

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

| | 31 December | Group | 1 January | 31 December | Bank | 1 January |
|-----------------------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|
| | 2012 | 31 December | 2011 | 2012 | 31 December | 2011 |
| | RM'000 | 2011 | RM'000 | RM'000 | 2011 | RM'000 |
| | | RM'000 | | RM'000 | RM'000 | |
| ASSETS | | | | | | |
| Cash and balances with banks | 18,635,951 | 18,633,783 | 34,690,439 | 11,679,843 | 10,508,349 | 27,172,447 |
| Reverse repurchase agreements | 8,158,506 | 9,287,255 | 365,877 | 7,309,153 | 8,435,611 | 10,737 |
| Financial assets held-for-trading | 16,617,135 | 10,656,825 | 6,360,620 | 13,599,044 | 10,406,551 | 5,812,736 |
| Derivative financial assets | 370,465 | 493,852 | 326,622 | 364,344 | 492,536 | 322,596 |
| Financial investments | | | | | | |
| available-for-sale | 17,201,120 | 16,719,433 | 17,852,284 | 15,620,244 | 14,287,941 | 14,269,479 |
| Financial investments | | | | | | |
| held-to-maturity | 6,257,771 | 7,629,233 | 5,229,617 | 4,509,314 | 7,073,857 | 5,230,399 |
| Loans, advances and financing | 196,051,603 | 175,952,777 | 154,864,165 | 162,968,608 | 143,385,498 | 125,949,437 |
| Other assets | 2,006,919 | 2,008,254 | 1,995,880 | 1,906,721 | 1,913,726 | 1,703,642 |
| Statutory deposits with | | | | | | |
| Central Banks | 5,787,206 | 5,597,801 | 1,612,575 | 4,738,213 | 4,496,365 | 1,106,330 |
| Deferred tax assets | 63,227 | 46,093 | 296,815 | - | - | 194,657 |
| Investment in subsidiary | | | | | | |
| companies | - | - | - | 4,263,581 | 4,088,581 | 3,888,581 |
| Investment in associated | | | | | | |
| companies | 151,210 | 155,997 | 118,624 | 121,325 | 121,325 | 101,325 |
| Investment properties | 87,886 | 70,754 | 65,552 | - | - | - |
| Property and equipment | 1,309,533 | 1,341,940 | 1,278,319 | 607,934 | 657,124 | 617,544 |
| Intangible assets | 1,926,347 | 1,965,476 | 1,930,372 | 695,393 | 695,393 | 695,393 |
| TOTAL ASSETS | 274,624,879 | 250,559,473 | 226,987,761 | 228,383,717 | 206,562,857 | 187,075,303 |
| LIABILITIES | | | | | | |
| Deposits from customers | 225,042,325 | 200,370,525 | 176,872,119 | 181,688,444 | 159,384,439 | 140,789,266 |
| Deposits from banks | 12,849,313 | 15,806,732 | 21,327,476 | 14,408,778 | 16,717,349 | 21,069,781 |
| Bills and acceptances payable | 3,048,821 | 2,095,335 | 2,308,836 | 3,132,692 | 2,095,076 | 2,450,006 |
| Recourse obligations on loans | | | | | | |
| and financing sold to Cagamas | 501,496 | 11,789 | 16,319 | 1,493 | 11,789 | 16,319 |
| Derivative financial liabilities | 233,564 | 236,724 | 375,529 | 210,760 | 190,325 | 340,995 |
| Debt securities issued and other | | | | | | |
| borrowed funds | 9,946,853 | 11,317,833 | 8,094,880 | 9,081,942 | 10,422,749 | 7,196,528 |
| Other liabilities | 3,570,526 | 3,467,535 | 2,839,874 | 2,482,585 | 2,368,327 | 1,675,651 |
| Provision for tax expense | | | | | | |
| and zakat | 740,283 | 777,405 | 800,464 | 522,088 | 563,807 | 568,565 |
| Deferred tax liabilities | 47,911 | 55,625 | 8,391 | 32,003 | 51,708 | - |
| TOTAL LIABILITIES | 255,981,092 | 234,139,503 | 212,643,888 | 211,560,785 | 191,805,569 | 174,107,111 |

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

| | 31 December 2012 RM'000 | Group 31 December 2011 RM'000 | 1 January 2011 RM'000 | 31 December 2012 RM'000 | Bank 31 December 2011 RM'000 | 1 January 2011 RM'000 |
|--|--|--|--------------------------------------|--|---|--------------------------------------|
| EQUITY | | | | | | |
| Share capital | 3,531,926 | 3,531,926 | 3,531,926 | 3,531,926 | 3,531,926 | 3,531,926 |
| Reserves | 14,627,569 | 12,406,132 | 10,375,062 | 13,506,578 | 11,440,934 | 9,651,569 |
| Treasury shares | (215,572) | (215,572) | (215,303) | (215,572) | (215,572) | (215,303) |
| Equity attributable to equity holders of the Bank | 17,943,923 | 15,722,486 | 13,691,685 | 16,822,932 | 14,757,288 | 12,968,192 |
| Non-controlling interests | 699,864 | 697,484 | 652,188 | - | - | - |
| TOTAL EQUITY | 18,643,787 | 16,419,970 | 14,343,873 | 16,822,932 | 14,757,288 | 12,968,192 |
| TOTAL LIABILITIES AND EQUITY | 274,624,879 | 250,559,473 | 226,987,761 | 228,383,717 | 206,562,857 | 187,075,303 |
| COMMITMENTS AND CONTINGENCIES | 79,457,595 | 70,847,182 | 69,205,908 | 75,691,031 | 66,266,801 | 64,532,682 |
| CAPITAL ADEQUACY | | | | | | |
| <u>Before deducting second interim dividends</u> | | | | | | |
| Tier I Capital Ratio | 11.4% | 11.2% | 11.3% | 13.6% | 13.5% | 13.9% |
| Risk-Weighted Capital Ratio | 14.6% | 15.6% | 14.2% | 14.5% | 15.6% | 13.9% |
| <u>After deducting second interim dividends</u> | | | | | | |
| Tier I Capital Ratio | 10.8% | 10.6% | 10.6% | 12.9% | 12.8% | 13.1% |
| Risk-Weighted Capital Ratio | 14.1% | 15.0% | 13.5% | 13.8% | 14.9% | 13.1% |
| Net assets per share attributable to ordinary equity holders of the Bank (RM) | 5.12 | 4.49 | 3.91 | 4.80 | 4.21 | 3.70 |

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2012

| Group | 4th Quarter Ended | | Financial Year Ended | |
|---|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Operating revenue | 3,630,057 | 3,321,633 | 14,058,097 | 12,756,360 |
| Interest income | 2,716,423 | 2,463,869 | 10,404,241 | 9,413,030 |
| Interest expense | (1,379,160) | (1,192,751) | (5,149,596) | (4,438,099) |
| Net interest income | 1,337,263 | 1,271,118 | 5,254,645 | 4,974,931 |
| Net income from Islamic banking business | 206,029 | 211,904 | 843,766 | 868,342 |
| | 1,543,292 | 1,483,022 | 6,098,411 | 5,843,273 |
| Net fee and commission income | 296,468 | 271,303 | 1,165,313 | 1,118,909 |
| Net gains and losses on financial instruments | 41,687 | 44,487 | 170,244 | 166,154 |
| Other operating income | 91,989 | 83,226 | 312,741 | 280,234 |
| Net income | 1,973,436 | 1,882,038 | 7,746,709 | 7,408,570 |
| Other operating expenses | (581,495) | (561,473) | (2,360,898) | (2,208,684) |
| Operating profit | 1,391,941 | 1,320,565 | 5,385,811 | 5,199,886 |
| Allowance for impairment on loans, advances and financing | (84,167) | (106,105) | (279,244) | (326,755) |
| (Impairment) / writeback of impairment on other assets | (5,335) | 563 | (6,626) | 1,598 |
| | 1,302,439 | 1,215,023 | 5,099,941 | 4,874,729 |
| Share of profit / (loss) after tax of equity accounted associated companies | 3,063 | (3,216) | 3,985 | 3,210 |
| Profit before tax expense and zakat | 1,305,502 | 1,211,807 | 5,103,926 | 4,877,939 |
| Tax expense and zakat | (298,222) | (289,348) | (1,192,165) | (1,153,436) |
| Profit for the period / year | 1,007,280 | 922,459 | 3,911,761 | 3,724,503 |
| Profit for the period / year attributable to : | | | | |
| - Equity holders of the Bank | 992,469 | 913,392 | 3,869,273 | 3,684,289 |
| - Non-controlling interests | 14,811 | 9,067 | 42,488 | 40,214 |
| | 1,007,280 | 922,459 | 3,911,761 | 3,724,503 |
| Earnings per RM1.00 share: | | | | |
| - basic / diluted (sen) | 28.3 | 26.1 | 110.5 | 105.2 |

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2012

| Group | 4th Quarter Ended | | Financial Year Ended | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Profit for the period / year | 1,007,280 | 922,459 | 3,911,761 | 3,724,503 |
| Other comprehensive (loss) / income: | | | | |
| Foreign currency translation reserves: | | | | |
| - Currency translation differences in respect of: | | | | |
| - Foreign operations | (2,884) | (9,463) | (134,122) | 124,934 |
| - Net investment hedge | 3,800 | 13,656 | 109,601 | (90,853) |
| | 916 | 4,193 | (24,521) | 34,081 |
| Revaluation reserves: | | | | |
| - Net gain / (loss) on revaluation of financial investments available-for-sale | 23,153 | 21,823 | 51,058 | (27,479) |
| Hedging reserves: | | | | |
| - Net change in cash flow hedges | 18,203 | (667) | (11,764) | (3,445) |
| | 42,272 | 25,349 | 14,773 | 3,157 |
| Income tax relating to components of other comprehensive income / loss: | | | | |
| - Revaluation reserves | (3,665) | (4,138) | (8,406) | 4,305 |
| - Hedging reserves | (4,551) | 167 | 2,941 | 861 |
| | (8,216) | (3,971) | (5,465) | 5,166 |
| Other comprehensive income for the period / year, net of tax | 34,056 | 21,378 | 9,308 | 8,323 |
| Total comprehensive income for the period / year | 1,041,336 | 943,837 | 3,921,069 | 3,732,826 |
| Total comprehensive income for the period / year attributable to: | | | | |
| - Equity holders of the Bank | 1,026,914 | 936,182 | 3,902,457 | 3,668,316 |
| - Non-controlling interests | 14,422 | 7,655 | 18,612 | 64,510 |
| | 1,041,336 | 943,837 | 3,921,069 | 3,732,826 |

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2012

| <u>Bank</u> | 4th Quarter Ended | | Financial Year Ended | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Operating revenue | 2,765,023 | 2,488,384 | 10,630,272 | 9,436,092 |
| Interest income | 2,480,276 | 2,230,764 | 9,465,598 | 8,529,106 |
| Interest expense | (1,322,470) | (1,134,910) | (4,917,078) | (4,237,383) |
| Net interest income | 1,157,806 | 1,095,854 | 4,548,520 | 4,291,723 |
| Net fee and commission income | 125,431 | 117,480 | 490,025 | 450,004 |
| Net gains and losses on financial instruments | 40,649 | 44,451 | 168,210 | 167,482 |
| Other operating income | 282,730 | 260,834 | 1,155,109 | 967,768 |
| Net income | 1,606,616 | 1,518,619 | 6,361,864 | 5,876,977 |
| Other operating expenses | (389,094) | (381,344) | (1,596,522) | (1,509,815) |
| Operating profit | 1,217,522 | 1,137,275 | 4,765,342 | 4,367,162 |
| Allowance for impairment on loans, advances and financing (Impairment) / writeback of impairment on other assets | (5,471) | (504) | (6,601) | 1,616 |
| Profit before tax expense and zakat | 1,178,619 | 1,102,241 | 4,681,734 | 4,327,840 |
| Tax expense and zakat | (239,064) | (230,637) | (933,174) | (877,165) |
| Profit for the period / year | 939,555 | 871,604 | 3,748,560 | 3,450,675 |

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2012

| <u>Bank</u> | 4th Quarter Ended | | Financial Year Ended | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Profit for the period / year | 939,555 | 871,604 | 3,748,560 | 3,450,675 |
| Other comprehensive income / (loss): | | | | |
| Revaluation reserves: | | | | |
| - Net gain / (loss) on revaluation of financial investments available-for-sale | 14,413 | 10,940 | 31,000 | (28,640) |
| Hedging reserves: | | | | |
| - Net change in cash flow hedges | 4,803 | (667) | (33,528) | (3,445) |
| | 19,216 | 10,273 | (2,528) | (32,085) |
| Income tax relating to components of other comprehensive income / loss: | | | | |
| - Revaluation reserves | (3,603) | (2,735) | (7,750) | 7,160 |
| - Hedging reserves | (1,201) | 167 | 8,382 | 861 |
| | (4,804) | (2,568) | 632 | 8,021 |
| Other comprehensive income / (loss) for the period / year, net of tax | 14,412 | 7,705 | (1,896) | (24,064) |
| Total comprehensive income for the period / year | 953,967 | 879,309 | 3,746,664 | 3,426,611 |

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

<----- 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 2012 | | | | | | | | |
| - as previously stated | 3,531,926 | 1,073,310 | 4,056,014 | 6,417,544 | (215,572) | 14,863,222 | 697,484 | 15,560,706 |
| - effects of MFRS adoption | - | - | - | 859,264 | - | 859,264 | - | 859,264 |
| At 1 January 2012, as restated | 3,531,926 | 1,073,310 | 4,056,014 | 7,276,808 | (215,572) | 15,722,486 | 697,484 | 16,419,970 |
| Profit for the year | - | - | - | 3,869,273 | - | 3,869,273 | 42,488 | 3,911,761 |
| Other comprehensive income / (loss) for the year | - | - | 33,184 | - | - | 33,184 | (23,876) * | 9,308 |
| Total comprehensive income for the year | - | - | 33,184 | 3,869,273 | - | 3,902,457 | 18,612 | 3,921,069 |
| Transactions with owners / other equity movements: | | | | | | | | |
| Transfer to statutory reserves | - | - | 9,741 | (9,741) | - | - | - | - |
| Transfer to Profit Equalisation Reserve of the Islamic banking institution | - | - | 503 | (503) | - | - | - | - |
| Transfer to regulatory reserves | - | - | 252 | (252) | - | - | - | - |
| Transfer to general reserves | - | - | 918 | (918) | - | - | - | - |
| Dividends paid | - | - | - | (1,681,020) | - | (1,681,020) | (16,232) | (1,697,252) |
| | - | - | 11,414 | (1,692,434) | - | (1,681,020) | (16,232) | (1,697,252) |
| At 31 December 2012 | 3,531,926 | 1,073,310 | 4,100,612 | 9,453,647 | (215,572) | 17,943,923 | 699,864 | 18,643,787 |

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

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

<----- 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 2011 | | | | | | | | |
| - as previously stated | 3,531,926 | 1,073,310 | 3,888,562 | 4,754,405 | (215,303) | 13,032,900 | 652,188 | 13,685,088 |
| - effects of MFRS adoption | - | - | - | 658,785 | - | 658,785 | - | 658,785 |
| At 1 January 2011, as restated | <u>3,531,926</u> | <u>1,073,310</u> | <u>3,888,562</u> | <u>5,413,190</u> | <u>(215,303)</u> | <u>13,691,685</u> | <u>652,188</u> | <u>14,343,873</u> |
| Profit for the year | - | - | - | 3,684,289 | - | 3,684,289 | 40,214 | 3,724,503 |
| Other comprehensive (loss) / income for the year | - | - | (15,973) | - | - | (15,973) | 24,296 * | 8,323 |
| Total comprehensive (loss) / income for the year | <u>-</u> | <u>-</u> | <u>(15,973)</u> | <u>3,684,289</u> | <u>-</u> | <u>3,668,316</u> | <u>64,510</u> | <u>3,732,826</u> |
| Transactions with owners / other equity movements: | | | | | | | | |
| Buy-back of shares | - | - | - | - | (269) | (269) | - | (269) |
| Transfer to statutory reserves | - | - | 29,895 | (29,895) | - | - | - | - |
| Transfer to regulatory reserves | - | - | 25,784 | (25,784) | - | - | - | - |
| Transfer to general reserves | - | - | 127,746 | (127,746) | - | - | - | - |
| Dividends paid | - | - | - | (1,637,246) | - | (1,637,246) | (19,214) | (1,656,460) |
| | <u>-</u> | <u>-</u> | <u>183,425</u> | <u>(1,820,671)</u> | <u>(269)</u> | <u>(1,637,515)</u> | <u>(19,214)</u> | <u>(1,656,729)</u> |
| At 31 December 2011 | <u><u>3,531,926</u></u> | <u><u>1,073,310</u></u> | <u><u>4,056,014</u></u> | <u><u>7,276,808</u></u> | <u><u>(215,572)</u></u> | <u><u>15,722,486</u></u> | <u><u>697,484</u></u> | <u><u>16,419,970</u></u> |

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

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

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

| | Non-distributable | | Distributable | | Treasury Shares | Total |
|--|-------------------|------------------|-------------------------------|---------------------------------|--------------------|-------------------|
| | Share Capital | Share Premium | Reserves Other Reserves | Reserves Retained Profits | | |
| Bank | 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 | 6,004,958 | (215,572) | 13,909,928 |
| - effects of MFRS adoption | - | - | - | 847,360 | - | 847,360 |
| At 1 January 2012, as restated | 3,531,926 | 1,073,310 | 3,515,306 | 6,852,318 | (215,572) | 14,757,288 |
| Profit for the year | - | - | - | 3,748,560 | - | 3,748,560 |
| Other comprehensive loss for the year | - | - | (1,896) | - | - | (1,896) |
| Total comprehensive (loss) / income for the year | - | - | (1,896) | 3,748,560 | - | 3,746,664 |
| Transactions with owners / other equity movements: | | | | | | |
| Transfer to general reserves | - | - | 918 | (918) | - | - |
| Dividends paid | - | - | - | (1,681,020) | - | (1,681,020) |
| | - | - | 918 | (1,681,938) | - | (1,681,020) |
| At 31 December 2012 | 3,531,926 | 1,073,310 | 3,514,328 | 8,918,940 | (215,572) | 16,822,932 |

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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

<----- 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 2011 | | | | | | |
| - as previously stated | 3,531,926 | 1,073,310 | 3,538,614 | 4,374,204 | (215,303) | 12,302,751 |
| - effects of MFRS adoption | - | - | - | 665,441 | - | 665,441 |
| At 1 January 2011, as restated | <u>3,531,926</u> | <u>1,073,310</u> | <u>3,538,614</u> | <u>5,039,645</u> | <u>(215,303)</u> | <u>12,968,192</u> |
| Profit for the year | - | - | - | 3,450,675 | - | 3,450,675 |
| Other comprehensive loss for the year | - | - | (24,064) | - | - | (24,064) |
| Total comprehensive (loss) / income for the year | <u>-</u> | <u>-</u> | <u>(24,064)</u> | <u>3,450,675</u> | <u>-</u> | <u>3,426,611</u> |
| Transactions with owners / other equity movements: | | | | | | |
| Buy-back of shares | - | - | - | - | (269) | (269) |
| Transfer to general reserves | - | - | 756 | (756) | - | - |
| Dividends paid | - | - | - | (1,637,246) | - | (1,637,246) |
| | <u>-</u> | <u>-</u> | <u>756</u> | <u>(1,638,002)</u> | <u>(269)</u> | <u>(1,637,515)</u> |
| At 31 December 2011 | <u><u>3,531,926</u></u> | <u><u>1,073,310</u></u> | <u><u>3,515,306</u></u> | <u><u>6,852,318</u></u> | <u><u>(215,572)</u></u> | <u><u>14,757,288</u></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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Cash Flows from Operating Activities | | | | |
| Profit before tax expense and zakat | 5,103,926 | 4,877,939 | 4,681,734 | 4,327,840 |
| Adjustments for non-cash items: | | | | |
| Share of profit after tax of equity accounted associated companies | (3,985) | (3,210) | - | - |
| Allowance for impaired loans and financing | 474,064 | 556,355 | 184,249 | 199,157 |
| Depreciation of property and equipment | 167,253 | 145,947 | 135,515 | 113,471 |
| Net gain on financial instruments | (6,611) | (9,378) | (9,737) | (16,125) |
| Dividends received | (151,071) | (147,823) | (1,004,188) | (877,228) |
| Transfer to / (from) profit equalisation reserve | 265 | (33,436) | - | - |
| Impairment losses / (written back) | 6,626 | (1,598) | 6,601 | (1,616) |
| Other non-cash items | (34,281) | (14,467) | (10,203) | (11,872) |
| Operating profit before working capital changes | <u>5,556,186</u> | <u>5,370,329</u> | <u>3,983,971</u> | <u>3,733,627</u> |
| Changes in working capital: | | | | |
| Increase in operating assets | (25,374,320) | (38,344,762) | (21,124,099) | (34,201,083) |
| Increase in operating liabilities | 23,520,607 | 18,192,213 | 21,227,809 | 14,492,281 |
| Tax expense and zakat paid | (1,259,558) | (873,461) | (993,966) | (627,537) |
| Net cash generated from / (used in) operating activities | <u>2,442,915</u> | <u>(15,655,681)</u> | <u>3,093,715</u> | <u>(16,602,712)</u> |
| Cash Flows from Investing Activities | | | | |
| Purchase of property and equipment | (147,688) | (199,894) | (89,277) | (154,241) |
| Proceeds from disposal of properties | 47,347 | 28,539 | 46,378 | 28,256 |
| Net sale / (purchase) of financial investments | 896,641 | (1,267,690) | 1,223,794 | (1,870,140) |
| Additional investment in a subsidiary company | - | - | (175,000) | (200,000) |
| Additional investment in an associated company | - | (40,000) | - | (20,000) |
| Dividends received | 155,854 | 157,453 | 971,778 | 879,465 |
| Net cash generated from / (used in) investing activities | <u>952,154</u> | <u>(1,321,592)</u> | <u>1,977,673</u> | <u>(1,336,660)</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 2011.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

| | Group | | Bank | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Cash Flows from Financing Activities | | | | |
| Dividends paid | (1,697,252) | (1,656,460) | (1,681,020) | (1,637,246) |
| Buy-back of shares | - | (269) | - | (269) |
| Net repayment of borrowings | (30,173) | (3,268) | - | - |
| Net proceeds from issuance of debt securities | - | 2,997,000 | - | 2,997,000 |
| Redemption of debt securities | (1,263,400) | - | (1,263,400) | - |
| Net cash (used in) / generated from financing activities | <u>(2,990,825)</u> | <u>1,337,003</u> | <u>(2,944,420)</u> | <u>1,359,485</u> |
| Net change in cash and cash equivalents | 404,244 | (15,640,270) | 2,126,968 | (16,579,887) |
| Cash and cash equivalents at beginning of the year | 16,570,679 | 32,082,569 | 8,111,742 | 24,691,629 |
| Exchange differences on translation of opening balances | <u>(139,151)</u> | <u>128,380</u> | <u>-</u> | <u>-</u> |
| Cash and cash equivalents at end of the year (Note) | <u>16,835,772</u> | <u>16,570,679</u> | <u>10,238,710</u> | <u>8,111,742</u> |
| Note: | | | | |
| Cash and balances with banks | 18,635,951 | 18,633,783 | 11,679,843 | 10,508,349 |
| Less: Balances with banks with maturity more than one month | <u>(1,800,179)</u> | <u>(2,063,104)</u> | <u>(1,441,133)</u> | <u>(2,396,607)</u> |
| Cash and cash equivalents at end of the year | <u>16,835,772</u> | <u>16,570,679</u> | <u>10,238,710</u> | <u>8,111,742</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 2011.

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

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 audited interim financial statements for the 4th quarter and financial year ended 31 December 2012 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale, derivative financial instruments and investment properties.

The audited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The audited 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 2011. 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 2011.

The audited 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.

Since the previous annual audited financial statements as at 31 December 2011 were issued, the Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. Whilst all FRSs issued under the previous FRS framework were equivalent to the MFRSs issued under the MFRS framework, there are some differences in relation to the transitional provisions and effective dates contained in certain of the FRSs. The financial effects of convergence to the MFRS framework and any consequential changes in accounting policies as a result of the convergence are discussed in Note A31 Changes in Accounting Policies.

The following MFRS, IC Interpretation and Amendments to MFRSs have been adopted by the Group during the current year:

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to MFRS 1)
Disclosures - Transfers of Financial Assets (Amendments to MFRS 7)

The adoption of IC Interpretation 19, Amendments to MFRS 1 and MFRS 7 above did not have any financial impact on the Group and the Bank as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

During the financial year, the Islamic banking subsidiary company of the Group adopted the Guidelines on Profit Equalisation Reserve issued by Bank Negara Malaysia, which addresses the management of displaced commercial risk by Islamic banking institutions. A discussion of the financial effects of adoption of these guidelines is provided in Note A31 Changes in Accounting Policies.

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

A1. Basis of Preparation (Continued)

The Group and the Bank have chosen to early adopt the Amendments to MFRS 101 and the Amendments to MFRSs contained in the documents entitled "Annual Improvements 2009-2011 Cycle". The adoption of the Amendments to MFRS 101 only affected disclosures in the financial statements and will not have any impact on the financial results of the Group and the Bank. The adoption of the "Annual Improvements 2009-2011 Cycle" did not have any financial impact on the Group and the Bank.

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1 January 2013

| | |
|--|---|
| 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) |
| 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) | |
| 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) |

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities:
Transition Guidance (Amendments to MFRS 10, MFRS 11 and MFRS 12)

Effective for annual periods commencing on or after 1 January 2014

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

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)

The adoption of the revised MFRS 119 will result in changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The key changes to the accounting policy and financial impact to the Group and the Bank on initial adoption will be as follows:

- Actuarial gains and losses ("renamed as remeasurements") will no longer be deferred using the corridor approach and will be recognised immediately in other comprehensive income which will not subsequently recycle to the income statement. This will result in a decrease of approximately RM174 million and RM168 million respectively to the retained profits of the Group and the Bank as at 1 January 2013. There will also be a consequential recognition of defined benefit reserves amounting to approximately RM194 million and RM187 million respectively in the statements of financial position of the Group and the Bank. Consequently, the net impact to shareholders' equity of the Group and the Bank as at 1 January 2013 is expected to be approximately RM20 million and RM19 million respectively.

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

A1. Basis of Preparation (Continued)

- 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 annual impact on net profit and earnings per share of the Group and the Bank from this change is not expected to be significant.

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.

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. All the other MFRSs and Amendments to MFRSs stated above are not expected to result in significant changes to the Group's and the Bank's accounting policies or have material impact to the financial results of the Group and the Bank.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2011 was not qualified.

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 4th quarter and financial year ended 31 December 2012.

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 4th quarter and financial year ended 31 December 2012.

A5. Changes in Estimates

Other than as disclosed in Note A31 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 4th quarter and financial year ended 31 December 2012.

A6. Debt and Equity Securities

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

Subordinated Notes

On 20 June 2012, the Bank fully redeemed the USD400 million 5.00% Subordinated Notes together with accrued interest. The Subordinated Notes, which were listed on the Singapore Stock Exchange, were delisted with effect from 21 June 2012 upon full redemption by the Bank on 20 June 2012.

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

A7. Dividends Paid and Distributed

During the financial year ended 31 December 2012, a second interim single tier dividend of 28% in respect of the financial year ended 31 December 2011, amounting to RM980,595,036 was paid on 27 February 2012.

A first interim single tier dividend of 20% in respect of the financial year ended 31 December 2012, amounting to RM700,425,026 was paid on 15 August 2012.

A8. Financial Assets Held-for-trading

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At fair value | | | | |
| Government securities and treasury bills: | | | | |
| Malaysian Government Treasury Bills | 68,286 | - | 68,286 | - |
| Malaysian Government Securities | 141,362 | 350,463 | 141,362 | 350,463 |
| Malaysian Government Investment Certificates | 193,352 | 334,009 | 193,352 | 334,009 |
| Bank Negara Malaysia Monetary Notes | 3,424,343 | 226,552 | 1,906,237 | 226,552 |
| Bank Negara Malaysia Bills | 149,736 | - | - | - |
| | <u>3,977,079</u> | <u>911,024</u> | <u>2,309,237</u> | <u>911,024</u> |
| Money market instruments: | | | | |
| Negotiable instruments of deposit | <u>11,836,221</u> | 9,445,212 | <u>10,715,460</u> | 9,494,719 |
| Non-money market instruments: | | | | |
| Equity securities: | | | | |
| - Quoted shares in Malaysia | 879 | 808 | 879 | 808 |
| Debt securities: | | | | |
| - Unquoted private debt securities | 802,956 | 299,781 | 573,468 | - |
| | <u>803,835</u> | <u>300,589</u> | <u>574,347</u> | <u>808</u> |
| Total financial assets held-for-trading | <u>16,617,135</u> | <u>10,656,825</u> | <u>13,599,044</u> | <u>10,406,551</u> |

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

A9. Financial Investments Available-for-sale

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At fair value | | | | |
| Government securities and treasury bills: | | | | |
| Malaysian Government Treasury Bills | 845,916 | 194,678 | 845,916 | 194,678 |
| Malaysian Government Securities | 491,355 | 500,182 | 491,355 | 500,182 |
| Malaysian Government Investment Certificates | 1,389,493 | 501,137 | 836,162 | 87,828 |
| Bank Negara Malaysia Monetary Notes | 7,341,239 | 8,480,813 | 7,341,239 | 7,492,295 |
| | <u>10,068,003</u> | <u>9,676,810</u> | <u>9,514,672</u> | <u>8,274,983</u> |
| Non-money market instruments: | | | | |
| Equity securities #: | | | | |
| - Quoted shares and convertible loan stocks in Malaysia | 36,210 | 37,069 | 36,210 | 37,069 |
| - Quoted shares and convertible loan stocks outside Malaysia | 10,984 | 7,718 | - | - |
| - Unquoted shares | 108,383 | 108,836 | 104,614 | 104,972 |
| Debt securities: | | | | |
| - Unquoted private debt securities | 2,014,665 | 2,072,214 | 1,554,903 | 1,591,926 |
| Unit trust funds | 4,962,875 | 4,816,786 | 4,409,845 | 4,278,991 |
| | <u>7,133,117</u> | <u>7,042,623</u> | <u>6,105,572</u> | <u>6,012,958</u> |
| Total financial investments available-for-sale | <u>17,201,120</u> | <u>16,719,433</u> | <u>15,620,244</u> | <u>14,287,941</u> |

Stated at cost, net of impairment loss.

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

A10. Financial Investments Held-to-maturity

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At amortised cost | | | | |
| Government securities and treasury bills: | | | | |
| Malaysian Government Treasury Bills | - | 9,896 | - | 9,896 |
| Malaysian Government Securities | 1,139,827 | 1,355,119 | 1,089,201 | 1,254,175 |
| Malaysian Government Investment Certificates | 1,739,184 | 702,108 | 1,739,184 | 702,108 |
| Foreign Government Treasury Bills | 727,307 | 707,336 | 58,285 | 98,562 |
| | <u>3,606,318</u> | <u>2,774,459</u> | <u>2,886,670</u> | <u>2,064,741</u> |
| Money market instruments: | | | | |
| Negotiable instruments of deposit | 1,717,161 | 1,281,183 | 1,472,807 | 2,309,611 |
| Bankers' acceptances and Islamic accepted bills | 299,437 | 3,011,092 | - | 2,555,206 |
| | <u>2,016,598</u> | <u>4,292,275</u> | <u>1,472,807</u> | <u>4,864,817</u> |
| Non-money market instruments: | | | | |
| Debt securities: | | | | |
| - Cagamas bonds | 5,059 | 20,246 | 5,059 | 5,059 |
| - Unquoted private debt securities | 629,951 | 543,355 | 144,933 | 140,342 |
| | <u>635,010</u> | <u>563,601</u> | <u>149,992</u> | <u>145,401</u> |
| Accumulated impairment losses | (155) | (1,102) | (155) | (1,102) |
| Total financial investments held-to-maturity | <u>6,257,771</u> | <u>7,629,233</u> | <u>4,509,314</u> | <u>7,073,857</u> |

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

A11. Loans, Advances and Financing

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At amortised cost | | | | |
| Overdrafts | 9,528,841 | 9,447,558 | 8,291,756 | 8,326,695 |
| Term loans | | | | |
| - Housing loans / financing | 59,867,383 | 51,315,764 | 52,536,395 | 44,743,319 |
| - Syndicated term loan / financing | 1,974,334 | 2,318,612 | 881,720 | 917,264 |
| - Hire purchase receivables | 42,021,461 | 38,727,779 | 30,138,506 | 26,680,963 |
| - Other term loans / financing | 73,633,407 | 64,851,835 | 61,665,524 | 52,886,921 |
| Credit card receivables | 1,604,211 | 1,522,267 | 1,594,106 | 1,512,099 |
| Bills receivables | 130,609 | 85,401 | 97,980 | 82,204 |
| Trust receipts | 324,142 | 382,921 | 278,177 | 309,675 |
| Claims on customers under acceptance credits | 4,020,397 | 3,936,947 | 4,007,132 | 3,921,063 |
| Revolving credits | 3,464,140 | 4,003,269 | 3,505,412 | 4,144,668 |
| Staff loans * | 1,214,239 | 1,101,664 | 1,141,458 | 1,033,587 |
| Gross loans, advances and financing | <u>197,783,164</u> | <u>177,694,017</u> | <u>164,138,166</u> | <u>144,558,458</u> |
| Allowance for impaired loans and financing: | | | | |
| - collective assessment allowance | (1,529,566) | (1,496,044) | (1,059,484) | (1,038,212) |
| - individual assessment allowance | (201,995) | (245,196) | (110,074) | (134,748) |
| Net loans, advances and financing | <u>196,051,603</u> | <u>175,952,777</u> | <u>162,968,608</u> | <u>143,385,498</u> |

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM3,785,000 (2011: RM3,374,000) and RM3,313,000 (2011 - RM2,823,000) respectively.

A11a. By class

| | Group | | Bank | |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Retail loans / financing | | | | |
| - Housing loans / financing | 59,867,383 | 51,315,764 | 52,536,395 | 44,743,319 |
| - Hire purchase | 42,021,461 | 38,727,779 | 30,138,506 | 26,680,963 |
| - Credit cards | 1,604,211 | 1,522,267 | 1,594,106 | 1,512,099 |
| - Other loans / financing * | 66,421,547 | 59,650,401 | 57,307,670 | 50,654,228 |
| | <u>169,914,602</u> | <u>151,216,211</u> | <u>141,576,677</u> | <u>123,590,609</u> |
| Corporate loans / financing | 27,868,562 | 26,477,806 | 22,561,489 | 20,967,849 |
| | <u>197,783,164</u> | <u>177,694,017</u> | <u>164,138,166</u> | <u>144,558,458</u> |

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

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

A11. Loans, Advances and Financing (continued)

A11b. By type of customer

| | Group | | Bank | |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Banking institutions | 572,034 | 577,887 | 397,658 | 412,759 |
| Non-bank financial institutions | | | | |
| - Stock-broking companies | 14,202 | 2,010 | 14,202 | 2,010 |
| - Others | 5,676,475 | 7,508,401 | 5,434,225 | 7,285,444 |
| Business enterprises | | | | |
| - Small and medium enterprises | 38,966,081 | 31,893,730 | 35,195,448 | 28,410,394 |
| - Others | 24,147,664 | 23,208,613 | 19,727,188 | 18,625,966 |
| Government and statutory bodies | 341,178 | 324,378 | 19,300 | 368 |
| Individuals | 126,071,304 | 112,227,634 | 101,473,775 | 88,005,106 |
| Other entities | 42,618 | 32,698 | 39,740 | 29,501 |
| Foreign entities | 1,951,608 | 1,918,666 | 1,836,630 | 1,786,910 |
| | 197,783,164 | 177,694,017 | 164,138,166 | 144,558,458 |

A11c. By interest / profit rate sensitivity

| | Group | | Bank | |
|--------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Fixed rate | | | | |
| - Housing loans / financing | 1,200,815 | 1,506,165 | 461,400 | 680,468 |
| - Hire purchase receivables | 40,487,636 | 37,204,687 | 30,128,935 | 26,671,253 |
| - Other fixed rate loans / financing | 15,447,863 | 16,785,545 | 8,170,545 | 9,020,044 |
| Variable rate | | | | |
| - Base lending rate plus | 113,302,637 | 96,548,480 | 107,615,616 | 92,614,278 |
| - Cost plus | 17,881,772 | 15,676,220 | 17,123,260 | 14,996,284 |
| - Other variable rates | 9,462,441 | 9,972,920 | 638,410 | 576,131 |
| | 197,783,164 | 177,694,017 | 164,138,166 | 144,558,458 |

A11d. By residual contractual maturity

| | Group | | Bank | |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Maturity within one year | 26,478,852 | 28,165,244 | 22,175,219 | 23,903,369 |
| More than one year to three years | 22,671,399 | 16,730,279 | 18,602,463 | 12,487,913 |
| More than three years to five years | 18,899,528 | 19,594,355 | 14,547,090 | 14,966,255 |
| More than five years | 129,733,385 | 113,204,139 | 108,813,394 | 93,200,921 |
| | 197,783,164 | 177,694,017 | 164,138,166 | 144,558,458 |

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

A11. Loans, Advances and Financing (continued)

A11e. By geographical distribution

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Malaysia | 184,541,775 | 164,081,299 | 163,752,137 | 144,234,053 |
| Hong Kong SAR and the People's Republic of China | 10,778,263 | 11,347,423 | - | - |
| Cambodia | 2,077,097 | 1,940,890 | - | - |
| Other countries | 386,029 | 324,405 | 386,029 | 324,405 |
| | <u>197,783,164</u> | <u>177,694,017</u> | <u>164,138,166</u> | <u>144,558,458</u> |

A11f. Gross loans, advances and financing by economic purpose

| | Group | | Bank | |
|---|---|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Purchase of securities | 4,126,999 | 1,855,949 | 4,050,091 | 1,799,724 |
| Purchase of transport vehicles | 42,238,571 | 38,947,135 | 30,344,330 | 26,893,997 |
| Purchase of landed properties (of which: - residential - non-residential) | 108,286,165 <u>61,130,701</u> <u>47,155,464</u> | 91,177,930 <u>52,207,176</u> <u>38,970,754</u> | 96,520,395 <u>53,826,198</u> <u>42,694,197</u> | 80,554,811 <u>45,660,415</u> <u>34,894,396</u> |
| Purchase of fixed assets (excluding landed properties) | 298,551 | 269,973 | 258,721 | 238,335 |
| Personal use | 9,318,142 | 9,721,813 | 4,270,035 | 4,117,175 |
| Credit card | 1,604,211 | 1,522,267 | 1,594,106 | 1,512,099 |
| Purchase of consumer durables | 16,746 | 16,754 | 13,103 | 13,358 |
| Construction | 2,493,576 | 1,899,289 | 1,911,728 | 1,254,784 |
| Mergers and acquisitions | 220,006 | 208,269 | 220,006 | 208,269 |
| Working capital | 25,325,719 | 27,685,514 | 21,365,295 | 23,837,744 |
| Other purpose | 3,854,478 | 4,389,124 | 3,590,356 | 4,128,162 |
| | <u>197,783,164</u> | <u>177,694,017</u> | <u>164,138,166</u> | <u>144,558,458</u> |

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

A11. Loans, Advances and Financing (continued)

A11g. Gross loans, advances and financing by sectors

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Agriculture, hunting, forestry and fishing | 2,690,193 | 2,536,271 | 2,422,271 | 2,273,676 |
| Mining and quarrying | 158,556 | 136,637 | 138,374 | 117,603 |
| Manufacturing | 8,149,499 | 7,794,879 | 7,316,331 | 6,875,511 |
| Electricity, gas and water | 38,083 | 337,187 | 14,898 | 305,237 |
| Construction | 6,039,106 | 5,803,527 | 5,174,150 | 4,914,034 |
| Wholesale & retail trade and restaurants & hotels | 17,304,919 | 15,545,359 | 15,819,202 | 14,248,824 |
| Transport, storage and communication | 3,182,098 | 2,952,295 | 2,434,007 | 2,321,421 |
| Finance, insurance and business services | 11,325,402 | 13,304,589 | 10,077,315 | 11,953,772 |
| Real estate | 17,850,585 | 14,295,594 | 14,926,521 | 11,565,396 |
| Community, social and personal services | 3,947,054 | 1,755,094 | 3,542,013 | 1,358,412 |
| Households | 126,342,848 | 112,543,232 | 102,115,314 | 88,449,903 |
| Others | 754,821 | 689,353 | 157,770 | 174,669 |
| | <u>197,783,164</u> | <u>177,694,017</u> | <u>164,138,166</u> | <u>144,558,458</u> |

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

| | Group | | Bank | |
|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Bankers' acceptances rediscounted | <u>2,306,869</u> | <u>1,294,373</u> | <u>2,305,913</u> | <u>1,292,261</u> |

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At 1 January | 1,529,657 | 1,784,277 | 1,150,234 | 1,401,321 |
| Impaired during the year | 2,575,901 | 2,613,345 | 1,881,155 | 1,913,028 |
| Reclassified as non-impaired | (1,924,842) | (2,042,648) | (1,571,125) | (1,711,860) |
| Recoveries | (299,087) | (308,784) | (234,953) | (219,155) |
| Amount written off | (475,296) | (509,166) | (185,974) | (220,039) |
| Loans converted to foreclosed properties / investments | (24,759) | (14,333) | (24,502) | (13,169) |
| Exchange differences | (7,488) | 6,966 | (175) | 108 |
| Closing balance | <u>1,374,086</u> | <u>1,529,657</u> | <u>1,014,660</u> | <u>1,150,234</u> |
| Gross impaired loans as a percentage of gross loans, advances and financing | <u>0.69%</u> | <u>0.86%</u> | <u>0.62%</u> | <u>0.80%</u> |

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

A11. Loans, Advances and Financing (continued)

A11j. Impaired loans, advances and financing by geographical distribution

| | Group | | Bank | |
|---|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Malaysia | 1,212,622 | 1,348,309 | 1,012,355 | 1,146,075 |
| Hong Kong SAR and the People's Republic of China | 96,054 | 118,278 | - | - |
| Cambodia | 63,105 | 58,911 | - | - |
| Other countries | 2,305 | 4,159 | 2,305 | 4,159 |
| | 1,374,086 | 1,529,657 | 1,014,660 | 1,150,234 |

A11k. Impaired loans, advances and financing by economic purpose

| | Group | | Bank | |
|---|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Purchase of securities | 5,852 | 5,892 | 5,848 | 5,883 |
| Purchase of transport vehicles | 263,313 | 267,817 | 189,226 | 198,061 |
| Purchase of landed properties | 591,758 | 660,005 | 497,871 | 563,476 |
| (of which: - residential | 420,286 | 466,238 | 371,040 | 413,183 |
| - non-residential) | 171,472 | 193,767 | 126,831 | 150,293 |
| Purchase of fixed assets (excluding landed properties) | 6,168 | 6,187 | 6,049 | 6,126 |
| Personal use | 165,205 | 176,834 | 47,086 | 52,995 |
| Credit card | 23,421 | 22,284 | 23,309 | 22,257 |
| Purchase of consumer durables | 377 | 13 | 309 | 13 |
| Construction | 14,109 | 33,652 | 13,369 | 19,696 |
| Working capital | 283,886 | 329,539 | 211,641 | 254,487 |
| Other purpose | 19,997 | 27,434 | 19,952 | 27,240 |
| | 1,374,086 | 1,529,657 | 1,014,660 | 1,150,234 |

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

A11. Loans, Advances and Financing (continued)

A11l. Impaired loans, advances and financing by sectors

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Agriculture, hunting, forestry and fishing | 11,772 | 6,254 | 4,422 | 5,978 |
| Mining and quarrying | 132 | 145 | 97 | 110 |
| Manufacturing | 130,029 | 152,709 | 117,907 | 121,174 |
| Electricity, gas and water | 1,205 | 1,251 | - | - |
| Construction | 68,336 | 120,275 | 66,813 | 105,144 |
| Wholesale & retail trade and restaurants & hotels | 117,113 | 109,014 | 86,462 | 92,027 |
| Transport, storage and communication | 54,959 | 103,802 | 47,954 | 95,242 |
| Finance, insurance and business services | 44,217 | 49,142 | 21,186 | 22,287 |
| Real estate | 61,688 | 71,180 | 30,388 | 39,658 |
| Community, social and personal services | 16,091 | 14,501 | 15,980 | 14,488 |
| Households | 867,416 | 899,344 | 622,571 | 652,370 |
| Others | 1,128 | 2,040 | 880 | 1,756 |
| | <u>1,374,086</u> | <u>1,529,657</u> | <u>1,014,660</u> | <u>1,150,234</u> |

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| <u>Collective Assessment Allowance</u> | | | | |
| At 1 January | | | | |
| - as previously stated | 2,644,535 | 2,296,158 | 2,168,025 | 1,914,653 |
| - effects of MFRS adoption | (1,148,491) | (881,185) | (1,129,813) | (887,254) |
| At 1 January, as restated | 1,496,044 | 1,414,973 | 1,038,212 | 1,027,399 |
| Allowance made during the year | 279,199 | 335,845 | 187,119 | 196,942 |
| Amount written off | (243,996) | (256,031) | (165,574) | (186,226) |
| Exchange differences | (1,681) | 1,257 | (273) | 97 |
| Closing balance | <u>1,529,566</u> | <u>1,496,044</u> | <u>1,059,484</u> | <u>1,038,212</u> |

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| <u>Individual Assessment Allowance</u> | | | | |
| At 1 January | 245,196 | 264,934 | 134,748 | 166,346 |
| Allowance made during the year | 246,919 | 269,634 | 27,173 | 33,783 |
| Amount written back in respect of recoveries | (52,054) | (49,124) | (30,043) | (31,568) |
| Amount written off | (231,300) | (253,135) | (20,400) | (33,813) |
| Amount transferred to allowance for impairment loss on foreclosed properties | (1,404) | - | (1,404) | - |
| Exchange differences | (5,362) | 12,887 | - | - |
| Closing balance | <u>201,995</u> | <u>245,196</u> | <u>110,074</u> | <u>134,748</u> |

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

A12. Other Assets

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Deferred handling fees | 236,571 | 230,402 | 173,995 | 162,827 |
| Interest / Income receivable | 32,942 | 52,824 | 20,560 | 39,141 |
| Other receivables, deposits and prepayments | 1,283,277 | 1,231,339 | 1,156,749 | 1,165,635 |
| Manager's stocks | 67,652 | 22,696 | - | - |
| Amount due from trust funds | 97,891 | 99,987 | - | - |
| Foreclosed properties | 82,673 | 109,529 | 80,522 | 106,652 |
| Taxi licenses | 1,056 | 1,093 | - | - |
| Outstanding contracts on clients' accounts | 204,857 | 260,384 | - | - |
| Amount due from subsidiary companies | - | - | 45,248 | 42,234 |
| Dividend receivable from subsidiary companies | - | - | 429,647 | 397,237 |
| | <u>2,006,919</u> | <u>2,008,254</u> | <u>1,906,721</u> | <u>1,913,726</u> |

A13. Deposits from Customers

a) By type of deposit

| | Group | | Bank | |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At amortised cost | | | | |
| Core deposits: | | | | |
| - Demand deposits | 32,632,541 | 28,763,993 | 28,643,745 | 24,963,764 |
| - Savings deposits | 23,726,493 | 21,959,727 | 16,843,952 | 15,476,427 |
| - Fixed deposits | 120,675,603 | 106,572,984 | 93,931,585 | 82,521,018 |
| | <u>177,034,637</u> | <u>157,296,704</u> | <u>139,419,282</u> | <u>122,961,209</u> |
| Wholesale deposits: | | | | |
| - Negotiable instruments of deposit | 1,223,620 | 2,283,027 | 90,112 | 752,718 |
| - Money market deposits | 46,593,137 | 40,589,452 | 41,991,233 | 35,471,442 |
| | <u>47,816,757</u> | <u>42,872,479</u> | <u>42,081,345</u> | <u>36,224,160</u> |
| Other deposits | 190,931 | 201,342 | 187,817 | 199,070 |
| | <u>225,042,325</u> | <u>200,370,525</u> | <u>181,688,444</u> | <u>159,384,439</u> |

b) By type of customer

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Federal and state governments | 1,617,446 | 1,779,056 | 162,506 | 310,388 |
| Local government and statutory authorities | 3,154,490 | 3,192,613 | 2,041,839 | 2,145,272 |
| Business enterprises | 64,959,217 | 61,617,324 | 52,239,124 | 47,063,188 |
| Individuals | 102,008,645 | 91,667,626 | 88,167,268 | 79,051,389 |
| Foreign customers | 4,444,181 | 4,810,192 | 3,840,822 | 4,172,124 |
| Others | 48,858,346 | 37,303,714 | 35,236,885 | 26,642,078 |
| | <u>225,042,325</u> | <u>200,370,525</u> | <u>181,688,444</u> | <u>159,384,439</u> |

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

A13. Deposits from Customers (continued)

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

| | Group | | Bank | |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Due within six months | 151,771,362 | 132,511,858 | 121,861,534 | 104,021,136 |
| More than six months to one year | 16,345,923 | 16,757,343 | 14,023,613 | 14,601,339 |
| More than one year to three years | 367,778 | 154,076 | 122,377 | 103,227 |
| More than three years to five years | 7,297 | 22,186 | 5,406 | 19,476 |
| | <u>168,492,360</u> | <u>149,445,463</u> | <u>136,012,930</u> | <u>118,745,178</u> |

A14. Deposits from Banks

| | Group | | Bank | |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At amortised cost | | | | |
| Licensed banks | 3,080,562 | 4,210,837 | 2,168,377 | 2,948,408 |
| Licensed Islamic banks | 1,428,121 | 1,265,141 | 808,850 | 95,243 |
| Licensed investment banks | 3,573,682 | 3,759,282 | 3,435,195 | 4,840,635 |
| Bank Negara Malaysia | 2,602,861 | 2,848,131 | 2,602,861 | 2,845,613 |
| Other financial institutions | 2,164,087 | 3,723,341 | 5,393,495 | 5,987,450 |
| | <u>12,849,313</u> | <u>15,806,732</u> | <u>14,408,778</u> | <u>16,717,349</u> |

A15. Other Liabilities

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Interest / Income payable | 1,102,170 | 866,442 | 935,099 | 748,209 |
| Other payables and accruals | 2,120,839 | 2,218,605 | 1,565,466 | 1,595,561 |
| Amount due to trust funds | 46,656 | 65,013 | - | - |
| Unprocessed sales and / or redemptions | 127,505 | 50,798 | - | - |
| Employee benefits | (99,723) | (92,709) | (96,303) | (89,528) |
| Profit Equalisation Reserve of the investment account holder | 265 | - | - | - |
| Finance lease liabilities | 60,723 | 93,779 | 60,723 | 93,779 |
| Outstanding contracts on clients' accounts | 199,195 | 249,464 | - | - |
| Dividend payable to shareholders | 12,896 | 16,143 | 2,461 | 2,933 |
| Amount due to subsidiary companies | - | - | 15,139 | 17,373 |
| | <u>3,570,526</u> | <u>3,467,535</u> | <u>2,482,585</u> | <u>2,368,327</u> |

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

A16. Interest Income

| | 4th Quarter Ended | | Financial Year Ended | |
|--|-------------------|------------------|----------------------|------------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Group | | | | |
| Loans and advances | 2,301,781 | 2,088,545 | 8,856,696 | 7,980,679 |
| Balances with banks | 119,735 | 128,294 | 426,060 | 623,366 |
| Financial investments available-for-sale | 83,638 | 61,818 | 334,649 | 203,439 |
| Financial investments held-to-maturity | 58,323 | 74,687 | 262,287 | 266,371 |
| Others | 36,438 | 26,085 | 112,680 | 90,327 |
| | <u>2,599,915</u> | <u>2,379,429</u> | <u>9,992,372</u> | <u>9,164,182</u> |
| Financial assets held-for-trading | 116,508 | 84,440 | 411,869 | 248,848 |
| | <u>2,716,423</u> | <u>2,463,869</u> | <u>10,404,241</u> | <u>9,413,030</u> |

Of which:

Interest income earned on impaired loans
and advances

| | | | |
|--------|--------|--------|--------|
| 12,466 | 13,209 | 52,143 | 62,195 |
|--------|--------|--------|--------|

| | 4th Quarter Ended | | Financial Year Ended | |
|--|-------------------|------------------|----------------------|------------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Bank | | | | |
| Loans and advances | 2,100,030 | 1,888,686 | 8,061,363 | 7,215,709 |
| Balances with banks | 113,766 | 122,635 | 401,149 | 601,974 |
| Financial investments available-for-sale | 81,785 | 59,305 | 322,696 | 191,762 |
| Financial investments held-to-maturity | 41,766 | 53,112 | 187,645 | 189,410 |
| Others | 36,436 | 26,068 | 112,660 | 90,298 |
| | <u>2,373,783</u> | <u>2,149,806</u> | <u>9,085,513</u> | <u>8,289,153</u> |
| Financial assets held-for-trading | 106,493 | 80,958 | 380,085 | 239,953 |
| | <u>2,480,276</u> | <u>2,230,764</u> | <u>9,465,598</u> | <u>8,529,106</u> |

Of which:

Interest income earned on impaired loans
and advances

| | | | |
|--------|--------|--------|--------|
| 11,992 | 12,642 | 49,523 | 60,096 |
|--------|--------|--------|--------|

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

A17. Interest Expense

| | 4th Quarter Ended | | Financial Year Ended | |
|--|--------------------------|--------------------|-----------------------------|--------------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Group</u> | | | | |
| Deposits from banks | 67,763 | 56,106 | 238,319 | 346,458 |
| Deposits from customers | 1,212,764 | 1,031,918 | 4,508,322 | 3,756,178 |
| Loans sold to Cagamas | 42 | 131 | 360 | 590 |
| Debt securities issued and other borrowed funds | 96,092 | 101,236 | 392,429 | 329,755 |
| Others | 2,499 | 3,360 | 10,166 | 5,118 |
| | <u>1,379,160</u> | <u>1,192,751</u> | <u>5,149,596</u> | <u>4,438,099</u> |

| | 4th Quarter Ended | | Financial Year Ended | |
|--|--------------------------|--------------------|-----------------------------|--------------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Bank</u> | | | | |
| Deposits from banks | 60,639 | 54,722 | 211,251 | 335,032 |
| Deposits from customers | 1,166,374 | 978,823 | 4,316,230 | 3,579,222 |
| Loans sold to Cagamas | 42 | 131 | 360 | 590 |
| Debt securities issued and other borrowed funds | 92,973 | 97,945 | 379,336 | 317,716 |
| Others | 2,442 | 3,289 | 9,901 | 4,823 |
| | <u>1,322,470</u> | <u>1,134,910</u> | <u>4,917,078</u> | <u>4,237,383</u> |

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

A18. Net Fee and Commission Income

| | 4th Quarter Ended | | Financial Year Ended | |
|---|-------------------|------------------|----------------------|------------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Group | | | | |
| Fee and commission income: | | | | |
| Commissions | 93,051 | 85,993 | 352,019 | 327,147 |
| Service charges and fees | 70,057 | 61,659 | 270,639 | 250,370 |
| Guarantee fees | 9,259 | 8,221 | 32,599 | 29,676 |
| Processing fees | 3,452 | 3,395 | 14,868 | 16,110 |
| Commitment fees | 15,404 | 15,418 | 60,443 | 59,311 |
| Unit trust management fees | 161,443 | 134,978 | 609,936 | 545,095 |
| Fee on sale of trust units | 63,684 | 64,254 | 260,302 | 321,586 |
| Net brokerage and commissions from stockbroking activities | 14,840 | 19,750 | 75,509 | 100,946 |
| Other fee and commission income | 9,316 | 12,908 | 49,342 | 45,154 |
| | <u>440,506</u> | <u>406,576</u> | <u>1,725,657</u> | <u>1,695,395</u> |
| Fee and commission expense: | | | | |
| Loan related fee | (59,761) | (55,467) | (227,974) | (216,723) |
| Unit trust agency fee | (80,041) | (75,094) | (313,112) | (341,364) |
| Other fee and commission expense | (4,236) | (4,712) | (19,258) | (18,399) |
| | <u>(144,038)</u> | <u>(135,273)</u> | <u>(560,344)</u> | <u>(576,486)</u> |
| Net fee and commission income | <u>296,468</u> | <u>271,303</u> | <u>1,165,313</u> | <u>1,118,909</u> |

| | 4th Quarter Ended | | Financial Year Ended | |
|----------------------------------|-------------------|-----------------|----------------------|------------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Bank | | | | |
| Fee and commission income: | | | | |
| Commissions | 102,767 | 95,534 | 391,719 | 372,216 |
| Service charges and fees | 53,023 | 45,891 | 203,307 | 181,851 |
| Guarantee fees | 8,512 | 7,389 | 29,574 | 26,121 |
| Processing fees | 802 | 588 | 3,325 | 2,532 |
| Commitment fees | 14,794 | 14,537 | 57,700 | 56,433 |
| Other fee and commission income | 6,972 | 10,943 | 39,743 | 34,778 |
| | <u>186,870</u> | <u>174,882</u> | <u>725,368</u> | <u>673,931</u> |
| Fee and commission expense: | | | | |
| Loan related fee | (58,821) | (54,504) | (224,074) | (212,626) |
| Other fee and commission expense | (2,618) | (2,898) | (11,269) | (11,301) |
| | <u>(61,439)</u> | <u>(57,402)</u> | <u>(235,343)</u> | <u>(223,927)</u> |
| Net fee and commission income | <u>125,431</u> | <u>117,480</u> | <u>490,025</u> | <u>450,004</u> |

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

A19. Net Gains and Losses on Financial Instruments

| | 4th Quarter Ended | | Financial Year Ended | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Group | | | | |
| Net gain / (loss) arising on financial assets held-for-trading: | | | | |
| - net gain on disposal | 3,213 | 2,417 | 12,562 | 8,919 |
| - gross dividend income | 16 | 8 | 38 | 34 |
| - unrealised revaluation gain / (loss) | 1,443 | (563) | (3,330) | (333) |
| | <u>4,672</u> | <u>1,862</u> | <u>9,270</u> | <u>8,620</u> |
| Net gain / (loss) arising on trading derivatives | | | | |
| - net gain / (loss) on disposal | 148 | (56) | 772 | (12,520) |
| - unrealised revaluation (loss) / gain | (776) | 2,957 | 3,222 | 8,495 |
| | <u>(628)</u> | <u>2,901</u> | <u>3,994</u> | <u>(4,025)</u> |
| Net gain arising on financial investments available-for-sale: | | | | |
| - net gain on disposal | 614 | 294 | 7,629 | 5,448 |
| - gross dividend income | 37,114 | 38,336 | 151,033 | 147,823 |
| | <u>37,728</u> | <u>38,630</u> | <u>158,662</u> | <u>153,271</u> |
| Net gain / (loss) representing ineffective portions of hedging derivatives: | | | | |
| - fair value hedge | (113) | 1,131 | (1,726) | 8,291 |
| - cash flow hedge | 28 | (37) | 44 | (3) |
| | <u>(85)</u> | <u>1,094</u> | <u>(1,682)</u> | <u>8,288</u> |
| Net gains and losses on financial instruments | <u>41,687</u> | <u>44,487</u> | <u>170,244</u> | <u>166,154</u> |
| | | | | |
| | 4th Quarter Ended | 4th Quarter Ended | Financial Year Ended | Financial Year Ended |
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Bank | | | | |
| Net gain / (loss) arising on financial assets held-for-trading: | | | | |
| - net gain on disposal | 3,210 | 2,262 | 12,148 | 8,464 |
| - gross dividend income | 16 | 8 | 38 | 34 |
| - unrealised revaluation gain / (loss) | 1,431 | (365) | (3,312) | (213) |
| | <u>4,657</u> | <u>1,905</u> | <u>8,874</u> | <u>8,285</u> |
| Net gain / (loss) arising on trading derivatives | | | | |
| - net gain / (loss) on disposal | 148 | (56) | 772 | (12,520) |
| - unrealised revaluation (loss) / gain | (469) | 5,126 | 5,733 | 17,204 |
| | <u>(321)</u> | <u>5,070</u> | <u>6,505</u> | <u>4,684</u> |
| Net gain arising on financial investments available-for-sale: | | | | |
| - net gain on disposal | 614 | 81 | 7,629 | 5,216 |
| - gross dividend income | 35,993 | 36,772 | 146,287 | 142,859 |
| | <u>36,607</u> | <u>36,853</u> | <u>153,916</u> | <u>148,075</u> |
| Net (loss) / gain representing ineffective portions of hedging derivatives: | | | | |
| - fair value hedge | (322) | 660 | (1,129) | 6,441 |
| - cash flow hedge | 28 | (37) | 44 | (3) |
| | <u>(294)</u> | <u>623</u> | <u>(1,085)</u> | <u>6,438</u> |
| Net gains and losses on financial instruments | <u>40,649</u> | <u>44,451</u> | <u>168,210</u> | <u>167,482</u> |

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

A20. Other Operating Income

| | 4th Quarter Ended | | Financial Year Ended | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Group | | | | |
| Other income: | | | | |
| Foreign exchange profit | 53,051 | 64,854 | 225,445 | 217,563 |
| Rental income from: | | | | |
| - investment properties | 1,413 | 1,289 | 5,490 | 4,887 |
| - other properties | 3,499 | 3,456 | 14,392 | 13,375 |
| Net gain / (loss) on disposal of property and equipment | 134 | 60 | (446) | 11 |
| Net gain / (loss) on disposal of foreclosed properties | 8,607 | (322) | 7,938 | (3,190) |
| Net gain on revaluation of investment properties | 16,880 | 1,977 | 23,877 | 2,711 |
| Others | 8,405 | 11,912 | 36,045 | 44,877 |
| Total other operating income | <u>91,989</u> | <u>83,226</u> | <u>312,741</u> | <u>280,234</u> |
| | | | | |
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Bank | | | | |
| Gross dividend income from: | | | | |
| - associated companies | - | 9,692 | 4,783 | 9,692 |
| - subsidiary companies | | | | |
| - quoted outside Malaysia | 28,547 | 36,040 | 45,043 | 51,674 |
| - unquoted in Malaysia | 183,451 | 131,800 | 808,037 | 673,003 |
| | <u>211,998</u> | <u>177,532</u> | <u>857,863</u> | <u>734,369</u> |
| Other income: | | | | |
| Foreign exchange profit | 53,234 | 70,909 | 252,661 | 193,532 |
| Rental income from other properties | 2,678 | 2,737 | 11,307 | 10,553 |
| Net gain / (loss) on disposal of property and equipment | 133 | 72 | (425) | 82 |
| Net gain / (loss) on disposal of foreclosed properties | 8,607 | (322) | 7,938 | (3,190) |
| Others | 6,080 | 9,906 | 25,765 | 32,422 |
| | <u>70,732</u> | <u>83,302</u> | <u>297,246</u> | <u>233,399</u> |
| Total other operating income | <u>282,730</u> | <u>260,834</u> | <u>1,155,109</u> | <u>967,768</u> |

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

A21. Other Operating Expenses

| <u>Group</u> | 4th Quarter Ended | | Financial Year Ended | |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Personnel costs | | | | |
| - Salaries, allowances and bonuses | 347,543 | 318,388 | 1,347,450 | 1,260,198 |
| - Pension costs | 34,292 | 28,109 | 145,151 | 118,813 |
| - Others | 29,279 | 31,055 | 118,761 | 116,778 |
| | <u>411,114</u> | <u>377,552</u> | <u>1,611,362</u> | <u>1,495,789</u> |
| Establishment costs | | | | |
| - Depreciation | 41,724 | 41,795 | 167,253 | 145,947 |
| - Rental | 22,092 | 21,442 | 84,962 | 80,365 |
| - Insurance | 4,033 | 4,581 | 20,293 | 20,590 |
| - Water and electricity | 11,199 | 10,816 | 43,674 | 40,563 |
| - General repairs and maintenance | 16,187 | 17,522 | 74,044 | 69,483 |
| - Information technology expenses | 5,923 | 6,440 | 26,475 | 26,249 |
| - Others | 10,173 | 10,927 | 37,233 | 35,919 |
| | <u>111,331</u> | <u>113,523</u> | <u>453,934</u> | <u>419,116</u> |
| Marketing expenses | | | | |
| - Advertisement and publicity | 16,780 | 17,650 | 74,352 | 75,174 |
| - Others | 16,439 | 18,588 | 77,645 | 80,138 |
| | <u>33,219</u> | <u>36,238</u> | <u>151,997</u> | <u>155,312</u> |
| Administration and general expenses | | | | |
| - Communication expenses | 10,014 | 7,048 | 38,724 | 35,144 |
| - Legal and professional fees | 10,073 | 11,621 | 43,654 | 45,123 |
| - Others | 5,744 | 15,491 | 61,227 | 58,200 |
| | <u>25,831</u> | <u>34,160</u> | <u>143,605</u> | <u>138,467</u> |
| Total other operating expenses | <u>581,495</u> | <u>561,473</u> | <u>2,360,898</u> | <u>2,208,684</u> |

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

A21. Other Operating Expenses (continued)

| <u>Bank</u> | 4th Quarter Ended | | Financial Year Ended | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Personnel costs | | | | |
| - Salaries, allowances and bonuses | 261,633 | 243,837 | 1,052,631 | 972,686 |
| - Pension costs | 29,665 | 23,864 | 126,063 | 101,477 |
| - Others | 25,157 | 27,537 | 103,969 | 102,775 |
| | 316,455 | 295,238 | 1,282,663 | 1,176,938 |
| Establishment costs | | | | |
| - Depreciation | 33,711 | 34,360 | 135,515 | 113,471 |
| - Rental | 21,004 | 20,034 | 81,657 | 77,741 |
| - Insurance | 3,176 | 4,076 | 15,833 | 16,302 |
| - Water and electricity | 8,185 | 7,895 | 32,166 | 30,020 |
| - General repairs and maintenance | 14,082 | 15,715 | 66,073 | 62,331 |
| - Information technology expenses | 3,154 | 3,515 | 14,521 | 14,682 |
| - Others | 7,346 | 6,537 | 27,143 | 24,531 |
| | 90,658 | 92,132 | 372,908 | 339,078 |
| Marketing expenses | | | | |
| - Advertisement and publicity | 5,689 | 5,448 | 25,153 | 25,019 |
| - Others | 8,285 | 9,344 | 43,148 | 34,720 |
| | 13,974 | 14,792 | 68,301 | 59,739 |
| Administration and general expenses | | | | |
| - Communication expenses | 8,836 | 6,547 | 30,328 | 34,975 |
| - Legal and professional fees | 7,396 | 8,940 | 33,936 | 36,101 |
| - Others | 7,849 | 7,870 | 30,074 | 29,467 |
| | 24,081 | 23,357 | 94,338 | 100,543 |
| Shared service cost charged to Public Islamic Bank Berhad | (56,074) | (44,175) | (221,688) | (166,483) |
| Total other operating expenses | 389,094 | 381,344 | 1,596,522 | 1,509,815 |

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

A23. Segment Information

| 4th Quarter Ended 31 December 2012 | ----- 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 | 573,613 | 1,757,073 | 254,641 | 427,202 | 44,113 | 225,317 | 1,254 | 92,237 | 3,375,450 | 254,607 | - | 3,630,057 |
| Revenue from other segments | - | 253,756 | 2,958 | 192,399 | 1,884 | 2,663 | 7,285 | 355,432 | 816,377 | 938 | (817,315) | - |
| | <u>573,613</u> | <u>2,010,829</u> | <u>257,599</u> | <u>619,601</u> | <u>45,997</u> | <u>227,980</u> | <u>8,539</u> | <u>447,669</u> | <u>4,191,827</u> | <u>255,545</u> | <u>(817,315)</u> | <u>3,630,057</u> |
| Net interest income and | | | | | | | | | | | | |
| Islamic banking income | 248,001 | 991,000 | 71,375 | 37,533 | 3,709 | 2,853 | (1,946) | 22,744 | 1,375,269 | 168,023 | - | 1,543,292 |
| Other income | 1,640 | 130,844 | 9,365 | 52,988 | 11,902 | 132,891 | 8,484 | 50,125 | 398,239 | 48,461 | (16,556) | 430,144 |
| Net income | <u>249,641</u> | <u>1,121,844</u> | <u>80,740</u> | <u>90,521</u> | <u>15,611</u> | <u>135,744</u> | <u>6,538</u> | <u>72,869</u> | <u>1,773,508</u> | <u>216,484</u> | <u>(16,556)</u> | <u>1,973,436</u> |
| Other operating expenses | (52,785) | (328,105) | (2,422) | (4,881) | (7,602) | (38,939) | (3,600) | (68,697) | (507,031) | (91,020) | 16,556 | (581,495) |
| (Allowance) / writeback of | | | | | | | | | | | | |
| allowance for impairment on | | | | | | | | | | | | |
| loans, advances and financing | (43,944) | (13,683) | 11,050 | - | (395) | - | - | - | (46,972) | (37,195) | - | (84,167) |
| (Impairment) / writeback of | | | | | | | | | | | | |
| impairment on other assets | - | (5,471) | - | - | - | - | - | - | (5,471) | 136 | - | (5,335) |
| Profit by segments | <u>152,912</u> | <u>774,585</u> | <u>89,368</u> | <u>85,640</u> | <u>7,614</u> | <u>96,805</u> | <u>2,938</u> | <u>4,172</u> | <u>1,214,034</u> | <u>88,405</u> | <u>-</u> | <u>1,302,439</u> |
| Reconciliation of segment profits | | | | | | | | | | | | |
| to consolidated profits: | | | | | | | | | | | | |
| Share of profit after tax | | | | | | | | | | | | |
| of equity accounted associated | | | | | | | | | | | | |
| companies | | | | | | | | | 322 | 2,741 | | 3,063 |
| Profit before tax expense and zakat | | | | | | | | | <u>1,214,356</u> | <u>91,146</u> | | <u>1,305,502</u> |

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

A23. Segment Information (continued)

| 4th Quarter Ended 31 December 2011 | ----- 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 | 551,145 | 1,559,088 | 223,632 | 415,717 | 47,398 | 199,413 | 1,194 | 70,447 | 3,068,034 | 253,599 | - | 3,321,633 |
| Revenue from other segments | - | 249,090 | 3,270 | 172,566 | 9,459 | 2,537 | 7,045 | 326,080 | 770,047 | 1,144 | (771,191) | - |
| | <u>551,145</u> | <u>1,808,178</u> | <u>226,902</u> | <u>588,283</u> | <u>56,857</u> | <u>201,950</u> | <u>8,239</u> | <u>396,527</u> | <u>3,838,081</u> | <u>254,743</u> | <u>(771,191)</u> | <u>3,321,633</u> |
| Net interest income and Islamic banking income | 248,650 | 960,206 | 60,906 | 28,106 | 3,507 | 2,718 | (1,917) | 17,968 | 1,320,144 | 162,878 | - | 1,483,022 |
| Other income | 1,458 | 114,761 | 10,520 | 73,367 | 13,677 | 113,384 | 8,163 | 45,988 | 381,318 | 34,065 | (16,367) | 399,016 |
| Net income | <u>250,108</u> | <u>1,074,967</u> | <u>71,426</u> | <u>101,473</u> | <u>17,184</u> | <u>116,102</u> | <u>6,246</u> | <u>63,956</u> | <u>1,701,462</u> | <u>196,943</u> | <u>(16,367)</u> | <u>1,882,038</u> |
| Other operating expenses (Allowance) / writeback of allowance for impairment on loans, advances and financing (Impairment) / Writeback of impairment on other assets | (41,373) | (323,626) | (2,243) | (5,160) | (6,287) | (37,933) | (3,563) | (68,750) | (488,935) | (88,905) | 16,367 | (561,473) |
| | (34,650) | (37,838) | (1,128) | - | 1,305 | - | - | - | (72,311) | (33,794) | - | (106,105) |
| | - | (511) | - | (152) | - | - | - | - | (663) | 1,226 | - | 563 |
| Profit / (loss) by segments | <u>174,085</u> | <u>712,992</u> | <u>68,055</u> | <u>96,161</u> | <u>12,202</u> | <u>78,169</u> | <u>2,683</u> | <u>(4,794)</u> | <u>1,139,553</u> | <u>75,470</u> | <u>-</u> | <u>1,215,023</u> |
| Reconciliation of segment profits to consolidated profits: Share of loss after tax of equity accounted associated companies | | | | | | | | | (481) | (2,735) | | (3,216) |
| Profit before tax expense and zakat | | | | | | | | | <u>1,139,072</u> | <u>72,735</u> | | <u>1,211,807</u> |

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

A23. Segment Information (continued)

| Financial Year Ended 31 December 2012 | ----- Operating Segments -----> | | | | | | | Head Office RM'000 | Total Domestic Operations RM'000 | Total Overseas Operations RM'000 | Inter- segment Elimination RM'000 | Group Total RM'000 |
|--|---------------------------------|--------------------------------|--------------------------------|--|---------------------------------|------------------------------|------------------|--------------------------|---|---|--|--------------------------|
| | Hire Purchase RM'000 | Retail Operations RM'000 | Corporate Lending RM'000 | Treasury and Capital Market Operations RM'000 | Investment Banking RM'000 | Fund Management RM'000 | Others RM'000 | | | | | |
| External revenue | 2,257,989 | 6,747,976 | 965,969 | 1,658,039 | 184,373 | 870,984 | 4,818 | 359,774 | 13,049,922 | 1,008,175 | - | 14,058,097 |
| Revenue from other segments | - | 1,007,641 | 12,595 | 732,202 | 24,566 | 11,786 | 29,318 | 1,456,958 | 3,275,066 | 3,486 | (3,278,552) | - |
| | <u>2,257,989</u> | <u>7,755,617</u> | <u>978,564</u> | <u>2,390,241</u> | <u>208,939</u> | <u>882,770</u> | <u>34,136</u> | <u>1,816,732</u> | <u>16,324,988</u> | <u>1,011,661</u> | <u>(3,278,552)</u> | <u>14,058,097</u> |
| Net interest income and | | | | | | | | | | | | |
| Islamic banking income | 1,001,343 | 3,886,380 | 269,420 | 131,798 | 14,096 | 12,532 | (7,703) | 136,123 | 5,443,989 | 654,422 | - | 6,098,411 |
| Other income | 6,339 | 484,802 | 44,965 | 226,963 | 60,050 | 509,526 | 33,906 | 199,032 | 1,565,583 | 149,029 | (66,314) | 1,648,298 |
| Net income | <u>1,007,682</u> | <u>4,371,182</u> | <u>314,385</u> | <u>358,761</u> | <u>74,146</u> | <u>522,058</u> | <u>26,203</u> | <u>335,155</u> | <u>7,009,572</u> | <u>803,451</u> | <u>(66,314)</u> | <u>7,746,709</u> |
| Other operating expenses | (211,028) | (1,341,938) | (9,811) | (19,337) | (29,251) | (149,897) | (14,383) | (297,465) | (2,073,110) | (354,102) | 66,314 | (2,360,898) |
| (Allowance) / writeback of | | | | | | | | | | | | |
| allowance for impairment on | | | | | | | | | | | | |
| loans, advances and financing | (128,319) | (36,195) | 17,726 | - | (415) | - | - | - | (147,203) | (132,041) | - | (279,244) |
| Impairment on other assets | - | (6,626) | - | - | - | - | - | - | (6,626) | - | - | (6,626) |
| Profit by segments | <u>668,335</u> | <u>2,986,423</u> | <u>322,300</u> | <u>339,424</u> | <u>44,480</u> | <u>372,161</u> | <u>11,820</u> | <u>37,690</u> | <u>4,782,633</u> | <u>317,308</u> | <u>-</u> | <u>5,099,941</u> |
| Reconciliation of segment profits | | | | | | | | | | | | |
| to consolidated profits: | | | | | | | | | | | | |
| Share of (loss) / profit after tax | | | | | | | | | | | | |
| of equity accounted associated | | | | | | | | | | | | |
| companies | | | | | | | | | (3,687) | 7,672 | | 3,985 |
| Profit before tax expense and zakat | | | | | | | | | <u>4,778,946</u> | <u>324,980</u> | | <u>5,103,926</u> |
| Cost income ratio | 20.9% | 30.7% | 3.1% | 5.4% | 39.5% | 28.7% | 54.9% | 88.8% | 29.6% | 44.1% | | 30.5% |
| Gross loans | 40,434,621 | 120,440,651 | 23,299,542 | - | 313,440 | 51,567 | 1,954 | - | 184,541,775 | 13,241,389 | | 197,783,164 |
| Loan growth | 9.0% | 14.8% | 7.2% | - | 22.5% | 6.7% | -7.6% | - | 12.5% | -2.7% | | 11.3% |
| Impaired loans, advances and | | | | | | | | | | | | |
| financing | 241,137 | 860,301 | 111,184 | - | - | - | - | - | 1,212,622 | 161,464 | | 1,374,086 |
| Impaired loan ratio | 0.6% | 0.7% | 0.5% | - | - | - | - | - | 0.7% | 1.2% | | 0.7% |
| Deposits from customers | - | 153,661,620 | 321,327 | 53,699,558 | 2,997,848 | - | - | - | 210,680,353 | 14,361,972 | | 225,042,325 |
| Deposit growth | - | 14.8% | 2.1% | 10.0% | -12.2% | - | - | - | 13.0% | 3.1% | | 12.3% |
| Segment assets | <u>40,253,867</u> | <u>162,341,157</u> | <u>23,210,411</u> | <u>68,221,488</u> | <u>4,236,751</u> | <u>309,428</u> | <u>304,720</u> | <u>18,009,036</u> | <u>316,886,858</u> | <u>19,133,281</u> | <u>(64,647,889)</u> | <u>271,372,250</u> |
| Reconciliation of segment assets to | | | | | | | | | | | | |
| consolidated assets: | | | | | | | | | | | | |
| Investment in associated companies | | | | | | | | | 37,319 | 113,891 | | 151,210 |
| Unallocated assets | | | | | | | | | 1,175,072 | - | | 1,175,072 |
| Intangible assets | | | | | | | | | 769,251 | 1,157,096 | | 1,926,347 |
| Total assets | | | | | | | | | <u>318,868,500</u> | <u>20,404,268</u> | | <u>274,624,879</u> |

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

A23. Segment Information (continued)

| Financial Year Ended 31 December 2011 | -----<----- Operating Segments ----->----- | | | | | | | Head Office RM'000 | Total Domestic Operations RM'000 | Total Overseas Operations RM'000 | Inter- segment Elimination RM'000 | Group Total RM'000 |
|--|--|--------------------------------|--------------------------------|--|---------------------------------|------------------------------|------------------|--------------------------|---|---|--|--------------------------|
| | Hire Purchase RM'000 | Retail Operations RM'000 | Corporate Lending RM'000 | Treasury and Capital Market Operations RM'000 | Investment Banking RM'000 | Fund Management RM'000 | Others RM'000 | | | | | |
| External revenue | 2,150,378 | 5,879,167 | 845,770 | 1,533,285 | 191,297 | 867,354 | 4,640 | 290,289 | 11,762,180 | 994,180 | - | 12,756,360 |
| Revenue from other segments | - | 911,302 | 11,393 | 678,443 | 36,382 | 10,018 | 28,056 | 1,170,564 | 2,846,158 | 3,109 | (2,849,267) | - |
| | <u>2,150,378</u> | <u>6,790,469</u> | <u>857,163</u> | <u>2,211,728</u> | <u>227,679</u> | <u>877,372</u> | <u>32,696</u> | <u>1,460,853</u> | <u>14,608,338</u> | <u>997,289</u> | <u>(2,849,267)</u> | <u>12,756,360</u> |
| Net interest income and | | | | | | | | | | | | |
| Islamic banking income | 920,342 | 3,704,538 | 243,604 | 99,714 | 11,923 | 10,691 | (7,308) | 226,347 | 5,209,851 | 633,422 | - | 5,843,273 |
| Other income | 5,060 | 438,519 | 36,859 | 239,938 | 67,280 | 475,642 | 32,467 | 180,278 | 1,476,043 | 154,326 | (65,072) | 1,565,297 |
| Net income | <u>925,402</u> | <u>4,143,057</u> | <u>280,463</u> | <u>339,652</u> | <u>79,203</u> | <u>486,333</u> | <u>25,159</u> | <u>406,625</u> | <u>6,685,894</u> | <u>787,748</u> | <u>(65,072)</u> | <u>7,408,570</u> |
| Other operating expenses | (161,340) | (1,288,176) | (8,596) | (18,807) | (27,932) | (164,483) | (14,611) | (260,860) | (1,944,805) | (328,951) | 65,072 | (2,208,684) |
| (Allowance) / writeback of | | | | | | | | | | | | |
| allowance for impairment on | | | | | | | | | | | | |
| loans, advances and financing | (119,238) | (76,369) | 35,816 | - | 52 | - | - | - | (159,739) | (167,016) | - | (326,755) |
| Writeback of impairment / | | | | | | | | | | | | |
| (impairment) on other assets | - | 1,643 | - | (45) | - | - | - | - | 1,598 | - | - | 1,598 |
| Profit by segments | <u>644,824</u> | <u>2,780,155</u> | <u>307,683</u> | <u>320,800</u> | <u>51,323</u> | <u>321,850</u> | <u>10,548</u> | <u>145,765</u> | <u>4,582,948</u> | <u>291,781</u> | <u>-</u> | <u>4,874,729</u> |
| Reconciliation of segment profits | | | | | | | | | | | | |
| to consolidated profits: | | | | | | | | | | | | |
| Share of (loss) / profit after tax | | | | | | | | | | | | |
| of equity accounted associated | | | | | | | | | | | | |
| companies | | | | | | | | | (1,498) | 4,708 | | 3,210 |
| Profit before tax expense and zakat | | | | | | | | | <u>4,581,450</u> | <u>296,489</u> | | <u>4,877,939</u> |
| Cost income ratio | 17.4% | 31.1% | 3.1% | 5.5% | 35.3% | 33.8% | 58.1% | 64.2% | 29.1% | 41.8% | | 29.8% |
| Gross loans | 37,096,794 | 104,950,298 | 21,727,954 | - | 255,789 | 48,349 | 2,115 | - | 164,081,299 | 13,612,718 | | 177,694,017 |
| Loan growth | 10.4% | 14.9% | 16.7% | - | 7.3% | 14.5% | -3.6% | - | 14.1% | 7.0% | | 13.5% |
| Impaired loans, advances and | | | | | | | | | | | | |
| financing | 209,138 | 1,008,483 | 130,688 | - | - | - | - | - | 1,348,309 | 181,348 | | 1,529,657 |
| Impaired loan ratio | 0.6% | 1.0% | 0.6% | - | - | - | - | - | 0.8% | 1.3% | | 0.9% |
| Deposits from customers | - | 133,891,761 | 314,594 | 48,823,150 | 3,415,424 | - | - | - | 186,444,929 | 13,925,596 | | 200,370,525 |
| Deposit growth | - | 12.4% | 43.0% | 19.2% | 51.7% | - | - | - | 14.7% | -2.6% | | 13.3% |
| Segment assets | <u>36,939,663</u> | <u>142,000,262</u> | <u>21,614,989</u> | <u>63,249,589</u> | <u>4,551,629</u> | <u>254,877</u> | <u>270,800</u> | <u>16,715,960</u> | <u>285,597,769</u> | <u>18,916,734</u> | <u>(57,252,413)</u> | <u>247,262,090</u> |
| Reconciliation of segment assets to | | | | | | | | | | | | |
| consolidated assets: | | | | | | | | | | | | |
| Investment in associated companies | | | | | | | | | 40,847 | 115,150 | | 155,997 |
| Unallocated assets | | | | | | | | | 1,175,910 | - | | 1,175,910 |
| Intangible assets | | | | | | | | | 769,251 | 1,196,225 | | 1,965,476 |
| Total assets | | | | | | | | | <u>287,583,777</u> | <u>20,228,109</u> | | <u>250,559,473</u> |

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

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 audited interim financial statements.

A25. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the 4th quarter and financial year ended 31 December 2012.

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

A26. Commitments and Contingencies

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

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

| | Group | | Bank | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Contingent liabilities | | | | |
| Direct credit substitutes | 1,549,134 | 1,482,009 | 1,175,058 | 1,120,615 |
| Transaction-related contingent items | 1,031,792 | 900,696 | 908,204 | 779,091 |
| Short term self-liquidating trade-related contingencies | 525,150 | 515,710 | 341,952 | 221,038 |
| Obligations under an on-going underwriting agreement | - | 25,000 | - | 25,000 |
| | 3,106,076 | 2,923,415 | 2,425,214 | 2,145,744 |
| Commitments | | | | |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of: | | | | |
| - exceeding one year | 24,158,799 | 19,490,137 | 22,211,606 | 18,177,027 |
| - not exceeding one year | 20,955,923 | 19,919,554 | 19,422,068 | 18,413,664 |
| Unutilised credit card lines | 3,693,110 | 3,486,222 | 3,587,921 | 3,330,591 |
| Forward asset purchases | 30,386 | 39,362 | - | 10,175 |
| | 48,838,218 | 42,935,275 | 45,221,595 | 39,931,457 |
| Derivative financial instruments | | | | |
| Foreign exchange related contracts: | | | | |
| - less than one year | 11,879,221 | 11,013,882 | 11,822,972 | 10,643,581 |
| - one year to less than five years | 1,376,100 | 6,514 | 1,376,100 | 6,514 |
| Interest rate related contracts: | | | | |
| - less than one year | 1,552,000 | 2,058,803 | 1,552,000 | 2,058,803 |
| - one year to less than five years | 9,929,440 | 6,560,830 | 9,408,350 | 6,227,481 |
| - five years and above | 2,649,740 | 5,183,242 | 3,758,000 | 5,088,000 |
| Commodity related contracts: | | | | |
| - less than one year | 206 | 16,896 | 206 | 16,896 |
| Equity related contracts: | | | | |
| - less than one year | 73,589 | - | 73,589 | - |
| - one year to less than five years | 53,005 | 148,325 | 53,005 | 148,325 |
| | 27,513,301 | 24,988,492 | 28,044,222 | 24,189,600 |
| | 79,457,595 | 70,847,182 | 75,691,031 | 66,266,801 |

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

A27. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 December 2012 and 31 December 2011 are as follows:

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

| 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 | - | - | - | - |
| | 11,953,016 | 53,005 | - | 12,006,021 | 15,536 | 12,154 | - | 27,690 | 63,790 | - | - | 63,790 |
| 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 |
| | 1,552,000 | 2,617,840 | 11,337,440 | 15,507,280 | 6,056 | 5,374 | 331,345 | 342,775 | - | 119,628 | 50,146 | 169,774 |
| Total | 13,505,016 | 2,670,845 | 11,337,440 | 27,513,301 | 21,592 | 17,528 | 331,345 | 370,465 | 63,790 | 119,628 | 50,146 | 233,564 |

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

A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 December 2012 and 31 December 2011 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 2011 | 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 | 1,120,815 | 6,514 | - | 1,127,329 | 14,429 | 109 | - | 14,538 | 2,594 | - | - | 2,594 |
| - Swaps | 9,893,067 | - | - | 9,893,067 | 92,043 | - | - | 92,043 | 47,232 | - | - | 47,232 |
| Interest rate related contracts | | | | | | | | | | | | |
| - Swaps | 460,000 | - | - | 460,000 | 16 | - | - | 16 | 370 | - | - | 370 |
| Equity related contracts | | | | | | | | | | | | |
| - Options purchased | - | 148,325 | - | 148,325 | - | 11,244 | - | 11,244 | - | - | - | - |
| Precious metal contracts | | | | | | | | | | | | |
| - Forwards | 16,896 | - | - | 16,896 | 77 | - | - | 77 | 2 | - | - | 2 |
| | <u>11,490,778</u> | <u>154,839</u> | <u>-</u> | <u>11,645,617</u> | <u>106,565</u> | <u>11,353</u> | <u>-</u> | <u>117,918</u> | <u>50,198</u> | <u>-</u> | <u>-</u> | <u>50,198</u> |
| Hedging Derivatives: | | | | | | | | | | | | |
| Fair Value Hedge | | | | | | | | | | | | |
| Interest rate related contracts | | | | | | | | | | | | |
| - Swaps | 1,558,803 | 3,100,814 | 7,764,258 | 12,423,875 | 23,587 | 29,500 | 318,809 | 371,896 | 5,378 | 82,943 | 97,287 | 185,608 |
| Cash Flow Hedge | | | | | | | | | | | | |
| Interest rate related contracts | | | | | | | | | | | | |
| - Swaps | 40,000 | 379,000 | 500,000 | 919,000 | 16 | 3,822 | 200 | 4,038 | - | 653 | 265 | 918 |
| | <u>1,598,803</u> | <u>3,479,814</u> | <u>8,264,258</u> | <u>13,342,875</u> | <u>23,603</u> | <u>33,322</u> | <u>319,009</u> | <u>375,934</u> | <u>5,378</u> | <u>83,596</u> | <u>97,552</u> | <u>186,526</u> |
| Total | <u>13,089,581</u> | <u>3,634,653</u> | <u>8,264,258</u> | <u>24,988,492</u> | <u>130,168</u> | <u>44,675</u> | <u>319,009</u> | <u>493,852</u> | <u>55,576</u> | <u>83,596</u> | <u>97,552</u> | <u>236,724</u> |

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

A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 December 2012 and 31 December 2011 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 | - | - | - | - |
| | 11,896,767 | 71,353 | - | 11,968,120 | 15,410 | 12,154 | - | 27,564 | 63,737 | 1,360 | - | 65,097 |
| 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 |
| | 1,552,000 | 2,278,402 | 12,245,700 | 16,076,102 | 6,056 | 5,374 | 325,350 | 336,780 | - | 94,150 | 51,513 | 145,663 |
| Total | 13,448,767 | 2,349,755 | 12,245,700 | 28,044,222 | 21,466 | 17,528 | 325,350 | 364,344 | 63,737 | 95,510 | 51,513 | 210,760 |

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

A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 December 2012 and 31 December 2011 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 2011 | 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 | 1,095,678 | 6,514 | - | 1,102,192 | 14,366 | 109 | - | 14,475 | 2,548 | - | - | 2,548 |
| - Swaps | 9,547,903 | - | - | 9,547,903 | 90,790 | - | - | 90,790 | 46,440 | - | - | 46,440 |
| Interest rate related contracts | | | | | | | | | | | | |
| - Swaps | 717,155 | 19,049 | - | 736,204 | 2,814 | - | - | 2,814 | 5,076 | 2,035 | - | 7,111 |
| Equity related contracts | | | | | | | | | | | | |
| - Options purchased | - | 148,325 | - | 148,325 | - | 11,244 | - | 11,244 | - | - | - | - |
| Precious metal contracts | | | | | | | | | | | | |
| - Forwards | 16,896 | - | - | 16,896 | 77 | - | - | 77 | 2 | - | - | 2 |
| | <u>11,377,632</u> | <u>173,888</u> | <u>-</u> | <u>11,551,520</u> | <u>108,047</u> | <u>11,353</u> | <u>-</u> | <u>119,400</u> | <u>54,066</u> | <u>2,035</u> | <u>-</u> | <u>56,101</u> |
| Hedging Derivatives: | | | | | | | | | | | | |
| Fair Value Hedge | | | | | | | | | | | | |
| Interest rate related contracts | | | | | | | | | | | | |
| - Swaps | 1,301,648 | 2,970,649 | 7,446,783 | 11,719,080 | 20,789 | 29,500 | 318,809 | 369,098 | 672 | 69,682 | 62,952 | 133,306 |
| Cash Flow Hedge | | | | | | | | | | | | |
| Interest rate related contracts | | | | | | | | | | | | |
| - Swaps | 40,000 | 379,000 | 500,000 | 919,000 | 16 | 3,822 | 200 | 4,038 | - | 653 | 265 | 918 |
| | <u>1,341,648</u> | <u>3,349,649</u> | <u>7,946,783</u> | <u>12,638,080</u> | <u>20,805</u> | <u>33,322</u> | <u>319,009</u> | <u>373,136</u> | <u>672</u> | <u>70,335</u> | <u>63,217</u> | <u>134,224</u> |
| Total | <u>12,719,280</u> | <u>3,523,537</u> | <u>7,946,783</u> | <u>24,189,600</u> | <u>128,852</u> | <u>44,675</u> | <u>319,009</u> | <u>492,536</u> | <u>54,738</u> | <u>72,370</u> | <u>63,217</u> | <u>190,325</u> |

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

A27. Derivative Financial Instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 December 2012, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM370,465,000 (2011: RM493,852,000) and RM364,344,000 (2011: RM492,536,000) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

iii) **Cash Requirements of the Derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 December 2012, the Group and the Bank had posted cash collateral of RM21,376,000 (2011: RM6,667,000) 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 2011 and Pillar 3 Disclosures section of the 2011 Annual Report.

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

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 December 2012 | 31 December 2011 | 31 December 2012 | 31 December 2011 |
| <u>Before deducting second interim dividends *</u> | | | | |
| Tier I capital ratio | 11.4% | 11.2% | 13.6% | 13.5% |
| Risk-weighted capital ratio | <u>14.6%</u> | <u>15.6%</u> | <u>14.5%</u> | <u>15.6%</u> |
| <u>After deducting second interim dividends *</u> | | | | |
| Tier I capital ratio | 10.8% | 10.6% | 12.9% | 12.8% |
| Risk-weighted capital ratio | <u>14.1%</u> | <u>15.0%</u> | <u>13.8%</u> | <u>14.9%</u> |

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

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Components of Tier I and Tier II capital: | | | | |
| <u>Tier 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 | 3,965,321 | 3,955,307 | 3,506,311 | 3,522,609 |
| Retained profits | 9,453,647 | 7,276,808 | 9,276,984 | 7,083,862 |
| Innovative Tier I capital securities | 1,810,317 | 1,833,303 | 1,810,317 | 1,833,303 |
| Non-innovative Tier I stapled securities | 2,083,146 | 2,082,388 | 2,083,146 | 2,082,388 |
| Treasury shares | (215,572) | (215,572) | (215,572) | (215,572) |
| Non-controlling interests | 699,864 | 697,484 | - | - |
| Less: Goodwill | (1,899,875) | (1,938,994) | (695,393) | (695,393) |
| Less: Deferred tax assets, net | (64,900) | (46,093) | - | - |
| Total Tier I capital | <u>20,437,184</u> | <u>18,249,867</u> | <u>20,371,029</u> | <u>18,216,433</u> |
| <u>Tier II capital</u> | | | | |
| Collective assessment allowance # | 1,038,369 | 1,073,337 | 691,258 | 721,913 |
| Subordinated notes | 4,870,351 | 6,138,306 | 4,870,351 | 6,138,306 |
| Total Tier II capital | <u>5,908,720</u> | <u>7,211,643</u> | <u>5,561,609</u> | <u>6,860,219</u> |
| Total capital | 26,345,904 | 25,461,510 | 25,932,638 | 25,076,652 |
| Less: Investment in subsidiary companies and associated companies | (960) | (960) | (4,162,284) | (3,987,284) |
| Less: Holdings of other financial institutions' capital instruments | (46,834) | (44,468) | (46,834) | (44,468) |
| Capital base | <u>26,298,110</u> | <u>25,416,082</u> | <u>21,723,520</u> | <u>21,044,900</u> |

Excludes collective assessment allowance on impaired loans restricted from Tier II capital of the Group and the Bank of RM491,197,000 (2011: RM422,707,000) and RM369,214,000 (2011: RM325,341,000) respectively.

PUBLIC BANK BERHAD

(6463-H)

(Incorporated in Malaysia)

A28. Capital Adequacy (continued)

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

The comparative capital adequacy ratios and components of capital base have been restated for the effects of the change in accounting policy on collective assessment allowance for loans, advances and financing during the financial year. Please refer to Note A31 Changes in Accounting Policies for a summary of the changes.

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

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% (2011 - 8.0%) for the risk-weighted capital ratio.

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

A28. Capital Adequacy (continued)

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

| | Public Islamic Bank Berhad ¹ | Public Investment Bank Berhad ² | Public Bank (L) Ltd. ³ | Public Bank (Hong Kong) Limited ⁴ | Public Finance Limited ⁴ | Cambodian Public Bank Plc ⁵ |
|--|--|---|--|---|--|---|
| 31 December 2012 | | | | | | |
| <u>Before deducting interim dividends: *</u> | | | | | | |
| Tier I capital ratio | 12.3% | 27.4% | 21.8% | 16.4% | 29.0% | N/A |
| Risk-weighted capital ratio | 13.0% | 27.6% | 21.8% | 16.4% | 30.1% | 21.6% |
| <u>After deducting interim dividends: *</u> | | | | | | |
| Tier I capital ratio | 11.3% | 26.4% | 21.8% | 16.4% | 26.5% | N/A |
| Risk-weighted capital ratio | 12.1% | 26.6% | 21.8% | 16.4% | 27.7% | 21.6% |
| 31 December 2011 | | | | | | |
| <u>Before deducting interim dividends: *</u> | | | | | | |
| Tier I capital ratio | 12.3% # | 18.2% # | 19.6% | 16.1% | 29.6% | N/A |
| Risk-weighted capital ratio | 13.3% # | 18.3% # | 20.0% | 16.1% | 30.8% | 22.8% |
| <u>After deducting interim dividends: *</u> | | | | | | |
| Tier I capital ratio | 10.9% # | 16.9% # | 19.6% | 16.1% | 27.0% | N/A |
| Risk-weighted capital ratio | 11.9% # | 17.0% # | 20.0% | 16.1% | 28.1% | 22.8% |

* Refers to interim dividends which have been declared subsequent to the financial year end.

Restated for the effects of change in accounting policy on collective assessment allowance for loans, advances and financing.

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

A28. Capital Adequacy (continued)

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

- ¹ The 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. 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 is 8.0% for the risk-weighted capital ratio.
- ² The 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. 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 is 8.0% for the risk-weighted capital ratio.
- 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 risk-weighted capital ratio respectively.
- ⁴ The capital adequacy ratios of these two subsidiary companies, which are located in Hong Kong SAR, are computed in accordance with the Banking (Capital) Rules under section 98A of the Banking Ordinance issued by the Hong Kong Monetary Authority, which is based on the Basel II capital accord. 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 minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- 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%.

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

A28. Capital Adequacy (continued)

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

| | Group | | Bank | |
|------------------|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Credit risk | 164,080,465 | 148,664,399 | 137,279,014 | 123,065,342 |
| Market risk | 1,713,076 | 1,670,798 | 2,579,721 | 2,774,099 |
| Operational risk | 13,733,324 | 12,692,078 | 9,915,430 | 9,048,375 |
| | 179,526,865 | 163,027,275 | 149,774,165 | 134,887,816 |

A29. Credit Exposures Arising From Credit Transactions With Connected Parties

| | Group | | Bank | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31 December 2012 | 31 December 2011 | 31 December 2012 | 31 December 2011 |
| Outstanding credit exposures with connected parties (RM'000) | 2,031,542 | 2,411,076 | 2,692,235 | 3,070,236 |
| Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | 0.99% | 1.34% | 1.46% | 1.92% |
| Percentage of outstanding credit exposures with connected parties which is impaired or in default | 0.02% | 0.01% | 0.01% | 0.00% |

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

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

A30. Operations of Islamic Banking

A30a. Statement of Financial Position As At 31 December 2012

| | 31 December 2012 RM'000 | Group 31 December 2011 RM'000 | 1 January 2011 RM'000 |
|--|--|--|--------------------------------------|
| ASSETS | | | |
| Cash and balances with banks | 4,709,388 | 6,257,092 | 4,571,596 |
| Financial assets held-for-trading | 2,638,867 | 1,249,014 | 298,846 |
| Derivative financial assets | 21,839 | - | - |
| Financial investments available-for-sale | 994,923 | 1,830,720 | 2,138,048 |
| Financial investments held-to-maturity | - | 5,022 | 5,022 |
| Financing and advances | 20,168,110 | 19,224,468 | 16,340,155 |
| Other assets | 73,240 | 81,185 | 68,446 |
| Statutory deposits with Bank Negara Malaysia | 671,450 | 775,700 | 167,000 |
| Deferred tax assets | - | - | 70,362 |
| Investment in an associated company | 20,000 | 20,000 | - |
| Property and equipment | 1,327 | 1,619 | 1,545 |
| Total Assets | 29,299,144 | 29,444,820 | 23,661,020 |
| LIABILITIES AND ISLAMIC BANKING FUNDS | | | |
| Deposits from customers | 23,703,338 | 20,029,935 | 15,306,731 |
| Deposits from banks | 2,644,831 | 7,179,533 | 6,379,985 |
| Bills and acceptances payable | 625 | 334 | 4,893 |
| Recourse obligations on financing sold to Cagamas | 500,003 | - | - |
| Other liabilities | 106,812 | 71,182 | 70,471 |
| Provision for zakat and taxation | 50,188 | 46,512 | 83,417 |
| Deferred tax liabilities | 6,068 | 398 | - |
| Total Liabilities | 27,011,865 | 27,327,894 | 21,845,497 |
| Islamic Banking Funds | 2,287,279 | 2,116,926 | 1,815,523 |
| Total Liabilities and Islamic Banking Funds | 29,299,144 | 29,444,820 | 23,661,020 |
| COMMITMENTS AND CONTINGENCIES | 4,642,159 | 1,910,159 | 1,171,568 |

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

A30b. Income Statements for the 4th Quarter and Financial Year Ended 31 December 2012

| | 4th Quarter Ended | | Financial Year Ended | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| <u>Group</u> | | | | |
| Income derived from investment of depositors' funds and others | 340,492 | 345,420 | 1,386,046 | 1,278,146 |
| Income derived from investment of Islamic Banking Funds | 29,867 | 25,582 | 111,916 | 98,125 |
| Allowance for impairment on financing and advances | (11,720) | (22,182) | (49,706) | (78,310) |
| Impairment on other assets | - | - | (25) | (11) |
| Profit Equalisation Reserve | (466) | - | (2,180) | 33,436 |
| Total distributable income | 358,173 | 348,820 | 1,446,051 | 1,331,386 |
| Income attributable to the depositors and others | (163,864) | (159,098) | (652,016) | (541,365) |
| Total net income | 194,309 | 189,722 | 794,035 | 790,021 |
| Other overheads and expenditures | (61,230) | (48,616) | (249,287) | (184,119) |
| Profit before zakat and taxation | 133,079 | 141,106 | 544,748 | 605,902 |
| Zakat | (82) | (79) | (330) | (318) |
| Taxation | (32,816) | (35,000) | (133,452) | (149,037) |
| Profit for the period / year | 100,181 | 106,027 | 410,966 | 456,547 |

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

A30c. Statement of Comprehensive Income for the 4th Quarter and Financial Year Ended 31 December 2012

| | 4th Quarter Ended | | Financial Year Ended | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| <u>Group</u> | | | | |
| Profit for the period / year | 100,181 | 106,027 | 410,966 | 456,547 |
| Other comprehensive income: | | | | |
| Revaluation reserves: | | | | |
| - Net gain on revaluation of financial investments available-for-sale | 1,682 | 1,909 | 1,441 | 1,720 |
| Hedging reserves: | | | | |
| - Net change in cash flow hedges | 13,400 | - | 21,764 | - |
| | 15,082 | 1,909 | 23,205 | 1,720 |
| Income tax relating to components of other comprehensive income: | | | | |
| - Revaluation reserves | (420) | (477) | (360) | (430) |
| - Hedging reserves | (3,350) | - | (5,441) | - |
| | (3,770) | (477) | (5,801) | (430) |
| Other comprehensive income for the period / year, net of tax | 11,312 | 1,432 | 17,404 | 1,290 |
| Total comprehensive income for the period / year | 111,493 | 107,459 | 428,370 | 457,837 |

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

A30d. Financing and Advances

| | Group | |
|---|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Bai Bithaman Ajil-i (deferred payment sale) | 7,011,275 | 5,488,222 |
| Ijarah Thamma Al-Bai'-i (leasing) | 10,189,015 | 10,324,273 |
| Ijarah Muntahia Bittamlik | 112,326 | 101,104 |
| Bai-Al-Einah-i | 3,062,356 | 3,579,804 |
| Musharakah Mutanaqisah | 45,276 | - |
| Murabahah Purchase Order | 2,762 | - |
| Gross financing and advances | 20,423,010 | 19,493,403 |
| Allowance for impairment on financing and advances: | | |
| - collective assessment allowance | (254,261) | (267,589) |
| - individual assessment allowance | (639) | (1,346) |
| Net financing and advances | 20,168,110 | 19,224,468 |

Movements in impaired financing and advances are as follows:

| | Group | |
|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| At 1 January | 173,277 | 162,629 |
| Impaired during the year | 442,749 | 432,444 |
| Reclassified as non-impaired | (332,199) | (317,261) |
| Recoveries | (29,725) | (33,566) |
| Amount written off | (78,678) | (69,805) |
| Financing converted to foreclosed properties | (257) | (1,164) |
| Closing balance | 175,167 | 173,277 |
| Impaired financing and advances as a percentage of gross financing and advances | 0.86% | 0.89% |

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

A30e. Deposits from Customers

| | Group | |
|-------------------------------------|--|--|
| By type of deposit | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| <u>Non-Mudharabah Fund</u> | | |
| Current deposits-i | 2,462,377 | 2,307,971 |
| Savings deposits-i | 4,568,625 | 4,295,000 |
| General investment deposits-i | 10,326,345 | 2,584,424 |
| Special investment deposits-i | 2,624,048 | - |
| Negotiable instruments of deposit-i | 522,400 | 1,136,468 |
| | 20,503,795 | 10,323,863 |
| <u>Mudharabah Fund</u> | | |
| Current deposits-i | 57,198 | 26,779 |
| Savings deposits-i | 66,681 | 72,294 |
| General investment deposits-i | 3,075,664 | 7,141,559 |
| Special investment deposits-i | - | 2,465,440 |
| | 3,199,543 | 9,706,072 |
| | 23,703,338 | 20,029,935 |

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

A31. Changes in Accounting Policies

(a) Effect of adopting MFRS Framework

These audited interim financial statements are for part of the period covered by the Group's and the Bank's first annual financial statements prepared under the MFRS framework. Accordingly, the Group and the Bank have applied MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards upon their adoption of the MFRS framework on 1 January 2012. The policy elections made on transition date are listed in the audited financial statements of the Group and the Bank for the financial year ended 31 December 2011. The MFRS adoption did not result in any financial impact to the Group and the Bank other than the financial impact arising from the change in accounting policy on collective assessment allowance.

The adoption of the MFRS framework has resulted in the following changes:

(i) MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139") - Accounting Policy on Collective Assessment Allowance for Loans, Advances and Financing ("loans")

Prior to the transition to MFRS 139, the Bank and its domestic banking subsidiary companies had maintained their collective assessment allowance at 1.5% of total outstanding loans, advances and financing, net of individual assessment allowance, in line with Bank Negara Malaysia's transitional provisions under its Guidelines on Classification and Impairment Provisions for Loans/Financing. Upon the transition to MFRS 139 on 1 January 2012, these transitional provisions, which were allowed under the previous FRS framework, were removed and the Bank and its domestic banking subsidiary companies have applied the requirements of MFRS 139 in the determination of collective assessment allowance.

Under MFRS 139, collective assessment is performed on loans, advances and financing which are not individually significant based on the incurred loss approach. Loans, advances and financing which are individually assessed and where there is no objective evidence of impairment are also included in the group of loans, advances and financing for collective assessment. These loans, advances and financing are pooled into groups with similar credit risk characteristics and the future cash flows for each group is estimated on the basis of the historical loss experience for such assets and discounted to present value. Collective assessment allowance is made on any shortfall in these discounted cash flows against the carrying value of the group of loans, advances and financing.

This change in accounting policy has been accounted for retrospectively and has resulted in a decrease in the collective assessment allowance charged in the income statement and a writeback of collective assessment allowance to the opening retained profits and opening collective assessment allowance in the statement of financial position. A summary of the financial impact of the change in accounting policy on the financial statements of the Group and the Bank are as follows:

| | Group | | Bank | |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
| | 31 December 2011 | 1 January 2011 | 31 December 2011 | 1 January 2011 |
| Statement of Financial Position | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Loans, Advances and Financing</u> | | | | |
| <u>- Collective Assessment Allowance</u> | | | | |
| As previously stated | 2,644,535 | 2,296,158 | 2,168,025 | 1,914,653 |
| Effects of MFRS adoption | (1,148,491) | (881,185) | (1,129,813) | (887,254) |
| As restated | <u>1,496,044</u> | <u>1,414,973</u> | <u>1,038,212</u> | <u>1,027,399</u> |
| <u>Deferred Tax Assets</u> | | | | |
| As previously stated | - | 519,215 | - | 416,470 |
| Effects of MFRS adoption | - | (222,400) | - | (221,813) |
| As restated | <u>-</u> | <u>296,815</u> | <u>-</u> | <u>194,657</u> |
| <u>Provision for Tax Expense and Zakat</u> | | | | |
| As previously stated | 488,178 | - | 281,354 | - |
| Effects of MFRS adoption | 289,227 | - | 282,453 | - |
| As restated | <u>777,405</u> | <u>-</u> | <u>563,807</u> | <u>-</u> |

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

A31. Changes in Accounting Policies (continued)

(a) Transition to the MFRS Framework (continued)

(i) MFRS 139 Financial Instruments: Recognition and Measurement ("MFRS 139") - Accounting Policy on Collective Assessment Allowance for Loans, Advances and Financing ("loans") (continued)

| | Group | | Bank | |
|--|---|---|---|---|
| | 31 December 2011 RM'000 | 1 January 2011 RM'000 | 31 December 2011 RM'000 | 1 January 2011 RM'000 |
| Statement of Financial Position (continued) | | | | |
| <u>Retained Profits</u> | | | | |
| As previously stated | 6,417,544 | 4,754,405 | 6,004,958 | 4,374,204 |
| Effects of MFRS adoption | 859,264 | 658,785 | 847,360 | 665,441 |
| As restated | <u>7,276,808</u> | <u>5,413,190</u> | <u>6,852,318</u> | <u>5,039,645</u> |
| | | | | |
| | Group | | Bank | |
| | 4th Quarter Ended 31 December RM'000 | Financial Year Ended 2011 RM'000 | 4th Quarter Ended 31 December RM'000 | Financial Year Ended 2011 RM'000 |
| Income Statement | | | | |
| <u>Allowance for Impairment on Loans, Advances and Financing - Collective Assessment Allowance</u> | | | | |
| As previously stated | 146,868 | 603,151 | 101,600 | 439,501 |
| Effects of MFRS adoption | (48,540) | (267,306) | (45,578) | (242,559) |
| As restated | <u>98,328</u> | <u>335,845</u> | <u>56,022</u> | <u>196,942</u> |
| | | | | |
| <u>Tax Expense and Zakat</u> | | | | |
| As previously stated | 277,213 | 1,086,609 | 219,243 | 816,525 |
| Effects of MFRS adoption | 12,135 | 66,827 | 11,394 | 60,640 |
| As restated | <u>289,348</u> | <u>1,153,436</u> | <u>230,637</u> | <u>877,165</u> |

(b) Other Change in Accounting Policies

During the financial year, the Group and the Bank have also adopted the following change in accounting policies:

(i) Guidelines on Profit Equalisation Reserve issued by Bank Negara Malaysia

On 19 May 2011, Bank Negara Malaysia issued its revised Guidelines on Profit Equalisation Reserve ("revised PER Guidelines"), which was effective for annual periods beginning on or after 1 July 2011. The Islamic banking subsidiary company of the Group has adopted these revised PER Guidelines with effect from 1 January 2012 in its management of displaced commercial risk.

Upon the adoption of these revised PER Guidelines, the Group will continue to set aside a portion of its profits into a Profit Equalisation Reserve ("PER"). The PER of the Investment Account Holder ("IAH") continues to be classified as a liability and is recognised at cost, with subsequent apportionments being recognised in the income statement. The eventual distribution of PER as profit distributable to the IAH will be treated as an outflow of funds due to the settlement of the obligation to the IAH. The PER of the Islamic Banking Institution ("IBI") is now classified as a separate reserve in equity and subsequent apportionments to and distributions from retained profits are treated as a transfer between reserves. This change in accounting policy is accounted for prospectively, and hence had no effect on comparative figures.

(c) Financial Impact of Adoption of MFRS Framework

In the preparation of the Group's and the Bank's opening MFRS statements of financial position, the amounts previously reported in accordance with the previous FRS framework have been adjusted for the financial effects of the adoption of the MFRS framework. A reconciliation of these changes is summarised in the following tables:

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

A31. Changes in Accounting Policies (continued)

(c) Financial Impact of Adoption of MFRS Framework (continued)

(i) Statement of Financial Position

| Group As At 31 December 2011 | Under the FRS Framework RM'000 | Effects of MFRS Adoption MFRS 139 RM'000 | Under the MFRS Framework RM'000 |
|--|---|---|--|
| ASSETS | | | |
| Cash and balances with banks | 18,633,783 | | 18,633,783 |
| Reverse repurchase agreements | 9,287,255 | | 9,287,255 |
| Financial assets held-for-trading | 10,656,825 | | 10,656,825 |
| Derivative financial assets | 493,852 | | 493,852 |
| Financial investments available-for-sale | 16,719,433 | | 16,719,433 |
| Financial investments held-to-maturity | 7,629,233 | | 7,629,233 |
| Loans, advances and financing | 174,804,286 | 1,148,491 | 175,952,777 |
| Other assets | 2,008,254 | | 2,008,254 |
| Statutory deposits with Central Banks | 5,597,801 | | 5,597,801 |
| Deferred tax assets | 46,093 | | 46,093 |
| Investment in associated companies | 155,997 | | 155,997 |
| Investment properties | 70,754 | | 70,754 |
| Property and equipment | 1,341,940 | | 1,341,940 |
| Intangible assets | 1,965,476 | | 1,965,476 |
| TOTAL ASSETS | 249,410,982 | | 250,559,473 |
| LIABILITIES | | | |
| Deposits from customers | 200,370,525 | | 200,370,525 |
| Deposits from banks | 15,806,732 | | 15,806,732 |
| Bills and acceptances payable | 2,095,335 | | 2,095,335 |
| Recourse obligations on loans and financing sold to Cagamas | 11,789 | | 11,789 |
| Derivative financial liabilities | 236,724 | | 236,724 |
| Debt securities issued and other borrowed funds | 11,317,833 | | 11,317,833 |
| Other liabilities | 3,467,535 | | 3,467,535 |
| Provision for tax expense and zakat | 488,178 | 289,227 | 777,405 |
| Deferred tax liabilities | 55,625 | | 55,625 |
| TOTAL LIABILITIES | 233,850,276 | | 234,139,503 |
| EQUITY | | | |
| Share capital | 3,531,926 | | 3,531,926 |
| Share premium | 1,073,310 | | 1,073,310 |
| Other reserves | 4,056,014 | | 4,056,014 |
| Retained profits | 6,417,544 | 859,264 | 7,276,808 |
| Treasury shares | (215,572) | | (215,572) |
| Equity attributable to equity holders of the Bank | 14,863,222 | | 15,722,486 |
| Non-controlling interests | 697,484 | | 697,484 |
| TOTAL EQUITY | 15,560,706 | | 16,419,970 |
| TOTAL LIABILITIES AND EQUITY | 249,410,982 | | 250,559,473 |
| Net assets per share attributable to ordinary equity holders of the Bank (RM) | 4.24 | | 4.49 |

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

A31. Changes in Accounting Policies (continued)

(c) Financial Impact of Adoption of MFRS Framework (continued)

(i) Statement of Financial Position (continued)

| Group | Under the | Effects of MFRS Adoption | Under the |
|--|--------------------|---------------------------------|--------------------|
| As At 1 January 2011 | FRS | MFRS 139 | MFRS |
| | Framework | RM'000 | Framework |
| | RM'000 | RM'000 | RM'000 |
| ASSETS | | | |
| Cash and balances with banks | 34,690,439 | | 34,690,439 |
| Reverse repurchase agreements | 365,877 | | 365,877 |
| Financial assets held-for-trading | 6,360,620 | | 6,360,620 |
| Derivative financial assets | 326,622 | | 326,622 |
| Financial investments available-for-sale | 17,852,284 | | 17,852,284 |
| Financial investments held-to-maturity | 5,229,617 | | 5,229,617 |
| Loans, advances and financing | 153,982,980 | 881,185 | 154,864,165 |
| Other assets | 1,995,880 | | 1,995,880 |
| Statutory deposits with Central Banks | 1,612,575 | | 1,612,575 |
| Deferred tax assets | 519,215 | (222,400) | 296,815 |
| Investment in associated companies | 118,624 | | 118,624 |
| Investment properties | 65,552 | | 65,552 |
| Property and equipment | 1,278,319 | | 1,278,319 |
| Intangible assets | 1,930,372 | | 1,930,372 |
| TOTAL ASSETS | 226,328,976 | | 226,987,761 |
| LIABILITIES | | | |
| Deposits from customers | 176,872,119 | | 176,872,119 |
| Deposits from banks | 21,327,476 | | 21,327,476 |
| Bills and acceptances payable | 2,308,836 | | 2,308,836 |
| Recourse obligations on loans and financing sold to Cagamas | 16,319 | | 16,319 |
| Derivative financial liabilities | 375,529 | | 375,529 |
| Debt securities issued and other borrowed funds | 8,094,880 | | 8,094,880 |
| Other liabilities | 2,839,874 | | 2,839,874 |
| Provision for tax expense and zakat | 800,464 | | 800,464 |
| Deferred tax liabilities | 8,391 | | 8,391 |
| TOTAL LIABILITIES | 212,643,888 | | 212,643,888 |
| EQUITY | | | |
| Share capital | 3,531,926 | | 3,531,926 |
| Share premium | 1,073,310 | | 1,073,310 |
| Other reserves | 3,888,562 | | 3,888,562 |
| Retained profits | 4,754,405 | 658,785 | 5,413,190 |
| Treasury shares | (215,303) | | (215,303) |
| Equity attributable to equity holders of the Bank | 13,032,900 | | 13,691,685 |
| Non-controlling interests | 652,188 | | 652,188 |
| TOTAL EQUITY | 13,685,088 | | 14,343,873 |
| TOTAL LIABILITIES AND EQUITY | 226,328,976 | | 226,987,761 |
| Net assets per share attributable to ordinary equity holders of the Bank (RM) | 3.72 | | 3.91 |

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

A31. Changes in Accounting Policies (continued)

(c) **Financial Impact of Adoption of MFRS Framework** (continued)

(i) **Statement of Financial Position** (continued)

| Bank As At 31 December 2011 | Under the FRS Framework RM'000 | Effects of MFRS Adoption MFRS 139 RM'000 | Under the MFRS Framework RM'000 |
|--|---|---|--|
| ASSETS | | | |
| Cash and balances with banks | 10,508,349 | | 10,508,349 |
| Reverse repurchase agreements | 8,435,611 | | 8,435,611 |
| Financial assets held-for-trading | 10,406,551 | | 10,406,551 |
| Derivative financial assets | 492,536 | | 492,536 |
| Financial investments available-for-sale | 14,287,941 | | 14,287,941 |
| Financial investments held-to-maturity | 7,073,857 | | 7,073,857 |
| Loans and advances | 142,255,685 | 1,129,813 | 143,385,498 |
| Other assets | 1,913,726 | | 1,913,726 |
| Statutory deposits with Central Banks | 4,496,365 | | 4,496,365 |
| Investment in subsidiary companies | 4,088,581 | | 4,088,581 |
| Investment in associated companies | 121,325 | | 121,325 |
| Property and equipment | 657,124 | | 657,124 |
| Intangible assets | 695,393 | | 695,393 |
| TOTAL ASSETS | <u>205,433,044</u> | | <u>206,562,857</u> |
| LIABILITIES | | | |
| Deposits from customers | 159,384,439 | | 159,384,439 |
| Deposits from banks | 16,717,349 | | 16,717,349 |
| Bills and acceptances payable | 2,095,076 | | 2,095,076 |
| Recourse obligations on loans sold to | | | |
| Cagamas | 11,789 | | 11,789 |
| Derivative financial liabilities | 190,325 | | 190,325 |
| Debt securities issued and other | | | |
| borrowed funds | 10,422,749 | | 10,422,749 |
| Other liabilities | 2,368,327 | | 2,368,327 |
| Provision for tax expense and zakat | 281,354 | 282,453 | 563,807 |
| Deferred tax liabilities | 51,708 | | 51,708 |
| TOTAL LIABILITIES | <u>191,523,116</u> | | <u>191,805,569</u> |
| EQUITY | | | |
| Share capital | 3,531,926 | | 3,531,926 |
| Share premium | 1,073,310 | | 1,073,310 |
| Other reserves | 3,515,306 | | 3,515,306 |
| Retained profits | 6,004,958 | 847,360 | 6,852,318 |
| Treasury shares | (215,572) | | (215,572) |
| TOTAL EQUITY | <u>13,909,928</u> | | <u>14,757,288</u> |
| TOTAL LIABILITIES AND EQUITY | <u>205,433,044</u> | | <u>206,562,857</u> |
| Net assets per share attributable to ordinary equity holders of the Bank (RM) | <u>3.97</u> | | <u>4.21</u> |

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

A31. Changes in Accounting Policies (continued)

(c) Financial Impact of Adoption of MFRS Framework (continued)

(i) Statement of Financial Position (continued)

| Bank As At 1 January 2011 | Under the FRS Framework RM'000 | Effects of MFRS Adoption MFRS 139 RM'000 | Under the MFRS Framework RM'000 |
|--|---|--|--|
| ASSETS | | | |
| Cash and balances with banks | 27,172,447 | | 27,172,447 |
| Reverse repurchase agreements | 10,737 | | 10,737 |
| Financial assets held-for-trading | 5,812,736 | | 5,812,736 |
| Derivative financial assets | 322,596 | | 322,596 |
| Financial investments available-for-sale | 14,269,479 | | 14,269,479 |
| Financial investments held-to-maturity | 5,230,399 | | 5,230,399 |
| Loans and advances | 125,062,183 | 887,254 | 125,949,437 |
| Other assets | 1,703,642 | | 1,703,642 |
| Statutory deposits with Central Banks | 1,106,330 | | 1,106,330 |
| Deferred tax assets | 416,470 | (221,813) | 194,657 |
| Investment in subsidiary companies | 3,888,581 | | 3,888,581 |
| Investment in associated companies | 101,325 | | 101,325 |
| Property and equipment | 617,544 | | 617,544 |
| Intangible assets | 695,393 | | 695,393 |
| TOTAL ASSETS | <u>186,409,862</u> | | <u>187,075,303</u> |
| LIABILITIES | | | |
| Deposits from customers | 140,789,266 | | 140,789,266 |
| Deposits from banks | 21,069,781 | | 21,069,781 |
| Bills and acceptances payable | 2,450,006 | | 2,450,006 |
| Recourse obligations on loans sold to Cagamas | 16,319 | | 16,319 |
| Derivative financial liabilities | 340,995 | | 340,995 |
| Debt securities issued and other borrowed funds | 7,196,528 | | 7,196,528 |
| Other liabilities | 1,675,651 | | 1,675,651 |
| Provision for tax expense and zakat | 568,565 | | 568,565 |
| TOTAL LIABILITIES | <u>174,107,111</u> | | <u>174,107,111</u> |
| EQUITY | | | |
| Share capital | 3,531,926 | | 3,531,926 |
| Share premium | 1,073,310 | | 1,073,310 |
| Other reserves | 3,538,614 | | 3,538,614 |
| Retained profits | 4,374,204 | 665,441 | 5,039,645 |
| Treasury shares | (215,303) | | (215,303) |
| TOTAL EQUITY | <u>12,302,751</u> | | <u>12,968,192</u> |
| TOTAL LIABILITIES AND EQUITY | <u>186,409,862</u> | | <u>187,075,303</u> |
| Net assets per share attributable to ordinary equity holders of the Bank (RM) | <u>3.51</u> | | <u>3.70</u> |

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

A31. Changes in Accounting Policies (continued)

(c) **Financial Impact of Adoption of MFRS Framework** (continued)

(ii) **Reconciliation of Income Statement and Statement of Comprehensive Income**

| Income Statement | Under the | Effects of MFRS Adoption | Under the |
|--|--------------------|---------------------------------|--------------------|
| Group | FRS | | MFRS |
| 4th Quarter Ended 31 December 2011 | Framework | MFRS 139 | Framework |
| | RM'000 | RM'000 | RM'000 |
| Operating revenue | <u>3,321,633</u> | | <u>3,321,633</u> |
| Interest income | 2,463,869 | | 2,463,869 |
| Interest expense | <u>(1,192,751)</u> | | <u>(1,192,751)</u> |
| Net interest income | 1,271,118 | | 1,271,118 |
| Net income from Islamic banking business | <u>211,904</u> | | <u>211,904</u> |
| | 1,483,022 | | 1,483,022 |
| Net fee and commission income | 271,303 | | 271,303 |
| Net gains and losses on financial instruments | 44,487 | | 44,487 |
| Other operating income | <u>83,226</u> | | <u>83,226</u> |
| Net income | 1,882,038 | | 1,882,038 |
| Other operating expenses | <u>(561,473)</u> | | <u>(561,473)</u> |
| Operating profit | 1,320,565 | | 1,320,565 |
| Allowance for impairment on loans, advances and financing | (154,645) | 48,540 | (106,105) |
| Writeback of impairment on other assets | <u>563</u> | | <u>563</u> |
| | 1,166,483 | | 1,215,023 |
| Share of profit after tax of equity accounted associated companies | <u>(3,216)</u> | | <u>(3,216)</u> |
| Profit before tax expense and zakat | 1,163,267 | | 1,211,807 |
| Tax expense and zakat | <u>(277,213)</u> | (12,135) | <u>(289,348)</u> |
| Profit for the period | <u>886,054</u> | | <u>922,459</u> |
| Profit for the period attributable to: | | | |
| - Equity holders of the Bank | 876,987 | | 913,392 |
| - Non-controlling interests | <u>9,067</u> | | <u>9,067</u> |
| | <u>886,054</u> | | <u>922,459</u> |
| Earnings per RM1.00 share: | | | |
| - basic /diluted (sen) | <u>25.0</u> | | <u>26.1</u> |

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

A31. Changes in Accounting Policies (continued)

(c) Financial Impact of Adoption of MFRS Framework (continued)

(ii) Reconciliation of Income Statement and Statement of Comprehensive Income (continued)

| Statement of Comprehensive Income | Under the | Effects of MFRS Adoption | Under the |
|---|------------------|---------------------------------|------------------|
| Group | FRS | MFRS 139 | MFRS |
| 4th Quarter Ended 31 December 2011 | Framework | RM'000 | Framework |
| | RM'000 | RM'000 | RM'000 |
| Profit for the period | 886,054 | 36,405 | 922,459 |
| Other comprehensive (loss) / income : | | | |
| Foreign currency translation reserves: | | | |
| - Currency translation differences in respect of: | | | |
| - Foreign operations | (9,463) | | (9,463) |
| - Net investment hedge | 13,656 | | 13,656 |
| | <u>4,193</u> | | <u>4,193</u> |
| Revaluation reserves: | | | |
| - Net gain on revaluation of financial investments available-for-sale | 21,823 | | 21,823 |
| Hedging reserves: | | | |
| - Net change in cash flow hedges | (667) | | (667) |
| | <u>25,349</u> | | <u>25,349</u> |
| Income tax relating to components of other comprehensive income / loss: | | | |
| - Revaluation reserves | (4,138) | | (4,138) |
| - Hedging reserves | 167 | | 167 |
| | <u>(3,971)</u> | | <u>(3,971)</u> |
| Other comprehensive income for the period | <u>21,378</u> | | <u>21,378</u> |
| Total comprehensive income for the period | <u>907,432</u> | | <u>943,837</u> |
| Total comprehensive income for the period attributable to: | | | |
| - Equity holders of the Bank | 899,777 | | 936,182 |
| - Non-controlling interests | 7,655 | | 7,655 |
| | <u>907,432</u> | | <u>943,837</u> |

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

A31. Changes in Accounting Policies (continued)

(c) **Financial Impact of Adoption of MFRS Framework** (continued)

(ii) **Reconciliation of Income Statement and Statement of Comprehensive Income** (continued)

| Income Statement | Under the | Effects of MFRS Adoption | Under the |
|--|--------------------|---------------------------------|--------------------|
| Group | FRS | | MFRS |
| Financial Year Ended 31 December 2011 | Framework | MFRS 139 | Framework |
| | RM'000 | RM'000 | RM'000 |
| Operating revenue | <u>12,756,360</u> | | <u>12,756,360</u> |
| Interest income | 9,413,030 | | 9,413,030 |
| Interest expense | <u>(4,438,099)</u> | | <u>(4,438,099)</u> |
| Net interest income | 4,974,931 | | 4,974,931 |
| Net income from Islamic banking business | <u>868,342</u> | | <u>868,342</u> |
| | 5,843,273 | | 5,843,273 |
| Net fee and commission income | 1,118,909 | | 1,118,909 |
| Net gains and losses on financial instruments | 166,154 | | 166,154 |
| Other operating income | <u>280,234</u> | | <u>280,234</u> |
| Net income | 7,408,570 | | 7,408,570 |
| Other operating expenses | <u>(2,208,684)</u> | | <u>(2,208,684)</u> |
| Operating profit | 5,199,886 | | 5,199,886 |
| Allowance for impairment on loans, advances and financing | (594,061) | 267,306 | (326,755) |
| Writeback of impairment on other assets | <u>1,598</u> | | <u>1,598</u> |
| | 4,607,423 | | 4,874,729 |
| Share of profit after tax of equity accounted associated companies | <u>3,210</u> | | <u>3,210</u> |
| Profit before tax expense and zakat | 4,610,633 | | 4,877,939 |
| Tax expense and zakat | <u>(1,086,609)</u> | (66,827) | <u>(1,153,436)</u> |
| Profit for the year | <u>3,524,024</u> | | <u>3,724,503</u> |
| Profit for the year attributable to: | | | |
| - Equity holders of the Bank | 3,483,810 | | 3,684,289 |
| - Non-controlling interests | <u>40,214</u> | | <u>40,214</u> |
| | <u>3,524,024</u> | | <u>3,724,503</u> |
| Earnings per RM1.00 share: | | | |
| - basic /diluted (sen) | <u>99.5</u> | | <u>105.2</u> |

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

A31. Changes in Accounting Policies (continued)

(c) Financial Impact of Adoption of MFRS Framework (continued)

(ii) Reconciliation of Income Statement and Statement of Comprehensive Income (continued)

| Statement of Comprehensive Income | Under the | Effects of MFRS Adoption | Under the |
|---|------------------|---------------------------------|------------------|
| Group | FRS | | MFRS |
| Financial Year Ended 31 December 2011 | Framework | MFRS 139 | Framework |
| | RM'000 | RM'000 | RM'000 |
| Profit for the year | <u>3,524,024</u> | 200,479 | <u>3,724,503</u> |
| Other comprehensive income / (loss): | | | |
| Foreign currency translation reserves: | | | |
| - Currency translation differences in respect of: | | | |
| - Foreign operations | 124,934 | | 124,934 |
| - Net investment hedge | <u>(90,853)</u> | | <u>(90,853)</u> |
| | 34,081 | | 34,081 |
| Revaluation reserves: | | | |
| - Net loss on revaluation of financial investments available-for-sale | (27,479) | | (27,479) |
| Hedging reserves: | | | |
| - Net change in cash flow hedges | <u>(3,445)</u> | | <u>(3,445)</u> |
| | 3,157 | | 3,157 |
| Income tax relating to components of other comprehensive loss: | | | |
| - Revaluation reserves | 4,305 | | 4,305 |
| - Hedging reserves | <u>861</u> | | <u>861</u> |
| | 5,166 | | 5,166 |
| Other comprehensive income for the year | <u>8,323</u> | | <u>8,323</u> |
| Total comprehensive income for the year | <u>3,532,347</u> | | <u>3,732,826</u> |
| Total comprehensive income for the year attributable to: | | | |
| - Equity holders of the Bank | 3,467,837 | | 3,668,316 |
| - Non-controlling interests | <u>64,510</u> | | <u>64,510</u> |
| | <u>3,532,347</u> | | <u>3,732,826</u> |

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

A31. Changes in Accounting Policies (continued)

(c) **Financial Impact of Adoption of MFRS Framework** (continued)

(ii) **Reconciliation of Income Statement and Statement of Comprehensive Income** (continued)

| Income Statement | Under the FRS Framework RM'000 | Effects of MFRS Adoption MFRS 139 RM'000 | Under the MFRS Framework RM'000 |
|---|---|--|--|
| Bank | | | |
| 4th Quarter Ended 31 December 2011 | | | |
| Operating revenue | 2,488,384 | | 2,488,384 |
| Interest income | 2,230,764 | | 2,230,764 |
| Interest expense | (1,134,910) | | (1,134,910) |
| Net interest income | 1,095,854 | | 1,095,854 |
| Net fee and commission income | 117,480 | | 117,480 |
| Net gains and losses on financial instruments | 44,451 | | 44,451 |
| Other operating income | 260,834 | | 260,834 |
| Net income | 1,518,619 | | 1,518,619 |
| Other operating expenses | (381,344) | | (381,344) |
| Operating profit | 1,137,275 | | 1,137,275 |
| Allowance for impairment on loans and advances | (80,108) | 45,578 | (34,530) |
| Writeback of impairment on other assets | (504) | | (504) |
| Profit before tax expense and zakat | 1,056,663 | | 1,102,241 |
| Tax expense and zakat | (219,243) | (11,394) | (230,637) |
| Profit for the period | 837,420 | | 871,604 |
| | | | |
| Statement of Comprehensive Income | Under the FRS Framework RM'000 | Effects of MFRS Adoption MFRS 139 RM'000 | Under the MFRS Framework RM'000 |
| Bank | | | |
| 4th Quarter Ended 31 December 2011 | | | |
| Profit for the period | 837,420 | 34,184 | 871,604 |
| Other comprehensive income / (loss): | | | |
| Revaluation reserves: | | | |
| - Net gain on revaluation of financial investments available-for-sale | 10,940 | | 10,940 |
| Hedging reserves: | | | |
| - Net change in cash flow hedges | (667) | | (667) |
| | 10,273 | | 10,273 |
| Income tax relating to components of other comprehensive income / loss: | | | |
| - Revaluation reserves | (2,735) | | (2,735) |
| - Hedging reserves | 167 | | 167 |
| | (2,568) | | (2,568) |
| Other comprehensive income for the period | 7,705 | | 7,705 |
| Total comprehensive income for the period | 845,125 | | 879,309 |

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

A31. Changes in Accounting Policies (continued)

(c) **Financial Impact of Adoption of MFRS Framework** (continued)

(ii) **Reconciliation of Income Statement and Statement of Comprehensive Income** (continued)

| Income Statement | Under the FRS Framework RM'000 | Effects of MFRS Adoption MFRS 139 RM'000 | Under the MFRS Framework RM'000 |
|--|---|--|--|
| Bank Financial Year Ended 31 December 2011 | | | |
| Operating revenue | 9,436,092 | | 9,436,092 |
| Interest income | 8,529,106 | | 8,529,106 |
| Interest expense | (4,237,383) | | (4,237,383) |
| Net interest income | 4,291,723 | | 4,291,723 |
| Net fee and commission income | 450,004 | | 450,004 |
| Net gains and losses on financial instruments | 167,482 | | 167,482 |
| Other operating income | 967,768 | | 967,768 |
| Net income | 5,876,977 | | 5,876,977 |
| Other operating expenses | (1,509,815) | | (1,509,815) |
| Operating profit | 4,367,162 | | 4,367,162 |
| Allowance for impairment on loans and advances | (283,497) | 242,559 | (40,938) |
| Writeback of impairment on other assets | 1,616 | | 1,616 |
| Profit before tax expense and zakat | 4,085,281 | | 4,327,840 |
| Tax expense and zakat | (816,525) | (60,640) | (877,165) |
| Profit for the year | 3,268,756 | | 3,450,675 |
| Statement of Comprehensive Income | | | |
| Bank Financial Year Ended 31 December 2011 | | | |
| Profit for the year | 3,268,756 | 181,919 | 3,450,675 |
| Other comprehensive (loss) / income: | | | |
| Revaluation reserves: | | | |
| - Net loss on revaluation of financial investments available-for-sale | (28,640) | | (28,640) |
| Hedging reserves: | | | |
| - Net change in cash flow hedges | (3,445) | | (3,445) |
| | (32,085) | | (32,085) |
| Income tax relating to components of other comprehensive loss: | | | |
| - Revaluation reserves | 7,160 | | 7,160 |
| - Hedging reserves | 861 | | 861 |
| | 8,021 | | 8,021 |
| Other comprehensive loss for the year | (24,064) | | (24,064) |
| Total comprehensive income for the year | 3,244,692 | | 3,426,611 |

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

A31. Changes in Accounting Policies (continued)

(c) Financial Impact of Adoption of MFRS Framework (continued)

(iii) There are no material differences between the statement of cash flows presented under the MFRSs and the statement of cash flows presented under FRSs.

(iv) Capital adequacy

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

| | As at 31 December 2011 | | As at 1 January 2011 | |
|--|--|--|--|--|
| | As previously stated: Under the FRS Framework | As restated: Under the MFRS Framework | As previously stated: Under the FRS Framework | As restated: Under the MFRS Framework |
| Group | | | | |
| Tier 1 capital (RM'000) | 17,390,603 | 18,249,867 | 15,055,321 | 15,936,506 |
| Capital base (RM'000) | 25,939,832 | 25,416,082 | 20,273,695 | 19,992,123 |
| <u>Before deducting second interim dividends *</u> | | | | |
| Tier 1 capital ratio (%) | 10.7 | 11.2 | 10.7 | 11.3 |
| Risk-weighted capital ratio (%) | 15.9 | 15.6 | 14.4 | 14.2 |
| <u>After deducting second interim dividends *</u> | | | | |
| Tier 1 capital ratio (%) | 10.1 | 10.6 | 10.0 | 10.6 |
| Risk-weighted capital ratio (%) | 15.3 | 15.0 | 13.7 | 13.5 |
| Bank | | | | |
| Tier 1 capital (RM'000) | 17,369,073 | 18,216,433 | 15,322,051 | 16,188,592 |
| Capital base (RM'000) | 21,497,241 | 21,044,900 | 16,408,647 | 16,188,592 |
| <u>Before deducting second interim dividends *</u> | | | | |
| Tier 1 capital ratio (%) | 12.9 | 13.5 | 13.2 | 13.9 |
| Risk-weighted capital ratio (%) | 15.9 | 15.6 | 14.1 | 13.9 |
| <u>After deducting second interim dividends *</u> | | | | |
| Tier 1 capital ratio (%) | 12.1 | 12.8 | 12.4 | 13.1 |
| Risk-weighted capital ratio (%) | 15.2 | 14.9 | 13.3 | 13.1 |

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

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

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

B1. Performance Review

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

With effect from 1 January 2012, the Group had converged to the MFRS accounting framework, which is equivalent to the IFRS framework issued by the IASB. A major consequence of this transition to the MFRS framework was the change in the accounting policy for collective assessment on the Group's domestic banking subsidiaries' loans, advances and financing, which was adopted with retrospective effect.

As a result of the above change in accounting policy, the comparative results for the financial year of 2011 have been restated as follows:

- i) Pre-tax profit: from RM4,610.6 million (previously reported) to RM4,877.9 million (restated).
- ii) Net profit attributable to equity holders: from RM3,483.8 million (previously reported) to RM3,684.3 million (restated).

The following variance analyses are based on the restated comparative results:

The Group's pre-tax profit for financial year ended 31 December 2012 of RM5,103.9 million was RM226.0 million or 4.6% higher than the previous year of RM4,877.9 million. Net profit attributable to equity holders improved by RM185.0 million or 5.0% to RM3,869.3 million. The improved earnings was mainly due to higher net interest income and finance income by RM251.6 million (4.3%), higher net fee and commission income by RM46.4 million (4.1%) and higher other operating income by RM32.5 million (11.6%). In addition to the growth of income from various sources, impairment allowance on loans had shown a drop of RM47.5 million (14.5%) despite the higher loan base. These were partially offset by higher other operating expenses by RM152.2 million (6.9%) which was mainly due to the increase in personnel and establishment costs to support higher business volume.

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 11.3% to RM197.8 billion as at 31 December 2012 as compared to RM177.7 billion as at 31 December 2011 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 12.3% or RM24.7 billion as compared to 31 December 2011 which partly contributed to the higher net interest income for the current year. The Group's impaired loan ratio had further improved to 0.7% from 0.9% as at the end of 2011.

The performance of the respective operating business segments for the financial year ended 31 December 2012 as compared to the previous year is analysed as follows:-

- 1) Retail Operations – The increase in pre-tax profit by RM206.3 million (7.4%) to RM2,986.4 million was mainly due to higher net interest income on higher average loan and deposit balances, higher fee income, and lower loan impairment allowance. This was partially offset by higher other operating expenses to support business growth.
- 2) Hire purchase – Pre-tax profit increased by RM23.5 million (3.6%) to RM668.3 million, mainly due to higher net interest income on higher average loan balances partially offset by higher other operating expenses and loan impairment allowances due to higher loan base.
- 3) Corporate lending – Pre-tax profit increased by RM14.6 million (4.8%) to RM322.3 million, mainly due to higher net interest income on higher average loan balances and higher fee income partially offset by lower loan recoveries.
- 4) Treasury and capital market operations – The increase in pre-tax profit by RM18.6 million (5.8%) to RM339.4 million was mainly due to higher net interest income achieved on treasury gapping, funding and liquidity management activities.

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

B1. Performance Review (continued)

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

- 5) Investment banking – Pre-tax profit decreased by RM6.8 million (-13.3%) to RM44.5 million, mainly due to lower volume of stockbroking activities.
- 6) Fund management – Pre-tax profit increased by RM50.3 million (15.6%) to RM372.2 million, mainly due to higher management fee earned on higher average net asset value of funds under management and lower other operating expenses partially offset by lower net fee income on sale of trust units.
- 7) Overseas operations – Pre-tax profit increased by RM28.5 million (9.6%) to RM325.0 million, mainly due to lower loan impairment allowance and higher net interest income partially offset by higher other operating expenses.

b) Current Quarter vs. Previous Year Corresponding Quarter

As a result of the change in accounting policy stated above, the comparative results for the 4th quarter ended 31 December 2011 have been restated as follows:

- i) Pre-tax profit: from RM1,163.3 million (previously reported) to RM1,211.8 million (restated).
- ii) Net profit attributable to equity holders: from RM877.0 million (previously reported) to RM913.4 million (restated).

The following variance analyses are based on the restated comparative results:

For the 4th quarter ended 31 December 2012, the Group registered a pre-tax profit of RM1,305.5 million, an improvement of RM93.7 million or 7.7% as compared to the previous corresponding quarter. Net profit attributable to equity holders grew by 8.7% or RM79.1 million over the same period. The improved earnings was mainly due to higher net interest income and lower loan impairment charges resulting from strong loans and deposits growth and stable asset quality, higher net fee and commission income partially offset by higher other operating expenses.

Performance of the respective operating business segments for the 4th quarter ended 31 December 2012 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Retail operations – Pre-tax profit increased by RM61.6 million (8.6%) to RM774.6 million, mainly due to higher net interest income, higher fee income and lower loan impairment allowance.
- 2) Hire purchase – Pre-tax profit decreased by RM21.2 million (-12.2%) to RM152.9 million, mainly due to higher other operating expenses and higher loan impairment allowance.
- 3) Corporate lending – Pre-tax profit increased by RM21.3 million (31.3%) to RM89.4 million, mainly due to higher net interest income and higher loan recoveries.
- 4) Treasury and capital market operations – Pre-tax profit decreased by RM10.5 million (-10.9%) to RM85.6 million, mainly due to lower foreign exchange income partially offset by higher interest margin earned on treasury gapping activities.
- 5) Investment banking – Pre-tax profit decreased by RM4.6 million (-37.6%) to RM7.6 million due to lower volume of stockbroking activities.
- 6) Fund management business – Pre-tax profit increased by RM18.6 million (23.8%) to RM96.8 million, due to higher management fee earned on higher average net asset value of funds under management.
- 7) Overseas Operations – The increase in pre-tax profit by RM18.4 million (25.3%) was mainly due to higher net interest income and other income.

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

B2. Variation of Results Against Preceding Quarter

Net profit attributable to equity holders grew marginally by 0.9% or RM9.2 million to RM992.5 million from RM983.3 million in the preceding quarter ended 30 September 2012. This was mainly due to higher other operating income and lower other operating expenses.

B3. Prospects for 2013

The global economy is expected to grow moderately in 2013, with considerable downside risks emanating from major advanced economies which continue to weigh on economic activities. While the US economy is on a stronger footing now, the outlook for the euro area is still uncertain amid its unresolved debt crisis. Growth momentum in emerging and developing economies is expected to continue, led by China, India and ASEAN, supported by resilient domestic demand and initiatives undertaken to accelerate investment, particularly in infrastructure projects.

The Malaysian economy is expected to grow between 4.5% and 5.5% in 2013 with domestic demand continues to drive growth. Based on the anticipated pick up in global economic growth, in particular in the second half of 2013, exports are expected to improve amid better external environment.

The favourable economic prospect is expected to remain supportive of the banking sector in Malaysia in 2013. Backed by strong capitalisation, sustained profitability and ample liquidity, the banking sector will continue to provide steady access to credit for households and businesses to further facilitate growth in the economy. 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 small- and medium-sized enterprises (“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.

In the SME segment, the Public Bank Group will continue to sustain its portfolio growth and market leadership 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 market strategies, backed by competitive pricing and efficient service delivery.

The Public Bank Group will continue to focus on corporate clients with good track record who are involved in resilient economic sectors. In its effort to retain corporate customers, the Group will also leverage and tap on the expertise of its investment banking arm to offer advisory services to corporate clients who may prefer to raise funding from the capital market.

The financial markets worldwide are expected to experience sporadic periods of uncertainty stemming from the ongoing European debt crisis. Under such operating conditions, one of the main challenges is to sustain growth in the Public Bank Group’s treasury core business of providing foreign exchange services. Notwithstanding any turbulence in the financial markets, the Group will leverage on its extensive network of branches and resources as well as close rapport with customers built over the years, coupled with intensified marketing efforts to grow its foreign exchange business. The Group will also continue to focus on maintaining a healthy level of liquidity by building up its core customer deposit base and investing in high grade liquefiable securities.

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

B3. Prospects for 2013 (continued)

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, diverse range of fund products, strong distribution capabilities and strong branding. The Group will also actively leverage on the launch of the private retirement schemes to provide customers with alternative investment schemes.

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 expand its overseas operations through organic growth and will continue to transfer its 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.

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 4th quarter and financial year ended 31 December 2012 are as follows:

| <u>Group</u> | 4th Quarter Ended | | Financial Year Ended | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Malaysian income tax | 275,394 | 293,488 | 1,151,748 | 1,106,626 |
| - In respect of changes in tax treatment for collective assessment allowance | - | - | - | (323,045) |
| Overseas income tax | 13,198 | 19,398 | 59,853 | 63,266 |
| | 288,592 | 312,886 | 1,211,601 | 846,847 |
| Under / (Over) provision in prior years | | | | |
| - Malaysian income tax | 5,936 | (4,528) | 7,173 | 1,912 |
| - Overseas income tax | 2,807 | 2,695 | 3,332 | 1,325 |
| | 297,335 | 311,053 | 1,222,106 | 850,084 |
| Deferred tax expense | | | | |
| - In respect of changes in tax treatment for collective assessment allowance | - | - | - | 323,045 |
| - Relating to origination and reversal of temporary differences | 10,795 | (8,343) | (20,281) | (6,570) |
| - Over provision | (9,990) | (13,441) | (9,990) | (13,441) |
| Tax expense | 298,140 | 289,269 | 1,191,835 | 1,153,118 |
| Zakat | 82 | 79 | 330 | 318 |
| | 298,222 | 289,348 | 1,192,165 | 1,153,436 |

The Group's effective tax rates for the 4th quarter and financial year ended 31 December 2012 and 31 December 2011 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.

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

B5. Tax Expense and Zakat (continued)

The analysis of the tax expense for the 4th quarter and financial year ended 31 December 2012 are as follows:

| <u>Bank</u> | 4th Quarter Ended | | Financial Year Ended | |
|--|--|--|--|--|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Malaysian income tax | 225,735 | 221,936 | 939,774 | 871,388 |
| - In respect of changes in tax treatment for collective assessment allowance | - | - | - | (256,672) |
| Overseas income tax | 6,022 | 6,696 | 7,794 | 8,265 |
| | 231,757 | 228,632 | 947,568 | 622,981 |
| Under / (over) provision in prior years | | | | |
| - Malaysian income tax | 6,090 | - | 6,090 | - |
| - Overseas income tax | (1,759) | - | (1,411) | (202) |
| | 236,088 | 228,632 | 952,247 | 622,779 |
| Deferred tax expense | | | | |
| - In respect of changes in tax treatment for collective assessment allowance | - | - | - | 256,672 |
| - Relating to origination and reversal of temporary differences | 3,968 | 6,308 | (18,081) | 2,017 |
| - Over provision | (992) | (4,303) | (992) | (4,303) |
| | 239,064 | 230,637 | 933,174 | 877,165 |

The Bank's effective tax rate for the 4th quarter and financial year ended 31 December 2012 and 31 December 2011 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 as at 31 December 2012.

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.

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

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 December 2012 RM'000 | 31 December 2011 RM'000 |
| Total retained profits of Public Bank Berhad and its subsidiaries: | | |
| - Realised | 10,538,951 | 8,231,095 |
| - Unrealised | 90,836 | 37,650 |
| | <u>10,629,787</u> | <u>8,268,745</u> |
| Total share of retained profits from associated companies: | | |
| - Realised | 4,495 | 6,433 |
| - Unrealised | - | - |
| | <u>10,634,282</u> | <u>8,275,178</u> |
| Less: Consolidation adjustments | <u>(1,180,635)</u> | <u>(998,370)</u> |
| Total Group retained profits as per consolidated accounts | <u><u>9,453,647</u></u> | <u><u>7,276,808</u></u> |
| | | |
| | Bank | |
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| Total retained profits of Public Bank Berhad: | | |
| - Realised | 8,943,938 | 6,899,270 |
| - Unrealised | (24,998) | (46,952) |
| Total Bank retained profits as per accounts | <u><u>8,918,940</u></u> | <u><u>6,852,318</u></u> |

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.

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

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2012 RM'000 | 31 December 2011 RM'000 | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
| (a) <u>Deposits from customers</u> | | | | |
| - Fixed deposits | | | | |
| One year or less | 120,388,610 | 106,415,441 | 93,813,034 | 82,417,034 |
| More than one year | 286,993 | 157,543 | 118,551 | 103,984 |
| - Negotiable instruments of deposits | | | | |
| One year or less | 1,135,538 | 2,264,308 | 80,880 | 733,999 |
| More than one year | 88,082 | 18,719 | 9,232 | 18,719 |
| - Money market deposits | | | | |
| One year or less | 46,593,137 | 40,589,452 | 41,991,233 | 35,471,442 |
| - Savings deposits | 23,726,493 | 21,959,727 | 16,843,952 | 15,476,427 |
| - Demand deposits | 32,632,541 | 28,763,993 | 28,643,745 | 24,963,764 |
| - Others | 190,931 | 201,342 | 187,817 | 199,070 |
| | <u>225,042,325</u> | <u>200,370,525</u> | <u>181,688,444</u> | <u>159,384,439</u> |
| (b) <u>Deposits from banks</u> | | | | |
| - One year or less | <u>12,849,313</u> | <u>15,806,732</u> | <u>14,408,778</u> | <u>16,717,349</u> |
| (c) <u>Debt securities issued and other borrowed funds</u> | | | | |
| Borrowings denominated in HKD (unsecured) | | | | |
| Term loan | | | | |
| - More than one year | <u>864,911</u> | <u>895,084</u> | <u>-</u> | <u>-</u> |
| Subordinated notes denominated in USD (unsecured) | | | | |
| - More than one year | - | 1,289,818 | - | 1,289,818 |
| Subordinated notes denominated in RM (unsecured) | | | | |
| - More than one year | <u>4,937,918</u> | <u>4,966,920</u> | <u>4,937,918</u> | <u>4,966,920</u> |
| | <u>4,937,918</u> | <u>6,256,738</u> | <u>4,937,918</u> | <u>6,256,738</u> |
| Innovative Tier I capital securities denominated in USD (unsecured) | | | | |
| - More than one year | 719,818 | 723,422 | 719,818 | 723,422 |
| Innovative Tier I capital securities denominated in RM (unsecured) | | | | |
| - More than one year | <u>1,235,947</u> | <u>1,245,374</u> | <u>1,235,947</u> | <u>1,245,374</u> |
| | <u>1,955,765</u> | <u>1,968,796</u> | <u>1,955,765</u> | <u>1,968,796</u> |
| Non-innovative Tier I stapled securities denominated in RM (unsecured) | | | | |
| - More than one year | <u>2,188,259</u> | <u>2,197,215</u> | <u>2,188,259</u> | <u>2,197,215</u> |
| | <u>9,946,853</u> | <u>11,317,833</u> | <u>9,081,942</u> | <u>10,422,749</u> |

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

B10. Changes in Material Litigation

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

B11. Dividends

- (a) (i) The Directors had declared a first interim single tier dividend of 20% in respect of financial year ended 31 December 2012, which was paid on 15 August 2012.
- (ii) A second interim single tier dividend of 30% for the financial year ended 31 December 2012, amounting to RM1,050,637,539 computed based on the outstanding issued and paid-up share capital excluding treasury shares as at 31 December 2012, has been declared by the directors;
- (ii) Amount per share : Single tier dividend of 30.0 sen;
- (iii) Entitlement date: 25 February 2013;
- (iv) Payment date: 5 March 2013.
- (b) Total dividend paid for the previous financial year ended 31 December 2011:
- First interim single tier dividend of 20.0 sen.
 - Second interim single tier dividend of 28.0 sen.

B12. Earnings Per Share

| | 4th Quarter Ended | | Financial Year Ended | |
|--|--------------------------|--------------------|-----------------------------|--------------------|
| | 31 December | 31 December | 31 December | 31 December |
| | 2012 | 2011 | 2012 | 2011 |
| Net profit attributable to equity holders (RM'000) | <u>992,469</u> | <u>913,392</u> | <u>3,869,273</u> | <u>3,684,289</u> |
| Weighted average number of PBB Shares ('000) | <u>3,502,125</u> | <u>3,502,125</u> | <u>3,502,125</u> | <u>3,502,132</u> |
| Basic earnings per share (sen) | <u>28.3</u> | <u>26.1</u> | <u>110.5</u> | <u>105.2</u> |

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.