

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
ASSETS				
Cash and balances with banks	25,455,971	22,080,417	17,913,615	12,750,086
Reverse repurchase agreements	10,391,380	9,541,969	9,388,543	8,638,588
Financial assets held-for-trading	13,521,792	15,811,963	10,921,014	13,986,426
Derivative financial assets	246,878	365,354	233,912	350,729
Financial investments available-for-sale	15,577,425	17,618,512	13,103,249	15,124,867
Financial investments held-to-maturity	8,765,219	7,793,551	6,677,990	5,787,800
Loans, advances and financing	224,836,251	219,415,793	187,393,426	182,404,573
Other assets	2,611,038	2,539,699	2,108,733	2,409,310
Statutory deposits with Central Banks	7,514,522	6,924,832	6,149,476	5,565,946
Deferred tax assets	70,245	70,121	-	-
Investment in subsidiary companies	-	-	4,436,050	4,436,050
Investment in associated companies	153,200	158,885	121,325	121,325
Investment properties	96,938	97,391	-	-
Property and equipment	1,289,222	1,302,997	544,244	568,346
Intangible assets	1,998,917	2,003,912	695,393	695,393
TOTAL ASSETS	312,528,998	305,725,396	259,686,970	252,839,439
LIABILITIES				
Deposits from customers	258,913,596	250,873,189	210,542,255	201,871,592
Deposits from banks	14,037,771	16,175,836	14,602,620	16,923,048
Bills and acceptances payable	2,186,087	1,573,443	2,233,765	1,627,515
Recourse obligations on loans and financing sold to Cagamas	500,011	500,011	-	-
Derivative financial liabilities	280,384	334,590	357,288	429,495
Debt securities issued and other borrowed funds	10,359,269	10,369,825	9,897,300	9,906,434
Other liabilities	4,364,893	4,020,416	2,965,576	2,845,591
Provision for tax expense and zakat	626,797	585,229	414,604	362,971
Deferred tax liabilities	92,758	95,661	52,967	50,738
TOTAL LIABILITIES	291,361,566	284,528,200	241,066,375	234,017,384

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
EQUITY				
Share capital	3,531,926	3,531,926	3,531,926	3,531,926
Reserves	17,072,591	17,107,240	15,304,241	15,505,701
Treasury shares	(215,572)	(215,572)	(215,572)	(215,572)
Equity attributable to equity holders of the Bank	20,388,945	20,423,594	18,620,595	18,822,055
Non-controlling interests	778,487	773,602	-	-
TOTAL EQUITY	21,167,432	21,197,196	18,620,595	18,822,055
TOTAL LIABILITIES AND EQUITY	312,528,998	305,725,396	259,686,970	252,839,439
COMMITMENTS AND CONTINGENCIES	86,838,763	87,986,206	82,101,418	83,587,446
CAPITAL ADEQUACY				
<u>Before deducting interim dividends *</u>				
Common Equity Tier I Capital Ratio	8.528%	9.276%	9.565%	10.927%
Tier I Capital Ratio	10.073%	11.055%	11.385%	13.023%
Total Capital Ratio	13.257%	14.288%	12.939%	14.086%
<u>After deducting interim dividends *</u>				
Common Equity Tier I Capital Ratio	8.528%	8.750%	9.565%	10.300%
Tier I Capital Ratio	10.073%	10.529%	11.385%	12.396%
Total Capital Ratio	13.257%	13.762%	12.939%	13.459%
Net assets per share attributable to ordinary equity holders of the Bank (RM)	5.82	5.83	5.32	5.37

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

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

Group	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Operating revenue	3,948,377	3,673,214	3,948,377	3,673,214
Interest income	2,937,508	2,742,171	2,937,508	2,742,171
Interest expense	(1,534,526)	(1,392,433)	(1,534,526)	(1,392,433)
Net interest income	1,402,982	1,349,738	1,402,982	1,349,738
Net income from Islamic banking business	205,584	207,269	205,584	207,269
	1,608,566	1,557,007	1,608,566	1,557,007
Net fee and commission income	322,667	303,223	322,667	303,223
Net gains and losses on financial instruments	53,850	43,084	53,850	43,084
Other operating income	78,434	76,895	78,434	76,895
Net income	2,063,517	1,980,209	2,063,517	1,980,209
Other operating expenses	(655,918)	(631,754)	(655,918)	(631,754)
Operating profit	1,407,599	1,348,455	1,407,599	1,348,455
Allowance for impairment on loans, advances and financing	(84,818)	(81,390)	(84,818)	(81,390)
Writeback of impairment on other assets	984	1,330	984	1,330
	1,323,765	1,268,395	1,323,765	1,268,395
Share of profit after tax of equity accounted associated companies	3,335	1,581	3,335	1,581
Profit before tax expense and zakat	1,327,100	1,269,976	1,327,100	1,269,976
Tax expense and zakat	(300,067)	(291,052)	(300,067)	(291,052)
Profit for the period	1,027,033	978,924	1,027,033	978,924
Profit for the period attributable to :				
- Equity holders of the Bank	1,016,932	968,301	1,016,932	968,301
- Non-controlling interests	10,101	10,623	10,101	10,623
	1,027,033	978,924	1,027,033	978,924
Earnings per RM1.00 share:				
- basic / diluted (sen)	29.0	27.6	29.0	27.6

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 2013.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Profit for the period	<u>1,027,033</u>	<u>978,924</u>	<u>1,027,033</u>	<u>978,924</u>
Other comprehensive (loss) / income:				
<u>Items that may be reclassified to profit or loss:</u>				
Foreign currency translation reserves:				
- Currency translation differences in respect of:				
- Foreign operations	(26,936)	38,048	(26,936)	38,048
- Net investment hedge	14,773	(28,019)	14,773	(28,019)
Revaluation reserves:				
- Net (loss) / gain on revaluation of financial investments available-for-sale	(4,076)	6,016	(4,076)	6,016
- Share of gain of equity accounted associated companies	31	4	31	4
Hedging reserves:				
- Net change in cash flow hedges	10,768	(14,048)	10,768	(14,048)
	<u>(5,440)</u>	<u>2,001</u>	<u>(5,440)</u>	<u>2,001</u>
Income tax relating to components of other comprehensive (loss) / income:				
- Revaluation reserves	1,973	(1,447)	1,973	(1,447)
- Hedging reserves	(2,692)	3,512	(2,692)	3,512
	<u>(719)</u>	<u>2,065</u>	<u>(719)</u>	<u>2,065</u>
Other comprehensive (loss) / income for the period, net of tax	<u>(6,159)</u>	<u>4,066</u>	<u>(6,159)</u>	<u>4,066</u>
Total comprehensive income for the period	<u>1,020,874</u>	<u>982,990</u>	<u>1,020,874</u>	<u>982,990</u>
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	1,015,989	965,865	1,015,989	965,865
- Non-controlling interests	4,885	17,125	4,885	17,125
	<u>1,020,874</u>	<u>982,990</u>	<u>1,020,874</u>	<u>982,990</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 2013.

PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Operating revenue	3,004,387	2,787,995	3,004,387	2,787,995
Interest income	2,689,755	2,502,168	2,689,755	2,502,168
Interest expense	(1,478,172)	(1,337,844)	(1,478,172)	(1,337,844)
Net interest income	1,211,583	1,164,324	1,211,583	1,164,324
Net fee and commission income	122,183	126,406	122,183	126,406
Net gains and losses on financial instruments	53,287	41,614	53,287	41,614
Other operating income	164,737	249,059	164,737	249,059
Net income	1,551,790	1,581,403	1,551,790	1,581,403
Other operating expenses	(446,989)	(445,331)	(446,989)	(445,331)
Operating profit	1,104,801	1,136,072	1,104,801	1,136,072
Allowance for impairment on loans, advances and financing	(38,310)	(16,108)	(38,310)	(16,108)
Writeback of impairment on other assets	984	1,330	984	1,330
Profit before tax expense and zakat	1,067,475	1,121,294	1,067,475	1,121,294
Tax expense and zakat	(236,349)	(228,577)	(236,349)	(228,577)
Profit for the period	831,126	892,717	831,126	892,717

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 2013.

PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Profit for the period	831,126	892,717	831,126	892,717
Other comprehensive (loss) / income:				
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net (loss) / gain on revaluation of financial investments available-for-sale	(9,370)	4,581	(9,370)	4,581
Hedging reserves:				
- Net change in cash flow hedges	33,440	(5,491)	33,440	(5,491)
	24,070	(910)	24,070	(910)
Income tax relating to components of other comprehensive (loss) / income:				
- Revaluation reserves	2,342	(1,145)	2,342	(1,145)
- Hedging reserves	(8,360)	1,373	(8,360)	1,373
	(6,018)	228	(6,018)	228
Other comprehensive income / (loss) for the period, net of tax	18,052	(682)	18,052	(682)
Total comprehensive income for the period	849,178	892,035	849,178	892,035

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PUBLIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

<----- 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 2014	3,531,926	1,073,310	4,526,365	11,507,565	(215,572)	20,423,594	773,602	21,197,196	
Profit for the period	-	-	-	1,016,932	-	1,016,932	10,101	1,027,033	
Other comprehensive loss for the period	-	-	(943)	-	-	(943)	(5,216) *	(6,159)	
Total comprehensive (loss) / income for the period	-	-	(943)	1,016,932	-	1,015,989	4,885	1,020,874	
Transactions with owners / other equity movements:									
Transfer to Profit Equalisation Reserve of the Islamic banking institution	-	-	107	(107)	-	-	-	-	
Transfer from regulatory reserves	-	-	(17)	17	-	-	-	-	
Transfer to general reserves	-	-	280	(280)	-	-	-	-	
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)	-	(1,050,638)	
	-	-	370	(1,051,008)	-	(1,050,638)	-	(1,050,638)	
At 31 March 2014	3,531,926	1,073,310	4,525,792	11,473,489	(215,572)	20,388,945	778,487	21,167,432	

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

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

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

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

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

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

	Non-distributable		Distributable		Treasury Shares	Total Equity
	Share Capital	Share Premium	<u>Reserves</u> Other Reserves	<u>Reserves</u> Retained Profits		
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	3,531,926	1,073,310	3,803,152	10,629,239	(215,572)	18,822,055
Profit for the period	-	-	-	831,126	-	831,126
Other comprehensive income for the period	-	-	18,052	-	-	18,052
Total comprehensive income for the period	-	-	18,052	831,126	-	849,178
Transactions with owners / other equity movements:						
Transfer to general reserves	-	-	280	(280)	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)
	-	-	280	(1,050,918)	-	(1,050,638)
At 31 March 2014	3,531,926	1,073,310	3,821,484	10,409,447	(215,572)	18,620,595

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

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

	Non-distributable		Distributable		Treasury Shares 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		
Bank						
At 1 January 2013	3,531,926	1,073,310	3,758,897	8,746,332	(215,572)	16,894,893
Profit for the period	-	-	-	892,717	-	892,717
Other comprehensive loss for the period	-	-	(682)	-	-	(682)
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(682)</u>	<u>892,717</u>	<u>-</u>	<u>892,035</u>
Transactions with owners / other equity movements:						
Transfer to general reserves	-	-	253	(253)	-	-
Dividends paid	-	-	-	(1,050,638)	-	(1,050,638)
	<u>-</u>	<u>-</u>	<u>253</u>	<u>(1,050,891)</u>	<u>-</u>	<u>(1,050,638)</u>
At 31 March 2013	<u>3,531,926</u>	<u>1,073,310</u>	<u>3,758,468</u>	<u>8,588,158</u>	<u>(215,572)</u>	<u>16,736,290</u>

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PUBLIC BANK BERHAD
(6463 - H)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

	Group		Bank	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Cash Flows from Operating Activities				
Profit before tax expense and zakat	1,327,100	1,269,976	1,067,475	1,121,294
Adjustments for non-cash items:				
Share of profit after tax of equity accounted associated companies	(3,335)	(1,581)	-	-
Allowance for impaired loans and financing	143,117	127,669	73,877	41,767
Depreciation of property and equipment	37,938	41,509	29,660	33,744
Net gain on financial instruments	(10,080)	(3,570)	(10,757)	(3,711)
Dividends received	(42,528)	(36,246)	(134,376)	(220,530)
Transfer to profit equalisation reserve	185	-	-	-
Impairment loss written back	(984)	(1,330)	(984)	(1,330)
Other non-cash items	19,128	5,478	10,459	14,828
Operating profit before working capital changes	1,470,541	1,401,905	1,035,354	986,062
Changes in working capital:				
Increase in operating assets	(7,565,326)	(7,188,219)	(5,647,775)	(5,337,100)
Increase in operating liabilities	6,936,991	12,206,637	7,145,920	9,711,030
Cash generated from operations	842,206	6,420,323	2,533,499	5,359,992
Tax expense and zakat paid	(262,197)	(300,530)	(188,505)	(231,028)
Net cash generated from operating activities	580,009	6,119,793	2,344,994	5,128,964
Cash Flows from Investing Activities				
Purchase of property and equipment	(24,627)	(18,771)	(6,022)	(6,284)
Proceeds from disposal of properties	7,920	13,448	7,826	13,055
Net sale of financial investments	1,057,636	344,221	1,118,090	622,924
Dividends received	42,528	36,246	356,738	409,077
Net cash generated from investing activities	1,083,457	375,144	1,476,632	1,038,772

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INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2014

	Group		Bank	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Cash Flows from Financing Activities				
Dividends paid	(1,050,638)	(1,050,638)	(1,050,638)	(1,050,638)
Net (repayment) / drawdown of borrowings	(1,422)	8,388	-	-
Net cash used in financing activities	(1,052,060)	(1,042,250)	(1,050,638)	(1,050,638)
Net change in cash and cash equivalents	611,406	5,452,687	2,770,988	5,117,098
Cash and cash equivalents at beginning of the period	20,183,223	16,835,772	11,386,416	10,238,710
Exchange differences on translation of opening balances	(14,308)	32,169	-	-
Cash and cash equivalents at end of the period	20,780,321	22,320,628	14,157,404	15,355,808
Note:				
Cash and balances with banks	25,455,971	24,066,268	17,913,615	16,269,628
Less: Balances with banks with maturity more than one month	(4,675,650)	(1,745,640)	(3,756,211)	(913,820)
Cash and cash equivalents at end of the period	20,780,321	22,320,628	14,157,404	15,355,808

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 2013.

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

A1. Basis of Preparation

The unaudited interim financial statements for the 1st quarter ended 31 March 2014 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 2013. 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 2013.

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 2013.

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 July 2014

Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2010–2012 Cycle"

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2011–2013 Cycle"

Effective for annual period to be announced by MASB

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 Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)

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A1. Basis of Preparation (continued)

The amendments to MFRS 119 provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans. The adoption of the amendments to MFRS 119 will not have any financial impact to the Group and the Bank as the Group's defined benefit plan does not require employees or third parties to contribute to the plan.

The Annual Improvements to MFRSs 2010 – 2012 Cycle consist of the following amendments:

(i) MFRS 2 Share-based Payment

The amendment clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

(ii) MFRS 3 Business Combinations

The amendment clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. In addition, contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in the statement of profit or loss.

(iii) MFRS 8 Operating Segments

The amendment requires the disclosure of judgements made in applying the aggregation criteria to operating segments. This includes a brief description of the operating segment and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. In addition, a reconciliation of the total reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.

(iv) MFRS 13 Fair Value Measurement

The amendment relates to the IASB's Basis for Conclusions which clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

(v) MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

The amendment clarifies the accounting for the accumulated depreciation or amortisation when an asset is revalued.

(vi) MFRS 124 Related Party Disclosures

The amendment extends the definition of 'related party' to include an entity, or any member of a group of which it is a party, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The adoption of the Annual Improvements to MFRSs 2010 - 2012 Cycle is not expected to have any financial impact to the Group and the Bank.

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A1. Basis of Preparation (continued)

The Annual Improvements to MFRSs 2011 – 2013 Cycle consist of the following amendments:

(i) MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

The amendment relates to the IASB's Basis for Conclusions which clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

(ii) MFRS 3 Business Combinations

The amendment clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself, but not to the parties to the joint arrangements for their interests in the joint arrangement.

(iii) MFRS 13 Fair Value Measurement

The amendment clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

(iv) MFRS 140 Investment Property

The amendment clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

The adoption of the Annual Improvements to MFRSs 2011-2013 Cycle is not expected to have any financial impact to the Group and the Bank.

MFRS 9 introduces significant changes in the way the Group and the Bank 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 and the Bank.

On 4 February 2014, Bank Negara Malaysia ("BNM") issued a letter requiring banking institutions to maintain, in aggregate, collective impairment provisions and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment provisions, pursuant to paragraph 13 of the BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing. The regulatory reserves is maintained in addition to the impairment provisions required under MFRSs, and it will be set aside from the retained profits to a separate reserves within equity as an additional credit risk absorbent. Banking institutions are required to comply with this requirement by 31 December 2015. The adoption of this new requirement is not expected to have any impact to the profit or loss of the Group and the Bank. As regulatory reserves does not qualify as common equity Tier I ("CET I") capital and Tier I capital under BNM's Capital Adequacy Framework (Capital Components), the adoption of this requirement is expected to result in a drop in CET I and Tier I capital ratios of the Group by 0.6% respectively. For the Bank, the adoption of this requirement is expected to result in a drop in CET I and Tier I capital ratios by 0.7% respectively.

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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 2013 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the 1st quarter ended 31 March 2014.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the 1st quarter ended 31 March 2014.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 1st quarter ended 31 March 2014.

A6. Debt and Equity Securities

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Bank.

A7. Dividends Paid and Distributed

During the financial quarter ended 31 March 2014, a second interim single tier dividend of 30% in respect of the financial year ended 31 December 2013, amounting to RM1,050,637,539 was paid on 28 February 2014.

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A8. Financial Assets Held-for-trading

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Securities	250,265	223,523	250,265	223,523
Malaysian Government Investment Certificates	643,132	1,310,771	330,253	1,106,521
Bank Negara Malaysia Monetary Notes	528,725	49,346	528,725	49,346
	<u>1,422,122</u>	<u>1,583,640</u>	<u>1,109,243</u>	<u>1,379,390</u>
Money market instruments:				
Negotiable instruments of deposit	<u>11,517,029</u>	13,822,929	<u>9,274,054</u>	12,274,547
Non-money market instruments:				
Debt securities:				
- Unquoted private debt securities	<u>582,641</u>	405,394	<u>537,717</u>	332,489
Total financial assets held-for-trading	<u><u>13,521,792</u></u>	<u><u>15,811,963</u></u>	<u><u>10,921,014</u></u>	<u><u>13,986,426</u></u>

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A9. Financial Investments Available-for-sale

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	1,159,430	1,386,790	1,159,430	1,386,790
Malaysian Government Securities	2,085,268	975,356	2,085,268	975,356
Malaysian Government Investment Certificates	4,158,288	3,140,471	2,739,648	1,703,562
Bank Negara Malaysia Monetary Notes	658,822	4,604,017	658,822	4,604,017
	<u>8,061,808</u>	<u>10,106,634</u>	<u>6,643,168</u>	<u>8,669,725</u>
Money market instruments:				
Negotiable instruments of deposit	<u>50,947</u>	198,844	<u>50,947</u>	198,844
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks in Malaysia	-	4,785	-	4,785
- Quoted shares and convertible loan stocks outside Malaysia	11,152	11,897	-	-
- Unquoted shares #	110,118	110,249	106,166	106,285
Debt securities:				
- Unquoted private debt securities	2,197,070	2,078,879	1,729,966	1,607,095
Unit trust funds	5,146,330	5,107,224	4,573,002	4,538,133
	<u>7,464,670</u>	<u>7,313,034</u>	<u>6,409,134</u>	<u>6,256,298</u>
Total financial investments available-for-sale	<u>15,577,425</u>	<u>17,618,512</u>	<u>13,103,249</u>	<u>15,124,867</u>

Stated at cost, net of impairment loss.

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A10. Financial Investments Held-to-maturity

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	-	19,961	-	-
Malaysian Government Securities	1,305,061	1,235,500	1,204,193	1,205,514
Malaysian Government Investment Certificates	3,077,797	2,190,194	2,687,861	2,119,819
Foreign Government Treasury Bills	726,231	756,069	85,048	111,725
Other foreign government securities	198,527	197,872	-	-
	<u>5,307,616</u>	<u>4,399,596</u>	<u>3,977,102</u>	<u>3,437,058</u>
Money market instruments:				
Negotiable instruments of deposit	1,729,667	1,890,742	1,542,965	1,528,777
Bankers' acceptances and Islamic accepted bills	151,734	279,895	21,759	89,092
	<u>1,881,401</u>	<u>2,170,637</u>	<u>1,564,724</u>	<u>1,617,869</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds	126,439	130,287	86,225	90,436
- Unquoted private debt securities	1,449,851	1,093,138	1,050,027	642,544
	<u>1,576,290</u>	<u>1,223,425</u>	<u>1,136,252</u>	<u>732,980</u>
Accumulated impairment losses	(88)	(107)	(88)	(107)
Total financial investments held-to-maturity	<u>8,765,219</u>	<u>7,793,551</u>	<u>6,677,990</u>	<u>5,787,800</u>

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A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At amortised cost				
Overdrafts	9,893,456	9,694,121	8,409,453	8,319,983
Term loans				
- Housing loans / financing	71,227,269	69,371,088	62,068,289	60,472,169
- Syndicated term loans / financing	1,770,892	1,782,419	993,906	1,071,646
- Hire purchase receivables	45,817,764	44,923,671	33,007,679	31,906,568
- Other term loans / financing	86,096,571	83,603,166	72,481,346	70,256,580
Credit card receivables	1,546,630	1,623,283	1,537,218	1,613,033
Bills receivables	146,654	132,233	123,442	112,310
Trust receipts	298,336	318,642	252,487	262,301
Claims on customers under acceptance credits	4,121,448	4,146,270	4,015,679	4,013,598
Revolving credits	4,325,202	4,247,740	4,382,247	4,273,079
Staff loans *	1,367,462	1,333,170	1,287,568	1,254,160
Gross loans, advances and financing	<u>226,611,684</u>	<u>221,175,803</u>	<u>188,559,314</u>	<u>183,555,427</u>
Allowance for impaired loans and financing:				
- collective assessment allowance	(1,607,268)	(1,592,085)	(1,088,926)	(1,071,089)
- individual assessment allowance	(168,165)	(167,925)	(76,962)	(79,765)
Net loans, advances and financing	<u>224,836,251</u>	<u>219,415,793</u>	<u>187,393,426</u>	<u>182,404,573</u>

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM3,502,000 (2013: RM3,499,000) and RM3,114,000 (2013 - RM3,092,000) respectively.

A11a. By class

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Retail loans / financing *				
- Housing loans / financing	71,227,269	69,371,088	62,068,289	60,472,169
- Hire purchase	45,817,764	44,923,671	33,007,679	31,906,568
- Credit cards	1,546,630	1,623,283	1,537,218	1,613,033
- Other loans / financing ^	77,050,203	74,634,000	66,717,201	64,745,015
	<u>195,641,866</u>	<u>190,552,042</u>	<u>163,330,387</u>	<u>158,736,785</u>
Corporate loans / financing	30,969,818	30,623,761	25,228,927	24,818,642
	<u>226,611,684</u>	<u>221,175,803</u>	<u>188,559,314</u>	<u>183,555,427</u>

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

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

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A11. Loans, Advances and Financing (continued)

A11b. By type of customer

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Banking institutions	218,792	219,841	32,650	32,806
Non-bank financial institutions				
- Stock-broking companies	10,054	10,415	10,054	10,415
- Others	5,711,213	5,867,394	5,640,783	5,796,575
Business enterprises				
- Small and medium enterprises	49,389,547	46,466,558	44,511,580	41,907,628
- Others	24,623,203	24,774,604	19,639,592	19,839,602
Government and statutory bodies	332,050	328,984	9,188	9,205
Individuals	144,259,612	141,050,941	116,773,844	113,628,081
Other entities	46,880	43,708	44,275	41,090
Foreign entities	2,020,333	2,413,358	1,897,348	2,290,025
	226,611,684	221,175,803	188,559,314	183,555,427

A11c. By interest / profit rate sensitivity

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Fixed rate				
- Housing loans / financing	730,968	760,224	91,991	100,506
- Hire purchase receivables	44,174,979	43,231,795	32,998,464	31,896,405
- Other fixed rate loans / financing	15,168,850	15,294,702	8,215,071	8,200,180
Variable rate				
- Base lending rate plus	135,184,644	131,488,842	126,165,459	123,273,711
- Cost plus	20,986,301	20,029,781	20,317,195	19,323,512
- Other variable rates	10,365,942	10,370,459	771,134	761,113
	226,611,684	221,175,803	188,559,314	183,555,427

A11d. By residual contractual maturity

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Maturity within one year	30,053,241	29,512,905	25,278,657	24,665,072
More than one year to three years	21,995,618	21,787,337	17,482,873	17,348,887
More than three years to five years	22,192,185	21,614,004	17,458,903	16,869,100
More than five years	152,370,640	148,261,557	128,338,881	124,672,368
	226,611,684	221,175,803	188,559,314	183,555,427

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A11. Loans, Advances and Financing (continued)

A11e. By geographical distribution

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Malaysia	212,179,203	206,634,918	188,008,676	183,018,237
Hong Kong SAR and the People's Republic of China	11,482,843	11,573,237	-	-
Cambodia	2,399,000	2,430,458	-	-
Other countries	550,638	537,190	550,638	537,190
	<u>226,611,684</u>	<u>221,175,803</u>	<u>188,559,314</u>	<u>183,555,427</u>

A11f. Gross loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Purchase of securities	3,892,701	4,023,503	3,765,478	3,861,298
Purchase of transport vehicles	46,053,841	45,158,466	33,241,415	32,139,612
Purchase of landed properties	129,321,556	126,004,256	114,523,349	111,871,882
(of which: - residential	72,792,950	70,928,295	63,635,987	62,005,417
- non-residential)	56,528,606	55,075,961	50,887,362	49,866,465
Purchase of fixed assets (excluding landed properties)	253,542	242,072	225,029	212,738
Personal use	9,059,576	9,090,491	4,590,750	4,527,048
Credit card	1,546,630	1,623,283	1,537,218	1,613,033
Purchase of consumer durables	15,955	16,855	12,844	13,619
Construction	2,927,109	2,903,437	2,335,524	2,268,033
Mergers and acquisitions	205,332	208,454	205,332	208,454
Working capital	29,154,542	28,219,556	24,186,400	23,401,960
Other purpose	4,180,900	3,685,430	3,935,975	3,437,750
	<u>226,611,684</u>	<u>221,175,803</u>	<u>188,559,314</u>	<u>183,555,427</u>

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A11. Loans, Advances and Financing (continued)

A11g. Gross loans, advances and financing by sectors

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Agriculture, hunting, forestry and fishing	2,907,227	2,847,443	2,460,178	2,471,313
Mining and quarrying	203,531	199,457	172,979	167,811
Manufacturing	8,784,444	8,891,271	7,960,745	7,885,681
Electricity, gas and water	55,057	54,698	21,874	21,429
Construction	6,847,819	6,597,972	5,799,741	5,580,719
Wholesale & retail trade and restaurants & hotels	20,066,153	19,372,207	18,234,883	17,702,488
Transport, storage and communication	3,433,785	3,395,952	2,622,317	2,577,828
Finance, insurance and business services	12,341,128	12,214,958	10,898,317	10,838,160
Real estate	22,164,304	21,064,548	18,745,782	17,867,116
Community, social and personal services	4,335,251	4,319,749	3,896,714	3,886,443
Households	144,498,379	141,214,063	117,643,211	114,444,907
Others	974,606	1,003,485	102,573	111,532
	<u>226,611,684</u>	<u>221,175,803</u>	<u>188,559,314</u>	<u>183,555,427</u>

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Bankers' acceptances rediscounted	<u>1,709,799</u>	<u>974,991</u>	<u>1,709,799</u>	<u>974,121</u>

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At 1 January	1,484,779	1,374,086	1,135,737	1,014,660
Impaired during the period / year	662,363	2,939,301	474,320	2,125,565
Reclassified as non-impaired	(464,346)	(1,976,588)	(359,685)	(1,576,211)
Recoveries	(55,904)	(299,343)	(44,112)	(169,777)
Amount written off	(125,208)	(555,058)	(57,580)	(247,931)
Loans converted to foreclosed properties / investments	(10,684)	(10,981)	(10,648)	(10,721)
Exchange differences	(647)	13,362	(12)	152
Closing balance	<u>1,490,353</u>	<u>1,484,779</u>	<u>1,138,020</u>	<u>1,135,737</u>
Gross impaired loans as a percentage of gross loans, advances and financing	<u>0.66%</u>	<u>0.67%</u>	<u>0.60%</u>	<u>0.62%</u>

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A11. Loans, Advances and Financing (continued)

A11j. Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Malaysia	1,362,343	1,364,302	1,135,053	1,133,697
Hong Kong SAR and the People's Republic of China	76,941	74,329	-	-
Cambodia	48,102	44,108	-	-
Other countries	2,967	2,040	2,967	2,040
	1,490,353	1,484,779	1,138,020	1,135,737

A11k. Impaired loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Purchase of securities	3,459	3,466	3,455	3,462
Purchase of transport vehicles	359,670	357,474	255,936	256,600
Purchase of landed properties	691,656	676,066	622,256	608,140
(of which: - residential	526,669	526,930	468,007	468,751
- non-residential)	164,987	149,136	154,249	139,389
Purchase of fixed assets (excluding landed properties)	5,231	6,003	5,056	5,977
Personal use	161,347	169,312	45,516	48,542
Credit card	20,401	23,161	20,331	23,084
Purchase of consumer durables	70	82	3	4
Construction	11,437	11,469	8,832	8,855
Working capital	219,617	223,163	159,423	166,649
Other purpose	17,465	14,583	17,212	14,424
	1,490,353	1,484,779	1,138,020	1,135,737

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A11. Loans, Advances and Financing (continued)

A11l. Impaired loans, advances and financing by sectors

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Agriculture, hunting, forestry and fishing	23,117	16,692	8,886	2,559
Mining and quarrying	1,505	1,483	411	437
Manufacturing	100,847	110,739	90,825	98,646
Electricity, gas and water	1,564	1,551	-	-
Construction	44,340	41,188	40,607	37,600
Wholesale & retail trade and restaurants & hotels	136,182	130,908	111,744	106,597
Transport, storage and communication	62,760	61,167	61,199	59,778
Finance, insurance and business services	29,335	24,219	21,764	19,331
Real estate	24,701	23,715	21,311	21,458
Community, social and personal services	16,534	20,427	16,306	20,118
Households	1,044,038	1,050,632	764,293	768,342
Others	5,430	2,058	674	871
	1,490,353	1,484,779	1,138,020	1,135,737

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
<u>Collective Assessment Allowance</u>				
At 1 January	1,592,085	1,529,566	1,071,089	1,059,484
Allowance made during the period / year	89,418	340,289	73,228	219,966
Amount written off	(74,036)	(280,604)	(55,351)	(208,758)
Exchange differences	(199)	2,834	(40)	397
Closing balance	1,607,268	1,592,085	1,088,926	1,071,089

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
<u>Individual Assessment Allowance</u>				
At 1 January	167,925	201,995	79,765	110,074
Allowance made during the period / year	53,989	242,911	649	18,342
Amount written back in respect of recoveries	(290)	(17,164)	-	(9,478)
Amount written off	(51,172)	(274,454)	(2,229)	(39,173)
Amount transferred to allowance for impairment loss on foreclosed properties	(1,223)	-	(1,223)	-
Exchange differences	(1,064)	14,637	-	-
Closing balance	168,165	167,925	76,962	79,765

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A12. Other Assets

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Deferred handling fees	245,574	242,734	180,700	175,656
Interest / Income receivable	63,352	69,650	40,796	45,374
Other receivables, deposits and prepayments	1,346,348	1,410,075	1,264,744	1,338,651
Manager's stocks	151,390	87,984	-	-
Employee benefits	283,410	294,339	275,812	286,306
Amount due from trust funds	144,305	111,536	-	-
Foreclosed properties	61,575	57,280	60,321	55,982
Taxi licenses	-	1,130	-	-
Outstanding contracts on clients' accounts	315,084	264,971	-	-
Amount due from subsidiary companies	-	-	39,260	37,879
Dividend receivable from subsidiary companies	-	-	247,100	469,462
	2,611,038	2,539,699	2,108,733	2,409,310

A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	38,972,370	38,202,745	33,818,893	33,382,002
- Savings deposits	27,050,852	25,824,590	19,137,035	18,349,316
- Fixed deposits	142,990,763	137,230,286	113,794,136	107,341,341
	209,013,985	201,257,621	166,750,064	159,072,659
Wholesale deposits:				
- Negotiable instruments of deposit	1,262,379	1,620,398	639,158	651,420
- Money market deposits	48,560,320	47,881,370	43,077,210	42,036,700
	49,822,699	49,501,768	43,716,368	42,688,120
Other deposits	76,912	113,800	75,823	110,813
	258,913,596	250,873,189	210,542,255	201,871,592

b) By type of customer

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Federal and state governments	3,525,970	1,451,465	417,918	234,600
Local government and statutory authorities	3,106,460	2,695,427	1,906,425	1,610,984
Business enterprises	76,603,098	77,616,935	62,457,548	62,433,119
Individuals	115,398,336	111,921,512	100,861,052	97,008,165
Foreign customers	5,174,423	6,655,412	4,424,893	5,914,089
Others	55,105,309	50,532,438	40,474,419	34,670,635
	258,913,596	250,873,189	210,542,255	201,871,592

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A13. Deposits from Customers (continued)

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Due within six months	158,746,761	162,340,586	128,166,743	128,981,442
More than six months to one year	33,723,445	24,080,964	29,197,423	20,876,847
More than one year to three years	339,329	306,626	143,077	167,761
More than three years to five years	3,927	3,878	3,261	3,411
	<u>192,813,462</u>	<u>186,732,054</u>	<u>157,510,504</u>	<u>150,029,461</u>

A14. Deposits from Banks

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At amortised cost				
Licensed banks	4,913,145	4,234,141	3,329,130	2,893,468
Licensed Islamic banks	737,464	1,063,881	737,464	713,881
Licensed investment banks	3,165,355	3,473,912	2,887,578	3,494,590
Bank Negara Malaysia	1,605,233	1,980,255	1,602,850	1,977,865
Other financial institutions	3,616,574	5,423,647	6,045,598	7,843,244
	<u>14,037,771</u>	<u>16,175,836</u>	<u>14,602,620</u>	<u>16,923,048</u>

A15. Other Liabilities

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Interest / Income payable	1,265,790	1,186,739	1,074,012	1,009,164
Other payables and accruals	2,600,564	2,351,233	1,864,164	1,803,877
Amount due to trust funds	102,309	66,534	-	-
Unprocessed sales and / or redemptions	72,861	118,778	-	-
Profit Equalisation Reserve of the investment account holder	185	-	-	-
Finance lease liabilities	17,735	26,484	17,735	26,484
Outstanding contracts on clients' accounts	298,978	255,125	-	-
Dividend payable to shareholders	6,471	15,523	6,471	1,866
Amount due to subsidiary companies	-	-	3,194	4,200
	<u>4,364,893</u>	<u>4,020,416</u>	<u>2,965,576</u>	<u>2,845,591</u>

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A16. Interest Income

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
<u>Group</u>				
Loans and advances	2,491,017	2,308,415	2,491,017	2,308,415
Balances with banks	155,349	170,701	155,349	170,701
Financial investments available-for-sale	67,629	75,179	67,629	75,179
Financial investments held-to-maturity	77,821	56,689	77,821	56,689
Others	37,333	30,057	37,333	30,057
	<u>2,829,149</u>	<u>2,641,041</u>	<u>2,829,149</u>	<u>2,641,041</u>
Financial assets held-for-trading	108,359	101,130	108,359	101,130
	<u>2,937,508</u>	<u>2,742,171</u>	<u>2,937,508</u>	<u>2,742,171</u>

Of which:

Interest income earned on impaired loans
and advances

13,542	12,570	13,542	12,570
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	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
<u>Bank</u>				
Loans and advances	2,281,383	2,104,448	2,281,383	2,104,448
Balances with banks	145,790	160,867	145,790	160,867
Financial investments available-for-sale	65,898	73,474	65,898	73,474
Financial investments held-to-maturity	58,104	40,932	58,104	40,932
Others	37,263	30,053	37,263	30,053
	<u>2,588,438</u>	<u>2,409,774</u>	<u>2,588,438</u>	<u>2,409,774</u>
Financial assets held-for-trading	101,317	92,394	101,317	92,394
	<u>2,689,755</u>	<u>2,502,168</u>	<u>2,689,755</u>	<u>2,502,168</u>

Of which:

Interest income earned on impaired loans
and advances

12,885	11,507	12,885	11,507
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A17. Interest Expense

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits from banks	68,413	90,558	68,413	90,558
Deposits from customers	1,356,316	1,205,840	1,356,316	1,205,840
Loans sold to Cagamas	-	13	-	13
Debt securities issued and other borrowed funds	108,963	94,316	108,963	94,316
Others	834	1,706	834	1,706
	<u>1,534,526</u>	<u>1,392,433</u>	<u>1,534,526</u>	<u>1,392,433</u>

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits from banks	62,301	84,215	62,301	84,215
Deposits from customers	1,307,966	1,161,013	1,307,966	1,161,013
Loans sold to Cagamas	-	13	-	13
Debt securities issued and other borrowed funds	107,125	90,943	107,125	90,943
Others	780	1,660	780	1,660
	<u>1,478,172</u>	<u>1,337,844</u>	<u>1,478,172</u>	<u>1,337,844</u>

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A18. Net Fee and Commission Income

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Group				
Fee and commission income:				
Commissions	92,725	89,555	92,725	89,555
Service charges and fees	71,404	67,800	71,404	67,800
Guarantee fees	6,888	6,736	6,888	6,736
Processing fees	6,605	3,510	6,605	3,510
Commitment fees	15,571	16,275	15,571	16,275
Unit trust management fees	189,933	161,948	189,933	161,948
Fee on sale of trust units	71,664	71,846	71,664	71,846
Net brokerage and commissions from stockbroking activities	18,569	17,615	18,569	17,615
Other fee and commission income	8,709	10,687	8,709	10,687
	<u>482,068</u>	<u>445,972</u>	<u>482,068</u>	<u>445,972</u>
Fee and commission expense:				
Loan related fee	(65,387)	(60,290)	(65,387)	(60,290)
Unit trust agency fee	(89,088)	(78,015)	(89,088)	(78,015)
Other fee and commission expense	(4,926)	(4,444)	(4,926)	(4,444)
	<u>(159,401)</u>	<u>(142,749)</u>	<u>(159,401)</u>	<u>(142,749)</u>
Net fee and commission income	<u>322,667</u>	<u>303,223</u>	<u>322,667</u>	<u>303,223</u>

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Bank				
Fee and commission income:				
Commissions	108,405	106,870	108,405	106,870
Service charges and fees	50,720	50,926	50,720	50,926
Guarantee fees	6,157	5,996	6,157	5,996
Processing fees	3,674	987	3,674	987
Commitment fees	14,544	15,566	14,544	15,566
Other fee and commission income	5,907	8,357	5,907	8,357
	<u>189,407</u>	<u>188,702</u>	<u>189,407</u>	<u>188,702</u>
Fee and commission expense:				
Loan related fee	(64,333)	(59,384)	(64,333)	(59,384)
Other fee and commission expense	(2,891)	(2,912)	(2,891)	(2,912)
	<u>(67,224)</u>	<u>(62,296)</u>	<u>(67,224)</u>	<u>(62,296)</u>
Net fee and commission income	<u>122,183</u>	<u>126,406</u>	<u>122,183</u>	<u>126,406</u>

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A19. Net Gains and Losses on Financial Instruments

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Group				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	1,242	3,268	1,242	3,268
- unrealised revaluation gain / (loss)	2,520	(3,254)	2,520	(3,254)
	<u>3,762</u>	<u>14</u>	<u>3,762</u>	<u>14</u>
Net gain / (loss) arising on trading derivatives				
- net gain on disposal	8,144	128	8,144	128
- unrealised revaluation (loss) / gain	(8,324)	2,853	(8,324)	2,853
	<u>(180)</u>	<u>2,981</u>	<u>(180)</u>	<u>2,981</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	5,434	4,193	5,434	4,193
- gross dividend income	42,528	36,246	42,528	36,246
	<u>47,962</u>	<u>40,439</u>	<u>47,962</u>	<u>40,439</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	1,894	(353)	1,894	(353)
- cash flow hedge	412	3	412	3
	<u>2,306</u>	<u>(350)</u>	<u>2,306</u>	<u>(350)</u>
Net gains and losses on financial instruments	<u>53,850</u>	<u>43,084</u>	<u>53,850</u>	<u>43,084</u>
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Bank				
Net gain / (loss) arising on financial assets held-for-trading:				
- net gain on disposal	1,241	3,268	1,241	3,268
- unrealised revaluation gain / (loss)	2,520	(3,223)	2,520	(3,223)
	<u>3,761</u>	<u>45</u>	<u>3,761</u>	<u>45</u>
Net gain / (loss) arising on trading derivatives				
- net gain on disposal	8,144	128	8,144	128
- unrealised revaluation (loss) / gain	(7,749)	2,877	(7,749)	2,877
	<u>395</u>	<u>3,005</u>	<u>395</u>	<u>3,005</u>
Net gain arising on financial investments available-for-sale:				
- net gain on disposal	5,434	4,193	5,434	4,193
- gross dividend income	41,289	34,635	41,289	34,635
	<u>46,723</u>	<u>38,828</u>	<u>46,723</u>	<u>38,828</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	1,996	(267)	1,996	(267)
- cash flow hedge	412	3	412	3
	<u>2,408</u>	<u>(264)</u>	<u>2,408</u>	<u>(264)</u>
Net gains and losses on financial instruments	<u>53,287</u>	<u>41,614</u>	<u>53,287</u>	<u>41,614</u>

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A20. Other Operating Income

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Group				
Other income:				
Foreign exchange profit	60,705	58,118	60,705	58,118
Rental income from:				
- investment properties	1,646	1,404	1,646	1,404
- other properties	3,707	3,423	3,707	3,423
Net (loss) / gain on disposal of property and equipment	(194)	300	(194)	300
Net gain on disposal of foreclosed properties	398	4,047	398	4,047
Others	12,172	9,603	12,172	9,603
Total other operating income	<u>78,434</u>	<u>76,895</u>	<u>78,434</u>	<u>76,895</u>

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Bank				
Gross dividend income from:				
- subsidiary companies				
- unquoted in Malaysia	93,087	185,895	93,087	185,895
	<u>93,087</u>	<u>185,895</u>	<u>93,087</u>	<u>185,895</u>
Other income:				
Foreign exchange profit	61,363	49,758	61,363	49,758
Rental income from other properties	2,780	2,624	2,780	2,624
Net (loss) / gain on disposal of property and equipment	(193)	297	(193)	297
Net gain on disposal of foreclosed properties	398	4,047	398	4,047
Others	7,302	6,438	7,302	6,438
	<u>71,650</u>	<u>63,164</u>	<u>71,650</u>	<u>63,164</u>
Total other operating income	<u>164,737</u>	<u>249,059</u>	<u>164,737</u>	<u>249,059</u>

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A21. Other Operating Expenses

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Personnel costs				
- Salaries, allowances and bonuses	378,792	362,839	378,792	362,839
- Pension costs	53,467	51,164	53,467	51,164
- Others	32,026	29,987	32,026	29,987
	464,285	443,990	464,285	443,990
Establishment costs				
- Depreciation	37,938	41,509	37,938	41,509
- Rental	23,784	22,115	23,784	22,115
- Insurance	5,944	6,125	5,944	6,125
- Water and electricity	11,484	10,249	11,484	10,249
- General repairs and maintenance	21,956	15,508	21,956	15,508
- Information technology expenses	7,314	7,030	7,314	7,030
- Others	12,436	10,432	12,436	10,432
	120,856	112,968	120,856	112,968
Marketing expenses				
- Advertisement and publicity	10,674	16,278	10,674	16,278
- Others	19,449	21,046	19,449	21,046
	30,123	37,324	30,123	37,324
Administration and general expenses				
- Communication expenses	9,726	10,318	9,726	10,318
- Legal and professional fees	9,401	8,871	9,401	8,871
- Others	21,527	18,283	21,527	18,283
	40,654	37,472	40,654	37,472
Total other operating expenses	655,918	631,754	655,918	631,754

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A21. Other Operating Expenses (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
<u>Bank</u>				
Personnel costs				
- Salaries, allowances and bonuses	293,995	286,934	293,995	286,934
- Pension costs	47,390	55,098	47,390	55,098
- Others	27,824	26,017	27,824	26,017
	<u>369,209</u>	<u>368,049</u>	<u>369,209</u>	<u>368,049</u>
Establishment costs				
- Depreciation	29,660	33,744	29,660	33,744
- Rental	21,613	20,825	21,613	20,825
- Insurance	4,248	4,513	4,248	4,513
- Water and electricity	8,827	7,890	8,827	7,890
- General repairs and maintenance	19,510	13,255	19,510	13,255
- Information technology expenses	3,972	3,714	3,972	3,714
- Others	9,567	7,904	9,567	7,904
	<u>97,397</u>	<u>91,845</u>	<u>97,397</u>	<u>91,845</u>
Marketing expenses				
- Advertisement and publicity	2,793	6,078	2,793	6,078
- Others	8,518	10,218	8,518	10,218
	<u>11,311</u>	<u>16,296</u>	<u>11,311</u>	<u>16,296</u>
Administration and general expenses				
- Communication expenses	7,530	8,302	7,530	8,302
- Legal and professional fees	6,491	6,584	6,491	6,584
- Others	13,055	10,021	13,055	10,021
	<u>27,076</u>	<u>24,907</u>	<u>27,076</u>	<u>24,907</u>
Shared service cost charged to Public Islamic Bank Berhad	(58,004)	(55,766)	(58,004)	(55,766)
Total other operating expenses	<u>446,989</u>	<u>445,331</u>	<u>446,989</u>	<u>445,331</u>

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A23. Segment Information

1st Quarter Ended 31 March 2014	----- 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	593,693	1,922,171	277,133	449,003	47,960	261,813	1,366	118,421	3,671,560	276,817	-	3,948,377
Revenue from other segments	-	301,292	3,360	221,430	1,586	3,791	7,423	404,892	943,774	1,031	(944,805)	-
	<u>593,693</u>	<u>2,223,463</u>	<u>280,493</u>	<u>670,433</u>	<u>49,546</u>	<u>265,604</u>	<u>8,789</u>	<u>523,313</u>	<u>4,615,334</u>	<u>277,848</u>	<u>(944,805)</u>	<u>3,948,377</u>
Net interest income and												
Islamic banking income	232,496	1,030,659	71,195	41,021	4,490	4,007	(1,921)	42,169	1,424,116	184,450	-	1,608,566
Other income	495	125,626	13,041	64,229	15,786	154,578	8,736	54,435	436,926	34,702	(16,677)	454,951
Net income	<u>232,991</u>	<u>1,156,285</u>	<u>84,236</u>	<u>105,250</u>	<u>20,276</u>	<u>158,585</u>	<u>6,815</u>	<u>96,604</u>	<u>1,861,042</u>	<u>219,152</u>	<u>(16,677)</u>	<u>2,063,517</u>
Other operating expenses	(55,870)	(352,065)	(2,701)	(5,961)	(8,374)	(45,810)	(3,639)	(101,668)	(576,088)	(96,507)	16,677	(655,918)
(Allowance) / writeback of												
allowance for impairment on												
loans, advances and financing	(39,770)	(25,613)	14,084	-	268	-	-	-	(51,031)	(33,787)	-	(84,818)
Writeback of allowance for												
impairment on other assets	-	984	-	-	-	-	-	-	984	-	-	984
Profit / (loss) by segments	<u>137,351</u>	<u>779,591</u>	<u>95,619</u>	<u>99,289</u>	<u>12,170</u>	<u>112,775</u>	<u>3,176</u>	<u>(5,064)</u>	<u>1,234,907</u>	<u>88,858</u>	<u>-</u>	<u>1,323,765</u>
Reconciliation of segment profits												
to consolidated profits:												
Share of profit after tax												
of equity accounted associated												
companies									935	2,400		3,335
Profit before tax expense and zakat									<u>1,235,842</u>	<u>91,258</u>		<u>1,327,100</u>
Cost income ratio	24.0%	30.4%	3.2%	5.7%	41.3%	28.9%	53.4%	105.2%	31.0%	44.0%		31.8%
Gross loans, advances and financing	44,136,729	141,656,167	25,976,840	-	352,047	55,243	2,177	-	212,179,203	14,432,481		226,611,684
Loan growth	2.2%	3.0%	1.6%	-	-3.6%	2.5%	-1.5%	-	2.7%	-0.7%		2.5%
Impaired loans, advances and												
financing	332,209	948,592	81,542	-	-	-	-	-	1,362,343	128,010		1,490,353
Impaired loan ratio	0.8%	0.7%	0.3%	-	-	-	-	-	0.6%	0.9%		0.7%
Deposits from customers	-	183,184,444	238,099	57,986,137	2,099,657	-	-	-	243,508,337	15,405,259		258,913,596
Deposit growth	-	3.9%	-22.1%	4.2%	-26.3%	-	-	-	3.6%	-2.1%		3.2%
Segment assets	<u>43,848,292</u>	<u>189,640,018</u>	<u>25,907,259</u>	<u>71,861,661</u>	<u>4,404,080</u>	<u>447,354</u>	<u>332,251</u>	<u>24,604,228</u>	<u>361,045,143</u>	<u>21,195,056</u>	<u>(72,678,626)</u>	<u>309,561,573</u>
Reconciliation of segment assets to												
consolidated assets:												
Investment in associated companies									38,063	115,137		153,200
Unallocated assets									815,308	-		815,308
Intangible assets									769,251	1,229,666		1,998,917
Total assets									<u>362,667,765</u>	<u>22,539,859</u>		<u>312,528,998</u>

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A23. Segment Information (continued)

	-----<----- Operating Segments ----->-----							Head Office	Total Domestic Operations	Total Overseas Operations	Inter-segment Elimination	Group Total
	Hire Purchase	Retail Operations	Corporate Lending	Treasury and Capital Market Operations	Investment Banking	Fund Management	Others					
1st Quarter Ended 31 March 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	578,804	1,752,216	257,258	452,934	44,757	233,989	1,231	89,063	3,410,252	262,962	-	3,673,214
Revenue from other segments	-	257,696	2,864	210,913	2,269	3,091	7,273	338,217	822,323	1,019	(823,342)	-
	<u>578,804</u>	<u>2,009,912</u>	<u>260,122</u>	<u>663,847</u>	<u>47,026</u>	<u>237,080</u>	<u>8,504</u>	<u>427,280</u>	<u>4,232,575</u>	<u>263,981</u>	<u>(823,342)</u>	<u>3,673,214</u>
Net interest income and												
Islamic banking income	241,410	976,315	68,669	34,595	3,831	3,286	(1,905)	56,391	1,382,592	174,415	-	1,557,007
Other income	732	128,189	13,478	55,022	11,362	136,199	8,452	49,098	402,532	37,121	(16,451)	423,202
Net income	<u>242,142</u>	<u>1,104,504</u>	<u>82,147</u>	<u>89,617</u>	<u>15,193</u>	<u>139,485</u>	<u>6,547</u>	<u>105,489</u>	<u>1,785,124</u>	<u>211,536</u>	<u>(16,451)</u>	<u>1,980,209</u>
Other operating expenses	(56,756)	(333,547)	(2,546)	(5,371)	(7,651)	(43,184)	(3,502)	(104,948)	(557,505)	(90,700)	16,451	(631,754)
(Allowance) / writeback of												
allowance for impairment on												
loans, advances and financing	(50,728)	7,374	1,175	-	(60)	-	-	-	(42,239)	(39,151)	-	(81,390)
Writeback of impairment												
on other assets	-	1,330	-	-	-	-	-	-	1,330	-	-	1,330
Profit by segments	<u>134,658</u>	<u>779,661</u>	<u>80,776</u>	<u>84,246</u>	<u>7,482</u>	<u>96,301</u>	<u>3,045</u>	<u>541</u>	<u>1,186,710</u>	<u>81,685</u>	<u>-</u>	<u>1,268,395</u>
Reconciliation of segment profits to consolidated profits:												
Share of (loss) / profit after tax of equity accounted associated companies									(400)	1,981		1,581
Profit before tax expense and zakat									<u>1,186,310</u>	<u>83,666</u>		<u>1,269,976</u>
Cost income ratio	23.4%	30.2%	3.1%	6.0%	50.4%	31.0%	53.5%	99.5%	31.2%	42.9%		31.9%
Gross loans, advances and financing	41,214,833	124,361,646	24,374,746	-	326,329	51,978	2,077	-	190,331,609	13,293,868		203,625,477
Loan growth	1.9%	3.3%	4.6%	-	4.1%	0.8%	6.3%	-	3.1%	0.4%		3.0%
Impaired loans, advances and financing	249,209	852,699	91,410	-	-	-	-	-	1,193,318	183,829		1,377,147
Impaired loan ratio	0.6%	0.7%	0.4%	-	-	-	-	-	0.6%	1.4%		0.7%
Deposits from customers	-	161,183,130	210,730	52,960,430	3,340,169	-	-	-	217,694,459	14,591,599		232,286,058
Deposit growth	-	4.9%	-34.4%	-1.4%	11.4%	-	-	-	3.3%	1.6%		3.2%
Segment assets	<u>41,011,787</u>	<u>167,989,341</u>	<u>24,303,678</u>	<u>72,995,393</u>	<u>4,186,212</u>	<u>351,131</u>	<u>311,699</u>	<u>21,349,863</u>	<u>332,499,104</u>	<u>19,692,940</u>	<u>(68,445,139)</u>	<u>283,746,905</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									36,921	116,990		153,911
Unallocated assets									1,174,046	-		1,174,046
Intangible assets									769,251	1,166,809		1,936,060
Total assets									<u>334,479,322</u>	<u>20,976,739</u>		<u>287,010,922</u>

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A23. Segment Information 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.

A24. Subsequent Events

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

A25. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the 1st quarter ended 31 March 2014.

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A26. Commitments and Contingencies

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

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Contingent liabilities				
Direct credit substitutes	1,550,286	1,521,770	1,208,705	1,196,990
Transaction-related contingent items	1,178,100	1,173,514	1,048,615	1,041,919
Short term self-liquidating trade-related contingencies	460,369	467,641	309,943	295,684
	3,188,755	3,162,925	2,567,263	2,534,593
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	29,119,859	29,229,501	26,572,912	26,897,981
- not exceeding one year	21,884,919	21,886,823	19,717,419	19,688,146
Unutilised credit card lines	3,920,068	3,823,553	3,812,458	3,713,960
Forward asset purchases	1,236,177	4,176	1,234,818	-
	56,161,023	54,944,053	51,337,607	50,300,087
Derivative financial instruments				
Foreign exchange related contracts:				
- less than one year	14,786,905	16,836,631	14,435,176	16,652,983
- one year to less than five years	2,127,053	2,151,746	2,127,053	2,151,746
Interest rate related contracts:				
- less than one year	2,109,478	1,953,625	1,864,640	1,838,821
- one year to less than five years	5,734,783	6,176,844	5,936,848	6,247,237
- five years and above	2,705,935	2,706,403	3,808,000	3,808,000
Commodity related contracts:				
- less than one year	373	1,890	373	1,890
Equity related contracts:				
- less than one year	24,458	52,089	24,458	52,089
	27,488,985	29,879,228	28,196,548	30,752,766
	86,838,763	87,986,206	82,101,418	83,587,446

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A27. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 March 2014 and 31 December 2013 are as follows:

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

Group	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
As at 31 March 2014												
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,465,617	5,128	-	1,470,745	3,527	37	-	3,564	7,299	22	-	7,321
- Swaps	13,277,804	-	-	13,277,804	67,416	-	-	67,416	53,048	-	-	53,048
- Options	43,484	-	-	43,484	71	-	-	71	71	-	-	71
Interest rate related contracts												
- Swaps	290,000	-	-	290,000	1	-	-	1	90	-	-	90
Equity related contracts												
- Options purchased	24,458	-	-	24,458	5,560	-	-	5,560	-	-	-	-
Precious metal contracts												
- Forwards	373	-	-	373	-	-	-	-	-	-	-	-
	15,101,736	5,128	-	15,106,864	76,575	37	-	76,612	60,508	22	-	60,530
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,762,478	1,630,383	4,805,935	8,198,796	1,152	82,145	52,225	135,522	30,906	13,439	8,554	52,899
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,142,575	979,350	2,121,925	-	-	-	-	-	110,286	56,172	166,458
Interest rate related contracts												
- Swaps	57,000	54,400	1,950,000	2,061,400	16	120	34,608	34,744	3	-	494	497
	1,819,478	2,827,358	7,735,285	12,382,121	1,168	82,265	86,833	170,266	30,909	123,725	65,220	219,854
Total	16,921,214	2,832,486	7,735,285	27,488,985	77,743	82,302	86,833	246,878	91,417	123,747	65,220	280,384

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2014 and 31 December 2013 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 2013	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,025,029	19,681	-	1,044,710	10,725	-	-	10,725	7,207	699	-	7,906
- Swaps	15,803,116	-	-	15,803,116	156,182	-	-	156,182	65,266	-	-	65,266
- Options	8,486	-	-	8,486	11	-	-	11	11	-	-	11
Interest rate related contracts												
- Swaps	450,000	-	-	450,000	48	-	-	48	208	-	-	208
Equity related contracts												
- Options purchased	52,089	-	-	52,089	16,616	-	-	16,616	-	-	-	-
Precious metal contracts												
- Forwards	1,890	-	-	1,890	1	-	-	1	1	-	-	1
	<u>17,340,610</u>	<u>19,681</u>	<u>-</u>	<u>17,360,291</u>	<u>183,583</u>	<u>-</u>	<u>-</u>	<u>183,583</u>	<u>72,693</u>	<u>699</u>	<u>-</u>	<u>73,392</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,276,625	2,126,844	4,806,403	8,209,872	1,482	92,086	49,652	143,220	21,496	38,768	8,758	69,022
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	2,132,065	2,132,065	-	-	-	-	-	-	191,322	191,322
Interest rate related contracts												
- Swaps	227,000	-	1,950,000	2,177,000	52	-	38,499	38,551	11	-	843	854
	<u>1,503,625</u>	<u>2,126,844</u>	<u>8,888,468</u>	<u>12,518,937</u>	<u>1,534</u>	<u>92,086</u>	<u>88,151</u>	<u>181,771</u>	<u>21,507</u>	<u>38,768</u>	<u>200,923</u>	<u>261,198</u>
Total	<u>18,844,235</u>	<u>2,146,525</u>	<u>8,888,468</u>	<u>29,879,228</u>	<u>185,117</u>	<u>92,086</u>	<u>88,151</u>	<u>365,354</u>	<u>94,200</u>	<u>39,467</u>	<u>200,923</u>	<u>334,590</u>

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2014 and 31 December 2013 are as follows (continued):

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

Bank	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
As at 31 March 2014												
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,231,956	5,128	-	1,237,084	3,304	37	-	3,341	7,057	22	-	7,079
- Swaps	13,159,736	-	-	13,159,736	67,404	-	-	67,404	52,682	-	-	52,682
- Options	43,484	-	-	43,484	71	-	-	71	71	-	-	71
Interest rate related contracts												
- Swaps	309,587	-	-	309,587	1	-	-	1	515	-	-	515
Equity related contracts												
- Options purchased	24,458	-	-	24,458	5,560	-	-	5,560	-	-	-	-
Precious metal contracts												
- Forwards	373	-	-	373	-	-	-	-	-	-	-	-
	14,769,594	5,128	-	14,774,722	76,340	37	-	76,377	60,325	22	-	60,347
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,498,053	1,532,448	4,708,000	7,738,501	1,152	82,145	52,225	135,522	24,811	9,708	-	34,519
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,142,575	979,350	2,121,925	-	-	-	-	-	110,286	56,172	166,458
Interest rate related contracts												
- Swaps	57,000	54,400	3,450,000	3,561,400	16	120	21,877	22,013	3	-	95,961	95,964
	1,555,053	2,729,423	9,137,350	13,421,826	1,168	82,265	74,102	157,535	24,814	119,994	152,133	296,941
Total	16,324,647	2,734,551	9,137,350	28,196,548	77,508	82,302	74,102	233,912	85,139	120,016	152,133	357,288

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A27. Derivative Financial Instruments (continued)

Details of derivative financial instruments outstanding as at 31 March 2014 and 31 December 2013 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 2013	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	986,040	19,681	-	1,005,721	10,687	-	-	10,687	7,174	699	-	7,873
- Swaps	15,658,457	-	-	15,658,457	155,895	-	-	155,895	65,041	-	-	65,041
- Options	8,486	-	-	8,486	11	-	-	11	11	-	-	11
Interest rate related contracts												
- Swaps	469,681	-	-	469,681	48	-	-	48	832	-	-	832
Equity related contracts												
- Options purchased	52,089	-	-	52,089	16,616	-	-	16,616	-	-	-	-
Precious metal contracts												
- Forwards	1,890	-	-	1,890	1	-	-	1	1	-	-	1
	<u>17,176,643</u>	<u>19,681</u>	<u>-</u>	<u>17,196,324</u>	<u>183,258</u>	<u>-</u>	<u>-</u>	<u>183,258</u>	<u>73,059</u>	<u>699</u>	<u>-</u>	<u>73,758</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	1,142,140	1,897,237	4,708,000	7,747,377	1,482	92,086	49,652	143,220	18,268	28,816	-	47,084
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	-	2,132,065	2,132,065	-	-	-	-	-	-	191,322	191,322
Interest rate related contracts												
- Swaps	227,000	-	3,450,000	3,677,000	52	-	24,199	24,251	11	-	117,320	117,331
	<u>1,369,140</u>	<u>1,897,237</u>	<u>10,290,065</u>	<u>13,556,442</u>	<u>1,534</u>	<u>92,086</u>	<u>73,851</u>	<u>167,471</u>	<u>18,279</u>	<u>28,816</u>	<u>308,642</u>	<u>355,737</u>
Total	<u>18,545,783</u>	<u>1,916,918</u>	<u>10,290,065</u>	<u>30,752,766</u>	<u>184,792</u>	<u>92,086</u>	<u>73,851</u>	<u>350,729</u>	<u>91,338</u>	<u>29,515</u>	<u>308,642</u>	<u>429,495</u>

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A27. Derivative Financial Instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 March 2014, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM246,878,000 (2013: RM365,354,000) and RM233,912,000 (2013: RM350,729,000) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

- iii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2014, the Group and the Bank had posted cash collateral of RM26,966,000 (2013: RM16,182,000) 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 2013 and Pillar 3 Disclosures section of the 2013 Annual Report.

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A28. Fair Value Measurements

Determination of Fair Value and Fair Value Hierarchy

The Group and the Bank classify its financial instruments and non-financial assets which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1 - Quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;

Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
31 March 2014	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	1,422,122	-	1,422,122
- Money market instruments	-	11,517,029	-	11,517,029
- Non-money market instruments	-	582,641	-	582,641
	-	13,521,792	-	13,521,792
Financial investments available-for-sale				
- Government securities and treasury bills	-	8,061,808	-	8,061,808
- Money market instruments	-	50,947	-	50,947
- Non-money market instruments #	3,369,710	3,984,842	-	7,354,552
	3,369,710	12,097,597	-	15,467,307
Derivative financial assets	-	241,318	5,560	246,878
Total financial assets measured at fair value	3,369,710	25,860,707	5,560	29,235,977
Non-financial assets				
Investment properties	-	-	96,938	96,938
Financial liabilities				
Derivative financial liabilities	-	280,384	-	280,384
Total financial liabilities measured at fair value	-	280,384	-	280,384

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Group	Level 1	Level 2	Level 3	Total
31 December 2013	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	1,583,640	-	1,583,640
- Money market instruments	-	13,822,929	-	13,822,929
- Non-money market instruments	-	405,394	-	405,394
	-	15,811,963	-	15,811,963
Financial investments available-for-sale				
- Government securities and treasury bills	-	10,106,634	-	10,106,634
- Money market instruments	-	198,844	-	198,844
- Non-money market instruments #	3,351,529	3,851,256	-	7,202,785
	3,351,529	14,156,734	-	17,508,263
Derivative financial assets	-	348,738	16,616	365,354
Total financial assets measured at fair value	3,351,529	30,317,435	16,616	33,685,580
Non-financial assets				
Investment properties	-	-	97,391	97,391
Financial liabilities				
Derivative financial liabilities	-	334,590	-	334,590
Total financial liabilities measured at fair value	-	334,590	-	334,590

Excluding the carrying amount of equity securities - unquoted shares of the Group of RM110,118,000 (2013: RM110,249,000) which are not carried at fair value.

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Bank	Level 1	Level 2	Level 3	Total
31 March 2014	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	1,109,243	-	1,109,243
- Money market instruments	-	9,274,054	-	9,274,054
- Non-money market instruments	-	537,717	-	537,717
	-	<u>10,921,014</u>	-	<u>10,921,014</u>
Financial investments available-for-sale				
- Government securities and treasury bills	-	6,643,168	-	6,643,168
- Money market instruments	-	50,947	-	50,947
- Non-money market instruments #	2,900,955	3,402,013	-	6,302,968
	<u>2,900,955</u>	<u>10,096,128</u>	-	<u>12,997,083</u>
Derivative financial assets	-	228,352	5,560	233,912
Total financial assets measured at fair value	<u>2,900,955</u>	<u>21,245,494</u>	<u>5,560</u>	<u>24,152,009</u>
Financial liabilities				
Derivative financial liabilities	-	357,288	-	357,288
Total financial liabilities measured at fair value	-	<u>357,288</u>	-	<u>357,288</u>

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Bank	Level 1	Level 2	Level 3	Total
31 December 2013	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets held-for-trading				
- Government securities and treasury bills	-	1,379,390	-	1,379,390
- Money market instruments	-	12,274,547	-	12,274,547
- Non-money market instruments	-	332,489	-	332,489
	-	<u>13,986,426</u>	-	<u>13,986,426</u>
Financial investments available-for-sale				
- Government securities and treasury bills	-	8,669,725	-	8,669,725
- Money market instruments	-	198,844	-	198,844
- Non-money market instruments #	2,885,269	3,264,744	-	6,150,013
	<u>2,885,269</u>	<u>12,133,313</u>	-	<u>15,018,582</u>
Derivative financial assets	-	334,113	16,616	350,729
Total financial assets measured at fair value	<u>2,885,269</u>	<u>26,453,852</u>	<u>16,616</u>	<u>29,355,737</u>
Financial liabilities				
Derivative financial liabilities	-	429,495	-	429,495
Total financial liabilities measured at fair value	-	<u>429,495</u>	-	<u>429,495</u>

Excluding the carrying amount of equity securities - unquoted shares of the Bank of RM106,166,000 (2013: RM106,285,000) which are not carried at fair value.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period.

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A28. Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments:

	Group and Bank	
	31 March	31 December
	2014	2013
	RM'000	RM'000
Derivative Financial Assets		
At 1 January	16,616	12,154
Recognised in the statement of profit or loss		
- Realised gains	8,144	771
- Unrealised (losses) / gains	(8,018)	5,027
Sales	(11,182)	(1,336)
Closing balance	5,560	16,616

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes on Bloomberg and Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived. The Group and the Bank generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

The Group's exposure to financial instruments measured with valuation techniques using significant unobservable inputs (Level 3) comprised a small number of financial instruments which constitute an insignificant component of the Group's and the Bank's portfolio of financial instruments. Hence, changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

The fair values of investment properties located in Malaysia are determined using comparison method by reference to the recent sales prices of comparable properties, adjustments are made where dissimilarities exist. The fair values of investment properties located in Hong Kong are determined using comparison method by reference to recent sales prices of comparable properties on a price per square meter basis. A significant change in the price per square meter will result in a significant change in the fair value of the investment properties in Hong Kong.

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A29. Capital Adequacy

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

	Group		Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Before deducting interim dividends *</u>				
Common equity Tier I ("CET I") capital ratio	8.528%	9.276%	9.565%	10.927%
Tier I capital ratio	10.073%	11.055%	11.385%	13.023%
Total capital ratio	<u>13.257%</u>	<u>14.288%</u>	<u>12.939%</u>	<u>14.086%</u>
<u>After deducting interim dividends *</u>				
CET I capital ratio	8.528%	8.750%	9.565%	10.300%
Tier I capital ratio	10.073%	10.529%	11.385%	12.396%
Total capital ratio	<u>13.257%</u>	<u>13.762%</u>	<u>12.939%</u>	<u>13.459%</u>

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Components of CET I, Tier I and Tier II capital:				
<u>CET I / Tier I capital:</u>				
Paid-up share capital	3,531,926	3,531,926	3,531,926	3,531,926
Share premium	1,073,310	1,073,310	1,073,310	1,073,310
Other reserves	4,395,243	4,402,843	3,921,198	3,924,896
Retained profits	10,456,699	11,507,565	9,841,866	10,892,504
Treasury shares	(215,572)	(215,572)	(215,572)	(215,572)
Qualifying non-controlling interests	518,764	522,093	-	-
Less: Goodwill	(1,998,917)	(2,003,912)	(695,393)	(695,393)
Less: Deferred tax assets, net	(70,245)	(70,121)	-	-
Less: Defined benefit pension fund assets	(212,720)	(220,922)	(207,479)	(215,372)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET 1 capital	(28,451)	-	(852,957)	-
Total CET I capital	<u>17,450,037</u>	18,527,210	<u>16,396,899</u>	18,296,299
Innovative Tier I capital securities	1,449,280	1,630,440	1,449,280	1,630,440
Non-innovative Tier I stapled securities	1,670,400	1,879,200	1,670,400	1,879,200
Qualifying CET I and additional Tier I capital instruments held by third parties	41,627	42,031	-	-
Total Tier I capital	<u>20,611,344</u>	<u>22,078,881</u>	<u>19,516,579</u>	<u>21,805,939</u>

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A29. Capital Adequacy (continued)

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
<u>Tier II capital</u>				
Collective assessment allowance and regulatory reserves #	1,152,017	1,123,706	654,740	625,010
Subordinated notes				
- meeting all relevant criteria	1,949,162	1,949,116	1,949,162	1,949,116
- subject to gradual phase-out treatment	3,471,268	3,471,121	3,471,268	3,471,121
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	55,503	56,042	-	-
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from Tier II capital	(113,804)	(142,255)	(3,411,830)	(4,264,787)
Total Tier II capital	6,514,146	6,457,730	2,663,340	1,780,460
Total capital	27,125,490	28,536,611	22,179,919	23,586,399

Excludes collective assessment allowance on impaired loans restricted from Tier II capital of the Group and the Bank of RM586,597,000 (2013: RM600,816,000) and RM434,986,000 (2013: RM446,948,000) 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 RM131,346,000 (2013: RM132,437,000).

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.

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A29. Capital Adequacy (continued)

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

The total risk-weighted assets of the Group and the Bank are computed based on the following approaches:

- (i) Standardised Approach for Credit Risk;
- (ii) Standardised Approach for Market Risk;
- (iii) Basic Indicator Approach for Operational Risk.

The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) issued on 28 November 2012, which is effective from 1 January 2013. The minimum regulatory capital adequacy ratios, as required under BNM's Capital Adequacy Framework (Capital Components) which includes transitional arrangements for year 2014, are set out as follows:

Calendar Year	CET I Capital Ratio %	Tier I Capital Ratio %	Total Capital Ratio %
2014	4.0	5.5	8.0
2015 onwards *	4.5	6.0	8.0

* Before including capital conservation buffer of 2.5%, counter-cyclical buffer and any other buffers to be introduced by BNM.

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A29. Capital Adequacy (continued)

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

	Public Islamic Bank Berhad ¹	Public Investment Bank Berhad ²	Public Bank (L) Ltd. ³	Public Bank (Hong Kong) Limited ⁴	Public Finance Limited ⁴	Cambodian Public Bank Plc ⁵
31 March 2014						
<u>Before deducting interim dividends: *</u>						
CET I capital ratio	11.425%	26.255%	N/A	14.205%	26.541%	N/A
Tier I capital ratio	11.425%	26.255%	25.178%	14.205%	26.541%	N/A
Total capital ratio	12.046%	26.429%	25.220%	15.379%	27.482%	18.911%
<u>After deducting interim dividends: *</u>						
CET I capital ratio	11.425%	26.255%	N/A	14.205%	26.541%	N/A
Tier I capital ratio	11.425%	26.255%	25.178%	14.205%	26.541%	N/A
Total capital ratio	12.046%	26.429%	25.220%	15.379%	27.482%	18.911%
31 December 2013						
<u>Before deducting interim dividends: *</u>						
CET I capital ratio	12.133%	27.252%	N/A	13.916%	27.468%	N/A
Tier I capital ratio	12.133%	27.252%	25.625%	13.916%	27.468%	N/A
Total capital ratio	12.751%	27.448%	25.671%	15.089%	28.409%	19.685%
<u>After deducting interim dividends: *</u>						
CET I capital ratio	11.743%	26.139%	N/A	13.916%	25.257%	N/A
Tier I capital ratio	11.743%	26.139%	25.625%	13.916%	25.257%	N/A
Total capital ratio	12.360%	26.336%	25.671%	15.089%	26.199%	19.685%

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

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A29. Capital Adequacy (continued)

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

- ¹ The risk-weighted assets of Public Islamic Bank Berhad are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components and Risk-weighted Assets) issued on 28 November 2012, which is effective from 1 January 2013. The minimum regulatory capital adequacy requirement for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.0%, 5.5% and 8.0% respectively for year 2014.
- ² The risk-weighted assets of Public Investment Bank Berhad are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II - Risk-weighted Assets) issued on 28 November 2012, which is effective on 1 January 2013. The minimum regulatory capital adequacy requirement for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.0%, 5.5% and 8.0% respectively for year 2014.
- ³ The capital adequacy ratios of Public Bank (L) Ltd. for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Financial Services Authority (Labuan FSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the Tier I capital ratio and total capital ratio respectively.
- ⁴ 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.
- ⁵ The amount presented here is the Solvency Ratio of Cambodian Public Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-010-182, B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as Cambodian Public Bank Plc's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.

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A29. Capital Adequacy (continued)

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Credit risk	187,914,308	183,113,937	158,345,431	154,360,722
Market risk	2,039,764	2,111,436	2,742,458	2,850,579
Operational risk	14,666,068	14,497,356	10,333,814	10,228,677
	204,620,140	199,722,729	171,421,703	167,439,978

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A30. Operations of Islamic Banking

A30a. Statement of Financial Position As At 31 March 2014

	Group	
	31 March 2014	31 December 2013
	RM'000	RM'000
ASSETS		
Cash and balances with banks	5,283,192	6,744,111
Financial assets held-for-trading	2,555,854	1,752,632
Derivative financial assets	108,198	130,777
Financial investments available-for-sale	1,876,243	1,891,272
Financial investments held-to-maturity	59,887	-
Financing and advances	23,485,729	22,904,370
Other assets	84,437	88,537
Statutory deposits with Bank Negara Malaysia	917,000	939,850
Investment in an associated company	20,000	20,000
Property and equipment	1,543	1,026
Total Assets	34,392,083	34,472,575
LIABILITIES AND ISLAMIC		
BANKING FUNDS		
Deposits from customers	28,598,101	28,400,736
Deposits from banks	2,489,210	2,789,398
Bills and acceptances payable	622	3,825
Recourse obligations on financing sold to Cagamas	500,011	500,011
Other liabilities	137,530	116,854
Provision for zakat and taxation	46,030	36,012
Deferred tax liabilities	29,106	34,293
Total Liabilities	31,800,610	31,881,129
Islamic Banking Funds	2,591,473	2,591,446
Total Liabilities and Islamic Banking Funds	34,392,083	34,472,575
COMMITMENTS AND CONTINGENCIES	5,845,217	5,650,699

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A30b. Statement of Profit or Loss for the 1st Quarter Ended 31 March 2014

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	365,391	345,076	365,391	345,076
Income derived from investment of Islamic Banking Funds	31,210	28,496	31,210	28,496
Allowance for impairment on financing and advances	(13,161)	(26,183)	(13,161)	(26,183)
Profit Equalisation Reserve	(185)	-	(185)	-
Total distributable income	383,255	347,389	383,255	347,389
Income attributable to the depositors and others	(190,832)	(166,303)	(190,832)	(166,303)
Total net income	192,423	181,086	192,423	181,086
Other overheads and expenditures	(64,526)	(62,813)	(64,526)	(62,813)
Profit before zakat and taxation	127,897	118,273	127,897	118,273
Zakat	(57)	(66)	(57)	(66)
Taxation	(31,660)	(29,210)	(31,660)	(29,210)
Profit for the period	96,180	88,997	96,180	88,997

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A30c. Statement of Profit or Loss and Other Comprehensive Income for the 1st Quarter Ended 31 March 2014

	1st Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
<u>Group</u>				
Profit for the period	96,180	88,997	96,180	88,997
Other comprehensive income / (loss):				
<u>Items that may be reclassified to profit or loss:</u>				
Revaluation reserves:				
- Net gain on revaluation of financial investments available-for-sale	1,251	1,173	1,251	1,173
Hedging reserves:				
- Net change in cash flow hedges	(22,672)	(8,557)	(22,672)	(8,557)
	(21,421)	(7,384)	(21,421)	(7,384)
Income tax relating to components of other comprehensive income / (loss):				
- Revaluation reserves	(313)	(293)	(313)	(293)
- Hedging reserves	5,668	2,139	5,668	2,139
	5,355	1,846	5,355	1,846
Other comprehensive loss for the period, net of tax	(16,066)	(5,538)	(16,066)	(5,538)
Total comprehensive income for the period	80,114	83,459	80,114	83,459

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A30d. Financing and Advances

	Group	
	31 March 2014 RM'000	31 December 2013 RM'000
Bai' Bithaman Ajil	8,275,075	8,128,836
Ijarah Thumma Al-Bai'	11,014,855	11,168,723
Bai-Al-Einah	2,435,452	2,500,022
Musharakah	2,035,622	1,386,398
Murabahah	23,164	20,879
Gross financing and advances	23,784,168	23,204,858
Allowance for impairment on financing and advances:		
- collective assessment allowance	(298,439)	(300,488)
Net financing and advances	23,485,729	22,904,370

Movements in impaired financing and advances are as follows:

	Group	
	31 March 2014 RM'000	31 December 2013 RM'000
At 1 January	208,074	175,167
Impaired during the period / year	125,246	523,987
Reclassified as non-impaired	(102,737)	(388,637)
Recoveries	(7,453)	(30,337)
Amount written off	(18,685)	(71,846)
Financing converted to foreclosed properties	(36)	(260)
Closing balance	204,409	208,074
Impaired financing and advances as a percentage of gross financing and advances	0.86%	0.90%

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A30e. Deposits from Customers

By type of deposit	Group	
	31 March 2014 RM'000	31 December 2013 RM'000
Savings deposit		
- Wadiah	5,003,719	4,823,093
- Mudharabah	<u>60,582</u>	<u>63,510</u>
	<u>5,064,301</u>	<u>4,886,603</u>
Demand deposit		
- Wadiah	2,997,115	2,958,752
- Mudharabah	<u>99,302</u>	<u>94,753</u>
	<u>3,096,417</u>	<u>3,053,505</u>
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai-Al-Einah	<u>517,221</u>	<u>642,941</u>
- General investment account		
- Mudharabah	2,457,826	3,205,661
- Wakalah	<u>13,636,758</u>	<u>12,945,906</u>
	<u>16,094,584</u>	<u>16,151,567</u>
- Special investment account		
- Wakalah	<u>3,825,578</u>	<u>3,666,120</u>
	<u>3,825,578</u>	<u>3,666,120</u>
	<u>28,598,101</u>	<u>28,400,736</u>

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

B1. Performance Review

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

The Group's pre-tax profit for the 1st quarter ended 31 March 2014 of RM1,327.1 million was RM57.1 million or 4.5% higher than the previous corresponding quarter of RM1,270.0 million. Net profit attributable to equity holders improved by RM48.6 million or 5.0% to RM1,016.9 million. The improved earnings was mainly due to higher net interest income by RM53.2 million (3.9%), higher net fee and commission income by RM19.4 million (6.4%) and higher investment income by RM10.8 million (25.0%). These were partially offset by higher other operating expenses by RM24.2 million (3.8%) mainly due to increase of personnel costs to support higher business volume.

The growth in the Group's net interest income was driven by continued healthy loans and customer deposits growth coupled with sustained strong asset quality. Gross loans grew by 11.3% over the last twelve months to RM226.6 billion as at 31 March 2014 as compared to RM203.6 billion as at 31 March 2013 driven by growth in property financing, financing of passenger vehicles and lending to small and medium enterprises ("SMEs"). Total deposits from customers increased by 11.5% over the same period to RM258.9 billion as at 31 March 2014 with core customer deposit growing at a stronger pace of 14.0%, which partly contributed to the higher net interest income for the current period. The Group's impaired loan ratio remained stable at 0.7% as at 31 March 2014.

The performance of the respective operating business segments for the 1st quarter ended 31 March 2014 as compared to the previous corresponding quarter is analysed as follows:-

- 1) Retail Operations – Pre-tax profit maintained at RM779.6 million.
- 2) Hire purchase – Pre-tax profit increased marginally by RM2.7 million (2.0%) to RM137.4 million mainly due to lower loan impairment allowance partially offset by lower net interest income due to declining net interest margin.
- 3) Corporate lending – Pre-tax profit increased by RM14.8 million (18.4%) to RM95.6 million mainly due to higher writeback of loan impairment allowance.
- 4) Treasury and capital market operations – The increase in pre-tax profit by RM15.0 million (17.9%) to RM99.3 million was mainly due to higher net interest income on treasury gapping, funding and liquidity management activities and higher foreign exchange income.
- 5) Investment banking – Pre-tax profit increased by RM4.7 million (62.7%) to RM12.2 million mainly due to higher brokerage income from stockbroking activities and higher net interest income from treasury gapping activities, partially offset by higher other operating expenses.
- 6) Fund management – Pre-tax profit increased by RM16.5 million (17.1%) to RM112.8 million mainly due to higher management fee earned on higher average net asset value of funds under management, partially offset by higher other operating expenses.
- 7) Overseas operations – Pre-tax profit increased by RM7.6 million (9.1%) to RM91.3 million mainly due to higher net interest income on higher average loan and deposit balances and lower loan impairment allowances, partially offset by higher other operating expenses.

B2. Variation of Results Against Preceding Quarter

For the 1st quarter ended 31 March 2014, the Group registered a pre-tax profit of RM1,327.1 million, a marginal drop of RM14.2 million or 1.1% as compared to the pre-tax profit of RM1,341.3 million for the preceding quarter ended 31 December 2013. Net profit attributable to equity holders decreased by RM8.7 million or 0.8% over the same period. The marginal decline in profit was mainly due to higher other operating expenses coupled with the shorter period in the 1st quarter as compared to the preceding quarter resulting in marginally lower revenue for the current quarter.

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B3. Prospects for 2014

The global economic growth is expected to improve in 2014, supported by broader recovery in advanced economies and sustained growth in emerging economies. While the pace of recovery in the advanced economies remains moderate due to structural constraints such as weak labour market conditions and high public debts, growth momentum in the Asian region continues to sustain amid gradual improvement in external demand. However, there remain downside risks to growth such as structural issues and fiscal uncertainties in advanced economies, financial imbalances in both advanced and emerging economies, and risks from global monetary transitions.

Malaysia's economy is expected to maintain a steady growth path in 2014 with Bank Negara Malaysia ("BNM") forecasts real GDP growth of between 4.5%-5.5% (2013: 4.7%). The growth will be supported by domestic demand which remains as a growth driver, but at a more moderate pace, as well as the improvement in the external sector. Headline inflation is expected to average higher at 3%-4% in 2014 (2013: 2.1%) due to price adjustments arising from subsidy rationalisation and the spillover effects of these adjustments on prices of other goods and services. However, the higher inflation is likely to be contained by subdued external price pressures, continued expansion in domestic capacity and moderation in domestic demand.

The Malaysian banking sector is expected to remain resilient and supportive of domestic economic activity in 2014. With strong capitalisation, favourable funding and liquidity positions, and healthy profitability, the banking sector will continue to sustain an effective role in financial intermediation to provide steady access to credit for households and businesses. Effects from the macroprudential measures implemented by the Government and BNM to address household indebtedness and unhealthy practices in property market will continue to gain traction in 2014. Furthermore, the risks to financial stability from these developments are expected to be well-contained as banking institutions continue to strengthen their risk management practices.

The Public Bank Group is expected to sustain its strong market position in the domestic retail operations segment, supported by continuing growth in home mortgages, vehicle financing and SMEs lending. The Group continues to see growth opportunities for residential properties arising from continuing household formation, amidst various Government measures to increase home ownership, ensure stable house prices and control excessive speculative activities. The Group will continue to reinforce responsible financing practices and support the Government's efforts to create a sustainable property market by offering competitive market rates as well as flexible and innovative product packages to cater for house buyers.

In the SME segment, the Group will continue to support SMEs and enhance its products and services to sustain its market share in SME financing. In 2014, SMEs will continue to benefit from the continued expansion of the Malaysian economy and ongoing implementation of Economic Transformation Programme. This will be further supported by the Government's SME Masterplan 2012-2020 which sets the path for further growth and development of the SME sector.

The Public Bank Group will continue to grow its vehicle hire purchase business backed by positive economic prospects and continuous marketing efforts by car dealers in offering competitive packages and new launches of car models.

As part of its efforts to expand the corporate lending business, the Public Bank Group will actively tap on its existing corporate clients with good track record and extend its geographical reach so as to gain a bigger share of the corporate lending business.

Given the prospects of continuing market volatility in 2014, the Public Bank Group will continue to focus on maintaining a healthy level of liquidity by increasing its investments in high grade liquefiable assets. On liability management, the Group will intensify efforts to further grow its core customer deposits to ensure a stable funding base and efficient funding cost.

The Public Bank Group's fund management business will continue to grow in 2014. Although the private unit trust industry is anticipated to be challenging, the Group will continue to intensify efforts to sustain its leading position in the private unit trust industry in Malaysia. This is reinforced by the Group's commitment in maintaining excellence in its products and services, new fund launches and a wider range of financial products offerings under the Private Retirement Scheme Funds.

The Public Bank Group will also make further progress in targeting fee income from bancassurance, foreign-exchange related transactions and transactional banking services. The Group's strategic partnership with AIA Bhd will further strengthen its fee-based activity and continue to contribute positively to its long-term fee-based revenue.

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B3. Prospects for 2014 (continued)

The Public Bank Group remains committed to expanding further its regional presence through organic growth. The Group will continue to leverage on its strong PB Brand as a reputable, safe and efficient commercial bank to expand its businesses domestically as well as in the countries in which it already has business presence. The Group will also further exploit growth opportunities in the region to expedite business growth in its overseas operations.

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 1st quarter ended 31 March 2014 are as follows:

	1st Quarter Ended		Three Months Ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	286,137	281,225	286,137	281,225
Overseas income tax	17,681	15,899	17,681	15,899
	303,818	297,124	303,818	297,124
(Over) / under provision in prior years				
- Malaysian income tax	(26)	(129)	(26)	(129)
- Overseas income tax	(84)	60	(84)	60
	303,708	297,055	303,708	297,055
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(3,698)	(6,069)	(3,698)	(6,069)
Tax expense	300,010	290,986	300,010	290,986
Zakat	57	66	57	66
	300,067	291,052	300,067	291,052

The Group's effective tax rates for the 1st quarter ended 31 March 2014 and 31 March 2013 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.

	1st Quarter Ended		Three Months Ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	237,728	231,376	237,728	231,376
Overseas income tax	2,494	2,367	2,494	2,367
	240,222	233,743	240,222	233,743
(Over) / under provision in prior years				
- Malaysian income tax	-	60	-	60
- Overseas income tax	(84)	-	(84)	-
	240,138	233,803	240,138	233,803
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(3,789)	(5,226)	(3,789)	(5,226)
	236,349	228,577	236,349	228,577

The Bank's effective tax rate for the 1st quarter ended 31 March 2014 and 31 March 2013 were lower than the statutory tax rate due to certain income not subject to tax.

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B6. Status of Corporate Proposals Announced but Not Completed

There were no corporate proposals announced but not completed as at 31 March 2014.

B7. Status of Utilisation of Proceeds Raised from Corporate Proposals

The proceeds raised from the issuances of senior medium term notes, 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.

B8. Realised and Unrealised Profits

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

	Group	
	31 March 2014 RM'000	31 December 2013 RM'000
Total retained profits of Public Bank Berhad and its subsidiaries:		
- Realised	12,288,291	12,306,123
- Unrealised	176,464	183,133
	<u>12,464,755</u>	<u>12,489,256</u>
Total share of retained profits from associated companies:		
- Realised	6,819	3,484
- Unrealised	-	-
	<u>12,471,574</u>	<u>12,492,740</u>
Less: Consolidation adjustments	(998,085)	(985,175)
Total Group retained profits as per consolidated accounts	<u><u>11,473,489</u></u>	<u><u>11,507,565</u></u>
	Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Total retained profits of Public Bank Berhad:		
- Realised	10,359,691	10,573,116
- Unrealised	49,756	56,123
Total Bank retained profits as per accounts	<u><u>10,409,447</u></u>	<u><u>10,629,239</u></u>

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

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

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

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
(a) <u>Deposits from customers</u>				
- Fixed deposits				
One year or less	142,653,133	136,925,692	113,653,424	107,176,079
More than one year	337,630	304,594	140,712	165,262
- Negotiable instruments of deposits				
One year or less	1,256,753	1,614,488	633,532	645,510
More than one year	5,626	5,910	5,626	5,910
- Money market deposits				
One year or less	48,560,320	47,881,370	43,077,210	42,036,700
- Savings deposits	27,050,852	25,824,590	19,137,035	18,349,316
- Demand deposits	38,972,370	38,202,745	33,818,893	33,382,002
- Others	76,912	113,800	75,823	110,813
	<u>258,913,596</u>	<u>250,873,189</u>	<u>210,542,255</u>	<u>201,871,592</u>
(b) <u>Deposits from banks</u>				
- One year or less	14,037,771	16,002,695	14,602,620	16,923,048
- More than one year	-	173,141	-	-
	<u>14,037,771</u>	<u>16,175,836</u>	<u>14,602,620</u>	<u>16,923,048</u>
(c) <u>Debt securities issued and other borrowed funds</u>				
Borrowings denominated in HKD (unsecured)				
Term loan				
- One year or less	461,969	463,391	-	-
Senior Medium Term notes denominated in RM (unsecured)				
- More than one year	399,064	399,007	399,064	399,007
Subordinated notes denominated in RM (unsecured)				
- More than one year	5,433,833	5,432,922	5,433,833	5,432,922
Innovative Tier I capital securities denominated in USD (unsecured)				
- More than one year	726,572	738,117	726,572	738,117
Innovative Tier I capital securities denominated in RM (unsecured)				
- More than one year	1,217,411	1,219,727	1,217,411	1,219,727
	<u>1,943,983</u>	<u>1,957,844</u>	<u>1,943,983</u>	<u>1,957,844</u>
Non-innovative Tier I stapled securities denominated in RM (unsecured)				
- More than one year	2,120,420	2,116,661	2,120,420	2,116,661
	<u>10,359,269</u>	<u>10,369,825</u>	<u>9,897,300</u>	<u>9,906,434</u>

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B10. Changes in Material Litigation

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

B11. Dividends

No dividend has been proposed for the 1st quarter ended 31 March 2014.

B12. Earnings Per Share

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
Net profit attributable to equity holders (RM'000)	<u>1,016,932</u>	<u>968,301</u>	<u>1,016,932</u>	<u>968,301</u>
Weighted average number of PBB Shares ('000)	<u>3,502,125</u>	<u>3,502,125</u>	<u>3,502,125</u>	<u>3,502,125</u>
Basic earnings per share (sen)	<u>29.0</u>	<u>27.6</u>	<u>29.0</u>	<u>27.6</u>

Diluted

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