

**PUBLIC BANK BERHAD**  
**(6463 - H)**  
**(Incorporated in Malaysia)**  
**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013**

	<b>Group</b>			<b>Bank</b>		
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>	<b>1 January 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>	<b>1 January 2012 RM'000 (Restated)</b>
<b>ASSETS</b>						
Cash and balances with banks	<b>28,159,382</b>	18,635,951	18,633,783	<b>20,237,239</b>	11,679,843	10,508,349
Reverse repurchase agreements	<b>8,602,827</b>	8,158,506	9,287,255	<b>7,564,697</b>	7,309,153	8,435,611
Financial assets held-for-trading	<b>13,222,457</b>	16,617,135	10,656,825	<b>10,830,311</b>	13,599,044	10,406,551
Derivative financial assets	<b>403,045</b>	370,465	493,852	<b>390,826</b>	364,344	492,536
Financial investments						
available-for-sale	<b>15,361,462</b>	17,201,120	16,719,433	<b>13,774,341</b>	15,620,244	14,287,941
Financial investments						
held-to-maturity	<b>6,777,290</b>	6,257,771	7,629,233	<b>4,708,620</b>	4,509,314	7,073,857
Loans, advances and financing	<b>207,711,274</b>	196,051,603	175,952,777	<b>172,528,697</b>	162,968,608	143,385,498
Other assets	<b>2,392,286</b>	2,205,998	2,221,635	<b>2,153,525</b>	2,098,972	2,119,787
Statutory deposits with						
Central Banks	<b>6,425,836</b>	5,787,206	5,597,801	<b>5,203,312</b>	4,738,213	4,496,365
Deferred tax assets	<b>65,643</b>	63,227	46,093	-	-	-
Investment in subsidiary						
companies	-	-	-	<b>4,438,581</b>	4,263,581	4,088,581
Investment in associated						
companies	<b>153,183</b>	151,210	155,997	<b>121,325</b>	121,325	121,325
Investment properties	<b>93,579</b>	87,886	70,754	-	-	-
Property and equipment	<b>1,307,076</b>	1,309,533	1,341,940	<b>589,758</b>	607,934	657,124
Intangible assets	<b>1,966,308</b>	1,926,347	1,965,476	<b>695,393</b>	695,393	695,393
<b>TOTAL ASSETS</b>	<b><u>292,641,648</u></b>	<u>274,823,958</u>	<u>250,772,854</u>	<b><u>243,236,625</u></b>	<u>228,575,968</u>	<u>206,768,918</u>
<b>LIABILITIES</b>						
Deposits from customers	<b>240,369,167</b>	225,042,325	200,370,525	<b>194,576,386</b>	181,688,444	159,384,439
Deposits from banks	<b>15,486,017</b>	12,849,313	15,806,732	<b>16,511,461</b>	14,408,778	16,717,349
Bills and acceptances payable	<b>2,304,480</b>	3,048,821	2,095,335	<b>2,555,939</b>	3,132,692	2,095,076
Recourse obligations on loans						
and financing sold to Cagamas	<b>500,713</b>	501,496	11,789	<b>705</b>	1,493	11,789
Derivative financial liabilities	<b>306,894</b>	233,564	236,724	<b>307,404</b>	210,760	190,325
Debt securities issued and other						
borrowed funds	<b>8,925,768</b>	9,946,853	11,317,833	<b>8,027,941</b>	9,081,942	10,422,749
Other liabilities	<b>4,091,448</b>	3,670,249	3,560,244	<b>2,931,119</b>	2,578,888	2,457,855
Provision for tax expense						
and zakat	<b>866,686</b>	740,283	777,405	<b>619,764</b>	522,088	563,807
Deferred tax liabilities	<b>62,075</b>	72,750	85,793	<b>38,544</b>	55,990	80,841
<b>TOTAL LIABILITIES</b>	<b><u>272,913,248</u></b>	<u>256,105,654</u>	<u>234,262,380</u>	<b><u>225,569,263</u></b>	<u>211,681,075</u>	<u>191,924,230</u>

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	<b>Group</b>		<b>Bank</b>		
	<b>30 June</b>	<b>31 December</b>	<b>1 January</b>	<b>30 June</b>	<b>31 December</b>
	<b>2013</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>	<b>(Restated)</b>		<b>(Restated)</b>
					<b>(Restated)</b>
<b>EQUITY</b>					
Share capital	3,531,926	3,531,926	3,531,926	3,531,926	3,531,926
Reserves	15,669,632	14,702,086	12,496,636	14,351,008	11,528,334
Treasury shares	<u>(215,572)</u>	<u>(215,572)</u>	<u>(215,572)</u>	<u>(215,572)</u>	<u>(215,572)</u>
<b>Equity attributable to equity holders of the Bank</b>	<b>18,985,986</b>	18,018,440	15,812,990	<b>17,667,362</b>	14,844,688
Non-controlling interests	<u>742,414</u>	<u>699,864</u>	<u>697,484</u>	-	-
<b>TOTAL EQUITY</b>	<b><u>19,728,400</u></b>	<u>18,718,304</u>	<u>16,510,474</u>	<b><u>17,667,362</u></b>	<u>14,844,688</u>
<b>TOTAL LIABILITIES AND EQUITY</b>					
	<b><u>292,641,648</u></b>	<u>274,823,958</u>	<u>250,772,854</u>	<b><u>243,236,625</u></b>	<u>228,575,968</u>
<b>COMMITMENTS AND CONTINGENCIES</b>					
	<b><u>84,650,564</u></b>	<u>79,457,595</u>	<u>70,847,182</u>	<b><u>79,191,442</u></b>	<u>66,266,801</u>
<b>CAPITAL ADEQUACY</b>					
<b><u>Before deducting interim dividends</u></b>					
Common Equity Tier I Capital Ratio	8.952%	N/A	N/A	10.813%	N/A
Tier I Capital Ratio	10.823%	11.413%	11.235%	12.919%	13.632%
Total Capital Ratio	<u>13.196%</u>	<u>14.674%</u>	<u>15.625%</u>	<u>12.919%</u>	<u>14.534%</u>
<b><u>After deducting interim dividends</u></b>					
Common Equity Tier I Capital Ratio	8.546%	N/A	N/A	10.329%	N/A
Tier I Capital Ratio	10.417%	10.828%	10.634%	12.435%	12.931%
Total Capital Ratio	<u>12.790%</u>	<u>14.089%</u>	<u>15.024%</u>	<u>12.435%</u>	<u>13.833%</u>
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>					
	<u>5.42</u>	<u>5.15</u>	<u>4.52</u>	<u>5.04</u>	<u>4.24</u>

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

<b>Group</b>	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
Operating revenue	<b>3,802,871</b>	3,465,840	<b>7,476,085</b>	6,839,290
Interest income	<b>2,832,395</b>	2,556,678	<b>5,574,566</b>	5,039,561
Interest expense	<b>(1,446,447)</b>	(1,256,049)	<b>(2,838,880)</b>	(2,471,325)
Net interest income	<b>1,385,948</b>	1,300,629	<b>2,735,686</b>	2,568,236
Net income from Islamic banking business	<b>210,001</b>	211,155	<b>417,270</b>	422,820
	<b>1,595,949</b>	1,511,784	<b>3,152,956</b>	2,991,056
Net fee and commission income	<b>321,917</b>	288,114	<b>625,140</b>	572,064
Net gains and losses on financial instruments	<b>31,791</b>	54,849	<b>74,875</b>	88,226
Other operating income	<b>92,243</b>	62,992	<b>169,138</b>	135,042
Net income	<b>2,041,900</b>	1,917,739	<b>4,022,109</b>	3,786,388
Other operating expenses	<b>(629,704)</b>	(608,550)	<b>(1,261,458)</b>	(1,216,151)
Operating profit	<b>1,412,196</b>	1,309,189	<b>2,760,651</b>	2,570,237
Allowance for impairment on loans, advances and financing	<b>(76,296)</b>	(83,576)	<b>(157,686)</b>	(113,589)
Writeback of impairment / (impairment) on other assets	<b>1,829</b>	(923)	<b>3,159</b>	(1,444)
	<b>1,337,729</b>	1,224,690	<b>2,606,124</b>	2,455,204
Share of profit after tax of equity accounted associated companies	<b>2,829</b>	1,454	<b>4,410</b>	2,338
Profit before tax expense and zakat	<b>1,340,558</b>	1,226,144	<b>2,610,534</b>	2,457,542
Tax expense and zakat	<b>(306,273)</b>	(273,147)	<b>(597,325)</b>	(566,461)
Profit for the period	<b>1,034,285</b>	952,997	<b>2,013,209</b>	1,891,081
Profit for the period attributable to :				
- Equity holders of the Bank	<b>1,023,505</b>	942,068	<b>1,991,806</b>	1,872,250
- Non-controlling interests	<b>10,780</b>	10,929	<b>21,403</b>	18,831
	<b>1,034,285</b>	952,997	<b>2,013,209</b>	1,891,081
Earnings per RM1.00 share:				
- basic / diluted (sen)	<b>29.2</b>	26.9	<b>56.9</b>	53.5

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

<b><u>Group</u></b>	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
Profit for the period	<b>1,034,285</b>	952,997	<b>2,013,209</b>	1,891,081
Other comprehensive income / (loss):				
Foreign currency translation reserves:				
- Currency translation differences in respect of:				
- Foreign operations	<b>114,685</b>	142,939	<b>152,733</b>	15,723
- Net investment hedge	<b>(78,794)</b>	(108,996)	<b>(106,813)</b>	(7,249)
	<b>35,891</b>	33,943	<b>45,920</b>	8,474
Revaluation reserves:				
- Net (loss) / gain on revaluation of financial investments available-for-sale	<b>(3,986)</b>	(4,266)	<b>2,034</b>	13,621
Hedging reserves:				
- Net change in cash flow hedges	<b>23,588</b>	(10,631)	<b>9,540</b>	(29,444)
	<b>55,493</b>	19,046	<b>57,494</b>	(7,349)
Income tax relating to components of other comprehensive income / loss:				
- Revaluation reserves	<b>(128)</b>	734	<b>(1,575)</b>	(2,948)
- Hedging reserves	<b>(5,897)</b>	2,658	<b>(2,385)</b>	7,361
	<b>(6,025)</b>	3,392	<b>(3,960)</b>	4,413
Other comprehensive income / (loss) for the period, net of tax	<b>49,468</b>	22,438	<b>53,534</b>	(2,936)
Total comprehensive income for the period	<b>1,083,753</b>	975,435	<b>2,066,743</b>	1,888,145
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	<b>1,052,319</b>	938,457	<b>2,018,184</b>	1,866,463
- Non-controlling interests	<b>31,434</b>	36,978	<b>48,559</b>	21,682
	<b>1,083,753</b>	975,435	<b>2,066,743</b>	1,888,145

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**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013</b>	<b>30 June 2012</b>	<b>30 June 2013</b>	<b>30 June 2012</b>
<b><u>Bank</u></b>	<b>RM'000</b>	<b>RM'000 (Restated)</b>	<b>RM'000</b>	<b>RM'000 (Restated)</b>
Operating revenue	<b><u>2,867,071</u></b>	2,562,793	<b><u>5,655,066</u></b>	5,118,608
Interest income	<b>2,582,615</b>	2,317,433	<b>5,084,783</b>	4,573,192
Interest expense	<b><u>(1,389,741)</u></b>	<u>(1,194,296)</u>	<b><u>(2,727,585)</u></b>	<u>(2,352,966)</u>
Net interest income	<b>1,192,874</b>	1,123,137	<b>2,357,198</b>	2,220,226
Net fee and commission income	<b>131,121</b>	120,996	<b>257,527</b>	236,638
Net gains and losses on financial instruments	<b>39,971</b>	49,558	<b>81,585</b>	85,646
Other operating income	<b><u>261,339</u></b>	<u>205,553</u>	<b><u>510,398</u></b>	<u>563,957</u>
Net income	<b>1,625,305</b>	1,499,244	<b>3,206,708</b>	3,106,467
Other operating expenses	<b><u>(434,587)</u></b>	<u>(416,845)</u>	<b><u>(879,918)</u></b>	<u>(836,925)</u>
Operating profit	<b>1,190,718</b>	1,082,399	<b>2,326,790</b>	2,269,542
Allowance for impairment on loans, advances and financing	<b>(18,815)</b>	(32,429)	<b>(34,923)</b>	(20,855)
Writeback of impairment / (impairment) on other assets	<b><u>1,853</u></b>	<u>(892)</u>	<b><u>3,183</u></b>	<u>(1,421)</u>
Profit before tax expense and zakat	<b>1,173,756</b>	1,049,078	<b>2,295,050</b>	2,247,266
Tax expense and zakat	<b><u>(232,734)</u></b>	<u>(207,124)</u>	<b><u>(461,311)</u></b>	<u>(435,399)</u>
Profit for the period	<b><u>941,022</u></b>	841,954	<b><u>1,833,739</u></b>	1,811,867

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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

<b><u>Bank</u></b>	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
Profit for the period	<b>941,022</b>	841,954	<b>1,833,739</b>	1,811,867
Other comprehensive (loss) / income:				
Revaluation reserves:				
- Net (loss) / gain on revaluation of financial investments available-for-sale	<b>(829)</b>	(5,510)	<b>3,752</b>	4,941
Hedging reserves:				
- Net change in cash flow hedges	<b>(12,437)</b>	1,465	<b>(17,928)</b>	(17,348)
	<b>(13,266)</b>	(4,045)	<b>(14,176)</b>	(12,407)
Income tax relating to components of other comprehensive income / loss:				
- Revaluation reserves	<b>207</b>	1,378	<b>(938)</b>	(1,235)
- Hedging reserves	<b>3,109</b>	(366)	<b>4,482</b>	4,337
	<b>3,316</b>	1,012	<b>3,544</b>	3,102
Other comprehensive loss for the period, net of tax	<b>(9,950)</b>	(3,033)	<b>(10,632)</b>	(9,305)
Total comprehensive income for the period	<b>931,072</b>	838,921	<b>1,823,107</b>	1,802,562

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**INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

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

<u>Group</u>	Non-distributable		Distributable		Treasury Shares RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	<u>Reserves</u> Other Reserves RM'000	<u>Reserves</u> Retained Profits RM'000				
<b>At 1 January 2013</b>								
- as previously stated	3,531,926	1,073,310	4,100,612	9,453,647	(215,572)	17,943,923	699,864	18,643,787
- effects of adoption of MFRS 119	-	-	253,255	(178,738)	-	74,517	-	74,517
<b>At 1 January 2013, as restated</b>	<b>3,531,926</b>	<b>1,073,310</b>	<b>4,353,867</b>	<b>9,274,909</b>	<b>(215,572)</b>	<b>18,018,440</b>	<b>699,864</b>	<b>18,718,304</b>
Profit for the period	-	-	-	1,991,806	-	1,991,806	21,403	2,013,209
Other comprehensive income for the period	-	-	26,378	-	-	26,378	27,156 *	53,534
Total comprehensive income for the period	-	-	26,378	1,991,806	-	2,018,184	48,559	2,066,743
Transactions with owners / other equity movements:								
Transfer to statutory reserves	-	-	4,480	(4,480)	-	-	-	-
Transfer from Profit Equalisation Reserve of the Islamic banking institution	-	-	(503)	503	-	-	-	-
Transfer from regulatory reserves	-	-	(1,565)	1,565	-	-	-	-
Transfer to general reserves	-	-	517	(517)	-	-	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)	(6,009)	(1,056,647)
	-	-	2,929	(1,053,567)	-	(1,050,638)	(6,009)	(1,056,647)
<b>At 30 June 2013</b>	<b>3,531,926</b>	<b>1,073,310</b>	<b>4,383,174</b>	<b>10,213,148</b>	<b>(215,572)</b>	<b>18,985,986</b>	<b>742,414</b>	<b>19,728,400</b>

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

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**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

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

<u>Group</u>	Non-distributable		Distributable		Treasury Shares RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	<u>Reserves</u> Other Reserves RM'000	<u>Reserves</u> Retained Profits RM'000				
At 1 January 2012								
- as previously stated	3,531,926	1,073,310	4,056,014	7,276,808	(215,572)	15,722,486	697,484	16,419,970
- effects of adoption of MFRS 119	-	-	226,723	(136,219)	-	90,504	-	90,504
At 1 January 2012, as restated	<u>3,531,926</u>	<u>1,073,310</u>	<u>4,282,737</u>	<u>7,140,589</u>	<u>(215,572)</u>	<u>15,812,990</u>	<u>697,484</u>	<u>16,510,474</u>
Profit for the period	-	-	-	1,872,250	-	1,872,250	18,831	1,891,081
Other comprehensive (loss) / income for the period	-	-	(5,787)	-	-	(5,787)	2,851 *	(2,936)
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(5,787)</u>	<u>1,872,250</u>	<u>-</u>	<u>1,866,463</u>	<u>21,682</u>	<u>1,888,145</u>
Transactions with owners / other equity movements:								
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	1,008	(1,008)	-	-	-	-
Transfer to statutory reserves	-	-	4,733	(4,733)	-	-	-	-
Transfer from regulatory reserves	-	-	(5,542)	5,542	-	-	-	-
Transfer to general reserves	-	-	431	(431)	-	-	-	-
Dividends paid	-	-	-	(980,595)	-	(980,595)	(6,030)	(986,625)
	<u>-</u>	<u>-</u>	<u>630</u>	<u>(981,225)</u>	<u>-</u>	<u>(980,595)</u>	<u>(6,030)</u>	<u>(986,625)</u>
At 30 June 2012	<u><u>3,531,926</u></u>	<u><u>1,073,310</u></u>	<u><u>4,277,580</u></u>	<u><u>8,031,614</u></u>	<u><u>(215,572)</u></u>	<u><u>16,698,858</u></u>	<u><u>713,136</u></u>	<u><u>17,411,994</u></u>

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

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**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

	<----- Attributable to Equity Holders of the Bank ----->					
	Non-distributable			Distributable		
	Share	Share	<u>Reserves</u>	<u>Reserves</u>	Treasury	
<u>Bank</u>	Capital	Premium	Other	Retained	Shares	Total
	RM'000	RM'000	Reserves	Profits	RM'000	RM'000
<b>At 1 January 2013</b>						
- as previously stated	3,531,926	1,073,310	3,514,328	8,918,940	(215,572)	16,822,932
- effects of adoption of MFRS 119	-	-	244,569	(172,608)	-	71,961
<b>At 1 January 2013, as restated</b>	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,758,897</u>	<u>8,746,332</u>	<u>(215,572)</u>	<u>16,894,893</u>
Profit for the period	-	-	-	1,833,739	-	1,833,739
Other comprehensive loss for the period	-	-	(10,632)	-	-	(10,632)
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(10,632)</u>	<u>1,833,739</u>	<u>-</u>	<u>1,823,107</u>
Transactions with owners / other equity movements:						
Transfer to general reserves	-	-	517	(517)	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)
	<u>-</u>	<u>-</u>	<u>517</u>	<u>(1,051,155)</u>	<u>-</u>	<u>(1,050,638)</u>
<b>At 30 June 2013</b>	<u><u>3,531,926</u></u>	<u><u>1,073,310</u></u>	<u><u>3,748,782</u></u>	<u><u>9,528,916</u></u>	<u><u>(215,572)</u></u>	<u><u>17,667,362</u></u>

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	<----- Attributable to Equity Holders of the Bank ----->					
	Non-distributable			Distributable		
	Share	Share	<u>Reserves</u>	<u>Reserves</u>	Treasury	Total
<b><u>Bank</u></b>	<b>Capital</b>	<b>Premium</b>	<b>Other</b>	<b>Retained</b>	<b>Shares</b>	<b>RM'000</b>
	RM'000	RM'000	Reserves	Profits	RM'000	RM'000
At 1 January 2012						
- as previously stated	3,531,926	1,073,310	3,515,306	6,852,318	(215,572)	14,757,288
- effects of adoption of MFRS 119	-	-	218,947	(131,547)	-	87,400
At 1 January 2012, as restated	3,531,926	1,073,310	3,734,253	6,720,771	(215,572)	14,844,688
Profit for the period	-	-	-	1,811,867	-	1,811,867
Other comprehensive loss for the period	-	-	(9,305)	-	-	(9,305)
Total comprehensive (loss) / income for the period	-	-	(9,305)	1,811,867	-	1,802,562
Transactions with owners / other equity movements:						
Transfer to general reserves	-	-	431	(431)	-	-
Dividends paid	-	-	-	(980,595)	-	(980,595)
	-	-	431	(981,026)	-	(980,595)
At 30 June 2012	3,531,926	1,073,310	3,725,379	7,551,612	(215,572)	15,666,655

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
<b>Cash Flows from Operating Activities</b>				
Profit before tax expense and zakat	<b>2,610,534</b>	2,457,542	<b>2,295,050</b>	2,247,266
Adjustments for non-cash items:				
Share of profit after tax of equity accounted associated companies	<b>(4,410)</b>	(2,338)	-	-
Allowance for impaired loans and financing	<b>258,557</b>	212,408	<b>90,799</b>	77,542
Depreciation of property and equipment	<b>83,093</b>	84,406	<b>67,335</b>	68,502
Net loss / (gain) on financial instruments	<b>5,699</b>	(8,035)	<b>(4,111)</b>	(8,298)
Dividends received	<b>(75,154)</b>	(74,312)	<b>(467,764)</b>	(519,595)
Transfer to profit equalisation reserve	-	1,274	-	-
Impairment (written back) / losses	<b>(3,159)</b>	1,444	<b>(3,183)</b>	1,421
Other non-cash items	<b>34,783</b>	21,092	<b>35,484</b>	27,214
Operating profit before working capital changes	<b>2,909,943</b>	2,693,481	<b>2,013,610</b>	1,894,052
Changes in working capital:				
Increase in operating assets	<b>(9,962,256)</b>	(14,020,514)	<b>(7,472,238)</b>	(10,841,656)
Increase in operating liabilities	<b>17,530,916</b>	12,726,033	<b>14,790,028</b>	12,012,267
Tax expense and zakat paid	<b>(487,665)</b>	(415,486)	<b>(377,521)</b>	(291,144)
Net cash generated from operating activities	<b>9,990,938</b>	983,514	<b>8,953,879</b>	2,773,519
<b>Cash Flows from Investing Activities</b>				
Purchase of property and equipment	<b>(80,578)</b>	(65,657)	<b>(49,101)</b>	(34,898)
Proceeds from disposal of properties	<b>21,606</b>	14,947	<b>21,265</b>	14,407
Net sale / (purchase) of financial investments	<b>1,295,044</b>	(1,975,789)	<b>1,628,661</b>	(946,386)
Additional investment in a subsidiary company	-	-	<b>(175,000)</b>	(175,000)
Dividends received	<b>81,598</b>	74,312	<b>468,776</b>	509,236
Net cash generated from / (used in) investing activities	<b>1,317,670</b>	(1,952,187)	<b>1,894,601</b>	(632,641)

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	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
<b>Cash Flows from Financing Activities</b>				
Dividends paid	<b>(1,056,647)</b>	(986,625)	<b>(1,050,638)</b>	(980,595)
Net drawdown of borrowings	<b>32,916</b>	5,105	-	-
Net proceeds from issuance of debt securities	<b>400,000</b>	-	<b>400,000</b>	-
Redemption of debt securities	<b>(1,400,000)</b>	(1,263,400)	<b>(1,400,000)</b>	(1,263,400)
Net cash used in financing activities	<b>(2,023,731)</b>	(2,244,920)	<b>(2,050,638)</b>	(2,243,995)
Net change in cash and cash equivalents	<b>9,284,877</b>	(3,213,593)	<b>8,797,842</b>	(103,117)
Cash and cash equivalents at beginning of the period	<b>16,835,772</b>	16,570,679	<b>10,238,710</b>	8,111,742
Exchange differences on translation of opening balances	<b>125,175</b>	12,642	-	-
Cash and cash equivalents at end of the period (Note)	<b><u>26,245,824</u></b>	<u>13,369,728</u>	<b><u>19,036,552</u></b>	<u>8,008,625</u>
Note:				
Cash and balances with banks	<b>28,159,382</b>	15,014,351	<b>20,237,239</b>	9,355,343
Less: Balances with banks with maturity more than one month	<b>(1,913,558)</b>	(1,644,623)	<b>(1,200,687)</b>	(1,346,718)
Cash and cash equivalents at end of the period	<b><u>26,245,824</u></b>	<u>13,369,728</u>	<b><u>19,036,552</u></b>	<u>8,008,625</u>

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

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**Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") and  
Policy Document on Financial Reporting Issued by Bank Negara Malaysia**

**A1. Basis of Preparation**

The unaudited interim financial statements for the 2nd quarter and financial half year ended 30 June 2013 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale, derivative financial instruments and investment properties.

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

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

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

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

The adoption of MFRS 119 has affected the way in which the Group and the Bank account for employee benefits, in particular with respect to post-employment benefits under its defined benefit plan. The financial effects of the adoption of MFRS 119 are discussed in Note A31 Changes in Accounting Policies.

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**A1. Basis of Preparation** (Continued)

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

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

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

On 28 June 2013, Bank Negara Malaysia issued policy documents on Financial Reporting and Financial Reporting for Islamic Banking Institutions ("Policy Documents") to replace the Guidelines on Financial Reporting for Banking Institutions and Guidelines on Financial Reporting for Islamic Banking Institutions (BNM/GP8-i) respectively. The Policy Documents set minimum expectations for the application of the MFRSs and aim to ensure adequate disclosures in the financial statements of banking institutions. The Bank and the Domestic banking subsidiaries of the Group have adopted the Policy Documents with effect from 30 June 2013. There is no financial impact from the adoption of the Policy Documents. Since the adoption of the Policy Documents only affect disclosures in the financial statements, there is no impact on the financial results of the Group and the Bank.

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

Effective for annual periods commencing on or after 1 January 2014

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

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

Effective for annual periods commencing on or after 1 January 2015

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

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

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

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

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

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**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 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 2nd quarter and financial half year ended 30 June 2013.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the 2nd quarter and financial half year ended 30 June 2013.

**A5. Changes in Estimates**

Other than as disclosed in Note A31 Changes in Accounting Policies, there were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 2nd quarter and financial half year ended 30 June 2013.

**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) **Senior Medium Term Notes**

On 5 April 2013, the Bank obtained the approval from the Securities Commission for the establishment of a Senior Medium Term Notes Programme for the issuance of Senior Medium Term Notes ("Senior MTNs") of up to RM5.0 billion in Nominal Value ("Senior MTNs Programme").

During the period, the Group issued RM400 million in nominal value of Senior MTNs with a tenor of 5 years.

b) **Subordinated Notes**

On 16 May 2013, the Bank had redeemed the RM1,400 million 4.73% Subordinated Notes together with accrued interest.

**A7. Dividends Paid and Distributed**

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

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**A8. Financial Assets Held-for-trading**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	-	68,286	-	68,286
Malaysian Government Securities	<b>160,877</b>	141,362	<b>130,814</b>	141,362
Malaysian Government Investment Certificates	<b>578,638</b>	193,352	<b>578,638</b>	193,352
Bank Negara Malaysia Monetary Notes	<b>1,230,048</b>	3,424,343	<b>479,880</b>	1,906,237
Bank Negara Malaysia Bills	-	149,736	-	-
	<u><b>1,969,563</b></u>	<u>3,977,079</u>	<u><b>1,189,332</b></u>	<u>2,309,237</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit	<u><b>10,239,773</b></u>	11,836,221	<u><b>8,751,751</b></u>	10,715,460
<b>Non-money market instruments:</b>				
Equity securities:				
- Quoted shares in Malaysia	<b>228</b>	879	<b>228</b>	879
Debt securities:				
- Cagamas bonds	<b>95,035</b>	-	<b>75,028</b>	-
- Unquoted private debt securities	<b>917,858</b>	802,956	<b>813,972</b>	573,468
	<u><b>1,013,121</b></u>	<u>803,835</u>	<u><b>889,228</b></u>	<u>574,347</u>
Total financial assets held-for-trading	<u><b>13,222,457</b></u>	<u>16,617,135</u>	<u><b>10,830,311</b></u>	<u>13,599,044</u>



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**A9. Financial Investments Available-for-sale**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	1,036,652	845,916	1,036,652	845,916
Malaysian Government Securities	567,745	491,355	567,745	491,355
Malaysian Government Investment Certificates	1,305,378	1,389,493	754,080	836,162
Bank Negara Malaysia Monetary Notes	5,187,529	7,341,239	5,187,529	7,341,239
	<u>8,097,304</u>	<u>10,068,003</u>	<u>7,546,006</u>	<u>9,514,672</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit	<u>50,033</u>	-	<u>50,033</u>	-
<b>Non-money market instruments:</b>				
Equity securities #:				
- Quoted shares and convertible loan stocks in Malaysia	17,317	36,210	17,317	36,210
- Quoted shares and convertible loan stocks outside Malaysia	11,554	10,984	-	-
- Unquoted shares	109,336	108,383	105,467	104,614
Debt securities:				
- Unquoted private debt securities	2,042,128	2,014,665	1,582,592	1,554,903
Unit trust funds	5,033,790	4,962,875	4,472,926	4,409,845
	<u>7,214,125</u>	<u>7,133,117</u>	<u>6,178,302</u>	<u>6,105,572</u>
Total financial investments available-for-sale	<u>15,361,462</u>	<u>17,201,120</u>	<u>13,774,341</u>	<u>15,620,244</u>

# Stated at cost, net of impairment loss.

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**A10. Financial Investments Held-to-maturity**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<b>At amortised cost</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	29,546	-	-	-
Malaysian Government Securities	1,069,748	1,139,827	1,049,573	1,089,201
Malaysian Government Investment Certificates	1,941,038	1,739,184	1,901,061	1,739,184
Foreign Government Treasury Bills	832,258	727,307	122,830	58,285
	<u>3,872,590</u>	<u>3,606,318</u>	<u>3,073,464</u>	<u>2,886,670</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit	1,794,763	1,717,161	1,500,390	1,472,807
Bankers' acceptances and Islamic accepted bills	225,965	299,437	-	-
	<u>2,020,728</u>	<u>2,016,598</u>	<u>1,500,390</u>	<u>1,472,807</u>
<b>Non-money market instruments:</b>				
Debt securities:				
- Cagamas bonds	5,059	5,059	5,059	5,059
- Unquoted private debt securities	879,043	629,951	129,837	144,933
	<u>884,102</u>	<u>635,010</u>	<u>134,896</u>	<u>149,992</u>
Accumulated impairment losses	(130)	(155)	(130)	(155)
Total financial investments held-to-maturity	<u>6,777,290</u>	<u>6,257,771</u>	<u>4,708,620</u>	<u>4,509,314</u>

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**A11. Loans, Advances and Financing**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<b>At amortised cost</b>				
Overdrafts	9,621,165	9,528,841	8,308,374	8,291,756
Term loans				
- Housing loans / financing	64,541,012	59,867,383	56,411,297	52,536,395
- Syndicated term loan / financing	1,880,481	1,974,334	1,069,834	881,720
- Hire purchase receivables	43,335,532	42,021,461	30,530,188	30,138,506
- Other term loans / financing	79,310,426	73,633,407	66,830,647	61,665,524
Credit card receivables	1,568,107	1,604,211	1,557,751	1,594,106
Bills receivables	133,947	130,609	108,267	97,980
Trust receipts	327,479	324,142	263,651	278,177
Claims on customers under acceptance credits	4,024,138	4,020,397	3,949,556	4,007,132
Revolving credits	3,439,378	3,464,140	3,464,261	3,505,412
Staff loans *	1,258,544	1,214,239	1,181,724	1,141,458
Gross loans, advances and financing	<u>209,440,209</u>	<u>197,783,164</u>	<u>173,675,550</u>	<u>164,138,166</u>
Allowance for impaired loans and financing:				
- collective assessment allowance	(1,557,531)	(1,529,566)	(1,054,498)	(1,059,484)
- individual assessment allowance	(171,404)	(201,995)	(92,355)	(110,074)
Net loans, advances and financing	<u>207,711,274</u>	<u>196,051,603</u>	<u>172,528,697</u>	<u>162,968,608</u>

\* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM3,638,000 (2012: RM3,785,000) and RM3,197,000 (2012 - RM3,313,000) respectively.

**A11a. By class**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Retail loans / financing *				
- Housing loans / financing	64,541,012	59,867,383	56,411,297	52,536,395
- Hire purchase	43,335,532	42,021,461	30,530,188	30,138,506
- Credit cards	1,568,107	1,604,211	1,557,751	1,594,106
- Other loans / financing ^	70,470,683	66,421,547	61,073,858	57,307,670
	<u>179,915,334</u>	<u>169,914,602</u>	<u>149,573,094</u>	<u>141,576,677</u>
Corporate loans / financing	29,524,875	27,868,562	24,102,456	22,561,489
	<u>209,440,209</u>	<u>197,783,164</u>	<u>173,675,550</u>	<u>164,138,166</u>

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

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

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**A11. Loans, Advances and Financing** (continued)

**A11b. By type of customer**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Banking institutions	593,194	572,034	412,340	397,658
Non-bank financial institutions				
- Stock-broking companies	13,285	14,202	13,285	14,202
- Others	5,317,772	5,676,475	5,197,201	5,434,225
Business enterprises				
- Small and medium enterprises	43,131,883	38,966,081	38,868,669	35,195,448
- Others	24,577,108	24,147,664	20,063,764	19,727,188
Government and statutory bodies	320,994	341,178	217	19,300
Individuals	133,178,317	126,071,304	106,960,340	101,473,775
Other entities	42,759	42,618	39,893	39,740
Foreign entities	2,264,897	1,951,608	2,119,841	1,836,630
	<b>209,440,209</b>	<b>197,783,164</b>	<b>173,675,550</b>	<b>164,138,166</b>

**A11c. By interest / profit rate sensitivity**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Fixed rate				
- Housing loans / financing	971,863	1,200,815	272,107	461,400
- Hire purchase receivables	41,715,436	40,487,636	30,519,557	30,128,935
- Other fixed rate loans / financing	15,259,000	15,447,863	8,127,778	8,170,545
Variable rate				
- Base lending rate plus	122,461,023	113,302,637	115,508,869	107,615,616
- Cost plus	19,324,315	17,881,772	18,518,238	17,123,260
- Other variable rates	9,708,572	9,462,441	729,001	638,410
	<b>209,440,209</b>	<b>197,783,164</b>	<b>173,675,550</b>	<b>164,138,166</b>

**A11d. By residual contractual maturity**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Maturity within one year	28,989,295	26,478,852	24,432,827	22,175,219
More than one year to three years	21,781,061	22,671,399	17,602,930	18,602,463
More than three years to five years	20,294,182	18,899,528	15,702,763	14,547,090
More than five years	138,375,671	129,733,385	115,937,030	108,813,394
	<b>209,440,209</b>	<b>197,783,164</b>	<b>173,675,550</b>	<b>164,138,166</b>

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**A11. Loans, Advances and Financing** (continued)

**A11e. By geographical distribution**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Malaysia	195,737,993	184,541,775	173,211,283	163,752,137
Hong Kong SAR and the People's Republic of China	10,987,059	10,778,263	-	-
Cambodia	2,250,890	2,077,097	-	-
Other countries	464,267	386,029	464,267	386,029
	<u>209,440,209</u>	<u>197,783,164</u>	<u>173,675,550</u>	<u>164,138,166</u>

**A11f. Gross loans, advances and financing by economic purpose**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Purchase of securities	5,152,190	4,126,999	5,022,902	4,050,091
Purchase of transport vehicles	43,568,497	42,238,571	30,748,287	30,344,330
Purchase of landed properties	116,744,351	108,286,165	103,908,050	96,520,395
(of which: - residential	65,958,704	61,130,701	57,844,182	53,826,198
- non-residential)	50,785,647	47,155,464	46,063,868	42,694,197
Purchase of fixed assets (excluding landed properties)	254,650	298,551	224,876	258,721
Personal use	9,087,849	9,318,142	4,361,813	4,270,035
Credit card	1,568,107	1,604,211	1,557,751	1,594,106
Purchase of consumer durables	16,872	16,746	13,468	13,103
Construction	2,616,481	2,493,576	2,025,597	1,911,728
Mergers and acquisitions	223,941	220,006	223,941	220,006
Working capital	26,408,384	25,325,719	22,059,277	21,365,295
Other purpose	3,798,887	3,854,478	3,529,588	3,590,356
	<u>209,440,209</u>	<u>197,783,164</u>	<u>173,675,550</u>	<u>164,138,166</u>

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**A11. Loans, Advances and Financing** (continued)

**A11g. Gross loans, advances and financing by sectors**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Agriculture, hunting, forestry and fishing	2,775,218	2,690,193	2,483,209	2,422,271
Mining and quarrying	180,882	158,556	151,721	138,374
Manufacturing	8,640,124	8,149,499	7,696,286	7,316,331
Electricity, gas and water	44,325	38,083	26,543	14,898
Construction	6,212,946	6,039,106	5,335,283	5,174,150
Wholesale & retail trade and restaurants & hotels	18,353,701	17,304,919	16,797,817	15,819,202
Transport, storage and communication	3,324,822	3,182,098	2,494,985	2,434,007
Finance, insurance and business services	12,338,308	11,325,402	11,003,624	10,077,315
Real estate	19,225,851	17,850,585	16,170,499	14,926,521
Community, social and personal services	4,151,260	3,947,054	3,729,525	3,542,013
Households	133,359,003	126,342,848	107,663,225	102,115,314
Others	833,769	754,821	122,833	157,770
	<u>209,440,209</u>	<u>197,783,164</u>	<u>173,675,550</u>	<u>164,138,166</u>

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Bankers' acceptances rediscounted	<u>1,788,447</u>	<u>2,306,869</u>	<u>1,787,295</u>	<u>2,305,913</u>

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
At 1 January	1,374,086	1,529,657	1,014,660	1,150,234
Impaired during the period / year	1,477,075	2,575,901	1,078,112	1,881,155
Reclassified as non-impaired	(994,437)	(1,924,842)	(809,772)	(1,571,125)
Recoveries	(188,796)	(299,087)	(88,356)	(234,953)
Amount written off	(268,892)	(475,296)	(113,698)	(185,974)
Loans converted to foreclosed properties / investments	(2,880)	(24,759)	(2,706)	(24,502)
Exchange differences	6,869	(7,488)	88	(175)
Closing balance	<u>1,403,025</u>	<u>1,374,086</u>	<u>1,078,328</u>	<u>1,014,660</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.67%</u>	<u>0.69%</u>	<u>0.62%</u>	<u>0.62%</u>

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**A11. Loans, Advances and Financing** (continued)

**A11j. Impaired loans, advances and financing by geographical distribution**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Malaysia	1,289,903	1,212,622	1,072,880	1,012,355
Hong Kong SAR and the People's Republic of China	66,184	96,054	-	-
Cambodia	41,490	63,105	-	-
Other countries	5,448	2,305	5,448	2,305
	<b>1,403,025</b>	<b>1,374,086</b>	<b>1,078,328</b>	<b>1,014,660</b>

**A11k. Impaired loans, advances and financing by economic purpose**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Purchase of securities	5,489	5,852	5,485	5,848
Purchase of transport vehicles	318,204	263,313	230,903	189,226
Purchase of landed properties	606,144	591,758	542,178	497,871
(of which: - residential	470,716	420,286	415,082	371,040
- non-residential)	135,428	171,472	127,096	126,831
Purchase of fixed assets (excluding landed properties)	6,159	6,168	6,097	6,049
Personal use	171,613	165,205	49,323	47,086
Credit card	24,677	23,421	24,643	23,309
Purchase of consumer durables	379	377	304	309
Construction	9,114	14,109	8,727	13,369
Working capital	245,337	283,886	194,924	211,641
Other purpose	15,909	19,997	15,744	19,952
	<b>1,403,025</b>	<b>1,374,086</b>	<b>1,078,328</b>	<b>1,014,660</b>

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**A11. Loans, Advances and Financing** (continued)

**A11l. Impaired loans, advances and financing by sectors**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Agriculture, hunting, forestry and fishing	10,610	11,772	2,918	4,422
Mining and quarrying	1,168	132	121	97
Manufacturing	128,335	130,029	116,878	117,907
Electricity, gas and water	1,431	1,205	-	-
Construction	47,370	68,336	45,911	66,813
Wholesale & retail trade and restaurants & hotels	107,986	117,113	91,413	86,462
Transport, storage and communication	48,281	54,959	46,821	47,954
Finance, insurance and business services	35,937	44,217	22,924	21,186
Real estate	24,994	61,688	23,664	30,388
Community, social and personal services	16,883	16,091	16,707	15,980
Households	978,191	867,416	710,033	622,571
Others	1,839	1,128	938	880
	<b>1,403,025</b>	<b>1,374,086</b>	<b>1,078,328</b>	<b>1,014,660</b>

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<u>Collective Assessment Allowance</u>				
At 1 January	1,529,566	1,496,044	1,059,484	1,038,212
Allowance made during the period / year	145,310	279,199	83,586	187,119
Amount written off	(118,853)	(243,996)	(88,766)	(165,574)
Exchange differences	1,508	(1,681)	194	(273)
Closing balance	<b>1,557,531</b>	<b>1,529,566</b>	<b>1,054,498</b>	<b>1,059,484</b>

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<u>Individual Assessment Allowance</u>				
At 1 January	201,995	245,196	110,074	134,748
Allowance made during the period / year	118,513	246,919	10,018	27,173
Amount written back in respect of recoveries	(5,266)	(52,054)	(2,805)	(30,043)
Amount written off	(150,039)	(231,300)	(24,932)	(20,400)
Amount transferred to allowance for impairment loss on foreclosed properties	-	(1,404)	-	(1,404)
Exchange differences	6,201	(5,362)	-	-
Closing balance	<b>171,404</b>	<b>201,995</b>	<b>92,355</b>	<b>110,074</b>



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**A12. Other Assets**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000 (Restated)	30 June 2013 RM'000	31 December 2012 RM'000 (Restated)
Deferred handling fees	238,149	236,571	169,934	173,995
Interest / Income receivable	78,992	32,942	60,579	20,560
Other receivables, deposits and prepayments	1,314,517	1,283,277	1,227,027	1,156,749
Manager's stocks	151,186	67,652	-	-
Employee benefits	160,134	199,079	154,776	192,251
Amount due from trust funds	142,653	97,891	-	-
Foreclosed properties	69,757	82,673	67,881	80,522
Taxi licenses	1,094	1,056	-	-
Outstanding contracts on clients' accounts	235,804	204,857	-	-
Amount due from subsidiary companies	-	-	44,790	45,248
Dividend receivable from subsidiary companies	-	-	428,538	429,647
	<u>2,392,286</u>	<u>2,205,998</u>	<u>2,153,525</u>	<u>2,098,972</u>

**A13. Deposits from Customers**

a) By type of deposit

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<b>At amortised cost</b>				
Core deposits:				
- Demand deposits	35,516,435	32,632,541	30,711,864	28,643,745
- Savings deposits	24,940,695	23,726,493	17,843,341	16,843,952
- Fixed deposits	131,398,211	120,675,603	104,532,060	93,931,585
	<u>191,855,341</u>	<u>177,034,637</u>	<u>153,087,265</u>	<u>139,419,282</u>
Wholesale deposits:				
- Negotiable instruments of deposit	1,937,018	1,223,620	236,846	90,112
- Money market deposits	46,399,061	46,593,137	41,076,296	41,991,233
	<u>48,336,079</u>	<u>47,816,757</u>	<u>41,313,142</u>	<u>42,081,345</u>
Other deposits	177,747	190,931	175,979	187,817
	<u>240,369,167</u>	<u>225,042,325</u>	<u>194,576,386</u>	<u>181,688,444</u>

b) By type of customer

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Federal and state governments	1,029,550	1,617,446	198,106	162,506
Local government and statutory authorities	3,193,778	3,154,490	2,010,176	2,041,839
Business enterprises	68,185,819	64,959,217	55,374,812	52,239,124
Individuals	105,788,299	102,008,645	92,278,048	88,167,268
Foreign customers	4,661,324	4,444,181	4,102,217	3,840,822
Others	57,510,397	48,858,346	40,613,027	35,236,885
	<u>240,369,167</u>	<u>225,042,325</u>	<u>194,576,386</u>	<u>181,688,444</u>

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**A13. Deposits from Customers** (continued)

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Due within six months	157,312,110	151,771,362	126,528,857	121,861,534
More than six months to one year	22,245,608	16,345,923	19,210,522	14,023,613
More than one year to three years	171,692	367,778	101,677	122,377
More than three years to five years	4,880	7,297	4,146	5,406
	<u>179,734,290</u>	<u>168,492,360</u>	<u>145,845,202</u>	<u>136,012,930</u>

**A14. Deposits from Banks**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
<b>At amortised cost</b>				
Licensed banks	4,181,385	3,080,562	2,723,593	2,168,377
Licensed Islamic banks	1,012,844	1,428,121	762,844	808,850
Licensed investment banks	5,210,984	3,573,682	5,298,852	3,435,195
Bank Negara Malaysia	2,186,271	2,602,861	2,185,316	2,602,861
Other financial institutions	2,894,533	2,164,087	5,540,856	5,393,495
	<u>15,486,017</u>	<u>12,849,313</u>	<u>16,511,461</u>	<u>14,408,778</u>

**A15. Other Liabilities**

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000 (Restated)	30 June 2013 RM'000	31 December 2012 RM'000 (Restated)
Interest / Income payable	1,075,176	1,102,170	911,212	935,099
Other payables and accruals	2,467,737	2,120,839	1,958,600	1,565,466
Amount due to trust funds	216,475	46,656	-	-
Unprocessed sales and / or redemptions	66,105	127,505	-	-
Profit Equalisation Reserve of the investment account holder	-	265	-	-
Finance lease liabilities	43,754	60,723	43,754	60,723
Outstanding contracts on clients' accounts	214,095	199,195	-	-
Dividend payable to shareholders	8,106	12,896	2,097	2,461
Amount due to subsidiary companies	-	-	15,456	15,139
	<u>4,091,448</u>	<u>3,670,249</u>	<u>2,931,119</u>	<u>2,578,888</u>

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**A16. Interest Income**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Loans and advances	2,371,343	2,176,320	4,679,758	4,290,492
Balances with banks	203,015	95,211	373,716	212,593
Financial investments available-for-sale	73,191	99,791	148,370	167,366
Financial investments held-to-maturity	59,018	66,148	115,707	145,653
Others	32,724	25,225	62,781	48,311
	<u>2,739,291</u>	<u>2,462,695</u>	<u>5,380,332</u>	<u>4,864,415</u>
Financial assets held-for-trading	93,104	93,983	194,234	175,146
	<u>2,832,395</u>	<u>2,556,678</u>	<u>5,574,566</u>	<u>5,039,561</u>

Of which:

Interest income earned on impaired loans  
and advances

<u>13,803</u>	<u>13,151</u>	<u>26,373</u>	<u>26,203</u>
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	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Bank</b>				
Loans and advances	2,163,707	1,978,132	4,268,155	3,897,467
Balances with banks	189,410	85,963	350,277	199,026
Financial investments available-for-sale	71,495	95,584	144,969	160,179
Financial investments held-to-maturity	40,863	46,401	81,795	105,498
Others	32,723	25,214	62,776	48,297
	<u>2,498,198</u>	<u>2,231,294</u>	<u>4,907,972</u>	<u>4,410,467</u>
Financial assets held-for-trading	84,417	86,139	176,811	162,725
	<u>2,582,615</u>	<u>2,317,433</u>	<u>5,084,783</u>	<u>4,573,192</u>

Of which:

Interest income earned on impaired loans  
and advances

<u>12,787</u>	<u>12,172</u>	<u>24,294</u>	<u>24,769</u>
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**A17. Interest Expense**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Group</u></b>				
Deposits from banks	81,753	72,064	172,311	118,134
Deposits from customers	1,270,978	1,081,053	2,476,818	2,147,713
Loans sold to Cagamas	8	106	21	228
Debt securities issued and other borrowed funds	91,004	100,015	185,320	200,300
Others	2,704	2,811	4,410	4,950
	<b><u>1,446,447</u></b>	<b><u>1,256,049</u></b>	<b><u>2,838,880</u></b>	<b><u>2,471,325</u></b>

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank</u></b>				
Deposits from banks	72,525	40,309	156,740	81,394
Deposits from customers	1,226,950	1,054,548	2,387,963	2,073,032
Loans sold to Cagamas	8	106	21	228
Debt securities issued and other borrowed funds	87,639	96,587	178,582	193,503
Others	2,619	2,746	4,279	4,809
	<b><u>1,389,741</u></b>	<b><u>1,194,296</u></b>	<b><u>2,727,585</u></b>	<b><u>2,352,966</u></b>

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**A18. Net Fee and Commission Income**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Fee and commission income:				
Commissions	94,767	88,064	184,322	169,768
Service charges and fees	66,718	67,231	134,518	132,852
Guarantee fees	10,385	9,741	17,121	16,511
Processing fees	4,170	3,623	7,680	6,982
Commitment fees	15,020	14,982	31,295	29,997
Unit trust management fees	171,395	148,878	333,343	293,703
Fee on sale of trust units	78,381	66,631	150,227	132,035
Net brokerage and commissions from stockbroking activities	24,113	17,252	41,728	41,777
Other fee and commission income	10,035	14,581	20,722	25,729
	<u>474,984</u>	<u>430,983</u>	<u>920,956</u>	<u>849,354</u>
Fee and commission expense:				
Loan related fee	(62,421)	(59,370)	(122,711)	(112,388)
Unit trust agency fee	(87,093)	(78,895)	(165,108)	(154,630)
Other fee and commission expense	(3,553)	(4,604)	(7,997)	(10,272)
	<u>(153,067)</u>	<u>(142,869)</u>	<u>(295,816)</u>	<u>(277,290)</u>
Net fee and commission income	<u>321,917</u>	<u>288,114</u>	<u>625,140</u>	<u>572,064</u>

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Bank</b>				
Fee and commission income:				
Commissions	111,512	96,558	218,382	189,452
Service charges and fees	50,619	49,424	101,545	97,832
Guarantee fees	9,625	8,980	15,621	14,985
Processing fees	1,145	776	2,132	1,423
Commitment fees	14,307	14,262	29,873	28,579
Other fee and commission income	7,867	12,071	16,224	20,808
	<u>195,075</u>	<u>182,071</u>	<u>383,777</u>	<u>353,079</u>
Fee and commission expense:				
Loan related fee	(61,251)	(58,298)	(120,635)	(110,462)
Other fee and commission expense	(2,703)	(2,777)	(5,615)	(5,979)
	<u>(63,954)</u>	<u>(61,075)</u>	<u>(126,250)</u>	<u>(116,441)</u>
Net fee and commission income	<u>131,121</u>	<u>120,996</u>	<u>257,527</u>	<u>236,638</u>

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**A19. Net Gains and Losses on Financial Instruments**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>
<b><u>Group</u></b>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	2,144	4,266	5,412	5,879
- gross dividend income	8	9	8	17
- unrealised revaluation gain / (loss)	782	2,187	(2,472)	(2,057)
	<u>2,934</u>	<u>6,462</u>	<u>2,948</u>	<u>3,839</u>
Net gain / (loss) arising on trading derivatives				
- net gain on disposal	153	226	281	366
- unrealised revaluation (loss) / gain	(9,609)	1,068	(6,756)	4,307
	<u>(9,456)</u>	<u>1,294</u>	<u>(6,475)</u>	<u>4,673</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	1,039	6,205	5,232	6,311
- gross dividend income	38,908	40,742	75,154	74,295
	<u>39,947</u>	<u>46,947</u>	<u>80,386</u>	<u>80,606</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(1,665)	167	(2,018)	(893)
- cash flow hedge	31	(21)	34	1
	<u>(1,634)</u>	<u>146</u>	<u>(1,984)</u>	<u>(892)</u>
Net gains and losses on financial instruments	<u>31,791</u>	<u>54,849</u>	<u>74,875</u>	<u>88,226</u>
	<b>2nd Quarter Ended</b>	<b>2nd Quarter Ended</b>	<b>Half Year Ended</b>	<b>Half Year Ended</b>
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>
<b><u>Bank</u></b>				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	2,166	4,020	5,434	5,618
- gross dividend income	8	9	8	17
- unrealised revaluation gain / (loss)	770	2,442	(2,453)	(2,066)
	<u>2,944</u>	<u>6,471</u>	<u>2,989</u>	<u>3,569</u>
Net gain / (loss) arising on trading derivatives				
- net gain on disposal	153	226	281	366
- unrealised revaluation (loss) / gain	(792)	(2,826)	2,085	3,831
	<u>(639)</u>	<u>(2,600)</u>	<u>2,366</u>	<u>4,197</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	1,039	6,205	5,232	6,311
- gross dividend income	37,397	39,140	72,032	71,713
	<u>38,436</u>	<u>45,345</u>	<u>77,264</u>	<u>78,024</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(801)	363	(1,068)	(145)
- cash flow hedge	31	(21)	34	1
	<u>(770)</u>	<u>342</u>	<u>(1,034)</u>	<u>(144)</u>
Net gains and losses on financial instruments	<u>39,971</u>	<u>49,558</u>	<u>81,585</u>	<u>85,646</u>

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**A20. Other Operating Income**

	2nd Quarter Ended		Half Year Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
<b>Group</b>				
Other income:				
Foreign exchange profit	68,928	41,483	127,046	100,177
Rental income from:				
- investment properties	1,455	1,321	2,859	2,631
- other properties	3,663	3,650	7,086	6,986
Net (loss) / gain on disposal of property and equipment	(14)	51	286	(616)
Net (loss) / gain on disposal of foreclosed properties	(1,566)	14	2,481	(596)
Net gain on revaluation of investment properties	2,100	6,989	2,100	6,989
Others	17,677	9,484	27,280	19,471
Total other operating income	<u>92,243</u>	<u>62,992</u>	<u>169,138</u>	<u>135,042</u>
	2nd Quarter Ended	2nd Quarter Ended	Half Year Ended	Half Year Ended
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
<b>Bank</b>				
Gross dividend income from:				
- associated companies	6,460	-	6,460	-
- subsidiary companies				
- quoted outside Malaysia	16,519	16,496	16,519	16,496
- unquoted in Malaysia	186,858	169,569	372,753	431,369
	<u>209,837</u>	<u>186,065</u>	<u>395,732</u>	<u>447,865</u>
Other income:				
Foreign exchange profit	35,486	9,726	85,244	97,725
Rental income from other properties	2,851	2,900	5,475	5,502
Net gain / (loss) on disposal of property and equipment	63	71	360	(608)
Net (loss) / gain on disposal of foreclosed properties	(1,566)	14	2,481	(596)
Others	14,668	6,777	21,106	14,069
	<u>51,502</u>	<u>19,488</u>	<u>114,666</u>	<u>116,092</u>
Total other operating income	<u>261,339</u>	<u>205,553</u>	<u>510,398</u>	<u>563,957</u>

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**A21. Other Operating Expenses**

<u>Group</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2013 RM'000	30 June 2012 RM'000 (Restated)	30 June 2013 RM'000	30 June 2012 RM'000 (Restated)
Personnel costs				
- Salaries, allowances and bonuses	349,358	333,413	712,197	658,505
- Pension costs	49,228	50,822	100,392	102,319
- Others	31,264	31,199	61,251	61,143
	<u>429,850</u>	<u>415,434</u>	<u>873,840</u>	<u>821,967</u>
Establishment costs				
- Depreciation	41,584	41,944	83,093	84,406
- Rental	22,435	20,884	44,550	40,984
- Insurance	6,032	4,724	12,157	12,101
- Water and electricity	11,478	10,024	21,727	20,369
- General repairs and maintenance	18,827	20,395	34,335	38,608
- Information technology expenses	6,887	7,039	13,917	13,835
- Others	11,584	8,751	22,016	17,949
	<u>118,827</u>	<u>113,761</u>	<u>231,795</u>	<u>228,252</u>
Marketing expenses				
- Advertisement and publicity	18,537	19,544	34,815	38,912
- Others	20,659	20,800	41,705	42,805
	<u>39,196</u>	<u>40,344</u>	<u>76,520</u>	<u>81,717</u>
Administration and general expenses				
- Communication expenses	10,025	10,658	20,343	19,785
- Legal and professional fees	13,006	12,237	21,877	22,704
- Others	18,800	16,116	37,083	41,726
	<u>41,831</u>	<u>39,011</u>	<u>79,303</u>	<u>84,215</u>
Total other operating expenses	<u>629,704</u>	<u>608,550</u>	<u>1,261,458</u>	<u>1,216,151</u>



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**A21. Other Operating Expenses (continued)**

<b><u>Bank</u></b>	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
Personnel costs				
- Salaries, allowances and bonuses	<b>272,603</b>	263,199	<b>559,537</b>	527,671
- Pension costs	<b>53,513</b>	45,671	<b>108,611</b>	91,653
- Others	<b>27,754</b>	27,732	<b>53,771</b>	53,722
	<b>353,870</b>	336,602	<b>721,919</b>	673,046
Establishment costs				
- Depreciation	<b>33,591</b>	34,051	<b>67,335</b>	68,502
- Rental	<b>21,108</b>	20,063	<b>41,933</b>	39,563
- Insurance	<b>4,824</b>	3,757	<b>9,337</b>	9,241
- Water and electricity	<b>8,567</b>	7,324	<b>16,457</b>	14,946
- General repairs and maintenance	<b>17,214</b>	18,491	<b>30,469</b>	34,635
- Information technology expenses	<b>3,714</b>	3,756	<b>7,428</b>	7,516
- Others	<b>8,897</b>	6,333	<b>16,801</b>	13,094
	<b>97,915</b>	93,775	<b>189,760</b>	187,497
Marketing expenses				
- Advertisement and publicity	<b>7,012</b>	6,970	<b>13,090</b>	13,133
- Others	<b>10,885</b>	12,462	<b>21,103</b>	24,011
	<b>17,897</b>	19,432	<b>34,193</b>	37,144
Administration and general expenses				
- Communication expenses	<b>10,548</b>	6,865	<b>18,850</b>	14,662
- Legal and professional fees	<b>10,029</b>	9,898	<b>16,613</b>	18,324
- Others	<b>9,280</b>	7,921	<b>19,301</b>	15,964
	<b>29,857</b>	24,684	<b>54,764</b>	48,950
Shared service cost charged to Public Islamic Bank Berhad	<b>(64,952)</b>	(57,648)	<b>(120,718)</b>	(109,712)
<b>Total other operating expenses</b>	<b>434,587</b>	416,845	<b>879,918</b>	836,925

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**A22. Allowance for Impairment on Loans, Advances and Financing**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000</b>
<b><u>Group</u></b>				
Allowance for impaired loans and financing:				
Collective assessment allowance	<b>75,541</b>	85,277	<b>145,310</b>	125,382
Individual assessment allowance	<b>55,347</b>	48,351	<b>113,247</b>	87,026
Writeback of bad debts from				
stockbroking activities	<b>(120)</b>	-	<b>(129)</b>	(44)
Impaired loans and financing written off	<b>169</b>	240	<b>358</b>	435
Impaired loans and financing recovered	<b>(54,641)</b>	(50,292)	<b>(101,100)</b>	(99,210)
	<b>76,296</b>	83,576	<b>157,686</b>	113,589
	<b>2nd Quarter Ended</b>	<b>30 June</b>	<b>Half Year Ended</b>	<b>30 June</b>
	<b>2013 RM'000</b>	<b>2012 RM'000</b>	<b>2013 RM'000</b>	<b>2012 RM'000</b>
<b><u>Bank</u></b>				
Allowance / (writeback) for impaired loans:				
Collective assessment allowance	<b>47,669</b>	61,135	<b>83,586</b>	80,971
Individual assessment allowance	<b>1,363</b>	(1,821)	<b>7,213</b>	(3,429)
Impaired loans written off	<b>147</b>	201	<b>303</b>	342
Impaired loans recovered	<b>(30,364)</b>	(27,086)	<b>(56,179)</b>	(57,029)
	<b>18,815</b>	32,429	<b>34,923</b>	20,855

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**A23. Segment Information**

2nd Quarter Ended 30 June 2013	----- 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	578,898	1,822,669	266,411	474,405	56,949	249,969	1,249	86,533	3,537,083	265,788	-	3,802,871
Revenue from other segments	-	315,997	2,832	173,475	5,801	2,711	7,415	293,205	801,436	891	(802,327)	-
	<u>578,898</u>	<u>2,138,666</u>	<u>269,243</u>	<u>647,880</u>	<u>62,750</u>	<u>252,680</u>	<u>8,664</u>	<u>379,738</u>	<u>4,338,519</u>	<u>266,679</u>	<u>(802,327)</u>	<u>3,802,871</u>
Net interest income and												
Islamic banking income	233,778	1,012,118	71,110	34,615	4,096	2,904	(1,926)	56,307	1,413,002	182,947	-	1,595,949
Other income	399	131,522	10,281	68,400	20,234	143,993	8,605	43,006	426,440	36,104	(16,593)	445,951
Net income	<u>234,177</u>	<u>1,143,640</u>	<u>81,391</u>	<u>103,015</u>	<u>24,330</u>	<u>146,897</u>	<u>6,679</u>	<u>99,313</u>	<u>1,839,442</u>	<u>219,051</u>	<u>(16,593)</u>	<u>2,041,900</u>
Other operating expenses	(55,853)	(331,254)	(2,483)	(5,242)	(8,153)	(40,440)	(3,460)	(105,767)	(552,652)	(93,645)	16,593	(629,704)
(Allowance) / writeback of												
allowance for impairment on												
loans, advances and financing	(40,933)	(599)	839	-	(359)	-	-	-	(41,052)	(35,244)	-	(76,296)
Writeback of impairment												
on other assets	-	1,829	-	-	-	-	-	-	1,829	-	-	1,829
Profit / (loss) by segments	<u>137,391</u>	<u>813,616</u>	<u>79,747</u>	<u>97,773</u>	<u>15,818</u>	<u>106,457</u>	<u>3,219</u>	<u>(6,454)</u>	<u>1,247,567</u>	<u>90,162</u>	<u>-</u>	<u>1,337,729</u>
Reconciliation of segment profits												
to consolidated profits:												
Share of profit after tax												
of equity accounted associated												
companies									171	2,658		2,829
Profit before tax expense and zakat									<u>1,247,738</u>	<u>92,820</u>		<u>1,340,558</u>

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**A23. Segment Information** (continued)

2nd Quarter Ended 30 June 2012 (Restated)	----- Operating Segments ----->							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
External revenue	560,593	1,658,245	240,887	405,912	49,394	215,692	1,186	78,228	3,210,137	255,703	-	3,465,840
Revenue from other segments	-	260,128	3,045	166,921	5,994	2,934	7,314	226,785	673,121	768	(673,889)	-
	<u>560,593</u>	<u>1,918,373</u>	<u>243,932</u>	<u>572,833</u>	<u>55,388</u>	<u>218,626</u>	<u>8,500</u>	<u>305,013</u>	<u>3,883,258</u>	<u>256,471</u>	<u>(673,889)</u>	<u>3,465,840</u>
Net interest income and												
Islamic banking income	246,562	960,599	66,015	27,557	3,488	3,117	(1,952)	42,226	1,347,612	164,172	-	1,511,784
Other income	1,133	115,285	19,149	58,434	14,677	125,511	8,437	38,039	380,665	41,797	(16,507)	405,955
Net income	<u>247,695</u>	<u>1,075,884</u>	<u>85,164</u>	<u>85,991</u>	<u>18,165</u>	<u>128,628</u>	<u>6,485</u>	<u>80,265</u>	<u>1,728,277</u>	<u>205,969</u>	<u>(16,507)</u>	<u>1,917,739</u>
Other operating expenses	(53,607)	(340,201)	(2,429)	(4,589)	(7,281)	(36,407)	(3,544)	(89,854)	(537,912)	(87,145)	16,507	(608,550)
Allowance for impairment on												
loans, advances and financing	(30,026)	(20,664)	(1,362)	-	(240)	-	-	-	(52,292)	(31,284)	-	(83,576)
Impairment on other assets	-	(923)	-	-	-	-	-	-	(923)	-	-	(923)
Profit / (loss) by segments	<u>164,062</u>	<u>714,096</u>	<u>81,373</u>	<u>81,402</u>	<u>10,644</u>	<u>92,221</u>	<u>2,941</u>	<u>(9,589)</u>	<u>1,137,150</u>	<u>87,540</u>	<u>-</u>	<u>1,224,690</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(324)	1,778		1,454
Profit before tax expense and zakat									<u>1,136,826</u>	<u>89,318</u>		<u>1,226,144</u>

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**A23. Segment Information**

Half Year Ended 30 June 2013	----- 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	1,157,702	3,574,885	523,669	924,031	101,706	483,958	2,480	178,904	6,947,335	528,750	-	7,476,085
Revenue from other segments	-	573,693	5,696	384,388	8,070	5,802	14,688	631,422	1,623,759	1,910	(1,625,669)	-
	<u>1,157,702</u>	<u>4,148,578</u>	<u>529,365</u>	<u>1,308,419</u>	<u>109,776</u>	<u>489,760</u>	<u>17,168</u>	<u>810,326</u>	<u>8,571,094</u>	<u>530,660</u>	<u>(1,625,669)</u>	<u>7,476,085</u>
Net interest income and Islamic banking income	475,188	1,988,433	139,779	65,902	7,927	6,190	(3,831)	116,006	2,795,594	357,362	-	3,152,956
Other income	1,131	259,711	23,759	123,422	31,596	280,192	17,057	92,104	828,972	73,225	(33,044)	869,153
Net income	<u>476,319</u>	<u>2,248,144</u>	<u>163,538</u>	<u>189,324</u>	<u>39,523</u>	<u>286,382</u>	<u>13,226</u>	<u>208,110</u>	<u>3,624,566</u>	<u>430,587</u>	<u>(33,044)</u>	<u>4,022,109</u>
Other operating expenses (Allowance) / writeback of allowance for impairment on loans, advances and financing	(112,609)	(664,801)	(5,029)	(10,613)	(15,804)	(83,624)	(6,962)	(210,715)	(1,110,157)	(184,345)	33,044	(1,261,458)
Writeback of impairment on other assets	-	3,159	-	-	-	-	-	-	3,159	-	-	3,159
Profit / (loss) by segments	<u>272,049</u>	<u>1,593,277</u>	<u>160,523</u>	<u>178,711</u>	<u>23,300</u>	<u>202,758</u>	<u>6,264</u>	<u>(2,605)</u>	<u>2,434,277</u>	<u>171,847</u>	<u>-</u>	<u>2,606,124</u>
Reconciliation of segment profits to consolidated profits: Share of (loss) / profit after tax of equity accounted associated companies									(229)	4,639		4,410
Profit before tax expense and zakat									<u>2,434,048</u>	<u>176,486</u>		<u>2,610,534</u>
Cost income ratio	23.6%	29.6%	3.1%	5.6%	40.0%	29.2%	52.6%	101.3%	30.6%	42.8%		31.4%
Gross loans	41,669,394	128,747,724	24,864,973	-	399,879	53,862	2,161	-	195,737,993	13,702,216		209,440,209
Loan growth	3.1%	6.9%	6.7%	-	27.6%	4.5%	10.6%	-	6.1%	3.5%		5.9%
Impaired loans, advances and financing	295,923	902,716	91,264	-	-	-	-	-	1,289,903	113,122		1,403,025
Impaired loan ratio	0.7%	0.7%	0.4%	-	-	-	-	-	0.7%	0.8%		0.7%
Deposits from customers	-	169,751,400	230,771	52,097,088	3,548,867	-	-	-	225,628,126	14,741,041		240,369,167
Deposit growth	-	10.5%	-28.2%	-3.0%	18.4%	-	-	-	7.1%	2.6%		6.8%
Segment assets	<u>41,439,639</u>	<u>176,798,888</u>	<u>24,791,712</u>	<u>68,635,832</u>	<u>4,775,387</u>	<u>440,526</u>	<u>314,961</u>	<u>19,865,308</u>	<u>337,062,253</u>	<u>19,816,975</u>	<u>(67,877,202)</u>	<u>289,002,026</u>
Reconciliation of segment assets to consolidated assets: Investment in associated companies									36,820	116,363		153,183
Unallocated assets									1,520,131	-		1,520,131
Intangible assets									769,251	1,197,057		1,966,308
Total assets									<u>339,388,455</u>	<u>21,130,395</u>		<u>292,641,648</u>

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**A23. Segment Information (continued)**

Half Year Ended 30 June 2012 (Restated)	-----> Operating Segments <-----							Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
External revenue	1,115,717	3,267,825	466,055	803,377	96,013	426,109	2,352	158,905	6,336,353	502,937	-	6,839,290
Revenue from other segments	-	497,890	6,608	334,037	18,744	6,020	14,592	649,187	1,527,078	1,606	(1,528,684)	-
	<u>1,115,717</u>	<u>3,765,715</u>	<u>472,663</u>	<u>1,137,414</u>	<u>114,757</u>	<u>432,129</u>	<u>16,944</u>	<u>808,092</u>	<u>7,863,431</u>	<u>504,543</u>	<u>(1,528,684)</u>	<u>6,839,290</u>
Net interest income and												
Islamic banking income	499,580	1,896,067	128,218	52,841	6,731	6,391	(3,843)	83,678	2,669,663	321,393	-	2,991,056
Other income	3,127	230,146	26,630	114,785	33,084	247,757	16,842	84,017	756,388	72,012	(33,068)	795,332
Net income	<u>502,707</u>	<u>2,126,213</u>	<u>154,848</u>	<u>167,626</u>	<u>39,815</u>	<u>254,148</u>	<u>12,999</u>	<u>167,695</u>	<u>3,426,051</u>	<u>393,405</u>	<u>(33,068)</u>	<u>3,786,388</u>
Other operating expenses	(106,002)	(678,898)	(4,695)	(9,551)	(14,885)	(74,239)	(7,085)	(178,365)	(1,073,720)	(175,499)	33,068	(1,216,151)
(Allowance) / writeback of												
allowance for impairment on												
loans, advances and financing	(49,932)	(12,873)	6,802	-	23	-	-	-	(55,980)	(57,609)	-	(113,589)
Impairment on other assets	-	(1,444)	-	-	-	-	-	-	(1,444)	-	-	(1,444)
Profit / (loss) by segments	<u>346,773</u>	<u>1,432,998</u>	<u>156,955</u>	<u>158,075</u>	<u>24,953</u>	<u>179,909</u>	<u>5,914</u>	<u>(10,670)</u>	<u>2,294,907</u>	<u>160,297</u>	<u>-</u>	<u>2,455,204</u>
Reconciliation of segment profits												
to consolidated profits:												
Share of (loss) / profit after tax									(2,295)	4,633		2,338
of equity accounted associated									<u>2,292,612</u>	<u>164,930</u>		<u>2,457,542</u>
companies												
Profit before tax expense and zakat												
Cost income ratio	21.1%	31.9%	3.0%	5.7%	37.4%	29.2%	54.5%	106.4%	31.3%	44.6%		32.1%
Gross loans	38,763,893	112,771,460	22,293,143	-	281,352	48,825	2,109	-	174,160,782	13,095,555		187,256,337
Loan growth	4.5%	7.5%	2.6%	-	10.0%	1.0%	-0.3%	-	6.1%	-3.8%		5.4%
Impaired loans, advances and												
financing	218,591	887,291	129,641	-	-	-	-	-	1,235,523	165,260		1,400,783
Impaired loan ratio	0.6%	0.8%	0.6%	-	-	-	-	-	0.7%	1.3%		0.8%
Deposits from customers	-	145,220,284	223,404	49,928,876	2,272,577	-	-	-	197,645,141	14,015,698		211,660,839
Deposit growth	-	8.5%	-29.0%	2.3%	-33.5%	-	-	-	6.0%	0.6%		5.6%
Segment assets	<u>38,609,290</u>	<u>152,333,447</u>	<u>22,182,027</u>	<u>64,620,174</u>	<u>3,818,494</u>	<u>369,827</u>	<u>287,647</u>	<u>20,186,326</u>	<u>302,407,232</u>	<u>18,851,779</u>	<u>(61,198,486)</u>	<u>260,060,525</u>
Reconciliation of segment assets to												
consolidated assets:												
Investment in associated companies									38,747	120,183		158,930
Unallocated assets									1,279,172	-		1,279,172
Intangible assets									769,251	1,201,082		1,970,333
Total assets									<u>304,494,402</u>	<u>20,173,044</u>		<u>263,468,960</u>

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

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

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

**A24. Subsequent Events**

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

**A25. Changes in the Composition of the Group**

There were no material changes in the composition of the Group during the 2nd quarter and financial half year ended 30 June 2013.

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**A26. Commitments and Contingencies**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
<b>Contingent liabilities</b>				
Direct credit substitutes	<b>1,441,924</b>	1,549,134	<b>1,176,984</b>	1,175,058
Transaction-related contingent items	<b>1,086,986</b>	1,031,792	<b>966,458</b>	908,204
Short term self-liquidating trade-related contingencies	<b>498,360</b>	525,150	<b>327,580</b>	341,952
	<b>3,027,270</b>	3,106,076	<b>2,471,022</b>	2,425,214
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	<b>26,576,519</b>	24,158,799	<b>24,259,219</b>	22,211,606
- not exceeding one year	<b>21,855,496</b>	20,955,923	<b>19,960,069</b>	19,422,068
Unutilised credit card lines	<b>3,870,717</b>	3,693,110	<b>3,762,979</b>	3,587,921
Forward asset purchases	<b>704,731</b>	30,386	<b>687,621</b>	-
	<b>53,007,463</b>	48,838,218	<b>48,669,888</b>	45,221,595
<b>Derivative financial instruments</b>				
Foreign exchange related contracts:				
- less than one year	<b>14,022,533</b>	11,879,221	<b>12,885,393</b>	11,822,972
- one year to less than five years	<b>1,589,183</b>	1,376,100	<b>1,589,183</b>	1,376,100
Interest rate related contracts:				
- less than one year	<b>759,000</b>	1,552,000	<b>759,000</b>	1,552,000
- one year to less than five years	<b>9,379,654</b>	9,929,440	<b>8,846,641</b>	9,408,350
- five years and above	<b>2,703,146</b>	2,649,740	<b>3,808,000</b>	3,758,000
Commodity related contracts:				
- less than one year	<b>33,257</b>	206	<b>33,257</b>	206
Equity related contracts:				
- less than one year	<b>104,342</b>	73,589	<b>104,342</b>	73,589
- one year to less than five years	<b>24,716</b>	53,005	<b>24,716</b>	53,005
	<b>28,615,831</b>	27,513,301	<b>28,050,532</b>	28,044,222
	<b>84,650,564</b>	79,457,595	<b>79,191,442</b>	75,691,031



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**A27. Derivative Financial Instruments**

Details of derivative financial instruments outstanding as at 30 June 2013 and 31 December 2012 are as follows:

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

Group As at 30 June 2013	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	2,876,020	3,408	-	2,879,428	18,895	-	-	18,895	12,062	4	-	12,066
- Swaps	11,146,513	-	-	11,146,513	95,820	-	-	95,820	104,822	-	-	104,822
Equity related contracts												
- Options purchased	104,342	24,716	-	129,058	8,556	5,382	-	13,938	-	-	-	-
Precious metal contracts												
- Forwards	33,257	-	-	33,257	36	-	-	36	379	-	-	379
	<b>14,160,132</b>	<b>28,124</b>	<b>-</b>	<b>14,188,256</b>	<b>123,307</b>	<b>5,382</b>	<b>-</b>	<b>128,689</b>	<b>117,263</b>	<b>4</b>	<b>-</b>	<b>117,267</b>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	400,000	2,045,344	7,237,456	9,682,800	414	2,972	243,460	246,846	222	90,067	9,715	100,004
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,585,775	1,585,775	-	-	-	-	-	-	89,588	89,588
Interest rate related contracts												
- Swaps	359,000	-	2,800,000	3,159,000	387	-	27,123	27,510	35	-	-	35
	<b>759,000</b>	<b>2,045,344</b>	<b>11,623,231</b>	<b>14,427,575</b>	<b>801</b>	<b>2,972</b>	<b>270,583</b>	<b>274,356</b>	<b>257</b>	<b>90,067</b>	<b>99,303</b>	<b>189,627</b>
<b>Total</b>	<b>14,919,132</b>	<b>2,073,468</b>	<b>11,623,231</b>	<b>28,615,831</b>	<b>124,108</b>	<b>8,354</b>	<b>270,583</b>	<b>403,045</b>	<b>117,520</b>	<b>90,071</b>	<b>99,303</b>	<b>306,894</b>

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**A27. Derivative Financial Instruments** (continued)

Details of derivative financial instruments outstanding as at 30 June 2013 and 31 December 2012 are as follows (continued):

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

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

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**A27. Derivative Financial Instruments** (continued)

Details of derivative financial instruments outstanding as at 30 June 2013 and 31 December 2012 are as follows (continued):

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

Bank As at 30 June 2013	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	2,126,093	3,408	-	2,129,501	17,254	-	-	17,254	10,428	4	-	10,432
- Swaps	10,759,300	-	-	10,759,300	93,377	-	-	93,377	93,695	-	-	93,695
Interest rate related contracts												
- Swaps	-	19,029	-	19,029	-	-	-	-	-	977	-	977
Equity related contracts												
- Options purchased	104,342	24,716	-	129,058	8,556	5,382	-	13,938	-	-	-	-
Precious metal contracts												
- Forwards	33,257	-	-	33,257	36	-	-	36	379	-	-	379
	<b>13,022,992</b>	<b>47,153</b>	<b>-</b>	<b>13,070,145</b>	<b>119,223</b>	<b>5,382</b>	<b>-</b>	<b>124,605</b>	<b>104,502</b>	<b>981</b>	<b>-</b>	<b>105,483</b>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	400,000	1,693,302	7,142,310	9,235,612	414	2,972	243,460	246,846	222	70,892	-	71,114
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	1,585,775	1,585,775	-	-	-	-	-	-	89,588	89,588
Interest rate related contracts												
- Swaps	359,000	-	3,800,000	4,159,000	387	-	18,988	19,375	35	-	41,184	41,219
	<b>759,000</b>	<b>1,693,302</b>	<b>12,528,085</b>	<b>14,980,387</b>	<b>801</b>	<b>2,972</b>	<b>262,448</b>	<b>266,221</b>	<b>257</b>	<b>70,892</b>	<b>130,772</b>	<b>201,921</b>
<b>Total</b>	<b>13,781,992</b>	<b>1,740,455</b>	<b>12,528,085</b>	<b>28,050,532</b>	<b>120,024</b>	<b>8,354</b>	<b>262,448</b>	<b>390,826</b>	<b>104,759</b>	<b>71,873</b>	<b>130,772</b>	<b>307,404</b>

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**A27. Derivative Financial Instruments** (continued)

Details of derivative financial instruments outstanding as at 30 June 2013 and 31 December 2012 are as follows (continued):

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

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

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**A27. Derivative Financial Instruments (continued)**

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

**Market Risk**

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

**Credit Risk**

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 30 June 2013, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM403,045,000 (2012: RM370,465,000) and RM390,826,000 (2012: RM364,344,000) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

**Liquidity Risk**

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

iii) **Cash Requirements of the Derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2013, the Group and the Bank had posted cash collateral of RM670,000 (2012: RM21,376,000) on their derivative contracts.

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

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

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**A28. Capital Adequacy**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013</b>	<b>31 December 2012 (Restated)</b>	<b>30 June 2013</b>	<b>31 December 2012 (Restated)</b>
<u>Before deducting interim dividends *</u>				
Common equity Tier I ("CET I") capital ratio	<b>8.952%</b>	N/A	<b>10.813%</b>	N/A
Tier I capital ratio	<b>10.823%</b>	11.413%	<b>12.919%</b>	13.632%
Total capital ratio	<b>13.196%</b>	14.674%	<b>12.919%</b>	14.534%
<u>After deducting interim dividends *</u>				
CET I capital ratio	<b>8.546%</b>	N/A	<b>10.329%</b>	N/A
Tier I capital ratio	<b>10.417%</b>	10.828%	<b>12.435%</b>	12.931%
Total capital ratio	<b>12.790%</b>	14.089%	<b>12.435%</b>	13.833%

\* Refers to interim dividends declared subsequent to the financial period / year end.

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>
Components of CET I, Tier I and Tier II capital:				
<u>CET I capital:</u>				
Paid-up share capital	<b>3,531,926</b>	3,531,926	<b>3,531,926</b>	3,531,926
Share premium	<b>1,073,310</b>	1,073,310	<b>1,073,310</b>	1,073,310
Other reserves	<b>4,248,932</b>	4,218,576	<b>3,776,652</b>	3,750,880
Retained profits	<b>10,006,283</b>	9,274,909	<b>9,830,745</b>	9,104,376
Treasury shares	<b>(215,572)</b>	(215,572)	<b>(215,572)</b>	(215,572)
Qualifying non-controlling interests	<b>492,602</b>	699,864	-	-
Less: Goodwill	<b>(1,966,308)</b>	(1,899,875)	<b>(695,393)</b>	(695,393)
Less: Deferred tax assets, net	<b>(65,643)</b>	(64,900)	-	-
Less: Defined benefit pension fund assets	<b>(120,176)</b>	-	<b>(116,386)</b>	-
Total CET I capital	<b>16,985,354</b>	16,618,238	<b>17,185,282</b>	16,549,527
Innovative Tier I capital securities	<b>1,630,440</b>	1,810,317	<b>1,630,440</b>	1,810,317
Non-innovative Tier I stapled securities	<b>1,879,200</b>	2,083,146	<b>1,879,200</b>	2,083,146
Qualifying CET I and additional Tier I capital instruments held by third parties	<b>40,481</b>	-	-	-
Regulatory adjustments on additional Tier I capital	-	-	<b>(162,382)</b>	-
Total Tier I capital	<b>20,535,475</b>	20,511,701	<b>20,532,540</b>	20,442,990

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**A28. Capital Adequacy (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>
<u>Tier II capital</u>				
Collective assessment allowance and regulatory reserves #	<b>1,120,740</b>	1,038,369	<b>631,583</b>	691,258
Subordinated notes	<b>3,470,822</b>	4,870,351	<b>3,470,822</b>	4,870,351
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	<b>53,974</b>	-	-	-
Less: Investment in banking / insurance subsidiary companies and associated companies	<b>(142,255)</b>	(960)	<b>(4,102,405)</b>	(4,162,284)
Less: Holdings of other financial institutions' capital instruments	-	(46,834)	-	(46,834)
Total Tier II capital	<b>4,503,281</b>	<b>5,860,926</b>	<b>-</b>	<b>1,352,491</b>
Total capital	<b>25,038,756</b>	<b>26,372,627</b>	<b>20,532,540</b>	<b>21,795,481</b>

# Excludes collective assessment allowance on impaired loans restricted from Tier II capital of the Group and the Bank of RM562,510,000 (2012: RM491,197,000) and RM423,946,000 (2012: RM369,214,000) respectively.

Includes the Group's qualifying regulatory reserves for non-impaired loans which pertain to Public Bank (Hong Kong) Limited and Public Finance Limited amounting to RM125,719,000 (2012: N/A).

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

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

The comparative capital adequacy ratios and total capital have been restated for effects of the adoption of MFRS 119 Employee Benefits and are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (Basel II). Please refer to Note A31 Changes in Accounting Policies for a summary of the changes.

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**A28. Capital Adequacy** (continued)

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

	<b>Public Islamic Bank Berhad<sup>1</sup></b>	<b>Public Investment Bank Berhad<sup>2</sup></b>	<b>Public Bank (L) Ltd.<sup>3</sup></b>	<b>Public Bank (Hong Kong) Limited<sup>4</sup></b>	<b>Public Finance Limited<sup>4</sup></b>	<b>Cambodian Public Bank Plc<sup>5</sup></b>
<b>30 June 2013</b>						
<u>Before deducting interim dividends: *</u>						
CET I capital ratio	12.408%	21.271%	N/A	16.063%	28.703%	N/A
Tier I capital ratio	12.408%	21.271%	25.365%	16.063%	28.703%	N/A
Total capital ratio	13.027%	21.463%	25.416%	17.234%	29.649%	20.636%
<u>After deducting interim dividends: *</u>						
CET I capital ratio	11.698%	21.271%	N/A	16.063%	24.653%	N/A
Tier I capital ratio	11.698%	21.271%	25.365%	16.063%	24.653%	N/A
Total capital ratio	12.317%	21.463%	25.416%	17.234%	25.598%	20.636%
<b>31 December 2012 (Restated)</b>						
<u>Before deducting interim dividends: *</u>						
CET I capital ratio	N/A	N/A	N/A	N/A	N/A	N/A
Tier I capital ratio	12.296% #	27.454% #	21.791%	16.423%	28.962%	N/A
Total capital ratio	13.013% #	27.622% #	21.842%	16.423%	30.119%	21.566%
<u>After deducting interim dividends: *</u>						
CET I capital ratio	N/A	N/A	N/A	N/A	N/A	N/A
Tier I capital ratio	11.354% #	26.426% #	21.791%	16.423%	26.509%	N/A
Total capital ratio	12.071% #	26.595% #	21.842%	16.423%	27.666%	21.566%

\* Refers to interim dividends declared subsequent to the financial period / year end.

# Restated for effects of the adoption of MFRS 119.



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**A28. Capital Adequacy** (continued)

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

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

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**A28. Capital Adequacy (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>
Credit risk	<b>173,815,823</b>	164,279,544	<b>146,245,376</b>	137,471,265
Market risk	<b>1,755,151</b>	1,713,076	<b>2,555,091</b>	2,579,721
Operational risk	<b>14,170,694</b>	13,733,324	<b>10,126,876</b>	9,915,430
	<b>189,741,668</b>	179,725,944	<b>158,927,343</b>	149,966,416

**A29. Credit Exposures Arising From Credit Transactions With Connected Parties**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2013</b>	<b>31 December 2012</b>	<b>30 June 2013</b>	<b>31 December 2012</b>
Outstanding credit exposures with connected parties (RM'000)	<b>2,177,643</b>	2,031,542	<b>2,827,502</b>	2,692,235
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<b>1.00%</b>	0.99%	<b>1.45%</b>	1.46%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	<b>0.00%</b>	0.02%	<b>0.00%</b>	0.01%

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

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**A30. Operations of Islamic Banking**

**A30a. Statement of Financial Position As At 30 June 2013**

	<b>30 June 2013 RM'000</b>	<b>Group 31 December 2012 RM'000 (Restated)</b>	<b>1 January 2012 RM'000 (Restated)</b>
<b>ASSETS</b>			
Cash and balances with banks	4,837,628	4,709,388	6,257,092
Financial assets held-for-trading	2,238,190	2,638,867	1,249,014
Derivative financial assets	49,319	21,839	-
Financial investments available-for-sale	999,083	994,923	1,830,720
Financial investments held-to-maturity	-	-	5,022
Financing and advances	21,766,222	20,168,110	19,224,468
Other assets	84,651	77,402	85,645
Statutory deposits with Bank Negara Malaysia	804,700	671,450	775,700
Investment in an associated company	20,000	20,000	20,000
Property and equipment	1,152	1,327	1,619
<b>Total Assets</b>	<b>30,800,945</b>	<b>29,303,306</b>	<b>29,449,280</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	25,415,355	23,703,338	20,029,935
Deposits from banks	2,204,278	2,644,831	7,179,533
Bills and acceptances payable	576	625	334
Recourse obligations on financing sold to Cagamas	500,008	500,003	-
Other liabilities	111,237	108,897	73,120
Provision for zakat and taxation	64,699	50,188	46,512
Deferred tax liabilities	14,000	6,588	1,029
<b>Total Liabilities</b>	<b>28,310,153</b>	<b>27,014,470</b>	<b>27,330,463</b>
Islamic Banking Funds	2,490,792	2,288,836	2,118,817
<b>Total Liabilities and Islamic Banking Funds</b>	<b>30,800,945</b>	<b>29,303,306</b>	<b>29,449,280</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>5,049,914</b>	<b>4,642,159</b>	<b>1,910,159</b>

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**A30b. Income Statements for the 2nd Quarter and Financial Half Year Ended 30 June 2013**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
<b><u>Group</u></b>				
Income derived from investment of depositors' funds and others	<b>347,031</b>	346,074	<b>692,107</b>	691,123
Income derived from investment of Islamic Banking Funds	<b>29,688</b>	27,749	<b>58,184</b>	53,892
Allowance for impairment on financing and advances	<b>(21,955)</b>	(27,328)	<b>(48,138)</b>	(29,320)
Impairment on other assets	<b>(24)</b>	(31)	<b>(24)</b>	(23)
Profit Equalisation Reserve	<b>-</b>	(737)	<b>-</b>	(1,274)
<b>Total distributable income</b>	<b>354,740</b>	345,727	<b>702,129</b>	714,398
Income attributable to the depositors and others	<b>(166,718)</b>	(161,931)	<b>(333,021)</b>	(320,921)
<b>Total net income</b>	<b>188,022</b>	183,796	<b>369,108</b>	393,477
Other overheads and expenditures	<b>(69,196)</b>	(66,702)	<b>(132,009)</b>	(125,951)
<b>Profit before zakat and taxation</b>	<b>118,826</b>	117,094	<b>237,099</b>	267,526
Zakat	<b>(66)</b>	(82)	<b>(132)</b>	(165)
Taxation	<b>(29,360)</b>	(28,852)	<b>(58,570)</b>	(66,331)
<b>Profit for the period</b>	<b>89,400</b>	88,160	<b>178,397</b>	201,030

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**A30c. Statement of Comprehensive Income for the 2nd Quarter and Financial Half Year Ended 30 June 2013**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
<b><u>Group</u></b>				
Profit for the period	<b>89,400</b>	88,160	<b>178,397</b>	201,030
Other comprehensive income / (loss):				
Revaluation reserves:				
- Net gain on revaluation of financial investments available-for-sale	<b>1,298</b>	2,742	<b>2,471</b>	4,024
Hedging reserves:				
- Net change in cash flow hedges	<b>36,025</b>	(12,096)	<b>27,468</b>	(12,096)
	<b>37,323</b>	(9,354)	<b>29,939</b>	(8,072)
Income tax relating to components of other comprehensive income / loss:				
- Revaluation reserves	<b>(325)</b>	(685)	<b>(618)</b>	(1,006)
- Hedging reserves	<b>(9,006)</b>	3,024	<b>(6,867)</b>	3,024
	<b>(9,331)</b>	2,339	<b>(7,485)</b>	2,018
Other comprehensive income / (loss) for the period, net of tax	<b>27,992</b>	(7,015)	<b>22,454</b>	(6,054)
Total comprehensive income for the period	<b>117,392</b>	81,145	<b>200,851</b>	194,976

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**A30d. Financing and Advances**

	<b>Group</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Bai Bithaman Ajil (deferred payment sale)	<b>7,925,928</b>	7,011,275
Ijarah Thamma Al-Bai' (leasing)	<b>11,034,903</b>	10,189,015
Ijarah Muntahia Bittamlik	-	112,326
Bai-Al-Einah	<b>2,689,433</b>	3,062,356
Musharakah Mutanaqisah	<b>387,236</b>	45,276
Murabahah Purchase Order	<b>9,437</b>	2,762
Gross financing and advances	<b>22,046,937</b>	20,423,010
Allowance for impairment on financing and advances:		
- collective assessment allowance	<b>(280,715)</b>	(254,261)
- individual assessment allowance	-	(639)
Net financing and advances	<b>21,766,222</b>	20,168,110

Movements in impaired financing and advances are as follows:

	<b>Group</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
At 1 January	<b>175,167</b>	173,277
Impaired during the period / year	<b>245,958</b>	442,749
Reclassified as non-impaired	<b>(179,394)</b>	(332,199)
Recoveries	<b>(17,295)</b>	(29,725)
Amount written off	<b>(30,087)</b>	(78,678)
Financing converted to foreclosed properties	<b>(174)</b>	(257)
Closing balance	<b>194,175</b>	175,167
Impaired financing and advances as a percentage of gross financing and advances	<b>0.88%</b>	0.86%

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**A30e. Deposits from Customers**

<b>By type of deposit</b>	<b>Group</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
Savings deposit		
- Wadiah	4,698,225	4,568,625
- Mudarabah	<u>64,022</u>	<u>66,681</u>
	<u>4,762,247</u>	<u>4,635,306</u>
Demand deposit		
- Wadiah	2,729,878	2,462,377
- Mudarabah	<u>78,458</u>	<u>57,198</u>
	<u>2,808,336</u>	<u>2,519,575</u>
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai-Al-Einah	<u>822,903</u>	<u>522,400</u>
- General investment account		
- Mudarabah	3,603,515	3,075,664
- Wakalah	<u>10,741,448</u>	<u>10,326,345</u>
	<u>14,344,963</u>	<u>13,402,009</u>
- Specific investment account		
- Wakalah	<u>2,676,906</u>	<u>2,624,048</u>
	<u>25,415,355</u>	<u>23,703,338</u>

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**A31. Changes in Accounting Policies**

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

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

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

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

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



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**A31. Changes in Accounting Policies (continued)**

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

	Group		Bank	
	2nd Quarter Ended 30 June 2012 RM'000	Half Year Ended 30 June 2012 RM'000	2nd Quarter Ended 30 June 2012 RM'000	Half Year Ended 30 June 2012 RM'000
<b>(ii) Income Statements</b>				
<u>Other Operating Expenses - Personnel Costs</u>				
<u>- Pension Costs</u>				
As previously stated	36,649	73,973	31,984	64,279
- Effects of MFRS 119	14,173	28,346	13,687	27,374
As restated	<u>50,822</u>	<u>102,319</u>	<u>45,671</u>	<u>91,653</u>
 <u>Tax Expense and Zakat</u>				
As previously stated	276,690	573,547	210,546	442,243
- Effects of MFRS 119	(3,543)	(7,086)	(3,422)	(6,844)
As restated	<u>273,147</u>	<u>566,461</u>	<u>207,124</u>	<u>435,399</u>

**(iii) Capital adequacy**

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

	As at 31 December 2012		As at 1 January 2012	
	As previously stated	As restated	As previously stated	As restated
<b>Group</b>				
Tier 1 capital (RM'000)	20,437,184	20,511,701	18,249,867	18,340,371
Total capital (RM'000)	26,298,110	26,372,627	25,416,082	25,506,586
Risk-weighted assets (RM'000)	179,526,865	179,725,944	163,027,275	163,240,656
<u>Before deducting second interim dividends *</u>				
Tier 1 capital ratio (%)	11.384	11.413	11.194	11.235
Total capital ratio (%)	14.649	14.674	15.590	15.625
<u>After deducting second interim dividends *</u>				
Tier 1 capital ratio (%)	10.799	10.828	10.593	10.634
Total capital ratio (%)	14.063	14.089	14.989	15.024
 <b>Bank</b>				
Tier 1 capital (RM'000)	20,371,029	20,442,990	18,216,433	18,303,833
Total Capital (RM'000)	21,723,520	21,795,481	21,044,900	21,132,300
Risk-weighted assets (RM'000)	149,774,165	149,966,416	134,887,816	135,093,877
<u>Before deducting second interim dividends *</u>				
Tier 1 capital ratio (%)	13.601	13.632	13.505	13.549
Risk-weighted capital ratio (%)	14.504	14.534	15.602	15.643
<u>After deducting second interim dividends *</u>				
Tier 1 capital ratio (%)	12.900	12.931	12.778	12.823
Total capital ratio (%)	13.803	13.833	14.875	14.917

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

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

**B1. Performance Review**

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

The Group's pre-tax profit for financial half year ended 30 June 2013 of RM2,610.5 million was RM153.0 million or 6.2% higher than the previous corresponding half year of RM2,457.5 million. Net profit attributable to equity holders improved by RM119.6 million or 6.4% to RM1,991.8 million. The improved earnings was mainly due to higher net interest income and finance income by RM160.3 million (5.4%), higher net fee and commission income by RM53.1 million (9.3%) and higher income from foreign exchange business by RM26.9 million (26.8%). These were partially offset by higher loan impairment allowance by RM44.1 million and higher other operating expenses by RM45.3 million in line with the increased business volumes. Annualised credit charges remained low and stable at 0.15% for the current period.

The growth in the Group's net interest income and finance income was driven by continued healthy loans and customer deposits growth coupled with sustained strong asset quality. Gross loans had grown by 11.8% to RM209.4 billion as at 30 June 2013 as compared to RM187.3 billion as at 30 June 2012 mainly arising from property financing, financing of passenger vehicles and lending to small- and medium-sized enterprises ("SMEs"). Total deposits from customers had also grown by 13.6% or RM28.7 billion as compared to 30 June 2012 which partly contributed to the higher net interest income for the current period. The Group's impaired loan ratio had remained low at 0.7% as at the end of June 2013.

The performance of the respective operating business segments for the financial half year ended 30 June 2013 as compared to the previous corresponding half year is analysed as follows:-

- 1) Retail Operations – The increase in pre-tax profit by RM160.3 million (11.2%) to RM1,593.3 million was mainly due to higher net interest income on higher average loan and deposit balances, higher fee income and net writeback of loan impairment allowance.
- 2) Hire purchase – Pre-tax profit decreased by RM74.7 million (-21.5%) to RM272.0 million, mainly due to higher loan impairment allowance and lower net interest income.
- 3) Corporate lending – Pre-tax profit increased marginally by RM3.6 million (2.3%) to RM160.5 million, mainly due to higher net interest income on higher average loan balances partially offset by lower writeback of loan impairment allowance.
- 4) Treasury and capital market operations – The increase in pre-tax profit by RM20.6 million (13.1%) to RM178.7 million was mainly due to higher net interest income achieved on treasury gapping, funding and liquidity management activities and higher foreign exchange income.
- 5) Investment banking – Pre-tax profit decreased by RM1.7 million (-6.6%) to RM23.3 million, mainly due to lower volume of stockbroking activities and higher other operating expenses.
- 6) Fund management – Pre-tax profit increased by RM22.8 million (12.7%) to RM202.8 million, mainly due to higher management fee earned on higher average net asset value of funds under management and higher net fee income on sale of trust units, partially offset by higher other operating expenses.
- 7) Overseas operations – Pre-tax profit increased by RM11.6 million (7.0%) to RM176.5 million, mainly due to higher net interest income on higher net interest margin partially offset by lower loan recovery.

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**B1. Performance Review (continued)**

**b) Current Quarter vs. Previous Year Corresponding Quarter**

For the 2nd quarter ended 30 June 2013, the Group registered a pre-tax profit of RM1,340.6 million, an improvement of RM114.4 million or 9.3% as compared to the previous corresponding quarter. Net profit attributable to equity holders grew by 8.6% or RM81.4 million over the same period. The improved earnings was mainly due to higher net interest income and higher net fee and commission income partially offset by higher other operating expenses.

Performance of the respective operating business segments for the 2nd quarter ended 30 June 2013 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Retail operations – Pre-tax profit increased by RM99.5 million (13.9%) to RM813.6 million, mainly due to higher net interest income, higher other operating income and lower loan impairment allowance.
- 2) Hire purchase – Pre-tax profit decreased by RM26.7 million (-16.3%) to RM137.4 million, mainly due to lower net interest income and higher loan impairment allowance.
- 3) Corporate lending – Pre-tax profit decreased marginally by RM1.6 million (-2.0%) to RM79.7 million, mainly due to lower fee income partially offset by higher net interest income.
- 4) Treasury and capital market operations – Pre-tax profit increased by RM16.4 million (20.1%) to RM97.8 million, mainly due to higher interest margin earned on treasury gapping activities and higher foreign exchange income.
- 5) Investment banking – Pre-tax profit increased by RM5.2 million (48.6%) to RM15.8 million, mainly due to higher volume of stockbroking activities.
- 6) Fund management business – Pre-tax profit increased by RM14.2 million (15.4%) to RM106.5 million, due to higher management fee earned on higher average net asset value of funds under management.
- 7) Overseas Operations – The increase in pre-tax profit by RM3.5 million (3.9%) was mainly due to higher net interest income on higher net interest margin partially offset by higher other operating expenses.

**B2. Variation of Results Against Preceding Quarter**

The Group registered a pre-tax profit of RM1,340.6 million for the 2nd quarter ended 30 June 2013, an increase of RM70.6 million or 5.6% as compared to the pre-tax profit of RM1,270.0 million for the preceding quarter ended 31 March 2013. The increase in profit is mainly due to higher net interest income and higher other operating income. Net profit attributable to equity holders increased by RM55.2 million or 5.7% over the same period.

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**B3. Prospects for 2013**

The global economy is moving forward, but the rate of recovery between countries and regions since the onset of the global financial crisis is uneven. In the advanced economies, fiscal consolidation, high unemployment and still weak consumer and business confidence will continue to dampen growth this year. Meanwhile, growth of the developing economies will continue to be supported by sustained domestic demand amid the weakness in the external environment.

The Malaysian economy is expected to recover from a slower first quarter growth of 4.1% and is likely to post a steady growth rate of between 5-6% in 2013. Growth will be driven by resilient domestic demand, supported by strong momentum in private investment and consumption, continued accommodative fiscal and monetary policies, higher household income and gradual improvement in the external sector. During the year, headline inflation is expected to be higher, but still modest at 2-3%.

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

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

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

The Public Bank Group will continue to grow its vehicle hire purchase financing business in 2013 amid industry adjustment in response to the Government's proposal to reduce car prices over time. The Group is expected to sustain its leading position in the industry by focusing on implementing proactive marketing strategies, backed by competitive pricing and efficient service delivery.

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

The Public Bank Group's fund management business will grow further in 2013 and continue to sustain its lead position in the private unit trust industry in Malaysia. This is reinforced by the ongoing demand for investment products and the Group's new fund launches, diverse range of fund products, strong distribution capabilities and strong branding. The Group is expected to further leverage on its private retirement scheme (PRS) funds amid support from authorities to accelerate people's awareness of PRS and its benefits. The Group's strategic partnership with the enlarged AIA Bhd will further strengthen its fee-based activity and continue to contribute positively to the Group's long-term fee-based revenue.

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

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**B4. Profit Forecast or Profit Guarantee**

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

**B5. Tax Expense and Zakat**

The analysis of the tax expense for the 2nd quarter and financial half year ended 30 June 2013 are as follows:

<u>Group</u>	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
Malaysian income tax	<b>300,092</b>	269,360	<b>581,317</b>	559,536
Overseas income tax	<b>16,397</b>	19,347	<b>32,296</b>	33,750
	<b>316,489</b>	288,707	<b>613,613</b>	593,286
Under / (Over) provision in prior years				
- Malaysian income tax	-	279	<b>(129)</b>	725
- Overseas income tax	<b>408</b>	723	<b>468</b>	523
	<b>316,897</b>	289,709	<b>613,952</b>	594,534
Deferred tax expense				
- Relating to origination and reversal of temporary differences	<b>(10,754)</b>	(16,644)	<b>(16,823)</b>	(28,238)
- Under provision	<b>64</b>	-	<b>64</b>	-
Tax expense	<b>306,207</b>	273,065	<b>597,193</b>	566,296
Zakat	<b>66</b>	82	<b>132</b>	165
	<b>306,273</b>	273,147	<b>597,325</b>	566,461

The Group's effective tax rates for the 2nd quarter and financial half year ended 30 June 2013 and 30 June 2012 were lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

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**B5. Tax Expense and Zakat (continued)**

The analysis of the tax expense for the 2nd quarter and financial half year ended 30 June 2013 are as follows (continued):

<u>Bank</u>	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>	<b>30 June 2013 RM'000</b>	<b>30 June 2012 RM'000 (Restated)</b>
Malaysian income tax	<b>239,180</b>	217,186	<b>470,556</b>	452,619
Overseas income tax	<b>2,230</b>	580	<b>4,597</b>	1,135
	<b>241,410</b>	217,766	<b>475,153</b>	453,754
Under provision in prior years				
- Overseas income tax	<b>-</b>	547	<b>60</b>	347
	<b>241,410</b>	218,313	<b>475,213</b>	454,101
Deferred tax expense				
- Relating to origination and reversal of temporary differences	<b>(8,740)</b>	(11,189)	<b>(13,966)</b>	(18,702)
- Under provision	<b>64</b>	-	<b>64</b>	-
	<b>232,734</b>	207,124	<b>461,311</b>	435,399

The Bank's effective tax rate for the 2nd quarter and financial half year ended 30 June 2013 and 30 June 2012 were lower than the statutory tax rate due to certain income not subject to tax.

**B6. Status of Corporate Proposals Announced but Not Completed**

There were no corporate proposals announced but not completed as at 30 June 2012.

**B7. Status of Utilisation of Proceeds Raised from Corporate Proposals**

The proceeds raised from the issuances of Senior Medium Term Notes during the period have been used for working capital, general banking and other corporate purposes, as intended.

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

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**B8. Realised and Unrealised Profits**

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

	<b>Group</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	11,208,741	10,360,213
- Unrealised	84,543	90,836
	<b>11,293,284</b>	<b>10,451,049</b>
Total share of retained profits from associated companies:		
- Realised	2,445	4,495
- Unrealised	-	-
	<b>11,295,729</b>	<b>10,455,544</b>
Less: Consolidation adjustments	<b>(1,082,581)</b>	<b>(1,180,635)</b>
Total Group retained profits as per consolidated accounts	<b>10,213,148</b>	<b>9,274,909</b>
	<b>Bank</b>	
	<b>30 June 2013 RM'000</b>	<b>31 December 2012 RM'000 (Restated)</b>
Total retained profits of Public Bank Berhad:		
- Realised	9,563,331	8,771,330
- Unrealised	(34,415)	(24,998)
Total Bank retained profits as per accounts	<b>9,528,916</b>	<b>8,746,332</b>

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

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

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

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	131,230,707	120,388,610	104,435,305	93,813,034
More than one year	167,504	286,993	96,755	118,551
- Negotiable instruments of deposits				
One year or less	1,927,950	1,135,538	227,778	80,880
More than one year	9,068	88,082	9,068	9,232
- Money market deposits				
One year or less	46,399,061	46,593,137	41,076,296	41,991,233
- Savings deposits	24,940,695	23,726,493	17,843,341	16,843,952
- Demand deposits	35,516,435	32,632,541	30,711,864	28,643,745
- Others	177,747	190,931	175,979	187,817
	<u>240,369,167</u>	<u>225,042,325</u>	<u>194,576,386</u>	<u>181,688,444</u>
(b) <u>Deposits from banks</u>				
- One year or less	<u>15,486,017</u>	<u>12,849,313</u>	<u>16,511,461</u>	<u>14,408,778</u>
(c) <u>Debt securities issued and other     borrowed funds</u>				
Borrowings denominated in HKD (unsecured)				
Term loan				
- One year or less	572,839	550,981	-	-
- More than one year	324,988	313,930	-	-
	<u>897,827</u>	<u>864,911</u>	<u>-</u>	<u>-</u>
Senior Medium Term notes denominated in RM (unsecured)				
- More than one year	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Subordinated notes denominated in RM (unsecured)				
- More than one year	<u>3,506,826</u>	<u>4,937,918</u>	<u>3,506,826</u>	<u>4,937,918</u>
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	725,878	719,818	725,878	719,818
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	<u>1,228,570</u>	<u>1,235,947</u>	<u>1,228,570</u>	<u>1,235,947</u>
	<u>1,954,448</u>	<u>1,955,765</u>	<u>1,954,448</u>	<u>1,955,765</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	<u>2,166,667</u>	<u>2,188,259</u>	<u>2,166,667</u>	<u>2,188,259</u>
	<u>8,925,768</u>	<u>9,946,853</u>	<u>8,027,941</u>	<u>9,081,942</u>



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**B10. Changes in Material Litigation**

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

**B11. Dividends**

(a) (i) A first interim single tier dividend of 22% for the financial year ending 31 December 2013, amounting to RM770,467,529 computed based on the outstanding issued and paid-up share capital excluding treasury shares as at 30 June 2013, has been declared by the directors;

(ii) Amount per share : Single tier dividend of 22.0 sen;

(iii) Entitlement date: 12 August 2013;

(iv) Payment date: 20 August 2013.

(b) Total dividend paid for the previous financial half year ended 30 June 2012:  
- First interim single tier dividend of 20.0 sen.

**B12. Earnings Per Share**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
		<b>(Restated)</b>		<b>(Restated)</b>
Net profit attributable to equity holders (RM'000)	<u><b>1,023,505</b></u>	<u>942,068</u>	<u><b>1,991,806</b></u>	<u>1,872,250</u>
Weighted average number of PBB Shares ('000)	<u><b>3,502,125</b></u>	<u>3,502,125</u>	<u><b>3,502,125</b></u>	<u>3,502,125</u>
Basic earnings per share (sen)	<u><b>29.2</b></u>	<u>26.9</u>	<u><b>56.9</b></u>	<u>53.5</u>

**Diluted**

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