

PUBLIC BANK BERHAD
(6463-H)

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ANALYSIS OF THE FINANCIAL STATEMENTS

ANALYSIS OF THE BALANCE SHEET

Total Assets

The Public Bank Group's total assets stood at RM111.61 billion as at 31 December 2005, a growth of 21% as compared to the total assets as at 31 December 2004. The increase in total assets in 2005 was mainly driven by the increase in deposit placements by customers and financial institutions as well as funds from the issuance of USD400 million Subordinated Notes, which were channelled to fund the strong growth in loans, advances and financing as well as higher placement of interbank funds, particularly with Bank Negara Malaysia and higher holdings of securities purchased under resale agreements.

Cash and Short-Term Funds

The Group's cash and short-term funds registered a decline of 7% to RM18.36 billion as at 31 December 2005. The decrease was mainly due to the shift of funds to longer term placements with financial institutions and Bank Negara Malaysia.

Deposits and Placements with Banks and Other Financial Institutions

The Group's deposits and placements with banks and other financial institutions increased by RM7.25 billion in 2005. The increase was mainly due to higher placements with Bank Negara Malaysia resulting from the excess funds available from strong growth in deposits from customers and the issuance of USD400 million Subordinated Notes.

Securities Purchased under Resale Agreements

Securities purchased under resale agreements increased by RM3.37 billion, primarily on account of higher Malaysian Government Securities purchased.

Securities Held-for-Trading

The Group's holdings of securities held-for-trading declined by RM3.71 billion mainly due to the disposal of Cagamas Bonds and negotiable instruments of deposit.

Securities Available-for-Sale

The Group's holdings of securities available-for-sale increased by RM0.93 billion due to increased investment in highly rated private debt securities, as part of the Group's continued efforts to invest its funds in the capital market to enhance returns.

Securities Held-to-Maturity

The Group's securities held-to-maturity increased by RM1.40 billion due to increased holdings of money market instruments, particularly Malaysian Government Securities, Cagamas Bonds and negotiable instruments of deposit.

Loans, Advances and Financing

The Group's total gross loans, advances and financing grew strongly by 20% to RM68.10 billion in 2005 which was more than twice the annual growth rate for the Malaysian banking industry of 9.5% as at 30 November 2005. Consequently, the Group's overall domestic loans market share increased to 12% from 11% a year earlier.

The Group has consistently recorded a high and above industry level of loan growth, with growth rates close to or in excess of 20% annually since 2001. This was achieved through competitive pricing, innovative product packaging and proactive product enhancement as well as improved loan service delivery standards, including fast approval turnaround time and efficient documentation and disbursement processes.



ANALYSIS OF THE FINANCIAL STATEMENTS

The Group's lending operations continued to be focused on the retail sector. In 2005, 93% or RM63.25 billion of the Group's gross loans, advances and financing was channelled to finance the retail sector, in particular to cater for the business needs of small- and medium-sized enterprises ("SMEs") and for the purchase of residential properties and passenger vehicles. Lending to SMEs expanded by 13% to RM14.81 billion representing 22% of total gross loans, advances and financing as at end of 2005. Total lending for the purchase of residential properties and transport vehicles grew strongly by 22% to RM34.47 billion and accounted for 51% of gross loans, advances and financing at the end of 2005.

The Group's Islamic financing registered commendable growth of 16% in 2005 as compared to 7% growth in 2004. Total gross Islamic financing stood at RM7.35 billion as at end 2005 and accounted for 11% of the Group's overall loans, advances and financing. The strong growth reflects the Group's continued commitment to Bank Negara Malaysia's efforts to further develop the Islamic banking sector.

Lending to the corporate sector has been relatively flat, mainly due to loan disintermediation by the capital market, which saw continued preference by large corporations to access the private debt securities market as an alternative source of funding.

Gross non-performing loans of the Group fell by RM0.10 billion in 2005 to RM1.41 billion. The gross and net non-performing loans ratio improved to 2.1% and 1.7% from 2.7% and 2.1% respectively as at end of 2004. The net non-performing loans ratio is 72% lower than the banking system's net non-performing loans ratio of 6.0% as at 30 November 2005. The Group's continued improvement in asset quality is the result of a consistently prudent credit culture, policies and practices, which is complemented by strong credit risk management and proactive recovery processes.

The Group maintained a high level of loan loss coverage for its non-performing loans and financing, with its ratio of general allowance at 1.6% and loan loss coverage of 92% in 2005, as compared to the 52% coverage for the banking industry as at 30 November 2005.

Total Liabilities and Shareholders' Equity

The Group's total liabilities grew by RM19.36 billion in 2005, mainly from increases in deposits from customers, interbank deposit placements and funds from the issuance of USD400 million Subordinated Notes.

The Group's shareholders' funds remained strong at RM8.48 billion even after the payment of dividends of RM1.65 billion and further share buy-back totalling RM0.18 billion during the year. This was due to the strong net profit after tax registered for 2005 of RM1.45 billion and proceeds of RM0.29 billion from shares issued pursuant to the exercise of employees' share options under the Public Bank Berhad Employees' Share Option Scheme.

Deposits from Customers

The Group's customer deposits grew by 16% in 2005 to RM84.13 billion. The Group registered healthy growth in low cost current accounts and savings accounts of 10% and 9% respectively, as compared to the annual growth in the banking industry of 8% and 5% respectively as at 30 November 2005. The growth was mainly supported by the Group's extensive branch network and its high standards of customer service delivery. In addition, the Group also expanded its issuance of negotiable instruments of deposit by RM6.01 billion to fund the growth in its loan base as well as to develop the corporate customer deposit base.

Deposits from individuals, a stable source of funds, continued to be the Group's main source of deposits, accounting for 71% of the Group's core customer deposits of demand deposits, savings deposits and fixed deposits.



ANALYSIS OF THE FINANCIAL STATEMENTS

The Group's overall funding structure continued to improve with the strong growth in lower cost deposits. Current and savings accounts comprised 11% and 15% respectively of the customer deposit base as at the end of 2005. The ratio of fixed deposits to total deposits has declined further to 51% from 54% in 2004.

The Group's gross loans to deposits ratio has increased slightly to 81% as at 31 December 2005 from 79% a year ago.

Deposits and Placements of Banks and Other Financial Institutions

Deposits and placements of banks and other financial institutions increased by RM4.72 billion or 160% to RM7.68 billion as part of the Group's funding of its gapping operations.

Obligations on Securities Sold under Repurchase Agreements

Obligations on securities sold under repurchase agreements increased by RM0.78 billion due to the Group's efforts to develop the short term corporate customer deposit base.

Bills and Acceptances Payable

The Group's Bills and Acceptances Payable increased by RM0.87 billion in 2005, as a result of higher volume of bankers' acceptances rediscounted.

Recourse Obligations on Loans Sold to Cagamas

Recourse obligations on loans sold to Cagamas decreased by RM0.06 billion due to repayment to Cagamas.

Subordinated Notes

The Group issued an additional USD400 million Subordinated Notes in 2005, with the objective of providing the Group with the capacity to expand its business and balance sheet without burdening shareholders for more equity capital, thus improving the return on equity.

Commitments and Contingencies

Commitments and contingencies increased by RM9.17 billion to RM28.95 billion mainly on account of higher foreign exchange related contract and interest rate related contracts as well as the increase in irrevocable commitments to extend credit. However, in terms of credit equivalent of the commitment and contingencies, there was only an increase of RM0.53 billion.

ANALYSIS OF THE INCOME STATEMENT

Net Interest Income

Net interest income of the Public Bank Group grew by 7% to RM2,484 million in 2005 as compared to the 11% growth registered in 2004. The lower growth in net interest income, despite the continued strong double-digit growth in interest bearing assets, was due to further reduction in net interest margin mainly as a result of competitive pressures. The Group's average net interest margin on interest bearing assets, excluding funds from issuance of NIDs, fell by 50 basis points to 3.6% in 2005 from 4.1% in 2004. The pressure on net interest margin was more pronounced for the new passenger vehicle hire purchase financing segment which continue to record a higher margin contraction in 2005.

The Public Bank Group's continued proactive asset-liability management in 2005 resulted in higher net interest margin earned on its fund-based portfolio.

Net interest income was the main contributor of total income, accounting for 65% (2004: 67%) of the total income of the Group.



ANALYSIS OF THE FINANCIAL STATEMENTS

Net income from Islamic Banking Business

Net income from the Group's Islamic Banking operation increased by 7% or RM26 million to RM407 million. This was largely contributed by higher net financing income of RM16 million arising from growth in Islamic financing. Islamic Banking income accounted for 11% of the Group's total income.

Other Operating Income

Other operating income of the Group improved by 24% to RM918 million in 2005 as compared to RM742 million in 2004. The growth was mainly attributed to higher income from the Group's fund management activities as well as higher fees and transaction income from retail banking operations. Fees from unit trust funds under management grew by 17% to RM136 million on the back of strong growth in net asset value of unit trust funds under management of 22%, while the gain on sale of trust units rose by 52% to RM133 million due to the strong interest in the Group's 7 new unit trust funds launched during the year as well as existing funds. Transactional fees, commission income and service charges grew by 6% or RM22 million, whilst foreign exchange profits rose by 11% or RM8 million in 2005. These increases were offset by lower net gain from sale of securities held-for-trading in 2005 of RM29 million.

The Group's other operating income for 2005 accounted for 24% (2004: 22%) of total income.

Other Operating Expenses

The Group's other operating expenses rose by 7% to RM1,399 million in 2005. Personnel cost amounted to RM704 million and accounted for 50% of other operating expenses. The staff strength of the Group remained stable at 12,800 at the end of 2005 as compared to 12,659 a year ago. Salaries, allowances and bonuses increased by 5%, while pension costs fell by 17% due to the recognition of actuarial gains of RM20 million in respect of the Group's retirement benefit plan. Administration and general expenses and establishment cost, which together contributed to 31% of other operating expenses, increased by 3% and 4% respectively in 2005. Marketing expenses increased by RM63 million or 31% to RM267 million in 2005 primarily due to higher sales commission paid for increased gross sales of trust units as well as the launch of the 7 new unit trust funds by the Group's fund management business.

As the 7% increase in other operating expenses was lower than the growth in net income of 11%, the cost income ratio of the Group improved further to 36.7% for 2005 from 37.9% in 2004. This reflected the Group's higher efficiency and productivity.

Allowance for Losses on Loans, Advances and Financing

The allowance for losses on loans, advances and financing of the Group amounted to RM382 million in 2005, an increase of RM111 million compared to the previous year. This was mainly attributed to higher general allowance by RM92 million due to the higher loans growth achieved in 2005. Specific allowance written back decreased by RM32 million and this was partially mitigated by higher bad debt financing recovered of RM19 million.

Impairment Written back/(Losses)

Impairment written back in 2005 was RM15 million as compared to an impairment loss of RM17 million in 2004. Impairment written back during the year arose mainly from securities held-to-maturity and investment properties.

Tax Expense and Zakat

The Group's effective tax rate of 25% in 2005 was lower than the statutory tax rate of 28% due to the effects of lower tax rates in other jurisdictions.



STATEMENT OF RESPONSIBILITY BY DIRECTORS

in respect of the preparation of the annual audited financial statements

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Bank are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965, Bank Negara Malaysia's Guidelines and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Bank are prepared with reasonable accuracy from the accounting records of the Group and the Bank so as to give a true and fair view of the state of affairs of the Group and the Bank as at 31 December 2005, and of the results of their operations and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have:

- a. applied the appropriate and relevant accounting policies on a consistent basis;
- b. made judgments and estimates that are reasonable and prudent; and
- c. prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Bank to prevent and detect fraud and other irregularities.



DIRECTORS' REPORT

for the financial year ended 31 December 2005

The Directors have pleasure in presenting to the members their report together with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in all aspects of banking and finance company businesses which include Islamic banking and the provision of related financial services.

The principal activities of the subsidiary and associated companies are as disclosed in Notes 12 and 13 to the financial statements respectively.

There have been no significant changes to these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Bank RM'000
Profit before tax expense and zakat	2,048,670	1,733,179
Tax expense and zakat	(512,238)	(452,287)
Profit after tax expense and zakat	1,536,432	1,280,892
Minority interests	(86,151)	—
Net profit for the year	1,450,281	1,280,892

DIVIDENDS

The amount of dividends paid by the Bank since 31 December 2004 were as follows:

	RM'000
In respect of financial year ended 31 December 2004 as approved by the shareholders: Final dividend of 35% and special dividend of 15% on 3,273,368,160 ordinary shares of RM1.00 each, less 28% tax, paid on 12 April 2005	1,178,412
In respect of the financial year ended 31 December 2005: Interim dividend of 20% on 3,286,171,908 ordinary shares of RM1.00 each, less 28% tax, paid on 18 August 2005	473,209
	1,651,621

DIRECTORS' REPORT

for the financial year ended 31 December 2005

DIVIDENDS (continued)

The Directors recommend the payment of a final dividend of 20% and a special dividend of 15%, less 28% tax respectively, amounting to approximately RM829.9 million (representing a total of 25.2 sen net per share) in respect of the current financial year. This is computed based on the issued and paid-up capital as at 31 December 2005, excluding treasury shares held by the Bank, of 3,293,188,589 ordinary shares of RM1.00 each, to be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the Directors.

ISSUE OF SHARES

During the financial year, the issued and paid-up share capital of the Bank was increased from 3,355,767,324 ordinary shares of RM1.00 each in the Bank ("PBB Shares") to 3,417,373,089 PBB Shares by the issuance of 61,605,765 PBB Shares, pursuant to the exercise of options granted under the Public Bank Berhad Employees' Share Option Scheme at the following option prices:

Number of PBB Shares issued:	Option price per share
64,489	RM1.64
1,123,850	RM3.40
10,627,351	RM3.56
10,331,375	RM4.60
35,817,000	RM4.92
3,641,700	RM6.37

All the new ordinary shares that were issued rank pari passu in all respects with the existing ordinary shares of the Bank.

SHARE BUY-BACK

On 30 March 2005, the shareholders of the Bank renewed their approval for the Bank to buy-back its own shares. During the financial year, the Bank bought back from the open market, 24,007,100 PBB Shares listed and quoted as "Local" on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average buy-back price of RM7.61 per share. The total consideration paid for the share buy-back of PBB Shares by the Bank during the financial year, including transaction costs, was RM183,158,887 and was financed by internally generated funds. The PBB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. None of the treasury shares held were resold or cancelled during the financial year.

As at 31 December 2005, the Bank held 124,184,500 PBB Shares as treasury shares out of its total issued and paid-up share capital of 3,417,373,089 PBB Shares. Such treasury shares are held at a carrying amount of RM784,599,937. Further information is disclosed in Note 27 to the financial statements.

PUBLIC BANK BERHAD GROUP EMPLOYEES' SHARE OPTION SCHEME

Details of the Public Bank Berhad Group Employees' Share Option Scheme ("PBB ESOS") are as disclosed in Note 23(b) to the financial statements. The expiry date of the PBB ESOS is on 25 February 2008.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

PUBLIC BANK BERHAD GROUP EMPLOYEES' SHARE OPTION SCHEME (continued)

In respect of the offers of PBB ESOS on 10 January 2005 and 5 December 2005 at an exercise price of RM6.37 and RM5.67 respectively per PBB Share, the Bank has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders who have been granted options in aggregate of less than 200,000 options. The names of option holders and the number of options granted which in aggregate are 200,000 options or more are as follows:

Name of Option Holders	Number of PBB Share Options Granted
Dato' Chang Kat Kiam	253,000
Leong Kwok Nyem	253,000
Wong Jee Seng	253,000
Cheng Siew Ngoh, Jenny	215,000
Chia Lee Kee	215,000
Soong Hoe Seng	215,000

Details of options granted to Directors are disclosed in the section on Directors' Interests in this report.

Other than as disclosed, no other options were granted to any person to take up unissued shares of the Bank during the year.

RESERVES, PROVISIONS AND ALLOWANCES

There were no material transfers to or from reserves or provisions or allowances during the year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS AND FINANCING

Before the income statements and balance sheets of the Group and the Bank were made out, the Directors took reasonable steps to ascertain that actions had been taken in relation to the writing off of bad debts and financing and the making of allowance for doubtful debts and financing, and satisfied themselves that all known bad debts and financing had been written off and adequate allowance had been made for doubtful debts and financing.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts and financing, or the amount of the allowance for doubtful debts and financing in the financial statements of the Group and the Bank, inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets of the Group and the Bank were made out, the Directors took reasonable steps to ensure that current assets, other than debts and financing, which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Group and the Bank have been written down to an amount which they might be expected to realise.



DIRECTORS' REPORT

for the financial year ended 31 December 2005

CURRENT ASSETS (continued)

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Bank misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets and liabilities in the financial statements of the Group and the Bank misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Group or the Bank that has arisen since the end of the financial year other than those incurred in the ordinary course of business.

No contingent or other liability of the Group and the Bank has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or the Bank to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and the Bank, which would render any amount stated in the financial statements misleading.

ITEMS OF UNUSUAL NATURE

The results of the operations of the Group and the Bank during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and the Bank for the current financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE YEAR

The significant events during the financial year are as disclosed in Note 52 to the financial statements.

SUBSEQUENT EVENTS

There were no material events subsequent to the balance sheet date that requires disclosure or adjustments to the financial statements.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

DIRECTORS

The Directors who served since the date of the last report are:

Tan Sri Dato' Sri Dr. Teh Hong Piow

Tan Sri Dato' Thong Yaw Hong

Dato' Sri Tay Ah Lek

Dato' Lee Kong Lam

Dato' Yeoh Chin Kee

Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah

Haji Abdul Aziz bin Omar

Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff

Lee Chin Guan

In accordance with Article 111 of the Bank's Articles of Association, Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah and Haji Abdul Aziz bin Omar retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Tan Sri Dato' Sri Dr. Teh Hong Piow, Tan Sri Dato' Thong Yaw Hong and Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff retire pursuant to Section 129 of the Companies Act, 1965 at the forthcoming Annual General Meeting and offer themselves for re-appointment in accordance with Section 129 of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Bank.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of the Directors in office at the end of the financial year in shares and in options in the Bank and its subsidiary company during the financial year were as follows:

Shares Held in the Bank	Number of Ordinary Shares of RM1.00 Each			
	Balance at 1.1.2005	Exercise of PBB Share Options	Disposed	Balance at 31.12.2005
Direct shareholdings:				
Tan Sri Dato' Sri Dr. Teh Hong Piow	781,250	20,743,000	—	21,524,250
Tan Sri Dato' Thong Yaw Hong	1,368,750	1,650,000	—	3,018,750
Dato' Sri Tay Ah Lek	5,822,609	9,312,500	9,325,000	5,810,109
Dato' Lee Kong Lam	1,361,171	3,593,750	2,500,000	2,454,921
Dato' Yeoh Chin Kee	250,000	2,000,000	1,140,000	1,110,000
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah	1,750,000	—	1,450,000	300,000
Haji Abdul Aziz bin Omar	—	1,250,000	888,000	362,000
Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff	1,250,000	—	800,000	450,000
Lee Chin Guan	1,250,000	—	—	1,250,000

DIRECTORS' REPORT

for the financial year ended 31 December 2005

DIRECTORS' INTERESTS (continued)

	Number of Ordinary Shares of RM1.00 Each			
	Balance at 1.1.2005	Acquired	Disposed	Balance at 31.12.2005
Deemed interests:				
Tan Sri Dato' Sri Dr. Teh Hong Piow	799,668,596	—	13,200,000	786,468,596
Tan Sri Dato' Thong Yaw Hong	771,875	—	—	771,875
Dato' Sri Tay Ah Lek	139,482	—	—	139,482
Dato' Lee Kong Lam	800,000	—	—	800,000
Dato' Yeoh Chin Kee	25,000	500,000	125,000	400,000

Share Options Held in the Bank – Share Options Held under the Public Bank Berhad (“PBB”) Employees' Share Option Scheme	Number of PBB Share Options				
	Option Price RM	Balance at 1.1.2005	Granted	Exercised	Balance at 31.12.2005
Tan Sri Dato' Sri Dr. Teh Hong Piow	4.92	20,743,000	—	20,743,000	—
Tan Sri Dato' Thong Yaw Hong	4.92	1,400,000	—	1,400,000	—
	6.37	—	2,250,000	250,000	2,000,000
	5.67	—	2,500,000	—	2,500,000
Dato' Sri Tay Ah Lek	3.56	2,312,500	—	2,312,500	—
	4.60	2,000,000	—	2,000,000	—
	4.92	5,000,000	—	5,000,000	—
	6.37	—	4,500,000	—	4,500,000
	5.67	—	4,000,000	—	4,000,000
Dato' Lee Kong Lam	3.56	93,750	—	93,750	—
	4.60	250,000	—	250,000	—
	4.92	3,250,000	—	3,250,000	—
	6.37	—	2,925,000	—	2,925,000
	5.67	—	2,600,000	—	2,600,000
Dato' Yeoh Chin Kee	4.92	2,000,000	—	2,000,000	—
	6.37	—	2,025,000	—	2,025,000
	5.67	—	2,250,000	—	2,250,000
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah	6.37	—	1,800,000	—	1,800,000
	5.67	—	2,000,000	—	2,000,000
Haji Abdul Aziz bin Omar	4.92	1,250,000	—	1,250,000	—
	6.37	—	1,125,000	—	1,125,000
	5.67	—	1,250,000	—	1,250,000
Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff	6.37	—	1,125,000	—	1,125,000
	5.67	—	1,250,000	—	1,250,000
Lee Chin Guan	6.37	—	1,125,000	—	1,125,000
	5.67	—	1,250,000	—	1,250,000

DIRECTORS' REPORT

for the financial year ended 31 December 2005

DIRECTORS' INTERESTS (continued)

Shares Held in its Subsidiary Company, JCG Holdings Limited ("JCGH")	Number of Ordinary Shares of HKD0.10 Each			
	Balance at 1.1.2005	Exercise of JCGH Share Options	Disposed	Balance at 31.12.2005
Direct shareholdings:				
Tan Sri Dato' Sri Dr. Teh Hong Piow	—	700,000	700,000	—
Dato' Sri Tay Ah Lek	—	2,320,000	2,320,000	—
Lee Chin Guan	—	350,000	350,000	—

Share Options Held in its Subsidiary Company – Share Options Held under the JCG Holdings Limited Employees' Share Option Scheme	Number of JCGH Share Options				
	Option Price HKD	Balance at 1.1.2005	Granted	Exercised	Balance at 31.12.2005
Tan Sri Dato' Sri Dr. Teh Hong Piow	7.29	—	700,000	700,000	—
Dato' Sri Tay Ah Lek	7.29	—	4,000,000	2,320,000	1,680,000
Dato' Yeoh Chin Kee	7.29	—	700,000	—	700,000
Lee Chin Guan	7.29	—	700,000	350,000	350,000

Other than as disclosed above, none of the Directors in office at the end of the financial year had any interest in shares in the Bank or its related corporations during the financial year.

Tan Sri Dato' Sri Dr. Teh Hong Piow, by virtue of his direct and indirect interests of 807,992,846 shares in the Bank, and pursuant to Section 6A(4)(c) of the Companies Act, 1965 is also deemed interested in the shares of all the Bank's subsidiary companies to the extent the Bank has interests.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Bank or its subsidiary companies is a party with the object of enabling Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate, other than the share options granted pursuant to the PBB and JCGH ESOS.

Since the end of the previous financial year, no director of the Bank has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Bank as disclosed in Note 34 to the financial statements) by reason of a contract made by the Bank or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest except for those transactions arising in the ordinary course of business as disclosed in Note 40(b) to the financial statements.



DIRECTORS' REPORT

for the financial year ended 31 December 2005

BUSINESS REVIEW 2005

Supported by the healthy economic growth and employment condition in 2005, Public Bank continued to expand its business and preserve its strong asset quality. However, the competition in the banking business further intensified as the industry players pursued competitive pricing and marketing strategies to gain market share. With the relaxation of the foreign exchange administration rule in April 2005, the operating environment for domestic and foreign-controlled banks was further liberalised.

Amidst the competitive environment, Public Bank continued to grow its consumer financing and retail commercial lending businesses, complemented by corporate banking business and treasury operations. In consumer financing, the Bank continued to promote home mortgages, car hire-purchase financing, personal financing, credit card business and share margin financing. The Bank also continued to grow its lending business to middle market small- and medium-sized enterprises (SMEs) for working capital, business expansion and purchase of shophouses and business premises. To expand its market share, the Bank provided a wide range of financing packages at competitive interest rates and terms and leveraged on its wide branch network, efficient on-line channels, superior delivery standards, strong sales and marketing force and strong brand name to efficiently deliver its products and services.

To mitigate pressure on net interest margins, the Bank further intensified its efforts to expand fee-based activities such as cash management services, credit card business, trade bills business, share trading activities, treasury and corporate banking services, sales of units trusts and sales of bancassurance and general insurance products. The Bank also continued to allocate its resources to high yielding assets and promote foreign currency accounts to its customers after the liberalisation of the foreign exchange administration rule in April 2005. On liability management, Public Bank continued to mobilise core customer deposits and interbank deposits to manage its funding costs.

In line with its long-term business strategy, the Bank continued to simultaneously drive higher cost efficiency and higher staff productivity through efficient cost management, staff training, close monitoring of key performance indicators and stable headcount. To enhance customer convenience, Public Bank expanded its self-service channels by installing more cheque deposit machines and cash deposit terminals and enhanced its Internet banking and ATM services.

ECONOMIC OUTLOOK AND PROSPECTS FOR 2006

The Malaysian economy is projected to remain healthy in 2006. Based on current projections, the economy is expected to grow by 5.5% in the year, while inflation will remain modest. The economy will continue to be supported by steady improvement in domestic and external demand. Domestic demand is expected to further strengthen on the back of higher disposable income and stable employment. In addition, private investment is expected to further strengthen, underpinned by sustained domestic and foreign direct investment. External demand is projected to further improve as the recovery in the global semiconductor industry is expected to strengthen further in 2006.

Malaysia's economic fundamentals are projected to remain healthy. In particular, Malaysia's external position is expected to remain strong based on the projected large surplus in the current account of the balance of payments, while the national savings will remain high. With the strengthened growth by the private sector, the Government is expected to remain on course to consolidate its financial position. Bank Negara Malaysia is also expected to maintain its accommodative monetary policy in 2006 to support economic growth as inflation is likely to remain modest. With strong capitalisation and high asset quality, the banking sector has the capacity to continuously support economic activity.

DIRECTORS' REPORT

for the financial year ended 31 December 2005

BUSINESS OUTLOOK FOR 2006

The banking business is expected to further expand in 2006 as the Malaysian economy and employment conditions are projected to remain healthy. Under these conditions, asset quality of the banking system is also expected to remain strong. The banking business, however, will continue to remain competitive due to excess liquidity, liberal operating environment and the emergence of new Islamic banks in the country. Banks will continue to introduce new products and services.

In lending business, growth in consumer lending is expected to remain strong as household gearing is still modest, despite the high growth in consumption credit in recent years. Similarly, growth in lending to SMEs is expected to remain healthy due to the expected recovery in private investment and high capacity utilisation. At the same time, SME activities will continue to be supported by the Government's fiscal spending and efforts to further promote SMEs as an engine of growth. Growth in corporate lending is expected to remain relatively low as large corporates are likely to continue to tap the capital market.

Public Bank will continue to increase its market share in consumer financing and retail commercial lending to SMEs by providing comprehensive packages of financial solutions at competitive interest rates and terms to its customers. Also, it will further enhance features of existing products and introduce new delivery channels such as mobile banking to efficiently deliver its products and services. The Bank will continue to leverage on its wide branch network, strong sales and marketing force, efficient on-line channels, strong customer franchise and superior delivery standards to expand its market share. The Bank will also establish its Islamic Banking subsidiary to further grow its Islamic banking business.

To manage its funding costs, the Bank will continue to further mobilise cheaper cost deposits from retail and wholesale depositors and further improve its deposit mix. It will continue to promote fee-based activities and allocate resources to further generate non-interest income.

While Public Bank continues to pursue volume growth, it will remain prudent by adhering to its risk management policy, sound credit policies and procedures and effective recovery processes to maintain a strong asset quality. The Bank will continue to develop a fully integrated risk management framework in line with BNM's requirement to meet the January 2008 deadline for the implementation of the standardised approach of the Basel II capital accord.

AUDITORS

The retiring auditors, Messrs. KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

TAN SRI DATO' SRI DR. TEH HONG PIOW

Director

TAN SRI DATO' THONG YAW HONG

Director

Kuala Lumpur,

Dated: 23 January 2006



STATEMENT BY DIRECTORS

- 31 December 2005

We, TAN SRI DATO' SRI DR. TEH HONG PIOW and TAN SRI DATO' THONG YAW HONG, being two of the Directors of PUBLIC BANK BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 203 to 325 are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia as modified by Bank Negara Malaysia Guidelines so as to give a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2005 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

TAN SRI DATO' SRI DR. TEH HONG PIOW

Director

TAN SRI DATO' THONG YAW HONG

Director

Kuala Lumpur,

Dated: 23 January 2006

STATUTORY DECLARATION

I, WONG JEE SENG, being the officer primarily responsible for the financial management of PUBLIC BANK BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 203 to 325, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **WONG JEE SENG** at KUALA LUMPUR
in WILAYAH PERSEKUTUAN this 23 January 2006

BEFORE ME:

Commissioner for Oaths
Kuala Lumpur



REPORT OF THE AUDITORS TO THE MEMBERS

- 31 December 2005

We have audited the financial statements set out on pages 203 to 325. The preparation of the financial statements is the responsibility of the Bank's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia as modified by Bank Negara Malaysia's Guidelines so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Bank as at 31 December 2005 and the results of their operations and cash flows for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Bank;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Bank and the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiary companies in respect of which we have not acted as auditors are identified in Note 12 to the financial statements and we have considered their financial statements and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Bank's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

None of the audit reports on the financial statements of the subsidiary companies were subject to any qualification nor included any comment under sub-section (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758
Chartered Accountants

KHAW HOCK HOE

Partner
Approval Number: 2229/04/06(J)

Kuala Lumpur,
Dated: 23 January 2006



BALANCE SHEETS

as at 31 December 2005

	Note	Group		Bank	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
ASSETS					
Cash and short-term funds	3	18,357,737	19,670,005	17,170,338	19,893,236
Deposits and placements with banks and other financial institutions	4	8,712,850	1,460,309	8,736,868	1,573,127
Securities purchased under resale agreements		4,869,388	1,495,438	4,022,128	978,552
Securities held-for-trading	5	1,554,685	5,261,938	1,666,465	5,199,416
Securities available-for-sale	6	4,072,682	3,140,213	3,563,556	1,132,430
Securities held-to-maturity	7	2,235,067	832,676	1,736,713	610,839
Loans, advances and financing	8	66,812,784	55,718,729	64,579,905	53,856,112
Other assets	9	747,028	767,380	939,236	935,282
Statutory deposits with Central Banks	10	2,099,349	1,869,256	2,050,000	1,823,000
Deferred tax assets	11	347,704	280,554	289,008	220,646
Investment in subsidiary companies	12	—	—	1,316,156	1,376,156
Investment in associated companies	13	47,378	45,936	28,465	28,465
Investment properties	14	47,351	33,594	—	—
Property and equipment	15	937,098	942,192	570,671	567,101
Intangible assets	16	765,157	811,399	695,393	738,356
TOTAL ASSETS		111,606,258	92,329,619	107,364,902	88,932,718
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	17	84,129,641	72,246,303	82,205,182	68,265,639
Deposits and placements of banks and other financial institutions	18	7,680,690	2,958,481	6,783,600	4,765,730
Obligations on securities sold under repurchase agreements		4,041,949	3,258,431	3,696,984	3,018,317
Bills and acceptances payable	19	2,129,715	1,260,992	2,127,659	1,258,917
Recourse obligations on loans sold to Cagamas	20	285,005	346,213	285,005	346,213
Other liabilities	21	1,410,919	1,644,918	1,158,858	1,333,525
Subordinated notes	24	2,757,622	1,375,214	2,757,622	1,375,214
Provision for tax expense and zakat	25	250,388	233,170	212,037	154,372
Deferred tax liabilities	11	3,080	3,080	—	—
TOTAL LIABILITIES		102,689,009	83,326,802	99,226,947	80,517,927

BALANCE SHEETS

as at 31 December 2005

	Note	Group		Bank	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
SHAREHOLDERS' EQUITY					
Share capital	26	3,417,373	3,355,767	3,417,373	3,355,767
Reserves		5,018,851	4,708,368	4,675,298	4,488,453
Proposed dividends		829,884	1,172,012	829,884	1,172,012
Treasury shares	27	(784,600)	(601,441)	(784,600)	(601,441)
		8,481,508	8,634,706	8,137,955	8,414,791
Minority interests		435,741	368,111	—	—
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		111,606,258	92,329,619	107,364,902	88,932,718
COMMITMENTS AND CONTINGENCIES					
	41	28,951,601	19,780,677	28,754,773	19,535,337

The accompanying notes form an integral part of the financial statements.



INCOME STATEMENTS

for the year ended 31 December 2005

	Note	Group		Bank	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Operating revenue	2(s)	5,919,711	5,045,340	5,049,081	3,668,892
Interest income	30	4,615,500	3,815,892	4,120,977	2,931,504
Interest expense	31	(2,131,641)	(1,494,564)	(2,078,632)	(1,441,136)
Net interest income		2,483,859	2,321,328	2,042,345	1,490,368
Net income from Islamic Banking business	54	406,774	380,384	406,774	225,632
Other operating income	32	2,890,633 917,944	2,701,712 742,295	2,449,119 673,138	1,716,000 2,490,532
Net income		3,808,577	3,444,007	3,122,257	4,206,532
Other operating expenses	33	(1,398,995)	(1,306,193)	(1,084,260)	(830,322)
Operating profit		2,409,582	2,137,814	2,037,997	3,376,210
Allowance for losses on loans, advances and financing	35	(382,006)	(271,034)	(310,346)	(453,696)
Impairment written back/(loss)	36	15,443	(16,719)	5,528	(1,611)
Share of results of associated companies		2,043,019 5,651	1,850,061 3,813	1,733,179 —	2,920,903 —
Profit before tax expense and zakat		2,048,670	1,853,874	1,733,179	2,920,903
Tax expense and zakat	37	(512,238)	(510,199)	(452,287)	(679,115)
Profit after tax expense and zakat		1,536,432	1,343,675	1,280,892	2,241,788
Minority interests		(86,151)	(72,602)	—	—
Net profit for the year		1,450,281	1,271,073	1,280,892	2,241,788
Earnings per RM1.00 share:	38				
– basic (sen)		44.2	39.5		
– diluted (sen)		43.8	38.8		
Net dividends per RM1.00 share:	39				
– Special dividends (sen)		10.8	39.6		
– Interim dividends (sen)		14.4	n/a		
– Final dividends (sen)		14.4	25.2		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2005

Group	Note	Share Capital RM'000	Non-distributable Reserves		Distributable Reserves	Proposed Dividends RM'000	Treasury Shares RM'000	Total RM'000
			Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
At 1 January 2005								
– as previously stated		3,355,767	1,347,084	2,614,989	682,324	1,172,012	(601,441)	8,570,735
– prior year adjustments	47(b)	–	–	61,805	2,166	–	–	63,971
At 1 January 2005, as restated		3,355,767	1,347,084	2,676,794	684,490	1,172,012	(601,441)	8,634,706
Issue of shares pursuant to exercise of share options		61,606	227,096	–	–	–	–	288,702
Currency translation differences		–	–	(31,581)	–	–	–	(31,581)
Net profit for the year		–	–	–	1,450,281	–	–	1,450,281
Unrealised net loss on revaluation of securities available-for-sale		–	–	(25,820)	–	–	–	(25,820)
Transfer to statutory reserves		–	–	324,432	(324,432)	–	–	–
Buy-back of shares		–	–	–	–	–	(183,159)	(183,159)
Transfer to proposed dividends		–	–	–	(479,609)	479,609	–	–
Dividends paid	39	–	–	–	–	(1,651,621)	–	(1,651,621)
Dividends proposed	39	–	–	–	(829,884)	829,884	–	–
At 31 December 2005		3,417,373	1,574,180	2,943,825	500,846	829,884	(784,600)	8,481,508
		Note 26		Note 28	Note 29		Note 27	

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2004

Group	Note	Share Capital RM'000	Non-distributable Reserves		Distributable Reserves	Proposed Dividends RM'000	Treasury Shares RM'000	Total RM'000
			Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
At 1 January 2004								
– as previously stated		3,206,600	928,433	2,387,630	1,762,092	503,000	(169,960)	8,617,795
– prior year adjustments	47(b)	–	–	30,560	(1,919)	–	–	28,641
At 1 January 2004, as restated		3,206,600	928,433	2,418,190	1,760,173	503,000	(169,960)	8,646,436
Issue of shares pursuant to exercise of share options		149,167	418,651	–	–	–	–	567,818
Currency translation differences		–	–	(1,348)	–	–	–	(1,348)
Net profit for the year		–	–	–	1,271,073	–	–	1,271,073
Unrealised net gain on revaluation of securities available-for-sale		–	–	31,245	–	–	–	31,245
Transfer to statutory reserves		–	–	228,707	(228,707)	–	–	–
Buy-back of shares		–	–	–	–	–	(431,481)	(431,481)
Transfer to proposed dividends		–	–	–	(946,037)	946,037	–	–
Dividends paid	39	–	–	–	–	(1,449,037)	–	(1,449,037)
Dividends proposed		–	–	–	(1,172,012)	1,172,012	–	–
At 31 December 2004		3,355,767	1,347,084	2,676,794	684,490	1,172,012	(601,441)	8,634,706
		Note 26		Note 28	Note 29		Note 27	

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2005

Bank	Note	Share Capital RM'000	Non-distributable Reserves		Distributable Reserves	Proposed Dividends RM'000	Treasury Shares RM'000	Total RM'000
			Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
At 1 January 2005								
– as previously stated		3,355,767	1,347,084	2,401,569	732,497	1,172,012	(601,441)	8,407,488
– prior year adjustments	47(b)	–	–	5,331	1,972	–	–	7,303
At 1 January 2005, as restated		3,355,767	1,347,084	2,406,900	734,469	1,172,012	(601,441)	8,414,791
Issue of shares pursuant to exercise of share options		61,606	227,096	–	–	–	–	288,702
Net profit for the year		–	–	–	1,280,892	–	–	1,280,892
Unrealised net loss on revaluation of securities available-for-sale		–	–	(11,650)	–	–	–	(11,650)
Transfer to statutory reserves		–	–	320,223	(320,223)	–	–	–
Buy-back of shares		–	–	–	–	–	(183,159)	(183,159)
Transfer to proposed dividends		–	–	–	(479,609)	479,609	–	–
Dividends paid	39	–	–	–	–	(1,651,621)	–	(1,651,621)
Dividends proposed	39	–	–	–	(829,884)	829,884	–	–
At 31 December 2005		3,417,373	1,574,180	2,715,473	385,645	829,884	(784,600)	8,137,955

Note 26

Note 28

Note 29

Note 27

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2004

Bank	Note	Share Capital RM'000	Non-distributable Reserves		Distributable Reserves	Proposed Dividends RM'000	Treasury Shares RM'000	Total RM'000
			Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
At 1 January 2004								
– as previously stated		3,206,600	928,433	1,842,160	1,172,318	503,000	(169,960)	7,482,551
– prior year adjustments	47(b)	–	–	20,452	(2,179)	–	–	18,273
At 1 January 2004, as restated		3,206,600	928,433	1,862,612	1,170,139	503,000	(169,960)	7,500,824
Issue of shares pursuant to exercise of share options		149,167	418,651	–	–	–	–	567,818
Net profit for the year		–	–	–	2,241,788	–	–	2,241,788
Unrealised net loss on revaluation of securities available-for-sale		–	–	(15,121)	–	–	–	(15,121)
Transfer to statutory reserves		–	–	559,409	(559,409)	–	–	–
Buy-back of shares		–	–	–	–	–	(431,481)	(431,481)
Transfer to proposed dividends		–	–	–	(946,037)	946,037	–	–
Dividends paid	39	–	–	–	–	(1,449,037)	–	(1,449,037)
Dividends proposed		–	–	–	(1,172,012)	1,172,012	–	–
At 31 December 2004		3,355,767	1,347,084	2,406,900	734,469	1,172,012	(601,441)	8,414,791

Note 26

Note 28

Note 29

Note 27

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS

for the year ended 31 December 2005

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax expense and zakat	2,048,670	1,853,874	1,733,179	2,920,903
Adjustments for:				
Share of results of associated companies	(5,651)	(3,813)	—	—
Depreciation of property and equipment	92,371	90,901	75,534	65,917
Amortisation of intangible assets	46,262	45,710	42,963	27,425
Net (gain)/loss on disposal of property and equipment	(2,322)	(118)	(1,764)	5
Net loss/(gain) on disposal of foreclosed properties	807	(99)	807	(99)
Allowance for bad and doubtful debts and financing	520,239	423,103	412,533	525,265
Write back of allowance for bad and doubtful debts and financing	(37,337)	(69,267)	(34,315)	(24,811)
Net gain on sale of securities held-for-trading	(10,149)	(38,821)	(9,763)	(35,804)
Net gain on sale of securities available-for-sale	(4,162)	(3,487)	—	(46,029)
Amortisation of premium less accretion of discount	18,867	13,460	27,245	13,662
Accretion of cost and discount relating to the issuance of the subordinated notes	2,333	781	2,333	781
Unrealised gain on securities held-for-trading and derivatives	(20,785)	(11,230)	(18,744)	(10,724)
Pension cost – defined benefit plan	(7,044)	12,681	(6,803)	9,869
Transfer (from)/to Profit Equalisation Reserves	(6,870)	1,862	(6,870)	8,862
Dividends from securities held-for-trading	(567)	(1,059)	(391)	(502)
Dividends from securities available-for-sale	(41,693)	(38,523)	(37,430)	(33,214)
Dividends from securities held-to-maturity	(3,281)	(1,088)	(3,191)	(908)
Dividends from subsidiary companies	—	—	(212,944)	(2,023,593)
Dividends from associated companies	—	—	(2,311)	(2,466)
Gain on dilution of interest in a subsidiary company	(27,837)	—	—	—
Property and equipment written off	72	3,104	68	1,757
Impairment written back on investment properties	(8,202)	(5,355)	—	—
Impairment loss on foreclosed property	2,677	—	2,677	—
Impairment loss on securities available-for-sale	1,795	452	1,795	452
Impairment (written back)/loss on securities held-to-maturity	(10,000)	12,676	(10,000)	1,129
Impairment loss on investment in a subsidiary company	—	—	—	30
Impairment (written back)/loss on property and equipment	(1,713)	8,946	—	—
Operating profit before working capital changes	2,546,480	2,294,690	1,954,608	1,397,907

CASH FLOW STATEMENTS

for the year ended 31 December 2005

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
(Increase)/Decrease in operating assets/liabilities:				
Deposits and placements with banks and other financial institutions	(7,252,541)	(641,224)	(7,163,741)	4,779,377
Securities purchased under resale agreements	(3,373,950)	(1,495,438)	(3,043,576)	(978,552)
Loans, advances and financing	(11,549,372)	(10,532,940)	(11,074,426)	(8,918,482)
Other assets	(53,825)	(17,432)	(64,019)	(26,487)
Statutory deposits with Central Banks	(230,093)	(358,115)	(227,000)	(299,220)
Deposits from customers	11,883,338	22,029,045	13,939,543	18,245,307
Deposits and placements of banks and other financial institutions	4,722,209	1,179,147	2,017,870	(19,336,042)
Obligations on securities sold under repurchase agreements	783,518	2,832,869	678,667	2,566,325
Bills and acceptances payable	868,723	49,904	868,742	49,767
Recourse obligations on loans sold to Cagamas	(61,208)	(138,374)	(61,208)	(13,585)
Other liabilities	(258,614)	87,446	(282,868)	40,344
Cash (used in)/generated from operations	(1,975,335)	15,289,578	(2,457,408)	(2,493,341)
Income tax expense and zakat paid	(556,117)	(406,233)	(446,613)	(428,061)
Pension cost paid – defined benefit plan	(4,879)	(19,837)	(4,879)	(17,025)
Net cash (used in)/generated from operating activities	(2,536,331)	14,863,508	(2,908,900)	(2,938,427)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	(93,487)	(102,355)	(80,451)	(87,486)
Proceeds from disposal of property and equipment	3,970	240	2,873	101
Proceeds from disposal of foreclosed properties	11,439	6,192	11,439	6,192
Net disposal/(purchase) of securities	1,310,431	(3,083,662)	(13,419)	899,142
Additional investment in subsidiary companies	(20)	(22,689)	–	(11,482)
Purchase of share broking license	–	(28,000)	–	–
Dividend received from associated companies	2,413	2,618	2,247	2,466
Dividend received from securities held-for-trading	567	1,059	391	502
Dividend received from securities available-for-sale	41,693	38,523	37,430	33,214
Dividend received from securities held-to-maturity	3,281	1,088	3,191	908
Cash received from capital reduction exercise at subsidiary companies	–	–	60,000	862,928
Acquisition of finance company business, net of cash acquired	–	–	–	7,322,733
Dividends received from subsidiary companies	–	–	201,557	1,988,823
Net cash generated from/(used in) investing activities	1,280,287	(3,186,986)	225,258	11,018,041

CASH FLOW STATEMENTS

for the year ended 31 December 2005

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Exercise of share options by minority shareholders	76,169	—	—	—
Proceeds from issuance of shares	288,702	567,818	288,702	567,818
Dividends paid to shareholders of the Bank	(1,651,621)	(1,143,658)	(1,651,621)	(1,143,658)
Dividends paid to minority interests	(92,140)	(291,289)	—	—
Buy-back of shares	(183,159)	(431,481)	(183,159)	(431,481)
Net proceeds from issuance of subordinated notes	1,506,822	1,322,233	1,506,822	1,322,233
Net cash (used in)/generated from financing activities	(55,227)	23,623	(39,256)	314,912
Net increase/(decrease) in cash and cash equivalents	(1,311,271)	11,700,145	(2,722,898)	8,394,526
Cash and cash equivalents at beginning of year	19,670,005	7,970,828	19,893,236	11,498,710
Exchange differences on translation of opening balances	(997)	(968)	—	—
Cash and cash equivalents at end of year	18,357,737	19,670,005	17,170,338	19,893,236

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Group is principally engaged in all aspects of banking, merchant banking, financing, stock broking, provision of finance to purchasers of licensed public vehicles, provision of related financial services, management of unit trusts and sale of trust units and investment holding.

The Bank is principally engaged in all aspects of banking and finance company businesses which include Islamic banking and the provision of related financial services.

There have been no significant changes to these principal activities during the financial year.

The Bank is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Bank is located at 27th Floor, Menara Public Bank, 146, Jalan Ampang, 50450 Kuala Lumpur.

The financial statements were approved and authorised for issue by the Board of Directors on 23 January 2006.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group and the Bank are consistent with those adopted in the previous years except for the adoption of the revised guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia on 5 October 2004, which became effective for the current financial year. The adoption of the revised BNM GP8 has resulted in the adoption of the following accounting policies:

- (i) the recognition and measurement of the holdings of the investment and dealing securities portfolio of the Group and the Bank as securities held-for-trading, securities held-to-maturity and securities available-for-sale, which has been adopted retrospectively;
- (ii) the recognition and measurement of derivative financial instruments and the adoption of hedge accounting, which has been adopted retrospectively; and
- (iii) where a loan, advance or financing account becomes non-performing, interest accrued and recognised as income prior to the date the loan is classified as non-performing is reversed out of income and set-off against the accrued interest receivable account in the balance sheet. Thereafter, interest on the non-performing loan shall be recognised as income on a cash basis instead of being accrued and suspended at the same time as practised previously. The policy has been adopted retrospectively.

The effects of adopting the above policies retrospectively on the Group's and the Bank's retained profits are reflected as prior year adjustments in the Statements of Changes In Equity and are disclosed in Note 47 to the financial statements.

Bank Negara Malaysia has granted indulgence to the Bank from complying with the requirement on the impairment of loans and financing under the revised BNM/GP8 until 1 January 2006. Therefore, the allowance for bad and doubtful debts and financing of the Group and the Bank have been computed based on the requirement of BNM/GP3 which remains consistent with the basis adopted in the previous years.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Accounting

The financial statements of the Group and the Bank have been prepared on the historical cost basis except as disclosed in the notes to the financial statements and are in accordance with the applicable approved accounting standards in Malaysia as modified by Bank Negara Malaysia Guidelines and comply with the provisions of the Companies Act, 1965.

The financial statements incorporate all activities relating to the Islamic Banking business which have been undertaken by the Bank. Islamic Banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiary companies made up to the end of the financial year.

Subsidiary companies are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary companies are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiary companies' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions, balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Investment in Subsidiary Companies

Investment in subsidiary companies which are eliminated on consolidation, are stated in the Bank's financial statements at cost and write down is made in the event of impairment, if any.

(d) Investment in Associated Companies

The Group treats associated companies as those companies in which a long term equity interest of between 20 to 50 percent is held and where it exercises significant influence but not control through management participation.

In the consolidated balance sheet, the Group's interests in associated companies are stated at the net asset value of associated companies at the date of acquisition and the Group's share of post acquisition results and reserves less an allowance for diminution in value where such diminution in value is other than temporary. The difference, if any, between the cost of investment and the underlying net asset value on acquisition which represents goodwill or negative goodwill is accounted for in accordance with the policy as referred to in Note 2(e).



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Goodwill/Intangible Asset**

Goodwill represents the difference between the purchase price and the fair values of the net identifiable assets of subsidiary companies at the dates of acquisition. Purchased goodwill represents the difference between the purchase price and the fair values of the net assets acquired at the date of acquisition.

Goodwill and purchased goodwill are amortised over an estimated useful life of not more than twenty years and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition. Negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the weighted average useful life of those assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised in the income statement.

The remaining intangible asset represents cost of the dealer licence of a local stock broking company acquired by the stock broking subsidiary pursuant to the stock broking industry consolidation and is amortised on a straight line basis over its estimated useful life of not more than twenty years and is stated at cost less accumulated amortisation and accumulated impairment losses, if any.

(f) Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the income statement unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in a separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged item affects the income statement.

(g) Securities

The holdings of the securities portfolio of the Group and the Bank are recognised based on the following categories and consequently their valuation methods:

(i) Securities held-for-trading

Securities are classified as held-for-trading if these financial assets are acquired principally for the purpose of benefiting from actual or expected short-term price movement or to lock in arbitrage profits. Securities held-for-trading are stated at fair value and any gain or loss arising from a change in their fair values and the derecognition of securities held-for-trading are recognised in the income statement.



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Securities (continued)

(ii) Securities held-to-maturity

Securities held-to-maturity are financial assets with fixed or determinable payments and fixed maturity that the Group and Bank have the positive intent and ability to hold to maturity. Unquoted shares in organisations set up for socio-economic purposes and equity instruments received as a result of loan restructuring or loan conversion which do not have a quoted market price in an active market and whose fair value cannot be reliably measured are also classified as securities held-to-maturity.

The securities held-to-maturity are measured at accreted/amortised cost based on the effective yield method. Amortisation of premium, accretion of discount and impairment as well as gain or loss arising from derecognition of securities held-to-maturity are recognised in the income statement.

(iii) Securities available-for-sale

Securities available-for-sale are financial assets that are not classified as held-for-trading or held-to-maturity. The securities available-for-sale are measured at fair value or at cost (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising from a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statement.

(h) Investment Properties

Investment properties are interests in land and buildings which are intended to be held on a long term basis for their investment potential, with rental income being negotiated at arm's length. Such properties are not depreciated and are stated annually or such longer period as may be considered appropriate at their open market values on the basis of professional valuations performed at the end of each financial year. Changes in the values of investment properties are dealt with as movements in the capital reserve account. If the total outstanding of this capital reserve is insufficient to cover a deficit, on a portfolio basis, the excess of the deficit is charged to income statement immediately. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged.

On disposal of an investment property, the relevant portion of the capital reserves realised in respect of previous valuations is released to the income statement.

(i) Property and Equipment and Depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(j).

Freehold land and work-in-progress are not depreciated. Depreciation of other property and equipment is provided on a straight line basis calculated to write off the cost of each asset over the term of its estimated useful lives at the following principal annual rates:

Leasehold land	Over the remaining leasehold period or 50 years, whichever is lower
Buildings	2.0%
Renovations	Over the term of the leases ranging from 2 to 50 years
Office equipment, furniture and fittings	10.0% – 33.3%
Computer equipment and software	20.0% – 33.3%
Motor vehicles	20.0%

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Impairment of Assets**

The carrying amount of the Group's assets, other than financial assets (other than investment in subsidiary and associated companies, securities available-for-sale and securities held-to-maturity) and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement.

(k) Foreclosed Properties

Foreclosed properties are those acquired in full or partial satisfaction of debts and are stated at the lower of cost and net realisable value.

(l) Bills and Acceptances Payable

Bills and acceptances payable represent the Group's own bills and acceptances rediscounted and outstanding in the market.

(m) Repurchase Agreements

Securities purchased under resale agreements are securities which the Group and the Bank commit to resell at future dates and are reflected as an asset on the balance sheet.

Obligations on securities sold under repurchase agreements are obligations which the Group and the Bank commit to repurchase at future dates and are reflected as a liability on the balance sheet.

(n) Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of a past event and a reliable estimate can be made of the amount.

(o) Liabilities

Deposits from customers are stated at placement values and adjusted for accrued interest. Deposits and placements of banks and financial institutions are stated at placement values. Other liabilities are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Profit Equalisation Reserves ("PER")

PER is the amount appropriated out of the total Islamic Banking gross income in order to maintain a certain level of return to depositors which is as stipulated by Bank Negara Malaysia's Circular on "Framework of Rate of Return". PER is deducted from the total Islamic Banking gross income in deriving the net distributable gross income. The amount appropriated is shared by the depositors and the Group/Bank.

(q) Interest-Bearing Borrowings

Interest bearing borrowings are recognised initially at cost, less discount and attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(r) Treasury Shares

When the Bank buys back its own shares, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Shares bought back are held as treasury shares and presented as a deduction from the shareholders' equity.

(s) Operating Revenue

Operating revenue of the Group comprises all types of revenue derived from banking, merchant banking, financing, stock broking, leasing and factoring, management of unit trust and sales of trust units as well as trustee services but excluding all related companies transactions.

Operating revenue of the Bank comprises gross interest income, commission and other income derived from banking and finance operations.

(t) Recognition of Interest and Financing Income

Interest income is recognised in the income statement for all interest bearing assets on an accrual basis. Interest income includes the amortisation of premium or accretion of discount. Interest income on securities are recognised on an effective yield basis.

Interest income on overdrafts, term loans and housing loans is accounted for on an accrual basis by reference to rest periods as stipulated in the loan agreements, which are either monthly or daily. Interest income on hire purchase, block discounting and leasing business is recognised using the "sum-of-digits" method. Income from the Islamic Banking financing is recognised on an accrual basis in accordance with the principles of Shariah.

When an account becomes non-performing, interest accrued and recognised as income prior to the date the loan is classified as non-performing is reversed out of income and set-off against the accrued interest receivable account in the balance sheet. Thereafter, interest on the non-performing loan shall be recognised as income on a cash basis. Customers' accounts are deemed to be non-performing where repayments are in arrears for more than three (3) months from first day of default or after maturity date.

The policy on interest recognition on non-performing loans is in conformity with the revised BNM/GP8.



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Recognition of Fees and Other Income

Income from the various business activities of the Group and the Bank is recognised using the following bases:

- (i) Loan arrangement, management and participation fees are recognised upfront as income based on contractual arrangements. Guarantee fee is recognised as income upon issuance of the guarantees;
- (ii) Dividend income is recognised when the right to receive payment is established;
- (iii) Factoring commission income is recognised upon acceptance of the factored invoices. Factoring interest is recognised on an accrual basis;
- (iv) Revenue from sale of trust units is recognised upon allotment of units, net of cost of units sold;
- (v) Management fees from the management of unit trusts, net brokerage income, margin interest and rollover fees are recognised on an accrual basis;
- (vi) Other fees and commissions on services and facilities extended to customers are recognised on inception of such transactions;
- (vii) Fees from advisory and corporate finance activities are recognised as income on completion of each stage of the assignment; and
- (viii) Rental income is recognised on an accrual basis when it falls due.

(v) Recognition of Interest, Financing and Related Expenses

Interest expense and attributable profit (on activities relating to Islamic Banking business) on deposits and borrowings of the Group and the Bank are recognised on an accrual basis.

Handling fees paid to motor vehicle dealers for hire purchase loans are expensed off to income statement in the period in which the handling fees are incurred in accordance with Bank Negara Malaysia Circular dated 4 July 2003.

(w) Allowance for Bad and Doubtful Debts and Financing

Loans, advances and financing are stated at cost less any allowance for bad and doubtful debts and financing.

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

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

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



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Allowance for Bad and Doubtful Debts and Financing (continued)

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

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

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

(x) Employee Benefits

(i) Short-Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increases their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Overseas subsidiary companies make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the income statement as incurred.

(iii) Defined Benefit Plan

The Bank and certain subsidiary companies contribute to a fully funded defined benefit plan approved by the Inland Revenue Board known as the Public Bank Group Officers' Retirement Benefits Fund (the "Fund") for its eligible employees. The obligations under the Fund are determined based on actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years are estimated. The benefit is calculated using the Projected Unit Credit Method in order to determine its present value. Actuarial gains and losses are recognised as income or expense over four years when the cumulative unrecognised actuarial gains or losses for the Fund exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Where there are any improvements in benefits for the Fund, past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service cost, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(x) Employee Benefits (continued)****(iv) Equity Compensation Benefits**

The Bank's employees' share option scheme allows the Group employees, except the employees of JCG Holdings Limited ("JCGH") and its subsidiary companies and Cambodian Public Bank Limited, to acquire shares of the Bank. JCGH employee share option scheme allows the employees and directors of JCGH and its subsidiaries to acquire shares in JCGH. When the granted options of these schemes are exercised, equity is increased by the amount of the proceeds received.

(y) Foreign Currencies**(i) Foreign Currencies Transactions**

Transactions in foreign currencies during the financial year are translated into Ringgit Malaysia at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. All exchange differences are recognised in the income statement.

(ii) Financial Statements of Foreign Operations

The financial statements of foreign branches are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. The results of these branches for the financial year are accounted for based on closing rates of exchange at balance sheet date. All exchange differences are recognised in the income statement.

The financial statements of foreign subsidiary companies and a subsidiary incorporated in the Federal Territory of Labuan are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are taken to the exchange equalisation reserves.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

	2005	2004
1 USD	RM3.7795	RM3.8000
1 HKD	RM0.4875	RM0.4887

(z) Foreign Exchange Related Contracts

Outstanding foreign exchange related contracts at the balance sheet date are valued based on the applicable spot rates ruling at that date adjusted for the applicable premium or discount to maturity. Gains or losses are recognised in the income statement in the year they arise.

(aa) Operating Leases

Payments made under operating leases are recognised in the income statement on an accrual basis in accordance with the terms of the leases.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(bb) Income Taxes

Tax on profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that at the time of transaction, affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

(cc) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and bank balances with banks and other financial institutions, and short-term deposits maturing within one month.

3. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and balances with banks and other financial institutions	788,986	649,260	687,742	563,819
Money at call and deposit placements maturing within one month	17,568,751	19,020,745	16,482,596	19,329,417
	18,357,737	19,670,005	17,170,338	19,893,236



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

4. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Licensed banks	345,962	107,444	302,360	76,000
Licensed finance companies	47,000	65,336	25,000	—
Licensed merchant banks	10,000	36,029	—	200,000
Central Banks	8,105,070	819,500	7,910,200	675,100
Other financial institutions	204,818	432,000	499,308	622,027
	8,712,850	1,460,309	8,736,868	1,573,127

A fixed deposit of RM100,000 (2004 – RM100,000) included in the Group balance favouring the Accountant General has been placed by a subsidiary with a licensed bank in accordance with Section 4(2) of the Labuan Trust Companies Act, 1990.

Deposits totalling RM2,437,000 (2004 – RM2,444,000) have been pledged to certain banks by a foreign subsidiary company for facilities obtained.

5. SECURITIES HELD-FOR-TRADING

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At fair value				
Money market instruments:				
Malaysian Government Treasury Bills	9,694	—	9,694	—
Malaysian Government Securities	10,490	644,872	—	644,872
Malaysian Government Investment Certificates	15,031	55,798	15,031	55,798
Cagamas bonds	—	1,189,404	—	1,189,404
Negotiable instruments of deposit	1,315,477	2,982,523	1,465,477	2,982,523
Khazanah bonds	—	46,954	—	46,954
Bank Negara Malaysia Negotiable notes	—	1,335	—	1,335
Bank Negara Malaysia Bills	24,802	—	—	—
	1,375,494	4,920,886	1,490,202	4,920,886

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

5. SECURITIES HELD-FOR-TRADING (continued)

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Quoted securities:				
Shares in Malaysia	10,886	5,112	7,958	5,112
	10,886	5,112	7,958	5,112
Unquoted securities:				
Private debt securities	168,305	335,940	168,305	273,418
	168,305	335,940	168,305	273,418
	1,554,685	5,261,938	1,666,465	5,199,416

6. SECURITIES AVAILABLE-FOR-SALE

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At fair value				
Quoted securities:				
Shares and convertible loan stocks in Malaysia	17,764	45,736	17,764	45,736
Shares outside Malaysia	22,613	17,954	—	—
Bonds trust units in Malaysia	1,141,103	1,109,779	1,045,140	1,016,581
	1,181,480	1,173,469	1,062,904	1,062,317
Unquoted securities:				
Shares	13,947	63,005	13,377	62,408
Private debt securities	2,877,255	1,903,739	2,487,275	7,705
	2,891,202	1,966,744	2,500,652	70,113
	4,072,682	3,140,213	3,563,556	1,132,430

NOTES TO THE FINANCIAL STATEMENTS

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7. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At amortised cost				
Money market instruments:				
Malaysian Government Treasury Bills	109,559	—	109,559	—
Malaysian Government Securities	577,310	—	577,310	—
Malaysian Government Investment Certificates	4,768	—	4,768	—
Cagamas bonds	323,773	—	323,773	—
Cagamas Mudharabah bonds	127,479	127,503	127,479	127,503
Negotiable instruments of deposit	865,821	503,032	398,867	281,405
Bank Negara Malaysia Bills	104,308	—	104,308	—
	2,113,018	630,535	1,646,064	408,908
Unquoted securities:				
Shares	87,502	37,713	87,057	37,503
Private debt securities	70,442	213,260	39,487	213,260
	157,944	250,973	126,544	250,763
Accumulated impairment losses	(35,895)	(48,832)	(35,895)	(48,832)
	2,235,067	832,676	1,736,713	610,839

The maturity structure of money market instruments held are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Maturity within one year	1,256,691	260,156	916,131	58,815
More than one year to three years	856,327	369,008	729,933	348,722
More than three years to five years	—	1,371	—	1,371
	2,113,018	630,535	1,646,064	408,908

NOTES TO THE FINANCIAL STATEMENTS

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7. SECURITIES HELD-TO-MATURITY (continued)

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Market value:				
<u>Money market instruments:</u>				
Malaysian Government Treasury Bills	109,178	—	109,178	—
Malaysian Government Securities	576,705	—	576,705	—
Malaysian Government Investment Certificates	4,773	—	4,773	—
Cagamas bonds	323,130	—	323,130	—
Cagamas Mudharabah bonds	127,479	127,503	127,479	127,503
Negotiable instruments of deposits	864,866	504,891	398,662	283,123
Bank Negara Malaysia Bills	104,269	—	104,269	—

8. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Overdrafts	6,980,718	6,351,805	6,780,784	6,251,543
Term loans/financing				
Housing loans/financing	18,990,594	15,210,093	18,902,511	14,936,248
Syndicated term loans/financing	223,062	320,270	223,062	293,149
Hire purchase receivables	22,661,200	19,659,110	22,372,548	19,570,181
Other term loans/financing	17,715,911	14,234,079	15,954,181	12,573,686
Credit card receivables	581,341	477,221	581,341	477,009
Bills receivables	71,909	71,695	71,909	70,570
Trust receipts	311,772	317,002	290,079	309,516
Claims on customers under acceptance credits	1,717,953	1,443,472	1,717,953	1,442,264
Lease, factored and confirming receivables	33,927	83,261	31,665	43,176
Revolving credits	2,430,478	2,130,482	2,432,554	2,338,269
Staff loans*	646,310	639,079	619,849	613,589
Unearned interest and income	72,365,175 (4,263,185)	60,937,569 (4,025,116)	69,978,436 (4,261,955)	58,919,200 (4,021,191)
Gross loans, advances and financing	68,101,990	56,912,453	65,716,481	54,898,009
Allowance for bad and doubtful debts and financing:				
– general	(1,056,199)	(895,833)	(984,830)	(821,318)
– specific	(233,007)	(297,891)	(151,746)	(220,579)
Net loans, advances and financing	66,812,784	55,718,729	64,579,905	53,856,112

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM2,946,287 (2004 – RM2,668,612) and RM1,639,020 (2004 – RM1,376,952), respectively.

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8. LOANS, ADVANCES AND FINANCING (continued)

The maturity structure of gross loans, advances and financing are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Maturity within one year	14,472,020	13,946,575	13,220,129	12,878,825
More than one year to three years	6,770,034	5,773,068	6,151,800	5,240,349
More than three years to five years	9,696,062	8,097,546	9,500,227	8,014,455
More than five years	37,163,874	29,095,264	36,844,325	28,764,380
	68,101,990	56,912,453	65,716,481	54,898,009

Gross loans, advances and financing analysed by type of customer are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Domestic non-bank financial institutions				
– Stock broking companies	2,020	88,564	2,020	88,564
– Others	1,888,142	1,884,453	1,868,118	2,092,241
Domestic business enterprises				
– Small and medium enterprises	14,808,430	13,058,537	14,711,677	12,975,529
– Others	4,894,024	4,153,732	4,638,316	3,780,161
Government and statutory bodies	1,614	3,705	1,614	3,705
Individuals	44,317,128	35,744,658	44,255,346	35,728,279
Other domestic entities	96,541	126,826	96,541	126,826
Foreign entities	2,094,091	1,851,978	142,849	102,704
	68,101,990	56,912,453	65,716,481	54,898,009

NOTES TO THE FINANCIAL STATEMENTS

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8. LOANS, ADVANCES AND FINANCING (continued)

Gross loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fixed rate				
– Housing loans/financing	7,381,411	7,032,304	7,379,003	7,028,793
– Hire purchase receivables	19,387,926	16,612,976	19,342,375	16,508,488
– Other fixed rate loan/financing	11,473,182	10,027,810	9,690,159	8,586,237
Variable rate				
– Base lending rate plus	26,125,091	20,289,544	26,096,187	20,154,646
– Cost plus	2,487,226	2,328,050	2,432,493	2,331,136
– Other variable rates	1,247,154	621,769	776,264	288,709
	68,101,990	56,912,453	65,716,481	54,898,009

Gross loans, advances and financing analysed by economic purposes are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Agriculture, hunting, forestry and fishing	582,883	594,712	581,984	593,749
Mining and quarrying	42,403	36,479	41,415	34,120
Manufacturing	3,173,330	2,854,301	3,112,255	2,771,624
Electricity, gas and water	40,234	34,553	33,853	27,442
Construction	2,148,247	1,963,517	2,039,666	1,867,005
Real estate	2,145,745	1,798,680	2,156,002	1,716,974
Purchase of landed properties	26,891,768	20,827,668	26,860,500	20,792,004
(of which: – residential	17,787,928	14,034,091	17,756,660	13,998,427
– non-residential)	9,103,840	6,793,577	9,103,840	6,793,577
Wholesale & retail trade and restaurants & hotels	6,120,757	5,429,135	5,902,450	5,244,164
Transport, storage and communication	480,953	541,110	472,628	516,480
Finance, insurance and business services	2,840,802	2,756,497	2,701,795	2,876,037
Purchase of securities	531,170	537,880	526,259	534,879
Purchase of transport vehicles	16,683,429	14,184,166	16,424,264	13,957,563
Consumption credit	5,383,258	4,493,521	3,900,164	3,147,898
Others	1,037,011	860,234	963,246	818,070
	68,101,990	56,912,453	65,716,481	54,898,009

NOTES TO THE FINANCIAL STATEMENTS

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8. LOANS, ADVANCES AND FINANCING (continued)

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

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January	1,510,215	1,781,055	1,405,815	1,000,762
Non-performing during the year	2,401,800	1,767,839	2,267,240	1,529,636
Reclassified as performing	(2,015,119)	(1,485,533)	(2,001,713)	(1,423,619)
Recoveries	(72,351)	(133,688)	(66,665)	(56,810)
Amount written off	(383,364)	(361,238)	(280,029)	(155,412)
Loans/financing converted to foreclosed properties/securities	(34,461)	(58,020)	(34,461)	(58,020)
Amount vested over from PBFIN Berhad (formerly known as Public Finance Berhad)	—	—	—	569,278
Exchange differences	(241)	(200)	21	—
At 31 December	1,406,479	1,510,215	1,290,208	1,405,815
Specific allowance	(233,007)	(297,891)	(151,746)	(220,579)
Net non-performing loans, advances and financing	1,173,472	1,212,324	1,138,462	1,185,236
Net NPL as % of gross loans, advances and financing less specific allowance	1.73%	2.14%	1.74%	2.17%

Movements in the allowance for bad and doubtful debts and financing accounts are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>General allowance</u>				
At 1 January	895,833	826,892	821,318	445,439
Allowance made during the year	170,787	108,878	163,539	375,887
Amount written back	(10,038)	(39,781)	—	—
Exchange differences	(383)	(156)	(27)	(8)
At 31 December	1,056,199	895,833	984,830	821,318
As % of gross loans, advances and financing less specific allowance	1.56%	1.58%	1.50%	1.50%

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

8. LOANS, ADVANCES AND FINANCING (continued)

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

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Specific allowance</u>				
At 1 January	297,891	376,989	220,579	173,728
Allowance made during the year	359,490	354,006	248,994	149,378
Amount written back in respect of recoveries	(37,337)	(69,267)	(34,315)	(24,811)
Amount written off	(383,341)	(363,248)	(280,006)	(157,353)
Amount transferred to accumulated impairment loss in value of foreclosed properties/securities	(3,508)	(500)	(3,508)	(500)
Amount vested over from PBFIN Berhad (formerly known as Public Finance Berhad)	—	—	—	80,137
Exchange differences	(188)	(89)	2	—
At 31 December	233,007	297,891	151,746	220,579

Non-performing loans, advances and financing analysed by economic purposes are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Agriculture, hunting, forestry and fishing	4,775	6,534	4,690	6,502
Mining and quarrying	81	572	81	572
Manufacturing	76,326	95,486	75,514	94,478
Electricity, gas and water	8,167	649	8,167	649
Construction	90,631	129,583	52,165	90,226
Real estate	33,504	32,572	33,504	32,572
Purchase of landed properties	662,288	580,711	661,678	579,964
(of which: – residential	586,959	499,232	586,349	498,485
– non-residential)	75,329	81,479	75,329	81,479
Wholesale & retail trade and restaurants & hotels	126,643	164,240	126,384	163,748
Transport, storage and communication	10,714	13,751	7,795	13,461
Finance, insurance and business services	17,483	37,872	16,760	36,667
Purchase of securities	32,059	90,054	32,059	90,054
Purchase of transport vehicles	172,100	191,242	172,069	191,229
Consumption credit	155,703	142,559	83,347	81,303
Others	16,005	24,390	15,995	24,390
	1,406,479	1,510,215	1,290,208	1,405,815

NOTES TO THE FINANCIAL STATEMENTS

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9. OTHER ASSETS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest/Income receivable	67,736	45,539	63,221	37,028
Other debtors, deposits and prepayments	425,008	326,931	420,582	359,285
Foreclosed properties*	110,741	98,080	110,477	97,816
Taxi licenses	13,156	14,490	—	—
# Amount due from clients @	10,422	12,386	—	—
# Outstanding contracts on clients' accounts	79,053	206,254	—	—
Amount due from subsidiary companies	—	—	155,171	227,345
Dividend receivable from subsidiary companies	—	—	149,720	150,108
Derivatives (Note 22)	40,912	63,700	40,065	63,700
	747,028	767,380	939,236	935,282
* Stated net of allowance for impairment in value	25,084	10,418	25,084	10,418
@ Stated net of allowance for bad debts	13,161	13,120	—	—

The amount due from clients and outstanding contracts on clients' accounts are in respect of the stock broking activities of a subsidiary company.

10. STATUTORY DEPOSITS WITH CENTRAL BANKS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
* Statutory deposits with Bank Negara Malaysia	2,053,995	1,828,596	2,050,000	1,823,000
# Statutory deposits with National Bank of Cambodia	45,354	40,660	—	—
	2,099,349	1,869,256	2,050,000	1,823,000

* The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised 1994), the amounts of which is determined as set percentages of total eligible liabilities.

The non-interest bearing deposits are maintained with the National Bank of Cambodia in compliance with Cambodian banking law and are determined as set percentages of the Cambodian Public Bank Limited's issued share capital and deposits from customers as required by the National Bank of Cambodia.

NOTES TO THE FINANCIAL STATEMENTS

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11. DEFERRED TAX

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January, restated	277,474	241,690	220,646	109,348
Amount vested over from PBFIN Berhad (formerly known as Public Finance Berhad)	—	—	—	(1,616)
Exchange differences	(15)	(12)	—	—
Recognised in income statement (net) (Note 37)	62,634	30,122	63,831	107,032
Recognised in equity (net)	4,531	5,674	4,531	5,882
At 31 December	344,624	277,474	289,008	220,646

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The net deferred tax assets and liabilities shown on the balance sheet after appropriate offsetting are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deferred tax assets, net	347,704	280,554	289,008	220,646
Deferred tax liabilities, net	(3,080)	(3,080)	—	—
	344,624	277,474	289,008	220,646

The components and movements in deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group	Allowance for Loan Loss RM'000	Tax Losses RM'000	Other Temporary Differences RM'000	Total RM'000
At 1 January 2004	254,163	34,299	22,129	310,591
Exchange differences	—	—	(12)	(12)
Recognised in income statement	35,758	(103)	(4,195)	31,460
At 31 December 2004	289,921	34,196	17,922	342,039
Exchange differences	(15)	—	—	(15)
Recognised in income statement	50,044	(278)	14,590	64,356
At 31 December 2005	339,950	33,918	32,512	406,380

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11. DEFERRED TAX (continued)

Deferred tax liabilities of the Group	Excess of Capital Allowances Over Depreciation RM'000	Other Temporary Differences RM'000	Total RM'000
At 1 January 2004			
– as previously stated	56,327	5,500	61,827
– prior year adjustments	–	7,074	7,074
As restated	56,327	12,574	68,901
Recognised in income statement	(584)	1,922	1,338
Recognised in equity	–	(5,674)	(5,674)
At 31 December 2004	55,743	8,822	64,565
Recognised in income statement	3,480	(1,758)	1,722
Recognised in equity	–	(4,531)	(4,531)
At 31 December 2005	59,223	2,533	61,756

Deferred tax assets of the Bank	Allowance for Loan Loss RM'000	Other Temporary Differences RM'000	Total RM'000
At 1 January 2004	150,515	15,155	165,670
Recognised in income statement	112,932	(1,246)	111,686
At 31 December 2004	263,447	13,909	277,356
Recognised in income statement	52,529	12,110	64,639
At 31 December 2005	315,976	26,019	341,995



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11. DEFERRED TAX (continued)

Deferred tax liabilities of the Bank	Excess of Capital Allowances Over Depreciation RM'000	Other Temporary Differences RM'000	Total RM'000
At 1 January 2004			
– as previously stated	47,878	1,337	49,215
– prior year adjustments	–	7,107	7,107
As restated	47,878	8,444	56,322
Recognised in income statement	–	4,654	4,654
Recognised in equity	–	(5,882)	(5,882)
Amount vested over from PBFIN Berhad (formerly known as Public Finance Berhad)	1,154	462	1,616
At 31 December 2004	49,032	7,678	56,710
Recognised in income statement	1,575	(767)	808
Recognised in equity	–	(4,531)	(4,531)
At 31 December 2005	50,607	2,380	52,987

Deferred tax assets have not been recognised on the following item as it is not probable that the respective subsidiary companies will generate sufficient future taxable profits available against which it can be utilised:

	Group	
	2005 RM'000	2004 RM'000
Unutilised tax losses	101,372	136,277

Subject to the agreement by relevant tax authorities, the Group has tax losses carried forward of RM221,254,000 (2004 – RM259,495,000) which give rise to the recognised and unrecognised deferred tax assets in respect of the above unutilised tax losses.



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12. INVESTMENT IN SUBSIDIARY COMPANIES

Bank	2005		2004	
	Cost RM'000	Market Value RM'000	Cost RM'000	Market Value RM'000
Quoted shares				
– in Hong Kong	466,607	1,854,376	466,607	1,551,209
– in Malaysia	–	–	203,069	*
Unquoted shares	466,607 849,979	1,854,376 –	669,676 706,910	1,551,209 –
Less: Accumulated impairment losses	1,316,586 (430)	1,854,376 –	1,376,586 (430)	1,551,209 –
	1,316,156	1,854,376	1,376,156	1,551,209

* No market value had been disclosed for 2004 as this related to the net investment in HHB Holdings Berhad which remained under suspension pending the completion of the proposed corporate exercise. On 28 September 2005, the entire issued and paid-up capital in HHB Holdings Berhad was delisted from the official list of Bursa Malaysia Securities Berhad.

Details of the subsidiary companies are as follows:

Name	Principal Activities	Effective Interest		Issued and Paid-up Share Capital	
		2005 %	2004 %	2005	2004
<u>Local subsidiary companies</u>					
PBFIN Berhad (formerly known as Public Finance Berhad)	Dormant	100.0	100.0	RM2	RM60,000,000
Public Nominees (Tempatan) Sdn. Bhd.	Nominees services	100.0	100.0	RM10,000	RM10,000
Public Nominees (Asing) Sdn. Bhd.	Nominees services	100.0	100.0	RM10,000	RM10,000
Public Holdings Sdn. Bhd.	Property holding	100.0	100.0	RM2,500,000	RM2,500,000

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12. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name	Principal Activities	Effective Interest		Issued and Paid-up Share Capital	
		2005 %	2004 %	2005	2004
<u>Local subsidiary companies (continued)</u>					
Public Leasing & Factoring Sdn. Bhd.	Leasing and factoring	100.0	100.0	RM10,000,000	RM10,000,000
PB International Factors Sdn. Bhd.	Factoring	100.0	100.0	RM10,000,000	RM10,000,000
+Public Consolidated Holdings Sdn. Bhd.	Investment holding	100.0	100.0	RM50,000,000	RM50,000,000
+PB Securities Sdn. Bhd.	Stock and share broking	100.0	100.0	RM242,000,000	RM350,000,000
+PB Securities Nominees (Tempatan) Sdn. Bhd.	Nominees services	100.0	100.0	RM10,000	RM10,000
+PB Securities Nominees (Asing) Sdn. Bhd.	Nominees services	100.0	100.0	RM10,000	RM10,000
+Public Mutual Berhad	Sale of trust units and management of unit trusts	90.0	90.0	RM6,000,000	RM6,000,000
+Business Premium Sdn. Bhd.	Investment holding	100.0	100.0	RM5,411,504	RM5,411,504
Public Bank (L) Ltd.	Offshore banking	100.0	100.0	USD10,000,000	USD10,000,000
PB Trust Company Sdn. Bhd.	Dormant	100.0	100.0	RM150,000	RM150,000
PB Trust (L) Ltd.	Trustee services	100.0	100.0	USD40,000	USD40,000
PB Venture Capital Sdn. Bhd.	Investment holding	100.0	100.0	RM1,010,000	RM1,010,000



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12. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name	Principal Activities	Effective Interest		Issued and Paid-up Share Capital	
		2005 %	2004 %	2005	2004
<u>Local subsidiary companies (continued)</u>					
+Public Merchant Bank Berhad	Merchant banking	100.0	100.0	RM127,717,000	RM127,717,000
+Public Merchant Nominees (Tempatan) Sdn. Bhd.	Nominees services	100.0	100.0	RM10,000	RM10,000
+Public Merchant Nominees (Asing) Sdn. Bhd.	Dormant	100.0	100.0	RM2	RM2
+HHB Holdings Berhad#	Dormant	100.0	100.0	RM125,377,000	RM125,377,000
PB Properties Sdn. Bhd.	Property holding	100.0	100.0	RM5,200,000	RM5,200,000
Hock Hua Finance Berhad	Dormant	100.0	100.0	RM10,000	RM10,000
Hock Hua Nominees (Tempatan) Sdn. Bhd.	Dormant	100.0	100.0	RM3	RM3
Hock Hua Finance Nominees (Tempatan) Sdn. Bhd.	Dormant	100.0	100.0	RM2	RM2
<u>Overseas subsidiary companies</u>					
++Cambodian Public Bank Limited	Banking	100.0	100.0	USD20,000,000	USD20,000,000
+JCG Holdings Limited*	Investment holding	64.0	66.0	HKD72,926,441	HKD70,775,841
+Public Finance Limited (formerly known as JCG Finance Company, Limited)	Deposit-taking and finance	64.0	66.0	HKD258,800,000	HKD258,800,000
+Public Financial Limited (formerly known as Funds Fit Limited)	Investment holding	64.0	66.0	HKD10,100,000	HKD10,100,000
+JCG Securities Limited	Stock and share broking	64.0	66.0	HKD10,000,000	HKD10,000,000
+JCG Nominees Limited	Nominees services	64.0	66.0	HKD10,000	HKD10,000

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12. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Name	Principal Activities	Effective Interest		Issued and Paid-up Share Capital	
		2005 %	2004 %	2005	2004
<u>Overseas subsidiary companies (continued)</u>					
+Winton (B.V.I.) Limited	Investment and property holding	64.0	66.0	HKD61,773	HKD61,773
+Winton Holdings (Hong Kong) Limited (formerly known as Eternal Success Company Limited)	Property holding	64.0	66.0	HKD20	HKD20
+Winsure Company, Limited	Dormant	62.0	63.9	HKD1,600,000	HKD1,600,000
+Winton Financial Limited	Provision of financing for licensed public vehicles and provision of personal and short-term loans	64.0	66.0	HKD4,000,010	HKD4,000,010
+Winton Motors, Limited	Trading of taxi cabs and taxi licenses and leasing of taxis	64.0	66.0	HKD78,000	HKD78,000
@ ¹ +Winton Holdings (Bermuda) Limited	Investment holding	—	66.0	—	HKD33,394,993
@ ² +Winton Financial (Factoring) Limited	Dormant	—	66.0	—	HKD1,000,000
@ ³ +Winton Trading Company Limited	Trading of taxi cabs and taxi licenses and leasing of taxis	—	66.0	—	HKD20



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12. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

The entire issued and paid-up capital of the company was delisted from the Official List of Bursa Malaysia Securities Berhad on 28 September 2005 as set out in Note 52(b).

@¹ The Company was dissolved via a members' voluntary liquidation on 1 August 2005.

@² The Company was de-registered from the Companies Registry of Hong Kong with effect from 17 June 2005.

@³ The Company was de-registered from the Companies Registry of Hong Kong with effect from 2 December 2005.

* Shares quoted on the Stock Exchange of Hong Kong Limited.

+ Subsidiary companies not audited by KPMG.

++ Subsidiary company audited by KPMG Cambodia.

All the local subsidiary companies are incorporated in Malaysia. All the overseas subsidiary companies are incorporated in Hong Kong SAR except for JCG Holdings Limited which is incorporated in Bermuda, Cambodian Public Bank Limited which is incorporated in Cambodia and Winton (B.V.I.) Limited which is incorporated in the British Virgin Islands.

13. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unquoted shares, at cost	28,505	28,505	28,465	28,465
Share of post acquisition results	18,873	17,431	—	—
	47,378	45,936	28,465	28,465
Represented by:				
Group's share of net assets	47,378	45,936	—	—



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13. INVESTMENT IN ASSOCIATED COMPANIES (continued)

Details of the associated companies, all of which are unquoted are as follows:

Name	Principal Activities	Place of Incorporation	Effective Interest		Issued and Paid-up Share Capital	
			2005 %	2004 %	2005 '000	2004 '000
PB Trustee Services Berhad	Trustee services	Malaysia	40.0	40.0	RM525	RM525
VID Public Bank	Banking	Socialist Republic of Vietnam	50.0	50.0	USD20,000	USD20,000
CPB Properties Company Ltd.	Property holding	Cambodia	49.0	49.0	USD8	USD8

14. INVESTMENT PROPERTIES

	Group	
	2005 RM'000	2004 RM'000
<u>At valuation</u>		
At 1 January	33,594	28,111
Loss on exchange taken to exchange equalisation reserves	(86)	(44)
	33,508	28,067
Reclassified from long term leasehold land	5,005	144
Reclassified from buildings	636	28
Impairment written back	8,202	5,355
At 31 December	47,351	33,594

The Group's investment properties stated at market valuation are situated in Hong Kong SAR and are held under long term leases. The leasehold properties were revalued by independent professional valuers during the current and previous financial years on an open market value based on existing usage.

No investment properties were pledged as security for banking facilities granted to subsidiary companies at the balance sheet date.



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15. PROPERTY AND EQUIPMENT

Group	Freehold land RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Reno- vations RM'000	Office equipment, furniture & fittings RM'000	Computer equipment & software RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
<u>Cost</u>										
At 1 January 2005	116,889	48,804	77,872	530,483	203,168	354,926	533,241	20,350	2,711	1,888,444
Additions	382	—	578	4,822	16,716	16,480	45,889	8,620	—	93,487
Disposals	—	—	(517)	(250)	(1,915)	(1,772)	(7,003)	(7,631)	—	(19,088)
Transfer to investment properties	—	—	(11,850)	(1,178)	—	—	—	—	—	(13,028)
Transfers	—	—	39,038	(36,327)	(9,742)	9,393	188	—	(2,711)	(161)
Write-offs	—	—	—	—	(430)	(990)	(8,411)	(410)	—	(10,241)
Exchange differences	—	(126)	(175)	(153)	(68)	(19)	(33)	(5)	—	(579)
At 31 December 2005	117,271	48,678	104,946	497,397	207,729	378,018	563,871	20,924	—	1,938,834
<u>Depreciation and impairment losses</u>										
Accumulated depreciation	—	7,506	4,304	98,597	125,719	244,527	429,062	16,592	—	926,307
Accumulated impairment losses	—	—	5,964	13,981	—	—	—	—	—	19,945
At 1 January 2005	—	7,506	10,268	112,578	125,719	244,527	429,062	16,592	—	946,252
Depreciation charge for the year	—	924	574	9,818	13,706	24,676	39,657	3,016	—	92,371
Impairment loss written back	—	—	(1,713)	—	—	—	—	—	—	(1,713)
Disposals	—	—	(178)	(86)	(1,909)	(1,741)	(5,905)	(7,621)	—	(17,440)
Transfers	—	—	2,974	(2,974)	—	—	—	—	—	—
Transfer to investment properties	—	—	(1,997)	(542)	—	—	—	—	—	(2,539)
— accumulated depreciation	—	—	(1,997)	(542)	—	—	—	—	—	(2,539)
— impairment loss	—	—	(4,848)	—	—	—	—	—	—	(4,848)
Write-offs	—	—	—	—	(422)	(955)	(8,382)	(410)	—	(10,169)
Exchange differences	—	(15)	(9)	(31)	(56)	(21)	(24)	2	—	(154)
— accumulated depreciation	—	(15)	(9)	(31)	(56)	(21)	(24)	2	—	(154)
— impairment loss	—	—	(16)	(8)	—	—	—	—	—	(24)

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15. PROPERTY AND EQUIPMENT (continued)

Group	Freehold land RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Renovations RM'000	Office equipment, furniture & fittings RM'000	Computer equipment & software RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
Accumulated depreciation	—	8,415	2,694	107,756	137,038	266,486	454,408	11,579	—	988,376
Accumulated impairment losses	—	—	2,361	10,999	—	—	—	—	—	13,360
At 31 December 2005	—	8,415	5,055	118,755	137,038	266,486	454,408	11,579	—	1,001,736
Net book value										
At 31 December 2005	117,271	40,263	99,891	378,642	70,691	111,532	109,463	9,345	—	937,098
At 31 December 2004	116,889	41,298	67,604	417,905	77,449	110,399	104,179	3,758	2,711	942,192
For the year ended 31 December 2004										
Depreciation charge	—	729	614	10,750	15,401	26,059	35,676	1,672	—	90,901
Impairment losses	—	—	5,964	2,982	—	—	—	—	—	8,946

Included in renovations is additional restoration cost accrued during the year of RM Nil (2004: RM900,000). No leasehold land and buildings of the Group were pledged to secure banking facilities to the Group at the balance sheet date.



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15. PROPERTY AND EQUIPMENT (continued)

Bank	Freehold land RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Reno- vations RM'000	Office equipment, furniture & fittings RM'000	Computer equipment & software RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
<u>Cost</u>										
At 1 January 2005	81,092	–	306	263,033	167,303	253,056	501,868	16,601	2,711	1,285,970
Additions	–	–	–	–	14,831	14,695	43,833	7,092	–	80,451
Disposals	–	–	–	–	(2)	(1,251)	(5,797)	(6,536)	–	(13,586)
Transfers	–	–	–	2,711	(9,742)	9,393	188	–	(2,711)	(161)
Write-offs	–	–	–	–	(372)	(880)	(8,247)	(2)	–	(9,501)
Exchange differences	–	–	–	–	–	4	4	2	–	10
At 31 December 2005	81,092	–	306	265,744	172,018	275,017	531,849	17,157	–	1,343,183
<u>Depreciation</u>										
At 1 January 2005	–	–	37	48,432	93,086	164,003	400,022	13,289	–	718,869
Depreciation charge for the year	–	–	1	5,277	11,150	18,539	37,869	2,698	–	75,534
Disposals	–	–	–	–	(2)	(1,241)	(4,700)	(6,534)	–	(12,477)
Write-offs	–	–	–	–	(364)	(849)	(8,218)	(2)	–	(9,433)
Exchange differences	–	–	–	–	2	4	11	2	–	19
At 31 December 2005	–	–	38	53,709	103,872	180,456	424,984	9,453	–	772,512
<u>Net book value</u>										
At 31 December 2005	81,092	–	268	212,035	68,146	94,561	106,865	7,704	–	570,671
At 31 December 2004	81,092	–	269	214,601	74,217	89,053	101,846	3,312	2,711	567,101
For the year ended 31 December 2004										
Depreciation charge	–	–	1	5,274	10,389	16,429	32,811	1,013	–	65,917

Included in renovations is additional restoration cost accrued during the year of RM Nil (2004: RM900,000).

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16. INTANGIBLE ASSETS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Goodwill</u>				
<u>Cost</u>				
At 1 January	913,197	902,392	820,154	393,129
Arising from vesting over of the net assets of a subsidiary company	—	—	—	427,025
Arising from acquisition of additional shares in subsidiary companies	20	10,805	—	—
At 31 December	913,217	913,197	820,154	820,154
<u>Accumulated amortisation</u>				
At 1 January	129,448	84,088	81,798	54,373
Amortisation for the year	44,862	45,360	42,963	27,425
At 31 December	174,310	129,448	124,761	81,798
Net book value	738,907	783,749	695,393	738,356
<u>License</u>				
<u>Cost</u>				
At 1 January	28,000	—	—	—
Purchase of share broking license	—	28,000	—	—
At 31 December	28,000	28,000	—	—
<u>Accumulated amortisation</u>				
At 1 January	350	—	—	—
Amortisation for the year	1,400	350	—	—
At 31 December	1,750	350	—	—
Net book value	26,250	27,650	—	—
Total net book value of intangible assets	765,157	811,399	695,393	738,356



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17. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Demand deposits	9,566,341	8,682,720	9,531,145	8,570,697
Savings deposits	12,566,703	11,498,368	12,367,962	11,328,835
Fixed deposits	43,209,440	39,315,447	41,747,537	35,880,955
Negotiable instruments of deposits	18,492,176	12,481,507	18,266,271	12,218,267
Other deposits	294,981	268,261	292,267	266,885
	84,129,641	72,246,303	82,205,182	68,265,639

The maturity structure of fixed deposits and negotiable instruments of deposits are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Due within six months	52,242,681	43,631,038	50,586,121	39,689,051
More than six months to one year	8,848,375	8,012,524	8,817,745	8,263,733
More than one year to three years	433,510	141,046	432,892	134,093
More than three years to five years	177,050	12,346	177,050	12,345
	61,701,616	51,796,954	60,013,808	48,099,222

The deposits are sourced from the following types of customers:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Federal and state governments	222,874	258,528	222,874	258,528
Local government and statutory authorities	994,303	554,184	994,303	554,184
Business enterprises	20,621,483	18,356,782	20,545,851	16,072,496
Individuals	46,518,735	41,668,674	46,266,816	40,903,032
Foreign customers	3,066,866	1,199,966	2,313,030	1,050,029
Others	12,705,380	10,208,169	11,862,308	9,427,370
	84,129,641	72,246,303	82,205,182	68,265,639

NOTES TO THE FINANCIAL STATEMENTS

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18. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Licensed banks	2,268,249	1,146,857	1,242,196	769,850
Licensed finance companies	—	240,000	—	240,000
Licensed merchant banks	65,000	104,000	4,189	44,878
Other financial institutions	5,347,441	1,467,624	5,537,215	3,711,002
	7,680,690	2,958,481	6,783,600	4,765,730

19. BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable represents the Bank's own bills and acceptances rediscounted and outstanding in the market.

20. RECOURSE OBLIGATIONS ON LOANS SOLD TO CAGAMAS

This represents the proceeds received from housing loans (excluding Islamic financing) sold directly to Cagamas Berhad with recourse to the Bank. Under this agreement, the Bank undertakes to administer the loans on behalf of Cagamas Berhad and to buy-back any loans which are regarded as defective based on prudential criteria set by Cagamas Berhad.

21. OTHER LIABILITIES

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Interest/Profit payable	508,851	422,185	499,070	407,063
Other creditors and accruals	594,419	545,956	289,566	268,535
Employee benefits (Note 23(a))	(6,182)	5,741	(5,941)	5,741
Accrued restoration cost	7,665	8,589	7,665	7,665
Profit Equalisation Reserves	21,523	28,393	21,523	28,393
Outstanding contracts on clients' accounts	72,412	202,621	—	—
Dividend payable to shareholders	54,933	305,379	3,750	305,379
Amount due to subsidiary companies	—	—	197,356	292,988
Derivatives (Note 22)	157,298	126,054	145,869	17,761
	1,410,919	1,644,918	1,158,858	1,333,525

The outstanding contracts on clients' accounts are in respect of the stock broking activities of a subsidiary company.



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22. DERIVATIVE FINANCIAL INSTRUMENTS

Group	Fair values	
	Assets RM'000	Liabilities RM'000
At 31 December 2005		
1) Derivatives held-for-trading		
Foreign exchange derivatives		
Currency forwards	4,627	1,352
Currency swaps	20,110	8,652
	24,737	10,004
2) Derivatives held-for-hedging		
Derivatives designated as fair value hedges		
Interest rate swaps	16,175	147,294
Total recognised derivative assets/liabilities	40,912	157,298
At 31 December 2004		
1) Derivatives held-for-trading		
Foreign exchange derivatives		
Currency forwards	2,794	1,848
Currency swaps	8,707	15,913
	11,501	17,761
2) Derivatives held-for-hedging		
Derivatives designated as fair value hedges		
Interest rate swaps	52,199	108,293
Total recognised derivative assets/liabilities	63,700	126,054

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22. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Bank	Fair values	
	Assets RM'000	Liabilities RM'000
At 31 December 2005		
1) Derivatives held-for-trading		
Foreign exchange derivatives		
Currency forwards	4,627	1,352
Currency swaps	20,110	8,652
	24,737	10,004
2) Derivatives held-for-hedging		
Derivatives designated as fair value hedges		
Interest rate swaps	15,328	135,865
Total recognised derivative assets/liabilities	40,065	145,869
At 31 December 2004		
1) Derivatives held-for-trading		
Foreign exchange derivatives		
Currency forwards	2,794	1,848
Currency swaps	8,707	15,913
	11,501	17,761
2) Derivatives held-for-hedging		
Derivatives designated as fair value hedges		
Interest rate swaps	52,199	—
Total recognised derivative assets/liabilities	63,700	17,761

23. EMPLOYEE BENEFITS

(a) Defined Benefit Plan

The Bank and certain subsidiary companies contribute to a fully funded defined benefit scheme known as Public Bank Group Officers' Retirement Benefits Fund ("the Fund") for its eligible employees. Contributions to the Fund are made to a separately administered fund. Under the Fund, eligible employees are entitled to one month of the final/last drawn salary for each completed year of service with the Group upon attainment of the retirement age of 55. For employees who leave before the attainment of the retirement age, the retirement benefit will be computed based on the scale rate stipulated in the rules of the Fund.

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23. EMPLOYEE BENEFITS (continued)**(a) Defined Benefit Plan (continued)**

The amounts recognised in the balance sheets are determined as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Present value of funded obligations	245,841	188,072	237,900	180,888
Fair value of fund assets	(337,301)	(292,812)	(326,406)	(281,627)
	(91,460)	(104,740)	(88,506)	(100,739)
Unrecognised actuarial gains	85,278	110,481	82,565	106,480
Net (asset)/liability	(6,182)	5,741	(5,941)	5,741

Fund assets include ordinary shares issued by the Bank with a fair value of RM203,178,000 (2004 – RM309,560,000). Fund assets also include properties occupied by the Group and the Bank of RM139,886,000 (2004 – RM124,201,000) and RM134,786,000 (2004 – RM119,966,000) respectively.

The amounts recognised in the income statements are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Current service cost	13,849	13,067	13,404	8,952
Interest cost	13,167	12,020	12,740	8,234
Expected return on fund assets	(13,762)	(12,406)	(13,345)	(7,317)
Actuarial gains recognised	(20,298)	–	(19,602)	–
Amount included under “personnel costs”	(7,044)	12,681	(6,803)	9,869
Expected return on fund assets	13,762	12,406	13,345	7,317
Actuarial gain on fund assets	33,048	69,881	31,980	47,876
Actual return on fund assets	46,810	82,287	45,325	55,193

NOTES TO THE FINANCIAL STATEMENTS

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23. EMPLOYEE BENEFITS (continued)

(a) Defined Benefit Plan (continued)

Movements in the net (asset)/liability recognised in the balance sheets are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Net liability at 1 January	5,741	12,897	5,741	12,897
Contributions	—	(14,338)	—	(11,526)
Benefits paid	(4,879)	(5,499)	(4,879)	(5,499)
(Income)/Expense recognised in the income statement	(7,044)	12,681	(6,803)	9,869
Net (asset)/liability at 31 December	(6,182)	5,741	(5,941)	5,741

Principal actuarial assumptions used at the balance sheet date (expressed as weighted averages):

	Group and Bank	
	2005*	2004
Discount rate	6.25%	7.00%
Expected return on fund assets	8.00%	8.00%
Expected rate of salary increases	6.50%	6.00%

* The principal actuarial assumptions for 2005 are based on the latest actuarial valuation performed during the year in determining the present value of funded obligations as at 31 December 2005.

(b) Equity Compensation Benefits

Public Bank Berhad Group Employees' Share Option Scheme

On 10 April 1998, an offer of options under the Public Bank Berhad Employees' Share Option Scheme ("PBB ESOS") to subscribe for ordinary shares of RM0.50 each (before share consolidation) at an option price of RM1.66 was made to eligible employees. The initial expiry date of the PBB ESOS of 25 February 2003 was extended at the following Extraordinary General Meetings ("EGM") of the Bank:

EGM Date	Expiry Date	
	From	To
20 May 2002	25 February 2003	25 February 2005
20 April 2004	25 February 2005	25 February 2006
30 March 2005	25 February 2006	25 February 2008

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23. EMPLOYEE BENEFITS (continued)

(b) Equity Compensation Benefits (continued)

The salient features of the PBB ESOS are as follows:

- (i) The ESOS Committee appointed by the Board of Directors to administer the PBB ESOS, may from time to time grant options to Directors and employees of the Group to subscribe for new ordinary shares of RM1.00 each in the Bank;
- (ii) The eligibility of a Director or employee of the Group to participate in the PBB ESOS shall be at the discretion of the PBB ESOS Committee, who shall take into consideration factors such as years of service and performance track record;
- (iii) The total number of shares to be issued under the PBB ESOS shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up share capital of the Bank at any point of time during the tenure of the PBB ESOS and out of which not more than fifty percent (50%) of the shares shall be allocated, in aggregate, to directors and senior management. In addition, not more than ten percent (10%) of the shares available under the PBB ESOS shall be allocated to any individual director or eligible employee who, either singly or collectively through persons connected, holds twenty percent (20%) or more in the issued and paid-up capital of the Bank and no option shall be granted for less than 1,000 shares;
- (iv) The option exercise price for each ordinary share of RM1.00 each shall be at a discount of not more than ten percent (10%) of the five (5)-day weighted average market price of PBB shares quoted as "Local" on the Main Board of the Bursa Securities and as shown in the Daily Official List issued by the Bursa Securities at the time the option is granted;
- (v) The number of outstanding options to subscribe for shares or the option price or both may be adjusted following any issue of additional shares by way of rights issues, bonus issues or other capitalisation issue carried out by the Bank while an option remains unexercised; and
- (vi) All new ordinary shares issued upon exercise of the options granted under the PBB ESOS will rank *pari passu* in all respects with the existing ordinary shares of the Bank.

The exercise price of the options granted under the PBB ESOS were adjusted as follows:

	Granted on 10.04.1998	Granted on 6.6.2002	Granted on 16.6.2003	Granted on 22.12.2003	Granted on 21.5.2004
Option price at date of granting of options	RM1.66	RM2.78	RM2.13	RM2.30	RM2.46
After adjusting for:					
3 for 10 bonus issue on 23 April 2001	RM1.27	—	—	—	—
1 for 4 bonus issue on 12 July 2002	RM1.02	RM2.22	—	—	—
1 for 4 bonus issue on 16 July 2003	RM0.82	RM1.78	RM1.70	—	—
Share consolidation on 2 June 2004	RM1.64	RM3.56	RM3.40	RM4.60	RM4.92

Following the completion of the consolidation and division of the Bank's share capital into ordinary shares of par value of RM1.00 each from ordinary shares of par value of RM0.50 each ("Share Consolidation") on 2 June 2004, all the unexercised options are also consolidated into number of share options of RM1.00 each from number of share options of RM0.50 each.

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23. EMPLOYEE BENEFITS (continued)

(b) Equity Compensation Benefits (continued)

The movements in the number of options to subscribe for new ordinary shares of RM1.00 each of the PBB ESOS ("PBB Share Options") are as follows:

Option price	Number of PBB Share Options							Total '000
	RM1.64 '000	RM3.56 '000	RM3.40 '000	RM4.60 '000	RM4.92 '000	RM6.37 '000	RM5.67 '000	
At 1 January 2005	153	13,427	1,533	15,085	36,951	—	—	67,149
Granted during the year	—	—	—	—	—	57,011	54,800	111,811
Exercised during the year	(65)	(10,627)	(1,124)	(10,331)	(35,817)	(3,642)	—	(61,606)
Lapsed due to resignation	(1)	(43)	(42)	(75)	(19)	(783)	—	(963)
At 31 December 2005	87	2,757	367	4,679	1,115	52,586	54,800	116,391

The options granted do not confer any right to participate in any share issue of any other company.

Details of PBB Share Options of RM1.00 each granted during the year are as follows:

Option Price	Number of PBB Share Options	
	2005 '000	2004 '000
RM4.92	—	50,769
RM6.37	57,011	—
RM5.67	54,800	—
	111,811	50,769

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23. EMPLOYEE BENEFITS (continued)

(b) Equity Compensation Benefits (continued)

Details of PBB Share Options of RM1.00 each exercised during the year and the fair value, at exercise date, of shares issued are as follows:

Exercise Date	Option Price/Number of PBB Share Options of RM1.00 Each							Fair Value of Shares Issued
	RM1.64	RM3.56	RM3.40	RM4.60	RM4.92	RM6.37	Total	
January 2005	15,475	985,926	104,200	954,400	21,098,000	—	23,158,001	7.48 - 7.49
February 2005	32,200	6,006,810	392,825	5,424,000	6,761,500	—	18,617,335	7.54 - 7.68
August 2005	14,482	1,382,291	194,275	1,397,700	6,670,000	3,155,000	12,813,748	7.18
October 2005	1,063	442,561	96,950	424,800	1,014,500	134,200	2,114,074	6.51
November 2005	1,269	1,592,454	300,225	1,927,975	249,500	326,500	4,397,923	6.50 - 6.53
December 2005	—	217,309	35,375	202,500	23,500	26,000	504,684	6.26
	64,489	10,627,351	1,123,850	10,331,375	35,817,000	3,641,700	61,605,765	
Considerations received (RM)	105,762	37,833,370	3,821,090	47,524,325	176,219,640	23,197,629	288,701,816	

24. SUBORDINATED NOTES

	Group and Bank	
	2005 RM'000	2004 RM'000
USD350 million Subordinated Notes due 2014, callable with step-up in 2009 (a)	1,322,825	1,330,000
USD400 million Subordinated Notes due 2017, callable with step-up in 2012 (b)	1,511,800	—
	2,834,625	1,330,000
Less: Transaction costs	(7,790)	(3,990)
Discount on issuance	(13,154)	(3,777)
Unrealised fair value (gain)/loss	(59,173)	52,200
	2,754,508	1,374,433
Accumulated accretion of discount and amortisation of transaction costs	3,114	781
	2,757,622	1,375,214

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24. SUBORDINATED NOTES (continued)

- (a) On 22 June 2004, the Bank issued USD350 million in aggregate principal amount of Subordinated Notes due 2014 callable with step-up in 2009. The Notes bear interest at the rate of 5.625% per annum from (and including) 22 June 2004 to (but excluding) 22 September 2009 and, thereafter, at a rate per annum equal to the interest rate of five year US treasury notes plus 3.10%. The interest is payable semi-annually in arrears on 22 March and 22 September in each year commencing on 22 March 2005. The Notes were issued at a price of 99.716 percent of the principal amount of the Notes. The Notes will, subject to the prior consent of Bank Negara Malaysia, be redeemable in whole but not in part, at the option of the Bank in the event of certain changes affecting taxation in Malaysia or on 22 September 2009 at their principal amount plus accrued interest (if applicable).
- (b) On 20 June 2005, the Bank issued USD400 million in aggregate principal amount of Subordinated Notes due 2017 callable with step-up in 2012. The Notes bear interest at the rate of 5% per annum from (and including) 20 June 2005 to (but excluding) 20 June 2012 and, thereafter, at a rate per annum equal to the interest rate of five year US treasury notes plus 2.827%. The interest is payable semi-annually in arrears on 20 June and 20 December in each year commencing on 20 December 2005. The Notes were issued at a price of 99.383 per cent of the principal amount of the Notes. The Notes will, subject to prior consent of Bank Negara Malaysia, be redeemable in whole but not in part, at the option of the Bank in the event of certain changes affecting taxation in Malaysia or on 20 June 2012 at their principal amount plus accrued interest (if applicable).

All the subordinated notes above constitute unsecured liabilities of the Bank, and are subordinated in right of payment upon occurrence of any winding up proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Bank in accordance with the terms and conditions of the Notes and qualify as Tier II capital for the purpose of determining the capital adequacy ratio of the Group and the Bank.

25. PROVISION FOR TAX EXPENSE AND ZAKAT

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Tax expense	250,333	233,135	211,982	154,337
Zakat	55	35	55	35
	250,388	233,170	212,037	154,372



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26. SHARE CAPITAL

Group and Bank	Number of Ordinary Shares of RM1.00 Each		Amount	
	2005 '000	2004 '000	2005 RM'000	2004 RM'000
Authorised:				
Ordinary shares of RM1.00 each				
At 1 January	5,000,000	5,000,000	5,000,000	5,000,000
Increase during the year	5,000,000	—	5,000,000	—
At 31 December	10,000,000	5,000,000	10,000,000	5,000,000
Issued and fully paid:				
Ordinary shares of RM1.00 each				
At 1 January	3,355,767	3,206,600	3,355,767	3,206,600
Issued pursuant to the exercise of share options	61,606	149,167	61,606	149,167
At 31 December	3,417,373	3,355,767	3,417,373	3,355,767

On 30 March 2005, the Bank obtained its shareholders' approval to increase its authorised share capital from RM5,000,000,000 comprising 5,000,000,000 ordinary shares of RM1.00 each to RM10,000,000,000 comprising 10,000,000,000 ordinary shares of RM1.00 each by the creation of an additional 5,000,000,000 ordinary shares of RM1.00 each.

27. TREASURY SHARES

The amount relates to the acquisition cost of treasury shares.

On 30 March 2005, the shareholders of the Bank renewed their approval for the Bank to buy-back its own shares. During the financial year, the Bank bought back from the open market, 24,007,100 of its issued ordinary shares of RM1.00 each ("PBB Shares") listed and quoted as "Local" on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average buy-back price of RM7.61 per share. During the previous financial year, the Bank bought back from the open market, 56,628,800 of its issued ordinary shares of RM1.00 each listed and quoted as "Local" on the Main Board of Bursa Malaysia at an average buy-back price of RM6.15 per share and 12,456,850 PBB shares listed and quoted as "Foreign" on the Main Board of Bursa Malaysia at an average buy-back price of RM6.61 per share. The total consideration paid for the share buy-back of PBB Shares by the Bank during the financial year, including transaction costs, was RM183,158,887 (2004 – RM431,480,591) and was financed by internally generated funds. The PBB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965.

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27. TREASURY SHARES (continued)

Of the total 3,417,373,089 (2004 – 3,355,767,324) issued and paid-up PBB Shares as at 31 December 2005, 124,184,500 (2004 – 100,177,400) PBB Shares are held as treasury shares by the Bank. As at 31 December 2005, the number of outstanding PBB Shares in issue and paid-up is therefore 3,293,188,589 (2004 – 3,255,589,924) ordinary shares of RM1.00 each.

None of the treasury shares held were resold or cancelled during the financial year. Treasury shares have no rights to voting, dividends and participation in other distribution.

28. OTHER RESERVES

Group	Statutory Reserves RM'000	Capital Reserves RM'000	Exchange Equalisation Reserves RM'000	Revaluation Reserves RM'000	Total RM'000
At 1 January 2004					
– As previously stated	2,204,384	79,943	103,303	–	2,387,630
– Prior year adjustments (Note 47(b))	–	–	–	30,560	30,560
At 1 January 2004, as restated	2,204,384	79,943	103,303	30,560	2,418,190
Currency translation differences	–	–	(1,348)	–	(1,348)
Unrealised net gain on revaluation of securities available-for-sale	–	–	–	31,245	31,245
Transfer from income statement	228,707	–	–	–	228,707
At 31 December 2004	2,433,091	79,943	101,955	61,805	2,676,794
At 1 January 2005					
– As previously stated	2,433,091	79,943	101,955	–	2,614,989
– Prior year adjustments (Note 47(b))	–	–	–	61,805	61,805
At January 2005, as restated	2,433,091	79,943	101,955	61,805	2,676,794
Currency translation differences	–	–	(31,581)	–	(31,581)
Unrealised net loss on revaluation of securities available-for-sale	–	–	–	(25,820)	(25,820)
Transfer from income statement	324,432	–	–	–	324,432
At 31 December 2005	2,757,523	79,943	70,374	35,985	2,943,825



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28. OTHER RESERVES (continued)

Bank	Statutory Reserves RM'000	Revaluation Reserves RM'000	Total RM'000
At 1 January 2004			
– As previous stated	1,842,160	–	1,842,160
– Prior year adjustments (Note 47(b))	–	20,452	20,452
At 1 January 2004, as restated	1,842,160	20,452	1,862,612
Unrealised net loss on revaluation of securities available-for-sale	–	(15,121)	(15,121)
Transfer from income statement	559,409	–	559,409
At 31 December 2004	2,401,569	5,331	2,406,900
At 1 January 2005			
– As previously stated	2,401,569	–	2,401,569
– Prior year adjustments (Note 47(b))	–	5,331	5,331
At 1 January 2005, as restated	2,401,569	5,331	2,406,900
Unrealised net loss on revaluation of securities available-for-sale	–	(11,650)	(11,650)
Transfer from income statement	320,223	–	320,223
At 31 December 2005	2,721,792	(6,319)	2,715,473

The statutory reserves are maintained in compliance with Section 36 of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

The capital reserves of the Group arose mainly from the capitalisation of retained profits that resulted from bonus issues by subsidiary companies and the restructuring exercise involving certain subsidiary companies undertaken by the Group in previous years.

The exchange equalisation reserves comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The revaluation reserve is in respect of unrealised fair value gains and losses on securities available-for-sale.

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29. RETAINED PROFITS

As at 31 December 2005, the Bank has tax exempt profits available for distribution of approximately RM284,000,000 (2004 – RM284,000,000), subject to agreement by Inland Revenue Board.

Subject to agreement by the Inland Revenue Board, the Bank has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt account to frank the payment of dividends out of the Bank's entire retained profits as at 31 December 2005.

30. INTEREST INCOME

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Loan, advances and financing				
– Interest income other than recoveries from NPLs	3,628,393	3,146,247	3,223,839	2,162,982
– Recoveries from NPLs	80,908	74,286	80,254	70,010
Money at call and deposit placements with financial institutions	759,499	459,111	722,917	593,165
Securities held-for-trading	88,309	161,377	86,152	156,176
Securities available-for-sale	90,015	51,956	62,323	31,774
Securities held-to-maturity	75,899	21,301	61,609	13,355
Others	26,495	19,052	26,104	9,636
	4,749,518	3,933,330	4,263,198	3,037,098
Amortisation of premium less accretion of discount	(18,867)	(13,460)	(27,245)	(13,662)
Net interest/income suspended	(115,151)	(103,978)	(114,976)	(91,932)
	4,615,500	3,815,892	4,120,977	2,931,504

31. INTEREST EXPENSE

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits and placements of banks and other financial institutions	128,310	56,789	139,619	224,933
Deposits from customers	1,884,890	1,377,649	1,831,092	1,187,577
Loans sold to Cagamas	12,070	18,288	12,070	8,455
Subordinated notes	95,696	20,101	95,696	20,101
Others	10,675	21,737	155	70
	2,131,641	1,494,564	2,078,632	1,441,136

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32. OTHER OPERATING INCOME

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
(a) Fee income:				
Commissions	98,150	89,651	98,468	84,750
Service charges and fees	175,954	165,786	117,664	100,770
Guarantee fees	19,891	19,532	16,973	16,042
Processing fees	25,022	20,984	814	621
Commitment fees	32,632	29,273	31,884	28,999
Unit trust management fees	136,006	116,227	—	—
Net brokerage and commissions from stock broking activities	18,559	23,160	—	—
Other fee income	24,427	24,395	17,198	15,131
	530,641	489,008	283,001	246,313
(b) Net gain arising from sale of securities:				
Net gain from sale of securities held-for-trading	10,149	38,821	9,763	35,804
Net gain from sale of securities available-for-sale	4,162	3,487	—	46,029
	14,311	42,308	9,763	81,833
(c) Gross dividend income from:				
Securities held-for-trading	567	1,059	391	502
Securities available-for-sale	41,693	38,523	37,430	33,214
Securities held-to-maturity	3,281	1,088	3,191	908
Associated companies	—	—	2,311	2,466
Subsidiary companies:				
– quoted in Malaysia	—	—	—	1,165,155
– quoted outside Malaysia	—	—	170,890	496,842
– unquoted in Malaysia	—	—	42,054	361,596
	45,541	40,670	256,267	2,060,683
(d) Unrealised gain on revaluation of securities held-for-trading and derivatives	20,785	11,230	18,744	10,724
(e) Other income:				
Foreign exchange profit	81,377	73,199	82,273	72,472
Rental income	7,830	6,745	2,545	2,753
Net gain/(loss) on disposal of property and equipment	2,322	118	1,764	(5)
Net (loss)/gain on disposal of foreclosed properties	(807)	99	(807)	99
Gain on sale of trust units	132,729	87,575	—	—
Lease income and factoring charges	1,995	2,314	—	—
Others *	81,220	(10,971)	19,588	15,660
	306,666	159,079	105,363	90,979
Total Other Operating Income	917,944	742,295	673,138	2,490,532

* The 2005 Group figure includes RM27.8 million arising from the dilution of interest in a subsidiary company due to the issuance of shares under the subsidiary company's employees' share option scheme.

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33. OTHER OPERATING EXPENSES

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Personnel costs				
– Salaries, allowances and bonuses	579,924	552,549	496,311	380,806
– Pension costs	68,128	81,871	60,837	60,423
– Others	55,783	53,783	52,119	39,616
Establishment costs				
– Depreciation	92,371	90,901	75,534	65,917
– Rental	49,888	49,702	64,824	62,996
– Insurance	11,985	14,743	10,911	11,832
– Water and electricity	21,544	20,832	17,318	16,055
– General repairs	18,152	18,282	14,823	14,181
– Others	66,978	57,426	57,101	23,704
Marketing expenses				
– Sales commission	139,452	88,775	–	–
– Advertisement and publicity	47,836	41,689	22,144	14,803
– Handling fees	18,296	25,606	18,287	(5,404)
– Others	61,320	47,376	47,931	30,996
Administration and general expenses				
– Amortisation of intangible assets	46,262	45,710	42,963	27,425
– Communication expenses	55,705	52,281	46,478	46,855
– Others	65,371	64,667	56,679	40,117
	1,398,995	1,306,193	1,084,260	830,322

(a) Included in the other operating expenses are the following statutory disclosures:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Amortisation of intangible assets	46,262	45,710	42,963	27,425
Auditors' remuneration:				
– statutory audit fees	1,669	1,579	710	522
– half year review	100	100	100	70
– other services	239	345	159	204
Depreciation of property and equipment	92,371	90,901	75,534	65,917
Directors' remuneration (Note 34)	13,725	14,323	8,845	8,710
Pension costs				
– defined contribution plan	70,062	64,951	62,970	47,248
– defined benefit plan	(7,044)	12,681	(6,803)	9,869
Property and equipment written off	72	3,104	68	1,757
Rental of premises	49,888	49,702	64,824	62,996

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33. OTHER OPERATING EXPENSES (continued)

Included in the statutory audit fees and other services fees of the Group are fees paid to accounting firms other than the Bank's auditors amounting to RM839,000 (2004 – RM775,000) and RM30,000 (2004 – RM69,000) respectively.

(b) Employees

The number of persons employed by the Group and the Bank (excluding Directors) as at the end of the financial year was 12,800 (2004 – 12,659) and 11,546 (2004 – 11,463) respectively.

34. DIRECTORS' REMUNERATION

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Directors of the Bank:				
Executive Directors:				
Fees	428	482	180	150
Salary and other remuneration, including meeting allowances	1,912	1,930	1,873	1,879
Bonuses	2,164	2,307	2,164	2,207
Benefits-in-kind				
– arising from exercise of share options	7,684	3,819	6,488	3,819
– others	74	52	74	52
	12,262	8,590	10,779	8,107
Non-Executive Directors:				
Fees	1,278	1,478	690	575
Other remuneration	4,004	4,832	3,931	3,899
Benefits-in-kind				
– arising from exercise of share options	16,076	17,904	15,431	17,904
– others	96	65	96	65
	21,454	24,279	20,148	22,443
Past Director:				
Other remuneration	7	–	7	–
Benefits-in-kind	25	15	25	15
	32	15	32	15

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34. DIRECTORS' REMUNERATION (continued)

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Directors of subsidiary companies:				
Executive Directors:				
Fees	206	121	—	—
Salary and other remuneration, including meeting allowances	2,291	2,086	—	—
Bonuses	1,307	977	—	—
Benefits-in-kind				
- arising from exercise of share options	2,691	1,406	—	—
- others	183	139	—	—
	6,678	4,729	—	—
Non-Executive Directors:				
Fees	128	110	—	—
Benefits-in-kind				
- arising from exercise of share options	1,421	330	—	—
	1,549	440	—	—
Grand Total	41,975	38,053	30,959	30,565
Total (excluding benefits-in-kind)	13,725	14,323	8,845	8,710

Included in the remuneration of the Executive Directors is the remuneration attributable to the Chief Executive Officer of the Bank, including benefits-in-kind, during the financial year amounting to RM6,779,713 (2004 - RM5,184,383).



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34. DIRECTORS' REMUNERATION (continued)

The total remuneration (including benefits-in-kind) of the Directors of the Bank are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Executive Directors:				
Dato' Sri Tay Ah Lek	8,137	5,448	6,780	5,184
Dato' Lee Kong Lam	4,125	3,142	3,999	2,923
	12,262	8,590	10,779	8,107
Of which relating to benefits-in-kind from the exercise of share options:				
Dato' Sri Tay Ah Lek	5,616	2,816	4,420	2,816
Dato' Lee Kong Lam	2,068	1,003	2,068	1,003
	7,684	3,819	6,488	3,819
Non-Executive Directors:				
Tan Sri Dato' Sri Dr. Teh Hong Piow	16,504	18,364	15,964	18,011
Tan Sri Dato' Thong Yaw Hong	1,514	1,395	1,462	1,038
Dato' Yeoh Chin Kee	1,463	556	1,355	289
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah	185	1,381	152	1,188
Haji Abdul Aziz bin Omar	1,024	386	905	139
Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff	261	1,124	155	889
Lee Chin Guan	503	1,073	155	889
	21,454	24,279	20,148	22,443
Of which relating to benefits-in-kind from the exercise of share options:				
Tan Sri Dato' Sri Dr. Teh Hong Piow	12,825	14,544	12,446	14,544
Tan Sri Dato' Thong Yaw Hong	1,035	660	1,035	660
Dato' Yeoh Chin Kee	1,200	150	1,200	150
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah	—	1,050	—	1,050
Haji Abdul Aziz bin Omar	750	—	750	—
Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff	—	750	—	750
Lee Chin Guan	266	750	—	750
	16,076	17,904	15,431	17,904
Past Director:				
Datuk Tan Cheng Swee	32	15	32	15

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35. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Allowance for bad and doubtful debts and financing:				
– general allowance (net)	160,749	69,097	163,539	375,887
– specific allowance	359,490	354,006	248,994	149,378
– specific allowance written back	(37,337)	(69,267)	(34,315)	(24,811)
Net write back of allowance in share broking activities	(302)	(688)	–	–
Bad debts and financing written off	1,590	1,131	1,582	1,105
Bad debts and financing recovered	(102,184)	(83,245)	(69,454)	(47,863)
	382,006	271,034	310,346	453,696

36. IMPAIRMENT (WRITTEN BACK)/LOSS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Securities available-for-sale	1,795	452	1,795	452
Securities held-to maturity	(10,000)	12,676	(10,000)	1,129
Foreclosed properties	2,677	–	2,677	–
Investment properties	(8,202)	(5,355)	–	–
Property and equipment	(1,713)	8,946	–	–
Investment in subsidiary	–	–	–	30
	(15,443)	16,719	(5,528)	1,611



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37. TAX EXPENSE AND ZAKAT

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysian income tax	530,005	502,696	514,169	785,191
Overseas income tax	48,495	39,835	1,801	881
	578,500	542,531	515,970	786,072
(Over)/Under provision in prior years				
– Malaysian income tax	(5,317)	(4,145)	–	–
– Overseas income tax	4	836	–	–
	573,187	539,222	515,970	786,072
Share of tax expense of associated companies	1,537	1,024	–	–
	574,724	540,246	515,970	786,072
Deferred tax expense				
Origination and reversal of temporary differences	(62,634)	(30,122)	(63,831)	(107,032)
	512,090	510,124	452,139	679,040
Tax expense				
Zakat	148	75	148	75
	512,238	510,199	452,287	679,115

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004 – 28%) on the estimated chargeable profit for the year. Tax in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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37. TAX EXPENSE AND ZAKAT (continued)

A reconciliation of income tax expense applicable to profit before tax expense at the statutory tax rate to income tax expense at the effective income tax rate of the Group and of the Bank are as follows:

Group	%	2005 RM'000	%	2004 RM'000
Profit before tax expense		2,048,670		1,853,874
Income tax using Malaysian tax rate of 28% (2004 – 28%)	28.0	573,628	28.0	519,085
Effects of different tax rates in foreign jurisdictions	(2.4)	(49,217)	(1.4)	(27,067)
Income not subject to tax	(1.3)	(28,132)	(0.9)	(17,251)
Effects of utilisation of unrecognised tax losses	(0.4)	(7,741)	(0.7)	(12,166)
Expenses not deductible for tax purposes	1.4	28,865	2.7	50,832
Over provision in prior years	25.3 (0.3)	517,403 (5,313)	27.7 (0.2)	513,433 (3,309)
Tax expense for the year	25.0	512,090	27.5	510,124

Bank	%	2005 RM'000	%	2004 RM'000
Profit before tax expense		1,733,179		2,920,903
Income tax using Malaysian tax rate of 28% (2004 – 28%)	28.0	485,290	28.0	817,853
Income not subject to tax	(3.4)	(59,406)	(5.3)	(154,329)
Expenses not deductible for tax purposes	1.5	26,255	0.5	15,516
Tax expense for the year	26.1	452,139	23.2	679,040



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38. EARNINGS PER SHARE (EPS)

(a) Basic Earnings Per Share

The calculation of the basic earnings per share is based on the net profit for the financial year divided by the weighted average number of ordinary shares of RM1.00 in issue during the financial year excluding the weighted average treasury shares held by the Bank. The comparatives' net profit for the year have been restated as a result of change in accounting policies as set out in Note 47.

	Group		Bank	
	2005	2004	2005	2004
Net profit for the year (RM'000)	1,450,281	1,271,073	1,280,892	2,241,788
'000				
Number of ordinary shares at beginning of the year	3,255,590	3,175,508	3,255,590	3,175,508
Effects of share options exercised during the year	44,231	84,173	44,231	84,173
Effects of shares bought back and held as treasury shares	(20,704)	(42,127)	(20,704)	(42,127)
Weighted average number of ordinary shares in issue	3,279,117	3,217,554	3,279,117	3,217,554
Basic earnings per share (sen)	44.2	39.5	39.1	69.7

(b) Diluted Earnings Per Share

The calculation of the diluted earnings per share is based on the net profit for the year divided by the adjusted weighted average number of ordinary shares of RM1.00 each in issue and issuable under the exercise of share options granted under the Public Bank Berhad Employees' Share Option Scheme which is set out as follows:

	Group		Bank	
	2005	2004	2005	2004
'000				
Weighted average number of ordinary shares	3,279,117	3,217,554	3,279,117	3,217,554
Effects of share options	31,466	56,735	31,466	56,735
Adjusted weighted average number of ordinary shares in issue or issuable	3,310,583	3,274,289	3,310,583	3,274,289
Diluted earnings per share (sen)	43.8	38.8	38.7	68.5

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39. DIVIDENDS

	Group and Bank	
	2005 RM'000	2004 RM'000
Dividends paid:		
Interim dividend of 20% less 28% tax in respect of the financial year ended 31 December 2005	473,209	—
Final dividend of 35% less 28% tax and special dividend of 15% less 28% tax in respect of the financial year ended 31 December 2004	1,178,412	—
Special dividend of 40.0% less 28% tax in respect of financial year ended 31 December 2004	—	937,610
Final dividend of 22.0% less 28% tax in respect of financial year ended 31 December 2003	—	511,427
	1,651,621	1,449,037

A proposed final dividend of 20% and special dividend of 15%, less 28% tax respectively, in respect of financial year ended 31 December 2005 amounting to approximately RM829,883,524 computed based on the outstanding issued and paid-up capital, excluding treasury shares held by the Bank, of 3,293,188,589 ordinary shares of RM1.00 each, have been proposed by the Directors for shareholders' approval at the forthcoming Annual General Meeting. Consistent with treatment adopted in prior year, the financial statements for the current financial year do not recognise this proposed dividend as a liability. Such dividend, if approved by the shareholders, will be excluded from shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2006.

Accordingly, based on the above, the gross and net dividend per share for each financial year are as follows:

	Gross per share		Net per share	
	2005 Sen	2004 Sen	2005 Sen	2004 Sen
Dividends per RM1.00 share:				
Proposed:				
Final dividend of 20% less 28% tax	20.0	n/a	14.4	n/a
Special dividend of 15.0%, less 28% tax	15.0	15.0	10.8	10.8
Final dividend of 35.0%, less 28% tax	n/a	35.0	n/a	25.2
Paid:				
Interim dividend of 20.0% less 28% tax	20.0	n/a	14.4	n/a
Special dividend of 40.0%, less 28% tax	n/a	40.0	n/a	28.8
Total	55.0	90.0	39.6	64.8

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40. RELATED PARTY TRANSACTIONS

Controlling related parties of the Bank are as follows:

- (i) Its subsidiary companies as disclosed in Note 12 to the financial statements; and
- (ii) A Director and substantial shareholder of the Bank, Tan Sri Dato' Sri Dr. Teh Hong Piow.

(a) The significant transactions and outstanding balances of the Bank with its subsidiary companies are as follows:

	Bank	
	2005 RM'000	2004 RM'000
Income:		
Interest on loans, advances and financing	46,797	354,554
Dividend income	212,944	2,023,593
Staff training recharged	32	2,987
Overhead expenses recharged	658	24,655
Commission income	8,365	4,587
Commitment fees and bank charges received	614	421
Rental income from premises	1,288	1,986
	270,698	2,412,783
Expenditure:		
Interest on deposits	54,222	185,175
Rental of premises	26,408	27,488
Brokerage commission	586	2,009
Corporate advisory fees	490	385
Commission on loans	96	2,638
Others	1,435	1,446
	83,237	219,141
Amount due from subsidiary companies:		
Interbank loans	808,963	2,997,455
Loans, advances and financing	146,678	207,787
Securities held-for-trading	150,000	—
Dividend receivable	149,720	150,108
Rental deposits	36,489	34,906
Interest receivable	3,479	3,273
Others	115,203	189,166
	1,410,532	3,582,695

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40. RELATED PARTY TRANSACTIONS (continued)

	Bank	
	2005 RM'000	2004 RM'000
Amount due to subsidiary companies:		
Demand deposits	186,237	80,413
Short-term deposits	549,259	352,112
Interbank borrowings	387,978	2,340,159
Interest payable	1,098	3,309
Others*	196,258	289,679
	1,320,830	3,065,672

* This amount is mainly the balance payable to HHB Holdings Berhad arising from the transfer of the banking business of Hock Hua Bank Berhad to the Bank on 31 March 2001.

- (b) The significant transactions of the Bank and its subsidiary companies with the Directors of the Bank or with companies, excluding Lonpac Insurance Berhad, in which certain Directors have substantial interest are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income:				
Rental received from a Director of the Bank	147	147	147	147
Expenditure:				
Interest paid on placements and deposits				
– to Directors of the Bank	20,477	11,610	20,477	11,396
– to companies in which certain Directors of the Bank have substantial interest	2,050	900	2,050	839
Rental paid to companies in which Directors of the Bank have substantial interest	294	294	294	294



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40. RELATED PARTY TRANSACTIONS (continued)

The significant non-banking transactions of the Group and the Bank with Lonpac Insurance Berhad, in which Tan Sri Dato' Sri Dr. Teh Hong Piow is deemed to have a substantial interest, are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income:				
Commission income	13,885	11,669	13,852	11,579
Rental	1,998	1,556	12	12
Corporate advisory fees	34	69	—	—
Expenditure:				
Insurance premium	17,668	15,381	15,295	13,724
Interest expense	2,174	1,133	886	1,111
Dividend paid	38,280	33,905	38,280	33,905

The significant non-banking transactions of the Group and the Bank with the Group's retirement fund, Public Bank Group Officers' Retirement Benefits Fund ("the Fund"), are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Expenditure/(Income):				
Contribution to the Fund	—	14,338	—	11,526
Rental	9,866	8,880	9,543	8,857
Dividend paid	26,269	23,611	26,238	23,565
Brokerage income	(52)	(596)	—	—

All related party transactions are conducted at arm's length basis and on normal commercial terms which are not more favourable than those generally available to the public.

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41. 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 commitment and contingencies are not secured against the Group's and the Bank's assets.

The risk-weighted exposures of the Group and the Bank as at the end of financial year are as follows:

Group	2005			2004		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	1,085,495	1,085,495	858,181	864,582	864,582	621,841
Certain transaction-related contingent items	392,547	196,274	102,554	356,632	178,316	122,975
Short-term self-liquidating trade-related contingencies	541,501	108,300	102,011	549,886	109,977	104,049
Forward assets purchased	15,040	15,040	—	—	—	—
Obligations under underwriting agreements	83,750	41,875	41,875	45,850	22,925	22,925
Irrevocable commitments to extend credit:						
– maturity exceeding one year	4,154,284	2,077,142	1,776,275	4,086,615	2,043,308	1,640,070
– maturity not exceeding one year	9,910,227	—	—	8,342,491	—	—
Foreign exchange related contracts:						
– less than one year	7,223,068	114,044	26,213	3,445,413	50,731	14,614
– one year to less than five years	—	—	—	381,201	24,457	4,891
Interest rate related contracts:						
– less than one year	113,385	283	57	70,798	177	35
– one year to less than five years	2,249,965	67,083	13,417	638,209	19,918	3,984
– five years and above	3,182,339	211,803	42,361	999,000	73,076	14,615
	28,951,601	3,917,339	2,962,944	19,780,677	3,387,467	2,549,999

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia's Guidelines.

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– 31 December 2005

41. COMMITMENTS AND CONTINGENCIES (continued)

Bank	2005			2004		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	1,084,395	1,084,395	857,961	861,544	861,544	618,801
Certain transaction-related contingent items	381,946	190,975	127,627	348,568	174,284	118,981
Short-term self-liquidating trade-related contingencies	434,058	86,810	80,609	474,999	95,000	89,415
Forward assets purchased	15,040	15,040	—	—	—	—
Obligations under underwriting agreements	70,000	35,000	35,000	30,000	15,000	15,000
Irrevocable commitments to extend credit:						
– maturity exceeding one year	4,154,028	2,077,014	1,776,211	4,085,883	2,042,942	1,639,866
– maturity not exceeding one year	9,740,724	—	—	8,218,756	—	—
Forward placement	124,723	—	—	—	—	—
Foreign exchange related contracts:						
– less than one year	7,223,068	114,044	26,213	3,445,413	50,731	14,614
– one year to less than five years	—	—	—	381,201	24,457	4,891
Interest rate related contracts:						
– less than one year	113,385	283	57	70,798	177	35
– one year to less than five years	2,249,965	67,083	13,417	638,175	19,915	3,983
– five years and above	3,163,441	210,858	42,172	980,000	71,936	14,387
	28,754,773	3,881,502	2,959,267	19,535,337	3,355,986	2,519,973

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia's Guidelines.

The Bank has given a continuing guarantee to Bank Negara Malaysia to meet the liabilities and financial obligations and requirements of its wholly owned subsidiary, Public Bank (L) Ltd., arising from its offshore banking business in the Federal Territory of Labuan.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

41. COMMITMENTS AND CONTINGENCIES (continued)

Principal amounts of the foreign exchange related contracts and interest rate related contracts are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Foreign exchange related contracts				
– Forward contracts	610,574	895,707	610,574	895,707
– Currency swaps	6,612,494	2,930,907	6,612,494	2,930,907
Interest rate related contracts				
– Swaps	5,545,689	1,708,007	5,526,791	1,688,973
	12,768,757	5,534,621	12,749,859	5,515,587

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

Market Risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 December 2005, the amount of contracts which were not hedged in the Group and in the Bank and, hence, exposed to market risk was RM1,485,257,000 (2004 – RM1,377,179,000) and RM1,485,257,000 (2004 – RM1,377,179,000) respectively.

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 or the Bank has a gain in a contract. As at 31 December 2005, the amounts of credit risk in the Group and in the Bank, measured in terms of the cost to replace the profitable contracts, was RM24,737,000 (2004 – RM11,502,000) and RM24,737,000 (2004 – RM11,502,000) 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.



NOTES TO THE FINANCIAL STATEMENTS

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42. FINANCIAL RISK MANAGEMENT POLICIES

The Group's and the Bank's risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Bank's businesses whilst managing its interest rates, foreign exchange, liquidity, operational and credit risks. The guidelines and policies adopted by the Group and the Bank to manage the following risks that arise in the conduct of the business activities are as follows:

(a) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events and is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the management and the Board.

The operational risk management processes include appropriate documentation of processes and procedures. Back-up procedures, regular contingency planning, self-compliance audit and internal audits also form an integral part of the operational risk management processes.

(b) Credit Risk

Credit risk is the potential loss of revenue as a result of defaults by the borrowers or counterparties through its lending, hedging, trading and investing activities.

The primary exposure to credit risk arises through its loans, advances and financing. The amount of credit exposure in this area is represented by the carrying amounts of the assets in the balance sheet. The lending activities are guided by the Credit Policy which has been established to ensure that the overall objectives in the area of lending are achieved i.e. the loans portfolio is strong and healthy, credit risks are well diversified and there is no significant concentration of credit risk. The Credit Policy documents the lending policy, collateral policy and credit approval processes including an internal grading system known as the Credit Risk Rating.

Credit exposure also arises from financial transactions with counter parties including interbank market activities, derivative instruments used for hedging and debt instruments of which the amount of credit exposure in respect of these instruments is equal to the carrying amount of these assets in the balance sheet. This exposure is monitored on an on-going basis against predetermined counter party limits.

The credit exposure arising from off-balance sheet activities i.e. commitments and contingencies are explained in Note 41.

(c) Market Risk

Market risk is the risk of loss arising from adverse movement in the level of market prices or rates, the three key components being foreign currency exchange risk, interest rate risk and equity risk.

Market risk arising from trading activities is governed by the Trading Book Policy Statement which is approved by the Board and Bank Negara Malaysia. The Trading Book Policy Statement sets out the trading limits which include, inter alia, the Overall Open Position, Daily and Cumulative Cut Loss Position and Maximum Holding Periods to ensure that dealers day-to-day trading activities are within the risk parameters set, independent mark-to-market valuation and validation procedures, policy on hedged transactions and prohibition on the transfer of financial instruments from the trading book to the banking book.



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42. FINANCIAL RISK MANAGEMENT POLICIES (continued)

(c) Market Risk (continued)

(i) Foreign Currency Exchange Risk

Foreign currency exchange risk refers to adverse exchange rate movements on foreign currency positions originating from treasury money market activities and from the Group's investments and retained earnings in its subsidiaries, branches and associated companies, whose functional currencies are not in Ringgit.

Foreign currency exchange open positions are monitored against predetermined position limits and cut-loss limits. Where possible, the foreign currency-denominated assets are generally funded by borrowings and deposits received in the same foreign currencies. Foreign exchange exposures arising from the Group's investments and retained earnings in its subsidiaries, branches and associated companies are hedged.

(ii) Interest Rate Risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. Interest rate risk is managed through interest rate sensitivity gap analysis. The potential reduction in net interest income from an adverse interest rate movement is monitored against the risk tolerance limits set.

The effects of changes in the levels of interest rates on the market value of securities are monitored closely and mark-to-market valuations are regularly reported to management. Hedging instruments such as interest rate swaps are used to minimise exposure to interest rate volatility.

(iii) Equity Risk

Equity risk refers to the adverse movements in the price of equities on the equity positions taken from time to time. Equity positions are monitored against predetermined cut-loss limits.

(d) Liquidity Risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

Liquidity risk is primarily managed through the Bank Negara Malaysia New Liquidity Framework which takes into consideration the contractual and behavioural cash flow of assets, liabilities and off-balance sheet commitments, and also the realisable cash value of eligible liquefiable assets. Liquidity risk management is supplemented by internal liquidity risk management policy.

In addition, the Liquidity Contingency Funding Plan ensures that alternative funding strategies are in place and can be implemented on a timely basis to minimise the liquidity risk that may arise due to unforeseen adverse changes in the market place.

43. INTEREST RATE RISK

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The following tables indicate the effective interest rates at the balance sheet date and the periods in which the financial instruments reprice or mature, whichever is earlier.



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43. INTEREST RATE RISK (continued)

Group 2005	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
ASSETS									
Cash and short-term funds	17,638,823	—	—	—	—	718,914	—	18,357,737	3.09
Deposits and placements with banks and other financial institutions	—	8,445,253	267,597	—	—	—	—	8,712,850	3.22
Securities purchased under resale agreements	115,312	762,701	108,600	—	—	—	3,882,775	4,869,388	3.11
Securities held-for-trading	—	—	—	—	—	—	1,554,685	1,554,685	3.21
Securities available-for-sale	—	—	117,000	1,290,472	1,469,783	1,181,480	13,947	4,072,682	5.02
Securities held-to-maturity	154,937	248,671	856,239	887,140	—	88,080	—	2,235,067	3.25
Loans, advances and financing									
– performing	31,631,977	4,024,160	10,703,257	15,618,622	4,717,495	—	—	66,695,511	6.56
– non-performing *	—	—	—	—	—	117,273	—	117,273	—
Other non-interest sensitive balances	—	—	—	—	—	4,966,328	24,737	4,991,065	—
TOTAL ASSETS	49,541,049	13,480,785	12,052,693	17,796,234	6,187,278	7,072,075	5,476,144	111,606,258	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	42,603,448	16,793,201	15,318,846	446,734	6,627	8,960,785	—	84,129,641	2.74
Deposits and placements of banks and other financial institutions	5,766,675	1,778,441	72,212	—	—	63,362	—	7,680,690	3.97
Obligations on securities sold under repurchase agreements	4,001,628	30,000	—	—	—	—	10,321	4,041,949	2.89
Bills and acceptances payable	567,488	782,241	142,750	—	—	637,236	—	2,129,715	3.04
Recourse obligations on loans sold to Cagamas	21,190	40,300	163,785	59,730	—	—	—	285,005	3.77
Subordinated notes	—	—	—	1,308,786	1,448,836	—	—	2,757,622	5.29
Other non-interest sensitive balances	—	—	—	—	—	1,654,383	10,004	1,664,387	
Total Liabilities	52,960,429	19,424,183	15,697,593	1,815,250	1,455,463	11,315,766	20,325	102,689,009	
Shareholders' equity	—	—	—	—	—	8,481,508	—	8,481,508	
Minority interests	—	—	—	—	—	435,741	—	435,741	
Total Liabilities and Shareholders' Equity	52,960,429	19,424,183	15,697,593	1,815,250	1,455,463	20,233,015	20,325	111,606,258	

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43. INTEREST RATE RISK (continued)

Group 2005	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
On-balance sheet interest sensitivity gap	(3,419,380)	(5,943,398)	(3,644,900)	15,980,984	4,731,815	(13,160,940)	5,455,819	—	
Off-balance sheet interest sensitivity gap (interest rate swaps)	971,332	190,137	(1,398,416)	395,685	(158,738)	—	—	—	
Total interest sensitivity gap	(2,448,048)	(5,753,261)	(5,043,316)	16,376,669	4,573,077	(13,160,940)	5,455,819	—	

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

Group 2004	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
ASSETS									
Cash and short-term funds	19,121,121	—	—	—	—	548,884	—	19,670,005	2.68
Deposits and placements with banks and other financial institutions	745	1,243,558	216,006	—	—	—	—	1,460,309	2.64
Securities purchased under resale agreements	347,700	1,147,738	—	—	—	—	—	1,495,438	2.79
Securities held-for-trading	—	—	—	—	—	—	5,261,938	5,261,938	3.01
Securities available-for-sale	—	—	74,513	733,106	1,123,420	1,146,169	63,005	3,140,213	3.38
Securities held-to-maturity	4,702	112,162	174,035	516,996	1,756	23,025	—	832,676	3.12
Loans, advances and financing									
– performing	24,434,545	2,761,239	8,974,495	15,339,420	3,892,539	—	—	55,402,238	6.96
– non-performing *	—	—	—	—	—	316,491	—	316,491	—
Other non-interest sensitive balances	—	—	—	—	—	4,738,810	11,501	4,750,311	—
TOTAL ASSETS	43,908,813	5,264,697	9,439,049	16,589,522	5,017,715	6,773,379	5,336,444	92,329,619	

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43. INTEREST RATE RISK (continued)

Group 2004	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 – 3 months RM'000	> 3 – 12 months RM'000	> 1 – 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	36,612,072	12,501,026	14,714,562	336,916	5,258	8,076,469	–	72,246,303	2.63
Deposits and placements of banks and other financial institutions	1,969,618	439,163	431,315	–	–	118,385	–	2,958,481	2.38
Obligations on securities sold under repurchase agreements	3,253,431	5,000	–	–	–	–	–	3,258,431	2.64
Bills and acceptances payable	431,285	74,717	–	–	–	754,990	–	1,260,992	2.85
Recourse obligations on loans sold to Cagamas	291,747	5,674	23,781	25,011	–	–	–	346,213	4.00
Subordinated notes	–	–	–	1,375,214	–	–	–	1,375,214	3.44
Other non-interest sensitive balances	–	–	–	–	–	1,863,407	17,761	1,881,168	–
Total Liabilities	42,558,153	13,025,580	15,169,658	1,737,141	5,258	10,813,251	17,761	83,326,802	
Shareholders' equity	–	–	–	–	–	8,634,706	–	8,634,706	
Minority interests	–	–	–	–	–	368,111	–	368,111	
Total Liabilities and Shareholders' Equity	42,558,153	13,025,580	15,169,658	1,737,141	5,258	19,816,068	17,761	92,329,619	
On-balance sheet interest sensitivity gap	1,350,660	(7,760,883)	(5,730,609)	14,852,381	5,012,457	(13,042,689)	5,318,683	–	
Off-balance sheet interest sensitivity gap (interest rate swaps)	577,200	(427,193)	157,202	691,791	(999,000)	–	–	–	
Total interest sensitivity gap	1,927,860	(8,188,076)	(5,573,407)	15,544,172	4,013,457	(13,042,689)	5,318,683	–	

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

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43. INTEREST RATE RISK (continued)

Bank 2005	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
ASSETS									
Cash and short-term funds	16,492,083	—	—	—	—	678,255	—	17,170,338	3.08
Deposits and placements with banks and other financial institutions	—	8,487,289	249,579	—	—	—	—	8,736,868	3.23
Securities purchased under resale agreements	66,529	72,824	—	—	—	—	3,882,775	4,022,128	3.14
Securities held-for-trading	—	—	—	—	—	—	1,666,465	1,666,465	3.20
Securities available-for-sale	—	—	58,513	1,081,485	1,347,278	1,062,903	13,377	3,563,556	4.63
Securities held-to-maturity	52,829	126,216	740,099	729,934	—	87,635	—	1,736,713	3.31
Loans, advances and financing									
– performing	30,968,477	3,681,474	10,105,682	15,030,891	4,639,749	—	—	64,426,273	6.11
– non-performing *	—	—	—	—	—	153,632	—	153,632	—
Other non-interest sensitive balances	—	—	—	—	—	5,864,192	24,737	5,888,929	—
TOTAL ASSETS	47,579,918	12,367,803	11,153,873	16,842,310	5,987,027	7,846,617	5,587,354	107,364,902	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	41,062,453	16,135,909	15,241,801	856,150	6,627	8,902,242	—	82,205,182	2.73
Deposits and placements of banks and other financial institutions	4,748,825	1,845,878	128,085	—	—	60,812	—	6,783,600	4.18
Obligations on securities sold under repurchase agreements	3,656,663	30,000	—	—	—	—	10,321	3,696,984	2.88
Bills and acceptances payable	567,488	782,241	142,750	—	—	635,180	—	2,127,659	3.04
Recourse obligations on loans sold to Cagamas	21,190	40,300	163,785	59,730	—	—	—	285,005	3.77
Subordinated notes	—	—	—	1,308,786	1,448,836	—	—	2,757,622	5.29
Other non-interest sensitive balances	—	—	—	—	—	1,360,891	10,004	1,370,895	—
Total Liabilities	50,056,619	18,834,328	15,676,421	2,224,666	1,455,463	10,959,125	20,325	99,226,947	
Shareholders' equity	—	—	—	—	—	8,137,955	—	8,137,955	
Total Liabilities and Shareholders' Equity	50,056,619	18,834,328	15,676,421	2,224,666	1,455,463	19,097,080	20,325	107,364,902	

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43. INTEREST RATE RISK (continued)

Bank 2005	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
On-balance sheet interest sensitivity gap	(2,476,701)	(6,466,525)	(4,522,548)	14,617,644	4,531,564	(11,250,463)	5,567,029	–	
Off-balance sheet interest sensitivity gap (interest rate swaps)	971,332	190,137	(1,417,313)	395,685	(139,841)	–	–	–	
Total interest sensitivity gap	(1,505,369)	(6,276,388)	(5,939,861)	15,013,329	4,391,723	(11,250,463)	5,567,029	–	

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

Bank 2004	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
ASSETS									
Cash and short-term funds	19,383,268	–	–	–	–	509,968	–	19,893,236	2.68
Deposits and placements with banks and other financial institutions	–	1,497,127	76,000	–	–	–	–	1,573,127	2.43
Securities purchased under resale agreements	147,393	831,159	–	–	–	–	–	978,552	2.81
Securities held-for-trading	–	–	–	–	–	–	5,199,416	5,199,416	3.00
Securities available-for-sale	–	–	–	–	–	1,070,022	62,408	1,132,430	–
Securities held-to-maturity	4,702	1,119	83,737	496,710	1,756	22,815	–	610,839	3.23
Loans, advances and financing									
– performing	23,918,520	2,492,233	8,381,560	14,853,258	3,846,623	–	–	53,492,194	6.47
– non-performing *	–	–	–	–	–	363,918	–	363,918	–
Other non-interest sensitive balances	–	–	–	–	–	5,677,505	11,501	5,689,006	–
TOTAL ASSETS	43,453,883	4,821,638	8,541,297	15,349,968	3,848,379	7,644,228	5,273,325	88,932,718	

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43. INTEREST RATE RISK (continued)

Bank 2004	Non trading book						Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	33,297,789	11,817,049	14,851,531	329,963	5,258	7,964,049	—	68,265,639	2.67
Deposits and placements of banks and other financial institutions	3,696,546	493,890	471,200	—	—	104,094	—	4,765,730	2.61
Obligations on securities sold under repurchase agreements	3,013,317	5,000	—	—	—	—	—	3,018,317	2.64
Bills and acceptances payable	431,285	74,717	—	—	—	752,915	—	1,258,917	2.85
Recourse obligations on loans sold to Cagamas	291,747	5,674	23,781	25,011	—	—	—	346,213	4.00
Subordinated notes	—	—	—	1,375,214	—	—	—	1,375,214	3.44
Other non-interest sensitive balances	—	—	—	—	—	1,470,136	17,761	1,487,897	—
Total Liabilities	40,730,684	12,396,330	15,346,512	1,730,188	5,258	10,291,194	17,761	80,517,927	
Shareholders' equity	—	—	—	—	—	8,414,791	—	8,414,791	
Total Liabilities and Shareholders' Equity	40,730,684	12,396,330	15,346,512	1,730,188	5,258	18,705,985	17,761	88,932,718	
On-balance sheet interest sensitivity gap	2,723,199	(7,574,692)	(6,805,215)	13,619,780	3,843,121	(11,061,757)	5,255,564	—	
Off-balance sheet interest sensitivity gap (interest rate swaps)	444,200	(479,025)	(13,798)	971,623	(923,000)	—	—	—	
Total interest sensitivity gap	3,167,399	(8,053,717)	(6,819,013)	14,591,403	2,920,121	(11,061,757)	5,255,564	—	

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

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44. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Fair value is the amount at which the financial asset could be exchanged or a financial liability could be settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the balance sheet date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and non-financial liabilities are excluded as they do not fall within the scope of FRS132₂₀₀₄ Financial Instruments: Disclosure and Presentation which requires the fair value information to be disclosed. These include investment in subsidiaries, investment in associated companies, property and equipment and intangible assets.

The following summarises the carrying values and the estimated fair values of those financial assets and financial liabilities which fall within the scope of FRS132₂₀₀₄.

Recognised financial instruments

Group	2005		2004	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial assets				
Cash and short-term funds	18,357,737	18,357,737	19,670,005	19,670,005
Deposits and placements with banks and other financial institutions	8,712,850	8,712,850	1,460,309	1,460,309
Securities purchased under resale agreements	4,869,388	4,869,388	1,495,438	1,495,438
Securities held-for-trading	1,554,685	1,554,685	5,261,938	5,261,938
Securities available-for-sale	4,072,682	4,072,682	3,140,213	3,140,213
Securities held-to-maturity	2,235,067	2,233,622	832,676	836,394
Derivative financial instruments	40,912	40,912	63,700	63,700
* Loans, advances and financing	67,868,983	68,173,639	56,614,562	57,400,210
Financial liabilities				
Deposits from customers	84,129,641	84,131,414	72,246,303	72,245,886
Deposits and placements of banks and other financial institutions	7,680,690	7,680,690	2,958,481	2,958,481
Obligations on securities sold under repurchase agreements	4,041,949	4,041,949	3,258,431	3,258,431
Bills and acceptances payable	2,129,715	2,129,715	1,260,992	1,260,992
Recourse obligations on loans sold to Cagamas	285,005	288,710	346,213	346,346
Derivative financial instruments	157,298	157,298	126,054	126,054
Subordinated notes	2,757,622	2,788,840	1,375,214	1,393,175

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- 31 December 2005

44. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

Bank	2005		2004	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial assets				
Cash and short-term funds	17,170,338	17,170,338	19,893,236	19,893,236
Deposits and placements with banks and other financial institutions	8,736,868	8,736,868	1,573,127	1,573,127
Securities purchased under resale agreements	4,022,128	4,022,128	978,552	978,552
Securities held-for-trading	1,666,465	1,666,465	5,199,416	5,199,416
Securities available-for-sale	3,563,556	3,563,556	1,132,430	1,132,430
Securities held-to-maturity	1,736,713	1,736,217	610,839	614,416
Derivative financial instruments	40,065	40,065	63,700	63,700
* Loans, advances and financing	65,564,735	65,893,940	54,677,430	55,482,229
Financial liabilities				
Deposits from customers	82,205,182	82,203,682	68,265,639	68,265,125
Deposits and placements of banks and other financial institutions	6,783,600	6,783,600	4,765,730	4,765,730
Obligations on securities sold under repurchase agreements	3,696,984	3,696,984	3,018,317	3,018,317
Bills and acceptances payable	2,127,659	2,127,659	1,258,917	1,258,917
Recourse obligations on loans sold to Cagamas	285,005	288,710	346,213	346,346
Derivative financial instruments	145,869	145,869	17,761	17,761
Subordinated notes	2,757,622	2,788,840	1,375,214	1,393,175

* The general allowance of the Group and the Bank of RM1,056,199,000 (2004 – RM895,833,000) and RM984,830,000 (2004 – RM821,318,000) respectively, are not included in the carrying amounts.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

- Cash and Short-Term Funds* – The carrying amount approximates fair value due to the relatively short maturity of the financial instruments.
- Deposits and Placements with Financial Institutions and Securities Purchased under Resale Agreements* – The fair values of these financial instruments with remaining maturity of less than one year approximate their carrying amounts due to the relatively short maturity of the financial instruments. For those financial instruments with maturity of more than one year, the fair values are estimated based on discounted cash flows using applicable prevailing market rates for placements of similar credit risk and similar remaining maturity as at balance sheet date.

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44. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (continued)

- (c) *Securities Held-for-Trading, Securities Available-for-Sale and Securities Held-to-Maturity* – The fair values are estimated based on quoted or observable market prices as at the balance sheet date. Where such quoted or observable market prices are not available, the fair values are estimated using pricing models or discounted cash flow techniques. Where discounted cash flow technique is used, the expected future cash flows are discounted using prevailing market rates for similar instruments as at balance sheet date.
- (d) *Loans, Advances and Financing* – The fair values of fixed rate loans with remaining maturity of less than one year and variable rate loans are estimated to approximate their carrying values. For fixed rate loans and Islamic financing with remaining maturity of more than one year, the fair values are estimated based on expected future cash flows of contractual instalment and discounted at applicable prevailing rates as at balance sheet date offered to new borrowers with similar credit profiles. In respect of non-performing loans, the fair values are deemed to approximate the carrying values, net of specific allowance for bad and doubtful debts and financing.
- (e) *Derivative financial instruments* – The fair values of derivative financial instruments are normally zero or negligible at inception and subsequent changes in value is favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The fair values of derivative instruments are estimated with reference to quoted market prices. Internal models are used where no market price is available.
- (f) *Deposits from Customers* – The fair values of deposit liabilities payable on demand (demand and savings deposits), or deposits with remaining maturity of less than one year are estimated to approximate their carrying amounts. The fair values of fixed deposits with remaining maturities of more than one year are estimated based on expected future cash flows discounted at applicable prevailing rates offered for deposits of similar remaining maturities. The fair values of Islamic deposits are deemed to approximate their carrying amounts as profit rates are determined at the end of their holding periods based on the profit generated from the assets invested. The fair value of negotiable instruments of deposits are estimated based on quoted or observable market prices as at the balance sheet date. Where such quoted or observable market prices are not available, the fair values of negotiable instruments of deposit are estimated using discounted cash flow technique.
- (g) *Deposits and Placements of Banks and Other Financial Institutions, Obligations on Securities Sold under Repurchase Agreements and Bills and Acceptances Payable* – The fair values of these financial instruments with remaining maturity of less than one year approximate their carrying amounts due to the relatively short maturity of the financial instruments.
- (h) *Recourse Obligations on Loans Sold to Cagamas* – The fair values for recourse obligations on loans sold to Cagamas are determined based on the discounted cash flows of future instalment payments at applicable prevailing Cagamas rates as at balance sheet date.
- (i) *Subordinated Notes* – The fair value of the subordinated notes is estimated based on quoted market prices of the subordinated notes.



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45. OPERATING LEASES

The Group and the Bank leases a number of premises under operating leases. The leases typically run for an initial period of three years, with an option to renew the leases. None of the leases include contingent rentals. Total future minimum lease payments under these non-cancellable operating leases are as follows:

	Group RM'000	Bank RM'000
Within one year	9,633	1,074
Between one and five years	6,940	719
More than five years	201	-
	16,774	1,793

46. CAPITAL AND OTHER COMMITMENTS

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Capital expenditure:				
Authorised and contracted for	18,875	20,035	17,735	15,921
Authorised but not contracted for	8,641	8,262	8,444	1,176
	27,516	28,297	26,179	17,097
Uncalled share capital of associate company	60	60	30	30
	27,576	28,357	26,209	17,127

47. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) Changes in Accounting Policies

During the financial year ended 31 December 2005, the Group and the Bank adopted the revised BNM/GP8 which resulted in the following new accounting policies:

- 1) The holdings of the securities portfolio of the Group and the Bank are recognised based on the following categories and valuation methods:

(i) Securities held-for-trading

Securities are classified as held-for-trading if these financial assets are acquired principally for the purpose of benefiting from actual or expected short-term price movement or to lock in arbitrage profits. The securities held-for-trading are stated at fair value and any gain or loss arising from a change in their fair values and the derecognition of securities held-for-trading are recognised in the income statement.



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47. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS (continued)

(a) Changes in Accounting Policies (continued)

(ii) Securities held-to-maturity

Securities held-to-maturity are financial assets with fixed or determinable payments and fixed maturity that the Group and Bank have the positive intent and ability to hold to maturity. Unquoted shares in organisations set up for socio-economic purposes and equity instruments received as a result of loan restructuring or loan conversion which do not have a quoted market price in an active market and whose fair value cannot be reliably measured are also classified as securities held-to-maturity.

The securities held-to-maturity are measured at accreted/amortised cost based on effective yield method. Amortisation of premium, accretion of discount and impairment as well as gain or loss arising from derecognition of securities held-to-maturity are recognised in the income statement.

(iii) Securities available-for-sale

Securities available-for-sale are financial assets that are not classified as held-for-trading or held-to-maturity. The securities available-for-sale are measured at fair value or at cost (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising from a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statement.

- 2) Derivatives financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the income statements unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged item affects the income statement.

- 3) When a loan, advance or financing account becomes non-performing, interest accrued and recognised as income prior to the date the loan is classified as non-performing is reversed out of income and set-off against the accrued interest receivable account in the balance sheet. Thereafter, the interest on the non-performing loan shall be recognised as income on a cash basis instead of being accrued and suspended at the same time as practised previously.



NOTES TO THE FINANCIAL STATEMENTS

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47. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS (continued)

(b) Prior Year Adjustments

The changes in accounting policies as described above were applied retrospectively and have the following impact on the retained profits, other reserves and results of the Group and Bank:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Effects on retained profits:				
At 1 January, as previously stated	682,324	1,762,092	732,497	1,172,318
Effects of adopting the fair value measurement for securities held-for-trading	1,513	(3,004)	1,319	(2,832)
Effects of reversing previously recognised loss on securities available-for-sale to equity	653	1,085	653	653
At 1 January, as restated	684,490	1,760,173	734,469	1,170,139
Effects on other reserves:				
At 1 January, as previously stated	2,614,989	2,387,630	2,401,569	1,842,160
Effects of adopting the fair value measurement for securities available-for-sale	61,805	30,560	5,331	20,452
At 1 January, as restated	2,676,794	2,418,190	2,406,900	1,862,612
Effects on net profit for the year:				
Net profit before changes in accounting policies	1,450,430	1,266,988	1,282,511	2,237,637
Effects of adopting the fair value measurement for securities held-for-trading	(149)	4,515	(1,619)	4,151
Effects of reversing previously recognised gain on securities available-for-sale to equity	—	(430)	—	—
	(149)	4,085	(1,619)	4,151
Net profit for the year	1,450,281	1,271,073	1,280,892	2,241,788

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47. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS (continued)

(c) Comparative Figures

The presentation and classifications of items in the current year's financial statements are consistent with the previous financial year except for the following comparative figures which have been restated for the effects of adopting the above change in accounting policies:

	Group		Bank	
	As restated RM'000	As previously reported RM'000	As restated RM'000	As previously reported RM'000
(i) Balance Sheet as at 31 December 2004				
Dealing securities	—	6,645,591	—	5,192,470
Investment securities	—	2,432,848	—	1,740,071
Securities held-for-trading	5,261,938	—	5,199,416	—
Securities available-for-sale	3,140,213	—	1,132,430	—
Securities held-to-maturity	832,676	—	610,839	—
Other assets	767,380	678,555	935,282	865,322
Deferred tax assets	280,554	283,542	220,646	223,486
Other liabilities	1,644,918	1,518,864	1,333,525	1,315,764
Subordinated notes	1,375,214	1,323,014	1,375,214	1,323,014
Reserves	4,708,368	4,644,397	4,488,453	4,481,150
(ii) Income statement for the year ended 31 December 2004				
Other operating income	742,295	723,494	2,490,532	2,483,155
Net income	3,444,007	3,425,206	4,206,532	4,199,155
Other operating expenses	(1,306,193)	(1,309,784)	(830,322)	(830,322)
Operating profit	2,137,814	2,115,422	3,376,210	3,368,833
Impairment loss	(16,719)	—	(1,611)	—
Profit before tax expense and zakat	1,853,874	1,848,201	2,920,903	2,915,137
Tax expense and zakat	(510,199)	(508,611)	(679,115)	(677,500)
Profit after tax expense and zakat	1,343,675	1,339,590	2,241,788	2,237,637
Net profit for the year	1,271,073	1,266,988	2,241,788	2,237,637
(iii) Risk-weighted assets				
– notional	95,547,952	95,305,027	91,160,176	91,080,011
– risk weighted	56,795,331	56,554,073	54,608,010	54,529,512

NOTES TO THE FINANCIAL STATEMENTS

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47. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS (continued)

(c) Comparative Figures (continued)

	Group		Bank	
	As restated RM'000	As previously reported RM'000	As restated RM'000	As previously reported RM'000
(iv) Notes to the accounts				
Other assets (Note 9)				
Other debtors, deposits and prepayments	326,931	301,806	359,285	353,025
Derivatives	63,700	—	63,700	—
Other liabilities (Note 21)				
Derivatives	126,054	—	17,761	—
Other operating income (Note 32)				
Unrealised gain on revaluation of securities held-for-trading and derivatives	11,230	—	10,724	—
Allowance for diminution in value of:				
– investment and dealing securities	—	(43,723)	—	(2,863)
– investment in subsidiary companies	—	—	—	(30)
Foreign exchange profit	73,199	79,437	72,472	78,711
Other income – others	(10,971)	18,943	15,660	15,661
Other operating expenses (Note 33)				
Impairment loss on property and equipment	—	8,946	—	—
(Surplus)/deficit on revaluation of investment properties	—	(5,355)	—	—
Impairment (written back)/loss (Note 36)				
Securities available-for-sale	452	—	452	—
Securities held-to-maturity	12,676	—	1,129	—
Investment properties	(5,355)	—	—	—
Property and equipment	8,946	—	—	—
Investment in subsidiary	—	—	30	—

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48. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank as at 31 December are as follows:

	Group		Bank	
	2005	2004	2005	2004
<u>Before deducting proposed dividends*:</u>				
Core capital ratio	11.4%	13.8%	11.1%	13.8%
Risk-weighted capital ratio	17.1%	17.8%	14.9%	15.3%
<u>After deducting proposed dividends:</u>				
Core capital ratio	10.2%	11.8%	9.8%	11.6%
Risk-weighted capital ratio	15.9%	15.7%	13.6%	13.1%

* In arriving at the capital base used in the ratio calculations of the Group and the Bank, the proposed dividends were not deducted.

The capital adequacy ratios of the Bank and the Group as at 31 December 2005 have incorporated the market risk pursuant to the Bank Negara Malaysia's Market Risk Capital Adequacy Framework which became effective on 1 April 2005.

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	3,417,373	3,355,767	3,417,373	3,355,767
Share premium	1,574,180	1,347,084	1,574,180	1,347,084
Other reserves	2,907,840	2,614,989	2,754,847	2,450,465
Retained profits, (before proposed dividend), as restated	1,330,730	1,856,502	1,289,161	1,926,370
As previously stated	1,330,730	1,854,336	1,289,161	1,924,398
Prior year adjustments (Note 47(b))	—	2,166	—	1,972
Treasury shares	(784,600)	(601,441)	(784,600)	(601,441)
Minority interests	435,741	368,111	—	—
Less: Intangible assets	(765,157)	(811,399)	(695,393)	(738,356)
Less: Deferred tax assets, net, as restated	(345,246)	(282,700)	(286,550)	(222,719)
As previously stated	(345,246)	(283,542)	(286,550)	(223,486)
Prior year adjustments (Note 47(b))	—	842	—	767
Total Tier I capital	7,770,861	7,846,913	7,269,018	7,517,170

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48. CAPITAL ADEQUACY (continued)

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Tier II capital</u>				
General allowance for bad and doubtful debts	1,056,199	930,994	987,830	862,723
Subordinated notes	2,816,795	1,323,014	2,816,795	1,323,014
Total Tier II capital	3,872,994	2,254,008	3,804,625	2,185,737
Total capital	11,643,855	10,100,921	11,073,643	9,702,907
Less: Investment in subsidiary companies	—	—	(1,305,365)	(1,365,364)
Capital base	11,643,855	10,100,921	9,768,278	8,337,543

Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

Group	2005		2004	
	Notional RM'000	Risk- weighted RM'000	Notional RM'000	Risk- weighted RM'000
0%	30,457,944	—	23,190,622	—
10%	683,103	68,310	1,574,800	157,480
20%	5,695,342	1,139,068	8,705,280	1,741,056
50%	17,406,401	8,703,201	14,360,910	7,180,455
100%	56,614,971	56,614,971	47,716,340	47,716,340
Risk-weighted assets for market risk	—	1,483,335	—	—
	110,857,761	68,008,885	95,547,952	56,795,331

The components of the capital base and risk-weighted assets of the Group above comprise the consolidated balances of the Bank and its subsidiary companies.



NOTES TO THE FINANCIAL STATEMENTS

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48. CAPITAL ADEQUACY (continued)

Bank	2005		2004	
	Notional RM'000	Risk- weighted RM'000	Notional RM'000	Risk- weighted RM'000
0%	28,094,706	—	20,667,524	—
10%	621,177	62,118	1,544,550	154,455
20%	3,916,447	783,289	9,165,062	1,833,012
50%	17,372,179	8,686,090	14,324,995	7,162,498
100%	54,618,169	54,618,169	45,458,045	45,458,045
Risk-weighted assets for market risk	—	1,546,405	—	—
	104,622,678	65,696,071	91,160,176	54,608,010

The components of the capital base and risk-weighted assets of the Bank include the balances of the Bank's offshore banking subsidiary company, Public Bank (L) Ltd.

49. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments.

The primary format, business segments, is prepared based on the internal financial reporting system to reflect the Group's management reporting structure. The amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Inter-segment pricing is determined on a negotiated basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise Head Office assets, payables and expenses to support the operating business segments.

Segmental capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

(a) By Business Segments:

The Group comprises the following main business segments:

(i) Retail Operations

Retail operations focuses on providing products and services to individual customers and small-and medium-sized enterprises. The products and services offered to customers include credit facilities (mortgages, trade, personal loans and hire purchase financing), credit cards, remittance services, deposit collection and investment products.

NOTES TO THE FINANCIAL STATEMENTS

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49. SEGMENT INFORMATION (continued)

(a) By Business Segments: (continued)

(ii) Corporate Lending

The corporate lending operations caters to the funding needs of large corporate customers which are primarily public listed companies and their related corporations.

(iii) Investment Banking

The investment banking operations caters to the business needs of large corporate customers through the provision of financial solutions and direct lending. The services offered include structured financing, corporate advisory services, merger and acquisition and debt restructuring advisory services.

(iv) Treasury and Capital Market Operations

The treasury and capital market operations is involved in proprietary trading in treasury related products and services such as foreign exchange, money market operations and securities trading. Income from customer trading is reflected under Retail Operations.

(v) Share Broking and Fund Management

The share broking operations is carried out by PB Securities Sdn. Bhd. and the fund management operations is conducted by Public Mutual Berhad.

2005	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Share Broking and Fund Management RM'000	Others RM'000	Inter- segment Elimination RM'000	Total RM'000
External revenue	4,209,400	254,789	1,072,916	89,634	288,900	4,072	—	5,919,711
Revenue from other segments	631,669	—	58,349	—	—	—	(690,018)	—
Total revenue	4,841,069	254,789	1,131,265	89,634	288,900	4,072	(690,018)	5,919,711
Segment results	1,684,073	75,652	323,881	8,784	95,159	25,230	—	2,212,779
Unallocated expenses								(123,498)
Amortisation of intangible assets								(46,262)
Profit from operations								2,043,019
Share of results of associated companies								5,651
Profit before tax expense								2,048,670
Tax expense and zakat								(512,238)
Minority interests								(86,151)
Net profit for the year								1,450,281

NOTES TO THE FINANCIAL STATEMENTS

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49. SEGMENT INFORMATION (continued)

(a) By Business Segments: (continued)

2005	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Share Broking and Fund Management RM'000	Others RM'000	Inter- segment Elimination RM'000	Total RM'000
Other information:								
Segment assets	63,481,537	4,751,326	38,268,373	3,116,162	459,145	210,069	–	110,286,612
Investment in associated companies								47,378
Unallocated assets								507,111
Intangible assets								765,157
Total assets								111,606,258
Segment liabilities	60,143,990	5,053,936	33,860,038	2,839,522	198,674	22,001	–	102,118,161
Unallocated liabilities								570,848
Total liabilities								102,689,009
Other segment items								
Capital expenditure	69,052	626	13,654	359	5,977	3,819	–	93,487
Depreciation net of impairment written back on property and equipment	58,526	1,727	630	198	4,344	25,233	–	90,658
Amortisation of intangible assets	–	–	–	–	1,400	44,862	–	46,262
Other non-cash (income)/expenses	438,715	45,054	(26,567)	–	–	25,700	–	482,902
2004								
External revenue	3,787,524	230,242	705,116	90,046	228,472	3,940	–	5,045,340
Revenue from other segments	488,790	–	231,228	–	–	–	(720,018)	–
Total revenue	4,276,314	230,242	936,344	90,046	228,472	3,940	(720,018)	5,045,340

NOTES TO THE FINANCIAL STATEMENTS

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49. SEGMENT INFORMATION (continued)

(a) By Business Segments: (continued)

2004	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Share Broking and Fund Management RM'000	Others RM'000	Inter- segment Elimination RM'000	Total RM'000
Segment results	1,545,816	108,044	249,404	16,944	97,981	9,320	—	2,027,509
Unallocated expenses								(131,738)
Amortisation of intangible assets								(45,710)
Profit from operations								1,850,061
Share of results of associated companies								3,813
Profit before tax expense								1,853,874
Tax expense and zakat								(510,199)
Minority interests								(72,602)
Net profit for the year								1,271,073
Other information:								
Segment assets	53,764,379	4,085,986	29,295,588	2,852,410	638,859	219,062	—	90,856,284
Investment in associated companies								45,936
Unallocated assets								616,000
Intangible assets								811,399
Total assets								92,329,619
Segment liabilities	50,862,737	6,602,542	23,075,527	1,713,187	353,250	3,190	—	82,610,433
Unallocated liabilities								716,369
Total liabilities								83,326,802
Other segment items								
Capital expenditure	81,409	4,688	4,459	251	3,526	8,022	—	102,355
Depreciation and impairment loss on property and equipment	66,626	1,266	462	119	5,661	25,713	—	99,847
Amortisation of intangible assets	—	—	—	—	350	45,360	—	45,710
Other non-cash (income)/expenses	397,208	15,757	(22,724)	—	—	—	—	390,241

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

49. SEGMENT INFORMATION (continued)

(b) By Geographical Locations

In presenting information by geographical locations, segment revenue is based on geographical locations of customers. Segment assets are based on the geographical locations of assets.

	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Total Assets RM'000	Total Liabilities RM'000	Capital Expenditure RM'000
2005					
Malaysia	5,427,028	1,738,439	108,960,437	101,498,527	90,675
Overseas	492,683	310,231	2,645,821	1,190,482	2,812
Total	5,919,711	2,048,670	111,606,258	102,689,009	93,487
2004					
Malaysia	4,589,695	1,605,671	89,777,107	82,264,448	101,020
Overseas	455,645	248,203	2,552,512	1,062,354	1,335
Total	5,045,340	1,853,874	92,329,619	83,326,802	102,355

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

50. CURRENCY

All amounts are in Ringgit Malaysia unless otherwise stated.

51. RATING STATEMENT

As at 31 December 2005, the Bank was accorded the following ratings:

Agencies	Date accorded/Reaffirmed	Ratings
Rating Agency Malaysia Berhad	18 July 2005 (Reaffirmed) 18 July 2005 (Reaffirmed)	Long-Term Rating: AAA Short-Term Rating: P1
Moody's Investors Services	16 December 2004 (Upgraded) 16 December 2004 (Upgraded) 16 December 2004 (Confirmed) 16 December 2004 (Confirmed)	Long-Term Deposits Rating: A3 Short-Term Deposits Rating: Prime-1 Financial Strength: C Subordinated notes: Baa1
Standard & Poor's	7 June 2004 (Assigned) 7 June 2004 (Assigned) 10 June 2004 (Assigned) 11 July 2005 (Assigned)	Long-Term Rating: A- Short-Term Rating: A-2 Subordinated notes: BBB+ Bank Fundamental Strength: B
Fitch IBCA Limited	27 June 2000 (Upgraded) 22 July 2003 (Revised rating)	Individual Rating: B/C Support Rating: 2

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- 31 December 2005

52. SIGNIFICANT EVENTS

- (a) On 20 June 2005, the Bank issued USD400 million in aggregate principal amount of Subordinated Notes ("the Notes") due 2017 callable with step-up in 2012. The Notes bear interest at the rate of 5% per annum from (and including) 20 June 2005 to (but excluding) 20 June 2012 and, thereafter, at a rate per annum equal to the interest rate of five year US treasury notes plus 2.827%. The interest is payable semi-annually in arrears on 20 June and 20 December in each year commencing on 20 December 2005. The Notes were issued at a price of 99.383 per cent of the principal amount of the Notes. The Notes will, subject to prior consent of Bank Negara Malaysia, be redeemable in whole but not in part, at the option of the Bank in the event of certain changes affecting taxation in Malaysia or on 20 June 2012 at their principal amount plus accrued interest (if applicable).

- (b) On 28 September 2005, the securities of the Bank's wholly-owned subsidiary, HHB Holdings Berhad ("HHB") was removed from the Official List of Bursa Malaysia Securities Berhad as HHB did not have an adequate level of operations to warrant continued listing.

53. SUBSEQUENT EVENTS

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



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS

The state of affairs as at 31 December 2005 and results for the financial year ended on this date under the Islamic Banking business of the Group and the Bank are summarised as follows:

Balance Sheets as at 31 December 2005

	Note	Group		Bank	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
ASSETS					
Cash and short-term funds	(a)	426,261	204,385	426,261	204,385
Securities held-to-maturity	(b)	127,479	127,503	127,479	127,503
Financing, advances and other loans	(c)	7,217,018	6,179,167	7,217,018	6,179,167
Other assets	(e)	1,055	1,597	1,055	1,626
Statutory deposits with Bank Negara Malaysia		236,000	78,700	236,000	78,700
Deferred tax assets	(f)	38,018	38,273	38,018	38,273
Property and equipment		69	52	69	52
Total Assets		8,045,900	6,629,677	8,045,900	6,629,706
LIABILITIES AND ISLAMIC BANKING FUNDS					
Deposits from customers	(g)	6,093,087	3,491,355	6,093,087	3,491,355
Deposits and placements of banks and other financial institutions	(h)	1,474	1,930,613	1,474	1,930,613
Bills and acceptances payable		24,368	29,830	24,368	29,830
Other liabilities	(i)	547,912	116,846	547,912	116,846
Provision for tax expense and zakat	(j)	41,129	34,012	41,129	34,012
Total Liabilities		6,707,970	5,602,656	6,707,970	5,602,656
Islamic Banking Funds		1,337,930	1,027,021	1,337,930	1,027,050
Total Liabilities and Islamic Banking Funds		8,045,900	6,629,677	8,045,900	6,629,706
COMMITMENTS AND CONTINGENCIES					
	(q)	102,954	145,575	102,954	145,575

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

Income Statements for the financial year ended 31 December 2005

	Note	Group		Bank	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income derived from investment of depositors' funds and financial institutions	(k)	407,369	427,573	407,369	226,786
Allowance for losses on financing, advances, and other loans	(l)	(37,948)	(36,543)	(37,948)	(94,299)
Transfer (from)/to profit equalisation reserve		6,870	(1,862)	6,870	(8,862)
Total attributable income		376,291	389,168	376,291	123,625
Income attributable to the depositors and financial institutions	(m)	(94,391)	(128,340)	(94,391)	(47,805)
Income attributable to the reporting institutions		281,900	260,828	281,900	75,820
Income derived from investment of Islamic Banking Funds	(n)	86,926	83,013	86,926	55,513
Total net income		368,826	343,841	368,826	131,333
Other operating expenses	(o)	(75,441)	(58,783)	(75,441)	(38,884)
Profit before zakat and tax expense		293,385	285,058	293,385	92,449
Zakat	(p)	(148)	(75)	(148)	(75)
Tax expense	(p)	(82,357)	(79,976)	(82,357)	(25,722)
Profit after zakat and tax expense		210,880	205,007	210,880	66,652

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)**Statement of Changes in Islamic Banking Funds**

	Note	Group			Bank		
		Capital Funds RM'000	Retained Profits RM'000	Total RM'000	Capital Funds RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2004		824,140	325,528	1,149,668	524,133	136,258	660,391
Net profit for the year		—	205,007	205,007	—	66,652	66,652
Capital funds vested over from PBFIN Berhad (formerly known as Public Finance Berhad)		—	—	—	300,007	—	300,007
Retained profits transferred to Head Office		—	(327,654)	(327,654)	—	—	—
At 31 December 2004		824,140	202,881	1,027,021	824,140	202,910	1,027,050
Net profit for the year		—	210,880	210,880	—	210,880	210,880
Increase of Capital funds		100,000	—	100,000	100,000	—	100,000
Retained profits transferred from Head Office		—	29	29	—	—	—
At 31 December 2005		924,140	413,790	1,337,930	924,140	413,790	1,337,930

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

Cash Flow Statements for the year ended 31 December 2005

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from operating activities				
Profit before tax expense and zakat	293,385	285,058	293,385	92,449
Adjustments for:				
Depreciation	19	21	19	21
Amortisation of intangible assets	823	264	823	264
Allowance for bad and doubtful debts and financing	47,245	41,929	47,245	96,017
Write back of allowance for bad and doubtful debts and financing	(4,084)	(2,467)	(4,084)	(384)
Transfer (from)/to Profit Equalisation Reserves	(6,870)	1,862	(6,870)	8,862
Operating profit before working capital changes	330,518	326,667	330,518	197,229
(Increase)/Decrease in operating assets/liabilities:				
Deposits and placements with banks and other financial institutions	—	—	—	450,555
Financing, advances and other loans	(1,081,012)	(413,503)	(1,081,012)	(482,825)
Statutory deposits with Bank Negara Malaysia	(157,300)	108,386	(157,300)	123,866
Other assets	167	(1,915,155)	167	(1,171,630)
Deposits from customers	2,601,732	454,371	2,601,732	529,150
Deposits and placements of banks and other financial institutions	(1,929,139)	1,433,245	(1,929,139)	(347,535)
Bills and acceptances payable	(5,462)	2,423	(5,462)	2,423
Other liabilities	437,522	(80,901)	437,522	(75,956)
Cash generated from/(used in) operations	197,026	(84,467)	197,026	(774,723)
Tax expense and zakat paid	(75,133)	(57,136)	(75,133)	(33,044)
Net cash generated from/(used in) operating activities	121,893	(141,603)	121,893	(807,767)



NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)**Cash Flow Statements for the year ended 31 December 2005**

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash flows from investing activities				
Purchase of property and equipment	(17)	(25)	(17)	(25)
Net sale of securities held-to-maturity	—	29,961	—	29,961
Acquisition of finance company business, net of cash acquired	—	—	—	(304,599)
Net cash (used in)/generated from investing activities	(17)	29,936	(17)	(274,663)
Cash flows from financing activities				
Funds allocated from Head Office	100,000	—	100,000	—
Net cash generated from financing activities	100,000	—	100,000	—
Net increase/(decrease) in cash and cash equivalents	221,876	(111,667)	221,876	(1,082,430)
Cash and cash equivalents at beginning of year	204,385	316,052	204,385	1,286,815
Cash and cash equivalents at end of year	426,261	204,385	426,261	204,385

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

Notes to the Financial Statements for the financial year ended 31 December 2005

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
(a) Cash and Short-Term Funds				
Cash and balances with banks and other financial institutions	10,261	55,066	10,261	55,066
Money at call and deposit placements maturing within one month	416,000	149,319	416,000	149,319
	426,261	204,385	426,261	204,385
(b) Securities Held-to-Maturity (At Amortised Cost)				
Money market instruments:				
Cagamas Mudharabah bonds	127,479	127,503	127,479	127,503
Market value:				
Cagamas Mudharabah bonds	127,479	127,503	127,479	127,503

The maturity structure of money market instruments held are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Maturity within one year	75,725	—	75,725	—
More than one year to three years	51,754	126,132	51,754	126,132
More than three years to five years	—	1,371	—	1,371
	127,479	127,503	127,479	127,503

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(c) Financing, Advances and Other Loans

(i) By type

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash line	20,840	9,737	20,840	9,737
Term financing				
House financing	2,298,887	2,121,610	2,298,887	2,121,610
Syndicated financing	16,028	28,317	16,028	28,317
Hire purchase receivables	6,002,663	5,148,516	6,002,663	5,148,516
Lease receivables	31,665	43,172	31,665	43,172
Other term financing	1,204,286	1,009,640	1,204,286	1,009,640
Less: Unearned income	9,574,369 (2,223,862)	8,360,992 (2,048,460)	9,574,369 (2,223,862)	8,360,992 (2,048,460)
Gross financing, advances and other loans	7,350,507	6,312,532	7,350,507	6,312,532
Less: Allowance for bad and doubtful debt and financing:				
– General	(114,195)	(107,295)	(114,195)	(107,295)
– Specific	(19,294)	(26,070)	(19,294)	(26,070)
Total net financing, advances and other loans	7,217,018	6,179,167	7,217,018	6,179,167

(ii) By contract

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Bai' Bithaman Ajil-i (deferred payment sale)	1,921,862	1,739,713	1,921,862	1,739,713
Ijarah Thamma Al-Bai'-i (leasing)	5,167,446	4,405,445	5,167,446	4,405,445
Qardhassan-i (overdraft)	20,840	9,737	20,840	9,737
Bai-Al-Einah-i	240,359	157,637	240,359	157,637
Gross financing, advances and other loans	7,350,507	6,312,532	7,350,507	6,312,532

NOTES TO THE FINANCIAL STATEMENTS

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54. ISLAMIC BANKING BUSINESS (continued)

(c) Financing, Advances and Other Loans (continued)

(iii) By type of customer:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Domestic non-bank financial institutions				
– Others	16,138	3,443	16,138	3,443
Domestic business enterprises				
– Small and medium enterprises	769,471	723,927	769,471	723,927
– Others	86,140	71,582	86,140	71,582
Government and statutory authorities	1,107	1,491	1,107	1,491
Individuals	6,457,802	5,494,431	6,457,802	5,494,431
Other domestic entities	5,113	6,230	5,113	6,230
Foreign customers	14,736	11,428	14,736	11,428
Gross financing, advances and other loans	7,350,507	6,312,532	7,350,507	6,312,532

(iv) By profit rate sensitivity

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Fixed rate				
– House financing	1,274,749	1,176,001	1,274,749	1,176,001
– Hire purchase receivables	5,167,446	4,359,985	5,167,446	4,359,985
– Other fixed rate financing	908,312	776,546	908,312	776,546
Gross financing, advances and other loans	7,350,507	6,312,532	7,350,507	6,312,532



NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(c) Financing, Advances and Other Loans (continued)

(v) By sector:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Agriculture, hunting, forestry & fishing	17,126	10,087	17,126	10,087
Mining and quarrying	854	532	854	532
Manufacturing	106,373	105,862	106,373	105,862
Electricity, gas and water	608	—	608	—
Construction	136,892	112,919	136,892	112,919
Real estate	69,761	76,443	69,761	76,443
Purchase of landed properties	1,607,235	1,467,364	1,607,235	1,467,364
(of which: – residential	1,238,039	1,134,154	1,238,039	1,134,154
– non-residential)	369,196	333,210	369,196	333,210
Wholesale & retail trade and restaurants & hotels	255,545	239,413	255,545	239,413
Transport, storage and communication	28,274	24,452	28,274	24,452
Finance, insurance and business services	87,128	73,041	87,128	73,041
Purchase of securities	402	1,775	402	1,775
Purchase of transport vehicles	4,677,745	3,923,349	4,677,745	3,923,349
Others	362,564	277,295	362,564	277,295
Gross financing, advances and other loans	7,350,507	6,312,532	7,350,507	6,312,532

(vi) The maturity structure

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Maturity within one year	144,361	137,163	144,361	137,163
More than one year to three years	828,212	662,638	828,212	662,638
More than three years to five years	2,109,807	1,815,774	2,109,807	1,815,774
More than five years	4,268,127	3,696,957	4,268,127	3,696,957
Gross financing, advances and other loans	7,350,507	6,312,532	7,350,507	6,312,532

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54. ISLAMIC BANKING BUSINESS (continued)

(d) Non-performing Financing (NPF)

- (i) Movements in non-performing financing, advances and other loans ("NPF") including income receivable are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January	150,538	88,562	150,538	21,067
Non-performing during the year	379,672	260,175	379,672	224,373
Amount vested over from PBFIN Berhad (formerly known as Public Finance Berhad)	—	—	—	79,746
Reclassified as performing	(296,761)	(160,355)	(296,761)	(157,713)
Recoveries	(34,239)	(17,194)	(34,239)	(7,762)
Amount written off	(43,014)	(20,650)	(43,014)	(9,173)
At 31 December	156,196	150,538	156,196	150,538
Specific allowance	(19,294)	(26,070)	(19,294)	(26,070)
Net non-performing financing, advances and other loans	136,902	124,468	136,902	124,468
Net NPF as % of gross financing, advances and other loans less specific allowance	1.87%	1.98%	1.87%	1.98%

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

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>General allowance</u>				
At 1 January	107,295	99,224	107,295	26,744
Allowance made during the year	6,900	8,071	6,900	80,551
At 31 December	114,195	107,295	114,195	107,295
As % gross financing, advances and other loans less specific allowance	1.56%	1.71%	1.56%	1.71%

NOTES TO THE FINANCIAL STATEMENTS

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54. ISLAMIC BANKING BUSINESS (continued)

(d) Non-performing Financing (NPF) (continued)

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

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Specific allowance</u>				
At 1 January	26,070	15,337	26,070	3,164
Allowance made during the year	40,345	33,858	40,345	15,466
Amount vested over from PBFIN Berhad (formerly known as Public Finance Berhad)	—	—	—	17,006
Amount written back	(4,084)	(2,467)	(4,084)	(384)
Amount written off	(43,014)	(20,658)	(43,014)	(9,182)
Amount transferred to accumulated impairment losses on foreclosed properties	(23)	—	(23)	—
At 31 December	19,294	26,070	19,294	26,070

(iii) Non-performing financing by sector

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Agriculture, hunting, forestry & fishing	153	120	153	120
Mining and quarrying	—	124	—	124
Manufacturing	2,552	910	2,552	910
Construction	1,971	2,480	1,971	2,480
Purchase of landed properties	77,704	62,044	77,704	62,044
(of which: – residential	68,966	56,388	68,966	56,388
– non-residential)	8,738	5,656	8,738	5,656
Wholesale & retail trade and restaurants & hotels	5,303	5,441	5,303	5,441
Transport, storage and communication	400	352	400	352
Finance, insurance and business services	1,227	920	1,227	920
Purchase of securities	1	1,724	1	1,724
Purchase of transport vehicles	61,745	71,916	61,745	71,916
Others	5,140	4,507	5,140	4,507
Gross non-performing financing, advances and other loans	156,196	150,538	156,196	150,538

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(e) Other Assets

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income receivable	65	352	65	352
Other debtors, deposits and prepayments	990	1,245	990	1,274
	1,055	1,597	1,055	1,626

(f) Deferred Tax Assets

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January	38,273	35,212	38,273	12,957
Recognised in income statement (Note 54(p))	(255)	3,061	(255)	25,316
At 31 December	38,018	38,273	38,018	38,273

The components and movements in deferred tax assets during the financial year are as follows:

Deferred tax assets of the Group	Allowance for Loan Loss RM'000	Other Temporary Differences RM'000	Total RM'000
At 1 January 2004	27,783	7,429	35,212
Recognised in income statement	753	2,308	3,061
At 31 December 2004	28,536	9,737	38,273
Recognised in income statement	1,092	(1,347)	(255)
At 31 December 2005	29,628	8,390	38,018

NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(f) Deferred Tax Assets (continued)

Deferred tax assets of the Bank	Allowance for Loan Loss RM'000	Other Temporary Differences RM'000	Total RM'000
At 1 January 2004	7,488	5,469	12,957
Recognised in income statement	21,048	4,268	25,316
At 31 December 2004	28,536	9,737	38,273
Recognised in income statement	1,092	(1,347)	(255)
At 31 December 2005	29,628	8,390	38,018

(g) Deposits From Customers

(i) By type of deposit

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Non-Mudharabah Fund</u>				
Wadiah current deposits-i	1,021,990	946,052	1,021,990	946,052
Wadiah savings deposits-i	2,125,240	1,684,094	2,125,240	1,684,094
Negotiable Debt Certificate-i	1,752,534	–	1,752,534	–
Others	150	–	150	–
	4,899,914	2,630,146	4,899,914	2,630,146
<u>Mudharabah Fund</u>				
Mudharabah savings deposits-i	–	43,407	–	43,407
Mudharabah General investment deposits-i	1,193,173	817,802	1,193,173	817,802
	1,193,173	861,209	1,193,173	861,209
Deposits from customers	6,093,087	3,491,355	6,093,087	3,491,355

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(g) Deposits From Customers (continued)

(ii) By type of customer

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Federal and state governments	133,054	182,340	133,054	182,340
Local government and statutory authorities	224,606	262,733	224,606	262,733
Business enterprises	806,509	709,691	806,509	709,691
Individuals	2,380,492	1,972,028	2,380,492	1,972,028
Foreign customers	57,348	49,028	57,348	49,028
Others	2,491,078	315,535	2,491,078	315,535
	6,093,087	3,491,355	6,093,087	3,491,355

(iii) The maturity structure of Mudharabah General Investment deposits-i are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Due within six months	1,032,865	641,484	1,032,865	641,484
More than six months to one year	120,228	151,126	120,228	151,126
More than one year to three years	32,170	16,818	32,170	16,818
More than three years to five years	7,910	8,374	7,910	8,374
	1,193,173	817,802	1,193,173	817,802

(h) Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<u>Mudharabah Fund</u>				
Licensed banks	1,474	1,930,613	1,474	1,930,613
	1,474	1,930,613	1,474	1,930,613

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)**(i) Other Liabilities**

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income payable	6,386	11,137	6,386	11,137
Other liabilities	520,003	77,316	520,003	77,316
Profit Equalisation Reserves	21,523	28,393	21,523	28,393
	547,912	116,846	547,912	116,846

The movements in Profit Equalisation Reserves are as follows:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January	28,393	26,531	28,393	19,531
Amount arising during the year	3,089	6,268	3,089	13,268
Amount written back	(9,959)	(4,406)	(9,959)	(4,406)
At 31 December	21,523	28,393	21,523	28,393

(j) Provision for Tax Expense and Zakat

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Tax expense	41,074	33,977	41,074	33,977
Zakat	55	35	55	35
	41,129	34,012	41,129	34,012

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(k) Income derived from investment of depositors' funds and financial institutions

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Income derived from investment of:				
(i) General investment deposits	58,994	192,399	58,994	51,276
(ii) Other deposits	348,375	235,174	348,375	175,510
	407,369	427,573	407,369	226,786

(i) Income derived from investment of general investment deposits:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Finance income and Hibah				
Financing, advances and other loans	57,845	185,011	57,845	43,900
Securities held-to-maturity	525	852	525	852
Money at call and deposit with financial institutions	624	6,536	624	6,524
Total finance income and Hibah	58,994	192,399	58,994	51,276

(ii) Income derived from investment of other deposits:

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Finance income and Hibah				
Financing, advances and other loans	341,595	209,923	341,595	150,264
Securities held-to-maturity	3,099	2,914	3,099	2,914
Money at call and deposit with financial institutions	3,681	22,337	3,681	22,332
Total finance income and Hibah	348,375	235,174	348,375	175,510

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)**(l) Allowance for Losses on Loans and Financing**

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Allowance for bad and doubtful debts and financing:				
– general allowance	6,900	8,071	6,900	80,551
– specific allowance	40,345	33,858	40,345	15,466
– specific allowance written back	(4,084)	(2,467)	(4,084)	(384)
Bad debts and financing recovered	(5,369)	(2,945)	(5,369)	(1,360)
Bad debts and financing written off	156	26	156	26
	37,948	36,543	37,948	94,299

(m) Income attributable to depositors and financial institutions

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Deposits from customers				
– Mudharabah fund	22,566	27,338	22,566	19,205
– Non-Mudharabah fund	15,666	13,224	15,666	11,626
Deposits and placements of banks and other financial institutions				
– Mudharabah fund	56,159	87,778	56,159	16,974
	94,391	128,340	94,391	47,805

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(n) Income derived from investment of Islamic Banking Funds

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Finance Income and Hibah				
Financing, advances and other loans	78,011	69,953	78,011	42,507
Securities held-to-maturity	708	825	708	825
Money at call and deposit with financial institutions	841	6,319	841	6,317
Total finance income and Hibah	79,560	77,097	79,560	49,649
Operating Income				
Commissions	976	1,024	976	1,024
Service charges and fees	5,969	4,600	5,969	4,600
Processing fee	238	—	238	—
Other fee income	157	292	157	240
	7,340	5,916	7,340	5,864
Other Income				
Others	26	—	26	—
	26	—	26	—
	86,926	83,013	86,926	55,513



NOTES TO THE FINANCIAL STATEMENTS

– 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(o) Other Operating Expenses

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Personnel costs				
– Salaries, allowances and bonuses	35,760	28,161	35,760	18,221
– Pension costs	4,435	4,595	4,435	2,904
– Others	3,805	2,962	3,805	1,885
Establishment costs				
– Depreciation	19	21	19	21
– Rental	5,105	4,142	5,105	3,941
– Insurance	1,669	1,074	1,669	999
– Water and electricity	1,359	1,024	1,359	989
– General repairs	1,490	905	1,490	861
– Others	9,839	5,652	9,839	5,424
Marketing expenses				
– Advertisement and publicity	966	689	966	666
– Handling fees	3,642	5,286	3,642	(266)
– Others	2,472	2,127	2,472	1,606
Administration and general expenses				
– Amortisation of intangible assets	823	264	823	264
– Communication expenses	1,341	463	1,341	722
– Others	2,716	1,418	2,716	647
	75,441	58,783	75,441	38,884

Included in other operating expenses is the Shariah Committee's remuneration of RM55,000 (2004: RM22,000).

(p) Tax Expense and Zakat

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysian income tax	82,102	83,037	82,102	51,038
Deferred tax expense				
– Origination and reversal of temporary differences (Note f)	255	(3,061)	255	(25,316)
Tax expense	82,357	79,976	82,357	25,722
Zakat	148	75	148	75
	82,505	80,051	82,505	25,797

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(q) 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 risk-weighted exposures of the Group and the Bank as at the end of financial year are as follows:

Group	2005			2004		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Irrevocable commitments to extend credit:						
– maturity exceeding one year	86,442	43,221	27,314	137,922	68,961	42,529
– maturity not exceeding one year	16,512	–	–	7,653	–	–
	102,954	43,221	27,314	145,575	68,961	42,529
Bank						
Irrevocable commitments to extend credit:						
– maturity exceeding one year	86,442	43,221	27,314	137,922	68,961	42,529
– maturity not exceeding one year	16,512	–	–	7,653	–	–
	102,954	43,221	27,314	145,575	68,961	42,529

* The credit equivalent amount is arrived at using the credit conversion factors as specified by Bank Negara Malaysia.

(r) Capital Adequacy

The capital adequacy ratios under the Islamic Banking business as at 31 December are as follows:

	Group		Bank	
	2005	2004	2005	2004
Core capital ratio	19.1%	13.4%	19.1%	13.4%
Risk-weighted capital ratio	20.8%	14.8%	20.8%	14.8%

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)**(r) Capital Adequacy (continued)**

	Group		Bank	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Capital funds	924,140	824,140	924,140	824,140
Retained profits	413,790	202,881	413,790	202,910
Less: Deferred tax assets	(38,018)	(38,273)	(38,018)	(38,273)
Total Tier I capital	1,299,912	988,748	1,299,912	988,777
<u>Tier II capital</u>				
General allowance for bad and doubtful debts	114,195	107,295	114,195	107,295
Total Tier II capital	114,195	107,295	114,195	107,295
Capital base	1,414,107	1,096,043	1,414,107	1,096,072

Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

Group	2005		2004	
	Notional RM'000	Risk- weighted RM'000	Notional RM'000	Risk- weighted RM'000
0%	624,698	—	99,376	—
10%	127,480	12,748	127,503	12,750
20%	56,193	11,239	189,565	37,913
50%	1,178,394	589,197	1,166,228	583,114
100%	6,178,116	6,178,116	6,763,907	6,763,907
	8,164,881	6,791,300	8,346,579	7,397,684

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(r) Capital Adequacy (continued)

Bank	2005		2004	
	Notional RM'000	Risk- weighted RM'000	Notional RM'000	Risk- weighted RM'000
0%	624,698	—	99,376	—
10%	127,480	12,748	127,503	12,750
20%	56,193	11,239	189,565	37,913
50%	1,178,394	589,197	1,166,228	583,114
100%	6,178,116	6,178,116	6,763,907	6,763,907
	8,164,881	6,791,300	8,346,579	7,397,684

The disclosure of the capital adequacy ratios of the Group and the Bank's Islamic Banking business as set out above is in accordance with the Bank Negara Malaysia circular dated 19 November 2002 on "Pematuhan Nisbah Modal Berwajaran Risiko Bagi Portfolio Perbankan Islam". In this circular, it is stipulated that all financial institutions participating in the Islamic Banking Scheme are required to comply with a minimum core capital ratio of 4% and a minimum risk-weighted capital ratio of 8% with effect from 2 January 2002.

(s) Yield/Profit Rate Risk

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market profit rates on its financial position and cash flows. The following tables indicate the effective profit rates at the balance sheet date and the periods in which the financial instruments reprice or mature, whichever is earlier.

Group 2005	Non trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-yield profit sensitive RM'000			
ASSETS									
Cash and short-term funds	425,486	—	—	—	—	775	—	426,261	2.96
Securities held-to-maturity	—	75,725	—	51,754	—	—	—	127,479	3.45
Financing, advances and other loans									
– performing	198,850	213,986	931,944	3,687,627	2,161,904	—	—	7,194,311	6.29
– non-performing *	—	—	—	—	—	22,707	—	22,707	—
Other non-profit sensitive balances	—	—	—	—	—	275,142	—	275,142	—
TOTAL ASSETS	624,336	289,711	931,944	3,739,381	2,161,904	298,624	—	8,045,900	

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(s) Yield/Profit Rate Risk (continued)

Group 2005	Non trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-yield profit sensitive RM'000			
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	2,837,694	258,585	327,598	1,956,080	—	713,130	—	6,093,087	2.21
Deposits and placements of banks and other financial institutions	500	—	—	—	—	974	—	1,474	2.96
Other non-profit sensitive balances	—	—	—	—	—	613,409	—	613,409	—
Total Liabilities	2,838,194	258,585	327,598	1,956,080	—	1,327,513	—	6,707,970	
Islamic Banking Funds	—	—	—	—	—	1,337,930	—	1,337,930	—
Total Liabilities and Islamic Banking Funds	2,838,194	258,585	327,598	1,956,080	—	2,665,443	—	8,045,900	
On-balance sheet profit sensitivity gap	(2,213,858)	31,126	604,346	1,783,301	2,161,904	(2,366,819)	—	—	
Off-balance sheet profit sensitivity gap	—	—	—	—	—	—	—	—	
Total profit sensitivity gap	(2,213,858)	31,126	604,346	1,783,301	2,161,904	(2,366,819)	—	—	

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(s) Yield/Profit Rate Risk (continued)

Group 2004	Non trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-yield profit sensitive RM'000			
ASSETS									
Cash and short-term funds	203,170	—	—	—	—	1,215	—	204,385	2.89
Securities held-to-maturity	—	—	—	127,503	—	—	—	127,503	3.45
Financing, advances and other loans									
– performing	174,125	181,895	808,227	3,188,867	1,808,880	—	—	6,161,994	6.98
– non-performing *	—	—	—	—	—	17,173	—	17,173	—
Other non-profit sensitive balances	—	—	—	—	—	118,622	—	118,622	—
TOTAL ASSETS	377,295	181,895	808,227	3,316,370	1,808,880	137,010	—	6,629,677	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	2,165,864	149,540	378,663	25,191	—	772,097	—	3,491,355	1.44
Deposits and placements of banks and other financial institutions	1,930,400	—	—	—	—	213	—	1,930,613	2.79
Other non-profit sensitive balances	—	—	—	—	—	180,688	—	180,688	—
Total Liabilities	4,096,264	149,540	378,663	25,191	—	952,998	—	5,602,656	
Islamic Banking Funds	—	—	—	—	—	1,027,021	—	1,027,021	
Total Liabilities and Islamic Banking Funds	4,096,264	149,540	378,663	25,191	—	1,980,019	—	6,629,677	
On-balance sheet profit sensitivity gap	(3,718,969)	32,355	429,564	3,291,179	1,808,880	(1,843,009)	—	—	
Off-balance sheet profit sensitivity gap	—	—	—	—	—	—	—	—	
Total profit sensitivity gap	(3,718,969)	32,355	429,564	3,291,179	1,808,880	(1,843,009)	—	—	

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(s) Yield/Profit Rate Risk (continued)

Bank 2005	Non trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-yield profit sensitive RM'000			
ASSETS									
Cash and short-term funds	425,486	—	—	—	—	775	—	426,261	2.96
Securities held-to-maturity	—	75,725	—	51,754	—	—	—	127,479	3.45
Financing, advances and other loans									
– performing	198,850	213,986	931,944	3,687,627	2,161,904	—	—	7,194,311	6.29
– non-performing *	—	—	—	—	—	22,707	—	22,707	—
Other non-profit sensitive balances	—	—	—	—	—	275,142	—	275,142	—
TOTAL ASSETS	624,336	289,711	931,944	3,739,381	2,161,904	298,624	—	8,045,900	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	2,837,694	258,585	327,598	1,956,080	—	713,130	—	6,093,087	2.21
Deposits and placements of banks and other financial institutions	500	—	—	—	—	974	—	1,474	2.96
Other non-profit sensitive balances	—	—	—	—	—	613,409	—	613,409	—
Total Liabilities	2,838,194	258,585	327,598	1,956,080	—	1,327,513	—	6,707,970	
Islamic Banking Funds	—	—	—	—	—	1,337,930	—	1,337,930	—
Total Liabilities and Islamic Banking Funds	2,838,194	258,585	327,598	1,956,080	—	2,665,443	—	8,045,900	
On-balance sheet profit sensitivity gap	(2,213,858)	31,126	604,346	1,783,301	2,161,904	(2,366,819)	—	—	
Off-balance sheet profit sensitivity gap	—	—	—	—	—	—	—	—	
Total profit sensitivity gap	(2,213,858)	31,126	604,346	1,783,301	2,161,904	(2,366,819)	—	—	

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(s) Yield/Profit Rate Risk (continued)

Bank 2004	Non trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-yield profit sensitive RM'000			
ASSETS									
Cash and short-term funds	203,170	—	—	—	—	1,215	—	204,385	2.89
Securities held-to-maturity	—	—	—	127,503	—	—	—	127,503	3.45
Financing, advances and other loans									
– performing	174,125	181,895	808,227	3,188,867	1,808,880	—	—	6,161,994	6.98
– non-performing *	—	—	—	—	—	17,173	—	17,173	—
Other non-profit sensitive balances	—	—	—	—	—	118,651	—	118,651	—
TOTAL ASSETS	377,295	181,895	808,227	3,316,370	1,808,880	137,039	—	6,629,706	
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	2,165,864	149,540	378,663	25,191	—	772,097	—	3,491,355	1.44
Deposits and placements of banks and other financial institutions	1,930,400	—	—	—	—	213	—	1,930,613	2.79
Other non-profit sensitive balances	—	—	—	—	—	180,688	—	180,688	—
Total Liabilities	4,096,264	149,540	378,663	25,191	—	952,998	—	5,602,656	
Islamic Banking Funds	—	—	—	—	—	1,027,050	—	1,027,050	
Total Liabilities and Islamic Banking Funds	4,096,264	149,540	378,663	25,191	—	1,980,048	—	6,629,706	
On-balance sheet profit sensitivity gap	(3,718,969)	32,355	429,564	3,291,179	1,808,880	(1,843,009)	—	—	
Off-balance sheet profit sensitivity gap	—	—	—	—	—	—	—	—	
Total profit sensitivity gap	(3,718,969)	32,355	429,564	3,291,179	1,808,880	(1,843,009)	—	—	

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

NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2005

54. ISLAMIC BANKING BUSINESS (continued)

(t) Fair Values of Financial Assets and Liabilities

The following summarises the carrying amounts and the estimated fair values of the financial assets and liabilities of the Group and the Bank:

Recognised financial instruments

Group/Bank	2005		2004	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial assets				
Cash and short-term funds	426,261	426,261	204,385	204,385
Securities held-to-maturity	127,479	127,479	127,503	127,503
Financing, advances and other loans*	7,331,213	7,486,637	6,286,462	6,385,294
Financial liabilities				
Deposits from customers	6,093,087	6,087,594	3,491,355	3,491,355
Deposits and placements of banks and other financial institutions	1,474	1,474	1,930,613	1,930,613
Bills and acceptances payable	24,368	24,368	29,830	29,830

* The general allowance of the Group and of the Bank of RM114,195,000 (2004 – RM107,295,000) and RM114,195,000 (2004 – RM107,295,000) respectively are not included in the carrying amounts.

(u) Allocation of Income

The method of allocation of income to the types of deposits is based on “The Framework on Rate of Return” issued by Bank Negara Malaysia. This Framework on Rate of Return which is based on the return on assets concept, calculates the income on assets. The return on assets after deducting incidental expenses and allowances for losses on financing, advances and other loans are distributed to the depositors using the weighted average method.

(v) Shariah Committee

The Shariah Committee was established under Bank Negara Malaysia’s “Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions” (BNM/GPS1) to advise the Board of Directors on Shariah matters in its business operations and to provide technical assistance in ensuring the Islamic Banking products and services offered by the Group and the Bank are in compliance with Shariah principles. The Shariah Panel also provides guidance on legal matters on Islamic Banking products and services.

(w) Zakat Obligations

This represents business zakat payable by the Bank to comply with Shariah principles. Zakat provision is calculated based on 2.5% of the estimated Muslim individual shareholders using the profit and loss method.

BURSA SECURITIES LISTING REQUIREMENTS COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”):

(i) Utilisation of Proceeds Raised from Corporate Proposals

On 20 June 2005, Public Bank issued USD400 million in aggregate principal amount of Subordinated Notes (“the Notes”) due 2017 callable with step-up in 2012. The Notes bear interest at the rate of 5% per annum from (and including) 20 June 2005 to (but excluding) 20 June 2012 and, thereafter, at a rate per annum equal to the interest rate of five year US treasury notes plus 2.827%. The proceeds from the issuance of the Notes has been used for general banking and other corporate purposes.

Disclosed in accordance with Appendix 9C, Part A, item 12 of the Listing Requirements of Bursa Securities.

(ii) Share Buy Back

During the financial year, Public Bank bought back a total of 24,007,100 of its ordinary shares of RM1.00 each (“PBB Shares”) which are listed and quoted as “Local” on the Main Board of Bursa Securities (“PBB Local Shares”) on the open market. The details of the PBB Local Shares bought back during the year are as follows:

Monthly Breakdown	No of PBB Local Shares bought back & Retained As Treasury Shares	Buy back Price Per Share (RM)		Average Cost Per Share	Total Cost
		Lowest	Highest	RM	(RM)
January	5,558,200	7.45	7.55	7.51	41,826,390
February	7,936,000	7.55	7.70	7.63	60,656,438
March	10,502,900	7.55	7.70	7.66	80,603,796
August	10,000	7.20	7.20	7.20	72,263
Total	24,007,100	7.20	7.70	7.61	183,158,887

All the PBB Local Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. As at 31 December 2005, a total of 124,184,500 PBB Shares were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

Disclosed in accordance with Paragraph 12.24, Appendix 12D of the Listing Requirements of Bursa Securities.

(iii) Options, Warrants or Convertible Securities

Public Bank has not issued any options, warrants or convertible securities during the financial year ended 31 December 2005 other than the granting of options under the Public Bank Berhad Employees’ Share Option Scheme as disclosed in Note 23(b) to the financial statements.

Disclosed in accordance with Appendix 9C, Part A, item 14 of the Listing Requirements of Bursa Securities.

BURSA SECURITIES LISTING REQUIREMENTS COMPLIANCE INFORMATION

(iv) Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on Public Bank and its subsidiary companies, directors or management by the relevant regulatory bodies during the financial year.

Disclosed in accordance with Appendix 9C, Part A, item 16 of the Listing Requirements of Bursa Securities.

(v) Non-audit Fees

The amount of non-audit fees paid to external auditors by the Group and the Bank for the financial year amounted to RM339,000 and RM259,000 respectively.

Disclosed in accordance with Appendix 9C, Part A, item 17 of the Listing Requirements of Bursa Securities.

(vi) Variation in Results

There was no profit forecast issued by Public Bank and its subsidiary companies during the financial year.

Disclosed in accordance with Appendix 9C, Part A, item 18 of the Listing Requirements of Bursa Securities.

(vii) Profit Guarantee

There were no profit guarantees given by Public Bank and its subsidiary companies during the financial year.

Disclosed in accordance with Appendix 9C, Part A, item 19 of the Listing Requirements of Bursa Securities.

(viii) Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by Public Bank and its subsidiary companies involving directors and major shareholders, which subsisted at the end of the financial year ended 31 December 2005 or, if not then subsisting, entered into since the end of the previous financial year.

Disclosed in accordance with Appendix 9C, Part A, item 20 of the Listing Requirements of Bursa Securities.

(ix) Revaluation Policy

The Public Bank Group does not revalue its landed properties classified as Property and Equipment. The revaluation policy on landed properties classified as Investment Properties are as disclosed in Note 2 (h) to the financial statements.

Disclosed in accordance with Appendix 9C, Part A, item 23 of the Listing Requirements of Bursa Securities.



BURSA SECURITIES LISTING REQUIREMENTS COMPLIANCE INFORMATION

(x) Recurrent Related Party Transactions of a Revenue or Trading Nature

At an Extraordinary General Meeting on 30 March 2005, Public Bank had obtained a mandate from its shareholders to allow the Public Bank Group to enter into recurrent related party transactions of a revenue or trading nature.

The details of the recurrent related party transactions of a revenue or trading nature conducted during the financial year ended 31 December 2005 pursuant to the said shareholders' mandate are as follows:

Companies in the Group involved in Recurrent Transactions	Related Parties	Interested Related Parties	Nature of relationship	Nature of transaction	Value of transactions RM'000
Public Bank Berhad ("PBB"), Public Holdings Sdn. Bhd., PB International Factors Sdn. Bhd., PB Securities Sdn. Bhd., Public Merchant Bank Berhad, Public Mutual Berhad, PB Properties Sdn. Bhd.	LPI Capital Berhad ("LPI") and Lonpac Insurance Berhad ("LIB").	Tan Sri Dato' Sri Dr. Teh Hong Piow, Dato' Yeoh Chin Kee and Mr Lee Chin Guan.	Tan Sri Dato' Sri Dr. Teh Hong Piow is a Director and a substantial shareholder of PBB and LPI. Dato' Yeoh Chin Kee is a Director and a direct shareholder of PBB and LPI. Mr Lee Chin Guan is a Director and a direct shareholder of PBB and LPI.	Premiums for insurance coverage of the Group by LIB ¹ .	3,773

Note 1: Comprises insurance premium that do not qualify as exempted transactions as defined under Paragraph 10.08(9) of the Listing Requirements of Bursa Securities (latest amendments issued on 17 November 2005). The types of insurance coverage provided to the Public Bank Group by Lonpac Insurance Berhad include group all benefits personal accident ("ABPA"), group travellers' inconvenience, burglary, group health and safe deposit box.

Disclosed in accordance with Paragraph 10.09(1)(b) and Section 4.1.5 of Practice Note 12/2001 of the Listing Requirements of Bursa Securities.



MALAYSIAN ECONOMY: Review of 2005 and Prospects

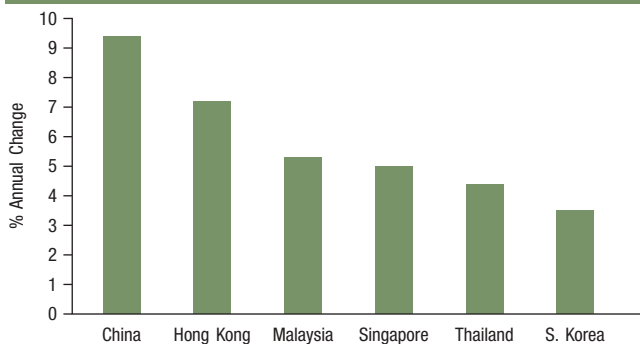
OVERVIEW

The Malaysian economy in 2005 continued to remain sound and stable, despite greater external challenges due to moderation in global growth, higher inflationary pressures and higher interest rates. During the year, the Government's macroeconomic policies remained focused on sustaining growth momentum and improving international competitiveness in order to generate growth.

On the fiscal front, the Government continued to support the economy through a modest fiscal deficit. By the end of 2005, the deficit is expected to be around 3.8% of gross domestic product ("GDP"). Monetary policy remained accommodative, despite the rise in the overnight policy rate ("OPR") by 30 basis points in November.

Also, during the year, the Government adopted a managed float for the ringgit exchange rate, replacing the ringgit peg introduced in 1998, due to significant changes in the international and regional financial and economic environment. After the shift to a managed float, the ringgit exchange rate has remained stable.

Graph 1
GDP Growth of Malaysia and Selected Regional Economies, January-September 2005



Source: Official websites of respective countries

Table 1
Malaysia: GDP Growth by Economic Activity, 2004 and 2005 (at constant 1987 prices)

	% Annual Change	
	2004	2005 Jan-Sep
Real Gross Domestic Product	7.1	5.3
Agriculture	5.0	3.2
Mining and quarrying	3.9	1.8
Manufacturing	9.8	4.0
Construction	-1.5	-1.9
Services	6.8	6.7

Source: Department of Statistics, Malaysia. Quarterly National Product and Expenditure Account, Third Quarter 2005

GDP GROWTH

Notwithstanding the challenges, the Malaysian economy continued to turn in respectable growth for the year. For the first three quarters of 2005, the economy expanded by 5.3% supported by a significant recovery in the third quarter of the year. The growth was achieved in an environment of modest inflation.

As shown in Graph 1, Malaysia's economy was accelerating faster than that of Singapore (5%), Thailand (4.4%) and South Korea (3.5%), but slower than China (9.4%) and Hong Kong (7.2%). Based on the recovery in industrial production and exports in the fourth quarter, the Malaysian economy is on track to achieve its growth target of 5-6% for 2005.

SOURCES OF GROWTH

Growth in the first three quarters of 2005 was led by the services sector, followed by the manufacturing, agriculture and mining sectors (Table 1).

Accounting for 58% of GDP, the services sector grew strongly by 6.7% due to strong private spending, tourism and business activities.

MALAYSIAN ECONOMY:

Review of 2005 and Prospects

The manufacturing sector expanded by 4%, affected by slower export demand for the electronics industry in the first half of the year. The agriculture sector grew by 3.2%, contributed by crude palm oil and rubber production. The mining sector remained subdued with a growth of 1.8% due to disruptions in crude oil production. The construction sector further contracted by 1.9% due to lower civil engineering activities.

From the demand side, private domestic demand continued to drive growth in 2005 as public sector spending remained on course to consolidate (Table 2). Private consumption grew strongly by 9.3% for the first three quarters of the year, supported by stable income and employment, low interest rates and high commodity prices.

Table 2
Malaysia: GDP by Expenditure Components, 2004 and 2005 (at constant 1987 prices)

	% Annual Change	
	2004	2005 Jan-Sep
Aggregate Domestic Demand	7.5	7.4
Consumption	9.5	7.9
Public sector	6.0	2.9
Private sector	10.5	9.3
Gross Fixed Capital Formation	3.1	6.2
Exports of Goods and Services	16.3	7.6
Imports of Goods and Services	20.7	7.3
GDP	7.1	5.3

Source: Department of Statistics, Malaysia. Quarterly National Product and Expenditure Accounts, Third Quarter 2005

Investment continued to recover. For the first three quarters of the year, investment grew by 6.2% due to firmer capital spending in the manufacturing and services sectors and in oil production. Public consumption increased by only 2.9%. Exports of goods and services moderated to 7.6% due to lower exports of electronics products. Imports of goods and services moderated to 7.3%, affected by lower imports of consumption goods.

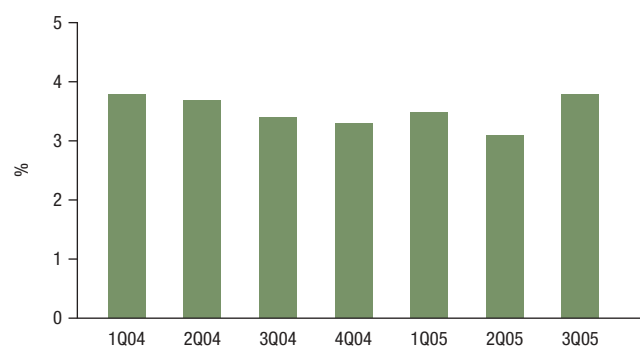
STRONG FUNDAMENTALS

The growth has helped support Malaysia's economic fundamentals. Labour market conditions remained stable with the unemployment rate at 3.8% at the end of the third quarter of 2005 (Graph 2). Inflation remained modest at 3% in the period January-November 2005 despite higher oil prices, road toll charges and "sin taxes" (Graph 3).

Malaysia's external position remained strong. The surplus in the current account of the balance of payments has been projected to increase from 13.3% of gross national product ("GNP") in 2004 to 15.7% at the end of 2005. Total external debt is estimated to decline from 44.6% of GDP in 2004 to 40.2% of GDP in 2005.

Bank Negara Malaysia's ("BNM") international reserves remained high at RM271.4 billion as at 15 December 2005, despite the significant fund outflow in the third quarter of this year. The reserves was sufficient to cover 7.9 months of retained imports and was about 6.4 times that of short-term external debt.

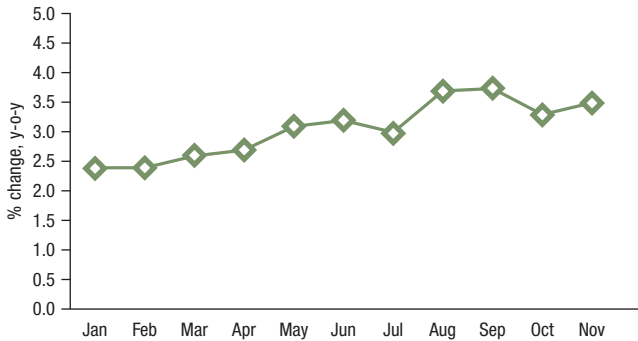
Graph 2
Malaysia: Unemployment Rate, 2004 and 2005



Source: Department of Statistics, Malaysia website

MALAYSIAN ECONOMY: Review of 2005 and Prospects

Graph 3
Malaysia: Consumer Price Index, January-November 2005

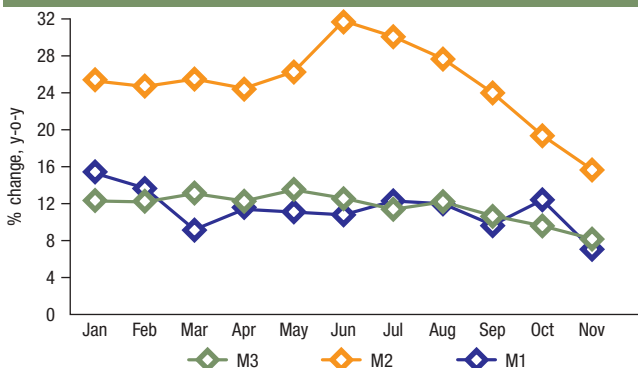


Source: Department of Statistics, Malaysia. Consumer Price Index, various issues

MONETARY AGGREGATES

Growth in monetary aggregates was in line with the positive growth in the real economy. At the end of November, M1 grew by 7.3%, M2 by 15.9%, and M3 by 8.4% due to higher demand for loans by the private sector (Graph 4).

Graph 4
Malaysia: Growth of Money Aggregates, January-November 2005



Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

STRONG BANKING SYSTEM

The banking system continued to remain strong in 2005. Despite the inclusion of market risk in the capital adequacy framework effective April 1, 2005, the risk-weighted capital ratio ("RWCR") and core capital ratio ("CCR") of the banking system remained high at 13.8% and 10.8% respectively at the end of November (Table 3).

Table 3
Banking System: Risk-Weighted Capital Ratio and Core Capital Ratio, 2004 and 2005

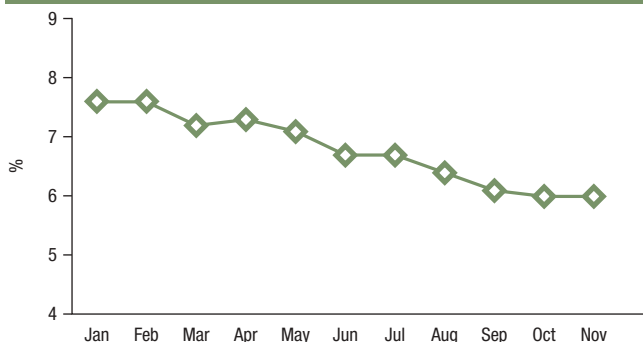
	2004	2005			
		Mar	Jun	Sep	Nov
Risk-Weighted Capital Ratio (%)	14.3	13.8	13.6	13.3	13.8
Core Capital Ratio (%)	11.3	10.9	10.8	10.6	10.8

Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

Asset quality of the banking system improved further in 2005 due to lower new non-performing loans, higher recoveries and write-offs. The ratio of net non-performing loans to total loans and advances of the banking system declined from 7.5% at the end of 2004 to 6% at the end of November 2005 (Graph 5). The loan-loss coverage of the banking system increased from 211% at the end of 2004 to 220% at the end of November 2005 (Graph 6).

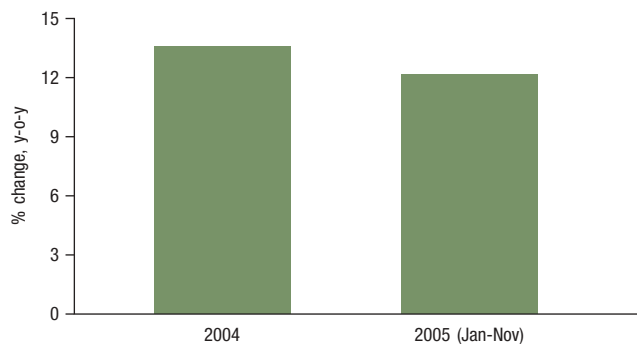
MALAYSIAN ECONOMY: Review of 2005 and Prospects

Graph 5
Banking System: Ratio of Net Non-Performing Loans to Total Loans and Advances, January-November 2005



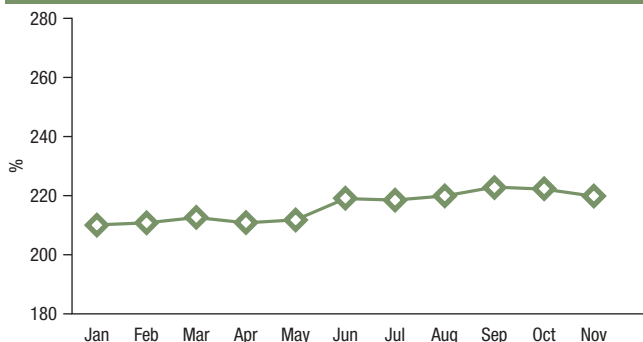
Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

Graph 7
Banking System: New Loans Approved, 2004 and 2005



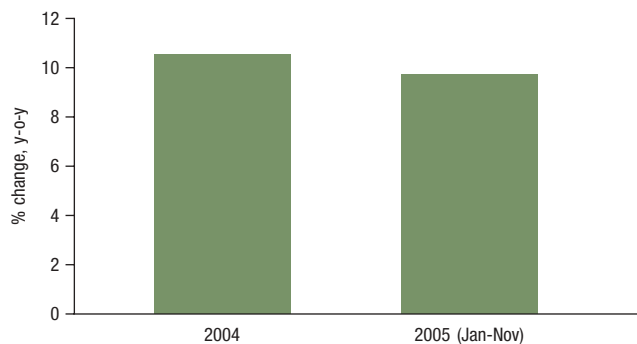
Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

Graph 6
Banking System: Loan-Loss Coverage, January-November 2005



Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

Graph 8
Banking System: Loans Disbursed, 2004 and 2005



Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

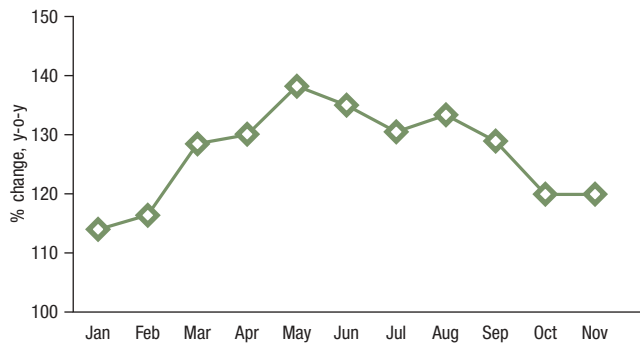
Lending activity continued to increase during the year, supported mainly by loans to consumers and small- and medium-sized enterprises (“SME”). For the period January-November 2005, total new loans approved by the banking system increased by 12.2% compared to the corresponding period last year (Graph 7), while total loans disbursed increased by 9.8% (Graph 8). Annual loan growth of the banking system rose from 8.5% in 2004 to 9% at the end of November 2005.

AMPLE LIQUIDITY

Liquidity in the banking system (as measured by the resource gap) remained ample in 2005 (Graph 9). The gap between total deposits and total loans remained large as growth in total deposits continued to outpace growth in total loans. BNM continued to mop up the excess liquidity to maintain stable interest rates.

MALAYSIAN ECONOMY: Review of 2005 and Prospects

Graph 9
Banking System: Resource Gap, 2005



Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

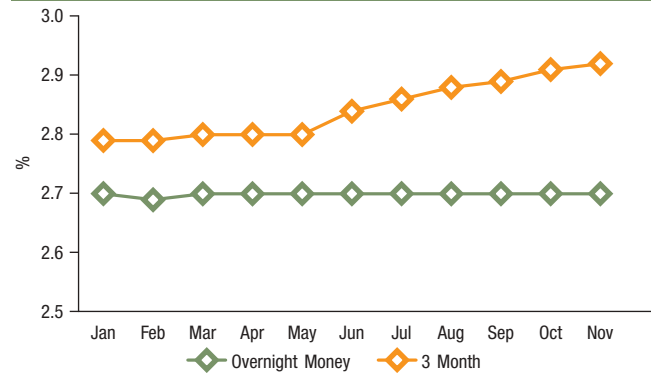
During the January-November 2005 period, the weighted average overnight interbank interest rate was around 2.7%, while the 3-month weighted average interbank rate rose marginally from 2.8% in the January-May 2005 period to 2.84-2.93% in the June-November 2005 period (Graph 10). Key interest rates increased in December after the decision by BNM to increase the OPR by 30 basis points on November 30.

PROSPECTS FOR 2006

The Malaysian economy is expected to maintain its growth momentum in 2006, despite the increasing challenges from high oil prices, widening global imbalances, and high global interest rates. GDP is expected to increase by 5.5% in 2006. Growth will continue to be driven by private domestic demand. In particular, private consumption is expected to remain strong due to higher disposable income, stable employment conditions and modest inflation outlook.

Private investment is also expected to gather higher momentum next year in line with expected sustained direct domestic investment and inflows of foreign direct investment in manufacturing and manufacturing-related services, oil and gas and services sectors. Investment in agriculture is

Graph 10
Malaysia: Weighted Average Interbank Rates, 2005



Source: Bank Negara Malaysia. Monthly Statistical Bulletin, November 2005

expected to gain momentum in line with the Government's objective to revitalise the sector. In addition, capacity utilisation in the manufacturing sector is high at 76%.

External demand is expected to improve based on the projection that the global economy will maintain a 4.3% growth with sustained growth in major OECD economies such as the US, Europe and Japan. The recovery in the global semiconductor industry in the second half of 2005 is expected to strengthen next year.

In line with the positive growth outlook, Malaysia's economic fundamentals are expected to remain healthy. Unemployment is expected to remain low, while inflation is expected to remain modest and manageable. Malaysia's external position, based on the projected large surplus in the current account of the balance of payment, is expected to remain strong.

The Government is expected to remain on course to consolidate its financial position. BNM is expected to continue to maintain its accommodative monetary policy to support growth. Amid the positive growth outlook, the banking industry will continue to remain strong in 2006 with high capitalisation and strong asset quality. Lending activity is expected to sustain its momentum in tandem with the projected GDP growth.

PUBLIC BANK (LOCAL) & PUBLIC BANK (FOREIGN) SHARE PRICES AND KLCI IN 2005



STOCK MARKET PERFORMANCE IN 2005

The stock market started 2005 on a positive note. The Kuala Lumpur Composite Index (“KLCI”) rallied to a 4½ year high of 937.56 points on 18 January 2005, buoyed by the entry of foreign funds amidst speculation on the removal of the Ringgit peg against the US dollar, and investor interest in the restructuring theme of Government Linked Corporations (“GLCs”). However, concerns over high oil prices and below consensus corporate earnings in the last quarter of 2004 saw the KLCI fall below 900 points in early March 2005. A regional equity sell down sparked by surging oil prices and concerns of investment outflows upon the lifting of capital controls on 1 April 2005 by Bank Negara Malaysia exerted downward pressure on the KLCI.

These negative factors, combined with heavy selling of speculative stocks, which resulted in limit-down fall in share prices of some of these stocks led to a steady decline of the KLCI, eventually to its lowest level in 2005 at 860.73 points on 31 May 2005, with the Second Board Index falling close to the Asian financial crisis level of 80 points.

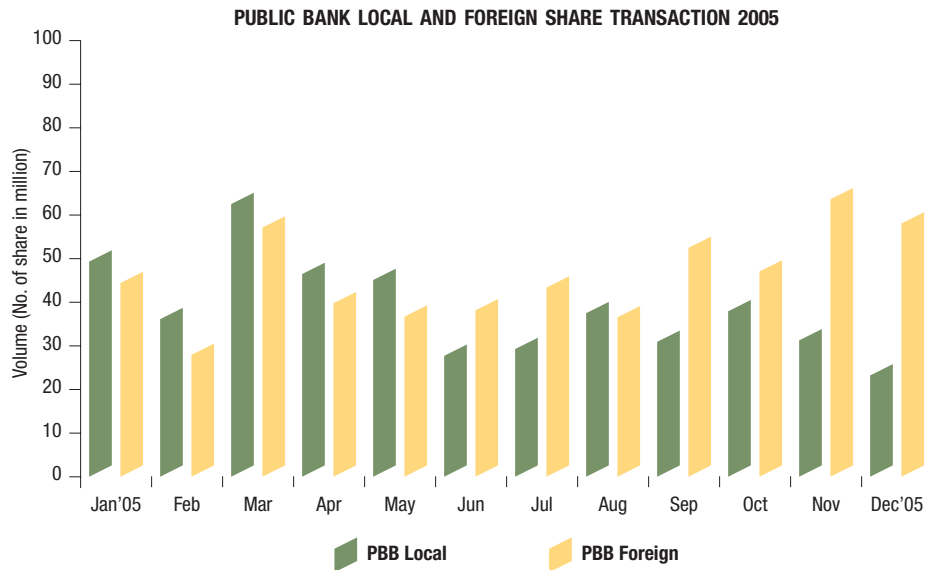
The KLCI recovered to move above 900 points in early July 2005 on selected buying by institutional investors. Investor interest in GLCs and the removal of the Ringgit peg against the US dollar spurred the KLCI to a 5½ year high of 952.59 points on 3 August 2005. However, the KLCI soon retraced lower before consolidating at above 900 points in early September 2005 as rising crude oil prices following Hurricane Katrina in the US, less than convincing corporate results and weaker than expected GDP growth expectations for the second quarter of 2005 weighed on the stock market.

Although the KLCI rebounded to above 920 points on stronger regional equity markets coupled with a fiscally prudent Government budget for 2006, the KLCI turned bearish again in October 2005 on concerns of rising inflation and interest rates, whilst the lower than expected appreciation of the Ringgit and widening interest rate differential between US and Malaysian interest rates led to heavy selling by foreign funds. On 30 November 2005, Bank Negara Malaysia raised interest rates for the first time since 2000. The benchmark overnight policy rate was raised by 30 basis point to 3.00% from 2.70%. The KLCI fell 8.33 points to 887.80 points on 1 December 2005 on fears of further interest rate increases in the near future. For the year, the KLCI lost 7.64 points or 0.84% from 907.43 points at the end of 2004 and 52.80 points or 5.54% from the 2005 peak of 952.59 points to close at 899.79 points. Volume traded on Bursa Securities for 2005 totalled 118.82 billion shares valued at RM201.09 billion, a decrease of 0.89 billion shares and RM42.77 billion as compared to 2004.

Market analysts expect the equity markets to remain cautious in 2006 given the expectations of higher interest rates and inflationary pressures from the expected reduction in petrol subsidies. Nevertheless, the stock market’s downside risk is mitigated by undemanding valuations, attractive dividend yields and excess domestic liquidity. Likewise, the regional equity markets are expected to remain resilient given the high levels of liquidity and trade surpluses among most Asian economies.

In terms of valuations, Bursa Securities’ price earnings rating remains reasonable at 16.8 times 2005 earnings and is 6.4% below the 6 years historical average of 18 times. The stock market’s gross dividend yield of 4.1% compares favourably with short-term fixed deposit rates of 3%.

INVESTOR INFORMATION



PUBLIC BANK SHARE PRICE PERFORMANCE IN 2005

Public Bank share prices outperformed the KLCI during the first quarter of 2005. Public Bank (Local) share and Public Bank (Foreign) share prices rose from RM7.10 and RM7.60 respectively as at the end of 2004 to RM7.50 and RM7.95 respectively when the KLCI reached its 4½ year high of 937.56 points on 18 January 2005. On the same day, Public Bank announced its financial results for 2004 and proposed a final dividend of 35% less 28% tax and a special dividend of 15% less 28% tax. The market responded favourably to the Public Bank Group's sterling financial performance as both Public Bank (Local) shares and Public Bank (Foreign) shares traded to a year high of RM7.75 and RM8.15 respectively on 14 February 2005.

The following weeks saw Public Bank share prices trending lower, in line with the general decline of the KLCI on weak market sentiment. Both Public Bank (Local) share and Public Bank (Foreign) share prices fell to a first half 2005 low of RM6.35 and RM6.40 respectively on 25 May 2005.

On 21 July 2005, Public Bank Group announced a positive second quarter 2005 results together with an interim dividend of 20% less 28% tax. The positive news amidst a more bullish stock market following the removal of the Ringgit peg led both Public Bank (Local) share and Public Bank (Foreign) share prices higher to RM7.20 and RM7.40 respectively on 1 August 2005.

Share prices of Public Bank shares eased in September and October 2005 following the decline of the KLCI and continued to consolidate despite the release of third quarter 2005 results in October 2005 that were within analysts' consensus estimates.

The increase in the overnight policy rate by 0.30% saw weaker sentiment for financial sector stocks with the Kuala Lumpur Finance Index closing lower by 104.73 points to 7,092.25 points the day following the increase in interest rates. Prices of both Public Bank (Local) shares and Public Bank (Foreign) shares fell in tandem to a year low of RM6.25 and RM6.10 respectively on 1 December 2005. Public Bank (Local) share and Public Bank (Foreign) share prices closed at RM6.55 and RM6.40 respectively on 30 December 2005.

ANALYSIS OF SHAREHOLDINGS

as at 13 January 2006

Authorised Share Capital	:	RM10,000,000,000
Issued and Paid-up Share Capital	:	RM3,420,926,452 comprising 3,420,926,452 ordinary shares of RM1.00 each
Class of Shares	:	Ordinary shares of RM1.00 each
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Shareholders				No. of Shares Held			
	Malaysian		Foreigner		Malaysian		Foreigner	
	No.	%	No.	%	No.	%	No.	%
Less than 100	4,316	3.90	197	0.18	139,471	*1	7,264	*1
100 – 1,000	22,313	20.15	934	0.84	15,759,848	0.48	582,046	0.02
1,001 – 10,000	53,713	48.51	7,337	6.63	202,589,260	6.15	33,001,480	1.00
10,001 – 100,000	15,160	13.70	4,590	4.15	393,430,763	11.93	128,934,514	3.91
100,001 – 164,837,097 (less than 5% of issued shares*2)	1,342	1.2	822	0.74	1,336,637,011	40.54	778,971,503	23.63
164,837,098 (5% of issued shares*2) and above	2	*1	—	—	406,688,792	12.34	—	—
Total	96,846	87.46	13,880	12.54	2,355,245,145	71.44*2	941,496,807	28.56*2

Notes:

*1 Less than 0.01%.

*2 Excluding a total of 124,184,500 Public Bank ("PBB") shares bought-back by PBB and retained as treasury shares as at 13 January 2006.

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN SHARES IN THE COMPANY AND ITS SUBSIDIARY COMPANY

The Directors' direct and indirect interests in shares in the Company and its subsidiary company are as follows based on the Register of Directors' Shareholdings:

Shares Held in the Company

	Direct Interests		Indirect Interests	
	No. of Shares Held	% of Issued Shares *5	No. of Shares Held	% of Issued Shares *5
Tan Sri Dato' Sri Dr. Teh Hong Piow	21,524,250	0.65	786,468,596 *1	23.86
Tan Sri Dato' Thong Yaw Hong	3,018,750	0.09	771,875 *2	0.02
Dato' Sri Tay Ah Lek	5,810,109	0.18	139,482 *1	*4
Dato' Lee Kong Lam	2,454,921	0.07	800,000 *3	0.02
Dato' Yeoh Chin Kee	1,110,000	0.03	400,000 *3	0.01
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah	300,000	0.01	—	—
Haji Abdul Aziz bin Omar	362,000	0.01	—	—
Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff	450,000	0.01	—	—
Lee Chin Guan	1,250,000	0.04	—	—

Notes:

*1 Deemed to have interests in PBB shares held by other corporations by virtue of Section 6A(4) of the Companies Act, 1965.

*2 Deemed to have interests in PBB shares held by persons connected as defined per Section 122A of the Companies Act, 1965 and held by other corporation by virtue of Section 6A(4) of the Companies Act, 1965.

*3 Deemed to have interests in PBB shares held by person connected as defined per Section 122A of the Companies Act, 1965.

*4 Less than 0.01%.

*5 Excluding a total of 124,184,500 PBB shares bought-back by PBB and retained as treasury shares as at 13 January 2006.

ANALYSIS OF SHAREHOLDINGS

as at 13 January 2006

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN SHARES IN THE COMPANY AND ITS SUBSIDIARY COMPANY

Tan Sri Dato' Sri Dr. Teh Hong Piow, by virtue of his total direct and indirect interests of 807,992,846 shares in PBB, and pursuant to Section 6A(4)(c) of the Companies Act, 1965, is deemed interested in the shares in all of PBB's subsidiary companies to the extent that PBB has interests.

Share Options Held in the Company**- Share Options Held under the Public Bank Berhad Employees' Share Option Scheme**

	No. of Share Options Held	Option Price (RM)
Tan Sri Dato' Thong Yaw Hong	2,000,000	6.37
	2,500,000	5.67
Dato' Sri Tay Ah Lek	4,500,000	6.37
	4,000,000	5.67
Dato' Lee Kong Lam	2,925,000	6.37
	2,600,000	5.67
Dato' Yeoh Chin Kee	2,025,000	6.37
	2,250,000	5.67
Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah	1,800,000	6.37
	2,000,000	5.67
Haji Abdul Aziz bin Omar	1,125,000	6.37
	1,250,000	5.67
Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff	1,125,000	6.37
	1,250,000	5.67
Lee Chin Guan	1,125,000	6.37
	1,250,000	5.67

Share Options Held in Subsidiary Company**- Share Options Held under the JCG Holdings Limited Employees' Share Option Scheme**

	No. of Share Options Held	Option Price (HKD)
Dato' Sri Tay Ah Lek	1,680,000	7.29
Dato' Yeoh Chin Kee	700,000	7.29
Lee Chin Guan	350,000	7.29

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interests		Indirect Interests		Total Interests	
	No. of Shares Held	% of Issued Shares *2	No. of Shares Held	% of Issued Shares *2	No. of Shares Held	% of Issued Shares *2
Tan Sri Dato' Sri Dr. Teh Hong Piow	21,524,250	0.65	786,468,596 *1	23.86	807,992,846	24.51
Consolidated Teh Holdings Sdn Bhd	79,479,687	2.41	165,711,639 *1	5.03	245,191,326	7.44
Sekuriti Pejal Sdn Bhd	201,394,686	6.11	38,720,856 *1	1.17	240,115,542	7.28
Employees Provident Fund Board	240,044,698	7.28	—	—	240,044,698	7.28

Notes:

*1 Deemed to have interests in PBB shares held by other corporations by virtue of Section 6A(4) of the Companies Act, 1965.

*2 Excluding a total of 124,184,500 PBB shares bought-back by PBB and retained as treasury shares as at 13 January 2006.

ANALYSIS OF SHAREHOLDINGS

as at 13 January 2006

TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name	No. of Shares Held	% of Issued Shares*
1.	Employees Provident Fund Board	205,294,106	6.23
2.	Sekuriti Pejal Sdn Berhad	103,724,186	3.15
3.	Sekuriti Pejal Sdn Berhad	97,670,500	2.96
4.	Valuecap Sdn Bhd	80,509,000	2.44
5.	Kepunyaan Chintamani Sdn Bhd	67,919,531	2.06
6.	Consolidated Teh Holdings Sdn Berhad	58,770,687	1.78
7.	Selected Securities Sdn Bhd	49,580,000	1.50
8.	Selected Holdings Sdn Berhad	37,684,000	1.14
9.	Malaysia Nominees (Tempatan) Sendirian Berhad – <i>Great Eastern Life Assurance (Malaysia) Berhad (Par 1)</i>	36,364,153	1.10
10.	Kayakita Corporation Sdn Bhd	33,660,437	1.02
11.	Kepunyaan Perindustrian Sdn Berhad	31,751,233	0.96
12.	HSBC Nominees (Asing) Sdn Bhd – <i>BNP Paribas Securities Services Luxembourg for Aberdeen Global Asian Equity Fund</i>	28,028,200	0.85
13.	Tong Meng Industries Limited	26,946,921	0.82
14.	Selected Securities Sdn Bhd	26,536,562	0.80
15.	Kayakita Corporation Sdn Bhd	26,364,500	0.80
16.	LPI Capital Bhd	25,739,578	0.78
17.	HSBC Nominees (Asing) Sdn Bhd – <i>Exempt An for JPMorgan Chase Bank, National Association (U.S.A)</i>	25,094,697	0.76
18.	HSBC Nominees (Asing) Sdn Bhd – <i>Saudi Arabian Monetary Agency</i>	25,000,000	0.76
19.	Selected Holdings Sdn Berhad	24,914,046	0.76
20.	Securities Holdings Sdn Berhad	22,776,156	0.69
21.	Tan Sri Dato' Sri Dr. Teh Hong Piow	21,055,500	0.64
22.	Luhur Management Sdn Bhd	19,348,015	0.59
23.	Amanah Raya Nominees (Tempatan) Sdn Bhd – <i>Amanah Saham Wawasan 2020</i>	18,663,200	0.57
24.	HSBC Nominees (Asing) Sdn Bhd – <i>Exempt An for JPMorgan Chase Bank, National Association (U.K.)</i>	16,466,096	0.50
25.	HSBC Nominees (Asing) Sdn Bhd – <i>BNP Paribas Securities Services Paris for Aberdeen International Fund Plc (Asia Pacific FD)</i>	15,000,062	0.46
26.	Tasec Nominees (Tempatan) Sdn Bhd – <i>Public Bank Group Officers' Retirement Benefits Fund</i>	14,703,050	0.45
27.	HSBC Nominees (Asing) Sdn Bhd – <i>BNP Paribas Securities Services Paris for Aberdeen Far East Emerging Economies Unit Trust</i>	14,500,250	0.44
28.	Consolidated Teh Holdings Sdn Berhad	14,171,500	0.43
29.	Lonpac Insurance Bhd	14,128,125	0.43
30.	Cimsec Nominees (Asing) Sdn Bhd – <i>Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)</i>	13,238,345	0.40
	Total	1,195,602,636	36.27

Note:

* Excluding a total of 124,184,500 PBB shares bought-back by PBB and retained as treasury shares as at 13 January 2006.

AUTHORISED AND ISSUED SHARE CAPITAL

AUTHORISED SHARE CAPITAL

The authorised share capital as at 13 January 2006 is RM10,000,000,000 divided into 10,000,000,000 ordinary shares of RM1.00 each. The changes in the authorised share capital are as follows:

Date	Increase in Authorised Share Capital (RM)	Total Authorised Share Capital (RM)
30.12.1965	50,000,000	50,000,000
06.01.1982	250,000,000	300,000,000
30.09.1986	200,000,000	500,000,000
08.06.1987	500,000,000	1,000,000,000
17.06.1997	4,000,000,000	5,000,000,000
30.03.2005	5,000,000,000	10,000,000,000

ISSUED AND PAID-UP SHARE CAPITAL

The issued and paid-up share capital as at 13 January 2006 is RM3,420,926,452 comprising 3,420,926,452 ordinary shares of RM1.00 each. The changes in the issued and paid-up share capital are as follows:

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
Up to			
30.08.1966	16,000,000	Cash	16,000,000
15.11.1978	4,000,000	Capitalisation of general reserve account (Bonus Issue 1:4)	20,000,000
22.07.1981	5,000,000	Capitalisation of general reserve account (Bonus Issue 1:4)	25,000,000
07.01.1982	10,000,000	Capitalisation of capital reserve account and general reserve account (Bonus Issue 2:5)	35,000,000
11.02.1982	35,000,000	Rights Issue 1:1 at RM2.00 per share	70,000,000
22.06.1983	42,000,000	Capitalisation of share premium account and general reserve account (Bonus Issue 3:5)	112,000,000
22.08.1983	56,000,000*	Rights Issue 1:2 at RM2.00 per share	168,000,000
05.07.1984	42,000,000*	Capitalisation of share premium account and general reserve account (Bonus Issue 1:4)	210,000,000
05.02.1988	42,000,000*	Capitalisation of share premium account and general reserve account (Bonus Issue 1:5)	252,000,000
03.08.1988	105,000,000*	Rights Issue 1:2 at RM1.60 per share	357,000,000
11.10.1989	218,500*	Exercise of share options under Public Bank Berhad Employees' Share Option Scheme ("PBB ESOS") at option price of RM3.80 per share	357,218,500
02.05.1990	1,237,500*	Exercise of share options under PBB ESOS at option price of RM3.80 per share	358,456,000

AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
15.06.1990	119,485,333*	Capitalisation of share premium account and general reserve account (Bonus Issue 1:3)	477,941,333
06.08.1990	71,691,200*	Rights Issue 1:5 at RM2.20 per share	549,632,533
08.10.1990	138,500*	Exercise of share options under PBB ESOS at option price of RM2.76 per share	549,771,033
12.04.1991	3,828,850*	Exercise of share options under PBB ESOS at option price of RM2.76 per share	553,599,883
24.09.1991	334,300*	Exercise of share options under PBB ESOS at option price of RM2.76 per share	553,934,183
25.03.1992	114,700*	Exercise of share options under PBB ESOS at option price of RM2.76 per share	554,048,883
15.04.1993	1,038,701*	Exercise of share options under PBB ESOS at option price of RM2.76 per share	555,087,584
01.10.1993	9,912,337*	Exercise of share options under PBB ESOS at option price of RM2.76 per share	564,999,921
20.04.1994	3,434,479*	Exercise of share options under PBB ESOS at option price of RM2.76 per share	568,434,400
05.10.1994	1,113,000*	Exercise of share options under PBB ESOS at option price of RM7.84 per share	569,547,400
27.12.1994	50,000,000*	Issue and private placement of 50,000,000 new shares as follows: – 35,000,000 PBB local shares at RM8.28 per share – 15,000,000 PBB foreign shares at RM10.62 per share	619,547,400
18.04.1996	25,500*	Exercise of share options under PBB ESOS at option price of RM7.84 per share	619,572,900
07.08.1996	206,524,300*	Capitalisation of share premium account (Bonus Issue 1:3)	826,097,200
25.10.1996	143,541*	Exercise of share options under PBB ESOS at option price of RM5.88 per share	826,240,741
12.05.1997	358,850*	Exercise of share options under PBB ESOS at option price of RM5.88 per share	826,599,591
06.01.1998	165,319,918*	Capitalisation of share premium account (Bonus Issue 1:5)	991,919,509
09.03.1998	165,319,918*	Rights Issue 1:5 at RM2.00 per PBB local share and at RM2.28 per PBB foreign share	1,157,239,427
11.02.1999	8,007,750*	Exercise of share options under PBB ESOS at option price of RM3.32 per share	1,165,247,177
11.05.1999	35,500*	Exercise of share options under PBB ESOS at option price of RM4.48 per share	1,165,282,677

AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
19.05.1999	4,736,865*	Exercise of share options under PBB ESOS at option price of RM4.48 per share	1,170,019,542
07.06.1999	1,077,950*	Exercise of share options under PBB ESOS at option price of RM4.48 per share	1,171,097,492
02.07.1999	12,063,250*	Exercise of share options under PBB ESOS at option price of RM3.32 per share	1,183,160,742
08.12.2000	11,899,125*	Exercise of share options under PBB ESOS at option price of RM3.32 per share	1,195,059,867
15.02.2001	1,662,500*	Exercise of share options under PBB ESOS at option price of RM3.32 per share	1,196,722,367
31.03.2001	213,140,892*	New PBB local shares issued in exchange for 125,377,000 ordinary shares of RM1.00 each in Hock Hua Bank Bhd (“HHB”) pursuant to terms of merger of PBB and HHB	1,409,863,259
23.04.2001	422,958,977*	Capitalisation of share premium account and retained profits (Bonus Issue 3:10)	1,832,822,236
11.12.2001	996,387*	Exercise of share options under PBB ESOS at option price of RM2.54 per share	1,833,818,623
12.03.2002	1,025,363*	Exercise of share options under PBB ESOS at option price of RM2.54 per share	1,834,843,986
12.07.2002	458,710,996*	Capitalisation of share premium account (Bonus Issue 1:4)	2,293,554,982
13.09.2002	13,570,954*	Exercise of share options under PBB ESOS as follows: – 1,488,329 shares at option price of RM2.04 per share – 12,082,625 shares at option price of RM4.44 per share	2,307,125,936
08.10.2002	7,153,442*	Exercise of share options under PBB ESOS as follows: – 412,567 shares at option price of RM2.04 per share – 6,740,875 shares at option price of RM4.44 per share	2,314,279,378
12.12.2002	247,675*	Exercise of share options under PBB ESOS as follows: – 130,050 shares at option price of RM2.04 per share – 117,625 shares at option price of RM4.44 per share	2,314,527,053
14.03.2003	153,158*	Exercise of share options under PBB ESOS as follows: – 112,408 shares at option price of RM2.04 per share – 40,750 shares at option price of RM4.44 per share	2,314,680,211
09.04.2003	37,907*	Exercise of share options under PBB ESOS at option price of RM2.04 per share	2,314,718,118
13.06.2003	202,598,923*	New PBB local shares issued in exchange for 135,065,949 ordinary shares of RM1.00 each in Public Finance Bhd (“PFB”) pursuant to terms of privatisation of PFB	2,517,317,041

AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
16.07.2003	629,329,261*	Capitalisation of share premium account (Bonus Issue 1:4)	3,146,646,302
14.08.2003	8,337,798*	Exercise of share options under PBB ESOS as follows: – 250,423 shares at option price of RM1.64 per share – 8,087,375 shares at option price of RM3.56 per share	3,154,984,100
05.09.2003	2,804,031*	Exercise of share options under PBB ESOS as follows: – 75,156 shares at option price of RM1.64 per share – 2,728,875 shares at option price of RM3.56 per share	3,157,788,131
08.09.2003	2,902,623*	Exercise of share options under PBB ESOS as follows: – 67,856 shares at option price of RM1.64 per share – 1,595,142 shares at option price of RM3.56 per share – 1,239,625 shares at option price of RM3.40 per share	3,160,690,754
12.09.2003	7,001,644*	Exercise of share options under PBB ESOS as follows: – 54,489 shares at option price of RM1.64 per share – 4,948,530 shares at option price of RM3.56 per share – 1,998,625 shares at option price of RM3.40 per share	3,167,692,398
24.09.2003	1,216,063*	Exercise of share options under PBB ESOS as follows: – 6,250 shares at option price of RM1.64 per share – 915,688 shares at option price of RM3.56 per share – 294,125 shares at option price of RM3.40 per share	3,168,908,461
15.10.2003	3,518,818*	Exercise of share options under PBB ESOS as follows: – 15,169 shares at option price of RM1.64 per share – 2,515,399 shares at option price of RM3.56 per share – 988,250 shares at option price of RM3.40 per share	3,172,427,279
27.10.2003	2,054,251*	Exercise of share options under PBB ESOS as follows: – 3,313 shares at option price of RM1.64 per share – 1,457,938 shares at option price of RM3.56 per share – 593,000 shares at option price of RM3.40 per share	3,174,481,530
29.10.2003	6,748,111*	Exercise of share options under PBB ESOS as follows: – 32,993 shares at option price of RM1.64 per share – 3,781,268 shares at option price of RM3.56 per share – 2,933,850 shares at option price of RM3.40 per share	3,181,229,641
06.11.2003	4,913,239*	Exercise of share options under PBB ESOS as follows: – 39,115 shares at option price of RM1.64 per share – 3,806,374 shares at option price of RM3.56 per share – 1,067,750 shares at option price of RM3.40 per share	3,186,142,880
13.11.2003	1,202,135*	Exercise of share options under PBB ESOS as follows: – 5,040 shares at option price of RM1.64 per share – 961,220 shares at option price of RM3.56 per share – 235,875 shares at option price of RM3.40 per share	3,187,345,015

AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
18.11.2003	455,750*	Exercise of share options under PBB ESOS as follows: – 406,250 shares at option price of RM3.56 per share – 49,500 shares at option price of RM3.40 per share	3,187,800,765
21.11.2003	5,801,710*	Exercise of share options under PBB ESOS as follows: – 33,297 shares at option price of RM1.64 per share – 2,989,788 shares at option price of RM3.56 per share – 2,778,625 shares at option price of RM3.40 per share	3,193,602,475
01.12.2003	1,417,894*	Exercise of share options under PBB ESOS as follows: – 16,324 shares at option price of RM1.64 per share – 1,062,070 shares at option price of RM3.56 per share – 339,500 shares at option price of RM3.40 per share	3,195,020,369
04.12.2003	68,000*	Exercise of share options under PBB ESOS at option price of RM3.56 per share	3,195,088,369
22.12.2003	2,297,250*	Exercise of share options under PBB ESOS as follows: – 13,484 shares at option price of RM1.64 per share – 1,889,391 shares at option price of RM3.56 per share – 394,375 shares at option price of RM3.40 per share	3,197,385,619
26.12.2003	9,214,108*	Exercise of share options under PBB ESOS as follows: – 20,525 shares at option price of RM1.64 per share – 6,642,458 shares at option price of RM3.56 per share – 2,551,125 shares at option price of RM3.40 per share	3,206,599,727
27.01.2004	1,883,267*	Exercise of share options under PBB ESOS as follows: – 4,547 shares at option price of RM1.64 per share – 1,680,345 shares at option price of RM3.56 per share – 198,375 shares at option price of RM3.40 per share	3,208,482,994
20.02.2004	483,813*	Exercise of share options under PBB ESOS as follows: – 457,313 shares at option price of RM3.56 per share – 26,500 shares at option price of RM3.40 per share	3,208,966,807
01.03.2004	1,024,066*	Exercise of share options under PBB ESOS as follows: – 886,316 shares at option price of RM3.56 per share – 137,750 shares at option price of RM3.40 per share	3,209,990,873
03.03.2004	13,717,282*	Exercise of share options under PBB ESOS as follows: – 38,231 shares at option price of RM1.64 per share – 10,718,176 shares at option price of RM3.56 per share – 1,647,375 shares at option price of RM3.40 per share – 1,313,500 shares at option price of RM4.60 per share	3,223,708,155
05.03.2004	28,660,157*	Exercise of share options under PBB ESOS as follows: – 253,907 shares at option price of RM1.64 per share – 28,406,250 shares at option price of RM3.56 per share	3,252,368,312

AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
11.03.2004	13,177,700*	Exercise of share options under PBB ESOS as follows: – 36,366 shares at option price of RM1.64 per share – 10,361,459 shares at option price of RM3.56 per share – 940,875 shares at option price of RM3.40 per share – 1,839,000 shares at option price of RM4.60 per share	3,265,546,012
17.03.2004	12,271,286*	Exercise of share options under PBB ESOS as follows: – 46,892 shares at option price of RM1.64 per share – 10,183,769 shares at option price of RM3.56 per share – 597,125 shares at option price of RM3.40 per share – 1,443,500 shares at option price of RM4.60 per share	3,277,817,298
23.03.2004	8,575,825*	Exercise of share options under PBB ESOS as follows: – 38,252 shares at option price of RM1.64 per share – 6,166,723 shares at option price of RM3.56 per share – 867,350 shares at option price of RM3.40 per share – 1,503,500 shares at option price of RM4.60 per share	3,286,393,123
06.04.2004	1,919,157*	Exercise of share options under PBB ESOS as follows: – 1,703,532 shares at option price of RM3.56 per share – 69,625 shares at option price of RM3.40 per share – 146,000 shares at option price of RM4.60 per share	3,288,312,280
13.04.2004	4,016,890*	Exercise of share options under PBB ESOS as follows: – 3,078,890 shares at option price of RM3.56 per share – 405,000 shares at option price of RM3.40 per share – 533,000 shares at option price of RM4.60 per share	3,292,329,170
16.04.2004	1,233,902*	Exercise of share options under PBB ESOS as follows: – 10,500 shares at option price of RM1.64 per share – 1,017,652 shares at option price of RM3.56 per share – 85,750 shares at option price of RM3.40 per share – 120,000 shares at option price of RM4.60 per share	3,293,563,072
17.08.2004	11,152,166	Exercise of share options under PBB ESOS as follows: – 13,349 shares at option price of RM1.64 per share – 6,270,567 shares at option price of RM3.56 per share – 857,550 shares at option price of RM3.40 per share – 2,299,700 shares at option price of RM4.60 per share – 1,711,000 shares at option price of RM4.92 per share	3,304,715,238
30.08.2004	12,767,404	Exercise of share options under PBB ESOS as follows: – 57,078 shares at option price of RM1.64 per share – 7,127,076 shares at option price of RM3.56 per share – 618,450 shares at option price of RM3.40 per share – 2,372,800 shares at option price of RM4.60 per share – 2,592,000 shares at option price of RM4.92 per share	3,317,482,642



AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
09.09.2004	1,649,681	Exercise of share options under PBB ESOS as follows: – 908,831 shares at option price of RM3.56 per share – 67,350 shares at option price of RM3.40 per share – 260,500 shares at option price of RM4.60 per share – 413,000 shares at option price of RM4.92 per share	3,319,132,323
27.09.2004	623,819	Exercise of share options under PBB ESOS as follows: – 8,125 shares at option price of RM1.64 per share – 344,819 shares at option price of RM3.56 per share – 63,375 shares at option price of RM3.40 per share – 136,000 shares at option price of RM4.60 per share – 71,500 shares at option price of RM4.92 per share	3,319,756,142
28.09.2004	1,737,912	Exercise of share options under PBB ESOS as follows: – 795,637 shares at option price of RM3.56 per share – 120,875 shares at option price of RM3.40 per share – 347,900 shares at option price of RM4.60 per share – 473,500 shares at option price of RM4.92 per share	3,321,494,054
04.10.2004	4,621,593	Exercise of share options under PBB ESOS as follows: – 33,767 shares at option price of RM1.64 per share – 2,569,876 shares at option price of RM3.56 per share – 267,650 shares at option price of RM3.40 per share – 1,187,300 shares at option price of RM4.60 per share – 563,000 shares at option price of RM4.92 per share	3,326,115,647
26.10.2004	1,755,048	Exercise of share options under PBB ESOS as follows: – 665,498 shares at option price of RM3.56 per share – 71,650 shares at option price of RM3.40 per share – 527,400 shares at option price of RM4.60 per share – 490,500 shares at option price of RM4.92 per share	3,327,870,695
19.11.2004	4,569,277	Exercise of share options under PBB ESOS as follows: – 187,546 shares at option price of RM1.64 per share – 2,491,856 shares at option price of RM3.56 per share – 289,375 shares at option price of RM3.40 per share – 1,212,000 shares at option price of RM4.60 per share – 388,500 shares at option price of RM4.92 per share	3,332,439,972
25.11.2004	20,935,350	Exercise of share options under PBB ESOS as follows: – 31,710 shares at option price of RM1.64 per share – 9,479,777 shares at option price of RM3.56 per share – 653,600 shares at option price of RM3.40 per share – 4,162,263 shares at option price of RM4.60 per share – 6,608,000 shares at option price of RM4.92 per share	3,353,375,322

AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
03.12.2004	2,392,002	Exercise of share options under PBB ESOS as follows: – 1,183,077 shares at option price of RM3.56 per share – 140,300 shares at option price of RM3.40 per share – 604,125 shares at option price of RM4.60 per share – 464,500 shares at option price of RM4.92 per share	3,355,767,324
28.01.2005	20,743,000	Exercise of share options under PBB ESOS at option price of RM4.92 per share	3,376,510,324
31.01.2005	2,415,001	Exercise of share options under PBB ESOS as follows: – 15,475 shares at option price of RM1.64 per share – 985,926 shares at option price of RM3.56 per share – 104,200 shares at option price of RM3.40 per share – 954,400 shares at option price of RM4.60 per share – 355,000 shares at option price of RM4.92 per share	3,378,925,325
07.02.2005	10,466,250	Exercise of share options under PBB ESOS as follows: – 2,406,250 shares at option price of RM3.56 per share – 2,250,000 shares at option price of RM4.60 per share – 5,810,000 shares at option price of RM4.92 per share	3,389,391,575
21.02.2005	7,511,743	Exercise of share options under PBB ESOS as follows: – 26,106 shares at option price of RM1.64 per share – 3,364,187 shares at option price of RM3.56 per share – 377,950 shares at option price of RM3.40 per share – 2,883,000 shares at option price of RM4.60 per share – 860,500 shares at option price of RM4.92 per share	3,396,903,318
25.02.2005	639,342	Exercise of share options under PBB ESOS as follows: – 6,094 shares at option price of RM1.64 per share – 236,373 shares at option price of RM3.56 per share – 14,875 shares at option price of RM3.40 per share – 291,000 shares at option price of RM4.60 per share – 91,000 shares at option price of RM4.92 per share	3,397,542,660
01.08.2005	12,813,748	Exercise of share options under PBB ESOS as follows: – 14,482 shares at option price of RM1.64 per share – 1,382,291 shares at option price of RM3.56 per share – 194,275 shares at option price of RM3.40 per share – 1,397,700 shares at option price of RM4.60 per share – 6,670,000 shares at option price of RM4.92 per share – 3,155,000 shares at option price of RM6.37 per share	3,410,356,408



AUTHORISED AND ISSUED SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Date of Allotment	No. of Shares Allotted	Consideration	Total Issued and Paid-up Share Capital (RM)
31.10.2005	2,114,074	Exercise of share options under PBB ESOS as follows: – 1,063 shares at option price of RM1.64 per share – 442,561 shares at option price of RM3.56 per share – 96,950 shares at option price of RM3.40 per share – 424,800 shares at option price of RM4.60 per share – 1,014,500 shares at option price of RM4.92 per share – 134,200 shares at option price of RM6.37 per share	3,412,470,482
09.11.2005	3,737,523	Exercise of share options under PBB ESOS as follows: – 1,269 shares at option price of RM1.64 per share – 1,429,354 shares at option price of RM3.56 per share – 238,525 shares at option price of RM3.40 per share – 1,537,875 shares at option price of RM4.60 per share – 204,000 shares at option price of RM4.92 per share – 326,500 shares at option price of RM6.37 per share	3,416,208,005
15.11.2005	660,400	Exercise of share options under PBB ESOS as follows: – 163,100 shares at option price of RM3.56 per share – 61,700 shares at option price of RM3.40 per share – 390,100 shares at option price of RM4.60 per share – 45,500 shares at option price of RM4.92 per share	3,416,868,405
05.12.2005	504,684	Exercise of share options under PBB ESOS as follows: – 217,309 shares at option price of RM3.56 per share – 35,375 shares at option price of RM3.40 per share – 202,500 shares at option price of RM4.60 per share – 23,500 shares at option price of RM4.92 per share – 26,000 shares at option price of RM6.37 per share	3,417,373,089
13.01.2006	3,553,363	Exercise of share options under PBB ESOS as follows: – 2,587 shares at option price of RM1.64 per share – 391,750 shares at option price of RM3.56 per share – 77,325 shares at option price of RM3.40 per share – 519,300 shares at option price of RM4.60 per share – 71,000 shares at option price of RM4.92 per share – 86,000 shares at option price of RM6.37 per share – 2,405,401 shares at option price of RM5.67 per share	3,420,926,452

* The number of shares allotted has been adjusted to reflect the consolidation of PBB shares from par value of RM0.50 to par value of RM1.00 on 2 June 2004.

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (RM'000)
PUBLIC BANK BERHAD								
Menara Public Bank 146 Jalan Ampang 50450 Kuala Lumpur Malaysia	36-storey office tower and 5-storey podium (L/B)	Public Bank's Head Office and Kuala Lumpur City Main Office; business premises of subsidiary and associated companies	Freehold	—	11 Years	46,436	2-1-1995	284,456
3 Jalan Central 96000 Sibu Sarawak Malaysia	5-storey shop lot (L/B)	Public Bank's Jalan Central Branch	Leasehold 60 years	12 Years (8-11-2016)	49 Years	1,392))))	54
28 – 29 Jalan Tun Haji Openg 93000 Kuching Sarawak Malaysia	Two 5-storey shop lots (L/B)	Public Bank's Jalan Tun Haji Openg Branch	Leasehold 847 years	780 Years (4-8-2784)	39 Years	1,308) 31-3-2001*)))))	439
30 Jalan Tun Haji Openg 93000 Kuching Sarawak Malaysia	2-storey shop lot (L/B)	Public Bank's Jalan Tun Haji Openg Branch	Leasehold 844 years	777 Years (2-8-2781)	66 Years	198)))	
150 Jalan Bukit Bintang 55100 Kuala Lumpur Malaysia	5-storey shop lot (L/B)	Public Bank's Bintang Walk Branch	Freehold	—	34 Years	680	31-3-2001*	210
Parcels 2.18, 3.18 & 4.18 Merdeka Plaza 93000 Kuching Sarawak Malaysia	3 units of office space (ML)	Vacant	Leasehold 60 years	51 Years (27-8-2055)	—	1,197	31-3-2001*	2,711
7 & 9 Jalan Dato' Maharajalela 30000 Ipoh Perak Darul Ridzuan Malaysia	4½-storey office building (L/B)	Public Bank's Ipoh Main Office	Freehold	—	34 Years	1,339	4-1-1967	303

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (RM'000)
PUBLIC MUTUAL BERHAD Lot No: B045/B and Lot No: B045/C/1-3 to C/6-1 Sri Damansara Business Park Persiaran Industri Bandar Sri Damansara 52200 Kuala Lumpur Malaysia	5-storey commercial building (ML)	Public Mutual's Head Office	Freehold	—	8 Years	3,319	Block B 12-6-1995 Block C 20-6-1997	4,955
11 Jalan Bangsar Utama 3 Bangsar Utama 59000 Kuala Lumpur Malaysia	5-storey shop lot (L/B)	Public Mutual's Bangsar Branch	Leasehold 99 years	80 Years (3-12-2085)	17 Years	1,795	2-2-1990	1,306
2nd Floor TB 323 (Lot 20) Block 38 Fajar Complex Jalan Haji Karim 91000 Tawau Sabah Malaysia	2nd floor of a 4-storey shop lot (S/L)	Public Mutual's Tawau Branch	Leasehold 999 years	890 Years (31-12-2895)	35 Years	153	19-3-1992	85
Lot 205 & 206 Section 49 Jalan Tunku Rahman 93100 Kuching Sarawak Malaysia	2 lots of 4-storey office building (L/B)	Public Mutual's Kuching Branch	Leasehold 999 years	Lot 205 768 Years (31-12-2773) Lot 206 768 Years (5-5-2773)	25 Years	365	14-2-2003	2,067
No. 16 Lintang Burma Pulau Tikus Georgetown 10250 Penang Malaysia	5-storey office building (L/B)	Public Mutual's Penang Branch	Freehold	—	10 years	1,241	6-4-2005	2,019

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (RM'000)
PUBLIC HOLDINGS								
SDN. BHD.								
87 Lebuah Bishop 10200 Pulau Pinang Malaysia	3-storey shop lot (L/B)	Public Bank's Penang Branch	Freehold	—	83 Years	2,836	20-5-1994	470
60 – 68 Jalan Laksamana 75000 Melaka Malaysia	3-storey office building (L/B)	Public Bank's Melaka Branch	Leasehold 99 years	61 Years (14-7-2066)	35 Years	4,128	20-5-1994	924
Bangunan Public Bank 6 Jalan Sultan Sulaiman 50000 Kuala Lumpur Malaysia	30-storey office tower (L/B)	Public Bank's Jalan Sultan Sulaiman Branch and Head Office Division; PB Securities Sdn. Bhd.'s business premises; office space rented to a related party	Freehold	—	28 Years	18,277	9-12-1977	21,952
40 & 42 Jalan Radin Tengah Bandar Baru Seri Petaling 57000 Kuala Lumpur Malaysia	Two 3-storey shop lots (L/B)	Public Bank's Seri Petaling Branch	Leasehold 99 years	73 Years (5-4-2078)	23 Years	1,070	10-11-1992	579
3619 & 3620 Jalan Che' Ahmad 14300 Nibong Tebal Seberang Prai Selatan Pulau Pinang Malaysia	Two 3-storey shop lots (L/B)	Public Bank's Nibong Tebal Branch	Freehold	—	23 Years	870	10-4-1986	570
11 & 13 Jalan Dato' Maharajalela 30000 Ipoh Perak Darul Ridzuan Malaysia	7½-storey office building (L/B)	Public Bank's Ipoh Main Office; office space rented to third parties	Freehold	—	34 Years	2,410	1-8-1990	2,812

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

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Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (RM'000)
Public Bank Tower 19 Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Malaysia	30-storey office tower (L/B)	Public Bank's Johor Bahru Branch; office space rented to third parties and a related party	Freehold	—	11 Years	36,222	12-8-1991	48,620
1 Jalan Air Hitam Kawasan Institusi Bandar Baru Bangi 43000 Kajang Selangor Darul Ehsan Malaysia	Purpose built 5 multi-storey blocks building (L/B)	Public Bank's IT & Training Centre	Leasehold 99 years	91 Years (2-9-2096)	8 Years	31,669	3-9-1997	42,185
9 & 10 Jalan Kenari 1 Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Malaysia	Two 3½-storey shop lots (L/B)	Public Bank's Bandar Puchong Jaya Branch	Freehold	—	11 Years	2,515	25-11-2002	5,897
1 & 3 Jalan MJ/2 Taman Majlis Jaya Jalan Sungai Chua 43000 Kajang Selangor Darul Ehsan Malaysia	Two 3-storey shop lots (L/B)	Public Bank's Sungai Chua Branch	Leasehold 60 years	49 Years (19-12-2054)	9 Years	1,351	2-5-2003	2,241
66, 68 & 70 Jalan Burhanuddin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur Malaysia	Three 3-storey shop lots (L/B)	Public Bank's Taman Tun Dr Ismail Branch	Freehold	—	23 Years	1,526	15-7-2003	5,968
31, 33 & 35 Jalan Persiaran Perling Taman Perling 81200 Johor Bahru Johor Darul Takzim Malaysia	Three 3-storey shop lots (L/B)	Public Bank's Taman Perling Branch	Freehold	—	20 Years	1,135	22-1-2003	1,960

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (RM'000)
45, 47 & 49 Jalan 2/3A Off KM12 Pusat Bandar Utara Selayang 68100 Batu Caves Kuala Lumpur Malaysia	Three 4-storey shop lots (L/B)	Public Bank's Selayang Branch	Leasehold	81 years (2086)	11 years	1,609	3-10-2003	2,531
48 & 50, Jalan 6/116B Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200 Kuala Lumpur Malaysia	Two ground and mezzanine floors of 4½-storey shop office/ apartment (ML)	Public Bank's Jalan Kuchai Lama Branch	Leasehold	76 years (2081)	15 Years	495	7-11-2003	1,187
85, 87 & 89, Jalan Selat Taman Selat 12000 Butterworth Pulau Pinang Malaysia	Three 4-storey shop lots (L/B)	Public Bank's Butterworth Branch	Freehold	—	22 Years	2,012	14-7-2003	2,299
11 & 12, Jalan Kristal 2 Taman Kristal 86400 Parit Raja Johor	Two 3-storey shop lots	Public Bank's Parit Raja Branch	Freehold	—	1 Year	374	3-3-2005	1,474
4, 6, 8 & 10 Persiaran Bercham Selatan 2 31400 Ipoh, Perak	Four 3-storey shop lots	Public Bank's Bercham Branch	Leasehold	86 years (1-11-2091)	1 Year	486	3-3-2005	2,176
PB PROPERTIES SDN. BHD. 33 & 35 Jalan Pantai Jerjak 13 Sungai Nibong 11900 Pulau Pinang Malaysia	Two 2-storey shop lots (L/B)	Public Bank's Sg. Nibong Branch	Freehold	—	25 Years	483	15-12-1986	458
37 Jalan Pantai Jerjak 13 Sungai Nibong 11900 Pulau Pinang Malaysia	2-storey shop lots (L/B)	Public Bank's Sg. Nibong Branch	Freehold	—	25 Years	242	27-2-2004	601

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as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (RM'000)
2 Jalan Nakhoda 12 Taman Ungku Tun Aminah 81300 Skudai Johor Darul Takzim Malaysia	2-storey shop lot (L/B)	Public Bank's Skudai Branch	Freehold	—	25 Years	389	10-12-1987	228
Wisma Public Bank 15 Jalan Pulau 96000 Sibu Sarawak Malaysia	13-storey office building (L/B)	Public Bank's Jalan Pulau Branch	Leasehold 60 years	54 Years (24-2-2059)	11 Years	12,737	29-8-1988	11,328
Lot 336 Jalan Chong Ah Peng 35900 Tanjung Malim Perak Darul Ridzuan Malaysia	2-storey shop lot (L/B)	Public Bank's Tanjung Malim Branch	Freehold	—	22 Years	353	23-6-1989	170
28 China Street 98000 Miri Sarawak Malaysia	4-storey shop lot (L/B)	Public Bank's China Street Branch	Leasehold 60 years	46 Years (7-7-2051)	16 Years	1,159	10-8-1989	1,421
160 & 162 Kompleks Munshi Abdullah Jalan Munshi Abdullah 75100 Melaka Malaysia	2½ floors of two 4½-storey shop lots (ML)	Public Bank's Jalan Munshi Abdullah Branch	Leasehold 99 years	79 Years (24-2-2084)	15 Years	719	2-5-1991	572
Lot 643, Batu Niah Town Extension 98200 Batu Niah Sarawak Malaysia	2-storey shop lot (L/B)	Public Bank's Batu Niah Branch	Freehold	—	10 Years	383	4-10-1996	336
76 Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Malaysia	2-storey shop lot (L/B)	Public Bank's Jalan Sultan Idris Shah Branch	Freehold	—	66 Years	815	15-7-1991	694

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

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Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (RM'000)
Lot 1 Block B-8 Jalan Arusap 89000 Keningau Sabah Malaysia	3-storey shop lot (L/B)	Rented to third party	Leasehold 999 years	919 Years (27-4-2924)	13 Years	558	8-1-1993	521
Sublots 110 & 111 Mukah New Township 96400 Mukah Sarawak Malaysia	Two 3-storey shop lots (L/B)	Public Bank's Mukah Branch	Leasehold 58 years	46 Years (3-9-2051)	11 Years	632	21-11-1995	565
Lot 3 & 4, Block A Hiong Tiong Industrial Centre KM11.2 Jalan Tuaran 88450 Inanam Kota Kinabalu Sabah Malaysia	Two 4-storey shop lots (L/B)	Rented to third party	Leasehold 999 years	910 Years (31-12-2915)	10 Years	870	26-12-1996	1,301
Wisma Public Bank 300 Jalan Raja Laut 50350 Kuala Lumpur Malaysia	14-storey office building (L/B)	Public Bank's Tiong Nam Branch and partially rented to third parties	Freehold	—	18 Years	10,395	27-8-2003	25,120
4223 Jalan Bagan Luar 12000 Butterworth Pulau Pinang Malaysia	3-storey shop lot (L/B)	Public Mutual's Butterworth Branch	Freehold	—	40 Years	542	6-10-1997	1,076
20-26 Jalan Hang Lekiu 50100 Kuala Lumpur Malaysia	4-storey office building (L/B)	Public Bank's Jalan Hang Lekiu Branch	Freehold	—	8 Years	1,551	27-8-1998	3,175
9D & 9E Jalan Kampung Baru 08000 Sg. Petani Kedah Darul Aman Malaysia	Two 4-storey shop lots (L/B)	Public Bank's Jalan Kampung Baru Branch	Freehold	—	11 Years	866	26-9-1998	1,505

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (USD'000)
PUBLIC BANK (L) LTD. Block D (02-3, 03-1, 03-3) & Block C (04-01) Kerupang II Apartments Jalan Batu Arang 87000 Federal Territory of Labuan Malaysia	4 apartment units (ML)	Apartments rented to staff of Public Bank (L) Ltd. and third parties	Leasehold 99 years	53 Years (26-4-2058)	10 Years	303	6-7-1996	172

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (HKD'000)
JCG HOLDING LIMITED Shop 7 Ground Floor Mei Hang Building 15/17, 21/25, 29/33, 37/41 & 45 Kai Man Path Tuen Mun New Territories Hong Kong	A shop unit on the ground floor of a 5-storey composite building	Public Finance Limited's Tuen Mun Branch	Leasehold 149 years	42 Years (30-6-2047)	32 Years	84	30-6-1980	1,756
Shop A Ground Floor Kong Kai Building 184 Aberdeen Main Road Aberdeen Hong Kong	A shop unit on the ground floor of a 22-storey residential building built on a 2-storey commercial podium	Public Finance Limited's Aberdeen Branch	Leasehold 999 years	854 Years (26-12-2859)	16 Years	68	9-3-1990	3,619
Ground Floor Yue Yee Mansion 92 Shung Ling Street San Po Kong Kowloon Hong Kong	Ground floor of a 7-storey Chinese tenement building	Public Finance Limited's San Po Kong Branch	Leasehold 149 years	42 Years (30-6-2047)	41 Years	94	9-6-1990	2,721

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (HKD'000)
Flat F 29th Floor Pine Mansion Harbour View Gardens 26 Taikoo Wan Road Taikoo Shing Quarry Bay Hong Kong	A residential unit of a 30-storey residential building	Leased to Public Bank Berhad	Leasehold 999 years	894 Years (18-4-2899)	22 Years	91	3-10-1990 (R)	5,104
Units 1003-1005 10th Floor Fortress Tower 250 King's Road North Point Hong Kong	3 office units on the 10th floor of a 20-storey office building built on a 4-storey commercial podium	JCG Group IT Centre	Leasehold 150 years	121 Years (26-8-2126)	22 Years	293	18-3-1992	8,044
Apartment A 14th Floor Tower II Regent on The Park 9A Kennedy Road Wanchai Hong Kong	A residential unit on the 14th floor of a 34-storey residential building	Residential quarters for staff of JCG Group	Leasehold 150 years	125 Years (19-10-2130)	20 Years	253	5-3-1993	9,183
Ground Floor & Open Yard Golden Dragon Mansion 751 Nathan Road Mongkok Kowloon Hong Kong	Ground floor of a 14-storey composite building	Public Finance Limited's Prince Edward Road Branch	Leasehold 150 years	74 Years (18-8-2079)	35 Years	130	24-5-1993	13,780
11th Floor Wing On House 71 Des Voeux Road Central Central Hong Kong	11th floor of a 31-storey office building built on a 2-storey podium	Office of JCG Group. A portion is leased to Public Bank Berhad, Hong Kong branch as office	Leasehold 999 years	897 Years (14-8-2902)	38 Years	1,464	11-6-1993	84,612

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as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (HKD'000)
Shop B Ground Floor and Office B 1st to 17th Floor JCG Building 16 Mongkok Road Mongkok Kowloon Hong Kong	A shop unit on ground floor and all B units for 1st to 17th floors of an 18-storey commercial building with shops and offices	Public Finance Limited's Mongkok Branch; store room of JCG Group; office space leased to third parties; few floors are vacant	Leasehold 150 years	45 Years (27-5-2050)	18 Years	2,215	30-6-1994 (R)	98,687
Flat F 24th Floor Ngan Sing Mansion Sing Fai Terrace 1 Tai Fung Avenue Taikoo Shing Quarry Bay Hong Kong	A residential unit of a 26-storey residential building built on a podium	Leased to a member of JCG Group as staff quarters	Leasehold 999 years	894 Years (18-4-2899)	21 Years	76	1-8-1995	4,305
Ground Floor Ruby Commercial Building 480 Nathan Road Yau Ma Tei Kowloon Hong Kong	Ground floor of a 16-storey commercial building	Public Finance Limited's Nathan Road Branch	Leasehold 150 years	62 Years (22-10-2067)	23 Years	110	14-1-2000	11,050
Shop Nos. 51 to 53 1st Floor Harbour Crystal Centre 100 Granville Road Tsimshatsui Kowloon Hong Kong	3 commercial units on the 1st floor of a 16-storey commercial building	Public Finance Limited's Tsimshatsui Branch	Leasehold 150 years	123 Years (10-12-2128)	23 Years	131	1-11-2000	2,530
Ground Floor Section B Lot No. 3704 DD120 Yuen Long New Territories Hong Kong	Ground floor of a 5-storey composite building	Public Finance Limited's Yuen Long Branch	Leasehold 149 years	42 Years (30-6-2047)	48 Years	102	23-4-2001	15,606

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Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (HKD'000)
Ground Floor Wing On House 71 Des Voeux Road Central Central Hong Kong	Ground floor of a 31-storey office building built on a 2-storey podium	Leased to Public Bank Berhad, Hong Kong branch for business	Leasehold 999 years	897 Years (14-8-2902)	38 Years	113	15-10-2003 (R)	32,411
Workshops A, B and C Ground Floor and Flat E 9th Floor Hung Cheong Factory Building 742 - 748 Cheung Sha Wan Road 3 Kwong Cheung Street Cheung Sha Wan Kowloon Hong Kong	3 workshop units on the ground floor and a unit on the 9th floor of a 12-storey industrial building with 9th to 11th floor designated for workers' quarters	Portion of workshops on ground floor and whole flat E at 9th floor are leased to third parties. Other portion is occupied by JCG Group as office	Leasehold 149 years	42 Years (27-6-2047)	40 Years	Workshop A, B, C 682 Flat 68	24-7-1992 (R)	14,403
Workshops E1 and F1 10th Floor Hang Fung Industrial Building Phase 1 2G Hok Yuen Street Hung Hom Kowloon Hong Kong	2 workshops on the 10th floor of a 13-storey industrial building	Leased to a member of JCG Group as store room	Leasehold 150 years	42 Years (15-9-2047)	26 Years	962	24-7-1992	2,728
Unit 3 3rd Floor Block F-2 Pearl Island Bungalow 9 Tsing Lung Road Tuen Mun New Territories Hong Kong	A residential unit on the 3rd floor of a 4-storey residential building	Holiday apartment for executives of JCG Group	Leasehold 149 years	42 Years (27-6-2047)	34 Years	32	24-7-1992	44

LIST OF PROPERTIES OWNED BY THE PUBLIC BANK GROUP

as at 31 December 2005

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Property	Built-up Area (sq m)	Date of Last Revaluation/ Acquisition	Net Book Value (HKD'000)
11th Floor Argyle Centre Phase 1 688 Nathan Road 65 Argyle Street Mongkok Kowloon Hong Kong	Office space on the 11th Floor of a 21-storey commercial building	JCG Group office; office space leased to third parties	Leasehold 150 years	55 Years (18-2-2060)	23 Years	1,465	2-5-1994 (R)	68,400
4th Floor 581 Nathan Road Mongkok Kowloon Hong Kong	4th floor of a 7-storey composite building with shops and domestic flat	Used by JCG Group as store room	Leasehold 150 years	32 Years (25-12-2037)	36 Years	55	14-6-1984	171
2nd Floor 575 A Nathan Road Mongkok Kowloon Hong Kong	2nd floor of an 8-storey composite building with shops and domestic flat	Leased to third parties	Leasehold 150 years	32 Years (25-12-2037)	47 Years	65	9-1-1987 (R)	900

Notes:

- (L/B) - Land and building
- (ML) - Building with land held under master title, pending issuance of strata land title
- (SL) - Building with strata land title
- (R) - Revaluation was performed as at 16 December 2005

* The acquisition date for all properties vested over from HHB Holdings Berhad is 31 March 2001. JCG Group hold the land portion of all properties by means of leases, in Hong Kong SAR.

INTERNATIONAL NETWORK



GROUP CORPORATE DIRECTORY



HEAD OFFICE:

Menara Public Bank
 146 Jalan Ampang
 50450 Kuala Lumpur
 Tel : 03-21638888, 03-21638899
 Fax : 03-21639917
 Telex : MA28290/MA28291
 Website : www.publicbank.com.my

Federal Territory

- **Bangsar**
 36 & 38 Jalan Maarof
 Bangsar
 59100 Kuala Lumpur
 Tel : 03-22828929, 03-22828930
 Fax : 03-22828917
- **Bintang Walk**
 150 Jalan Bukit Bintang
 55100 Kuala Lumpur
 Tel : 03-21427969
 Fax : 03-21421241
- **Bukit Damansara**
 36-40 Medan Setia 2
 Plaza Damansara
 Bukit Damansara
 50490 Kuala Lumpur
 Tel : 03-20954278, 03-20954922
 Fax : 03-20949403, 03-20943844,
 03-20956417 (RCB)
- **Changkat Thambi Dollah**
 85 & 87 Changkat Thambi Dollah
 Off Jalan Pudu
 55100 Kuala Lumpur
 Tel : 03-21454492, 03-21454498
 Fax : 03-21454462, 03-21415266
- **Chow Kit**
 Wisma Mepro
 29 & 31 Jalan Ipoh
 51200 Kuala Lumpur
 Tel : 03-40438546, 03-40438544
 Fax : 03-40438542
- **Jalan Bukit Bintang**
 Sun Complex
 Jalan Bukit Bintang
 55100 Kuala Lumpur
 Tel : 03-21445755, 03-21445759
 Fax : 03-21445751
- **Jalan Hang Lekiu**
 20-26 Jalan Hang Lekiu
 50100 Kuala Lumpur
 Tel : 03-20787077, 03-20781115
 Fax : 03-20726155
- **Jalan Ipoh**
 Wisma Yap Ka
 480 Batu 3 Jalan Ipoh
 51200 Kuala Lumpur
 Tel : 03-40427487, 03-40427488
 Fax : 03-40420032
- **Jalan Kelang Lama**
 3045-3051 Batu 4½
 Jalan Kelang Lama
 58000 Kuala Lumpur
 Tel : 03-79811211, 03-79811212
 Fax : 03-79816939
- **Jalan Kuchai Lama**
 52 & 54 Jalan 6/116B
 Kuchai Entrepreneurs' Park
 58200 Kuala Lumpur
 Tel : 03-79804377, 03-79804575
 Fax : 03-79843411
- **Jalan Pasar**
 44 & 46 Jalan Pasar
 55100 Kuala Lumpur
 Tel : 03-21429160, 03-21429144/10
 Fax : 03-21429916
- **Jalan Raja Chulan**
 Wisma Lim Foo Yong
 86 Jalan Raja Chulan
 50200 Kuala Lumpur
 Tel : 03-21418255, 03-21418366
 Fax : 03-21487721
- **Jalan Raja Laut**
 Lot G3 & 1A.2 Bangunan KWSP
 5 Jalan Raja Laut
 50350 Kuala Lumpur
 Tel : 03-26930722
 Fax : 03-26914624
- **Jalan Sultan Sulaiman**
 Bangunan Public Bank
 6 Jalan Sultan Sulaiman
 50000 Kuala Lumpur
 Tel : 03-20702711
 Fax : 03-22745909
- **Jalan Sungei Besi**
 12 Jalan Sungei Besi
 57100 Kuala Lumpur
 Tel : 03-92214771, 03-92215655
 Fax : 03-92212968
- **Jalan Tun H.S. Lee**
 Lot G.01 Plaza First Nationwide
 161 Jalan Tun H.S. Lee
 50000 Kuala Lumpur
 Tel : 03-20702121, 03-20702234
 Fax : 03-20702250
- **Jalan Tun Sambanthan**
 68 Jalan Tun Sambanthan
 Brickfields
 50470 Kuala Lumpur
 Tel : 03-22736494, 03-22725930
 Fax : 03-22736513

- **Jinjang**
3476 & 3477 Garden Street
Jinjang Utara
52000 Kuala Lumpur
Tel : 03-62523355, 03-62523356
Fax : 03-62522422
- **Kampung Baru**
Wisma Le Proton
134 Jalan Raja Abdullah
Kampung Baru
50300 Kuala Lumpur
Tel : 03-26928749, 03-26927269
Fax : 03-26927188
- **Kepong**
17, 19 & 21 Jalan Ambong Kiri Dua
Kepong Baru
52100 Kuala Lumpur
Tel : 03-62570032, 03-62574690
Fax : 03-62516611, 03-62519386
- **KL City Main Office**
Ground Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21767888, 03-21638866
Fax : 03-21639901
- **Medan Idaman**
Medan Idaman Business Centre
4 & 6 Jalan 2/21D
Batu 5 Jalan Gombak
53000 Kuala Lumpur
Tel : 03-40234467, 03-40234478
Fax : 03-40234497
- **Overseas Union Garden**
3 & 5 Medan Hujan Rahmat
Taman Overseas Union
58200 Kuala Lumpur
Tel : 03-77856409, 03-77856410
Fax : 03-77856412
- **Salak South**
31 & 33 Jalan 3/108C
Taman Sungai Besi, Salak South
57100 Kuala Lumpur
Tel : 03-79805190, 03-79802921
Fax : 03-79805230
- **Segambut**
75 & 77 Jalan Segambut Pusat
51200 Kuala Lumpur
Tel : 03-62527052, 03-62527054
Fax : 03-62527057, 03-62526620
- **Selayang**
45, 47 & 49 Jalan 2/3A
Pusat Bandar Utara
Selayang, Batu Caves
68100 Kuala Lumpur
Tel : 03-61368644, 03-61368645
Fax : 03-61368651
- **Sentul**
36, 38 & 40 Jalan 14/48A
Sentul Raya, Off Jalan Sentul
51000 Kuala Lumpur
Tel : 03-40421509, 03-40421811
Fax : 03-40421822
- **Seri Petaling**
40-42 Jalan Radin Tengah
Bandar Baru Seri Petaling
57000 Kuala Lumpur
Tel : 03-90585711, 03-90585712
Fax : 03-90570415, 03-90582026
- **Setapak**
263, 265, 267 & 269
Jalan Genting Kelang, Setapak
53300 Kuala Lumpur
Tel : 03-40219343, 03-40219341
Fax : 03-40219351
- **Taman Cheras**
1, 3 & 5 Jalan 4/96A
Taman Cheras Makmur
56100 Kuala Lumpur
Tel : 03-91313581, 03-91313466
Fax : 03-91304586
- **Taman Connaught**
80 & 82 Jalan Cerdas
Taman Connaught, Cheras
56000 Kuala Lumpur
Tel : 03-91017152, 03-91023649
Fax : 03-91023645
- **Taman Desa**
Lot 1A-3A, Business Centre
Taman Desa
Off Jalan Kelang Lama
58100 Kuala Lumpur
Tel : 03-79837811, 03-79837812
Fax : 03-79818069
- **Taman Maluri**
275 & 277, Jalan Mahkota
Taman Maluri, Cheras
55100 Kuala Lumpur
Tel : 03-92859994, 03-92857203
Fax : 03-92856811
- **Taman Midah**
2 Jalan Midah 3
Taman Midah
56000 Kuala Lumpur
Tel : 03-91300533, 03-91300234
Fax : 03-91309226
- **Taman Tun Dr. Ismail**
66, 68 & 70
Jalan Burhanuddin Helmi
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : 03-77294672, 03-77299440
Fax : 03-77298754
- **Tiong Nam**
Wisma Public Bank
300 Jalan Raja Laut
50350 Kuala Lumpur
Tel : 03-26939555, 03-26939528
Fax : 03-26914673
- **Wangsa Maju**
24-26 Jalan 1A/27A
Section 1, Wangsa Maju
53300 Kuala Lumpur
Tel : 03-41428577, 03-41428579
Fax : 03-41429281
- **Labuan**
Lucas Kong Building
5 Jalan Merdeka
87007 Wilayah Persekutuan Labuan
Tel : 087-414201, 087-414278
Fax : 087-412388

 **Johor**

- **Bandar Baru Permas Jaya**
11 & 15 Jalan Permas 10/1
Bandar Baru Permas Jaya
81750 Masai, Johor
Tel : 07-3883253, 07-3883254
Fax : 07-3883259
- **Batu Pahat**
116, 117 & 118 Jalan Chengal
Taman Makmur
83000 Batu Pahat, Johor
Tel : 07-4344941, 07-4344942
Fax : 07-4319120
- **Bukit Pasir**
31 Taman Bahagia
Jalan Panchor, Bukit Pasir
84300 Muar, Johor
Tel : 06-9856878, 06-9857261
Fax : 06-9856811
- **Chaah**
3 & 5 Jalan Yong Peng
85400 Chaah, Johor
Tel : 07-9262001, 07-9262002
Fax : 07-9262008
- **Endau**
811 & 812 Jalan Aman
Taman Bahagia
86900 Endau, Johor
Tel : 07-7944051, 07-7944155
Fax : 07-7944086
- **Jalan Abdullah**
74 & 76 Jalan Abdullah
84000 Muar, Johor
Tel : 06-9518753, 06-9518760
Fax : 06-9519550
- **Johor Bahru**
Level 1, 2 & 12
Public Bank Tower
19 Jalan Wong Ah Fook
80000 Johor Bahru, Johor
Tel : 07-2241733
Fax : 07-2223813 (Level 1),
07-2241527 (Level 2),
07-2221988 (Level 12)
- **Kahang**
12 Jalan Parang 1
Taman Sri Kahang
86700 Kahang, Johor
Tel : 07-7882294, 07-7882295
Fax : 07-7882297
- **Kluang**
8D & 8E Jalan Dato' Haji Hassan
86000 Kluang, Johor
Tel : 07-7735112, 07-7735113
Fax : 07-7735117
- **Kota Tinggi**
8L & 8M Jalan Tun Habab
81900 Kota Tinggi, Johor
Tel : 07-8834835, 07-8834687
Fax : 07-8834852
- **Kulai**
42-1, 42-2 & 42-3
Jalan Raya, Kulai Besar
81000 Kulai, Johor
Tel : 07-6634166, 07-6634167
Fax : 07-6635761
- **Masai**
1 & 3 Jalan Suria 3
Bandar Seri Alam
81750 Masai, Johor
Tel : 07-2522498, 07-2522500
Fax : 07-2511795
- **Mersing**
21 & 22 Jalan Sulaiman
86800 Mersing, Johor
Tel : 07-7992695, 07-7992697
Fax : 07-7992530, 07-7993912
- **Muar**
47, 48, 49 & 50 Jalan Sayang
84000 Muar, Johor
Tel : 06-9517505, 06-9517520
Fax : 06-9523033
- **Parit Raja**
11 & 12, Jalan Kristal
Taman Kristal 2
86400 Parit Raja
Batu Pahat, Johor
Tel : 07-4542855, 07-4542857/59
Fax : 07-4542844
- **Pekan Nenas**
SH9 & SH10 Main Road
81500 Pekan Nenas, Johor
Tel : 07-6995352, 07-6995594
Fax : 07-6995351
- **Pontian Kecil**
761 & 762 Jalan Taib
82000 Pontian, Johor
Tel : 07-6879601, 07-6879602
Fax : 07-6876144, 07-6877844,
07-6878424
- **Segamat**
62H & 62I Jalan Genuang
85000 Segamat, Johor
Tel : 07-9313930, 07-9313900
Fax : 07-9310854
- **Simpang Renggam**
29 Jalan Kijang
Taman Mohd Yassin
86200 Simpang Renggam, Johor
Tel : 07-7550511, 07-7550512
Fax : 07-7550513
- **Skudai**
2 & 4 Jalan Nakhoda 12
Taman Ungku Tun Aminah
81300 Skudai, Johor
Tel : 07-5570007, 07-5570008
Fax : 07-5560303
- **Tangkak**
125 Jalan Muar
84900 Tangkak, Johor
Tel : 06-9782123, 06-9782124
Fax : 06-9783733
- **Taman Desa Cemerlang**
2, 4 & 6 Jalan Johar 2
Taman Desa Cemerlang
81800 Ulu Tiram, Johor
Tel : 07-8616450
Fax : 07-8616884, 07-8618934
- **Taman Johor Jaya**
29, 31, 33 & 35 Jalan Rosmerah 2/10
Taman Johor Jaya
81100 Johor Bahru, Johor
Tel : 07-3513128, 07-3523128
Fax : 07-3547113



GROUP CORPORATE DIRECTORY

- **Taman Munsyi Ibrahim**
48 & 50 Jalan Dian 8
Taman Munsyi Ibrahim
81200 Johor Bahru, Johor
Tel : 07-2346820, 07-2346821
Fax : 07-2346790

- **Taman Perling**
31, 33 & 35 Jalan Persisiran Perling
Taman Perling
81200 Johor Bahru, Johor
Tel : 07-2344919, 07-2344608
Fax : 07-2345850

- **Taman Sentosa**
G1 & G2 Wisma Daiman
64 Jalan Sulam, Taman Sentosa
80150 Johor Bahru, Johor
Tel : 07-3316521, 07-3312266
Fax : 07-3312666

- **Tampoi**
14 & 16 Jalan Sri Bahagia 10
Taman Sri Bahagia
Off Jalan Tampoi
81200 Johor Bahru, Johor
Tel : 07-2377184, 07-2377519
Fax : 07-2378042

- **Ulu Tiram**
8 & 9 Jalan Raya
Taman Tiram Baru
81800 Ulu Tiram, Johor
Tel : 07-8613291, 07-8613292
Fax : 07-8612666

Kedah

- **Alor Setar**
1070 & 1071 Jalan Telok Wanjah
05200 Alor Setar, Kedah
Tel : 04-7315411, 04-7315412
Fax : 04-7315778

- **Changlun**
73 Jalan Sintok, Pekan Baru
06010 Changlun, Kedah
Tel : 04-9241457, 04-9241085
Fax : 04-9241870

- **Gurun**
39-41 Jalan Raya
08300 Gurun, Kedah
Tel : 04-4686143, 04-4686325
Fax : 04-4687024

- **Jalan Kg. Baru**
9D & 9E Jalan Kampung Baru
08000 Sungai Petani, Kedah
Tel : 04-4236452, 04-4236453
Fax : 04-4210475

- **Jalan Kota**
1557 Jalan Kota
05000 Alor Setar, Kedah
Tel : 04-7310559, 04-7311384
Fax : 04-7317716

- **Jitra**
9 & 10 Kompleks Jitra
06000 Jitra, Kedah
Tel : 04-9174926, 04-9174927
Fax : 04-9174931

- **Kuala Ketil**
45 & 46 Jalan Putra
Taman Tanjung Peteri
09300 Kuala Ketil, Kedah
Tel : 04-4163278, 04-4163318
Fax : 04-4163103

- **Kulim**
173 & 174 Jalan Tunku Putra
09000 Kulim, Kedah
Tel : 04-4901090, 04-4901096
Fax : 04-4907502

- **Pokok Sena**
8 Taman Sena, Jalan Raya
06400 Pokok Sena, Kedah
Tel : 04-7822000, 04-7822008
Fax : 04-7821019

- **Pulau Langkawi**
23, 25 & 27 Jalan Pandak Mayah 4
Pusat Bandar Kuah
07000 Pulau Langkawi, Kedah
Tel : 04-9667372, 04-9667373
Fax : 04-9667435

- **Sik**
441 Jalan Tunku Ibrahim
08200 Sik, Kedah
Tel : 04-4695764, 04-4695691
Fax : 04-4695664

- **Sungai Petani**
83A-D & 84A-D
Jalan Pengkalan, Susur Kiri
Taman Pekan Baru
08000 Sungai Petani, Kedah
Tel : 04-4217622, 04-4217623
Fax : 04-4211979

Kelantan

- **Gua Musang**
42 Jalan Besar
18300 Gua Musang, Kelantan
Tel : 09-9122600, 09-9122602
Fax : 09-9122603

- **Kota Bharu**
PT 197-199 Jalan Pintu Pong
15000 Kota Bharu, Kelantan
Tel : 09-7442269, 09-7446944
Fax : 09-7482110

- **Kuala Krai**
91 & 92 Jalan Chin Hua
18000 Kuala Krai, Kelantan
Tel : 09-9664027, 09-9664028
Fax : 09-9664042

- **Tanah Merah**
443 & 444
Jalan Dato' Nik Mustapha
17500 Tanah Merah, Kelantan
Tel : 09-9556244, 09-9556139
Fax : 09-9556944

Melaka

- **Air Keroh**
26 & 27 Lorong Setia Satu
Air Keroh Heights
75450 Melaka
Tel : 06-2327208, 06-2327209
Fax : 06-2327205

GROUP CORPORATE DIRECTORY

- **Batu Berendam**

46 & 48 Jalan Mutiara Melaka 2
Mutiara Melaka, Batu Berendam
75350 Melaka
Tel : 06-3176204, 06-3176205
Fax : 06-3176203

- **Jalan Munshi Abdullah**

Kompleks Munshi Abdullah
160-162 Jalan Munshi Abdullah
75100 Melaka
Tel : 06-2840941, 06-2840952
Fax : 06-2839591

- **Masjid Tanah**

Lot 367 & 368
Kompleks Perniagaan
78300 Masjid Tanah, Melaka
Tel : 06-3847712, 06-3847713
Fax : 06-3847717

- **Melaka**

60-68 Jalan Laksamana
75000 Melaka
Tel : 06-2830233
Fax : 06-2844552

- **Taman Malim Jaya**

6 & 8 Jalan Suria 2
Taman Malim Jaya
75250 Melaka
Tel : 06-3346397, 06-3346404
Fax : 06-3346412

- **Taman Melaka Raya**

566, 567 & 568 Jalan Merdeka
Taman Melaka Raya
75000 Melaka
Tel : 06-2817527, 06-2817528
Fax : 06-2818806

- **Tengkera**

300, 300A, 300B & 300-1
Jalan Ong Kim Wee
75300 Melaka
Tel : 06-2832052, 06-2832054
Fax : 06-2832159

Negeri Sembilan

- **Bahau**

120 & 121 Jalan Gurney
72100 Bahau, Negeri Sembilan
Tel : 06-4544102, 06-4544103
Fax : 06-4545270

- **Gemas**

12 Jalan Mahkamah
73400 Gemas, Negeri Sembilan
Tel : 07-9481770, 07-9481780
Fax : 07-9481110

- **Kuala Pilah**

564 Jalan Perpatih
72000 Kuala Pilah
Negeri Sembilan
Tel : 06-4812277, 06-4812299
Fax : 06-4815544

- **Kuala Kelawang**

128A & 128B Jalan Syed Ali
71600 Kuala Kelawang, Jelebu
Negeri Sembilan
Tel : 06-6136925, 06-6136926
Fax : 06-6137110

- **Nilai**

168-170 Jalan Besar
71800 Nilai, Negeri Sembilan
Tel : 06-7991066, 06-7991067
Fax : 06-7991337

- **Port Dickson**

866 & 867 Jalan Pantai
71000 Port Dickson
Negeri Sembilan
Tel : 06-6472942, 06-6472943
Fax : 06-6474831, 06-6474708

- **Rasah**

1281, 1282 & 1283 Jalan Rasah
70300 Seremban, Negeri Sembilan
Tel : 06-7620623
Fax : 06-7637622

- **Seremban**

44-46 Jalan Dato' Lee Fong Yee
70000 Seremban, Negeri Sembilan
Tel : 06-7630661, 06-7630662
Fax : 06-7634500

- **Taman Rasah Jaya**

687 & 688 Jalan RJ 1/6
Taman Rasah Jaya
70300 Seremban, Negeri Sembilan
Tel : 06-6315443, 06-6314754
Fax : 06-6315249

- **Tampin**

4707 & 4708 Jalan Besar
73000 Tampin, Negeri Sembilan
Tel : 06-4412511/12, 06-4415785
Fax : 06-4414814

Pahang

- **Benta**

21 & 22 Rumahkedai LKNP
27300 Benta, Pahang
Tel : 09-3238622, 09-3238621
Fax : 09-3238614

- **Bentong**

25-27 Jalan Chui Yin
28700 Bentong, Pahang
Tel : 09-2225653, 09-2225659
Fax : 09-2225663

- **Bureau De Change**

Resorts Hotel, Genting Highlands
7th Floor, Resorts Hotel
Genting Highlands Resort
69000 Genting Highlands, Pahang
Tel : 03-61011237
Fax : 03-61011257

- **Brinchang**

MDCH 41-43
Bandar Baru Brinchang
39100 Brinchang
Cameron Highlands, Pahang
Tel : 05-4911590, 05-4912682
Fax : 05-4911508

- **Genting Highlands**

Lot F/L 1.2 First World Hotel
Genting Highlands Resort
69000 Genting Highlands, Pahang
Tel : 03-64360088, 03-64360145
Fax : 03-64360099

- **Jalan Beserah**
B-350 Jalan Beserah
25300 Kuantan, Pahang
Tel : 09-5678461, 09-5688088
Fax : 09-5686366
 - **Jerantut**
K-20 & K-21 Jalan Tahan
Bandar Baru
27000 Jerantut, Pahang
Tel : 09-2661917, 09-2662351
Fax : 09-2661875
 - **Kemayan**
15-A Jalan Besar
28350 Kemayan, Pahang
Tel : 09-2409824, 09-2409866
Fax : 09-2409825
 - **Kuala Lipis**
5G & 5H Jalan Pekeliling
27200 Kuala Lipis, Pahang
Tel : 09-3122077
Fax : 09-3123588
 - **Kuantan**
79-85 Jalan Haji Abdul Aziz
25000 Kuantan, Pahang
Tel : 09-5179822, 09-5178288
Fax : 09-5161519
 - **Mentakab**
16-18 Jalan Bunga Matahari
28400 Mentakab, Pahang
Tel : 09-2775800, 09-2775801
Fax : 09-2773011
 - **Raub**
18 & 19 Bandar Raub Perdana
Jalan Lipis
27600 Raub, Pahang
Tel : 09-3553471, 09-3553502
Fax : 09-3554918
 - **Temerloh**
74 & 75 Jalan Ahmad Shah 1
Lurah Temerloh
28000 Temerloh, Pahang
Tel : 09-2965652, 09-2965662
Fax : 09-2965643
 - **Triang**
38 & 39 Jalan Temerloh
28300 Triang, Pahang
Tel : 09-2553480, 09-2553481
Fax : 09-2553486
-  **Perak**
- **Ayer Tawar**
139 & 141 Jalan Besar
32400 Ayer Tawar, Perak
Tel : 05-6726399, 05-6726400
Fax : 05-6726402
 - **Batu Gajah**
5 & 7 Lebuhan Dewangsa
31000 Batu Gajah, Perak
Tel : 05-3661664
Fax : 05-3665664
 - **Bagan Serai**
244 & 244A Jalan Besar
34300 Bagan Serai, Perak
Tel : 05-7212842, 05-7212843
Fax : 05-7212845
 - **Bidor**
62D-62E, Jalan Besar
35500 Bidor, Perak
Tel : 05-4341257, 05-4340964
Fax : 05-4341241
 - **Bercham**
4, 6, 8 & 10, Persiaran Bercham
Selatan 2
31400 Ipoh, Perak
Tel : 05-5480058, 05-5480632
Fax : 05-5480333, 05-5473888
 - **Chemor**
12-16 Laluan Chemor Sinaran
Desa Chemor Sinaran
31200 Chemor, Perak
Tel : 05-2011124, 05-2011125
Fax : 05-2011573
 - **Gunung Rapat**
296 & 298
Jalan Raya Dr. Nazrin Shah
Gunung Rapat
31350 Ipoh, Perak
Tel : 05-3131646, 05-3131649
Fax : 05-3132023
 - **Ipoh Garden**
133, 133A-D
Jalan Dato' Lau Pak Khuan
Ipoh Garden
31400 Ipoh, Perak
Tel : 05-5480951, 05-5480952
Fax : 05-5480958
 - **Ipoh Main Office**
7-13 Jalan Dato' Maharajalela
30000 Ipoh, Perak
Tel : 05-2530115, 05-2531034
Fax : 05-2535505
 - **Jalan Pasir Putih**
137 & 139 Jalan Pengkalan Barat
Off Jalan Pasir Putih
31650 Ipoh, Perak
Tel : 05-3222453, 05-3219892
Fax : 05-3225714
 - **Jalan Sultan Idris Shah**
76 Jalan Sultan Idris Shah
30000 Ipoh, Perak
Tel : 05-2551068, 05-2551069
Fax : 05-2556555
 - **Jalan Yang Kalsom**
46-54 Jalan Yang Kalsom
30250 Ipoh, Perak
Tel : 05-2531998, 05-2531514
Fax : 05-2535528, 05-2558430
 - **Jelapang**
291, 293 & 295 Jalan Silibin
30100 Ipoh, Perak
Tel : 05-5264014, 05-5264015
Fax : 05-5264485
 - **Kampar**
3 & 4, Jalan Balai
31900 Kampar, Perak
Tel : 05-4651044, 05-4652160
Fax : 05-4651400

GROUP CORPORATE DIRECTORY

- **Kamunting**

27–29 Regat Kamunting
Off Jalan Kamunting
34600 Kamunting, Perak
Tel : 05-8081110, 05-8081112
Fax : 05-8079363

- **Kuala Kangsar**

12 Jalan Daeng Selili
33000 Kuala Kangsar, Perak
Tel : 05-7769895, 05-7769896
Fax : 05-7769892

- **Menglembu**

67–73 Jalan Besar
31450 Menglembu, Perak
Tel : 05-2811014, 05-2814978
Fax : 05-2815015, 05-2815580

- **Pantai Remis**

66–70 Jalan Damar Laut
34900 Pantai Remis, Perak
Tel : 05-6771251, 05-6771252
Fax : 05-6771495

- **Parit Buntar**

135 & 137 Jalan Taiping
34200 Parit Buntar, Perak
Tel : 05-7160078, 05-7160079/80
Fax : 05-7160077

- **Pusing**

293 Jalan Besar
31550 Pusing, Perak
Tel : 05-2884077, 05-2884078
Fax : 05-2883975

- **Seri Manjung**

Lot No. 2274–2277
Taman Samudera
32040 Seri Manjung, Perak
Tel : 05-6882927, 05-6882987
Fax : 05-6884952

- **Simpang Pulai**

39 & 41 Persiaran Sengat Baru 2
Taman Bersatu
31300 Simpang Pulai
Ipoh, Perak
Tel : 05-3575360, 05-3575361
Fax : 05-3575358

- **Sitiawan**

Lot 166–168 Jalan Raja Omar
32000 Sitiawan, Perak
Tel : 05-6913526, 05-6913527
Fax : 05-6917198

- **Sungai Siput**

161 & 162 Jalan Besar
31100 Sungai Siput, Perak
Tel : 05-5986116, 05-5984114
Fax : 05-5986081

- **Taiping**

178 & 180 Jalan Kota
34000 Taiping, Perak
Tel : 05-8085070, 05-8085071
Fax : 05-8077362

- **Tanjong Malim**

Lot 336 & 337 Jalan Chong Ah Peng
35900 Tanjong Malim, Perak
Tel : 05-4597602, 05-4597603
Fax : 05-4597605

- **Tanjong Piandang**

12 & 14, Jalan Piandang 1
Taman Piandang Indah
34250 Tanjong Piandang, Perak
Tel : 05-7257941, 05-7257942
Fax : 05-7257943

- **Teluk Intan**

Wisma Boltex, Jalan Pasar
36000 Teluk Intan, Perak
Tel : 05-6223282, 05-6212325
Fax : 05-6215518

- ▶ **Perlis**

- **Kangar**

9 Jalan Raja Syed Alwi
P. O. Box 43
01000 Kangar, Perlis
Tel : 04-9763311, 04-9763432
Fax : 04-9760503

- ▶ **Pulau Pinang**

- **Bandar Baru Air Itam**

56 & 58 Lintang Angsana
Bandar Baru Air Itam
11500 Pulau Pinang
Tel : 04-8284088, 04-8286088
Fax : 04-8280678

- **Bagan Ajam**

6862–6864 Jalan Bagan Jermal
Bagan Ajam
13000 Butterworth, Pulau Pinang
Tel : 04-3317822, 04-3317823
Fax : 04-3312248

- **Bandar Bayan Baru**

5, 7, 9 & 11
Lorong Kampung Jawa
Bandar Bayan Baru
11900 Bayan Lepas, Pulau Pinang
Tel : 04-6438200, 04-6438390
Fax : 04-6441877

- **Bandar Seberang Jaya**

11 Jalan Todak 2
Pusat Bandar Seberang Jaya
13700 Seberang Jaya, Pulau Pinang
Tel : 04-3971096, 04-3971105
Fax : 04-3971107

- **Bukit Mertajam**

2644–2648 Jalan Che Bee Noor
14000 Bukit Mertajam
Pulau Pinang
Tel : 04-5392205, 04-5392207
Fax : 04-5392164

- **Butterworth**

85, 87 & 89 Jalan Selat
Taman Selat
12000 Butterworth, Pulau Pinang
Tel : 04-3329837, 04-3329839
Fax : 04-3329836, 04-3321498

- **Jalan Air Itam**

27A-G-1, 27B-G-1 & 27C-G-1
Jalan Air Itam
11500 Air Itam, Pulau Pinang
Tel : 04-8288591, 04-8288595
Fax : 04-8288537

- **Jalan Datuk Keramat**
456, Jalan Datuk Keramat
10460 Pulau Pinang
Tel : 04-2293500, 04-2292459
Fax : 04-2291978
 - **Jalan Macalister**
104, 104A & 104B
Jalan Macalister
10400 Pulau Pinang
Tel : 04-2276842, 04-2276843
Fax : 04-2276850
 - **Jalan Raja Uda**
5031-5033 Jalan Raja Uda
12300 Butterworth, Pulau Pinang
Tel : 04-3245297, 04-3245298
Fax : 04-3245301
 - **Jalan Tanjung Tokong**
98-G-13A Prima Tanjung
Jalan Fettes
Bandar Tanjung Tokong
11200 Pulau Pinang
Tel : 04-8993715, 04-8993716
Fax : 04-8993717
 - **Jelutong**
407-A Jalan Jelutong
11600 Jelutong, Pulau Pinang
Tel : 04-2813227, 04-2825230
Fax : 04-2825232
 - **Kepala Batas**
21 & 23 Jalan Bertam
13200 Kepala Batas
Seberang Perai Utara, Pulau Pinang
Tel : 04-5759085, 04-5759086
Fax : 04-5759088
 - **Lebuh Macallum**
Harbour Trade Centre
2-1-20 & 2-1-30
2 Gat Lebuh Macallum
10300 Pulau Pinang
Tel : 04-2628442, 04-2627732
Fax : 04-2630057
 - **Nibong Tebal**
3619 & 3620 Jalan Che Ahmad
14300 Nibong Tebal
Seberang Perai Selatan
Pulau Pinang
Tel : 04-5932216, 04-5931433
Fax : 04-5931590
 - **Prai**
2684 & 2685 Jalan Chain Ferry
Taman Inderawasih
13600 Prai, Pulau Pinang
Tel : 04-3901241, 04-3901246
Fax : 04-3902394
 - **Pulau Pinang**
87 Lebuh Bishop
10200 Pulau Pinang
Tel : 04-2613415, 04-2616755
Fax : 04-2617417
 - **Pulau Tikus**
58 Jalan Cantonment
Pulau Tikus, 10250 Pulau Pinang
Tel : 04-2286017, 04-2286018
Fax : 04-2287075
 - **Relau**
1 & 3 Jalan Relau
11900 Pulau Pinang
Tel : 04-6443112, 04-6443102
Fax : 04-6443128
 - **Simpang Ampat**
19, 21 & 23 Jalan Keruing
Kawasan Perniagaan Simpang Ampat
14100 Seberang Perai Selatan
Pulau Pinang
Tel : 04-5887000, 04-5887248
Fax : 04-5888080
 - **Sungai Bakap**
10 & 12 Jalan Besar
Taman Gamelan
14200 Sungai Bakap
Seberang Perai Selatan
Pulau Pinang
Tel : 04-5822434, 04-5822432
Fax : 04-5822435
 - **Sungai Nibong**
33, 35 & 37 Jalan Pantai Jerjak 13
Sungai Nibong
11900 Pulau Pinang
Tel : 04-6586000
Fax : 04-6576212
 - **Taman Bandar Raya**
15 & 16 Lorong Sepakat 1
Taman Bandar Raya
14000 Bukit Mertajam
Pulau Pinang
Tel : 04-5300288, 04-5306327
Fax : 04-5377288
-  **Sabah**
- **Beaufort**
Lot 6 & 7 Lo Chung Park
89808 Beaufort, Sabah
Tel : 087-214869, 087-214844
Fax : 087-214839
 - **City Parade**
Lot No. 1-0-M48-M51
1 Jalan Centre Point
City Parade, Centre Point Sabah
88000 Kota Kinabalu, Sabah
Tel : 088-251812, 088-251813
Fax : 088-251816
 - **Donggongon**
Lot A-5 & A-6
Donggongon New Township
Jalan Tapikong
89500 Penampang, Sabah
Tel : 088-722780, 088-723780
Fax : 088-727780
 - **Inanam**
36 & 38 Block F, Lorong Inanam
Inanam New Township Phase 2
88450 Kota Kinabalu, Sabah
Tel : 088-429112, 088-429113
Fax : 088-429987

GROUP CORPORATE DIRECTORY

- **Keningau**
Lots 2 & 3 Juta Commercial Centre
Block A3, Jalan Sodomon
89000 Keningau, Sabah
Tel : 087-335841, 087-335846
Fax : 087-335842
- **Kota Belud**
Lot B6 & B7 Kompleks Centernary
Jalan Sabar
89150 Kota Belud, Sabah
Tel : 088-977807, 088-977784
Fax : 088-977798
- **Kota Kinabalu**
Lot G.1 & Lot 1.1 Menara MAA
6 Lorong Api-Api 1
Api-Api Centre
88000 Kota Kinabalu, Sabah
Tel : 088-239611, 088-239612
Fax : 088-236630
- **Lahad Datu**
MDLD 0088 Jalan Teratai
91100 Lahad Datu, Sabah
Tel : 089-884020, 089-884021
Fax : 089-884087, 089-882971
- **Lido**
Lot 8, 9 & 10 Block P
Taman Che Mei
KM 5 Jalan Penampang, Lido
88300 Kota Kinabalu, Sabah
Tel : 088-217125, 088-245687
Fax : 088-245496
- **Papar**
Lot 8023, 162 Jalan Besar
Pekan Papar
89600 Papar, Sabah
Tel : 088-912522, 088-912523
Fax : 088-912211
- **Sandakan**
Wisma Sandaraya, Third Avenue
90000 Sandakan, Sabah
Tel : 089-214257, 089-214258
Fax : 089-272815
- **Tawau**
TB 304A & 304B, Block 34
Fajar Complex
91000 Tawau, Sabah
Tel : 089-761311, 089-761322
Fax : 089-761355, 089-761270
- 
Sarawak
 - **Batu Niah**
Lot 643 Batu Niah Town Extension
98200 Batu Niah, Sarawak
Tel : 085-737111
Fax : 085-737110
 - **Bintangor**
19 Teo Kui Ngo Road
96500 Bintangor, Sarawak
Tel : 084-693622
Fax : 084-693255
 - **Bintulu**
29-32 Jalan Sommerville
97000 Bintulu, Sarawak
Tel : 086-331433
Fax : 086-336028
 - **China Street**
28 China Street
98000 Miri, Sarawak
Tel : 085-417227, 085-417228
Fax : 085-419855
 - **Jalan Central**
3 Jalan Central
96000 Sibu, Sarawak
Tel : 084-335677
Fax : 084-320052
 - **Jalan Penrissen**
143A-145A Kota Sentosa
Batu 7 Jalan Penrissen
93250 Kuching, Sarawak
Tel : 082-613377
Fax : 082-615961
- **Jalan Pulau**
Wisma Public Bank
15 Jalan Pulau
96000 Sibu, Sarawak
Tel : 084-320088
Fax : 084-314088
- **Jalan Tun Zaidi**
Lot 2775 & 2776 Block 10
3rd Mile
Jalan Tun Ahmad Zaidi Aduce
93250 Kuching, Sarawak
Tel : 082-245271
Fax : 082-245542
- **Kapit**
63 & 64 Jalan Wharf
96800 Kapit, Sarawak
Tel : 084-797677, 084-797652
Fax : 084-797628
- **Kuching City**
Nos. 102-110
Jalan Song Thian Cheok
93100 Kuching, Sarawak
Tel : 082-417922, 082-417923
Fax : 082-424248
- **Limbang**
Lot 1082 & 1083 Jalan Buangsiol
98700 Limbang, Sarawak
Tel : 085-212511, 085-212443
Fax : 085-212676
- **Marudi**
59 & 60
Jalan Kapitan Lim Ching Kiat
Marudi
98050 Baram, Sarawak
Tel : 085-755000, 085-755009
Fax : 085-755018
- **Miri**
Moh Heng Building
14 Jalan Bendahara
98000 Miri, Sarawak
Tel : 085-412944, 085-412955
Fax : 085-417273



- **Mukah**

41 & 42 Block 68
Mukah New Township
96400 Mukah, Sarawak
Tel : 084-871900
Fax : 084-871319

- **Padungan**

7, 8 & 9 Jalan Chan Bee Kiew
Off Jalan Padungan
93100 Kuching, Sarawak
Tel : 082-489904, 082-489905
Fax : 082-330488

- **Pelita**

Lots 580 & 581
Pelita Commercial Centre
Miri-Pujut Road
98000 Miri, Sarawak
Tel : 085-410800, 085-420173
Fax : 085-419862

- **Sarikei**

51 & 52 Jalan Masjid
96100 Sarikei, Sarawak
Tel : 084-652490
Fax : 084-653137

- **Sibu**

2, 4 & 6 Lorong 2
Jalan Tuanku Osman
96000 Sibu, Sarawak
Tel : 084-316511
Fax : 084-335739

- **Wisma Saberka**

Lot G.01 & G.02A Wisma Saberka
Jalan Tun Abang Hj. Openg
93000 Kuching, Sarawak
Tel : 082-419889, 082-428800
Fax : 082-424662

Selangor

- **Ampang**

Wisma Saudagar
420 Batu 5 Jalan Ampang
68000 Ampang, Selangor
Tel : 03-42562333, 03-42562636
Fax : 03-42578964

- **Bandar Puchong Jaya**

9 & 10 Jalan Kenari 1
Bandar Puchong Jaya
47100 Puchong, Selangor
Tel : 03-58821888, 03-58821889
Fax : 03-58821299, 03-58822340

- **Bandar Sri Damansara**

6 Jalan Tembaga SD 5/2A
Bandar Sri Damansara
52200 Kuala Lumpur
Tel : 03-62725742, 03-62725694
Fax : 03-62725767

- **Bandar Sunway**

48 & 50 Jalan PJS 11/28A
Bandar Sunway
46150 Petaling Jaya, Selangor
Tel : 03-56364138, 03-56362256
Fax : 03-56363556

- **Banting**

251 Jalan Besar
42700 Banting, Selangor
Tel : 03-31878387, 03-31878587
Fax : 03-31872708

- **Batang Kali**

4 & 5 Jalan CKC 1
Bandar Baru Batang Kali
44300 Ulu Selangor, Selangor
Tel : 03-60572401, 03-60572402
Fax : 03-60572405

- **Bukit Beruntung**

23 & 25 Jalan Melati 2B
Section BB11
Bandar Bukit Beruntung
48300 Rawang, Selangor
Tel : 03-60282168, 03-60282170
Fax : 03-60282173

- **Damansara Jaya**

1, 3 & 5 Jalan SS22/23
Damansara Jaya
47400 Petaling Jaya, Selangor
Tel : 03-77298588
Fax : 03-77288125

- **Damansara Utama**

49, 51 & 53 Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya, Selangor
Tel : 03-77289376, 03-77289406
Fax : 03-77278064

- **Jalan Tapah**

64 & 66 Jalan Tapah
Off Jalan Goh Hock Huat
41400 Kelang, Selangor
Tel : 03-33411372, 03-33414420
Fax : 03-33411353

- **Jalan SK 10/4**

Bangunan MCA Seri Kembangan
1260 Jalan SK 10/4
43300 Seri Kembangan, Selangor
Tel : 03-89488700, 03-89483557
Fax : 03-89485700, 03-89481412

- **Kajang**

10 & 11 Jalan Raja Haroun
43000 Kajang, Selangor
Tel : 03-87368891, 03-87368894
Fax : 03-87365369, 03-87367278

- **Kampung Baru Subang**

34-36 Jalan Lebuhr Besar
Kampung Baru Subang
40150 Shah Alam, Selangor
Tel : 03-78468986, 03-78468012
Fax : 03-78463351

- **Kampung Baru Sungai Buloh**

41G & 43G Jalan Kati EU19/E
Seksyen U19, Taman Medan Mas
Kampung Baru Sungai Buloh
40160 Shah Alam, Selangor
Tel : 03-61568178, 03-61568179
Fax : 03-61568176



GROUP CORPORATE DIRECTORY

- **Kapar**
65 & 67 Lintang Dato' Tahir 1
42200 Kapar, Selangor
Tel : 03-32502799
Fax : 03-32500915
- **Kelana Jaya**
19 Jalan SS 6/12, Kelana Jaya
47301 Petaling Jaya, Selangor
Tel : 03-78031267, 03-78034928
Fax : 03-78032478
- **Klang**
28-32 Persiaran Sultan Ibrahim
41300 Klang, Selangor
Tel : 03-33423567, 03-33423569
Fax : 03-33423566
- **Kuala Selangor**
1 & 3, Jalan Raja Lumu
45000 Kuala Selangor, Selangor
Tel : 03-32894193
03-32894194/95
Fax : 03-32894133
- **Pandamaran**
306 Jalan Besar, Pandamaran
42000 Port Klang, Selangor
Tel : 03-31672830, 03-31672831
Fax : 03-31675440
- **Pandan Indah**
1, 3 & 5 Jalan Pandan Indah 1/23
Pandan Indah
55100 Kuala Lumpur
Tel : 03-92742495, 03-92747494
Fax : 03-92746497
- **Pandan Jaya**
44 Jalan Pandan 2/2
Pandan Jaya
55100 Kuala Lumpur
Tel : 03-92812199, 03-92863149
Fax : 03-92812206
- **Petaling Jaya New Town**
1, 3 & 5 Jalan 52/2
46200 Petaling Jaya, Selangor
Tel : 03-79570007, 03-79570211
Fax : 03-79579601
- **Petaling Jaya Old Town**
N19 & O19 Jalan Pasar
Off Jalan Othman
46000 Petaling Jaya, Selangor
Tel : 03-77836566, 03-77835785
Fax : 03-77836562
- **Port Klang**
82 Lebuhr Beringin
Off Jalan Berangan
42000 Port Klang, Selangor
Tel : 03-31674668, 03-31674550
Fax : 03-31685510
- **Rawang**
20 Jalan Bersatu 10
Taman Bersatu
48000 Rawang, Selangor
Tel : 03-60924936, 03-60924937
Fax : 03-60924935
- **Sabak Bernam**
Lot 2180 & 2181 Jalan Menteri
45200 Sabak Bernam, Selangor
Tel : 03-32162805, 03-32162500
Fax : 03-32162809
- **Sea Park**
8 & 10 Jalan 21/12, Sea Park
46300 Petaling Jaya, Selangor
Tel : 03-78738931, 03-78738932
Fax : 03-78744798 (Ground Floor),
03-78772086 (1st Floor)
- **Section 14**
12, 14 & 16 Jalan 14/14
46100 Petaling Jaya, Selangor
Tel : 03-79582585, 03-79582586
Fax : 03-79582593
- **Sekinchan**
102 Jalan Sabak Bernam
45400 Sekinchan, Selangor
Tel : 03-32411263, 03-32411264
Fax : 03-32411644
- **Semenyih**
22B & 23 Jalan Besar
43500 Semenyih, Selangor
Tel : 03-87238811, 03-87238812
Fax : 03-87237455
- **Seri Gombak**
19, 21 & 23 Jalan SG1/6
Taman Seri Gombak
68100 Batu Caves, Selangor
Tel : 03-61886712, 03-61889611
Fax : 03-61886236, 03-61852979
- **Seri Kembangan**
Lot 255 Jalan Kolej
43300 Seri Kembangan, Selangor
Tel : 03-89421096, 03-89422671
Fax : 03-89422537
- **Seri Setia**
B01 & G01 Plaza Seri Setia
1 Jalan SS 9A/2
47300 Petaling Jaya, Selangor
Tel : 03-78741944, 03-78741966
Fax : 03-78769411
- **Shah Alam**
Lot 31-35 Jalan Utas B
Section 15/B
40000 Shah Alam, Selangor
Tel : 03-55100567, 03-55101313
Fax : 03-55101288
- **SS2**
61-7, 61-8 & 61-9 Jalan SS 2/75
47300 Petaling Jaya, Selangor
Tel : 03-78741911
Fax : 03-78741491
- **Subang Jaya**
B1-B4 Jalan SS 15/4D
Subang Jaya
47500 Petaling Jaya, Selangor
Tel : 03-56332420, 03-56332421
Fax : 03-56347713
- **Sungai Buloh**
Lot 403 & 404 Jalan 1A/1
Bandar Baru Sungai Buloh
47000 Sungai Buloh, Selangor
Tel : 03-61562083, 03-61562056
Fax : 03-61562138



- **Sungai Chua**
1 & 3 Jalan M/J2
Taman Majlis Jaya
Jalan Sungai Chua
43000 Kajang, Selangor
Tel : 03-87370228
Fax : 03-87345570
- **Sungai Jarom**
S11-12 Jalan Rajawali
42600 Sungai Jarom, Selangor
Tel : 03-31912031, 03-31912032
Fax : 03-31912080
- **Sungai Pelek**
24-C Jalan Besar
43950 Sungai Pelek, Selangor
Tel : 03-31411236, 03-31411237
Fax : 03-31411233
- **Taman Chi Liung**
22, 24, 26 & 28 Lintang Menalu
Taman Chi Liung
41200 Klang, Selangor
Tel : 03-33718899, 03-33718482
Fax : 03-33720319
- **Taman Eng Ann**
14 & 16 Jalan Kasawari 5
Taman Eng Ann
41150 Klang, Selangor
Tel : 03-33430506, 03-33430507
Fax : 03-33430480
- **Taman Indah**
23 Jalan Kasturi 1
Plaza Kasturi
Off Jalan Balakong, Batu 11
43200 Cheras, Selangor
Tel : 03-90755202, 03-90755211
Fax : 03-90755769
- **Taman Mayang**
21 & 23 Jalan SS 25/23
Taman Plaza
47301 Petaling Jaya, Selangor
Tel : 03-78030124, 03-78039247
Fax : 03-78039447
- **Taman Muda**
36 Jalan Bunga Tanjung 8A
Taman Muda
68000 Ampang, Selangor
Tel : 03-42979335, 03-42969506
Fax : 03-42961810
- **Taman Melawati**
262-265 Jalan Bandar 12
Taman Melawati
53100 Kuala Lumpur
Tel : 03-41052003, 03-41052004
Fax : 03-41052009
- **Taman Selayang Jaya**
11 & 11A Jalan SJ1
Taman Selayang Jaya
68100 Batu Caves, Selangor
Tel : 03-61205099, 03-61382713
Fax : 03-61383723
- **Taman Sentosa, Klang**
2 Jalan Dato' Yusof Shahbudin 30
Taman Sentosa
41200 Klang, Selangor
Tel : 03-51613369
Fax : 03-51613524
- **Taman Sri Muda**
2 Jalan Sepadu B 25/B
Taman Perindustrian Axis
Section 25
40400 Shah Alam, Selangor
Tel : 03-51216394, 03-51216395
Fax : 03-51216372
- **Taman Taming Jaya**
1 & 1-1 Medan Taming Satu
Taman Taming Jaya
43300 Balakong, Selangor
Tel : 03-89614980, 03-89614984
Fax : 03-89614985
- **Ulu Yam Baru**
6 & 7 Jalan Besar Seksyen 1
Ulu Yam Baru
44300 Batang Kali, Selangor
Tel : 03-60752436
Fax : 03-60752693
- **USJ**
3, 5 & 7 Jalan USJ 10/1F
47620 UEP Subang Jaya, Selangor
Tel : 03-56350617, 03-56310776
Fax : 03-56329196

Terengganu

- **Chukai**
KCP1 Kemaman Centre Point
24000 Kemaman, Terengganu
Tel : 09-8595962, 09-8594069
Fax : 09-8594943
- **Kuala Dungun**
K-156 & K-157 Jalan Paka Batu 48
23000 Kuala Dungun, Terengganu
Tel : 09-8482511
Fax : 09-8484549
- **Kuala Terengganu**
1, 1A & 1B Jalan Batas Baru
20300 Kuala Terengganu
Terengganu
Tel : 09-6226998
Fax : 09-6233409



GROUP CORPORATE DIRECTORY

 Overseas Branches / Offices

- **Hong Kong Branch**

Ground Floor & Room 1101-1103
Wing On House
71 Des Voeux Road Central
Hong Kong

Tel : 852-2525-9351
Fax : 852-2868-9803
Cable : 'PUBLICBANK'
Telex : 65279 PBB HX
E-mail : gmgr@publicbank.biz.com.hk
SWIFT : PBBEKHKHH

- **Colombo Branch**

340, R A de Mel Mawatha
Colombo 00300, Sri Lanka

Tel : 9411-2576289,
9411-2576290,
9411-2576291,
9411-2576292
Fax : 9411-2573958
Telex : 23507 PBBTRY CE
E-mail : pbbslk@publicbank.slt.lk
SWIFT : PBBELKLX

- **Vientiane Branch**

100/1-4 Talat Sao Road
P. O. Box 6614

Vientiane, Lao PDR
Tel : 856-21-216614,
856-21-223394,
856-21-223395
Fax : 856-21-222743
Cable : 'PBBVTE'
Telex : 4310 PBBVTE LS
E-mail : pbbvte@laotel.com
SWIFT : PBBELALA

 Subsidiaries

- **Public Merchant Bank Bhd.**

25th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21669382
Fax : 03-21669362
E-mail : merchantbank@publicbank.com.my

- **Public Consolidated Holdings Sdn. Bhd.**

Registered Office
27th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21639668
Fax : 03-21639917

- **PB Securities Sdn. Bhd.**

27th Floor, Bangunan Public Bank
6 Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel : 03-20313011 (General)
03-20313733 (Dealing)
Fax : 03-20312533 (General)
03-20312530 (Dealing)
E-mail : pbsec@streamyx.com

- **Public Mutual Berhad**

Block B, Sri Damansara Business Park
Persiaran Industri
Bandar Sri Damansara
52200 Kuala Lumpur
Tel : 03-62796800
Fax : 03-62779800
E-mail : mktg@publicmutual.com.my
Website : www.publicmutual.com.my
(24 branches and 6 agency offices nationwide)

- **PB Securities Nominees (Asing) Sdn. Bhd.**

27th Floor, Bangunan Public Bank
6 Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel : 03-20313011
Fax : 03-20312533

- **PB Securities Nominees (Tempatan) Sdn. Bhd.**

27th Floor, Bangunan Public Bank
6 Jalan Sultan Sulaiman
50000 Kuala Lumpur
Tel : 03-20313011
Fax : 03-20312533

- **Public Nominees (Asing) Sdn. Bhd.**

6th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21626077
Fax : 03-21626078

- **Public Nominees (Tempatan) Sdn. Bhd.**

6th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21626077
Fax : 03-21626078

- **PB International Factors Sdn. Bhd.**

7th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21622955
Fax : 03-21622962
(2 branches –
Johor Bahru, Pulau Pinang)

- **PB Trust (L) Ltd.**

Level 8(B), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Federal Territory Labuan
Tel : 6087-412336,
6087-411898
Fax : 6087-451193
E-mail : pbtrust@tm.net.my

- **Public Holdings Sdn. Bhd.**

8th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21766000,
03-21766666
Fax : 03-21639903

- **PB Properties Sdn. Bhd.**

8th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21766000,
03-21766666
Fax : 03-21639903



- **PB Venture Capital Sdn. Bhd.**
Registered Office
27th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21638899
Fax : 03-21639917
- **Public Bank (L) Ltd.**
Level 8(A) & (B), Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Federal Territory Labuan
Tel : 6087-411898
Fax : 6087-413220
Telex : MA 87012
- **JCG Holdings Ltd.**
Room 1105-07, Wing On House
71 Des Voeux Road Central
Hong Kong
Tel : 852-2525-9351
Fax : 852-2845-0681
- **Public Finance Ltd.**
Room 1105-07, Wing On House
71 Des Voeux Road Central
Hong Kong
Tel : 852-2525-9351
Fax : 852-2845-0681
E-mail : jcgadm@jcg.com.hk
Website : www.jcg.com.hk
(40 branches in Hong Kong)
- **Winton (B.V.I.) Ltd.**
Room 1101-1110, 11th Floor
Phase 1, Argyle Centre
688 Nathan Road
Mongkok, Kowloon, Hong Kong
Tel : 852-2391-9388
Fax : 852-2391-5366
Website : www.wintonholdings.com.hk

- **Public Financial Limited**
Room 1105-07, Wing On House
71 Des Voeux Road Central
Hong Kong
Tel : 852-2525-9351
Fax : 852-2845-0681
- **JCG Nominees Ltd.**
Room 1108, Wing On House
71 Des Voeux Road Central
Hong Kong
Tel : 852-2877-8622
Fax : 852-2845-5240
- **JCG Securities Ltd.**
Room 1108, Wing On House
71 Des Voeux Road Central
Hong Kong
Tel : 852-2877-8622
Fax : 852-2845-5240
- **Cambodian Public Bank Ltd.**
Villa No. 23, Street 114
Sangkat
Phsar Thmey 2
Khan Daun Penh
Phnom Penh
Royal Kingdom of Cambodia
Tel : 855-23-214111
Fax : 855-23-217655
Telex : (51) 940 79463
E-mail : campuhoe@campubank.com.kh
SWIFT : CPBLKHPP

Associated Companies

- **PB Trustee Services Berhad**
17th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel : 03-21766760/6623/24/50/51
Fax : 03-21643285
- **VID Public Bank**
Head Office
7th Floor, Prime Centre Building
53 Quang Trung Street, Hanoi
Vietnam
Tel : 844-9438999
Fax : 844-9439005
Telex : 412241VPBVT
SWIFT : VIDPVNV5
E-mail : vpb.han@hn.vnn.vn
(5 branches – Hanoi Operations
Centre, Ho Chi Minh City, Haiphong,
Danang, Binhduong)
- **CPB Properties Company Ltd.**
Villa No. 23, Street 114+67
Phsar Thmey II
Daun Penh District
Phnom Penh
Royal Kingdom of Cambodia
Tel : 855-23-214111
Fax : 855-23-217655
Telex : (51) 940 79463
E-mail : campuhoe@campubank.com.kh
SWIFT : CPBLKHPP





PUBLIC BANK BERHAD
(6463-H)

form of proxy

Number of shares held	CDS Account No.

"A" I/We _____ NRIC/Co. No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a Member of PUBLIC BANK BERHAD, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

_____ NRIC No. _____

of _____
(FULL ADDRESS)

or failing him, _____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

or failing him, the CHAIRMAN OF THE MEETING as my/our *first proxy to attend and vote for me/us on my/our behalf at the Fortieth Annual General Meeting of the Company to be held at the Grand Ballroom, Shangri-La Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 20 March 2006 at 11.00 a.m., or any adjournment thereof.

"B" Where it is desired to appoint a second proxy, this section must also be completed, otherwise it should be deleted.

I/We _____ NRIC/Co. No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a Member of PUBLIC BANK BERHAD, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

_____ NRIC No. _____

of _____
(FULL ADDRESS)

or failing him, _____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

or failing him, the CHAIRMAN OF THE MEETING as my/our second proxy to attend and vote for me/us on my/our behalf at the Fortieth Annual General Meeting of the Company to be held at the Grand Ballroom, Shangri-La Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 20 March 2006 at 11.00 a.m., or any adjournment thereof.

The proportions of my/our holding to be represented by my/our proxies are as follows:

First Proxy "A"	%
Second Proxy "B"	%
	<u>100%</u>

In case of a vote taken by a show of hands, *First Proxy "A"/*Second Proxy "B" shall vote on my/our behalf.

My/our proxy/proxies shall vote as follows:

(Please indicate with an "X" in the space provided below how you wish your votes to be cast on the resolutions specified in the notice of meeting. If you do not do so, the proxy/proxies will vote, or abstain from voting on the resolutions as he/they may think fit.)

NO.	ORDINARY RESOLUTIONS	FIRST PROXY "A"		SECOND PROXY "B"	
		FOR	AGAINST	FOR	AGAINST
1.	Receive the Audited Financial Statements for the financial year ended 31 December 2005 and the Reports of the Directors and Auditors thereon				
2.	Declaration of final and special dividends				
3.	Re-election of Y.A.M. Tengku Abdul Rahman Ibni Sultan Haji Ahmad Shah Al-Mustain Billah as Director				
4.	Re-election of Haji Abdul Aziz bin Omar as Director				
5.	Re-appointment of Tan Sri Dato' Sri Dr. Teh Hong Piow as Director				
6.	Re-appointment of Tan Sri Dato' Thong Yaw Hong as Director				
7.	Re-appointment of Dato' Dr. Haji Mohamed Ishak bin Haji Mohamed Ariff as Director				
8.	Approval of payment of Directors' fees				
9.	Re-appointment of Messrs KPMG as Auditors and to authorise the Directors to fix the Auditors' remuneration				
10.	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares				
11.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature				
12.	Proposed Share Buy-Back				

Signed this _____ day of _____ 2006

Signature of Member/Common Seal

*Delete if inapplicable.

NOTES:

- In respect of deposited securities, only Members whose names appear in the Record of Depositors on 13 March 2006 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
- The right of Foreigners to vote in respect of deposited securities is subject to Section 41(1)(e) and Section 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations, 1996 and the Articles of Association of the Company. Where a Foreigner, based on the General Meeting Record of Depositors, holds deposited securities in a Securities Account and such securities raise the ownership of shares in the Company by Foreigners beyond the Company's foreign shareholding limit of 30%, such Foreigner or the proxy appointed by him, in respect of such securities, shall not be entitled to exercise in any manner whatsoever any voting rights in respect of the aforesaid securities at the Meeting.
- A Member entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company.
- A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting provided that where a Member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint up to two (2) proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its attorney.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company, at 27th Floor, Menara Public Bank, 146 Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the Meeting.

Please fold here to seal

Please fold here to seal

STAMP

Company Secretary
PUBLIC BANK BERHAD
27th Floor, Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Malaysia

Please fold here to seal

PAST 25 YEARS

Public Bank Annual Report



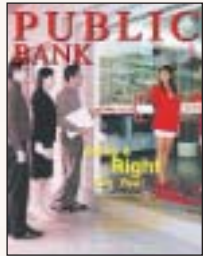
2004



2003



2002



2001



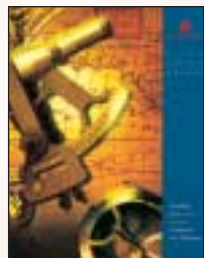
2000



1999



1998



1997



1996



1995



1994



1993



1992



1991



1990



1989



1988



1987



1986



1985



1984



1983



1982



1981



1980

Award Winning Public Bank Annual Reports

- 1985 - MACRA COMMENDATION AWARD**
 - Graphic Presentation
 - Corporate Information
- 1986 - MACRA AWARD**
 - Best Corporate Information
- 1987 - NACRA AWARD**
 - Best Corporate Information
- NARA AWARD**
 - Best Annual Report Finance Sector
- 1988 - MACRA AWARD**
 - Best Overall Annual Report
 - Best Corporate Information
- NARA AWARD**
 - Best Annual Report Finance Sector
- 1989 - NACRA AWARD**
 - Most Outstanding Annual Report
 - Best Annual Report Finance Sector
- NACRA COMMENDATION AWARD**
 - Corporate Information
 - Accounting Information
 - Annual Report in Bahasa Malaysia
- 1990 - NACRA AWARD**
 - Best Accounting Information
- 1991 - NACRA AWARD**
 - Best Accounting Information
- NACRA COMMENDATION AWARD**
 - Corporate Information
- 1994 - NACRA COMMENDATION AWARD**
 - Accounting Information
 - Corporate Information
 - Annual Report in Bahasa Malaysia
- 1995 - NACRA COMMENDATION AWARD**
 - Accounting Information
 - Annual Report in Bahasa Malaysia
- 1996 - NACRA AWARD**
 - Most Outstanding Annual Report
 - Industry Excellence Award Finance Sector
- 1997 - NACRA AWARD**
 - Best Annual Report in Bahasa Malaysia
 - Industry Excellence Award Finance Sector
- 1998 - NACRA AWARD**
 - Industry Excellence Award Finance Sector
- 1999 - NACRA AWARD**
 - Industry Excellence Award Finance Sector
- CITRA AWARD 2000**
 - Main Award
- 2000 - NACRA AWARD**
 - Industry Excellence Award Finance Sector
- CITRA AWARD 2001**
 - Special Jury Award
- 2001 - NACRA AWARD**
 - Most Outstanding Annual Report
 - Industry Excellence Award Finance Sector
- CITRA AWARD 2002**
 - Special Jury Award
- 2002 - NACRA AWARD**
 - Most Outstanding Annual Report
 - Industry Excellence Award Finance Sector
- CITRA AWARD 2003**
 - Merit Award
- 2003 - NACRA AWARD**
 - Most Outstanding Annual Report
 - Industry Excellence Award Finance Sector
 - Best Annual Report in Bahasa Malaysia
- 2004 - NACRA AWARD**
 - Most Outstanding Annual Report
 - Industry Excellence Award Finance Sector
 - Best Annual Report in Bahasa Malaysia

MALAYSIAN BUSINESS Corporate Governance Award

For the third consecutive year, Public Bank sets the milestone in corporate excellence. Having always upheld the highest standards of corporate governance and transparency, it is no surprise then that Public Bank has chalked up one triumphant win after another since the inception of the Malaysian Business Governance Award in the year 2002.

Winning this coveted award for the third time in a row has undeniably strengthened our resolve to continue being the benchmark for outstanding corporate governance, for many years to come.



• 2002 • 2003 • 2004

NACRA (National Annual Corporate Report Awards) Overall Excellence Award for Most Outstanding Annual Report

For the fourth consecutive year, we have upheld the highest standards of corporate governance and transparency to win the prestigious NACRA Overall Excellence Award for the Most Outstanding Annual Report.

This acknowledgement of exemplary corporate conduct and practices have energised us to a whole new level of confidence and commitment to continue our winning streak, for many more years to come.



• 2001 • 2002 • 2003 • 2004