

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	31 March 2013 RM'000	Group 31 December 2012 RM'000 (Restated)	1 January 2012 RM'000 (Restated)	31 March 2013 RM'000	Bank 31 December 2012 RM'000 (Restated)	1 January 2012 RM'000 (Restated)
ASSETS						
Cash and balances with banks	24,066,268	18,635,951	18,633,783	16,269,628	11,679,843	10,508,349
Reverse repurchase agreements	9,329,916	8,158,506	9,287,255	8,408,397	7,309,153	8,435,611
Financial assets held-for-trading	16,048,835	16,617,135	10,656,825	12,336,201	13,599,044	10,406,551
Derivative financial assets	392,940	370,465	493,852	386,900	364,344	492,536
Financial investments						
available-for-sale	16,655,741	17,201,120	16,719,433	15,077,420	15,620,244	14,287,941
Financial investments						
held-to-maturity	6,451,159	6,257,771	7,629,233	4,427,060	4,509,314	7,073,857
Loans, advances and financing	201,919,844	196,051,603	175,952,777	168,489,884	162,968,608	143,385,498
Other assets	2,212,676	2,205,998	2,221,635	1,852,539	2,098,972	2,119,787
Statutory deposits with						
Central Banks	6,404,012	5,787,206	5,597,801	5,231,888	4,738,213	4,496,365
Deferred tax assets	63,993	63,227	46,093	-	-	-
Investment in subsidiary						
companies	-	-	-	4,263,581	4,263,581	4,088,581
Investment in associated						
companies	153,911	151,210	155,997	121,325	121,325	121,325
Investment properties	88,746	87,886	70,754	-	-	-
Property and equipment	1,286,821	1,309,533	1,341,940	580,500	607,934	657,124
Intangible assets	1,936,060	1,926,347	1,965,476	695,393	695,393	695,393
TOTAL ASSETS	<u>287,010,922</u>	<u>274,823,958</u>	<u>250,772,854</u>	<u>238,140,716</u>	<u>228,575,968</u>	<u>206,768,918</u>
LIABILITIES						
Deposits from customers	232,286,058	225,042,325	200,370,525	187,359,648	181,688,444	159,384,439
Deposits from banks	17,585,173	12,849,313	15,806,732	18,216,473	14,408,778	16,717,349
Bills and acceptances payable	3,048,617	3,048,821	2,095,335	3,274,158	3,132,692	2,095,076
Recourse obligations on loans						
and financing sold to Cagamas	500,746	501,496	11,789	743	1,493	11,789
Derivative financial liabilities	219,595	233,564	236,724	192,321	210,760	190,325
Debt securities issued and other						
borrowed funds	9,953,569	9,946,853	11,317,833	9,080,270	9,081,942	10,422,749
Other liabilities	3,964,981	3,670,249	3,560,244	2,705,413	2,578,888	2,457,855
Provision for tax expense						
and zakat	736,874	740,283	777,405	524,863	522,088	563,807
Deferred tax liabilities	64,653	72,750	85,793	50,537	55,990	80,841
TOTAL LIABILITIES	<u>268,360,266</u>	<u>256,105,654</u>	<u>234,262,380</u>	<u>221,404,426</u>	<u>211,681,075</u>	<u>191,924,230</u>

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Group			Bank		
	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)	1 January 2012 RM'000 (Restated)	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)	1 January 2012 RM'000 (Restated)
EQUITY						
Share capital	3,531,926	3,531,926	3,531,926	3,531,926	3,531,926	3,531,926
Reserves	14,617,313	14,702,086	12,496,636	13,419,936	13,578,539	11,528,334
Treasury shares	(215,572)	(215,572)	(215,572)	(215,572)	(215,572)	(215,572)
Equity attributable to equity holders of the Bank	17,933,667	18,018,440	15,812,990	16,736,290	16,894,893	14,844,688
Non-controlling interests	716,989	699,864	697,484	-	-	-
TOTAL EQUITY	18,650,656	18,718,304	16,510,474	16,736,290	16,894,893	14,844,688
TOTAL LIABILITIES AND EQUITY						
	287,010,922	274,823,958	250,772,854	238,140,716	228,575,968	206,768,918
COMMITMENTS AND CONTINGENCIES						
	83,616,955	79,457,595	70,847,182	78,610,489	75,691,031	66,266,801
CAPITAL ADEQUACY						
Common Equity Tier I Capital Ratio	8.2%	N/A	N/A	9.9%	N/A	N/A
Tier I Capital Ratio	10.1%	10.8% *	10.6% *	12.1%	12.9% *	12.8% *
Total Capital Ratio	13.0%	14.1% *	15.0% *	12.7%	13.8% *	14.9% *
Net assets per share attributable to ordinary equity holders of the Bank (RM)						
	5.12	5.15	4.52	4.78	4.82	4.24

* After deducting second interim dividend.

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Operating revenue	3,673,214	3,373,450	3,673,214	3,373,450
Interest income	2,742,171	2,482,883	2,742,171	2,482,883
Interest expense	(1,392,433)	(1,215,276)	(1,392,433)	(1,215,276)
Net interest income	1,349,738	1,267,607	1,349,738	1,267,607
Net income from Islamic banking business	207,269	211,665	207,269	211,665
	1,557,007	1,479,272	1,557,007	1,479,272
Net fee and commission income	303,223	283,950	303,223	283,950
Net gains and losses on financial instruments	43,084	33,377	43,084	33,377
Other operating income	76,895	72,050	76,895	72,050
Net income	1,980,209	1,868,649	1,980,209	1,868,649
Other operating expenses	(631,754)	(607,601)	(631,754)	(607,601)
Operating profit	1,348,455	1,261,048	1,348,455	1,261,048
Allowance for impairment on loans, advances and financing	(81,390)	(30,013)	(81,390)	(30,013)
Writeback of impairment / (impairment) on other assets	1,330	(521)	1,330	(521)
	1,268,395	1,230,514	1,268,395	1,230,514
Share of profit after tax of equity accounted associated companies	1,581	884	1,581	884
Profit before tax expense and zakat	1,269,976	1,231,398	1,269,976	1,231,398
Tax expense and zakat	(291,052)	(293,314)	(291,052)	(293,314)
Profit for the period	978,924	938,084	978,924	938,084
Profit for the period attributable to :				
- Equity holders of the Bank	968,301	930,182	968,301	930,182
- Non-controlling interests	10,623	7,902	10,623	7,902
	978,924	938,084	978,924	938,084
Earnings per RM1.00 share:				
- basic / diluted (sen)	27.6	26.6	27.6	26.6

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

Group	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Profit for the period	978,924	938,084	978,924	938,084
Other comprehensive income / (loss):				
Foreign currency translation reserves:				
- Currency translation differences in respect of:				
- Foreign operations	38,048	(127,216)	38,048	(127,216)
- Net investment hedge	(28,019)	101,747	(28,019)	101,747
	10,029	(25,469)	10,029	(25,469)
Revaluation reserves:				
- Net gain on revaluation of financial investments available-for-sale	6,020	17,887	6,020	17,887
Hedging reserves:				
- Net change in cash flow hedges	(14,048)	(18,813)	(14,048)	(18,813)
	2,001	(26,395)	2,001	(26,395)
Income tax relating to components of other comprehensive income / loss:				
- Revaluation reserves	(1,447)	(3,682)	(1,447)	(3,682)
- Hedging reserves	3,512	4,703	3,512	4,703
	2,065	1,021	2,065	1,021
Other comprehensive income / (loss) for the period, net of tax	4,066	(25,374)	4,066	(25,374)
Total comprehensive income for the period	982,990	912,710	982,990	912,710
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	965,865	928,006	965,865	928,006
- Non-controlling interests	17,125	(15,296)	17,125	(15,296)
	982,990	912,710	982,990	912,710

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Operating revenue	2,787,995	2,555,815	2,787,995	2,555,815
Interest income	2,502,168	2,255,759	2,502,168	2,255,759
Interest expense	(1,337,844)	(1,158,670)	(1,337,844)	(1,158,670)
Net interest income	1,164,324	1,097,089	1,164,324	1,097,089
Net fee and commission income	126,406	115,642	126,406	115,642
Net gains and losses on financial instruments	41,614	36,088	41,614	36,088
Other operating income	249,059	358,404	249,059	358,404
Net income	1,581,403	1,607,223	1,581,403	1,607,223
Other operating expenses	(445,331)	(420,080)	(445,331)	(420,080)
Operating profit	1,136,072	1,187,143	1,136,072	1,187,143
(Allowance) / writeback of allowance for impairment on loans, advances and financing	(16,108)	11,574	(16,108)	11,574
Writeback of impairment / (impairment) on other assets	1,330	(529)	1,330	(529)
Profit before tax expense and zakat	1,121,294	1,198,188	1,121,294	1,198,188
Tax expense and zakat	(228,577)	(228,275)	(228,577)	(228,275)
Profit for the period	892,717	969,913	892,717	969,913

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Profit for the period	892,717	969,913	892,717	969,913
Other comprehensive income / (loss):				
Revaluation reserves:				
- Net gain on revaluation of financial investments available-for-sale	4,581	10,451	4,581	10,451
Hedging reserves:				
- Net change in cash flow hedges	(5,491)	(18,813)	(5,491)	(18,813)
	(910)	(8,362)	(910)	(8,362)
Income tax relating to components of other comprehensive income / loss:				
- Revaluation reserves	(1,145)	(2,613)	(1,145)	(2,613)
- Hedging reserves	1,373	4,703	1,373	4,703
	228	2,090	228	2,090
Other comprehensive loss for the period, net of tax	(682)	(6,272)	(682)	(6,272)
Total comprehensive income for the period	892,035	963,641	892,035	963,641

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PUBLIC BANK BERHAD
(6463 - H)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

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

<u>Group</u>	Non-distributable		Distributable		Treasury Shares RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	<u>Reserves</u> Other Reserves RM'000	<u>Reserves</u> Retained Profits RM'000				
At 1 January 2013								
- as previously stated	3,531,926	1,073,310	4,100,612	9,453,647	(215,572)	17,943,923	699,864	18,643,787
- effects of adoption of MFRS 119	-	-	253,255	(178,738)	-	74,517	-	74,517
At 1 January 2013, as restated	3,531,926	1,073,310	4,353,867	9,274,909	(215,572)	18,018,440	699,864	18,718,304
Profit for the period	-	-	-	968,301	-	968,301	10,623	978,924
Other comprehensive (loss) / income for the period	-	-	(2,436)	-	-	(2,436)	6,502 *	4,066
Total comprehensive (loss) / income for the period	-	-	(2,436)	968,301	-	965,865	17,125	982,990
Transactions with owners / other equity movements:								
Transfer from Profit Equalisation Reserve of the Islamic banking institution	-	-	(327)	327	-	-	-	-
Transfer from regulatory reserves	-	-	(580)	580	-	-	-	-
Transfer to general reserves	-	-	253	(253)	-	-	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)	-	(1,050,638)
	-	-	(654)	(1,049,984)	-	(1,050,638)	-	(1,050,638)
At 31 March 2013	3,531,926	1,073,310	4,350,777	9,193,226	(215,572)	17,933,667	716,989	18,650,656

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

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

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

<u>Group</u>	Non-distributable			Distributable		Treasury Shares RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	<u>Reserves</u> Other Reserves RM'000	<u>Reserves</u> Retained Profits RM'000	Reserves				
At 1 January 2012									
- as previously stated	3,531,926	1,073,310	4,056,014	7,276,808	(215,572)	15,722,486	697,484	16,419,970	
- effects of adoption of MFRS 119	-	-	226,723	(136,219)	-	90,504	-	90,504	
At 1 January 2012, as restated	<u>3,531,926</u>	<u>1,073,310</u>	<u>4,282,737</u>	<u>7,140,589</u>	<u>(215,572)</u>	<u>15,812,990</u>	<u>697,484</u>	<u>16,510,474</u>	
Profit for the period	-	-	-	930,182	-	930,182	7,902	938,084	
Other comprehensive loss for the period	-	-	(2,176)	-	-	(2,176)	(23,198) *	(25,374)	
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(2,176)</u>	<u>930,182</u>	<u>-</u>	<u>928,006</u>	<u>(15,296)</u>	<u>912,710</u>	
Transactions with owners / other equity movements:									
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	609	(609)	-	-	-	-	
Transfer from regulatory reserves	-	-	(2,894)	2,894	-	-	-	-	
Transfer to general reserves	-	-	204	(204)	-	-	-	-	
Dividends paid	-	-	-	(980,595)	-	(980,595)	-	(980,595)	
	<u>-</u>	<u>-</u>	<u>(2,081)</u>	<u>(978,514)</u>	<u>-</u>	<u>(980,595)</u>	<u>-</u>	<u>(980,595)</u>	
At 31 March 2012	<u><u>3,531,926</u></u>	<u><u>1,073,310</u></u>	<u><u>4,278,480</u></u>	<u><u>7,092,257</u></u>	<u><u>(215,572)</u></u>	<u><u>15,760,401</u></u>	<u><u>682,188</u></u>	<u><u>16,442,589</u></u>	

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

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

	<----- Attributable to Equity Holders of the Bank ----->					
	Non-distributable			Distributable		
	Share	Share	<u>Reserves</u>	<u>Reserves</u>	Treasury	
<u>Bank</u>	Capital	Premium	Other	Retained	Shares	Total
	RM'000	RM'000	Reserves	Profits	RM'000	RM'000
At 1 January 2013						
- as previously stated	3,531,926	1,073,310	3,514,328	8,918,940	(215,572)	16,822,932
- effects of adoption of MFRS 119	-	-	244,569	(172,608)	-	71,961
At 1 January 2013, as restated	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,758,897</u>	<u>8,746,332</u>	<u>(215,572)</u>	<u>16,894,893</u>
Profit for the period	-	-	-	892,717	-	892,717
Other comprehensive loss for the period	-	-	(682)	-	-	(682)
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(682)</u>	<u>892,717</u>	<u>-</u>	<u>892,035</u>
Transactions with owners / other equity movements:						
Transfer to general reserves	-	-	253	(253)	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)
	<u>-</u>	<u>-</u>	<u>253</u>	<u>(1,050,891)</u>	<u>-</u>	<u>(1,050,638)</u>
At 31 March 2013	<u><u>3,531,926</u></u>	<u><u>1,073,310</u></u>	<u><u>3,758,468</u></u>	<u><u>8,588,158</u></u>	<u><u>(215,572)</u></u>	<u><u>16,736,290</u></u>

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

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

Bank	Non-distributable		Distributable		Treasury	Total
	Share	Share	Other	Retained		
	Capital	Premium	Reserves	Profits	Shares	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012						
- as previously stated	3,531,926	1,073,310	3,515,306	6,852,318	(215,572)	14,757,288
- effects of adoption of MFRS 119	-	-	218,947	(131,547)	-	87,400
At 1 January 2012, as restated	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,734,253</u>	<u>6,720,771</u>	<u>(215,572)</u>	<u>14,844,688</u>
Profit for the period	-	-	-	969,913	-	969,913
Other comprehensive loss for the period	-	-	(6,272)	-	-	(6,272)
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(6,272)</u>	<u>969,913</u>	<u>-</u>	<u>963,641</u>
Transactions with owners / other equity movements:						
Transfer to general reserves	-	-	204	(204)	-	-
Dividends paid	-	-	-	(980,595)	-	(980,595)
	<u>-</u>	<u>-</u>	<u>204</u>	<u>(980,799)</u>	<u>-</u>	<u>(980,595)</u>
At 31 March 2012	<u><u>3,531,926</u></u>	<u><u>1,073,310</u></u>	<u><u>3,728,185</u></u>	<u><u>6,709,885</u></u>	<u><u>(215,572)</u></u>	<u><u>14,827,734</u></u>

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

	Group		Bank	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Cash Flows from Operating Activities				
Profit before tax expense and zakat	1,269,976	1,231,398	1,121,294	1,198,188
Adjustments for non-cash items:				
Share of profit after tax of equity accounted associated companies	(1,581)	(884)	-	-
Allowance for impaired loans and financing	127,669	78,780	41,767	18,228
Depreciation of property and equipment	41,509	42,462	33,744	34,451
Net (gain) / loss on financial instruments	(3,570)	1,797	(3,711)	(1,909)
Dividends received	(36,246)	(33,561)	(220,530)	(294,381)
Transfer to profit equalisation reserve	-	537	-	-
Impairment (written back) / losses	(1,330)	521	(1,330)	529
Other non-cash items	5,478	14,566	14,828	14,149
Operating profit before working capital changes	1,401,905	1,335,616	986,062	969,255
Changes in working capital:				
Increase in operating assets	(7,188,219)	(6,330,079)	(5,337,100)	(5,971,925)
Increase in operating liabilities	12,206,637	4,443,301	9,711,030	4,473,959
Tax expense and zakat paid	(300,530)	(211,452)	(231,028)	(155,023)
Net cash generated from / (used in) operating activities	6,119,793	(762,614)	5,128,964	(683,734)
Cash Flows from Investing Activities				
Purchase of property and equipment	(18,771)	(11,078)	(6,284)	(7,988)
Proceeds from disposal of properties	13,448	7,504	13,055	7,173
Net sale / (purchase) of financial investments	344,221	(267,485)	622,924	168,836
Dividends received	36,246	33,561	409,077	330,518
Net cash generated from / (used in) investing activities	375,144	(237,498)	1,038,772	498,539

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2013

	Group		Bank	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Cash Flows from Financing Activities				
Dividends paid	(1,050,638)	(980,595)	(1,050,638)	(980,595)
Net drawdown / (repayment) of borrowings	8,388	(29,103)	-	-
Net cash used in financing activities	(1,042,250)	(1,009,698)	(1,050,638)	(980,595)
Net change in cash and cash equivalents	5,452,687	(2,009,810)	5,117,098	(1,165,790)
Cash and cash equivalents at beginning of the period	16,835,772	16,570,679	10,238,710	8,111,742
Exchange differences on translation of opening balances	32,169	(130,720)	-	-
Cash and cash equivalents at end of the period (Note)	22,320,628	14,430,149	15,355,808	6,945,952
Note:				
Cash and balances with banks	24,066,268	16,317,212	16,269,628	8,227,922
Less: Balances with banks with maturity more than one month	(1,745,640)	(1,887,063)	(913,820)	(1,281,970)
Cash and cash equivalents at end of the period	22,320,628	14,430,149	15,355,808	6,945,952

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2012.

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

A1. Basis of Preparation

The unaudited interim financial statements for the 1st quarter ended 31 March 2013 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale, derivative financial instruments and investment properties.

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2012.

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

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2012, except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (as amended by IASB in May 2011)
MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 Consolidated and Separate Financial Statements revised by IASB in December 2003)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Government Loans (Amendments to MFRS 1)	
Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)	
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)	

The adoption of MFRS 119 has affected the way in which the Group and the Bank account for employee benefits, in particular with respect to post-employment benefits under its defined benefit plan. The financial effects of the adoption of MFRS 119 are discussed in Note A30 Changes in Accounting Policies.

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A1. Basis of Preparation (Continued)

IC Interpretation 20 is not applicable to the Group and the Bank as it is not relevant to the Group's operations. Government Loans (Amendments to MFRS 1) has no financial impact to the Group and the Bank as the Group and the Bank do not hold any government grants or receive any government assistance.

The adoption of all the other MFRSs and amendments to MFRSs did not have any financial impact to the Group and the Bank.

With effect from 1 January 2013, the Group and the Bank have adopted the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) ("the Framework") issued on 28 November 2012. This Framework outlines the general requirements on regulatory capital adequacy ratios, the components of eligible regulatory capital as well as the levels of those ratios at which banking institutions are required to operate. The Framework has been developed based on internationally-agreed standards on capital adequacy promulgated by the Basel Committee on Banking Supervision. Under the Framework, the minimum capital adequacy ratios are progressively increased from 1 January 2013 to 1 January 2019, and includes a phased introduction of a new capital conservation buffer of 2.5%. Additional capital requirements, including a new counter-cyclical buffer ranging from 0% to 2.5% will be detailed out at a later stage.

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

Effective for annual periods commencing on or after 1 January 2014

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

Investment Entities (Amendments to MFRS 10, MFRS 12 and MFRS 127)

Effective for annual periods commencing on or after 1 January 2015

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

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

Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009), MFRS 9 (IFRS 9 issued by IASB in October 2010) and MFRS 7)

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

The adoption of Amendments to MFRS 132 is not expected to have any financial impact to the Group and the Bank as the current practice for offsetting arrangements remained unchanged. The adoption of Amendments to MFRS 10, MFRS 12 and MFRS 127 is not expected to have any financial impact to the Group as the Bank is not an investment entity as defined in MFRS 10.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 was not qualified.

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A3. Comments about Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the 1st quarter ended 31 March 2013.

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the 1st quarter ended 31 March 2013.

A5. Changes in Estimates

Other than as disclosed in Note A30 Changes in Accounting Policies, there were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 1st quarter ended 31 March 2013.

A6. Debt and Equity Securities

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Bank in the 1st quarter ended 31 March 2013.

A7. Dividends Paid and Distributed

During the financial quarter ended 31 March 2013, a second interim single tier dividend of 30% in respect of the financial year ended 31 December 2012, amounting to RM1,050,637,539 was paid on 5 March 2013.

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A8. Financial Assets Held-for-trading

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	23,864	68,286	23,864	68,286
Malaysian Government Securities	321,904	141,362	321,904	141,362
Malaysian Government Investment Certificates	331,493	193,352	331,493	193,352
Bank Negara Malaysia Monetary Notes	2,793,923	3,424,343	1,098,236	1,906,237
Bank Negara Malaysia Bills	-	149,736	-	-
	<u>3,471,184</u>	<u>3,977,079</u>	<u>1,775,497</u>	<u>2,309,237</u>
Money market instruments:				
Negotiable instruments of deposit	<u>11,565,895</u>	11,836,221	<u>9,683,770</u>	10,715,460
Non-money market instruments:				
Equity securities:				
- Quoted shares in Malaysia	872	879	872	879
Debt securities:				
- Unquoted private debt securities	1,010,884	802,956	876,062	573,468
	<u>1,011,756</u>	<u>803,835</u>	<u>876,934</u>	<u>574,347</u>
Total financial assets held-for-trading	<u>16,048,835</u>	<u>16,617,135</u>	<u>12,336,201</u>	<u>13,599,044</u>

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A9. Financial Investments Available-for-sale

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	1,010,870	845,916	1,010,870	845,916
Malaysian Government Securities	495,190	491,355	495,190	491,355
Malaysian Government Investment Certificates	1,192,453	1,389,493	642,790	836,162
Bank Negara Malaysia Monetary Notes	6,801,820	7,341,239	6,801,820	7,341,239
	<u>9,500,333</u>	<u>10,068,003</u>	<u>8,950,670</u>	<u>9,514,672</u>
Non-money market instruments:				
Equity securities #:				
- Quoted shares and convertible loan stocks in Malaysia	28,413	36,210	28,413	36,210
- Quoted shares and convertible loan stocks outside Malaysia	11,165	10,984	-	-
- Unquoted shares	108,636	108,383	104,843	104,614
Debt securities:				
- Unquoted private debt securities	2,009,355	2,014,665	1,552,506	1,554,903
Unit trust funds	4,997,839	4,962,875	4,440,988	4,409,845
	<u>7,155,408</u>	<u>7,133,117</u>	<u>6,126,750</u>	<u>6,105,572</u>
Total financial investments available-for-sale	<u>16,655,741</u>	<u>17,201,120</u>	<u>15,077,420</u>	<u>15,620,244</u>

Stated at cost, net of impairment loss.

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A10. Financial Investments Held-to-maturity

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	29,318	-	-	-
Malaysian Government Securities	1,096,772	1,139,827	1,076,571	1,089,201
Malaysian Government Investment Certificates	1,620,776	1,739,184	1,620,776	1,739,184
Foreign Government Treasury Bills	752,896	727,307	77,737	58,285
	<u>3,499,762</u>	<u>3,606,318</u>	<u>2,775,084</u>	<u>2,886,670</u>
Money market instruments:				
Negotiable instruments of deposit	1,690,464	1,717,161	1,486,475	1,472,807
Bankers' acceptances and Islamic accepted bills	358,694	299,437	14,539	-
	<u>2,049,158</u>	<u>2,016,598</u>	<u>1,501,014</u>	<u>1,472,807</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds	5,001	5,059	5,001	5,059
- Unquoted private debt securities	897,393	629,951	146,116	144,933
	<u>902,394</u>	<u>635,010</u>	<u>151,117</u>	<u>149,992</u>
Accumulated impairment losses	(155)	(155)	(155)	(155)
Total financial investments held-to-maturity	<u>6,451,159</u>	<u>6,257,771</u>	<u>4,427,060</u>	<u>4,509,314</u>

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A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
	At amortised cost			
Overdrafts	9,349,473	9,528,841	8,179,120	8,291,756
Term loans				
- Housing loans / financing	62,092,681	59,867,383	54,418,434	52,536,395
- Syndicated term loan / financing	2,565,293	1,974,334	1,498,776	881,720
- Hire purchase receivables	42,831,075	42,021,461	30,970,428	30,138,506
- Other term loans / financing	76,424,090	73,633,407	64,306,143	61,665,524
Credit card receivables	1,560,189	1,604,211	1,550,905	1,594,106
Bills receivables	105,917	130,609	102,202	97,980
Trust receipts	289,892	324,142	254,223	278,177
Claims on customers under acceptance credits	3,902,951	4,020,397	3,889,813	4,007,132
Revolving credits	3,266,738	3,464,140	3,300,552	3,505,412
Staff loans *	1,237,178	1,214,239	1,163,836	1,141,458
Gross loans, advances and financing	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>
Allowance for impaired loans and financing:				
- collective assessment allowance	(1,542,700)	(1,529,566)	(1,053,556)	(1,059,484)
- individual assessment allowance	(162,933)	(201,995)	(90,992)	(110,074)
Net loans, advances and financing	<u>201,919,844</u>	<u>196,051,603</u>	<u>168,489,884</u>	<u>162,968,608</u>

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM3,708,000 (2012: RM3,785,000) and RM3,252,000 (2012 - RM3,313,000) respectively.

A11a. By class

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
	Retail loans / financing *			
- Housing loans / financing	62,092,681	59,867,383	54,418,434	52,536,395
- Hire purchase	42,831,075	42,021,461	30,970,428	30,138,506
- Credit cards	1,560,189	1,604,211	1,550,905	1,594,106
- Other loans / financing ^	68,172,736	66,421,547	59,082,192	57,307,670
	<u>174,656,681</u>	<u>169,914,602</u>	<u>146,021,959</u>	<u>141,576,677</u>
Corporate loans / financing	28,968,796	27,868,562	23,612,473	22,561,489
	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>

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

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

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A11. Loans, Advances and Financing (continued)

A11b. By type of customer

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Banking institutions	577,651	572,034	401,548	397,658
Non-bank financial institutions				
- Stock-broking companies	13,744	14,202	13,744	14,202
- Others	5,558,571	5,676,475	5,317,079	5,434,225
Business enterprises				
- Small and medium enterprises	40,920,006	38,966,081	37,089,459	35,195,448
- Others	24,306,457	24,147,664	19,902,763	19,727,188
Government and statutory bodies	344,271	341,178	19,282	19,300
Individuals	129,528,056	126,071,304	104,654,146	101,473,775
Other entities	43,024	42,618	40,157	39,740
Foreign entities	2,333,697	1,951,608	2,196,254	1,836,630
	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>

A11c. By interest / profit rate sensitivity

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Fixed rate				
- Housing loans / financing	1,112,904	1,200,815	390,905	461,400
- Hire purchase receivables	41,260,795	40,487,636	30,960,649	30,128,935
- Other fixed rate loans / financing	15,130,465	15,447,863	8,059,125	8,170,545
Variable rate				
- Base lending rate plus	117,771,080	113,302,637	111,540,101	107,615,616
- Cost plus	18,776,333	17,881,772	17,994,258	17,123,260
- Other variable rates	9,573,900	9,462,441	689,394	638,410
	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>

A11d. By residual contractual maturity

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Maturity within one year	27,576,527	26,478,852	23,158,242	22,175,219
More than one year to three years	22,312,839	22,671,399	18,283,137	18,602,463
More than three years to five years	19,272,626	18,899,528	14,993,403	14,547,090
More than five years	134,463,485	129,733,385	113,199,650	108,813,394
	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>

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A11. Loans, Advances and Financing (continued)

A11e. By geographical distribution

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Malaysia	190,331,609	184,541,775	169,197,063	163,752,137
Hong Kong SAR and the People's Republic of China	10,794,771	10,778,263	-	-
Cambodia	2,061,728	2,077,097	-	-
Other countries	437,369	386,029	437,369	386,029
	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>

A11f. Gross loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Purchase of securities	5,037,188	4,126,999	4,958,827	4,050,091
Purchase of transport vehicles	43,065,173	42,238,571	31,190,684	30,344,330
Purchase of landed properties	112,538,820	108,286,165	100,384,865	96,520,395
(of which: - residential	63,423,782	61,130,701	55,773,077	53,826,198
- non-residential)	49,115,038	47,155,464	44,611,788	42,694,197
Purchase of fixed assets (excluding landed properties)	277,213	298,551	247,054	258,721
Personal use	9,187,745	9,318,142	4,270,803	4,270,035
Credit card	1,560,189	1,604,211	1,550,905	1,594,106
Purchase of consumer durables	16,593	16,746	13,096	13,103
Construction	2,539,973	2,493,576	1,927,138	1,911,728
Mergers and acquisitions	219,505	220,006	219,505	220,006
Working capital	25,483,853	25,325,719	21,434,859	21,365,295
Other purpose	3,699,225	3,854,478	3,436,696	3,590,356
	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>

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A11. Loans, Advances and Financing (continued)

A11g. Gross loans, advances and financing by sectors

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Agriculture, hunting, forestry and fishing	2,735,936	2,690,193	2,462,818	2,422,271
Mining and quarrying	173,879	158,556	149,678	138,374
Manufacturing	8,461,691	8,149,499	7,590,897	7,316,331
Electricity, gas and water	24,223	38,083	15,178	14,898
Construction	6,172,443	6,039,106	5,287,149	5,174,150
Wholesale & retail trade and restaurants & hotels	17,861,769	17,304,919	16,337,121	15,819,202
Transport, storage and communication	3,221,493	3,182,098	2,453,291	2,434,007
Finance, insurance and business services	12,110,944	11,325,402	10,825,587	10,077,315
Real estate	18,320,338	17,850,585	15,429,454	14,926,521
Community, social and personal services	4,033,831	3,947,054	3,622,870	3,542,013
Households	129,784,294	126,342,848	105,321,094	102,115,314
Others	724,636	754,821	139,295	157,770
	<u>203,625,477</u>	<u>197,783,164</u>	<u>169,634,432</u>	<u>164,138,166</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Bankers' acceptances rediscounted	<u>2,439,408</u>	<u>2,306,869</u>	<u>2,438,505</u>	<u>2,305,913</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At 1 January	1,374,086	1,529,657	1,014,660	1,150,234
Impaired during the period / year	699,088	2,575,901	499,132	1,881,155
Reclassified as non-impaired	(486,681)	(1,924,842)	(399,756)	(1,571,125)
Recoveries	(54,218)	(299,087)	(40,433)	(234,953)
Amount written off	(154,921)	(475,296)	(66,841)	(185,974)
Loans converted to foreclosed properties / investments	(1,837)	(24,759)	(1,693)	(24,502)
Exchange differences	1,630	(7,488)	(102)	(175)
Closing balance	<u>1,377,147</u>	<u>1,374,086</u>	<u>1,004,967</u>	<u>1,014,660</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.68%</u>	<u>0.69%</u>	<u>0.59%</u>	<u>0.62%</u>

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A11. Loans, Advances and Financing (continued)

A11j. Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Malaysia	1,193,318	1,212,622	999,530	1,012,355
Hong Kong SAR and the People's Republic of China	139,329	96,054	-	-
Cambodia	39,063	63,105	-	-
Other countries	5,437	2,305	5,437	2,305
	<u>1,377,147</u>	<u>1,374,086</u>	<u>1,004,967</u>	<u>1,014,660</u>

A11k. Impaired loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Purchase of securities	5,496	5,852	5,492	5,848
Purchase of transport vehicles	271,902	263,313	196,642	189,226
Purchase of landed properties	624,023	591,758	497,180	497,871
(of which: - residential	413,811	420,286	365,839	371,040
- non-residential)	210,212	171,472	131,341	126,831
Purchase of fixed assets (excluding landed properties)	6,152	6,168	5,903	6,049
Personal use	160,607	165,205	48,487	47,086
Credit card	22,369	23,421	22,275	23,309
Purchase of consumer durables	45	377	11	309
Construction	13,870	14,109	13,546	13,369
Working capital	254,013	283,886	196,806	211,641
Other purpose	18,670	19,997	18,625	19,952
	<u>1,377,147</u>	<u>1,374,086</u>	<u>1,004,967</u>	<u>1,014,660</u>

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A11. Loans, Advances and Financing (continued)

A11l. Impaired loans, advances and financing by sectors

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Agriculture, hunting, forestry and fishing	16,781	11,772	3,141	4,422
Mining and quarrying	95	132	60	97
Manufacturing	131,578	130,029	119,398	117,907
Electricity, gas and water	1,217	1,205	-	-
Construction	44,826	68,336	43,827	66,813
Wholesale & retail trade and restaurants & hotels	107,184	117,113	90,040	86,462
Transport, storage and communication	49,788	54,959	47,506	47,954
Finance, insurance and business services	36,061	44,217	21,714	21,186
Real estate	97,760	61,688	30,292	30,388
Community, social and personal services	16,665	16,091	16,517	15,980
Households	868,924	867,416	631,559	622,571
Others	6,268	1,128	913	880
	<u>1,377,147</u>	<u>1,374,086</u>	<u>1,004,967</u>	<u>1,014,660</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
<u>Collective Assessment Allowance</u>				
At 1 January	1,529,566	1,496,044	1,059,484	1,038,212
Allowance made during the period / year	69,769	279,199	35,917	187,119
Amount written off	(57,026)	(243,996)	(41,909)	(165,574)
Exchange differences	391	(1,681)	64	(273)
Closing balance	<u>1,542,700</u>	<u>1,529,566</u>	<u>1,053,556</u>	<u>1,059,484</u>

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
<u>Individual Assessment Allowance</u>				
At 1 January	201,995	245,196	110,074	134,748
Allowance made during the period / year	61,657	246,919	7,178	27,173
Amount written back in respect of recoveries	(3,757)	(52,054)	(1,328)	(30,043)
Amount written off	(97,895)	(231,300)	(24,932)	(20,400)
Amount transferred to allowance for impairment loss on foreclosed properties	-	(1,404)	-	(1,404)
Exchange differences	933	(5,362)	-	-
Closing balance	<u>162,933</u>	<u>201,995</u>	<u>90,992</u>	<u>110,074</u>

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A12. Other Assets

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)
Deferred handling fees	238,502	236,571	177,348	173,995
Interest / Income receivable	27,263	32,942	9,897	20,560
Other receivables, deposits and prepayments	1,238,131	1,283,277	1,130,998	1,156,749
Manager's stocks	76,257	67,652	-	-
Employee benefits	179,593	199,079	173,380	192,251
Amount due from trust funds	136,963	97,891	-	-
Foreclosed properties	76,754	82,673	74,836	80,522
Taxi licenses	1,065	1,056	-	-
Outstanding contracts on clients' accounts	238,148	204,857	-	-
Amount due from subsidiary companies	-	-	44,980	45,248
Dividend receivable from subsidiary companies	-	-	241,100	429,647
	<u>2,212,676</u>	<u>2,205,998</u>	<u>1,852,539</u>	<u>2,098,972</u>

A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	33,783,836	32,632,541	29,169,936	28,643,745
- Savings deposits	24,716,033	23,726,493	17,511,091	16,843,952
- Fixed deposits	124,797,746	120,675,603	97,740,675	93,931,585
	<u>183,297,615</u>	<u>177,034,637</u>	<u>144,421,702</u>	<u>139,419,282</u>
Wholesale deposits:				
- Negotiable instruments of deposit	1,213,867	1,223,620	68,023	90,112
- Money market deposits	47,597,631	46,593,137	42,694,161	41,991,233
	<u>48,811,498</u>	<u>47,816,757</u>	<u>42,762,184</u>	<u>42,081,345</u>
Other deposits	176,945	190,931	175,762	187,817
	<u>232,286,058</u>	<u>225,042,325</u>	<u>187,359,648</u>	<u>181,688,444</u>

b) By type of customer

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Federal and state governments	1,665,351	1,617,446	207,178	162,506
Local government and statutory authorities	3,091,278	3,154,490	2,055,991	2,041,839
Business enterprises	67,331,515	64,959,217	55,075,508	52,239,124
Individuals	104,852,469	102,008,645	90,979,077	88,167,268
Foreign customers	4,522,073	4,444,181	4,013,023	3,840,822
Others	50,823,372	48,858,346	35,028,871	35,236,885
	<u>232,286,058</u>	<u>225,042,325</u>	<u>187,359,648</u>	<u>181,688,444</u>

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A13. Deposits from Customers (continued)

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Due within six months	152,666,281	151,771,362	121,908,160	121,861,534
More than six months to one year	20,683,311	16,345,923	18,461,910	14,023,613
More than one year to three years	254,047	367,778	129,017	122,377
More than three years to five years	5,605	7,297	3,772	5,406
	<u>173,609,244</u>	<u>168,492,360</u>	<u>140,502,859</u>	<u>136,012,930</u>

A14. Deposits from Banks

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At amortised cost				
Licensed banks	5,104,334	3,080,562	3,712,113	2,168,377
Licensed Islamic banks	2,184,452	1,428,121	1,338,852	808,850
Licensed investment banks	3,668,493	3,573,682	3,892,947	3,435,195
Bank Negara Malaysia	2,660,534	2,602,861	2,659,579	2,602,861
Other financial institutions	3,967,360	2,164,087	6,612,982	5,393,495
	<u>17,585,173</u>	<u>12,849,313</u>	<u>18,216,473</u>	<u>14,408,778</u>

A15. Other Liabilities

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)
Interest / Income payable	1,047,334	1,102,170	869,175	935,099
Other payables and accruals	2,434,189	2,120,839	1,759,310	1,565,466
Amount due to trust funds	129,377	46,656	-	-
Unprocessed sales and / or redemptions	59,655	127,505	-	-
Profit Equalisation Reserve of the investment account holder	-	265	-	-
Finance lease liabilities	52,275	60,723	52,275	60,723
Outstanding contracts on clients' accounts	233,474	199,195	-	-
Dividend payable to shareholders	8,677	12,896	8,677	2,461
Amount due to subsidiary companies	-	-	15,976	15,139
	<u>3,964,981</u>	<u>3,670,249</u>	<u>2,705,413</u>	<u>2,578,888</u>

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A16. Interest Income

	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<u>Group</u>				
Loans and advances	2,308,415	2,114,172	2,308,415	2,114,172
Balances with banks	170,701	117,382	170,701	117,382
Financial investments available-for-sale	75,179	67,575	75,179	67,575
Financial investments held-to-maturity	56,689	79,505	56,689	79,505
Others	30,057	23,086	30,057	23,086
	<u>2,641,041</u>	<u>2,401,720</u>	<u>2,641,041</u>	<u>2,401,720</u>
Financial assets held-for-trading	101,130	81,163	101,130	81,163
	<u>2,742,171</u>	<u>2,482,883</u>	<u>2,742,171</u>	<u>2,482,883</u>

Of which:

Interest income earned on impaired loans
and advances

<u>12,570</u>	<u>13,052</u>	<u>12,570</u>	<u>13,052</u>
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	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<u>Bank</u>				
Loans and advances	2,104,448	1,919,335	2,104,448	1,919,335
Balances with banks	160,867	113,063	160,867	113,063
Financial investments available-for-sale	73,474	64,595	73,474	64,595
Financial investments held-to-maturity	40,932	59,097	40,932	59,097
Others	30,053	23,083	30,053	23,083
	<u>2,409,774</u>	<u>2,179,173</u>	<u>2,409,774</u>	<u>2,179,173</u>
Financial assets held-for-trading	92,394	76,586	92,394	76,586
	<u>2,502,168</u>	<u>2,255,759</u>	<u>2,502,168</u>	<u>2,255,759</u>

Of which:

Interest income earned on impaired loans
and advances

<u>11,507</u>	<u>12,597</u>	<u>11,507</u>	<u>12,597</u>
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A17. Interest Expense

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits from banks	90,558	46,070	90,558	46,070
Deposits from customers	1,205,840	1,066,660	1,205,840	1,066,660
Loans sold to Cagamas	13	122	13	122
Debt securities issued and other borrowed funds	94,316	100,285	94,316	100,285
Others	1,706	2,139	1,706	2,139
	<u>1,392,433</u>	<u>1,215,276</u>	<u>1,392,433</u>	<u>1,215,276</u>

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits from banks	84,215	41,085	84,215	41,085
Deposits from customers	1,161,013	1,018,484	1,161,013	1,018,484
Loans sold to Cagamas	13	122	13	122
Debt securities issued and other borrowed funds	90,943	96,916	90,943	96,916
Others	1,660	2,063	1,660	2,063
	<u>1,337,844</u>	<u>1,158,670</u>	<u>1,337,844</u>	<u>1,158,670</u>

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A18. Net Fee and Commission Income

	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Group				
Fee and commission income:				
Commissions	89,555	81,704	89,555	81,704
Service charges and fees	67,800	65,621	67,800	65,621
Guarantee fees	6,736	6,770	6,736	6,770
Processing fees	3,510	3,359	3,510	3,359
Commitment fees	16,275	15,015	16,275	15,015
Unit trust management fees	161,948	144,825	161,948	144,825
Fee on sale of trust units	71,846	65,404	71,846	65,404
Net brokerage and commissions from stockbroking activities	17,615	24,525	17,615	24,525
Other fee and commission income	10,687	11,148	10,687	11,148
	<u>445,972</u>	<u>418,371</u>	<u>445,972</u>	<u>418,371</u>
Fee and commission expense:				
Loan related fee	(60,290)	(53,018)	(60,290)	(53,018)
Unit trust agency fee	(78,015)	(75,735)	(78,015)	(75,735)
Other fee and commission expense	(4,444)	(5,668)	(4,444)	(5,668)
	<u>(142,749)</u>	<u>(134,421)</u>	<u>(142,749)</u>	<u>(134,421)</u>
Net fee and commission income	<u>303,223</u>	<u>283,950</u>	<u>303,223</u>	<u>283,950</u>
	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Bank				
Fee and commission income:				
Commissions	106,870	92,894	106,870	92,894
Service charges and fees	50,926	48,408	50,926	48,408
Guarantee fees	5,996	6,005	5,996	6,005
Processing fees	987	647	987	647
Commitment fees	15,566	14,317	15,566	14,317
Other fee and commission income	8,357	8,737	8,357	8,737
	<u>188,702</u>	<u>171,008</u>	<u>188,702</u>	<u>171,008</u>
Fee and commission expense:				
Loan related fee	(59,384)	(52,164)	(59,384)	(52,164)
Other fee and commission expense	(2,912)	(3,202)	(2,912)	(3,202)
	<u>(62,296)</u>	<u>(55,366)</u>	<u>(62,296)</u>	<u>(55,366)</u>
Net fee and commission income	<u>126,406</u>	<u>115,642</u>	<u>126,406</u>	<u>115,642</u>

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A19. Net Gains and Losses on Financial Instruments

	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<u>Group</u>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	3,268	1,613	3,268	1,613
- gross dividend income	-	8	-	8
- unrealised revaluation loss	(3,254)	(4,244)	(3,254)	(4,244)
	<u>14</u>	<u>(2,623)</u>	<u>14</u>	<u>(2,623)</u>
Net gain arising on trading derivatives				
- net gain on disposal	128	140	128	140
- unrealised revaluation gain	2,853	3,239	2,853	3,239
	<u>2,981</u>	<u>3,379</u>	<u>2,981</u>	<u>3,379</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	4,193	106	4,193	106
- gross dividend income	36,246	33,553	36,246	33,553
	<u>40,439</u>	<u>33,659</u>	<u>40,439</u>	<u>33,659</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(353)	(1,060)	(353)	(1,060)
- cash flow hedge	3	22	3	22
	<u>(350)</u>	<u>(1,038)</u>	<u>(350)</u>	<u>(1,038)</u>
Net gains and losses on financial instruments	<u>43,084</u>	<u>33,377</u>	<u>43,084</u>	<u>33,377</u>
	1st Quarter Ended	31 March	31 March	31 March
	31 March	2013	2012	2013
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	3,268	1,598	3,268	1,598
- gross dividend income	-	8	-	8
- unrealised revaluation loss	(3,223)	(4,508)	(3,223)	(4,508)
	<u>45</u>	<u>(2,902)</u>	<u>45</u>	<u>(2,902)</u>
Net gain arising on trading derivatives				
- net gain on disposal	128	140	128	140
- unrealised revaluation gain	2,877	6,657	2,877	6,657
	<u>3,005</u>	<u>6,797</u>	<u>3,005</u>	<u>6,797</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	4,193	106	4,193	106
- gross dividend income	34,635	32,573	34,635	32,573
	<u>38,828</u>	<u>32,679</u>	<u>38,828</u>	<u>32,679</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(267)	(508)	(267)	(508)
- cash flow hedge	3	22	3	22
	<u>(264)</u>	<u>(486)</u>	<u>(264)</u>	<u>(486)</u>
Net gains and losses on financial instruments	<u>41,614</u>	<u>36,088</u>	<u>41,614</u>	<u>36,088</u>

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A20. Other Operating Income

	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<u>Group</u>				
Other income:				
Foreign exchange profit	58,118	58,694	58,118	58,694
Rental income from:				
- investment properties	1,404	1,310	1,404	1,310
- other properties	3,423	3,336	3,423	3,336
Net gain / (loss) on disposal of property and equipment	300	(667)	300	(667)
Net gain / (loss) on disposal of foreclosed properties	4,047	(610)	4,047	(610)
Others	9,603	9,987	9,603	9,987
Total other operating income	<u>76,895</u>	<u>72,050</u>	<u>76,895</u>	<u>72,050</u>
	1st Quarter Ended	31 March	Three Months Ended	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Gross dividend income from:				
- subsidiary companies				
- unquoted in Malaysia	<u>185,895</u>	261,800	<u>185,895</u>	261,800
Other income:				
Foreign exchange profit	49,758	87,999	49,758	87,999
Rental income from other properties	2,624	2,602	2,624	2,602
Net gain / (loss) on disposal of property and equipment	297	(679)	297	(679)
Net gain / (loss) on disposal of foreclosed properties	4,047	(610)	4,047	(610)
Others	6,438	7,292	6,438	7,292
	<u>63,164</u>	96,604	<u>63,164</u>	96,604
Total other operating income	<u>249,059</u>	<u>358,404</u>	<u>249,059</u>	<u>358,404</u>

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A21. Other Operating Expenses

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Personnel costs				
- Salaries, allowances and bonuses	362,839	325,092	362,839	325,092
- Pension costs	51,164	51,497	51,164	51,497
- Others	29,987	29,944	29,987	29,944
	443,990	406,533	443,990	406,533
Establishment costs				
- Depreciation	41,509	42,462	41,509	42,462
- Rental	22,115	20,100	22,115	20,100
- Insurance	6,125	7,377	6,125	7,377
- Water and electricity	10,249	10,345	10,249	10,345
- General repairs and maintenance	15,508	18,213	15,508	18,213
- Information technology expenses	7,030	6,796	7,030	6,796
- Others	10,432	9,198	10,432	9,198
	112,968	114,491	112,968	114,491
Marketing expenses				
- Advertisement and publicity	16,278	19,368	16,278	19,368
- Others	21,046	22,005	21,046	22,005
	37,324	41,373	37,324	41,373
Administration and general expenses				
- Communication expenses	10,318	9,127	10,318	9,127
- Legal and professional fees	8,871	10,467	8,871	10,467
- Others	18,283	25,610	18,283	25,610
	37,472	45,204	37,472	45,204
Total other operating expenses	631,754	607,601	631,754	607,601

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A21. Other Operating Expenses (continued)

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Personnel costs				
- Salaries, allowances and bonuses	286,934	264,472	286,934	264,472
- Pension costs	55,098	45,982	55,098	45,982
- Others	26,017	25,990	26,017	25,990
	<u>368,049</u>	<u>336,444</u>	<u>368,049</u>	<u>336,444</u>
Establishment costs				
- Depreciation	33,744	34,451	33,744	34,451
- Rental	20,825	19,500	20,825	19,500
- Insurance	4,513	5,484	4,513	5,484
- Water and electricity	7,890	7,622	7,890	7,622
- General repairs and maintenance	13,255	16,144	13,255	16,144
- Information technology expenses	3,714	3,760	3,714	3,760
- Others	7,904	6,761	7,904	6,761
	<u>91,845</u>	<u>93,722</u>	<u>91,845</u>	<u>93,722</u>
Marketing expenses				
- Advertisement and publicity	6,078	6,163	6,078	6,163
- Others	10,218	11,549	10,218	11,549
	<u>16,296</u>	<u>17,712</u>	<u>16,296</u>	<u>17,712</u>
Administration and general expenses				
- Communication expenses	8,302	7,797	8,302	7,797
- Legal and professional fees	6,584	8,426	6,584	8,426
- Others	10,021	8,043	10,021	8,043
	<u>24,907</u>	<u>24,266</u>	<u>24,907</u>	<u>24,266</u>
Shared service cost charged to Public Islamic Bank Berhad	(55,766)	(52,064)	(55,766)	(52,064)
Total other operating expenses	<u>445,331</u>	<u>420,080</u>	<u>445,331</u>	<u>420,080</u>

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A22. Allowance for Impairment on Loans, Advances and Financing

	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<u>Group</u>				
Allowance for impaired loans and financing:				
Collective assessment allowance	69,769	40,105	69,769	40,105
Individual assessment allowance	57,900	38,675	57,900	38,675
Writeback of bad debts from				
stockbroking activities	(9)	(44)	(9)	(44)
Impaired loans and financing written off	189	195	189	195
Impaired loans and financing recovered	(46,459)	(48,918)	(46,459)	(48,918)
	81,390	30,013	81,390	30,013
	1st Quarter Ended	31 March	Three Months Ended	31 March
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<u>Bank</u>				
Allowance / (writeback of allowance)				
for impaired loans:				
Collective assessment allowance	35,917	19,836	35,917	19,836
Individual assessment allowance	5,850	(1,608)	5,850	(1,608)
Impaired loans written off	156	141	156	141
Impaired loans recovered	(25,815)	(29,943)	(25,815)	(29,943)
	16,108	(11,574)	16,108	(11,574)

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A23. Segment Information

	----- Operating Segments -----							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
1st Quarter Ended 31 March 2013												
External revenue	578,804	1,752,216	257,258	449,626	44,757	233,989	1,231	92,371	3,410,252	262,962	-	3,673,214
Revenue from other segments	-	257,696	2,864	210,913	2,269	3,091	7,273	338,217	822,323	1,019	(823,342)	-
	<u>578,804</u>	<u>2,009,912</u>	<u>260,122</u>	<u>660,539</u>	<u>47,026</u>	<u>237,080</u>	<u>8,504</u>	<u>430,588</u>	<u>4,232,575</u>	<u>263,981</u>	<u>(823,342)</u>	<u>3,673,214</u>
Net interest income and												
Islamic banking income	241,410	976,315	68,669	31,287	3,831	3,286	(1,905)	59,699	1,382,592	174,415	-	1,557,007
Other income	732	128,189	13,478	55,022	11,362	136,199	8,452	49,098	402,532	37,121	(16,451)	423,202
Net income	<u>242,142</u>	<u>1,104,504</u>	<u>82,147</u>	<u>86,309</u>	<u>15,193</u>	<u>139,485</u>	<u>6,547</u>	<u>108,797</u>	<u>1,785,124</u>	<u>211,536</u>	<u>(16,451)</u>	<u>1,980,209</u>
Other operating expenses (Allowance) / writeback of	(56,756)	(333,547)	(2,546)	(5,371)	(7,651)	(43,184)	(3,502)	(104,948)	(557,505)	(90,700)	16,451	(631,754)
allowance for impairment on												
loans, advances and financing	(50,728)	7,374	1,175	-	(60)	-	-	-	(42,239)	(39,151)	-	(81,390)
Impairment on other assets	-	1,330	-	-	-	-	-	-	1,330	-	-	1,330
Profit by segments	<u>134,658</u>	<u>779,661</u>	<u>80,776</u>	<u>80,938</u>	<u>7,482</u>	<u>96,301</u>	<u>3,045</u>	<u>3,849</u>	<u>1,186,710</u>	<u>81,685</u>	<u>-</u>	<u>1,268,395</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(400)	1,981		1,581
Profit before tax expense and zakat									<u>1,186,310</u>	<u>83,666</u>		<u>1,269,976</u>
Cost income ratio	23.4%	30.2%	3.1%	6.2%	50.4%	31.0%	53.5%	96.5%	31.2%	42.9%		31.9%
Gross loans	41,214,833	124,361,646	24,374,746	-	326,329	51,978	2,077	-	190,331,609	13,293,868		203,625,477
Loan growth	1.9%	3.3%	4.6%	-	4.1%	0.8%	6.3%	-	3.1%	0.4%		3.0%
Impaired loans, advances and financing	249,209	852,699	91,410	-	-	-	-	-	1,193,318	183,829		1,377,147
Impaired loan ratio	0.6%	0.7%	0.4%	-	-	-	-	-	0.6%	1.4%		0.7%
Deposits from customers	-	161,183,130	210,730	52,960,430	3,340,169	-	-	-	217,694,459	14,591,599		232,286,058
Deposit growth	-	4.9%	-34.4%	-1.4%	11.4%	-	-	-	3.3%	1.6%		3.2%
Segment assets	<u>41,011,787</u>	<u>167,989,341</u>	<u>24,303,678</u>	<u>72,995,393</u>	<u>4,186,212</u>	<u>351,131</u>	<u>311,699</u>	<u>21,349,863</u>	<u>332,499,104</u>	<u>19,692,940</u>	<u>(68,445,139)</u>	<u>283,746,905</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									36,921	116,990		153,911
Unallocated assets									1,174,046	-		1,174,046
Intangible assets									769,251	1,166,809		1,936,060
Total assets									<u>334,479,322</u>	<u>20,976,739</u>		<u>287,010,922</u>

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A23. Segment Information (continued)

1st Quarter Ended 31 March 2012 (Restated)	-----<----- Operating Segments ----->-----							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
External revenue	555,124	1,609,580	225,168	397,465	46,619	210,417	1,166	80,677	3,126,216	247,234	-	3,373,450
Revenue from other segments	-	237,762	3,563	167,116	12,750	3,086	7,278	422,402	853,957	838	(854,795)	-
	<u>555,124</u>	<u>1,847,342</u>	<u>228,731</u>	<u>564,581</u>	<u>59,369</u>	<u>213,503</u>	<u>8,444</u>	<u>503,079</u>	<u>3,980,173</u>	<u>248,072</u>	<u>(854,795)</u>	<u>3,373,450</u>
Net interest income and												
Islamic banking income	253,018	935,468	62,203	25,284	3,243	3,274	(1,891)	41,452	1,322,051	157,221	-	1,479,272
Other income	1,994	114,861	7,481	56,351	18,407	122,246	8,405	45,978	375,723	30,215	(16,561)	389,377
Net income	<u>255,012</u>	<u>1,050,329</u>	<u>69,684</u>	<u>81,635</u>	<u>21,650</u>	<u>125,520</u>	<u>6,514</u>	<u>87,430</u>	<u>1,697,774</u>	<u>187,436</u>	<u>(16,561)</u>	<u>1,868,649</u>
Other operating expenses	(52,395)	(338,697)	(2,266)	(4,962)	(7,604)	(37,832)	(3,541)	(88,511)	(535,808)	(88,354)	16,561	(607,601)
(Allowance) / writeback of												
allowance for impairment on												
loans, advances and financing	(19,906)	7,791	8,164	-	263	-	-	-	(3,688)	(26,325)	-	(30,013)
Impairment on other assets	-	(521)	-	-	-	-	-	-	(521)	-	-	(521)
Profit by segments	<u>182,711</u>	<u>718,902</u>	<u>75,582</u>	<u>76,673</u>	<u>14,309</u>	<u>87,688</u>	<u>2,973</u>	<u>(1,081)</u>	<u>1,157,757</u>	<u>72,757</u>	<u>-</u>	<u>1,230,514</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(1,971)	2,855		884
Profit before tax expense and zakat									<u>1,155,786</u>	<u>75,612</u>		<u>1,231,398</u>
Cost income ratio	20.5%	32.2%	3.3%	6.1%	35.1%	30.1%	54.4%	101.2%	31.6%	47.1%		32.5%
Gross loans	37,769,138	108,706,439	22,341,137	-	241,062	48,812	2,081	-	169,108,669	12,822,881		181,931,550
Loan growth	1.8%	3.6%	2.8%	-	-5.8%	1.0%	-1.6%	-	3.1%	-5.8%		2.4%
Impaired loans, advances and financing	218,124	934,240	130,777	-	-	-	-	-	1,283,141	165,103		1,448,244
Impaired loan ratio	0.6%	0.9%	0.6%	-	-	-	-	-	0.8%	1.3%		0.8%
Deposits from customers	-	141,492,112	335,516	48,956,388	2,396,981	-	-	-	193,180,997	13,936,346		207,117,343
Deposit growth	-	5.7%	6.7%	0.3%	-29.8%	-	-	-	3.6%	0.1%		3.4%
Segment assets	<u>37,617,237</u>	<u>147,327,201</u>	<u>22,235,611</u>	<u>60,588,350</u>	<u>3,117,678</u>	<u>396,367</u>	<u>279,510</u>	<u>20,731,155</u>	<u>292,293,109</u>	<u>19,169,734</u>	<u>(59,663,773)</u>	<u>251,799,070</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									38,979	114,084		153,063
Unallocated assets									1,070,810	-		1,070,810
Intangible assets									769,251	1,158,622		1,927,873
Total assets									<u>294,172,149</u>	<u>20,442,440</u>		<u>254,950,816</u>

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

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

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

A24. Subsequent Events

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

A25. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the 1st quarter ended 31 March 2013.

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A26. Commitments and Contingencies

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

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Contingent liabilities				
Direct credit substitutes	1,539,702	1,549,134	1,173,354	1,175,058
Transaction-related contingent items	1,054,212	1,031,792	929,215	908,204
Short term self-liquidating trade-related contingencies	516,546	525,150	263,786	341,952
	3,110,460	3,106,076	2,366,355	2,425,214
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	25,596,277	24,158,799	23,337,345	22,211,606
- not exceeding one year	22,158,213	20,955,923	20,238,501	19,422,068
Unutilised credit card lines	3,830,302	3,693,110	3,724,210	3,587,921
Forward asset purchases	322,398	30,386	320,608	-
	51,907,190	48,838,218	47,620,664	45,221,595
Derivative financial instruments				
Foreign exchange related contracts:				
- less than one year	12,927,704	11,879,221	12,368,817	11,822,972
- one year to less than five years	1,391,043	1,376,100	1,391,043	1,376,100
Interest rate related contracts:				
- less than one year	1,882,000	1,552,000	1,882,000	1,552,000
- one year to less than five years	9,620,181	9,929,440	9,095,888	9,408,350
- five years and above	2,650,655	2,649,740	3,758,000	3,758,000
Commodity related contracts:				
- less than one year	1,038	206	1,038	206
Equity related contracts:				
- less than one year	74,184	73,589	74,184	73,589
- one year to less than five years	52,500	53,005	52,500	53,005
	28,599,305	27,513,301	28,623,470	28,044,222
	83,616,955	79,457,595	78,610,489	75,691,031

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A27. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 March 2013 and 31 December 2012 are as follows:

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

Group As at 31 March 2013	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,615,624	1,218	-	1,616,842	6,519	10	-	6,529	6,720	-	-	6,720
- Swaps	11,312,080	-	-	11,312,080	43,065	-	-	43,065	35,892	-	-	35,892
Equity related contracts												
- Options purchased	74,184	52,500	-	126,684	-	14,687	-	14,687	-	-	-	-
Precious metal contracts												
- Forwards	1,038	-	-	1,038	-	-	-	-	2	-	-	2
	13,002,926	53,718	-	13,056,644	49,584	14,697	-	64,281	42,614	-	-	42,614
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,560,000	2,245,481	7,168,355	10,973,836	2,251	3,999	306,320	312,570	1	104,982	13,441	118,424
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,389,825	1,389,825	-	-	-	-	-	-	58,301	58,301
Interest rate related contracts												
- Swaps	322,000	57,000	2,800,000	3,179,000	732	132	15,225	16,089	6	57	193	256
	1,882,000	2,302,481	11,358,180	15,542,661	2,983	4,131	321,545	328,659	7	105,039	71,935	176,981
Total	14,884,926	2,356,199	11,358,180	28,599,305	52,567	18,828	321,545	392,940	42,621	105,039	71,935	219,595

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2013 and 31 December 2012 are as follows (continued):

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

Group As at 31 December 2012	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,033,464	-	-	1,033,464	3,876	-	-	3,876	6,225	-	-	6,225
- Swaps	10,845,757	-	-	10,845,757	11,659	-	-	11,659	57,565	-	-	57,565
Equity related contracts												
- Options purchased	73,589	53,005	-	126,594	-	12,154	-	12,154	-	-	-	-
Precious metal contracts												
- Forwards	206	-	-	206	1	-	-	1	-	-	-	-
	<u>11,953,016</u>	<u>53,005</u>	<u>-</u>	<u>12,006,021</u>	<u>15,536</u>	<u>12,154</u>	<u>-</u>	<u>27,690</u>	<u>63,790</u>	<u>-</u>	<u>-</u>	<u>63,790</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,400,000	2,390,840	7,161,340	10,952,180	4,973	5,159	311,562	321,694	-	119,516	14,477	133,993
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,376,100	1,376,100	-	-	-	-	-	-	35,669	35,669
Interest rate related contracts												
- Swaps	152,000	227,000	2,800,000	3,179,000	1,083	215	19,783	21,081	-	112	-	112
	<u>1,552,000</u>	<u>2,617,840</u>	<u>11,337,440</u>	<u>15,507,280</u>	<u>6,056</u>	<u>5,374</u>	<u>331,345</u>	<u>342,775</u>	<u>-</u>	<u>119,628</u>	<u>50,146</u>	<u>169,774</u>
Total	<u>13,505,016</u>	<u>2,670,845</u>	<u>11,337,440</u>	<u>27,513,301</u>	<u>21,592</u>	<u>17,528</u>	<u>331,345</u>	<u>370,465</u>	<u>63,790</u>	<u>119,628</u>	<u>50,146</u>	<u>233,564</u>

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2013 and 31 December 2012 are as follows (continued):

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

Bank As at 31 March 2013	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,301,474	1,218	-	1,302,692	5,957	10	-	5,967	6,181	-	-	6,181
- Swaps	11,067,343	-	-	11,067,343	42,304	-	-	42,304	35,287	-	-	35,287
Interest rate related contracts												
- Swaps	-	18,531	-	18,531	-	-	-	-	-	1,158	-	1,158
Equity related contracts												
- Options purchased	74,184	52,500	-	126,684	-	14,687	-	14,687	-	-	-	-
Precious metal contracts												
- Forwards	1,038	-	-	1,038	-	-	-	-	2	-	-	2
	12,444,039	72,249	-	12,516,288	48,261	14,697	-	62,958	41,470	1,158	-	42,628
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,560,000	1,902,657	7,075,700	10,538,357	2,251	3,999	306,320	312,570	1	82,569	-	82,570
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,389,825	1,389,825	-	-	-	-	-	-	58,301	58,301
Interest rate related contracts												
- Swaps	322,000	57,000	3,800,000	4,179,000	732	132	10,508	11,372	6	57	8,759	8,822
	1,882,000	1,959,657	12,265,525	16,107,182	2,983	4,131	316,828	323,942	7	82,626	67,060	149,693
Total	14,326,039	2,031,906	12,265,525	28,623,470	51,244	18,828	316,828	386,900	41,477	83,784	67,060	192,321

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2013 and 31 December 2012 are as follows (continued):

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

Bank As at 31 December 2012	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	990,285	-	-	990,285	3,814	-	-	3,814	6,175	-	-	6,175
- Swaps	10,832,687	-	-	10,832,687	11,595	-	-	11,595	57,562	-	-	57,562
Interest rate related contracts												
- Swaps	-	18,348	-	18,348	-	-	-	-	-	1,360	-	1,360
Equity related contracts												
- Options purchased	73,589	53,005	-	126,594	-	12,154	-	12,154	-	-	-	-
Precious metal contracts												
- Forwards	206	-	-	206	1	-	-	1	-	-	-	-
	<u>11,896,767</u>	<u>71,353</u>	<u>-</u>	<u>11,968,120</u>	<u>15,410</u>	<u>12,154</u>	<u>-</u>	<u>27,564</u>	<u>63,737</u>	<u>1,360</u>	<u>-</u>	<u>65,097</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,400,000	2,051,402	7,069,600	10,521,002	4,973	5,159	311,562	321,694	-	94,038	-	94,038
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,376,100	1,376,100	-	-	-	-	-	-	35,669	35,669
Interest rate related contracts												
- Swaps	152,000	227,000	3,800,000	4,179,000	1,083	215	13,788	15,086	-	112	15,844	15,956
	<u>1,552,000</u>	<u>2,278,402</u>	<u>12,245,700</u>	<u>16,076,102</u>	<u>6,056</u>	<u>5,374</u>	<u>325,350</u>	<u>336,780</u>	<u>-</u>	<u>94,150</u>	<u>51,513</u>	<u>145,663</u>
Total	<u>13,448,767</u>	<u>2,349,755</u>	<u>12,245,700</u>	<u>28,044,222</u>	<u>21,466</u>	<u>17,528</u>	<u>325,350</u>	<u>364,344</u>	<u>63,737</u>	<u>95,510</u>	<u>51,513</u>	<u>210,760</u>

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A27. Derivative Financial Instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 March 2013, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM392,940,000 (2012: RM370,465,000) and RM386,900,000 (2012: RM364,344,000) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

iii) **Cash Requirements of the Derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2013, the Group and the Bank had posted cash collateral of RM6,529,000 (2012: RM21,376,000) on their derivative contracts.

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

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2012 and Pillar 3 Disclosures section of the 2012 Annual Report.

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A28. Capital Adequacy

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

	Group		Bank	
	31 March 2013	31 December 2012 (Restated)	31 March 2013	31 December 2012 (Restated)
Core equity Tier I ("CET I") capital ratio	8.2%	N/A	9.9%	N/A
Tier I capital ratio	10.1%	10.8% *	12.1%	12.9% *
Total capital ratio	13.0%	14.1% *	12.7%	13.8% *

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)
Components of CET I, Tier I and Tier II capital:				
<u>CET I capital:</u>				
Paid-up share capital	3,531,926	3,531,926	3,531,926	3,531,926
Share premium	1,073,310	1,073,310	1,073,310	1,073,310
Other reserves	4,230,802	4,218,576	3,763,839	3,750,880
Retained profits	8,224,271	9,274,909	8,052,948	9,104,376
Treasury shares	(215,572)	(215,572)	(215,572)	(215,572)
Qualifying non-controlling interests	485,725	699,864	-	-
Less: Goodwill	(1,936,060)	(1,899,875)	(695,393)	(695,393)
Less: Deferred tax assets, net	(63,993)	(64,900)	-	-
Less: Defined benefit pension fund assets	(134,695)	-	(130,211)	-
Total CET I capital	15,195,714	16,618,238	15,380,847	16,549,527
Innovative Tier I capital securities	1,630,440	1,810,317	1,630,440	1,810,317
Non-innovative Tier I stapled securities	1,879,200	2,083,146	1,879,200	2,083,146
Qualifying CET I and additional Tier I capital instruments held by third parties	40,741	-	-	-
Total Tier I capital	18,746,095	20,511,701	18,890,487	20,442,990
<u>Tier II capital</u>				
Collective assessment allowance and regulatory reserves #	1,092,902	1,038,369	618,620	691,258
Subordinated notes	4,385,700	4,870,351	4,385,700	4,870,351
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	54,322	-	-	-
Total Tier II capital	5,532,924	5,908,720	5,004,320	5,561,609
	24,279,019	26,420,421	23,894,807	26,004,599
Less: Investment in banking / insurance subsidiary companies and associated companies	(142,255)	(960)	(4,089,787)	(4,162,284)
Less: Holdings of other financial institutions' capital instruments	-	(46,834)	-	(46,834)
Total capital	24,136,764	26,372,627	19,805,020	21,795,481

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A28. Capital Adequacy (continued)

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

Excludes collective assessment allowance on impaired loans restricted from Tier II capital of the Group and the Bank of RM572,551,000 (2012: RM491,197,000) and RM435,943,000 (2012: RM369,214,000) respectively.

Includes the Group's qualifying regulatory reserves for non-impaired loans which pertain to Public Bank (Hong Kong) Limited and Public Finance Limited amounting to RM122,753,000 (2012: N/A).

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

With effect from 1 January 2013, the total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) dated 28 November 2012. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for common equity Tier I capital ratio and Tier I capital ratio are 3.5% and 4.5% respectively for year 2013. The minimum regulatory capital adequacy requirement remains at 8.0% (2012 - 8.0%) for total capital ratio.

The comparative capital adequacy ratios and total capital have been restated for effects of the adoption of MFRS 119 Employee Benefits and are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (Basel II). Please refer to Note A30 Changes in Accounting Policies for a summary of the changes.

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A28. Capital Adequacy (continued)

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

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd.³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵
31 March 2013						
CET I capital ratio	11.1%	22.0%	N/A	15.3%	27.5%	N/A
Tier I capital ratio	11.1%	22.0%	27.6%	15.3%	27.5%	N/A
Total capital ratio	11.7%	22.2%	27.6%	16.5%	28.4%	22.2%
31 December 2012 (Restated)						
CET I capital ratio	N/A	N/A	N/A	N/A	N/A	N/A
Tier I capital ratio	11.3% * #	26.4% * #	21.8%	16.4%	26.5% *	N/A
Total capital ratio	12.1% * #	26.6% * #	21.8%	16.4%	27.7% *	21.6%

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

Restated for effects of the adoption of MFRS 119.

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A28. Capital Adequacy (continued)

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

- ¹ With effect from 1 January 2013, the capital adequacy ratios are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-weighted Assets) dated 28 November 2012. Public Islamic Bank Berhad has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement for common equity Tier I capital ratio, Tier I capital ratio and total capital ratio are 3.5%, 4.5% and 8.0% respectively for year 2013. The comparative capital adequacy ratios of Public Islamic Bank Berhad are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord.
- ² With effect from 1 January 2013, the capital adequacy ratios are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) dated 28 November 2012. Public Investment Bank Berhad has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement for common equity Tier I capital ratio, Tier I capital ratio and total capital ratio are 3.5%, 4.5% and 8.0% respectively for year 2013. The comparative capital adequacy ratios of Public Investment Bank Berhad are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework, which are based on the Basel II capital accord.
- ³ The capital adequacy ratios of Public Bank (L) Ltd. for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Financial Services Authority (Labuan FSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the Tier I capital ratio and total capital ratio respectively.
- ⁴ With effect from 1 January 2013, the capital adequacy ratios of these two subsidiaries are computed in accordance with the provisions of the Banking (Amendment) Ordinance 2012 relating to Basel III capital standards and the amended Banking Capital Rules. These two subsidiary companies have adopted the Standardised Approach for Credit and Market Risk. Public Bank (Hong Kong) Limited has adopted the Basic Indicator Approach for Operational Risk and Public Finance Limited has adopted the Standardised Approach for Operational Risk. The comparative capital adequacy ratios of these two subsidiary companies are based on the Basel II capital accord.
- ⁵ The amount presented here is the Solvency Ratio of Cambodian Public Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-010-182, B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as Cambodian Public Bank Plc's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.

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A28. Capital Adequacy (continued)

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)
Credit risk	169,585,859	164,279,544	143,109,410	137,471,265
Market risk	1,821,745	1,713,076	2,611,012	2,579,721
Operational risk	13,955,131	13,733,324	10,015,051	9,915,430
	<u>185,362,735</u>	<u>179,725,944</u>	<u>155,735,473</u>	<u>149,966,416</u>

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A29. Operations of Islamic Banking

A29a. Statement of Financial Position As At 31 March 2013

	31 March 2013 RM'000	Group 31 December 2012 RM'000 (Restated)	1 January 2012 RM'000 (Restated)
ASSETS			
Cash and balances with banks	4,909,181	4,709,388	6,257,092
Financial assets held-for-trading	3,777,691	2,638,867	1,249,014
Derivative financial assets	13,283	21,839	-
Financial investments available-for-sale	994,259	994,923	1,830,720
Financial investments held-to-maturity	-	-	5,022
Financing and advances	20,467,043	20,168,110	19,224,468
Other assets	78,185	77,402	85,645
Statutory deposits with Bank Negara Malaysia	782,200	671,450	775,700
Investment in an associated company	20,000	20,000	20,000
Property and equipment	1,274	1,327	1,619
Total Assets	<u>31,043,116</u>	<u>29,303,306</u>	<u>29,449,280</u>
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	24,898,668	23,703,338	20,029,935
Deposits from banks	3,268,708	2,644,831	7,179,533
Bills and acceptances payable	768	625	334
Recourse obligations on financing sold to Cagamas	500,003	500,003	-
Other liabilities	116,184	108,897	73,120
Provision for zakat and taxation	55,506	50,188	46,512
Deferred tax liabilities	4,879	6,588	1,029
Total Liabilities	<u>28,844,716</u>	<u>27,014,470</u>	<u>27,330,463</u>
Islamic Banking Funds	<u>2,198,400</u>	<u>2,288,836</u>	<u>2,118,817</u>
Total Liabilities and Islamic Banking Funds	<u>31,043,116</u>	<u>29,303,306</u>	<u>29,449,280</u>
COMMITMENTS AND CONTINGENCIES	<u>5,030,260</u>	<u>4,642,159</u>	<u>1,910,159</u>

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A29b. Income Statements for the 1st Quarter Ended 31 March 2013

	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
<u>Group</u>				
Income derived from investment of depositors' funds and others	345,076	345,049	345,076	345,049
Income derived from investment of Islamic Banking Funds	28,496	26,143	28,496	26,143
Allowance for impairment on financing and advances	(26,183)	(1,992)	(26,183)	(1,992)
Writeback of impairment on other assets	-	8	-	8
Profit Equalisation Reserve	-	(537)	-	(537)
Total distributable income	347,389	368,671	347,389	368,671
Income attributable to the depositors and others	(166,303)	(158,990)	(166,303)	(158,990)
Total net income	181,086	209,681	181,086	209,681
Other overheads and expenditures	(62,813)	(59,249)	(62,813)	(59,249)
Profit before zakat and taxation	118,273	150,432	118,273	150,432
Zakat	(66)	(83)	(66)	(83)
Taxation	(29,210)	(37,479)	(29,210)	(37,479)
Profit for the period	88,997	112,870	88,997	112,870

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A29c. Statement of Comprehensive Income for the 1st Quarter Ended 31 March 2013

	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
<u>Group</u>				
Profit for the period	88,997	112,870	88,997	112,870
Other comprehensive income / (loss):				
Revaluation reserves:				
- Net gain on revaluation of financial investments available-for-sale	1,173	1,282	1,173	1,282
Hedging reserves:				
- Net change in cash flow hedges	(8,557)	-	(8,557)	-
Income tax relating to components of other comprehensive income / loss:				
- Revaluation reserves	(293)	(321)	(293)	(321)
- Hedging reserves	2,139	-	2,139	-
	1,846	(321)	1,846	(321)
Other comprehensive (loss) / income for the period, net of tax	(5,538)	961	(5,538)	961
Total comprehensive income for the period	83,459	113,831	83,459	113,831

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A29d. Financing and Advances

	Group	
	31 March	31 December
	2013	2012
	RM'000	RM'000
Bai Bithaman Ajil-i (deferred payment sale)	7,453,488	7,011,275
Ijarah Thamma Al-Bai'-i (leasing)	10,136,868	10,189,015
Ijarah Muntahia Bittamlik	111,443	112,326
Bai-Al-Einah-i	2,923,895	3,062,356
Musharakah Mutanaqisah	105,568	45,276
Murabahah Purchase Order	5,721	2,762
Gross financing and advances	20,736,983	20,423,010
Allowance for impairment on financing and advances:		
- collective assessment allowance	(269,940)	(254,261)
- individual assessment allowance	-	(639)
Net financing and advances	20,467,043	20,168,110

Movements in impaired financing and advances are as follows:

	Group	
	31 March	31 December
	2013	2012
	RM'000	RM'000
At 1 January	175,167	173,277
Impaired during the period / year	104,517	442,749
Reclassified as non-impaired	(83,686)	(332,199)
Recoveries	(10,270)	(29,725)
Amount written off	(15,117)	(78,678)
Financing converted to foreclosed properties	(144)	(257)
Closing balance	170,467	175,167
Impaired financing and advances as a percentage of gross financing and advances	0.82%	0.86%

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A29e. Deposits from Customers

	Group	
	31 March 2013	31 December 2012
By type of deposit	RM'000	RM'000
<u>Non-Mudharabah Fund</u>		
Current deposits-i	2,555,958	2,462,377
Savings deposits-i	4,662,996	4,568,625
General investment deposits-i	11,273,984	10,326,345
Special investment deposits-i	2,380,123	2,624,048
Negotiable instruments of deposit-i	498,843	522,400
	<u>21,371,904</u>	<u>20,503,795</u>
 <u>Mudharabah Fund</u>		
Current deposits-i	73,670	57,198
Savings deposits-i	63,907	66,681
General investment deposits-i	3,389,187	3,075,664
	<u>3,526,764</u>	<u>3,199,543</u>
	<u><u>24,898,668</u></u>	<u><u>23,703,338</u></u>

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A30. Changes in Accounting Policies

(a) Effect of adopting MFRS 119 Employee Benefits (as amended by IASB in June 2011)

The adoption of the revised MFRS 119 affected the accounting treatment of certain items such as the timing of the recognition of certain gains and losses arising from defined benefit plans and the presentation of changes in defined benefit liability or asset. The key changes to the accounting policy and financial impact to the Group and the Bank are as follows:

- Actuarial gains and losses (renamed as 'remeasurements') are recognised immediately in other comprehensive income, and are not subsequently recycled to the income statement. The corridor approach for accounting for unrecognised actuarial gains is removed.
- Past service costs, whether unvested or already vested, are recognised immediately in the income statement as incurred. Pension costs for a funded benefit plan will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. This will replace the interest cost and expected return on plan assets.

The revised MFRS 119 has resulted in changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. This change in accounting policy has been accounted for retrospectively and a summary of financial impact to the Group and the Bank on initial adoption are as follows:

	Group		Bank	
	31 December 2012 RM'000	1 January 2012 RM'000	31 December 2012 RM'000	1 January 2012 RM'000
(i) Statements of Financial Position				
<u>Other Assets - Employee Benefits</u>				
As previously stated	-	-	-	-
- Reclassification	99,723	92,709	96,303	89,528
- Effects of MFRS 119	99,356	120,672	95,948	116,533
As restated	<u>199,079</u>	<u>213,381</u>	<u>192,251</u>	<u>206,061</u>
<u>Other Liabilities - Employee Benefits</u>				
As previously stated	(99,723)	(92,709)	(96,303)	(89,528)
- Reclassification	99,723	92,709	96,303	89,528
As restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Tax Liabilities</u>				
As previously stated	47,911	55,625	32,003	51,708
- Effects of MFRS 119	24,839	30,168	23,987	29,133
As restated	<u>72,750</u>	<u>85,793</u>	<u>55,990</u>	<u>80,841</u>
<u>Retained Profits</u>				
As previously stated	9,453,647	7,276,808	8,918,940	6,852,318
- Effects of MFRS 119	(178,738)	(136,219)	(172,608)	(131,547)
As restated	<u>9,274,909</u>	<u>7,140,589</u>	<u>8,746,332</u>	<u>6,720,771</u>
<u>Other Reserves - Defined Benefit Reserves</u>				
As previously stated	-	-	-	-
Effects of MFRS 119	253,255	226,723	244,569	218,947
As restated	<u>253,255</u>	<u>226,723</u>	<u>244,569</u>	<u>218,947</u>

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A30. Changes in Accounting Policies (continued)

(a) Effect of adopting MFRS 119 Employee Benefits (as amended by IASB in June 2011) (continued)

	Group		Bank	
	1st Quarter Ended 31 March 2012 RM'000	Three Months Ended 31 March 2012 RM'000	1st Quarter Ended 31 March 2012 RM'000	Three Months Ended 31 March 2012 RM'000
(ii) Income Statements				
<u>Other Operating Expenses - Personnel Costs</u>				
<u>- Pension Costs</u>				
As previously stated	37,324	37,324	32,295	32,295
- Effects of MFRS 119	14,173	14,173	13,687	13,687
As restated	<u>51,497</u>	<u>51,497</u>	<u>45,982</u>	<u>45,982</u>
<u>Tax Expense and Zakat</u>				
As previously stated	296,857	296,857	231,697	231,697
- Effects of MFRS 119	(3,543)	(3,543)	(3,422)	(3,422)
As restated	<u>293,314</u>	<u>293,314</u>	<u>228,275</u>	<u>228,275</u>

(iii) Capital adequacy

The adjustments to the financial statements of the Group and the Bank as a result of the adoption of MFRS 119, as discussed above, also had consequential effects on the comparative capital adequacy ratios. These are summarised below:

	As at 31 December 2012		As at 1 January 2012	
	As previously stated	As restated	As previously stated	As restated
Group				
Tier 1 capital (RM'000)	20,437,184	20,511,701	18,249,867	18,340,371
Total capital (RM'000)	26,298,110	26,372,627	25,416,082	25,506,586
Risk-weighted assets (RM'000)	179,526,865	179,725,944	163,027,275	163,240,656
Tier 1 capital ratio (%) *	10.8	10.8	10.6	10.6
Total capital ratio (%) *	14.1	14.1	15.0	15.0
Bank				
Tier 1 capital (RM'000)	20,371,029	20,442,990	18,216,433	18,303,833
Total Capital (RM'000)	21,723,520	21,795,481	21,044,900	21,132,300
Risk-weighted assets (RM'000)	149,774,165	149,966,416	134,887,816	135,093,877
Tier 1 capital ratio (%) *	12.9	12.9	12.8	12.8
Total capital ratio (%) *	13.8	13.8	14.9	14.9

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

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

B1. Performance Review

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

The Group's pre-tax profit for 1st quarter ended 31 March 2013 of RM1,270.0 million was RM38.6 million or 3.1% higher than the previous corresponding quarter of RM1,231.4 million. Net profit attributable to equity holders improved by RM38.1 million or 4.1% to RM968.3 million. The improved earnings was mainly due to higher net interest income and finance income by RM77.7 million (5.3%), higher net fee and commission income by RM19.3 million (6.8%) and higher investment income by RM9.7 million (29.1%). These were partially offset by higher loan impairment allowance by RM51.4 million partly due to the absence of certain major recovery in the previous corresponding quarter and higher other operating expenses by RM24.2 million due to increased business volumes. Annualised credit charges remained low and stable at 0.16% for the current quarter.

The growth in the Group's net interest income and finance income was driven by continued healthy loans and customer deposits growth coupled with sustained strong asset quality. Gross loans had grown by 11.9% to RM203.6 billion as at 31 March 2013 as compared to RM181.9 billion as at 31 March 2012 mainly arising from property financing, financing of passenger vehicles and lending to small- and medium-sized enterprises ("SMEs"). Total deposits from customers had also grown by 12.2% or RM25.2 billion as compared to 31 March 2012 which partly contributed to the higher net interest income for the current period. The Group's impaired loan ratio had remained low at 0.7% as at the end of March 2013.

The performance of the respective operating business segments for the 1st quarter ended 31 March 2013 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Retail Operations – The increase in pre-tax profit by RM60.8 million (8.5%) to RM779.7 million was mainly due to higher net interest income on higher average loan and deposit balances and higher fee income.
- 2) Hire purchase – Pre-tax profit decreased by RM48.1 million (-26.3%) to RM134.7 million, mainly due to higher loan impairment allowance and lower net interest income.
- 3) Corporate lending – Pre-tax profit increased by RM5.2 million (6.9%) to RM80.8 million, mainly due to higher net interest income on higher average loan balances and higher fee income.
- 4) Treasury and capital market operations – The increase in pre-tax profit by RM4.3 million (5.6%) to RM80.9 million was mainly due to higher net interest income achieved on treasury gapping, funding and liquidity management activities.
- 5) Investment banking – Pre-tax profit decreased by RM6.8 million (-47.7%) to RM7.5 million, mainly due to lower volume of stockbroking activities.
- 6) Fund management – Pre-tax profit increased by RM8.6 million (9.8%) to RM96.3 million, mainly due to higher management fee earned on higher average net asset value of funds under management and higher net fee income on sale of trust units, partially offset by higher other operating expenses.
- 7) Overseas operations – Pre-tax profit increased by RM8.1 million (10.7%) to RM83.7 million, mainly due to higher net interest income on higher net interest margin and higher other operating income partially offset by lower loan recovery.

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B2. Variation of Results Against Preceding Quarter

The Group's pre-tax profit of RM1,270.0 million for the 1st quarter ended 31 March 2013 shows a marginal drop of RM21.4 million or 1.7% as compared to the restated pre-tax profit of RM1,291.3 million for the preceding quarter ended 31 December 2012. Net profit attributable to equity holders decreased by RM13.5 million or 1.4% over the same period. The drop in profit is mainly due to higher personnel costs and lower other operating income.

B3. Prospects for 2013

The outlook for the global economy is expected to improve in 2013 amid receding financial and policy risks following the introduction and implementation of policy measures by the relevant authorities of the advanced economies in the second half of 2012. The pace of recovery in the advanced economies remains constrained by the on-going fiscal, financial and structural concerns. However, the outlook for emerging economies is more favourable as the domestic demand remains the key driver of growth, despite their vulnerability to external developments.

Malaysia's economy is expected to remain on a steady growth path with an expansion of 5% - 6% in 2013. Growth will continue to be underpinned by resilient domestic demand, backed by firm private investment and consumption, and further supported by a gradual improvement in the external sector. Headline inflation is expected to be higher, but still modest at 2-3%.

The banking sector is expected to remain strong and supportive of domestic economic activity in 2013. Backed by strong capitalisation, sustained profitability and ample liquidity, the banking sector will continue to facilitate growth in the Malaysian economy by providing steady access to credit for households and businesses. As competition in the banking industry remains intense, banks will continue to enhance innovation in products and services to achieve competitive advantage.

The Public Bank Group is expected to sustain its strong market position in the domestic retail operations segment, supported by robust growth in consumer credit and SMEs lending. The Group continues to see growth opportunities for residential properties amid various Government initiatives to increase home ownership and improve accessibility, particularly in suburban areas, as well as attractive offers and incentives from property developers. Despite intense competition, the Public Bank Group is expected to sustain its residential property financing segment growth given its focus on home mortgages for owner occupation and the broader base mass market segment which are expected to maintain healthy growth.

The Public Bank Group will continue to provide strong support to SMEs. The Group is expected to sustain its portfolio growth and market leadership in the SME segment by focusing on providing customers with relevant products and fast loan delivery service. This will be further supported by the Government's SME Masterplan 2012-2020 which sets the path for further growth in the SME sector going forward.

The Public Bank Group will continue to grow its vehicle hire purchase financing business amid the improving outlook for the motor vehicle industry in 2013. The Group is expected to increase its market share and sustain its leading position in the industry by focusing on implementing proactive marketing strategies, backed by competitive pricing and efficient service delivery.

The Group will also continue to focus on maintaining a healthy level of liquidity by building up its core customer deposits base and investing in high grade liquifiable securities.

The Public Bank Group's fund management business will grow further in 2013 and continue to sustain its lead position in the private unit trust industry in Malaysia. This is reinforced by the ongoing demand for investment products, the Group's new fund launches, with diverse range of fund products, strong distribution capabilities and strong branding. The Group will also actively leverage on its private retirement scheme funds to provide customers with alternative choices for investment. The Group is also expected to further strengthen its fee-based activity in view of its strategic partnership with the enlarged AIA Group Ltd following its merger with the ING Group's insurance operations in Malaysia.

The performance of the Public Bank Group's overseas operations will continue to sustain in 2013 amid moderate economic outlook and operating conditions in the countries in which the Group is operating. The Group remains committed to expanding its overseas operations through organic growth and will continue to transfer the best practices from its domestic operations to accelerate business growth in its overseas operations. The Group will also continue to leverage on its strong customer relationship and provide efficient customer service as well as attractive and competitive product packages.

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B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 1st quarter ended 31 March 2013 are as follows:

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Malaysian income tax	281,225	290,176	281,225	290,176
Overseas income tax	15,899	14,403	15,899	14,403
	297,124	304,579	297,124	304,579
(Over) / Under provision in prior years				
- Malaysian income tax	(129)	446	(129)	446
- Overseas income tax	60	(200)	60	(200)
	297,055	304,825	297,055	304,825
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(6,069)	(11,594)	(6,069)	(11,594)
Tax expense	290,986	293,231	290,986	293,231
Zakat	66	83	66	83
	291,052	293,314	291,052	293,314

The Group's effective tax rates for the 1st quarter ended 31 March 2013 and 31 March 2012 were lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

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B5. Tax Expense and Zakat (continued)

The analysis of the tax expense for the 1st quarter ended 31 March 2013 are as follows (continued):

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)	31 March 2013 RM'000	31 March 2012 RM'000 (Restated)
Malaysian income tax	231,376	235,433	231,376	235,433
Overseas income tax	2,367	555	2,367	555
	<u>233,743</u>	<u>235,988</u>	<u>233,743</u>	<u>235,988</u>
Under provision in prior years				
- Overseas income tax	60	(200)	60	(200)
	<u>233,803</u>	<u>235,788</u>	<u>233,803</u>	<u>235,788</u>
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(5,226)	(7,513)	(5,226)	(7,513)
	<u>228,577</u>	<u>228,275</u>	<u>228,577</u>	<u>228,275</u>

The Bank's effective tax rate for the 1st quarter ended 31 March 2013 and 31 March 2012 were lower than the statutory tax rate due to certain income not subject to tax.

B6. Status of Corporate Proposals Announced but Not Completed

There were no corporate proposals announced but not completed except for the following:

Proposed Establishment of a Senior Medium Term Notes Programme for the Issuance of Senior Medium Term Notes ("Senior MTNs") of up to RM5.0 Billion in Nominal Value ("Senior MTNs Programme")

On 5 April 2013, the Bank obtained approval from the Securities Commission for the establishment of the Senior MTNs Programme. The Senior MTNs Programme has a tenure of up to twenty (20) years from the date of the first issuance of the Senior MTNs. The Senior MTNs may be issued in series and each issuance shall have a tenure of more than one (1) year as may be determined by the Bank, provided that the Senior MTNs shall mature on or prior to the expiry of the Senior MTNs Programme.

The proceeds raised from the issuance of the Senior MTNs shall be used to finance the working capital, general banking and other corporate purposes of the Bank.

B7. Status of Utilisation of Proceeds Raised from Corporate Proposals

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

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B8. Realised and Unrealised Profits

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

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	10,270,018	10,360,213
- Unrealised	74,806	90,836
	10,344,824	10,451,049
Total share of retained profits from associated companies:		
- Realised	6,076	4,495
- Unrealised	-	-
	10,350,900	10,455,544
Less: Consolidation adjustments	(1,157,674)	(1,180,635)
Total Group retained profits as per consolidated accounts	9,193,226	9,274,909
	Bank	
	31 March 2013 RM'000	31 December 2012 RM'000 (Restated)
Total retained profits of Public Bank Berhad:		
- Realised	8,629,644	8,771,330
- Unrealised	(41,486)	(24,998)
Total Bank retained profits as per accounts	8,588,158	8,746,332

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

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

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

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	124,547,314	120,388,610	97,617,106	93,813,034
More than one year	250,432	286,993	123,569	118,551
- Negotiable instruments of deposits				
One year or less	1,204,647	1,135,538	58,803	80,880
More than one year	9,220	88,082	9,220	9,232
- Money market deposits				
One year or less	47,597,631	46,593,137	42,694,161	41,991,233
- Savings deposits	24,716,033	23,726,493	17,511,091	16,843,952
- Demand deposits	33,783,836	32,632,541	29,169,936	28,643,745
- Others	176,945	190,931	175,762	187,817
	<u>232,286,058</u>	<u>225,042,325</u>	<u>187,359,648</u>	<u>181,688,444</u>
(b) <u>Deposits from banks</u>				
- One year or less	<u>17,585,173</u>	<u>12,849,313</u>	<u>18,216,473</u>	<u>14,408,778</u>
(c) <u>Debt securities issued and other borrowed funds</u>				
Borrowings denominated in HKD (unsecured)				
Term loan				
- More than one year	<u>873,299</u>	<u>864,911</u>	<u>-</u>	<u>-</u>
Subordinated notes denominated in RM (unsecured)				
- More than one year	<u>4,935,394</u>	<u>4,937,918</u>	<u>4,935,394</u>	<u>4,937,918</u>
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	719,292	719,818	719,292	719,818
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	<u>1,234,805</u>	<u>1,235,947</u>	<u>1,234,805</u>	<u>1,235,947</u>
	<u>1,954,097</u>	<u>1,955,765</u>	<u>1,954,097</u>	<u>1,955,765</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	<u>2,190,779</u>	<u>2,188,259</u>	<u>2,190,779</u>	<u>2,188,259</u>
	<u>9,953,569</u>	<u>9,946,853</u>	<u>9,080,270</u>	<u>9,081,942</u>

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B10. Changes in Material Litigation

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

B11. Dividends

No dividend has been proposed for the 1st quarter ended 31 March 2013.

B12. Earnings Per Share

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
		(Restated)		(Restated)
Net profit attributable to equity holders (RM'000)	968,301	930,182	968,301	930,182
Weighted average number of PBB Shares ('000)	3,502,125	3,502,125	3,502,125	3,502,125
Basic earnings per share (sen)	27.6	26.6	27.6	26.6

Diluted

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