on clients' accounts	300,409	260,384	-	-
Amount due from subsidiary companies	-	-	44,441	42,234
Dividend receivable from subsidiary companies	-	-	241,100	397,237
	<u>2,247,333</u>	<u>2,008,254</u>	<u>1,851,294</u>	<u>1,913,726</u>

**A13. Deposits from Customers**

a) By type of deposit

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
<b>At amortised cost</b>				
Core deposits:				
- Demand deposits	31,220,552	28,763,993	27,123,478	24,963,764
- Savings deposits	23,207,970	21,959,727	16,447,190	15,476,427
- Fixed deposits	117,548,737	106,572,984	90,425,729	82,521,018
	<u>171,977,259</u>	<u>157,296,704</u>	<u>133,996,397</u>	<u>122,961,209</u>
Wholesale deposits:				
- Negotiable instruments of deposit	1,479,676	2,283,027	219,177	752,718
- Money market deposits	46,557,979	40,589,452	42,171,544	35,471,442
	<u>48,037,655</u>	<u>42,872,479</u>	<u>42,390,721</u>	<u>36,224,160</u>
Other deposits	182,440	201,342	179,998	199,070
	<u>220,197,354</u>	<u>200,370,525</u>	<u>176,567,116</u>	<u>159,384,439</u>

b) By type of customer

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Federal and state governments	1,921,317	1,779,056	382,517	310,388
Local government and statutory authorities	3,403,960	3,192,613	1,984,936	2,145,272
Business enterprises	68,416,169	61,617,324	54,263,477	47,063,188
Individuals	99,804,993	91,667,626	86,425,074	79,051,389
Foreign customers	4,325,425	4,810,192	3,683,932	4,172,124
Others	42,325,490	37,303,714	29,827,180	26,642,078
	<u>220,197,354</u>	<u>200,370,525</u>	<u>176,567,116</u>	<u>159,384,439</u>

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

**A13. Deposits from Customers** (continued)

c) The maturity structure of fixed deposits, negotiable instruments of deposit and money market deposits are as follows:

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Due within six months	147,204,037	132,511,858	118,020,311	104,021,136
More than six months to one year	18,061,695	16,757,343	14,689,795	14,601,339
More than one year to three years	312,525	154,076	100,134	103,227
More than three years to five years	8,135	22,186	6,210	19,476
	<u>165,586,392</u>	<u>149,445,463</u>	<u>132,816,450</u>	<u>118,745,178</u>

**A14. Deposits from Banks**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
<b>At amortised cost</b>				
Licensed banks	4,588,978	4,210,837	3,497,010	2,948,408
Licensed Islamic banks	1,235,081	1,265,141	789,022	95,243
Licensed investment banks	2,998,578	3,759,282	2,988,674	4,840,635
Bank Negara Malaysia	2,637,679	2,848,131	2,637,235	2,845,613
Other financial institutions	2,109,800	3,723,341	5,200,390	5,987,450
	<u>13,570,116</u>	<u>15,806,732</u>	<u>15,112,331</u>	<u>16,717,349</u>

**A15. Other Liabilities**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
Interest / Income payable	1,117,551	866,442	950,655	748,209
Other payables and accruals	2,355,607	2,218,605	1,724,204	1,595,561
Amount due to trust funds	196,377	65,013	-	-
Unprocessed sales and / or redemptions	42,543	50,798	-	-
Employee benefits	(97,919)	(92,709)	(94,562)	(89,528)
Profit Equalisation Reserve of the investment account holder	302	-	-	-
Finance lease liabilities	69,096	93,779	69,096	93,779
Outstanding contracts on clients' accounts	288,624	249,464	-	-
Dividend payable to shareholders	4,712	16,143	4,712	2,933
Amount due to subsidiary companies	-	-	16,198	17,373
	<u>3,976,893</u>	<u>3,467,535</u>	<u>2,670,303</u>	<u>2,368,327</u>

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

**A16. Interest Income**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2012 RM'000</b>	<b>30 September 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>30 September 2011 RM'000</b>
<b><u>Group</u></b>				
Loans and advances	2,264,423	2,063,763	6,554,915	5,892,134
Balances with banks	93,732	156,514	306,325	495,072
Financial investments available-for-sale	83,645	40,624	251,011	141,621
Financial investments held-to-maturity	58,311	78,489	203,964	191,684
Others	27,931	22,946	76,242	64,242
	<u>2,528,042</u>	<u>2,362,336</u>	<u>7,392,457</u>	<u>6,784,753</u>
Financial assets held-for-trading	120,215	55,986	295,361	164,408
	<u>2,648,257</u>	<u>2,418,322</u>	<u>7,687,818</u>	<u>6,949,161</u>
Of which:				
Interest income earned on impaired loans and advances	<u>13,474</u>	<u>16,154</u>	<u>39,677</u>	<u>48,986</u>
	<b>3rd Quarter Ended</b>	<b>30 September</b>	<b>Nine Months Ended</b>	<b>30 September</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank</u></b>				
Loans and advances	2,063,866	1,869,405	5,961,333	5,327,023
Balances with banks	88,357	153,708	287,383	479,339
Financial investments available-for-sale	80,732	38,396	240,911	132,457
Financial investments held-to-maturity	40,381	50,211	145,879	136,298
Others	27,927	22,941	76,224	64,230
	<u>2,301,263</u>	<u>2,134,661</u>	<u>6,711,730</u>	<u>6,139,347</u>
Financial assets held-for-trading	110,867	64,590	273,592	158,995
	<u>2,412,130</u>	<u>2,199,251</u>	<u>6,985,322</u>	<u>6,298,342</u>
Of which:				
Interest income earned on impaired loans and advances	<u>12,762</u>	<u>15,649</u>	<u>37,531</u>	<u>47,454</u>

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

**A17. Interest Expense**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>				
Deposits from banks	52,422	77,290	170,556	290,352
Deposits from customers	1,147,845	989,567	3,295,558	2,724,260
Loans sold to Cagamas	90	146	318	459
Debt securities issued and other borrowed funds	96,037	92,238	296,337	228,519
Others	2,717	1,105	7,667	1,758
	<b><u>1,299,111</u></b>	<b><u>1,160,346</u></b>	<b><u>3,770,436</u></b>	<b><u>3,245,348</u></b>

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank</u></b>				
Deposits from banks	69,218	83,061	150,612	280,310
Deposits from customers	1,076,824	940,552	3,149,856	2,600,399
Loans sold to Cagamas	90	146	318	459
Debt securities issued and other borrowed funds	92,860	87,612	286,363	219,771
Others	2,650	1,045	7,459	1,534
	<b><u>1,241,642</u></b>	<b><u>1,112,416</u></b>	<b><u>3,594,608</u></b>	<b><u>3,102,473</u></b>



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

**A19. Net Gains and Losses on Financial Instruments**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
<b><u>Group</u></b>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	3,470	4,277	9,349	6,502
- gross dividend income	5	3	22	26
- unrealised revaluation (loss) / gain	(2,716)	4,230	(4,773)	230
	<u>759</u>	<u>8,510</u>	<u>4,598</u>	<u>6,758</u>
Net gain / (loss) arising on trading derivatives				
- net gain / (loss) on disposal	258	398	624	(12,464)
- unrealised revaluation (loss) / gain	(309)	(6,982)	3,998	5,538
	<u>(51)</u>	<u>(6,584)</u>	<u>4,622</u>	<u>(6,926)</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	704	4,516	7,015	5,154
- gross dividend income	39,624	38,689	113,919	109,487
	<u>40,328</u>	<u>43,205</u>	<u>120,934</u>	<u>114,641</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(720)	(764)	(1,613)	7,160
- cash flow hedge	15	59	16	34
	<u>(705)</u>	<u>(705)</u>	<u>(1,597)</u>	<u>7,194</u>
Net gains and losses on financial instruments	<u>40,331</u>	44,426	<u>128,557</u>	121,667
	3rd Quarter Ended	3rd Quarter Ended	Nine Months Ended	Nine Months Ended
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
<b><u>Bank</u></b>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	3,320	4,182	8,938	6,202
- gross dividend income	5	3	22	26
- unrealised revaluation (loss) / gain	(2,677)	4,168	(4,743)	152
	<u>648</u>	<u>8,353</u>	<u>4,217</u>	<u>6,380</u>
Net gain / (loss) arising on trading derivatives				
- net gain / (loss) on disposal	258	398	624	(12,464)
- unrealised revaluation gain / (loss)	2,371	(3,646)	6,202	12,078
	<u>2,629</u>	<u>(3,248)</u>	<u>6,826</u>	<u>(386)</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	704	4,516	7,015	5,135
- gross dividend income	38,581	37,513	110,294	106,087
	<u>39,285</u>	<u>42,029</u>	<u>117,309</u>	<u>111,222</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(662)	(214)	(807)	5,781
- cash flow hedge	15	59	16	34
	<u>(647)</u>	<u>(155)</u>	<u>(791)</u>	<u>5,815</u>
Net gains and losses on financial instruments	<u>41,915</u>	46,979	<u>127,561</u>	123,031

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

**A20. Other Operating Income**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
<b>Group</b>				
Other income:				
Foreign exchange profit	72,217	37,166	172,394	152,709
Rental income from:				
- investment properties	1,446	1,257	4,077	3,598
- other properties	3,907	3,659	10,893	9,919
Net gain / (loss) on disposal of property and equipment	36	(178)	(580)	(49)
Net loss on disposal of foreclosed properties	(73)	(1,231)	(669)	(2,868)
Net gain on revaluation of investment properties	8	-	6,997	734
Others	8,169	12,901	27,640	32,965
Total other operating income	<u>85,710</u>	<u>53,574</u>	<u>220,752</u>	<u>197,008</u>
	3rd Quarter Ended	30 September	Nine Months Ended	30 September
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Gross dividend income from:				
- associated companies	4,783	-	4,783	-
- subsidiary companies				
- quoted outside Malaysia	-	-	16,496	15,634
- unquoted in Malaysia	193,217	178,217	624,586	541,203
	<u>198,000</u>	<u>178,217</u>	<u>645,865</u>	<u>556,837</u>
Other income:				
Foreign exchange profit / (loss)	101,702	(13,311)	199,427	122,623
Rental income from other properties	3,127	2,685	8,629	7,816
Net gain / (loss) on disposal of property and equipment	50	(176)	(558)	10
Net loss on disposal of foreclosed properties	(73)	(1,231)	(669)	(2,868)
Others	5,616	8,937	19,685	22,516
	<u>110,422</u>	<u>(3,096)</u>	<u>226,514</u>	<u>150,097</u>
Total other operating income	<u>308,422</u>	<u>175,121</u>	<u>872,379</u>	<u>706,934</u>

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

**A21. Other Operating Expenses**

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
Personnel costs				
- Salaries, allowances and bonuses	341,402	314,486	999,907	941,810
- Pension costs	36,886	29,989	110,859	90,704
- Others	28,339	28,616	89,482	85,723
	<u>406,627</u>	<u>373,091</u>	<u>1,200,248</u>	<u>1,118,237</u>
Establishment costs				
- Depreciation	41,123	34,598	125,529	104,152
- Rental	21,886	19,890	62,870	58,923
- Insurance	4,159	4,871	16,260	16,009
- Water and electricity	12,106	10,750	32,475	29,747
- General repairs and maintenance	19,249	22,870	57,857	51,961
- Information technology expenses	6,717	6,544	20,552	19,809
- Others	9,111	8,672	27,060	24,992
	<u>114,351</u>	<u>108,195</u>	<u>342,603</u>	<u>305,593</u>
Marketing expenses				
- Advertisement and publicity	18,660	18,664	57,572	57,524
- Others	18,401	20,066	61,206	61,550
	<u>37,061</u>	<u>38,730</u>	<u>118,778</u>	<u>119,074</u>
Administration and general expenses				
- Communication expenses	8,925	9,411	28,710	28,096
- Legal and professional fees	10,877	10,811	33,581	33,502
- Others	13,757	15,515	55,483	42,709
	<u>33,559</u>	<u>35,737</u>	<u>117,774</u>	<u>104,307</u>
Total other operating expenses	<u>591,598</u>	<u>555,753</u>	<u>1,779,403</u>	<u>1,647,211</u>



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

**A21. Other Operating Expenses (continued)**

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2012 RM'000	30 September 2011 RM'000	30 September 2012 RM'000	30 September 2011 RM'000
Personnel costs				
- Salaries, allowances and bonuses	263,327	241,359	790,998	728,849
- Pension costs	32,119	25,619	96,398	77,613
- Others	25,090	24,900	78,812	75,238
	<u>320,536</u>	<u>291,878</u>	<u>966,208</u>	<u>881,700</u>
Establishment costs				
- Depreciation	33,302	26,260	101,804	79,111
- Rental	21,090	19,167	60,653	57,707
- Insurance	3,416	4,421	12,657	12,226
- Water and electricity	9,035	7,972	23,981	22,125
- General repairs and maintenance	17,356	21,192	51,991	46,616
- Information technology expenses	3,851	3,710	11,367	11,167
- Others	6,703	6,221	19,797	17,994
	<u>94,753</u>	<u>88,943</u>	<u>282,250</u>	<u>246,946</u>
Marketing expenses				
- Advertisement and publicity	6,331	5,866	19,464	19,571
- Others	10,852	7,975	34,863	25,376
	<u>17,183</u>	<u>13,841</u>	<u>54,327</u>	<u>44,947</u>
Administration and general expenses				
- Communication expenses	6,830	13,162	21,492	28,428
- Legal and professional fees	8,216	8,682	26,540	27,161
- Others	6,261	7,347	22,225	21,597
	<u>21,307</u>	<u>29,191</u>	<u>70,257</u>	<u>77,186</u>
Shared service cost charged to Public Islamic Bank Berhad	(55,902)	(40,326)	(165,614)	(122,308)
Total other operating expenses	<u>397,877</u>	<u>383,527</u>	<u>1,207,428</u>	<u>1,128,471</u>

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

**A22. Allowance for Impairment on Loans, Advances and Financing**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2012	30 September 2011 (Restated)	30 September 2012	30 September 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Allowance for impaired loans and financing:				
Collective assessment allowance	77,659	122,419	203,041	237,517
Individual assessment allowance	55,162	54,949	142,188	165,055
Allowance / (writeback) for bad debts from stockbroking activities	15	990	(29)	901
Impaired loans and financing written off	200	162	635	449
Impaired loans and financing recovered	(51,548)	(87,791)	(150,758)	(183,272)
	<b>81,488</b>	<b>90,729</b>	<b>195,077</b>	<b>220,650</b>
	3rd Quarter Ended	3rd Quarter Ended	Nine Months Ended	Nine Months Ended
	30 September 2012	30 September 2011 (Restated)	30 September 2012	30 September 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Allowance / (writeback of allowance) for impaired loans and financing:				
Collective assessment allowance	49,798	58,292	130,769	140,920
Individual assessment allowance	(98)	965	(3,527)	(4,787)
Impaired loans and financing written off	160	117	502	311
Impaired loans and financing recovered	(27,140)	(69,552)	(84,169)	(130,036)
	<b>22,720</b>	<b>(10,178)</b>	<b>43,575</b>	<b>6,408</b>

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

**A23. Segment Information**

3rd Quarter Ended 30 September 2012	----- Operating Segments ----->							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group 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					
External revenue	568,659	1,756,008	245,273	394,530	44,247	219,558	1,212	108,632	3,338,119	250,631	-	3,588,750
Revenue from other segments	-	255,995	3,029	205,766	3,938	3,103	7,441	452,339	931,611	942	(932,553)	-
	<b>568,659</b>	<b>2,012,003</b>	<b>248,302</b>	<b>600,296</b>	<b>48,185</b>	<b>222,661</b>	<b>8,653</b>	<b>560,971</b>	<b>4,269,730</b>	<b>251,573</b>	<b>(932,553)</b>	<b>3,588,750</b>
Net interest income and												
Islamic banking income	253,762	999,313	69,827	41,424	3,656	3,288	(1,914)	29,701	1,399,057	165,006	-	1,564,063
Other income	1,572	156,742	8,970	26,260	15,064	128,878	8,580	64,890	410,956	28,556	(16,690)	422,822
Net income	255,334	1,156,055	78,797	67,684	18,720	132,166	6,666	94,591	1,810,013	193,562	(16,690)	1,986,885
Other operating expenses	(52,241)	(335,035)	(2,694)	(4,959)	(6,942)	(36,719)	(3,746)	(78,369)	(520,705)	(87,583)	16,690	(591,598)
Allowance for impairment on loans, advances and financing	(34,443)	(9,639)	(126)	-	(43)	-	-	-	(44,251)	(37,237)	-	(81,488)
Writeback of impairment / (impairment) on other assets	-	289	-	-	-	-	-	-	289	(136)	-	153
Profit by segments	<b>168,650</b>	<b>811,670</b>	<b>75,977</b>	<b>62,725</b>	<b>11,735</b>	<b>95,447</b>	<b>2,920</b>	<b>16,222</b>	<b>1,245,346</b>	<b>68,606</b>	<b>-</b>	<b>1,313,952</b>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(1,714)	298		(1,416)
Profit before tax expense and zakat									<b>1,243,632</b>	<b>68,904</b>		<b>1,312,536</b>

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

**A23. Segment Information** (continued)

	<----- Operating Segments ----->							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group 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					
3rd Quarter Ended 30 September 2011 (Restated)												
External revenue	542,200	1,567,387	216,640	384,593	47,071	222,617	1,143	38,697	3,020,348	252,118	-	3,272,466
Revenue from other segments	-	223,362	2,924	172,081	7,635	2,735	7,048	193,179	608,964	664	(609,628)	-
	<u>542,200</u>	<u>1,790,749</u>	<u>219,564</u>	<u>556,674</u>	<u>54,706</u>	<u>225,352</u>	<u>8,191</u>	<u>231,876</u>	<u>3,629,312</u>	<u>252,782</u>	<u>(609,628)</u>	<u>3,272,466</u>
Net interest income and												
Islamic banking income	220,661	958,002	60,136	33,604	3,136	2,910	(1,905)	54,063	1,330,607	157,317	-	1,487,924
Other income	1,728	153,149	4,381	24,970	18,884	121,569	8,113	30,902	363,696	40,286	(15,900)	388,082
Net income	<u>222,389</u>	<u>1,111,151</u>	<u>64,517</u>	<u>58,574</u>	<u>22,020</u>	<u>124,479</u>	<u>6,208</u>	<u>84,965</u>	<u>1,694,303</u>	<u>197,603</u>	<u>(15,900)</u>	<u>1,876,006</u>
Other operating expenses	(39,932)	(324,239)	(2,361)	(4,686)	(6,986)	(42,400)	(3,893)	(60,025)	(484,522)	(87,131)	15,900	(555,753)
(Allowance) / writeback of allowance for impairment on loans, advances and financing	(39,020)	(54,159)	40,963	-	(1,318)	-	-	72	(53,462)	(37,267)	-	(90,729)
Writeback of impairment / (impairment) on other assets	-	511	-	3	-	-	-	-	514	(107)	-	407
Profit by segments	<u>143,437</u>	<u>733,264</u>	<u>103,119</u>	<u>53,891</u>	<u>13,716</u>	<u>82,079</u>	<u>2,315</u>	<u>25,012</u>	<u>1,156,833</u>	<u>73,098</u>	<u>-</u>	<u>1,229,931</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(440)	1,653		1,213
Profit before tax expense and zakat									<u>1,156,393</u>	<u>74,751</u>		<u>1,231,144</u>

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

**A23. Segment Information** (continued)

Nine Months Ended 30 September 2012	----- Operating Segments -----							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group 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					
External revenue	1,684,376	5,084,076	711,328	1,137,664	140,260	645,667	3,564	267,537	9,674,472	753,568	-	10,428,040
Revenue from other segments	-	753,885	9,637	539,803	22,682	9,123	22,033	1,101,526	2,458,689	2,548	(2,461,237)	-
	<u>1,684,376</u>	<u>5,837,961</u>	<u>720,965</u>	<u>1,677,467</u>	<u>162,942</u>	<u>654,790</u>	<u>25,597</u>	<u>1,369,063</u>	<u>12,133,161</u>	<u>756,116</u>	<u>(2,461,237)</u>	<u>10,428,040</u>
Net interest income and												
Islamic banking income	753,342	2,895,380	198,045	94,265	10,387	9,679	(5,757)	113,379	4,068,720	486,399	-	4,555,119
Other income	4,699	447,131	35,600	80,802	48,148	376,635	25,422	148,907	1,167,344	100,568	(49,758)	1,218,154
Net income	<u>758,041</u>	<u>3,342,511</u>	<u>233,645</u>	<u>175,067</u>	<u>58,535</u>	<u>386,314</u>	<u>19,665</u>	<u>262,286</u>	<u>5,236,064</u>	<u>586,967</u>	<u>(49,758)</u>	<u>5,773,273</u>
Other operating expenses	(158,243)	(1,013,833)	(7,389)	(14,456)	(21,649)	(110,958)	(10,783)	(228,768)	(1,566,079)	(263,082)	49,758	(1,779,403)
Allowance for impairment on loans, advances and financing	(84,375)	(22,512)	6,676	-	(20)	-	-	-	(100,231)	(94,846)	-	(195,077)
Impairment on other assets	-	(1,155)	-	-	-	-	-	-	(1,155)	(136)	-	(1,291)
Profit by segments	<u>515,423</u>	<u>2,305,011</u>	<u>232,932</u>	<u>160,611</u>	<u>36,866</u>	<u>275,356</u>	<u>8,882</u>	<u>33,518</u>	<u>3,568,599</u>	<u>228,903</u>	<u>-</u>	<u>3,797,502</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(4,009)	4,931		922
Profit before tax expense and zakat									<u>3,564,590</u>	<u>233,834</u>		<u>3,798,424</u>
Cost income ratio	20.9%	30.3%	3.2%	8.3%	37.0%	28.7%	54.8%	87.2%	29.9%	44.8%		30.8%
Gross loans	39,723,467	116,615,343	23,199,890	-	287,237	50,126	2,076	-	179,878,139	12,937,054		192,815,193
Loan growth	7.1%	11.1%	6.8%	-	12.3%	3.7%	-1.8%	-	9.6%	-5.0%		8.5%
Impaired loans, advances and financing	231,151	869,979	130,580	-	-	-	-	-	1,231,710	160,782		1,392,492
Impaired loan ratio	0.6%	0.7%	0.6%	-	-	-	-	-	0.7%	1.2%		0.7%
Deposits from customers	-	149,089,733	199,408	54,238,764	2,544,976	-	-	-	206,072,881	14,124,473		220,197,354
Deposit growth	-	11.4%	-36.6%	11.1%	-25.5%	-	-	-	10.5%	1.4%		9.9%
Segment assets	<u>39,565,156</u>	<u>157,261,090</u>	<u>23,089,189</u>	<u>70,661,184</u>	<u>3,849,050</u>	<u>355,466</u>	<u>295,886</u>	<u>18,525,390</u>	<u>313,602,411</u>	<u>18,692,290</u>	<u>(65,342,848)</u>	<u>266,951,853</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									36,963	111,319		148,282
Unallocated assets									1,050,267	-		1,050,267
Intangible assets									769,251	1,158,484		1,927,735
Total assets									<u>315,458,892</u>	<u>19,962,093</u>		<u>270,078,137</u>

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

**A23. Segment Information (continued)**

Nine Months Ended 30 September 2011 (Restated)	-----<----- Operating Segments ----->-----							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group 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					
External revenue	1,599,233	4,414,208	615,786	1,029,788	143,899	667,941	3,446	219,845	8,694,146	740,581	-	9,434,727
Revenue from other segments	-	662,212	8,123	505,877	26,923	7,481	21,011	844,484	2,076,111	1,965	(2,078,076)	-
	<u>1,599,233</u>	<u>5,076,420</u>	<u>623,909</u>	<u>1,535,665</u>	<u>170,822</u>	<u>675,422</u>	<u>24,457</u>	<u>1,064,329</u>	<u>10,770,257</u>	<u>742,546</u>	<u>(2,078,076)</u>	<u>9,434,727</u>
Net interest income and												
Islamic banking income	671,692	2,744,332	182,698	71,608	8,416	7,973	(5,391)	208,379	3,889,707	470,544	-	4,360,251
Other income	3,602	417,887	19,986	78,792	53,603	362,258	24,304	134,293	1,094,725	120,261	(48,705)	1,166,281
Net income	<u>675,294</u>	<u>3,162,219</u>	<u>202,684</u>	<u>150,400</u>	<u>62,019</u>	<u>370,231</u>	<u>18,913</u>	<u>342,672</u>	<u>4,984,432</u>	<u>590,805</u>	<u>(48,705)</u>	<u>5,526,532</u>
Other operating expenses	(119,967)	(964,550)	(6,353)	(13,647)	(21,645)	(126,550)	(11,048)	(192,110)	(1,455,870)	(240,046)	48,705	(1,647,211)
Allowance for impairment on loans, advances and financing	(84,588)	(38,531)	36,944	-	(1,253)	-	-	-	(87,428)	(133,222)	-	(220,650)
Writeback of impairment / (impairment) on other assets	-	2,154	-	107	-	-	-	-	2,261	(1,226)	-	1,035
Profit by segments	<u>470,739</u>	<u>2,161,292</u>	<u>233,275</u>	<u>136,860</u>	<u>39,121</u>	<u>243,681</u>	<u>7,865</u>	<u>150,562</u>	<u>3,443,395</u>	<u>216,311</u>	<u>-</u>	<u>3,659,706</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(1,017)	7,443		6,426
Profit before tax expense and zakat									<u>3,442,378</u>	<u>223,754</u>		<u>3,666,132</u>
Cost income ratio	17.8%	30.5%	3.1%	9.1%	34.9%	34.2%	58.4%	56.1%	29.2%	40.6%		29.8%
Gross loans	36,240,037	101,840,307	20,568,998	-	292,244	47,156	2,149	-	158,990,891	13,753,454		172,744,345
Loan growth	7.9%	11.5%	10.4%	-	22.6%	11.6%	-2.1%	-	10.5%	8.1%		10.3%
Impaired loans, advances and financing	198,172	1,090,094	130,869	-	-	-	-	-	1,419,135	167,764		1,586,899
Impaired loan ratio	0.5%	1.1%	0.6%	-	-	-	-	-	0.9%	1.2%		0.9%
Deposits from customers	-	129,147,837	251,170	47,316,954	2,745,382	-	-	-	179,461,343	14,226,346		193,687,689
Deposit growth	-	8.4%	14.2%	15.5%	22.0%	-	-	-	10.4%	-0.5%		9.5%
Segment assets	<u>36,096,626</u>	<u>136,390,991</u>	<u>20,455,226</u>	<u>60,320,006</u>	<u>3,911,250</u>	<u>561,862</u>	<u>268,996</u>	<u>16,622,044</u>	<u>274,627,001</u>	<u>19,045,124</u>	<u>(55,476,788)</u>	<u>238,195,337</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									42,283	127,447		169,730
Unallocated assets									1,126,245	-		1,126,245
Intangible assets									769,251	1,198,030		1,967,281
Total assets									<u>276,564,780</u>	<u>20,370,601</u>		<u>241,458,593</u>

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

**A23. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (continued)**

The Group's overseas operations includes its operations in Hong Kong SAR, the People's Republic of China, Sri Lanka, the Socialist Republic of Vietnam, Cambodia and the Lao People's Democratic Republic.

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

**A24. Subsequent Events**

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

**A25. Changes in the Composition of the Group**

There were no material changes in the composition of the Group during the 3rd quarter and nine months ended 30 September 2012.

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

**A26. Commitments and Contingencies**

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

The notional amounts of the commitments and contingencies of the Group and the Bank are as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
<b>Contingent liabilities</b>				
Direct credit substitutes	<b>1,535,923</b>	1,482,009	<b>1,172,251</b>	1,120,615
Transaction-related contingent items	<b>977,682</b>	900,696	<b>852,443</b>	779,091
Short term self-liquidating trade-related contingencies	<b>457,250</b>	515,710	<b>226,333</b>	221,038
Obligations under an on-going underwriting agreement	-	25,000	-	25,000
	<b>2,970,855</b>	2,923,415	<b>2,251,027</b>	2,145,744
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	<b>25,720,005</b>	19,490,137	<b>23,969,378</b>	18,177,027
- not exceeding one year	<b>20,516,725</b>	19,919,554	<b>18,888,858</b>	18,413,664
Unutilised credit card lines	<b>3,628,557</b>	3,486,222	<b>3,522,868</b>	3,330,591
Forward asset purchases	<b>412,621</b>	39,362	<b>415,657</b>	10,175
	<b>50,277,908</b>	42,935,275	<b>46,796,761</b>	39,931,457
<b>Derivative financial instruments</b>				
Foreign exchange related contracts:				
- less than one year	<b>11,259,303</b>	11,013,882	<b>10,827,716</b>	10,643,581
- one year to less than five years	<b>1,075,097</b>	6,514	<b>1,075,097</b>	6,514
Interest rate related contracts:				
- less than one year	<b>1,500,000</b>	2,058,803	<b>1,500,000</b>	2,058,803
- one year to less than five years	<b>9,754,296</b>	6,560,830	<b>9,232,765</b>	6,227,481
- five years and above	<b>2,599,866</b>	5,183,242	<b>3,708,000</b>	5,088,000
Commodity related contracts:				
- less than one year	<b>35</b>	16,896	<b>35</b>	16,896
Equity related contracts:				
- less than one year	<b>74,632</b>	-	<b>74,632</b>	-
- one year to less than five years	<b>55,498</b>	148,325	<b>55,498</b>	148,325
	<b>26,318,727</b>	24,988,492	<b>26,473,743</b>	24,189,600
	<b>79,567,490</b>	70,847,182	<b>75,521,531</b>	66,266,801



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

**A27. Derivative Financial Instruments**

Details of derivative financial instruments outstanding as at 30 September 2012 and 31 December 2011 are as follows:

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts:

Group As at 30 September 2012	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,340,735	3,327	-	1,344,062	3,473	49	-	3,522	12,093	39	-	12,132
- Swaps	9,918,568	-	-	9,918,568	33,954	-	-	33,954	110,636	-	-	110,636
Equity related contracts												
- Options purchased	74,632	55,498	-	130,130	-	13,270	-	13,270	-	-	-	-
Precious metal contracts												
- Forwards	35	-	-	35	2	-	-	2	4	-	-	4
	<b>11,333,970</b>	<b>58,825</b>	<b>-</b>	<b>11,392,795</b>	<b>37,429</b>	<b>13,319</b>	<b>-</b>	<b>50,748</b>	<b>122,733</b>	<b>39</b>	<b>-</b>	<b>122,772</b>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	1,400,000	2,346,923	7,158,239	10,905,162	7,577	6,091	360,274	373,942	-	128,823	21,526	150,349
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,071,770	1,071,770	-	-	-	-	-	-	43,502	43,502
Interest rate related contracts												
- Swaps	100,000	279,000	2,570,000	2,949,000	1,550	324	8,835	10,709	-	196	1,014	1,210
	<b>1,500,000</b>	<b>2,625,923</b>	<b>10,800,009</b>	<b>14,925,932</b>	<b>9,127</b>	<b>6,415</b>	<b>369,109</b>	<b>384,651</b>	<b>-</b>	<b>129,019</b>	<b>66,042</b>	<b>195,061</b>
<b>Total</b>	<b>12,833,970</b>	<b>2,684,748</b>	<b>10,800,009</b>	<b>26,318,727</b>	<b>46,556</b>	<b>19,734</b>	<b>369,109</b>	<b>435,399</b>	<b>122,733</b>	<b>129,058</b>	<b>66,042</b>	<b>317,833</b>

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

**A27. Derivative Financial Instruments** (continued)

Details of derivative financial instruments outstanding as at 30 September 2012 and 31 December 2011 are as follows (continued):

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued):

Group As at 31 December 2011	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,120,815	6,514	-	1,127,329	14,429	109	-	14,538	2,594	-	-	2,594
- Swaps	9,893,067	-	-	9,893,067	92,043	-	-	92,043	47,232	-	-	47,232
Interest rate related contracts												
- Swaps	460,000	-	-	460,000	16	-	-	16	370	-	-	370
Equity related contracts												
- Options purchased	-	148,325	-	148,325	-	11,244	-	11,244	-	-	-	-
Precious metal contracts												
- Forwards	16,896	-	-	16,896	77	-	-	77	2	-	-	2
	<u>11,490,778</u>	<u>154,839</u>	<u>-</u>	<u>11,645,617</u>	<u>106,565</u>	<u>11,353</u>	<u>-</u>	<u>117,918</u>	<u>50,198</u>	<u>-</u>	<u>-</u>	<u>50,198</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	1,558,803	3,100,814	7,764,258	12,423,875	23,587	29,500	318,809	371,896	5,378	82,943	97,287	185,608
<b>Cash Flow Hedge</b>												
Interest rate related contracts												
- Swaps	40,000	379,000	500,000	919,000	16	3,822	200	4,038	-	653	265	918
	<u>1,598,803</u>	<u>3,479,814</u>	<u>8,264,258</u>	<u>13,342,875</u>	<u>23,603</u>	<u>33,322</u>	<u>319,009</u>	<u>375,934</u>	<u>5,378</u>	<u>83,596</u>	<u>97,552</u>	<u>186,526</u>
<b>Total</b>	<u>13,089,581</u>	<u>3,634,653</u>	<u>8,264,258</u>	<u>24,988,492</u>	<u>130,168</u>	<u>44,675</u>	<u>319,009</u>	<u>493,852</u>	<u>55,576</u>	<u>83,596</u>	<u>97,552</u>	<u>236,724</u>

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

**A27. Derivative Financial Instruments** (continued)

Details of derivative financial instruments outstanding as at 30 September 2012 and 31 December 2011 are as follows (continued):

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued):

Bank As at 30 September 2012	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,033,008	3,327	-	1,036,335	2,721	49	-	2,770	11,461	39	-	11,500
- Swaps	9,794,708	-	-	9,794,708	33,816	-	-	33,816	110,517	-	-	110,517
Interest rate related contracts												
- Swaps	-	18,373	-	18,373	-	-	-	-	-	1,598	-	1,598
Equity related contracts												
- Options purchased	74,632	55,498	-	130,130	-	13,270	-	13,270	-	-	-	-
Precious metal contracts												
- Forwards	35	-	-	35	2	-	-	2	4	-	-	4
	<b>10,902,383</b>	<b>77,198</b>	<b>-</b>	<b>10,979,581</b>	<b>36,539</b>	<b>13,319</b>	<b>-</b>	<b>49,858</b>	<b>121,982</b>	<b>1,637</b>	<b>-</b>	<b>123,619</b>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	1,400,000	2,007,019	7,066,373	10,473,392	7,577	6,091	360,274	373,942	-	99,956	6,500	106,456
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,071,770	1,071,770	-	-	-	-	-	-	43,502	43,502
Interest rate related contracts												
- Swaps	100,000	279,000	3,570,000	3,949,000	1,550	324	5,927	7,801	-	196	6,541	6,737
	<b>1,500,000</b>	<b>2,286,019</b>	<b>11,708,143</b>	<b>15,494,162</b>	<b>9,127</b>	<b>6,415</b>	<b>366,201</b>	<b>381,743</b>	<b>-</b>	<b>100,152</b>	<b>56,543</b>	<b>156,695</b>
<b>Total</b>	<b>12,402,383</b>	<b>2,363,217</b>	<b>11,708,143</b>	<b>26,473,743</b>	<b>45,666</b>	<b>19,734</b>	<b>366,201</b>	<b>431,601</b>	<b>121,982</b>	<b>101,789</b>	<b>56,543</b>	<b>280,314</b>

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

**A27. Derivative Financial Instruments** (continued)

Details of derivative financial instruments outstanding as at 30 September 2012 and 31 December 2011 are as follows (continued):

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (continued):

Bank As at 31 December 2011	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,095,678	6,514	-	1,102,192	14,366	109	-	14,475	2,548	-	-	2,548
- Swaps	9,547,903	-	-	9,547,903	90,790	-	-	90,790	46,440	-	-	46,440
Interest rate related contracts												
- Swaps	717,155	19,049	-	736,204	2,814	-	-	2,814	5,076	2,035	-	7,111
Equity related contracts												
- Options purchased	-	148,325	-	148,325	-	11,244	-	11,244	-	-	-	-
Precious metal contracts												
- Forwards	16,896	-	-	16,896	77	-	-	77	2	-	-	2
	<u>11,377,632</u>	<u>173,888</u>	<u>-</u>	<u>11,551,520</u>	<u>108,047</u>	<u>11,353</u>	<u>-</u>	<u>119,400</u>	<u>54,066</u>	<u>2,035</u>	<u>-</u>	<u>56,101</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	1,301,648	2,970,649	7,446,783	11,719,080	20,789	29,500	318,809	369,098	672	69,682	62,952	133,306
<b>Cash Flow Hedge</b>												
Interest rate related contracts												
- Swaps	40,000	379,000	500,000	919,000	16	3,822	200	4,038	-	653	265	918
	<u>1,341,648</u>	<u>3,349,649</u>	<u>7,946,783</u>	<u>12,638,080</u>	<u>20,805</u>	<u>33,322</u>	<u>319,009</u>	<u>373,136</u>	<u>672</u>	<u>70,335</u>	<u>63,217</u>	<u>134,224</u>
<b>Total</b>	<u><u>12,719,280</u></u>	<u><u>3,523,537</u></u>	<u><u>7,946,783</u></u>	<u><u>24,189,600</u></u>	<u><u>128,852</u></u>	<u><u>44,675</u></u>	<u><u>319,009</u></u>	<u><u>492,536</u></u>	<u><u>54,738</u></u>	<u><u>72,370</u></u>	<u><u>63,217</u></u>	<u><u>190,325</u></u>

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

**A27. Derivative Financial Instruments** (continued)

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

**Market Risk**

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amounts at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

**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 2012, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM420,915,000 (2011: RM493,852,000) and RM431,601,000 (2011: RM492,536,000) 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.

**Liquidity Risk**

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

iii) **Cash Requirements of the Derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 September 2012, the Group and the Bank had posted cash collateral of RM52,536,000 (2011: RM6,667,000) on their derivative contracts.

- iv) There have been no changes since the end of the previous financial year in respect of the following:
- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
  - b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
  - c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2011 and Pillar 3 Disclosures section of the 2011 Annual Report.

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

**A28. Capital Adequacy**

- a) The capital adequacy ratios of the Group and the Bank below are disclosed pursuant to the requirements of Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3):

	Group		Bank	
	30 September 2012	31 December 2011 (Restated)	30 September 2012	31 December 2011 (Restated)
Tier I capital ratio	10.2%	10.6% *	12.2%	12.8% *
Risk-weighted capital ratio	<u>13.5%</u>	<u>15.0% *</u>	<u>13.1%</u>	<u>14.9% *</u>

\* After deducting second interim dividend declared subsequent to the financial year end.

	Group		Bank	
	30 September 2012	31 December 2011 (Restated)	30 September 2012	31 December 2011 (Restated)
Components of Tier I and Tier II capital:	RM'000	RM'000	RM'000	RM'000
<u>Tier I capital</u>				
Paid-up share capital	3,531,926	3,531,926	3,531,926	3,531,926
Share premium	1,073,310	1,073,310	1,073,310	1,073,310
Other reserves	3,955,738	3,955,307	3,523,040	3,522,609
Retained profits	7,388,420	7,276,808	7,234,808	7,083,862
Innovative Tier I capital securities	1,811,072	1,833,303	1,811,072	1,833,303
Non-innovative Tier I stapled securities	2,082,955	2,082,388	2,082,955	2,082,388
Treasury shares	(215,572)	(215,572)	(215,572)	(215,572)
Non-controlling interests	668,192	697,484	-	-
Less: Goodwill	(1,901,262)	(1,938,994)	(695,393)	(695,393)
Less: Deferred tax assets, net	(46,237)	(46,093)	-	-
Total Tier I capital	<u>18,348,542</u>	<u>18,249,867</u>	<u>18,346,146</u>	<u>18,216,433</u>
<u>Tier II capital</u>				
Collective assessment allowance #	1,022,979	1,073,337	682,902	721,913
Subordinated notes	4,870,081	6,138,306	4,870,081	6,138,306
Total Tier II capital	<u>5,893,060</u>	<u>7,211,643</u>	<u>5,552,983</u>	<u>6,860,219</u>
Total capital	24,241,602	25,461,510	23,899,129	25,076,652
Less: Investment in subsidiary companies and associated companies	(960)	(960)	(4,162,284)	(3,987,284)
Less: Holdings of other financial institutions' capital instruments	(47,457)	(44,468)	(47,457)	(44,468)
Capital base	<u>24,193,185</u>	<u>25,416,082</u>	<u>19,689,388</u>	<u>21,044,900</u>

# Excludes collective assessment allowance on impaired loans restricted from Tier II capital of the Group and the Bank of RM492,936,000 (2011: RM422,707,000) and RM370,979,000 (2011: RM325,341,000) respectively.

**PUBLIC BANK BERHAD**

**(6463-H)**

**(Incorporated in Malaysia)**

**A28. Capital Adequacy (continued)**

a) The capital adequacy ratios of the Group and the Bank (continued):

The comparative capital adequacy ratios and components of capital base have been restated for the effects of the change in accounting policy on collective assessment allowance for loans, advances and financing during the financial period. Please refer to Note A30 Changes in Accounting Policies for a summary of the changes.

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% (2011 - 8.0%) for the risk-weighted capital ratio.

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

**A28. Capital Adequacy** (continued)

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

	<b>Public Islamic Bank Berhad<sup>1</sup></b>	<b>Public Investment Bank Berhad<sup>2</sup></b>	<b>Public Bank (L) Ltd.<sup>3</sup></b>	<b>Public Bank (Hong Kong) Limited<sup>4</sup></b>	<b>Public Finance Limited<sup>4</sup></b>	<b>Cambodian Public Bank Plc<sup>5</sup></b>
<b>30 September 2012</b>						
Tier I capital ratio	<b>11.5%</b>	<b>19.9%</b>	<b>21.0%</b>	<b>17.0%</b>	<b>27.9%</b>	<b>N/A</b>
Risk-weighted capital ratio	<b>12.2%</b>	<b>20.0%</b>	<b>21.5%</b>	<b>17.0%</b>	<b>29.0%</b>	<b>21.7%</b>
<b>31 December 2011</b>						
Tier I capital ratio	10.9% * #	16.9% * #	19.6%	16.1%	27.0% *	N/A
Risk-weighted capital ratio	11.9% * #	17.0% * #	20.0%	16.1%	28.1% *	22.8%

\* After deducting interim dividends declared subsequent to the financial year end.

# Restated for the effects of change in accounting policy on collective assessment allowance for loans, advances and financing.



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

**A28. Capital Adequacy (continued)**

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

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> 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 Financial Services Authority (Labuan FSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the Tier I capital ratio and risk-weighted capital ratio respectively.
- <sup>4</sup> 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.
- <sup>5</sup> 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 B7-010-182, 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. Capital Adequacy** (continued)

c) The breakdown of risk-weighted assets by each major risk category is as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
Credit risk	<b>163,958,186</b>	148,664,399	<b>137,579,983</b>	123,065,342
Market risk	<b>1,846,294</b>	1,670,798	<b>2,779,751</b>	2,774,099
Operational risk	<b>13,502,804</b>	12,692,078	<b>9,761,769</b>	9,048,375
	<b><u>179,307,284</u></b>	<u>163,027,275</u>	<b><u>150,121,503</u></b>	<u>134,887,816</u>

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

**A29. Operations of Islamic Banking**

**A29a. Statement of Financial Position As At 30 September 2012**

	<b>30 September 2012</b>	<b>Group 31 December 2011 (Restated)</b>	<b>1 January 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and balances with banks	5,649,107	6,257,092	4,571,596
Financial assets held-for-trading	3,250,779	1,249,014	298,846
Derivative financial assets	8,435	-	-
Financial investments available-for-sale	1,090,428	1,830,720	2,138,048
Financial investments held-to-maturity	5,067	5,022	5,022
Financing and advances	19,465,285	19,224,468	16,340,155
Other assets	75,070	81,185	68,446
Statutory deposits with Bank Negara Malaysia	733,100	775,700	167,000
Deferred tax assets	-	-	70,362
Investment in an associated company	20,000	20,000	-
Property and equipment	1,392	1,619	1,545
<b>Total Assets</b>	<b>30,298,663</b>	<b>29,444,820</b>	<b>23,661,020</b>
<b>LIABILITIES AND ISLAMIC</b>			
<b>BANKING FUNDS</b>			
Deposits from customers	24,367,679	20,029,935	15,306,731
Deposits from banks	3,079,907	7,179,533	6,379,985
Bills and acceptances payable	480	334	4,893
Recourse obligations on financing sold to Cagamas	500,000	-	-
Other liabilities	124,356	71,182	70,471
Provision for zakat and taxation	48,079	46,512	83,417
Deferred tax liabilities	2,376	398	-
<b>Total Liabilities</b>	<b>28,122,877</b>	<b>27,327,894</b>	<b>21,845,497</b>
Islamic Banking Funds	2,175,786	2,116,926	1,815,523
<b>Total Liabilities and Islamic Banking Funds</b>	<b>30,298,663</b>	<b>29,444,820</b>	<b>23,661,020</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>4,409,821</b>	<b>1,910,159</b>	<b>1,171,568</b>

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

**A29b. Income Statements for the 3rd Quarter and Nine Months Ended 30 September 2012**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>	<b>30 September 2012</b>	<b>30 September 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>				
Income derived from investment of depositors' funds and others	<b>354,431</b>	333,341	<b>1,045,554</b>	932,726
Income derived from investment of Islamic Banking Funds	<b>28,157</b>	24,477	<b>82,049</b>	72,543
Allowance for impairment on financing and advances	<b>(8,666)</b>	(34,843)	<b>(37,986)</b>	(56,128)
Impairment on other assets	<b>(2)</b>	(11)	<b>(25)</b>	(11)
Transfer of Profit Equalisation Reserve to investment account holder (2011: investment account holder and Islamic banking institution)	<b>(440)</b>	13,457	<b>(1,714)</b>	33,436
<b>Total distributable income</b>	<b>373,480</b>	336,421	<b>1,087,878</b>	982,566
Income attributable to the depositors	<b>(167,231)</b>	(141,327)	<b>(488,152)</b>	(382,267)
<b>Total net income</b>	<b>206,249</b>	195,094	<b>599,726</b>	600,299
Other overheads and expenditures	<b>(62,698)</b>	(40,112)	<b>(188,057)</b>	(135,503)
<b>Profit before zakat and taxation</b>	<b>143,551</b>	154,982	<b>411,669</b>	464,796
Zakat	<b>(83)</b>	(80)	<b>(248)</b>	(239)
Taxation	<b>(34,157)</b>	(37,234)	<b>(100,636)</b>	(114,037)
<b>Profit for the period</b>	<b>109,311</b>	117,668	<b>310,785</b>	350,520

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

**A29c. Statement of Comprehensive Income for the 3rd Quarter and Nine Months Ended 30 September 2012**

	3rd Quarter Ended		Nine Months Ended	
	30 September 2012 RM'000	30 September 2011 (Restated) RM'000	30 September 2012 RM'000	30 September 2011 (Restated) RM'000
<b><u>Group</u></b>				
Profit for the period	<b>109,311</b>	117,668	<b>310,785</b>	350,520
Other comprehensive (loss) / income:				
Net loss on revaluation of financial investments available-for-sale	<b>(4,265)</b>	(3,441)	<b>(241)</b>	(189)
Net change in cash flow hedges	<b>20,460</b>	-	<b>8,364</b>	-
Income tax relating to components of other comprehensive (income) / loss	<b>(4,049)</b>	860	<b>(2,031)</b>	47
Other comprehensive income / (loss) for the period, net of tax	<b>12,146</b>	(2,581)	<b>6,092</b>	(142)
Total comprehensive income for the period	<b>121,457</b>	115,087	<b>316,877</b>	350,378

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

**A29d. Financing and Advances**

	<b>Group</b>	
	<b>30 September 2012</b>	<b>31 December 2011 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
Bai Bithaman Ajil-i (deferred payment sale)	<b>6,556,247</b>	5,488,222
Ijarah Thamma Al-Bai'-i (leasing)	<b>9,802,318</b>	10,324,273
Ijarah Muntahia Bittamlik	<b>112,353</b>	101,104
Bai-Al-Einah-i	<b>3,244,136</b>	3,579,804
Musharakah Mutanaqisah	<b>10,526</b>	-
Murabahah Purchase Order	<b>210</b>	-
Gross financing and advances	<b>19,725,790</b>	19,493,403
Allowance for impairment on financing and advances:		
- collective assessment allowance	<b>(259,866)</b>	(267,589)
- individual assessment allowance	<b>(639)</b>	(1,346)
Net financing and advances	<b>19,465,285</b>	19,224,468

Movements in impaired financing and advances are as follows:

	<b>Group</b>	
	<b>30 September 2012</b>	<b>31 December 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	<b>173,277</b>	162,629
Impaired during the period / year	<b>326,615</b>	432,444
Reclassified as non-impaired	<b>(245,228)</b>	(317,261)
Recoveries	<b>(22,859)</b>	(33,566)
Amount written off	<b>(57,811)</b>	(69,805)
Financing converted to foreclosed properties	<b>(257)</b>	(1,164)
Closing balance	<b>173,737</b>	173,277
Impaired financing and advances as a percentage of gross financing and advances	<b>0.88%</b>	0.89%

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

**A29e. Deposits from Customers**

	<b>Group</b>	
	<b>30 September 2012 RM'000</b>	<b>31 December 2011 RM'000</b>
<b>By type of deposit</b>		
<u>Non-Mudharabah Fund</u>		
Wadiah current deposits-i	<b>2,681,037</b>	2,307,971
Wadiah savings deposits-i	<b>4,436,269</b>	4,295,000
Istismar general investment deposits-i	<b>11,274,872</b>	2,584,424
Istismar special investment deposits-i	<b>1,901,325</b>	-
Negotiable instruments of deposit-i	<b>952,933</b>	1,136,468
	<b>21,246,436</b>	10,323,863
<u>Mudharabah Fund</u>		
Mudharabah current deposits-i	<b>49,183</b>	26,779
Mudharabah savings deposits-i	<b>67,063</b>	72,294
Mudharabah general investment deposits-i	<b>2,582,649</b>	7,141,559
Mudharabah special investment deposits-i	<b>422,348</b>	2,465,440
	<b>3,121,243</b>	9,706,072
	<b>24,367,679</b>	20,029,935

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

**A30. Changes in Accounting Policies**

**(a) Transition to the MFRS Framework**

These unaudited interim financial statements are for part of the period covered by the Group's and the Bank's first annual financial statements prepared under the MFRS framework. Accordingly, the Group and the Bank have applied MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards in their transition to the MFRS framework on 1 January 2012. The policy elections made on transition date are listed in the audited financial statements of the Group and the Bank for the financial year ended 31 December 2011. The MFRS did not result in any financial impact to the Group and the Bank other than the financial impact arising from the change in accounting policy on collective assessment allowance, as the accounting policies adopted under the previous FRS framework were already in line with the requirements of the MFRS framework.

The transition to the MFRS framework has resulted in the following changes:

**(i) MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139") - Accounting Policy on Collective Assessment Allowance for Loans, Advances and Financing ("loans")**

Prior to the transition to MFRS 139, the Bank and its domestic banking subsidiary companies had maintained their collective assessment allowance at 1.5% of total outstanding loans, advances and financing, net of individual assessment allowance, in line with Bank Negara Malaysia's transitional provisions under its Guidelines on Classification and Impairment Provisions for Loans/Financing. Upon the transition to MFRS 139 on 1 January 2012, these transitional provisions, which were allowed under the previous FRS framework, were removed and the Bank and its domestic banking subsidiary companies have applied the requirements of MFRS 139 in the determination of collective assessment allowance.

Under MFRS 139, collective assessment is performed on loans, advances and financing which are not individually significant based on the incurred loss approach. Loans, advances and financing which are individually assessed and where there is no objective evidence of impairment are also included in the group of loans, advances and financing for collective assessment. These loans, advances and financing are pooled into groups with similar credit risk characteristics and the future cash flows for each group is estimated on the basis of the historical loss experience for such assets and discounted to present value. Collective assessment allowance is made on any shortfall in these discounted cash flows against the carrying value of the group of loans, advances and financing.

This change in accounting policy has been accounted for retrospectively and has resulted in a decrease in the collective assessment allowance charged in the income statement and a writeback of collective assessment allowance to the opening retained profits and opening collective assessment allowance in the statement of financial position. A summary of the financial impact of the change in accounting policy on the financial statements of the Group and the Bank are as follows:

	Group		Bank	
	31 December 2011 RM'000	1 January 2011 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
<b>Statement of Financial Position</b>				
<u>Loans, Advances and Financing</u>				
<u>- Collective Assessment Allowance</u>				
As previously stated	2,644,535	2,296,158	2,168,025	1,914,653
Effect of change in accounting policy	(1,148,491)	(881,185)	(1,129,813)	(887,254)
As restated	<u>1,496,044</u>	<u>1,414,973</u>	<u>1,038,212</u>	<u>1,027,399</u>
<u>Retained Profits</u>				
As previously stated	6,417,544	4,754,405	6,004,958	4,374,204
Effect of change in accounting policy	859,264	658,785	847,360	665,441
As restated	<u>7,276,808</u>	<u>5,413,190</u>	<u>6,852,318</u>	<u>5,039,645</u>



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

**A30. Changes in Accounting Policies** (continued)

**(a) Transition to the MFRS Framework** (continued)

**(i) MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139") - Accounting Policy on Collective Assessment Allowance for Loans, Advances and Financing ("loans")** (continued)

<b>Income Statement</b>	<b>Group</b>		<b>Bank</b>	
	<b>3rd Quarter Ended 30 September 2011 RM'000</b>	<b>Nine Months Ended 30 September 2011 RM'000</b>	<b>3rd Quarter Ended 30 September 2011 RM'000</b>	<b>Nine Months Ended 30 September 2011 RM'000</b>
<u>Allowance for Impairment on Loans, Advances and Financing - Collective Assessment Allowance</u>				
As previously stated	166,631	456,283	89,214	337,901
Effect of change in accounting policy	<u>(44,212)</u>	<u>(218,766)</u>	<u>(30,922)</u>	<u>(196,981)</u>
As restated	<u>122,419</u>	<u>237,517</u>	<u>58,292</u>	<u>140,920</u>

**(b) Other Change in Accounting Policies**

During the financial period, the Group and the Bank have also adopted the following change in accounting policies:

**(i) Guidelines on Profit Equalisation Reserve issued by Bank Negara Malaysia**

On 19 May 2011, Bank Negara Malaysia issued its revised Guidelines on Profit Equalisation Reserve ("revised PER Guidelines"), which was effective for annual periods beginning on or after 1 July 2011. The Islamic banking subsidiary company of the Group has adopted these revised PER Guidelines with effect from 1 January 2012 in its management of displaced commercial risk.

Upon the adoption of these revised PER Guidelines, the Group will continue to set aside a portion of its profits into a Profit Equalisation Reserve ("PER"). The PER of the Investment Account Holder ("IAH") continues to be classified as a liability and is recognised at cost, with subsequent apportionments being recognised in the income statement. The eventual distribution of PER as profit distributable to the IAH will be treated as an outflow of funds due to the settlement of the obligation to the IAH. The PER of the Islamic Banking Institution ("IBI") is now classified as a separate reserve in equity and subsequent apportionments to and distributions from retained profits are treated as a transfer between reserves. This change in accounting policy is accounted for prospectively, and hence had no effect on comparative figures.

**(c) Financial Impact of Changes in Accounting Policies**

In the preparation of the Group's and the Bank's opening MFRS statements of financial position, the amounts previously reported in accordance with the previous FRS framework have been adjusted for the financial effects of the adoption of the MFRS framework. A reconciliation of these changes is summarised in the following tables:

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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(i) Statement of Financial Position**

<b>Group As At 31 December 2011</b>	<b>Under the FRS Framework RM'000</b>	<b>Effect of the Transition to MFRSs  MFRS 139 RM'000</b>	<b>Under the MFRS Framework RM'000</b>
<b>ASSETS</b>			
Cash and balances with banks	18,633,783		18,633,783
Reverse repurchase agreements	9,287,255		9,287,255
Financial assets held-for-trading	10,656,825		10,656,825
Derivative financial assets	493,852		493,852
Financial investments available-for-sale	16,719,433		16,719,433
Financial investments held-to-maturity	7,629,233		7,629,233
Loans, advances and financing	174,804,286	1,148,491	175,952,777
Other assets	2,008,254		2,008,254
Statutory deposits with Central Banks	5,597,801		5,597,801
Deferred tax assets	46,093		46,093
Investment in associated companies	155,997		155,997
Investment properties	70,754		70,754
Property and equipment	1,341,940		1,341,940
Intangible assets	1,965,476		1,965,476
<b>TOTAL ASSETS</b>	<b><u>249,410,982</u></b>		<b><u>250,559,473</u></b>
<b>LIABILITIES</b>			
Deposits from customers	200,370,525		200,370,525
Deposits from banks	15,806,732		15,806,732
Bills and acceptances payable	2,095,335		2,095,335
Recourse obligations on loans sold to Cagamas	11,789		11,789
Derivative financial liabilities	236,724		236,724
Debt securities issued and other borrowed funds	11,317,833		11,317,833
Other liabilities	3,467,535		3,467,535
Provision for tax expense and zakat	488,178	289,227	777,405
Deferred tax liabilities	55,625		55,625
<b>TOTAL LIABILITIES</b>	<b><u>233,850,276</u></b>		<b><u>234,139,503</u></b>
<b>EQUITY</b>			
Share capital	3,531,926		3,531,926
Share premium	1,073,310		1,073,310
Other reserves	4,056,014		4,056,014
Retained profits	6,417,544	859,264	7,276,808
Treasury shares	(215,572)		(215,572)
<b>Equity attributable to equity holders of the Bank</b>	<b>14,863,222</b>		<b>15,722,486</b>
Non-controlling interests	697,484		697,484
<b>TOTAL EQUITY</b>	<b><u>15,560,706</u></b>		<b><u>16,419,970</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>249,410,982</u></b>		<b><u>250,559,473</u></b>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b><u>4.24</u></b>		<b><u>4.49</u></b>

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

**A30. Changes in Accounting Policies** (continued)

(c) **Financial Impact of Changes in Accounting Policies** (continued)

(i) **Statement of Financial Position** (continued)

<b>Group</b> <b>As At 1 January 2011</b>	<b>Under the</b> <b>FRS</b> <b>Framework</b> <b>RM'000</b>	<b>Effect of the Transition to MFRSs</b>  <b>MFRS 139</b> <b>RM'000</b>	<b>Under the</b> <b>MFRS</b> <b>Framework</b> <b>RM'000</b>
<b>ASSETS</b>			
Cash and balances with banks	34,690,439		34,690,439
Reverse repurchase agreements	365,877		365,877
Financial assets held-for-trading	6,360,620		6,360,620
Derivative financial assets	326,622		326,622
Financial investments available-for-sale	17,852,284		17,852,284
Financial investments held-to-maturity	5,229,617		5,229,617
Loans, advances and financing	153,982,980	881,185	154,864,165
Other assets	1,995,880		1,995,880
Statutory deposits with Central Banks	1,612,575		1,612,575
Deferred tax assets	519,215	(222,400)	296,815
Investment in associated companies	118,624		118,624
Investment properties	65,552		65,552
Property and equipment	1,278,319		1,278,319
Intangible assets	1,930,372		1,930,372
<b>TOTAL ASSETS</b>	<b>226,328,976</b>		<b>226,987,761</b>
<b>LIABILITIES</b>			
Deposits from customers	176,872,119		176,872,119
Deposits from banks	21,327,476		21,327,476
Bills and acceptances payable	2,308,836		2,308,836
Recourse obligations on loans sold to Cagamas	16,319		16,319
Derivative financial liabilities	375,529		375,529
Debt securities issued and other borrowed funds	8,094,880		8,094,880
Other liabilities	2,839,874		2,839,874
Provision for tax expense and zakat	800,464		800,464
Deferred tax liabilities	8,391		8,391
<b>TOTAL LIABILITIES</b>	<b>212,643,888</b>		<b>212,643,888</b>
<b>EQUITY</b>			
Share capital	3,531,926		3,531,926
Share premium	1,073,310		1,073,310
Other reserves	3,888,562		3,888,562
Retained profits	4,754,405	658,785	5,413,190
Treasury shares	(215,303)		(215,303)
<b>Equity attributable to equity holders of the Bank</b>	<b>13,032,900</b>		<b>13,691,685</b>
Non-controlling interests	652,188		652,188
<b>TOTAL EQUITY</b>	<b>13,685,088</b>		<b>14,343,873</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>226,328,976</b>		<b>226,987,761</b>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b>3.72</b>		<b>3.91</b>

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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(i) Statement of Financial Position (continued)**

<b>Bank As At 31 December 2011</b>	<b>Under the FRS Framework RM'000</b>	<b>Effect of the Transition to MFRSs  MFRS 139 RM'000</b>	<b>Under the MFRS Framework RM'000</b>
<b>ASSETS</b>			
Cash and balances with banks	10,508,349		10,508,349
Reverse repurchase agreements	8,435,611		8,435,611
Financial assets held-for-trading	10,406,551		10,406,551
Derivative financial assets	492,536		492,536
Financial investments available-for-sale	14,287,941		14,287,941
Financial investments held-to-maturity	7,073,857		7,073,857
Loans and advances	142,255,685	1,129,813	143,385,498
Other assets	1,913,726		1,913,726
Statutory deposits with Central Banks	4,496,365		4,496,365
Investment in subsidiary companies	4,088,581		4,088,581
Investment in associated companies	121,325		121,325
Property and equipment	657,124		657,124
Intangible assets	695,393		695,393
<b>TOTAL ASSETS</b>	<u>205,433,044</u>		<u>206,562,857</u>
<b>LIABILITIES</b>			
Deposits from customers	159,384,439		159,384,439
Deposits from banks	16,717,349		16,717,349
Bills and acceptances payable	2,095,076		2,095,076
Recourse obligations on loans sold to Cagamas	11,789		11,789
Derivative financial liabilities	190,325		190,325
Debt securities issued and other borrowed funds	10,422,749		10,422,749
Other liabilities	2,368,327		2,368,327
Provision for tax expense and zakat	281,354	282,453	563,807
Deferred tax liabilities	51,708		51,708
<b>TOTAL LIABILITIES</b>	<u>191,523,116</u>		<u>191,805,569</u>
<b>EQUITY</b>			
Share capital	3,531,926		3,531,926
Share premium	1,073,310		1,073,310
Other reserves	3,515,306		3,515,306
Retained profits	6,004,958	847,360	6,852,318
Treasury shares	(215,572)		(215,572)
<b>TOTAL EQUITY</b>	<u>13,909,928</u>		<u>14,757,288</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>205,433,044</u>		<u>206,562,857</u>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<u>3.97</u>		<u>4.21</u>

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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(i) Statement of Financial Position (continued)**

<b>Bank As At 1 January 2011</b>	<b>Under the FRS Framework RM'000</b>	<b>Effect of the Transition to MFRSs  MFRS 139 RM'000</b>	<b>Under the MFRS Framework RM'000</b>
<b>ASSETS</b>			
Cash and balances with banks	27,172,447		27,172,447
Reverse repurchase agreements	10,737		10,737
Financial assets held-for-trading	5,812,736		5,812,736
Derivative financial assets	322,596		322,596
Financial investments available-for-sale	14,269,479		14,269,479
Financial investments held-to-maturity	5,230,399		5,230,399
Loans and advances	125,062,183	887,254	125,949,437
Other assets	1,703,642		1,703,642
Statutory deposits with Central Banks	1,106,330		1,106,330
Deferred tax assets	416,470	(221,813)	194,657
Investment in subsidiary companies	3,888,581		3,888,581
Investment in associated companies	101,325		101,325
Property and equipment	617,544		617,544
Intangible assets	695,393		695,393
<b>TOTAL ASSETS</b>	<b>186,409,862</b>		<b>187,075,303</b>
<b>LIABILITIES</b>			
Deposits from customers	140,789,266		140,789,266
Deposits from banks	21,069,781		21,069,781
Bills and acceptances payable	2,450,006		2,450,006
Recourse obligations on loans sold to Cagamas	16,319		16,319
Derivative financial liabilities	340,995		340,995
Debt securities issued and other borrowed funds	7,196,528		7,196,528
Other liabilities	1,675,651		1,675,651
Provision for tax expense and zakat	568,565		568,565
<b>TOTAL LIABILITIES</b>	<b>174,107,111</b>		<b>174,107,111</b>
<b>EQUITY</b>			
Share capital	3,531,926		3,531,926
Share premium	1,073,310		1,073,310
Other reserves	3,538,614		3,538,614
Retained profits	4,374,204	665,441	5,039,645
Treasury shares	(215,303)		(215,303)
<b>TOTAL EQUITY</b>	<b>12,302,751</b>		<b>12,968,192</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>186,409,862</b>		<b>187,075,303</b>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b>3.51</b>		<b>3.70</b>

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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(ii) Reconciliation of Income Statement and Statement of Comprehensive Income**

<b>Income Statement</b>	<b>Under the</b>	<b>Effect of the Transition to MFRSs</b>	<b>Under the</b>
<b>Group</b>	<b>FRS</b>		<b>MFRS</b>
<b>3rd Quarter Ended 30 September 2011</b>	<b>Framework</b>	<b>MFRS 139</b>	<b>Framework</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	<u>3,272,466</u>		<u>3,272,466</u>
Interest income	2,418,322		2,418,322
Interest expense	<u>(1,160,346)</u>		<u>(1,160,346)</u>
Net interest income	1,257,976		1,257,976
Net income from Islamic banking business	<u>229,948</u>		<u>229,948</u>
	1,487,924		1,487,924
Net fee and commission income	290,082		290,082
Net gains and losses on financial instruments	44,426		44,426
Other operating income	<u>53,574</u>		<u>53,574</u>
Net income	1,876,006		1,876,006
Other operating expenses	<u>(555,753)</u>		<u>(555,753)</u>
Operating profit	1,320,253		1,320,253
Allowance for impairment on loans, advances and financing	(134,941)	44,212	(90,729)
Writeback of impairment on other assets	<u>407</u>		<u>407</u>
	1,185,719		1,229,931
Share of profit after tax of equity accounted associated companies	<u>1,213</u>		<u>1,213</u>
Profit before tax expense and zakat	1,186,932		1,231,144
Tax expense and zakat	<u>(279,035)</u>	(11,053)	<u>(290,088)</u>
Profit for the period	<u>907,897</u>		<u>941,056</u>
Profit for the period attributable to:			
- Equity holders of the Bank	898,794		931,953
- Non-controlling interests	<u>9,103</u>		<u>9,103</u>
	<u>907,897</u>		<u>941,056</u>
Earnings per RM1.00 share:			
- basic /diluted (sen)	<u>25.7</u>		<u>26.6</u>

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

**A30. Changes in Accounting Policies** (continued)

(c) **Financial Impact of Changes in Accounting Policies** (continued)

(ii) **Reconciliation of Income Statement and Statement of Comprehensive Income** (continued)

<b>Statement of Comprehensive Income</b>	<b>Under the</b>	<b>Effect of the Transition to MFRSs</b>	<b>Under the</b>
<b>Group</b>	<b>FRS</b>		<b>MFRS</b>
<b>3rd Quarter Ended 30 September 2011</b>	<b>Framework</b>	<b>MFRS 139</b>	<b>Framework</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<u>907,897</u>	33,159	<u>941,056</u>
Other comprehensive income / (loss):			
Currency translation differences in respect of foreign operations	201,974		201,974
Currency translation differences in respect of net investment hedge	(160,591)		(160,591)
Net loss on revaluation of financial investments available-for-sale	(72,231)		(72,231)
Net change in cash flow hedges	(1,729)		(1,729)
Income tax relating to components of other comprehensive loss	<u>13,709</u>		<u>13,709</u>
Other comprehensive loss for the period	<u>(18,868)</u>		<u>(18,868)</u>
Total comprehensive income for the period	<u><u>889,029</u></u>		<u><u>922,188</u></u>
Total comprehensive income for the period attributable to:			
- Equity holders of the Bank	842,322		875,481
- Non-controlling interests	46,707		46,707
	<u><u>889,029</u></u>		<u><u>922,188</u></u>

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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(ii) Reconciliation of Income Statement and Statement of Comprehensive Income (continued)**

Income Statement Group Nine Months Ended 30 September 2011	Under the FRS Framework RM'000	Effect of the Transition to MFRSs  MFRS 139 RM'000	Under the MFRS Framework RM'000
Operating revenue	9,434,727		9,434,727
Interest income	6,949,161		6,949,161
Interest expense	(3,245,348)		(3,245,348)
Net interest income	3,703,813		3,703,813
Net income from Islamic banking business	656,438		656,438
	4,360,251		4,360,251
Net fee and commission income	847,606		847,606
Net gains and losses on financial instruments	121,667		121,667
Other operating income	197,008		197,008
Net income	5,526,532		5,526,532
Other operating expenses	(1,647,211)		(1,647,211)
Operating profit	3,879,321		3,879,321
Allowance for impairment on loans, advances and financing	(439,416)	218,766	(220,650)
Writeback of impairment on other assets	1,035		1,035
	3,440,940		3,659,706
Share of profit after tax of equity accounted associated companies	6,426		6,426
Profit before tax expense and zakat	3,447,366		3,666,132
Tax expense and zakat	(809,396)	(54,692)	(864,088)
Profit for the period	2,637,970		2,802,044
Profit for the period attributable to:			
- Equity holders of the Bank	2,606,823		2,770,897
- Non-controlling interests	31,147		31,147
	2,637,970		2,802,044
Earnings per RM1.00 share:			
- basic /diluted (sen)	74.4		79.1



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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(ii) Reconciliation of Income Statement and Statement of Comprehensive Income (continued)**

<b>Statement of Comprehensive Income</b>	<b>Under the</b>	<b>Effect of the Transition to MFRSs</b>	<b>Under the</b>
<b>Group</b>	<b>FRS</b>		<b>MFRS</b>
<b>Nine Months Ended 30 September 2011</b>	<b>Framework</b>	<b>MFRS 139</b>	<b>Framework</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<u>2,637,970</u>	164,074	<u>2,802,044</u>
Other comprehensive income / (loss):			
Currency translation differences in respect of foreign operations	134,397		134,397
Currency translation differences in respect of net investment hedge	(104,509)		(104,509)
Net loss on revaluation of financial investments available-for-sale	(49,302)		(49,302)
Net change in cash flow hedges	(2,778)		(2,778)
Income tax relating to components of other comprehensive loss	<u>9,137</u>		<u>9,137</u>
Other comprehensive loss for the period	<u>(13,055)</u>		<u>(13,055)</u>
Total comprehensive income for the period	<u><u>2,624,915</u></u>		<u><u>2,788,989</u></u>
Total comprehensive income for the period attributable to:			
- Equity holders of the Bank	2,568,060		2,732,134
- Non-controlling interests	<u>56,855</u>		<u>56,855</u>
	<u><u>2,624,915</u></u>		<u><u>2,788,989</u></u>

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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(ii) Reconciliation of Income Statement and Statement of Comprehensive Income (continued)**

<b>Income Statement</b>	<b>Under the FRS</b>	<b>Effect of the Transition to MFRSs</b>	<b>Under the MFRS</b>
<b>Bank</b>	<b>Framework</b>	<b>MFRS 139</b>	<b>Framework</b>
<b>3rd Quarter Ended 30 September 2011</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	2,382,615		2,382,615
Interest income	2,199,251		2,199,251
Interest expense	(1,112,416)		(1,112,416)
Net interest income	1,086,835		1,086,835
Net fee and commission income	119,404		119,404
Net gains and losses on financial instruments	46,979		46,979
Other operating income	175,121		175,121
Net income	1,428,339		1,428,339
Other operating expenses	(383,527)		(383,527)
Operating profit	1,044,812		1,044,812
(Allowance) / Writeback of allowance for impairment on loans and advances	(20,744)	30,922	10,178
Writeback of impairment on other assets	522		522
Profit before tax expense and zakat	1,024,590		1,055,512
Tax expense and zakat	(201,675)	(7,731)	(209,406)
Profit for the period	822,915		846,106
<b>Statement of Comprehensive Income</b>	<b>Under the FRS</b>	<b>Effect of the Transition to MFRSs</b>	<b>Under the MFRS</b>
<b>Bank</b>	<b>Framework</b>	<b>MFRS 139</b>	<b>Framework</b>
<b>3rd Quarter Ended 30 September 2011</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	822,915	23,191	846,106
Other comprehensive (loss) / income:			
Net loss on revaluation of financial investments available-for-sale	(52,884)		(52,884)
Net change in cash flow hedges	(1,729)		(1,729)
Income tax relating to components of other comprehensive loss	13,653		13,653
Other comprehensive loss for the period	(40,960)		(40,960)
Total comprehensive income for the period	781,955		805,146

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

**A30. Changes in Accounting Policies (continued)**

**(c) Financial Impact of Changes in Accounting Policies (continued)**

**(ii) Reconciliation of Income Statement and Statement of Comprehensive Income (continued)**

<b>Income Statement</b>	<b>Under the FRS</b>	<b>Effect of the Transition to MFRSs</b>	<b>Under the MFRS</b>
<b>Bank</b>	<b>Framework</b>	<b>MFRS 139</b>	<b>Framework</b>
<b>Nine Months Ended 30 September 2011</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	6,947,708		6,947,708
Interest income	6,298,342		6,298,342
Interest expense	(3,102,473)		(3,102,473)
Net interest income	3,195,869		3,195,869
Net fee and commission income	332,524		332,524
Net gains and losses on financial instruments	123,031		123,031
Other operating income	706,934		706,934
Net income	4,358,358		4,358,358
Other operating expenses	(1,128,471)		(1,128,471)
Operating profit	3,229,887		3,229,887
Allowance for impairment on loans and advances	(203,389)	196,981	(6,408)
Writeback of impairment on other assets	2,120		2,120
Profit before tax expense and zakat	3,028,618		3,225,599
Tax expense and zakat	(597,282)	(49,246)	(646,528)
Profit for the period	2,431,336		2,579,071
<b>Statement of Comprehensive Income</b>	<b>Under the FRS</b>	<b>Effect of the Transition to MFRSs</b>	<b>Under the MFRS</b>
<b>Bank</b>	<b>Framework</b>	<b>MFRS 139</b>	<b>Framework</b>
<b>Nine Months Ended 30 September 2011</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	2,431,336	147,735	2,579,071
Other comprehensive (loss) / income:			
Net loss on revaluation of financial investments available-for-sale	(39,580)		(39,580)
Net change in cash flow hedges	(2,778)		(2,778)
Income tax relating to components of other comprehensive loss	10,589		10,589
Other comprehensive income for the period	(31,769)		(31,769)
Total comprehensive income for the period	2,399,567		2,547,302

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

**A30. Changes in Accounting Policies** (continued)

**(c) Financial Impact of Changes in Accounting Policies** (continued)

(iii) There are no material differences between the statement of cash flows presented under the MFRSs and the statement of cash flows presented under FRSs.

**(iv) Capital adequacy**

The adjustments to the financial statements of the Group and the Bank as a result of the transition to the MFRS framework and the changes in accounting policies, as discussed above, also had consequential effects on the comparative capital adequacy ratios. These are summarised below:

	<b>As at 31 December 2011</b>		<b>As at 1 January 2011</b>	
	<b>As previously stated: Under the FRS Framework</b>	<b>As restated: Under the MFRS Framework</b>	<b>As previously stated: Under the FRS Framework</b>	<b>As restated: Under the MFRS Framework</b>
<b>Group</b>				
Tier 1 capital (RM'000)	17,390,603	18,249,867	15,055,321	15,936,506
Capital base (RM'000)	25,939,832	25,416,082	20,273,695	19,992,123
Tier 1 capital ratio (%) *	10.1	10.6	10.0	10.6
Risk-weighted capital ratio (%) *	15.3	15.0	13.7	13.5
<b>Bank</b>				
Tier 1 capital (RM'000)	17,369,073	18,216,433	15,322,051	16,188,592
Capital base (RM'000)	21,497,241	21,044,900	16,408,647	16,188,592
Tier 1 capital ratio (%) *	12.1	12.8	12.4	13.1
Risk-weighted capital ratio (%) *	15.2	14.9	13.3	13.1

\* After deducting second interim dividend declared subsequent to the financial year end.

**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**

**a) Current Year-to date vs. Previous Year-to-date**

With effect from 1 January 2012, the Group had converged to the MFRS accounting framework, which is equivalent to the IFRS framework issued by the IASB. A major consequence of this transition to the MFRS framework was the change in the accounting policy for collective assessment on the Group's domestic banking subsidiaries' loans, advances and financing, which was adopted with retrospective effect.

As a result of the above change in accounting policy, the comparative results for the nine months of 2011 have been restated as follows:

- i) Pre-tax profit: from RM3,447.4 million (previously reported) to RM3,666.1 million (restated).
- ii) Net profit attributable to equity holders: from RM2,606.8 million (previously reported) to RM2,770.9 million (restated).

The following variance analyses are based on the restated comparative results:

The Group's pre-tax profit for nine months ended 30 September 2012 of RM3,798.4 million was RM132.3 million or 3.6% higher than the previous corresponding nine months of RM3,666.1 million. Net profit attributable to equity holders improved by RM105.9 million or 3.8% to RM2,876.8 million. The improved earnings was mainly due to higher net interest income and finance income by RM191.7 million (4.4%), higher net fee and commission income by RM21.2 million (2.5%) and higher income from foreign exchange by RM19.7 million (12.9%). In addition to the growth of income from various sources, impairment allowance on loans had shown a drop of RM25.6 million (11.6%) despite the higher loan base. These were partially offset by higher other operating expenses by RM132.2 million (8.0%) which was mainly due to the increase in personnel and establishment costs to support higher business volume.

The growth in the Group's net interest income and finance income was driven by continued healthy loans and customer deposits growth coupled with sustained strong asset quality. Gross loans had grown by 11.6% to RM192.8 billion as at 30 September 2012 as compared to RM172.7 billion as at 30 September 2011 mainly arising from property financing, financing of passenger vehicles and lending to small- and medium-sized enterprises ("SMEs"). Total deposits from customers had also grown by 13.7% or RM26.5 billion as compared to 30 September 2011 which partly contributed to the higher net interest income for the current period. The Group's impaired loan ratio had further improved to 0.72% from 0.86% as at the end of 2011.

The performance of the respective operating business segments for the nine months ended 30 September 2012 as compared to the previous corresponding period is analysed as follows:-

- 1) Retail Operations – The increase in pre-tax profit by RM143.7 million (6.6%) to RM2,305.0 million was mainly due to higher net interest income on higher average loan and deposit balances, lower loan impairment allowance and higher fee income. This was partially offset by higher other operating expenses to support business growth.
- 2) Hire purchase – Pre-tax profit increased by RM44.7 million (9.5%) to RM515.4 million, mainly due to higher net interest income on higher average loan balances partially offset by higher other operating expenses.
- 3) Corporate lending – Pre-tax profit decreased marginally by RM0.3 million (-0.1%) to RM232.9 million mainly due to non-recurring recoveries in the previous corresponding period.
- 4) Treasury and capital market operations – The increase in pre-tax profit by RM23.8 million (17.4%) to RM160.6 million was mainly due to higher net interest income achieved on treasury gapping, funding and liquidity management activities.
- 5) Investment banking – Pre-tax profit decreased by RM2.3 million (-5.8%) to RM36.9 million mainly due to lower volume of stockbroking activities.

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

**B1. Performance Review (continued)**

**a) Current Year-to date vs. Previous Year-to-date (continued)**

- 6) Fund management – Pre-tax profit increased by RM31.7 million (13.0%) to RM275.4 million mainly due to higher management fee earned on higher average net asset value of funds under management and lower other operating expenses.
- 7) Overseas operations – Pre-tax profit increased by RM10.1 million (4.5%) to RM233.8 million mainly due to lower loan impairment allowance partially offset by lower other operating income and higher other operating expenses.

**b) Current Quarter vs. Previous Year Corresponding Quarter**

As a result of the change in accounting policy stated above, the comparative results for the 3rd quarter ended 30 September 2011 have been restated as follows:

- i) Pre-tax profit: from RM1,186.9 million (previously reported) to RM1,231.1 million (restated).
- ii) Net profit attributable to equity holders: from RM898.8 million (previously reported) to RM932.0 million (restated).

The following variance analyses are based on the restated comparative results:

For the 3rd quarter ended 30 September 2012, the Group registered a pre-tax profit of RM1,312.5 million, an improvement of RM81.4 million or 6.6% as compared to the previous corresponding quarter. The improved earnings was mainly due to higher net interest income and lower loan impairment charges resulting from strong loans and deposits growth and stable asset quality, higher income from foreign exchange partially offset by higher other operating expenses. Net profit attributable to equity holders grew by 5.5% or RM51.3 million over the same period.

Performance of the respective operating business segments for the 3rd quarter ended 30 September 2012 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Retail operations – Pre-tax profit increased by RM78.4 million (10.7%) to RM811.7 million, mainly due to higher net interest income and lower loan impairment allowance, partially offset by higher other operating expenses.
- 2) Hire purchase – Pre-tax profit increased by RM25.2 million (17.6%) to RM168.7 million, mainly due to higher net interest income partially offset by higher other operating expenses.
- 3) Corporate lending – Pre-tax profit decreased by RM27.1 million (-26.3%) to RM76.0 million, mainly due to lower loan recoveries partially offset by higher net interest income and higher fee income.
- 4) Treasury and capital market operations – Pre-tax profit increased by RM8.8 million (16.4%) to RM62.7 million, mainly due to higher interest margin earned on treasury gapping activities.
- 5) Investment banking – Pre-tax profit decreased by RM2.0 million (-14.4%) to RM11.7 million due to lower volume of stockbroking activities.
- 6) Fund management business – Pre-tax profit increased by RM13.4 million (16.3%) to RM95.4 million, due to higher management fee earned on higher average net asset value of funds under management and lower other operating expenses.
- 7) Overseas Operations – The decrease in pre-tax profit by RM5.8 million (-7.8%) was mainly due to lower income from stockbroking activities partially offset by higher net interest income.

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

**B2. Variation of Results Against Preceding Quarter**

For the 3rd quarter ended 30 September 2012, the Group registered a pre-tax profit of RM1,312.5 million, an increase of RM72.2 million or 5.8% as compared to the pre-tax profit of RM1,240.3 million for the preceding quarter ended 30 June 2012. Net profit attributable to equity holders grew by 3.2% or RM30.6 million over the same period. The improved performance was mainly due to higher net interest and finance income, higher income from foreign exchange partially offset by lower investment income.

**B3. Prospects for 2012**

Outlook for the global economy is expected to further moderate during the second half of 2012, as most economies continue to be affected by the euro area crisis and tepid economic growth in the advanced economies. Also, growth in Emerging Asia is moderating, undermined by the weak external environment. Likewise, the Malaysian economy is likely to grow at a moderate pace in the second half of the year due to slowing industrial production and exports. For 2012, the economy is expected to grow by 4 - 5%, largely supported by resilient domestic demand.

The banking sector in Malaysia is expected to remain healthy in 2012 with strong capitalisation, strong profitability and stable asset quality. The sector will continue to provide steady access to credit for households and businesses to further facilitate growth in the Malaysian economy. With the implementation of the new Financial Sector Blueprint 2011-2020, the banking sector will continue to play an important role as an efficient and effective financial intermediary in supporting the nation towards a high income economy.

The Public Bank Group is expected to sustain its strong market position in the domestic retail operations segment, supported by continued expansion in retail lending and customer deposits. The Group continues to see growth opportunities for residential and commercial properties amid moderate economic growth, low inflation, continued growth in household incomes, low unemployment and accommodative interest rates. Although growth in household loans is expected to remain moderate following various prudential measures introduced since late 2010, demand for business loans is likely to sustain due to growing investment by businesses and ongoing efforts by the Government to further promote the growth of small- and medium-sized enterprises.

The Public Bank Group will continue to expand its vehicle hire purchase financing business, backed by positive prospects for the automotive industry in 2012. The Group is also expected to maintain its leading position in the industry by leveraging on its competitive edge in this segment.

The Public Bank Group will continue to grow its corporate lending activities by focusing on corporate clients with good track record which are involved in resilient economic sectors. Businesses and investments by corporations will further expand, underpinned by implementation of projects under the Economic Transformation Programme and the 10th Malaysia Plan, growing intra-regional trades and the Government's continuous efforts to support the growth of private sector businesses.

Amid more challenging and increasingly volatile global financial markets, the Public Bank Group will continue to focus its treasury operations in areas where it can leverage on its extensive branch network and brand identity to generate fee-based income. The Group will also maintain a healthy level of liquidity to ensure that it is able to meet its funding commitments notwithstanding any turbulence in the financial markets.

The Public Bank Group's fund management business is expected to grow steadily in 2012 and continue to sustain its position as the dominant player in the private unit trust industry in Malaysia. The positive prospect is underpinned by the ongoing demand by the large retail customer base for investment products, the Group's diverse range of fund products that meet various investment objectives and risk appetites, strong distribution capabilities, strong brand as well as its superior fund performance.

The performance of the overseas operating segment will continue to remain steady in 2012 with the prevailing economic outlook and operating environment in the countries in which the Public Bank Group is operating. The Group remains committed to serving the financial needs of customers in those countries by continuing to leverage on its strong customer relationship built over the years and providing efficient customer service as well as attractive and competitive product packages. The Group has hedged its foreign currency exposure in respect of its investments in the overseas operations and therefore is not expected to be susceptible to foreign exchange fluctuations.

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

**B4. Profit Forecast or Profit Guarantee**

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

**B5. Tax Expense and Zakat**

The analysis of the tax expense for the 3rd quarter and nine months ended 30 September 2012 are as follows:

<b><u>Group</u></b>	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2012</b>	<b>30 September 2011</b>	<b>30 September 2012</b>	<b>30 September 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>316,818</b>	277,584	<b>876,354</b>	813,138
Overseas income tax	<b>12,905</b>	13,522	<b>46,655</b>	43,868
	<b>329,723</b>	291,106	<b>923,009</b>	857,006
Under / (Over) provision in prior years				
- Malaysian income tax	<b>512</b>	6,588	<b>1,237</b>	6,440
- Overseas income tax	<b>2</b>	(1)	<b>525</b>	(1,370)
	<b>330,237</b>	297,693	<b>924,771</b>	862,076
Deferred tax expense				
- Relating to origination and reversal of temporary differences	<b>(9,924)</b>	(7,685)	<b>(31,076)</b>	1,773
Tax expense	<b>320,313</b>	290,008	<b>893,695</b>	863,849
Zakat	<b>83</b>	80	<b>248</b>	239
	<b>320,396</b>	290,088	<b>893,943</b>	864,088

The Group's effective tax rates for the 3rd quarter and nine months ended 30 September 2012 and 30 September 2011 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.

<b><u>Bank</u></b>	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2012</b>	<b>30 September 2011</b>	<b>30 September 2012</b>	<b>30 September 2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>261,420</b>	217,075	<b>714,039</b>	649,452
Overseas income tax	<b>637</b>	473	<b>1,772</b>	1,569
	<b>262,057</b>	217,548	<b>715,811</b>	651,021
Under / (over) provision in prior years				
- Overseas income tax	<b>1</b>	-	<b>348</b>	(202)
	<b>262,058</b>	217,548	<b>716,159</b>	650,819
Deferred tax expense				
- Relating to origination and reversal of temporary differences	<b>(10,191)</b>	(8,142)	<b>(22,049)</b>	(4,291)
	<b>251,867</b>	209,406	<b>694,110</b>	646,528

The Bank's effective tax rate for the 3rd quarter and nine months ended 30 September 2012 and 30 September 2011 were lower than the statutory tax rate due to certain income not subject to tax.



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

**B6. Status of Corporate Proposals Announced but Not Completed**

There were no corporate proposals announced but not completed as at 30 September 2012.

**B7. Status of Utilisation of Proceeds Raised from Corporate Proposals**

The proceeds raised from the issuances of subordinated notes, Innovative Tier I capital securities and Non-innovative Tier I stapled securities in prior years have been used for working capital, general banking and other corporate purposes, as intended.

**B8. Realised and Unrealised Profits**

The breakdown of retained profits of the Group and the Bank as at the reporting date, into realised and unrealised profits, as disclosed pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 25 March 2010, is as follows:

	<b>Group</b>	
	<b>30 September 2012</b>	<b>31 December 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	9,552,070	8,231,095
- Unrealised	75,908	37,650
	<b>9,627,978</b>	<b>8,268,745</b>
Total share of retained profits from associated companies:		
- Realised	2,572	6,433
- Unrealised	-	-
	<b>9,630,550</b>	<b>8,275,178</b>
Less: Consolidation adjustments	<b>(1,160,051)</b>	<b>(998,370)</b>
Total Group retained profits as per consolidated accounts	<b>8,470,499</b>	<b>7,276,808</b>
	<b>Bank</b>	
	<b>30 September 2012</b>	<b>31 December 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained profits of Public Bank Berhad:		
- Realised	8,000,676	6,899,270
- Unrealised	(21,046)	(46,952)
Total Bank retained profits as per accounts	<b>7,979,630</b>	<b>6,852,318</b>

The determination of realised and unrealised profits is based on the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised retained profits of the Group and the Bank as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group and the Bank, and are hence deemed as realised.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

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

**B9. Deposits From Customers and Banks and Debt Securities Issued and Other Borrowed Funds**

	Group		Bank	
	30 September 2012 RM'000	31 December 2011 RM'000	30 September 2012 RM'000	31 December 2011 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	117,323,782	106,415,441	90,336,150	82,417,034
More than one year	224,955	157,543	89,579	103,984
- Negotiable instruments of deposits				
One year or less	1,383,971	2,264,308	202,412	733,999
More than one year	95,705	18,719	16,765	18,719
- Money market deposits				
One year or less	46,557,979	40,589,452	42,171,544	35,471,442
- Savings deposits	23,207,970	21,959,727	16,447,190	15,476,427
- Demand deposits	31,220,552	28,763,993	27,123,478	24,963,764
- Others	182,440	201,342	179,998	199,070
	<u>220,197,354</u>	<u>200,370,525</u>	<u>176,567,116</u>	<u>159,384,439</u>
(b) <u>Deposits from banks</u>				
- One year or less	<u>13,570,116</u>	<u>15,806,732</u>	<u>15,112,331</u>	<u>16,717,349</u>
(c) <u>Debt securities issued and other     borrowed funds</u>				
Borrowings denominated in HKD (unsecured) Term loan				
- More than one year	<u>550,927</u>	<u>895,084</u>	<u>-</u>	<u>-</u>
Subordinated notes denominated in USD (unsecured)				
- More than one year	-	1,289,818	-	1,289,818
Subordinated notes denominated in RM (unsecured)				
- More than one year	<u>4,957,051</u>	<u>4,966,920</u>	<u>4,957,051</u>	<u>4,966,920</u>
	<u>4,957,051</u>	<u>6,256,738</u>	<u>4,957,051</u>	<u>6,256,738</u>
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	728,243	723,422	728,243	723,422
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	<u>1,241,451</u>	<u>1,245,374</u>	<u>1,241,451</u>	<u>1,245,374</u>
	<u>1,969,694</u>	<u>1,968,796</u>	<u>1,969,694</u>	<u>1,968,796</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	<u>2,210,149</u>	<u>2,197,215</u>	<u>2,210,149</u>	<u>2,197,215</u>
	<u>9,687,821</u>	<u>11,317,833</u>	<u>9,136,894</u>	<u>10,422,749</u>

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

**B10. 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.

**B11. Dividends**

No dividend has been proposed for the 3rd quarter ended 30 September 2012.

**B12. Earnings Per Share**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
		<b>(Restated)</b>		<b>(Restated)</b>
Net profit attributable to equity holders (RM'000)	<u><b>983,294</b></u>	<u>931,953</u>	<u><b>2,876,804</b></u>	<u>2,770,897</u>
Weighted average number of PBB Shares ('000)	<u><b>3,502,125</b></u>	<u>3,502,128</u>	<u><b>3,502,125</b></u>	<u>3,502,134</u>
Basic earnings per share (sen)	<u><b>28.1</b></u>	<u>26.6</u>	<u><b>82.1</b></u>	<u>79.1</u>

**Diluted**

The Group has no dilution in its earnings per ordinary share in the current period and the preceding year corresponding period as there are no dilutive potential ordinary shares.