

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	Group		Bank	
		31 March	31 December	31 March	31 December
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and balances with banks		13,386,736	16,816,838	10,318,053	11,008,446
Reverse repurchase agreements		12,402,188	6,314,493	11,660,186	5,564,858
Financial assets held-for-trading	A8	17,398,563	18,364,018	14,080,831	14,478,780
Derivative financial assets	A27	519,930	703,072	518,393	691,014
Financial investments available-for-sale	A9	22,140,694	25,458,820	14,371,767	20,391,822
Financial investments held-to-maturity	A10	20,465,825	20,414,387	17,723,003	17,866,819
Loans, advances and financing	A11	251,232,693	243,221,839	207,957,016	201,928,027
Other assets	A12	2,892,023	2,472,233	2,529,213	2,450,489
Statutory deposits with Central Banks		8,969,051	8,063,746	7,160,641	6,375,578
Deferred tax assets		69,298	69,325	-	-
Investment in subsidiary companies		-	-	4,436,050	4,436,050
Investment in associated companies		167,046	157,415	121,325	121,325
Investment properties		113,702	107,028	-	-
Property and equipment		1,529,029	1,475,578	652,965	658,965
Intangible assets		2,155,295	2,083,142	695,393	695,393
TOTAL ASSETS		353,442,073	345,721,934	292,224,836	286,667,566
LIABILITIES					
Deposits from customers	A13	285,414,748	276,540,176	231,905,818	226,216,991
Deposits from banks	A14	18,349,815	20,669,732	16,762,359	17,696,650
Bills and acceptances payable		996,112	661,718	1,191,168	661,168
Recourse obligations on loans and financing sold to Cagamas		1,922,020	1,922,020	1,422,004	1,422,004
Derivative financial liabilities	A27	659,779	488,193	672,086	523,725
Debt securities issued and other borrowed funds	B9	11,530,343	11,427,765	10,514,330	10,440,383
Other liabilities	A15	4,873,851	4,496,646	3,527,582	3,363,265
Provision for tax expense and zakat		585,396	554,594	384,205	340,988
Deferred tax liabilities		106,584	86,309	81,809	59,231
TOTAL LIABILITIES		324,438,648	316,847,153	266,461,361	260,724,405

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	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
EQUITY				
Share capital	3,882,138	3,882,138	3,882,138	3,882,138
Reserves	24,358,483	24,291,867	22,030,674	22,210,360
Treasury shares	(149,337)	(149,337)	(149,337)	(149,337)
Equity attributable to equity holders of the Bank	28,091,284	28,024,668	25,763,475	25,943,161
Non-controlling interests	912,141	850,113	-	-
TOTAL EQUITY	29,003,425	28,874,781	25,763,475	25,943,161
TOTAL LIABILITIES AND EQUITY	353,442,073	345,721,934	292,224,836	286,667,566
COMMITMENTS AND CONTINGENCIES				
	A26 100,752,565	95,812,661	95,139,703	91,048,625
CAPITAL ADEQUACY				
Before deducting interim dividends *	A29			
Common Equity Tier I Capital Ratio	10.475%	11.328%	11.355%	12.686%
Tier I Capital Ratio	11.712%	12.776%	12.824%	14.397%
Total Capital Ratio	15.237%	16.384%	15.173%	16.324%
After deducting interim dividends *				
Common Equity Tier I Capital Ratio	10.475%	10.781%	11.355%	12.029%
Tier I Capital Ratio	11.712%	12.228%	12.824%	13.740%
Total Capital Ratio	15.237%	15.836%	15.173%	15.668%
Net assets per share attributable to ordinary equity holders of the Bank (RM)	7.27	7.26	6.67	6.72

* Refers to interim dividends declared subsequent to the financial period/year end.

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Operating revenue		4,600,303	3,948,377	4,600,303	3,948,377
Interest income	A16	3,455,278	2,937,508	3,455,278	2,937,508
Interest expense	A17	(1,921,073)	(1,534,526)	(1,921,073)	(1,534,526)
Net interest income		1,534,205	1,402,982	1,534,205	1,402,982
Net income from Islamic banking business	A30b	204,367	205,584	204,367	205,584
		1,738,572	1,608,566	1,738,572	1,608,566
Net fee and commission income	A18	370,034	322,667	370,034	322,667
Net gains and losses on financial instruments	A19	57,887	53,850	57,887	53,850
Other operating income	A20	98,640	78,434	98,640	78,434
Net income		2,265,133	2,063,517	2,265,133	2,063,517
Other operating expenses	A21	(702,848)	(655,918)	(702,848)	(655,918)
Operating profit		1,562,285	1,407,599	1,562,285	1,407,599
Allowance for impairment on loans, advances and financing	A22	(75,748)	(84,818)	(75,748)	(84,818)
Writeback of impairment on other assets		488	984	488	984
		1,487,025	1,323,765	1,487,025	1,323,765
Share of profit after tax of equity accounted associated companies		1,653	3,335	1,653	3,335
Profit before tax expense and zakat		1,488,678	1,327,100	1,488,678	1,327,100
Tax expense and zakat	B5	(304,476)	(300,067)	(304,476)	(300,067)
Profit for the period		1,184,202	1,027,033	1,184,202	1,027,033
Profit for the period attributable to :					
- Equity holders of the Bank		1,171,519	1,016,932	1,171,519	1,016,932
- Non-controlling interests		12,683	10,101	12,683	10,101
		1,184,202	1,027,033	1,184,202	1,027,033
Earnings per RM1.00 share:					
- basic / diluted (sen)	B12	30.3	29.0	30.3	29.0

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

Group	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Profit for the period	<u>1,184,202</u>	<u>1,027,033</u>	<u>1,184,202</u>	<u>1,027,033</u>
Other comprehensive income / (loss):				
<u>Items that may be reclassified to profit or loss:</u>				
Foreign currency translation reserves:				
- Currency translation differences in respect of:				
- Foreign operations	276,203	(26,936)	276,203	(26,936)
- Net investment hedge	(191,503)	14,773	(191,503)	14,773
Revaluation reserves:				
- Net gain / (loss) on revaluation of financial investments available-for-sale	95,672	(4,076)	95,672	(4,076)
- Share of gain of equity accounted associated companies	170	31	170	31
Hedging reserves:				
- Net change in cash flow hedges	(21,383)	10,768	(21,383)	10,768
	<u>159,159</u>	<u>(5,440)</u>	<u>159,159</u>	<u>(5,440)</u>
Income tax relating to components of other comprehensive income / (loss):				
- Revaluation reserves	(22,786)	1,973	(22,786)	1,973
- Hedging reserves	5,132	(2,692)	5,132	(2,692)
	<u>(17,654)</u>	<u>(719)</u>	<u>(17,654)</u>	<u>(719)</u>
Other comprehensive income / (loss) for the period, net of tax	<u>141,505</u>	<u>(6,159)</u>	<u>141,505</u>	<u>(6,159)</u>
Total comprehensive income for the period	<u>1,325,707</u>	<u>1,020,874</u>	<u>1,325,707</u>	<u>1,020,874</u>
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	1,263,679	1,015,989	1,263,679	1,015,989
- Non-controlling interests	62,028	4,885	62,028	4,885
	<u>1,325,707</u>	<u>1,020,874</u>	<u>1,325,707</u>	<u>1,020,874</u>

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

Bank	Note	1st Quarter Ended		Three Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Operating revenue		3,403,723	3,004,387	3,403,723	3,004,387
Interest income	A16	3,164,929	2,689,755	3,164,929	2,689,755
Interest expense	A17	(1,854,158)	(1,478,172)	(1,854,158)	(1,478,172)
Net interest income		1,310,771	1,211,583	1,310,771	1,211,583
Net fee and commission income	A18	152,118	122,183	152,118	122,183
Net gains and losses on financial instruments	A19	60,749	53,287	60,749	53,287
Other operating income	A20	172,876	164,737	172,876	164,737
Net income		1,696,514	1,551,790	1,696,514	1,551,790
Other operating expenses	A21	(477,897)	(446,989)	(477,897)	(446,989)
Operating profit		1,218,617	1,104,801	1,218,617	1,104,801
Allowance for impairment on loans, advances and financing	A22	(31,335)	(38,310)	(31,335)	(38,310)
Writeback of impairment on other assets		494	984	494	984
Profit before tax expense and zakat		1,187,776	1,067,475	1,187,776	1,067,475
Tax expense and zakat	B5	(233,883)	(236,349)	(233,883)	(236,349)
Profit for the period		953,893	831,126	953,893	831,126

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Bank</u>				
Profit for the period	<u>953,893</u>	<u>831,126</u>	<u>953,893</u>	<u>831,126</u>
Other comprehensive income / (loss):				
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net gain / (loss) on revaluation of financial investments available-for-sale	70,550	(9,370)	70,550	(9,370)
Hedging reserves:				
- Net change in cash flow hedges	13,012	33,440	13,012	33,440
	<u>83,562</u>	<u>24,070</u>	<u>83,562</u>	<u>24,070</u>
Income tax relating to components of other comprehensive income / (loss):				
- Revaluation reserves	(16,955)	2,342	(16,955)	2,342
- Hedging reserves	(3,123)	(8,360)	(3,123)	(8,360)
	<u>(20,078)</u>	<u>(6,018)</u>	<u>(20,078)</u>	<u>(6,018)</u>
Other comprehensive income for the period, net of tax	<u>63,484</u>	<u>18,052</u>	<u>63,484</u>	<u>18,052</u>
Total comprehensive income for the period	<u>1,017,377</u>	<u>849,178</u>	<u>1,017,377</u>	<u>849,178</u>

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

<----- 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	Reserves Other Reserves RM'000	Reserves Retained Profits RM'000	Reserves				
At 1 January 2015	3,882,138	5,535,515	6,883,560	11,872,792	(149,337)	28,024,668	850,113	28,874,781	
Profit for the period	-	-	-	1,171,519	-	1,171,519	12,683	1,184,202	
Other comprehensive income for the period	-	-	92,160	-	-	92,160	49,345 *	141,505	
Total comprehensive income for the period	-	-	92,160	1,171,519	-	1,263,679	62,028	1,325,707	
Transactions with owners / other equity movements:									
Transfer to regulatory reserves	-	-	65,958	(65,958)	-	-	-	-	
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	6	(6)	-	-	-	-	
Dividends paid	-	-	-	(1,197,063)	-	(1,197,063)	-	(1,197,063)	
	-	-	65,964	(1,263,027)	-	(1,197,063)	-	(1,197,063)	
At 31 March 2015	3,882,138	5,535,515	7,041,684	11,781,284	(149,337)	28,091,284	912,141	29,003,425	

* This represents non-controlling interests' share of currency translation differences in respect of foreign operations.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

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

<u>Group</u>	Non-distributable		Distributable		Treasury Shares	Total Shareholders' Equity	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Reserves Other Reserves	Reserves Retained Profits				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	3,531,926	1,073,310	4,526,365	11,507,565	(215,572)	20,423,594	773,602	21,197,196
Profit for the period	-	-	-	1,016,932	-	1,016,932	10,101	1,027,033
Other comprehensive loss for the period	-	-	(943)	-	-	(943)	(5,216) *	(6,159)
Total comprehensive income for the period	-	-	(943)	1,016,932	-	1,015,989	4,885	1,020,874
Transactions with owners / other equity movements:								
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	107	(107)	-	-	-	-
Transfer from regulatory reserves	-	-	(17)	17	-	-	-	-
Transfer to general reserves	-	-	280	(280)	-	-	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)	-	(1,050,638)
	-	-	370	(1,051,008)	-	(1,050,638)	-	(1,050,638)
At 31 March 2014	3,531,926	1,073,310	4,525,792	11,473,489	(215,572)	20,388,945	778,487	21,167,432

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

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

	Non-distributable		Distributable		Treasury Shares 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		
Bank						
At 1 January 2015	3,882,138	5,535,515	6,144,009	10,530,836	(149,337)	25,943,161
Profit for the period	-	-	-	953,893	-	953,893
Other comprehensive income for the period	-	-	63,484	-	-	63,484
Total comprehensive income for the period	-	-	<u>63,484</u>	<u>953,893</u>	-	<u>1,017,377</u>
Transactions with owners / other equity movements:						
Transfer to regulatory reserves	-	-	63,472	(63,472)	-	-
Dividends paid	-	-	-	(1,197,063)	-	(1,197,063)
	-	-	<u>63,472</u>	<u>(1,260,535)</u>	-	<u>(1,197,063)</u>
At 31 March 2015	<u>3,882,138</u>	<u>5,535,515</u>	<u>6,270,965</u>	<u>10,224,194</u>	<u>(149,337)</u>	<u>25,763,475</u>

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

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

	Non-distributable		Distributable		Treasury Shares 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		
Bank						
At 1 January 2014	3,531,926	1,073,310	3,803,152	10,629,239	(215,572)	18,822,055
Profit for the period	-	-	-	831,126	-	831,126
Other comprehensive income for the period	-	-	18,052	-	-	18,052
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>18,052</u>	<u>831,126</u>	<u>-</u>	<u>849,178</u>
Transactions with owners / other equity movements:						
Transfer to general reserves	-	-	280	(280)	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)
	<u>-</u>	<u>-</u>	<u>280</u>	<u>(1,050,918)</u>	<u>-</u>	<u>(1,050,638)</u>
At 31 March 2014	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,821,484</u>	<u>10,409,447</u>	<u>(215,572)</u>	<u>18,620,595</u>

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

	Group		Bank	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Cash Flows from Operating Activities				
Profit before tax expense and zakat	1,488,678	1,327,100	1,187,776	1,067,475
Adjustments for non-cash items:				
Share of profit after tax of equity accounted associated companies	(1,653)	(3,335)	-	-
Allowance for impaired loans and financing	132,872	143,117	65,655	73,877
Depreciation of property and equipment	43,061	37,938	34,279	29,660
Net gain on financial instruments	(9,741)	(10,080)	(12,612)	(10,757)
Dividend income	(42,271)	(42,528)	(259,440)	(134,376)
Transfer to profit equalisation reserves	18	185	-	-
Impairment written back	(488)	(984)	(494)	(984)
Other non-cash items	(348)	8,710	(411)	326
Operating profit before working capital changes	<u>1,610,128</u>	<u>1,460,123</u>	<u>1,014,753</u>	<u>1,025,221</u>
Changes in working capital:				
Increase in operating assets	(15,096,357)	(7,554,908)	(13,362,440)	(5,637,642)
Increase in operating liabilities	7,512,389	6,936,991	5,860,182	7,145,920
Cash (used in) / generated from operations	<u>(5,973,840)</u>	<u>842,206</u>	<u>(6,487,505)</u>	<u>2,533,499</u>
Tax expense and zakat paid	(270,989)	(262,197)	(188,167)	(188,505)
Net cash (used in) / generated from operating activities	<u>(6,244,829)</u>	<u>580,009</u>	<u>(6,675,672)</u>	<u>2,344,994</u>
Cash Flows from Investing Activities				
Purchase of property and equipment	(96,090)	(24,627)	(27,857)	(6,022)
Proceeds from disposal of properties	4,019	7,920	3,912	7,826
Net sale of financial investments	3,366,484	1,057,636	6,240,465	1,118,090
Dividends received	42,271	42,528	515,327	356,738
Net cash generated from investing activities	<u>3,316,684</u>	<u>1,083,457</u>	<u>6,731,847</u>	<u>1,476,632</u>

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2015

	Group		Bank	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Cash Flows from Financing Activities				
Dividends paid	(1,197,063)	(1,050,638)	(1,197,063)	(1,050,638)
Net drawdown / (repayment) of borrowings	28,568	(1,422)	-	-
Net cash used in financing activities	<u>(1,168,495)</u>	<u>(1,052,060)</u>	<u>(1,197,063)</u>	<u>(1,050,638)</u>
Net change in cash and cash equivalents	(4,096,640)	611,406	(1,140,888)	2,770,988
Cash and cash equivalents at beginning of the year	13,877,375	20,183,223	8,974,149	11,386,416
Exchange differences on translation of opening balances	<u>161,565</u>	<u>(14,308)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the period	<u>9,942,300</u>	<u>20,780,321</u>	<u>7,833,261</u>	<u>14,157,404</u>
Note:				
Cash and balances with banks	13,386,736	25,455,971	10,318,053	17,913,615
Less: Balances with banks with maturity more than one month	<u>(3,444,436)</u>	<u>(4,675,650)</u>	<u>(2,484,792)</u>	<u>(3,756,211)</u>
Cash and cash equivalents at end of the period	<u>9,942,300</u>	<u>20,780,321</u>	<u>7,833,261</u>	<u>14,157,404</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 2014.

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**Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and
Policy Document on Financial Reporting Issued by Bank Negara Malaysia**

A1. Basis of Preparation

The unaudited interim financial statements for the 1st quarter ended 31 March 2015 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 2014. The explanatory notes attached to the unaudited 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 2014.

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

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2014.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group and the Bank:

Effective for annual periods commencing on or after 1 January 2016

- Equity Method in Separate Financial Statements (Amendments to MFRS 127)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012–2014 Cycle"
- Disclosure Initiative (Amendments to MFRS 101)
- Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128)

Effective for annual periods commencing on or after 1 January 2017

- MFRS 15 Revenue from Contracts with Customers

Effective for annual periods commencing on or after 1 January 2018

- MFRS 9 Financial Instruments (2014)

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A1. Basis of Preparation (continued)

The amendments to MFRS 127 allow an entity to use the equity method in its separate financial statement to account for investments in subsidiary companies, joint ventures and associated companies, in addition to the existing cost method. The adoption of these amendments is not expected to have any impact on the financial statement of the Bank as the Bank will continue to use its existing cost method to account for its investments in subsidiary companies and associated companies.

The amendments to MFRS 10 and MFRS 128 address the inconsistency between the requirements of MFRS 10 and MFRS 128 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The adoption of these amendments is not expected to have any material impact on the financial statements of the Group and the Bank.

The Annual Improvements to MFRSs 2012 – 2014 Cycle consist of the following amendments:

(a) **MFRS 5 Non-current Assets Held for Sale and Discontinued Operations**

The amendment introduces specific guidance in MFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution is discontinued. The amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal and that changing the disposal method does not change the date of classification.

(b) **MFRS 7 Financial Instruments: Disclosures**

MFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset and an entity must assess the nature of the fee and arrangement in order to assess whether the disclosures are required.

The amendments also clarify the applicability of the amendments to MFRS 7 on offsetting disclosures to condensed interim financial statements.

(c) **MFRS 119 Employee Benefits**

The amendment clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. When there is no deep market for high quality corporate bonds, government bonds denominated in similar currency must be used.

(d) **MFRS 134 Interim Financial Reporting**

The amendment clarifies the meaning of 'elsewhere in the interim financial report' as used in MFRS 134 and states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and some other statement that is available to users of the financial statements on the same terms and at the same time.

The adoption of the Annual Improvements to MFRSs 2012 – 2014 Cycle is not expected to have any material impact on the financial statements of the Group and the Bank.

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A1. Basis of Preparation (continued)

The amendments to MFRS 101 aim to improve the presentation and disclosure in the financial statements and are designed to encourage companies to apply professional judgement in determining what information to disclose and how to structure it in their financial statements. Since the amendments only affect disclosures, the adoption of these amendments is not expected to have any financial impact on the Group and the Bank.

The amendments to MFRS 10, MFRS 12 and MFRS 128 address issues that have arisen in the application of the consolidation exception for investment entities and provide relief in certain circumstances. The amendments clarify the exemption from preparing consolidated financial statements for an intermediate parent entity, a subsidiary providing services that support parent's investment activities, application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity, and the disclosures required. The adoption of these amendments is not expected to have any impact on the financial statements of the Group and the Bank.

MFRS 15 establishes principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The core principle of MFRS 15 is that an entity recognises revenue in a manner which reflects the consideration an entity expects to be entitled in exchange for goods or services. The adoption of MFRS 15 is not expected to have any material impact on the financial statements of the Group and the Bank.

MFRS 9 Financial Instruments (2014)

This final version of MFRS 9 replaces all previous versions of MFRS 9. Retrospective application is required, but comparative information is not compulsory. The standard introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting. The approach for classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held with two measurement categories – amortised cost and fair value. For impairment, MFRS 9 introduces an expected-loss impairment model which will require more timely recognition of expected credit losses to reflect changes of credit risk of financial instruments. For hedge accounting, MFRS 9 establishes a more principle-based approach that aligns the accounting treatment with risk management activities so that entities can reflect these activities in their financial statements. The standard does not explicitly address macro hedge accounting, which is being considered in a separate project.

MFRS 9 introduces significant changes in the way the Group accounts for financial instruments. Due to the complexity of the standard and its requirements, the financial effects of its adoption are still being assessed by the Group.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2014 was not qualified.

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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 1st quarter ended 31 March 2015.

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 1st quarter ended 31 March 2015.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 1st quarter ended 31 March 2015.

A6. Debt and Equity Securities

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Bank.

A7. Dividends Paid and Distributed

During the financial quarter ended 31 March 2015, a second interim single tier dividend of 31% in respect of the financial year ended 31 December 2014, amounting to RM1,197,063,153 was paid on 5 March 2015.

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A8. Financial Assets Held-for-trading

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	-	77,292	-	77,292
Malaysian Government Securities	374,021	971,970	374,021	971,970
Malaysian Government Investment Certificates	111,587	91,272	111,587	91,272
Bank Negara Malaysia Monetary Notes	-	1,053,737	-	1,053,737
	<u>485,608</u>	<u>2,194,271</u>	<u>485,608</u>	<u>2,194,271</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	16,497,697	15,705,105	13,441,542	12,242,739
Bankers' acceptances and Islamic accepted bills	184,733	367,994	-	-
	<u>16,682,430</u>	<u>16,073,099</u>	<u>13,441,542</u>	<u>12,242,739</u>
Non-money market instruments:				
Debt securities:				
- Unquoted private debt securities	230,525	96,648	153,681	41,770
Total financial assets held-for-trading	<u>17,398,563</u>	<u>18,364,018</u>	<u>14,080,831</u>	<u>14,478,780</u>

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A9. Financial Investments Available-for-sale

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	371,209	389,603	-	78,452
Malaysian Government Securities	3,445,368	5,792,980	3,362,825	5,792,980
Malaysian Government Investment Certificates	9,191,299	6,435,034	4,767,817	4,398,611
Bank Negara Malaysia Monetary Notes	1,647,911	4,935,145	4,643	3,152,223
	<u>14,655,787</u>	<u>17,552,762</u>	<u>8,135,285</u>	<u>13,422,266</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>980,974</u>	<u>1,091,364</u>	<u>603,222</u>	<u>1,002,749</u>
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	5,895	7,086	-	-
- Unquoted shares #	113,797	112,086	109,450	107,921
Debt securities:				
- Unquoted private debt securities	1,061,363	1,421,176	672,930	1,052,762
Unit trust funds	5,322,878	5,274,346	4,850,880	4,806,124
	<u>6,503,933</u>	<u>6,814,694</u>	<u>5,633,260</u>	<u>5,966,807</u>
Total financial investments available-for-sale	<u>22,140,694</u>	<u>25,458,820</u>	<u>14,371,767</u>	<u>20,391,822</u>

Stated at cost, net of impairment loss.

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A10. Financial Investments Held-to-maturity

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	175,812	174,363	9,838	9,752
Malaysian Government Securities	2,110,825	2,317,575	2,080,534	2,287,544
Malaysian Government Investment Certificates	11,067,670	11,160,710	10,128,893	10,103,198
Bank Negara Malaysia Monetary Notes	443,307	439,542	443,307	439,542
Foreign Government Treasury Bills	778,171	708,132	45,382	20,149
Other foreign government securities	135,250	131,043	-	-
	<u>14,711,035</u>	<u>14,931,365</u>	<u>12,707,954</u>	<u>12,860,185</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,199,448</u>	<u>1,065,018</u>	<u>1,601,603</u>	<u>1,586,876</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds	1,259,491	1,247,447	1,219,165	1,207,484
- Unquoted private debt securities	3,295,932	3,170,638	2,194,362	2,212,355
	<u>4,555,423</u>	<u>4,418,085</u>	<u>3,413,527</u>	<u>3,419,839</u>
Accumulated impairment losses	(81)	(81)	(81)	(81)
Total financial investments held-to-maturity	<u>20,465,825</u>	<u>20,414,387</u>	<u>17,723,003</u>	<u>17,866,819</u>

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A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost				
Overdrafts	10,069,380	10,195,284	8,312,147	8,394,145
Term loans				
- Housing loans / financing	79,836,889	77,610,372	68,723,593	67,116,548
- Syndicated term loans / financing	1,562,334	1,513,802	1,018,385	1,008,885
- Hire purchase receivables	49,531,046	48,288,687	36,295,186	35,306,545
- Other term loans / financing	98,124,772	92,882,403	81,415,302	77,281,485
Credit card receivables	1,686,856	1,664,137	1,673,679	1,651,400
Bills receivables	155,764	171,747	135,721	153,681
Trust receipts	286,187	334,435	224,544	253,595
Claims on customers under acceptance credits	4,147,386	4,206,587	3,971,086	4,053,227
Revolving credits	6,116,909	6,680,739	5,951,362	6,510,882
Staff loans *	1,534,308	1,495,860	1,437,329	1,403,626
Gross loans, advances and financing	253,051,831	245,044,053	209,158,334	203,134,019
Allowance for impaired loans and financing:				
- collective assessment allowance	(1,691,096)	(1,682,128)	(1,152,509)	(1,143,525)
- individual assessment allowance	(128,042)	(140,086)	(48,809)	(62,467)
Net loans, advances and financing	251,232,693	243,221,839	207,957,016	201,928,027

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM3,324,000 (2014: RM3,402,000) and RM3,009,000 (2014 - RM3,069,000) respectively.

A11a. By class

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Retail loans / financing *				
- Housing loans / financing	79,836,889	77,610,372	68,723,593	67,116,548
- Hire purchase	49,531,046	48,288,687	36,295,186	35,306,545
- Credit cards	1,686,856	1,664,137	1,673,679	1,651,400
- Other loans / financing ^	86,481,834	83,615,227	73,643,083	71,399,103
	217,536,625	211,178,423	180,335,541	175,473,596
Corporate loans / financing	35,515,206	33,865,630	28,822,793	27,660,423
	253,051,831	245,044,053	209,158,334	203,134,019

* Included in retail loans / financing are loans / financing granted to individual borrowers and mid-market commercial enterprises.

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

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A11. Loans, Advances and Financing (continued)

A11b. By type of customer

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Non-bank financial institutions				
- Stock-broking companies	85,728	8,803	8,390	8,803
- Others	6,671,815	6,672,659	6,162,091	6,553,083
Business enterprises				
- Small and medium enterprises	58,248,141	55,544,630	51,626,521	49,161,029
- Others	24,719,101	24,310,180	19,366,715	18,987,132
Government and statutory bodies	334,319	331,246	13,673	13,663
Individuals	160,439,675	155,717,324	129,543,161	126,060,649
Other entities	38,120	40,369	34,514	37,536
Foreign entities	2,514,932	2,418,842	2,403,269	2,312,124
	<u>253,051,831</u>	<u>245,044,053</u>	<u>209,158,334</u>	<u>203,134,019</u>

A11c. By interest / profit rate sensitivity

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Fixed rate				
- Housing loans / financing	668,790	682,813	75,135	79,311
- Hire purchase receivables	47,655,471	46,454,805	36,280,924	35,293,363
- Other fixed rate loans / financing	15,761,216	15,788,687	8,118,764	8,249,418
Variable rate				
- Base rate / base lending rate plus	152,301,861	147,647,383	140,281,428	136,427,954
- Cost plus	24,046,556	22,797,600	23,312,974	22,107,737
- Other variable rates	12,617,937	11,672,765	1,089,109	976,236
	<u>253,051,831</u>	<u>245,044,053</u>	<u>209,158,334</u>	<u>203,134,019</u>

A11d. By residual contractual maturity

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Maturity within one year	33,487,512	33,519,550	28,054,371	28,173,351
More than one year to three years	20,278,647	19,854,855	16,204,291	15,876,998
More than three years to five years	23,415,091	22,993,262	18,422,954	18,037,149
More than five years	175,870,581	168,676,386	146,476,718	141,046,521
	<u>253,051,831</u>	<u>245,044,053</u>	<u>209,158,334</u>	<u>203,134,019</u>

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A11. Loans, Advances and Financing (continued)

A11e. By geographical distribution

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Malaysia	235,235,428	228,337,847	208,367,241	202,409,537
Hong Kong SAR and the People's Republic of China	13,953,832	12,991,337	-	-
Cambodia	3,071,478	2,990,387	-	-
Other countries	791,093	724,482	791,093	724,482
	253,051,831	245,044,053	209,158,334	203,134,019

A11f. Gross loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Purchase of securities	2,461,594	2,735,265	2,102,571	2,442,734
Purchase of transport vehicles	49,779,685	48,537,246	36,547,273	35,557,749
Purchase of landed properties (of which: - residential - non-residential)	147,239,120 81,722,167 65,516,953	141,982,677 79,378,865 62,603,812	128,757,643 70,549,785 58,207,858	124,781,538 68,836,084 55,945,454
Purchase of fixed assets (excluding landed properties)	252,708	245,063	221,248	214,981
Personal use	9,591,157	9,401,614	4,894,688	4,804,696
Credit card	1,686,856	1,664,137	1,673,679	1,651,400
Purchase of consumer durables	2,574	2,437	456	283
Construction	4,311,563	3,930,563	3,568,040	3,245,636
Mergers and acquisitions	178,164	181,552	178,164	181,552
Working capital	33,922,819	32,695,312	27,790,255	26,792,202
Other purpose	3,625,591	3,668,187	3,424,317	3,461,248
	253,051,831	245,044,053	209,158,334	203,134,019

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A11. Loans, Advances and Financing (continued)

A11g. Gross loans, advances and financing by sectors

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Agriculture, hunting, forestry and fishing	2,982,120	2,936,114	2,415,578	2,357,855
Mining and quarrying	207,012	212,118	173,255	179,813
Manufacturing	9,305,918	9,112,010	8,301,032	8,118,522
Electricity, gas and water	50,542	46,009	13,175	10,832
Construction	7,310,778	7,257,376	6,185,569	6,148,560
Wholesale & retail trade and restaurants & hotels	22,708,963	22,105,505	20,207,459	19,774,038
Transport, storage and communication	3,584,375	3,534,084	2,742,683	2,661,683
Finance, insurance and business services	15,628,747	14,977,836	13,938,446	13,455,331
Real estate	26,714,358	25,230,068	22,578,743	21,400,509
Community, social and personal services	2,358,343	2,316,978	1,880,605	1,851,904
Households	160,653,696	155,917,337	130,626,915	127,091,475
Others	1,546,979	1,398,618	94,874	83,497
	<u>253,051,831</u>	<u>245,044,053</u>	<u>209,158,334</u>	<u>203,134,019</u>

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Bankers' acceptances rediscounted	<u>748,984</u>	<u>204,124</u>	<u>748,984</u>	<u>204,124</u>

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	1,488,699	1,484,779	1,153,829	1,135,737
Impaired during the period / year	678,985	2,745,274	477,864	1,965,840
Reclassified as non-impaired	(510,703)	(1,921,658)	(395,248)	(1,481,655)
Recoveries	(97,160)	(324,762)	(80,142)	(247,577)
Amount written off	(144,414)	(482,772)	(70,938)	(197,092)
Loans converted to foreclosed properties / investments	(2,249)	(21,724)	(2,199)	(21,542)
Exchange differences	6,504	9,562	576	118
Closing balance	<u>1,419,662</u>	<u>1,488,699</u>	<u>1,083,742</u>	<u>1,153,829</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.56%</u>	<u>0.61%</u>	<u>0.52%</u>	<u>0.57%</u>

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A11. Loans, Advances and Financing (continued)

A11j. Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Malaysia	1,291,297	1,375,695	1,073,021	1,141,700
Hong Kong SAR and the People's Republic of China	77,324	62,326	-	-
Cambodia	40,320	38,549	-	-
Other countries	10,721	12,129	10,721	12,129
	1,419,662	1,488,699	1,083,742	1,153,829

A11k. Impaired loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Purchase of securities	3,432	3,434	3,432	3,434
Purchase of transport vehicles	386,731	412,764	284,356	299,684
Purchase of landed properties (of which: - residential - non-residential)	646,774 489,181 157,593	668,989 504,808 164,181	572,685 423,433 149,252	593,786 441,735 152,051
Purchase of fixed assets (excluding landed properties)	31	164	31	160
Personal use	147,499	146,527	42,068	51,070
Credit card	24,774	25,409	24,666	25,353
Purchase of consumer durables	79	75	-	-
Construction	13,645	12,841	10,832	10,449
Working capital	184,502	202,794	133,552	154,249
Other purpose	12,195	15,702	12,120	15,644
	1,419,662	1,488,699	1,083,742	1,153,829

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A11. Loans, Advances and Financing (continued)

A11i. Impaired loans, advances and financing by sectors

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Agriculture, hunting, forestry and fishing	16,251	17,682	8,344	10,278
Mining and quarrying	2,203	2,220	981	1,056
Manufacturing	72,826	95,216	61,632	86,383
Electricity, gas and water	1,861	1,738	-	-
Construction	56,196	53,219	52,368	49,705
Wholesale & retail trade and restaurants & hotels	113,926	118,792	89,681	92,422
Transport, storage and communication	46,251	51,344	44,561	49,327
Finance, insurance and business services	23,566	26,795	16,183	19,137
Real estate	42,712	34,991	41,968	33,189
Community, social and personal services	6,629	16,669	5,796	15,976
Households	1,035,444	1,068,180	761,726	795,747
Others	1,797	1,853	502	609
	1,419,662	1,488,699	1,083,742	1,153,829

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<u>Collective Assessment Allowance</u>				
At 1 January	1,682,128	1,592,085	1,143,525	1,071,089
Allowance made during the period / year	91,483	358,852	68,251	259,153
Amount written off	(85,394)	(271,729)	(59,876)	(187,246)
Exchange differences	2,879	2,920	609	529
Closing balance	1,691,096	1,682,128	1,152,509	1,143,525

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<u>Individual Assessment Allowance</u>				
At 1 January	140,086	167,925	62,467	79,765
Allowance made during the period / year	48,444	190,432	3,459	9,525
Amount written back in respect of recoveries	(7,055)	(22,731)	(6,055)	(15,310)
Amount written off	(59,020)	(211,043)	(11,062)	(9,846)
Amount transferred to allowance for impairment loss on foreclosed properties	-	(1,667)	-	(1,667)
Exchange differences	5,587	17,170	-	-
Closing balance	128,042	140,086	48,809	62,467

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A12. Other Assets

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Deferred handling fees	261,529	254,694	196,131	191,097
Interest / Income receivable	71,787	89,802	53,337	75,681
Other receivables, deposits and prepayments	1,825,027	1,415,176	1,685,698	1,326,005
Manager's stocks	81,018	99,265	-	-
Employee benefits	260,851	269,797	254,929	263,673
Amount due from trust funds	165,352	107,730	-	-
Foreclosed properties	55,784	56,089	54,949	55,210
Outstanding contracts on clients' accounts	170,675	179,680	-	-
Amount due from subsidiary companies	-	-	38,569	37,336
Dividend receivable from subsidiary companies	-	-	245,600	501,487
	<u>2,892,023</u>	<u>2,472,233</u>	<u>2,529,213</u>	<u>2,450,489</u>

A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	42,724,716	41,431,899	36,800,807	35,771,299
- Savings deposits	28,531,311	27,675,462	19,445,751	19,094,648
- Fixed deposits	153,090,512	147,600,034	123,815,768	121,430,943
	<u>224,346,539</u>	<u>216,707,395</u>	<u>180,062,326</u>	<u>176,296,890</u>
Wholesale deposits:				
- Negotiable instruments of deposit	7,135,358	7,222,073	3,917,588	3,674,808
- Money market deposits	53,842,421	52,524,700	47,838,228	46,163,811
	<u>60,977,779</u>	<u>59,746,773</u>	<u>51,755,816</u>	<u>49,838,619</u>
Other deposits	90,430	86,008	87,676	81,482
	<u>285,414,748</u>	<u>276,540,176</u>	<u>231,905,818</u>	<u>226,216,991</u>

b) By type of customer

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Federal and state governments	3,528,517	3,229,842	613,373	549,568
Local government and statutory authorities	2,752,899	3,419,087	1,175,742	1,806,029
Business enterprises	85,242,855	83,961,654	69,720,763	70,180,944
Individuals	130,610,562	124,941,888	112,663,594	107,897,350
Foreign customers	4,783,472	5,884,641	4,204,881	5,262,723
Others	58,496,443	55,103,064	43,527,465	40,520,377
	<u>285,414,748</u>	<u>276,540,176</u>	<u>231,905,818</u>	<u>226,216,991</u>

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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	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Due within six months	189,828,275	183,926,889	155,668,881	152,166,260
More than six months to one year	24,033,051	23,113,861	19,750,692	19,025,282
More than one year to three years	202,836	302,336	149,066	75,204
More than three years to five years	4,129	3,721	2,945	2,816
	<u>214,068,291</u>	<u>207,346,807</u>	<u>175,571,584</u>	<u>171,269,562</u>

A14. Deposits from Banks

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost				
Licensed banks	11,055,503	10,484,982	8,004,323	8,085,476
Licensed Islamic banks	50,000	940,000	-	-
Licensed investment banks	563,385	350,344	481,468	260,990
Bank Negara Malaysia	373,495	344,471	369,532	340,503
Other financial institutions	6,307,432	8,549,935	7,907,036	9,009,681
	<u>18,349,815</u>	<u>20,669,732</u>	<u>16,762,359</u>	<u>17,696,650</u>

A15. Other Liabilities

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Interest / Income payable	1,666,422	1,399,565	1,447,911	1,236,480
Other payables and accruals	2,693,516	2,534,807	1,944,681	1,986,008
Amount due to trust funds	141,694	47,243	-	-
Unprocessed sales and / or redemptions	84,940	190,902	-	-
Profit Equalisation Reserve of the investment account holder	57	55	-	-
Finance lease liabilities	124,807	136,627	124,807	136,627
Outstanding contracts on clients' accounts	155,978	171,746	-	-
Dividend payable to shareholders	6,437	15,701	6,437	1,121
Amount due to subsidiary companies	-	-	3,746	3,029
	<u>4,873,851</u>	<u>4,496,646</u>	<u>3,527,582</u>	<u>3,363,265</u>

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A16. Interest Income

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Group				
Loans and advances	2,865,894	2,491,017	2,865,894	2,491,017
Balances with banks	105,756	155,349	105,756	155,349
Financial investments available-for-sale	112,493	67,629	112,493	67,629
Financial investments held-to-maturity	181,039	77,821	181,039	77,821
Others	34,829	37,333	34,829	37,333
	<u>3,300,011</u>	<u>2,829,149</u>	<u>3,300,011</u>	<u>2,829,149</u>
Financial assets held-for-trading	155,267	108,359	155,267	108,359
	<u><u>3,455,278</u></u>	<u><u>2,937,508</u></u>	<u><u>3,455,278</u></u>	<u><u>2,937,508</u></u>

Of which:

Interest income earned on impaired loans
and advances

	<u>14,280</u>	<u>13,542</u>	<u>14,280</u>	<u>13,542</u>
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	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Bank				
Loans and advances	2,621,426	2,281,383	2,621,426	2,281,383
Balances with banks	93,691	145,790	93,691	145,790
Financial investments available-for-sale	106,672	65,898	106,672	65,898
Financial investments held-to-maturity	170,465	58,104	170,465	58,104
Others	34,827	37,263	34,827	37,263
	<u>3,027,081</u>	<u>2,588,438</u>	<u>3,027,081</u>	<u>2,588,438</u>
Financial assets held-for-trading	137,848	101,317	137,848	101,317
	<u><u>3,164,929</u></u>	<u><u>2,689,755</u></u>	<u><u>3,164,929</u></u>	<u><u>2,689,755</u></u>

Of which:

Interest income earned on impaired loans
and advances

	<u>13,688</u>	<u>12,885</u>	<u>13,688</u>	<u>12,885</u>
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A17. Interest Expense

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Group</u>				
Deposits from banks	98,554	68,413	98,554	68,413
Deposits from customers	1,681,975	1,356,316	1,681,975	1,356,316
Loans sold to Cagamas	14,202	-	14,202	-
Debt securities issued and other borrowed funds	122,655	108,963	122,655	108,963
Others	3,687	834	3,687	834
	<u>1,921,073</u>	<u>1,534,526</u>	<u>1,921,073</u>	<u>1,534,526</u>

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Bank</u>				
Deposits from banks	88,879	62,301	88,879	62,301
Deposits from customers	1,627,630	1,307,966	1,627,630	1,307,966
Loans sold to Cagamas	14,202	-	14,202	-
Debt securities issued and other borrowed funds	119,827	107,125	119,827	107,125
Others	3,620	780	3,620	780
	<u>1,854,158</u>	<u>1,478,172</u>	<u>1,854,158</u>	<u>1,478,172</u>

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A18. Net Fee and Commission Income

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Group</u>				
Fee and commission income:				
Commissions	112,023	92,725	112,023	92,725
Service charges and fees	78,882	71,404	78,882	71,404
Guarantee fees	8,829	6,888	8,829	6,888
Processing fees	7,765	6,605	7,765	6,605
Commitment fees	22,354	15,571	22,354	15,571
Unit trust management fees	206,294	189,933	206,294	189,933
Fee on sale of trust units	75,837	71,664	75,837	71,664
Net brokerage and commissions from stockbroking activities	19,679	18,569	19,679	18,569
Other fee and commission income	15,252	8,709	15,252	8,709
	<u>546,915</u>	<u>482,068</u>	<u>546,915</u>	<u>482,068</u>
Fee and commission expense:				
Loan related fee *	(77,066)	(65,387)	(77,066)	(65,387)
Unit trust agency fee	(94,315)	(89,088)	(94,315)	(89,088)
Other fee and commission expense	(5,500)	(4,926)	(5,500)	(4,926)
	<u>(176,881)</u>	<u>(159,401)</u>	<u>(176,881)</u>	<u>(159,401)</u>
Net fee and commission income	<u>370,034</u>	<u>322,667</u>	<u>370,034</u>	<u>322,667</u>
	1st Quarter Ended	31 March	Three Months Ended	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Fee and commission income:				
Commissions	125,009	108,405	125,009	108,405
Service charges and fees	59,034	50,720	59,034	50,720
Guarantee fees	8,161	6,157	8,161	6,157
Processing fees	3,935	3,674	3,935	3,674
Commitment fees	21,186	14,544	21,186	14,544
Other fee and commission income	12,256	5,907	12,256	5,907
	<u>229,581</u>	<u>189,407</u>	<u>229,581</u>	<u>189,407</u>
Fee and commission expense:				
Loan related fee *	(74,155)	(64,333)	(74,155)	(64,333)
Other fee and commission expense	(3,308)	(2,891)	(3,308)	(2,891)
	<u>(77,463)</u>	<u>(67,224)</u>	<u>(77,463)</u>	<u>(67,224)</u>
Net fee and commission income	<u>152,118</u>	<u>122,183</u>	<u>152,118</u>	<u>122,183</u>

* Includes debit/credit cards related fee and commission expense.

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A19. Net Gains and Losses on Financial Instruments

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Group</u>				
Net gain arising on financial assets held-for-trading:				
- net gain on disposal	5,875	1,242	5,875	1,242
- unrealised revaluation gain	2,251	2,520	2,251	2,520
	<u>8,126</u>	<u>3,762</u>	<u>8,126</u>	<u>3,762</u>
Net (loss) / gain arising on trading derivatives				
- net gain on disposal	-	8,144	-	8,144
- unrealised revaluation loss	(3,564)	(8,324)	(3,564)	(8,324)
	<u>(3,564)</u>	<u>(180)</u>	<u>(3,564)</u>	<u>(180)</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	9,794	5,434	9,794	5,434
- gross dividend income	42,271	42,528	42,271	42,528
	<u>52,065</u>	<u>47,962</u>	<u>52,065</u>	<u>47,962</u>
Net gain representing ineffective portions of hedging derivatives:				
- fair value hedge	953	1,894	953	1,894
- cash flow hedge	307	412	307	412
	<u>1,260</u>	<u>2,306</u>	<u>1,260</u>	<u>2,306</u>
Net gains and losses on financial instruments	<u>57,887</u>	<u>53,850</u>	<u>57,887</u>	<u>53,850</u>

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A19. Net Gains and Losses on Financial Instruments (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Bank</u>				
Net gain arising on financial assets held-for-trading:				
- net gain on disposal	5,871	1,241	5,871	1,241
- unrealised revaluation gain	2,213	2,520	2,213	2,520
	<u>8,084</u>	<u>3,761</u>	<u>8,084</u>	<u>3,761</u>
Net gain / (loss) arising on trading derivatives				
- net gain on disposal	-	8,144	-	8,144
- unrealised revaluation gain / (loss)	5	(7,749)	5	(7,749)
	<u>5</u>	<u>395</u>	<u>5</u>	<u>395</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	9,069	5,434	9,069	5,434
- gross dividend income	42,266	41,289	42,266	41,289
	<u>51,335</u>	<u>46,723</u>	<u>51,335</u>	<u>46,723</u>
Net gain representing ineffective portions of hedging derivatives:				
- fair value hedge	1,018	1,996	1,018	1,996
- cash flow hedge	307	412	307	412
	<u>1,325</u>	<u>2,408</u>	<u>1,325</u>	<u>2,408</u>
Net gains and losses on financial instruments	<u>60,749</u>	<u>53,287</u>	<u>60,749</u>	<u>53,287</u>

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A20. Other Operating Income

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Group</u>				
Other income:				
Foreign exchange profit	82,450	60,705	82,450	60,705
Rental income from:				
- investment properties	1,872	1,646	1,872	1,646
- other properties	4,337	3,707	4,337	3,707
Net gain / (loss) on disposal of property and equipment	657	(194)	657	(194)
Net gain on disposal of foreclosed properties	290	398	290	398
Others	9,034	12,172	9,034	12,172
Total other operating income	<u>98,640</u>	<u>78,434</u>	<u>98,640</u>	<u>78,434</u>

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Bank</u>				
Gross dividend income from:				
- subsidiary companies				
- unquoted in Malaysia	<u>217,174</u>	<u>93,087</u>	<u>217,174</u>	<u>93,087</u>
Other income:				
Foreign exchange (loss) / profit	(55,191)	61,363	(55,191)	61,363
Rental income from other properties	3,205	2,780	3,205	2,780
Net gain / (loss) on disposal of property and equipment	657	(193)	657	(193)
Net gain on disposal of foreclosed properties	290	398	290	398
Others	6,741	7,302	6,741	7,302
	<u>(44,298)</u>	<u>71,650</u>	<u>(44,298)</u>	<u>71,650</u>
Total other operating income	<u>172,876</u>	<u>164,737</u>	<u>172,876</u>	<u>164,737</u>

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A21. Other Operating Expenses

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Personnel costs				
- Salaries, allowances and bonuses	422,029	378,792	422,029	378,792
- Pension costs	56,505	53,467	56,505	53,467
- Others	33,675	32,026	33,675	32,026
	512,209	464,285	512,209	464,285
Establishment costs				
- Depreciation	43,061	37,938	43,061	37,938
- Rental	26,735	23,784	26,735	23,784
- Insurance	5,181	5,944	5,181	5,944
- Water and electricity	12,129	11,484	12,129	11,484
- General repairs and maintenance	14,790	21,956	14,790	21,956
- Information technology expenses	9,668	7,314	9,668	7,314
- Others	14,286	12,436	14,286	12,436
	125,850	120,856	125,850	120,856
Marketing expenses				
- Advertisement and publicity	10,933	10,674	10,933	10,674
- Others	15,199	19,449	15,199	19,449
	26,132	30,123	26,132	30,123
Administration and general expenses				
- Communication expenses	4,079	9,726	4,079	9,726
- Legal and professional fees	9,495	9,401	9,495	9,401
- Others	25,083	21,527	25,083	21,527
	38,657	40,654	38,657	40,654
Total other operating expenses	702,848	655,918	702,848	655,918

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A21. Other Operating Expenses (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Bank</u>				
Personnel costs				
- Salaries, allowances and bonuses	321,544	293,995	321,544	293,995
- Pension costs	49,602	47,390	49,602	47,390
- Others	28,808	27,824	28,808	27,824
	<u>399,954</u>	<u>369,209</u>	<u>399,954</u>	<u>369,209</u>
Establishment costs				
- Depreciation	34,279	29,660	34,279	29,660
- Rental	23,480	21,613	23,480	21,613
- Insurance	4,520	4,248	4,520	4,248
- Water and electricity	9,285	8,827	9,285	8,827
- General repairs and maintenance	12,695	19,510	12,695	19,510
- Information technology expenses	5,812	3,972	5,812	3,972
- Others	10,929	9,567	10,929	9,567
	<u>101,000</u>	<u>97,397</u>	<u>101,000</u>	<u>97,397</u>
Marketing expenses				
- Advertisement and publicity	2,494	2,793	2,494	2,793
- Others	10,805	8,518	10,805	8,518
	<u>13,299</u>	<u>11,311</u>	<u>13,299</u>	<u>11,311</u>
Administration and general expenses				
- Communication expenses	3,237	7,530	3,237	7,530
- Legal and professional fees	7,075	6,491	7,075	6,491
- Others	15,126	13,055	15,126	13,055
	<u>25,438</u>	<u>27,076</u>	<u>25,438</u>	<u>27,076</u>
Shared service cost charged to Public Islamic Bank Berhad	(61,794)	(58,004)	(61,794)	(58,004)
Total other operating expenses	<u>477,897</u>	<u>446,989</u>	<u>477,897</u>	<u>446,989</u>

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A22. Allowance for Impairment on Loans, Advances and Financing

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Group</u>				
Allowance for impaired loans and financing:				
Collective assessment allowance	91,483	89,418	91,483	89,418
Individual assessment allowance	41,389	53,699	41,389	53,699
(Writeback of allowance) / allowance for bad debts from stockbroking activities	(10)	1	(10)	1
Impaired loans and financing written off	30	29	30	29
Impaired loans and financing recovered	(57,144)	(58,329)	(57,144)	(58,329)
	<u>75,748</u>	<u>84,818</u>	<u>75,748</u>	<u>84,818</u>
	1st Quarter Ended	31 March	31 March	Three Months Ended
	2015 RM'000	2014 RM'000	2014 RM'000	2015 RM'000
<u>Bank</u>				
Allowance / (Writeback of allowance) for impaired loans:				
Collective assessment allowance	68,251	73,228	73,228	68,251
Individual assessment allowance	(2,596)	649	649	(2,596)
Impaired loans written off	27	25	25	27
Impaired loans recovered	(34,347)	(35,592)	(35,592)	(34,347)
	<u>31,335</u>	<u>38,310</u>	<u>38,310</u>	<u>31,335</u>

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A23. Segment Information

	<----- Operating Segments ----->											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	Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	
1st Quarter Ended 31 March 2015												
External revenue	628,463	2,194,074	349,559	490,307	51,461	282,371	1,571	268,557	4,266,363	333,940	-	4,600,303
Revenue from other segments	-	318,186	4,343	371,103	971	4,856	7,495	243,486	950,440	2,784	(953,224)	-
	628,463	2,512,260	353,902	861,410	52,432	287,227	9,066	512,043	5,216,803	336,724	(953,224)	4,600,303
Net interest income and Islamic banking income	204,338	1,063,326	86,945	60,787	7,134	5,096	(2,091)	90,741	1,516,276	222,296	-	1,738,572
Other income	609	143,961	13,994	75,799	15,524	171,883	8,987	65,773	496,530	48,501	(18,470)	526,561
Net income	204,947	1,207,287	100,939	136,586	22,658	176,979	6,896	156,514	2,012,806	270,797	(18,470)	2,265,133
Other operating expenses (Allowance) / Writeback of allowance for impairment on loans, advances and financing	(60,803)	(387,147)	(2,919)	(6,595)	(9,125)	(41,321)	(4,060)	(95,781)	(607,751)	(113,567)	18,470	(702,848)
Writeback of allowance for impairment on other assets	-	488	-	-	-	-	-	-	488	-	-	488
Profit by segments	94,875	817,786	101,729	129,991	13,457	135,658	2,836	60,733	1,357,065	129,960	-	1,487,025
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									128	1,525		1,653
Profit before tax expense and zakat									1,357,193	131,485		1,488,678
Cost income ratio	29.7%	32.1%	2.9%	4.8%	40.3%	23.3%	58.9%	61.2%	30.2%	41.9%		31.0%

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A23. Segment Information (continued)

1st Quarter Ended 31 March 2015	----- 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					
Gross loans, advances and financing	47,581,277	157,714,500	29,455,126	-	419,868	62,426	2,231	-	235,235,428	17,816,403		253,051,831
Loan growth	2.5%	2.9%	4.3%	-	0.1%	3.8%	-2.0%	-	3.0%	6.6%		3.3%
Impaired loans, advances and financing	365,184	874,231	51,882	-	-	-	-	-	1,291,297	128,365		1,419,662
Impaired loan ratio	0.8%	0.6%	0.2%	-	-	-	-	-	0.5%	0.7%		0.6%
Deposits from customers	-	197,711,444	257,163	66,440,415	1,898,568	-	-	-	266,307,590	19,107,158		285,414,748
Deposit growth	-	2.2%	3.7%	5.8%	-4.8%	-	-	-	3.0%	5.7%		3.2%
Segment assets	<u>47,258,471</u>	<u>203,347,044</u>	<u>29,399,874</u>	<u>84,029,409</u>	<u>3,677,481</u>	<u>407,651</u>	<u>417,946</u>	<u>33,008,034</u>	<u>401,545,910</u>	<u>25,800,662</u>	<u>(77,118,156)</u>	<u>350,228,416</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									25,334	141,712		167,046
Unallocated assets									891,316	-		891,316
Intangible assets									769,251	1,386,044		2,155,295
Total assets									<u>403,231,811</u>	<u>27,328,418</u>		<u>353,442,073</u>

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A23. Segment Information (continued)

1st Quarter Ended 31 March 2014	----- Operating Segments ----->											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	Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	
External revenue	593,693	1,922,171	277,133	449,003	47,960	261,813	1,366	118,421	3,671,560	276,817	-	3,948,377
Revenue from other segments	-	301,292	3,360	221,430	1,586	3,791	7,423	404,892	943,774	1,031	(944,805)	-
	<u>593,693</u>	<u>2,223,463</u>	<u>280,493</u>	<u>670,433</u>	<u>49,546</u>	<u>265,604</u>	<u>8,789</u>	<u>523,313</u>	<u>4,615,334</u>	<u>277,848</u>	<u>(944,805)</u>	<u>3,948,377</u>
Net interest income and Islamic banking income	232,496	1,030,659	71,195	41,021	4,490	4,007	(1,921)	42,169	1,424,116	184,450	-	1,608,566
Other income	495	125,626	13,041	64,229	15,786	154,578	8,736	54,435	436,926	34,702	(16,677)	454,951
Net income	<u>232,991</u>	<u>1,156,285</u>	<u>84,236</u>	<u>105,250</u>	<u>20,276</u>	<u>158,585</u>	<u>6,815</u>	<u>96,604</u>	<u>1,861,042</u>	<u>219,152</u>	<u>(16,677)</u>	<u>2,063,517</u>
Other operating expenses (Allowance) / Writeback of allowance for impairment on loans, advances and financing	(55,870)	(352,065)	(2,701)	(5,961)	(8,374)	(45,810)	(3,639)	(101,668)	(576,088)	(96,507)	16,677	(655,918)
Writeback of allowance for impairment on other assets	-	984	-	-	-	-	-	-	984	-	-	984
Profit / (loss) by segments	<u>137,351</u>	<u>779,591</u>	<u>95,619</u>	<u>99,289</u>	<u>12,170</u>	<u>112,775</u>	<u>3,176</u>	<u>(5,064)</u>	<u>1,234,907</u>	<u>88,858</u>	<u>-</u>	<u>1,323,765</u>
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									935	2,400		3,335
Profit before tax expense and zakat									<u>1,235,842</u>	<u>91,258</u>		<u>1,327,100</u>
Cost income ratio	24.0%	30.4%	3.2%	5.7%	41.3%	28.9%	53.4%	105.2%	31.0%	44.0%		31.8%

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A23. Segment Information (continued)

1st Quarter Ended 31 March 2014	----- 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						
Gross loans, advances and financing	44,136,729	141,656,167	25,976,840	-	352,047	55,243	2,177	-	212,179,203	14,432,481		226,611,684	
Loan growth	2.2%	3.0%	1.6%	-	-3.6%	2.5%	-1.5%	-	2.7%	-0.7%		2.5%	
Impaired loans, advances and financing	332,209	948,592	81,542	-	-	-	-	-	1,362,343	128,010		1,490,353	
Impaired loan ratio	0.8%	0.7%	0.3%	-	-	-	-	-	0.6%	0.9%		0.7%	
Deposits from customers	-	183,184,444	238,099	57,986,137	2,099,657	-	-	-	243,508,337	15,405,259		258,913,596	
Deposit growth	-	3.9%	-22.1%	4.2%	-26.3%	-	-	-	3.6%	-2.1%		3.2%	
Segment assets	<u>43,848,292</u>	<u>189,640,018</u>	<u>25,907,259</u>	<u>71,861,661</u>	<u>4,404,080</u>	<u>447,354</u>	<u>332,251</u>	<u>24,604,228</u>	<u>361,045,143</u>	<u>21,195,056</u>	<u>(72,678,626)</u>	<u>309,561,573</u>	
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									38,063	115,137		153,200	
Unallocated assets									815,308	-		815,308	
Intangible assets									769,251	1,229,666		1,998,917	
Total assets									<u>362,667,765</u>	<u>22,539,859</u>		<u>312,528,998</u>	

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A23. Segment Information (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.

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 1st quarter ended 31 March 2015.

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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:

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Contingent liabilities				
Direct credit substitutes	1,619,231	1,598,096	1,261,540	1,237,889
Transaction-related contingent items	1,376,291	1,285,971	1,210,670	1,121,989
Short term self-liquidating trade-related contingencies	402,570	405,965	239,280	296,586
	3,398,092	3,290,032	2,711,490	2,656,464
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	28,593,701	28,962,346	25,832,453	26,380,852
- not exceeding one year	23,992,669	23,074,157	20,739,825	20,356,377
Unutilised credit card lines	4,281,392	4,135,781	4,177,133	4,038,701
Forward asset purchases	261,147	1,059,113	220,633	875,083
	57,128,909	57,231,397	50,970,044	51,651,013
Derivative financial instruments				
Foreign exchange related contracts:				
- less than one year	24,655,549	21,082,468	24,028,229	20,782,159
- one year to less than five years	2,592,442	2,449,762	2,592,442	2,449,762
Interest / Profit rate related contracts:				
- less than one year	314,563	821,971	203,541	577,129
- one year to less than five years	12,293,573	10,716,883	12,912,550	11,211,950
- five years and above	368,030	220,000	1,720,000	1,720,000
Commodity related contracts:				
- less than one year	1,407	148	1,407	148
	40,225,564	35,291,232	41,458,169	36,741,148
	100,752,565	95,812,661	95,139,703	91,048,625

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A27. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 March 2015 and 31 December 2014 are as follows:

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

Group As at 31 March 2015	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
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,381,149	1,917	-	1,383,066	19,047	-	-	19,047	17,030	23	-	17,053
- Swaps	23,142,123	-	-	23,142,123	342,456	-	-	342,456	159,090	-	-	159,090
- Options	132,277	-	-	132,277	119	-	-	119	119	-	-	119
Precious metal contracts												
- Forwards	1,407	-	-	1,407	5	-	-	5	-	-	-	-
	<u>24,656,956</u>	<u>1,917</u>	<u>-</u>	<u>24,658,873</u>	<u>361,627</u>	<u>-</u>	<u>-</u>	<u>361,627</u>	<u>176,239</u>	<u>23</u>	<u>-</u>	<u>176,262</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	314,563	3,840,150	3,567,053	7,721,766	-	65,537	72,605	138,142	2,564	-	10,303	12,867
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,665,337	925,188	2,590,525	-	-	-	-	-	323,323	135,022	458,345
Interest / Profit rate related contracts												
- Swaps	-	3,474,400	1,780,000	5,254,400	-	13,558	6,603	20,161	-	5,080	7,225	12,305
	<u>314,563</u>	<u>8,979,887</u>	<u>6,272,241</u>	<u>15,566,691</u>	<u>-</u>	<u>79,095</u>	<u>79,208</u>	<u>158,303</u>	<u>2,564</u>	<u>328,403</u>	<u>152,550</u>	<u>483,517</u>
Total	<u>24,971,519</u>	<u>8,981,804</u>	<u>6,272,241</u>	<u>40,225,564</u>	<u>361,627</u>	<u>79,095</u>	<u>79,208</u>	<u>519,930</u>	<u>178,803</u>	<u>328,426</u>	<u>152,550</u>	<u>659,779</u>

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2015 and 31 December 2014 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 2014	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
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,061,020	1,337	-	1,062,357	17,131	4	-	17,135	15,745	32	-	15,777
- Swaps	19,942,011	-	-	19,942,011	543,550	-	-	543,550	128,529	-	-	128,529
- Options	79,437	-	-	79,437	52	-	-	52	52	-	-	52
Precious metal contracts												
- Forwards	148	-	-	148	-	-	-	-	1	-	-	1
	<u>21,082,616</u>	<u>1,337</u>	<u>-</u>	<u>21,083,953</u>	<u>560,733</u>	<u>4</u>	<u>-</u>	<u>560,737</u>	<u>144,327</u>	<u>32</u>	<u>-</u>	<u>144,359</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	821,971	3,799,550	3,412,933	8,034,454	-	58,972	47,497	106,469	10,099	-	10,617	20,716
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,573,987	874,438	2,448,425	-	-	-	-	-	236,171	86,345	322,516
Interest / Profit rate related contracts												
- Swaps	-	2,374,400	1,350,000	3,724,400	-	23,835	12,031	35,866	-	-	602	602
	<u>821,971</u>	<u>7,747,937</u>	<u>5,637,371</u>	<u>14,207,279</u>	<u>-</u>	<u>82,807</u>	<u>59,528</u>	<u>142,335</u>	<u>10,099</u>	<u>236,171</u>	<u>97,564</u>	<u>343,834</u>
Total	<u>21,904,587</u>	<u>7,749,274</u>	<u>5,637,371</u>	<u>35,291,232</u>	<u>560,733</u>	<u>82,811</u>	<u>59,528</u>	<u>703,072</u>	<u>154,426</u>	<u>236,203</u>	<u>97,564</u>	<u>488,193</u>

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2015 and 31 December 2014 are as follows (continued):

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

Bank	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
As at 31 March 2015												
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,010,034	1,917	-	1,011,951	18,092	-	-	18,092	16,006	23	-	16,029
- Swaps	22,885,918	-	-	22,885,918	342,393	-	-	342,393	155,438	-	-	155,438
- Options	132,277	-	-	132,277	119	-	-	119	119	-	-	119
Precious metal contracts												
- Forwards	1,407	-	-	1,407	5	-	-	5	-	-	-	-
	24,029,636	1,917	-	24,031,553	360,609	-	-	360,609	171,563	23	-	171,586
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	203,541	3,840,150	3,308,000	7,351,691	-	65,537	70,688	136,225	2,161	-	-	2,161
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,665,337	925,188	2,590,525	-	-	-	-	-	323,323	135,022	458,345
Interest rate related contracts												
- Swaps	-	3,274,400	4,210,000	7,484,400	-	11,860	9,699	21,559	-	5,080	34,914	39,994
	203,541	8,779,887	8,443,188	17,426,616	-	77,397	80,387	157,784	2,161	328,403	169,936	500,500
Total	24,233,177	8,781,804	8,443,188	41,458,169	360,609	77,397	80,387	518,393	173,724	328,426	169,936	672,086

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2015 and 31 December 2014 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 2014	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
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,007,725	1,337	-	1,009,062	16,976	4	-	16,980	15,637	32	-	15,669
- Swaps	19,694,997	-	-	19,694,997	542,726	-	-	542,726	125,933	-	-	125,933
- Options	79,437	-	-	79,437	52	-	-	52	52	-	-	52
Precious metal contracts												
- Forwards	148	-	-	148	-	-	-	-	1	-	-	1
	<u>20,782,307</u>	<u>1,337</u>	<u>-</u>	<u>20,783,644</u>	<u>559,754</u>	<u>4</u>	<u>-</u>	<u>559,758</u>	<u>141,623</u>	<u>32</u>	<u>-</u>	<u>141,655</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	577,129	3,799,550	3,308,000	7,684,679	-	58,972	47,497	106,469	7,647	-	1,638	9,285
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,573,987	874,438	2,448,425	-	-	-	-	-	236,171	86,345	322,516
Interest rate related contracts												
- Swaps	-	2,174,400	3,650,000	5,824,400	-	21,026	3,761	24,787	-	-	50,269	50,269
	<u>577,129</u>	<u>7,547,937</u>	<u>7,832,438</u>	<u>15,957,504</u>	<u>-</u>	<u>79,998</u>	<u>51,258</u>	<u>131,256</u>	<u>7,647</u>	<u>236,171</u>	<u>138,252</u>	<u>382,070</u>
Total	<u>21,359,436</u>	<u>7,549,274</u>	<u>7,832,438</u>	<u>36,741,148</u>	<u>559,754</u>	<u>80,002</u>	<u>51,258</u>	<u>691,014</u>	<u>149,270</u>	<u>236,203</u>	<u>138,252</u>	<u>523,725</u>

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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 31 March 2015, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM519,930,000 (2014: RM703,072,000) and RM518,393,000 (2014: RM691,014,000) 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 31 March 2015, the Group and the Bank had posted cash collateral of RM234,251,000 (2014: RM88,616,000) 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 2014 and Pillar 3 Disclosures section of the 2014 Annual Report.

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A28. Fair Value Measurements

Determination of Fair Value and Fair Value Hierarchy

The Group and the Bank classify its financial instruments and non-financial assets which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1 - Quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;

Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
31 March 2015	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	485,608	-	485,608
- Money market instruments	-	16,682,430	-	16,682,430
- Non-money market instruments	-	230,525	-	230,525
	-	<u>17,398,563</u>	-	<u>17,398,563</u>
Financial investments available-for-sale				
- Government securities and treasury bills	-	14,655,787	-	14,655,787
- Money market instruments	-	980,974	-	980,974
- Non-money market instruments #	3,470,741	2,919,395	-	6,390,136
	<u>3,470,741</u>	<u>18,556,156</u>	-	<u>22,026,897</u>
Derivative financial assets	-	519,930	-	519,930
Total financial assets measured at fair value	<u>3,470,741</u>	<u>36,474,649</u>	-	<u>39,945,390</u>
Non-financial assets				
Investment properties	-	-	113,702	113,702
Financial liabilities				
Derivative financial liabilities	-	659,779	-	659,779
Total financial liabilities measured at fair value	-	<u>659,779</u>	-	<u>659,779</u>

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Group	Level 1	Level 2	Level 3	Total
31 December 2014	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	2,194,271	-	2,194,271
- Money market instruments	-	16,073,099	-	16,073,099
- Non-money market instruments	-	96,648	-	96,648
	-	<u>18,364,018</u>	-	<u>18,364,018</u>
Financial investments available-for-sale				
- Government securities and treasury bills	-	17,552,762	-	17,552,762
- Money market instruments	-	1,091,364	-	1,091,364
- Non-money market instruments #	3,443,812	3,258,796	-	6,702,608
	<u>3,443,812</u>	<u>21,902,922</u>	-	<u>25,346,734</u>
Derivative financial assets	-	703,072	-	703,072
Total financial assets measured at fair value	<u>3,443,812</u>	<u>40,970,012</u>	-	<u>44,413,824</u>
Non-financial assets				
Investment properties	-	-	107,028	107,028
Financial liabilities				
Derivative financial liabilities	-	488,193	-	488,193
Total financial liabilities measured at fair value	-	<u>488,193</u>	-	<u>488,193</u>

Excluding the carrying amount of equity securities - unquoted shares held by the Group of RM113,797,000 (2014: RM112,086,000) which are not carried at fair value.

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Bank	Level 1	Level 2	Level 3	Total
31 March 2015	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	485,608	-	485,608
- Money market instruments	-	13,441,542	-	13,441,542
- Non-money market instruments	-	153,681	-	153,681
	-	<u>14,080,831</u>	-	<u>14,080,831</u>
Financial investments available-for-sale				
- Government securities and treasury bills	-	8,135,285	-	8,135,285
- Money market instruments	-	603,222	-	603,222
- Non-money market instruments #	2,992,848	2,530,962	-	5,523,810
	<u>2,992,848</u>	<u>11,269,469</u>	-	<u>14,262,317</u>
Derivative financial assets	-	518,393	-	518,393
Total financial assets measured at fair value	<u>2,992,848</u>	<u>25,868,693</u>	-	<u>28,861,541</u>
Financial liabilities				
Derivative financial liabilities	-	672,086	-	672,086
Total financial liabilities measured at fair value	-	<u>672,086</u>	-	<u>672,086</u>

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Bank	Level 1	Level 2	Level 3	Total
31 December 2014	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	2,194,271	-	2,194,271
- Money market instruments	-	12,242,739	-	12,242,739
- Non-money market instruments	-	41,770	-	41,770
	-	<u>14,478,780</u>	-	<u>14,478,780</u>
Financial investments available-for-sale				
- Government securities and treasury bills	-	13,422,266	-	13,422,266
- Money market instruments	-	1,002,749	-	1,002,749
- Non-money market instruments #	2,968,504	2,890,382	-	5,858,886
	<u>2,968,504</u>	<u>17,315,397</u>	-	<u>20,283,901</u>
Derivative financial assets	-	691,014	-	691,014
Total financial assets measured at fair value	<u>2,968,504</u>	<u>32,485,191</u>	-	<u>35,453,695</u>
Financial liabilities				
Derivative financial liabilities	-	523,725	-	523,725
Total financial liabilities measured at fair value	-	<u>523,725</u>	-	<u>523,725</u>

Excluding the carrying amount of equity securities - unquoted shares held by the Bank of RM109,450,000 (2014: RM107,921,000) which are not carried at fair value.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year.

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments:

	Group and Bank	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Derivative Financial Assets		
At 1 January	-	16,616
Recognised in the statement of profit or loss		
- Realised gains	-	300
Sales	-	(16,916)
Closing balance	-	-

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, price quotations from Bond Pricing Agency Malaysia and broker quotes on Bloomberg/Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived. The Group and the Bank generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

The Group's exposure to financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) in the previous year comprised a small number of financial instruments which constitute an insignificant component of the Group's and the Bank's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The fair values of investment properties located in Malaysia are determined using comparison method by reference to the recent sales prices of comparable properties, adjustments are made where dissimilarities exist. The fair values of investment properties located in Hong Kong are determined using comparison method by reference to recent sales prices of comparable properties on a price per square meter basis. A significant change in the price per square meter will result in a significant change in the fair value of the investment properties in Hong Kong.

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A29. Capital Adequacy

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

	Group		Bank	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
<u>Before deducting interim dividends *</u>				
Common equity Tier I ("CET I") capital ratio	10.475%	11.328%	11.355%	12.686%
Tier I capital ratio	11.712%	12.776%	12.824%	14.397%
Total capital ratio	15.237%	16.384%	15.173%	16.324%
<u>After deducting interim dividends *</u>				
CET I capital ratio	10.475%	10.781%	11.355%	12.029%
Tier I capital ratio	11.712%	12.228%	12.824%	13.740%
Total capital ratio	15.237%	15.836%	15.173%	15.668%

* Refers to interim dividends declared subsequent to the financial period/year end.

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Components of CET I, Tier I and Tier II capital:				
<u>CET I / Tier I capital:</u>				
Paid-up share capital	3,882,138	3,882,138	3,882,138	3,882,138
Share premium	5,535,515	5,535,515	5,535,515	5,535,515
Other reserves	5,530,172	5,453,501	5,005,782	4,945,825
Retained profits	10,625,562	11,872,792	9,421,317	10,668,300
Treasury shares	(149,337)	(149,337)	(149,337)	(149,337)
Qualifying non-controlling interests	604,958	566,877	-	-
Less: Goodwill and other intangible assets	(2,155,295)	(2,083,142)	(695,393)	(695,393)
Less: Deferred tax assets, net	(69,298)	(69,325)	-	-
Less: Defined benefit pension fund assets	(198,392)	(205,195)	(194,320)	(200,986)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	(56,902)	(28,451)	(1,705,915)	(852,957)
Total CET I capital	23,549,121	24,775,373	21,099,787	23,133,105
Innovative Tier I capital securities	1,268,120	1,449,280	1,268,120	1,449,280
Non-innovative Tier I stapled securities	1,461,600	1,670,400	1,461,600	1,670,400
Qualifying CET I and additional Tier I capital instruments held by third parties	50,618	46,764	-	-
Total Tier I capital	26,329,459	27,941,817	23,829,507	26,252,785

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A29. Capital Adequacy (continued)

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<u>Tier II capital</u>				
Collective assessment allowance and regulatory reserves #	2,496,650	2,495,677	1,976,244	1,978,560
Subordinated notes / sukuk murabahah				
- meeting all relevant criteria	2,448,272	2,448,162	1,949,349	1,949,302
- subject to gradual phase-out treatment	2,998,830	2,998,707	2,998,830	2,998,707
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	67,491	62,352	-	-
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from Tier II capital	(85,353)	(113,804)	(2,558,872)	(3,411,830)
Total Tier II capital	7,925,890	7,891,094	4,365,551	3,514,739
Total capital	34,255,349	35,832,911	28,195,058	29,767,524

Excludes collective assessment allowance on impaired loans/financing restricted from Tier II capital of the Group and the Bank of RM640,237,000 (2014: RM632,242,000) and RM470,113,000 (2014: RM458,747,000) respectively.

Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM1,445,791,000 (2014: RM1,445,791,000) and RM1,293,334,000 (2014: RM1,293,334,000) respectively.

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

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A29. Capital Adequacy (continued)

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

The total risk-weighted assets of the Group and the Bank are computed based on the following approaches:

- (i) Standardised Approach for Credit Risk;
- (ii) Standardised Approach for Market Risk;
- (iii) Basic Indicator Approach for Operational Risk.

The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) issued on 28 November 2012. The minimum regulatory capital adequacy ratios, as required under BNM's Capital Adequacy Framework (Capital Components) which includes transitional arrangements for year 2015, are set out as follows:

Calendar Year	CET I Capital Ratio %	Tier I Capital Ratio %	Total Capital Ratio %
2015 onwards *	4.5	6.0	8.0

* Before including capital conservation buffer of 2.5%, counter-cyclical buffer and any other buffers to be introduced by BNM.

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A29. Capital Adequacy (continued)

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

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd.³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵
31 March 2015						
<u>Before deducting interim dividends: *</u>						
CET I capital ratio	10.671%	31.145%	N/A	13.800%	24.960%	N/A
Tier I capital ratio	10.671%	31.145%	25.424%	13.800%	24.960%	N/A
Total capital ratio	13.467%	31.676%	25.460%	14.979%	25.940%	17.705%
<u>After deducting interim dividends: *</u>						
CET I capital ratio	10.671%	31.145%	N/A	13.800%	24.960%	N/A
Tier I capital ratio	10.671%	31.145%	25.424%	13.800%	24.960%	N/A
Total capital ratio	13.467%	31.676%	25.460%	14.979%	25.940%	17.705%
31 December 2014						
<u>Before deducting interim dividends: *</u>						
CET I capital ratio	11.730%	44.638%	N/A	13.921%	26.449%	N/A
Tier I capital ratio	11.730%	44.638%	33.941%	13.921%	26.449%	N/A
Total capital ratio	14.580%	45.270%	33.980%	15.104%	27.425%	17.418%
<u>After deducting interim dividends: *</u>						
CET I capital ratio	11.007%	37.487%	N/A	13.921%	24.029%	N/A
Tier I capital ratio	11.007%	37.487%	33.941%	13.921%	24.029%	N/A
Total capital ratio	13.857%	38.119%	33.980%	15.104%	25.004%	17.418%

* Refers to interim dividends declared subsequent to the financial period/year end.

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A29. Capital Adequacy (continued)

b) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows (continued):

- ¹ The risk-weighted assets of Public Islamic Bank Berhad are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-weighted Assets) issued on 28 November 2012. The minimum regulatory capital adequacy requirement for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively for year 2015.
- ² The risk-weighted assets of Public Investment Bank Berhad are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) issued on 28 November 2012. The minimum regulatory capital adequacy requirement for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively for year 2015.
- ³ The capital adequacy ratios of Public Bank (L) Ltd. for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan 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 total capital ratio respectively.
- ⁴ 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 capital adequacy ratios of these two subsidiary companies are computed in accordance with the provisions of the Banking (Amendment) Ordinance 2012 relating to Basel III capital standards and the amended Banking Capital Rules.
- ⁵ The amount presented here is the Solvency Ratio of Cambodian Public Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-010-182, 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%.

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A29. Capital Adequacy (continued)

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Credit risk	206,628,230	200,875,562	171,924,272	168,570,558
Market risk	2,663,061	2,554,845	3,155,302	3,027,889
Operational risk	15,519,801	15,281,141	10,744,804	10,753,781
	224,811,092	218,711,548	185,824,378	182,352,228

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A30. Operations of Islamic Banking

A30a. Statement of Financial Position As At 31 March 2015

		Group	
	Note	31 March 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and balances with banks		183,676	2,652,849
Financial assets held-for-trading		2,326,593	2,571,794
Derivative financial assets		34,478	60,835
Financial investments available-for-sale		6,633,493	4,546,283
Financial investments held-to-maturity		1,531,701	1,651,516
Financing and advances	A30d	26,406,318	25,434,279
Other assets		76,772	73,106
Statutory deposits with Bank Negara Malaysia		1,241,000	1,140,200
Investment in an associated company		20,000	20,000
Property and equipment		1,198	1,303
Total Assets		38,455,229	38,152,165
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	A30e	31,999,687	30,727,614
Deposits from banks		2,667,088	3,620,104
Bills and acceptances payable		865	550
Recourse obligations on financing sold to Cagamas		500,016	500,016
Derivative financial liabilities		8,187	89
Subordinated Sukuk Murabahah		498,923	498,860
Other liabilities		153,819	98,041
Provision for zakat and taxation		47,771	39,847
Deferred tax liabilities		12,503	15,445
Total Liabilities		35,888,859	35,500,566
Islamic Banking Funds		2,566,370	2,651,599
Total Liabilities and Islamic Banking Funds		38,455,229	38,152,165
COMMITMENTS AND CONTINGENCIES		7,070,802	6,822,999

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A30b. Statement of Profit or Loss for the 1st Quarter Ended 31 March 2015

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Group				
Income derived from investment of depositors' funds and others	417,858	365,391	417,858	365,391
Income derived from investment of Islamic Banking Funds	31,727	31,210	31,727	31,210
Allowance for impairment on financing and advances	(22,260)	(13,161)	(22,260)	(13,161)
Impairment on other assets	(6)	-	(6)	-
Profit Equalisation Reserve	(18)	(185)	(18)	(185)
Total distributable income	427,301	383,255	427,301	383,255
Income attributable to depositors and others	(245,200)	(190,832)	(245,200)	(190,832)
Total net income	182,101	192,423	182,101	192,423
Other overheads and expenditures	(68,955)	(64,526)	(68,955)	(64,526)
Profit before zakat and taxation	113,146	127,897	113,146	127,897
Zakat	(55)	(57)	(55)	(57)
Taxation	(28,129)	(31,660)	(28,129)	(31,660)
Profit for the period	84,962	96,180	84,962	96,180

Net income from Islamic banking business as reported in the statement of profit or loss of the Group is derived as follows:

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of depositors' funds and others	417,858	365,391	417,858	365,391
Income derived from investment of Islamic Banking Funds	31,727	31,210	31,727	31,210
Income attributable to depositors and others	(245,200)	(190,832)	(245,200)	(190,832)
Profit Equalisation Reserve	(18)	(185)	(18)	(185)
Net income from Islamic banking business	204,367	205,584	204,367	205,584

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A30c. Statement of Profit or Loss and Other Comprehensive Income for the 1st Quarter Ended 31 March 2015

	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<u>Group</u>				
Profit for the period	84,962	96,180	84,962	96,180
Other comprehensive income / (loss):				
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net gain on revaluation of financial investments available-for-sale	21,255	1,251	21,255	1,251
Hedging reserves:				
- Net change in cash flow hedges	(34,395)	(22,672)	(34,395)	(22,672)
	(13,140)	(21,421)	(13,140)	(21,421)
Income tax relating to components of other comprehensive income / (loss):				
- Revaluation reserves	(5,132)	(313)	(5,132)	(313)
- Hedging reserves	8,255	5,668	8,255	5,668
	3,123	5,355	3,123	5,355
Other comprehensive loss for the period, net of tax	(10,017)	(16,066)	(10,017)	(16,066)
Total comprehensive income for the period	74,945	80,114	74,945	80,114

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A30d. Financing and Advances

	Group	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Bai' Bithaman Ajil	8,242,006	8,228,567
Ijarah Thumma Al-Bai'	11,189,486	10,987,471
Bai' Inah	2,179,661	2,242,559
Musharakah Mutanaqisah	5,062,135	4,254,732
Murabahah	55,363	42,801
Ujrah	353	-
Gross financing and advances	26,729,004	25,756,130
Allowance for impairment on financing and advances:		
- collective assessment allowance	(322,686)	(321,851)
Net financing and advances	26,406,318	25,434,279

Movements in impaired financing and advances are as follows:

	Group	
	31 March	31 December
	2015	2014
	RM'000	RM'000
At 1 January	232,348	208,074
Impaired during the period / year	135,503	574,124
Reclassified as non-impaired	(113,893)	(428,963)
Recoveries	(11,879)	(36,222)
Amount written off	(25,518)	(84,483)
Financing converted to foreclosed properties	(50)	(182)
Closing balance	216,511	232,348
Impaired financing and advances as a percentage of gross financing and advances	0.81%	0.90%

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A30e. Deposits from Customers

	Group	
	31 March 2015 RM'000	31 December 2014 RM'000
By type of deposit and contract		
Savings deposit		
- Wadiah	5,275,378	5,136,085
Demand deposit		
- Wadiah	3,420,686	3,259,675
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai' Inah	3,208,370	3,516,265
- Commodity Murabahah	14,966,723	12,788,111
- General investment account		
- Mudharabah	180,797	321,692
- Wakalah	335,738	705,502
	516,535	1,027,194
- Special investment account		
- Wakalah	4,611,995	5,000,284
	31,999,687	30,727,614

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

B1. Performance Review

Current Year-to date vs. Previous Year-to-date

The Group's pre-tax profit for the the 1st quarter ended 31 March 2015 of RM1,488.7 million was RM161.6 million or 12.2% higher than the previous corresponding quarter of RM1,327.1 million. Net profit attributable to equity holders improved by RM154.6 million or 15.2% to RM1,171.5 million. The improved earnings was mainly due to higher net interest income of RM131.2 million (9.4%) and higher net fee and commission income of RM47.4 million (14.7%). These were partially offset by higher other operating expenses of RM46.9 million (7.2%) mainly due to higher personnel costs which were in tandem with the increased headcount to support business expansion.

The growth in the Group's net interest income was driven by continued healthy loans and customer deposits growth coupled with sustained strong asset quality, as well as the positive impact arising from the rights issue exercise in the third quarter of the previous year. Gross loans grew by RM26.4 billion or 11.7% to RM253.1 billion as at 31 March 2015 as compared to RM226.6 billion as at 31 March 2014, driven by growth in property financing, financing of passenger vehicles and lending to small and medium enterprises ("SMEs"). Total deposits from customers increased by 10.2% or RM26.5 billion to RM285.4 billion as at 31 March 2015 which partly contributed to the higher net interest income for the current period. The Group's impaired loan ratio remained stable at 0.6% as at 31 March 2015.

The performance of the respective operating business segments for the 1st quarter ended 31 March 2015 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Retail Operations – The increase in pre-tax profit of RM38.2 million (4.9%) to RM817.8 million was mainly due to higher net interest income on higher average loan and deposit balances, lower loan impairment allowances and higher fee income, partially offset by higher other operating expenses.
- 2) Hire purchase – Pre-tax profit decreased by RM42.5 million (-30.9%) to RM94.9 million mainly due to lower net interest income as a result of declining net interest margin and higher loan impairment allowances.
- 3) Corporate lending – Pre-tax profit increased by RM6.1 million (6.4%) to RM101.7 million mainly due to higher net interest income partially offset by lower net writeback of loan impairment allowances.
- 4) Treasury and capital market operations – The increase in pre-tax profit of RM30.7 million (30.9%) to RM130.0 million was mainly due to higher net interest income on treasury gapping, funding and liquidity management activities and higher foreign exchange income.
- 5) Investment banking – Pre-tax profit increased by RM1.3 million (10.6%) to RM13.5 million mainly due to higher net interest income partially offset by higher other operating expenses.
- 6) Fund management – Pre-tax profit increased by RM22.9 million (20.3%) to RM135.7 million mainly due to higher management fee earned on higher average net asset value of funds under management, higher fee income on sale of trust units and lower other operating expenses.
- 7) Overseas operations – Pre-tax profit increased by RM40.2 million (44.1%) to RM131.5 million mainly due to higher net interest income on higher average loan and deposit balances, higher other operating income and lower loan impairment allowances, partially offset by higher other operating expenses.

B2. Variation of Results Against Preceding Quarter

For the 1st quarter ended 31 March 2015, the Group registered a pre-tax profit of RM1,488.7 million, a drop of RM78.6 million or 5.0% as compared to the pre-tax profit of RM1,567.3 million for the preceding quarter ended 31 December 2014. Net profit attributable to equity holders decreased by RM82.5 million or 6.6% over the same period. The decrease in profit is mainly due to higher other operating expenses, lower net interest income due to shorter interest accrual period partially offset by higher net fee and commission income.

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B3. Prospects for 2015

The global economy is expected to remain on a moderate growth path in 2015, supported by improving fundamentals, particularly in the US, lower commodity prices and accommodative monetary policies. While growth in the US is projected to gather momentum amid a strengthening private sector, growth in the euro area and Japan remain subdued amid persistent structural weaknesses. In China, growth is projected to moderate further towards a more sustainable path, in line with policymakers' objective to rebalance the key drivers of the economy. For emerging Asia, growth is expected to improve in 2015, supported by continued expansion in domestic demand and gradual improvement in external demand. The low global crude oil prices are also expected to provide additional lift to global growth.

Despite the challenging external environment, the Malaysian economy is expected to register a steady growth of between 4.5% and 5.5% in 2015, supported by sustained expansion in domestic demand and external sector. Domestic demand will continue to drive growth in 2015, led by private sector spending. Private consumption is expected to grow at a more moderate pace after the implementation of the Goods and Services Tax ("GST") and lower earnings in the commodity-related sectors. However, the impact will be partially offset by Government's measures to assist targeted groups, stable labour market conditions and additional disposable income from continued growth in salary and lower fuel prices. Private investment growth will be supported by on-going and new investments in the manufacturing and services sectors as firms benefit from continued global recovery.

The outlook for the banking sector remains positive and continues to be supportive of economic activities in 2015. Credit fundamentals of the sector are expected to remain strong and well positioned to withstand the uncertain environment amid cautious business and consumer sentiment, volatile ringgit and uneven global growth. The banking industry's capitalisation levels are also expected to remain healthy even as banks continue to embark on initiatives to enhance funding position and strengthen their compliance with Basel III requirements. Meanwhile, the risks from high household indebtedness will remain well-contained, supported by healthy balance sheet of households and high degree of vigilance by the Government in managing financial stability.

The Public Bank Group is expected to maintain its leading market position in the domestic retail segment, supported by sustained demand in home mortgages, vehicle financing and small and medium enterprises ("SME") lending. Demand for residential properties is expected to be well supported by growing household income, stable employment prospects and rising rate of urbanisation. The Group will continue to take a considered approach in its lending practices to support prudent and responsible financing practices.

The Public Bank Group will continue to provide strong support to the SME segment and sustain its market position in SME financing by improving its product and service delivery. In 2015, SMEs will continue to benefit from the implementation of key Government initiatives that include Economic Transformation Programme, SME Masterplan 2012-2020 and the economic growth corridors.

While rising cost of living and the implementation of GST are expected to soften consumer spending, demand for vehicle hire purchase will remain supported by new launches of car models and attractive product packages by car dealers. The Group will continue to leverage on its large network of hire purchase centres and branches to expand its vehicle hire purchase business.

The Public Bank Group's corporate lending business will continue to be supported by corporates with sound business fundamentals. The Group remains focused on its existing corporate clients with good track record to sustain its growth momentum in the corporate lending business.

For the Public Bank Group's capital market operations, the Group will continue to focus on maintaining a healthy level of liquidity and intensifying efforts to further grow its core customer deposits to ensure a stable funding base as well as efficient funding cost.

The Public Bank Group will enhance efforts to maintain its leading position in the private unit trust industry in Malaysia. This will be supported by ongoing demand for investment products and the Group's new fund launches, product offerings under the Private Retirement Scheme Funds, strong distribution capabilities and branding.

The Group will continue to work closely with its exclusive bancassurance partner, AIA Bhd, to develop innovative products to meet customer's protection and savings needs. The Group will also continue to increase fee income through foreign-exchange related transactions and transactional banking services.

For the Public Bank Group's overseas operations, the Group will continue to expand its presence in the region through organic growth.

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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 1st quarter ended 31 March 2015 are as follows:

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	278,213	286,137	278,213	286,137
Overseas income tax	23,749	17,681	23,749	17,681
	301,962	303,818	301,962	303,818
(Over) / under provision in prior years				
- Malaysian income tax	(279)	(26)	(279)	(26)
- Overseas income tax	53	(84)	53	(84)
	301,736	303,708	301,736	303,708
Deferred tax expense				
- Relating to changes in tax rate	416	-	416	-
- Relating to origination and reversal of temporary differences	2,271	(3,698)	2,271	(3,698)
- Over provision	(2)	-	(2)	-
Tax expense	304,421	300,010	304,421	300,010
Zakat	55	57	55	57
	304,476	300,067	304,476	300,067

The Group's effective tax rates for the 1st quarter ended 31 March 2015 and 31 March 2014 were lower than the statutory tax rate mainly due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	226,831	237,728	226,831	237,728
Overseas income tax	4,500	2,494	4,500	2,494
	231,331	240,222	231,331	240,222
Under / (over) provision in prior years				
- Overseas income tax	53	(84)	53	(84)
	231,384	240,138	231,384	240,138
Deferred tax expense				
- Relating to changes in tax rate	190	-	190	-
- Relating to origination and reversal of temporary differences	2,311	(3,789)	2,311	(3,789)
- Over provision	(2)	-	(2)	-
	233,883	236,349	233,883	236,349

The Bank's effective tax rate for the 1st quarter ended 31 March 2015 and 31 March 2014 were lower than the statutory tax rate mainly due to certain income not subject to tax.

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B6. Status of Corporate Proposals Announced but Not Completed

Save as disclosed below, there were no corporate proposals announced but not completed as at 31 March 2015.

Proposed Acquisition of 50% Equity Capital in VID Public Bank ("VPB") Held by Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") resulting in VPB becoming a Wholly-owned Subsidiary of Public Bank Berhad ("Proposed Acquisition")

On 15 July 2014, the Bank entered into a conditional equity capital transfer agreement ("ECTA") with BIDV for the Bank's acquisition of the remaining 50% equity interests in VPB not held by the Bank for a total cash consideration of USD76.6 million.

With the signing of the ECTA, the Bank submitted an application to the State Bank of Vietnam ("SBV") for the approval to convert VPB, the existing joint venture bank, into a 100% foreign-owned bank in Vietnam. The Bank had received the approval of Bank Negara Malaysia for the Proposed Acquisition.

On 23 March 2015, SBV granted approval in principle to the Bank for the Proposed Acquisition and to implement procedures to transform VPB into a 100% foreign-owned bank.

Upon completion of the Proposed Acquisition, VPB will become a wholly-owned subsidiary company of the Bank.

The Proposed Acquisition is not expected to have a material effect on the earnings and net assets of the Group and the Bank for the financial year ending 31 December 2015.

B7. Status of Utilisation of Proceeds Raised from Corporate Proposals

The proceeds raised from the issuances of all debt securities in prior years have been used for working capital, general banking and other corporate purposes, as intended.

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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, is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 25 March 2010 and prepared in accordance with 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.

	Group	
	31 March 2015 RM'000	31 December 2014 RM'000
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	12,173,646	12,449,824
- Unrealised	167,789	168,164
	12,341,435	12,617,988
Total share of retained profits from associated companies:		
- Realised	3,379	1,726
- Unrealised	-	-
	12,344,814	12,619,714
Less: Consolidation adjustments	(563,530)	(746,922)
Total Group retained profits as per consolidated accounts	11,781,284	11,872,792
	Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Total retained profits of Public Bank Berhad:		
- Realised	10,185,335	10,491,574
- Unrealised	38,859	39,262
Total Bank retained profits as per accounts	10,224,194	10,530,836

The unrealised retained profits of the Group and the Bank as disclosed above exclude 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.

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	152,883,547	147,293,977	123,663,757	121,352,923
More than one year	206,965	306,057	152,011	78,020
- Negotiable instruments of deposits				
One year or less	7,135,358	7,222,073	3,917,588	3,674,808
- Money market deposits				
One year or less	53,842,421	52,524,700	47,838,228	46,163,811
- Savings deposits	28,531,311	27,675,462	19,445,751	19,094,648
- Demand deposits	42,724,716	41,431,899	36,800,807	35,771,299
- Others	90,430	86,008	87,676	81,482
	<u>285,414,748</u>	<u>276,540,176</u>	<u>231,905,818</u>	<u>226,216,991</u>
(b) <u>Deposits from banks</u>				
- One year or less	<u>18,349,815</u>	<u>20,669,732</u>	<u>16,762,359</u>	<u>17,696,650</u>
(c) <u>Debt securities issued and other borrowed funds</u>				
Borrowings denominated in HKD (unsecured)				
Term loan				
- More than one year	<u>517,090</u>	<u>488,522</u>	<u>-</u>	<u>-</u>
Senior Medium Term notes denominated in RM (unsecured)				
- More than one year	<u>1,406,017</u>	<u>1,397,168</u>	<u>1,406,017</u>	<u>1,397,168</u>
Subordinated notes / sukuk murabahah denominated in RM (unsecured)				
- More than one year	<u>5,462,858</u>	<u>5,453,023</u>	<u>4,963,935</u>	<u>4,954,163</u>
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	788,698	753,186	788,698	753,186
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	<u>1,211,961</u>	<u>1,211,258</u>	<u>1,211,961</u>	<u>1,211,258</u>
	<u>2,000,659</u>	<u>1,964,444</u>	<u>2,000,659</u>	<u>1,964,444</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	<u>2,143,719</u>	<u>2,124,608</u>	<u>2,143,719</u>	<u>2,124,608</u>
	<u>11,530,343</u>	<u>11,427,765</u>	<u>10,514,330</u>	<u>10,440,383</u>

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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 1st quarter ended 31 March 2015.

B12. Earnings Per Share

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
Net profit attributable to equity holders (RM'000)	<u>1,171,519</u>	<u>1,016,932</u>	<u>1,171,519</u>	<u>1,016,932</u>
Weighted average number of PBB Shares ('000)	<u>3,861,494</u>	<u>3,502,125</u>	<u>3,861,494</u>	<u>3,502,125</u>
Basic earnings per share (sen)	<u>30.3</u>	<u>29.0</u>	<u>30.3</u>	<u>29.0</u>

Diluted

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