

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019**

	Note	Group		Bank	
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>					
Cash and balances with banks		<b>14,299,109</b>	14,740,218	<b>7,639,010</b>	9,416,853
Reverse repurchase agreements		<b>3,029</b>	200,881	<b>3,029</b>	-
Financial assets at fair value through profit or loss	A8	<b>3,873,979</b>	2,380,134	<b>2,317,012</b>	2,293,636
Derivative financial assets	A27	<b>125,406</b>	185,891	<b>164,734</b>	193,101
Financial investments at fair value through other comprehensive income	A9	<b>37,617,244</b>	42,342,483	<b>24,925,089</b>	29,070,703
Financial investments at amortised cost	A10	<b>27,587,554</b>	27,018,444	<b>20,614,773</b>	20,572,364
Loans, advances and financing	A11	<b>318,437,850</b>	315,259,166	<b>250,177,979</b>	247,690,397
Other assets	A12	<b>2,391,987</b>	2,393,887	<b>1,922,752</b>	2,366,764
Statutory deposits with Central Banks		<b>11,113,437</b>	10,279,227	<b>7,853,188</b>	7,258,452
Deferred tax assets		<b>81,617</b>	81,374	-	-
Collective investments		-	-	<b>5,568,301</b>	5,517,109
Investment in subsidiary companies		-	-	<b>5,955,494</b>	5,955,494
Investment in associated companies		<b>72,827</b>	70,416	<b>45,000</b>	45,000
Investment properties		<b>734,211</b>	719,207	-	-
Right-of-use assets		<b>1,040,095</b>	-	<b>1,327,677</b>	-
Property and equipment		<b>1,459,319</b>	1,567,199	<b>610,819</b>	711,274
Intangible assets		<b>2,430,701</b>	2,454,755	<b>695,393</b>	695,393
<b>TOTAL ASSETS</b>		<b>421,268,365</b>	419,693,282	<b>329,820,250</b>	331,786,540
<b>LIABILITIES</b>					
Deposits from customers	A13	<b>343,000,203</b>	339,159,892	<b>259,157,281</b>	258,877,559
Deposits from banks	A14	<b>9,160,082</b>	9,483,154	<b>12,269,839</b>	12,487,063
Obligations on securities sold under repurchase agreements		<b>512,686</b>	4,045,605	<b>512,686</b>	4,045,605
Bills and acceptances payable		<b>213,540</b>	214,592	<b>213,071</b>	214,388
Recourse obligations on loans sold to Cagamas		<b>5,500,003</b>	5,500,003	<b>5,500,003</b>	5,500,003
Derivative financial liabilities	A27	<b>276,505</b>	297,664	<b>265,728</b>	289,995
Debt securities issued and other borrowed funds	B9	<b>13,394,078</b>	13,436,794	<b>11,307,474</b>	11,341,598
Lease liabilities		<b>1,102,725</b>	-	<b>1,397,984</b>	-
Other liabilities	A15	<b>5,479,650</b>	4,975,470	<b>3,770,562</b>	3,416,816
Provision for tax expense and zakat		<b>392,869</b>	341,697	<b>348,174</b>	249,207
Deferred tax liabilities		<b>133,125</b>	141,948	<b>88,144</b>	84,502
<b>TOTAL LIABILITIES</b>		<b>379,165,466</b>	377,596,819	<b>294,830,946</b>	296,506,736

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	Group		Bank	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
Note	RM'000	RM'000	RM'000	RM'000
<b>EQUITY</b>				
Share capital	9,417,653	9,417,653	9,417,653	9,417,653
Regulatory reserves	1,899,495	1,806,123	1,548,848	1,461,892
Other reserves	1,500,031	1,431,367	909,435	849,167
Retained profits	28,159,613	28,317,913	23,113,368	23,551,092
<b>Equity attributable to equity holders of the Bank</b>	<b>40,976,792</b>	<b>40,973,056</b>	<b>34,989,304</b>	<b>35,279,804</b>
Non-controlling interests	1,126,107	1,123,407	-	-
<b>TOTAL EQUITY</b>	<b>42,102,899</b>	<b>42,096,463</b>	<b>34,989,304</b>	<b>35,279,804</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>421,268,365</b>	<b>419,693,282</b>	<b>329,820,250</b>	<b>331,786,540</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>93,393,393</b>	<b>96,368,336</b>	<b>85,493,284</b>	<b>88,123,035</b>
<b>CAPITAL ADEQUACY</b>	A29			
<b><u>Before deducting interim dividends</u> *</b>				
Common Equity Tier I Capital Ratio	12.943%	13.628%	11.875%	12.657%
Tier I Capital Ratio	13.433%	14.270%	12.460%	13.428%
Total Capital Ratio	15.994%	16.840%	14.983%	15.963%
<b><u>After deducting interim dividends</u> *</b>				
Common Equity Tier I Capital Ratio	12.943%	13.092%	11.875%	11.989%
Tier I Capital Ratio	13.433%	13.734%	12.460%	12.760%
Total Capital Ratio	15.994%	16.304%	14.983%	15.295%
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b>10.56</b>	<b>10.55</b>	<b>9.01</b>	<b>9.09</b>

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

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019**

<u>Group</u>	Note	1st Quarter Ended		Three Months Ended	
		31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Operating revenue		<b>5,567,949</b>	5,349,153	<b>5,567,949</b>	5,349,153
Interest income	A16	<b>4,095,143</b>	3,892,839	<b>4,095,143</b>	3,892,839
Interest expense	A17	<b>(2,215,871)</b>	(1,995,447)	<b>(2,215,871)</b>	(1,995,447)
Net interest income		<b>1,879,272</b>	1,897,392	<b>1,879,272</b>	1,897,392
Net income from Islamic banking business	A30 (b)	<b>274,709</b>	265,747	<b>274,709</b>	265,747
		<b>2,153,981</b>	2,163,139	<b>2,153,981</b>	2,163,139
Fee and commission income	A18 (a)	<b>615,938</b>	676,531	<b>615,938</b>	676,531
Fee and commission expense	A18 (b)	<b>(196,695)</b>	(220,317)	<b>(196,695)</b>	(220,317)
Net fee and commission income	A18	<b>419,243</b>	456,214	<b>419,243</b>	456,214
Net gains and losses on financial instruments	A19	<b>57,913</b>	19,816	<b>57,913</b>	19,816
Other operating income	A20	<b>107,993</b>	118,687	<b>107,993</b>	118,687
Net income		<b>2,739,130</b>	2,757,856	<b>2,739,130</b>	2,757,856
Other operating expenses	A21	<b>(924,858)</b>	(899,260)	<b>(924,858)</b>	(899,260)
Operating profit		<b>1,814,272</b>	1,858,596	<b>1,814,272</b>	1,858,596
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	A22	<b>3,252</b>	(68,458)	<b>3,252</b>	(68,458)
Allowance for impairment on other assets		<b>(366)</b>	(833)	<b>(366)</b>	(833)
		<b>1,817,158</b>	1,789,305	<b>1,817,158</b>	1,789,305
Share of profit after tax of equity accounted associated companies		<b>2,102</b>	4,654	<b>2,102</b>	4,654
Profit before tax expense and zakat		<b>1,819,260</b>	1,793,959	<b>1,819,260</b>	1,793,959
Tax expense and zakat	B5	<b>(392,051)</b>	(371,180)	<b>(392,051)</b>	(371,180)
Profit for the period		<b>1,427,209</b>	1,422,779	<b>1,427,209</b>	1,422,779
Profit for the period attributable to:					
- Equity holders of the Bank		<b>1,410,093</b>	1,405,380	<b>1,410,093</b>	1,405,380
- Non-controlling interests		<b>17,116</b>	17,399	<b>17,116</b>	17,399
		<b>1,427,209</b>	1,422,779	<b>1,427,209</b>	1,422,779
Earnings per share:					
- basic / diluted (sen)	B12	<b>36.3</b>	36.4	<b>36.3</b>	36.4

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2019**

<b>Group</b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
Profit for the period	<u>1,427,209</u>	<u>1,422,779</u>	<u>1,427,209</u>	<u>1,422,779</u>
<b>Other comprehensive (loss) / income:</b>				
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of:				
- Foreign operations	(100,753)	(329,796)	(100,753)	(329,796)
- Net investment hedge	61,294	160,364	61,294	160,364
Net change in revaluation of financial investments at fair value through other comprehensive income	154,677	(63,942)	154,677	(63,942)
Net change in cash flow hedges	(40,054)	67,037	(40,054)	67,037
	<u>75,164</u>	<u>(166,337)</u>	<u>75,164</u>	<u>(166,337)</u>
Income tax effect	(20,295)	(1,122)	(20,295)	(1,122)
Share of changes in associated companies' reserves	310	37	310	37
Other comprehensive income / (loss) for the period, net of tax	<u>55,179</u>	<u>(167,422)</u>	<u>55,179</u>	<u>(167,422)</u>
Total comprehensive income for the period	<u>1,482,388</u>	<u>1,255,357</u>	<u>1,482,388</u>	<u>1,255,357</u>
Total comprehensive income / (loss) for the period attributable to:				
- Equity holders of the Bank	1,478,757	1,285,216	1,478,757	1,285,216
- Non-controlling interests	3,631	(29,859)	3,631	(29,859)
	<u>1,482,388</u>	<u>1,255,357</u>	<u>1,482,388</u>	<u>1,255,357</u>

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<u>Bank</u>	Note	1st Quarter Ended		Three Months Ended	
		31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Operating revenue		<b>4,116,014</b>	4,081,797	<b>4,116,014</b>	4,081,797
Interest income	A16	<b>3,643,551</b>	3,487,372	<b>3,643,551</b>	3,487,372
Interest expense	A17	<b>(2,134,995)</b>	(1,933,900)	<b>(2,134,995)</b>	(1,933,900)
Net interest income		<b>1,508,556</b>	1,553,472	<b>1,508,556</b>	1,553,472
Fee and commission income	A18 (a)	<b>253,512</b>	271,107	<b>253,512</b>	271,107
Fee and commission expense	A18 (b)	<b>(93,922)</b>	(91,648)	<b>(93,922)</b>	(91,648)
Net fee and commission income	A18	<b>159,590</b>	179,459	<b>159,590</b>	179,459
Net gains and losses on financial instruments	A19	<b>55,028</b>	19,862	<b>55,028</b>	19,862
Other operating income	A20	<b>272,345</b>	379,022	<b>272,345</b>	379,022
Net income		<b>1,995,519</b>	2,131,815	<b>1,995,519</b>	2,131,815
Other operating expenses	A21	<b>(591,830)</b>	(579,772)	<b>(591,830)</b>	(579,772)
Operating profit		<b>1,403,689</b>	1,552,043	<b>1,403,689</b>	1,552,043
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	A22	<b>33,969</b>	(29,566)	<b>33,969</b>	(29,566)
(Allowance) / Writeback of allowance for impairment on other assets		<b>(460)</b>	75	<b>(460)</b>	75
Profit before tax expense and zakat		<b>1,437,198</b>	1,522,552	<b>1,437,198</b>	1,522,552
Tax expense and zakat	B5	<b>(308,672)</b>	(324,295)	<b>(308,672)</b>	(324,295)
Profit for the period		<b>1,128,526</b>	1,198,257	<b>1,128,526</b>	1,198,257

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<b><u>Bank</u></b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
Profit for the period	<b>1,128,526</b>	1,198,257	<b>1,128,526</b>	1,198,257
<b>Other comprehensive (loss) / income:</b>				
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of foreign operations	<b>(2,898)</b>	(16,081)	<b>(2,898)</b>	(16,081)
Net change in revaluation of financial investments at fair value through other comprehensive income	<b>95,105</b>	(50,084)	<b>95,105</b>	(50,084)
Net change in cash flow hedges	<b>(12,118)</b>	62,325	<b>(12,118)</b>	62,325
	<b>80,089</b>	(3,840)	<b>80,089</b>	(3,840)
Income tax effect	<b>(19,821)</b>	(2,938)	<b>(19,821)</b>	(2,938)
Other comprehensive income / (loss) for the period, net of tax	<b>60,268</b>	(6,778)	<b>60,268</b>	(6,778)
Total comprehensive income for the period	<b>1,188,794</b>	1,191,479	<b>1,188,794</b>	1,191,479

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**PUBLIC BANK BERHAD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

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

<u>Group</u>	<u>Non-distributable Reserves</u>		<u>Distributable Reserves</u>		Total Shareholders' Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Regulatory Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000			
<b>At 1 January 2019</b>							
- as previously stated	9,417,653	1,806,123	1,431,367	28,317,913	40,973,056	1,123,407	42,096,463
- effects of changes in accounting policies (Note A31)	-	-	-	(38,630)	(38,630)	(931)	(39,561)
<b>At 1 January 2019, as restated</b>	<b>9,417,653</b>	<b>1,806,123</b>	<b>1,431,367</b>	<b>28,279,283</b>	<b>40,934,426</b>	<b>1,122,476</b>	<b>42,056,902</b>
Profit for the period	-	-	-	1,410,093	1,410,093	17,116	1,427,209
Other comprehensive income / (loss) for the period	-	-	68,664	-	68,664	(13,485) *	55,179
Total comprehensive income for the period	-	-	68,664	1,410,093	1,478,757	3,631	1,482,388
Transactions with owners / other equity movements:							
Transfer to regulatory reserves	-	93,372	-	(93,372)	-	-	-
Dividends paid	-	-	-	(1,436,391)	(1,436,391)	-	(1,436,391)
	-	93,372	-	(1,529,763)	(1,436,391)	-	(1,436,391)
<b>At 31 March 2019</b>	<b>9,417,653</b>	<b>1,899,495</b>	<b>1,500,031</b>	<b>28,159,613</b>	<b>40,976,792</b>	<b>1,126,107</b>	<b>42,102,899</b>

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

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

<u>Group</u>	<u>Non-distributable Reserves</u>			<u>Distributable Reserves</u>		<u>Total Shareholders' Equity</u> RM'000	<u>Non-controlling Interests</u> RM'000	<u>Total Equity</u> RM'000
	<u>Share Capital</u> RM'000	<u>Regulatory Reserves</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Profits</u> RM'000	<u>Treasury Shares</u> RM'000			
At 1 January 2018	9,417,653	1,658,994	1,295,847	25,193,187	(149,337)	37,416,344	1,067,695	38,484,039
Profit for the period	-	-	-	1,405,380	-	1,405,380	17,399	1,422,779
Other comprehensive loss for the period	-	-	(120,164)	-	-	(120,164)	(47,258) *	(167,422)
Total comprehensive (loss) / income for the period	-	-	(120,164)	1,405,380	-	1,285,216	(29,859)	1,255,357
Transactions with owners / other equity movements:								
Transfer to regulatory reserves	-	58,444	-	(58,444)	-	-	-	-
Dividends paid	-	-	-	(1,312,908)	-	(1,312,908)	-	(1,312,908)
	-	58,444	-	(1,371,352)	-	(1,312,908)	-	(1,312,908)
At 31 March 2018	<u>9,417,653</u>	<u>1,717,438</u>	<u>1,175,683</u>	<u>25,227,215</u>	<u>(149,337)</u>	<u>37,388,652</u>	<u>1,037,836</u>	<u>38,426,488</u>

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

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**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

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

	<u>Non-distributable Reserves</u>			<u>Distributable Reserves</u>	<u>Total Equity</u> RM'000
	<u>Share Capital</u> RM'000	<u>Regulatory Reserves</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Profits</u> RM'000	
<b><u>Bank</u></b>					
<b>At 1 January 2019</b>					
- as previously stated	9,417,653	1,461,892	849,167	23,551,092	35,279,804
- effects of changes in accounting policies (Note A31)	-	-	-	(42,903)	(42,903)
<b>At 1 January 2019, as restated</b>	<u>9,417,653</u>	<u>1,461,892</u>	<u>849,167</u>	<u>23,508,189</u>	<u>35,236,901</u>
Profit for the period	-	-	-	1,128,526	1,128,526
Other comprehensive income for the period	-	-	60,268	-	60,268
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>60,268</u>	<u>1,128,526</u>	<u>1,188,794</u>
Transactions with owners / other equity movements:					
Transfer to regulatory reserves	-	86,956	-	(86,956)	-
Dividends paid	-	-	-	(1,436,391)	(1,436,391)
	<u>-</u>	<u>86,956</u>	<u>-</u>	<u>(1,523,347)</u>	<u>(1,436,391)</u>
<b>At 31 March 2019</b>	<u><u>9,417,653</u></u>	<u><u>1,548,848</u></u>	<u><u>909,435</u></u>	<u><u>23,113,368</u></u>	<u><u>34,989,304</u></u>

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

<b><u>Bank</u></b>	<----- Attributable to Equity Holders of the Bank ----->					
	<b><u>Non-distributable Reserves</u></b>			<b><u>Distributable Reserves</u></b>		<b>Total Equity RM'000</b>
	<b>Share Capital RM'000</b>	<b>Regulatory Reserves RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Profits RM'000</b>	<b>Treasury Shares RM'000</b>	
At 1 January 2018	9,417,653	1,373,080	782,664	21,319,203	(149,337)	
Profit for the period	-	-	-	1,198,257	-	1,198,257
Other comprehensive loss for the period	-	-	(6,778)	-	-	(6,778)
Total comprehensive (loss) / income for the period	-	-	(6,778)	1,198,257	-	1,191,479
Transactions with owners / other equity movements:						
Transfer to regulatory reserves	-	48,525	-	(48,525)	-	-
Dividends paid	-	-	-	(1,312,908)	-	(1,312,908)
	-	48,525	-	(1,361,433)	-	(1,312,908)
At 31 March 2018	9,417,653	1,421,605	775,886	21,156,027	(149,337)	32,621,834

*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 2018.*

**PUBLIC BANK BERHAD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

	Group		Bank	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Cash Flows from Operating Activities</b>				
Profit before tax expense and zakat	1,819,260	1,793,959	1,437,198	1,522,552
Adjustments for non-cash items:				
Share of profit after tax of equity				
accounted associated companies	(2,102)	(4,654)	-	-
Allowance for impairment on loans and financing	54,180	116,958	306	55,654
Depreciation of right-of-use assets and				
property and equipment	85,315	54,793	68,392	43,662
Net gain on financial instruments	(51,711)	(18,109)	(48,931)	(18,287)
Dividend income	(104)	(130)	(133,524)	(119,145)
Allowance / (Writeback of allowance)				
for impairment on other assets	366	833	460	(75)
Other non-cash items	(22,119)	2,490	(1,445)	1,292
Operating profit before working capital changes	<u>1,883,085</u>	<u>1,946,140</u>	<u>1,322,456</u>	<u>1,485,653</u>
Changes in working capital:				
Increase in operating assets	(5,396,258)	(4,815,568)	(3,099,982)	(4,411,243)
Increase / (Decrease) in operating liabilities	<u>617,723</u>	<u>3,005,333</u>	<u>(3,070,700)</u>	<u>3,733,550</u>
Cash (used in) / generated from operations	(2,895,450)	135,905	(4,848,226)	807,960
Tax expense and zakat paid	<u>(338,387)</u>	<u>(337,303)</u>	<u>(212,334)</u>	<u>(255,796)</u>
Net cash (used in) / generated from				
operating activities	<u>(3,233,837)</u>	<u>(201,398)</u>	<u>(5,060,560)</u>	<u>552,164</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of property and equipment	(37,077)	(18,804)	(23,240)	(10,610)
Proceeds from disposal of properties	11,310	1,679	11,308	1,566
Net sale of financial investments	4,352,545	712,181	4,229,859	1,267,274
Investment in collective investments	-	-	(51,192)	(47,190)
Dividends received	104	130	477,062	445,115
Net cash generated from				
investing activities	<u>4,326,882</u>	<u>695,186</u>	<u>4,643,797</u>	<u>1,656,155</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 2018.*

**PUBLIC BANK BERHAD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

	Group		Bank	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Cash Flows from Financing Activities</b>				
Dividends paid	(1,436,391)	(1,312,908)	(1,436,391)	(1,312,908)
Net drawdown / (repayment) of borrowings	312	(4,667)	-	-
Repayment of lease liabilities	(31,436)	-	(24,689)	-
Net cash used in financing activities	<u>(1,467,515)</u>	<u>(1,317,575)</u>	<u>(1,461,080)</u>	<u>(1,312,908)</u>
Net change in cash and cash equivalents	(374,470)	(823,787)	(1,877,843)	895,411
Cash and cash equivalents at beginning of the year	13,320,248	12,898,446	9,416,853	6,385,151
Exchange differences on translation of opening balances	<u>(92,026)</u>	<u>(317,315)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the period	<u><u>12,853,752</u></u>	<u><u>11,757,344</u></u>	<u><u>7,539,010</u></u>	<u><u>7,280,562</u></u>
Note:				
Cash and balances with banks	14,299,109	12,576,452	7,639,010	7,282,944
Less: Balances with banks with original maturity more than three months	<u>(1,445,357)</u>	<u>(819,108)</u>	<u>(100,000)</u>	<u>(2,382)</u>
Cash and cash equivalents at end of the period	<u><u>12,853,752</u></u>	<u><u>11,757,344</u></u>	<u><u>7,539,010</u></u>	<u><u>7,280,562</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 2018.*

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

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the 1st quarter ended 31 March 2019 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss ("FVTPL"), financial investments at fair value through other comprehensive income ("FVOCI"), derivative financial instruments and investment properties.

The unaudited 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 unaudited 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 2018. The explanatory notes attached to the unaudited 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 2018.

The unaudited 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 unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2018, except for the adoption of the following MFRS and Amendments to MFRS during the current financial period:

Effective for annual periods commencing on or after 1 January 2019

- MFRS 16 Leases
- Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119 Employee Benefits)

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

- (a) **MFRS 16 Leases** - MFRS 16 'Leases' supersedes MFRS 117 'Leases' and its related interpretations. MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on-balance sheet) or operating leases (off-balance sheet). The details and financial effects of the adoption of MFRS 16 are discussed in Note A31 Changes in Accounting Policies
- (b) **Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119 Employee Benefits)** - The amendments to MFRS 119 require an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset). As there are no proposed changes in the terms or membership of the Group's defined benefit plan which may result in plan amendment, curtailment or settlement, the adoption of the amendments did not have any financial impact on the financial statements of the Group and of the Bank.

The following MFRS has 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 2021

- MFRS 17 Insurance Contracts

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

The following MFRS has been issued by MASB but are not yet effective to the Group and the Bank (continued):

**MFRS 17 Insurance Contracts** - MFRS 17 introduces consistent accounting for all insurance contracts based on a current measurement model. Under MFRS 17, the general model requires entities to recognise and measure a group of insurance contracts at: (i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus (ii) an amount representing the unearned profit in the group of contracts. The adoption of MFRS 17 is not expected to have any material financial impact on the financial statements of the Group as the Group's insurance business is immaterial.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2018 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 1st quarter ended 31 March 2019.

**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 1st quarter ended 31 March 2019.

**A5. Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 1st quarter ended 31 March 2019.

**A6. Debt and Equity Securities**

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Group and the Bank in the 1st quarter ended 31 March 2019.

**A7. Dividends Paid and Distributed**

During the 1st quarter ended 31 March 2019, a second interim dividend of 37.0 sen per share in respect of the financial year ended 31 December 2018, amounting to RM1,436,391,188 was paid on 14 March 2019.

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**A8. Financial Assets at Fair Value through Profit or Loss ("FVTPL")**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Securities	<b>673,281</b>	286,951	<b>673,281</b>	286,951
Malaysian Government Investment Issues	<b>274,580</b>	100,964	<b>274,580</b>	70,654
Bank Negara Malaysia Monetary Notes	<b>949,211</b>	1,536,341	<b>949,211</b>	1,536,341
	<b><u>1,897,072</u></b>	<u>1,924,256</u>	<b><u>1,897,072</u></b>	<u>1,893,946</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<b><u>1,506,524</u></b>	-	-	-
<b>Non-money market instruments:</b>				
Equity securities:				
- Unquoted shares in Malaysia	<b>445,428</b>	423,949	<b>419,940</b>	399,690
Debt securities:				
- Unquoted corporate bonds / sukuk	<b>24,955</b>	31,929	-	-
	<b><u>470,383</u></b>	<u>455,878</u>	<b><u>419,940</u></b>	<u>399,690</u>
Total financial assets at FVTPL	<b><u><u>3,873,979</u></u></b>	<u><u>2,380,134</u></u>	<b><u><u>2,317,012</u></u></b>	<u><u>2,293,636</u></u>

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**A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI")**

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Securities	<b>10,163,898</b>	12,265,159	<b>9,798,985</b>	11,895,739
Malaysian Government Investment Issues	<b>19,229,102</b>	21,653,696	<b>10,327,173</b>	12,288,291
Other foreign government securities	<b>144,042</b>	58,125	-	-
	<u><b>29,537,042</b></u>	<u>33,976,980</u>	<u><b>20,126,158</b></u>	<u>24,184,030</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u><b>3,038,834</b></u>	<u>3,051,128</u>	<u><b>2,988,921</b></u>	<u>2,910,720</u>
<b>Non-money market instruments:</b>				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	<b>1,983</b>	2,204	-	-
- Unquoted shares	<b>344,846</b>	344,996	<b>338,405</b>	338,498
Debt securities:				
- Cagamas bonds	<b>205,068</b>	390,528	<b>102,465</b>	289,423
- Unquoted corporate bonds / sukuk	<b>4,476,936</b>	4,563,691	<b>1,369,140</b>	1,348,032
Unit trust funds	<b>12,535</b>	12,956	-	-
	<u><b>5,041,368</b></u>	<u>5,314,375</u>	<u><b>1,810,010</b></u>	<u>1,975,953</u>
Total financial investments at FVOCI	<u><b>37,617,244</b></u>	<u>42,342,483</u>	<u><b>24,925,089</b></u>	<u>29,070,703</u>



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**A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI") (continued)**

The following expected credit losses ("ECL") for debt instruments are not recognised in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
<b>Group</b>				
At 1 January 2019	7,371	1,225	-	8,596
New financial investments purchased	1,800	-	-	1,800
Net allowance written back	(191)	-	-	(191)
Amount derecognised	(2,450)	(1)	-	(2,451)
Exchange differences	(6)	(24)	-	(30)
At 31 March 2019	<u>6,524</u>	<u>1,200</u>	<u>-</u>	<u>7,724</u>
At 1 January 2018	6,375	-	-	6,375
New financial investments purchased	7,728	1,207	-	8,935
Net allowance written back	(314)	-	-	(314)
Amount derecognised	(6,427)	-	-	(6,427)
Exchange differences	9	18	-	27
At 31 December 2018	<u>7,371</u>	<u>1,225</u>	<u>-</u>	<u>8,596</u>
<b>Bank</b>				
At 1 January 2019	4,860	-	-	4,860
New financial investments purchased	1,387	-	-	1,387
Net allowance written back	(176)	-	-	(176)
Amount derecognised	(1,930)	-	-	(1,930)
At 31 March 2019	<u>4,141</u>	<u>-</u>	<u>-</u>	<u>4,141</u>
At 1 January 2018	4,470	-	-	4,470
New financial investments purchased	6,342	-	-	6,342
Net allowance written back	(348)	-	-	(348)
Amount derecognised	(5,604)	-	-	(5,604)
At 31 December 2018	<u>4,860</u>	<u>-</u>	<u>-</u>	<u>4,860</u>

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**A10. Financial Investments at Amortised Cost**

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>At amortised cost</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Securities	1,122,083	1,125,105	1,122,083	1,125,105
Malaysian Government Investment Issues	6,561,555	6,512,720	4,076,135	4,078,918
Foreign Government Treasury Bills	1,021,036	1,019,500	30,007	27,080
Other foreign government securities	2,023,872	1,710,079	7,822	7,897
	<u>10,728,546</u>	<u>10,367,404</u>	<u>5,236,047</u>	<u>5,239,000</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	1,264,097	1,198,530	1,859,322	1,842,223
<b>Non-money market instruments:</b>				
Debt securities:				
- Cagamas bonds	5,605,948	5,611,030	5,605,948	5,611,030
- Unquoted corporate bonds / sukuk	9,993,283	9,845,596	7,917,125	7,883,611
	<u>15,599,231</u>	<u>15,456,626</u>	<u>13,523,073</u>	<u>13,494,641</u>
Allowance for impairment	(4,320)	(4,116)	(3,669)	(3,500)
Total financial investments at amortised cost	<u>27,587,554</u>	<u>27,018,444</u>	<u>20,614,773</u>	<u>20,572,364</u>

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**A10. Financial Investments at Amortised Cost** (continued)

Movements in allowances for impairment on debt instruments which reflect the ECL model on impairment are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
<b>Group</b>				
At 1 January 2019	4,097	-	19	4,116
New financial investments purchased	174	-	-	174
Net allowance made	59	-	-	59
Amount derecognised	(107)	-	-	(107)
Exchange differences	78	-	-	78
At 31 March 2019	<u>4,301</u>	<u>-</u>	<u>19</u>	<u>4,320</u>
At 1 January 2018	3,704	-	35	3,739
New financial investments purchased	1,018	-	-	1,018
Net allowance written back	(309)	-	-	(309)
Amount derecognised	(323)	-	-	(323)
Amount written off	-	-	(16)	(16)
Exchange differences	7	-	-	7
At 31 December 2018	<u>4,097</u>	<u>-</u>	<u>19</u>	<u>4,116</u>
<b>Bank</b>				
At 1 January 2019	3,481	-	19	3,500
New financial investments purchased	58	-	-	58
Net allowance made	60	-	-	60
Amount derecognised	(32)	-	-	(32)
Exchange differences	83	-	-	83
At 31 March 2019	<u>3,650</u>	<u>-</u>	<u>19</u>	<u>3,669</u>
At 1 January 2018	2,869	-	35	2,904
New financial investments purchased	665	-	-	665
Net allowance written back	(24)	-	-	(24)
Amount derecognised	(29)	-	-	(29)
Amount written off	-	-	(16)	(16)
At 31 December 2018	<u>3,481</u>	<u>-</u>	<u>19</u>	<u>3,500</u>

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**A11. Loans, Advances and Financing**

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
<b>At amortised cost</b>				
Overdrafts	<b>11,429,978</b>	11,558,286	<b>8,356,045</b>	8,356,059
Term loans / financing				
- Housing loans / financing	<b>114,292,996</b>	112,302,675	<b>90,367,980</b>	89,027,872
- Syndicated term loans / financing	<b>3,222,851</b>	3,129,190	<b>625,529</b>	595,341
- Hire purchase receivables	<b>50,619,527</b>	50,487,731	<b>38,846,617</b>	38,196,616
- Other term loans / financing	<b>122,069,851</b>	121,090,161	<b>96,298,288</b>	95,910,951
Credit card receivables	<b>1,964,204</b>	2,064,840	<b>1,927,122</b>	2,025,895
Bills receivables	<b>174,975</b>	155,074	<b>151,076</b>	133,739
Trust receipts	<b>251,009</b>	254,809	<b>159,850</b>	170,085
Claims on customers under acceptance credits	<b>3,757,525</b>	3,803,866	<b>3,446,474</b>	3,482,087
Revolving credits	<b>10,658,251</b>	10,483,874	<b>9,678,704</b>	9,529,290
Staff loans *	<b>1,980,692</b>	1,971,073	<b>1,738,223</b>	1,729,331
Gross loans, advances and financing	<b>320,421,859</b>	317,301,579	<b>251,595,908</b>	249,157,266
Allowance for impairment on loans and financing:				
- Expected credit losses	<b>(1,984,009)</b>	(2,042,413)	<b>(1,417,929)</b>	(1,466,869)
- Stage 1: 12-Month ECL	<b>(1,098,675)</b>	(1,086,325)	<b>(778,098)</b>	(775,726)
- Stage 2: Lifetime ECL not credit-impaired	<b>(494,458)</b>	(546,221)	<b>(403,774)</b>	(452,091)
- Stage 3: Lifetime ECL credit-impaired	<b>(390,876)</b>	(409,867)	<b>(236,057)</b>	(239,052)
Net loans, advances and financing	<b>318,437,850</b>	315,259,166	<b>250,177,979</b>	247,690,397

\* Included in staff loans of the Group and of the Bank are loans to Directors of subsidiary companies amounting to RM5,839,000 (2018: RM5,012,000) and RM5,551,000 (2018 - RM4,709,000) respectively.

a) By class

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Retail loans / financing *				
- Housing loans / financing	<b>114,293,183</b>	112,302,874	<b>90,367,980</b>	89,027,872
- Hire purchase	<b>50,389,583</b>	50,250,640	<b>38,846,617</b>	38,196,616
- Credit cards	<b>1,964,204</b>	2,064,840	<b>1,927,122</b>	2,025,895
- Other loans / financing ^	<b>107,072,084</b>	106,352,920	<b>82,400,775</b>	81,988,983
	<b>273,719,054</b>	270,971,274	<b>213,542,494</b>	211,239,366
Corporate loans / financing	<b>46,702,805</b>	46,330,305	<b>38,053,414</b>	37,917,900
	<b>320,421,859</b>	317,301,579	<b>251,595,908</b>	249,157,266

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

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

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

b) By type of customer

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Non-bank financial institutions				
- Stock-broking companies	2,536	2,973	2,536	2,973
- Others	10,870,276	9,734,072	9,367,197	8,680,888
Business enterprises				
- Small and medium enterprises	72,032,130	71,698,884	59,706,458	59,601,011
- Others	27,585,317	27,823,970	21,668,668	21,715,125
Government and statutory bodies	1,335,042	1,318,357	11,543	10,033
Individuals	206,345,938	204,066,098	158,904,173	156,821,569
Other entities	33,210	37,491	25,841	27,939
Foreign entities	2,217,410	2,619,734	1,909,492	2,297,728
	<u>320,421,859</u>	<u>317,301,579</u>	<u>251,595,908</u>	<u>249,157,266</u>

c) By interest / profit rate sensitivity

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Fixed rate				
- Housing loans / financing	888,552	1,762,168	74,765	711,476
- Hire purchase receivables	48,111,722	47,872,472	38,655,608	37,995,624
- Other fixed rate loans / financing	20,830,691	21,387,571	9,997,007	10,361,819
Variable rate				
- Base rate / base lending rate plus	201,633,178	197,504,090	170,377,595	167,638,242
- Cost plus	34,692,540	34,198,485	32,092,401	32,050,311
- Other variable rates	14,265,176	14,576,793	398,532	399,794
	<u>320,421,859</u>	<u>317,301,579</u>	<u>251,595,908</u>	<u>249,157,266</u>

d) By residual contractual maturity

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Maturity within one year	33,560,688	33,476,534	24,356,478	24,078,602
More than one year to three years	24,928,662	25,630,391	19,106,949	19,976,992
More than three years to five years	31,093,365	30,813,477	26,120,173	25,891,581
More than five years	230,839,144	227,381,177	182,012,308	179,210,091
	<u>320,421,859</u>	<u>317,301,579</u>	<u>251,595,908</u>	<u>249,157,266</u>

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

e) By geographical distribution

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Malaysia	<b>297,579,051</b>	294,073,885	<b>250,748,526</b>	248,304,984
Hong Kong SAR and the People's Republic of China	<b>15,495,850</b>	15,884,112	-	-
Cambodia	<b>4,249,969</b>	4,355,773	-	-
Other countries	<b>3,096,989</b>	2,987,809	<b>847,382</b>	852,282
	<b><u>320,421,859</u></b>	<u>317,301,579</u>	<b><u>251,595,908</u></b>	<u>249,157,266</u>

f) Gross loans, advances and financing by economic purpose

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Purchase of securities	<b>2,706,732</b>	2,764,420	<b>2,260,359</b>	2,389,565
Purchase of transport vehicles	<b>50,844,437</b>	50,720,776	<b>39,082,875</b>	38,438,216
Purchase of landed properties	<b>199,349,364</b>	196,597,670	<b>161,680,383</b>	159,761,279
(of which: - residential	<b>118,327,208</b>	116,258,068	<b>93,804,493</b>	92,398,172
- non-residential)	<b>81,022,156</b>	80,339,602	<b>67,875,890</b>	67,363,107
Purchase of fixed assets (excluding landed properties)	<b>455,704</b>	470,118	<b>136,205</b>	140,252
Personal use	<b>13,190,483</b>	13,064,948	<b>7,086,128</b>	6,996,922
Credit card	<b>1,964,204</b>	2,064,840	<b>1,927,122</b>	2,025,895
Purchase of consumer durables	<b>920</b>	924	<b>102</b>	104
Construction	<b>7,281,406</b>	7,143,581	<b>6,100,726</b>	5,953,919
Mergers and acquisitions	<b>16,218</b>	16,222	<b>16,218</b>	16,222
Working capital	<b>40,201,629</b>	39,968,394	<b>28,943,748</b>	28,994,446
Other purpose	<b>4,410,762</b>	4,489,686	<b>4,362,042</b>	4,440,446
	<b><u>320,421,859</u></b>	<u>317,301,579</u>	<b><u>251,595,908</u></b>	<u>249,157,266</u>

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

g) Gross loans, advances and financing by sectors

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Agriculture, hunting, forestry and fishing	3,777,899	3,805,553	2,682,860	2,706,340
Mining and quarrying	213,945	213,243	160,912	160,547
Manufacturing	10,482,948	10,539,536	8,380,062	8,426,428
Electricity, gas and water	140,119	130,928	43,374	36,695
Construction	11,084,634	10,992,896	8,846,808	8,769,237
Wholesale & retail trade and restaurants & hotels	26,698,221	26,443,547	22,186,733	21,980,620
Transport, storage and communication	4,147,558	4,163,935	2,986,808	2,991,268
Finance, insurance and business services	18,933,642	18,315,474	15,681,871	15,489,976
Real estate	35,162,679	35,312,911	28,601,268	28,683,701
Community, social and personal services	3,255,311	3,230,397	1,706,419	1,687,041
Households	205,531,057	203,134,870	160,276,519	158,182,409
Others	993,846	1,018,289	42,274	43,004
	<u>320,421,859</u>	<u>317,301,579</u>	<u>251,595,908</u>	<u>249,157,266</u>

h) Loans, advances and financing pledged as collateral are as follows:

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Bankers' acceptances rediscounted	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

i) Movements in credit-impaired loans, advances and financing ("impaired loans and financing") are as follows:

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
At 1 January	1,620,733	1,475,666	1,143,782	1,064,009
Impaired during the period / year	724,871	3,109,654	502,910	2,136,046
Reclassified as non-impaired	(540,880)	(2,110,795)	(371,892)	(1,527,447)
Recoveries	(83,993)	(347,887)	(55,925)	(262,641)
Amount written off	(110,121)	(482,440)	(50,546)	(244,913)
Loans / financing converted to foreclosed properties	(14,467)	(27,799)	(13,111)	(22,822)
Exchange differences	(4,846)	4,334	(1,790)	1,550
Closing balance	<u>1,591,297</u>	<u>1,620,733</u>	<u>1,153,428</u>	<u>1,143,782</u>
Gross impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.50%</u>	<u>0.51%</u>	<u>0.46%</u>	<u>0.46%</u>

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

j) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Malaysia	1,285,950	1,300,431	1,027,200	1,020,145
Hong Kong SAR and the People's Republic of China	111,178	104,861	-	-
Cambodia	40,621	65,858	-	-
Other countries	153,548	149,583	126,228	123,637
	<u>1,591,297</u>	<u>1,620,733</u>	<u>1,153,428</u>	<u>1,143,782</u>

k) Impaired loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Purchase of securities	723	722	723	722
Purchase of transport vehicles	275,932	304,027	181,812	201,474
Purchase of landed properties	812,441	803,830	653,785	629,105
(of which: - residential	540,960	569,671	412,942	428,029
- non-residential)	271,481	234,159	240,843	201,076
Purchase of fixed assets (excluding landed properties)	7,322	7,500	354	364
Personal use	140,298	141,699	42,575	46,402
Credit card	18,787	19,572	18,421	19,141
Purchase of consumer durables	104	-	-	-
Construction	50,883	69,316	48,833	67,218
Working capital	273,628	263,975	195,778	169,303
Other purpose	11,179	10,092	11,147	10,053
	<u>1,591,297</u>	<u>1,620,733</u>	<u>1,153,428</u>	<u>1,143,782</u>



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

1) Impaired loans, advances and financing by sectors

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Agriculture, hunting, forestry and fishing	<b>20,025</b>	40,216	<b>19,140</b>	15,109
Mining and quarrying	<b>1,556</b>	1,689	<b>638</b>	636
Manufacturing	<b>56,306</b>	56,008	<b>44,134</b>	45,561
Electricity, gas and water	<b>4,887</b>	2,275	<b>87</b>	83
Construction	<b>119,115</b>	129,350	<b>109,980</b>	120,122
Wholesale & retail trade and restaurants & hotels	<b>197,283</b>	170,689	<b>159,931</b>	133,636
Transport, storage and communication	<b>17,944</b>	18,857	<b>13,070</b>	14,072
Finance, insurance and business services	<b>64,218</b>	60,621	<b>47,343</b>	44,404
Real estate	<b>69,354</b>	42,456	<b>61,675</b>	37,287
Community, social and personal services	<b>9,026</b>	9,569	<b>6,641</b>	7,230
Households	<b>1,009,289</b>	1,066,953	<b>690,699</b>	725,551
Others	<b>22,294</b>	22,050	<b>90</b>	91
	<b><u>1,591,297</u></b>	<u>1,620,733</u>	<b><u>1,153,428</u></b>	<u>1,143,782</u>

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

m) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
<b>Group</b>				
At 1 January 2019	1,086,325	546,221	409,867	2,042,413
Changes due to loans, advances and financing recognised as at 1 January 2019:	120,819	(84,982)	(35,837)	-
- Transfer to Stage 1: 12-Month ECL	138,016	(114,497)	(23,519)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(16,197)	49,911	(33,714)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1,000)	(20,396)	21,396	-
Loans, advances and financing derecognised (other than write-off)	(32,350)	(22,297)	(10,302)	(64,949)
New loans, advances and financing originated	53,413	21,359	324	75,096
Net remeasurement due to changes in credit risk	(125,988)	34,567	136,977	45,556
Modifications to contractual cash flows of loans, advances and financing	(1,709)	(114)	1,206	(617)
Amount written off	-	-	(110,121)	(110,121)
Exchange differences	(1,835)	(296)	(1,238)	(3,369)
At 31 March 2019	<b>1,098,675</b>	<b>494,458</b>	<b>390,876</b>	<b>1,984,009</b>

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

m) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
<b>Group</b>				
At 1 January 2018	1,186,643	534,269	376,450	2,097,362
Changes due to loans, advances and financing recognised as at 1 January 2018:	127,009	(84,657)	(42,352)	-
- Transfer to Stage 1: 12-Month ECL	161,772	(131,135)	(30,637)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(31,210)	70,045	(38,835)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(3,553)	(23,567)	27,120	-
Loans, advances and financing derecognised (other than write-off)	(87,098)	(52,331)	(35,349)	(174,778)
New loans, advances and financing originated	165,795	82,600	55,833	304,228
Net remeasurement due to changes in credit risk	(304,918)	67,155	522,615	284,852
Modifications to contractual cash flows of loans, advances and financing	(3,040)	(1,397)	10,084	5,647
Amount written off	-	-	(482,440)	(482,440)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(36)	(36)
Exchange differences	1,934	582	5,062	7,578
At 31 December 2018	<u>1,086,325</u>	<u>546,221</u>	<u>409,867</u>	<u>2,042,413</u>

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

m) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
<b>Bank</b>				
At 1 January 2019	775,726	452,091	239,052	1,466,869
Changes due to loans and advances recognised as at 1 January 2019:	96,124	(64,493)	(31,631)	-
- Transfer to Stage 1: 12-Month ECL	107,528	(91,861)	(15,667)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(11,269)	34,018	(22,749)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(135)	(6,650)	6,785	-
Loans and advances derecognised (other than write-off)	(13,648)	(20,270)	(6,875)	(40,793)
New loans and advances originated	28,633	20,028	10	48,671
Net remeasurement due to changes in credit risk	(107,073)	16,499	85,073	(5,501)
Modifications to contractual cash flows of loans and advances	(1,599)	(81)	974	(706)
Amount written off	-	-	(50,546)	(50,546)
Exchange differences	(65)	-	-	(65)
At 31 March 2019	<b>778,098</b>	<b>403,774</b>	<b>236,057</b>	<b>1,417,929</b>

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

m) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
<b>Bank</b>				
At 1 January 2018	832,699	420,320	238,807	1,491,826
Changes due to loans and advances recognised as at 1 January 2018:	91,431	(51,548)	(39,883)	-
- Transfer to Stage 1: 12-Month ECL	116,624	(94,966)	(21,658)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(24,696)	51,261	(26,565)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(497)	(7,843)	8,340	-
Loans and advances derecognised (other than write-off)	(44,121)	(38,576)	(24,553)	(107,250)
New loans and advances originated	96,076	60,348	3,146	159,570
Net remeasurement due to changes in credit risk	(197,502)	62,910	297,262	162,670
Modifications to contractual cash flows of loans and advances	(2,739)	(1,363)	9,222	5,120
Amount written off	-	-	(244,913)	(244,913)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(36)	(36)
Exchange differences	(118)	-	-	(118)
At 31 December 2018	<u>775,726</u>	<u>452,091</u>	<u>239,052</u>	<u>1,466,869</u>

**A12. Other Assets**

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Deferred handling fees	227,765	226,549	183,054	178,288
Interest / Income receivable	61,165	53,356	8,297	7,889
Other receivables, deposits and prepayments	1,160,520	1,106,278	837,961	969,935
Collateral pledged for derivative transactions	154,575	118,620	154,575	118,620
Employee benefits	314,919	327,462	309,916	322,256
Amount due from trust funds	165,860	206,628	-	-
Foreclosed properties	128,575	125,622	119,584	117,987
Outstanding contracts on clients' accounts	178,608	229,372	-	-
Amount due from subsidiary companies	-	-	40,635	39,521
Distribution receivable from collective investments	-	-	31,860	31,772
Dividend receivable from subsidiary companies	-	-	236,870	580,496
	<u>2,391,987</u>	<u>2,393,887</u>	<u>1,922,752</u>	<u>2,366,764</u>

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**A13. Deposits from Customers**

a) By type of deposit

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b>At amortised cost</b>				
Core deposits:				
- Demand deposits	<b>50,133,758</b>	50,023,160	<b>38,853,702</b>	39,559,440
- Savings deposits	<b>37,275,255</b>	37,034,511	<b>24,551,486</b>	24,171,008
- Fixed deposits	<b>195,728,318</b>	196,788,732	<b>143,602,530</b>	146,016,093
	<b>283,137,331</b>	283,846,403	<b>207,007,718</b>	209,746,541
Negotiable instruments of deposit	<b>131,212</b>	133,528	<b>108,152</b>	108,605
Money market deposits	<b>59,704,639</b>	55,129,516	<b>52,022,758</b>	48,985,570
	<b>59,835,851</b>	55,263,044	<b>52,130,910</b>	49,094,175
Other deposits	<b>27,021</b>	50,445	<b>18,653</b>	36,843
	<b>343,000,203</b>	339,159,892	<b>259,157,281</b>	258,877,559

b) By type of customer

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Federal and state governments	<b>8,999,810</b>	7,020,760	<b>5,358,509</b>	5,509,654
Local government and statutory authorities	<b>3,688,377</b>	2,983,466	<b>3,043,242</b>	2,533,549
Business enterprises	<b>92,398,719</b>	95,374,964	<b>72,633,767</b>	75,246,722
Individuals	<b>178,342,689</b>	174,215,460	<b>135,553,394</b>	133,345,386
Foreign customers	<b>7,194,926</b>	6,938,374	<b>4,108,042</b>	4,037,037
Others	<b>52,375,682</b>	52,626,868	<b>38,460,327</b>	38,205,211
	<b>343,000,203</b>	339,159,892	<b>259,157,281</b>	258,877,559

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Due within six months	204,720,245	189,847,360	160,901,539	148,353,579
More than six months to one year	50,579,060	61,487,317	34,658,187	46,421,532
More than one year to three years	261,134	713,289	170,587	331,729
More than three years to five years	3,730	3,810	3,127	3,428
	<u>255,564,169</u>	<u>252,051,776</u>	<u>195,733,440</u>	<u>195,110,268</u>

**A14. Deposits from Banks**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b>At amortised cost</b>				
Licensed banks	5,061,170	4,648,523	3,813,850	3,790,646
Licensed investment banks	29,148	144,311	32,409	27,265
Bank Negara Malaysia	648,914	428,786	628,874	408,387
Other financial institutions	3,420,850	4,261,534	7,794,706	8,260,765
	<u>9,160,082</u>	<u>9,483,154</u>	<u>12,269,839</u>	<u>12,487,063</u>

**A15. Other Liabilities**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Interest / Income payable	2,020,146	1,885,756	1,551,426	1,351,860
Other payables and accruals	2,955,107	2,377,762	2,087,781	1,781,347
Collateral received for derivative transactions	26,295	101,475	26,295	101,475
Amount due to trust funds	94,164	86,095	-	-
Unprocessed sales and / or redemptions	168,668	113,587	-	-
Profit Equalisation Reserve of the investment account holder	31	31	-	-
Allowance for impairment on loan / financing commitments and financial guarantees	61,385	62,483	41,057	42,422
Lease liabilities	-	95,666	-	95,666
Outstanding contracts on clients' accounts	141,616	224,208	-	-
Dividend payable to shareholders	12,238	28,407	12,238	2,017
Amount due to subsidiary companies	-	-	51,765	42,029
	<u>5,479,650</u>	<u>4,975,470</u>	<u>3,770,562</u>	<u>3,416,816</u>

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**A15. Other Liabilities** (continued)

Movements in the allowance for impairment on loan / financing commitments and financial guarantees are as follows:

<b>Group</b>	<b>Lifetime ECL</b>			<b>Total RM'000</b>
	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Not Credit- Impaired (Stage 2) RM'000</b>	<b>Credit- Impaired (Stage 3) RM'000</b>	
At 1 January 2019	53,063	8,273	1,147	62,483
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2019:				
- Transfer to Stage 1: 12-Month ECL	2,049	(1,792)	(257)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	2,372	(2,199)	(173)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(320)	471	(151)	-
	(3)	(64)	67	-
Loan/financing commitments and financial guarantees derecognised	(1,147)	(1,246)	(15)	(2,408)
New loan / financing commitments and financial guarantees originated	2,284	942	-	3,226
Net remeasurement due to changes in credit risk	(2,935)	863	357	(1,715)
Modifications to contractual cash flows of loan/ financing commitments and financial guarantees	(1)	(1)	(7)	(9)
Exchange differences	(191)	(1)	-	(192)
At 31 March 2019	<u>53,122</u>	<u>7,038</u>	<u>1,225</u>	<u>61,385</u>
At 1 January 2018	52,998	6,567	1,249	60,814
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2018:				
- Transfer to Stage 1: 12-Month ECL	1,206	(850)	(356)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	2,456	(2,214)	(242)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1,234)	1,445	(211)	-
	(16)	(81)	97	-
Loan/financing commitments and financial guarantees derecognised	(4,646)	(2,297)	(79)	(7,022)
New loan / financing commitments and financial guarantees originated	8,041	4,076	38	12,155
Net remeasurement due to changes in credit risk	(4,811)	777	287	(3,747)
Modifications to contractual cash flows of loan/ financing commitments and financial guarantees	(18)	-	8	(10)
Exchange differences	293	-	-	293
At 31 December 2018	<u>53,063</u>	<u>8,273</u>	<u>1,147</u>	<u>62,483</u>



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**A15. Other Liabilities** (continued)

Movements in the allowance for impairment on loan / financing commitments and financial guarantees are as follows (continued):

<b>Bank</b>	<b>Lifetime ECL</b>			<b>Total RM'000</b>
	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Not Credit- Impaired (Stage 2) RM'000</b>	<b>Credit- Impaired (Stage 3) RM'000</b>	
At 1 January 2019	34,345	7,065	1,012	42,422
Changes due to loan commitments and and financial guarantees recognised as at 1 January 2019:	1,554	(1,331)	(223)	-
- Transfer to Stage 1: 12-Month ECL	1,845	(1,700)	(145)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(288)	412	(124)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(3)	(43)	46	-
Loan commitments and financial guarantees derecognised	(804)	(1,216)	(13)	(2,033)
New loan commitments and financial guarantees originated	1,181	846	-	2,027
Net remeasurement due to changes in credit risk	(2,277)	661	266	(1,350)
Modifications to contractual cash flows of loan commitments and financial guarantees	(1)	(1)	(7)	(9)
At 31 March 2019	<b>33,998</b>	<b>6,024</b>	<b>1,035</b>	<b>41,057</b>
At 1 January 2018	35,909	5,346	976	42,231
Changes due to loan commitments and and financial guarantees recognised as at 1 January 2018:	724	(487)	(237)	-
- Transfer to Stage 1: 12-Month ECL	1,888	(1,714)	(174)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(1,149)	1,296	(147)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(15)	(69)	84	-
Loan commitments and financial guarantees derecognised	(3,428)	(2,021)	(75)	(5,524)
New loan commitments and financial guarantees originated	4,759	3,499	38	8,296
Net remeasurement due to changes in credit risk	(3,601)	728	302	(2,571)
Modifications to contractual cash flows of loan commitments and financial guarantees	(18)	-	8	(10)
At 31 December 2018	<b>34,345</b>	<b>7,065</b>	<b>1,012</b>	<b>42,422</b>

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**A16. Interest Income**

	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b><u>Group</u></b>				
Loans and advances	3,475,958	3,325,991	3,475,958	3,325,991
Balances with banks	59,971	56,367	59,971	56,367
Financial investments at fair value through other comprehensive income	290,315	270,679	290,315	270,679
Financial investments at amortised cost	233,219	197,183	233,219	197,183
Others	22,363	25,671	22,363	25,671
	<u>4,081,826</u>	<u>3,875,891</u>	<u>4,081,826</u>	<u>3,875,891</u>
Financial assets at fair value through profit or loss	13,317	16,948	13,317	16,948
	<u>4,095,143</u>	<u>3,892,839</u>	<u>4,095,143</u>	<u>3,892,839</u>
	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b><u>Bank</u></b>				
Loans and advances	3,128,614	3,018,458	3,128,614	3,018,458
Balances with banks	30,317	25,665	30,317	25,665
Financial investments at fair value through other comprehensive income	241,201	226,832	241,201	226,832
Financial investments at amortised cost	208,222	179,786	208,222	179,786
Others	22,361	25,668	22,361	25,668
	<u>3,630,715</u>	<u>3,476,409</u>	<u>3,630,715</u>	<u>3,476,409</u>
Financial assets at fair value through profit or loss	12,836	10,963	12,836	10,963
	<u>3,643,551</u>	<u>3,487,372</u>	<u>3,643,551</u>	<u>3,487,372</u>

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**A17. Interest Expense**

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Deposits from banks	86,031	94,525	86,031	94,525
Deposits from customers	1,926,556	1,712,328	1,926,556	1,712,328
Loans sold to Cagamas	58,044	62,185	58,044	62,185
Debt securities issued and other borrowed funds	134,410	124,479	134,410	124,479
Others	10,830	1,930	10,830	1,930
	<u>2,215,871</u>	<u>1,995,447</u>	<u>2,215,871</u>	<u>1,995,447</u>
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Deposits from banks	93,519	94,376	93,519	94,376
Deposits from customers	1,838,578	1,655,893	1,838,578	1,655,893
Loans sold to Cagamas	58,044	62,185	58,044	62,185
Debt securities issued and other borrowed funds	130,337	119,516	130,337	119,516
Others	14,517	1,930	14,517	1,930
	<u>2,134,995</u>	<u>1,933,900</u>	<u>2,134,995</u>	<u>1,933,900</u>

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**A18. Net Fee and Commission Income**

	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b><u>Group</u></b>				
(a) Fee and commission income:				
Commissions	146,080	140,230	146,080	140,230
Service charges and fees	77,455	85,351	77,455	85,351
Guarantee fees	9,304	7,150	9,304	7,150
Processing fees	5,782	5,476	5,782	5,476
Commitment fees	16,092	22,744	16,092	22,744
Unit trust management fees	256,824	264,042	256,824	264,042
Fee on sale of trust units	62,733	109,616	62,733	109,616
Brokerage and commissions from stockbroking activities	22,214	29,342	22,214	29,342
Other fee and commission income	19,454	12,580	19,454	12,580
	<u>615,938</u>	<u>676,531</u>	<u>615,938</u>	<u>676,531</u>
(b) Fee and commission expense:				
Unit trust agency fee	(99,827)	(125,726)	(99,827)	(125,726)
Debit / credit card related fee	(88,414)	(85,919)	(88,414)	(85,919)
Loan related fee	(3,537)	(3,327)	(3,537)	(3,327)
Other fee and commission expense	(4,917)	(5,345)	(4,917)	(5,345)
	<u>(196,695)</u>	<u>(220,317)</u>	<u>(196,695)</u>	<u>(220,317)</u>
Net fee and commission income	<u>419,243</u>	456,214	<u>419,243</u>	456,214
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b><u>Bank</u></b>				
(a) Fee and commission income:				
Commissions	158,034	168,912	158,034	168,912
Service charges and fees	55,031	63,468	55,031	63,468
Guarantee fees	8,287	6,532	8,287	6,532
Processing fees	2,376	2,571	2,376	2,571
Commitment fees	14,376	20,955	14,376	20,955
Other fee and commission income	15,408	8,669	15,408	8,669
	<u>253,512</u>	<u>271,107</u>	<u>253,512</u>	<u>271,107</u>
(b) Fee and commission expense:				
Debit / credit card related fee	(87,666)	(85,256)	(87,666)	(85,256)
Loan related fee	(2,905)	(2,602)	(2,905)	(2,602)
Other fee and commission expense	(3,351)	(3,790)	(3,351)	(3,790)
	<u>(93,922)</u>	<u>(91,648)</u>	<u>(93,922)</u>	<u>(91,648)</u>
Net fee and commission income	<u>159,590</u>	179,459	<u>159,590</u>	179,459

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

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
<b><u>Group</u></b>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain on disposal	<b>6,098</b>	1,577	<b>6,098</b>	1,577
- unrealised revaluation gain / (loss)	<b>22,679</b>	(246)	<b>22,679</b>	(246)
	<b>28,777</b>	1,331	<b>28,777</b>	1,331
Net gain arising on trading derivatives				
- unrealised revaluation gain	<b>1</b>	97	<b>1</b>	97
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	<b>30,842</b>	18,410	<b>30,842</b>	18,410
- gross dividend income	<b>104</b>	130	<b>104</b>	130
	<b>30,946</b>	18,540	<b>30,946</b>	18,540
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	<b>193</b>	(100)	<b>193</b>	(100)
- cash flow hedge	<b>(2,004)</b>	(52)	<b>(2,004)</b>	(52)
	<b>(1,811)</b>	(152)	<b>(1,811)</b>	(152)
Net gains and losses on financial instruments	<b>57,913</b>	19,816	<b>57,913</b>	19,816

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

	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b>Bank</b>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain on disposal	6,097	1,575	6,097	1,575
- unrealised revaluation gain / (loss)	21,451	(248)	21,451	(248)
	<u>27,548</u>	<u>1,327</u>	<u>27,548</u>	<u>1,327</u>
Net gain arising on trading derivatives				
- unrealised revaluation gain	1	97	1	97
	<u>1</u>	<u>97</u>	<u>1</u>	<u>97</u>
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	29,450	18,409	29,450	18,409
	<u>29,450</u>	<u>18,409</u>	<u>29,450</u>	<u>18,409</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	33	81	33	81
- cash flow hedge	(2,004)	(52)	(2,004)	(52)
	<u>(1,971)</u>	<u>29</u>	<u>(1,971)</u>	<u>29</u>
Net gains and losses on financial instruments	<u>55,028</u>	<u>19,862</u>	<u>55,028</u>	<u>19,862</u>

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**A20. Other Operating Income**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>				
Other income:				
Foreign exchange profit	<b>61,509</b>	95,355	<b>61,509</b>	95,355
Rental income from:				
- investment properties	<b>3,910</b>	3,144	<b>3,910</b>	3,144
- other properties	<b>2,498</b>	3,340	<b>2,498</b>	3,340
Net gain on disposal of property and equipment	<b>44</b>	84	<b>44</b>	84
Net gain on disposal of foreclosed properties	<b>837</b>	253	<b>837</b>	253
Net gain on revaluation of investment properties	<b>21,946</b>	-	<b>21,946</b>	-
Others	<b>17,249</b>	16,511	<b>17,249</b>	16,511
<b>Total other operating income</b>	<b>107,993</b>	118,687	<b>107,993</b>	118,687
	<b>1st Quarter Ended</b>	<b>31 March</b>	<b>Three Months Ended</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank</u></b>				
Distribution income from collective investments	<b>51,281</b>	47,902	<b>51,281</b>	47,902
Dividend income from subsidiary companies - unquoted in Malaysia	<b>82,243</b>	71,243	<b>82,243</b>	71,243
	<b>133,524</b>	119,145	<b>133,524</b>	119,145
Other income:				
Foreign exchange profit	<b>119,624</b>	242,389	<b>119,624</b>	242,389
Rental income from other properties	<b>3,097</b>	3,250	<b>3,097</b>	3,250
Net gain on disposal of property and equipment	<b>49</b>	59	<b>49</b>	59
Net gain on disposal of foreclosed properties	<b>837</b>	253	<b>837</b>	253
Others	<b>15,214</b>	13,926	<b>15,214</b>	13,926
	<b>138,821</b>	259,877	<b>138,821</b>	259,877
<b>Total other operating income</b>	<b>272,345</b>	379,022	<b>272,345</b>	379,022

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**A21. Other Operating Expenses**

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Personnel costs				
- Salaries, allowances and bonuses	543,557	524,552	543,557	524,552
- Pension costs	73,257	68,486	73,257	68,486
- Others	44,216	41,459	44,216	41,459
	<u>661,030</u>	<u>634,497</u>	<u>661,030</u>	<u>634,497</u>
Establishment costs				
- Depreciation	85,315	54,793	85,315	54,793
- Rental	6,188	31,930	6,188	31,930
- Insurance	6,305	5,551	6,305	5,551
- Water and electricity	12,199	11,513	12,199	11,513
- General repairs and maintenance	30,014	25,096	30,014	25,096
- Information technology expenses	14,217	13,028	14,217	13,028
- Others	19,403	17,738	19,403	17,738
	<u>173,641</u>	<u>159,649</u>	<u>173,641</u>	<u>159,649</u>
Marketing expenses				
- Advertisement and publicity	14,075	14,221	14,075	14,221
- Others	20,144	24,609	20,144	24,609
	<u>34,219</u>	<u>38,830</u>	<u>34,219</u>	<u>38,830</u>
Administration and general expenses				
- Communication expenses	12,730	13,015	12,730	13,015
- Legal and professional fees	8,042	9,852	8,042	9,852
- Others	35,196	43,417	35,196	43,417
	<u>55,968</u>	<u>66,284</u>	<u>55,968</u>	<u>66,284</u>
Total other operating expenses	<u>924,858</u>	<u>899,260</u>	<u>924,858</u>	<u>899,260</u>



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

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Personnel costs				
- Salaries, allowances and bonuses	412,466	397,827	412,466	397,827
- Pension costs	63,028	59,130	63,028	59,130
- Others	36,426	34,130	36,426	34,130
	<u>511,920</u>	<u>491,087</u>	<u>511,920</u>	<u>491,087</u>
Establishment costs				
- Depreciation	68,392	43,662	68,392	43,662
- Rental	1,196	25,424	1,196	25,424
- Insurance	5,298	4,664	5,298	4,664
- Water and electricity	8,679	8,186	8,679	8,186
- General repairs and maintenance	25,482	22,098	25,482	22,098
- Information technology expenses	6,820	6,423	6,820	6,423
- Others	12,102	10,194	12,102	10,194
	<u>127,969</u>	<u>120,651</u>	<u>127,969</u>	<u>120,651</u>
Marketing expenses				
- Advertisement and publicity	5,723	4,959	5,723	4,959
- Others	12,667	12,823	12,667	12,823
	<u>18,390</u>	<u>17,782</u>	<u>18,390</u>	<u>17,782</u>
Administration and general expenses				
- Communication expenses	9,178	9,893	9,178	9,893
- Legal and professional fees	5,557	6,685	5,557	6,685
- Others	19,141	25,288	19,141	25,288
	<u>33,876</u>	<u>41,866</u>	<u>33,876</u>	<u>41,866</u>
Cost of resource sharing charged to Public Islamic Bank Berhad *	(100,325)	(91,614)	(100,325)	(91,614)
Total other operating expenses	<u>591,830</u>	<u>579,772</u>	<u>591,830</u>	<u>579,772</u>

\* The type of resource sharing rendered by the Bank to Public Islamic Bank Berhad in Malaysia are as follows:

	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Credit related	(50,932)	(49,623)	(50,932)	(49,623)
Non-credit branch support	(31,422)	(26,174)	(31,422)	(26,174)
Other administration services	(17,971)	(15,817)	(17,971)	(15,817)
	<u>(100,325)</u>	<u>(91,614)</u>	<u>(100,325)</u>	<u>(91,614)</u>



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**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>1st Quarter Ended 31 March 2019</b>												
External revenue	632,215	2,796,605	505,070	356,032	36,009	319,973	30,132	422,089	5,098,125	469,824	-	5,567,949
Revenue from other segments	354	343,468	8,815	536,793	217	12,518	329	135,529	1,038,023	21,088	(1,059,111)	-
	<b>632,569</b>	<b>3,140,073</b>	<b>513,885</b>	<b>892,825</b>	<b>36,226</b>	<b>332,491</b>	<b>30,461</b>	<b>557,618</b>	<b>6,136,148</b>	<b>490,912</b>	<b>(1,059,111)</b>	<b>5,567,949</b>
Net interest income and												
Islamic banking income	167,876	1,196,432	130,439	41,791	5,891	2,915	(5,998)	308,949	1,848,295	305,686	-	2,153,981
Other income	609	164,193	12,619	87,153	13,886	211,886	20,512	27,889	538,747	57,451	(11,049)	585,149
Net income	168,485	1,360,625	143,058	128,944	19,777	214,801	14,514	336,838	2,387,042	363,137	(11,049)	2,739,130
Other operating expenses	(62,680)	(483,406)	(4,749)	(11,288)	(11,494)	(56,209)	(6,914)	(138,422)	(775,162)	(160,745)	11,049	(924,858)
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(17,618)	18,469	17,274	-	(313)	(2)	-	-	17,810	(14,558)	-	3,252
(Allowance) / Writeback of allowance for impairment on other assets	-	(1,093)	-	447	(11)	-	-	381	(276)	(90)	-	(366)
Profit by segments	<b>88,187</b>	<b>894,595</b>	<b>155,583</b>	<b>118,103</b>	<b>7,959</b>	<b>158,590</b>	<b>7,600</b>	<b>198,797</b>	<b>1,629,414</b>	<b>187,744</b>	<b>-</b>	<b>1,817,158</b>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									2,102	-		2,102
Profit before tax expense and zakat									<b>1,631,516</b>	<b>187,744</b>		<b>1,819,260</b>
Cost income ratio	37.2%	35.5%	3.3%	8.8%	58.1%	26.2%	47.6%	41.1%	32.5%	44.3%		33.8%

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**A23. Segment Information (continued)**

	<----- Operating Segments ----->								Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000						
<b>1st Quarter Ended</b>													
<b>31 March 2019</b>													
Gross loans, advances and financing	48,235,188	207,342,571	41,542,851	-	356,382	100,435	1,624	-	297,579,051	22,842,808			320,421,859
Loan growth	0.4%	1.3%	1.4%	-	-5.0%	1.5%	-2.3%	-	1.2%	-1.7%			1.0%
Impaired loans, advances and financing	267,302	977,769	38,849	-	1,674	356	-	-	1,285,950	305,347			1,591,297
Impaired loan and financing ratio	0.6%	0.5%	0.1%	-	0.5%	0.4%	-	-	0.4%	1.3%			0.5%
Deposits from customers	-	247,800,831	217,521	65,580,230	817,693	-	-	-	314,416,275	28,583,928			343,000,203
Deposit growth	-	-0.1%	-34.0%	7.0%	-19.0%	-	-	-	1.2%	0.0%			1.1%
Segment assets	<u>47,990,806</u>	<u>253,600,551</u>	<u>41,124,974</u>	<u>77,991,334</u>	<u>1,858,877</u>	<u>584,946</u>	<u>845,526</u>	<u>49,023,400</u>	<u>473,020,414</u>	<u>37,935,983</u>	<u>(92,864,900)</u>		<u>418,091,497</u>
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									72,811	16			72,827
Unallocated assets									673,340	-			673,340
Intangible assets									775,493	1,655,208			2,430,701
Total assets									<u>474,542,058</u>	<u>39,591,207</u>			<u>421,268,365</u>

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**A23. Segment Information (continued)**

	<----- Operating Segments ----->											Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	
<b>1st Quarter Ended 31 March 2018</b>												
External revenue	641,437	2,683,428	476,756	288,212	44,515	373,978	1,605	420,079	4,930,010	419,143	-	5,349,153
Revenue from other segments	400	268,107	8,054	594,161	65	12,339	8,202	124,493	1,015,821	12,350	(1,028,171)	-
	<u>641,837</u>	<u>2,951,535</u>	<u>484,810</u>	<u>882,373</u>	<u>44,580</u>	<u>386,317</u>	<u>9,807</u>	<u>544,572</u>	<u>5,945,831</u>	<u>431,493</u>	<u>(1,028,171)</u>	<u>5,349,153</u>
Net interest income and												
Islamic banking income	180,719	1,166,738	130,271	112,349	5,917	5,342	(5,633)	281,903	1,877,606	285,533	-	2,163,139
Other income	663	184,058	10,975	86,456	17,886	225,751	9,740	28,245	563,774	50,891	(19,948)	594,717
Net income	<u>181,382</u>	<u>1,350,796</u>	<u>141,246</u>	<u>198,805</u>	<u>23,803</u>	<u>231,093</u>	<u>4,107</u>	<u>310,148</u>	<u>2,441,380</u>	<u>336,424</u>	<u>(19,948)</u>	<u>2,757,856</u>
Other operating expenses	(64,525)	(464,495)	(4,311)	(10,657)	(11,275)	(54,959)	(6,651)	(149,701)	(766,574)	(152,634)	19,948	(899,260)
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(28,224)	(2,728)	(19)	-	13	3	-	-	(30,955)	(37,503)	-	(68,458)
(Allowance) / Writeback of allowance for impairment on other assets	-	(139)	-	413	(33)	-	-	(316)	(75)	(758)	-	(833)
Profit / (Loss) by segments	<u>88,633</u>	<u>883,434</u>	<u>136,916</u>	<u>188,561</u>	<u>12,508</u>	<u>176,137</u>	<u>(2,544)</u>	<u>160,131</u>	<u>1,643,776</u>	<u>145,529</u>	<u>-</u>	<u>1,789,305</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									4,654	-		4,654
Profit before tax expense and zakat									<u>1,648,430</u>	<u>145,529</u>		<u>1,793,959</u>
Cost income ratio	35.6%	34.4%	3.1%	5.4%	47.4%	23.8%	161.9%	48.3%	31.4%	45.4%		32.6%

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**A23. Segment Information (continued)**

1st Quarter Ended 31 March 2018	<----- Operating Segments ----->							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
Gross loans, advances and financing	48,042,743	197,348,003	39,956,140	-	387,566	89,410	1,550	-	285,825,412	20,947,088		306,772,500
Loan growth	-0.2%	1.5%	1.7%	-	-1.4%	0.6%	-2.7%	-	1.2%	-5.3%		0.8%
Impaired loans, advances and financing	282,217	835,947	37,260	-	-	671	-	-	1,156,095	324,971		1,481,066
Impaired loan and financing ratio	0.6%	0.4%	0.1%	-	-	0.8%	-	-	0.4%	1.6%		0.5%
Deposits from customers	-	239,670,790	245,152	59,755,950	1,005,296	-	-	-	300,677,188	25,214,007		325,891,195
Deposit growth	-	1.8%	-3.9%	5.9%	3.2%	-	-	-	2.6%	-3.3%		2.1%
Segment assets	<u>47,785,015</u>	<u>245,318,747</u>	<u>39,718,078</u>	<u>70,312,816</u>	<u>2,305,421</u>	<u>469,635</u>	<u>853,613</u>	<u>45,827,552</u>	<u>452,590,877</u>	<u>33,091,034</u>	<u>(90,815,480)</u>	<u>394,866,431</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									39,743	15		39,758
Unallocated assets									938,854	-		938,854
Intangible assets									775,493	1,583,114		2,358,607
Total assets									<u>454,344,967</u>	<u>34,674,163</u>		<u>398,203,650</u>

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**A23. Segment Information (continued)**

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

**A24. Subsequent Events**

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

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

There were no changes in the composition of the Group during the 1st quarter ended 31 March 2019.

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**A26. Commitments and Contingencies**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b>Contingent liabilities</b>				
Direct credit substitutes	971,979	974,325	937,726	937,413
Transaction-related contingent items	1,626,362	1,650,611	1,373,723	1,382,478
Short term self-liquidating trade-related contingencies	633,345	574,080	114,418	121,726
	<b>3,231,686</b>	<b>3,199,016</b>	<b>2,425,867</b>	<b>2,441,617</b>
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	25,155,192	26,224,596	20,485,386	21,269,141
- not exceeding one year	23,244,351	23,502,389	19,150,606	19,505,430
Unutilised credit card lines	7,326,722	7,098,371	7,018,428	6,799,934
Forward asset purchases	306,775	323,665	306,775	323,665
	<b>56,033,040</b>	<b>57,149,021</b>	<b>46,961,195</b>	<b>47,898,170</b>
<b>Derivative financial instruments</b>				
Foreign exchange related contracts:				
- up to one year	20,779,171	22,574,272	20,451,157	22,040,029
- more than one year to five years	3,202,274	3,253,717	3,202,274	3,253,717
Interest / Profit rate related contracts:				
- up to one year	5,556,688	5,139,280	5,864,250	5,315,200
- more than one year to five years	4,169,813	4,626,640	4,588,188	5,173,920
- more than five years	420,368	426,008	2,000,000	2,000,000
Commodity related contracts:				
- up to one year	353	382	353	382
	<b>34,128,667</b>	<b>36,020,299</b>	<b>36,106,222</b>	<b>37,783,248</b>
	<b>93,393,393</b>	<b>96,368,336</b>	<b>85,493,284</b>	<b>88,123,035</b>



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**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 March 2019	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	1,424,937	-	-	1,424,937	2,163	-	-	2,163	3,709	-	-	3,709
- Swaps	19,081,394	-	-	19,081,394	29,058	-	-	29,058	116,362	-	-	116,362
- Options	68,778	-	-	68,778	-	-	-	-	-	-	-	-
Interest rate related contracts												
- Swaps	600,000	-	-	600,000	64	-	-	64	-	-	-	-
Precious metal contracts												
- Forwards	353	-	-	353	1	-	-	1	-	-	-	-
	<u>21,175,462</u>	<u>-</u>	<u>-</u>	<u>21,175,462</u>	<u>31,286</u>	<u>-</u>	<u>-</u>	<u>31,286</u>	<u>120,071</u>	<u>-</u>	<u>-</u>	<u>120,071</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	2,610,438	81,625	640,368	3,332,431	5,353	1,588	4,326	11,267	416	-	10,494	10,910
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	204,062	408,125	1,020,313	1,632,500	-	-	58,783	58,783	40,674	22,653	-	63,327
Interest / Profit rate related contracts												
- Swaps	2,346,250	3,443,188	425,000	6,214,438	6,322	17,748	-	24,070	1,549	5,217	3,179	9,945
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	1,773,836	1,773,836	-	-	-	-	-	-	72,252	72,252
	<u>5,160,750</u>	<u>3,932,938</u>	<u>3,859,517</u>	<u>12,953,205</u>	<u>11,675</u>	<u>19,336</u>	<u>63,109</u>	<u>94,120</u>	<u>42,639</u>	<u>27,870</u>	<u>85,925</u>	<u>156,434</u>
<b>Total</b>	<u>26,336,212</u>	<u>3,932,938</u>	<u>3,859,517</u>	<u>34,128,667</u>	<u>42,961</u>	<u>19,336</u>	<u>63,109</u>	<u>125,406</u>	<u>162,710</u>	<u>27,870</u>	<u>85,925</u>	<u>276,505</u>

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**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	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>As at 31 December 2018</b>												
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	950,033	4,136	-	954,169	4,072	2	-	4,074	3,703	-	-	3,703
- Swaps	21,392,281	-	-	21,392,281	53,759	-	-	53,759	125,955	-	-	125,955
- Options	25,158	-	-	25,158	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	382	-	-	382	-	-	-	-	1	-	-	1
	<u>22,367,854</u>	<u>4,136</u>	<u>-</u>	<u>22,371,990</u>	<u>57,831</u>	<u>2</u>	<u>-</u>	<u>57,833</u>	<u>129,659</u>	<u>-</u>	<u>-</u>	<u>129,659</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	3,212,080	82,720	646,008	3,940,808	9,634	2,300	11,729	23,663	662	-	6,402	7,064
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	206,800	413,600	1,034,000	1,654,400	-	-	56,819	56,819	43,427	28,449	-	71,876
Interest / Profit rate related contracts												
- Swaps	1,927,200	2,368,600	1,955,320	6,251,120	11,568	14,032	21,976	47,576	1,134	3,431	186	4,751
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	1,801,981	1,801,981	-	-	-	-	-	-	84,314	84,314
	<u>5,346,080</u>	<u>2,864,920</u>	<u>5,437,309</u>	<u>13,648,309</u>	<u>21,202</u>	<u>16,332</u>	<u>90,524</u>	<u>128,058</u>	<u>45,223</u>	<u>31,880</u>	<u>90,902</u>	<u>168,005</u>
<b>Total</b>	<u>27,713,934</u>	<u>2,869,056</u>	<u>5,437,309</u>	<u>36,020,299</u>	<u>79,033</u>	<u>16,334</u>	<u>90,524</u>	<u>185,891</u>	<u>174,882</u>	<u>31,880</u>	<u>90,902</u>	<u>297,664</u>

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**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 March 2019	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	1,226,481	-	-	1,226,481	2,013	-	-	2,013	3,566	-	-	3,566
- Swaps	18,951,836	-	-	18,951,836	28,831	-	-	28,831	116,274	-	-	116,274
- Options	68,778	-	-	68,778	-	-	-	-	-	-	-	-
Interest rate related contracts												
- Swaps	600,000	-	-	600,000	64	-	-	64	-	-	-	-
Precious metal contracts												
- Forwards	353	-	-	353	1	-	-	1	-	-	-	-
	<u>20,847,448</u>	<u>-</u>	<u>-</u>	<u>20,847,448</u>	<u>30,909</u>	<u>-</u>	<u>-</u>	<u>30,909</u>	<u>119,840</u>	<u>-</u>	<u>-</u>	<u>119,840</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	2,488,000	-	220,000	2,708,000	5,353	-	-	5,353	-	-	364	364
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	204,062	408,125	1,020,313	1,632,500	-	-	58,783	58,783	40,674	22,653	-	63,327
Interest rate related contracts												
- Swaps	2,776,250	3,443,188	2,925,000	9,144,438	6,761	17,748	45,180	69,689	1,549	5,217	3,179	9,945
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	1,773,836	1,773,836	-	-	-	-	-	-	72,252	72,252
	<u>5,468,312</u>	<u>3,851,313</u>	<u>5,939,149</u>	<u>15,258,774</u>	<u>12,114</u>	<u>17,748</u>	<u>103,963</u>	<u>133,825</u>	<u>42,223</u>	<u>27,870</u>	<u>75,795</u>	<u>145,888</u>
<b>Total</b>	<u>26,315,760</u>	<u>3,851,313</u>	<u>5,939,149</u>	<u>36,106,222</u>	<u>43,023</u>	<u>17,748</u>	<u>103,963</u>	<u>164,734</u>	<u>162,063</u>	<u>27,870</u>	<u>75,795</u>	<u>265,728</u>

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**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 2018	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	910,875	4,136	-	915,011	4,037	2	-	4,039	3,689	-	-	3,689
- Swaps	20,897,196	-	-	20,897,196	51,070	-	-	51,070	122,127	-	-	122,127
- Options	25,158	-	-	25,158	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	382	-	-	382	-	-	-	-	1	-	-	1
	<u>21,833,611</u>	<u>4,136</u>	<u>-</u>	<u>21,837,747</u>	<u>55,107</u>	<u>2</u>	<u>-</u>	<u>55,109</u>	<u>125,817</u>	<u>-</u>	<u>-</u>	<u>125,817</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	3,088,000	-	220,000	3,308,000	9,634	-	1,071	10,705	-	-	-	-
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	206,800	413,600	1,034,000	1,654,400	-	-	56,819	56,819	43,427	28,449	-	71,876
Interest rate related contracts												
- Swaps	2,227,200	2,498,600	4,455,320	9,181,120	11,711	14,405	44,352	70,468	1,134	3,431	3,423	7,988
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	1,801,981	1,801,981	-	-	-	-	-	-	84,314	84,314
	<u>5,522,000</u>	<u>2,912,200</u>	<u>7,511,301</u>	<u>15,945,501</u>	<u>21,345</u>	<u>14,405</u>	<u>102,242</u>	<u>137,992</u>	<u>44,561</u>	<u>31,880</u>	<u>87,737</u>	<u>164,178</u>
<b>Total</b>	<u>27,355,611</u>	<u>2,916,336</u>	<u>7,511,301</u>	<u>37,783,248</u>	<u>76,452</u>	<u>14,407</u>	<u>102,242</u>	<u>193,101</u>	<u>170,378</u>	<u>31,880</u>	<u>87,737</u>	<u>289,995</u>

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

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

**Market Risk**

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

**Credit Risk**

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at the reporting date, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM125,406,000 (2018: RM185,891,000) and RM164,734,000 (2018: RM193,101,000) 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 the reporting date, the Group and the Bank had posted cash collateral of RM154,575,000 (2018: RM118,620,000) 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 2018 and Pillar 3 Disclosures section of the 2018 Annual Report.

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**A28. a) Fair Value Measurements**

Determination of Fair Value and Fair Value Hierarchy

The Group and the Bank classify 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 March 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,897,072	-	1,897,072
- Money market instruments	-	1,506,524	-	1,506,524
- Non-money market instruments	-	24,955	445,428	470,383
	-	3,428,551	445,428	3,873,979
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	29,537,042	-	29,537,042
- Money market instruments	-	3,038,834	-	3,038,834
- Non-money market instruments	1,983	4,694,539	344,846	5,041,368
	1,983	37,270,415	344,846	37,617,244
Derivative financial assets	-	125,406	-	125,406
Total financial assets measured at fair value	1,983	40,824,372	790,274	41,616,629
<b>Non-financial assets</b>				
Investment properties	-	-	734,211	734,211
<b>Financial liabilities</b>				
Derivative financial liabilities	-	276,505	-	276,505
Total financial liabilities measured at fair value	-	276,505	-	276,505

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**A28. a) 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 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,924,256	-	1,924,256
- Non-money market instruments	-	31,929	423,949	455,878
	-	1,956,185	423,949	2,380,134
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	33,976,980	-	33,976,980
- Money market instruments	-	3,051,128	-	3,051,128
- Non-money market instruments	2,204	4,967,175	344,996	5,314,375
	2,204	41,995,283	344,996	42,342,483
Derivative financial assets	-	185,891	-	185,891
Total financial assets measured at fair value	2,204	44,137,359	768,945	44,908,508
<b>Non-financial assets</b>				
Investment properties	-	-	719,207	719,207
<b>Financial liabilities</b>				
Derivative financial liabilities	-	297,664	-	297,664
Total financial liabilities measured at fair value	-	297,664	-	297,664

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**A28. a) 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 March 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,897,072	-	1,897,072
- Non-money market instruments	-	-	419,940	419,940
	-	1,897,072	419,940	2,317,012
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	20,126,158	-	20,126,158
- Money market instruments	-	2,988,921	-	2,988,921
- Non-money market instruments	-	1,471,605	338,405	1,810,010
	-	24,586,684	338,405	24,925,089
Derivative financial assets	-	164,734	-	164,734
Total financial assets measured at fair value	-	26,648,490	758,345	27,406,835
<b>Financial liabilities</b>				
Derivative financial liabilities	-	265,728	-	265,728
Total financial liabilities measured at fair value	-	265,728	-	265,728



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**A28. a) 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 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,893,946	-	1,893,946
- Non-money market instruments	-	-	399,690	399,690
	-	1,893,946	399,690	2,293,636
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	24,184,030	-	24,184,030
- Money market instruments	-	2,910,720	-	2,910,720
- Non-money market instruments	-	1,637,455	338,498	1,975,953
	-	28,732,205	338,498	29,070,703
Derivative financial assets	-	193,101	-	193,101
Total financial assets measured at fair value	-	30,819,252	738,188	31,557,440
<b>Financial liabilities</b>				
Derivative financial liabilities	-	289,995	-	289,995
Total financial liabilities measured at fair value	-	289,995	-	289,995

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2018: None).

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

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments and non-financial assets:

Group	<- Unquoted Equity Securities ->			
	Financial Assets at Fair Value Through Profit or Loss RM'000	Financial Investments at Fair Value Through Other Comprehensive Income RM'000	Investment Properties RM'000	Total RM'000
At 1 January 2019	423,949	344,996	719,207	1,488,152
Recognised in profit or loss				
- unrealised revaluation gain	21,479	-	21,946	43,425
Transfer from owner occupied property	-	-	250	250
Reversal of over-provision	-	-	(4,320)	(4,320)
Exchange differences	-	(150)	(2,872)	(3,022)
At 31 March 2019	<u>445,428</u>	<u>344,846</u>	<u>734,211</u>	<u>1,524,485</u>
At 1 January 2018	415,900	316,584	688,052	1,420,536
Recognised in profit or loss				
- unrealised revaluation gain	8,049	-	49,035	57,084
Recognised in other comprehensive income				
- unrealised revaluation gain	-	28,165	-	28,165
Addition	-	-	24,892	24,892
Disposal	-	(114)	-	(114)
Transfer from owner occupied property	-	-	5,573	5,573
Transfer to owner occupied property	-	-	(27,863)	(27,863)
Reversal of over-provision	-	-	(24,000)	(24,000)
Exchange differences	-	361	3,518	3,879
At 31 December 2018	<u>423,949</u>	<u>344,996</u>	<u>719,207</u>	<u>1,488,152</u>

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

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments and non-financial assets:

<b>Bank</b>	<b>&lt;- Unquoted Equity Securities -&gt;</b>		
	<b>Financial Assets at Fair Value Through Profit or Loss RM'000</b>	<b>Financial Investments at Fair Value Through Other Comprehensive Income RM'000</b>	<b>Total RM'000</b>
At 1 January 2019	399,690	338,498	738,188
Recognised in profit or loss			
- unrealised revaluation gain	20,250	-	20,250
Exchange differences	-	(93)	(93)
At 31 March 2019	<u>419,940</u>	<u>338,405</u>	<u>758,345</u>
At 1 January 2018	392,102	310,154	702,256
Recognised in profit or loss			
- unrealised revaluation gain	7,588	-	7,588
Recognised in other comprehensive income			
- unrealised revaluation gain	-	28,166	28,166
Disposal	-	(114)	(114)
Exchange differences	-	292	292
At 31 December 2018	<u>399,690</u>	<u>338,498</u>	<u>738,188</u>

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**A28. a) 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 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.

**b) Gains/Losses Arising from Fair Value Changes of Financial Liabilities**

Other than derivative financial instruments where the fair value changes are recognised as derivative financial assets or liabilities, as disclosed in Note A27, there were no gains or losses arising from fair value changes of other financial liabilities.

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**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):

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019</b>	<b>31 December 2018</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<u>Before deducting interim dividends *</u>				
Common Equity Tier I ("CET I") capital ratio	<b>12.943%</b>	13.628%	<b>11.875%</b>	12.657%
Tier I capital ratio	<b>13.433%</b>	14.270%	<b>12.460%</b>	13.428%
Total capital ratio	<b>15.994%</b>	16.840%	<b>14.983%</b>	15.963%
<u>After deducting interim dividends *</u>				
CET I capital ratio	<b>12.943%</b>	13.092%	<b>11.875%</b>	11.989%
Tier I capital ratio	<b>13.433%</b>	13.734%	<b>12.460%</b>	12.760%
Total capital ratio	<b>15.994%</b>	16.304%	<b>14.983%</b>	15.295%

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Components of CET I, Tier I and Tier II capital:				
<u>CET I / Tier I capital:</u>				
Share capital	<b>9,417,653</b>	9,417,653	<b>9,417,653</b>	9,417,653
Other reserves	<b>1,277,369</b>	1,247,057	<b>788,986</b>	759,892
Retained profits	<b>26,557,927</b>	28,051,532	<b>22,140,428</b>	23,619,722
Qualifying non-controlling interests	<b>691,083</b>	702,333	-	-
Less: Goodwill and other intangible assets	<b>(2,430,701)</b>	(2,454,755)	<b>(695,393)</b>	(695,393)
Less: Deferred tax assets, net	<b>(81,617)</b>	(81,374)	-	-
Less: Defined benefit pension fund assets	<b>(239,497)</b>	(249,036)	<b>(236,136)</b>	(245,535)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	<b>(95,881)</b>	(92,847)	<b>(5,644,441)</b>	(5,644,441)
Total CET I capital	<b>35,096,336</b>	36,540,563	<b>25,771,097</b>	27,211,898
Additional Tier I capital securities	<b>99,491</b>	99,462	<b>99,491</b>	99,462
Non-innovative Tier I stapled securities	<b>1,169,880</b>	1,559,840	<b>1,169,880</b>	1,559,840
Qualifying CET I and additional Tier I capital instruments held by third parties	<b>60,152</b>	61,325	-	-
Total Tier I capital	<b>36,425,859</b>	38,261,190	<b>27,040,468</b>	28,871,200

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**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 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<u>Tier II capital</u>				
Stage 1 and Stage 2 expected credit loss allowances	<b>1,665,591</b>	1,706,858	<b>1,230,043</b>	1,277,949
Qualifying regulatory reserves	<b>1,414,006</b>	1,340,126	<b>1,246,126</b>	1,171,183
Subordinated notes	<b>2,999,981</b>	2,999,980	<b>2,999,981</b>	2,999,980
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	<b>735,876</b>	724,569	-	-
Others	<b>128,188</b>	119,871	-	-
Total Tier II capital	<b>6,943,642</b>	6,891,404	<b>5,476,150</b>	5,449,112
Total capital	<b>43,369,501</b>	45,152,594	<b>32,516,618</b>	34,320,312

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.

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; and
- (iii) Basic Indicator Approach for Operational Risk.

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**A29. Capital Adequacy (continued)**

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

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Frameworks on Capital Components and Basel II - Risk-Weighted Assets. 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 2.5% and a CCyB above the minimum regulatory capital adequacy ratios. 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. The Group and the Bank have applied CCyB on their private sector credit exposures outside Malaysia in line with the respective jurisdictions' requirement to maintain their CCyB. Where the prevailing CCyB rate applied in jurisdiction outside Malaysia is more than 2.5%, the CCyB rate for that jurisdiction is capped at 2.5% for the purpose of calculating the Group and the Bank's CCyB, unless specified otherwise by BNM.

The Group's and the Bank's CCyB which are determined based on the weighted average of prevailing CCyB rates of their private sector credit exposures outside Malaysia are insignificant due to their immaterial exposures. The CCyB 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 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Credit risk	<b>246,367,775</b>	243,758,710	<b>198,093,533</b>	195,930,586
Market risk	<b>4,597,033</b>	4,313,276	<b>4,969,370</b>	4,994,901
Operational risk	<b>19,595,581</b>	19,472,018	<b>13,386,282</b>	13,517,986
Large exposure risk	<b>602,904</b>	581,132	<b>577,416</b>	556,873
	<b><u>271,163,293</u></b>	<u>268,125,136</u>	<b><u>217,026,601</u></b>	<u>215,000,346</u>

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**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 March 2019</b>							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	<b>11.779%</b>	<b>48.839%</b>	<b>18.037%</b>	<b>16.900%</b>	<b>21.843%</b>	N/A	N/A
Tier I capital ratio	<b>11.779%</b>	<b>48.839%</b>	<b>18.037%</b>	<b>16.900%</b>	<b>21.843%</b>	N/A	N/A
Total capital ratio	<b>15.758%</b>	<b>49.386%</b>	<b>18.040%</b>	<b>18.070%</b>	<b>22.900%</b>	<b>19.387%</b>	<b>22.768%</b>
<u>After deducting interim dividends: *</u>							
CET I capital ratio	<b>11.779%</b>	<b>48.839%</b>	<b>18.037%</b>	<b>16.900%</b>	<b>21.843%</b>	N/A	N/A
Tier I capital ratio	<b>11.779%</b>	<b>48.839%</b>	<b>18.037%</b>	<b>16.900%</b>	<b>21.843%</b>	N/A	N/A
Total capital ratio	<b>15.758%</b>	<b>49.386%</b>	<b>18.040%</b>	<b>18.070%</b>	<b>22.900%</b>	<b>19.387%</b>	<b>22.768%</b>
<b>31 December 2018</b>							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.087%	51.529%	19.171%	16.342%	23.326%	N/A	N/A
Tier I capital ratio	12.087%	51.529%	19.171%	16.342%	23.326%	N/A	N/A
Total capital ratio	16.116%	52.062%	19.175%	17.510%	24.381%	19.756%	25.703%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	11.955%	47.019%	19.171%	16.342%	21.248%	N/A	N/A
Tier I capital ratio	11.955%	47.019%	19.171%	16.342%	21.248%	N/A	N/A
Total capital ratio	15.984%	47.552%	19.175%	17.510%	22.303%	19.756%	25.703%

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



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**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 Frameworks for Islamic Banks on Capital Components and Risk-Weighted Assets. 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 2.5% and a CCyB 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 Frameworks on Capital Components and Basel II - Risk-Weighted Assets. 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 2.5% and a CCyB if this buffer is applied by regulators in countries which PIVB has exposures to.
- <sup>3</sup> The risk-weighted assets of Public Bank (L) Ltd ("PBL") 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 the Banking Capital Adequacy Framework - Guidelines on Capital Components and Risk Weighted Assets issued by the Labuan Financial Services Authority ("Labuan FSA"). The minimum regulatory capital adequacy requirements for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% 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. These two subsidiaries are required to maintain a capital conservation buffer of 2.5% and a CCyB of 2.5% (2018: 1.875%) as imposed by Hong Kong Monetary Authority to their private sector exposures in Hong Kong with effect from 1 January 2019.

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**A29. Capital Adequacy (continued)**

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

- <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 National Bank of Cambodia ("NBC") Prakas B7-010-182 and B7-00-46 (amended by Prakas No. B7-04-206 and Prakas No. B7-07-135). 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%.
- <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.19/2017/TT-NHNN being amendment of and supplement to Circular No.36/2014/TT-NHNN on safety ratios, limits in operations of credit institutions 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%.

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**A30. Operations of Islamic Banking**

a) **Statement of Financial Position As At 31 March 2019**

	Note	Group	
		31 March 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>			
Cash and balances with banks		3,236,231	2,127,231
Financial assets at fair value through profit or loss		1,506,524	30,310
Derivative financial assets		345	3,946
Financial investments at fair value through other comprehensive income		8,039,181	8,654,277
Financial investments at amortised cost		3,303,166	3,186,041
Financing and advances	A30(d)	46,721,276	45,629,999
Other assets		69,483	69,628
Statutory deposits with Bank Negara Malaysia		2,024,000	1,891,250
Deferred tax assets		3,824	2,637
Collective investments		535,087	530,514
Investment in an associated company		45,000	45,000
Right-of-use assets		14,965	-
Property and equipment		1,889	3,079
<b>Total Assets</b>		<b>65,500,971</b>	<b>62,173,912</b>
<b>LIABILITIES AND ISLAMIC</b>			
<b>BANKING FUNDS</b>			
Deposits from customers	A30(e)	56,940,927	53,639,575
Deposits from banks		2,003,294	1,982,936
Bills and acceptances payable		469	204
Derivative financial liabilities		45,964	23,601
Senior Sukuk Murabahah		519,796	519,775
Subordinated Sukuk Murabahah		999,951	999,887
Lease liabilities		16,091	-
Other liabilities		351,287	451,580
Provision for zakat and taxation		3,596	11,299
<b>Total Liabilities</b>		<b>60,881,375</b>	<b>57,628,857</b>
Islamic Banking Funds		4,619,596	4,545,055
<b>Total Liabilities and Islamic Banking Funds</b>		<b>65,500,971</b>	<b>62,173,912</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>10,094,833</b>	<b>10,404,744</b>

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**A30. Operations of Islamic Banking** (continued)

**b) Statement of Profit or Loss for the 1st Quarter Ended 31 March 2019**

	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b><u>Group</u></b>				
Income derived from investment of depositors' funds and others	674,412	600,857	674,412	600,857
Income derived from investment of Islamic Banking Funds	54,763	50,289	54,763	50,289
Allowance for impairment on financing and advances	(6,389)	(15,812)	(6,389)	(15,812)
Writeback of allowance / (Allowance) for impairment on other assets	89	(109)	89	(109)
<b>Total distributable income</b>	<b>722,875</b>	<b>635,225</b>	<b>722,875</b>	<b>635,225</b>
Income attributable to depositors and others	(449,699)	(381,275)	(449,699)	(381,275)
<b>Total net income</b>	<b>273,176</b>	<b>253,950</b>	<b>273,176</b>	<b>253,950</b>
Other operating expenses	(112,232)	(107,167)	(112,232)	(107,167)
<b>Profit before zakat and taxation</b>	<b>160,944</b>	<b>146,783</b>	<b>160,944</b>	<b>146,783</b>
Zakat	(75)	(65)	(75)	(65)
Taxation	(37,725)	(34,370)	(37,725)	(34,370)
<b>Profit for the period</b>	<b>123,144</b>	<b>112,348</b>	<b>123,144</b>	<b>112,348</b>

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

	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Income derived from investment of depositors' funds and others	674,412	600,857	674,412	600,857
Income derived from investment of Islamic Banking Funds	54,763	50,289	54,763	50,289
Income attributable to depositors and others	(449,699)	(381,275)	(449,699)	(381,275)
Elimination of inter-company income and expenses	(4,767)	(4,124)	(4,767)	(4,124)
<b>Net income from Islamic banking business</b>	<b>274,709</b>	<b>265,747</b>	<b>274,709</b>	<b>265,747</b>

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**A30. Operations of Islamic Banking (continued)**

**c) Statement of Profit or Loss and Other Comprehensive Income for the 1st Quarter Ended 31 March 2019**

	1st Quarter Ended		Three Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
<b><u>Group</u></b>				
Profit for the period	<b>123,144</b>	112,348	<b>123,144</b>	112,348
Other comprehensive income / (loss):				
<u>Items that may be reclassified to profit or loss:</u>				
Net change in revaluation of financial investments:				
- at fair value through other comprehensive income	<b>26,175</b>	(11,753)	<b>26,175</b>	(11,753)
Net change in cash flow hedges	<b>(27,936)</b>	4,712	<b>(27,936)</b>	4,712
	<b>(1,761)</b>	(7,041)	<b>(1,761)</b>	(7,041)
Income tax effect	<b>423</b>	1,690	<b>423</b>	1,690
Other comprehensive loss for the period, net of tax	<b>(1,338)</b>	(5,351)	<b>(1,338)</b>	(5,351)
Total comprehensive income for the period	<b>121,806</b>	106,997	<b>121,806</b>	106,997

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**A30. Operations of Islamic Banking (continued)**

**d) Financing and Advances**

By type and contract

31 March 2019	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
<b>At amortised cost</b>							
Cash line	1,685,869	-	-	-	-	-	1,685,869
Term financing							
- House financing	4,680,351	-	-	13,698,112	-	-	18,378,463
- Syndicated financing	1,485,829	-	-	-	-	-	1,485,829
- Hire purchase receivables	-	9,207,004	-	-	-	-	9,207,004
- Other term financing	3,852,331	-	1,655,195	10,124,402	-	106,919	15,738,847
Credit card receivables	-	-	-	-	-	21,892	21,892
Bills receivables	-	-	-	-	2,160	-	2,160
Trust receipts	-	-	-	-	2,870	-	2,870
Claims on customers under acceptance credits	-	-	-	-	177,293	-	177,293
Revolving credits	243,406	-	-	-	-	-	243,406
Staff financing	-	8,017	-	75,575	-	-	83,592
Gross financing and advances	11,947,786	9,215,021	1,655,195	23,898,089	182,323	128,811	47,027,225
Allowance for impairment on financing and advances:							
- Expected credit losses							(305,949)
- Stage 1: 12-Month ECL							(144,486)
- Stage 2: Lifetime ECL not credit-impaired							(73,791)
- Stage 3: Lifetime ECL credit-impaired							(87,672)
Net financing and advances							46,721,276

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**A30. Operations of Islamic Banking (continued)**

**d) Financing and Advances (continued)**

By type and contract (continued)

<b>31 December 2018</b>	<b>Bai' Bithaman Ajil RM'000</b>	<b>Ijarah Thumma Al-Bai' RM'000</b>	<b>Bai' Inah RM'000</b>	<b>Musharakah Mutanaqisah RM'000</b>	<b>Murabahah RM'000</b>	<b>Others RM'000</b>	<b>Total Financing and Advances RM'000</b>
<b>At amortised cost</b>							
Cash line	1,639,516	-	-	-	-	-	1,639,516
Term financing							
- House financing	4,553,457	-	-	13,161,403	-	-	17,714,860
- Syndicated financing	1,441,460	-	-	-	-	-	1,441,460
- Hire purchase receivables	-	9,662,180	-	-	-	-	9,662,180
- Other term financing	3,468,827	-	1,681,610	9,724,292	-	105,517	14,980,246
Credit card receivables	-	-	-	-	-	21,776	21,776
Bill receivables	-	-	-	-	2,267	-	2,267
Trust receipts	-	-	-	-	5,200	-	5,200
Claims on customers under acceptance credits	-	-	-	-	173,522	-	173,522
Revolving credits	221,221	-	-	-	-	-	221,221
Staff financing	-	8,212	-	73,307	-	-	81,519
Gross financing and advances	11,324,481	9,670,392	1,681,610	22,959,002	180,989	127,293	45,943,767
Allowance for impairment on financing and advances:							
- Expected credit losses							(313,768)
- Stage 1: 12-Month ECL							(144,142)
- Stage 2: Lifetime ECL not credit-impaired							(77,514)
- Stage 3: Lifetime ECL credit-impaired							(92,112)
Net financing and advances							<u>45,629,999</u>

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**A30. Operations of Islamic Banking** (continued)

**d) Financing and Advances** (continued)

Movements in credit-impaired ("impaired") financing and advances are as follows:

	<b>Group</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
At 1 January	277,731	244,386
Impaired during the period / year	145,818	673,794
Reclassified as non-impaired	(132,051)	(506,901)
Recoveries	(15,161)	(50,578)
Amount written off	(20,424)	(77,993)
Financing converted to foreclosed properties	(1,356)	(4,977)
Closing balance	<u>254,557</u>	<u>277,731</u>
Gross impaired financing and advances as a percentage of gross financing and advances	<u>0.54%</u>	<u>0.60%</u>

**e) Deposits from Customers**

	<b>Group</b>	
	<b>31 March 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b>By type of deposit and contract</b>		
<b>At amortised cost</b>		
Savings deposit		
- Qard	6,546,424	6,479,885
Demand deposit		
- Qard	4,541,741	4,338,942
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai' Bithaman Ajil	23,039	23,149
- Commodity Murabahah	36,822,179	35,286,960
- Special term deposit account		
- Qard	9,007,544	7,510,639
	<u>56,940,927</u>	<u>53,639,575</u>



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**A31. Changes in Accounting Policies**

**Effects of adoption of MFRS 16 Leases**

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and its related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. MFRS 16 introduces a single accounting model for a lessee and eliminates the classification of leases by the lessee as either finance leases (on-balance sheet) or operating leases (off-balance sheet).

i) Lessee

At the commencement date of a lease, a lessee will recognise a lease liability to make lease payments and an asset representing the "right to use" of the underlying asset during the lease term. Subsequently, the "right-of-use" asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the profit or loss.

ii) Lessor

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessor will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The changes in accounting policies have been applied retrospectively from 1 January 2019. In accordance with the transition requirements, comparatives are not restated.

The following table analyses the impact, net of tax, of transition to MFRS 16 on the statements of financial position of the Group and of the Bank:

	<b>Impact of adopting MFRS 16 as at 1 January 2019</b>	
	<b>Group</b>	<b>Bank</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Deferred Tax Assets</b>		
Closing balance at 31 December 2018	81,374	-
- Recognition of deferred tax under MFRS 16	2,155	-
Opening balance at 1 January 2019	83,529	-
<b>Right-of-use assets</b>		
Closing balance at 31 December 2018	-	-
- Recognition of right-of-use assets under MFRS 16	957,000	1,239,991
- Reclassification from property and equipment	90,488	90,488
Opening balance at 1 January 2019	1,047,488	1,330,479
<b>Property and equipment</b>		
Closing balance at 31 December 2018	1,567,199	711,274
- Reclassification to right-of-use assets	(90,488)	(90,488)
Opening balance at 1 January 2019	1,476,711	620,786

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**A31. Changes in Accounting Policies** (continued)

**Effects of adoption of MFRS 16 Leases** (continued)

The following table analyses the impact, net of tax, of transition to MFRS 16 on the statements of financial position of the Group and of the Bank (continued):

	<b>Impact of adopting MFRS 16 as at 1 January 2019</b>	
	<b>Group RM'000</b>	<b>Bank RM'000</b>
<b>Lease Liabilities</b>		
Closing balance at 31 December 2018	-	-
- Recognition of lease liabilities under MFRS 16	1,008,643	1,296,442
- Reclassification from other liabilities	95,666	95,666
Opening balance at 1 January 2019	<u>1,104,309</u>	<u>1,392,108</u>
<b>Other Liabilities</b>		
Closing balance at 31 December 2018	4,975,470	3,416,816
- Reclassification to lease liabilities	(95,666)	(95,666)
Opening balance at 1 January 2019	<u>4,879,804</u>	<u>3,321,150</u>
<b>Deferred tax liabilities</b>		
Closing balance at 31 December 2018	141,948	84,502
- Recognition of deferred tax under MFRS 16	(9,927)	(13,548)
Opening balance at 1 January 2019	<u>132,021</u>	<u>70,954</u>
<b>Retained Profits</b>		
Closing balance at 31 December 2018	28,317,913	23,551,092
- Recognition of right-of-use assets	957,000	1,239,991
- Recognition of lease liabilities	(1,008,643)	(1,296,442)
- Non-controlling Interests' share of impact arising from adoption of MFRS 16 in respect of foreign operations	931	-
- Recognition of deferred tax under MFRS 16	12,082	13,548
Opening balance at 1 January 2019	<u>28,279,283</u>	<u>23,508,189</u>
<b>Non-controlling Interests</b>		
Closing balance at 31 December 2018	1,123,407	-
- Non-controlling Interests' share of impact arising from adoption of MFRS 16 in respect of foreign operations	(931)	-
Opening balance at 1 January 2019	<u>1,122,476</u>	<u>-</u>

The financial effects due to the changes in accounting policies have been adjusted to the statements of financial position and capital adequacy ratios of the Group and of the Bank as at 1 January 2019. There are no changes to the comparatives in the statements of profit or loss and statements of cash flows of the Group and of the Bank. A reconciliation of these changes is summarised in the following tables.

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**A31. Changes in Accounting Policies (continued)**

**Effects of adoption of MFRS 16 Leases (continued)**

<b>Group Statement of Financial Position</b>	<b>31 December 2018 RM'000</b>	<b>Remeasurement RM'000</b>	<b>Reclassification RM'000</b>	<b>1 January 2019 RM'000</b>
<b>ASSETS</b>				
Cash and balances with banks	14,740,218			14,740,218
Reverse repurchase agreements	200,881			200,881
Financial assets at fair value through profit or loss	2,380,134			2,380,134
Derivative financial assets	185,891			185,891
Financial investments at fair value through other comprehensive income	42,342,483			42,342,483
Financial investments at amortised cost	27,018,444			27,018,444
Loans, advances and financing	315,259,166			315,259,166
Other assets	2,393,887			2,393,887
Statutory deposits with Central Banks	10,279,227			10,279,227
Deferred tax assets	81,374	2,155		83,529
Investment in associated companies	70,416			70,416
Investment properties	719,207			719,207
Right-of-use assets	-	957,000	90,488	1,047,488
Property and equipment	1,567,199		(90,488)	1,476,711
Intangible assets	2,454,755			2,454,755
<b>TOTAL ASSETS</b>	<b>419,693,282</b>	<b>959,155</b>	<b>-</b>	<b>420,652,437</b>
<b>LIABILITIES</b>				
Deposits from customers	339,159,892			339,159,892
Deposits from banks	9,483,154			9,483,154
Obligations on securities sold under repurchase agreements	4,045,605			4,045,605
Bills and acceptances payable	214,592			214,592
Recourse obligations on loans sold to Cagamas	5,500,003			5,500,003
Derivative financial liabilities	297,664			297,664
Debt securities issued and other borrowed funds	13,436,794			13,436,794
Lease liabilities	-	1,008,643	95,666	1,104,309
Other liabilities	4,975,470		(95,666)	4,879,804
Provision for tax expense and zakat	341,697			341,697
Deferred tax liabilities	141,948	(9,927)		132,021
<b>TOTAL LIABILITIES</b>	<b>377,596,819</b>	<b>998,716</b>	<b>-</b>	<b>378,595,535</b>
<b>EQUITY</b>				
Share capital	9,417,653			9,417,653
Regulatory reserves	1,806,123			1,806,123
Other reserves	1,431,367			1,431,367
Retained profits	28,317,913	(38,630)		28,279,283
<b>Equity attributable to equity holders of the Bank</b>	<b>40,973,056</b>	<b>(38,630)</b>		<b>40,934,426</b>
Non-controlling interests	1,123,407	(931)		1,122,476
<b>TOTAL EQUITY</b>	<b>42,096,463</b>	<b>(39,561)</b>	<b>-</b>	<b>42,056,902</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>419,693,282</b>	<b>959,155</b>	<b>-</b>	<b>420,652,437</b>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b>10.55</b>			<b>10.54</b>

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**A31. Changes in Accounting Policies (continued)**

**Effects of adoption of MFRS 16 Leases (continued)**

<b>Bank</b>				<b>1 January</b>
<b>Statement of Financial Position</b>	<b>31 December</b>	<b>Remeasurement</b>	<b>Reclassification</b>	<b>2019</b>
	<b>2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>2019</b>
	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>				
Cash and balances with banks	9,416,853			9,416,853
Financial assets at fair value through profit or loss	2,293,636			2,293,636
Derivative financial assets	193,101			193,101
Financial investments at fair value through other comprehensive income	29,070,703			29,070,703
Financial investments at amortised cost	20,572,364			20,572,364
Loans and advances	247,690,397			247,690,397
Other assets	2,366,764			2,366,764
Statutory deposits with Central Banks	7,258,452			7,258,452
Collective investments	5,517,109			5,517,109
Investment in subsidiary companies	5,955,494			5,955,494
Investment in an associated company	45,000			45,000
Right-of-use assets	-	1,239,991	90,488	1,330,479
Property and equipment	711,274		(90,488)	620,786
Intangible assets	695,393			695,393
<b>TOTAL ASSETS</b>	<b>331,786,540</b>	<b>1,239,991</b>	<b>-</b>	<b>333,026,531</b>
<b>LIABILITIES</b>				
Deposits from customers	258,877,559			258,877,559
Deposits from banks	12,487,063			12,487,063
Obligations on securities sold under repurchase agreements	4,045,605			4,045,605
Bills and acceptances payable	214,388			214,388
Recourse obligations on loans sold to Cagamas	5,500,003			5,500,003
Derivative financial liabilities	289,995			289,995
Debt securities issued and other borrowed funds	11,341,598			11,341,598
Lease liabilities	-	1,296,442	95,666	1,392,108
Other liabilities	3,416,816		(95,666)	3,321,150
Provision for tax expense	249,207			249,207
Deferred tax liabilities	84,502	(13,548)		70,954
<b>TOTAL LIABILITIES</b>	<b>296,506,736</b>	<b>1,282,894</b>	<b>-</b>	<b>297,789,630</b>
<b>EQUITY</b>				
Share capital	9,417,653			9,417,653
Regulatory reserves	1,461,892			1,461,892
Other reserves	849,167			849,167
Retained profits	23,551,092	(42,903)		23,508,189
<b>TOTAL EQUITY</b>	<b>35,279,804</b>	<b>(42,903)</b>	<b>-</b>	<b>35,236,901</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>331,786,540</b>	<b>1,239,991</b>	<b>-</b>	<b>333,026,531</b>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>	<b>9.09</b>			<b>9.08</b>

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**A31. Changes in Accounting Policies (continued)**

**Effects of adoption of MFRS 16 Leases (continued)**

Based on the Capital Adequacy Frameworks issued by Bank Negara Malaysia, the “right-of-use assets” will be accorded a risk weight of 100% for the computation of risk-weighted assets.

<b>Capital adequacy</b>	<b>31 December 2018 RM'000</b>	<b>Impact of Adopting MFRS 16 RM'000</b>	<b>1 January 2019 RM'000</b>
<b>Group</b>			
CET I capital	36,540,563	(40,785)	36,499,778
Tier I capital	38,261,190	(40,785)	38,220,405
Total capital	45,152,594	(28,496)	45,124,098
Risk-weighted assets	268,125,136	957,000	269,082,136
<u>Before deducting interim dividends *</u>			
CET I capital ratio (%)	13.628%	-0.063%	13.565%
Tier I capital ratio (%)	14.270%	-0.066%	14.204%
Total capital ratio (%)	16.840%	-0.070%	16.770%
<u>After deducting interim dividends *</u>			
CET I capital ratio (%)	13.092%	-0.061%	13.031%
Tier I capital ratio (%)	13.734%	-0.064%	13.670%
Total capital ratio (%)	16.304%	-0.068%	16.236%
<b>Bank</b>			
CET I capital	27,211,898	(42,903)	27,168,995
Tier I capital	28,871,200	(42,903)	28,828,297
Total capital	34,320,312	(27,403)	34,292,909
Risk-weighted assets	215,000,346	1,239,991	216,240,337
<u>Before deducting interim dividends *</u>			
CET I capital ratio (%)	12.657%	-0.093%	12.564%
Tier I capital ratio (%)	13.428%	-0.096%	13.332%
Total capital ratio (%)	15.963%	-0.104%	15.859%
<u>After deducting interim dividends *</u>			
CET I capital ratio (%)	11.989%	-0.089%	11.900%
Tier I capital ratio (%)	12.760%	-0.093%	12.667%
Total capital ratio (%)	15.295%	-0.101%	15.194%

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

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

**B1. Performance Review**

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

<b>Key Profit or Loss Items:</b>	<b>Group</b>			
	<b>Three Months Ended</b>			
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>Variance RM'000</b>	<b>%</b>
Profit before tax expense and zakat	1,819,260	1,793,959	25,301	1.4
Net profit attributable to equity holders of the Bank	1,410,093	1,405,380	4,713	0.3
Other comprehensive income / (loss) (net)	55,179	(167,422)	222,601	133.0

<b>Key Balance Sheet Items:</b>	<b>Group</b>			
	<b>As At</b>			
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>Variance RM'000</b>	<b>%</b>
Gross loans, advances and financing	320,421,859	306,772,500	13,649,359	4.4
Gross impaired loan and financing (%)	0.50%	0.48%	n/a	0.02
Deposits from customers	343,000,203	325,891,195	17,109,008	5.2

The Group's pre-tax profit for the 1st quarter ended 31 March 2019 of RM1,819.3 million was RM25.3 million or 1.4% higher as compared to the pre-tax profit in the previous corresponding quarter of RM1,794.0 million. Net profit attributable to equity holders improved marginally by RM4.7 million or 0.3% to RM1,410.1 million. The higher earnings was mainly due to lower loan impairment allowance of RM71.7 million and higher investment income of RM38.1 million (192.3%). These were partially offset by lower net fee and commission income of RM37.0 million (-8.1%) which were mainly due to lower unit trust management related fee income, lower foreign exchange income of RM33.8 million (-35.5%) and higher operating overheads of RM25.6 million (2.8%).

Other comprehensive income (net) of the Group for the current period was RM55.2 million as compared to other comprehensive loss (net) of RM167.4 million in the previous year corresponding quarter, which was mainly due to the gain on revaluation of financial investments and lower foreign currency translation loss in respect of foreign operations, offset by loss on cash flows hedges.

The Group's profit continued to be supported by healthy loans and customer deposits growth coupled with stable asset quality. Gross loans grew by RM13.6 billion or 4.4% to RM320.4 billion as at 31 March 2019 as compared to RM306.8 billion as at 31 March 2018, mainly driven by growth in property financing and corporate lending. Total deposits from customers increased by 5.2% or RM17.1 billion to RM343.0 billion as at 31 March 2019. The Group's gross impaired loan ratio continued to remain stable at 0.5% as at 31 March 2019. This was attributed to the Group's consistent adoption of stringent credit underwriting and proactive recovery processes.

The Group's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at a healthy level of 12.9%, 13.4% and 16.0% respectively. The Group's liquidity position also remained stable and healthy with gross loans to fund and equity ratio maintained at 79.0% as at 31 March 2019.

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**B1. Performance Review (continued)**

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

The performance of the respective operating segments for the financial period ended 31 March 2019 as compared to the previous year corresponding period is analysed as follows:-

	<b>Group</b>		<b>Variance</b>	
	<b>Three Months Ended</b>			
<b>Profit Before Tax by Segments:</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>RM'000</b>	<b>%</b>
Retail operations	<b>894,595</b>	883,434	11,161	1.3
Hire purchase	<b>88,187</b>	88,633	(446)	(0.5)
Corporate lending	<b>155,583</b>	136,916	18,667	13.6
Treasury and capital market operations	<b>118,103</b>	188,561	(70,458)	(37.4)
Investment banking	<b>7,959</b>	12,508	(4,549)	(36.4)
Fund management	<b>158,590</b>	176,137	(17,547)	(10.0)
Head office and others	<b>208,499</b>	162,241	46,258	28.5
Total domestic operations	<b>1,631,516</b>	1,648,430	(16,914)	(1.0)
Overseas operations	<b>187,744</b>	145,529	42,215	29.0
	<b>1,819,260</b>	1,793,959	25,301	1.4

- 1) Retail Operations – Pre-tax profit increased by RM11.2 million (1.3%) to RM894.6 million mainly due to net writeback of loan impairment allowance in the current quarter and higher net interest income on higher average loan balances. These were partially offset by lower fee and other income and higher other operating expenses.
- 2) Hire purchase – Pre-tax profit decreased marginally by RM0.4 million (-0.5%) to RM88.2 million mainly due to lower net interest income as a result of lower net interest margin partially offset by lower loan impairment allowance.
- 3) Corporate lending – Pre-tax profit increased by RM18.7 million (13.6%) to RM155.6 million mainly due to net writeback of loan impairment allowance in the current quarter and higher fee and other income.
- 4) Treasury and capital market operations – Pre-tax profit decreased by RM70.5 million (-37.4%) to RM118.1 million mainly due to lower net interest income on treasury gapping, funding and liquidity management activities.
- 5) Investment banking – The decrease in pre-tax profit of RM4.5 million (-36.4%) to RM8.0 million was mainly due to lower brokerage income from stock-broking activities, partially offset by higher investment income.
- 6) Fund management – Pre-tax profit decreased by RM17.5 million (-10.0%) to RM158.6 million mainly due to lower fee on sale of trust units and lower management fee earned on lower average net asset value of funds under management arising from the weakness in the equity market.
- 7) Head office and others – Pre-tax profit increased by RM46.3 million (28.5%) to RM208.5 million mainly due to higher net interest income, lower other operating expenses, higher investment and other income.
- 8) Overseas operations – Pre-tax profit increased by RM42.2 million (29.0%) to RM187.7 million mainly due to lower loan impairment allowance, higher net interest income on higher average loan balances and higher fee and other income. These were partially offset by higher other operating expenses.

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**B1. Performance Review (continued)**

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

Key Profit or Loss Items:	Group Quarter Ended		Variance RM'000	%
	31 March 2019	31 December 2018		
	RM'000	RM'000		
Profit before tax expense and zakat	1,819,260	1,789,719	29,541	1.7
Net profit attributable to equity holders of the Bank	1,410,093	1,405,356	4,737	0.3
Other comprehensive income / (loss) (net)	55,179	(7,541)	62,720	831.7

For the 1st quarter ended 31 March 2019, the Group registered a pre-tax profit of RM1,819.3 million, an increase of RM29.5 million or 1.7% as compared to the pre-tax profit of RM1,789.7 million for the preceding quarter ended 31 December 2018. The increase in pre-tax profit was mainly due to higher investment income, higher foreign exchange income and net writeback of loan impairment allowance. These were partially offset by higher operating overheads, lower fee income and lower net interest income on shorter interest accrual period. Net profit attributable to equity holders increased marginally by RM4.7 million or 0.3% to RM1,410.1 million over the same period.

Other comprehensive income (net) of the Group for the current quarter of RM55.2 million as compared to other comprehensive loss (net) of RM7.5 million in the immediate preceding quarter was mainly due to the gain on revaluation of financial investments and lower loss on cash flow hedges. These were partially offset by higher foreign currency translation loss in respect of foreign operations.

**B3. Prospects for 2019**

In 2019, the global economy is expected to expand moderately with slower growth in both the advanced and major emerging markets. In the advanced economies, labour market will continue to support domestic demand but mitigated by slower investments and global trades. China's economy is expected to grow at a softer pace. In other parts of Asia, growth is expected to be moderate amid slower exports. Risks to the global outlook are tilted to the downside, mostly affected by global trade developments. Prolonged policy uncertainty and bouts of volatility in financial markets pose risks of greater volatility in capital flows to emerging markets.

The Malaysian economy is expected to sustain growth momentum with GDP growth of 4.3% – 4.8% in 2019 (2018: 4.7%). Domestic demand remains the anchor of growth, driven by private sector activity. Private consumption growth is expected to remain firm underpinned by stable labour market. Private investment will be supported by the implementation of ongoing multi-year projects, particularly in the manufacturing and services sectors.

Headline inflation is expected to be broadly stable at 0.7% – 1.7% in 2019 (2018: 1.0%), as domestic cost factors are offset by the implementation of price ceilings on domestic retail fuel prices.

The Malaysian banking system remains sound as financial institutions continue to operate with strong capital and liquidity buffers. Bank Negara Malaysia maintained the Overnight Policy Rate at 3.25% in March 2019 as the degree of monetary accommodativeness is deemed to be consistent with the intended policy stance.

The Public Bank Group will continue to be supported by ongoing demand for financing in residential properties, passenger vehicles as well as lending to the small and medium enterprises (“SMEs”). The Group will capitalise on its efficient customer service and extensive network to maintain its market position in the domestic retail segment. With focus on sustaining its operational excellence and efficiency, the Group continues to adopt prudent and responsible financing practices, while upholding strong corporate governance and compliance culture as well as sound risk management practices.



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**B3. Prospects for 2019 (continued)**

The Group is well-positioned to capitalise on opportunities in the residential property financing segment given its focus on home mortgages for own occupation and the broader mass market. The Group will continue to pursue growth opportunities by developing proactive marketing strategies backed by competitive pricing and product packages. The Group will also be supportive of the Government's efforts in promoting affordable housing.

The Public Bank Group is committed to enhance access to financing for all SMEs by offering innovative products and services to meet the needs of businesses. Aside from sustaining market leadership in the SME financing, the Group will continue to expand its corporate lending business by targeting existing clients with good track record and credit ratings as well as diversify its lending portfolio to other viable business sectors.

Amid challenges in the macro environment and market uncertainties, the Public Bank Group's treasury operations will remain vigilant while exercising caution in the execution of its growth strategy.

For the unit trust business, the Public Bank Group will continue to focus on offering a wide range of investment products and enhance its services to meet the diverse needs of investors. The private retail unit trust industry is expected to grow in tandem with market conditions.

The Public Bank Group will continue to proactively collaborate with AIA Bhd to remain competitive in the bancassurance segment, achieve higher penetration as well as enhance the suite of bancassurance products to meet its customers' needs.

By leveraging on its strong PB brand and prudent management practices, the Public Bank Group remains committed to expand organically and strengthen its regional presence.

For long-term sustainability, the Public Bank Group will continue to improve its delivery standards and infrastructure, particularly in terms of technology. In pursuit of continuous best-in-class customer service delivery, the Group will continue to leverage on digital technology and innovation which makes banking simpler and seamless across multi-delivery channels and touchpoints.

**B4. Profit Forecast or Profit Guarantee**

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

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**B5. Tax Expense and Zakat**

The analysis of the tax expense for the 1st quarter ended 31 March 2019 are as follows:

<b><u>Group</u></b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
Malaysian income tax	355,152	406,000	355,152	406,000
Overseas income tax	37,825	26,187	37,825	26,187
	<b>392,977</b>	432,187	<b>392,977</b>	432,187
(Over) / Under provision in prior years				
- Malaysian income tax	-	(19,920)	-	(19,920)
- Overseas income tax	(3,493)	196	(3,493)	196
	<b>389,484</b>	412,463	<b>389,484</b>	412,463
Deferred tax expense / (income)				
- Relating to origination and reversal of temporary differences	2,492	(41,348)	2,492	(41,348)
Tax expense	<b>391,976</b>	371,115	<b>391,976</b>	371,115
Zakat	75	65	75	65
	<b>392,051</b>	371,180	<b>392,051</b>	371,180

The Group's effective tax rate for the 1st quarter ended 31 March 2019 and 31 March 2018 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.

<b><u>Bank</u></b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2018 RM'000</b>
Malaysian income tax	311,371	385,465	311,371	385,465
Overseas income tax	3,439	2,016	3,439	2,016
	<b>314,810</b>	387,481	<b>314,810</b>	387,481
(Over) / Under provision in prior years				
- Malaysian income tax	-	(20,000)	-	(20,000)
- Overseas income tax	(3,509)	361	(3,509)	361
	<b>311,301</b>	367,842	<b>311,301</b>	367,842
Deferred tax income				
- Relating to origination and reversal of temporary differences	(2,629)	(43,547)	(2,629)	(43,547)
	<b>308,672</b>	324,295	<b>308,672</b>	324,295

The Bank's effective tax rate for the 1st quarter ended 31 March 2019 and 31 March 2018 were lower than the statutory tax rate mainly due to certain income not subject to tax.

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

There were no corporate proposals announced but not completed as at 31 March 2019.

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

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

**B8. Financial Risk Management**

There have been no significant changes since the end of the previous financial year in respect of the following:

- i) risk management policies in place for mitigating and controlling the risks associated with foreign exchange, interest/profit rate, liquidity and funding.
- ii) the hedging policies in respect of foreign exchange and interest/profit rate exposures.

The above information are discussed in the Financial Risk Management section of the audited annual financial statements for the financial year ended 31 December 2018 and Pillar 3 Disclosures section of the 2018 Annual Report.

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**B9. Debt Securities Issued and Other Borrowed Funds**

Group	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
<b>Unsecured</b>							
<b>As At 31 March 2019</b>							
Hong Kong Dollar ("HKD") term loan	566,857	-	-	-	566,857	-	566,857
United States Dollar ("USD") term loan	-	-	815,973	-	815,973	-	815,973
USD syndicated term loan	1,499,692	-	-	-	1,499,692	-	1,499,692
RM Senior Medium Term notes / sukuk murabahah	-	3,318,857	-	1,000,173	-	4,319,030	4,319,030
RM Subordinated notes / sukuk murabahah	-	3,499,981	-	499,951	-	3,999,932	3,999,932
RM Additional Tier I capital securities	-	99,491	-	-	-	99,491	99,491
RM Non-innovative Tier I stapled securities	-	-	-	2,093,103	-	2,093,103	2,093,103
	<b>2,066,549</b>	<b>6,918,329</b>	<b>815,973</b>	<b>3,593,227</b>	<b>2,882,522</b>	<b>10,511,556</b>	<b>13,394,078</b>
<b>As At 31 December 2018</b>							
HKD term loan	575,534	-	-	-	575,534	-	575,534
USD term loan	-	-	826,779	-	826,779	-	826,779
USD syndicated term loan	1,519,096	-	-	-	1,519,096	-	1,519,096
RM Senior Medium Term notes / sukuk murabahah	-	3,318,773	-	1,000,597	-	4,319,370	4,319,370
RM Subordinated notes / sukuk murabahah	-	3,499,980	-	499,887	-	3,999,867	3,999,867
RM Additional Tier I capital securities	-	99,462	-	-	-	99,462	99,462
RM Non-innovative Tier I stapled securities	-	-	-	2,096,686	-	2,096,686	2,096,686
	<b>2,094,630</b>	<b>6,918,215</b>	<b>826,779</b>	<b>3,597,170</b>	<b>2,921,409</b>	<b>10,515,385</b>	<b>13,436,794</b>
<b>As At 31 March 2018</b>							
HKD term loan	535,204	-	-	-	535,204	-	535,204
USD term loan	771,940	-	-	-	771,940	-	771,940
USD syndicated term loan	1,415,850	-	-	-	1,415,850	-	1,415,850
RM Senior Medium Term notes	-	2,001,613	-	399,984	-	2,401,597	2,401,597
RM Subordinated notes / sukuk murabahah	-	2,999,669	-	1,949,910	-	4,949,579	4,949,579
RM Non-innovative Tier I stapled securities	-	2,106,729	-	-	-	2,106,729	2,106,729
	<b>2,722,994</b>	<b>7,108,011</b>	<b>-</b>	<b>2,349,894</b>	<b>2,722,994</b>	<b>9,457,905</b>	<b>12,180,899</b>

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**B9. Debt Securities Issued and Other Borrowed Funds (continued)**

Bank	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
<b>Unsecured</b>							
<b>As At 31 March 2019</b>							
USD term loan	-	-	815,973	-	815,973	-	815,973
USD syndicated term loan	1,499,692	-	-	-	1,499,692	-	1,499,692
RM Senior Medium Term notes	-	2,799,061	-	1,000,173	-	3,799,234	3,799,234
RM Subordinated notes	-	2,999,981	-	-	-	2,999,981	2,999,981
RM Additional Tier I capital securities	-	99,491	-	-	-	99,491	99,491
RM Non-innovative Tier I stapled securities	-	-	-	2,093,103	-	2,093,103	2,093,103
	<u>1,499,692</u>	<u>5,898,533</u>	<u>815,973</u>	<u>3,093,276</u>	<u>2,315,665</u>	<u>8,991,809</u>	<u>11,307,474</u>
<b>As At 31 December 2018</b>							
USD term loan	-	-	826,779	-	826,779	-	826,779
USD syndicated term loan	1,519,096	-	-	-	1,519,096	-	1,519,096
RM Senior Medium Term notes	-	2,798,998	-	1,000,597	-	3,799,595	3,799,595
RM Subordinated notes	-	2,999,980	-	-	-	2,999,980	2,999,980
RM Additional Tier I capital securities	-	99,462	-	-	-	99,462	99,462
RM Non-innovative Tier I stapled securities	-	-	-	2,096,686	-	2,096,686	2,096,686
	<u>1,519,096</u>	<u>5,898,440</u>	<u>826,779</u>	<u>3,097,283</u>	<u>2,345,875</u>	<u>8,995,723</u>	<u>11,341,598</u>
<b>As At 31 March 2018</b>							
USD term loan	771,940	-	-	-	771,940	-	771,940
USD syndicated term loan	1,415,850	-	-	-	1,415,850	-	1,415,850
RM Senior Medium Term notes	-	2,001,613	-	399,984	-	2,401,597	2,401,597
RM Subordinated notes	-	1,999,975	-	1,949,910	-	3,949,885	3,949,885
RM Non-innovative Tier I stapled securities	-	2,106,729	-	-	-	2,106,729	2,106,729
	<u>2,187,790</u>	<u>6,108,317</u>	<u>-</u>	<u>2,349,894</u>	<u>2,187,790</u>	<u>8,458,211</u>	<u>10,646,001</u>
Exchange rates used:	HKD	USD					
As at 31 March 2019	0.51995	4.08125					
As at 31 December 2018	0.52820	4.13600					
As at 31 March 2018	0.49230	3.86400					

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**B10. Changes in Material Litigation**

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

**B11. Dividends**

No dividend has been proposed for the 1st quarter ended 31 March 2019.

**B12. Earnings Per Share**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net profit attributable to equity holders (RM'000)	<u><b>1,410,093</b></u>	<u>1,405,380</u>	<u><b>1,410,093</b></u>	<u>1,405,380</u>
Weighted average number of Public Bank Berhad Shares ('000)	<u><b>3,882,138</b></u>	<u>3,861,494</u>	<u><b>3,882,138</b></u>	<u>3,861,494</u>
Basic earnings per share (sen)	<u><b>36.3</b></u>	<u>36.4</u>	<u><b>36.3</b></u>	<u>36.4</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.