



Investor Presentation

September 2018 Financial Results





Income Statement

	9M Q3 2018	9M Q3 2017	Change
Pre-tax profit	RM5,311 mil	RM5,160 mil	2.9%
Net profit attributable to shareholders	RM4,185 mil	RM3,985 mil	5.0%
Earnings per share	108.2 sen	103.2 sen	4.8%

Balance Sheet

	Sep 2018	Dec 2017	Change
Total asset	RM414.7 bil	RM395.3 bil	6.6%*
Loan:			
- Group	RM314.5 bil	RM304.5 bil	4.4%*
- Domestic	RM291.6 bil	RM282.3 bil	4.4%*
Deposit:			
- Group	RM334.9 bil	RM319.3 bil	6.5%*
- Domestic	RM307.0 bil	RM293.2 bil	6.3%*

Financial Indicators (%)

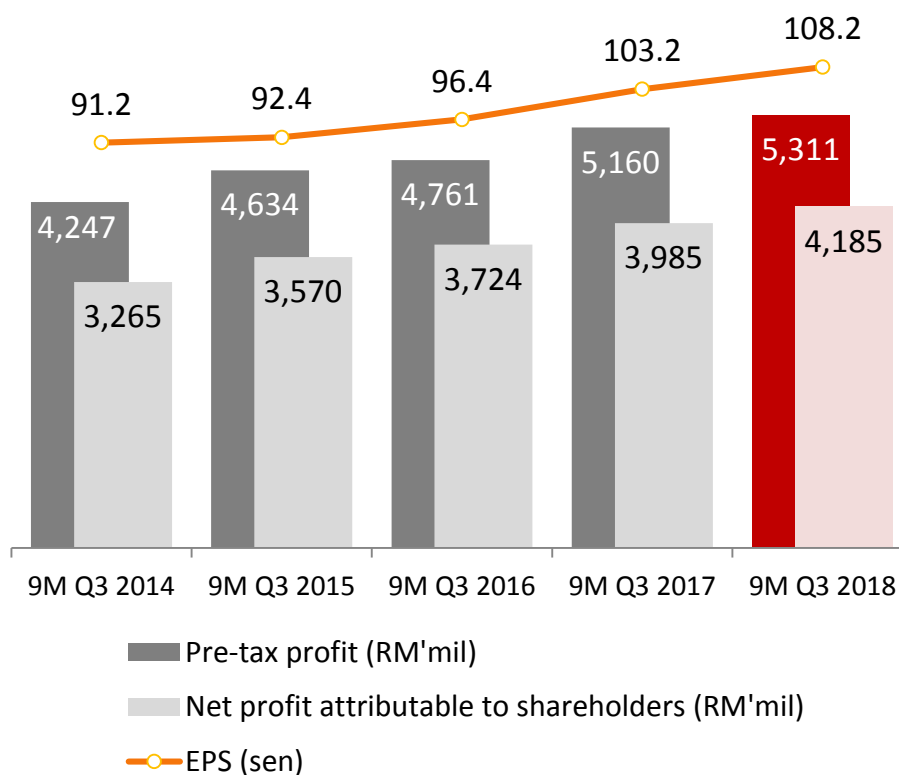
	Sep 2018	Dec 2017
Net return on equity	14.7	15.8
Cost to income ratio	33.0	31.9
Gross impaired loans ratio	0.5	0.5
Gross loan to fund ratio~	88.7	90.0
Gross loan to fund and equity ratio~	79.4	80.7
Loan loss coverage	110.2	95.5
Common equity Tier I capital ratio	12.6	12.2 ^π
Tier I capital ratio	13.2	13.0 ^π
Total capital ratio	15.8	16.0 ^π

* Annualised growth

^π After deducting interim dividends declared subsequent to end of year

~ Gross loans exclude loans/financing sold to Cagamas. Funds include deposits from customers and debt securities issued and other borrowed funds

Steady Profit Growth



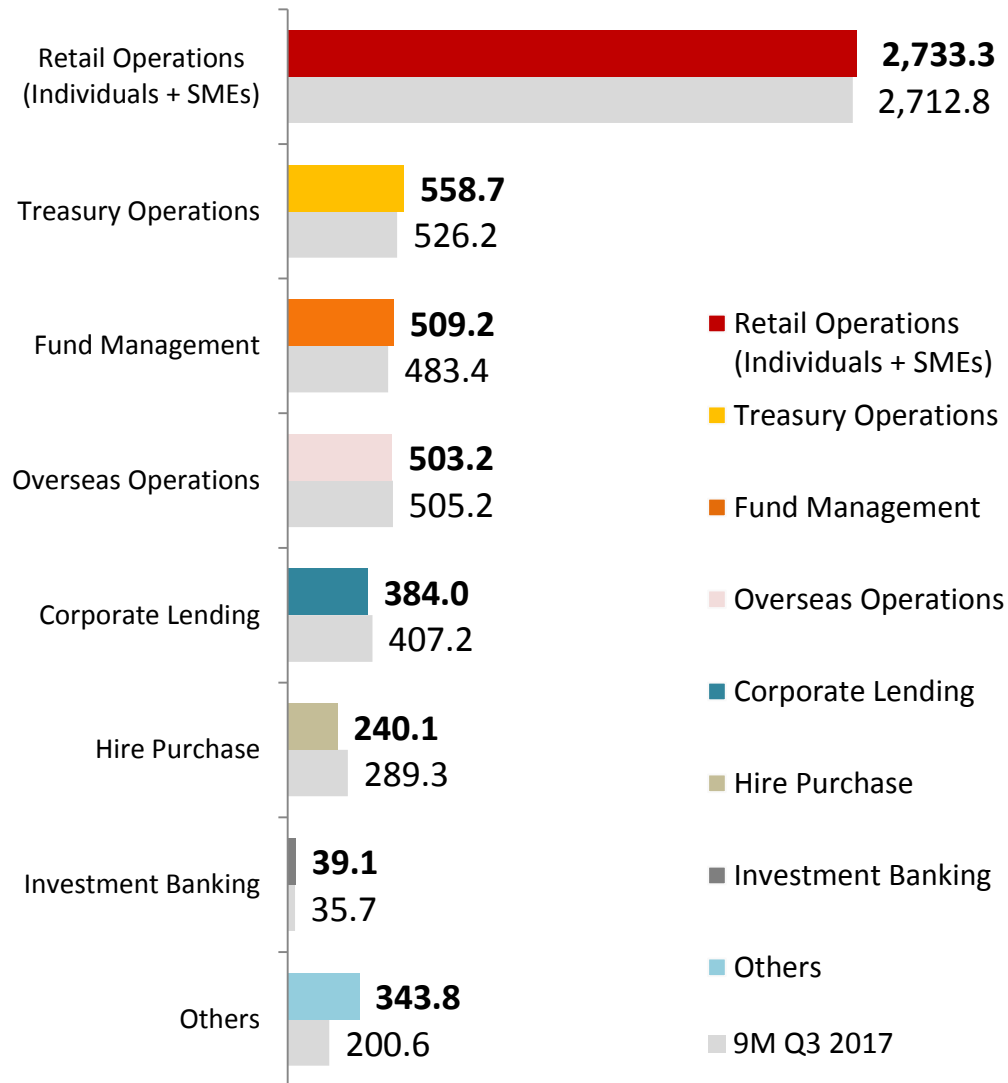
Income Statement

(RM'mil)	9M Q3 2018	9M Q3 2017	Change
Net interest income	5,654.6	5,529.5	↑ 2.3%
Net income from Islamic banking business	793.5	745.9	↑ 6.4%
Non-interest income	1,684.7	1,684.9	↓ 0.0%
Other operating expenses	(2,687.3)	(2,614.5)	↑ 2.8%
Loan loss allowance	(134.8)	(179.5)	↓ 24.9%
Profit before tax	5,311.4	5,160.4	↑ 2.9%
Net profit attrib. to shareholders	4,185.3	3,984.6	↑ 5.0%

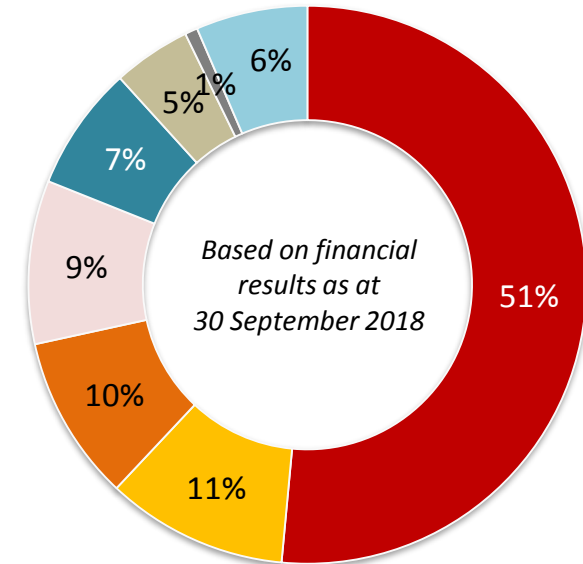
Segmental Profit – Retail Centric



9M Q3 2018 vs 9M Q3 2017 PBT (RM'mil)

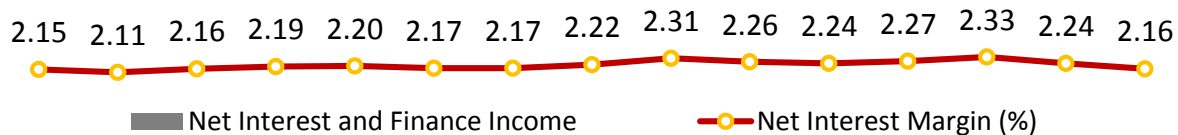


Profit Contribution

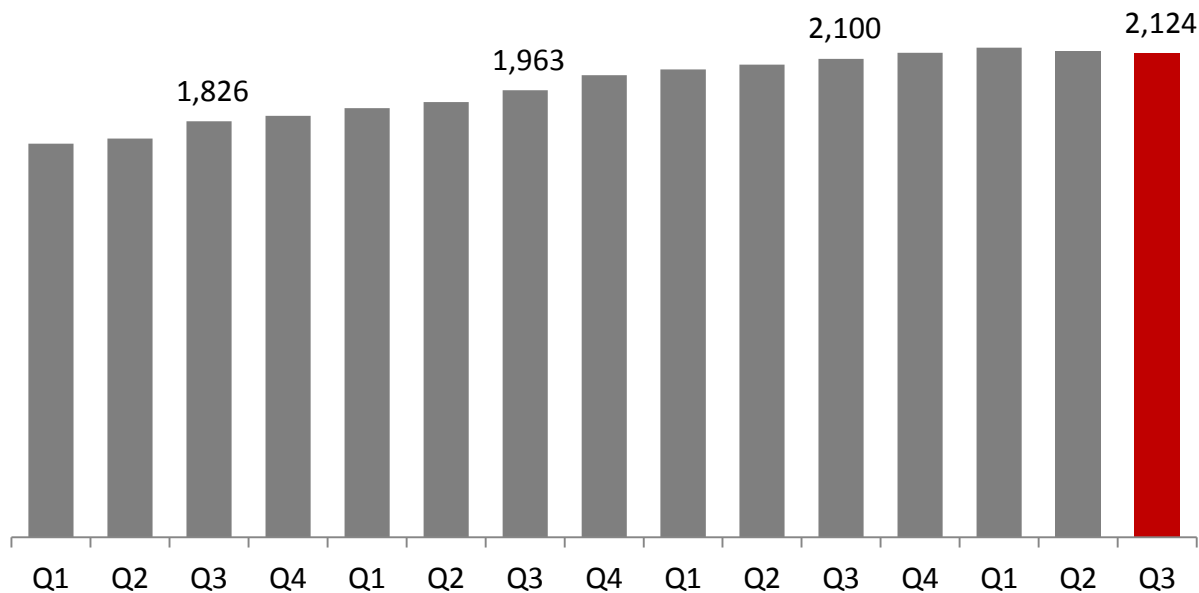


Note: Others comprise mainly of domestic main office, other miscellaneous domestic segment and domestic share of profit after tax of equity accounted associated companies

Net Interest Margin



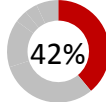
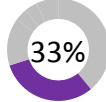
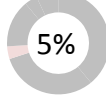
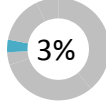
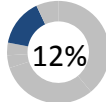
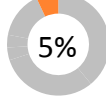
RM'mil



(%)	2015	2016	2017	9M Q3 2018
Yearly Average	2.16	2.20	2.28	2.24

Non-Interest Income



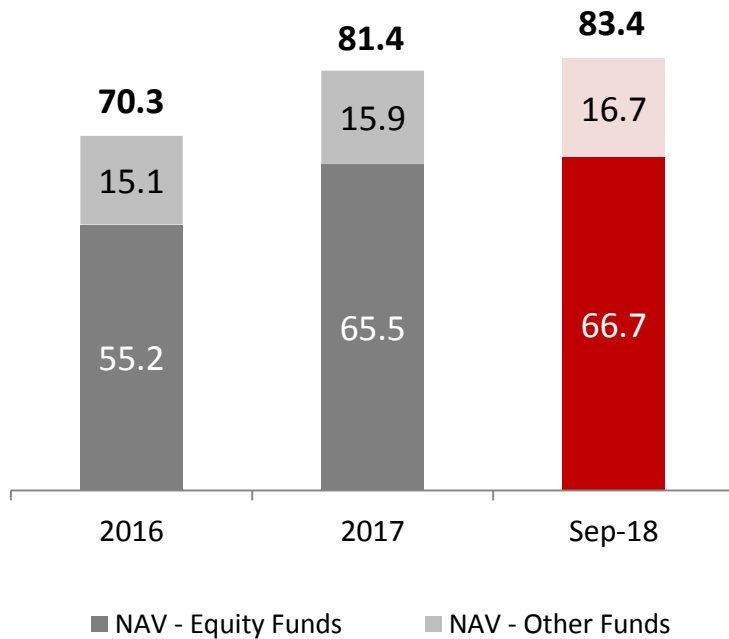
(RM'mil)	9M Q3 2018	9M Q3 2017	Change	Composition
Net fee and commission income	1,347.2	1,290.8	4.4%	
Of which: - Unit trust income	710.6	670.6	6.0%	 42%
- Fee & commission income	557.1	542.8	2.6%	 33%
- Stockbroking income	79.5	77.4	2.8%	 5%
Net gains and losses on financial instruments	43.5	79.3	-45.2%	 3%
Other operating income	294.0	314.8	-6.6%	
Of which: - Foreign exchange income	206.0	242.1	-14.9%	 12%
- Others	88.0	72.7	21.2%	 5%
Total non-interest income	1,684.7	1,684.9	-0.0%	100%



Net Asset Value of Funds Under Management

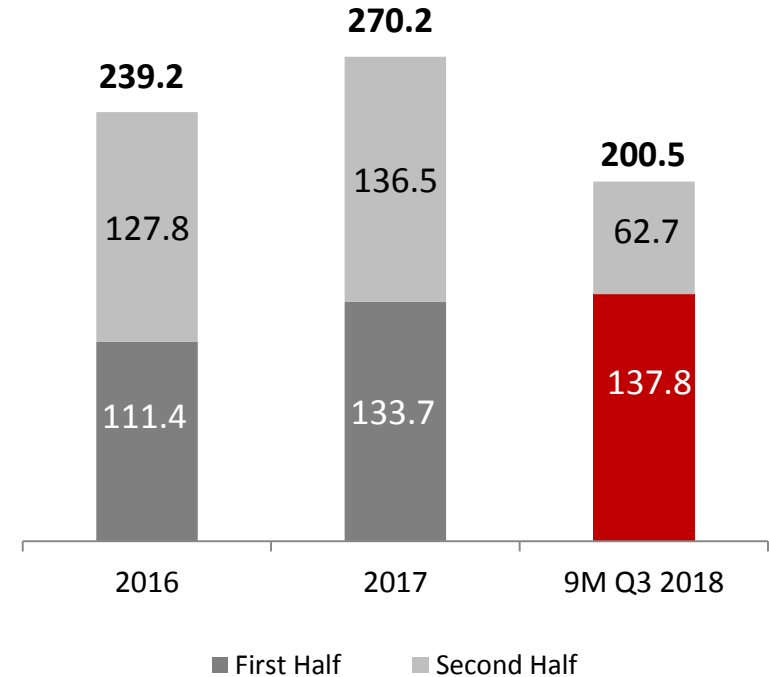
RM'bil

Private Unit Trust –
Retail Market Share
40.6%



Bancassurance Business – Annualised New Premium

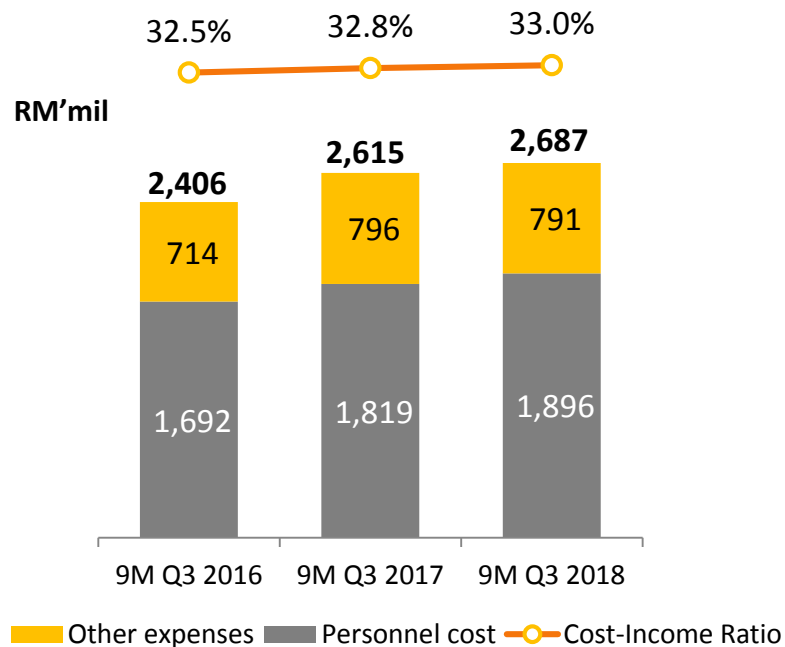
RM'mil



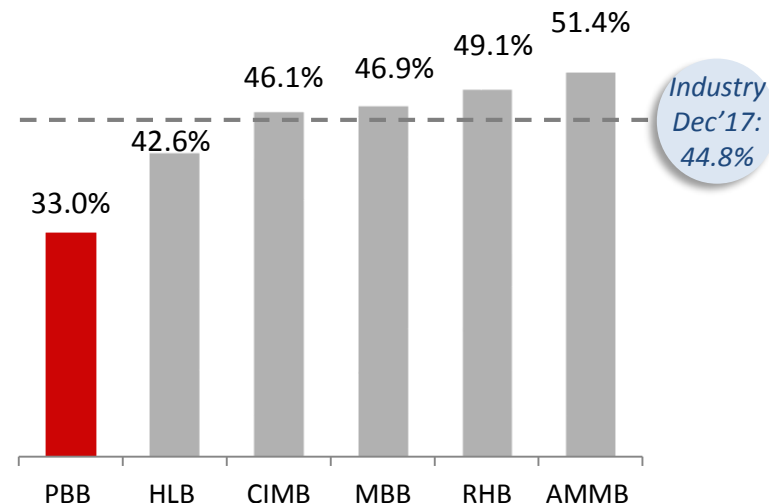
Efficient Operating Overheads & Lowest CIR



Operating Overheads



Market leader CIR among peers



Note: Cost to income ratio (CIR) as extracted above are as at June 2018 position except for PBB.

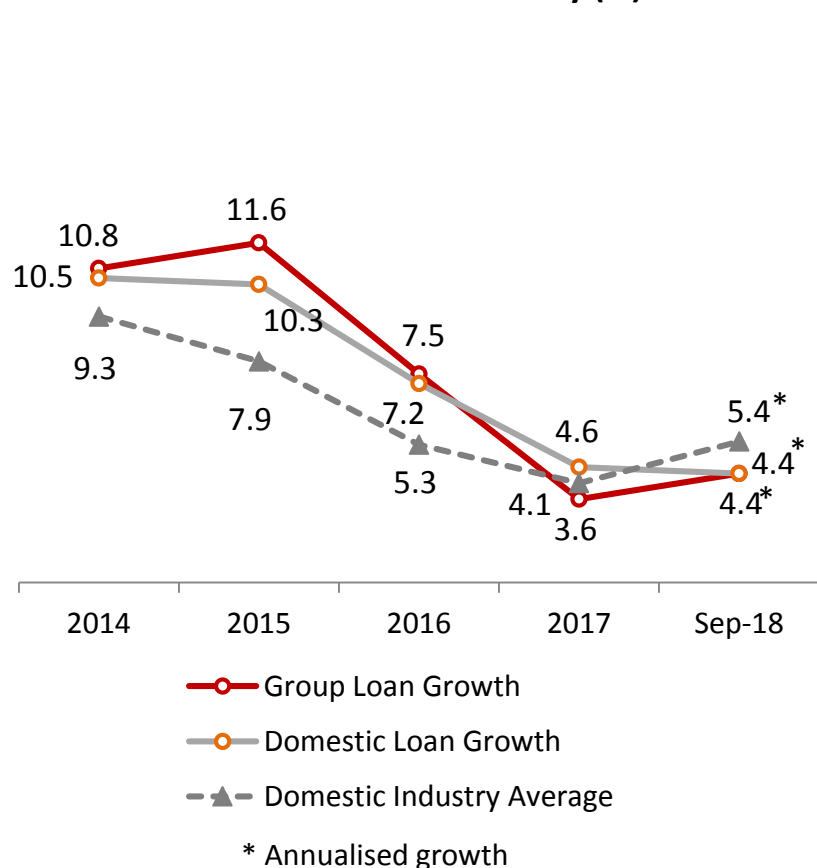
RM'mil	9M Q3 2018	2017	Industry Average
Gross loan per employee	16.9	16.4	13.3
Deposit per employee	18.0	17.2	14.7
PBT per employee	0.38*	0.38	0.30

* Annualised

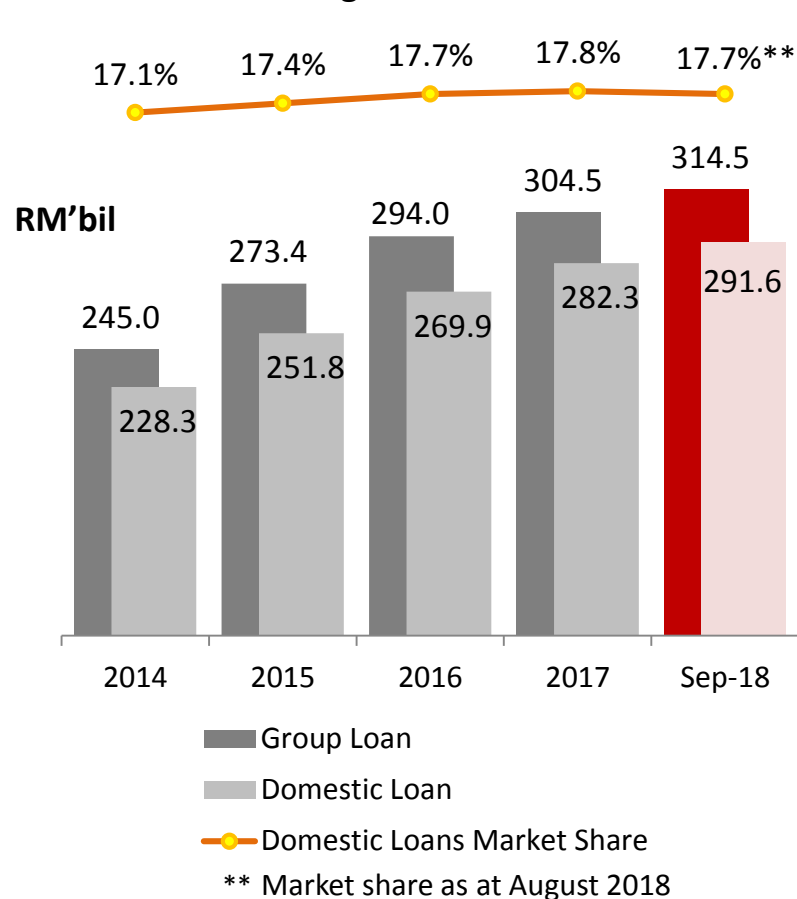
Steady Loan Growth



Loan Growth vs Industry (%)



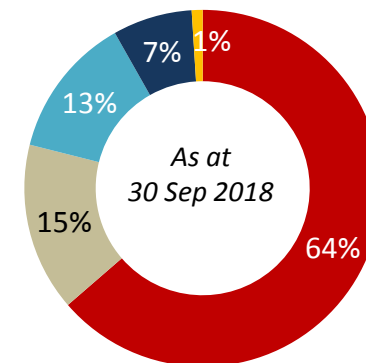
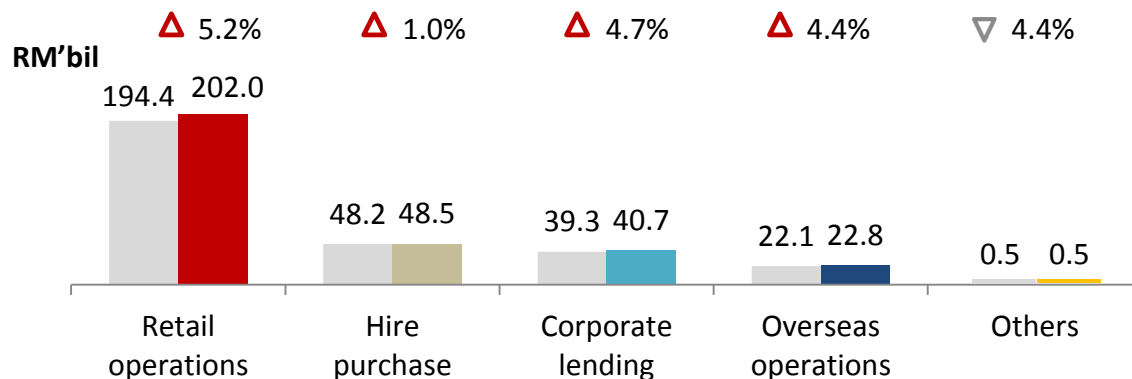
Loan – Outstanding Balance and Market Share



Healthy Gross Loan Growth

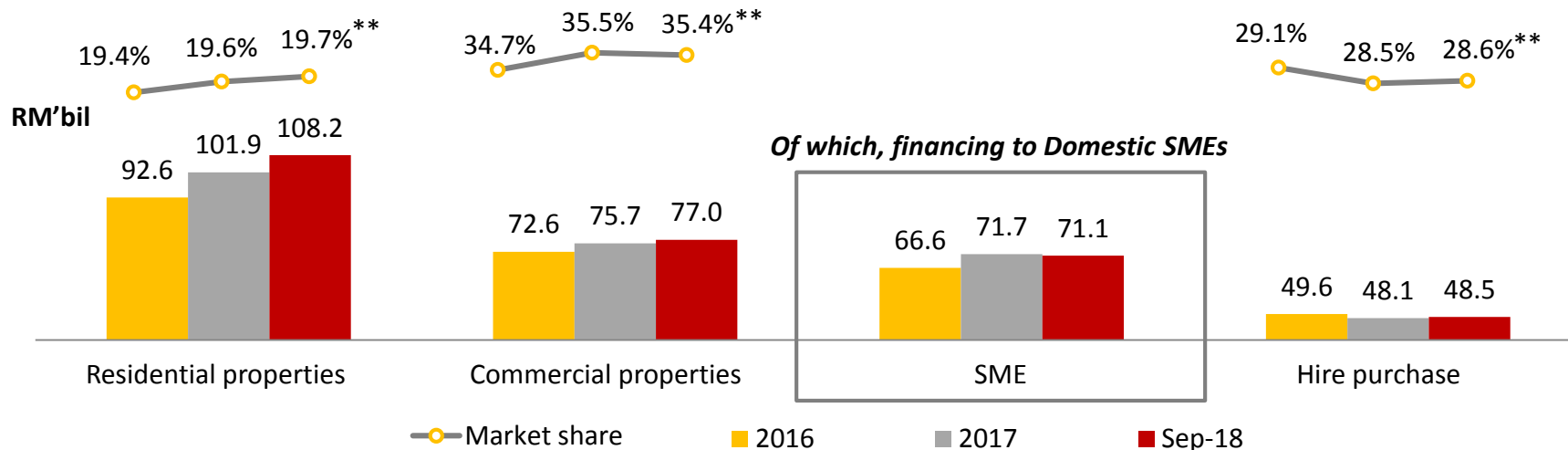


Gross Loan by Segment



Note: Annualised growth (Dec 2017 vs. Sep 2018)

Gross Loan in Domestic Operations

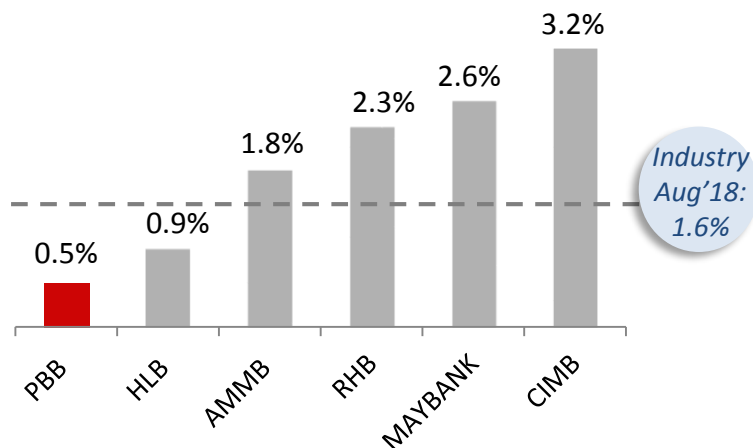


** Market share as at August 2018

Upholding Strong Asset Quality

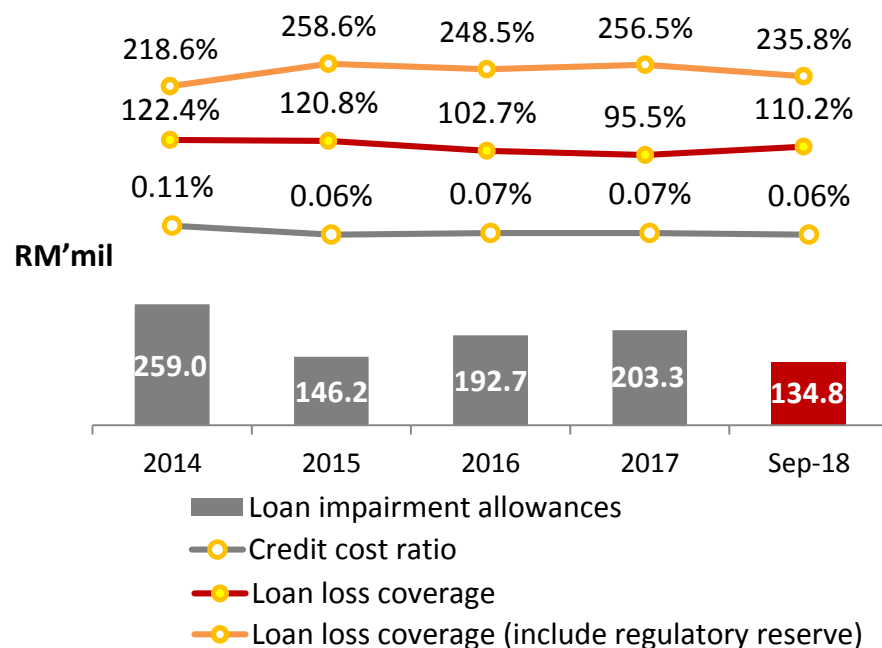


Market leader GIL Ratio among peers

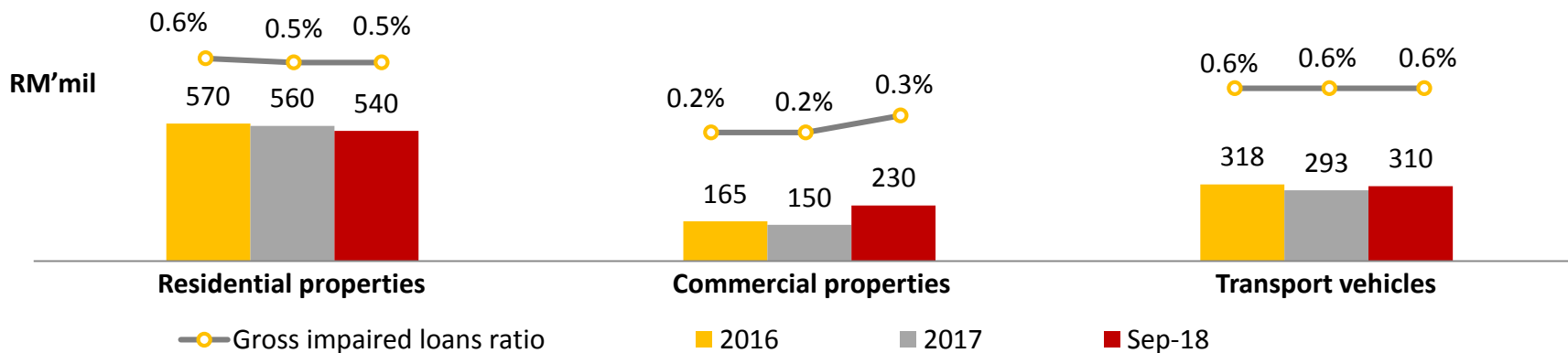


Note: Gross impaired loans ratio (GIL) as extracted above are as at June 2018 position except for PBB

Loan Impairment Allowances



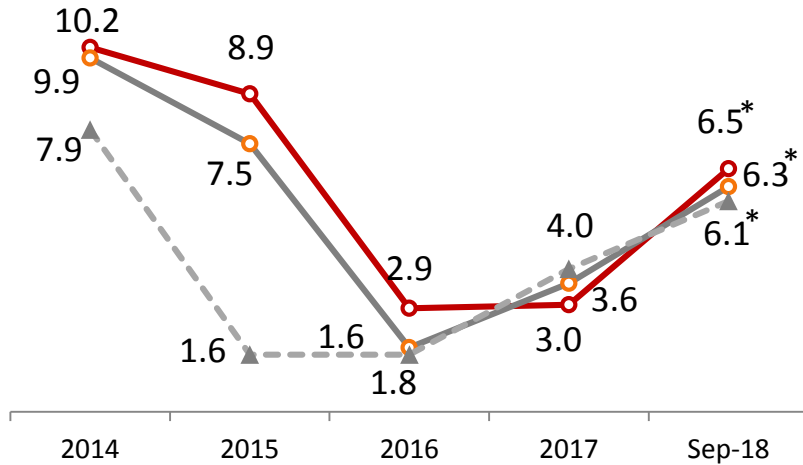
Gross impaired loans of which:



Above Industry Deposit Growth in Support of Liquidity

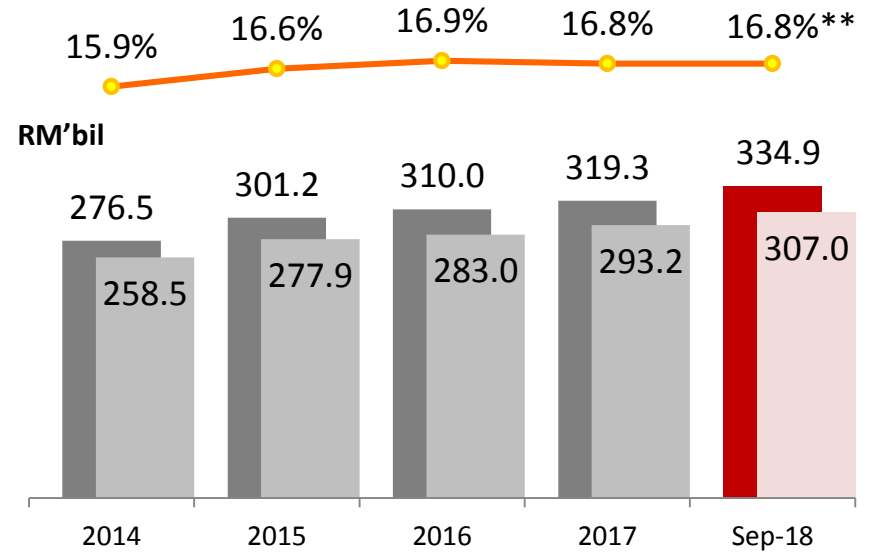


Deposit Growth vs Industry (%)



- Group Deposit Growth
- Domestic Deposit Growth
- ▲- Domestic Industry Average (include repurchase agreements)
- * Annualised growth

Deposit – Outstanding Balance and Market Share

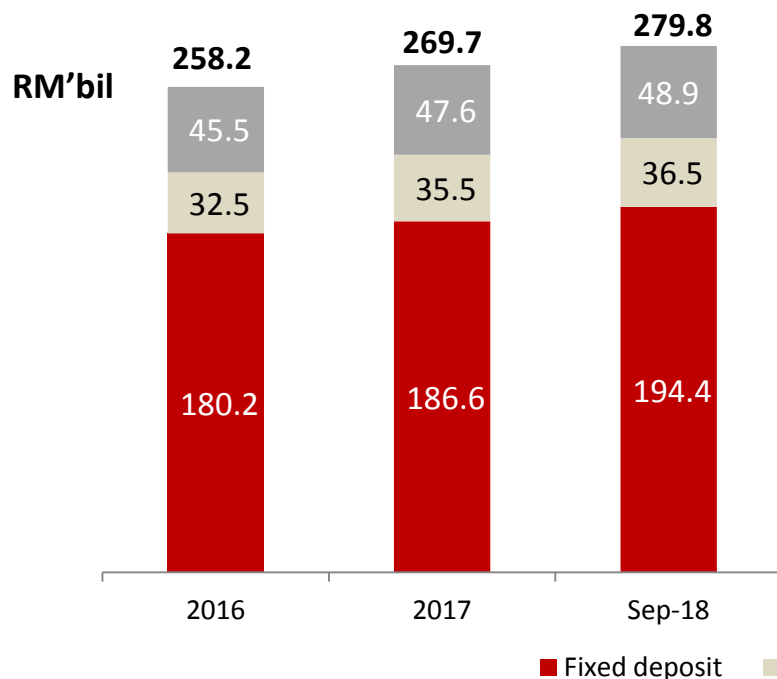


- Group deposit
- Domestic deposit
- Customer deposit market share
- ** Market share as at August 2018

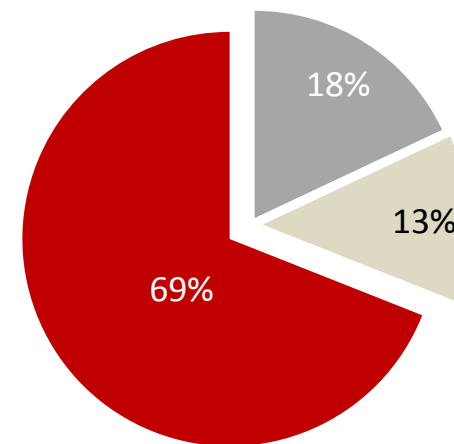
Healthy Core Deposit Growth



Source of Core Deposit



Core Deposit Contribution



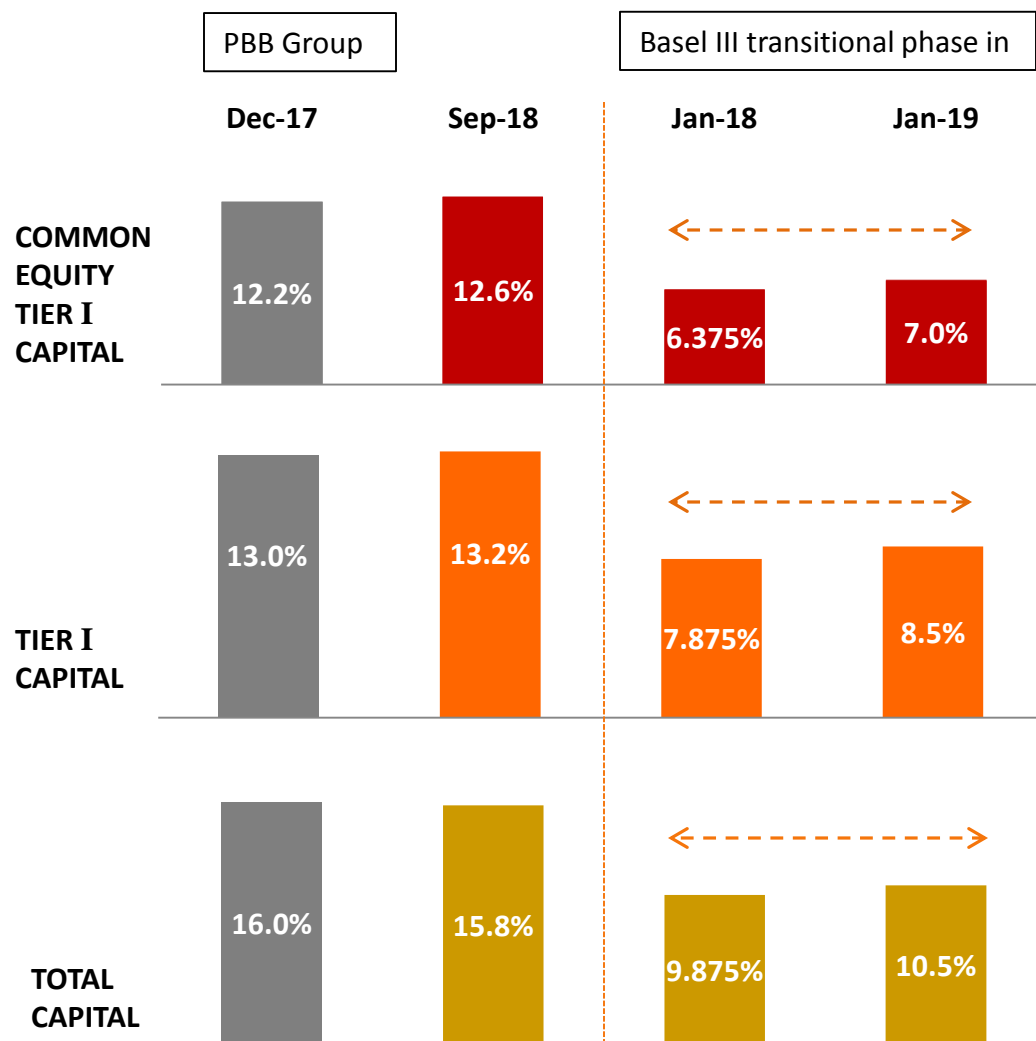
Core Deposit Growth in Domestic Operations

	Demand deposit	Industry		Savings deposit	Industry		Fixed deposit	Industry
2016	3.6%	4.1%	2016	7.9%	7.0%	2016	3.7%	2.8%
2017	3.7%	12.2%	2017	5.9%	3.7%	2017	5.7%	6.3%
Jan-Sep 18	0.7%*	-4.3% ⁿ	Jan-Sep 18	5.1%*	5.3%*	Jan-Sep 18	5.4%*	9.9%*

* Annualised growth

ⁿ Negative growth as at August 2018

Stable Capital Position



Note: The Basel III capital ratio requirements are inclusive of the 2.5% capital conservation buffer, but excluding other buffers eg. any counter-cyclical buffer and Domestic Systemically – Important Bank (DSIB) buffer which are yet to be introduced by BNM

Expansion in Business Delivery Channel



	Sep-18	2017	2010
Malaysian Operations			
Public Bank - Domestic	260	257	249
- Overseas	7	7	4
Public Islamic Bank	2	2	1
Public Mutual	29	29	26
Public Investment Bank	1	1	1
Hong Kong & China Operations			
Public Finance	42	42	42
Public Bank (HK) - Hong Kong	32	32	30
- China	4	4	3
Winton (B.V.I) Group	3	5	9
Indo-China Operations			
Cambodia Public Bank	31	30	21
Public Bank Vietnam	13	13	7
	424	422	393
Self Service Terminal - domestic	2,125	2,107	1,362



The Public Bank Group's achievement vs key performance targets are as follows:

Key Performance Benchmarks		
	2018 Targets	Sep-18 Achievement
Net Return on Equity	14% to 15%	14.7%
Total Capital Ratio	>13%	15.8%
Gross Impaired Loan Ratio	<1%	0.5%
Cost to Income Ratio	33% to 34%	33.0%
Loan Growth – Group	5%	4.4%*
– Domestic		4.4%*
Deposit Growth – Group	5%	6.5%*
– Domestic		6.3%*

* Annualised growth



Strategic Focus: Organic growth in focus areas

Core Focus

Other Areas of Focus

Domestic Consumer Banking and SME Lending

- Consumer lending to focus on purchase of residential properties and passenger vehicles
- Continue to penetrate mid-market SME-financing in encouraged sectors
- Secure higher growth in retail and low cost deposits
- Sustain existing pool of deposits
- Achieve balance between growth and escalating cost of funds

Wealth Management

- Sustain its leading market position in the private unit trust business
- Offer superior services to customers and diversify product range
- Develop new insurance products with AIA

Transactional Services

- Promote e-payment
- Maintain effective collaboration with its banking and non-banking partners

Capital Market Operations

- Continue to focus on commercial foreign exchange revenue
- Continue to grow existing corporate portfolio and acquire targeted new corporate clients
- Continue to grow retail and institutional customer base in the investment banking space

International Operations

- Organic growth to enhance contribution from overseas operations in Hong Kong / People's Republic of China and Indo-China

SUPPORTED BY

Serving the Customer

Provide top-notch customer service in line with the Group's corporate tagline "Excellence Is Our Commitment".

Channel Management

Serve customers through multi-channel network comprising branches, self service terminals and digital channels which include mobile, internet and social media platform.

Information and Communication Technology

Harness information technology to support the Group's business needs and improve customer experience.



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	RM'mil	2014	2015	2016	2017	Sep-18
Profitability	Operating profit	6,067	6,631	6,745	7,319	5,445
	Profit before tax	5,814	6,491	6,554	7,118	5,311
	Net profit	4,519	5,062	5,207	5,470	4,185
Shareholder Value	Earnings per share (sen)	123.7	131.1	134.8	141.7	108.2
	Net assets per share (RM)	7.26	8.09	8.86	9.68	10.3
	Dividend per share (sen)	54.0	56.0	58.0	61.0	N/A
	Dividend payout ratio (%)	46.1	42.7	43.0	43.1	N/A
Key Balance Sheet Data	Total assets	345,722	363,758	380,053	395,276	414,717
	Gross loan	245,044	273,447	293,959	304,453	314,474
	Domestic loan	228,338	251,802	269,915	282,326	291,619
	Deposit from customers	276,540	301,157	309,974	319,259	334,935
	Domestic deposit	258,472	277,942	282,967	293,178	306,987
	Core customer deposit	216,707	245,171	258,155	269,723	279,844
	Shareholders' equity	28,025	31,231	34,213	37,365	39,800
	Common equity Tier I capital ^π	23,578	26,093	28,620	31,521	33,636
	Tier I capital ^π	26,745	28,882	30,771	33,528	35,356
	Total capital ^π	34,636	36,975	38,970	41,134	42,204
Risk-weighted assets	218,712	239,703	251,662	257,352	267,956	

^π After deducting interim dividends declared subsequent to end of year

Appendix (cont'd)



	%	2014	2015	2016	2017	Sep-18	Industry
Profitability Ratios	Net interest margin on yielding assets	2.24	2.16	2.20	2.28	2.24	N/A
	Net return on equity ⁺	19.9	17.8	16.5	15.8	14.7	N/A
	Pre-tax return on average assets	1.8	1.8	1.8	1.8	1.7	1.5
	Cost to income ratio	30.0	30.5	32.3	31.9	33.0	44.8
	Non interest income/Total income	22.0	24.5	21.0	21.7	20.7	33.2
Liquidity	Gross loan to fund ratio [~]	84.4	86.8	90.8	90.0	88.7	83.7 [^]
	Gross loan to fund and equity ratio [~]	76.7	78.7	81.8	80.7	79.4	73.0 [#]
Asset Quality	Gross impaired loans ratio	0.6	0.5	0.5	0.5	0.5	1.6
	Loan loss coverage ratio	122.4	120.8	102.7	95.5	110.2	93.5
	Credit cost ratio	0.11	0.06	0.07	0.07	0.06	N/A
Capital Adequacy	Common equity Tier I capital ratio ^π	10.8	10.9	11.4	12.2	12.6	13.2
	Tier I capital ratio ^π	12.2	12.0	12.2	13.0	13.2	13.9
	Total capital ratio ^π	15.8	15.4	15.5	16.0	15.8	17.4
Market Share	<u>Domestic market share</u>						
	Commercial property financing	33.5	33.8	34.7	35.5	35.4**	N/A
	Residential property financing	19.3	19.2	19.4	19.6	19.7**	N/A
	Passenger vehicle financing	28.0	29.6	29.1	28.5	28.6**	N/A
	Domestic loans	17.1	17.4	17.7	17.8	17.7**	N/A
	Domestic deposits	15.9	16.6	16.9	16.8	16.8**	N/A

⁺ Based on average equity adjusted with proposed dividend, if any

[~] Gross loans exclude loans/financing sold to Cagamas. Funds include deposits from customers and debt securities issued and other borrowed funds

[^] Loans exclude loans extended to banking institutions

[#] Equity comprises ordinary and preferred shares and retained earnings

^π After deducting interim dividends declared subsequent to end of period/year

** Market share as at August 2018