

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
ASSETS				
Cash and balances with banks	14,246,436	34,690,439	7,648,108	27,172,447
Reverse repurchase agreements	8,923,500	365,877	8,373,815	10,737
Financial assets held-for-trading	11,437,388	6,360,620	12,109,996	5,812,736
Derivative financial assets	776,136	326,622	775,625	322,596
Financial investments available-for-sale	15,866,658	17,852,284	13,570,669	14,269,479
Financial investments held-to-maturity	8,467,460	5,229,617	6,326,009	5,230,399
Loans, advances and financing	169,918,813	153,982,980	137,815,468	125,062,183
Other assets	2,138,350	1,995,880	1,644,134	1,703,642
Statutory deposits with Central Banks	5,095,994	1,612,575	4,026,140	1,106,330
Deferred tax assets	28,674	519,215	-	416,470
Investment in subsidiary companies	-	-	3,888,581	3,888,581
Investment in associated companies	169,730	118,624	121,325	101,325
Investment properties	68,832	65,552	-	-
Property and equipment	1,253,390	1,278,319	570,310	617,544
Intangible assets	1,967,281	1,930,372	695,393	695,393
TOTAL ASSETS	240,358,642	226,328,976	197,565,573	186,409,862
LIABILITIES				
Deposits from customers	193,687,689	176,872,119	153,364,040	140,789,266
Deposits from banks	13,913,312	21,327,476	15,687,296	21,069,781
Bills and acceptances payable	2,402,288	2,308,836	2,402,264	2,450,006
Recourse obligations on loans sold to				
Cagamas	13,416	16,319	13,416	16,319
Derivative financial liabilities	342,208	375,529	289,979	340,995
Debt securities issued and other				
borrowed funds	11,357,028	8,094,880	10,461,131	7,196,528
Other liabilities	3,653,169	2,839,874	2,170,895	1,675,651
Provision for tax expense and zakat	269,638	800,464	64,615	568,565
Deferred tax liabilities	53,420	8,391	47,134	-
TOTAL LIABILITIES	225,692,168	212,643,888	184,500,770	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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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
EQUITY				
Share capital	3,531,926	3,531,926	3,531,926	3,531,926
Reserves	10,647,091	9,716,277	9,748,449	8,986,128
Treasury shares	(215,572)	(215,303)	(215,572)	(215,303)
Equity attributable to equity holders of the Bank	13,963,445	13,032,900	13,064,803	12,302,751
Non-controlling interests	703,029	652,188	-	-
TOTAL EQUITY	14,666,474	13,685,088	13,064,803	12,302,751
TOTAL LIABILITIES AND EQUITY	240,358,642	226,328,976	197,565,573	186,409,862
COMMITMENTS AND CONTINGENCIES	73,959,784	69,205,908	69,435,990	64,532,682
CAPITAL ADEQUACY				
Tier I Capital Ratio	9.5%	10.0% *	11.8%	12.4% *
Risk-Weighted Capital Ratio	14.9%	13.7% *	15.1%	13.3% *
Net assets per share attributable to ordinary equity holders of the Bank (RM)	3.99	3.72	3.73	3.51

* After deducting second interim dividend.

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 INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2011

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Operating revenue	3,272,466	2,877,383	9,434,727	8,064,403
Interest income	2,418,322	2,123,113	6,949,161	5,912,989
Interest expense	(1,160,346)	(946,347)	(3,245,348)	(2,517,335)
Net interest income	1,257,976	1,176,766	3,703,813	3,395,654
Net income from Islamic banking business	229,948	194,929	656,438	578,564
	1,487,924	1,371,695	4,360,251	3,974,218
Net fee and commission income	290,082	257,239	847,606	741,093
Net gains and losses on financial instruments	44,426	42,164	121,667	101,930
Other operating income	53,574	78,969	197,008	225,708
Net income	1,876,006	1,750,067	5,526,532	5,042,949
Other operating expenses	(555,753)	(497,925)	(1,647,211)	(1,574,423)
Operating profit	1,320,253	1,252,142	3,879,321	3,468,526
Allowance for impairment on loans, advances and financing	(134,941)	(202,276)	(439,416)	(516,735)
Impairment on other assets	407	(1,437)	1,035	(3,959)
	1,185,719	1,048,429	3,440,940	2,947,832
Share of profit after tax of equity accounted associated companies	1,213	2,948	6,426	8,101
Profit before tax expense and zakat	1,186,932	1,051,377	3,447,366	2,955,933
Tax expense and zakat	(279,035)	(257,068)	(809,396)	(716,951)
Profit for the period	907,897	794,309	2,637,970	2,238,982
Profit for the period attributable to :				
- Equity holders of the Bank	898,794	782,702	2,606,823	2,202,036
- Non-controlling interests	9,103	11,607	31,147	36,946
	907,897	794,309	2,637,970	2,238,982
Earnings per RM1.00 share:				
- basic / diluted (sen)	25.7	22.3	74.4	63.0

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2011

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Profit for the period	<u>907,897</u>	<u>794,309</u>	<u>2,637,970</u>	<u>2,238,982</u>
Other comprehensive income / (loss):				
Currency translation differences in respect of foreign operations	201,974	(163,211)	134,397	(376,841)
Currency translation differences in respect of net investment hedge	(160,591)	131,103	(104,509)	289,046
Net (loss) / gain on revaluation of financial investments available-for-sale	(72,231)	41,873	(49,302)	27,822
Net change in cash flow hedges	(1,729)	(1,013)	(2,778)	(4,001)
Income tax relating to components of other comprehensive (loss) / income	<u>13,709</u>	<u>(7,148)</u>	<u>9,137</u>	<u>(3,602)</u>
Other comprehensive (loss) / income for the period, net of tax	<u>(18,868)</u>	<u>1,604</u>	<u>(13,055)</u>	<u>(67,576)</u>
Total comprehensive income for the period	<u><u>889,029</u></u>	<u><u>795,913</u></u>	<u><u>2,624,915</u></u>	<u><u>2,171,406</u></u>
Total comprehensive income / (loss) for the period attributable to:				
- Equity holders of the Bank	842,322	814,126	2,568,060	2,205,524
- Non-controlling interests	46,707	(18,213)	56,855	(34,118)
	<u><u>889,029</u></u>	<u><u>795,913</u></u>	<u><u>2,624,915</u></u>	<u><u>2,171,406</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.

PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2011

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Operating revenue	2,382,615	2,170,164	6,947,708	5,947,385
Interest income	2,199,251	1,877,905	6,298,342	5,177,526
Interest expense	(1,112,416)	(876,611)	(3,102,473)	(2,320,137)
Net interest income	1,086,835	1,001,294	3,195,869	2,857,389
Net fee and commission income	119,404	104,743	332,524	280,289
Net gains and losses on financial instruments	46,979	44,974	123,031	109,752
Other operating income	175,121	315,756	706,934	809,642
Net income	1,428,339	1,466,767	4,358,358	4,057,072
Other operating expenses	(383,527)	(331,916)	(1,128,471)	(1,071,153)
Operating profit	1,044,812	1,134,851	3,229,887	2,985,919
Allowance for impairment on loans, advances and financing	(20,744)	(119,547)	(203,389)	(299,092)
Impairment on other assets	522	(1,438)	2,120	(3,887)
Profit before tax expense and zakat	1,024,590	1,013,866	3,028,618	2,682,940
Tax expense and zakat	(201,675)	(208,102)	(597,282)	(550,622)
Profit for the period	822,915	805,764	2,431,336	2,132,318

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 STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2011

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Profit for the period	822,915	805,764	2,431,336	2,132,318
Other comprehensive (loss) / income:				
Net (loss) / gain on revaluation of financial investments available-for-sale	(52,884)	31,493	(39,580)	22,126
Net change in cash flow hedges	(1,729)	(1,013)	(2,778)	(4,001)
Income tax relating to components of other comprehensive (loss) / income	13,653	(7,620)	10,589	(4,531)
Other comprehensive (loss) / income for the period, net of tax	(40,960)	22,860	(31,769)	13,594
Total comprehensive income for the period	781,955	828,624	2,399,567	2,145,912

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 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 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	-	-	-	2,606,823	-	2,606,823	31,147	2,637,970
Currency translation differences in respect of foreign operations	-	-	108,689	-	-	108,689	25,708	134,397
Currency translation differences in respect of net investment hedge	-	-	(104,509)	-	-	(104,509)	-	(104,509)
Net loss on revaluation of financial investments available-for-sale	-	-	(49,302)	-	-	(49,302)	-	(49,302)
Net change in cash flow hedges	-	-	(2,778)	-	-	(2,778)	-	(2,778)
Income tax relating to component of other comprehensive loss	-	-	9,137	-	-	9,137	-	9,137
Total comprehensive (loss) / income for the period	-	-	(38,763)	2,606,823	-	2,568,060	56,855	2,624,915
Transactions with owners:								
Buy-back of shares	-	-	-	-	(269)	(269)	-	(269)
Transfer to statutory reserves	-	-	4,810	(4,810)	-	-	-	-
Transfer to regulatory reserves	-	-	26,362	(26,362)	-	-	-	-
Transfer to general reserves	-	-	128,114	(128,114)	-	-	-	-
Dividends paid	-	-	-	(1,637,246)	-	(1,637,246)	(6,014)	(1,643,260)
At 30 September 2011	3,531,926	1,073,310	4,009,085	5,564,696	(215,572)	13,963,445	703,029	14,666,474

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 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 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	-	-	-	2,202,036	-	2,202,036	36,946	2,238,982
Currency translation differences in respect of foreign operations	-	-	(305,777)	-	-	(305,777)	(71,064)	(376,841)
Currency translation differences in respect of net investment hedge	-	-	289,046	-	-	289,046	-	289,046
Net gain on revaluation of financial investments available-for-sale	-	-	27,822	-	-	27,822	-	27,822
Net change in cash flow hedges	-	-	(4,001)	-	-	(4,001)	-	(4,001)
Income tax relating to component of other comprehensive income	-	-	(3,602)	-	-	(3,602)	-	(3,602)
Total comprehensive income / (loss) for the period	-	-	3,488	2,202,036	-	2,205,524	(34,118)	2,171,406
Transactions with owners:								
Buy-back of shares	-	-	-	-	(240)	(240)	-	(240)
Transfer to statutory reserves	-	-	56,242	(56,242)	-	-	-	-
Transfer to regulatory reserves	-	-	6,779	(6,779)	-	-	-	-
Dividends paid	-	-	-	(1,303,796)	-	(1,303,796)	(5,846)	(1,309,642)
Share dividends	-	(366,575)	-	-	366,575	-	-	-
At 30 September 2010	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,853,780</u>	<u>3,929,606</u>	<u>(215,303)</u>	<u>12,173,319</u>	<u>659,323</u>	<u>12,832,642</u>

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2011

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

Bank	Non-distributable			Distributable		Total
	Share Capital	<u>Reserves</u>		<u>Reserves</u>		
RM'000	Share Premium	Other Reserves	Retained Profits	Treasury Shares	RM'000	RM'000
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	-	-	-	2,431,336	-	2,431,336
Net loss on revaluation of financial investments available-for-sale	-	-	(39,580)	-	-	(39,580)
Net change in cash flow hedges	-	-	(2,778)	-	-	(2,778)
Income tax relating to component of other comprehensive loss	-	-	10,589	-	-	10,589
Total comprehensive (loss) / income for the period	-	-	(31,769)	2,431,336	-	2,399,567
Transactions with owners:						
Buy-back of shares	-	-	-	-	(269)	(269)
Transfer to general reserves	-	-	544	(544)	-	-
Dividends paid	-	-	-	(1,637,246)	-	(1,637,246)
At 30 September 2011	3,531,926	1,073,310	3,507,389	5,167,750	(215,572)	13,064,803

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2011

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

Bank	Non-distributable			Distributable		Total
	Share	Reserves		Reserves		
	Capital	Share	Other	Retained	Treasury	
	RM'000	Premium	Reserves	Profits	Shares	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	-	-	-	2,132,318	-	2,132,318
Net gain on revaluation of financial investments available-for-sale	-	-	22,126	-	-	22,126
Net change in cash flow hedges	-	-	(4,001)	-	-	(4,001)
Income tax relating to component of other comprehensive income	-	-	(4,531)	-	-	(4,531)
Total comprehensive income for the period	-	-	13,594	2,132,318	-	2,145,912
Transactions with owners:						
Buy-back of shares	-	-	-	-	(240)	(240)
Dividends paid	-	-	-	(1,303,796)	-	(1,303,796)
Share dividends	-	(366,575)	-	-	366,575	-
At 30 September 2010	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,527,266</u>	<u>3,574,961</u>	<u>(215,303)</u>	<u>11,492,160</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.

PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2011

	Group		Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Profit before tax expense and zakat	3,447,366	2,955,933	3,028,618	2,682,940
Adjustments for non-cash items	569,033	635,710	(275,248)	(160,596)
Operating profit before changes in working capital	4,016,399	3,591,643	2,753,370	2,522,344
Changes in working capital:				
Net changes in operating assets	(32,142,970)	(11,428,040)	(29,308,686)	(10,391,739)
Net changes in operating liabilities	9,938,556	2,195,443	7,383,730	3,162,198
Tax expense and zakat paid	(797,755)	(574,396)	(627,037)	(443,992)
Net cash used in operating activities	(18,985,770)	(6,215,350)	(19,798,623)	(5,151,189)
Net cash (used in) / generated from investing activities	(1,254,926)	(3,662,988)	325,539	(2,781,769)
Net cash generated from / (used in) financing activities	1,354,016	(1,092,500)	1,362,485	(1,304,036)
Net change in cash and cash equivalents	(18,886,680)	(10,970,838)	(18,110,599)	(9,236,994)
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	140,501	(603,002)	-	-
Cash and cash equivalents at end of the period (Note)	13,336,390	31,906,612	6,581,030	22,631,632
Note:				
Cash and balances with banks	14,246,436	32,492,306	7,648,108	23,434,610
Less: Balances with banks with maturity more than one month	(910,046)	(585,694)	(1,067,078)	(802,978)
Cash and cash equivalents at end of the period	13,336,390	31,906,612	6,581,030	22,631,632

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 3rd quarter and nine months ended 30 September 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's 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

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 3rd quarter and nine months ended 30 September 2011.

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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 3rd quarter and nine months ended 30 September 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 3rd quarter and nine months ended 30 September 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"):

a) 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 nine months ended 30 September 2011, the Bank bought back from the open market, 20,000 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 nine months ended 30 September 2011, including transaction costs, was RM269,000 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 30 September 2011, the total shares bought back, all of which are held as treasury shares, amounted to 29,800,704 PBB Shares. None of the treasury shares held were resold or cancelled during the nine months ended 30 September 2011.

b) Subordinated Notes

On 3 August 2011, the Bank issued the fifth tranche of Subordinated Notes ("The Notes") of RM3.0 billion in aggregate principal due on 3 August 2022 and callable on 3 August 2017 under its Subordinated Medium Term Note Programme for issuance of up to RM5.0 billion in nominal value. The Notes bear interest at 4.28% per annum from (and including) 3 August 2011 up to (but excluding) the date of early redemption in full of such Notes or the maturity date (whichever is earlier). The coupon rate shall remain unchanged throughout the tenure of the Notes. The Notes were issued at par.

A7. Dividends Paid and Distributed

During the nine months ended 30 September 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.

A first interim single tier dividend of 20% in respect of the financial year ending 31 December 2011, amounting to RM700,425,026 was paid on 17 August 2011.

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A8. Financial Assets Held-for-trading

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	33,250	-	33,250	-
Malaysian Government Securities	61,243	75,734	61,243	75,734
Malaysian Government Investment Certificates	10,453	-	10,453	-
Bank Negara Malaysia Monetary Notes	1,602,240	412,508	1,602,240	412,508
Bank Negara Malaysia Bills	199,173	99,803	-	-
	<u>1,906,359</u>	<u>588,045</u>	<u>1,707,186</u>	<u>488,242</u>
Money market instruments:				
Negotiable instruments of deposit	<u>9,250,732</u>	<u>5,622,472</u>	<u>10,402,062</u>	<u>5,323,626</u>
Non-money market instruments:				
Equity securities:				
- Quoted shares in Malaysia	748	868	748	868
Debt securities:				
- Cagamas bonds	15,255	15,134	-	-
- Unquoted private debt securities	264,294	134,101	-	-
	<u>280,297</u>	<u>150,103</u>	<u>748</u>	<u>868</u>
Total financial assets held-for-trading	<u>11,437,388</u>	<u>6,360,620</u>	<u>12,109,996</u>	<u>5,812,736</u>

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A9. Financial Investments Available-for-sale

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Securities	503,916	2,115,849	503,916	2,105,763
Malaysian Government Investment Certificates	86,761	2,002,864	86,761	1,199,611
Bank Negara Malaysia Monetary Notes	8,257,662	5,485,605	6,985,162	4,568,078
Bank Negara Malaysia Bills	-	1,063,115	-	-
	<u>8,848,339</u>	<u>10,667,433</u>	<u>7,575,839</u>	<u>7,873,452</u>
Money market instruments:				
Negotiable instruments of deposit	-	-	-	272,599
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks in Malaysia	36,736	37,212	36,179	34,947
- Quoted shares and convertible loan stocks outside Malaysia	7,887	8,674	-	-
- Unquoted shares	109,152	108,193	105,282	104,479
Debt securities:				
- Unquoted private debt securities	2,085,318	2,358,606	1,607,942	1,833,351
Unit trust funds:				
- Public Institutional Bond Fund	1,653,934	1,609,313	1,545,905	1,505,140
- Others	3,125,292	3,062,853	2,699,522	2,645,511
	<u>7,018,319</u>	<u>7,184,851</u>	<u>5,994,830</u>	<u>6,123,428</u>
Total financial investments available-for-sale	<u>15,866,658</u>	<u>17,852,284</u>	<u>13,570,669</u>	<u>14,269,479</u>

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A10. Financial Investments Held-to-maturity

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	9,819	3,654	9,819	3,654
Malaysian Government Securities	1,358,674	1,933,735	1,258,275	1,772,055
Malaysian Government Investment Certificates	699,695	549,330	699,695	549,330
Foreign Government Treasury Bills	714,890	515,429	109,260	80,010
	<u>2,783,078</u>	<u>3,002,148</u>	<u>2,077,049</u>	<u>2,405,049</u>
Money market instruments:				
Negotiable instruments of deposit	1,729,093	1,010,727	1,480,268	2,689,862
Bankers' acceptances and Islamic accepted bills	3,194,386	492,166	2,622,997	-
	<u>4,923,479</u>	<u>1,502,893</u>	<u>4,103,265</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	757,008	729,530	141,800	140,442
	<u>762,009</u>	<u>734,589</u>	<u>146,801</u>	<u>145,501</u>
Accumulated impairment losses	(1,106)	(10,013)	(1,106)	(10,013)
Total financial investments held-to-maturity	<u>8,467,460</u>	<u>5,229,617</u>	<u>6,326,009</u>	<u>5,230,399</u>

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A11. Loans, Advances and Financing

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Overdrafts	9,662,498	9,597,674	8,553,330	8,500,942
Term loans				
- Housing loans / financing	49,541,301	43,891,024	43,122,729	38,382,386
- Syndicated term loan / financing	2,456,508	2,871,817	1,011,862	1,635,281
- Hire purchase receivables	37,905,575	35,328,422	26,189,331	24,839,999
- Other term loans / financing	61,994,241	54,989,863	50,087,602	44,069,685
Credit card receivables	1,413,046	1,348,902	1,403,484	1,340,914
Bills receivables	88,108	108,856	79,687	95,828
Trust receipts	385,480	377,087	316,105	329,412
Claims on customers under acceptance credits	3,875,754	3,582,630	3,864,874	3,572,220
Revolving credits	4,357,749	3,486,986	4,453,170	3,473,437
Staff loans *	1,064,085	960,811	998,094	903,078
Gross loans, advances and financing	<u>172,744,345</u>	156,544,072	<u>140,080,268</u>	127,143,182
Allowance for impaired loans and financing:				
- collective assessment allowance	(2,560,479)	(2,296,158)	(2,110,540)	(1,914,653)
- individual assessment allowance	(265,053)	(264,934)	(154,260)	(166,346)
Net loans, advances and financing	<u>169,918,813</u>	<u>153,982,980</u>	<u>137,815,468</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 RM3,411,198 (2010: RM3,505,221) and RM2,843,302 (2010 - RM2,891,154) respectively.

A11a. By class

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Retail loans / financing				
- Housing loans / financing	49,541,301	43,891,024	43,122,729	38,382,386
- Hire purchase	37,905,575	35,328,422	26,189,331	24,839,999
- Credit cards	1,413,046	1,348,902	1,403,484	1,340,914
- Other loans / financing *	58,358,609	52,904,601	49,589,199	44,786,687
	<u>147,218,531</u>	133,472,949	<u>120,304,743</u>	109,349,986
Corporate loans / financing	25,525,814	23,071,123	19,775,525	17,793,196
	<u>172,744,345</u>	<u>156,544,072</u>	<u>140,080,268</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	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Banking institutions	580,501	92,478	414,628	-
Non-bank financial institutions				
- Stock-broking companies	2,010	2,010	2,010	2,010
- Others	7,488,877	5,751,848	7,230,292	5,530,247
Business enterprises				
- Small and medium enterprises	31,302,709	28,022,864	27,903,665	25,109,061
- Others	22,354,361	22,226,128	17,573,742	17,595,432
Government and statutory bodies	328,571	326,226	393	371
Individuals	108,722,490	98,089,469	85,136,716	77,045,005
Other entities	30,798	30,207	27,708	27,340
Foreign entities	1,934,028	2,002,842	1,791,114	1,833,716
	<u>172,744,345</u>	<u>156,544,072</u>	<u>140,080,268</u>	<u>127,143,182</u>

A11c. By interest / profit rate sensitivity

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Fixed rate				
- Housing loans / financing	1,566,919	1,928,071	719,205	1,005,466
- Hire purchase receivables	36,344,024	33,750,002	26,179,588	24,832,082
- Other fixed rate loans / financing	17,288,610	16,155,876	9,330,781	8,827,158
Variable rate				
- Base lending rate plus	93,303,713	83,051,326	89,969,449	80,438,068
- Cost plus	14,053,068	12,370,856	13,315,195	11,565,882
- Other variable rates	10,188,011	9,287,941	566,050	474,526
	<u>172,744,345</u>	<u>156,544,072</u>	<u>140,080,268</u>	<u>127,143,182</u>

A11d. By residual contractual maturity

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Maturity within one year	28,891,115	25,130,683	24,574,059	21,330,140
More than one year to three years	15,334,704	16,618,501	11,117,151	12,363,350
More than three years to five years	19,813,848	18,258,072	15,232,959	14,188,733
More than five years	108,704,678	96,536,816	89,156,099	79,260,959
	<u>172,744,345</u>	<u>156,544,072</u>	<u>140,080,268</u>	<u>127,143,182</u>

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A11. Loans, Advances and Financing (continued)

A11e. By geographical distribution

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Malaysia	158,990,890	143,821,595	139,766,207	126,889,859
Hong Kong SAR and the People's Republic of China	11,534,214	10,699,655	-	-
Cambodia	1,905,180	1,769,499	-	-
Other countries	314,061	253,323	314,061	253,323
	<u>172,744,345</u>	<u>156,544,072</u>	<u>140,080,268</u>	<u>127,143,182</u>

A11f. Gross loans, advances and financing by economic purpose

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Purchase of securities	1,882,772	2,445,735	1,802,513	2,302,077
Purchase of transport vehicles	38,154,594	35,560,624	26,429,483	25,044,969
Purchase of landed properties	88,171,024	77,877,177	77,664,727	68,574,344
(of which: - residential	50,350,873	44,440,429	43,960,900	38,942,235
- non-residential)	37,820,151	33,436,748	33,703,827	29,632,109
Purchase of fixed assets (excluding landed properties)	257,066	282,626	241,830	276,826
Personal use	9,554,105	9,035,621	4,101,620	4,018,917
Credit card	1,413,046	1,348,902	1,403,484	1,340,914
Purchase of consumer durables	16,220	16,351	12,845	13,110
Construction	1,667,822	1,490,749	1,037,592	910,135
Mergers and acquisitions	1,411,001	8,183	1,411,001	8,183
Working capital	24,193,646	22,321,467	20,216,982	18,781,703
Other purpose	6,023,049	6,156,637	5,758,191	5,872,004
	<u>172,744,345</u>	<u>156,544,072</u>	<u>140,080,268</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	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Agriculture, hunting, forestry and fishing	2,513,557	3,119,426	2,252,778	2,890,865
Mining and quarrying	123,314	120,644	113,832	112,315
Manufacturing	7,748,257	7,100,555	6,829,269	6,457,253
Electricity, gas and water	333,177	348,775	302,483	299,389
Construction	5,838,457	6,027,594	4,992,492	5,237,417
Wholesale & retail trade and restaurants & hotels	15,355,775	14,258,932	14,055,402	13,100,713
Transport, storage and communication	1,983,880	1,952,217	1,355,936	1,366,257
Finance, insurance and business services	13,017,464	10,173,718	11,556,204	9,055,447
Real estate	14,256,817	12,664,808	11,465,741	9,745,025
Community, social and personal services	1,706,877	1,484,692	1,309,590	1,097,004
Households	109,061,634	98,534,420	85,572,505	77,486,033
Others	805,136	758,291	274,036	295,464
	<u>172,744,345</u>	<u>156,544,072</u>	<u>140,080,268</u>	<u>127,143,182</u>

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

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Bankers' acceptances rediscounted	<u>1,436,042</u>	<u>1,707,306</u>	<u>1,434,052</u>	<u>1,706,661</u>

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

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 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	1,948,566	3,006,563	1,432,090	2,352,332
Reclassified as non-impaired	(1,545,129)	(2,263,308)	(1,302,430)	(1,929,911)
Recoveries	(225,179)	(263,362)	(150,403)	(181,379)
Amount written off	(371,027)	(516,878)	(149,450)	(184,565)
Loans converted to foreclosed properties / investments	(12,248)	(30,435)	(11,148)	(28,670)
Exchange differences	7,639	(40,526)	144	(2,117)
Closing balance	<u>1,586,899</u>	<u>1,784,277</u>	<u>1,220,124</u>	<u>1,401,321</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.92%</u>	<u>1.14%</u>	<u>0.87%</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	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Malaysia	1,419,135	1,579,947	1,212,770	1,387,671
Hong Kong SAR and the People's Republic of China	112,712	131,135	-	-
Cambodia	47,698	59,545	-	-
Other countries	7,354	13,650	7,354	13,650
	<u>1,586,899</u>	<u>1,784,277</u>	<u>1,220,124</u>	<u>1,401,321</u>

A11k. Impaired loans, advances and financing by economic purpose

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Purchase of securities	6,891	7,596	6,882	7,588
Purchase of transport vehicles	297,250	278,520	223,741	205,589
Purchase of landed properties	688,215	789,082	594,171	704,487
(of which: - residential	472,979	500,289	421,708	449,634
- non-residential)	215,236	288,793	172,463	254,853
Purchase of fixed assets (excluding landed properties)	7,240	9,041	7,179	8,918
Personal use	176,805	172,963	53,108	54,842
Credit card	21,873	27,296	21,865	27,290
Purchase of consumer durables	53	104	10	104
Construction	33,825	14,677	19,569	14,677
Working capital	319,050	442,712	258,263	335,777
Other purpose	35,697	42,286	35,336	42,049
	<u>1,586,899</u>	<u>1,784,277</u>	<u>1,220,124</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	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Agriculture, hunting, forestry and fishing	7,366	16,545	7,117	16,407
Mining and quarrying	292	1,287	258	215
Manufacturing	159,158	198,787	130,695	160,018
Electricity, gas and water	1,538	1,579	7	-
Construction	125,059	147,581	110,026	146,236
Wholesale & retail trade and restaurants & hotels	104,042	140,202	99,681	125,235
Transport, storage and communication	150,300	151,498	138,708	145,537
Finance, insurance and business services	58,804	89,454	30,848	50,318
Real estate	61,932	105,459	31,147	76,781
Community, social and personal services	14,585	13,701	14,573	13,569
Households	901,349	901,532	654,875	665,025
Others	2,474	16,652	2,189	1,980
	<u>1,586,899</u>	<u>1,784,277</u>	<u>1,220,124</u>	<u>1,401,321</u>

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

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 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	456,283	519,484	337,901	447,685
Amount written off	(193,424)	(235,629)	(142,151)	(181,013)
Exchange differences	1,462	(6,640)	137	(350)
Closing balance	<u>2,560,479</u>	<u>2,296,158</u>	<u>2,110,540</u>	<u>1,914,653</u>

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 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	205,629	444,730	23,062	124,104
Amount written back in respect of recoveries	(40,574)	(130,810)	(27,849)	(86,727)
Amount written off	(177,603)	(281,249)	(7,299)	(3,552)
Exchange differences	12,667	(25,202)	-	-
Closing balance	<u>265,053</u>	<u>264,934</u>	<u>154,260</u>	<u>166,346</u>

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A12. Other Assets

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Deferred handling fees	227,140	215,499	161,553	158,187
Interest / Income receivable	22,295	51,236	10,151	39,624
Other receivables, deposits and prepayments	1,146,859	1,078,469	1,014,125	941,235
Manager's stocks	216,610	15,717	-	-
Amount due from trust funds	218,235	147,197	-	-
Foreclosed properties	114,504	125,539	111,621	123,178
Taxi licenses	3,518	6,082	-	-
Outstanding contracts on clients' accounts	189,189	356,141	-	-
Amount due from subsidiary companies	-	-	40,584	41,882
Dividend receivable from subsidiary companies	-	-	306,100	399,536
	<u>2,138,350</u>	<u>1,995,880</u>	<u>1,644,134</u>	<u>1,703,642</u>

A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	27,725,700	25,470,214	23,908,974	22,142,587
- Savings deposits	21,666,412	20,440,705	15,258,417	14,035,444
- Fixed deposits	105,704,456	97,727,833	81,432,619	76,311,260
	<u>155,096,568</u>	<u>143,638,752</u>	<u>120,600,010</u>	<u>112,489,291</u>
Wholesale deposits:				
- Negotiable instruments of deposit	2,401,235	3,389,826	900,329	899,029
- Money market deposits	35,991,902	29,379,017	31,667,475	26,938,395
	<u>38,393,137</u>	<u>32,768,843</u>	<u>32,567,804</u>	<u>27,837,424</u>
Other deposits	197,984	464,524	196,226	462,551
	<u>193,687,689</u>	<u>176,872,119</u>	<u>153,364,040</u>	<u>140,789,266</u>

b) By type of customer

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Federal and state governments	2,657,626	1,721,576	692,019	576,428
Local government and statutory authorities	3,006,795	2,010,704	2,235,531	1,333,049
Business enterprises	57,904,265	54,490,618	43,635,080	41,172,876
Individuals	90,355,637	86,653,048	77,652,296	73,187,600
Foreign customers	5,432,216	5,206,065	4,150,049	4,738,222
Others	34,331,150	26,790,108	24,999,065	19,781,091
	<u>193,687,689</u>	<u>176,872,119</u>	<u>153,364,040</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	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Due within six months	129,232,268	116,981,551	100,781,248	91,366,911
More than six months to one year	14,623,999	13,333,704	13,059,318	12,668,349
More than one year to three years	215,696	166,430	137,051	100,669
More than three years to five years	25,630	14,991	22,806	12,755
	<u>144,097,593</u>	<u>130,496,676</u>	<u>114,000,423</u>	<u>104,148,684</u>

A14. Deposits from Banks

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
At amortised cost				
Licensed banks	3,186,687	3,956,369	2,626,362	1,982,454
Licensed Islamic banks	1,191,279	1,656,812	446,495	416,138
Licensed investment banks	2,857,750	8,334,268	3,694,868	8,310,404
Bank Negara Malaysia	2,243,247	2,820,178	2,240,702	2,817,551
Other financial institutions	4,434,349	4,559,849	6,678,869	7,543,234
	<u>13,913,312</u>	<u>21,327,476</u>	<u>15,687,296</u>	<u>21,069,781</u>

A15. Other Liabilities

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Interest / income payable	834,540	749,173	736,190	660,711
Other payables and accruals	2,053,754	1,579,007	1,497,921	1,050,122
Amount due to trust funds	520,350	89,858	-	-
Unprocessed sales and / or redemptions	158,699	83,708	-	-
Employee benefits	(87,418)	(73,076)	(84,549)	(70,569)
Profit Equalisation Reserve	-	33,436	-	-
Finance lease liabilities	-	14,548	-	14,548
Outstanding contracts on clients' accounts	167,564	341,637	-	-
Dividend payable to shareholders	5,680	21,583	5,680	2,964
Amount due to subsidiary companies	-	-	15,653	17,875
	<u>3,653,169</u>	<u>2,839,874</u>	<u>2,170,895</u>	<u>1,675,651</u>

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A16. Interest Income

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Group				
Loans and advances	2,063,763	1,788,910	5,892,134	4,949,564
Balances with banks	156,514	127,888	495,072	407,838
Financial investments available-for-sale	40,624	50,671	141,621	127,178
Financial investments held-to-maturity	78,489	85,639	191,684	244,737
Others	22,946	19,251	64,242	56,685
	<u>2,362,336</u>	<u>2,072,359</u>	<u>6,784,753</u>	<u>5,786,002</u>
Financial assets held-for-trading	55,986	50,754	164,408	126,987
	<u>2,418,322</u>	<u>2,123,113</u>	<u>6,949,161</u>	<u>5,912,989</u>

Of which:

Interest income earned on impaired loans
and advances

	<u>16,154</u>	<u>17,953</u>	<u>48,986</u>	<u>50,736</u>
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	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Bank				
Loans and advances	1,869,405	1,587,978	5,327,023	4,344,287
Balances with banks	153,708	109,954	479,339	345,867
Financial investments available-for-sale	38,396	46,935	132,457	115,867
Financial investments held-to-maturity	50,211	71,141	136,298	210,758
Others	22,941	19,246	64,230	56,512
	<u>2,134,661</u>	<u>1,835,254</u>	<u>6,139,347</u>	<u>5,073,291</u>
Financial assets held-for-trading	64,590	42,651	158,995	104,235
	<u>2,199,251</u>	<u>1,877,905</u>	<u>6,298,342</u>	<u>5,177,526</u>

Of which:

Interest income earned on impaired loans
and advances

	<u>15,649</u>	<u>16,727</u>	<u>47,454</u>	<u>46,706</u>
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A17. Interest Expense

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits from banks	77,290	82,612	290,352	170,921
Deposits from customers	989,567	790,545	2,724,260	2,147,846
Loans sold to Cagamas	146	200	459	636
Debt securities issued and other borrowed funds	92,238	71,899	228,519	195,317
Others	1,105	1,091	1,758	2,615
	<u>1,160,346</u>	<u>946,347</u>	<u>3,245,348</u>	<u>2,517,335</u>

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits from banks	83,061	70,430	280,310	132,010
Deposits from customers	940,552	740,335	2,600,399	2,004,870
Loans sold to Cagamas	146	200	459	636
Debt securities issued and other borrowed funds	87,612	64,635	219,771	180,284
Others	1,045	1,011	1,534	2,337
	<u>1,112,416</u>	<u>876,611</u>	<u>3,102,473</u>	<u>2,320,137</u>

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A18. Net Fee and Commission Income

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Group</u>				
Fee and commission income:				
Commissions	53,058	49,032	142,282	130,410
Service charges and fees	63,388	56,344	188,012	163,134
Guarantee fees	6,246	6,897	21,455	22,542
Processing fees	4,163	4,640	12,715	9,147
Commitment fees	14,634	13,924	43,893	44,242
Unit trust management fees	138,772	122,568	410,117	353,939
Fee on sale of trust units	83,670	54,525	257,332	177,562
Net brokerage and commissions from stockbroking activities	25,324	24,478	81,196	72,682
Other fee and commission income	12,182	8,398	32,246	25,498
	<u>401,437</u>	<u>340,806</u>	<u>1,189,248</u>	<u>999,156</u>
Fee and commission expense:				
Loan related fee	(20,092)	(20,565)	(61,685)	(60,766)
Unit trust agency fee	(86,548)	(60,208)	(266,270)	(188,572)
Other fee and commission expense	(4,715)	(2,794)	(13,687)	(8,725)
	<u>(111,355)</u>	<u>(83,567)</u>	<u>(341,642)</u>	<u>(258,063)</u>
Net fee and commission income	<u>290,082</u>	<u>257,239</u>	<u>847,606</u>	<u>741,093</u>
	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Bank</u>				
Fee and commission income:				
Commissions	67,728	57,161	177,810	160,656
Service charges and fees	45,130	41,069	135,261	106,691
Guarantee fees	5,470	5,482	18,732	17,787
Processing fees	751	1,686	1,944	2,368
Commitment fees	14,022	13,076	41,896	41,706
Other fee and commission income	8,034	6,622	23,835	12,016
	<u>141,135</u>	<u>125,096</u>	<u>399,478</u>	<u>341,224</u>
Fee and commission expense:				
Loan related fee	(18,724)	(18,176)	(58,551)	(54,075)
Other fee and commission expense	(3,007)	(2,177)	(8,403)	(6,860)
	<u>(21,731)</u>	<u>(20,353)</u>	<u>(66,954)</u>	<u>(60,935)</u>
Net fee and commission income	<u>119,404</u>	<u>104,743</u>	<u>332,524</u>	<u>280,289</u>

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A19. Net Gains and Losses on Financial Instruments

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Group</u>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	4,277	3,369	6,502	6,268
- gross dividend income	3	8	26	910
- unrealised revaluation gain / (loss)	4,230	(3,892)	230	3,450
	<u>8,510</u>	<u>(515)</u>	<u>6,758</u>	<u>10,628</u>
Net gain / (loss) arising on trading derivatives				
- net gain / (loss) on disposal	398	(2,903)	(12,464)	(3,676)
- unrealised revaluation (loss) / gain	(6,982)	8,318	5,538	1,655
	<u>(6,584)</u>	<u>5,415</u>	<u>(6,926)</u>	<u>(2,021)</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	4,516	6,234	5,154	8,899
- gross dividend income	38,689	31,429	109,487	84,263
	<u>43,205</u>	<u>37,663</u>	<u>114,641</u>	<u>93,162</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(764)	(417)	7,160	98
- cash flow hedge	59	18	34	63
	<u>(705)</u>	<u>(399)</u>	<u>7,194</u>	<u>161</u>
Net gains and losses on financial instruments	<u>44,426</u>	<u>42,164</u>	<u>121,667</u>	<u>101,930</u>
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Bank</u>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	4,182	3,202	6,202	6,143
- gross dividend income	3	8	26	910
- unrealised revaluation gain / (loss)	4,168	(3,985)	152	3,279
	<u>8,353</u>	<u>(775)</u>	<u>6,380</u>	<u>10,332</u>
Net gain / (loss) arising on trading derivatives				
- net gain / (loss) on disposal	398	(2,903)	(12,464)	(3,676)
- unrealised revaluation (loss) / gain	(3,646)	12,471	12,078	13,788
	<u>(3,248)</u>	<u>9,568</u>	<u>(386)</u>	<u>10,112</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	4,516	5,887	5,135	8,664
- gross dividend income	37,513	30,544	106,087	80,603
	<u>42,029</u>	<u>36,431</u>	<u>111,222</u>	<u>89,267</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(214)	(268)	5,781	(22)
- cash flow hedge	59	18	34	63
	<u>(155)</u>	<u>(250)</u>	<u>5,815</u>	<u>41</u>
Net gains and losses on financial instruments	<u>46,979</u>	<u>44,974</u>	<u>123,031</u>	<u>109,752</u>

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A20. Other Operating Income

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Group</u>				
Other income:				
Foreign exchange profit	37,166	64,467	152,709	191,017
Rental income from:				
- investment properties	1,257	1,310	3,598	4,059
- other properties	3,659	2,458	9,919	7,280
Net (loss) / gain on disposal of property and equipment	(178)	596	(49)	1,332
Net (loss) / gain on disposal of foreclosed properties	(1,231)	241	(2,868)	75
Net (loss) / gain on revaluation of investment properties	-	(22)	734	1,368
Others	12,901	9,919	32,965	20,577
Total other operating income	<u>53,574</u>	<u>78,969</u>	<u>197,008</u>	<u>225,708</u>

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Bank</u>				
Gross dividend income from:				
- associated companies	-	9,035	-	9,035
- subsidiary companies				
- quoted outside Malaysia	-	-	15,634	16,832
- unquoted in Malaysia	178,217	174,217	541,203	443,878
	<u>178,217</u>	<u>183,252</u>	<u>556,837</u>	<u>469,745</u>
Other income:				
Foreign exchange (loss) / profit	(13,311)	121,273	122,623	317,333
Rental income from other properties	2,685	1,468	7,816	4,345
Net (loss) / gain on disposal of property and equipment	(176)	364	10	1,113
Net (loss) / gain on disposal of foreclosed properties	(1,231)	232	(2,868)	(1,794)
Others	8,937	9,167	22,516	18,900
	<u>(3,096)</u>	<u>132,504</u>	<u>150,097</u>	<u>339,897</u>
Total other operating income	<u>175,121</u>	<u>315,756</u>	<u>706,934</u>	<u>809,642</u>

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A21. Other Operating Expenses

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Personnel costs				
- Salaries, allowances and bonuses	314,486	273,514	941,810	869,864
- Pension costs	29,989	29,042	90,704	92,267
- Others	28,616	26,095	85,723	82,134
	<u>373,091</u>	<u>328,651</u>	<u>1,118,237</u>	<u>1,044,265</u>
Establishment costs				
- Depreciation	34,598	37,784	104,152	106,467
- Rental	19,890	18,757	58,923	55,039
- Insurance	4,871	4,328	16,009	14,505
- Water and electricity	10,750	9,745	29,747	28,990
- General repairs and maintenance	22,870	15,374	51,961	47,402
- Information technology expenses	6,544	7,147	19,809	20,298
- Others	8,672	7,530	24,992	23,130
	<u>108,195</u>	<u>100,665</u>	<u>305,593</u>	<u>295,831</u>
Marketing expenses				
- Advertisement and publicity	18,664	19,099	57,524	61,541
- Others	20,066	17,292	61,550	58,310
	<u>38,730</u>	<u>36,391</u>	<u>119,074</u>	<u>119,851</u>
Administration and general expenses				
- Communication expenses	9,411	6,810	28,096	24,475
- Legal and professional fees	10,811	10,921	33,502	37,170
- Others	15,515	14,487	42,709	52,831
	<u>35,737</u>	<u>32,218</u>	<u>104,307</u>	<u>114,476</u>
Total other operating expenses	<u>555,753</u>	<u>497,925</u>	<u>1,647,211</u>	<u>1,574,423</u>

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A21. Other Operating Expenses (continued)

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Personnel costs				
- Salaries, allowances and bonuses	241,359	206,887	728,849	664,213
- Pension costs	25,619	24,871	77,613	79,680
- Others	24,900	23,001	75,238	72,847
	<u>291,878</u>	<u>254,759</u>	<u>881,700</u>	<u>816,740</u>
Establishment costs				
- Depreciation	26,260	26,937	79,111	81,408
- Rental	19,167	18,399	57,707	54,327
- Insurance	4,421	3,597	12,226	11,194
- Water and electricity	7,972	7,197	22,125	21,539
- General repairs and maintenance	21,192	13,693	46,616	42,290
- Information technology expenses	3,710	3,963	11,167	11,699
- Others	6,221	5,051	17,994	16,000
	<u>88,943</u>	<u>78,837</u>	<u>246,946</u>	<u>238,457</u>
Marketing expenses				
- Advertisement and publicity	5,866	4,314	19,571	21,560
- Others	7,975	10,079	25,376	29,925
	<u>13,841</u>	<u>14,393</u>	<u>44,947</u>	<u>51,485</u>
Administration and general expenses				
- Communication expenses	13,162	5,640	28,428	21,841
- Legal and professional fees	8,682	9,015	27,161	29,594
- Others	7,347	8,277	21,597	33,469
	<u>29,191</u>	<u>22,932</u>	<u>77,186</u>	<u>84,904</u>
Shared service cost charged to Public Islamic Bank Berhad	(40,326)	(39,005)	(122,308)	(120,433)
Total other operating expenses	<u>383,527</u>	<u>331,916</u>	<u>1,128,471</u>	<u>1,071,153</u>

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A22. Allowance for Impairment on Loans, Advances and Financing

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Group</u>				
Allowance for impaired loans and financing:				
Collective assessment allowance	166,631	130,064	456,283	403,250
Individual assessment allowance	54,949	114,016	165,055	244,129
Allowance / (writeback) for bad debts from stockbroking activities	990	-	901	(46)
Impaired loans and financing written off	162	121	449	416
Impaired loans and financing recovered	(87,791)	(41,925)	(183,272)	(131,014)
	<u>134,941</u>	<u>202,276</u>	<u>439,416</u>	<u>516,735</u>

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<u>Bank</u>				
Allowance for impaired loans and financing:				
Collective assessment allowance	89,214	108,162	337,901	338,462
Individual assessment allowance	965	36,797	(4,787)	38,869
Impaired loans and financing written off	117	76	311	309
Impaired loans and financing recovered	(69,552)	(25,488)	(130,036)	(78,548)
	<u>20,744</u>	<u>119,547</u>	<u>203,389</u>	<u>299,092</u>

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A23. Segment Information

3rd Quarter Ended 30 September 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	542,200	1,567,199	213,849	362,376	47,071	222,617	1,143	63,893	3,020,348	252,118	-	3,272,466
Revenue from other segments	-	223,362	2,924	197,277	7,635	2,735	7,048	167,983	608,964	664	(609,628)	-
	<u>542,200</u>	<u>1,790,561</u>	<u>216,773</u>	<u>559,653</u>	<u>54,706</u>	<u>225,352</u>	<u>8,191</u>	<u>231,876</u>	<u>3,629,312</u>	<u>252,782</u>	<u>(609,628)</u>	<u>3,272,466</u>
Net interest income and												
Islamic banking income	220,661	958,002	60,136	33,604	3,136	2,910	(1,905)	54,063	1,330,607	157,317	-	1,487,924
Other income	1,728	152,961	1,591	27,948	18,884	121,569	8,113	30,902	363,696	40,286	(15,900)	388,082
Net income	<u>222,389</u>	<u>1,110,963</u>	<u>61,727</u>	<u>61,552</u>	<u>22,020</u>	<u>124,479</u>	<u>6,208</u>	<u>84,965</u>	<u>1,694,303</u>	<u>197,603</u>	<u>(15,900)</u>	<u>1,876,006</u>
Other operating expenses	(39,932)	(324,239)	(2,361)	(4,686)	(6,986)	(42,400)	(3,893)	(60,025)	(484,522)	(87,131)	15,900	(555,753)
Allowance for impairment on loans, advances and financing	(34,668)	(96,391)	34,921	-	(1,536)	-	-	-	(97,674)	(37,267)	-	(134,941)
Impairment on other assets	-	511	-	3	-	-	-	-	514	(107)	-	407
Profit by segments	<u>147,789</u>	<u>690,844</u>	<u>94,287</u>	<u>56,869</u>	<u>13,498</u>	<u>82,079</u>	<u>2,315</u>	<u>24,940</u>	<u>1,112,621</u>	<u>73,098</u>	<u>-</u>	<u>1,185,719</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									(440)	1,653		1,213
Profit before tax expense and zakat									<u>1,112,181</u>	<u>74,751</u>		<u>1,186,932</u>

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A23. Segment Information (continued)

3rd Quarter Ended 30 September 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	485,038	1,401,203	192,469	344,338	46,678	142,882	1,254	5,906	2,619,768	257,615	-	2,877,383
Revenue from other segments	-	188,356	2,643	87,296	10,340	(7,880)	6,858	396,002	683,615	977	(684,592)	-
	<u>485,038</u>	<u>1,589,559</u>	<u>195,112</u>	<u>431,634</u>	<u>57,018</u>	<u>135,002</u>	<u>8,112</u>	<u>401,908</u>	<u>3,303,383</u>	<u>258,592</u>	<u>(684,592)</u>	<u>2,877,383</u>
Net interest income and												
Islamic banking income	232,244	861,466	63,275	4,142	2,165	1,896	(1,676)	40,814	1,204,326	167,369	-	1,371,695
Other income	1,692	136,156	18,383	27,537	16,407	108,337	8,082	48,478	365,072	34,702	(21,402)	378,372
Net income	<u>233,936</u>	<u>997,622</u>	<u>81,658</u>	<u>31,679</u>	<u>18,572</u>	<u>110,233</u>	<u>6,406</u>	<u>89,292</u>	<u>1,569,398</u>	<u>202,071</u>	<u>(21,402)</u>	<u>1,750,067</u>
Other operating expenses	(48,122)	(282,835)	(2,129)	(4,884)	(5,360)	(40,868)	(3,651)	(46,067)	(433,916)	(85,411)	21,402	(497,925)
Allowance for impairment on loans, advances and financing	(26,849)	(93,733)	(19,515)	-	(12)	-	-	-	(140,109)	(62,167)	-	(202,276)
Impairment on other assets	-	(1,438)	-	1	-	-	-	-	(1,437)	-	-	(1,437)
Profit by segments	<u>158,965</u>	<u>619,616</u>	<u>60,014</u>	<u>26,796</u>	<u>13,200</u>	<u>69,365</u>	<u>2,755</u>	<u>43,225</u>	<u>993,936</u>	<u>54,493</u>	<u>-</u>	<u>1,048,429</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									74	2,874		2,948
Profit before tax expense and zakat									<u>994,010</u>	<u>57,367</u>		<u>1,051,377</u>

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A23. Segment Information (continued)

Nine Months Ended 30 September 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	1,599,233	4,414,208	615,786	1,029,788	143,899	667,941	3,446	219,845	8,694,146	740,581	-	9,434,727
Revenue from other segments	-	662,212	8,123	505,877	26,923	7,481	21,011	844,484	2,076,111	1,965	(2,078,076)	-
	<u>1,599,233</u>	<u>5,076,420</u>	<u>623,909</u>	<u>1,535,665</u>	<u>170,822</u>	<u>675,422</u>	<u>24,457</u>	<u>1,064,329</u>	<u>10,770,257</u>	<u>742,546</u>	<u>(2,078,076)</u>	<u>9,434,727</u>
Net interest income and												
Islamic banking income	671,692	2,744,332	182,698	71,608	8,416	7,973	(5,391)	208,379	3,889,707	470,544	-	4,360,251
Other income	3,602	417,887	19,986	78,792	53,603	362,258	24,304	134,293	1,094,725	120,261	(48,705)	1,166,281
Net income	<u>675,294</u>	<u>3,162,219</u>	<u>202,684</u>	<u>150,400</u>	<u>62,019</u>	<u>370,231</u>	<u>18,913</u>	<u>342,672</u>	<u>4,984,432</u>	<u>590,805</u>	<u>(48,705)</u>	<u>5,526,532</u>
Other operating expenses	(119,967)	(964,550)	(6,353)	(13,647)	(21,645)	(126,550)	(11,048)	(192,110)	(1,455,870)	(240,046)	48,705	(1,647,211)
Allowance for impairment on loans, advances and financing	(99,492)	(215,981)	11,035	-	(1,756)	-	-	-	(306,194)	(133,222)	-	(439,416)
Impairment on other assets	-	2,154	-	107	-	-	-	-	2,261	(1,226)	-	1,035
Profit by segments	<u>455,835</u>	<u>1,983,842</u>	<u>207,366</u>	<u>136,860</u>	<u>38,618</u>	<u>243,681</u>	<u>7,865</u>	<u>150,562</u>	<u>3,224,629</u>	<u>216,311</u>	<u>-</u>	<u>3,440,940</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									(1,017)	7,443		6,426
Profit before tax expense and zakat									<u>3,223,612</u>	<u>223,754</u>		<u>3,447,366</u>
Cost income ratio	17.8%	30.5%	3.1%	9.1%	34.9%	34.2%	58.4%	56.1%	29.2%	40.6%		29.8%
Gross loans	36,240,037	101,840,307	20,568,998	-	292,244	47,156	2,149	-	158,990,891	13,753,454		172,744,345
Loan growth	7.9%	11.5%	10.4%	-	22.6%	11.6%	-2.1%	-	10.5%	8.1%		10.3%
Impaired loans, advances and financing	198,172	1,090,094	130,869	-	-	-	-	-	1,419,135	167,764		1,586,899
Impaired loan ratio	0.5%	1.1%	0.6%	-	-	-	-	-	0.9%	1.2%		0.9%
Deposits from customers	-	129,147,837	251,170	47,316,954	2,745,382	-	-	-	179,461,343	14,226,346		193,687,689
Deposit growth	-	8.4%	14.2%	15.5%	22.0%	-	-	-	10.4%	-0.5%		9.5%
Segment assets	<u>35,937,382</u>	<u>135,716,622</u>	<u>20,191,560</u>	<u>60,320,006</u>	<u>3,908,578</u>	<u>561,862</u>	<u>268,996</u>	<u>16,622,044</u>	<u>273,527,050</u>	<u>19,045,124</u>	<u>(55,476,788)</u>	<u>237,095,386</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									42,283	127,447		169,730
Unallocated assets									1,126,245	-		1,126,245
Intangible assets									769,251	1,198,030		1,967,281
Total assets									<u>275,464,829</u>	<u>20,370,601</u>		<u>240,358,642</u>

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A23. Segment Information (continued)

Nine Months Ended 30 September 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	1,398,565	3,674,759	510,662	912,745	147,018	419,794	3,775	229,744	7,297,062	767,341	-	8,064,403
Revenue from other segments	-	521,726	6,777	252,712	31,138	(28,115)	20,571	1,031,458	1,836,267	3,059	(1,839,326)	-
	<u>1,398,565</u>	<u>4,196,485</u>	<u>517,439</u>	<u>1,165,457</u>	<u>178,156</u>	<u>391,679</u>	<u>24,346</u>	<u>1,261,202</u>	<u>9,133,329</u>	<u>770,400</u>	<u>(1,839,326)</u>	<u>8,064,403</u>
Net interest income and												
Islamic banking income	690,395	2,363,358	183,381	56,085	8,409	4,573	(4,401)	156,500	3,458,300	515,918	-	3,974,218
Other income	396	388,533	42,124	72,210	52,231	313,471	24,263	139,249	1,032,477	101,158	(64,904)	1,068,731
Net income	<u>690,791</u>	<u>2,751,891</u>	<u>225,505</u>	<u>128,295</u>	<u>60,640</u>	<u>318,044</u>	<u>19,862</u>	<u>295,749</u>	<u>4,490,777</u>	<u>617,076</u>	<u>(64,904)</u>	<u>5,042,949</u>
Other operating expenses	(120,865)	(894,998)	(5,980)	(13,949)	(23,679)	(118,787)	(10,760)	(197,415)	(1,386,433)	(252,894)	64,904	(1,574,423)
Allowance for impairment on loans, advances and financing	(79,990)	(238,318)	(38,452)	-	(168)	-	-	-	(356,928)	(159,807)	-	(516,735)
Impairment on other assets	-	(3,887)	-	(72)	-	-	-	-	(3,959)	-	-	(3,959)
Profit by segments	<u>489,936</u>	<u>1,614,688</u>	<u>181,073</u>	<u>114,274</u>	<u>36,793</u>	<u>199,257</u>	<u>9,102</u>	<u>98,334</u>	<u>2,743,457</u>	<u>204,375</u>	<u>-</u>	<u>2,947,832</u>
Reconciliation of segment profits to consolidated profits:												
Share of profit after tax of equity accounted associated companies									237	7,864		8,101
Profit before tax expense and zakat									<u>2,743,694</u>	<u>212,239</u>		<u>2,955,933</u>
Cost income ratio	17.5%	32.5%	2.7%	10.9%	39.0%	37.3%	54.2%	66.8%	30.9%	41.0%		31.2%
Gross loans	32,548,377	88,503,853	18,090,369	-	214,954	40,345	2,292	-	139,400,190	12,333,086		151,733,276
Loan growth	8.8%	13.2%	13.2%	-	-8.7%	17.4%	13.6%	-	12.1%	-6.9%		10.3%
Impaired loans, advances and financing	152,996	1,311,682	130,300	-	-	-	-	-	1,594,978	305,335		1,900,313
Impaired loan ratio	0.5%	1.5%	0.7%	-	-	-	-	-	1.1%	2.5%		1.3%
Deposits from customers	-	114,538,957	224,071	42,066,207	3,213,955	-	-	-	160,043,190	14,439,850		174,483,040
Deposit growth	-	8.9%	-26.3%	-8.9%	-23.5%	-	-	-	2.7%	-4.3%		2.1%
Segment assets	<u>32,283,782</u>	<u>120,081,881</u>	<u>17,748,733</u>	<u>59,745,331</u>	<u>4,787,110</u>	<u>468,190</u>	<u>261,884</u>	<u>12,632,965</u>	<u>248,009,876</u>	<u>18,695,188</u>	<u>(49,424,521)</u>	<u>217,280,543</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									1,948	112,609		114,557
Unallocated assets									1,222,611	-		1,222,611
Intangible assets									769,251	1,166,255		1,935,506
Total assets									<u>250,003,686</u>	<u>19,974,052</u>		<u>220,553,217</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	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Contingent liabilities				
Direct credit substitutes	1,477,079	1,580,171	1,115,696	1,476,910
Transaction-related contingent items	857,676	772,945	735,937	676,528
Short term self-liquidating trade-related contingencies	497,210	483,803	223,049	231,016
Obligations under an on-going underwriting agreement	25,000	75,000	25,000	75,000
	2,856,965	2,911,919	2,099,682	2,459,454
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	18,118,348	15,412,139	16,905,828	14,338,422
- not exceeding one year	18,944,824	22,717,264	17,394,679	20,522,993
Unutilised credit card lines	3,348,352	3,038,271	3,182,955	2,875,523
Forward asset purchases	1,893,015	7,305	1,822,349	3,600
	42,304,539	41,174,979	39,305,811	37,740,538
Derivative financial instruments				
Foreign exchange related contracts:				
- less than one year	15,312,821	14,180,707	14,975,588	13,951,365
- one year to less than five years	1,049	6,271	1,049	6,271
Interest rate related contracts:				
- less than one year	2,065,922	710,853	2,065,922	570,013
- one year to less than five years	4,870,691	5,815,108	4,535,819	5,491,445
- five years and above	6,383,678	3,996,975	6,288,000	3,904,500
Commodity related contracts:				
- less than one year	6,968	929	6,968	929
Equity related contracts:				
- less than one year	-	227,140	-	227,140
- one year to less than five years	157,151	181,027	157,151	181,027
	28,798,280	25,119,010	28,030,497	24,332,690
	73,959,784	69,205,908	69,435,990	64,532,682

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A27. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 30 September 2011 are as follows:

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

Group	As at 30 September 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	1,499,462	35,971	5,828	1,168,602	6,144	18,402
- Currency swaps	13,814,408	322,022	124,807	13,018,376	80,072	175,499
Interest rate related contracts						
- Interest rate swaps	460,000	49	368	159,190	65	76
Equity related contracts						
- Options purchased	157,151	10,992	-	408,167	21,048	-
Precious metal contracts						
- Forwards	6,968	58	-	929	-	-
	15,937,989	369,092	131,003	14,755,264	107,329	193,977
Hedging derivatives:						
Fair value hedge						
Interest rate related contracts						
- Interest rate swaps	12,441,290	403,069	211,056	9,879,746	212,544	181,371
Cash flow hedge						
Interest rate related contracts						
- Interest rate swaps	419,000	3,975	149	484,000	6,749	181
	12,860,290	407,044	211,205	10,363,746	219,293	181,552
Total	28,798,279	776,136	342,208	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 30 September 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	1,355,991	35,796	5,588	1,140,748	6,106	18,371
- Currency swaps	13,620,646	321,686	122,800	12,816,888	76,093	173,378
Interest rate related contracts						
- Interest rate swaps	737,465	2,584	10,827	471,478	6,518	19,649
Equity related contracts						
- Options purchased	157,151	10,992	-	408,167	21,048	-
Precious metal contracts						
- Forwards	6,968	58	-	929	-	-
	15,878,221	371,116	139,215	14,838,210	109,765	211,398
Hedging derivatives:						
Fair value hedge						
Interest rate related contracts						
- Interest rate swaps	11,733,276	400,534	150,615	9,010,480	206,082	129,416
Cash flow hedge						
Interest rate related contracts						
- Interest rate swaps	419,000	3,975	149	484,000	6,749	181
	12,152,276	404,509	150,764	9,494,480	212,831	129,597
Total	28,030,497	775,625	289,979	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	1,499,462	663,551	329,268	406,456	99,138	1,049	-
- currency swaps	13,814,408	7,234,174	4,462,579	2,053,870	63,785	-	-
	15,313,870	7,897,725	4,791,847	2,460,326	162,923	1,049	-
Interest rate related contracts							
- interest rate swaps	13,320,291	-	-	-	2,065,922	3,010,367	8,244,002
Equity related contracts							
- options purchased	157,151	-	-	-	-	157,151	-
Precious metal contracts							
- forwards	6,968	6,968	-	-	-	-	-
Total	28,798,280	7,904,693	4,791,847	2,460,326	2,228,845	3,168,567	8,244,002

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	1,355,991	537,388	311,960	406,456	99,138	1,049	-
- currency swaps	13,620,646	7,057,500	4,445,491	2,053,870	63,785	-	-
	14,976,637	7,594,888	4,757,451	2,460,326	162,923	1,049	-
Interest rate related contracts							
- interest rate swaps	12,889,741	-	-	-	2,065,922	2,898,743	7,925,076
Equity related contracts							
- options purchased	157,151	-	-	-	-	157,151	-
Precious metal contracts							
- forwards	6,968	6,968	-	-	-	-	-
Total	28,030,497	7,601,856	4,757,451	2,460,326	2,228,845	3,056,943	7,925,076

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A27. Derivative Financial Instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 30 September 2011, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM776,136,000 (31 December 2010 : RM326,622,000) and RM775,625,000 (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 30 September 2011, the Group and the Bank have posted cash collateral of RM15,213,000 on their 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	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Tier I capital ratio	9.5%	10.0% *	11.8%	12.4% *
Risk-weighted capital ratio	<u>14.9%</u>	<u>13.7% *</u>	<u>15.1%</u>	<u>13.3% *</u>

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

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 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	3,915,451	3,787,881	3,508,238	3,508,238
Retained profits	4,583,758	4,754,405	4,550,246	4,641,801
Innovative Tier I capital securities	1,836,114	1,814,538	1,836,114	1,814,538
Non-innovative Tier I stapled securities	2,082,198	2,081,633	2,082,198	2,081,633
Treasury shares	(215,572)	(215,303)	(215,572)	(215,303)
Non-controlling interests	671,882	652,188	-	-
Less: Goodwill	(1,940,798)	(1,903,898)	(695,393)	(695,393)
Less: Deferred tax assets, net	(554,994)	(521,359)	(456,363)	(418,699)
Total Tier I capital	<u>14,983,275</u>	<u>15,055,321</u>	<u>15,214,704</u>	<u>15,322,051</u>
<u>Tier II capital</u>				
Collective assessment allowance #	2,400,511	2,164,761	1,991,514	1,819,307
Subordinated notes	6,143,338	3,102,012	6,143,338	3,102,012
Total Tier II capital	<u>8,543,849</u>	<u>5,266,773</u>	<u>8,134,852</u>	<u>4,921,319</u>
Total capital	23,527,124	20,322,094	23,349,556	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	(47,227)	(47,439)	(47,227)	(47,439)
Capital base	<u>23,478,937</u>	<u>20,273,695</u>	<u>19,515,045</u>	<u>16,408,647</u>

Excludes collective assessment allowance on impaired loans restricted from Tier II capital of the Group and the Bank of RM159,968,000 (2010: RM131,397,000) and RM128,313,000 (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 Berhad ¹	Public Investment Bank Berhad ²	Public Bank (L) Ltd. ³	Public Bank (Hong Kong) Limited ⁴	Public Finance Limited ⁴	Cambodian Public Bank Plc ⁵
30 September 2011						
Tier I capital ratio	9.8%	19.7%	17.5%	15.5%	28.9%	N/A
Risk-weighted capital ratio	11.3%	20.0%	17.9%	15.5%	30.1%	20.9%
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.

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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):
- ³ The capital adequacy ratios of Public Bank (L) Ltd. for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Financial Services Authority (Labuan FSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the Tier I capital ratio and risk-weighted capital ratio respectively.
- ⁴ The capital adequacy ratios of these two subsidiary companies, which are located in Hong Kong SAR, are computed in accordance with the Banking (Capital) Rules under section 98A of the Banking Ordinance issued by the Hong Kong Monetary Authority, which is based on the Basel II capital accord. These two subsidiary companies have adopted the Standardised Approach for Credit and Market Risk. Public Bank (Hong Kong) Limited has adopted the Basic Indicator Approach for Operational Risk and Public Finance Limited has adopted the Standardised Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- ⁵ The amount presented here is the Solvency Ratio of Cambodian Public Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-010-182, B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as Cambodian Public Bank Plc's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.
- c) The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Credit risk	143,394,130	128,486,892	117,474,410	106,083,803
Market risk	1,590,249	1,063,445	2,731,785	1,788,639
Operational risk	12,409,151	11,546,113	8,844,186	8,446,853
	157,393,530	141,096,450	129,050,381	116,319,295

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A29. Operations of Islamic Banking

A29a. Statement of Financial Position As At 30 September 2011

	Group	
	30 September 2011 RM'000	31 December 2010 RM'000
ASSETS		
Cash and balances with banks	5,274,749	4,571,596
Financial assets held-for-trading	547,417	298,846
Financial investments available-for-sale	1,698,270	2,138,048
Financial investments held-to-maturity	5,067	5,022
Financing and advances	18,532,780	16,339,975
Other assets	97,387	68,446
Statutory deposits with Bank Negara Malaysia	718,200	167,000
Deferred tax assets	89	70,407
Investment in associated company	20,000	-
Property and equipment	1,706	1,545
Total Assets	26,895,665	23,660,885
 LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	19,006,934	15,306,731
Deposits from banks	6,024,072	6,379,985
Bills and acceptances payable	344	4,893
Other liabilities	51,707	70,471
Provision for zakat and taxation	19,238	83,417
Total Liabilities	25,102,295	21,845,497
Islamic Banking Funds	1,793,370	1,815,388
Total Liabilities and Islamic Banking Funds	26,895,665	23,660,885
 COMMITMENTS AND CONTINGENCIES		
	1,829,468	1,171,568

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A29b. Income Statements for the 3rd Quarter and Nine Months Ended 30 September 2011

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	333,341	306,603	932,726	864,704
Income derived from investment of Islamic Banking Funds	24,477	21,895	72,543	61,186
Allowance for impairment on financing and advances	(47,915)	(20,626)	(77,410)	(59,354)
Impairment on other assets	(11)	-	(11)	-
Profit equalisation reserve	13,457	(11,986)	33,436	(24,195)
Total distributable income	323,349	295,886	961,284	842,341
Income attributable to the depositors	(141,327)	(121,583)	(382,267)	(323,131)
Total net income	182,022	174,303	579,017	519,210
Other overheads and expenditures	(40,112)	(44,492)	(135,503)	(139,069)
Profit before zakat and taxation	141,910	129,811	443,514	380,141
Zakat	(80)	(64)	(239)	(192)
Taxation	(33,967)	(31,496)	(108,717)	(91,054)
Profit for the period	107,863	98,251	334,558	288,895

A29c. Statement of Comprehensive Income for the 3rd Quarter and Nine Months Ended 30 September 2011

	3rd Quarter Ended		Nine Months Ended	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Profit for the period	107,863	98,251	334,558	288,895
Other comprehensive loss:				
Net loss on revaluation of financial investments available-for-sale	(3,441)	(2,024)	(189)	(3,229)
Income tax relating to components of other comprehensive loss	860	507	47	807
Other comprehensive loss for the period, net of tax	(2,581)	(1,517)	(142)	(2,422)
Total comprehensive income for the period	105,282	96,734	334,416	286,473

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A29d. Financing and Advances

	Group	
	30 September 2011	31 December 2010
	RM'000	RM'000
Bai Bithaman Ajil-i (deferred payment sale)	5,228,740	4,656,767
Ijarah Thamma Al-Bai'-i (leasing)	9,956,005	8,654,075
Ijarah Muntahia Bittamlik	101,083	80,809
Bai-Al-Einah-i	3,530,815	3,197,877
Gross financing and advances	<u>18,816,643</u>	<u>16,589,528</u>
Allowance for impairment on financing and advances:		
- collective assessment allowance	(282,225)	(248,832)
- individual assessment allowance	(1,638)	(721)
Net financing and advances	<u><u>18,532,780</u></u>	<u><u>16,339,975</u></u>

Movements in impaired financing and advances are as follows:

	Group	
	30 September 2011	31 December 2010
	RM'000	RM'000
At 1 January	162,629	146,515
Impaired during the period / year	323,942	412,215
Reclassified as non-impaired	(232,215)	(304,277)
Recoveries	(24,905)	(33,497)
Amount written off	(51,273)	(56,562)
Financing converted to foreclosed properties / investments	(1,100)	(1,765)
Closing balance	<u><u>177,078</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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A29e. Deposits from Customers

By type of deposit	Group	
	30 September 2011 RM'000	31 December 2010 RM'000
<u>Non-Mudharabah Fund</u>		
Wadiah current deposits-i	2,300,464	2,075,047
Wadiah savings deposits-i	4,246,235	3,861,945
Istismar general investment deposits-i	28,367	-
Negotiable instruments of deposit-i	976,686	2,188,896
	7,551,752	8,125,888
<u>Mudharabah Fund</u>		
Mudharabah current deposits-i	18,626	-
Mudharabah savings deposits-i	72,072	75,642
Mudharabah general investment deposits-i	8,938,924	6,241,737
Mudharabah special investment deposits-i	2,425,560	863,464
	11,455,182	7,180,843
	19,006,934	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 nine months ended 30 September 2011 of RM3,447.4 million was RM491.4 million or 16.6% higher than the previous corresponding period of RM2,955.9 million. Net profit attributable to equity holders improved by RM404.8 million or 18.4% to RM2,606.8 million. The improved earnings was mainly due to higher net interest and net income from Islamic banking business by RM386.0 million (9.7%) and higher net fee and commission income by RM106.5 million (14.4%). The higher net fee and commission income was mainly due to higher income from the fund management business. In addition to the growth of income from various sources, impairment allowance on loans and other assets had shown a drop of RM82.3 million (15.8%) despite the strong loan growth. These were partially offset by higher other operating expenses by RM72.8 million (4.6%) which was mainly due to the increase in personnel costs resulting from the expansion of marketing sales force and higher business volume.

The growth in the Group's net interest income and net income from Islamic banking business was driven by continued strong loans and core customer deposits growth coupled with sustained strong asset quality. Gross loans had grown by 13.8% year-on-year to RM172.7 billion as at 30 September 2011 as compared to RM151.7 billion as at 30 September 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 11.4% or RM15.8 billion as compared to 30 September 2010 which partly contributed to the higher net interest income for the current period. The Group's impaired loan ratio had improved to 0.9% from 1.3% a year ago.

The Group's domestic commercial bank, Public Bank, recorded a pre-tax profit of RM3,028.6 million for the nine months ended 30 September 2011 and was 12.9% higher than the pre-tax profit of RM2,682.9 million achieved in the previous corresponding period. This was mainly due to higher net interest income, higher net fee and commission income, higher dividend income from subsidiaries and lower allowance for loan impairment. These were partially offset by lower foreign exchange profit in respect of the hedging of the Group's overseas operations.

Pre-tax profit contribution from the Group's overseas operations increased by RM11.5 million or 5.4% from the previous corresponding period to RM223.7 million. These were mainly due to lower loan impairment allowances, higher other income and lower other operating expenses, partially offset by lower net interest income.

For the 3rd quarter ended 30 September 2011, the Group registered a pre-tax profit of RM1,186.9 million, an improvement of RM135.6 million or 12.9% as compared to the previous corresponding quarter. This was achieved on the back of strong loans and deposits growth and stable asset quality resulting in higher net interest income and lower loan impairment charges. Earning attributable to equity holders grew by 14.8% or RM116.1 million over the same period.

B2. Variation of Results Against Preceding Quarter

The Group's pre-tax profit of RM1,186.9 million for the 3rd quarter ended 30 September 2011 shows an increase of RM24.4 million or 2.1% as compared to the pre-tax profit of RM1,162.5 million for the preceding quarter ended 30 June 2011. Net profit attributable to equity holders increased by RM18.4 million or 2.1% over the same period. The improved performance was mainly attributable to lower allowance for loan impairment by RM29.3 million and higher net interest and net income from Islamic banking business by RM16.8 million, partially offset by lower profit from foreign exchange business by RM19.7 million.

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B3. Prospects for 2011

The Public Bank Group is cautiously optimistic on the economic outlook for the rest of the year. The Malaysian economy is expected to experience a moderation in its growth rate in 2011 amidst a challenging external environment due to continued weaknesses in the US and in Europe. Meanwhile, economic growth prospects in Asia remain positive which is supported by domestic demand.

The outlook for the Malaysian banking sector, in which the Group largely operates in, continued to be stable and supportive of growth. Competition will further intensify due to the entrance of foreign controlled banks. The retail banking business is projected to grow at a moderate pace amidst stiff competition and the introduction of regulatory measures to address rising household debt levels.

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 and loans to SMEs. The Group will also continue to expand its core 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 Public Bank Group will continue to develop its fee-based revenue by promoting sales of unit trust funds, bancassurance products, wealth management products as well as its debit card and trade finance and remittances businesses. 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.

The Public Bank Group will continue to be proactive in its capital management whilst monitoring the development and impact of the impending implementation of Basel III and ensure a healthy capital level 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 3rd quarter and nine months ended 30 September 2011 are as follows:

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Malaysian income tax	222,892	264,860	758,446	747,492
Overseas income tax	13,522	4,780	43,868	33,791
	<u>236,414</u>	<u>269,640</u>	<u>802,314</u>	<u>781,283</u>
Under / (Over) provision in prior years				
- Malaysian income tax	6,588	(4,340)	6,440	(5,741)
- Overseas income tax	(1)	(23)	(1,370)	2,307
	<u>243,001</u>	<u>265,277</u>	<u>807,384</u>	<u>777,849</u>
Deferred tax expense				
- Relating to origination and reversal of temporary differences	35,954	(8,273)	1,773	(61,090)
Tax expense	<u>278,955</u>	<u>257,004</u>	<u>809,157</u>	<u>716,759</u>
Zakat	80	64	239	192
	<u><u>279,035</u></u>	<u><u>257,068</u></u>	<u><u>809,396</u></u>	<u><u>716,951</u></u>

The Group's effective tax rates for the 3rd quarter and nine months ended 30 September 2011 and 30 September 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>	3rd Quarter Ended		Nine Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Malaysian income tax	167,829	213,871	600,206	598,199
Overseas income tax	473	644	1,569	1,829
	<u>168,302</u>	<u>214,515</u>	<u>601,775</u>	<u>600,028</u>
Under / (Over) provision in prior years				
- Overseas income tax	-	1	(202)	807
	<u>168,302</u>	<u>214,516</u>	<u>601,573</u>	<u>600,835</u>
Deferred tax expense				
- Relating to origination and reversal of temporary differences	33,373	(6,414)	(4,291)	(50,213)
	<u>201,675</u>	<u>208,102</u>	<u>597,282</u>	<u>550,622</u>

The Bank's effective tax rate for the 3rd quarter and nine months ended 30 September 2011 and 30 September 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 3rd quarter and nine months ended 30 September 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 30 September 2011.

B9. Status of Utilisation of Proceeds Raised from Corporate Proposals

The proceeds raised from the issuance of subordinated notes in the current period and 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	
	30 September 2011 RM'000	31 December 2010 RM'000
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	6,474,381	5,162,942
- Unrealised - in respect of deferred tax recognised in the income statement	(32,603)	513,414
- in respect of other items of income and expense	49,065	51,092
	6,490,843	5,727,448
Total share of retained profits from associated companies:		
- Realised	20,074	13,648
- Unrealised	-	-
	6,510,917	5,741,096
Less: Consolidation adjustments	(946,221)	(986,691)
Total Group retained profits as per consolidated accounts	5,564,696	4,754,405
	Bank	
	30 September 2011 RM'000	31 December 2010 RM'000
Total retained profits of Public Bank Berhad:		
- Realised	5,217,532	3,950,498
- Unrealised - in respect of deferred tax recognised in the income statement	(55,494)	418,699
- in respect of other items of income and expense	5,712	5,007
Total Bank retained profits as per accounts	5,167,750	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 Requirement*, 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	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	105,482,370	97,559,190	81,292,002	76,210,614
More than one year	222,086	168,643	140,617	100,646
- Negotiable instruments of deposits				
One year or less	2,381,995	3,377,048	881,089	886,251
More than one year	19,240	12,778	19,240	12,778
- Money market deposits				
One year or less	35,991,902	29,379,017	31,667,475	26,938,395
- Savings deposits	21,666,412	20,440,705	15,258,417	14,035,444
- Demand deposits	27,725,700	25,470,214	23,908,974	22,142,587
- Others	197,984	464,524	196,226	462,551
	193,687,689	176,872,119	153,364,040	140,789,266
(b) <u>Deposits from banks</u>				
- One year or less	13,913,312	21,327,476	15,687,296	21,069,781

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

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 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	895,897	866,676	-	-
Revolving credit				
- One year or less	-	31,676	-	-
	<u>895,897</u>	<u>898,352</u>	<u>-</u>	<u>-</u>
Subordinated notes denominated in USD (unsecured)				
- More than one year	1,309,066	1,294,900	1,309,066	1,294,900
Subordinated notes denominated in RM (unsecured)				
- More than one year	4,957,187	1,893,294	4,957,187	1,893,294
	<u>6,266,253</u>	<u>3,188,194</u>	<u>6,266,253</u>	<u>3,188,194</u>
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	768,728	713,059	768,728	713,059
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	1,236,974	1,205,421	1,236,974	1,205,421
	<u>2,005,702</u>	<u>1,918,480</u>	<u>2,005,702</u>	<u>1,918,480</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	2,189,176	2,089,854	2,189,176	2,089,854
	<u>11,357,028</u>	<u>8,094,880</u>	<u>10,461,131</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, 11 October 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	1,692,500	854,871	367,996	371,800	95,422	2,411	-
- currency swaps	13,115,209	7,370,581	4,174,981	1,569,647	-	-	-
	14,807,709	8,225,452	4,542,977	1,941,447	95,422	2,411	-
Interest rate related contracts							
- interest rate swaps	13,233,517	-	-	120,000	1,910,447	2,992,665	8,210,405
Equity related contracts							
- options purchased	152,741	-	-	-	-	152,741	-
Precious metal contracts							
- forwards	2,937	2,937	-	-	-	-	-
Total	28,196,904	8,228,389	4,542,977	2,061,447	2,005,869	3,147,817	8,210,405

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	1,338,867	518,176	351,058	371,800	95,422	2,411	-
- currency swaps	12,783,196	7,039,815	4,173,734	1,569,647	-	-	-
	14,122,063	7,557,991	4,524,792	1,941,447	95,422	2,411	-
Interest rate related contracts							
- interest rate swaps	12,812,722	-	-	120,000	1,910,447	2,883,570	7,898,705
Equity related contracts							
- options purchased	152,741	-	-	-	-	152,741	-
Precious metal contracts							
- forwards	2,937	2,937	-	-	-	-	-
Total	27,090,463	7,560,928	4,524,792	2,061,447	2,005,869	3,038,722	7,898,705

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 3rd quarter ended 30 September 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 period excluding the weighted average treasury shares held by the Bank.

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2011	2010	2011	2010
Net profit attributable to equity holders (RM'000)	<u>898,794</u>	<u>782,702</u>	<u>2,606,823</u>	<u>2,202,036</u>
Weighted average number of PBB Shares ('000)	<u>3,502,128</u>	<u>3,502,148</u>	<u>3,502,134</u>	<u>3,494,351</u>
Basic earnings per share (sen)	<u>25.7</u>	<u>22.3</u>	<u>74.4</u>	<u>63.0</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.