

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
ASSETS				
Cash and balances with banks	23,903,042	34,690,439	17,584,896	27,172,447
Reverse repurchase agreements	6,087,530	365,877	5,128,751	10,737
Financial assets held-for-trading	9,663,102	6,360,620	9,305,324	5,812,736
Derivative financial assets	267,021	326,622	265,550	322,596
Financial investments available-for-sale	15,899,039	17,852,284	13,270,438	14,269,479
Financial investments held-to-maturity	6,475,213	5,229,617	5,172,272	5,230,399
Loans, advances and financing	158,996,622	153,982,980	130,250,966	125,062,183
Other assets	2,317,242	1,995,880	1,494,859	1,703,642
Statutory deposits with Central Banks	1,598,007	1,612,575	1,122,067	1,106,330
Deferred tax assets	539,167	519,215	438,279	416,470
Investment in subsidiary companies	-	-	3,888,581	3,888,581
Investment in associated companies	159,979	118,624	121,325	101,325
Investment properties	64,175	65,552	-	-
Property and equipment	1,255,354	1,278,319	597,427	617,544
Intangible assets	1,910,113	1,930,372	695,393	695,393
TOTAL ASSETS	229,135,606	226,328,976	189,336,128	186,409,862
LIABILITIES				
Deposits from customers	180,405,404	176,872,119	143,126,167	140,789,266
Deposits from banks	20,552,814	21,327,476	22,038,192	21,069,781
Bills and acceptances payable	2,216,204	2,308,836	2,337,675	2,450,006
Recourse obligations on loans sold to Cagamas	14,449	16,319	14,449	16,319
Derivative financial liabilities	304,762	375,529	272,797	340,995
Debt securities issued and other borrowed funds	7,971,880	8,094,880	7,116,478	7,196,528
Other liabilities	3,251,378	2,839,874	1,666,956	1,675,651
Provision for tax expense and zakat	813,533	800,464	584,228	568,565
Deferred tax liabilities	9,298	8,391	-	-
TOTAL LIABILITIES	215,539,722	212,643,888	177,156,942	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 2010.

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	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
EQUITY				
Share capital	3,531,926	3,531,926	3,531,926	3,531,926
Reserves	9,627,909	9,716,277	8,862,698	8,986,128
Treasury shares	(215,438)	(215,303)	(215,438)	(215,303)
Equity attributable to equity holders of the Bank	12,944,397	13,032,900	12,179,186	12,302,751
Non-controlling interests	651,487	652,188	-	-
TOTAL EQUITY	13,595,884	13,685,088	12,179,186	12,302,751
TOTAL LIABILITIES AND EQUITY	229,135,606	226,328,976	189,336,128	186,409,862
COMMITMENTS AND CONTINGENCIES	70,234,465	69,205,908	65,492,488	64,532,682
CAPITAL ADEQUACY				
Tier I Capital Ratio	9.5%	10.0% *	11.6%	12.4% *
Risk-Weighted Capital Ratio	13.0%	13.7% *	12.6%	13.3% *
Net assets per share attributable to ordinary equity holders of the Bank (RM)	3.70	3.72	3.48	3.51

* After deducting second interim dividend.

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Operating revenue	2,991,607	2,507,759	2,991,607	2,507,759
Interest income	2,210,568	1,827,497	2,210,568	1,827,497
Interest expense	(1,008,596)	(748,030)	(1,008,596)	(748,030)
Net interest income	1,201,972	1,079,467	1,201,972	1,079,467
Net income from Islamic banking business	199,185	185,194	199,185	185,194
	1,401,157	1,264,661	1,401,157	1,264,661
Net fee and commission income	270,293	238,423	270,293	238,423
Net gains and losses on financial instruments	30,441	31,307	30,441	31,307
Other operating income	70,822	69,839	70,822	69,839
Net income	1,772,713	1,604,230	1,772,713	1,604,230
Other operating expenses	(538,602)	(542,735)	(538,602)	(542,735)
Operating profit	1,234,111	1,061,495	1,234,111	1,061,495
Allowance for impairment on loans, advances and financing	(140,188)	(139,762)	(140,188)	(139,762)
Impairment on other assets	605	(1,792)	605	(1,792)
	1,094,528	919,941	1,094,528	919,941
Share of profit after tax of equity accounted associated companies	3,358	2,634	3,358	2,634
Profit before tax expense and zakat	1,097,886	922,575	1,097,886	922,575
Tax expense and zakat	(259,257)	(224,921)	(259,257)	(224,921)
Profit for the period	838,629	697,654	838,629	697,654
Profit for the period attributable to :				
- Equity holders of the Bank	827,674	685,255	827,674	685,255
- Non-controlling interests	10,955	12,399	10,955	12,399
	838,629	697,654	838,629	697,654
Earnings per RM1.00 share:				
- basic / diluted (sen)	23.6	19.7	23.6	19.7

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Profit for the period	<u>838,629</u>	<u>697,654</u>	<u>838,629</u>	<u>697,654</u>
Other comprehensive (loss) / income:				
Currency translation differences in respect of foreign operations	(64,860)	(175,883)	(64,860)	(175,883)
Currency translation differences in respect of net investment hedge	50,797	134,238	50,797	134,238
Net gain on revaluation of financial investments available-for-sale	30,111	14,296	30,111	14,296
Net change in cash flow hedges	(211)	(1,430)	(211)	(1,430)
Income tax relating to components of other comprehensive income	<u>(6,714)</u>	<u>(2,920)</u>	<u>(6,714)</u>	<u>(2,920)</u>
Other comprehensive income / (loss) for the period, net of tax	<u>9,123</u>	<u>(31,699)</u>	<u>9,123</u>	<u>(31,699)</u>
Total comprehensive income for the period	<u><u>847,752</u></u>	<u><u>665,955</u></u>	<u><u>847,752</u></u>	<u><u>665,955</u></u>
Total comprehensive income / (loss) for the period attributable to:				
- Equity holders of the Bank	848,453	686,914	848,453	686,914
- Non-controlling interests	<u>(701)</u>	<u>(20,959)</u>	<u>(701)</u>	<u>(20,959)</u>
	<u><u>847,752</u></u>	<u><u>665,955</u></u>	<u><u>847,752</u></u>	<u><u>665,955</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 2010.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Operating revenue	2,216,845	1,834,387	2,216,845	1,834,387
Interest income	1,988,669	1,581,093	1,988,669	1,581,093
Interest expense	(955,736)	(683,191)	(955,736)	(683,191)
Net interest income	1,032,933	897,902	1,032,933	897,902
Net fee and commission income	100,012	77,209	100,012	77,209
Net gains and losses on financial instruments	34,769	32,991	34,769	32,991
Other operating income	279,497	278,902	279,497	278,902
Net income	1,447,211	1,287,004	1,447,211	1,287,004
Other operating expenses	(365,911)	(371,413)	(365,911)	(371,413)
Operating profit	1,081,300	915,591	1,081,300	915,591
Allowance for impairment on loans, advances and financing	(89,474)	(80,799)	(89,474)	(80,799)
Impairment on other assets	1,522	(1,718)	1,522	(1,718)
Profit before tax expense and zakat	993,348	833,074	993,348	833,074
Tax expense and zakat	(193,326)	(167,206)	(193,326)	(167,206)
Profit for the period	800,022	665,868	800,022	665,868

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 2010.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Bank</u>				
Profit for the period	800,022	665,868	800,022	665,868
Other comprehensive income / (loss):				
Net gain on revaluation of financial investments available-for-sale	18,036	10,763	18,036	10,763
Net change in cash flow hedges	(211)	(1,430)	(211)	(1,430)
Income tax relating to components of other comprehensive income	(4,456)	(2,691)	(4,456)	(2,691)
Other comprehensive income for the period, net of tax	13,369	6,642	13,369	6,642
Total comprehensive income for the period	813,391	672,510	813,391	672,510

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 2010

PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

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

Group	Non-distributable			Distributable		Total Shareholders' Equity	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Profits	Treasury Shares			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011	3,531,926	1,073,310	3,888,562	4,754,405	(215,303)	13,032,900	652,188	13,685,088
Profit for the period	-	-	-	827,674	-	827,674	10,955	838,629
Currency translation differences in respect of foreign operations	-	-	(53,204)	-	-	(53,204)	(11,656)	(64,860)
Currency translation differences in respect of net investment hedge	-	-	50,797	-	-	50,797	-	50,797
Net gain on revaluation of financial investments available-for-sale	-	-	30,111	-	-	30,111	-	30,111
Net change in cash flow hedges	-	-	(211)	-	-	(211)	-	(211)
Income tax relating to component of other comprehensive income	-	-	(6,714)	-	-	(6,714)	-	(6,714)
Total comprehensive income / (loss) for the period	-	-	20,779	827,674	-	848,453	(701)	847,752
Transactions with owners:								
Buy-back of shares	-	-	-	-	(135)	(135)	-	(135)
Transfer to regulatory reserves	-	-	1,005	(1,005)	-	-	-	-
Dividends paid	-	-	-	(936,821)	-	(936,821)	-	(936,821)
At 31 March 2011	3,531,926	1,073,310	3,910,346	4,644,253	(215,438)	12,944,397	651,487	13,595,884

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FOR THE 1ST QUARTER ENDED 31 MARCH 2011

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

<u>Group</u>	Non-distributable			Distributable		Total Shareholders' Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Treasury Shares RM'000			
At 1 January 2010	3,531,926	1,439,885	3,787,271	3,094,387	(581,638)	11,271,831	699,287	11,971,118
Profit for the period	-	-	-	685,255	-	685,255	12,399	697,654
Currency translation differences in respect of foreign operations	-	-	(142,525)	-	-	(142,525)	(33,358)	(175,883)
Currency translation differences in respect of net investment hedge	-	-	134,238	-	-	134,238	-	134,238
Net gain on revaluation of financial investments available-for-sale	-	-	14,296	-	-	14,296	-	14,296
Net change in cash flow hedges	-	-	(1,430)	-	-	(1,430)	-	(1,430)
Income tax relating to component of other comprehensive income	-	-	(2,920)	-	-	(2,920)	-	(2,920)
Total comprehensive income for the period	-	-	1,659	685,255	-	686,914	(20,959)	665,955
Transactions with owners:								
Buy-back of shares	-	-	-	-	(118)	(118)	-	(118)
Transfer to regulatory reserves	-	-	2,450	(2,450)	-	-	-	-
Dividends paid	-	-	-	(647,143)	-	(647,143)	-	(647,143)
Share dividends	-	(366,575)	-	-	366,575	-	-	-
At 31 March 2010	3,531,926	1,073,310	3,791,380	3,130,049	(215,181)	11,311,484	678,328	11,989,812

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

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

	Non-distributable			Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Reserves Retained Profits RM'000	Treasury Shares RM'000	
Bank						
At 1 January 2011	3,531,926	1,073,310	3,538,614	4,374,204	(215,303)	12,302,751
Profit for the period	-	-	-	800,022	-	800,022
Net gain on revaluation of financial investments available-for-sale	-	-	18,036	-	-	18,036
Net change in cash flow hedges	-	-	(211)	-	-	(211)
Income tax relating to component of other comprehensive income	-	-	(4,456)	-	-	(4,456)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>13,369</u>	<u>800,022</u>	<u>-</u>	<u>813,391</u>
Transactions with owners:						
Buy-back of shares	-	-	-	-	(135)	(135)
Dividends paid	-	-	-	(936,821)	-	(936,821)
At 31 March 2011	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,551,983</u>	<u>4,237,405</u>	<u>(215,438)</u>	<u>12,179,186</u>

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

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

Bank	Non-distributable			Distributable		Total
	Share Capital	<u>Reserves</u>		<u>Reserves</u>		
	Share Premium	Other Reserves	Retained Profits	Treasury Shares	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	3,531,926	1,439,885	3,513,672	2,746,439	(581,638)	10,650,284
Profit for the period	-	-	-	665,868	-	665,868
Net gain on revaluation of financial investments available-for-sale	-	-	10,763	-	-	10,763
Net change in cash flow hedges	-	-	(1,430)	-	-	(1,430)
Income tax relating to component of other comprehensive income	-	-	(2,691)	-	-	(2,691)
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>6,642</u>	<u>665,868</u>	<u>-</u>	<u>672,510</u>
Transactions with owners:						
Buy-back of shares	-	-	-	-	(118)	(118)
Dividends paid	-	-	-	(647,143)	-	(647,143)
Share dividends	-	(366,575)	-	-	366,575	-
At 31 March 2010	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,520,314</u>	<u>2,765,164</u>	<u>(215,181)</u>	<u>10,675,533</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 2010.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2011

	Group		Bank	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Profit before tax expense and zakat	1,097,886	922,575	993,348	833,074
Adjustments for non-cash items	181,190	176,724	(89,325)	(89,039)
Operating profit before changes in working capital	1,279,076	1,099,299	904,023	744,035
Changes in working capital:				
Net changes in operating assets	(12,426,060)	(399,782)	(12,262,517)	(1,190,894)
Net changes in operating liabilities	3,097,139	1,712,828	3,118,090	2,710,974
Tax expense and zakat paid	(272,191)	(129,214)	(203,904)	(91,013)
Net cash (used in) / generated from operating activities	(8,322,036)	2,283,131	(8,444,308)	2,173,102
Net cash generated from / (used in) investing activities	705,956	(959,650)	1,376,405	(816,216)
Net cash used in financing activities	(979,906)	(670,178)	(936,956)	(647,261)
Net change in cash and cash equivalents	(8,595,986)	653,303	(8,004,859)	709,625
Cash and cash equivalents at beginning of the year	32,082,569	43,480,452	24,691,629	31,868,626
Exchange differences on translation of opening balances	(76,017)	(284,949)	-	-
Cash and cash equivalents at end of the period (Note)	23,410,566	43,848,806	16,686,770	32,578,251
Note:				
Cash and balances with banks	23,903,042	44,016,069	17,584,896	33,830,834
Less: Balances with banks with maturity more than one month	(492,476)	(167,263)	(898,126)	(1,252,583)
Cash and cash equivalents at end of the period	23,410,566	43,848,806	16,686,770	32,578,251

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 2010.

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

A1. Basis of Preparation

The unaudited interim financial statements for the 1st quarter ended 31 March 2011 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale, derivative financial instruments and investment properties.

The unaudited interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2010. 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 2010.

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

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards ("FRS"), Amendments to FRSs, IC Interpretations and Technical Release ("TR"):

Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
IC Interpretation 12	Service Concession Arrangements
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
TR i-4	Shariah Compliant Sale Contracts
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	

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A1. Basis of Preparation (Continued)

The adoption of the revised FRS 3 and FRS 127, will potentially have a financial impact on the Group and the Bank as it will result in changes in accounting for business combinations and the preparation of consolidated financial statements. The main change introduced under the revised FRS 127 will be the accounting for changes in ownership interest in a subsidiary, where changes in ownership which do not result in the loss of control are now accounted for within equity instead of the income statement. Where changes in ownership interest result in loss of control, any remaining interest is remeasured at fair value and a gain or loss is recognised in the income statement. Minority interest is now referred to as "non-controlling interest". All total comprehensive income is proportionately allocated to non-controlling interest, even if it results in the non-controlling interests having a deficit balance.

The revised FRS 3 introduces the option, on an acquisition-by-acquisition basis, to measure non-controlling interest in a business combination either at fair value or at the non-controlling interest's proportionate share of the net identifiable assets acquired. Goodwill is measured as the difference between the aggregate of the fair value of consideration transferred, any non-controlling interest in the acquiree and the fair value at acquisition date of any previously held equity interest in the acquiree, and the net identifiable assets acquired. Any negative goodwill (ie. bargain purchase) is recognised in the income statement. Any consideration transferred in a business combination is measured at fair value as at the acquisition date. There is no financial impact immediately upon adoption of these two accounting standards as they both only have prospective effect, and hence their adoption will only have impact on future acquisitions of the Group and the Bank.

The adoption of the Amendments to FRS 7, which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of the fair value hierarchy, will only affect disclosures and will not have any financial impact on the results of the Group and the Bank. The adoption of the other FRSSs, Amendments to FRSSs, IC Interpretations and Technical Release above generally did not have any material impact on the financial results of the Group and the Bank, as they mainly deal with accounting policies affecting transactions which do not form part of the Group and the Bank's normal business operations or transactions where the Group or the Bank only has minimal exposure.

The following FRS and IC Interpretations have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group and the Bank:

Effective for annual periods commencing on or after 1 July 2011:

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
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Effective for annual periods commencing on or after 1 January 2012:

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

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A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2010 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 1st quarter ended 31 March 2011.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the 1st quarter ended 31 March 2011.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 1st quarter ended 31 March 2011.

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 ("PBB"):

Share Buy-back

On 14 March 2011, the shareholders of the Bank renewed their approval for the Bank to buy-back its own shares. During the 1st quarter ended 31 March 2011, the Bank bought back from the open market, 10,000 PBB Shares listed and quoted as "Local" on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average buy-back price of RM13.40 per share. The total consideration paid for the share buy-back of PBB Shares by the Bank during the 1st quarter ended 31 March 2011, including transaction costs, was RM135,000 and was financed by internally generated funds. The PBB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965. As at 31 March 2011, the total shares bought back, all of which are held as treasury shares, amounted to 29,790,704 PBB Shares. None of the treasury shares held were resold or cancelled during the 1st quarter ended 31 March 2011.

A7. Dividends Paid and Distributed

During the financial quarter ended 31 March 2011, the second interim franked dividend of 25% less 25% tax and the single tier cash dividend of 8% in respect of the financial year ended 31 December 2010, amounting to RM936,821,025 was paid on 23 February 2011.

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A8. Financial Assets Held-for-trading

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Securities	1,173,912	75,734	1,173,912	75,734
Malaysian Government Investment Certificates	3,114	-	3,114	-
Bank Negara Malaysia Monetary Notes	49,705	412,508	49,705	412,508
Bank Negara Malaysia Bills	-	99,803	-	-
	<u>1,226,731</u>	<u>588,045</u>	<u>1,226,731</u>	<u>488,242</u>
Money market instruments:				
Negotiable instruments of deposit	<u>8,177,068</u>	<u>5,622,472</u>	<u>8,077,776</u>	<u>5,323,626</u>
Non-money market instruments:				
Equity securities:				
- Quoted shares in Malaysia	817	868	817	868
Debt securities:				
- Cagamas bonds	15,274	15,134	-	-
- Unquoted private debt securities	243,212	134,101	-	-
	<u>259,303</u>	<u>150,103</u>	<u>817</u>	<u>868</u>
Total financial assets held-for-trading	<u>9,663,102</u>	<u>6,360,620</u>	<u>9,305,324</u>	<u>5,812,736</u>

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A9. Financial Investments Available-for-sale

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Securities	1,831,709	2,115,849	1,831,709	2,105,763
Malaysian Government Investment Certificates	1,973,845	2,002,864	1,182,415	1,199,611
Bank Negara Malaysia Monetary Notes	4,913,295	5,485,605	3,858,379	4,568,078
Bank Negara Malaysia Bills	-	1,063,115	-	-
	<u>8,718,849</u>	<u>10,667,433</u>	<u>6,872,503</u>	<u>7,873,452</u>
Money market instruments:				
Negotiable instruments of deposit	-	-	274,702	272,599
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks in Malaysia	40,911	37,212	38,997	34,947
- Quoted shares and convertible loan stocks outside Malaysia	10,805	8,674	-	-
- Unquoted shares	107,716	108,193	104,052	104,479
Debt securities:				
- Unquoted private debt securities	2,317,318	2,358,606	1,802,668	1,833,351
Unit trust funds:				
- Public Institutional Bond Fund	1,622,922	1,609,313	1,516,995	1,505,140
- Others	3,080,518	3,062,853	2,660,521	2,645,511
	<u>7,180,190</u>	<u>7,184,851</u>	<u>6,123,233</u>	<u>6,123,428</u>
Total financial investments available-for-sale	<u>15,899,039</u>	<u>17,852,284</u>	<u>13,270,438</u>	<u>14,269,479</u>

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A10. Financial Investments Held-to-maturity

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	-	3,654	-	3,654
Malaysian Government Securities	1,979,388	1,933,735	1,818,387	1,772,055
Malaysian Government Investment Certificates	676,666	549,330	676,666	549,330
Foreign Government Treasury Bills	441,623	515,429	72,443	80,010
	<u>3,097,677</u>	<u>3,002,148</u>	<u>2,567,496</u>	<u>2,405,049</u>
Money market instruments:				
Negotiable instruments of deposit	1,140,163	1,010,727	1,905,042	2,689,862
Bankers' acceptances and Islamic accepted bills	1,328,935	492,166	563,471	-
	<u>2,469,098</u>	<u>1,502,893</u>	<u>2,468,513</u>	<u>2,689,862</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds	5,001	5,059	5,001	5,059
- Unquoted private debt securities	913,269	729,530	141,094	140,442
	<u>918,270</u>	<u>734,589</u>	<u>146,095</u>	<u>145,501</u>
Accumulated impairment losses	(9,832)	(10,013)	(9,832)	(10,013)
Total financial investments held-to-maturity	<u>6,475,213</u>	<u>5,229,617</u>	<u>5,172,272</u>	<u>5,230,399</u>

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A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Overdrafts	9,563,957	9,597,674	8,566,458	8,500,942
Term loans				
- Housing loans / financing	45,436,017	43,891,024	39,765,775	38,382,386
- Syndicated term loan / financing	3,072,438	2,871,817	1,678,756	1,635,281
- Hire purchase receivables	36,266,474	35,328,422	26,263,333	24,839,999
- Other term loans / financing	56,846,566	54,989,863	45,758,534	44,069,685
Credit card receivables	1,321,024	1,348,902	1,313,903	1,340,914
Bills receivables	100,629	108,856	90,114	95,828
Trust receipts	365,567	377,087	315,212	329,412
Claims on customers under acceptance credits	3,698,769	3,582,630	3,686,895	3,572,220
Revolving credits	3,968,240	3,486,986	4,036,437	3,473,437
Staff loans *	990,123	960,811	929,237	903,078
Gross loans, advances and financing	<u>161,629,804</u>	156,544,072	<u>132,404,654</u>	127,143,182
Allowance for impaired loans and financing:				
- collective assessment allowance	(2,373,832)	(2,296,158)	(1,993,670)	(1,914,653)
- individual assessment allowance	(259,350)	(264,934)	(160,018)	(166,346)
Net loans, advances and financing	<u>158,996,622</u>	<u>153,982,980</u>	<u>130,250,966</u>	<u>125,062,183</u>

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM3,463,473 (2010: RM3,505,221) and RM2,869,270 (2010 - RM2,891,154) respectively.

A11a. By class

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Retail loans / financing				
- Housing loans / financing	45,436,017	43,891,024	39,765,775	38,382,386
- Hire purchase	36,266,474	35,328,422	26,263,333	24,839,999
- Credit cards	1,321,024	1,348,902	1,313,903	1,340,914
- Other loans / financing *	54,623,020	52,904,601	46,486,448	44,786,687
	<u>137,646,535</u>	133,472,949	<u>113,829,459</u>	109,349,986
Corporate loans / financing	23,983,269	23,071,123	18,575,195	17,793,196
	<u>161,629,804</u>	<u>156,544,072</u>	<u>132,404,654</u>	<u>127,143,182</u>

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

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A11. Loans, Advances and Financing (continued)

A11b. By type of customer

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Banking institutions	550,769	92,478	393,382	-
Non-bank financial institutions				
- Stock-broking companies	2,010	2,010	2,010	2,010
- Others	6,105,778	5,751,848	5,877,266	5,530,247
Business enterprises				
- Small and medium enterprises	29,126,828	28,022,864	26,249,554	25,109,061
- Others	21,588,890	22,226,128	17,066,369	17,595,432
Government and statutory bodies	329,502	326,226	446	371
Individuals	101,296,578	98,089,469	80,357,629	77,045,005
Other entities	30,008	30,207	27,018	27,340
Foreign entities	2,599,441	2,002,842	2,430,980	1,833,716
	161,629,804	156,544,072	132,404,654	127,143,182

A11c. By interest / profit rate sensitivity

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Fixed rate				
- Housing loans / financing	1,793,485	1,928,071	899,902	1,005,466
- Hire purchase receivables	34,871,067	33,750,002	26,254,616	24,832,082
- Other fixed rate loans / financing	16,516,585	16,155,876	9,195,303	8,827,158
Variable rate				
- Base lending rate plus	87,282,440	83,051,326	84,434,340	80,438,068
- Cost plus	11,819,219	12,370,856	11,122,412	11,565,882
- Other variable rates	9,347,008	9,287,941	498,081	474,526
	161,629,804	156,544,072	132,404,654	127,143,182

A11d. By residual contractual maturity

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Maturity within one year	25,392,668	25,130,683	21,548,492	21,330,140
More than one year to three years	16,995,762	16,618,501	13,075,226	12,363,350
More than three years to five years	19,203,558	18,258,072	15,135,185	14,188,733
More than five years	100,037,816	96,536,816	82,645,751	79,260,959
	161,629,804	156,544,072	132,404,654	127,143,182

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A11. Loans, Advances and Financing (continued)

A11e. By geographical distribution

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Malaysia	149,055,894	143,821,595	132,137,734	126,889,859
Hong Kong SAR and the People's Republic of China	10,622,058	10,699,655	-	-
Cambodia	1,684,932	1,769,499	-	-
Other countries	266,920	253,323	266,920	253,323
	<u>161,629,804</u>	<u>156,544,072</u>	<u>132,404,654</u>	<u>127,143,182</u>

A11f. Gross loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Purchase of securities	2,449,816	2,445,735	2,305,085	2,302,077
Purchase of transport vehicles	36,507,842	35,560,624	26,483,281	25,044,969
Purchase of landed properties	81,143,786	77,877,177	71,588,901	68,574,344
(of which: - residential	46,035,590	44,440,429	40,418,194	38,942,235
- non-residential)	35,108,196	33,436,748	31,170,707	29,632,109
Purchase of fixed assets (excluding landed properties)	263,822	282,626	258,373	276,826
Personal use	9,118,293	9,035,621	4,034,616	4,018,917
Credit card	1,321,024	1,348,902	1,313,903	1,340,914
Purchase of consumer durables	16,209	16,351	12,753	13,110
Construction	1,534,663	1,490,749	938,658	910,135
Mergers and acquisitions	7,919	8,183	7,919	8,183
Working capital	22,593,674	22,321,467	19,110,140	18,781,703
Other purpose	6,672,756	6,156,637	6,351,025	5,872,004
	<u>161,629,804</u>	<u>156,544,072</u>	<u>132,404,654</u>	<u>127,143,182</u>

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A11. Loans, Advances and Financing (continued)

A11g. Gross loans, advances and financing by sectors

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Agriculture, hunting, forestry and fishing	2,359,899	3,119,426	2,133,918	2,890,865
Mining and quarrying	123,247	120,644	114,915	112,315
Manufacturing	7,380,257	7,100,555	6,615,781	6,457,253
Electricity, gas and water	347,355	348,775	300,578	299,389
Construction	6,141,235	6,027,594	5,329,830	5,237,417
Wholesale & retail trade and restaurants & hotels	14,601,194	14,258,932	13,511,233	13,100,713
Transport, storage and communication	1,534,311	1,428,781	1,395,352	1,366,257
Finance, insurance and business services	11,059,276	10,173,718	9,932,279	9,055,447
Real estate	10,826,294	10,377,626	10,452,310	9,745,025
Community, social and personal services	1,899,965	1,484,692	1,509,341	1,097,004
Households	104,549,693	101,345,038	80,810,809	77,486,033
Others	807,078	758,291	298,308	295,464
	<u>161,629,804</u>	<u>156,544,072</u>	<u>132,404,654</u>	<u>127,143,182</u>

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Bankers' acceptances rediscounted	<u>1,452,349</u>	<u>1,707,306</u>	<u>1,451,618</u>	<u>1,706,661</u>

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At 1 January	1,784,277	1,892,223	1,401,321	1,375,631
Impaired during the period / year	674,790	3,006,563	506,850	2,352,332
Reclassified as non-impaired	(558,716)	(2,263,308)	(472,729)	(1,929,911)
Recoveries	(87,209)	(263,362)	(62,262)	(181,379)
Amount written off	(111,158)	(516,878)	(45,439)	(184,565)
Loans converted to foreclosed properties / investments	(3,717)	(30,435)	(2,986)	(28,670)
Exchange differences	(4,308)	(40,526)	(251)	(2,117)
Closing balance	<u>1,693,959</u>	<u>1,784,277</u>	<u>1,324,504</u>	<u>1,401,321</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>1.05%</u>	<u>1.14%</u>	<u>1.00%</u>	<u>1.10%</u>

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A11. Loans, Advances and Financing (continued)

A11j. Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Malaysia	1,500,288	1,579,947	1,317,608	1,387,671
Hong Kong SAR and the People's Republic of China	125,783	131,135	-	-
Cambodia	60,992	59,545	-	-
Other countries	6,896	13,650	6,896	13,650
	<u>1,693,959</u>	<u>1,784,277</u>	<u>1,324,504</u>	<u>1,401,321</u>

A11k. Impaired loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Purchase of securities	7,637	7,596	7,629	7,588
Purchase of transport vehicles	286,563	278,520	213,930	205,589
Purchase of landed properties	743,461	789,082	662,215	704,487
(of which: - residential	488,441	500,289	440,047	449,634
- non-residential)	255,020	288,793	222,168	254,853
Purchase of fixed assets (excluding landed properties)	7,140	9,041	7,017	8,918
Personal use	163,509	172,963	53,764	54,842
Credit card	26,230	27,296	26,215	27,290
Purchase of consumer durables	60	104	18	104
Construction	30,763	14,677	14,826	14,677
Working capital	390,466	442,712	300,991	335,777
Other purpose	38,130	42,286	37,899	42,049
	<u>1,693,959</u>	<u>1,784,277</u>	<u>1,324,504</u>	<u>1,401,321</u>

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A11. Loans, Advances and Financing (continued)

A11i. Impaired loans, advances and financing by sectors

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Agriculture, hunting, forestry and fishing	16,050	16,545	15,974	16,407
Mining and quarrying	1,244	1,287	188	215
Manufacturing	193,681	198,787	155,709	160,018
Electricity, gas and water	1,552	1,579	-	-
Construction	137,226	147,581	120,374	146,236
Wholesale & retail trade and restaurants & hotels	119,207	140,202	111,836	125,235
Transport, storage and communication	141,914	150,638	136,833	145,537
Finance, insurance and business services	68,855	89,454	43,987	50,318
Real estate	66,767	77,710	59,740	76,781
Community, social and personal services	14,938	13,701	14,928	13,569
Households	918,596	930,141	662,870	665,025
Others	13,929	16,652	2,065	1,980
	1,693,959	1,784,277	1,324,504	1,401,321

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
<u>Collective Assessment Allowance</u>				
At 1 January	2,296,158	2,018,943	1,914,653	1,648,331
Allowance made during the period / year	137,935	519,484	124,522	447,685
Amount written off	(59,487)	(235,629)	(45,439)	(181,013)
Exchange differences	(774)	(6,640)	(66)	(350)
Closing balance	2,373,832	2,296,158	1,993,670	1,914,653

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
<u>Individual Assessment Allowance</u>				
At 1 January	264,934	257,465	166,346	132,521
Allowance made during the period / year	69,790	444,730	5,166	124,104
Amount written back in respect of recoveries	(21,564)	(130,810)	(11,494)	(86,727)
Amount written off	(51,671)	(281,249)	-	(3,552)
Exchange differences	(2,139)	(25,202)	-	-
Closing balance	259,350	264,934	160,018	166,346

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A12. Other Assets

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Deferred handling fees	222,321	215,499	168,383	158,187
Interest / Income receivable	40,634	51,236	30,958	39,624
Other receivables, deposits and prepayments	1,097,782	1,078,469	845,313	941,235
Manager's stocks	53,433	15,717	-	-
Amount due from trust funds	288,049	147,197	-	-
Foreclosed properties	121,626	125,539	118,964	123,178
Taxi licenses	4,437	6,082	-	-
Outstanding contracts on clients' accounts	488,960	356,141	-	-
Amount due from subsidiary companies	-	-	42,641	41,882
Dividend receivable from subsidiary companies	-	-	288,600	399,536
	<u>2,317,242</u>	<u>1,995,880</u>	<u>1,494,859</u>	<u>1,703,642</u>

A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	25,394,998	25,470,214	22,018,417	22,142,587
- Savings deposits	21,029,911	20,440,705	14,639,194	14,035,444
- Fixed deposits	100,167,676	97,727,833	78,195,017	76,311,260
	<u>146,592,585</u>	<u>143,638,752</u>	<u>114,852,628</u>	<u>112,489,291</u>
Wholesale deposits:				
- Negotiable instruments of deposit	2,975,007	3,389,826	924,423	899,029
- Money market deposits	30,394,673	29,379,017	26,906,710	26,938,395
	<u>33,369,680</u>	<u>32,768,843</u>	<u>27,831,133</u>	<u>27,837,424</u>
Other deposits	443,139	464,524	442,406	462,551
	<u>180,405,404</u>	<u>176,872,119</u>	<u>143,126,167</u>	<u>140,789,266</u>

b) By type of customer

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Federal and state governments	1,733,517	1,721,576	513,635	576,428
Local government and statutory authorities	2,562,869	2,010,704	1,886,598	1,333,049
Business enterprises	53,866,779	54,490,618	40,746,626	41,172,876
Individuals	88,625,467	86,653,048	75,927,568	73,187,600
Foreign customers	5,404,894	5,206,065	4,554,196	4,738,222
Others	28,211,878	26,790,108	19,497,544	19,781,091
	<u>180,405,404</u>	<u>176,872,119</u>	<u>143,126,167</u>	<u>140,789,266</u>

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A13. Deposits from Customers (continued)

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Due within six months	118,417,009	116,981,551	91,833,542	91,366,911
More than six months to one year	14,963,580	13,333,704	14,088,857	12,668,349
More than one year to three years	140,584	166,430	89,473	100,669
More than three years to five years	16,183	14,991	14,278	12,755
	<u>133,537,356</u>	<u>130,496,676</u>	<u>106,026,150</u>	<u>104,148,684</u>

A14. Deposits from Banks

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Licensed banks	5,372,807	3,956,369	3,921,139	1,982,454
Licensed Islamic banks	1,609,287	1,656,812	877,497	416,138
Licensed investment banks	5,886,434	8,334,268	6,904,595	8,310,404
Bank Negara Malaysia	2,776,466	2,820,178	2,773,868	2,817,551
Other financial institutions	4,907,820	4,559,849	7,561,093	7,543,234
	<u>20,552,814</u>	<u>21,327,476</u>	<u>22,038,192</u>	<u>21,069,781</u>

A15. Other Liabilities

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Interest / income payable	778,899	749,173	699,444	660,711
Other payables and accruals	1,658,754	1,579,007	1,010,475	1,050,122
Amount due to trust funds	298,325	89,858	-	-
Unprocessed sales and / or redemptions	68,314	83,708	-	-
Employee benefits	(77,606)	(73,076)	(75,057)	(70,569)
Profit Equalisation Reserve	38,172	33,436	-	-
Finance lease liabilities	7,307	14,548	7,307	14,548
Outstanding contracts on clients' accounts	472,232	341,637	-	-
Dividend payable to shareholders	6,981	21,583	6,981	2,964
Amount due to subsidiary companies	-	-	17,806	17,875
	<u>3,251,378</u>	<u>2,839,874</u>	<u>1,666,956</u>	<u>1,675,651</u>

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A16. Interest Income

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Group				
Loans and advances	1,856,874	1,519,751	1,856,874	1,519,751
Balances with banks	167,641	126,930	167,641	126,930
Financial investments available-for-sale	62,721	37,782	62,721	37,782
Financial investments held-to-maturity	57,549	91,333	57,549	91,333
Others	19,020	18,759	19,020	18,759
	<u>2,163,805</u>	<u>1,794,555</u>	<u>2,163,805</u>	<u>1,794,555</u>
Financial assets held-for-trading	46,763	32,942	46,763	32,942
	<u>2,210,568</u>	<u>1,827,497</u>	<u>2,210,568</u>	<u>1,827,497</u>

Of which:

Interest income earned on impaired loans and advances

<u>16,505</u>	<u>15,526</u>	<u>16,505</u>	<u>15,526</u>
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	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Bank				
Loans and advances	1,670,789	1,316,169	1,670,789	1,316,169
Balances with banks	160,403	120,902	160,403	120,902
Financial investments available-for-sale	58,082	33,642	58,082	33,642
Financial investments held-to-maturity	40,247	65,732	40,247	65,732
Others	19,017	18,594	19,017	18,594
	<u>1,948,538</u>	<u>1,555,039</u>	<u>1,948,538</u>	<u>1,555,039</u>
Financial assets held-for-trading	40,131	26,054	40,131	26,054
	<u>1,988,669</u>	<u>1,581,093</u>	<u>1,988,669</u>	<u>1,581,093</u>

Of which:

Interest income earned on impaired loans and advances

<u>16,153</u>	<u>14,013</u>	<u>16,153</u>	<u>14,013</u>
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A17. Interest Expense

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits from banks	116,795	40,250	116,795	40,250
Deposits from customers	824,195	647,432	824,195	647,432
Loans sold to Cagamas	161	221	161	221
Debt securities issued and other borrowed funds	67,058	59,392	67,058	59,392
Others	387	735	387	735
	<u>1,008,596</u>	<u>748,030</u>	<u>1,008,596</u>	<u>748,030</u>

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits from banks	107,429	24,742	107,429	24,742
Deposits from customers	782,865	601,591	782,865	601,591
Loans sold to Cagamas	161	221	161	221
Debt securities issued and other borrowed funds	64,989	56,015	64,989	56,015
Others	292	622	292	622
	<u>955,736</u>	<u>683,191</u>	<u>955,736</u>	<u>683,191</u>

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A18. Net Fee and Commission Income

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Group</u>				
Fee and commission income:				
Commissions	42,494	37,678	42,494	37,678
Service charges and fees	62,859	52,255	62,859	52,255
Guarantee fees	5,873	7,454	5,873	7,454
Processing fees	4,258	2,037	4,258	2,037
Commitment fees	14,586	15,217	14,586	15,217
Unit trust management fees	131,652	114,742	131,652	114,742
Fee on sale of trust units	76,698	60,523	76,698	60,523
Net brokerage and commissions from stockbroking activities	28,978	24,037	28,978	24,037
Other fee and commission income	7,948	8,926	7,948	8,926
	<u>375,346</u>	<u>322,869</u>	<u>375,346</u>	<u>322,869</u>
Fee and commission expense:				
Loan related fee	(19,762)	(19,130)	(19,762)	(19,130)
Unit trust agency fee	(80,809)	(62,395)	(80,809)	(62,395)
Other fee and commission expense	(4,482)	(2,921)	(4,482)	(2,921)
	<u>(105,053)</u>	<u>(84,446)</u>	<u>(105,053)</u>	<u>(84,446)</u>
Net fee and commission income	<u>270,293</u>	238,423	<u>270,293</u>	238,423
	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Bank</u>				
Fee and commission income:				
Commissions	51,043	48,828	51,043	48,828
Service charges and fees	46,445	27,718	46,445	27,718
Guarantee fees	4,902	5,751	4,902	5,751
Processing fees	552	279	552	279
Commitment fees	13,643	14,347	13,643	14,347
Other fee and commission income	5,770	(331)	5,770	(331)
	<u>122,355</u>	<u>96,592</u>	<u>122,355</u>	<u>96,592</u>
Fee and commission expense:				
Loan related fee	(19,762)	(17,109)	(19,762)	(17,109)
Other fee and commission expense	(2,581)	(2,274)	(2,581)	(2,274)
	<u>(22,343)</u>	<u>(19,383)</u>	<u>(22,343)</u>	<u>(19,383)</u>
Net fee and commission income	<u>100,012</u>	77,209	<u>100,012</u>	77,209

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A19. Net Gains and Losses on Financial Instruments

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Group</u>				
Net (loss) / gain arising on financial assets held-for-trading:				
- net gain on disposal	765	911	765	911
- gross dividend income	14	9	14	9
- unrealised revaluation (loss) / gain	<u>(2,678)</u>	1,685	<u>(2,678)</u>	1,685
	<u>(1,899)</u>	2,605	<u>(1,899)</u>	2,605
Unrealised net gain on revaluation of trading derivatives	<u>1,684</u>	473	<u>1,684</u>	473
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	175	1,960	175	1,960
- gross dividend income	<u>23,404</u>	26,726	<u>23,404</u>	26,726
	<u>23,579</u>	28,686	<u>23,579</u>	28,686
Gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	7,073	(513)	7,073	(513)
- cash flow hedge	4	56	4	56
	<u>7,077</u>	(457)	<u>7,077</u>	(457)
Net gains and losses on financial instruments	<u>30,441</u>	31,307	<u>30,441</u>	31,307
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Bank</u>				
Net (loss) / gain arising on financial assets held-for-trading:				
- net gain on disposal	615	923	615	923
- gross dividend income	14	6	14	6
- unrealised revaluation (loss) / gain	<u>(2,610)</u>	1,734	<u>(2,610)</u>	1,734
	<u>(1,981)</u>	2,663	<u>(1,981)</u>	2,663
Unrealised net gain on revaluation of trading derivatives	<u>8,114</u>	2,551	<u>8,114</u>	2,551
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	90	1,960	90	1,960
- gross dividend income	<u>22,469</u>	25,742	<u>22,469</u>	25,742
	<u>22,559</u>	27,702	<u>22,559</u>	27,702
Net gain representing ineffective portions of hedging derivatives:				
- fair value hedge	6,073	19	6,073	19
- cash flow hedge	4	56	4	56
	<u>6,077</u>	75	<u>6,077</u>	75
Net gains and losses on financial instruments	<u>34,769</u>	32,991	<u>34,769</u>	32,991

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A20. Other Operating Income

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Group</u>				
Other income:				
Foreign exchange profit	58,648	60,698	58,648	60,698
Rental income from:				
- investment properties	1,170	1,407	1,170	1,407
- other properties	3,130	2,405	3,130	2,405
Net gain on disposal of property and equipment	117	15	117	15
Net (loss) / gain on disposal of foreclosed properties	(1,026)	295	(1,026)	295
Others	8,783	5,019	8,783	5,019
Total other operating income	<u>70,822</u>	<u>69,839</u>	<u>70,822</u>	<u>69,839</u>
	1st Quarter Ended	31 March	Three Months Ended	31 March
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<u>Bank</u>				
Gross dividend income from:				
- subsidiaries unquoted in Malaysia	<u>195,217</u>	<u>150,174</u>	<u>195,217</u>	<u>150,174</u>
Other income:				
Foreign exchange profit	76,591	123,105	76,591	123,105
Rental income from other properties	2,552	1,428	2,552	1,428
Net gain on disposal of property and equipment	116	29	116	29
Net loss on disposal of foreclosed properties	(1,026)	(807)	(1,026)	(807)
Others	6,047	4,973	6,047	4,973
	<u>84,280</u>	<u>128,728</u>	<u>84,280</u>	<u>128,728</u>
Total other operating income	<u>279,497</u>	<u>278,902</u>	<u>279,497</u>	<u>278,902</u>

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A21. Other Operating Expenses

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Personnel costs				
- Salaries, allowances and bonuses	311,486	299,087	311,486	299,087
- Pension costs	30,465	31,617	30,465	31,617
- Others	27,281	25,667	27,281	25,667
	<u>369,232</u>	<u>356,371</u>	<u>369,232</u>	<u>356,371</u>
Establishment costs				
- Depreciation	34,913	34,011	34,913	34,011
- Rental	19,454	18,057	19,454	18,057
- Insurance	5,691	5,432	5,691	5,432
- Water and electricity	9,029	9,110	9,029	9,110
- General repairs and maintenance	14,366	16,019	14,366	16,019
- Information technology expenses	6,711	6,647	6,711	6,647
- Others	7,442	7,891	7,442	7,891
	<u>97,606</u>	<u>97,167</u>	<u>97,606</u>	<u>97,167</u>
Marketing expenses				
- Advertisement and publicity	17,586	21,410	17,586	21,410
- Others	20,735	20,632	20,735	20,632
	<u>38,321</u>	<u>42,042</u>	<u>38,321</u>	<u>42,042</u>
Administration and general expenses				
- Communication expenses	8,009	8,963	8,009	8,963
- Legal and professional fees	10,664	13,431	10,664	13,431
- Others	14,770	24,761	14,770	24,761
	<u>33,443</u>	<u>47,155</u>	<u>33,443</u>	<u>47,155</u>
Total other operating expenses	<u>538,602</u>	<u>542,735</u>	<u>538,602</u>	<u>542,735</u>

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A21. Other Operating Expenses (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Bank</u>				
Personnel costs				
- Salaries, allowances and bonuses	242,270	227,833	242,270	227,833
- Pension costs	25,775	27,310	25,775	27,310
- Others	23,978	23,158	23,978	23,158
	<u>292,023</u>	<u>278,301</u>	<u>292,023</u>	<u>278,301</u>
Establishment costs				
- Depreciation	26,451	27,015	26,451	27,015
- Rental	19,117	17,877	19,117	17,877
- Insurance	3,889	3,929	3,889	3,929
- Water and electricity	6,837	6,787	6,837	6,787
- General repairs and maintenance	12,692	14,141	12,692	14,141
- Information technology expenses	3,736	3,911	3,736	3,911
- Others	5,128	5,521	5,128	5,521
	<u>77,850</u>	<u>79,181</u>	<u>77,850</u>	<u>79,181</u>
Marketing expenses				
- Advertisement and publicity	5,468	8,304	5,468	8,304
- Others	9,003	9,036	9,003	9,036
	<u>14,471</u>	<u>17,340</u>	<u>14,471</u>	<u>17,340</u>
Administration and general expenses				
- Communication expenses	6,051	8,191	6,051	8,191
- Legal and professional fees	8,569	10,315	8,569	10,315
- Others	7,427	18,080	7,427	18,080
	<u>22,047</u>	<u>36,586</u>	<u>22,047</u>	<u>36,586</u>
Shared service cost charged to Public Islamic Bank Berhad	(40,480)	(39,995)	(40,480)	(39,995)
Total other operating expenses	<u>365,911</u>	<u>371,413</u>	<u>365,911</u>	<u>371,413</u>

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A22. Allowance for Impairment on Loans, Advances and Financing

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Group</u>				
Allowance for impaired loans and financing:				
Collective assessment allowance	137,935	126,761	137,935	126,761
Individual assessment allowance	48,226	55,533	48,226	55,533
Bad debts recovered from				
stock broking activities	(8)	-	(8)	-
Impaired loans and financing written off	84	118	84	118
Impaired loans and financing recovered	(46,049)	(42,650)	(46,049)	(42,650)
	<u>140,188</u>	<u>139,762</u>	<u>140,188</u>	<u>139,762</u>

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Bank</u>				
Allowance for impaired loans and financing:				
Collective assessment allowance	124,522	106,957	124,522	106,957
Individual assessment allowance	(6,328)	(519)	(6,328)	(519)
Impaired loans and financing written off	47	87	47	87
Impaired loans and financing recovered	(28,767)	(25,726)	(28,767)	(25,726)
	<u>89,474</u>	<u>80,799</u>	<u>89,474</u>	<u>80,799</u>

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A23. Segment Information

1st Quarter Ended 31 March 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	522,032	1,383,548	187,574	334,859	53,494	208,506	1,189	55,828	2,747,030	244,577	-	2,991,607
Revenue from other segments	-	210,762	2,495	157,285	7,771	2,194	6,927	328,265	715,699	621	(716,320)	-
	<u>522,032</u>	<u>1,594,310</u>	<u>190,069</u>	<u>492,144</u>	<u>61,265</u>	<u>210,700</u>	<u>8,116</u>	<u>384,093</u>	<u>3,462,729</u>	<u>245,198</u>	<u>(716,320)</u>	<u>2,991,607</u>
Net interest income and												
Islamic banking income	233,996	853,514	60,699	15,959	2,424	2,350	(1,701)	75,554	1,242,795	158,362	-	1,401,157
Other income	627	130,939	7,101	30,525	19,177	115,924	8,096	35,135	347,524	40,376	(16,344)	371,556
Net income	<u>234,623</u>	<u>984,453</u>	<u>67,800</u>	<u>46,484</u>	<u>21,601</u>	<u>118,274</u>	<u>6,395</u>	<u>110,689</u>	<u>1,590,319</u>	<u>198,738</u>	<u>(16,344)</u>	<u>1,772,713</u>
Other operating expenses	(39,431)	(314,682)	(1,991)	(4,552)	(7,428)	(40,597)	(3,519)	(59,893)	(472,093)	(82,853)	16,344	(538,602)
Allowance for impairment on loans, advances and financing	(34,039)	(52,337)	(10,749)	-	(306)	-	-	72	(97,359)	(42,829)	-	(140,188)
Impairment on other assets	-	1,522	-	-	-	-	-	-	1,522	(917)	-	605
Profit by segments	<u>161,153</u>	<u>618,956</u>	<u>55,060</u>	<u>41,932</u>	<u>13,867</u>	<u>77,677</u>	<u>2,876</u>	<u>50,868</u>	<u>1,022,389</u>	<u>72,139</u>	<u>-</u>	<u>1,094,528</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									95	3,263		3,358
Profit before tax expense and zakat									<u>1,022,484</u>	<u>75,402</u>		<u>1,097,886</u>
Cost income ratio	16.8%	32.0%	2.9%	9.8%	34.4%	34.3%	55.0%	54.1%	29.7%	41.7%		30.4%
Gross loans	34,731,819	94,636,507	19,380,745	-	260,263	44,304	2,256	-	149,055,894	12,573,910		161,629,804
Loan growth	3.4%	3.6%	4.1%	-	9.2%	4.9%	2.8%	-	3.6%	-1.2%		3.2%
Impaired loans, advances and financing	181,735	1,189,537	129,016	-	-	-	-	-	1,500,288	193,671		1,693,959
Impaired loan ratio	0.5%	1.3%	0.7%	-	-	-	-	-	1.0%	1.5%		1.0%
Deposits from customers	-	121,445,268	364,092	42,465,336	2,711,275	-	-	-	166,985,971	13,419,433		180,405,404
Deposit growth	-	1.9%	65.5%	3.7%	20.5%	-	-	-	2.7%	-6.1%		2.0%
Segment assets	<u>34,444,361</u>	<u>126,377,310</u>	<u>19,021,405</u>	<u>61,357,809</u>	<u>4,378,272</u>	<u>450,238</u>	<u>259,462</u>	<u>14,872,337</u>	<u>261,161,194</u>	<u>18,023,440</u>	<u>(53,182,058)</u>	<u>226,002,576</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									42,133	117,846		159,979
Unallocated assets									1,062,938	-		1,062,938
Intangible assets									769,251	1,140,862		1,910,113
Total assets									<u>263,035,516</u>	<u>19,282,148</u>		<u>229,135,606</u>

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A23. Segment Information (continued)

1st Quarter Ended 31 March 2010	<----- 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	447,823	1,105,418	153,307	336,840	51,785	138,306	1,261	19,779	2,254,519	253,240	-	2,507,759
Revenue from other segments	-	149,413	1,944	71,004	8,876	(10,847)	6,849	359,230	586,469	1,304	(587,773)	-
	<u>447,823</u>	<u>1,254,831</u>	<u>155,251</u>	<u>407,844</u>	<u>60,661</u>	<u>127,459</u>	<u>8,110</u>	<u>379,009</u>	<u>2,840,988</u>	<u>254,544</u>	<u>(587,773)</u>	<u>2,507,759</u>
Net interest income and												
Islamic banking income	232,723	708,875	59,644	26,931	3,219	1,279	(1,246)	58,074	1,089,499	175,162	-	1,264,661
Other income	(1,569)	124,924	14,207	33,047	18,834	101,621	8,084	32,518	331,666	29,990	(22,087)	339,569
Net income	<u>231,154</u>	<u>833,799</u>	<u>73,851</u>	<u>59,978</u>	<u>22,053</u>	<u>102,900</u>	<u>6,838</u>	<u>90,592</u>	<u>1,421,165</u>	<u>205,152</u>	<u>(22,087)</u>	<u>1,604,230</u>
Other operating expenses	(36,193)	(318,108)	(2,317)	(4,375)	(9,459)	(39,702)	(3,519)	(64,927)	(478,600)	(86,222)	22,087	(542,735)
Allowance for impairment on loans, advances and financing	(28,079)	(61,356)	(10,023)	-	(149)	-	-	5	(99,602)	(40,160)	-	(139,762)
Impairment on other assets	-	(1,718)	-	(74)	-	-	-	-	(1,792)	-	-	(1,792)
Profit by segments	<u>166,882</u>	<u>452,617</u>	<u>61,511</u>	<u>55,529</u>	<u>12,445</u>	<u>63,198</u>	<u>3,319</u>	<u>25,670</u>	<u>841,171</u>	<u>78,770</u>	<u>-</u>	<u>919,941</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									78	2,556		2,634
Profit before tax expense and zakat									<u>841,249</u>	<u>81,326</u>		<u>922,575</u>
Cost income ratio	15.7%	38.2%	3.1%	7.3%	42.9%	38.6%	51.5%	71.7%	33.7%	42.0%		33.8%
Gross loans	31,016,484	81,758,090	16,766,301	-	248,093	36,352	2,053	-	129,827,373	12,600,800		142,428,173
Loan growth	3.7%	4.6%	4.9%	-	5.4%	5.8%	1.7%	-	4.4%	-4.9%		3.5%
Impaired loans, advances and financing	144,452	1,233,788	131,523	-	-	-	-	-	1,509,763	338,549		1,848,312
Impaired loan ratio	0.5%	1.5%	0.8%	-	-	-	-	-	1.2%	2.7%		1.3%
Deposits from customers	-	103,627,221	278,586	53,630,368	4,146,772	-	-	-	161,682,947	13,926,586		175,609,533
Deposit growth	-	-1.4%	n/a	16.1%	-1.2%	-	-	-	3.8%	-7.7%		2.8%
Segment assets	<u>30,765,036</u>	<u>106,683,926</u>	<u>16,457,150</u>	<u>70,329,827</u>	<u>6,135,016</u>	<u>251,910</u>	<u>261,359</u>	<u>13,539,709</u>	<u>244,423,933</u>	<u>18,425,834</u>	<u>(47,079,309)</u>	<u>215,770,458</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									1,788	123,019		124,807
Unallocated assets									1,140,915	-		1,140,915
Intangible assets									769,251	1,230,360		1,999,611
Total assets									<u>246,335,887</u>	<u>19,779,213</u>		<u>219,035,791</u>

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

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

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

A24. Subsequent Events

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

A25. Changes in the Composition of the Group

Incorporation of an Associated Company, ING PUBLIC Takaful Ehsan Berhad ("ING PUBLIC Takaful Ehsan")

On 11 March 2011, ING PUBLIC Takaful Ehsan was incorporated to carry out the family takaful business following the approval granted by Bank Negara Malaysia in September 2010 on the application for a family takaful licence. ING PUBLIC Takaful Ehsan is a joint venture company between ING Management Holdings (Malaysia) Sdn Bhd, Public Bank Berhad ("PBB") and Public Islamic Bank Berhad ("PIBB") (a wholly-owned subsidiary of PBB), with equity participation of 60%, 20% and 20% respectively.

PBB and PIBB had then contributed RM20 million each to the issued and paid-up share capital of ING Public Takaful Ehsan. With that, the Group holds an effective equity interest of 40% in the joint venture company.

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A26. Commitments and Contingencies

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

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Contingent liabilities				
Direct credit substitutes	1,518,930	1,580,171	1,170,680	1,476,910
Transaction-related contingent items	789,862	772,945	696,258	676,528
Short term self-liquidating trade-related contingencies	521,631	483,803	241,175	231,016
Obligations under an on-going underwriting agreement	25,000	75,000	25,000	75,000
	<u>2,855,423</u>	<u>2,911,919</u>	<u>2,133,113</u>	<u>2,459,454</u>
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	13,731,110	15,412,139	12,702,003	14,338,422
- not exceeding one year	22,061,935	22,717,264	20,143,977	20,522,993
Unutilised credit card lines	3,098,912	3,038,271	2,940,984	2,875,523
Forward asset purchases	496,751	7,305	460,520	3,600
	<u>39,388,708</u>	<u>41,174,979</u>	<u>36,247,484</u>	<u>37,740,538</u>
Derivative financial instruments				
Foreign exchange related contracts:				
- less than one year	17,221,443	14,180,707	16,812,007	13,951,365
- one year to less than five years	6,367	6,271	6,367	6,271
Interest rate related contracts:				
- less than one year	625,714	710,853	565,197	570,013
- one year to less than five years	5,760,100	5,815,108	5,442,386	5,491,445
- five years and above	3,983,946	3,996,975	3,893,170	3,904,500
Commodity related contracts:				
- less than one year	867	929	867	929
Equity related contracts:				
- less than one year	222,710	227,140	222,710	227,140
- one year to less than five years	169,187	181,027	169,187	181,027
	<u>27,990,334</u>	<u>25,119,010</u>	<u>27,111,891</u>	<u>24,332,690</u>
	<u>70,234,465</u>	<u>69,205,908</u>	<u>65,492,488</u>	<u>64,532,682</u>

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A27. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 March 2011 are as follows:

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

Group	As at 31 March 2011			As at 31 December 2010		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives:						
Foreign exchange contracts						
- Currency forwards	1,961,450	6,119	12,100	1,168,602	6,144	18,402
- Currency swaps	15,266,360	61,725	127,887	13,018,376	80,072	175,499
Interest rate related contracts						
- Interest rate swaps	80,000	122	138	159,190	65	76
Equity related contracts						
- Options purchased	391,897	21,815	-	408,167	21,048	-
Precious metal contracts						
- Forwards	867	3	-	929	-	-
	17,700,574	89,784	140,125	14,755,264	107,329	193,977
Hedging derivatives:						
Fair value hedge						
Interest rate related contracts						
- Interest rate swaps	9,805,760	170,313	164,075	9,879,746	212,544	181,371
Cash flow hedge						
Interest rate related contracts						
- Interest rate swaps	484,000	6,924	562	484,000	6,749	181
	10,289,760	177,237	164,637	10,363,746	219,293	181,552
Total	27,990,334	267,021	304,762	25,119,010	326,622	375,529

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A27. Derivative Financial Instruments (continued)

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

Bank	As at 31 March 2011			As at 31 December 2010		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives:						
Foreign exchange contracts						
- Currency forwards	1,693,008	5,472	11,368	1,140,748	6,106	18,371
- Currency swaps	15,125,366	60,901	126,658	12,816,888	76,093	173,378
Interest rate related contracts						
- Interest rate swaps	464,283	7,487	14,682	471,478	6,518	19,649
Equity related contracts						
- Options purchased	391,897	21,815	-	408,167	21,048	-
Precious metal contracts						
- Forwards	867	3	-	929	-	-
	17,675,421	95,678	152,708	14,838,210	109,765	211,398
Hedging derivatives:						
Fair value hedge						
Interest rate related contracts						
- Interest rate swaps	8,952,470	162,948	119,527	9,010,480	206,082	129,416
Cash flow hedge						
Interest rate related contracts						
- Interest rate swaps	484,000	6,924	562	484,000	6,749	181
	9,436,470	169,872	120,089	9,494,480	212,831	129,597
Total	27,111,891	265,550	272,797	24,332,690	322,596	340,995

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A27. Derivative Financial Instruments (continued)

ii) Derivative financial instruments classified by remaining period to maturity:

Group

Items	Contract / Notional Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 3 years RM'000	>3 years RM'000
Foreign exchange contracts							
- currency forwards	1,961,450	1,486,715	195,977	133,600	138,791	6,367	-
- currency swaps	15,266,360	7,625,345	4,169,890	3,229,057	242,068	-	-
	17,227,810	9,112,060	4,365,867	3,362,657	380,859	6,367	-
Interest rate related contracts							
- interest rate swaps	10,369,760	317,714	273,000	35,000	-	3,487,692	6,256,354
Equity related contracts							
- options purchased	391,897	-	222,710	-	-	78,758	90,429
Precious metal contracts							
- forwards	867	867	-	-	-	-	-
Total	27,990,334	9,430,641	4,861,577	3,397,657	380,859	3,572,817	6,346,783

Bank

Items	Contract / Notional Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 3 years RM'000	>3 years RM'000
Foreign exchange contracts							
- currency forwards	1,693,008	1,218,273	195,977	133,600	138,791	6,367	-
- currency swaps	15,125,366	7,491,609	4,162,632	3,229,057	242,068	-	-
	16,818,374	8,709,882	4,358,609	3,362,657	380,859	6,367	-
Interest rate related contracts							
- interest rate swaps	9,900,753	257,197	273,000	35,000	-	3,487,692	5,847,864
Equity related contracts							
- options purchased	391,897	-	222,710	-	-	78,758	90,429
Precious metal contracts							
- forwards	867	867	-	-	-	-	-
Total	27,111,891	8,967,946	4,854,319	3,397,657	380,859	3,572,817	5,938,293

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A27. Derivative Financial Instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 March 2011, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM267,021,000 (31 December 2010 : RM326,622,000) and RM265,550,000 (31 December 2010 : RM322,596,000) 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.

iv) **Cash Requirements of the Derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2011, there is no requirement for the Group and the Bank to post any cash collateral on its derivative contracts.

v) 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 2010 and Pillar 3 Disclosures section of the 2010 Annual Report.

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A28. Capital Adequacy

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

	Group		Bank	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Tier I capital ratio	9.5%	10.0% *	11.6%	12.4% *
Risk-weighted capital ratio	<u>13.0%</u>	<u>13.7% *</u>	<u>12.6%</u>	<u>13.3% *</u>

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 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	3,787,881	3,787,881	3,508,238	3,508,238
Retained profits	3,817,584	4,754,405	3,704,980	4,641,801
Innovative Tier I capital securities	1,803,306	1,814,538	1,803,306	1,814,538
Non-innovative Tier I stapled securities	2,081,819	2,081,633	2,081,819	2,081,633
Treasury shares	(215,438)	(215,303)	(215,438)	(215,303)
Non-controlling interests	640,532	652,188	-	-
Less: Goodwill	(1,883,645)	(1,903,898)	(695,393)	(695,393)
Less: Deferred tax assets, net	(521,359)	(521,359)	(418,699)	(418,699)
Total Tier I capital	<u>14,115,916</u>	<u>15,055,321</u>	<u>14,374,049</u>	<u>15,322,051</u>
<u>Tier II capital</u>				
Collective assessment allowance #	2,236,581	2,164,761	1,894,667	1,819,307
Subordinated notes	3,079,865	3,102,012	3,079,865	3,102,012
Total Tier II capital	<u>5,316,446</u>	<u>5,266,773</u>	<u>4,974,532</u>	<u>4,921,319</u>
Total capital	19,432,362	20,322,094	19,348,581	20,243,370
Less: Investment in subsidiary companies and associated companies	(960)	(960)	(3,787,284)	(3,787,284)
Less: Holdings of other financial institutions' capital instruments	(47,996)	(47,439)	(47,996)	(47,439)
Capital base	<u>19,383,406</u>	<u>20,273,695</u>	<u>15,513,301</u>	<u>16,408,647</u>

Excludes collective assessment allowance on impaired loans restricted from Tier II capital by BNM of the Group and the Bank of RM137,251,000 (2010: RM131,397,000) and RM108,776,000 (2010: RM104,039,000) respectively.

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A28. Capital Adequacy (continued)

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

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% (2010 - 8.0%) for the risk-weighted capital ratio.

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

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd.³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵
31 March 2011						
Tier I capital ratio	11.0%	15.7%	17.7%	15.2%	29.8%	N/A
Risk-weighted capital ratio	12.5%	16.0%	18.1%	15.2%	30.9%	25.0%
31 December 2010						
Tier I capital ratio	11.3% *	18.2% *	11.8%	15.2%	28.2% *	N/A
Risk-weighted capital ratio	12.9% *	18.4% *	12.1%	15.2%	29.3% *	24.4%

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

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.

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A28. Capital Adequacy (continued)

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

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 B7-00-46, 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%.

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Credit risk	135,671,403	128,486,892	112,434,378	106,083,803
Market risk	1,458,431	1,063,445	2,496,432	1,788,639
Operational risk	11,792,501	11,546,113	8,660,878	8,446,853
	148,922,335	141,096,450	123,591,688	116,319,295

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A30. Operations of Islamic Banking

A30a. Statement of Financial Position As At 31 March 2011

	Group	
	31 March 2011 RM'000	31 December 2010 RM'000
ASSETS		
Cash and balances with banks	4,935,680	4,571,596
Financial assets held-for-trading	99,292	298,846
Financial investments available-for-sale	2,206,242	2,138,048
Financial investments held-to-maturity	5,066	5,022
Financing and advances	16,259,792	16,339,975
Other assets	81,862	68,446
Statutory deposits with Bank Negara Malaysia	164,600	167,000
Deferred tax assets	70,694	70,407
Investment in associated company	20,000	-
Property and equipment	1,460	1,545
Total Assets	23,844,688	23,660,885
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	16,786,639	15,306,731
Deposits from banks	5,150,935	6,379,985
Bills and acceptances payable	1,298	4,893
Other liabilities	73,837	70,471
Provision for zakat and taxation	86,574	83,417
Total Liabilities	22,099,283	21,845,497
Islamic Banking Funds	1,745,405	1,815,388
Total Liabilities and Islamic Banking Funds	23,844,688	23,660,885
COMMITMENTS AND CONTINGENCIES	1,497,980	1,171,568

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A30b. Income Statements for the 1st Quarter Ended 31 March 2011

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	295,342	267,740	295,342	267,740
Income derived from investment of Islamic Banking Funds	23,455	19,547	23,455	19,547
Allowance for impairment on financing and advances	(9,818)	(19,987)	(9,818)	(19,987)
Profit equalisation reserve	(4,736)	(10,284)	(4,736)	(10,284)
Total distributable income	304,243	257,016	304,243	257,016
Income attributable to the depositors	(114,876)	(91,809)	(114,876)	(91,809)
Total net income	189,367	165,207	189,367	165,207
Other overheads and expenditures	(47,263)	(46,845)	(47,263)	(46,845)
Profit before zakat and taxation	142,104	118,362	142,104	118,362
Zakat	(79)	(64)	(79)	(64)
Taxation	(35,466)	(29,000)	(35,466)	(29,000)
Profit for the period	106,559	89,298	106,559	89,298

A30c. Statement of Comprehensive Income for the 1st Quarter Ended 31 March 2011

	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
<u>Group</u>				
Profit for the period	106,559	89,298	106,559	89,298
Other comprehensive income / (loss):				
Net gain / (loss) on revaluation of financial investments available-for-sale	2,233	(1,184)	2,233	(1,184)
Income tax relating to components of other comprehensive income / (loss)	(558)	296	(558)	296
Other comprehensive income / (loss) for the period, net of tax	1,675	(888)	1,675	(888)
Total comprehensive income for the period	108,234	88,410	108,234	88,410

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A30d. Financing and Advances

	Group	
	31 March 2011 RM'000	31 December 2010 RM'000
Bai Bithaman Ajil-i (deferred payment sale)	4,748,084	4,656,767
Ijarah Thamma Al-Bai'-i (leasing)	8,371,384	8,654,075
Ijarah Muntahia Bittamlik	80,798	80,809
Bai-Al-Einah-i	3,307,780	3,197,877
Gross financing and advances	<u>16,508,046</u>	<u>16,589,528</u>
Allowance for impairment on financing and advances:		
- collective assessment allowance	(247,611)	(248,832)
- individual assessment allowance	(643)	(721)
Net financing and advances	<u><u>16,259,792</u></u>	<u><u>16,339,975</u></u>

Movements in impaired financing and advances are as follows:

	Group	
	31 March 2011 RM'000	31 December 2010 RM'000
At 1 January	162,629	146,515
Impaired during the period / year	102,564	412,215
Reclassified as non-impaired	(85,518)	(304,277)
Recoveries	(8,971)	(33,497)
Amount written off	(14,048)	(56,562)
Financing converted to foreclosed properties / investments	(731)	(1,765)
Closing balance	<u><u>155,925</u></u>	<u><u>162,629</u></u>
Impaired financing and advances as a percentage of gross financing and advances	<u><u>0.94%</u></u>	<u><u>0.98%</u></u>

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A30e. Deposits from Customers

By type of deposit	Group	
	31 March 2011 RM'000	31 December 2010 RM'000
<u>Non-Mudharabah Fund</u>		
Wadiah current deposits-i	2,175,752	2,075,047
Wadiah savings deposits-i	4,045,393	3,861,945
Negotiable instruments of deposit-i	1,241,884	2,188,896
	7,463,029	8,125,888
<u>Mudharabah Fund</u>		
Mudharabah savings deposits-i	74,806	75,642
Mudharabah general investment deposits-i	7,316,021	6,241,737
Mudharabah special investment deposits-i	1,932,783	863,464
	9,323,610	7,180,843
Deposits from customers	16,786,639	15,306,731

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

B1. Performance Review

The Group's pre-tax profit for the 1st quarter ended 31 March 2011 of RM1,097.9 million was RM175.3 million or 19.0% higher than the previous corresponding quarter of RM922.6 million. Net profit attributable to equity holders improved by RM142.4 million or 20.8% to RM827.7 million. The improved earnings was mainly due to higher net interest and net income from Islamic banking business by RM136.5 million (10.8%) and higher net fee and commission income by RM31.9 million (13.4%), while credit charge remained stable despite the strong loan growth. The higher net fee and commission income was mainly due to higher income from the fund management business.

The growth in the Group's net interest income and income from Islamic banking business was driven by continued strong loans and core deposits growth coupled with sustained strong asset quality. Gross loans had grown by 13.5% year-on-year to RM161.6 billion as at 31 March 2011 as compared to RM142.4 billion as at 31 March 2010 mainly arising from property financing, financing of passenger vehicles and small- and medium-sized enterprises ("SMEs"). Total core deposits from customers had also grown by 14.7% or RM18.8 billion as compared to 31 March 2010 which partly contributed to the higher net interest income for the current period. The Group impaired loan ratio had improved to 1.05% from 1.30% a year ago.

The Group's domestic commercial bank, Public Bank, recorded a pre-tax profit of RM993.3 million for the current financial quarter and was 19.2% higher than the pre-tax profit of RM833.1 million achieved in the previous corresponding quarter. This was mainly due to higher net interest income, higher net fee and commission income as well as lower other operating expenses.

Pre-tax profit contribution from the Group's overseas operations decreased by RM5.9 million or 7.3% from the previous corresponding quarter to RM75.4 million, mainly due to lower net interest income and the impact on the strengthening of Ringgit Malaysia, partially offset by higher other operating income and lower other operating expenses.

B2. Variation of Results Against Preceding Quarter

The Group's pre-tax profit of RM1,097.9 million for the 1st quarter ended 31 March 2011 shows a drop of RM32.4 million or 2.9% as compared to the pre-tax profit of RM1,130.3 million for the preceding quarter ended 31 December 2010. Net profit attributable to equity holders decreased by RM18.5 million or 2.2% over the same period. The drop was mainly attributable to lower other operating income by RM19.5 million and higher other operating expenses by RM12.8 million respectively. Included in the preceding quarter was a non-recurring goodwill income of RM18.7 million received from ING in respect of the Group's bancassurance distribution achievement for the last 3 years.

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B3. Prospects for 2011

The Public Bank Group's business is expected to remain strong in 2011, based on the favourable economic outlook for Malaysia and the regional economies (i.e. Hong Kong, China, Cambodia, Vietnam, Laos and Sri Lanka). In particular, the Malaysian economy is projected to grow between 5% to 6% in 2011, driven by strong domestic demand and supportive external sector. Private investment is expected to strengthen. Commodity prices are expected to remain firm to support private consumption. Inflation is expected to remain modest, helped by strong ringgit. While the banking industry in Malaysia is expected to remain robust, competition will intensify due to high liquidity in the banking system and the more liberal operating environment for the incumbent foreign controlled banks.

Based on the positive economic outlook, the Public Bank Group will continue to leverage on its strong PB Brand and competitive position to sustain its core retail lending and deposit-taking businesses. In particular, the Group will continue to expand its home mortgages, passenger vehicle hire purchase financing, personal financing and loans to SMEs as demand for these loans is expected to increase further due to high household income, low interest rates and the implementation of projects in the 10MP. The Group will also continue to expand its customer deposits to ensure a liquid balance sheet and stable funding base.

To sustain its strong asset quality, the Group will remain focused on its sound credit risk management policies and practices.

The Group will accelerate growth in its fee-based revenue by promoting sales of unit trust funds, bancassurance products, wealth management products, card business, trade finance and remittances. The Group's strategy to further tap on its large distribution network of bank branches, agency force and sales and marketing force to promote fee-based businesses will continue.

As an on-going exercise, the Public Bank Group will continue to be proactive in its capital management in monitoring the development and impact of Basel III and ensure healthy capital is maintained at all times.

B4. Profit Forecast or Profit Guarantee

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

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B5. Tax Expense and Zakat

The analysis of the tax expense for the 1st quarter ended 31 March 2011 are as follows:

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Malaysian income tax	272,587	233,515	272,587	233,515
Overseas income tax	12,819	16,655	12,819	16,655
	285,406	250,170	285,406	250,170
Under / (Over) provision in prior years				
- Malaysian income tax	1	3	1	3
- Overseas income tax	(202)	806	(202)	806
	285,205	250,979	285,205	250,979
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(26,027)	(26,122)	(26,027)	(26,122)
Tax expense	259,178	224,857	259,178	224,857
Zakat	79	64	79	64
	259,257	224,921	259,257	224,921

The Group's effective tax rates for the 1st quarter ended 31 March 2011 and 31 March 2010 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.

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Malaysian income tax	219,187	184,326	219,187	184,326
Overseas income tax	606	440	606	440
	219,793	184,766	219,793	184,766
(Over) / Under provision in prior years				
- Overseas income tax	(202)	806	(202)	806
	219,591	185,572	219,591	185,572
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(26,265)	(18,366)	(26,265)	(18,366)
	193,326	167,206	193,326	167,206

The Bank's effective tax rate for the 1st quarter ended 31 March 2011 and 31 March 2010 were lower than the statutory tax rate due to certain income not subject to tax.

B6. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the 1st quarter ended 31 March 2011 other than in the ordinary course of business.

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B7. Quoted Securities

Financial institutions are exempted from the disclosure requirements relating to quoted securities.

B8. Status of Corporate Proposals Announced but Not Completed

There were no corporate proposals announced but not completed as at 31 March 2011.

B9. 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.

B10. Realised and Unrealised Profits

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

	Group	
	31 March 2011 RM'000	31 December 2010 RM'000
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	5,083,468	5,162,942
- Unrealised - in respect of deferred tax recognised in the income statement	537,686	513,414
- in respect of other items of income and expense	58,939	51,092
	5,680,093	5,727,448
Total share of retained profits from associated companies:		
- Realised	17,006	13,648
- Unrealised	-	-
	5,697,099	5,741,096
Less: Consolidation adjustments	(1,052,846)	(986,691)
Total Group retained profits as per consolidated accounts	4,644,253	4,754,405
	Bank	
	31 March 2011 RM'000	31 December 2010 RM'000
Total retained profits of Public Bank Berhad:		
- Realised	3,774,652	3,950,498
- Unrealised - in respect of deferred tax recognised in the income statement	444,965	418,699
- in respect of other items of income and expense	17,788	5,007
Total Bank retained profits as per accounts	4,237,405	4,374,204

The determination of realised and unrealised profits is based on the Guidance of 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.

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B10. Realised and Unrealised Profits (continued)

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.

B11. Deposits From Customers and Banks and Debt Securities Issued and Other Borrowed Funds

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	100,023,427	97,559,190	78,103,784	76,210,614
More than one year	144,249	168,643	91,233	100,646
- Negotiable instruments of deposits				
One year or less	2,962,489	3,377,048	911,905	886,251
More than one year	12,518	12,778	12,518	12,778
- Money market deposits				
One year or less	30,394,673	29,379,017	26,906,710	26,938,395
- Savings deposits	21,029,911	20,440,705	14,639,194	14,035,444
- Demand deposits	25,394,998	25,470,214	22,018,417	22,142,587
- Others	443,139	464,524	442,406	462,551
	<u>180,405,404</u>	<u>176,872,119</u>	<u>143,126,167</u>	<u>140,789,266</u>
(b) <u>Deposits from banks</u>				
- One year or less	<u>20,552,814</u>	<u>21,327,476</u>	<u>22,038,192</u>	<u>21,069,781</u>

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B11. Deposits From Customers and Banks and Debt Securities Issued and Other Borrowed Funds (continued)

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
(c) <u>Debt securities issued and other borrowed funds</u>				
Borrowings denominated in HKD (unsecured)				
Term loan				
- More than one year	851,127	866,676	-	-
Revolving credit				
- One year or less	4,275	31,676	-	-
	<u>855,402</u>	<u>898,352</u>	<u>-</u>	<u>-</u>
Subordinated notes denominated in USD (unsecured)				
- More than one year	1,258,096	1,294,900	1,258,096	1,294,900
Subordinated notes denominated in RM (unsecured)				
- More than one year	1,883,558	1,893,294	1,883,558	1,893,294
	<u>3,141,654</u>	<u>3,188,194</u>	<u>3,141,654</u>	<u>3,188,194</u>
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	694,085	713,059	694,085	713,059
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	1,199,190	1,205,421	1,199,190	1,205,421
	<u>1,893,275</u>	<u>1,918,480</u>	<u>1,893,275</u>	<u>1,918,480</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	2,081,549	2,089,854	2,081,549	2,089,854
	<u>7,971,880</u>	<u>8,094,880</u>	<u>7,116,478</u>	<u>7,196,528</u>

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B12. Derivative Financial Instruments

Derivative financial instruments classified by remaining period to maturity as at the latest practicable date, 8 April 2011, is as follows:

Group

Items	Contract / Notional Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 3 years RM'000	>3 years RM'000
Foreign exchange contracts							
- currency forwards	1,498,654	1,008,831	203,617	135,483	147,531	3,192	-
- currency swaps	15,269,799	7,393,560	4,524,296	3,140,368	211,575	-	-
	16,768,453	8,402,391	4,727,913	3,275,851	359,106	3,192	-
Interest rate related contracts							
- interest rate swaps	10,048,023	-	293,000	15,000	-	3,556,047	6,183,976
Equity related contracts							
- options purchased	388,472	-	220,061	-	-	78,601	89,810
Total	27,204,948	8,402,391	5,240,974	3,290,851	359,106	3,637,840	6,273,786

Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 3 years RM'000	>3 years RM'000
Foreign exchange contracts							
- currency forwards	1,226,563	736,740	203,617	135,483	147,531	3,192	-
- currency swaps	15,139,415	7,268,618	4,518,854	3,140,368	211,575	-	-
	16,365,978	8,005,358	4,722,471	3,275,851	359,106	3,192	-
Interest rate related contracts							
- interest rate swaps	9,639,985	-	293,000	15,000	-	3,556,047	5,775,938
Equity related contracts							
- options purchased	388,472	-	220,061	-	-	78,601	89,810
Total	26,394,435	8,005,358	5,235,532	3,290,851	359,106	3,637,840	5,865,748

B13. 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.

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B14. Dividends

No dividend has been proposed for the 1st quarter ended 31 March 2011.

B15. Earnings Per Share (EPS)

Basic

The calculation of the basic earnings per share is based on the Group's net profit attributable to the equity holders divided by the weighted average number of ordinary shares of RM1.00 each in issue during the year excluding the weighted average treasury shares held by the Bank.

	1st Quarter Ended		Three Months Ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
Net profit attributable to equity holders (RM'000)	<u>827,674</u>	<u>685,255</u>	<u>827,674</u>	<u>685,255</u>
Weighted average number of PBB Shares ('000)	<u>3,502,139</u>	<u>3,478,490</u>	<u>3,502,139</u>	<u>3,478,490</u>
Basic earnings per share (sen)	<u>23.6</u>	<u>19.7</u>	<u>23.6</u>	<u>19.7</u>

Diluted

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