

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	Note	Group		Bank	
		31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>ASSETS</b>					
Cash and balances with banks		<b>10,684,092</b>	14,831,059	<b>5,059,890</b>	9,098,632
Reverse repurchase agreements		<b>2,793,563</b>	4,379,161	<b>2,268,564</b>	3,740,691
Financial assets held-for-trading	A8	<b>1,178,884</b>	3,102,761	<b>576,329</b>	1,442,617
Derivative financial assets	A27	<b>618,141</b>	688,086	<b>628,145</b>	677,630
Financial investments available-for-sale	A9	<b>33,345,205</b>	29,907,707	<b>23,655,309</b>	23,086,012
Financial investments held-to-maturity	A10	<b>22,173,926</b>	21,944,049	<b>17,044,541</b>	17,685,187
Loans, advances and financing	A11	<b>292,429,184</b>	271,814,471	<b>232,794,693</b>	219,872,074
Other assets	A12	<b>2,994,523</b>	3,035,964	<b>3,028,257</b>	3,071,000
Statutory deposits with Central Banks		<b>8,900,566</b>	9,514,419	<b>6,586,569</b>	7,455,845
Deferred tax assets		<b>65,189</b>	65,666	-	-
Collective investments		-	-	<b>5,140,765</b>	-
Investment in subsidiary companies		-	-	<b>5,655,494</b>	4,674,545
Investment in associated companies		<b>38,137</b>	190,920	<b>30,000</b>	121,295
Investment properties		<b>699,469</b>	485,175	-	-
Property and equipment		<b>1,528,326</b>	1,422,853	<b>645,794</b>	651,470
Intangible assets		<b>2,603,621</b>	2,375,915	<b>695,393</b>	695,393
<b>TOTAL ASSETS</b>		<b>380,052,826</b>	363,758,206	<b>303,809,743</b>	292,272,391
<b>LIABILITIES</b>					
Deposits from customers	A13	<b>309,973,568</b>	301,157,089	<b>241,957,458</b>	236,460,158
Deposits from banks	A14	<b>11,810,823</b>	9,969,521	<b>12,289,026</b>	10,563,090
Obligations on securities sold under repurchase agreements		<b>2,469,834</b>	-	<b>2,469,834</b>	-
Bills and acceptances payable		<b>327,272</b>	362,892	<b>325,597</b>	362,043
Recourse obligations on loans and financing sold to Cagamas		<b>1,922,023</b>	1,922,021	<b>1,422,007</b>	1,422,005
Derivative financial liabilities	A27	<b>1,328,691</b>	1,007,580	<b>1,322,747</b>	1,045,621
Debt securities issued and other borrowed funds	B9	<b>11,514,274</b>	11,666,880	<b>10,383,129</b>	10,565,149
Other liabilities	A15	<b>4,624,169</b>	4,520,303	<b>3,371,725</b>	3,388,373
Provision for tax expense and zakat		<b>563,114</b>	689,131	<b>376,065</b>	413,764
Deferred tax liabilities		<b>155,287</b>	155,050	<b>118,653</b>	107,001
<b>TOTAL LIABILITIES</b>		<b>344,689,055</b>	331,450,467	<b>274,036,241</b>	264,327,204

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>EQUITY</b>				
Share capital	3,882,138	3,882,138	3,882,138	3,882,138
Reserves	30,480,514	27,498,297	26,040,701	24,212,386
Treasury shares	<u>(149,337)</u>	<u>(149,337)</u>	<u>(149,337)</u>	<u>(149,337)</u>
<b>Equity attributable to equity holders of the Bank</b>	<b>34,213,315</b>	31,231,098	<b>29,773,502</b>	27,945,187
Non-controlling interests	<u>1,150,456</u>	<u>1,076,641</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<b><u>35,363,771</u></b>	<u>32,307,739</u>	<b><u>29,773,502</u></b>	<u>27,945,187</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>380,052,826</u></b>	<u>363,758,206</u>	<b><u>303,809,743</u></b>	<u>292,272,391</u>
<b>COMMITMENTS AND CONTINGENCIES</b>				
	A26	<u>105,592,459</u>	<u>107,533,269</u>	<u>97,032,508</u>
				100,614,706
<b>CAPITAL ADEQUACY</b>	A29			
<b><u>Before deducting interim dividends *</u></b>				
Common Equity Tier I Capital Ratio	<b>11.864%</b>	11.401%	<b>11.725%</b>	12.184%
Tier I Capital Ratio	<b>12.718%</b>	12.565%	<b>12.751%</b>	13.588%
Total Capital Ratio	<u>15.976%</u>	<u>15.941%</u>	<u>15.248%</u>	<u>15.919%</u>
<b><u>After deducting interim dividends *</u></b>				
Common Equity Tier I Capital Ratio	<b>11.373%</b>	10.886%	<b>11.117%</b>	11.549%
Tier I Capital Ratio	<b>12.227%</b>	12.049%	<b>12.143%</b>	12.953%
Total Capital Ratio	<u>15.485%</u>	<u>15.425%</u>	<u>14.640%</u>	<u>15.284%</u>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b><u>8.86</u></b>	<u>8.09</u>	<b><u>7.71</u></b>	<u>7.24</u>

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

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<b>Group</b>	<b>Note</b>	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
		<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Operating revenue		<b>5,084,083</b>	4,929,046	<b>20,102,740</b>	19,181,550
Interest income	A16	<b>3,813,958</b>	3,609,263	<b>15,067,528</b>	14,218,486
Interest expense	A17	<b>(2,014,076)</b>	(1,954,806)	<b>(8,147,121)</b>	(7,841,463)
Net interest income		<b>1,799,882</b>	1,654,457	<b>6,920,407</b>	6,377,023
Net income from Islamic banking business	A31b	<b>231,977</b>	204,395	<b>941,638</b>	828,638
		<b>2,031,859</b>	1,858,852	<b>7,862,045</b>	7,205,661
Fee and commission income	A18 (a)	<b>595,013</b>	585,055	<b>2,289,015</b>	2,261,790
Fee and commission expense	A18 (b)	<b>(183,177)</b>	(182,339)	<b>(724,025)</b>	(708,947)
Net fee and commission income	A18	<b>411,836</b>	402,716	<b>1,564,990</b>	1,552,843
Net gains and losses on financial instruments	A19	<b>153</b>	61,872	<b>74,022</b>	236,165
Other operating income	A20	<b>116,905</b>	173,300	<b>455,394</b>	551,113
Net income		<b>2,560,753</b>	2,496,740	<b>9,956,451</b>	9,545,782
Other operating expenses	A21	<b>(805,460)</b>	(749,021)	<b>(3,211,470)</b>	(2,915,157)
Operating profit		<b>1,755,293</b>	1,747,719	<b>6,744,981</b>	6,630,625
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	A22	<b>37,106</b>	104,309	<b>(192,740)</b>	(146,231)
Writeback of allowance / (Allowance) for impairment on other assets		<b>218</b>	1,342	<b>430</b>	(556)
		<b>1,792,617</b>	1,853,370	<b>6,552,671</b>	6,483,838
Share of profit after tax of equity accounted associated companies		<b>94</b>	4,406	<b>1,361</b>	7,557
Profit before tax expense and zakat		<b>1,792,711</b>	1,857,776	<b>6,554,032</b>	6,491,395
Tax expense and zakat	B5	<b>(293,442)</b>	(350,605)	<b>(1,286,597)</b>	(1,370,156)
Profit for the period / year		<b>1,499,269</b>	1,507,171	<b>5,267,435</b>	5,121,239
Profit for the period / year attributable to:					
- Equity holders of the Bank		<b>1,482,782</b>	1,492,428	<b>5,206,875</b>	5,062,152
- Non-controlling interests		<b>16,487</b>	14,743	<b>60,560</b>	59,087
		<b>1,499,269</b>	1,507,171	<b>5,267,435</b>	5,121,239
Earnings per RM1.00 share:					
- basic / diluted (sen)	B12	<b>38.4</b>	38.6	<b>134.8</b>	131.1

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Profit for the period / year	<u>1,499,269</u>	<u>1,507,171</u>	<u>5,267,435</u>	<u>5,121,239</u>
<b>Other comprehensive income / (loss):</b>				
<u>Items that will not be reclassified to profit or loss:</u>				
Defined benefit reserves:				
- Gain on remeasurements of defined benefit plans	<u>54,814</u>	<u>52,635</u>	<u>54,814</u>	<u>52,635</u>
<u>Items that may be reclassified to profit or loss:</u>				
Foreign currency translation reserves:				
- Currency translation differences in respect of:				
- Foreign operations	<u>530,706</u>	<u>(107,166)</u>	<u>347,126</u>	<u>1,119,926</u>
- Net investment hedge	<u>(347,444)</u>	<u>83,641</u>	<u>(253,118)</u>	<u>(765,259)</u>
Revaluation reserves:				
- Net (loss) / gain on revaluation of financial investments available-for-sale	<u>(375,265)</u>	<u>126,579</u>	<u>(111,955)</u>	<u>97,470</u>
Hedging reserves:				
- Net change in cash flow hedges	<u>66,899</u>	<u>(55,382)</u>	<u>5,625</u>	<u>1,288</u>
	<u>(125,104)</u>	<u>47,672</u>	<u>(12,322)</u>	<u>453,425</u>
Income tax relating to components of other comprehensive income / (loss):				
- Defined benefit reserves	<u>(13,128)</u>	<u>(13,469)</u>	<u>(13,128)</u>	<u>(13,469)</u>
- Revaluation reserves	<u>86,834</u>	<u>(28,803)</u>	<u>30,962</u>	<u>(27,370)</u>
- Hedging reserves	<u>(16,056)</u>	<u>13,292</u>	<u>(1,350)</u>	<u>(309)</u>
	<u>57,650</u>	<u>(28,980)</u>	<u>16,484</u>	<u>(41,148)</u>
Share of (loss) / profit of equity accounted associated companies				
- Revaluation reserves	<u>(466)</u>	<u>84</u>	<u>(108)</u>	<u>(50)</u>
Other comprehensive (loss) / income for the period / year, net of tax	<u>(13,106)</u>	<u>71,411</u>	<u>58,868</u>	<u>464,862</u>
Total comprehensive income for the period / year	<u>1,486,163</u>	<u>1,578,582</u>	<u>5,326,303</u>	<u>5,586,101</u>
Total comprehensive income for the period / year attributable to:				
- Equity holders of the Bank	<u>1,386,996</u>	<u>1,590,857</u>	<u>5,221,884</u>	<u>5,330,252</u>
- Non-controlling interests	<u>99,167</u>	<u>(12,275)</u>	<u>104,419</u>	<u>255,849</u>
	<u>1,486,163</u>	<u>1,578,582</u>	<u>5,326,303</u>	<u>5,586,101</u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<u>Bank</u>	Note	4th Quarter Ended		Financial Year Ended	
		31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Operating revenue		<b>3,464,754</b>	3,673,251	<b>14,834,374</b>	13,941,929
Interest income	A16	<b>3,402,312</b>	3,269,734	<b>13,537,566</b>	12,964,990
Interest expense	A17	<b>(1,951,746)</b>	(1,883,697)	<b>(7,903,957)</b>	(7,571,270)
Net interest income		<b>1,450,566</b>	1,386,037	<b>5,633,609</b>	5,393,720
Fee and commission income	A18 (a)	<b>258,918</b>	248,982	<b>972,727</b>	937,033
Fee and commission expense	A18 (b)	<b>(81,677)</b>	(77,472)	<b>(310,623)</b>	(295,692)
Net fee and commission income	A18	<b>177,241</b>	171,510	<b>662,104</b>	641,341
Net gains and losses on financial instruments	A19	<b>12,324</b>	60,137	<b>82,171</b>	232,404
Other operating income	A20	<b>109,304</b>	376,241	<b>840,964</b>	658,030
Net income		<b>1,749,435</b>	1,993,925	<b>7,218,848</b>	6,925,495
Other operating expenses	A21	<b>(516,522)</b>	(486,362)	<b>(2,113,580)</b>	(1,939,050)
Operating profit		<b>1,232,913</b>	1,507,563	<b>5,105,268</b>	4,986,445
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	A22	<b>48,293</b>	118,106	<b>(26,439)</b>	14,163
Writeback of allowance / (Allowance) for impairment on other assets		<b>212</b>	1,358	<b>426</b>	(528)
Profit before tax expense and zakat		<b>1,281,418</b>	1,627,027	<b>5,079,255</b>	5,000,080
Tax expense and zakat	B5	<b>(228,590)</b>	(339,548)	<b>(1,055,350)</b>	(1,011,451)
Profit for the period / year		<b>1,052,828</b>	1,287,479	<b>4,023,905</b>	3,988,629

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<b><u>Bank</u></b>	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Profit for the period / year	<u>1,052,828</u>	<u>1,287,479</u>	<u>4,023,905</u>	<u>3,988,629</u>
<b>Other comprehensive income / (loss):</b>				
<b><u>Items that will not be reclassified to profit or loss:</u></b>				
Defined benefit reserves:				
- Gain on remeasurements of defined benefit plans	<u>53,997</u>	<u>60,586</u>	<u>53,997</u>	<u>60,586</u>
<b><u>Items that may be reclassified to profit or loss:</u></b>				
Foreign currency translation reserves:				
- Currency translation differences in respect of foreign operations	<u>20,716</u>	<u>25,338</u>	<u>12,199</u>	<u>25,338</u>
Revaluation reserves:				
- Net (loss) / gain on revaluation of financial investments available-for-sale	<u>(277,624)</u>	<u>84,444</u>	<u>(80,451)</u>	<u>85,143</u>
Hedging reserves:				
- Net change in cash flow hedges	<u>(5,694)</u>	<u>14,196</u>	<u>68,399</u>	<u>1,525</u>
	<u>(262,602)</u>	<u>123,978</u>	<u>147</u>	<u>112,006</u>
Income tax relating to components of other comprehensive income / (loss):				
- Defined benefit reserves	<u>(12,959)</u>	<u>(14,541)</u>	<u>(12,959)</u>	<u>(14,541)</u>
- Revaluation reserves	<u>66,630</u>	<u>(20,271)</u>	<u>19,308</u>	<u>(20,466)</u>
- Hedging reserves	<u>1,366</u>	<u>(3,407)</u>	<u>(16,416)</u>	<u>(366)</u>
	<u>55,037</u>	<u>(38,219)</u>	<u>(10,067)</u>	<u>(35,373)</u>
Other comprehensive (loss) / income for the period / year, net of tax	<u>(153,568)</u>	<u>146,345</u>	<u>44,077</u>	<u>137,219</u>
Total comprehensive income for the period / year	<u><u>899,260</u></u>	<u><u>1,433,824</u></u>	<u><u>4,067,982</u></u>	<u><u>4,125,848</u></u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<----- 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				
<b>At 1 January 2016</b>	<b>3,882,138</b>	<b>5,535,515</b>	<b>7,700,465</b>	<b>14,262,317</b>	<b>(149,337)</b>	<b>31,231,098</b>	<b>1,076,641</b>	<b>32,307,739</b>
Profit for the year	-	-	-	5,206,875	-	5,206,875	60,560	5,267,435
Other comprehensive income for the year	-	-	15,009	-	-	15,009	43,859 *	58,868
Total comprehensive income for the year	-	-	15,009	5,206,875	-	5,221,884	104,419	5,326,303
Transactions with owners / other equity movements:								
Transfer to statutory reserves	-	-	26,281	(26,281)	-	-	-	-
Transfer to regulatory reserves	-	-	307,618	(307,618)	-	-	-	-
Transfer from general reserves	-	-	(2,777)	2,777	-	-	-	-
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	86	(86)	-	-	-	-
Dividends paid	-	-	-	(2,239,667)	-	(2,239,667)	(30,604)	(2,270,271)
	-	-	331,208	(2,570,875)	-	(2,239,667)	(30,604)	(2,270,271)
<b>At 31 December 2016</b>	<b>3,882,138</b>	<b>5,535,515</b>	<b>8,046,682</b>	<b>16,898,317</b>	<b>(149,337)</b>	<b>34,213,315</b>	<b>1,150,456</b>	<b>35,363,771</b>

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

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<----- 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				
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 year	-	-	-	5,062,152	-	5,062,152	59,087	5,121,239
Other comprehensive income for the year	-	-	268,100	-	-	268,100	196,762 *	464,862
Total comprehensive income for the year	-	-	268,100	5,062,152	-	5,330,252	255,849	5,586,101
Transactions with owners / other equity movements:								
Transfer to statutory reserves	-	-	32,214	(32,214)	-	-	-	-
Transfer to regulatory reserves	-	-	430,618	(430,618)	-	-	-	-
Transfer to general reserves	-	-	85,940	(85,940)	-	-	-	-
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	33	(33)	-	-	-	-
Dividends paid	-	-	-	(2,123,822)	-	(2,123,822)	(29,321)	(2,153,143)
	-	-	548,805	(2,672,627)	-	(2,123,822)	(29,321)	(2,153,143)
At 31 December 2015	<u>3,882,138</u>	<u>5,535,515</u>	<u>7,700,465</u>	<u>14,262,317</u>	<u>(149,337)</u>	<u>31,231,098</u>	<u>1,076,641</u>	<u>32,307,739</u>

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

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*



**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<----- 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		
<b>Bank</b>						
<b>At 1 January 2016</b>	3,882,138	5,535,515	6,636,542	12,040,329	(149,337)	27,945,187
Profit for the year	-	-	-	4,023,905	-	4,023,905
Other comprehensive income for the year	-	-	44,077	-	-	44,077
Total comprehensive income for the year	-	-	44,077	4,023,905	-	4,067,982
Transactions with owners / other equity movements:						
Transfer to regulatory reserves	-	-	233,010	(233,010)	-	-
Transfer from general reserves	-	-	(2,777)	2,777	-	-
Dividends paid	-	-	-	(2,239,667)	-	(2,239,667)
	-	-	230,233	(2,469,900)	-	(2,239,667)
<b>At 31 December 2016</b>	<b>3,882,138</b>	<b>5,535,515</b>	<b>6,910,852</b>	<b>13,594,334</b>	<b>(149,337)</b>	<b>29,773,502</b>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

<----- 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		
<b><u>Bank</u></b>						
At 1 January 2015	3,882,138	5,535,515	6,144,009	10,530,836	(149,337)	25,943,161
Profit for the year	-	-	-	3,988,629	-	3,988,629
Other comprehensive income for the year	-	-	137,219	-	-	137,219
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>137,219</u>	<u>3,988,629</u>	<u>-</u>	<u>4,125,848</u>
Transactions with owners / other equity movements:						
Transfer to regulatory reserves	-	-	355,314	(355,314)	-	-
Dividends paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,123,822)</u>	<u>-</u>	<u>(2,123,822)</u>
	<u>-</u>	<u>-</u>	<u>355,314</u>	<u>(2,479,136)</u>	<u>-</u>	<u>(2,123,822)</u>
At 31 December 2015	<u>3,882,138</u>	<u>5,535,515</u>	<u>6,636,542</u>	<u>12,040,329</u>	<u>(149,337)</u>	<u>27,945,187</u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>Cash Flows from Operating Activities</b>				
Profit before tax expense and zakat	6,554,032	6,491,395	5,079,255	5,000,080
Adjustments for non-cash items:				
Share of profit after tax of equity accounted associated companies	(1,361)	(7,557)	-	-
Allowance for impaired loans and financing	410,877	370,687	134,583	105,456
Depreciation of property and equipment	202,995	181,116	159,386	140,847
Net gain on financial instruments	(31,420)	(44,767)	(41,107)	(41,721)
Dividend income	(24,522)	(178,837)	(755,967)	(1,002,391)
Transfer to profit equalisation reserves	96	76	-	-
Impairment (written back) / loss	(430)	556	(426)	528
Other non-cash items	(79,128)	(107,450)	513	(654)
Operating profit before working capital changes	<u>7,031,139</u>	<u>6,705,219</u>	<u>4,576,237</u>	<u>4,202,145</u>
Changes in working capital:				
Increase in operating assets	(15,706,982)	(10,791,154)	(9,513,374)	(2,191,650)
Increase in operating liabilities	11,650,824	13,705,299	10,042,274	3,538,257
Cash generated from operations	<u>2,974,981</u>	<u>9,619,364</u>	<u>5,105,137</u>	<u>5,548,752</u>
Tax expense and zakat paid	(1,396,698)	(1,204,337)	(1,091,464)	(926,278)
Net cash generated from operating activities	<u>1,578,283</u>	<u>8,415,027</u>	<u>4,013,673</u>	<u>4,622,474</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of property and equipment	(404,969)	(278,790)	(155,161)	(131,977)
Addition to investment properties	(28,432)	-	-	-
Proceeds from disposal of properties	14,588	18,506	14,344	17,766
Net purchase of financial investments	(3,590,634)	(5,843,307)	(1,896,049)	(2,404,003)
Investment in collective investments	-	-	(3,213,150)	-
Additional investment in subsidiary companies	-	-	(879,654)	(238,465)
Additional investment in an associated company	(20,000)	-	(10,000)	-
Acquisition of Public Bank Vietnam Limited, net of cash acquired	531,531	-	-	-
Acquisition of PB Trustee Services Berhad, net of cash acquired	-	(11,308)	-	-
Dividends received	24,522	178,837	706,069	980,646
Net cash used in investing activities	<u>(3,473,394)</u>	<u>(5,936,062)</u>	<u>(5,433,601)</u>	<u>(1,776,033)</u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**AUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>Cash Flows from Financing Activities</b>				
Dividends paid	(2,270,271)	(2,153,143)	(2,239,667)	(2,123,822)
Net drawdown of borrowings	830,741	2,244	827,953	-
Net proceeds from issuance of debt securities	999,500	-	999,500	-
Redemption of debt securities	(2,006,600)	-	(2,006,600)	-
Net cash used in financing activities	<u>(2,446,630)</u>	<u>(2,150,899)</u>	<u>(2,418,814)</u>	<u>(2,123,822)</u>
Net change in cash and cash equivalents	(4,341,741)	328,066	(3,838,742)	722,619
Cash and cash equivalents at beginning of the year	14,041,018	13,073,321	8,798,632	8,076,013
Exchange differences on translation of opening balances	<u>163,194</u>	<u>639,631</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the year	<u><u>9,862,471</u></u>	<u><u>14,041,018</u></u>	<u><u>4,959,890</u></u>	<u><u>8,798,632</u></u>
Note:				
Cash and balances with banks	10,684,092	14,831,059	5,059,890	9,098,632
Less: Balances with banks with original maturity more than three months	<u>(821,621)</u>	<u>(790,041)</u>	<u>(100,000)</u>	<u>(300,000)</u>
Cash and cash equivalents at end of the year	<u><u>9,862,471</u></u>	<u><u>14,041,018</u></u>	<u><u>4,959,890</u></u>	<u><u>8,798,632</u></u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the year ended 31 December 2015.*

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

**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 audited condensed interim financial statements for the 4th quarter and financial year ended 31 December 2016 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 audited condensed 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 audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2015. The explanatory notes attached to the audited condensed 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 of the Bank since the year ended 31 December 2015.

The audited condensed 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 audited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2015, except for the adoption or early adoption of the following Amendments to MFRSs during the current financial year:

Effective for annual periods commencing on or after 1 January 2016

- Disclosure Initiative (Amendments to MFRS 101)

Effective for annual periods commencing on or after 1 January 2017 (Early Adoption)

- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)
- Disclosure Initiative (Amendments to MFRS 107)

Effective for annual periods commencing on or after 1 January 2018 (Early Adoption)

- Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)

The main effects of the adoption of Amendments to MFRSs above are summarised below:

- (a) **Disclosure Initiative (Amendments to MFRS 101)** - 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 judgment in determining what information to disclose and how to structure it in their financial statements. The adoption of these amendments resulted in changes to other comprehensive income disclosure. Since the amendments only affect disclosures, the adoption of these amendments did not have any financial impact on the Group and the Bank.

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

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

The main effects of the adoption of Amendments to MFRSs above are summarised below (continued):

- (b) **Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)** - The amendments to MFRS 112 clarify the accounting treatment of deferred tax assets for unrealised losses on fixed-rate debt instruments measured at fair value. The adoption of these amendments did not have any financial impact on the Group and the Bank as the Group and the Bank already applied the principles under these amendments.
- (c) **Disclosure Initiative (Amendments to MFRS 107)** - The amendments to MFRS 107 require entity to provide disclosures on changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. Arising from the adoption of these amendments, a reconciliation between the opening and closing balances for liabilities from financing activities will be disclosed in the annual financial statements. The adoption of these amendments did not have any financial impact on the Group and the Bank as it only affected disclosures.
- (d) **Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)** - The amendments provide guidance on how to account for the following situations:
- The effects of vesting and non-vesting conditions on the measurement of a cash-settled share-based payments;
  - The classification of a share-based payment transaction with net settlement features for withholding tax obligations; and
  - A modification to the terms and conditions of a share-based payment transaction that changes the classification of the transaction from cash-settled to equity-settled.

As the Group and the Bank currently do not have any share-based payment transactions, the adoption of these amendments did not have any financial impact on the Group and the Bank.

Amended Bank Negara Malaysia ("BNM")'s Policy Document on Financial Reporting for Islamic Banking Institutions

On 5 February 2016, BNM amended the Policy Document on Financial Reporting for Islamic Banking Institutions ("Amended Policy Document") to include requirements on the presentation and disclosure of investment account other than those which are reported as Islamic deposits, with immediate effect.

The Group is not affected by the requirements of the Amended Policy Document as the Group's investment accounts are classified as Islamic deposits in line with the transitional requirements under the BNM Policy Document on Transition policy under Islamic Financial Services Act 2013. The adoption of this requirement did not have any financial impact on the financial statements of the Group.

Companies Act 2016

The Companies Act 2016 ("New Act") was enacted to replace the Companies Act 1965 with the objectives to create a legal and regulatory structure that will facilitate business, and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders. The New Act was passed on 4 April 2016 by the Dewan Rakyat (House of Representative) and gazetted on 15 September 2016. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the date on which the New Act comes into operation, except section 241 and Division 8 of Part III of the New Act, will be 31 January 2017.

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

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

Companies Act 2016 (continued)

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group and of the Bank upon the commencement of the New Act on 31 January 2017 includes:

- (a) removal of the authorised share capital;
- (b) shares of the Bank will cease to have par or nominal value; and
- (c) the Bank's share premium account will become part of the Bank's share capital.

The adoption of the New Act is not expected to have any financial impact on the Group and Bank for the current financial year as any accounting implications will only be applied prospectively, if applicable, and the effect of adoption mainly will be on disclosures to the annual report and financial statements for the financial year ending 31 December 2017.

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

Effective for annual periods commencing on or after 1 January 2017

- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2014 - 2016 Cycle"
  - Amendments to MFRS 12 Disclosure of Interests in Other Entities

Effective for annual periods commencing on or after 1 January 2018

- MFRS 15 Revenue from Contracts with Customers
- MFRS 9 Financial Instruments (2014)
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2014 - 2016 Cycle"
  - Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
  - Amendments to MFRS 128 Investments in Associates and Joint Ventures
- Transfers of Investment Property (Amendments to MFRS 140)
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS 4)

Effective for annual periods commencing on or after 1 January 2019

- MFRS 16 Leases

A brief description of the new MFRSs, Amendments to MFRSs and IC Interpretation above that have been issued but not yet effective to the Group and the Bank is set out below:

- (a) **Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2014 - 2016 Cycle". The Annual Improvements consist of the following amendments:**
  - (i) Amendments to MFRS 12 Disclosure of Interests in Other Entities  
The amendments clarify that an entity is not required to disclose summarised financial information for subsidiary, joint venture or associate when it is classified as held for sale in accordance with MFRS 5.

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

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

A brief description of the new MFRSs, Amendments to MFRSs and IC Interpretation above that have been issued but not yet effective to the Group and the Bank is set out below (continued):

- (ii) **Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards**  
The amendments remove certain provisions from the Standard that have served their intended purposes and are no longer required.
- (iii) **Amendments to MFRS 128 Investments in Associates and Joint Ventures**  
The amendments clarify that when an investment in an associate or a joint venture is held by an entity which is a venture capital organisation, or a mutual fund, unit trust or similar entities, the entity may elect to measure that investment at fair value on an investment by investment basis in accordance with the Standard.

The adoption of Annual Improvements to MFRS Standards 2014 - 2016 Cycle is not expected to have any financial impact on the financial statements of the Group and the Bank.

- (b) **MFRS 15 Revenue from Contracts with Customers** - 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 of the Bank.
- (c) **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, the general hedge accounting requirements have been simplified for hedge effectiveness testing and permit hedge accounting to be applied to a greater variety of hedging instruments and risks.

MFRS 9 introduces significant changes in the way the Group accounts for financial instruments. The preparation for MFRS 9 by the Group and the Bank had started in 2015 with the setting up of a MFRS 9 Project Team headed by the Chief Financial Officer of the Bank, and with assistance from consultants on the implementation of MFRS 9. During the financial year ended 31 December 2016, the Group and the Bank have completed the gap assessment and started on the development of MFRS 9 compliant impairment models for all impacted credit exposures.

- (d) **Transfers of Investment Property (Amendments to MFRS 140)** - The amendments clarify the existing provisions in the Standard on transfer to, or from the investment property category. The adoption of these amendments is not expected to have any material financial impact on the financial statements of the Group and of the Bank.



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

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

A brief description of the new MFRSs, Amendments to MFRSs and IC Interpretation above that have been issued but not yet effective to the Group and the Bank is set out below (continued):

- (e) **IC Interpretation 22 Foreign Currency Transactions and Advance Consideration** - The IC Interpretation addresses the issue on which exchange rate is to be used in reporting foreign currency transactions that involve advance consideration paid or received. The adoption of the IC Interpretation is not expected to have any material financial impact on the financial statements of the Group and of the Bank.
- (f) **Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS 4)** - The amendments address the issues arising from the transitional challenges of applying the temporary exemption from MFRS 9 for an insurer in view that the upcoming new insurance contracts standard MFRS 17 is expected to be issued soon. The expiration date of the temporary exemption from MFRS 9 coincide with the tentative effective date of MFRS 17, as decided by IASB in November 2016. In addition, to reduce the impact of temporary volatility in reported results of entity dealing with insurance contracts, the amendments introduce two additional voluntary options, namely an overlay approach and a deferral approach. The adoption of these amendments is not expected to have any material financial impact on the financial statements of the Group and of the Bank.
- (g) **MFRS 16 Leases** - MFRS 16 introduces a single accounting model for a lessee and eliminates the distinction between finance lease and operating lease. Lessee is now required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Upon adoption of MFRS 16, the Group and the Bank are required to account for major part of their operating leases in the balance sheet by recognising the 'right-of-use' assets and the lease liability, thus increasing the assets and liabilities of the Group and of the Bank. The financial effects arising from the adoption of this standard 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 2015 was not qualified.

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

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors in the 4th quarter and financial year ended 31 December 2016.

**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 of the Bank in the 4th quarter and financial year ended 31 December 2016.

**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 4th quarter and financial year ended 31 December 2016.

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

**A6. Debt and Equity Securities**

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

**(a) RM5.0 Billion Senior Medium Term Notes Programme ("Senior MTNs Programme")**

On 26 February 2016, the Bank issued RM1,000 million in nominal value of Senior Medium Term Notes under its Senior MTNs Programme. The Notes bear interest at 4.22% per annum payable semi-annually and are due on 26 February 2021.

**(b) USD200.0 Million Innovative Tier I Capital Securities**

On 22 August 2016, the Bank had early redeemed its USD200 million Innovative Tier I Capital Securities which is due on 22 August 2036.

**(c) USD200.0 Million 3-Year Unsecured Term Loan**

On 14 September 2016, the Bank had entered into a USD200 million 3-Year Unsecured Term Loan Facility. The USD200 million term loan was drawdown on 22 September 2016.

**(d) Upsize of Senior MTNs Programme**

On 28 September 2016, the Bank had increased the programme limit of the Senior MTNs Programme from the current limit of up to RM5.0 billion in nominal value to up to RM20.0 billion in nominal value. In addition, the Bank had changed the tenure of the Senior MTNs Programme from (20) twenty years to (30) thirty years.

**(e) RM1,200.0 Million Innovative Tier I Capital Securities**

On 22 December 2016, the Bank had early redeemed its RM1,200 million Innovative Tier I Capital Securities which is due on 22 December 2036.

**A7. Dividends Paid and Distributed**

During the financial year ended 31 December 2016 :-

- a) A second interim dividend of 32% in respect of the financial year ended 31 December 2015, amounting to RM1,235,678,094 was paid on 1 March 2016.
- b) A first interim dividend of 26% in respect of the financial year ending 31 December 2016, amounting to RM1,003,988,451 was paid on 22 August 2016.

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	158,134	-	158,134	-
Malaysian Government Securities	202,195	10,251	202,195	10,251
Malaysian Government Investment Issues	141,292	10,051	130,979	10,051
	<u>501,621</u>	<u>20,302</u>	<u>491,308</u>	<u>20,302</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>495,364</u>	1,739,611	-	<u>151,231</u>
<b>Non-money market instruments:</b>				
Debt securities:				
- Cagamas bonds	70,037	231,822	60,031	231,822
- Unquoted private debt securities	111,862	1,111,026	24,990	1,039,262
	<u>181,899</u>	<u>1,342,848</u>	<u>85,021</u>	<u>1,271,084</u>
Total financial assets held-for-trading	<u>1,178,884</u>	<u>3,102,761</u>	<u>576,329</u>	<u>1,442,617</u>

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	73,266	58,468	73,266	-
Malaysian Government Securities	5,899,049	4,536,150	5,305,888	4,457,423
Malaysian Government Investment Issues	14,133,503	10,914,900	7,710,185	6,125,360
Other foreign government securities	168,223	-	-	-
	<u>20,274,041</u>	<u>15,509,518</u>	<u>13,089,339</u>	<u>10,582,783</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	8,544,128	9,105,939	8,293,626	7,820,028
Bankers' acceptances and Islamic accepted bills	118,830	-	118,830	-
	<u>8,662,958</u>	<u>9,105,939</u>	<u>8,412,456</u>	<u>7,820,028</u>
<b>Non-money market instruments:</b>				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	3,167	3,730	-	-
- Unquoted shares #	120,534	118,935	115,481	114,052
Debt securities:				
- Cagamas bonds	340,406	100,482	340,406	100,482
- Unquoted private debt securities	3,931,522	1,997,922	1,697,627	1,522,939
Unit trust funds	12,577	3,071,181	-	2,945,728
	<u>4,408,206</u>	<u>5,292,250</u>	<u>2,153,514</u>	<u>4,683,201</u>
Total financial investments available-for-sale	<u>33,345,205</u>	<u>29,907,707</u>	<u>23,655,309</u>	<u>23,086,012</u>

# Stated at cost, net of impairment loss.

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>At amortised cost</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Securities	1,934,046	2,051,435	1,903,918	2,021,357
Malaysian Government Investment Issues	12,157,420	12,334,574	9,683,010	10,103,680
Foreign Government Treasury Bills	866,566	909,721	24,969	65,029
Other foreign government securities	473,031	135,131	-	-
	<u>15,431,063</u>	<u>15,430,861</u>	<u>11,611,897</u>	<u>12,190,066</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,464,061</u>	<u>1,561,205</u>	<u>1,709,786</u>	<u>1,647,165</u>
<b>Non-money market instruments:</b>				
Debt securities:				
- Cagamas bonds	1,348,574	1,403,795	1,348,574	1,363,718
- Unquoted private debt securities	3,930,267	3,548,234	2,374,323	2,484,284
	<u>5,278,841</u>	<u>4,952,029</u>	<u>3,722,897</u>	<u>3,848,002</u>
Accumulated impairment losses	(39)	(46)	(39)	(46)
Total financial investments held-to-maturity	<u>22,173,926</u>	<u>21,944,049</u>	<u>17,044,541</u>	<u>17,685,187</u>

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

**A11. Loans, Advances and Financing**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>At amortised cost</b>				
Overdrafts	11,382,475	11,362,905	8,604,041	8,722,898
Term loans				
- Housing loans / financing	95,617,442	87,035,603	78,193,789	73,102,157
- Syndicated term loans / financing	3,410,498	2,724,983	1,320,488	1,229,554
- Hire purchase receivables	51,984,710	52,156,547	37,757,231	37,937,879
- Other term loans / financing	114,416,510	106,600,011	92,104,366	86,838,382
Credit card receivables	1,894,574	1,781,170	1,864,748	1,759,828
Bills receivables	193,599	182,187	155,721	143,843
Trust receipts	330,262	292,013	209,009	239,365
Claims on customers under acceptance credits	3,848,443	3,840,427	3,613,254	3,668,244
Revolving credits	9,056,513	5,806,945	8,267,793	5,724,545
Staff loans *	1,824,156	1,664,264	1,642,793	1,542,055
Gross loans, advances and financing	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>
Allowance for impaired loans and financing:				
- collective assessment allowance	(1,408,104)	(1,510,637)	(922,954)	(1,001,839)
- individual assessment allowance	(121,894)	(121,947)	(15,586)	(34,837)
Net loans, advances and financing	<u>292,429,184</u>	<u>271,814,471</u>	<u>232,794,693</u>	<u>219,872,074</u>

\* Included in staff loans of the Group and of the Bank are loans to Directors of subsidiary companies amounting to RM5,959,000 (2015: RM3,323,000) and RM5,540,000 (2015 - RM3,050,000) respectively.

**A11a. By class**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Retail loans / financing *				
- Housing loans / financing	95,617,442	87,035,603	78,193,789	73,102,157
- Hire purchase	51,984,710	52,156,547	37,757,231	37,937,879
- Credit cards	1,894,574	1,781,170	1,864,748	1,759,828
- Other loans / financing ^	100,416,869	93,544,319	80,608,549	77,651,094
	<u>249,913,595</u>	<u>234,517,639</u>	<u>198,424,317</u>	<u>190,450,958</u>
Corporate loans / financing	44,045,587	38,929,416	35,308,916	30,457,792
	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>

\* 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.

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

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

**A11b. By type of customer**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Non-bank financial institutions				
- Stock-broking companies	6,498	7,123	6,498	7,123
- Others	7,973,937	6,541,865	7,745,345	6,310,900
Business enterprises				
- Small and medium enterprises	71,293,237	63,968,815	60,332,253	55,447,812
- Others	25,727,268	25,486,515	18,957,941	19,146,647
Government and statutory bodies	1,317,470	1,331,532	3,511	15,094
Individuals	184,602,651	173,258,223	143,843,020	137,114,817
Other entities	40,766	42,614	35,892	39,222
Foreign entities	2,997,355	2,810,368	2,808,773	2,827,135
	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Fixed rate				
- Housing loans / financing	561,483	633,185	25,198	55,899
- Hire purchase receivables	49,383,643	50,178,152	37,465,523	37,921,383
- Other fixed rate loans / financing	18,923,138	18,006,696	8,313,755	8,164,456
Variable rate				
- Base rate / base lending rate plus	178,704,491	164,560,568	157,900,595	149,341,274
- Cost plus	29,921,800	24,842,983	28,465,197	23,978,637
- Other variable rates	16,464,627	15,225,471	1,562,965	1,447,101
	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>

**A11d. By residual contractual maturity**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Maturity within one year	32,140,003	30,141,088	24,150,809	23,225,806
More than one year to three years	26,761,672	23,815,757	21,397,613	19,020,655
More than three years to five years	27,763,714	26,592,749	22,283,094	21,139,374
More than five years	207,293,793	192,897,461	165,901,717	157,522,915
	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>

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

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

**A11e. By geographical distribution**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Malaysia	269,915,021	251,801,712	232,568,210	219,842,909
Hong Kong SAR and the People's Republic of China	16,884,678	16,466,441	-	-
Cambodia	4,500,886	4,113,061	-	-
Other countries	2,658,597	1,065,841	1,165,023	1,065,841
	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Purchase of securities	2,023,713	2,492,916	1,686,519	1,992,194
Purchase of transport vehicles	52,252,411	52,423,648	38,029,309	38,209,237
Purchase of landed properties	174,914,751	159,650,206	146,261,128	136,502,609
(of which: - residential	98,752,335	89,521,816	80,983,504	75,419,517
- non-residential)	76,162,416	70,128,390	65,277,624	61,083,092
Purchase of fixed assets (excluding landed properties)	620,058	209,714	221,244	170,570
Personal use	11,757,996	10,576,971	6,194,844	5,428,772
Credit card	1,894,574	1,781,170	1,864,748	1,759,828
Purchase of consumer durables	1,869	2,079	113	138
Construction	6,162,820	5,345,580	5,069,312	4,541,667
Mergers and acquisitions	130,526	154,871	130,526	154,871
Working capital	39,354,135	36,786,331	29,526,976	28,215,858
Other purpose	4,846,329	4,023,569	4,748,514	3,933,006
	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>



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

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Agriculture, hunting, forestry and fishing	3,852,323	3,343,665	2,844,114	2,742,319
Mining and quarrying	233,419	234,265	197,969	197,928
Manufacturing	10,432,034	9,823,981	8,520,922	8,452,012
Electricity, gas and water	78,912	65,785	19,657	14,579
Construction	8,907,302	7,957,050	7,044,402	6,604,430
Wholesale & retail trade and restaurants & hotels	25,679,947	24,289,039	21,579,904	21,135,248
Transport, storage and communication	3,957,937	3,683,227	2,851,662	2,784,138
Finance, insurance and business services	16,826,372	15,307,058	14,700,442	13,499,709
Real estate	34,520,861	30,372,942	28,863,937	25,164,142
Community, social and personal services	3,445,030	3,411,590	1,906,585	1,901,892
Households	184,485,685	173,217,520	145,125,969	138,324,271
Others	1,539,360	1,740,933	77,670	88,082
	<u>293,959,182</u>	<u>273,447,055</u>	<u>233,733,233</u>	<u>220,908,750</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Bankers' acceptances rediscounted	<u>32,405</u>	26,412	<u>32,405</u>	26,412

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
At 1 January	1,351,816	1,488,699	1,002,520	1,153,829
Impaired during the year	2,984,569	2,811,865	2,026,986	1,968,543
Reclassified as non-impaired	(1,913,691)	(1,958,288)	(1,440,167)	(1,511,772)
Recoveries	(392,027)	(378,690)	(287,984)	(306,295)
Amount written off	(548,106)	(608,655)	(231,663)	(275,487)
Amount arising from acquisition of Public Bank Vietnam Limited (formerly known as VID Public Bank)	26,855	-	-	-
Loans converted to foreclosed properties / investments	(30,598)	(28,356)	(29,032)	(28,085)
Exchange differences	10,563	25,241	919	1,787
Closing balance	<u>1,489,381</u>	<u>1,351,816</u>	<u>1,041,579</u>	<u>1,002,520</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.51%</u>	0.49%	<u>0.45%</u>	0.45%

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

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Malaysia	1,208,752	1,190,592	980,743	976,657
Hong Kong SAR and the People's Republic of China	150,052	104,900	-	-
Cambodia	37,604	30,461	-	-
Other countries	92,973	25,863	60,836	25,863
	<u>1,489,381</u>	<u>1,351,816</u>	<u>1,041,579</u>	<u>1,002,520</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Purchase of securities	3,435	4,029	3,435	3,802
Purchase of transport vehicles	317,926	358,329	221,725	252,158
Purchase of landed properties	735,199	599,821	570,775	495,514
(of which: - residential	570,019	445,406	427,743	361,760
- non-residential)	165,180	154,415	143,032	133,754
Purchase of fixed assets (excluding landed properties)	7,043	523	43	143
Personal use	152,479	138,792	46,161	44,645
Credit card	22,087	23,694	21,925	23,596
Purchase of consumer durables	-	57	-	-
Construction	28,611	13,418	17,359	10,145
Working capital	211,541	198,036	149,110	157,419
Other purpose	11,060	15,117	11,046	15,098
	<u>1,489,381</u>	<u>1,351,816</u>	<u>1,041,579</u>	<u>1,002,520</u>

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

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

**A11i. Impaired loans, advances and financing by sectors**

	<b>Group</b>		<b>Bank</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Agriculture, hunting, forestry and fishing	<b>29,097</b>	23,253	<b>16,088</b>	14,162
Mining and quarrying	<b>768</b>	2,373	<b>725</b>	868
Manufacturing	<b>42,218</b>	66,978	<b>28,690</b>	57,944
Electricity, gas and water	<b>2,454</b>	2,243	-	-
Construction	<b>77,267</b>	56,912	<b>59,814</b>	52,356
Wholesale & retail trade and restaurants & hotels	<b>132,155</b>	116,720	<b>99,144</b>	107,264
Transport, storage and communication	<b>22,801</b>	42,425	<b>20,605</b>	39,410
Finance, insurance and business services	<b>36,411</b>	23,000	<b>29,345</b>	16,252
Real estate	<b>38,677</b>	41,053	<b>27,825</b>	32,514
Community, social and personal services	<b>8,510</b>	4,542	<b>8,165</b>	3,976
Households	<b>1,098,423</b>	966,807	<b>751,053</b>	677,449
Others	<b>600</b>	5,510	<b>125</b>	325
	<b><u>1,489,381</u></b>	<u>1,351,816</u>	<b><u>1,041,579</u></b>	<u>1,002,520</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Collective Assessment Allowance</u>				
At 1 January	<b>1,510,637</b>	1,682,128	<b>1,001,839</b>	1,143,525
Allowance made during the year	<b>203,158</b>	169,085	<b>145,239</b>	112,486
Amount written off	<b>(317,365)</b>	(351,911)	<b>(224,758)</b>	(256,499)
Amount arising from acquisition of Public Bank Vietnam Limited (formerly known as VID Public Bank)	<b>7,742</b>	-	-	-
Exchange differences	<b>3,932</b>	11,335	<b>634</b>	2,327
Closing balance	<b><u>1,408,104</u></b>	<u>1,510,637</u>	<b><u>922,954</u></b>	<u>1,001,839</u>

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

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<u>Individual Assessment Allowance</u>				
At 1 January	121,947	140,086	34,837	62,467
Allowance made during the year	240,200	228,695	17,511	14,528
Amount written back in respect of recoveries	(32,481)	(27,093)	(28,167)	(21,558)
Amount written off	(230,741)	(256,744)	(6,905)	(18,988)
Amount transferred to allowance for impairment loss on foreclosed properties	(1,690)	(1,612)	(1,690)	(1,612)
Amount arising from acquisition of Public Bank Vietnam Limited (formerly known as VID Public Bank)	3,372	-	-	-
Exchange differences	21,287	38,615	-	-
Closing balance	<u>121,894</u>	<u>121,947</u>	<u>15,586</u>	<u>34,837</u>

**A12. Other Assets**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Deferred handling fees	252,828	268,842	185,575	197,446
Interest / Income receivable	61,899	30,415	24,076	18,955
Other receivables, deposits and prepayments	1,942,992	2,030,648	1,821,453	1,942,399
Employee benefits	302,904	286,646	298,391	282,375
Amount due from trust funds	146,871	151,408	-	-
Foreclosed properties	88,265	68,467	86,472	67,961
Outstanding contracts on clients' accounts	198,764	199,538	-	-
Amount due from subsidiary companies	-	-	39,160	38,632
Dividend receivable from collective investments	-	-	27,154	-
Dividend receivable from subsidiary companies	-	-	545,976	523,232
	<u>2,994,523</u>	<u>3,035,964</u>	<u>3,028,257</u>	<u>3,071,000</u>

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

**A13. Deposits from Customers**

a) By type of deposit

	Group		Bank	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
<b>At amortised cost</b>				
Core deposits:				
- Demand deposits	45,470,463	43,015,925	37,646,794	36,411,051
- Savings deposits	32,502,203	29,940,233	21,869,236	20,212,244
- Fixed deposits	180,182,676	172,215,278	134,533,805	130,256,890
	<u>258,155,342</u>	<u>245,171,436</u>	<u>194,049,835</u>	<u>186,880,185</u>
Wholesale deposits:				
- Negotiable instruments of deposit	-	974,136	-	-
- Money market deposits	51,735,008	54,936,458	47,838,063	49,510,402
	<u>51,735,008</u>	<u>55,910,594</u>	<u>47,838,063</u>	<u>49,510,402</u>
Other deposits	83,218	75,059	69,560	69,571
	<u>309,973,568</u>	<u>301,157,089</u>	<u>241,957,458</u>	<u>236,460,158</u>

b) By type of customer

	Group		Bank	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Federal and state governments	5,928,559	5,357,331	637,431	970,422
Local government and statutory authorities	3,181,497	2,703,935	2,297,882	1,710,675
Business enterprises	85,908,497	90,188,769	69,374,203	72,367,534
Individuals	159,080,957	145,521,045	128,109,932	119,562,656
Foreign customers	5,895,401	4,736,774	3,727,463	3,863,101
Others	49,978,657	52,649,235	37,810,547	37,985,770
	<u>309,973,568</u>	<u>301,157,089</u>	<u>241,957,458</u>	<u>236,460,158</u>

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

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Due within six months	209,013,661	203,507,697	163,604,944	159,442,404
More than six months to one year	22,235,344	24,465,822	18,566,767	20,184,202
More than one year to three years	663,602	149,236	195,888	138,383
More than three years to five years	5,077	3,117	4,269	2,303
	<u>231,917,684</u>	<u>228,125,872</u>	<u>182,371,868</u>	<u>179,767,292</u>

**A14. Deposits from Banks**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>At amortised cost</b>				
Licensed banks	8,027,292	5,502,133	6,188,719	4,095,605
Licensed investment banks	23,340	234,244	78,755	301,233
Bank Negara Malaysia	544,280	460,948	525,829	452,951
Other financial institutions	3,215,911	3,772,196	5,495,723	5,713,301
	<u>11,810,823</u>	<u>9,969,521</u>	<u>12,289,026</u>	<u>10,563,090</u>

**A15. Other Liabilities**

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Interest / Income payable	1,613,157	1,745,060	1,349,479	1,475,213
Other payables and accruals	2,580,373	2,333,802	1,949,877	1,820,562
Amount due to trust funds	37,184	43,652	-	-
Unprocessed sales and / or redemptions	142,784	102,538	-	-
Profit Equalisation Reserve of the investment account holder	111	53	-	-
Finance lease liabilities	38,740	88,643	38,740	88,643
Outstanding contracts on clients' accounts	188,551	184,442	-	-
Dividend payable to shareholders	23,269	22,113	1,166	937
Amount due to subsidiary companies	-	-	32,463	3,018
	<u>4,624,169</u>	<u>4,520,303</u>	<u>3,371,725</u>	<u>3,388,373</u>

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

**A16. Interest Income**

	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
<b><u>Group</u></b>				
Loans and advances	3,235,163	3,109,959	12,782,059	11,974,674
Balances with banks	100,307	75,098	428,957	476,110
Financial investments available-for-sale	250,442	177,527	934,438	498,757
Financial investments held-to-maturity	184,426	182,363	726,890	730,416
Others	36,217	35,990	140,616	140,294
	<u>3,806,555</u>	<u>3,580,937</u>	<u>15,012,960</u>	<u>13,820,251</u>
Financial assets held-for-trading	7,403	28,326	54,568	398,235
	<u>3,813,958</u>	<u>3,609,263</u>	<u>15,067,528</u>	<u>14,218,486</u>
Of which:				
Interest income earned on impaired loans and advances	<u>13,823</u>	<u>13,191</u>	<u>56,040</u>	<u>56,083</u>
	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
<b><u>Bank</u></b>				
Loans and advances	2,907,753	2,809,011	11,550,018	10,890,328
Balances with banks	68,808	66,504	335,666	435,850
Financial investments available-for-sale	218,202	163,348	802,860	457,679
Financial investments held-to-maturity	168,847	172,378	676,277	688,569
Others	36,216	35,985	140,363	140,286
	<u>3,399,826</u>	<u>3,247,226</u>	<u>13,505,184</u>	<u>12,612,712</u>
Financial assets held-for-trading	2,486	22,508	32,382	352,278
	<u>3,402,312</u>	<u>3,269,734</u>	<u>13,537,566</u>	<u>12,964,990</u>
Of which:				
Interest income earned on impaired loans and advances	<u>12,133</u>	<u>12,512</u>	<u>51,044</u>	<u>53,470</u>

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

**A17. Interest Expense**

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Deposits from banks	101,540	118,240	429,373	446,750
Deposits from customers	1,764,157	1,694,308	7,126,235	6,825,726
Loans sold to Cagamas	14,873	14,518	58,045	57,596
Debt securities issued and other borrowed funds	130,225	125,606	525,680	495,762
Others	3,281	2,134	7,788	15,629
	<u>2,014,076</u>	<u>1,954,806</u>	<u>8,147,121</u>	<u>7,841,463</u>

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<b>Bank</b>				
Deposits from banks	98,894	110,665	410,270	412,175
Deposits from customers	1,708,354	1,634,048	6,916,403	6,602,758
Loans sold to Cagamas	14,873	14,518	58,045	57,596
Debt securities issued and other borrowed funds	126,299	122,227	511,827	483,361
Others	3,326	2,239	7,412	15,380
	<u>1,951,746</u>	<u>1,883,697</u>	<u>7,903,957</u>	<u>7,571,270</u>



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

**A18. Net Fee and Commission Income**

	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b><u>Group</u></b>				
(a) Fee and commission income:				
Commissions	143,152	132,157	503,991	456,342
Service charges and fees	86,472	84,034	334,485	330,459
Guarantee fees	10,628	11,326	38,942	41,267
Processing fees	6,447	6,044	21,877	27,308
Commitment fees	22,679	22,568	87,623	88,730
Unit trust management fees	225,368	215,752	872,241	844,885
Fee on sale of trust units	68,610	71,663	295,661	311,358
Brokerage and commissions from stockbroking activities	16,928	24,769	75,712	94,463
Other fee and commission income	14,729	16,742	58,483	66,978
	<u>595,013</u>	<u>585,055</u>	<u>2,289,015</u>	<u>2,261,790</u>
(b) Fee and commission expense:				
Unit trust agency fee	(99,032)	(99,242)	(396,082)	(392,788)
Debit / credit card related fee	(78,596)	(72,439)	(293,156)	(275,027)
Loan related fee	(1,126)	(4,808)	(13,576)	(19,426)
Other fee and commission expense	(4,423)	(5,850)	(21,211)	(21,706)
	<u>(183,177)</u>	<u>(182,339)</u>	<u>(724,025)</u>	<u>(708,947)</u>
Net fee and commission income	<u>411,836</u>	<u>402,716</u>	<u>1,564,990</u>	<u>1,552,843</u>
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b><u>Bank</u></b>				
(a) Fee and commission income:				
Commissions	152,716	142,069	557,665	513,165
Service charges and fees	62,018	59,784	243,181	234,548
Guarantee fees	9,865	10,782	36,126	39,020
Processing fees	2,268	2,834	8,119	12,673
Commitment fees	21,214	21,186	81,966	83,422
Other fee and commission income	10,837	12,327	45,670	54,205
	<u>258,918</u>	<u>248,982</u>	<u>972,727</u>	<u>937,033</u>
(b) Fee and commission expense:				
Debit / credit card related fee	(75,745)	(70,268)	(283,363)	(267,614)
Loan related fee	(2,733)	(3,360)	(11,345)	(14,201)
Other fee and commission expense	(3,199)	(3,844)	(15,915)	(13,877)
	<u>(81,677)</u>	<u>(77,472)</u>	<u>(310,623)</u>	<u>(295,692)</u>
Net fee and commission income	<u>177,241</u>	<u>171,510</u>	<u>662,104</u>	<u>641,341</u>

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

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>Group</b>				
Net (loss) / gain arising on financial assets held-for-trading:				
- net (loss) / gain on disposal	(655)	2,397	18,080	12,561
- unrealised revaluation (loss) / gain	(406)	(182)	39	(1,071)
	<u>(1,061)</u>	<u>2,215</u>	<u>18,119</u>	<u>11,490</u>
Net (loss) / gain arising on trading derivatives				
- unrealised revaluation (loss) / gain	(12,986)	1,735	(12,191)	1,649
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	1,241	7,881	39,412	31,990
- gross dividend income	1,311	43,071	24,522	178,837
	<u>2,552</u>	<u>50,952</u>	<u>63,934</u>	<u>210,827</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	1,137	581	6,196	4,589
- cash flow hedge	10,511	6,389	(2,036)	7,610
	<u>11,648</u>	<u>6,970</u>	<u>4,160</u>	<u>12,199</u>
Net gains and losses on financial instruments	<u>153</u>	<u>61,872</u>	<u>74,022</u>	<u>236,165</u>

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

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b><u>Bank</u></b>				
Net (loss) / gain arising on financial assets held-for-trading:				
- net (loss) / gain on disposal	(1,161)	2,392	17,563	12,533
- unrealised revaluation (loss) / gain	(187)	(167)	20	(1,129)
	<u>(1,348)</u>	<u>2,225</u>	<u>17,583</u>	<u>11,404</u>
Net (loss) / gain arising on trading derivatives				
- unrealised revaluation (loss) / gain	(4)	(4)	(5)	1
	<u>(4)</u>	<u>(4)</u>	<u>(5)</u>	<u>1</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	1,024	7,881	36,599	30,619
- gross dividend income	1,166	42,955	23,501	178,150
	<u>2,190</u>	<u>50,836</u>	<u>60,100</u>	<u>208,769</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	975	691	6,529	4,620
- cash flow hedge	10,511	6,389	(2,036)	7,610
	<u>11,486</u>	<u>7,080</u>	<u>4,493</u>	<u>12,230</u>
Net gains and losses on financial instruments	<u><u>12,324</u></u>	<u><u>60,137</u></u>	<u><u>82,171</u></u>	<u><u>232,404</u></u>

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

**A20. Other Operating Income**

	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b><u>Group</u></b>				
Other income:				
Foreign exchange profit	31,225	37,660	273,621	355,656
Rental income from:				
- investment properties	3,421	6,010	13,123	12,159
- other properties	3,431	869	13,650	13,438
Net gain on disposal of property and equipment	932	552	1,437	1,506
Net gain / (loss) on disposal of foreclosed properties	1,136	(69)	2,109	1,393
Net gain on revaluation of investment properties	60,659	100,218	60,428	107,061
Others	16,101	28,060	91,026	59,900
Total other operating income	<u>116,905</u>	<u>173,300</u>	<u>455,394</u>	<u>551,113</u>
	4th Quarter Ended	31 December	Financial Year Ended	31 December
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b><u>Bank</u></b>				
Gross dividend income from:				
- collective investments	43,813	-	152,124	-
- subsidiary companies				
- quoted outside Malaysia	60,466	57,931	81,332	77,487
- unquoted in Malaysia	241,010	212,200	499,010	746,754
	<u>345,289</u>	<u>270,131</u>	<u>732,466</u>	<u>824,241</u>
Other income:				
Foreign exchange (loss) / profit	(253,977)	88,874	37,606	(216,736)
Rental income from other properties	3,280	3,459	13,227	13,055
Net gain on disposal of property and equipment	774	555	1,240	1,514
Net gain / (loss) on disposal of foreclosed properties	1,136	(69)	2,109	1,393
Others	12,802	13,291	54,316	34,563
	<u>(235,985)</u>	<u>106,110</u>	<u>108,498</u>	<u>(166,211)</u>
Total other operating income	<u>109,304</u>	<u>376,241</u>	<u>840,964</u>	<u>658,030</u>

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

**A21. Other Operating Expenses**

<u>Group</u>	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Personnel costs				
- Salaries, allowances and bonuses	<b>465,453</b>	437,246	<b>1,847,711</b>	1,708,683
- Pension costs	<b>57,293</b>	54,118	<b>241,109</b>	223,385
- Others	<b>36,052</b>	40,555	<b>162,174</b>	145,888
	<b>558,798</b>	531,919	<b>2,250,994</b>	2,077,956
Establishment costs				
- Depreciation	<b>53,718</b>	48,563	<b>202,995</b>	181,116
- Rental	<b>28,764</b>	27,410	<b>118,160</b>	107,014
- Insurance	<b>4,882</b>	5,329	<b>20,343</b>	20,384
- Water and electricity	<b>14,555</b>	13,654	<b>54,215</b>	52,328
- General repairs and maintenance	<b>27,355</b>	19,693	<b>95,765</b>	77,588
- Information technology expenses	<b>14,451</b>	6,621	<b>47,351</b>	36,363
- Others	<b>15,592</b>	13,651	<b>61,021</b>	53,303
	<b>159,317</b>	134,921	<b>599,850</b>	528,096
Marketing expenses				
- Advertisement and publicity	<b>11,004</b>	12,806	<b>54,618</b>	53,663
- Others	<b>14,005</b>	17,261	<b>60,816</b>	62,358
	<b>25,009</b>	30,067	<b>115,434</b>	116,021
Administration and general expenses				
- Communication expenses	<b>15,830</b>	5,735	<b>53,505</b>	29,468
- Legal and professional fees	<b>12,048</b>	13,314	<b>50,975</b>	48,781
- Others	<b>34,458</b>	33,065	<b>140,712</b>	114,835
	<b>62,336</b>	52,114	<b>245,192</b>	193,084
Total other operating expenses	<b>805,460</b>	749,021	<b>3,211,470</b>	2,915,157

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

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

<u>Bank</u>	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Personnel costs				
- Salaries, allowances and bonuses	348,501	326,281	1,396,515	1,292,469
- Pension costs	48,863	53,401	209,484	202,078
- Others	33,591	31,788	138,466	121,045
	<u>430,955</u>	<u>411,470</u>	<u>1,744,465</u>	<u>1,615,592</u>
Establishment costs				
- Depreciation	41,366	36,245	159,386	140,847
- Rental	22,240	22,640	94,984	91,432
- Insurance	4,328	4,656	17,609	17,858
- Water and electricity	10,173	9,516	39,237	38,372
- General repairs and maintenance	24,277	18,433	86,631	69,539
- Information technology expenses	5,611	1,123	21,770	17,781
- Others	9,846	9,579	40,069	38,802
	<u>117,841</u>	<u>102,192</u>	<u>459,686</u>	<u>414,631</u>
Marketing expenses				
- Advertisement and publicity	1,444	1,077	20,837	16,533
- Others	10,720	12,788	45,830	44,318
	<u>12,164</u>	<u>13,865</u>	<u>66,667</u>	<u>60,851</u>
Administration and general expenses				
- Communication expenses	12,621	2,972	45,222	23,729
- Legal and professional fees	7,097	10,764	35,797	37,022
- Others	18,242	18,394	82,652	67,253
	<u>37,960</u>	<u>32,130</u>	<u>163,671</u>	<u>128,004</u>
Shared service cost charged to Public Islamic Bank Berhad	(82,398)	(73,295)	(320,909)	(280,028)
Total other operating expenses	<u>516,522</u>	<u>486,362</u>	<u>2,113,580</u>	<u>1,939,050</u>

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

**A22. (Writeback of Allowance) / Allowance for Impairment on Loans, Advances and Financing**

	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
(Writeback of allowance) / Allowance for impaired loans and financing:				
Collective assessment allowance	(22,745)	(109,941)	203,158	169,085
Individual assessment allowance	45,633	60,567	207,719	201,602
Allowance / (Writeback of allowance) for bad debts from stockbroking activities	-	5	(2)	(5)
Impaired loans and financing written off	26	16	119	157
Impaired loans and financing recovered	(60,020)	(54,956)	(218,254)	(224,608)
	<b>(37,106)</b>	<b>(104,309)</b>	<b>192,740</b>	<b>146,231</b>

	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Bank</b>				
(Writeback of allowance) / Allowance for impaired loans:				
Collective assessment allowance	(6,597)	(85,848)	145,239	112,486
Individual assessment allowance	(10,806)	(2,378)	(10,656)	(7,030)
Impaired loans written off	26	16	119	157
Impaired loans recovered	(30,916)	(29,896)	(108,263)	(119,776)
	<b>(48,293)</b>	<b>(118,106)</b>	<b>26,439</b>	<b>(14,163)</b>

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

**A23. Segment Information**

	<----- 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					
<b>4th Quarter Ended</b>												
<b>31 December 2016</b>												
External revenue	673,561	2,502,742	433,503	304,245	38,466	294,303	73,129	327,448	4,647,397	436,686	-	5,084,083
Revenue from other segments	-	377,872	3,119	413,247	291	14,987	7,742	543,771	1,361,029	3,638	(1,364,667)	-
	<u>673,561</u>	<u>2,880,614</u>	<u>436,622</u>	<u>717,492</u>	<u>38,757</u>	<u>309,290</u>	<u>80,871</u>	<u>871,219</u>	<u>6,008,426</u>	<u>440,324</u>	<u>(1,364,667)</u>	<u>5,084,083</u>
Net interest income and												
Islamic banking income	202,767	1,149,757	123,724	65,445	6,250	7,906	(1,958)	181,461	1,735,352	296,507	-	2,031,859
Other income	945	176,266	14,237	65,536	13,862	185,886	67,132	(31,193)	492,671	53,775	(17,552)	528,894
Net income	<u>203,712</u>	<u>1,326,023</u>	<u>137,961</u>	<u>130,981</u>	<u>20,112</u>	<u>193,792</u>	<u>65,174</u>	<u>150,268</u>	<u>2,228,023</u>	<u>350,282</u>	<u>(17,552)</u>	<u>2,560,753</u>
Other operating expenses	(63,033)	(418,735)	(2,983)	(8,563)	(9,865)	(39,483)	(3,361)	(125,031)	(671,054)	(151,958)	17,552	(805,460)
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	19,408	43,895	(1,646)	-	37	-	-	-	61,694	(24,588)	-	37,106
Writeback of allowance for impairment on other assets	-	218	-	-	-	-	-	-	218	-	-	218
Profit by segments	<u>160,087</u>	<u>951,401</u>	<u>133,332</u>	<u>122,418</u>	<u>10,284</u>	<u>154,309</u>	<u>61,813</u>	<u>25,237</u>	<u>1,618,881</u>	<u>173,736</u>	<u>-</u>	<u>1,792,617</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									94	-		94
Profit before tax expense and zakat									<u>1,618,975</u>	<u>173,736</u>	<u>-</u>	<u>1,792,711</u>



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

**A23. Segment Information (continued)**

4th Quarter Ended 31 December 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					
External revenue	663,063	2,403,004	386,182	483,851	49,413	287,685	2,045	289,100	4,564,343	364,703	-	4,929,046
Revenue from other segments	-	344,507	3,064	496,703	1,276	(2,081)	7,518	531,731	1,382,718	1,575	(1,384,293)	-
	663,063	2,747,511	389,246	980,554	50,689	285,604	9,563	820,831	5,947,061	366,278	(1,384,293)	4,929,046
Net interest income and												
Islamic banking income	183,894	1,138,819	99,617	65,623	6,489	(1,846)	(2,110)	86,395	1,576,881	281,971	-	1,858,852
Other income	1,126	166,475	14,099	69,325	19,842	175,875	99,779	95,001	641,522	13,370	(17,004)	637,888
Net income	185,020	1,305,294	113,716	134,948	26,331	174,029	97,669	181,396	2,218,403	295,341	(17,004)	2,496,740
Other operating expenses	(62,636)	(394,629)	(2,613)	(7,955)	(9,769)	(43,089)	(3,692)	(98,711)	(623,094)	(142,931)	17,004	(749,021)
(Allowance) / Writeback of												
allowance for impairment on												
loans, advances and financing	(35,084)	182,748	1,077	-	67	-	-	-	148,808	(44,499)	-	104,309
Writeback of allowance / (Allowance)												
for impairment on other assets	-	1,365	-	-	-	-	-	(23)	1,342	-	-	1,342
Profit by segments	87,300	1,094,778	112,180	126,993	16,629	130,940	93,977	82,662	1,745,459	107,911	-	1,853,370
Reconciliation of segment profits												
to consolidated profits:												
Share of profit after tax												
of equity accounted associated									2,637	1,769		4,406
companies									1,748,096	109,680		1,857,776
Profit before tax expense and zakat												

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

**A23. Segment Information (continued)**

Financial Year Ended 31 December 2016	<----- Operating Segments ----->							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
External revenue	2,696,435	9,841,129	1,676,072	1,586,681	169,618	1,169,119	77,762	1,254,762	18,471,578	1,631,162	-	20,102,740
Revenue from other segments	-	1,463,823	12,080	1,802,052	1,000	37,942	30,365	2,243,800	5,591,062	11,902	(5,602,964)	-
	<u>2,696,435</u>	<u>11,304,952</u>	<u>1,688,152</u>	<u>3,388,733</u>	<u>170,618</u>	<u>1,207,061</u>	<u>108,127</u>	<u>3,498,562</u>	<u>24,062,640</u>	<u>1,643,064</u>	<u>(5,602,964)</u>	<u>20,102,740</u>
Net interest income and												
Islamic banking income	780,925	4,466,283	462,663	259,893	25,448	14,646	(8,089)	737,501	6,739,270	1,122,775	-	7,862,045
Other income	4,688	660,326	50,315	332,203	59,748	724,045	94,136	54,286	1,979,747	185,742	(71,083)	2,094,406
Net income	<u>785,613</u>	<u>5,126,609</u>	<u>512,978</u>	<u>592,096</u>	<u>85,196</u>	<u>738,691</u>	<u>86,047</u>	<u>791,787</u>	<u>8,719,017</u>	<u>1,308,517</u>	<u>(71,083)</u>	<u>9,956,451</u>
Other operating expenses	(249,023)	(1,679,287)	(12,245)	(33,885)	(37,994)	(165,788)	(14,135)	(531,766)	(2,724,123)	(558,430)	71,083	(3,211,470)
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(82,820)	18,446	1,813	-	1,711	-	-	-	(60,850)	(131,890)	-	(192,740)
Writeback of allowance for impairment on other assets	-	430	-	-	-	-	-	-	430	-	-	430
Profit by segments	<u>453,770</u>	<u>3,466,198</u>	<u>502,546</u>	<u>558,211</u>	<u>48,913</u>	<u>572,903</u>	<u>71,912</u>	<u>260,021</u>	<u>5,934,474</u>	<u>618,197</u>	<u>-</u>	<u>6,552,671</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(1,092)	2,453		1,361
Profit before tax expense and zakat									<u>5,933,382</u>	<u>620,650</u>		<u>6,554,032</u>
Cost income ratio	31.7%	32.8%	2.4%	5.7%	44.6%	22.4%	16.4%	67.2%	31.2%	42.7%		32.3%

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

A23. **Segment Information** (continued)

Financial Year Ended	<----- 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						
31 December 2016													
Gross loans, advances and financing	49,600,781	182,383,346	37,464,027	-	383,421	81,478	1,968	-	269,915,021	24,044,161			293,959,182
Loan growth	-1.0%	8.0%	15.9%	-	-2.1%	19.8%	-11.2%	-	7.2%	11.1%			7.5%
Impaired loans, advances and financing	310,360	862,797	35,595	-	-	-	-	-	1,208,752	280,629			1,489,381
Impaired loan ratio	0.6%	0.5%	0.1%	-	-	-	-	-	0.4%	1.2%			0.5%
Deposits from customers	-	219,239,718	253,089	61,946,997	1,527,111	-	-	-	282,966,915	27,006,653			309,973,568
Deposit growth	-	7.9%	3.1%	-15.2%	4.6%	-	-	-	1.8%	16.3%			2.9%
Segment assets	<u>49,357,435</u>	<u>228,387,446</u>	<u>37,408,952</u>	<u>78,862,597</u>	<u>2,736,100</u>	<u>309,884</u>	<u>850,114</u>	<u>31,543,478</u>	<u>429,456,006</u>	<u>36,140,442</u>	<u>(89,193,842)</u>		<u>376,402,606</u>
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									38,119	18			38,137
Unallocated assets									1,008,462	-			1,008,462
Intangible assets									775,493	1,828,128			2,603,621
Total assets									<u>431,278,080</u>	<u>37,968,588</u>			<u>380,052,826</u>

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

**A23. Segment Information (continued)**

Financial Year Ended	<----- Operating Segments ----->											Group Total
	Hire Purchase	Retail Operations	Corporate Lending	Treasury and Capital Market Operations	Investment Banking	Fund Management	Others	Head Office	Total Domestic Operations	Total Overseas Operations	Inter-segment Elimination	
31 December 2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,582,697	9,193,066	1,472,984	1,890,442	201,711	1,157,275	6,777	1,227,081	17,732,033	1,449,517	-	19,181,550
Revenue from other segments	-	1,344,590	12,197	1,680,280	8,818	10,883	30,028	1,890,732	4,977,528	7,173	(4,984,701)	-
	<u>2,582,697</u>	<u>10,537,656</u>	<u>1,485,181</u>	<u>3,570,722</u>	<u>210,529</u>	<u>1,168,158</u>	<u>36,805</u>	<u>3,117,813</u>	<u>22,709,561</u>	<u>1,456,690</u>	<u>(4,984,701)</u>	<u>19,181,550</u>
Net interest income and												
Islamic banking income	774,019	4,404,853	377,881	233,914	26,844	11,880	(8,398)	382,362	6,203,355	1,002,306	-	7,205,661
Other income	3,867	618,256	55,766	286,665	71,009	696,641	126,774	361,410	2,220,388	190,380	(70,647)	2,340,121
Net income	<u>777,886</u>	<u>5,023,109</u>	<u>433,647</u>	<u>520,579</u>	<u>97,853</u>	<u>708,521</u>	<u>118,376</u>	<u>743,772</u>	<u>8,423,743</u>	<u>1,192,686</u>	<u>(70,647)</u>	<u>9,545,782</u>
Other operating expenses	(244,218)	(1,565,952)	(12,047)	(28,776)	(38,540)	(167,322)	(15,297)	(415,693)	(2,487,845)	(497,959)	70,647	(2,915,157)
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(184,928)	165,055	4,063	-	205	-	-	-	(15,605)	(130,626)	-	(146,231)
Allowance for impairment on other assets	-	(533)	-	-	-	-	-	(23)	(556)	-	-	(556)
Profit by segments	<u>348,740</u>	<u>3,621,679</u>	<u>425,663</u>	<u>491,803</u>	<u>59,518</u>	<u>541,199</u>	<u>103,079</u>	<u>328,056</u>	<u>5,919,737</u>	<u>564,101</u>	<u>-</u>	<u>6,483,838</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(590)	8,147		7,557
Profit before tax expense and zakat									<u>5,919,147</u>	<u>572,248</u>		<u>6,491,395</u>
Cost income ratio	31.4%	31.2%	2.8%	5.5%	39.4%	23.6%	12.9%	55.9%	29.5%	41.8%		30.5%

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

**A23. Segment Information (continued)**

Financial Year Ended	<----- 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					
31 December 2015												
Gross loans, advances and financing	50,094,625	168,921,733	32,323,409	-	391,721	68,008	2,216	-	251,801,712	21,645,343		273,447,055
Loan growth	8.0%	10.2%	14.5%	-	-6.6%	13.1%	-2.6%	-	10.3%	29.6%		11.6%
Impaired loans, advances and financing	342,274	797,011	51,307	-	-	-	-	-	1,190,592	161,224		1,351,816
Impaired loan ratio	0.7%	0.5%	0.2%	-	-	-	-	-	0.5%	0.7%		0.5%
Deposits from customers	-	203,219,247	245,596	73,018,186	1,459,377	-	-	-	277,942,406	23,214,683		301,157,089
Deposit growth	-	5.1%	-0.9%	16.3%	-26.8%	-	-	-	7.5%	28.5%		8.9%
Segment assets	<u>49,778,601</u>	<u>210,317,412</u>	<u>32,267,060</u>	<u>85,509,325</u>	<u>3,026,429</u>	<u>324,810</u>	<u>582,487</u>	<u>32,202,881</u>	414,009,005	30,312,431	<u>(84,163,262)</u>	360,158,174
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									24,398	166,522		190,920
Unallocated assets									1,033,197	-		1,033,197
Intangible assets									775,493	1,600,422		2,375,915
Total assets									<u>415,842,093</u>	<u>32,079,375</u>		<u>363,758,206</u>

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

**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 audited interim financial statements.

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

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

On 15 July 2014, the Bank entered into a conditional equity capital transfer agreement 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. On 24 March 2016, the Bank received the licence from the State Bank of Vietnam for the establishment and operation of VPB as a 100% foreign-owned bank in Vietnam with effect from 1 April 2016. With that, the acquisition was completed on 1 April 2016 and VPB became a wholly-owned subsidiary company of the Bank, and was renamed as Public Bank Vietnam Limited ("PBN").

The fair values of the identifiable net assets of PBN and the goodwill and intangible assets arising from the acquisition as at the date of acquisition are as follows:

	<b>RM'000 *</b>
Net assets of PBN	316,091
Less: 50% equity interests held prior to the acquisition	(158,045)
Net assets acquired	158,046
Add: Fair valuation of core deposits intangible	23,191
Fair value of net assets acquired	181,237
Goodwill on acquisition	117,503
Purchase consideration satisfied by cash	298,740
Cash and cash equivalents of subsidiary company acquired	830,271
Less: Purchase consideration satisfied by cash	(298,740)
Net cash inflow on acquisition	531,531
<b>Goodwill and Intangible Assets Recognised</b>	
Core deposits intangible	
- Arising from acquisition	23,191
- Arising from fair valuation of previously held 50% equity interests	23,192
	46,383
Goodwill on acquisition	117,503
Total goodwill and intangible assets recognised	163,886

\* Fair values converted based on the exchange rate of 3.90 as at date of acquisition.

The revenue and profit contribution by PBN to the Group since the acquisition date which are included in the consolidated statement of profit or loss are immaterial. Had PBN been consolidated from the beginning of the year, the increase in revenue and profit to the Group would also be immaterial.

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

**A26. Commitments and Contingencies**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
<b>Contingent liabilities</b>				
Direct credit substitutes	<b>1,703,043</b>	1,421,426	<b>1,282,300</b>	1,215,305
Transaction-related contingent items	<b>1,725,868</b>	1,550,912	<b>1,484,252</b>	1,350,813
Short term self-liquidating trade-related contingencies	<b>536,889</b>	398,504	<b>136,490</b>	153,589
	<b>3,965,800</b>	3,370,842	<b>2,903,042</b>	2,719,707
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	<b>27,105,843</b>	29,423,236	<b>21,587,512</b>	24,777,773
- not exceeding one year	<b>23,590,356</b>	24,131,630	<b>19,877,268</b>	20,985,806
Unutilised credit card lines	<b>6,147,960</b>	5,182,818	<b>5,932,134</b>	5,054,881
Forward asset purchases	<b>10,472</b>	875,923	<b>10,472</b>	875,084
	<b>56,854,631</b>	59,613,607	<b>47,407,386</b>	51,693,544
<b>Derivative financial instruments</b>				
Foreign exchange related contracts:				
- less than one year	<b>29,108,843</b>	27,931,563	<b>28,280,704</b>	26,632,334
- one year to less than five years	<b>1,577,428</b>	3,017,152	<b>1,577,428</b>	3,017,152
Interest / Profit rate related contracts:				
- less than one year	<b>4,874,400</b>	1,559,400	<b>4,674,400</b>	1,559,400
- one year to less than five years	<b>8,663,188</b>	11,571,310	<b>9,468,875</b>	12,272,400
- five years and above	<b>547,496</b>	469,226	<b>2,720,000</b>	2,720,000
Commodity related contracts:				
- less than one year	<b>673</b>	169	<b>673</b>	169
	<b>44,772,028</b>	44,548,820	<b>46,722,080</b>	46,201,455
	<b>105,592,459</b>	107,533,269	<b>97,032,508</b>	100,614,706

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

**A27. Derivative Financial Instruments**

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

Group As at 31 December 2016	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,932,902	7,240	-	1,940,142	26,524	118	-	26,642	9,611	108	-	9,719
- Swaps	25,110,102	-	-	25,110,102	495,676	-	-	495,676	249,205	-	-	249,205
- Options	47,027	-	-	47,027	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	673	-	-	673	-	-	-	-	4	-	-	4
	<u>27,090,704</u>	<u>7,240</u>	<u>-</u>	<u>27,097,944</u>	<u>522,200</u>	<u>118</u>	<u>-</u>	<u>522,318</u>	<u>258,820</u>	<u>108</u>	<u>-</u>	<u>258,928</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	2,400,000	3,222,588	637,221	6,259,809	4,523	47,067	11,029	62,619	-	7,003	278	7,281
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	2,018,812	1,121,563	448,625	3,589,000	-	-	-	-	652,457	330,191	65,921	1,048,569
Interest / Profit rate related contracts												
- Swaps	2,474,400	3,447,250	1,903,625	7,825,275	2,060	15,052	16,092	33,204	1,927	6,720	5,266	13,913
	<u>6,893,212</u>	<u>7,791,401</u>	<u>2,989,471</u>	<u>17,674,084</u>	<u>6,583</u>	<u>62,119</u>	<u>27,121</u>	<u>95,823</u>	<u>654,384</u>	<u>343,914</u>	<u>71,465</u>	<u>1,069,763</u>
<b>Total</b>	<u>33,983,916</u>	<u>7,798,641</u>	<u>2,989,471</u>	<u>44,772,028</u>	<u>528,783</u>	<u>62,237</u>	<u>27,121</u>	<u>618,141</u>	<u>913,204</u>	<u>344,022</u>	<u>71,465</u>	<u>1,328,691</u>



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

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

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

Group As at 31 December 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
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,079,546	9,252	-	1,088,798	27,845	68	-	27,913	4,090	-	-	4,090
- Swaps	26,787,898	-	-	26,787,898	559,117	-	-	559,117	122,581	-	-	122,581
- Options	64,119	-	-	64,119	133	-	-	133	133	-	-	133
Precious metal contracts												
- Forwards	169	-	-	169	1	-	-	1	-	-	-	-
	<u>27,931,732</u>	<u>9,252</u>	<u>-</u>	<u>27,940,984</u>	<u>587,096</u>	<u>68</u>	<u>-</u>	<u>587,164</u>	<u>126,804</u>	<u>-</u>	<u>-</u>	<u>126,804</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	1,559,400	2,400,000	3,686,136	7,645,536	27,369	666	46,527	74,562	-	-	10,461	10,461
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	2,793,050	214,850	3,007,900	-	-	-	-	-	816,786	52,998	869,784
Interest / Profit rate related contracts												
- Swaps	-	3,924,400	2,030,000	5,954,400	-	17,210	9,150	26,360	-	129	402	531
	<u>1,559,400</u>	<u>9,117,450</u>	<u>5,930,986</u>	<u>16,607,836</u>	<u>27,369</u>	<u>17,876</u>	<u>55,677</u>	<u>100,922</u>	<u>-</u>	<u>816,915</u>	<u>63,861</u>	<u>880,776</u>
<b>Total</b>	<u>29,491,132</u>	<u>9,126,702</u>	<u>5,930,986</u>	<u>44,548,820</u>	<u>614,465</u>	<u>17,944</u>	<u>55,677</u>	<u>688,086</u>	<u>126,804</u>	<u>816,915</u>	<u>63,861</u>	<u>1,007,580</u>

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

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

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

Bank As at 31 December 2016	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,864,065	7,240	-	1,871,305	26,513	118	-	26,631	9,592	108	-	9,700
- Swaps	24,350,800	-	-	24,350,800	493,320	-	-	493,320	235,075	-	-	235,075
- Options	47,027	-	-	47,027	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	673	-	-	673	-	-	-	-	4	-	-	4
	<u>26,262,565</u>	<u>7,240</u>	<u>-</u>	<u>26,269,805</u>	<u>519,833</u>	<u>118</u>	<u>-</u>	<u>519,951</u>	<u>244,671</u>	<u>108</u>	<u>-</u>	<u>244,779</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	2,400,000	3,088,000	220,000	5,708,000	4,523	47,067	2,711	54,301	-	-	-	-
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	2,018,812	1,121,563	448,625	3,589,000	-	-	-	-	652,457	330,191	65,921	1,048,569
Interest rate related contracts												
- Swaps	2,274,400	4,347,250	4,533,625	11,155,275	1,872	19,440	32,581	53,893	1,927	6,720	20,752	29,399
	<u>6,693,212</u>	<u>8,556,813</u>	<u>5,202,250</u>	<u>20,452,275</u>	<u>6,395</u>	<u>66,507</u>	<u>35,292</u>	<u>108,194</u>	<u>654,384</u>	<u>336,911</u>	<u>86,673</u>	<u>1,077,968</u>
<b>Total</b>	<u>32,955,777</u>	<u>8,564,053</u>	<u>5,202,250</u>	<u>46,722,080</u>	<u>526,228</u>	<u>66,625</u>	<u>35,292</u>	<u>628,145</u>	<u>899,055</u>	<u>337,019</u>	<u>86,673</u>	<u>1,322,747</u>

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

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

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

Bank As at 31 December 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
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,002,917	9,252	-	1,012,169	27,723	68	-	27,791	3,973	-	-	3,973
- Swaps	25,565,298	-	-	25,565,298	557,098	-	-	557,098	122,372	-	-	122,372
- Options	64,119	-	-	64,119	133	-	-	133	133	-	-	133
Precious metal contracts												
- Forwards	169	-	-	169	1	-	-	1	-	-	-	-
	<u>26,632,503</u>	<u>9,252</u>	<u>-</u>	<u>26,641,755</u>	<u>584,955</u>	<u>68</u>	<u>-</u>	<u>585,023</u>	<u>126,478</u>	<u>-</u>	<u>-</u>	<u>126,478</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	1,559,400	2,400,000	3,308,000	7,267,400	27,369	666	44,061	72,096	-	-	294	294
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	2,793,050	214,850	3,007,900	-	-	-	-	-	816,786	52,998	869,784
Interest rate related contracts												
- Swaps	-	4,324,400	4,960,000	9,284,400	-	15,721	4,790	20,511	-	368	48,697	49,065
	<u>1,559,400</u>	<u>9,517,450</u>	<u>8,482,850</u>	<u>19,559,700</u>	<u>27,369</u>	<u>16,387</u>	<u>48,851</u>	<u>92,607</u>	<u>-</u>	<u>817,154</u>	<u>101,989</u>	<u>919,143</u>
<b>Total</b>	<u>28,191,903</u>	<u>9,526,702</u>	<u>8,482,850</u>	<u>46,201,455</u>	<u>612,324</u>	<u>16,455</u>	<u>48,851</u>	<u>677,630</u>	<u>126,478</u>	<u>817,154</u>	<u>101,989</u>	<u>1,045,621</u>

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

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

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

**Market Risk**

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

**Credit Risk**

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 December 2016, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM618,141,000 (2015: RM688,086,000) and RM628,145,000 (2015: RM677,630,000) 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 December 2016, the Group and the Bank had posted cash collateral of RM1,064,151,000 (2015: RM699,761,000) 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 of the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2015 and Pillar 3 Disclosures section of the 2015 Annual Report.

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

**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:

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2016</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets held-for-trading				
- Government securities and treasury bills	-	501,621	-	501,621
- Money market instruments	-	495,364	-	495,364
- Non-money market instruments	-	181,899	-	181,899
	-	1,178,884	-	1,178,884
Financial investments available-for-sale				
- Government securities and treasury bills	-	20,274,041	-	20,274,041
- Money market instruments	-	8,662,958	-	8,662,958
- Non-money market instruments #	3,167	4,284,505	-	4,287,672
	3,167	33,221,504	-	33,224,671
Derivative financial assets	-	618,141	-	618,141
Total financial assets measured at fair value	3,167	35,018,529	-	35,021,696
<b>Non-financial assets</b>				
Investment properties	-	-	699,469	699,469
<b>Financial liabilities</b>				
Derivative financial liabilities	-	1,328,691	-	1,328,691
Total financial liabilities measured at fair value	-	1,328,691	-	1,328,691

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

**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):

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets held-for-trading				
- Government securities and treasury bills	-	20,302	-	20,302
- Money market instruments	-	1,739,611	-	1,739,611
- Non-money market instruments	-	1,342,848	-	1,342,848
	-	3,102,761	-	3,102,761
Financial investments available-for-sale				
- Government securities and treasury bills	-	15,509,518	-	15,509,518
- Money market instruments	-	9,105,939	-	9,105,939
- Non-money market instruments #	1,165,813	4,007,502	-	5,173,315
	1,165,813	28,622,959	-	29,788,772
Derivative financial assets	-	688,086	-	688,086
Total financial assets measured at fair value	1,165,813	32,413,806	-	33,579,619
<b>Non-financial assets</b>				
Investment properties	-	-	485,175	485,175
<b>Financial liabilities</b>				
Derivative financial liabilities	-	1,007,580	-	1,007,580
Total financial liabilities measured at fair value	-	1,007,580	-	1,007,580

# Excluding the carrying amount of equity securities - unquoted shares held by the Group of RM120,534,000 (2015: RM118,935,000) which are not carried at fair value.

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

**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):

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2016</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets held-for-trading				
- Government securities and treasury bills	-	491,308	-	491,308
- Non-money market instruments	-	85,021	-	85,021
	-	<b>576,329</b>	-	<b>576,329</b>
Financial investments available-for-sale				
- Government securities and treasury bills	-	13,089,339	-	13,089,339
- Money market instruments	-	8,412,456	-	8,412,456
- Non-money market instruments #	-	2,038,033	-	2,038,033
	-	<b>23,539,828</b>	-	<b>23,539,828</b>
Derivative financial assets	-	628,145	-	628,145
Total financial assets measured at fair value	-	<b>24,744,302</b>	-	<b>24,744,302</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	1,322,747	-	1,322,747
Total financial liabilities measured at fair value	-	<b>1,322,747</b>	-	<b>1,322,747</b>

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

**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):

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets held-for-trading				
- Government securities and treasury bills	-	20,302	-	20,302
- Money market instruments	-	151,231	-	151,231
- Non-money market instruments	-	1,271,084	-	1,271,084
	-	<u>1,442,617</u>	-	<u>1,442,617</u>
Financial investments available-for-sale				
- Government securities and treasury bills	-	10,582,783	-	10,582,783
- Money market instruments	-	7,820,028	-	7,820,028
- Non-money market instruments #	1,036,630	3,532,519	-	4,569,149
	<u>1,036,630</u>	<u>21,935,330</u>	-	<u>22,971,960</u>
Derivative financial assets	-	677,630	-	677,630
Total financial assets measured at fair value	<u>1,036,630</u>	<u>24,055,577</u>	-	<u>25,092,207</u>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	1,045,621	-	1,045,621
Total financial liabilities measured at fair value	-	<u>1,045,621</u>	-	<u>1,045,621</u>

# Excluding the carrying amount of equity securities - unquoted shares held by the Bank of RM115,481,000 (2015: RM114,052,000) 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 (2015: Nil).



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

**A28. Fair Value Measurements** (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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 judgment and estimation, due to the low complexity of the financial instruments held.

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.

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

**A29. Capital Adequacy**

- a) The capital adequacy ratios of the Group and of 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 December 2016	31 December 2015	31 December 2016	31 December 2015
<u>Before deducting interim dividends *</u>				
Common equity Tier I ("CET I") capital ratio	11.864%	11.401%	11.725%	12.184%
Tier I capital ratio	12.718%	12.565%	12.751%	13.588%
Total capital ratio	<u>15.976%</u>	<u>15.941%</u>	<u>15.248%</u>	<u>15.919%</u>
<u>After deducting interim dividends *</u>				
CET I capital ratio	11.373%	10.886%	11.117%	11.549%
Tier I capital ratio	12.227%	12.049%	12.143%	12.953%
Total capital ratio	<u>15.485%</u>	<u>15.425%</u>	<u>14.640%</u>	<u>15.284%</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 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	5,873,014	5,808,689	5,158,625	5,121,669
Retained profits	16,898,317	14,262,317	13,533,372	11,984,176
Treasury shares	(149,337)	(149,337)	(149,337)	(149,337)
Qualifying non-controlling interests	752,070	706,192	-	-
Less: Goodwill and other intangible assets	(2,603,621)	(2,375,915)	(695,393)	(695,393)
Less: Deferred tax assets, net	(65,189)	(65,666)	-	-
Less: Defined benefit pension fund assets	(230,359)	(217,995)	(227,351)	(215,151)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	<u>(36,576)</u>	<u>(56,902)</u>	<u>(3,197,665)</u>	<u>(1,775,915)</u>
Total CET I capital	<u>29,855,972</u>	<u>27,329,036</u>	<u>23,839,904</u>	<u>23,687,702</u>
Innovative Tier I capital securities	-	1,268,120	-	1,268,120
Non-innovative Tier I stapled securities	2,086,169	1,461,600	2,086,169	1,461,600
Qualifying CET I and additional Tier I capital instruments held by third parties	<u>64,824</u>	<u>59,175</u>	<u>-</u>	<u>-</u>
Total Tier I capital	<u>32,006,965</u>	<u>30,117,931</u>	<u>25,926,073</u>	<u>26,417,422</u>

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

**A29. Capital Adequacy (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
<u>Tier II capital</u>				
Collective assessment allowance and regulatory reserves #	<b>2,887,573</b>	2,761,020	<b>2,336,302</b>	2,247,354
Subordinated notes				
- meeting all relevant criteria	<b>1,949,677</b>	1,949,489	<b>1,949,677</b>	1,949,489
- subject to gradual phase-out treatment	<b>2,923,800</b>	2,999,206	<b>2,923,800</b>	2,999,206
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	<b>461,568</b>	467,894	-	-
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from Tier II capital	<b>(24,384)</b>	(85,353)	<b>(2,131,776)</b>	(2,663,872)
Total Tier II capital	<b>8,198,234</b>	8,092,256	<b>5,078,003</b>	4,532,177
Total capital	<b>40,205,199</b>	38,210,187	<b>31,004,076</b>	30,949,599

# Excludes collective assessment allowance on impaired loans/financing restricted from Tier II capital of the Group and of the Bank of RM472,411,000 (2015: RM560,411,000) and RM333,901,000 (2015: RM399,886,000) respectively.

Includes the qualifying regulatory reserves for non-impaired loans of the Group and of the Bank of RM1,951,880,000 (2015: RM1,810,794,000) and RM1,746,886,000 (2015: RM1,645,027,000) 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.

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

**A29. Capital Adequacy (continued)**

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

The total risk-weighted assets of the Group and of 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 of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) reissued on 13 October 2015 which became effective from 1 January 2016. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

Banking institutions are also required to maintain a capital conservation buffer of up to 2.5% and a CCyB above the minimum regulatory capital adequacy ratios above. Under the transition arrangements, capital conservation buffer will be phased-in as follows:

<u>Calendar Year</u>	<u>Capital Conservation Buffer</u>
2016	0.625%
2017	1.250%
2018	1.875%
2019 onwards	2.500%

A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Group and the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions. With effect from 1 January 2016, the Group and the Bank have applied CCyB on its exposures in Hong Kong in line with Hong Kong Monetary Authority's requirement to maintain CCyB of 0.625% in Hong Kong. The Group's and the Bank's CCyB determined based on the weighted average of prevailing CCyB rates of its Hong Kong exposures are insignificant due to its immaterial Hong Kong exposures. The CCyB which is in a range of between 0% and 2.5% is not a requirement for exposures in Malaysia yet but may be applied by regulators in the future.

b) The breakdown of risk-weighted assets by each major risk category of the Group and of the Bank is as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Credit risk	<b>231,005,869</b>	220,881,570	<b>186,904,199</b>	179,788,298
Market risk	<b>3,291,584</b>	2,500,503	<b>4,899,220</b>	3,714,333
Operational risk	<b>17,364,426</b>	16,321,153	<b>11,525,983</b>	10,911,444
	<b><u>251,661,879</u></b>	<u>239,703,226</u>	<b><u>203,329,402</u></b>	<u>194,414,075</u>

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

**A29. Capital Adequacy (continued)**

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

	<b>Public Islamic Bank Berhad<sup>1</sup></b>	<b>Public Investment Bank Berhad<sup>2</sup></b>	<b>Public Bank (L) Ltd.<sup>3</sup></b>	<b>Public Bank (Hong Kong) Limited<sup>4</sup></b>	<b>Public Finance Limited<sup>4</sup></b>	<b>Cambodian Public Bank Plc<sup>5</sup></b>	<b>Public Bank Vietnam Limited<sup>6</sup></b>
<b>31 December 2016</b>							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	<b>11.138%</b>	<b>40.789%</b>	N/A	<b>14.338%</b>	<b>24.728%</b>	N/A	N/A
Tier I capital ratio	<b>11.138%</b>	<b>40.789%</b>	<b>23.153%</b>	<b>14.338%</b>	<b>24.728%</b>	N/A	N/A
Total capital ratio	<b>13.746%</b>	<b>41.316%</b>	<b>23.178%</b>	<b>15.490%</b>	<b>25.739%</b>	<b>18.136%</b>	<b>46.920%</b>
<u>After deducting interim dividends: *</u>							
CET I capital ratio	<b>10.923%</b>	<b>38.728%</b>	N/A	<b>14.338%</b>	<b>22.868%</b>	N/A	N/A
Tier I capital ratio	<b>10.923%</b>	<b>38.728%</b>	<b>23.153%</b>	<b>14.338%</b>	<b>22.868%</b>	N/A	N/A
Total capital ratio	<b>13.531%</b>	<b>39.255%</b>	<b>23.178%</b>	<b>15.490%</b>	<b>23.878%</b>	<b>18.136%</b>	<b>46.920%</b>
<b>31 December 2015</b>							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	10.771%	32.496%	N/A	14.306%	25.476%	N/A	N/A
Tier I capital ratio	10.771%	32.496%	25.121%	14.306%	25.476%	N/A	N/A
Total capital ratio	13.481%	32.941%	25.148%	15.483%	26.473%	20.214%	N/A
<u>After deducting interim dividends: *</u>							
CET I capital ratio	10.771%	30.416%	N/A	14.306%	23.143%	N/A	N/A
Tier I capital ratio	10.771%	30.416%	25.121%	14.306%	23.143%	N/A	N/A
Total capital ratio	13.481%	30.861%	25.148%	15.483%	24.140%	20.214%	N/A

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

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

**A29. Capital Adequacy (continued)**

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

- <sup>1</sup> The risk-weighted assets of Public Islamic Bank Berhad ("PIBB") 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) reissued on 13 October 2015. The minimum regulatory capital adequacy requirements before including capital conservation buffer and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIBB is required to maintain a capital conservation buffer of up to 2.5% on transition arrangements and a CCyB of between 0% and 2.5% if this buffer is applied by regulators in countries which PIBB has exposures to.
- <sup>2</sup> The risk-weighted assets of Public Investment Bank Berhad ("PIVB") 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) reissued on 13 October 2015. The minimum regulatory capital adequacy requirements before including capital conservation buffer and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIVB is required to maintain a capital conservation buffer of up to 2.5% on transition arrangements and a CCyB of between 0% and 2.5% if this buffer is applied by regulators in countries which PIVB has exposures to.
- <sup>3</sup> The capital adequacy ratios of Public Bank (L) Ltd. for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Financial Services Authority (Labuan FSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the Tier I capital ratio and total capital ratio respectively.
- <sup>4</sup> 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.
- <sup>5</sup> The amount presented here is the solvency ratio of Cambodian Public Bank Plc ("Campu Bank"), 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 Campu Bank's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.

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

**A29. Capital Adequacy** (continued)

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

<sup>6</sup> The amount presented here is the Capital Adequacy Ratio of Public Bank Vietnam Limited ("PBVN"), which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with SBV Circular No.36/2014/TT-NHNN issued by the State Bank of Vietnam. This ratio is derived as PBVN's capital divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory capital adequacy ratio requirement is 9.0%.

**A30. Credit Exposures Arising From Credit Transactions With Connected Parties**

	Group		Bank	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
Outstanding credit exposures with connected parties (RM'000)	<b>1,909,185</b>	1,723,740	<b>2,847,120</b>	2,652,325
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	<b>0.59%</b>	0.62%	<b>1.11%</b>	1.08%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	<b>0.06%</b>	0.01%	<b>0.03%</b>	0.01%

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

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

**A31. Operations of Islamic Banking**

**A31a. Statement of Financial Position As At 31 December 2016**

	Note	Group	
		31 December 2016 RM'000	31 December 2015 RM'000
<b>ASSETS</b>			
Cash and balances with banks		651,382	3,225,149
Financial assets held-for-trading		495,364	1,588,380
Derivative financial assets		18,153	56,019
Financial investments available-for-sale		6,140,438	4,780,808
Financial investments held-to-maturity		2,985,266	2,741,792
Financing and advances	A31d	37,235,682	31,736,855
Other assets		85,913	82,895
Statutory deposits with Bank Negara Malaysia		1,518,000	1,423,800
Deferred tax assets		4,242	-
Collective investments		497,836	-
Investment in an associated company		30,000	20,000
Property and equipment		1,250	1,267
<b>Total Assets</b>		<b>49,663,526</b>	<b>45,656,965</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	A31e	42,473,074	39,097,445
Deposits from banks		2,322,128	2,318,814
Bills and acceptances payable		1,675	849
Recourse obligations on financing sold to Cagamas		500,016	500,016
Derivative financial liabilities		23,356	1,636
Subordinated Sukuk Murabahah		499,374	499,117
Other liabilities		215,490	212,673
Provision for zakat and taxation		43,251	40,680
Deferred tax liabilities		-	22,029
<b>Total Liabilities</b>		<b>46,078,364</b>	<b>42,693,259</b>
Islamic Banking Funds		3,585,162	2,963,706
<b>Total Liabilities and Islamic Banking Funds</b>		<b>49,663,526</b>	<b>45,656,965</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>11,222,116</b>	<b>10,194,763</b>



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

**A31b. Statement of Profit or Loss for the 4th Quarter and Financial Year Ended 31 December 2016**

	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds and others	539,945	475,888	2,109,906	1,816,324
Income derived from investment of Islamic Banking Funds	42,368	35,543	167,592	134,344
Writeback of allowance / (Allowance) for impairment on financing and advances	3,288	8,977	(58,426)	(68,806)
Writeback of impairment / (Impairment) on other assets	6	(16)	4	(28)
Profit Equalisation Reserve	(23)	(53)	(96)	(76)
<b>Total distributable income</b>	<b>585,584</b>	520,339	<b>2,218,980</b>	1,881,758
Income attributable to depositors and others	(346,542)	(306,983)	(1,323,908)	(1,121,954)
<b>Total net income</b>	<b>239,042</b>	213,356	<b>895,072</b>	759,804
Other overheads and expenditures	(95,489)	(79,056)	(366,358)	(309,682)
<b>Profit before zakat and taxation</b>	<b>143,553</b>	134,300	<b>528,714</b>	450,122
Zakat	(52)	(55)	(210)	(220)
Taxation	(33,820)	(33,166)	(124,042)	(109,455)
<b>Profit for the period / year</b>	<b>109,681</b>	101,079	<b>404,462</b>	340,447

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

	4th Quarter Ended		Financial Year Ended	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Income derived from investment of depositors' funds and others	539,945	475,888	2,109,906	1,816,324
Income derived from investment of Islamic Banking Funds	42,368	35,543	167,592	134,344
Income attributable to depositors and others	(346,542)	(306,983)	(1,323,908)	(1,121,954)
Profit Equalisation Reserve	(23)	(53)	(96)	(76)
Elimination of dividends from collective investment	(3,771)	-	(11,856)	-
<b>Net income from Islamic banking business</b>	<b>231,977</b>	204,395	<b>941,638</b>	828,638

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

**A31c. Statement of Profit or Loss and Other Comprehensive Income for the 4th Quarter and Financial Year Ended 31 December 2016**

	4th Quarter Ended		Financial Year Ended	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Profit for the period / year	<b>109,681</b>	101,079	<b>404,462</b>	340,447
Other comprehensive income / (loss):				
<u>Items that will not be reclassified to profit or loss:</u>				
Defined benefit reserves:				
- Gain / (Loss) on remeasurements of defined benefit plans	<b>543</b>	(4,364)	<b>543</b>	(4,364)
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net (loss) / gain on revaluation of financial investments available-for-sale	<b>(78,560)</b>	33,364	<b>(46,988)</b>	26,856
Hedging reserves:				
- Net change in cash flow hedges	<b>72,593</b>	(69,578)	<b>(62,774)</b>	(237)
	<b>(5,967)</b>	(36,214)	<b>(109,762)</b>	26,619
Income tax relating to components of other comprehensive income / (loss):				
- Defined benefit reserves	<b>(130)</b>	1,047	<b>(130)</b>	1,047
- Revaluation reserves	<b>18,854</b>	(8,007)	<b>11,277</b>	(6,460)
- Hedging reserves	<b>(17,422)</b>	16,699	<b>15,066</b>	57
	<b>1,302</b>	9,739	<b>26,213</b>	(5,356)
Other comprehensive (loss) / income for the period / year, net of tax	<b>(4,122)</b>	(30,839)	<b>(83,006)</b>	16,899
Total comprehensive income for the period / year	<b>105,559</b>	70,240	<b>321,456</b>	357,346

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

**A31d. Financing and Advances**

	<b>Group</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Bai' Bithaman Ajil	9,770,139	9,650,943
Ijarah Thumma Al-Bai'	11,737,632	12,050,347
Bai' Inah	1,895,438	2,037,228
Musharakah Mutanaqisah	14,013,666	8,231,267
Murabahah	109,945	77,355
Ujrah	10,530	5,610
Gross financing and advances	<u>37,537,350</u>	<u>32,052,750</u>
Allowance for impairment on financing and advances:		
- collective assessment allowance	(301,634)	(315,895)
- individual assessment allowance	(34)	-
Net financing and advances	<u><u>37,235,682</u></u>	<u><u>31,736,855</u></u>

Movements in impaired financing and advances are as follows:

	<b>Group</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	211,804	232,348
Impaired during the year	593,015	558,945
Reclassified as non-impaired	(440,075)	(437,925)
Recoveries	(44,904)	(45,881)
Amount written off	(92,607)	(95,412)
Financing converted to foreclosed properties	(1,566)	(271)
Closing balance	<u><u>225,667</u></u>	<u><u>211,804</u></u>
Impaired financing and advances as a percentage of gross financing and advances	<u><u>0.60%</u></u>	<u><u>0.66%</u></u>

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

**A31e. Deposits from Customers**

	<b>Group</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>
<b>By type of deposit and contract</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>		
Savings deposit		
- Wadiah	<b>5,855,625</b>	5,494,154
Demand deposit		
- Wadiah	<b>3,839,873</b>	3,521,768
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai' Inah	-	974,136
- Commodity Murabahah	<b>27,684,903</b>	24,388,180
- General investment account		
- Mudharabah	<b>90,115</b>	113,594
- Wakalah	<b>110,184</b>	149,849
	<b>200,299</b>	263,443
- Special term deposit account		
- Wadiah	<b>4,892,374</b>	4,455,764
	<b>42,473,074</b>	39,097,445

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

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

**B1. Performance Review**

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

The Group's pre-tax profit for the financial year ended 31 December 2016 of RM6,554.0 million was RM62.6 million or 1.0% higher than the previous year of RM6,491.4 million. Net profit attributable to equity holders improved by RM144.7 million or 2.9% to RM5,206.9 million. The improved earnings was mainly due to higher net interest income of RM543.4 million (8.5%) and higher income from Islamic banking business of RM113.0 million (13.6%). These were partially offset by higher other operating expenses of RM296.3 million (10.2%) mainly due to higher personnel costs which were in tandem with business growth and lower investment and foreign exchange income.

The growth in the Group's profit was driven by continued loans and customer deposits growth coupled with stable asset quality. Gross loans grew by RM20.5 billion or 7.5% to RM294.0 billion as at 31 December 2016 as compared to RM273.4 billion as at 31 December 2015, mainly driven by growth in property financing, lending to small and medium enterprises ("SMEs") and corporate lending. Total deposits from customers increased by 2.9% or RM8.8 billion to RM310.0 billion as at 31 December 2016 which partly contributed to the higher net interest income for the current year. Despite the current challenging operating environment, the Group's impaired loan ratio remained stable at 0.5% as at 31 December 2016. This was attributed to the Group's continued prudent credit practices and proactive recovery processes.

The performance of the respective operating business segments for the financial year ended 31 December 2016 as compared to the previous corresponding year is analysed as follows:-

- 1) Retail Operations – Pre-tax profit decreased by RM155.5 million (-4.3%) to RM3,466.2 million mainly due to lower net writeback of loan impairment allowance and higher other operating expenses, partially offset by higher net interest income on higher average loan and deposit balances and higher fee income.
- 2) Hire purchase – Pre-tax profit increased by RM105.0 million (30.1%) to RM453.8 million mainly due to the lower loan impairment allowance and higher net interest income.
- 3) Corporate lending – Pre-tax profit increased by RM76.9 million (18.1%) to RM502.5 million mainly due to higher net interest income on higher average loan balances.
- 4) Treasury and capital market operations – The increase in pre-tax profit of RM66.4 million (13.5%) to RM558.2 million was mainly due to higher net interest income on treasury gapping, funding and liquidity management activities and higher investment income.
- 5) Investment banking – The decrease in pre-tax profit of RM10.6 million (-17.8%) to RM48.9 million was mainly due to lower brokerage income from stock-broking activities and lower investment banking related fee income.
- 6) Fund management – Pre-tax profit increased by RM31.7 million (5.9%) to RM572.9 million mainly due to higher management fee earned on higher average net asset value of funds under management, partially offset by lower fee income from sale of trust units.
- 7) Other operating segments – Pre-tax profit decreased by RM31.2 million (-30.2%) to RM71.9 million mainly due to lower gain on revaluation of investment properties.
- 8) Overseas operations – Pre-tax profit increased by RM48.4 million (8.5%) to RM620.7 million mainly due to favourable foreign exchange movements and higher net interest income, partially offset by higher other operating expenses.

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

**B1. Performance Review (continued)**

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

For the 4th quarter ended 31 December 2016, the Group registered a pre-tax profit of RM1,792.7 million, a decrease of RM65.1 million or 3.5% as compared to the previous corresponding quarter. The decrease in pre-tax profit was mainly due to lower other operating income, lower net writeback of loan impairment allowance and higher other operating expenses which were partially offset by higher net interest income and income from Islamic banking business. Net profit attributable to equity holders has however decreased marginally by 0.6% or RM9.6 million over the same period to RM1,482.8 million.

Performance of the respective operating business segments for the 4th quarter ended 31 December 2016 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Retail operations – The decrease in pre-tax profit of RM143.4 million (-13.1%) to RM951.4 million was mainly due to lower net writeback of loan impairment allowance and higher other operating expenses, partially offset by higher net interest income and higher fee income.
- 2) Hire purchase – Pre-tax profit increased by RM72.8 million (83.4%) to RM160.1 million mainly due to the net writeback of loan impairment allowance and higher net interest income during the current quarter.
- 3) Corporate lending – Pre-tax profit increased by RM21.2 million (18.9%) to RM133.3 million, mainly due to higher net interest income on higher average loan balances.
- 4) Treasury and capital market operations – The decrease in pre-tax profit of RM4.6 million (-3.6%) to RM122.4 million was mainly due to lower investment income and higher other operating expenses.
- 5) Investment banking – Pre-tax profit decreased by RM6.3 million (-38.2%) to RM10.3 million mainly due to lower brokerage income from stock-broking activities and lower investment banking related fee income.
- 6) Fund management business – Pre-tax profit increased by RM23.4 million (17.8%) to RM154.3 million mainly due to higher management fee earned on higher average net asset value of funds under management.
- 7) Other operating segments – Pre-tax profit decreased by RM32.2 million (-34.2%) to RM61.8 million, mainly due to lower gain on revaluation of investment properties.
- 8) Overseas Operations – The increase in pre-tax profit of RM64.1 million (58.4%) to RM173.7 million was mainly due to higher other operating income, lower loan impairment allowance and higher net interest income, partially offset by higher other operating expenses

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

For the 4th quarter ended 31 December 2016, the Group registered a pre-tax profit of RM1,792.7 million, an increase of RM234.5 million or 15.0% as compared to the pre-tax profit of RM1,558.2 million for the preceding quarter ended 30 September 2016. The increase in pre-tax profit was mainly due to the net writeback of loan impairment allowance, higher net interest income and higher other operating income which was partially offset by lower income from Islamic banking business. Net profit attributable to equity holders increased by RM244.6 million or 19.8% over the same period.

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

**B3. Prospects for 2017**

Global growth is expected to pick up in 2017 but at an uneven pace across regions and major economies. The challenges for global growth and external demand are mainly attributable to uncertainties in terms of policy decisions in the United States of America (“US”) and eurozone. In the advanced economies, growth is expected to improve supported by improvements in the US and Japan. Meanwhile, the euro area is expected to register moderate growth in 2017, as business condition and consumer confidence are likely to be adversely affected due to Brexit. In the emerging and developing economies, expansion in 2017 will be supported by China, India and the ASEAN economies.

Looming concerns for global growth include policy uncertainties especially in the US, moderating growth momentum in Asia, volatile commodity market and lacklustre crude oil prices, normalisation of interest rates in the US, potential scaling back of monetary policy stimulus in the euro area and heightened geopolitical tensions. Concerns for global growth will pose challenges to Malaysia. Against this backdrop, Malaysia’s prudent and steadfast economic policies coupled with an accommodative monetary policy stance will continue to ensure that growth trajectory remains on track.

Malaysia’s real GDP is expected to grow between 4.0 and 5.0% in 2017, with domestic demand as the main growth driver underpinned by sustained private sector activities. Prevailing economic fundamentals remain stable, which include manageable inflationary risk, accommodative macro policies and stable employment condition. Also, private investments will be supported by the on-going mega projects within the Eleventh Malaysia Plan 2016 - 2020. However, lacklustre global commodity prices and weak global demand continue to weigh on exports growth.

Notwithstanding the increasing challenges in the macro environment, the Malaysian banking system continued to be sound. The Malaysian banking system remains well-capitalised, sustaining resilience in both liquidity and asset quality. The challenging operating environment for businesses and higher cost of living for households will impact the banking system’s earnings and asset quality moderately in 2017. Whilst further liberalisation of the financial sector, as highlighted in the Financial Sector Blueprint 2011-2020, will enable more flexibility for the banking system and capital market to facilitate financing. In terms of asset quality, the gross impaired loans ratio remained stable. However, loans growth is expected to moderate as households and businesses turn more cautious while financial institutions may continue to tighten their lending practices.

Against this backdrop, the Public Bank Group will continue to leverage on its strength to further develop its business and sustain its market leading positions in key retail segments. Notwithstanding a challenging year ahead, the Group remains focused in its pursuit of operational excellence as well as prudent credit and financial management to sustain its growth strategy.

The Public Bank Group will remain prudent and responsible in its lending practices, while upholding strong corporate governance and sound risk management practices. The Group is expected to maintain its leading market position in the domestic retail segment, driven by stable loan growth for home mortgages and the small and medium enterprises (“SME”).

The Public Bank Group will continue to provide strong support to the SME segment and sustain its market position in SME financing by providing a wide range of business financing. Measures and implementations of key Government initiatives under the national transformation programmes, Eleventh Malaysia Plan and SME Masterplan will be beneficial for the SME segment.

Due to weak consumer confidence and the rising cost of living, consumers have scaled back spending on big ticket items, including motor vehicles. However, the Public Bank Group remains committed in the hire purchase business and will continue to enhance the asset quality of its hire purchase business.

Within the corporate lending business, the Public Bank Group continues to grow existing corporate portfolio organically and acquire targeted new corporate clients, as the Group strives to maintain an appropriate balance between risk appetite and desired return on capital.

In the face of heightened market uncertainties, the Public Bank Group’s treasury and capital market operations will continue to strengthen its risk managing capabilities and maintain strong liquidity positions to weather potential market stress.

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

**B3. Prospects for 2017** (continued)

Growth in the private retail unit trust industry is expected to be moderate amid volatile market conditions. To maintain its strong branding and leading market position in the private unit trust industry in Malaysia, the Public Bank Group will continue to focus on offering superior financial products and exceptional services as well as broadening the range of investment products to meet the needs of various investors.

The Public Bank Group will continue to work closely with AIA Bhd to consistently review its bancassurance products to ensure they remain competitive and relevant to customers' needs. The Group will also expand its fee income through foreign-exchange related transactions and transactional banking services.

The Group will continue to leverage on its strong corporate branding as a reputable, safe and efficient commercial bank while expanding its businesses organically. Also, the Group will capitalise on growth opportunities in its overseas operations to enhance its overall business growth.

**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 4th quarter and financial year ended 31 December 2016 are as follows:

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Malaysian income tax	254,238	287,625	1,159,092	1,238,077
Overseas income tax	28,877	28,916	114,244	104,242
	<b>283,115</b>	316,541	<b>1,273,336</b>	1,342,319
(Over) / Under provision in prior years				
- Malaysian income tax	(5,027)	318	(5,051)	(1,514)
- Overseas income tax	12	(2,507)	1,032	(2,151)
	<b>278,100</b>	314,352	<b>1,269,317</b>	1,338,654
Deferred tax expense				
- Relating to changes in tax rate	-	(2,408)	661	(372)
- Relating to origination and reversal of temporary differences	12,566	36,305	13,685	26,353
- Under provision	2,724	2,301	2,724	5,301
Tax expense	<b>293,390</b>	350,550	<b>1,286,387</b>	1,369,936
Zakat	52	55	210	220
	<b>293,442</b>	350,605	<b>1,286,597</b>	1,370,156

The Group's effective tax rates for the 4th quarter and financial year ended 31 December 2016 and 31 December 2015 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.



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

**B5. Tax Expense and Zakat (continued)**

<b><u>Bank</u></b>	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Malaysian income tax	<b>221,416</b>	314,500	<b>1,042,613</b>	986,467
Overseas income tax	<b>2,266</b>	4,125	<b>9,877</b>	14,092
	<b>223,682</b>	318,625	<b>1,052,490</b>	1,000,559
Under / (Over) provision in prior years				
- Malaysian income tax	<b>983</b>	-	<b>983</b>	(1,558)
- Overseas income tax	<b>-</b>	-	<b>292</b>	53
	<b>224,665</b>	318,625	<b>1,053,765</b>	999,054
Deferred tax expense				
- Relating to changes in tax rate	<b>-</b>	(649)	<b>643</b>	(188)
- Relating to origination and reversal of temporary differences	<b>1,743</b>	21,566	<b>(1,240)</b>	9,955
- Under provision	<b>2,182</b>	6	<b>2,182</b>	2,630
	<b>228,590</b>	339,548	<b>1,055,350</b>	1,011,451

The Bank's effective tax rate for the 4th quarter and financial year ended 31 December 2016 and 31 December 2015 were lower than the statutory tax rate mainly due to certain income not subject to tax.

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

There were no corporate proposals announced but not completed as at 31 December 2016.

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

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

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

**B8. Realised and Unrealised Profits**

The breakdown of retained profits of the Group and of 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.

	<b>Group</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	<b>16,497,750</b>	14,201,466
- Unrealised	<b>285,473</b>	242,624
	<b>16,783,223</b>	14,444,090
Total share of retained (losses) / profits from associated companies:		
- Realised	<b>(13,253)</b>	8,061
- Unrealised	<b>-</b>	-
	<b>16,769,970</b>	14,452,151
Less: Consolidation adjustments	<b>128,347</b>	(189,834)
Total Group retained profits as per consolidated accounts	<b>16,898,317</b>	14,262,317
	<b>Bank</b>	
	<b>31 December 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Total retained profits of Public Bank Berhad:		
- Realised	<b>13,567,604</b>	12,009,415
- Unrealised	<b>26,730</b>	30,914
Total Bank retained profits as per accounts	<b>13,594,334</b>	12,040,329

The unrealised retained profits of the Group and of 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 of the Bank, and are hence deemed as realised.

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

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

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

	Group		Bank	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	179,513,997	172,062,925	134,333,648	130,116,204
More than one year	668,679	152,353	200,157	140,686
- Negotiable instruments of deposits				
One year or less	-	974,136	-	-
- Money market deposits				
One year or less	51,735,008	54,936,458	47,838,063	49,510,402
- Savings deposits	32,502,203	29,940,233	21,869,236	20,212,244
- Demand deposits	45,470,463	43,015,925	37,646,794	36,411,051
- Others	83,218	75,059	69,560	69,571
	<u>309,973,568</u>	<u>301,157,089</u>	<u>241,957,458</u>	<u>236,460,158</u>
(b) <u>Deposits from banks</u>				
- One year or less	<u>11,810,823</u>	<u>9,969,521</u>	<u>12,289,026</u>	<u>10,563,090</u>
(c) <u>Debt securities issued and other borrowed funds</u>				
Borrowings (unsecured)				
Term loan denominated in HKD				
- More than one year	631,771	602,614	-	-
Term loan denominated in USD				
- More than one year	895,664	-	895,664	-
	<u>1,527,435</u>	<u>602,614</u>	<u>895,664</u>	<u>-</u>
Senior Medium Term notes denominated in RM (unsecured)				
- More than one year	<u>2,405,237</u>	<u>1,399,432</u>	<u>2,405,237</u>	<u>1,399,432</u>
Subordinated notes / sukuk murabahah denominated in RM (unsecured)				
- More than one year	<u>5,454,552</u>	<u>5,451,922</u>	<u>4,955,178</u>	<u>4,952,805</u>
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	-	884,379	-	884,379
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	-	1,205,586	-	1,205,586
	-	<u>2,089,965</u>	-	<u>2,089,965</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	<u>2,127,050</u>	<u>2,122,947</u>	<u>2,127,050</u>	<u>2,122,947</u>
	<u>11,514,274</u>	<u>11,666,880</u>	<u>10,383,129</u>	<u>10,565,149</u>

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

**B10. Changes in Material Litigation**

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

**B11. Dividends**

- (a) (i) The Directors had declared a first interim dividend of 26% in respect of financial year ended 31 December 2016, which was paid on 22 August 2016.
- (ii) A second interim dividend of 32% for the financial year ended 31 December 2016, amounting to RM1,235,678,094 computed based on the outstanding issued and paid-up share capital excluding treasury shares as at 31 December 2016, has been declared by the directors.
- (iii) Amount per share : 32.0 sen
- (iv) Entitlement date: 20 February 2017
- (v) Payment date: 28 February 2017
- (b) Total dividend paid for the previous financial year ended 31 December 2015:  
- First interim dividend of 24.0 sen.  
- Second interim dividend of 32.0 sen.

**B12. Earnings Per Share**

	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Net profit attributable to equity holders (RM'000)	<u>1,482,782</u>	<u>1,492,428</u>	<u>5,206,875</u>	<u>5,062,152</u>
Weighted average number of PBB Shares ('000)	<u>3,861,494</u>	<u>3,861,494</u>	<u>3,861,494</u>	<u>3,861,494</u>
Basic earnings per share (sen)	<u>38.4</u>	<u>38.6</u>	<u>134.8</u>	<u>131.1</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.