

**PUBLIC BANK BERHAD
INNOVATIVE TIER 1 CAPITAL SECURITIES
LISTED ON SINGAPORE EXCHANGE**

ANNOUNCEMENT BY PUBLIC BANK BERHAD TO SINGAPORE EXCHANGE

PROPOSED ACQUISITION OF 50% EQUITY CAPITAL IN VID PUBLIC BANK (“VPB”) HELD BY JOINT STOCK COMMERCIAL BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM (“BIDV”) RESULTING IN VPB BECOMING A WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK BERHAD (“PBB”) (“PROPOSED ACQUISITION”)

PBB wishes to announce that it has on 15 July 2014 entered into a conditional equity capital transfer agreement (“ECTA”) with BIDV for PBB’s acquisition of the remaining 50% equity interests in VPB not held by PBB for a total cash consideration of USD76.6 million (approximately RM245 million equivalent).

VPB, which has a paid-up capital of USD62.5 million (approximately RM200 million equivalent), commenced operations in the Socialist Republic of Vietnam (“Vietnam”) in 1992 and has always been profitable in its 22 years of operation.

With the signing of the ECTA, PBB will submit an application to the State Bank of Vietnam for the approval to convert VPB, the existing joint venture bank, into a 100% foreign-owned bank in Vietnam.

Upon completion of the Proposed Acquisition, VPB will become a wholly-owned subsidiary of PBB. PBB has received the approval of Bank Negara Malaysia for the Proposed Acquisition.

The Proposed Acquisition is not expected to have a material effect on the earnings and net assets of PBB and its subsidiaries for the financial year ending 31 December 2014.

None of the directors or substantial shareholders of PBB or persons connected with them has any interest, direct or indirect in the Proposed Acquisition.

This announcement is dated 16 July 2014.