

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
ASSETS				
Cash and short-term funds	33,334,292	36,597,027	26,688,700	29,564,959
Deposits and placements with banks and other financial institutions	469,572	1,941,445	1,940,147	3,834,326
Securities purchased under resale agreements	11,940,016	5,141,746	11,313,061	4,762,407
Securities held-for-trading	10,238,434	11,349,842	9,835,639	10,846,741
Securities available-for-sale	6,757,710	5,626,372	6,044,064	4,914,144
Securities held-to-maturity	5,976,142	8,286,719	7,163,881	9,564,579
Loans, advances and financing	123,412,963	118,386,295	97,197,556	93,174,291
Derivative financial assets	586,480	590,229	580,694	589,715
Other assets	1,289,386	1,548,674	1,176,862	2,197,184
Statutory deposits with Central Banks	1,083,008	2,636,708	738,000	1,998,200
Deferred tax assets	485,041	488,855	382,235	387,572
Investment in subsidiary companies	-	-	3,419,681	3,419,681
Investment in associated companies	136,897	127,802	101,325	101,325
Investment properties	69,593	66,012	-	-
Prepaid land lease payments	306,699	291,873	15	15
Property and equipment	1,002,465	1,011,489	625,353	648,322
Intangible assets	2,137,919	2,072,018	695,393	695,393
TOTAL ASSETS	199,226,617	196,163,106	167,902,606	166,698,854
LIABILITIES				
Deposits from customers	168,133,405	162,279,564	139,014,096	134,062,248
Deposits and placements of banks and other financial institutions	6,868,444	5,589,879	7,588,454	7,121,517
Bills and acceptances payable	2,456,677	3,062,374	2,456,677	3,062,374
Recourse obligations on loans sold to Cagamas	1,229,947	4,537,277	1,229,947	4,537,277
Derivative financial liabilities	362,364	495,146	314,409	442,654
Other liabilities	2,139,261	2,422,817	1,482,955	1,503,433
Borrowings	906,589	860,234	-	-
Subordinated notes	4,301,244	4,178,195	4,321,619	4,198,220
Hybrid capital securities	2,123,813	2,124,484	2,123,813	2,124,484
Provision for tax expense and zakat	359,013	382,454	235,679	254,818
Deferred tax liabilities	1,950	1,950	-	-
TOTAL LIABILITIES	188,882,707	185,934,374	158,767,649	157,307,025

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 2008.

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	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
EQUITY				
Share capital	3,531,926	3,531,926	3,531,926	3,531,926
Reserves	6,658,250	7,278,892	6,184,617	7,134,015
Treasury shares	(581,586)	(1,274,112)	(581,586)	(1,274,112)
Equity attributable to equity holders of the Bank	9,608,590	9,536,706	9,134,957	9,391,829
Minority interests	735,320	692,026	-	-
TOTAL EQUITY	10,343,910	10,228,732	9,134,957	9,391,829
TOTAL LIABILITIES AND EQUITY	199,226,617	196,163,106	167,902,606	166,698,854
OFF-BALANCE SHEET EXPOSURES	56,605,154	52,866,868	51,473,779	47,752,572
CAPITAL ADEQUACY				
Core Capital Ratio	7.6%	7.7% *	10.2%	10.1% *
Risk-Weighted Capital Ratio	13.3%	13.1% *	13.2%	12.8% *
Net assets per share attributable to ordinary equity holders of the Bank (RM)	2.78	2.84	2.65	2.80

* After deducting proposed dividends.

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2009

Group	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Operating revenue	2,431,461	2,636,012	2,431,461	2,636,012
Interest income	1,911,926	2,007,564	1,911,926	2,007,564
Interest expense	(953,078)	(1,112,865)	(953,078)	(1,112,865)
Net interest income	958,848	894,699	958,848	894,699
Net income from Islamic banking business				
Net financing income	141,258	121,765	141,258	121,765
Other Islamic banking income	3,548	1,870	3,548	1,870
	1,103,654	1,018,334	1,103,654	1,018,334
Other operating income	294,251	557,536	294,251	557,536
Net income	1,397,905	1,575,870	1,397,905	1,575,870
Other operating expenses	(497,133)	(450,711)	(497,133)	(450,711)
Operating profit	900,772	1,125,159	900,772	1,125,159
Allowance for losses on loans, advances and financing	(156,354)	(144,386)	(156,354)	(144,386)
- General allowance	(68,008)	(62,050)	(68,008)	(62,050)
- Other loan loss allowances	(88,346)	(82,336)	(88,346)	(82,336)
Impairment loss	(1,786)	(13,405)	(1,786)	(13,405)
	742,632	967,368	742,632	967,368
Share of profit after tax of equity accounted associated companies	2,296	3,264	2,296	3,264
Profit before tax expense and zakat	744,928	970,632	744,928	970,632
Tax expense and zakat	(149,115)	(239,130)	(149,115)	(239,130)
Profit for the period	595,813	731,502	595,813	731,502
Attributable to :				
Equity holders of the Bank	589,285	717,387	589,285	717,387
Minority interests	6,528	14,115	6,528	14,115
Profit for the period	595,813	731,502	595,813	731,502
Earnings per RM1.00 share:				
- basic (sen)	17.4	21.4	17.4	21.4
- diluted (sen)	17.4	21.4	17.4	21.4

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2009

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
<u>Bank</u>				
Operating revenue	1,764,688	2,209,020	1,764,688	2,209,020
Interest income	1,684,194	1,759,233	1,684,194	1,759,233
Interest expense	(911,760)	(1,004,864)	(911,760)	(1,004,864)
Net interest income	772,434	754,369	772,434	754,369
Net income from Islamic banking business				
Net financing income	-	121,765	-	121,765
Other Islamic banking income	-	1,870	-	1,870
	772,434	878,004	772,434	878,004
Other operating income	92,531	391,108	92,531	391,108
Net income	864,965	1,269,112	864,965	1,269,112
Other operating expenses	(340,657)	(337,881)	(340,657)	(337,881)
Operating profit	524,308	931,231	524,308	931,231
Allowance for losses on loans, advances and financing	(85,563)	(128,576)	(85,563)	(128,576)
- General allowance	(60,846)	(73,197)	(60,846)	(73,197)
- Other loan loss allowances	(24,717)	(55,379)	(24,717)	(55,379)
Impairment (loss) / written back	(1,786)	1,797	(1,786)	1,797
Profit before tax expense and zakat	436,959	804,452	436,959	804,452
Tax expense and zakat	(106,300)	(212,094)	(106,300)	(212,094)
Net profit for the period	330,659	592,358	330,659	592,358

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 2008.

PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2009

<u>Group</u>	<----- Attributable to Equity Holders of the Bank ----->							
	Non-distributable			Distributable		Total Shareholders' Equity RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Reserves Retained Profits RM'000	Treasury Shares RM'000			
At 1 January 2009	3,531,926	2,132,499	3,243,735	1,902,658	(1,274,112)	9,536,706	692,026	10,228,732
Currency translation differences in respect of foreign operations	-	-	143,611	-	-	143,611	36,776	180,387
Currency translation differences in respect of net investment hedge	-	-	(101,601)	-	-	(101,601)	-	(101,601)
Unrealised net gain on revaluation of securities available-for-sale	-	-	69,757	-	-	69,757	(10)	69,747
Unrealised net gain on cash flow hedge	-	-	98	-	-	98	-	98
Net income recognised								
directly in equity	-	-	111,865	-	-	111,865	36,766	148,631
Net profit for the period	-	-	-	589,285	-	589,285	6,528	595,813
Total recognised income for the period	-	-	111,865	589,285	-	701,150	43,294	744,444
Buy-back of shares	-	-	-	-	(88)	(88)	-	(88)
Transfer to regulatory reserves	-	-	14,823	(14,823)	-	-	-	-
Dividends paid	-	-	-	(629,178)	-	(629,178)	-	(629,178)
Share dividend	-	(692,614)	-	-	692,614	-	-	-
At 31 March 2009	3,531,926	1,439,885	3,370,423	1,847,942	(581,586)	9,608,590	735,320	10,343,910

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2009

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

<u>Group</u>	<u>Non-distributable Reserves</u>			<u>Distributable Reserves</u>		<u>Total Shareholders' Equity</u> RM'000	<u>Minority Interests</u> RM'000	<u>Total Equity</u> RM'000
	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Profits</u> RM'000	<u>Treasury Shares</u> RM'000			
At 1 January 2008	3,527,891	2,112,204	3,613,724	1,362,252	(1,273,897)	9,342,174	636,249	9,978,423
Currency translation differences in respect of foreign operations	-	-	(70,372)	-	-	(70,372)	(19,219)	(89,591)
Currency translation differences in respect of net investment hedge	-	-	37,730	-	-	37,730	-	37,730
Unrealised net loss on revaluation of securities available-for-sale	-	-	(51,827)	-	-	(51,827)	(1,906)	(53,733)
Unrealised net gain on cash flow hedge being charged to income statement	-	-	(381)	-	-	(381)	-	(381)
Net expense recognised directly in equity	-	-	(84,850)	-	-	(84,850)	(21,125)	(105,975)
Net profit for the period	-	-	-	717,387	-	717,387	14,115	731,502
Total recognised (expense) / income for the period	-	-	(84,850)	717,387	-	632,537	(7,010)	625,527
Issue of shares pursuant to the exercise of share options	4,035	20,295	-	-	-	24,330	-	24,330
Buy-back of shares	-	-	-	-	(113)	(113)	-	(113)
Transfer to regulatory reserves	-	-	14,401	(14,401)	-	-	-	-
Dividends paid	-	-	-	(1,241,231)	-	(1,241,231)	-	(1,241,231)
At 31 March 2008	<u>3,531,926</u>	<u>2,132,499</u>	<u>3,543,275</u>	<u>824,007</u>	<u>(1,274,010)</u>	<u>8,757,697</u>	<u>629,239</u>	<u>9,386,936</u>

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(6463 - H)
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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2009

<u>Bank</u>	<----- Attributable to Equity Holders of the Bank ----->						
	Share Capital RM'000	Non-distributable Reserves		Distributable Reserves		Treasury Shares RM'000	Total RM'000
		Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000			
At 1 January 2009	3,531,926	2,132,499	3,239,059	1,762,457	(1,274,112)	9,391,829	
Unrealised net gain on revaluation of securities available-for-sale	-	-	41,637	-	-	41,637	
Unrealised net gain on cash flow hedge	-	-	98	-	-	98	
Net income recognised directly in equity	-	-	41,735	-	-	41,735	
Net profit for the period	-	-	-	330,659	-	330,659	
Total recognised income for the year	-	-	41,735	330,659	-	372,394	
Buy-back of shares	-	-	-	-	(88)	(88)	
Dividends paid	-	-	-	(629,178)	-	(629,178)	
Share dividend	-	(692,614)	-	-	692,614	-	
At 31 March 2009	<u>3,531,926</u>	<u>1,439,885</u>	<u>3,280,794</u>	<u>1,463,938</u>	<u>(581,586)</u>	<u>9,134,957</u>	

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2009

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

<u>Bank</u>	Non-distributable Reserves			Distributable Reserves		Total
	Share Capital	Share Premium	Other Reserves	Retained Profits	Treasury Shares	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008	3,527,891	2,112,204	3,504,479	1,479,938	(1,273,897)	9,350,615
Unrealised net loss on revaluation of securities available-for-sale	-	-	(21,633)	-	-	(21,633)
Unrealised net gain on cash flow hedge being charged to income statement	-	-	(381)	-	-	(381)
Net expense recognised directly in equity	-	-	(22,014)	-	-	(22,014)
Net profit for the period	-	-	-	592,358	-	592,358
Total recognised (expense) / income for the period	-	-	(22,014)	592,358	-	570,344
Issue of shares pursuant to the exercise of share options	4,035	20,295	-	-	-	24,330
Buy-back of shares	-	-	-	-	(113)	(113)
Dividends paid	-	-	-	(1,241,231)	-	(1,241,231)
At 31 March 2008	<u>3,531,926</u>	<u>2,132,499</u>	<u>3,482,465</u>	<u>831,065</u>	<u>(1,274,010)</u>	<u>8,703,945</u>

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PUBLIC BANK BERHAD
(6463 - H)
(Incorporated in Malaysia)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE 1ST QUARTER ENDED 31 MARCH 2009

	Group		Bank	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Profit before tax expense and zakat	744,928	970,632	436,959	804,452
Adjustments for non-cash items	<u>218,784</u>	<u>205,721</u>	<u>111,543</u>	<u>197,249</u>
Operating profit before changes in working capital	963,712	1,176,353	548,502	1,001,701
Changes in working capital:				
Net changes in operating assets	(7,627,955)	(4,709,774)	(5,566,829)	(4,654,653)
Net changes in operating liabilities	2,605,260	4,302,083	1,497,228	3,993,209
Tax expense and zakat paid	<u>(183,980)</u>	<u>(174,063)</u>	<u>(133,985)</u>	<u>(135,161)</u>
Net cash (used in) / generated from operating activities	(4,242,963)	594,599	(3,655,084)	205,096
Net cash generated from investing activities	1,240,816	261,121	1,408,091	417,132
Net cash used in financing activities	(582,911)	(1,186,944)	(629,266)	(1,217,014)
Net change in cash and cash equivalents	<u>(3,585,058)</u>	<u>(331,224)</u>	<u>(2,876,259)</u>	<u>(594,786)</u>
Cash and cash equivalents at beginning of the period	36,597,027	35,548,788	29,564,959	32,606,147
Exchange differences on translation of opening balances	322,323	(111,088)	-	-
Cash and cash equivalents at end of the period	<u><u>33,334,292</u></u>	<u><u>35,106,476</u></u>	<u><u>26,688,700</u></u>	<u><u>32,011,361</u></u>

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(6463-H)
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Part A - Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) Issued by Bank Negara Malaysia

A1. Basis of Preparation

The unaudited interim financial statements for the 1st quarter ended 31 March 2009 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: held-for-trading financial assets, available-for-sale financial assets, derivative financial instruments and investment properties.

The unaudited interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2008. 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 2008.

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 audited annual financial statements for the year ended 31 December 2008.

Loans, advances and financing are stated at cost less any allowance for bad and doubtful debts and financing. Allowance for bad and doubtful debts and financing are made with regard to specific risks and relate to those loans or trade receivables that have been individually reviewed and specifically identified as sub-standard, doubtful or bad.

The allowance for bad and doubtful debts and financing are computed in conformity with BNM/GP3. Consistent with previous years, the Group and the Bank have adopted a more stringent policies on classification of non-performing loans and specific allowances, whereby loans are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date with a 20% specific allowance.

A general allowance based on a percentage of total outstanding loans (including accrued interest), net of specific allowance for bad and doubtful debts, is maintained by the Group and the Bank against risks which are not specifically identified.

An uncollectible loan or portion of a loan classified as bad is written off after taking into consideration the realisable value of collateral, if any, when in the opinion of management, there is no prospect of recovery.

PUBLIC BANK BERHAD
(6463-H)
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A1. Basis of Preparation (Continued)

Values assigned to collateral held for non-performing loans secured by properties is determined based on the realisable values of the properties, being the force sale value provided by independent parties/valuers, on the following basis:

- (i) Assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than five (5) years but less than seven (7) years; and
- (ii) No value will be assigned to the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than seven (7) years.

The portion of non-performing loans where no realisable value has been assigned will be written off.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2008 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 2009.

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 2009.

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 2009.

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(6463-H)
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A6. Debt and Equity Securities

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

Share Buy-back

On 25 February 2009, the shareholders of the Bank renewed their approval for the Bank to buy-back its own shares. During the 1st quarter ended 31 March 2009, the Bank bought back from the open market, 10,000 PBB Shares listed and quoted as "Local" on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia") at an average buy-back price of RM8.75 per share. The total consideration paid for the share buy-back of PBB Shares by the Bank during the 1st quarter ended 31 March 2009, including transaction costs, was RM87,811 and was financed by internally generated funds. The PBB Shares bought back are held as treasury shares in accordance with Section 67A Subsection 3(A)(b) of the Companies Act, 1965.

A total of 95,834,632 treasury shares were distributed as share dividend on 11 March 2009 on the basis of one (1) PBB treasury share listed and quoted as "Local" on the Main Board of Bursa Malaysia Securities Berhad for every thirty-five (35) ordinary shares of RM1.00 each held in PBB on 2 March 2009.

As at 31 March 2009, the number of treasury shares held after deducting share dividend distributed were 80,472,168 PBB Shares.

A7. Dividends Paid

During the financial quarter ended 31 March 2009, the final dividend of 25%, less 25% tax in respect of the financial year ended 31 December 2008, amounting to RM629,178,379 was paid on 11 March 2009.

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A8. Securities Held-for-trading

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
At fair value				
Malaysian Government Treasury Bills	99,315	-	99,315	-
Malaysian Government Securities	223,624	255,573	223,624	255,573
Cagamas bonds	1,470,720	4,896,761	1,208,286	4,514,465
Negotiable instruments of deposit	7,072,054	5,139,352	7,072,054	5,139,352
Bank Negara Malaysia Monetary Notes	1,371,757	890,201	1,231,396	890,201
Bank Negara Malaysia Bills	-	49,807	-	-
	<u>10,237,470</u>	<u>11,231,694</u>	<u>9,834,675</u>	<u>10,799,591</u>
Quoted securities:				
Shares in Malaysia	964	980	964	980
	<u>964</u>	<u>980</u>	<u>964</u>	<u>980</u>
Unquoted securities:				
Private debt securities in Malaysia	-	117,168	-	46,170
	<u>-</u>	<u>117,168</u>	<u>-</u>	<u>46,170</u>
Total securities held-for-trading	<u>10,238,434</u>	<u>11,349,842</u>	<u>9,835,639</u>	<u>10,846,741</u>

A9. Securities Available-for-sale

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
At fair value				
Malaysian Government Securities	251,514	-	251,514	-
Negotiable instruments of deposit	43,515	42,363	475,761	464,017
Bank Negara Malaysia Negotiable notes	772,935	-	772,935	-
	<u>1,067,964</u>	<u>42,363</u>	<u>1,500,210</u>	<u>464,017</u>
Quoted securities:				
Shares and convertible loan stocks in Malaysia	45,951	44,964	43,315	41,954
Shares outside Malaysia	11,542	11,546	-	-
Trust units in Malaysia				
- Public Institutional Bond Fund	1,274,441	1,256,645	1,176,663	1,160,239
- Others	1,264,201	1,257,839	861,605	857,336
	<u>2,596,135</u>	<u>2,570,994</u>	<u>2,081,583</u>	<u>2,059,529</u>
Unquoted securities:				
Shares in Malaysia	22,214	20,853	21,644	20,283
Shares outside Malaysia	3,267	3,295	64	253
Private debt securities in Malaysia	3,068,130	2,988,867	2,440,563	2,370,062
	<u>3,093,611</u>	<u>3,013,015</u>	<u>2,462,271</u>	<u>2,390,598</u>
Total securities available-for-sale	<u>6,757,710</u>	<u>5,626,372</u>	<u>6,044,064</u>	<u>4,914,144</u>

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

A10. Securities Held-to-maturity

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
At amortised cost				
Money market instruments:				
Malaysian Government Treasury Bills	14,918	44,557	14,918	44,557
Malaysian Government Securities	2,125,629	3,220,432	2,069,361	3,215,441
Malaysian Government Investment Certificates	378,940	378,828	378,940	378,828
Bankers' acceptances and Islamic accepted bills	1,286,504	21,326	988,146	-
Cagamas bonds	15,128	15,164	5,001	15,164
Negotiable instruments of deposit	1,115,354	3,864,744	3,462,563	5,594,802
Bank Negara Malaysia Monetary Notes	-	100,651	-	100,651
Hong Kong Government Treasury Bills	150,559	142,931	-	-
Sri Lanka Government Treasury Bills	20,399	1,554	20,399	1,554
	<u>5,107,431</u>	<u>7,790,187</u>	<u>6,939,328</u>	<u>9,350,997</u>
Quoted securities:				
Private debt securities outside Malaysia	9,414	8,938	-	-
	<u>9,414</u>	<u>8,938</u>	<u>-</u>	<u>-</u>
Unquoted securities:				
Shares in Malaysia	88,023	88,021	87,580	87,578
Private debt securities in Malaysia	155,372	150,102	150,354	140,069
Private debt securities outside Malaysia	629,283	263,536	-	-
	<u>872,678</u>	<u>501,659</u>	<u>237,934</u>	<u>227,647</u>
Accumulated impairment losses	(13,381)	(14,065)	(13,381)	(14,065)
Total securities held-to-maturity	<u>5,976,142</u>	<u>8,286,719</u>	<u>7,163,881</u>	<u>9,564,579</u>

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

A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Overdrafts	9,742,962	9,607,890	8,159,070	8,071,878
Term loans				
- Housing loans / financing	33,855,457	32,699,324	28,234,947	27,275,929
- Syndicated term loan / financing	2,140,564	2,085,055	1,176,027	1,136,904
- Hire purchase receivables	33,828,843	33,172,280	22,896,328	22,153,569
- Other term loans / financing	42,965,311	39,999,452	32,251,552	29,955,354
Credit card receivables	994,197	1,028,806	984,932	1,019,464
Bills receivables	147,610	129,934	103,655	105,869
Trust receipts	398,568	481,078	298,412	352,593
Claims on customers under acceptance credits	2,953,591	3,071,979	2,941,978	3,057,674
Lease, factored and confirming receivables	1,581	1,581	-	-
Revolving credits	3,953,902	3,659,977	3,909,198	3,660,214
*Staff loans	730,531	693,402	685,471	652,119
	<u>131,713,117</u>	<u>126,630,758</u>	<u>101,641,570</u>	<u>97,441,567</u>
Unearned interest and income	<u>(6,081,724)</u>	<u>(5,962,165)</u>	<u>(2,861,987)</u>	<u>(2,750,835)</u>
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	125,631,393	120,668,593	98,779,583	94,690,732
Islamic house financing sold to Cagamas	<u>(200,001)</u>	<u>(350,009)</u>	<u>-</u>	<u>-</u>
Gross loans, advances and financing (excluding Islamic house financing sold to Cagamas)	125,431,392	120,318,584	98,779,583	94,690,732
Allowance for bad and doubtful debts and financing:				
- general	(1,832,993)	(1,759,487)	(1,481,192)	(1,419,932)
- specific	(185,436)	(172,802)	(100,835)	(96,509)
Net loans, advances and financing	<u>123,412,963</u>	<u>118,386,295</u>	<u>97,197,556</u>	<u>93,174,291</u>

* Included in staff loans of the Group and the Bank are loans to Directors of subsidiary companies amounting to RM1,611,250 (2008: RM1,753,341) and RM817,259 (2008 - RM959,654) respectively.

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

A11. Loans, Advances and Financing (continued)

A11a. By type of customer

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Domestic banking institutions	72,938	-	-	-
Domestic non-bank financial institutions				
- Stock-broking companies	2,119	2,053	2,119	2,053
- Others	2,984,484	3,162,348	2,978,985	3,156,663
Domestic business enterprises				
- Small and medium enterprises	20,872,498	20,664,386	19,871,199	19,657,035
- Others	15,531,123	13,292,658	15,199,126	12,972,116
Government and statutory bodies	722	774	640	687
Individuals	70,004,424	68,150,416	58,722,220	56,944,505
Other domestic entities	30,018	25,636	28,619	24,223
Foreign entities	16,133,067	15,370,322	1,976,675	1,933,450
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	125,631,393	120,668,593	98,779,583	94,690,732
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)	-	-
	<u>125,431,392</u>	<u>120,318,584</u>	<u>98,779,583</u>	<u>94,690,732</u>

A11b. By interest / profit rate sensitivity

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Fixed rate				
- Housing loans / financing	3,631,344	3,909,425	2,355,207	2,579,080
- Hire purchase receivables	28,390,370	27,920,958	20,107,970	19,479,396
- Other fixed rate loans / financing	13,157,914	12,869,448	6,428,316	6,431,674
Variable rate				
- Base lending rate plus	60,259,807	57,224,661	59,421,902	56,544,122
- Cost plus	10,497,631	9,199,229	9,844,432	8,696,698
- Other variable rates	9,694,327	9,544,872	621,756	959,762
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	125,631,393	120,668,593	98,779,583	94,690,732
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)	-	-
	<u>125,431,392</u>	<u>120,318,584</u>	<u>98,779,583</u>	<u>94,690,732</u>

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

A11c. Gross loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Purchase of securities	1,793,890	1,811,257	1,777,157	1,794,046
Purchase of transport vehicles	29,854,900	29,268,666	20,202,928	19,572,613
Purchase of landed properties	58,000,253	56,032,168	49,682,357	47,971,151
(of which: - residential	33,437,147	32,223,660	28,668,050	27,680,839
- non-residential)	24,563,106	23,808,508	21,014,307	20,290,312
Purchase of fixed assets (excluding landed properties)	284,020	272,420	277,406	265,548
Personal use	7,643,685	7,264,917	3,640,700	3,570,301
Credit card	994,197	1,028,806	984,932	1,019,464
Purchase of consumer durables	54,054	59,064	37,883	41,853
Construction	1,540,482	1,399,355	883,434	780,484
Mergers & Acquisitions	53,983	10,204	53,983	10,204
Working capital	20,030,210	18,820,617	16,003,233	15,107,077
Other purpose	5,381,719	4,701,119	5,235,570	4,557,991
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	125,631,393	120,668,593	98,779,583	94,690,732
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)	-	-
	125,431,392	120,318,584	98,779,583	94,690,732

A11c. Gross loans, advances and financing by sectors

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Agriculture, hunting, forestry and fishing	2,241,217	1,706,516	1,971,748	1,462,438
Mining and quarrying	100,048	93,749	90,986	84,729
Manufacturing	5,715,158	5,739,672	5,347,440	5,331,885
Electricity, gas and water	42,494	47,600	34,015	34,157
Construction	5,395,518	4,973,467	4,606,251	4,213,719
Wholesale & retail trade and restaurants & hotels	11,908,434	11,599,187	10,870,332	10,550,164
Transport, storage and communication	1,396,144	1,353,015	1,345,184	1,300,761
Finance, insurance and business services	6,743,455	6,785,617	6,083,503	6,155,949
Real estate	8,519,385	7,461,501	8,070,465	7,080,740
Community, social and personal services	929,306	897,690	867,783	837,748
Households	80,128,695	77,695,951	59,154,974	57,359,675
(of which: - purchase of residential properties	32,746,923	31,578,669	28,004,078	27,062,600
- purchase of transport vehicles	24,899,852	24,345,338	15,785,845	15,220,212
- others)	22,481,920	21,771,944	15,365,051	15,076,863
Others	2,511,539	2,314,628	336,902	278,767
Gross loans, advances and financing (including Islamic house financing sold to Cagamas)	125,631,393	120,668,593	98,779,583	94,690,732
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)	-	-
	125,431,392	120,318,584	98,779,583	94,690,732

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

A11. Loans, Advances and Financing (continued)

A11d. Non-performing loans by economic purpose

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Purchase of securities	2,848	4,084	2,848	4,084
Purchase of transport vehicles	183,341	187,630	116,090	118,786
Purchase of landed properties	609,033	622,538	539,437	558,438
(of which: - residential	499,270	523,429	449,646	470,132
- non-residential)	109,763	99,109	89,791	88,306
Purchase of fixed assets (excluding landed properties)	746	535	615	405
Personal use	120,882	111,530	55,644	57,280
Credit card	17,159	15,943	17,159	15,943
Purchase of consumer durables	1,352	1,757	1,277	1,582
Construction	211	-	211	-
Working capital	283,128	251,964	190,729	185,935
Other purpose	13,417	14,118	13,270	13,876
	1,232,117	1,210,099	937,280	956,329

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000

Non-performing loans by sectors

Agriculture, hunting, forestry and fishing	2,969	3,086	2,913	3,033
Mining and quarrying	126	162	126	162
Manufacturing	162,059	83,890	94,332	82,340
Electricity, gas and water	479	264	479	264
Construction	40,522	43,705	39,456	42,439
Wholesale & retail trade and restaurants & hotels	99,412	81,805	85,990	78,447
Transport, storage and communication	5,282	5,901	5,147	5,667
Finance, insurance and business services	19,768	19,302	18,743	18,964
Real estate	18,373	20,147	16,810	19,352
Community, social and personal services	4,569	4,337	3,993	3,681
Households	862,054	880,247	667,718	700,497
(of which: - purchase of residential properties	490,717	517,762	441,269	464,644
- purchase of transport vehicles	159,413	163,315	96,114	98,429
- others)	211,924	199,170	130,335	137,424
Others	16,504	67,253	1,573	1,483
	1,232,117	1,210,099	937,280	956,329

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

A11. Loans, Advances and Financing (continued)

A11e. Movements in non-performing loans, advances and financing ("NPL") are as follows:

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
At 1 January	1,210,099	1,403,760	956,329	1,341,370
Non-performing during the period / year	598,957	2,314,078	412,651	2,023,579
Reclassified as performing	(421,887)	(1,906,369)	(352,992)	(1,839,860)
Recoveries	(36,609)	(94,853)	(27,943)	(90,270)
Amount written off	(115,142)	(460,099)	(41,411)	(272,082)
Loans converted to foreclosed properties / securities	(9,467)	(50,006)	(9,467)	(50,006)
Amount vested over to Public Islamic Bank Berhad	-	-	-	(156,585)
Exchange differences	6,166	3,588	113	183
Closing balance	<u>1,232,117</u>	<u>1,210,099</u>	<u>937,280</u>	<u>956,329</u>
Specific allowance	<u>(185,436)</u>	<u>(172,802)</u>	<u>(100,835)</u>	<u>(96,509)</u>
Net non-performing loans, advances and financing	<u><u>1,046,681</u></u>	<u><u>1,037,297</u></u>	<u><u>836,445</u></u>	<u><u>859,820</u></u>
Net NPL as % of gross loans, advances and financing (including Islamic house financing sold to Cagamas) less specific allowance	<u><u>0.83%</u></u>	<u><u>0.86%</u></u>	<u><u>0.85%</u></u>	<u><u>0.91%</u></u>

A11f. Movements in the allowance for bad and doubtful debts (and financing) accounts are as follows:

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
<u>General Allowance</u>				
At 1 January	1,759,487	1,522,964	1,419,932	1,374,846
Allowance made during the period / year	68,008	232,101	60,846	232,437
Amount vested over to Public Islamic Bank Berhad	-	-	-	(187,085)
Exchange differences	5,498	4,422	414	(266)
Closing balance	<u>1,832,993</u>	<u>1,759,487</u>	<u>1,481,192</u>	<u>1,419,932</u>
As % of gross loans, advances and financing (including Islamic house financing sold to Cagamas) less specific allowance	<u><u>1.46%</u></u>	<u><u>1.46%</u></u>	<u><u>1.50%</u></u>	<u><u>1.50%</u></u>

The general allowance of the Group is below 1.50% due to the local regulatory requirements and applicable accounting standards of the Group's overseas subsidiaries in their respective jurisdictions. In addition to general allowance, the Group also maintains regulatory reserves in equity as an additional credit risk absorbent in accordance with the local regulatory requirement of certain overseas subsidiary companies.

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

A11. Loans, Advances and Financing (continued)

A11f. Movements in the allowance for bad and doubtful debts (and financing) accounts are as follows: (continued)

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
<u>Specific Allowance</u>				
At 1 January	172,802	153,959	96,509	135,871
Allowance made during the period / year	141,569	542,651	59,045	330,367
Amount written back in respect of recoveries	(18,698)	(74,660)	(14,464)	(70,419)
Amount written off	(115,142)	(460,099)	(41,411)	(272,082)
Reinstatement of amount written off previously due to restructuring / rescheduling, now being classified as performing loan	1,230	721	1,058	670
Amount transferred to accumulated impairment losses in value of foreclosed properties / securities	-	(295)	-	(295)
Amount vested over to Public Islamic Bank Berhad	-	-	-	(28,263)
Exchange differences	3,675	10,525	98	660
Closing balance	<u>185,436</u>	<u>172,802</u>	<u>100,835</u>	<u>96,509</u>

A12. Other Assets

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Deferred handling fees	168,434	166,293	118,569	114,548
Interest / Income receivable	45,392	70,803	31,516	51,803
Other receivables, deposits and prepayments	635,906	984,417	516,316	845,488
Manager's stocks	17,251	25,696	-	-
Amount due from trust funds	144,751	96,108	-	-
Foreclosed properties	132,487	129,713	132,378	129,604
Taxi licenses	8,854	9,748	-	-
Outstanding contracts on clients' accounts	136,311	65,896	-	-
Amount due from subsidiary companies	-	-	217,797	824,476
Dividend receivable from subsidiary companies	-	-	160,286	231,265
	<u>1,289,386</u>	<u>1,548,674</u>	<u>1,176,862</u>	<u>2,197,184</u>

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

A13. Deposits from Customers

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
<u>By type of customer</u>				
Federal and state governments	1,370,738	1,264,639	933,455	952,163
Local government and statutory authorities	2,086,932	2,198,860	1,630,465	1,658,448
Business enterprises	34,905,295	36,613,403	35,160,848	34,495,900
Individuals	72,057,602	69,735,065	68,276,011	66,117,793
Foreign customers	16,712,644	13,939,357	2,420,109	1,997,651
Others	41,000,194	38,528,240	30,593,208	28,840,293
	<u>168,133,405</u>	<u>162,279,564</u>	<u>139,014,096</u>	<u>134,062,248</u>

A14. Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Licensed banks	2,693,933	1,846,423	990,052	265,209
Licensed Islamic banks	92,000	-	-	-
Licensed investment banks	214,440	200,000	22,516	-
Bank Negara Malaysia	911,500	866,125	911,500	866,125
Other financial institutions	2,956,571	2,677,331	5,664,386	5,990,183
	<u>6,868,444</u>	<u>5,589,879</u>	<u>7,588,454</u>	<u>7,121,517</u>

A15. Other Liabilities

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Interest / income payable	812,761	878,147	722,084	776,927
Other payables and accruals	1,038,780	1,365,328	739,722	708,733
Amount due to trust funds	104,809	37,625	-	-
Unprocessed sales and / or redemptions	5,768	22,873	-	-
Employee benefits	(73,930)	(76,901)	(71,247)	(74,024)
Profit Equalisation Reserves	43,204	34,784	-	-
Finance lease liabilities	63,407	70,133	63,407	70,133
Outstanding contracts on clients' accounts	129,897	63,115	-	-
Dividend payable to shareholders	14,565	27,713	14,565	4,063
Amount due to subsidiary companies	-	-	14,424	17,601
	<u>2,139,261</u>	<u>2,422,817</u>	<u>1,482,955</u>	<u>1,503,433</u>

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

A16. Interest Income

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Group				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	1,445,412	1,426,332	1,445,412	1,426,332
- Recoveries from NPLs	17,982	22,375	17,982	22,375
Money at call and deposit placements with financial institutions	269,974	432,378	269,974	432,378
Securities held-for-trading	93,040	73,713	93,040	73,713
Securities available-for-sale	21,257	37,508	21,257	37,508
Securities held-to-maturity	86,238	33,549	86,238	33,549
Others	13,363	11,590	13,363	11,590
	<u>1,947,266</u>	<u>2,037,445</u>	<u>1,947,266</u>	<u>2,037,445</u>
Amortisation of premium less accretion of discount	(6,663)	(91)	(6,663)	(91)
Net interest / income suspended	<u>(28,677)</u>	<u>(29,790)</u>	<u>(28,677)</u>	<u>(29,790)</u>
	<u><u>1,911,926</u></u>	<u><u>2,007,564</u></u>	<u><u>1,911,926</u></u>	<u><u>2,007,564</u></u>

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Bank				
Loans, advances and financing				
- Interest income other than recoveries from NPLs	1,275,095	1,253,507	1,275,095	1,253,507
- Recoveries from NPLs	17,982	20,090	17,982	20,090
Money at call and deposit placements with financial institutions	225,750	397,364	225,750	397,364
Securities held-for-trading	88,964	63,984	88,964	63,984
Securities available-for-sale	22,928	32,060	22,928	32,060
Securities held-to-maturity	76,393	12,621	76,393	12,621
Others	13,378	11,579	13,378	11,579
	<u>1,720,490</u>	<u>1,791,205</u>	<u>1,720,490</u>	<u>1,791,205</u>
Amortisation of premium less accretion of discount	(7,655)	(2,182)	(7,655)	(2,182)
Net interest / income suspended	<u>(28,641)</u>	<u>(29,790)</u>	<u>(28,641)</u>	<u>(29,790)</u>
	<u><u>1,684,194</u></u>	<u><u>1,759,233</u></u>	<u><u>1,684,194</u></u>	<u><u>1,759,233</u></u>

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

A17. Interest Expense

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
<u>Group</u>				
Deposits and placements of banks and other financial institutions	35,680	62,273	35,680	62,273
Deposits from customers	822,979	953,459	822,979	953,459
Loans sold to Cagamas	37,053	36,351	37,053	36,351
Subordinated notes	35,788	35,083	35,788	35,083
Hybrid Capital Securities	19,064	22,628	19,064	22,628
Borrowings	1,135	2,688	1,135	2,688
Others	1,379	383	1,379	383
	953,078	1,112,865	953,078	1,112,865

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
<u>Bank</u>				
Deposits and placements of banks and other financial institutions	26,054	50,497	26,054	50,497
Deposits from customers	792,254	860,005	792,254	860,005
Loans sold to Cagamas	37,053	36,351	37,053	36,351
Subordinated notes	36,021	35,083	36,021	35,083
Hybrid Capital Securities	19,064	22,628	19,064	22,628
Others	1,314	300	1,314	300
	911,760	1,004,864	911,760	1,004,864

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

A18. Other Operating Income

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Group				
(a) Fee income:				
Commissions	33,711	35,757	33,711	35,757
Service charges and fees	49,307	45,317	49,307	45,317
Guarantee fees	8,414	7,461	8,414	7,461
Processing fees	5,592	6,876	5,592	6,876
Commitment fees	12,657	11,329	12,657	11,329
Unit trust management fees	70,869	87,899	70,869	87,899
Fee on sale of trust units	15,328	28,048	15,328	28,048
Net brokerage and commissions from stockbroking activities	10,017	23,584	10,017	23,584
Other fee income	9,196	8,913	9,196	8,913
	<u>215,091</u>	<u>255,184</u>	<u>215,091</u>	<u>255,184</u>
(b) Net gain arising from sale of securities:				
- held-for-trading	6,206	1,407	6,206	1,407
- available-for-sale	6,020	14,873	6,020	14,873
	<u>12,226</u>	<u>16,280</u>	<u>12,226</u>	<u>16,280</u>
(c) Gross dividend income from:				
Securities held-for-trading	7	16	7	16
Securities available-for-sale	17,654	6,980	17,654	6,980
Securities held-to-maturity	22	47	22	47
	<u>17,683</u>	<u>7,043</u>	<u>17,683</u>	<u>7,043</u>
(d) Unrealised gain / (loss) on revaluation of:				
- securities held-for-trading	3,217	858	3,217	858
- trading derivatives	(2,207)	(243)	(2,207)	(243)
	<u>1,010</u>	<u>615</u>	<u>1,010</u>	<u>615</u>
(e) Unrealised gain / (loss) on hedging derivatives	29	(749)	29	(749)
(f) Other income:				
Foreign exchange profit	40,218	77,397	40,218	77,397
Rental income from:				
- investment properties	1,418	1,201	1,418	1,201
- other properties	1,977	1,739	1,977	1,739
Net gain on disposal of property and equipment	18	19	18	19
Net loss on disposal of foreclosed properties	(900)	(3,587)	(900)	(3,587)
Lease income and factoring charges	-	44	-	44
Goodwill income	-	200,000	-	200,000
Others	5,481	2,350	5,481	2,350
	<u>48,212</u>	<u>279,163</u>	<u>48,212</u>	<u>279,163</u>
Total other operating income	<u>294,251</u>	<u>557,536</u>	<u>294,251</u>	<u>557,536</u>

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

A18. Other Operating Income (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Bank				
(a) Fee income:				
Commissions	33,743	45,710	33,743	45,710
Service charges and fees	34,062	31,132	34,062	31,132
Guarantee fees	6,665	6,259	6,665	6,259
Processing fees	206	246	206	246
Commitment fees	11,613	10,545	11,613	10,545
Other fee income	7,318	4,878	7,318	4,878
	<u>93,607</u>	<u>98,770</u>	<u>93,607</u>	<u>98,770</u>
(b) Net gain arising from sale of securities:				
- held-for-trading	5,540	1,236	5,540	1,236
- available-for-sale	5,154	14,873	5,154	14,873
	<u>10,694</u>	<u>16,109</u>	<u>10,694</u>	<u>16,109</u>
(c) Gross dividend income from:				
Securities held-for-trading	7	16	7	16
Securities available-for-sale	16,736	6,408	16,736	6,408
Securities held-to-maturity	22	-	22	-
Subsidiary companies				
- unquoted in Malaysia	10,000	-	10,000	-
	<u>26,765</u>	<u>6,424</u>	<u>26,765</u>	<u>6,424</u>
(d) Unrealised gain / (loss) on revaluation of:				
- securities held-for-trading	3,485	862	3,485	862
- trading derivatives	(1,632)	(22,363)	(1,632)	(22,363)
	<u>1,853</u>	<u>(21,501)</u>	<u>1,853</u>	<u>(21,501)</u>
(e) Unrealised loss on hedging derivatives	(13)	(1,214)	(13)	(1,214)
(f) Other income:				
Foreign exchange (loss) / profit	(45,881)	112,568	(45,881)	112,568
Rental income from other properties	1,066	913	1,066	913
Net gain on disposal of property and equipment	24	41	24	41
Net loss on disposal of foreclosed properties	(900)	(3,587)	(900)	(3,587)
Goodwill income	-	180,000	-	180,000
Others	5,316	2,585	5,316	2,585
	<u>(40,375)</u>	<u>292,520</u>	<u>(40,375)</u>	<u>292,520</u>
Total other operating income	<u>92,531</u>	<u>391,108</u>	<u>92,531</u>	<u>391,108</u>

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

A19. Other Operating Expenses

Group	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Personnel costs				
- Salaries, allowances and bonuses	253,696	223,050	253,696	223,050
- Pension costs	32,672	16,522	32,672	16,522
- Others	22,544	17,751	22,544	17,751
	308,912	257,323	308,912	257,323
Establishment costs				
- Depreciation and amortisation	33,399	27,184	33,399	27,184
- Rental	17,063	14,513	17,063	14,513
- Insurance	4,459	4,201	4,459	4,201
- Water and electricity	8,445	6,763	8,445	6,763
- General repairs and maintenance	16,799	16,868	16,799	16,868
- Information technology expenses	5,946	5,502	5,946	5,502
- Others	7,568	8,843	7,568	8,843
	93,679	83,874	93,679	83,874
Marketing expenses				
- Sales commission	16,903	25,885	16,903	25,885
- Advertisement and publicity	18,640	17,913	18,640	17,913
- Others	15,007	19,434	15,007	19,434
	50,550	63,232	50,550	63,232
Administration and general expenses				
- Communication expenses	16,485	14,965	16,485	14,965
- Legal and professional fees	12,932	10,485	12,932	10,485
- Others	14,575	20,832	14,575	20,832
	43,992	46,282	43,992	46,282
Total other operating expenses	497,133	450,711	497,133	450,711

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

A19. Other Operating Expenses (continued)

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Personnel costs				
- Salaries, allowances and bonuses	200,080	183,300	200,080	183,300
- Pension costs	28,300	13,293	28,300	13,293
- Others	19,793	15,755	19,793	15,755
	<u>248,173</u>	<u>212,348</u>	<u>248,173</u>	<u>212,348</u>
Establishment costs				
- Depreciation and amortisation	25,963	20,451	25,963	20,451
- Rental	17,219	16,502	17,219	16,502
- Insurance	3,040	3,493	3,040	3,493
- Water and electricity	6,455	5,203	6,455	5,203
- General repairs and maintenance	14,677	15,704	14,677	15,704
- Information technology expenses	3,414	3,495	3,414	3,495
- Others	5,006	5,518	5,006	5,518
	<u>75,774</u>	<u>70,366</u>	<u>75,774</u>	<u>70,366</u>
Marketing expenses				
- Advertisement and publicity	8,478	8,450	8,478	8,450
- Others	13,138	10,269	13,138	10,269
	<u>21,616</u>	<u>18,719</u>	<u>21,616</u>	<u>18,719</u>
Administration and general expenses				
- Communication expenses	15,327	11,450	15,327	11,450
- Legal and professional fees	9,941	8,906	9,941	8,906
- Others	4,668	16,092	4,668	16,092
	<u>29,936</u>	<u>36,448</u>	<u>29,936</u>	<u>36,448</u>
Shared service cost charged to Public Islamic Bank Berhad	(34,842)	-	(34,842)	-
Total other operating expenses	<u>340,657</u>	<u>337,881</u>	<u>340,657</u>	<u>337,881</u>

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

A20. Allowance for Losses on Loans, Advances and Financing

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
<u>Group</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	68,008	62,050	68,008	62,050
- specific allowance	141,569	138,933	141,569	138,933
- specific allowance written back	(18,698)	(20,380)	(18,698)	(20,380)
Bad debts recovered from stock broking activities	(9)	(9)	(9)	(9)
Bad debts and financing written off	500	42	500	42
Bad debts and financing recovered	(35,016)	(36,250)	(35,016)	(36,250)
	156,354	144,386	156,354	144,386

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
<u>Bank</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	60,846	73,197	60,846	73,197
- specific allowance	59,045	100,666	59,045	100,666
- specific allowance written back	(14,464)	(20,373)	(14,464)	(20,373)
Bad debts and financing written off	273	42	273	42
Bad debts and financing recovered	(20,137)	(24,956)	(20,137)	(24,956)
	85,563	128,576	85,563	128,576

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

A21. Segment Information

i) By Business Segments

Three Months Ended 31 March 2009	<----- Operating Segments ----->								Inter- segment Elimination RM'000	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	Head Office RM'000		
External revenue	410,534	1,234,632	135,369	452,956	43,538	86,279	4,057	64,096	-	2,431,461
Revenue from other segments	-	180,185	-	1,344	-	-	19	226,260	(407,808)	-
	410,534	1,414,817	135,369	454,300	43,538	86,279	4,076	290,356	(407,808)	2,431,461
Net interest income and										
Islamic banking income	190,060	761,044	51,512	65,686	5,859	(184)	(528)	30,205	-	1,103,654
Other operating income	962	123,436	15,823	25,802	14,020	84,125	10,381	35,556	(15,854)	294,251
Net income	191,022	884,480	67,335	91,488	19,879	83,941	9,853	65,761	(15,854)	1,397,905
Other operating expenses	(36,386)	(339,535)	(16,975)	(12,775)	(9,626)	(33,315)	(5,234)	(59,141)	15,854	(497,133)
Allowance for losses on loans, advances and financing excluding general allowance	(17,298)	(66,985)	(4,072)	-	9	-	-	-	-	(88,346)
Impairment loss	-	(1,786)	-	-	-	-	-	-	-	(1,786)
Profit by segments	137,338	476,174	46,288	78,713	10,262	50,626	4,619	6,620	-	810,640
Reconciliation of segment profits to consolidated profits:										
General allowance										(68,008)
Share of profit after tax of equity accounted associated companies										2,296
Profit before tax expense and zakat										744,928
Cost income ratio	19.0%	38.4%	25.2%	14.0%	48.4%	39.7%	53.1%	89.9%		35.6%
Gross loans	29,856,614	76,443,197	18,860,509	-	242,911	26,045	2,116	-		125,431,392
Net non-performing loans	126,373	862,486	57,822	-	-	-	-	-		1,046,681
Deposits from customers	-	115,895,630	-	49,668,682	2,569,093	-	-	-		168,133,405
Segment assets	29,573,561	115,641,076	18,608,383	65,765,619	4,634,724	307,810	272,495	108,661	(38,961,649)	195,950,680
Reconciliation of segment assets to consolidated assets:										
Investment in associated companies										136,897
Unallocated assets										1,001,121
Intangible assets										2,137,919
Total assets										199,226,617

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

A21. Segment Information (continued)

i) By Business Segments (continued)

Three Months Ended 31 March 2008	<----- Operating Segments ----->									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	Head Office RM'000	Inter-segment Elimination RM'000	
External revenue	373,402	1,219,811	179,037	635,564	54,336	116,089	3,127	54,646	-	2,636,012
Revenue from other segments	-	236,783	-	67,131	-	-	125	322,556	(626,595)	-
	<u>373,402</u>	<u>1,456,594</u>	<u>179,037</u>	<u>702,695</u>	<u>54,336</u>	<u>116,089</u>	<u>3,252</u>	<u>377,202</u>	<u>(626,595)</u>	<u>2,636,012</u>
Net interest income and										
Islamic banking income	118,346	778,783	30,582	46,406	2,366	(519)	(1,062)	43,432	-	1,018,334
Other operating income	1,415	341,615	10,747	70,620	32,836	103,112	9,809	5,243	(17,861)	557,536
Net income	<u>119,761</u>	<u>1,120,398</u>	<u>41,329</u>	<u>117,026</u>	<u>35,202</u>	<u>102,593</u>	<u>8,747</u>	<u>48,675</u>	<u>(17,861)</u>	<u>1,575,870</u>
Other operating expenses	(29,941)	(282,908)	(13,130)	(11,985)	(10,429)	(57,731)	(5,083)	(57,365)	17,861	(450,711)
Allowance for losses on loans, advances and financing excluding general allowance	(25,102)	(42,803)	(14,786)	-	355	-	-	-	-	(82,336)
Impairment loss	-	1,942	-	(15,347)	-	-	-	-	-	(13,405)
Profit by segments	<u>64,718</u>	<u>796,629</u>	<u>13,413</u>	<u>89,694</u>	<u>25,128</u>	<u>44,862</u>	<u>3,664</u>	<u>(8,690)</u>	<u>-</u>	<u>1,029,418</u>
Reconciliation of segment profits to consolidated profits:										
General allowance										(62,050)
Share of profit after tax of equity accounted associated companies										3,264
Profit before tax expense and zakat										<u>970,632</u>
Cost income ratio	25.0%	25.3%	31.8%	10.2%	29.6%	56.3%	58.1%	117.9%		28.6%
Gross loans	27,153,857	65,228,763	13,972,775	-	200,921	17,977	1,966	-		106,576,259
Net non-performing loans	154,875	979,550	25,297	-	-	-	-	-		1,159,722
Deposits from customers	-	96,482,927	-	45,951,378	2,066,012	-	-	-		144,500,317
Segment assets	<u>26,885,082</u>	<u>96,990,519</u>	<u>13,794,762</u>	<u>65,529,442</u>	<u>4,880,200</u>	<u>459,737</u>	<u>257,197</u>	<u>131,955</u>	<u>(33,330,766)</u>	<u>175,598,128</u>
Reconciliation of segment assets to consolidated assets:										
Investment in associated companies										46,053
Unallocated assets										481,552
Intangible assets										1,973,364
Total assets										<u>178,099,097</u>

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

A21. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (continued)

(ii) By Geographical Locations

Group	1st Quarter Ended		Three Months Ended		
	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Operating Revenue RM'000	Profit Before Tax Expense RM'000	Total Assets RM'000
31 March 2009					
Malaysia	2,175,827	679,179	2,175,827	679,179	179,110,121
Overseas	255,634	65,749	255,634	65,749	20,116,496
	2,431,461	744,928	2,431,461	744,928	199,226,617
31 March 2008					
Malaysia	2,352,732	872,570	2,352,732	872,570	162,449,180
Overseas	283,280	98,062	283,280	98,062	15,649,917
	2,636,012	970,632	2,636,012	970,632	178,099,097

The Group has operations in Hong Kong SAR, the People's Republic of China, Sri Lanka, the Socialist Republic of Vietnam, Cambodia and the People's Democratic Republic of Laos.

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

A22. Subsequent Events

The were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited interim financial statements.

A23. Changes in the Composition of the Group

There were no significant changes in the composition of the Group during the 1st quarter ended 31 March 2009.

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

A24. Off-Balance Sheet Exposures

Off -balance sheet exposures of the Group and the Bank consist of the various commitments made and contingent liabilities incurred in the normal course of business with legal recourse to its customers. No material losses are anticipated as a result of these transactions. These off-balance sheet exposures are not secured against the Group's and the Bank's assets.

The risk-weighted exposures of the Group and the Bank as at the following dates are as follows:

<u>Group</u>	As at 31 March 2009			As at 31 December 2008		
	Notional Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount * RM'000	Notional Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount * RM'000
<u>Credit-related Exposures</u>						
Direct credit substitutes	1,675,910	1,675,910	1,087,659	1,707,324	1,707,324	967,059
Transaction-related contingent items	596,300	298,150	174,852	597,837	298,918	179,717
Short-term self-liquidating trade-related contingencies	666,856	133,371	86,771	662,108	132,422	82,666
Assets sold with recourse	194,660	194,660	92,500	341,988	341,988	163,770
Obligations under an on-going underwriting agreement	75,000	37,500	37,500	75,000	37,500	37,500
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- exceeding one year	10,563,836	4,205,624	3,220,679	9,939,339	4,969,670	3,959,368
- not exceeding one year	17,821,425	-	-	17,418,621	3,483,724	2,864,928
Unutilised credit card lines	3,080,936	616,187	462,140	2,909,982	581,996	436,497
	<u>34,674,923</u>	<u>7,161,402</u>	<u>5,162,101</u>	<u>33,652,199</u>	<u>11,553,542</u>	<u>8,691,505</u>
<u>Derivative Financial Contracts</u>						
Foreign exchange related contracts:						
- less than one year	11,083,342	249,308	77,391	9,115,195	184,974	78,183
- one year to less than five years	40,062	2,148	1,095	37,532	2,468	1,234
Interest rate related contracts:						
- less than one year	2,264,790	31,829	6,399	2,177,466	37,557	7,533
- one year to less than five years	4,434,980	352,489	74,656	4,040,636	342,340	68,572
- five years and above	3,679,280	423,021	97,730	3,555,860	458,159	95,165
Equity related contracts:						
- one year to less than five years	266,054	30,700	15,350	272,106	37,018	18,509
Precious metal contracts:						
- less than one year	1,668	17	17	-	-	-
	<u>21,770,176</u>	<u>1,089,512</u>	<u>272,638</u>	<u>19,198,795</u>	<u>1,062,516</u>	<u>269,196</u>
<u>Other Treasury-related Exposures</u>						
Forward asset purchases	160,055	160,055	10,998	15,874	15,874	3,175
	<u>56,605,154</u>	<u>8,410,969</u>	<u>5,445,737</u>	<u>52,866,868</u>	<u>12,631,932</u>	<u>8,963,876</u>

PUBLIC BANK BERHAD
(6463-H)

(Incorporated in Malaysia)

A24. Off-Balance Sheet Exposures (continued)

<u>Bank</u>	As at 31 March 2009			As at 31 December 2008		
	Notional Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount * RM'000	Notional Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount * RM'000
<u>Credit-related Exposures</u>						
Direct credit substitutes	1,533,915	1,533,915	1,043,376	1,564,420	1,564,420	997,053
Transaction-related contingent items	553,561	276,780	161,314	549,206	274,603	162,481
Short-term self-liquidating trade-related contingencies	493,896	98,779	64,919	498,861	99,773	63,237
Obligations under an on-going underwriting agreement	75,000	37,500	37,500	75,000	37,500	37,500
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- exceeding one year	9,694,021	3,881,317	2,967,985	9,224,333	4,612,166	3,666,939
- not exceeding one year	16,010,868	-	-	15,380,577	3,076,116	2,473,726
Unutilised credit card lines	2,893,790	578,758	434,068	2,740,982	548,196	411,147
	<u>31,255,051</u>	<u>6,407,049</u>	<u>4,709,162</u>	<u>30,033,379</u>	<u>10,212,774</u>	<u>7,812,083</u>
<u>Derivative Financial Contracts</u>						
Foreign exchange related contracts:						
- less than one year	10,111,495	234,986	74,527	8,254,482	174,241	76,038
- one year to less than five years	40,062	2,148	1,095	37,532	2,468	1,234
Interest rate related contracts:						
- less than one year	2,034,000	31,545	6,309	1,990,047	37,214	7,443
- one year to less than five years	4,362,060	351,031	74,146	3,971,345	340,955	68,191
- five years and above	3,296,450	402,786	91,878	3,192,087	437,545	91,042
Equity related contracts:						
- one year to less than five years	266,054	30,700	15,350	272,106	37,018	18,509
Precious metal contracts:						
- less than one year	1,668	17	17	-	-	-
	<u>20,111,789</u>	<u>1,053,213</u>	<u>263,322</u>	<u>17,717,599</u>	<u>1,029,441</u>	<u>262,457</u>
<u>Other Treasury-related Exposures</u>						
Forward asset purchases	106,939	106,939	375	1,594	1,594	319
	<u>51,473,779</u>	<u>7,567,201</u>	<u>4,972,859</u>	<u>47,752,572</u>	<u>11,243,809</u>	<u>8,074,859</u>

* The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors and risk weights as defined in Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework ("RWCAF") and Capital Adequacy for Islamic Banks ("CAFIB") guidelines.

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

A25. Derivative Financial Instruments

Details of derivative financial instruments outstanding as at 31 March 2009 are as follows:

Value of contracts classified by remaining period to maturity / next repricing date (whichever is earlier).

Group

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	>5 years RM'000
Foreign exchange related contracts							
- forwards	1,049,490	652,944	264,079	104,854	26,841	772	-
- swaps	10,034,624	5,092,189	4,766,565	175,870	-	-	-
- options	39,290	-	-	-	-	39,290	-
Sub total	11,123,404	5,745,133	5,030,644	280,724	26,841	40,062	-
Interest rate related contracts							
- forwards	36,487	-	-	-	36,487	-	-
- swaps	10,342,563	1,387,960	6,912,843	2,041,760	-	-	-
Sub total	10,379,050	1,387,960	6,912,843	2,041,760	36,487	-	-
Equity related contracts							
- options	266,054	-	-	-	-	266,054	-
Precious metal contracts							
- forwards	1,668	1,668	-	-	-	-	-
Total	21,770,176	7,134,761	11,943,487	2,322,484	63,328	306,116	-

Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	>5 years RM'000
Foreign exchange related contracts							
- forwards	735,368	338,822	264,079	104,854	26,841	772	-
- swaps	9,376,899	4,989,730	4,387,169	-	-	-	-
- options	39,290	-	-	-	-	39,290	-
Sub total	10,151,557	5,328,552	4,651,248	104,854	26,841	40,062	-
Interest rate related contracts							
- swaps	9,692,510	1,078,050	6,609,160	2,005,300	-	-	-
Equity related contracts							
- options	266,054	-	-	-	-	266,054	-
Precious metal contracts							
- forwards	1,668	1,668	-	-	-	-	-
Total	20,111,789	6,408,270	11,260,408	2,110,154	26,841	306,116	-

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

A25. Derivative Financial Instruments (continued)

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

Market Risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2009, the amount of contracts which were not hedged in the Group and the Bank and, hence, exposed to market risk was RM1,201,680,000 (31 December 2008 : RM1,060,000,000).

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 2009, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM586,756,000 (31 December 2008 : RM590,191,000) and RM580,970,000 (31 December 2008 : RM589,676,000) 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.

Related Accounting Policies

Financial derivatives are recognised at fair value upon inception in the balance sheet, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Group enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statement. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

The Group discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

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

A25. Derivative Financial Instruments (continued)

Fair value hedge

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the income statement. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the income statement over the expected life of the hedged item.

Cash flow hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the derivative is taken to a separate component in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statements. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income statement.

Net investment hedge

The Group also applies net investment hedge accounting, which are for hedges against the exposure to exchange rate fluctuations on the net assets of its foreign operations. The hedge is accounted for similarly to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are taken directly to the foreign currency translation reserve while those relating to the ineffective portion of the hedge are recognised in the income statement. On disposal of the foreign operation, the cumulative gains or losses recognised in equity will be transferred to the income statement.

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

A26. Interest / Profit Rate Risk

Group As at 31 March 2009	Non trading book								Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000				
ASSETS												
Cash and short-term funds	32,201,077	-	-	-	-	-	-	-	1,133,215	-	33,334,292	1.93
Deposits and placements with banks and other financial institutions	4,562	246,143	40,959	-	-	-	-	-	177,908	-	469,572	2.70
Securities purchased under resale agreements	7,712,403	3,600,658	-	-	-	-	-	-	-	626,955	11,940,016	2.01
Securities held-for-trading	-	-	-	-	-	-	-	-	-	10,238,434	10,238,434	2.19
Securities available-for-sale	36,460	1,183,396	110,784	167,479	389,200	331,786	-	2,007,475	2,531,130	-	6,757,710	2.30
Securities held-to-maturity	1,687,818	1,138,088	509,407	957,352	684,194	343,933	279,135	278,192	98,023	-	5,976,142	3.25
Loans, advances and financing												
- performing	78,693,780	7,278,210	9,160,387	7,350,330	6,162,030	4,744,692	3,627,419	7,382,428	-	-	124,399,276	5.50
- non-performing *	-	-	-	-	-	-	-	-	(786,312)	-	(786,312)	-
- Islamic house financing sold to Cagamas	(200,001)	-	-	-	-	-	-	-	-	-	(200,001)	3.57
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	6,911,636	185,852	7,097,488	-
TOTAL ASSETS	120,136,099	13,446,495	9,821,537	8,475,161	7,235,424	5,420,411	3,906,554	9,668,095	10,065,600	11,051,241	199,226,617	

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

A26. Interest / Profit Rate Risk (continued)

Group As at 31 March 2009	Non trading book									Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND EQUITY												
Deposits from customers	90,934,400	27,015,380	32,203,826	324,654	286,221	252,356	260,778	10,524	16,845,266	-	168,133,405	2.16
Deposits and placements of banks and other financial institutions	5,372,103	1,246,470	91,999	-	-	-	-	-	157,872	-	6,868,444	1.50
Bills and acceptances payable	825,293	858,357	1,990	-	-	-	-	-	771,037	-	2,456,677	2.80
Recourse obligations on loans sold to Cagamas	1,204,529	8,284	14,191	2,646	297	-	-	-	-	-	1,229,947	3.59
Borrowings	906,589	-	-	-	-	-	-	-	-	-	906,589	0.92
Subordinated notes	-	-	1,292,413	-	-	1,560,727	1,448,104	-	-	-	4,301,244	2.83
Hybrid capital securities	-	-	-	-	-	-	-	2,123,813	-	-	2,123,813	3.04
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	2,727,905	134,683	2,862,588	-
Total Liabilities	99,242,914	29,128,491	33,604,419	327,300	286,518	1,813,083	1,708,882	2,134,337	20,502,080	134,683	188,882,707	
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	9,608,590	-	9,608,590	-
Minority interests	-	-	-	-	-	-	-	-	735,320	-	735,320	-
Total Liabilities and Equity	99,242,914	29,128,491	33,604,419	327,300	286,518	1,813,083	1,708,882	2,134,337	30,845,990	134,683	199,226,617	
On-balance sheet interest sensitivity gap	20,893,185	(15,681,996)	(23,782,882)	8,147,861	6,948,906	3,607,328	2,197,672	7,533,758	(20,780,390)	10,916,558	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	471,500	(2,346,320)	(402,120)	(123,964)	(74,830)	1,126,614	1,170,000	179,120	-	-	-	
Total interest sensitivity gap	21,364,685	(18,028,316)	(24,185,002)	8,023,897	6,874,076	4,733,942	3,367,672	7,712,878	(20,780,390)	10,916,558	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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

A26. Interest / Profit Rate Risk (continued)

Group As at 31 December 2008	Non trading book								Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000				
ASSETS												
Cash and short-term funds	33,979,116	-	-	-	-	-	-	-	2,617,911	-	36,597,027	3.24
Deposits and placements with banks and other financial institutions	4,496	1,581,038	179,393	-	-	-	-	-	176,518	-	1,941,445	3.74
Securities purchased under resale agreements	3,962,485	799,922	-	-	-	-	-	-	-	379,339	5,141,746	2.96
Securities held-for-trading	-	-	-	-	-	-	-	-	-	11,349,842	11,349,842	3.39
Securities available-for-sale	87,591	-	553,321	161,004	411,816	332,671	-	1,494,450	2,585,519	-	5,626,372	3.71
Securities held-to-maturity	2,722,137	2,422,240	1,057,146	984,232	308,723	312,084	127,921	263,451	88,785	-	8,286,719	3.76
Loans, advances and financing												
- performing	74,633,947	6,187,337	9,973,247	7,192,884	6,048,162	4,628,514	3,655,891	7,138,512	-	-	119,458,494	6.05
- non-performing *	-	-	-	-	-	-	-	-	(722,190)	-	(722,190)	-
- Islamic house financing sold to Cagamas	(200,008)	(150,001)	-	-	-	-	-	-	-	-	(350,009)	3.74
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	8,730,572	103,088	8,833,660	-
TOTAL ASSETS	115,189,764	10,840,536	11,763,107	8,338,120	6,768,701	5,273,269	3,783,812	8,896,413	13,477,115	11,832,269	196,163,106	

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

A26. Interest / Profit Rate Risk (continued)

Group As at 31 December 2008	Non trading book									Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND EQUITY												
Deposits from customers	93,704,176	25,428,376	25,467,966	345,119	334,486	179,881	257,695	12,560	16,549,305	-	162,279,564	3.02
Deposits and placements of banks and other financial institutions	4,303,365	239,870	108,088	-	-	-	-	-	938,556	-	5,589,879	2.36
Bills and acceptances payable	848,427	1,392,527	309,942	-	-	-	-	-	511,478	-	3,062,374	3.59
Recourse obligations on loans sold to Cagamas	1,206,190	3,309,160	18,090	3,379	458	-	-	-	-	-	4,537,277	3.63
Borrowings	860,234	-	-	-	-	-	-	-	-	-	860,234	1.11
Subordinated notes	-	-	1,233,361	-	-	1,494,279	1,450,555	-	-	-	4,178,195	3.65
Hybrid capital securities	-	-	-	-	-	-	-	2,124,484	-	-	2,124,484	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	3,073,076	229,291	3,302,367	-
Total Liabilities	100,922,392	30,369,933	27,137,447	348,498	334,944	1,674,160	1,708,250	2,137,044	21,072,415	229,291	185,934,374	
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	9,536,706	-	9,536,706	-
Minority interests	-	-	-	-	-	-	-	-	692,026	-	692,026	-
Total Liabilities and Equity	100,922,392	30,369,933	27,137,447	348,498	334,944	1,674,160	1,708,250	2,137,044	31,301,147	229,291	196,163,106	
On-balance sheet interest sensitivity gap	14,267,372	(19,529,397)	(15,374,340)	7,989,622	6,433,757	3,599,109	2,075,562	6,759,369	(17,824,032)	11,602,978	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	391,480	(2,810,423)	(257,962)	(67,793)	(55,773)	1,070,531	1,500,000	229,940	-	-	-	
Total interest sensitivity gap	14,658,852	(22,339,820)	(15,632,302)	7,921,829	6,377,984	4,669,640	3,575,562	6,989,309	(17,824,032)	11,602,978	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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

A26. Interest / Profit Rate Risk (continued)

Bank As at 31 March 2009	Non trading book									Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 2 years RM'000	> 2 - 3 years RM'000	> 3 - 4 years RM'000	> 4 - 5 years RM'000	over 5 years RM'000					
ASSETS													
Cash and short-term funds	25,873,005	-	-	-	-	-	-	-	-	815,695	-	26,688,700	1.94
Deposits and placements with banks and other financial institutions	-	1,762,239	-	-	-	-	-	-	-	177,908	-	1,940,147	2.71
Securities purchased under resale agreements	7,712,403	3,600,658	-	-	-	-	-	-	-	-	-	11,313,061	2.01
Securities held-for-trading	-	-	-	-	-	-	-	-	-	-	9,835,639	9,835,639	2.18
Securities available-for-sale	36,460	1,094,375	170,357	167,479	571,799	331,786	-	1,659,001	2,012,807	-	-	6,044,064	2.31
Securities held-to-maturity	798,720	827,555	870,557	2,519,548	815,541	711,857	253,755	278,192	88,156	-	-	7,163,881	3.50
Loans, advances and financing													
- performing	68,694,483	5,160,426	5,868,082	4,797,015	4,097,143	3,158,018	2,421,389	3,645,747	-	-	-	97,842,303	5.21
- non-performing *	-	-	-	-	-	-	-	-	-	(644,747)	-	(644,747)	-
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	-	7,539,492	180,066	7,719,558	-
TOTAL ASSETS	103,115,071	12,445,253	6,908,996	7,484,042	5,484,483	4,201,661	2,675,144	5,582,940	9,989,311	10,015,705	167,902,606		

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

A26. Interest / Profit Rate Risk (continued)

Bank	Non trading book									Trading book	Total	Effective interest rate	
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 2 years	> 2 - 3 years	> 3 - 4 years	> 4 - 5 years	over 5 years	Non-interest sensitive				
As at 31 March 2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
LIABILITIES AND EQUITY													
Deposits from customers	73,074,576	21,421,251	28,868,460	123,303	488,280	218,097	259,440	10,524	14,550,165	-	139,014,096	2.32	
Deposits and placements of banks and other financial institutions	5,972,936	1,274,363	113,252	-	-	-	-	-	227,903	-	7,588,454	1.27	
Bills and acceptances payable	825,293	858,357	1,990	-	-	-	-	-	771,037	-	2,456,677	2.80	
Recourse obligations on loans sold to Cagamas	1,204,529	8,284	14,191	2,646	297	-	-	-	-	-	1,229,947	3.59	
Subordinated notes	-	-	1,292,413	-	-	1,560,727	1,468,479	-	-	-	4,321,619	2.83	
Hybrid capital securities	-	-	-	-	-	-	-	2,123,813	-	-	2,123,813	3.04	
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	1,900,230	132,813	2,033,043	-	
Total Liabilities	81,077,334	23,562,255	30,290,306	125,949	488,577	1,778,824	1,727,919	2,134,337	17,449,335	132,813	158,767,649		
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	9,134,957	-	9,134,957	-	
Total Liabilities and Equity	81,077,334	23,562,255	30,290,306	125,949	488,577	1,778,824	1,727,919	2,134,337	26,584,292	132,813	167,902,606		
On-balance sheet interest sensitivity gap	22,037,737	(11,117,002)	(23,381,310)	7,358,093	4,995,906	2,422,837	947,225	3,448,603	(16,594,981)	9,882,892	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	161,590	(2,565,080)	(329,200)	(123,964)	(1,910)	1,126,614	1,170,000	561,950	-	-	-		
Total interest sensitivity gap	22,199,327	(13,682,082)	(23,710,510)	7,234,129	4,993,996	3,549,451	2,117,225	4,010,553	(16,594,981)	9,882,892	-		

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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

A26. Interest / Profit Rate Risk (continued)

Bank	Non trading book									Trading book	Total	Effective interest rate %
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 2 years	> 2 - 3 years	> 3 - 4 years	> 4 - 5 years	over 5 years	Non- interest sensitive			
As at 31 December 2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS												
Cash and short-term funds	27,458,539	-	-	-	-	-	-	-	2,106,420	-	29,564,959	3.22
Deposits and placements with banks and other financial institutions	-	2,605,145	1,052,664	-	-	-	-	-	176,517	-	3,834,326	3.99
Securities purchased under resale agreements	3,962,485	799,922	-	-	-	-	-	-	-	-	4,762,407	2.91
Securities held-for-trading	-	-	-	-	-	-	-	-	-	10,846,741	10,846,741	3.38
Securities available-for-sale	77,968	-	528,153	161,004	557,770	332,671	-	1,176,513	2,080,065	-	4,914,144	3.46
Securities held-to-maturity	2,578,577	1,919,408	1,291,322	2,589,255	399,220	312,084	122,930	263,451	88,332	-	9,564,579	3.73
Loans, advances and financing												
- performing	65,590,132	3,929,734	6,592,174	4,639,410	3,978,219	3,012,085	2,430,455	3,562,194	-	-	93,734,403	5.98
- non-performing *	-	-	-	-	-	-	-	-	(560,112)	-	(560,112)	-
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	9,934,833	102,574	10,037,407	-
TOTAL ASSETS	99,667,701	9,254,209	9,464,313	7,389,669	4,935,209	3,656,840	2,553,385	5,002,158	13,826,055	10,949,315	166,698,854	

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

A26. Interest / Profit Rate Risk (continued)

Bank	Non trading book									Trading book	Total	Effective interest rate %
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 2 years	> 2 - 3 years	> 3 - 4 years	> 4 - 5 years	over 5 years	Non-interest sensitive			
As at 31 December 2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES AND EQUITY												
Deposits from customers	73,779,904	20,477,072	24,348,083	208,907	457,340	179,289	256,930	12,560	14,342,163	-	134,062,248	3.12
Deposits and placements of banks and other financial institutions	6,582,878	196,254	118,131	-	-	-	-	-	224,254	-	7,121,517	2.03
Bills and acceptances payable	848,427	1,392,527	309,942	-	-	-	-	-	511,478	-	3,062,374	3.59
Recourse obligations on loans sold to Cagamas	1,206,190	3,309,160	18,090	3,379	458	-	-	-	-	-	4,537,277	3.63
Subordinated notes	-	-	1,233,361	-	-	1,494,279	1,470,580	-	-	-	4,198,220	3.65
Hybrid capital securities	-	-	-	-	-	-	-	2,124,484	-	-	2,124,484	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	1,973,469	227,436	2,200,905	-
Total Liabilities	82,417,399	25,375,013	26,027,607	212,286	457,798	1,673,568	1,727,510	2,137,044	17,051,364	227,436	157,307,025	
Equity attributable to equity holders of the Bank	-	-	-	-	-	-	-	-	9,391,829	-	9,391,829	-
Total Liabilities and Equity	82,417,399	25,375,013	26,027,607	212,286	457,798	1,673,568	1,727,510	2,137,044	26,443,193	227,436	166,698,854	
On-balance sheet interest sensitivity gap	17,250,302	(16,120,804)	(16,563,294)	7,177,383	4,477,411	1,983,272	825,875	2,865,114	(12,617,138)	10,721,879	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	166,288	(3,101,777)	(174,478)	(67,793)	13,517	1,070,531	1,500,000	593,712	-	-	-	
Total interest sensitivity gap	17,416,590	(19,222,581)	(16,737,772)	7,109,590	4,490,928	3,053,803	2,325,875	3,458,826	(12,617,138)	10,721,879	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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

A27. Capital Adequacy

a) The capital adequacy ratios of the Group and the Bank as at the following dates:

	Group		Bank	
	31 March 2009	31 December 2008	31 March 2009	31 December 2008
Core capital ratio	7.6%	7.7% *	10.2%	10.1% *
Risk-weighted capital ratio	<u>13.3%</u>	<u>13.1% *</u>	<u>13.2%</u>	<u>12.8% *</u>

* After deducting proposed dividends.

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	3,531,926	3,531,926	3,531,926	3,531,926
Share premium	1,439,885	2,132,499	1,439,885	2,132,499
Other reserves	3,604,386	3,604,386	3,552,599	3,552,599
Retained profits	1,273,480	1,902,658	1,143,546	1,772,724
Hybrid capital securities	1,323,324	1,439,510	1,430,431	1,541,477
Treasury shares	(581,586)	(1,274,112)	(581,586)	(1,274,112)
Minority interests	728,792	692,026	-	-
Less: Intangible assets	(2,111,561)	(2,045,669)	(695,393)	(695,393)
Less: Deferred tax assets, net	(386,484)	(386,484)	(285,201)	(285,201)
Total Tier I capital	<u>8,822,162</u>	<u>9,596,740</u>	<u>9,536,207</u>	<u>10,276,519</u>
<u>Tier II capital</u>				
General allowance for bad and doubtful debts	1,832,993	1,759,487	1,495,740	1,433,444
Subordinated notes	4,105,101	3,968,793	4,125,476	3,988,818
Hybrid capital securities	603,116	450,609	496,009	348,642
Total Tier II capital	<u>6,541,210</u>	<u>6,178,889</u>	<u>6,117,225</u>	<u>5,770,904</u>
Total capital	15,363,372	15,775,629	15,653,432	16,047,423
Less: Investment in subsidiary companies and associated companies	(960)	(960)	(3,318,384)	(3,318,384)
Capital base	<u>15,362,412</u>	<u>15,774,669</u>	<u>12,335,048</u>	<u>12,729,039</u>

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II). The components of the capital base and risk-weighted assets of the Bank include the balances of the Bank's wholly-owned offshore banking subsidiary, Public Bank (L) Ltd. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

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

A27. Capital Adequacy (continued)

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

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵
31 March 2009						
Core capital ratio	8.8%	20.2%	9.1%	15.4%	22.0%	N/A
Risk-weighted capital ratio	10.6%	20.6%	9.6%	15.4%	23.1%	23.0%
31 December 2008						
Core capital ratio	9.1%	19.7% *	8.3%	15.4%	20.6%	N/A
Risk-weighted capital ratio	11.0%	20.0% *	8.8%	15.4%	21.8%	19.0%

* After deducting proposed dividends.

- ¹ The capital adequacy ratios of Public Islamic Bank Berhad are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. Public Islamic Bank Berhad has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- ² The capital adequacy ratios of Public Investment Bank Berhad are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework, which are based on the Basel II capital accord. Public Investment Bank Berhad has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- ³ The capital adequacy ratios of Public Bank (L) Ltd. for capital compliance on a standalone basis are computed in accordance with the Guidelines on Risk-weighted Capital Adequacy issued by the Labuan Offshore Financial Services Authority (LOFSA), which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirements are 4.0% and 8.0% for the core capital ratio and risk-weighted capital ratio respectively.
- ⁴ The capital adequacy ratios of these two subsidiary companies, which are located in Hong Kong SAR, are computed in accordance with the Banking (Capital) Rules under section 98A of the Banking Ordinance issued by the Hong Kong Monetary Authority, which is based on the Basel II capital accord. These two subsidiary companies have adopted the Standardised Approach for Credit and Market Risk. Public Bank (Hong Kong) Limited has adopted the Basic Indicator Approach for Operational Risk and Public Finance Limited has adopted the Standardised Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.
- ⁵ The amount presented here is the Solvency Ratio of Cambodian Public Bank Plc, which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with Prakas B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as Cambodian Public Bank Plc's net worth divided by its risk-weighted assets and off balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.

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

A29. Operations of Islamic Banking

A29a. Balance Sheets as at 31 March 2009

	Group	
	31 March	31 December
	2009	2008
	RM'000	RM'000
ASSETS		
Cash and short-term funds	3,343,767	3,323,580
Securities held-for-trading	341,952	382,296
Securities available-for-sale	402,549	400,454
Financing and advances	12,235,884	12,023,665
Other assets	72,717	65,039
Statutory deposits with Bank Negara Malaysia	116,300	341,600
Deferred tax assets	74,844	72,304
Property and equipment	545	359
Total Assets	16,588,558	16,609,297
 LIABILITIES AND ISLAMIC		
BANKING FUNDS		
Deposits from customers	15,184,400	13,786,574
Deposits and placements of banks and other financial institutions	92,878	700,576
Other liabilities	71,175	974,266
Provision for zakat and taxation	63,515	44,013
Total Liabilities	15,411,968	15,505,429
Islamic Banking Funds	1,176,590	1,103,868
Total Liabilities and Islamic Banking Funds	16,588,558	16,609,297
 OFF-BALANCE SHEET EXPOSURES	1,078,650	1,050,966

PUBLIC BANK BERHAD
(6463-H)

(Incorporated in Malaysia)

A29b. Income Statements for the 1st Quarter and Three Months Ended 31 March 2009

	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Group				
Income derived from investment of depositors' funds and others	207,823	168,267	207,823	168,267
Allowance for losses on financing and advances	(9,732)	(12,761)	(9,732)	(12,761)
- General allowance	(1,012)	(2,500)	(1,012)	(2,500)
- Other financing loss allowances	(8,720)	(10,261)	(8,720)	(10,261)
Profit equalisation reserves	(8,420)	(9,704)	(8,420)	(9,704)
Total attributable income	189,671	145,802	189,671	145,802
Income attributable to the depositors	(71,945)	(61,606)	(71,945)	(61,606)
Income attributable to the reporting institutions	117,726	84,196	117,726	84,196
Income derived from investment of Islamic Banking Funds	17,348	26,678	17,348	26,678
Total net income	135,074	110,874	135,074	110,874
Other operating expenses	(39,463)	(35,413)	(39,463)	(35,413)
Profit before zakat and taxation	95,611	75,461	95,611	75,461
Zakat	(49)	(45)	(49)	(45)
Taxation	(23,721)	(19,996)	(23,721)	(19,996)
Profit after zakat and taxation	71,841	55,420	71,841	55,420

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

A29c. Financing and Advances

	Group	
	31 March 2009 RM'000	31 December 2008 RM'000
Bai Bithaman Ajil-i (deferred payment sale)	4,196,055	4,169,347
Ijarah Thamma Al-Bai'-i (leasing)	9,155,180	9,345,331
Bai-Al-Einah-i	2,589,400	2,357,827
	<u>15,940,635</u>	<u>15,872,505</u>
Unearned income	(3,289,649)	(3,284,067)
Gross financing and advances (including Islamic house financing sold to Cagamas)	12,650,986	12,588,438
Less: Islamic house financing sold to Cagamas	(200,001)	(350,009)
Gross financing and advances (excluding Islamic house financing sold to Cagamas)	12,450,985	12,238,429
Allowance for losses on financing and advances:		
- general	(191,758)	(190,746)
- specific	(23,343)	(24,018)
Net financing and advances	<u>12,235,884</u>	<u>12,023,665</u>

i) Movements in non-performing financing and advances (“NPF”) are as follows:

	Group	
	31 March 2009 RM'000	31 December 2008 RM'000
At 1 January	144,359	169,490
Non-performing during the period / year	82,563	350,014
Reclassified as performing	(70,743)	(295,926)
Recoveries	(8,677)	(27,151)
Amount written off	(11,947)	(52,068)
Closing balance	<u>135,555</u>	<u>144,359</u>
Specific allowance	(23,343)	(24,018)
Net non-performing financing and advances	<u>112,212</u>	<u>120,341</u>
Net NPF as % of gross financing and advances (including Islamic house financing sold to Cagamas) less specific allowance	<u>0.89%</u>	<u>0.96%</u>

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

A29c. Financing and Advances (continued)

ii) Movements in the allowance for losses on financing and advances are as follows:

	Group	
	31 March 2009	31 December 2008
	RM'000	RM'000
<u>General allowance</u>		
At 1 January	190,746	165,095
Allowance made during the period / year	1,012	25,651
Closing balance	191,758	190,746
As % of gross financing and advances (including Islamic house financing sold to Cagamas) less specific allowance	1.52%	1.52%

	Group	
	31 March 2009	31 December 2008
	RM'000	RM'000
<u>Specific allowance</u>		
At 1 January	24,018	27,883
Allowance made during the period / year	15,333	66,766
Amount written back	(4,233)	(18,589)
Amount written off	(11,947)	(52,068)
Reinstatement of amount written off previously due to restructuring / rescheduling, now being classified as performing financing	172	51
Amount transferred to accumulated impairment losses in value of foreclosed properties	-	(25)
Closing balance	23,343	24,018

A29d. Other Assets

	Group	
	31 March 2009	31 December 2008
	RM'000	RM'000
Deferred handling fees	49,865	51,745
Income receivable	2,574	388
Other receivables, deposits and prepayments	20,278	12,906
	72,717	65,039

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

A29e. Deposits from Customers

i) By type of deposit

	Group	
	31 March	31 December
	2009	2008
	RM'000	RM'000
<u>Non-Mudharabah Fund</u>		
Wadiah current deposits-i	1,751,369	1,828,887
Wadiah savings deposits-i	3,369,992	3,232,045
Negotiable debt certificate-i	5,179,816	4,487,970
Others	3,788	2,836
	10,304,965	9,551,738
 <u>Mudharabah Fund</u>		
Mudharabah savings deposits-i	77,669	74,033
Mudharabah general investment deposits-i	4,354,076	3,493,453
Mudharabah special investment deposits-i	447,690	667,350
	4,879,435	4,234,836
	15,184,400	13,786,574

A29f. Other liabilities

	Group	
	31 March	31 December
	2009	2008
	RM'000	RM'000
Income payable	14,748	16,126
Other payables and accruals	14,686	924,871
Employee benefits	(1,463)	(1,515)
Profit equalisation reserves	43,204	34,784
	71,175	974,266

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

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

B1. Performance Review

The Group's net profit attributable to equity holders of RM589.3 million was RM128.1 million or 17.9% lower than the previous corresponding quarter of RM717.4 million. This was due to the one-off goodwill payment of RM200 million received from ING in respect of a regional strategic alliance on bancassurance distribution in the previous corresponding quarter. Excluding the one-off ING goodwill, the underlying operating net profit attributable to equity holders has actually improved by RM17.2 million or 3.0%. The Group's underlying operating pre-tax profit, excluding the ING goodwill payment, shows a marginal drop of RM25.7 million or 3.3%, primarily due to lower other operating income by RM63.3 million, higher operating expenses by RM46.4 million and higher general allowance by RM6.0 million. These were partially offset by higher net interest and financing income by RM83.6 million and lower impairment loss by RM11.6 million.

The drop in other operating income was primarily due to lower foreign exchange gain and the sluggish performance of Bursa Securities due to the global financial crisis, resulting in a lower management fee income and fee on sale of trust units from the fund management business, and lower brokerage and commission from the stockbroking business. The higher other operating expenses was mainly due to increase in personnel costs resulting from the expansion of the marketing sales force.

The Group's net interest and financing income continued to show a growth of 8.2% as compared to the corresponding quarter last year, despite the negative impact of the 3 recent drops in overnight policy rate by BNM from 3.5% to 2.0%. The growth in the Group's net interest and financing income was driven by continued strong loans and deposits growth coupled with further improvement in asset quality. Gross loans before deducting Islamic house financing sold to Cagamas has grown by 17.4% to RM125.6 billion as at 31 March 2009 as compared to RM107.0 billion as at 31 March 2008 mainly arising from financing of small- and medium-sized enterprises ("SMEs"), residential mortgages and financing of passenger vehicles. Total deposits from customers had also grown by 16.4% or RM23.6 billion as compared to 31 March 2008 which partly contributed to the higher net interest income for the current financial quarter. Despite the high loan growth over the past 12 months, the Group's asset quality continued to improve with its gross non-performing loan ("NPL") balance decreasing by RM85.5 million or 6.5% to RM1.23 billion as at 31 March 2009 as compared to RM1.32 billion as at 31 March 2008 and the Group's net NPL ratio further improved to below 1.0% from 1.1% a year ago.

The Group's domestic commercial bank, Public Bank, recorded a pre-tax profit of RM437.0 million for the 1st quarter ended 31 March 2009 and was lower than the pre-tax profit of RM804.5 million achieved in the previous corresponding quarter. The drop in profit was mainly due to the one-off ING goodwill payment received in the previous corresponding quarter as well as the vesting of its Islamic banking business to its wholly-owned subsidiary, Public Islamic Bank Berhad, on 1 November 2008.

Pre-tax profit contribution from the Group's overseas operations decreased by RM32.3 million or 33.0% from the previous corresponding quarter to RM65.7 million, mainly due to the one-off ING goodwill of RM20 million received and recognised by Public Bank (Hong Kong) Limited in the previous corresponding period and higher loan loss allowance in the current period.

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

B2. Variation of Results Against Preceding Quarter

The Group's pre-tax profit of RM744.9 million for the 1st quarter ended 31 March 2009 shows a drop of RM68.0 million or 8.4% as compared to the pre-tax profit of RM812.9 million for the preceding quarter ended 31 December 2008. Net profit attributable to equity holders decreased by RM64.7 million or 9.9% over the same period. The drop was mainly due to higher general allowance by RM29.4 million, coupled with the negative impact of the decrease in Overnight Policy Rate by BNM at the end of 2008 and beginning of 2009. The repricing gap between the loans and deposits had resulted in a negative impact on the net interest income particularly in the 1st quarter of 2009.

B3. Prospects for 2009

Despite the slowing economy, the banking industry in Malaysia is expected to grow positively and remain resilient due to its strong capitalisation, healthy asset quality and improved risk management practices. Amidst excess liquidity, the entry of new Islamic banks and the liberal operating environment for incumbent foreign-controlled banks, the banking industry will remain competitive, particularly in the retail sector, and the pressure on net interest margins will remain. Banks are expected to introduce innovative and competitive products and services at a faster pace, pursue competitive pricing strategies and strengthen their customer relationship management and delivery standards to gain market share. The banking industry's loan growth is expected to moderate as households and businesses turn more cautious. Factors that will continue to support loan growth include low financing costs, promotion of BNM funds to support SMEs and the Government's fiscal stimulus to boost economic activity.

The Public Bank Group will continue to focus on its core business of home mortgages, passenger vehicle hire purchase financing and SME loans, whilst sourcing its funds from retail and wholesale deposits, foreign currency deposits and structured deposit products. The Group will continue to grow its Islamic banking business through its wholly-owned subsidiary company, Public Islamic Bank Berhad, by expanding Islamic retail financing and Islamic wealth management products. To expand its business, the Public Bank Group will continue to tap on its extensive branch network, wide array of innovative products and packages, multiple delivery channels, strong corporate image and the PB brand, strong sales and marketing force and superior delivery standards.

The Public Bank Group will continue to accelerate growth in its overseas operations, particularly in Hong Kong and the People's Republic of China, and Cambodia by focusing on financing, lending to SMEs and on the deposit-taking business. The Group's initiatives to promote the PB brand abroad will continue. In its pursuit of business expansion, the Public Bank Group will continue to remain prudent, uphold strong corporate governance and implement sound risk management policies. As a responsible corporate citizen, the Public Bank Group will continue to implement its Corporate Social Responsibility programmes. Despite the current challenging operating environment, the Public Bank Group is expected to continue to record satisfactory performance in 2009.

B4. Profit Forecast or Profit Guarantee

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

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 1st quarter ended 31 March 2009 are as follows:

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Malaysian income tax	148,325	248,472	148,325	248,472
Overseas income tax	10,312	19,993	10,312	19,993
	158,637	268,465	158,637	268,465
(Over) / under provision in prior years				
- Malaysian income tax	(58)	(22,891)	(58)	(22,891)
- Overseas income tax	1,945	(220)	1,945	(220)
	160,524	245,354	160,524	245,354
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(11,458)	(6,269)	(11,458)	(6,269)
Tax expense	149,066	239,085	149,066	239,085
Zakat	49	45	49	45
	149,115	239,130	149,115	239,130

The Group's effective tax rates for the 1st quarter ended 31 March 2009 and 31 March 2008 were lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

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

B5. Tax Expense and Zakat (Contd.)

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Malaysian income tax	113,752	224,640	113,752	224,640
Overseas income tax	409	2,807	409	2,807
	114,161	227,447	114,161	227,447
Under provision in prior years				
- Overseas income tax	719	-	719	-
	114,880	227,447	114,880	227,447
Deferred tax expense				
- Relating to origination and reversal of temporary differences	(8,580)	(15,398)	(8,580)	(15,398)
Tax expense	106,300	212,049	106,300	212,049
Zakat	-	45	-	45
	106,300	212,094	106,300	212,094

The Bank's effective tax rate for the 1st quarter ended 31 March 2009 was lower than the statutory tax rate due to certain income not subject to tax.

The Bank's effective tax rates for the 1st quarter ended 31 March 2008 was higher than the statutory tax rate due to certain expenses not deductible for tax purpose.

B6. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the 1st quarter ended 31 March 2009 other than in the ordinary course of business.

B7. Quoted Securities

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

B8. Status of Corporate Proposals Announced but Not Completed

There were no corporate proposals announced but not completed as at 31 March 2009 except for the following:

Proposed issuance of Non -Cumulative Perpetual Capital Securities ("Capital Securities") of up to RM5.0 billion in nominal value to be issued by Public Bank Berhad ("PBB") which are stapled to Subordinated Notes to be issued by a wholly-owned subsidiary of PBB, under a Non-Innovative Tier 1 Stapled Securities Programme ("Programme").

On 16 March 2009, the Bank obtained approval from Bank Negara Malaysia ("BNM") for the proposed issuance of up to RM5.0 billion Capital Securities which are stapled to Subordinated Notes under the Programme, to raise funds for the working capital, general banking and corporate purposes of the Bank. The Capital Securities will qualify for inclusion as Tier-1 capital up to the limits set by BNM in the computation of the risk-weighted capital ratio of the Bank and the Group, with the remaining balance qualifying as Tier-2 capital. The proposed Programme is subject to the approval of the Securities Commission.

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

B9. Status of Utilisation of Proceeds Raised from Corporate Proposals

The proceeds raised from the issuances of Subordinated Notes and Hybrid Capital securities in prior years have been used for working capital, general banking and other corporate purposes, as intended.

B10. Deposits and Placements of Customers and Financial Institutions and Debt Securities

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Deposits from customers				
- Fixed deposits				
One year or less	84,646,121	77,293,631	67,101,818	61,263,312
More than one year	158,785	270,706	137,465	243,585
- Negotiable instruments of deposits				
One year or less	14,476,158	14,778,850	12,315,103	12,273,069
More than one year	368,919	350,788	368,919	350,788
- Money market deposits				
One year or less	30,709,906	33,504,902	29,527,062	31,250,905
- Savings deposits	19,919,208	19,036,598	14,676,008	14,083,581
- Demand deposits	16,115,845	15,775,587	13,601,664	13,333,758
- Others	1,738,463	1,268,502	1,286,057	1,263,250
	<u>168,133,405</u>	<u>162,279,564</u>	<u>139,014,096</u>	<u>134,062,248</u>
Deposits and placements of banks and other financial institutions				
- One year or less	<u>6,868,444</u>	<u>5,589,879</u>	<u>7,588,454</u>	<u>7,121,517</u>
Borrowings denominated in HKD (unsecured) Term loan				
- One year or less	906,589	860,234	-	-
	<u>906,589</u>	<u>860,234</u>	<u>-</u>	<u>-</u>
Subordinated notes denominated in USD (unsecured)				
- More than one year	2,853,140	2,727,640	2,853,140	2,727,640
Subordinated notes denominated in RM (unsecured)				
- More than one year	1,448,104	1,450,555	1,468,479	1,470,580
	<u>4,301,244</u>	<u>4,178,195</u>	<u>4,321,619</u>	<u>4,198,220</u>
Hybrid capital securities denominated in USD (unsecured)				
- More than one year	868,991	847,644	868,991	847,644
Hybrid capital securities denominated in RM (unsecured)				
- More than one year	1,254,822	1,276,840	1,254,822	1,276,840
	<u>2,123,813</u>	<u>2,124,484</u>	<u>2,123,813</u>	<u>2,124,484</u>

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

B11. Derivative Financial Instruments

The value of derivative financial instruments classified by remaining period to maturity / next repricing date (whichever is earlier) as at the latest practicable date, 8 April 2009, is as follows :

Group

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	>5 years RM'000
Foreign exchange related contracts							
- forwards	1,158,684	727,536	284,283	119,119	26,977	769	-
- swaps	10,568,729	4,585,195	5,518,222	465,312	-	-	-
- options	40,151	-	-	-	-	40,151	-
Sub total	11,767,564	5,312,731	5,802,505	584,431	26,977	40,920	-
Interest rate related contracts							
- forwards	18,136	-	-	-	-	18,136	-
- swaps	10,383,841	682,565	7,595,296	2,105,980	-	-	-
Sub total	10,401,977	682,565	7,595,296	2,105,980	-	18,136	-
Equity related contracts							
- options	265,554	-	-	-	-	265,554	-
Precious metal contracts							
- forwards	11,354	11,354	-	-	-	-	-
Total	22,446,449	6,006,650	13,397,801	2,690,411	26,977	324,610	-

Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	>5 years RM'000
Foreign exchange related contracts							
- forwards	896,048	464,900	284,283	119,119	26,977	769	-
- swaps	9,975,789	4,542,428	5,142,881	290,480	-	-	-
- options	40,151	-	-	-	-	40,151	-
Sub total	10,911,988	5,007,328	5,427,164	409,599	26,977	40,920	-
Interest rate related contracts							
- swaps	9,736,840	573,635	7,166,155	1,997,050	-	-	-
Equity related contracts							
- options	265,554	-	-	-	-	265,554	-
Precious metal contracts							
- forwards	11,354	11,354	-	-	-	-	-
Total	20,925,736	5,592,317	12,593,319	2,406,649	26,977	306,474	-

Foreign exchange and interest rate related contracts are subject to market and credit risk.

B12. 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.

B13. Proposed Dividends

No dividend has been proposed for the 1st quarter ended 31 March 2009.

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

B14. Earnings Per Share (EPS)

Basic

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

	1st Quarter Ended		Three Months Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Net profit attributable to equity holders (RM'000)	<u>589,285</u>	<u>717,387</u>	<u>589,285</u>	<u>717,387</u>
Weighted average number of PBB Shares ('000)	<u>3,377,984</u>	<u>3,353,644</u>	<u>3,377,984</u>	<u>3,353,644</u>
Basic earnings per share (sen)	<u>17.4</u>	<u>21.4</u>	<u>17.4</u>	<u>21.4</u>

Diluted

In the previous year, the calculation of the diluted earnings per share was based on the Group's net profit attributable to the equity holders divided by the adjusted weighted average number of PBB Shares of RM1.00 each in issue and issuable under the exercise of share options granted under the Public Bank Berhad Employees' Share Option Scheme, which expired on 25 February 2008.

	1st Quarter Ended		Three Months Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Weighted average number of PBB Shares ('000)	<u>3,377,984</u>	<u>3,353,644</u>	<u>3,377,984</u>	<u>3,353,644</u>
Effects of share options ('000)	<u>-</u>	<u>1,998</u>	<u>-</u>	<u>1,998</u>
Adjusted weighted average number of PBB shares in issue or issuable ('000)	<u>3,377,984</u>	<u>3,355,642</u>	<u>3,377,984</u>	<u>3,355,642</u>
Diluted earnings per share (sen)	<u>17.4</u>	<u>21.4</u>	<u>17.4</u>	<u>21.4</u>