

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)

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PILLAR 3 DISCLOSURE

As at 30 June 2021

1. Overview

The information of Public Bank Group ("the Group") below is disclosed pursuant to the requirements of the Bank Negara Malaysia ("BNM")'s Risk-Weighted Capital Adequacy Framework (Basel II) ("RWCAF") - Disclosure Requirements (Pillar 3). Certain information relating to Public Bank Berhad ("the Bank") is presented on a voluntary basis to provide additional information to users.

Minimum Regulatory Capital Requirements

The following tables present the minimum regulatory capital requirements to support the Group's and the Bank's risk-weighted assets:

	30 June 2021		31 December 2020	
	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
Group				
Credit Risk	268,268,324	21,461,466	266,754,650	21,340,372
Market Risk	5,003,811	400,305	4,719,681	377,574
Operational Risk	20,604,516	1,648,361	20,141,735	1,611,339
Large Exposure Risk	643,875	51,510	668,423	53,474
Total	294,520,526	23,561,642	292,284,489	23,382,759
Bank				
Credit Risk	211,369,386	16,909,551	212,310,530	16,984,842
Market Risk	4,812,690	385,015	4,741,815	379,345
Operational Risk	13,868,191	1,109,455	13,689,994	1,095,200
Large Exposure Risk	618,399	49,472	641,027	51,282
Total	230,668,666	18,453,493	231,383,366	18,510,669

2. Capital Management

Capital Adequacy Ratios and Capital Structure

(a) Capital Adequacy Ratios

Tables (i)-(ii) present the capital adequacy ratios for the following:

- (i) the Group and the Bank
- (ii) the banking subsidiary companies of the Bank

(i) Capital Adequacy Ratios of the Group and of the Bank

	Group		Bank	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Before deducting interim dividends*:				
Common Equity Tier I ("CET I") capital ratio	14.772%	14.815%	13.761%	13.702%
Tier I capital ratio	14.826%	14.869%	13.804%	13.745%
Total capital ratio	17.951%	18.011%	17.117%	17.053%
After deducting interim dividends*:				
CET I capital ratio	14.278%	13.951%	13.130%	12.611%
Tier I capital ratio	14.331%	14.005%	13.173%	12.654%
Total capital ratio	17.457%	17.147%	16.486%	15.962%

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

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

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

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

Regulatory capital requirements

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Frameworks on Capital Components and Basel II - Risk-Weighted Assets. The minimum regulatory capital adequacy ratios before including capital conservation buffer ("CCB"), countercyclical capital buffer ("CCyB") and higher loss absorbency ("HLA") requirement for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Group and the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions. The Group and the Bank have applied CCyB on their private sector credit exposures outside Malaysia in line with the respective jurisdictions' requirement to maintain their CCyB. The CCyB is not a requirement for exposures in Malaysia yet but may be applied by regulators in the future.

Effective from 31 January 2021, HLA requirement is applicable to financial institutions designated as domestic systemically important banks ("D-SIBs"). Arising from this, the Group which is designated as a D-SIB by BNM is required to maintain an additional capital buffer of 0.5% to the regulatory capital requirements in line with the BNM's D-SIB Framework.

Prudential buffers and transitional arrangements

Prior to the COVID-19 pandemic, banking institutions are required to maintain a CCB of 2.5%. However, effective from 25 March 2020, banking institutions are allowed to drawdown the CCB of 2.5% to manage the impact of the COVID-19 pandemic but are required to rebuild this buffer after 31 December 2020 as well as to meet the minimum regulatory requirements by 30 September 2021. As at the reporting date, the Group and the Bank continued to maintain a CCB of 2.5%.

As allowed under the BNM's Capital Adequacy Frameworks on Capital Components, financial institutions which elect to apply the transitional arrangements for regulatory capital treatment of accounting provisions are allowed to add back a portion of the Stage 1 and Stage 2 provisions for expected credit losses to CET I capital over a four-year period from financial year beginning 2020, or a three-year period from financial year beginning 2021. As at the reporting date, the Group and the Bank have not applied the said transitional arrangements.

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2. Capital Management (Cont'd.)

Capital Adequacy Ratios and Capital Structure (Cont'd.)

(a) Capital Adequacy Ratios (Cont'd.)

(ii) Capital Adequacy Ratios of the Banking Subsidiary Companies of the Bank

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd.³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵	Public Bank Vietnam Limited⁶
30 June 2021							
Before deducting interim dividends*:							
CET I capital ratio	12.308%	41.746%	30.295%	20.307%	26.984%	N/A	N/A
Tier I capital ratio	12.308%	41.746%	30.295%	20.307%	26.984%	N/A	N/A
Total capital ratio	15.785%	42.181%	30.314%	21.067%	28.015%	20.555%	31.399%
After deducting interim dividends*:							
CET I capital ratio	12.308%	41.746%	30.295%	20.286%	25.106%	N/A	N/A
Tier I capital ratio	12.308%	41.746%	30.295%	20.286%	25.106%	N/A	N/A
Total capital ratio	15.785%	42.181%	30.314%	21.046%	26.136%	20.555%	31.399%
31 December 2020							
Before deducting interim dividends*:							
CET I capital ratio	12.176%	49.642%	27.913%	19.590%	25.675%	N/A	N/A
Tier I capital ratio	12.176%	49.642%	27.913%	19.590%	25.675%	N/A	N/A
Total capital ratio	15.751%	50.101%	27.931%	20.347%	26.703%	19.808%	36.233%
After deducting interim dividends*:							
CET I capital ratio	12.176%	41.315%	27.913%	19.568%	23.684%	N/A	N/A
Tier I capital ratio	12.176%	41.315%	27.913%	19.568%	23.684%	N/A	N/A
Total capital ratio	15.751%	41.773%	27.931%	20.325%	24.712%	19.808%	36.233%

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

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2. Capital Management (Cont'd.)

Capital Adequacy Ratios and Capital Structure (Cont'd.)

(a) Capital Adequacy Ratios (Cont'd.)

(ii) Capital Adequacy Ratios of the Banking Subsidiary Companies of the Bank (Cont'd.)

- ¹ The risk-weighted assets of Public Islamic Bank Berhad ("PIBB") are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Frameworks for Islamic Banks on Capital Components and Risk-Weighted Assets. The minimum regulatory capital adequacy requirements before including CCB and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIBB is required to maintain a CCB of 2.5% and a CCyB if this buffer is applied by regulators in countries which PIBB has exposures to.
- ² The risk-weighted assets of Public Investment Bank Berhad ("PIVB") are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Frameworks on Capital Components and Basel II - Risk-Weighted Assets. The minimum regulatory capital adequacy requirements before including CCB and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIVB is required to maintain a CCB of 2.5% and a CCyB if this buffer is applied by regulators in countries which PIVB has exposures to.
- ³ The risk-weighted assets of Public Bank (L) Ltd are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with the Banking Capital Adequacy Framework – Guidelines on Capital Components and Risk Weighted Assets issued by the Labuan Financial Services Authority. The minimum regulatory capital adequacy requirements for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.
- ⁴ These two subsidiary companies have adopted the Standardised Approach for Credit and Market Risk. Public Bank (Hong Kong) Limited has adopted the Basic Indicator Approach for Operational Risk and Public Finance Limited has adopted the Standardised Approach for Operational Risk. The capital adequacy ratios of these two subsidiary companies are computed in accordance with the provisions of the Banking Ordinance relating to Basel III capital standards and the Banking (Capital) Rules. These two subsidiaries are required to maintain a CCB of 2.5% and a CCyB of 1.0% as imposed by Hong Kong Monetary Authority to their private sector exposures in Hong Kong.
- ⁵ The amount presented here is the solvency ratio of Cambodian Public Bank Plc ("Campu Bank"), which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with National Bank of Cambodia Prakas B7-010-182 and B7-00-46 (amended by Prakas No. B7-04-206 and Prakas No. B7-07-135). This ratio is derived as Campu Bank's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.
- ⁶ The amount presented here is the capital adequacy ratio of Public Bank Vietnam Limited ("PBVN"), which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with the State Bank of Vietnam ("SBV") Circular No.41/2016/TT-NHNN and is derived as PBVN's capital divided by its risk-weighted assets for credit risk, market risk and operational risk. The minimum regulatory capital adequacy ratio requirement is 8.0%.

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2. Capital Management (Cont'd.)**Capital Adequacy Ratios and Capital Structure (Cont'd.)****(b) Capital Structure**

The following tables present the capital structure of the Group and of the Bank.

	Group		Bank	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
CET I/Tier I capital				
Share capital	9,417,653	9,417,653	9,417,653	9,417,653
Other reserves	1,403,708	1,518,824	669,238	793,110
Retained profits	34,707,885	34,290,480	28,556,936	28,373,510
Qualifying non-controlling interests	700,572	682,379	-	-
Less: Goodwill and other intangible assets	(2,461,892)	(2,417,727)	(695,393)	(695,393)
Less: Deferred tax assets, net	(112,662)	(81,637)	-	-
Less: Defined benefit pension fund assets	-	(2,748)	-	(2,059)
Less: Investment in banking/insurance subsidiary companies and associated companies deducted from CET I capital	(148,772)	(105,998)	(6,205,741)	(6,183,241)
Total CET I capital	43,506,492	43,301,226	31,742,693	31,703,580
Additional Tier 1 capital securities	99,762	99,702	99,762	99,702
Qualifying CET I and additional Tier I capital instruments held by third parties	58,715	57,785	-	-
Total Tier I capital	43,664,969	43,458,713	31,842,455	31,803,282
Tier II capital				
Stage 1 and Stage 2 expected credit loss allowances	3,227,384	2,664,293	2,411,983	1,966,983
Qualifying regulatory reserves	125,970	670,140	230,134	686,899
Subordinated notes	4,999,995	4,999,992	4,999,995	4,999,992
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	719,707	718,503	-	-
Others	130,972	130,972	-	-
Total Tier II capital	9,204,028	9,183,900	7,642,112	7,653,874
Total capital	52,868,997	52,642,613	39,484,567	39,457,156

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3. Credit Risk**Minimum Regulatory Capital Requirements for Credit Risk**

The following tables present the minimum regulatory capital requirements for credit risk of the Group and of the Bank.

Group Exposure Class	Total Exposures before Credit Risk Mitigation RM'000	Total Exposures after Credit Risk Mitigation RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
30 June 2021				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	62,954,635	62,954,635	1,459,623	116,770
Public Sector Entities	1,829,714	1,829,714	54,411	4,353
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	17,260,149	17,260,149	5,921,194	473,696
Insurance Companies, Securities Firms and Fund Managers	576,469	576,402	496,765	39,741
Corporates	89,382,522	86,030,047	67,381,597	5,390,528
Regulatory Retail	140,403,516	139,232,465	106,409,151	8,512,732
Residential Mortgages	133,368,525	133,112,301	60,459,023	4,836,722
Higher Risk Assets	77,291	77,265	115,898	9,272
Other Assets	7,219,523	7,219,523	4,344,016	347,521
Equity Exposures	800,538	800,538	800,538	64,043
Defaulted Exposures	980,777	979,921	1,251,118	100,089
	454,853,659	450,072,960	248,693,334	19,895,467
Off-Balance Sheet Exposures				
Credit-related Exposures	24,514,532	23,850,346	19,270,767	1,541,661
Derivative Financial Instruments	763,340	763,340	275,308	22,025
Other Treasury-related Exposures	355,668	355,668	17,260	1,381
Defaulted Exposures	8,440	8,440	11,655	932
	25,641,980	24,977,794	19,574,990	1,565,999
Total Credit Exposures	480,495,639	475,050,754	268,268,324	21,461,466

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3. Credit Risk (Cont'd.)**Minimum Regulatory Capital Requirements for Credit Risk (Cont'd.)**

Group Exposure Class	Total Exposures before Credit Risk Mitigation RM'000	Total Exposures after Credit Risk Mitigation RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
31 December 2020				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	63,973,370	63,773,224	1,765,830	141,266
Public Sector Entities	1,861,971	1,861,971	60,177	4,814
Banks, DFIs and MDBs	16,477,631	16,477,631	5,458,732	436,699
Insurance Companies, Securities Firms and Fund Managers	543,103	543,045	462,979	37,038
Corporates	91,155,289	88,015,763	69,105,373	5,528,430
Regulatory Retail	138,252,818	137,162,370	105,589,777	8,447,182
Residential Mortgages	127,906,725	127,670,406	57,691,945	4,615,356
Higher Risk Assets	77,818	77,780	116,670	9,334
Other Assets	7,515,345	7,515,345	4,505,665	360,453
Equity Exposures	822,877	822,877	822,877	65,830
Defaulted Exposures	1,080,657	1,078,851	1,373,339	109,867
	<u>449,667,604</u>	<u>444,999,263</u>	<u>246,953,364</u>	<u>19,756,269</u>
Off-Balance Sheet Exposures				
Credit-related Exposures	24,383,247	23,735,996	19,439,498	1,555,160
Derivative Financial Instruments	938,550	938,550	343,166	27,453
Other Treasury-related Exposures	42,424	42,424	6,413	513
Defaulted Exposures	8,779	8,779	12,209	977
	<u>25,373,000</u>	<u>24,725,749</u>	<u>19,801,286</u>	<u>1,584,103</u>
Total Credit Exposures	<u>475,040,604</u>	<u>469,725,012</u>	<u>266,754,650</u>	<u>21,340,372</u>

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3. Credit Risk (Cont'd.)

Minimum Regulatory Capital Requirements for Credit Risk (Cont'd.)

Bank Exposure Class	Total Exposures before Credit Risk Mitigation RM'000	Total Exposures after Credit Risk Mitigation RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
30 June 2021				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	42,977,851	42,977,851	118,456	9,476
Public Sector Entities	457,757	457,757	2,586	207
Banks, DFIs and MDBs	8,667,450	8,667,450	3,029,705	242,376
Insurance Companies, Securities Firms and Fund Managers	24,983	24,969	24,446	1,956
Corporates	73,650,874	70,661,459	54,703,175	4,376,254
Regulatory Retail	107,399,184	106,433,611	79,948,899	6,395,912
Residential Mortgages	102,809,923	102,602,312	45,866,270	3,669,301
Higher Risk Assets	65,620	65,614	98,420	7,874
Other Assets	5,669,628	5,669,628	4,402,475	352,198
Equity Exposures	6,781,413	6,781,413	6,781,413	542,513
Defaulted Exposures	718,864	718,101	923,172	73,854
	349,223,547	345,060,165	195,899,017	15,671,921
Off-Balance Sheet Exposures				
Credit-related Exposures	19,458,283	18,845,102	15,120,430	1,209,634
Derivative Financial Instruments	1,016,275	1,016,275	325,809	26,065
Other Treasury-related Exposures	355,668	355,668	17,260	1,381
Defaulted Exposures	5,145	5,145	6,870	550
	20,835,371	20,222,190	15,470,369	1,237,630
Total Credit Exposures	370,058,918	365,282,355	211,369,386	16,909,551

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3. Credit Risk (Cont'd.)**Minimum Regulatory Capital Requirements for Credit Risk (Cont'd.)**

Bank Exposure Class	Total Exposures before Credit Risk Mitigation RM'000	Total Exposures after Credit Risk Mitigation RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
31 December 2020				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	42,886,612	42,686,467	125,518	10,041
Public Sector Entities	463,918	463,918	3,169	253
Banks, DFIs and MDBs	8,979,340	8,979,340	3,005,594	240,447
Insurance Companies, Securities Firms and Fund Managers	19,801	19,795	19,795	1,584
Corporates	75,173,738	72,406,475	56,221,796	4,497,744
Regulatory Retail	106,525,774	105,633,406	80,073,736	6,405,899
Residential Mortgages	99,375,010	99,183,094	44,140,522	3,531,242
Higher Risk Assets	65,850	65,832	98,749	7,900
Other Assets	6,301,878	6,301,878	4,747,241	379,779
Equity Exposures	6,717,506	6,717,506	6,717,506	537,400
Defaulted Exposures	816,323	814,606	1,050,908	84,073
	347,325,750	343,272,317	196,204,534	15,696,362
Off-Balance Sheet Exposures				
Credit-related Exposures	19,881,061	19,276,593	15,696,200	1,255,696
Derivative Financial Instruments	1,218,406	1,218,406	394,923	31,594
Other Treasury-related Exposures	42,424	42,424	6,412	513
Defaulted Exposures	6,171	6,171	8,461	677
	21,148,062	20,543,594	16,105,996	1,288,480
Total Credit Exposures	368,473,812	363,815,911	212,310,530	16,984,842

3. Credit Risk (Cont'd.)

3.1 Distribution of Credit Exposures

Tables (a)-(c) present the analysis of credit exposures of financial assets before the effect of credit risk mitigation of the Group as follows:

- (a) Industry analysis
- (b) Geographical analysis based on the geographical location where the credit risk resides
- (c) Maturity analysis based on the residual contractual maturity

For on-balance sheet exposures, the maximum exposure to credit risk equals their carrying amounts. For financial guarantees, the maximum exposure to credit risk is the full amount that the Group would have to pay if the obligations for which the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit granted to customers.

(a) Industry Analysis

Group	Government and Central Banks RM'000	Financial Services RM'000	Transport & Business Services RM'000	Agriculture, Manufacturing, Wholesale & Retail Trade RM'000	Construction & Real Estate RM'000	Residential Mortgages RM'000	Motor Vehicle Financing RM'000	Other Consumer Loans RM'000	Total RM'000
30 June 2021									
On-Balance Sheet Exposures									
Cash and balances with banks	8,170,588	11,741,100	-	-	-	-	-	-	19,911,688
Financial assets at fair value through profit or loss*	1,492,839	-	-	-	-	-	-	-	1,492,839
Derivative financial assets	-	176,886	-	-	-	-	-	-	176,886
Financial investments at fair value through other comprehensive income*	41,323,157	5,337,805	155,190	661,621	148,525	-	-	-	47,626,298
Financial investments at amortised cost (Gross)	12,722,126	10,581,899	1,126,508	1,414,782	1,615,572	-	-	-	27,460,887
Gross loans, advances and financing	1,014,768	14,103,287	11,589,909	46,148,194	44,431,775	144,545,086	45,934,225	44,303,736	352,070,980
Statutory deposits with Central Banks	1,196,009	-	-	-	-	-	-	-	1,196,009
	65,919,487	41,940,977	12,871,607	48,224,597	46,195,872	144,545,086	45,934,225	44,303,736	449,935,587
Commitments and Contingencies									
Contingent liabilities	1,925	76,727	298,169	385,741	629,437	-	-	1,863,573	3,255,572
Commitments	786,820	1,616,989	3,782,536	13,252,726	9,188,579	19,653,378	18,878	17,623,553	65,923,459
	788,745	1,693,716	4,080,705	13,638,467	9,818,016	19,653,378	18,878	19,487,126	69,179,031
Total Credit Exposures	66,708,232	43,634,693	16,952,312	61,863,064	56,013,888	164,198,464	45,953,103	63,790,862	519,114,618

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3. Credit Risk (Cont'd.)

3.1 Distribution of Credit Exposures (Cont'd.)

(a) Industry Analysis (Cont'd.)

Group	Government and Central Banks RM'000	Financial Services RM'000	Transport & Business Services RM'000	Agriculture, Manufacturing, Wholesale & Retail Trade RM'000	Construction & Real Estate RM'000	Residential Mortgages RM'000	Motor Vehicle Financing RM'000	Other Consumer Loans RM'000	Total RM'000
31 December 2020									
On-Balance Sheet Exposures									
Cash and balances with banks	8,802,205	10,895,927	-	-	-	-	-	-	19,698,132
Reverse repurchase agreements	202,833	-	-	-	-	-	-	-	202,833
Financial assets at fair value through profit or loss*	904,395	200,339	-	-	-	-	-	-	1,104,734
Derivative financial assets	-	287,010	-	-	-	-	-	-	287,010
Financial investments at fair value through other comprehensive income*	41,992,550	5,192,690	162,053	632,232	187,471	-	-	-	48,166,996
Financial investments at amortised cost (Gross)	12,677,336	10,652,922	1,202,526	1,430,335	1,646,076	-	-	-	27,609,195
Gross loans, advances and financing	1,018,166	14,125,885	12,526,548	44,920,155	44,742,906	139,028,229	45,003,439	44,285,899	345,651,227
Statutory deposits with Central Banks	1,134,924	-	-	-	-	-	-	-	1,134,924
	<u>66,732,409</u>	<u>41,354,773</u>	<u>13,891,127</u>	<u>46,982,722</u>	<u>46,576,453</u>	<u>139,028,229</u>	<u>45,003,439</u>	<u>44,285,899</u>	<u>443,855,051</u>
Commitments and Contingencies									
Contingent liabilities	1,994	86,367	419,730	408,934	689,575	-	-	1,377,997	2,984,597
Commitments	524,559	3,321,205	3,611,767	12,893,591	10,225,945	18,424,278	21,661	16,820,830	65,843,836
	<u>526,553</u>	<u>3,407,572</u>	<u>4,031,497</u>	<u>13,302,525</u>	<u>10,915,520</u>	<u>18,424,278</u>	<u>21,661</u>	<u>18,198,827</u>	<u>68,828,433</u>
Total Credit Exposures	<u>67,258,962</u>	<u>44,762,345</u>	<u>17,922,624</u>	<u>60,285,247</u>	<u>57,491,973</u>	<u>157,452,507</u>	<u>45,025,100</u>	<u>62,484,726</u>	<u>512,683,484</u>

* Excluding equity securities which do not have any credit risk.

3. Credit Risk (Cont'd.)

3.1 Distribution of Credit Exposures (Cont'd.)

(b) Geographical Analysis

Group	Malaysia RM'000	Hong Kong & China RM'000	Cambodia RM'000	Other Countries RM'000	Total RM'000
30 June 2021					
On-Balance Sheet Exposures					
Cash and balances with banks	8,425,478	4,378,746	4,007,316	3,100,148	19,911,688
Financial assets at fair value through profit or loss*	1,492,839	-	-	-	1,492,839
Derivative financial assets	150,102	15,248	-	11,536	176,886
Financial investments at fair value through other comprehensive income*	47,249,508	-	-	376,790	47,626,298
Financial investments at amortised cost (Gross)	22,574,881	2,632,052	1,162,700	1,091,254	27,460,887
Gross loans, advances and financing	329,020,659	13,820,149	4,570,997	4,659,175	352,070,980
Statutory deposits with Central Banks	475,826	4,232	625,247	90,704	1,196,009
	409,389,293	20,850,427	10,366,260	9,329,607	449,935,587
Commitments and Contingencies					
Contingent liabilities	2,461,351	180,377	23,005	590,839	3,255,572
Commitments	62,709,189	1,263,314	1,196,510	754,446	65,923,459
	65,170,540	1,443,691	1,219,515	1,345,285	69,179,031
Total Credit Exposures	474,559,833	22,294,118	11,585,775	10,674,892	519,114,618
31 December 2020					
On-Balance Sheet Exposures					
Cash and balances with banks	11,181,929	4,169,389	1,808,186	2,538,628	19,698,132
Reverse repurchase agreements	200,145	-	-	2,688	202,833
Financial assets at fair value through profit or loss*	1,104,734	-	-	-	1,104,734
Derivative financial assets	138,564	55,041	-	93,405	287,010
Financial investments at fair value through other comprehensive income*	47,821,997	-	-	344,999	48,166,996
Financial investments at amortised cost (Gross)	22,611,832	2,373,801	1,390,630	1,232,932	27,609,195
Gross loans, advances and financing	323,238,019	13,607,461	4,606,971	4,198,776	345,651,227
Statutory deposits with Central Banks	436,044	31,735	591,237	75,908	1,134,924
	406,733,264	20,237,427	8,397,024	8,487,336	443,855,051
Commitments and Contingencies					
Contingent liabilities	2,468,791	166,413	31,887	317,506	2,984,597
Commitments	62,753,927	1,273,938	1,183,281	632,690	65,843,836
	65,222,718	1,440,351	1,215,168	950,196	68,828,433
Total Credit Exposures	471,955,982	21,677,778	9,612,192	9,437,532	512,683,484

* Excluding equity securities which do not have any credit risk.

3. Credit Risk (Cont'd.)

3.1 Distribution of Credit Exposures (Cont'd.)

(c) Maturity Analysis

Group	Up to 1 Year RM'000	>1 to 3 Years RM'000	>3 to 5 Years RM'000	>5 Years RM'000	Total RM'000
30 June 2021					
On-Balance Sheet Exposures					
Cash and balances with banks	19,911,688	-	-	-	19,911,688
Financial assets at fair value through profit or loss*	1,234,988	30,975	84,052	142,824	1,492,839
Derivative financial assets	140,266	14,972	18,354	3,294	176,886
Financial investments at fair value through other comprehensive income*	4,369,239	17,560,876	20,128,918	5,567,265	47,626,298
Financial investments at amortised cost (Gross)	11,123,197	11,344,182	4,408,546	584,962	27,460,887
Gross loans, advances and financing	29,035,581	26,271,117	34,182,735	262,581,547	352,070,980
Statutory deposits with Central Banks	-	-	-	1,196,009	1,196,009
Total On-Balance Sheet Exposures	65,814,959	55,222,122	58,822,605	270,075,901	449,935,587
31 December 2020					
On-Balance Sheet Exposures					
Cash and balances with banks	19,698,132	-	-	-	19,698,132
Reverse repurchase agreements	202,833	-	-	-	202,833
Financial assets at fair value through profit or loss*	494,567	610,167	-	-	1,104,734
Derivative financial assets	229,524	47,416	10,070	-	287,010
Financial investments at fair value through other comprehensive income*	5,451,124	18,245,284	16,873,335	7,597,253	48,166,996
Financial investments at amortised cost (Gross)	7,202,569	13,321,305	6,283,012	802,309	27,609,195
Gross loans, advances and financing	29,828,393	27,587,328	31,575,192	256,660,314	345,651,227
Statutory deposits with Central Banks	-	-	-	1,134,924	1,134,924
Total On-Balance Sheet Exposures	63,107,142	59,811,500	54,741,609	266,194,800	443,855,051

* Excluding equity securities which do not have any credit risk.

Approximately 15% (31 December 2020: 14%) of the Group's exposures to customers and counterparties are short-term, having contractual maturity of one year or less. About 75% (31 December 2020: 74%) of the Group's gross loans, advances and financing has residual maturity of more than five years. The longer maturity is from the housing loans/financing and hire purchase which made up 55% (31 December 2020: 54%) of the portfolio and are traditionally longer term in nature and well secured.

The residual contractual maturity for off-balance sheet exposures is not presented as the total off-balance sheet exposures do not represent future cash requirements since the Group expects many of these commitments (such as direct credit substitutes) to expire without being called or drawn upon, whereas many of the contingent liabilities (such as letters of credit) are reimbursable by customers.

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3. Credit Risk (Cont'd.)

3.2 Off-Balance Sheet Exposures

Composition of Off-Balance Sheet Exposures

The following tables present the composition of off-balance sheet exposures of the Group and of the Bank. All derivative financial instruments are at their notional amounts.

Group	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
30 June 2021				
Contingent Liabilities				
Direct credit substitutes	922,175		922,175	538,419
Transaction-related contingent items	1,677,832		838,916	459,125
Short-term self-liquidating trade-related contingencies	655,565		131,113	111,583
	3,255,572		1,892,204	1,109,127
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	31,725,982		15,862,405	12,759,494
- not exceeding one year	25,155,752		5,031,152	4,110,892
Unutilised credit card lines	8,686,057		1,737,211	1,302,909
Forward asset purchases	355,668		355,668	17,260
	65,923,459		22,986,436	18,190,555
Derivative Financial Instruments				
Foreign exchange related contracts:				
- up to one year	21,119,693	140,266	385,958	122,232
- more than one year to five years	3,463,015	14,972	230,688	115,344
Interest/profit rate related contracts:				
- up to one year	2,271,675	-	5,454	2,555
- more than one year to five years	2,843,383	18,354	94,224	23,156
- more than five years	824,575	3,294	47,013	12,018
Commodity related contracts:				
- up to one year	305	-	3	3
	30,522,646	176,886	763,340	275,308
Total Off-Balance Sheet Exposures	99,701,677	176,886	25,641,980	19,574,990

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3. Credit Risk (Cont'd.)**3.2 Off-Balance Sheet Exposures (Cont'd.)****Composition of Off-Balance Sheet Exposures (Cont'd.)**

Group	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
31 December 2020				
Contingent Liabilities				
Direct credit substitutes	914,667		914,667	524,362
Transaction-related contingent items	1,668,612		834,306	461,422
Short-term self-liquidating trade-related contingencies	401,318		80,264	73,257
	<u>2,984,597</u>		<u>1,829,237</u>	<u>1,059,041</u>
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	31,342,568		15,671,021	12,872,586
- not exceeding one year	26,297,443		5,259,488	4,295,870
Unutilised credit card lines	8,161,401		1,632,280	1,224,210
Forward asset purchases	42,424		42,424	6,413
	<u>65,843,836</u>		<u>22,605,213</u>	<u>18,399,079</u>
Derivative Financial Instruments				
Foreign exchange related contracts:				
- up to one year	28,020,406	229,521	528,239	170,865
- more than one year to five years	2,978,728	55,058	255,466	127,845
Interest/profit rate related contracts:				
- up to one year	1,507,160	-	1,532	533
- more than one year to five years	4,718,304	2,428	101,353	30,088
- more than five years	880,810	-	51,951	13,826
Commodity related contracts:				
- up to one year	606	3	9	9
	<u>38,106,014</u>	<u>287,010</u>	<u>938,550</u>	<u>343,166</u>
Total Off-Balance Sheet Exposures	<u>106,934,447</u>	<u>287,010</u>	<u>25,373,000</u>	<u>19,801,286</u>

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3. Credit Risk (Cont'd.)**3.2 Off-Balance Sheet Exposures (Cont'd.)****Composition of Off-Balance Sheet Exposures (Cont'd.)**

Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
30 June 2021				
Bank (excluding Public Bank (L) Ltd.)				
Contingent Liabilities				
Direct credit substitutes	873,751		873,751	502,064
Transaction-related contingent items	1,403,033		701,517	355,286
Short-term self-liquidating trade-related contingencies	91,351		18,270	17,034
	2,368,135		1,593,538	874,384
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	24,152,292		12,075,784	9,738,796
- not exceeding one year	20,473,767		4,094,754	3,234,577
Unutilised credit card lines	8,396,071		1,679,214	1,259,411
Forward asset purchases	355,668		355,668	17,260
	53,377,798		18,205,420	14,250,044
Derivative Financial Instruments				
Foreign exchange related contracts:				
- up to one year	19,502,372	135,619	372,676	119,491
- more than one year to five years	3,463,015	14,972	230,688	115,344
Interest rate related contracts:				
- up to one year	2,271,675	-	5,454	2,555
- more than one year to five years	4,740,250	96,092	235,245	48,445
- more than five years	1,700,000	68,772	153,772	30,754
Commodity related contracts:				
- up to one year	305	-	3	3
	31,677,617	315,455	997,838	316,592
Total	87,423,550	315,455	20,796,796	15,441,020

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3. Credit Risk (Cont'd.)**3.2 Off-Balance Sheet Exposures (Cont'd.)****Composition of Off-Balance Sheet Exposures (Cont'd.)**

Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
30 June 2021				
Public Bank (L) Ltd.				
Contingent Liabilities				
Direct credit substitutes	6,229		6,229	6,229
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	69,546		13,909	13,903
Derivative Financial Instruments				
Interest rate related contracts:				
- more than one year to five years	303,133	-	9,717	4,857
- more than five years	124,575	-	8,720	4,360
	427,708	-	18,437	9,217
Total	503,483	-	38,575	29,349
Total Off-Balance Sheet Exposures of the Bank and Public Bank (L) Ltd.	87,927,033	315,455	20,835,371	15,470,369

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3. Credit Risk (Cont'd.)**3.2 Off-Balance Sheet Exposures (Cont'd.)****Composition of Off-Balance Sheet Exposures (Cont'd.)**

Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
31 December 2020				
Bank (excluding Public Bank (L) Ltd.)				
Contingent Liabilities				
Direct credit substitutes	870,920		870,920	492,804
Transaction-related contingent items	1,390,714		695,357	361,844
Short-term self-liquidating trade-related contingencies	208,040		41,608	39,597
	<u>2,469,674</u>		<u>1,607,885</u>	<u>894,245</u>
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	24,724,600		12,362,104	10,194,378
- not exceeding one year	21,594,955		4,318,990	3,413,337
Unutilised credit card lines	7,910,938		1,582,188	1,186,641
Forward asset purchases	42,424		42,424	6,412
	<u>54,272,917</u>		<u>18,305,706</u>	<u>14,800,768</u>
Derivative Financial Instruments				
Foreign exchange related contracts:				
- up to one year	26,902,244	215,729	504,060	161,815
- more than one year to five years	2,978,728	55,058	255,466	127,845
Interest rate related contracts:				
- up to one year	1,426,800	-	1,452	494
- more than one year to five years	6,185,260	106,615	249,218	56,864
- more than five years	1,700,000	91,848	187,348	37,469
Commodity related contracts:				
- up to one year	606	3	9	9
	<u>39,193,638</u>	<u>469,253</u>	<u>1,197,553</u>	<u>384,496</u>
Total	<u>95,936,229</u>	<u>469,253</u>	<u>21,111,144</u>	<u>16,079,509</u>

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3. Credit Risk (Cont'd.)**3.2 Off-Balance Sheet Exposures (Cont'd.)****Composition of Off-Balance Sheet Exposures (Cont'd.)**

Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
31 December 2020				
Public Bank (L) Ltd.				
Contingent Liabilities				
Direct credit substitutes	6,027		6,027	6,027
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- not exceeding one year	50,184		10,038	10,033
Derivative Financial Instruments				
Interest rate related contracts:				
- up to one year	80,360	-	80	40
- more than one year to five years	233,044	-	9,322	4,661
- more than five years	180,810	-	11,451	5,726
	494,214	-	20,853	10,427
Total	550,425	-	36,918	26,487
Total Off-Balance Sheet Exposures of the Bank and Public Bank (L) Ltd.	96,486,654	469,253	21,148,062	16,105,996

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3. Credit Risk (Cont'd.)**3.3 Credit Risk Mitigation****Credit Risk Mitigation Analysis**

The following tables present the credit risk mitigation analysis of the Group i.e. credit exposures covered by eligible financial collateral and financial guarantees as defined under the Standardised Approach. Eligible financial collateral consists primarily of cash, securities from listed exchange, unit trust or marketable securities. The Group does not have any credit exposure which is reduced through the application of other eligible collateral.

Group Exposure Class	Total Exposures before Credit Risk Mitigation RM'000	Total Exposures Covered by Guarantees RM'000	Total Exposures Covered by Eligible Financial Collateral RM'000	Total Exposures Covered by Other Eligible Collateral RM'000
30 June 2021				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	62,954,635	-	-	-
Public Sector Entities	1,829,714	1,557,661	-	-
Banks, DFIs and MDBs	17,260,149	380,096	-	-
Insurance Companies, Securities Firms and Fund Managers	576,469	523	67	-
Corporates	89,382,522	10,893,241	3,352,475	-
Regulatory Retail	140,403,516	1,259,337	1,171,051	-
Residential Mortgages	133,368,525	-	256,224	-
Higher Risk Assets	77,291	-	26	-
Other Assets	7,219,523	-	-	-
Equity Exposures	800,538	-	-	-
Defaulted Exposures	980,777	-	856	-
	454,853,659	14,090,858	4,780,699	-
Off-Balance Sheet Exposures				
Credit-related Exposures	24,514,532	59,169	664,186	-
Derivative Financial Instruments	763,340	-	-	-
Other Treasury-related Exposures	355,668	-	-	-
Defaulted Exposures	8,440	-	-	-
	25,641,980	59,169	664,186	-
Total Credit Exposures	480,495,639	14,150,027	5,444,885	-

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3. Credit Risk (Cont'd.)

3.3 Credit Risk Mitigation (Cont'd.)

Credit Risk Mitigation Analysis (Cont'd.)

Group Exposure Class	Total Exposures before Credit Risk Mitigation RM'000	Total Exposures Covered by Guarantees RM'000	Total Exposures Covered by Eligible Financial Collateral RM'000	Total Exposures Covered by Other Eligible Collateral RM'000
31 December 2020				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	63,973,370	-	200,146	-
Public Sector Entities	1,861,971	1,561,084	-	-
Banks, DFIs and MDBs	16,477,631	380,296	-	-
Insurance Companies, Securities Firms and Fund Managers	543,103	-	58	-
Corporates	91,155,289	11,090,667	3,139,526	-
Regulatory Retail	138,252,818	201,689	1,090,448	-
Residential Mortgages	127,906,725	-	236,319	-
Higher Risk Assets	77,818	-	38	-
Other Assets	7,515,345	-	-	-
Equity Exposures	822,877	-	-	-
Defaulted Exposures	1,080,657	-	1,806	-
	449,667,604	13,233,736	4,668,341	-
Off-Balance Sheet Exposures				
Credit-related Exposures	24,383,247	66,668	647,251	-
Derivative Financial Instruments	938,550	-	-	-
Other Treasury-related Exposures	42,424	-	-	-
Defaulted Exposures	8,779	-	-	-
	25,373,000	66,668	647,251	-
Total Credit Exposures	475,040,604	13,300,404	5,315,592	-

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3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach

Under the Standardised Approach, the Group makes use of credit ratings assigned by credit rating agencies in its calculation of credit risk-weighted assets. The following is a summary of the rules governing the assignment of risk weights under the Standardised Approach. Each rated exposure must be assigned to one of the six credit quality rating categories defined in the table below:

Rating Category	Standard & Poor's	Moody's Investors Service	Fitch Ratings	RAM Rating Services Berhad	Malaysian Rating Corporation Berhad
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB1 to BB3	BB+ to BB-
5	B+ to B-	B1 to B3	B+ to B-	B1 to B3	B+ to B-
6	CCC+ and below	Caa1 and below	CCC+ and below	C1 and below	C+ and below

The Group uses a system to automatically execute the selection of ratings and allocation of risk weights. The following table is a summarised risk weight mapping matrix for each credit quality rating category:

Rating Category	Risk Weights Based on Credit Rating of the Counterparty Exposure Class			
	Sovereigns and Central Banks	Corporates	Banking Institutions	
			For Exposure Greater Than Six Months Original Maturity	For Exposure Less Than Six Months Original Maturity
1	0%	20%	20%	20%
2	20%	50%	50%	20%
3	50%	100%	50%	20%
4	100%	100%	100%	50%
5	100%	150%	100%	50%
6	150%	150%	150%	150%

In addition to the above, credit exposures under the counterparty exposure class of Banking Institutions, with an original maturity of three months or less which are denominated and funded in Ringgit Malaysia, are all risk-weighted at 20% regardless of credit rating.

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures before the Effect of Credit Risk Mitigation by Credit Quality Rating Categories

The following tables present the credit exposures of the Group before the effect of credit risk mitigation by credit quality rating categories.

Group Exposure Class	Rating Categories						Unrated RM'000	Total RM'000
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	6 RM'000		
30 June 2021								
On-Balance Sheet Exposures								
(a) Rated Exposures								
(i) Exposures risk-weighted using ratings of Corporates								
- Corporates	14,721,346	790,765	146,791	-	-	-		15,658,902
- Regulatory Retail	46,410	-	-	-	-	-		46,410
	14,767,756	790,765	146,791	-	-	-		15,705,312
(ii) Exposures risk-weighted using ratings of Sovereigns and Central Banks [#]								
- Sovereigns and Central Banks	1,291,452	58,707,681	-	203,118	2,660,341	91,703		62,954,295
- Public Sector Entities	-	1,796,138	-	-	-	-		1,796,138
- Banks, DFIs and MDBs	-	380,097	-	-	-	-		380,097
- Insurance Companies, Securities Firms and Fund Managers	-	523	-	-	-	-		523
- Corporates	-	6,025,506	-	-	-	-		6,025,506
- Regulatory Retail	-	1,206,982	-	-	-	-		1,206,982
	1,291,452	68,116,927	-	203,118	2,660,341	91,703		72,363,541
(iii) Exposures risk-weighted using ratings of Banking Institutions								
- Banks, DFIs and MDBs	8,347,742	3,734,238	1,369,086	561,691	338,346	-		14,351,103
- Corporates	712,571	144,193	-	-	-	-		856,764
- Regulatory Retail	-	3,211	-	-	-	-		3,211
	9,060,313	3,881,642	1,369,086	561,691	338,346	-		15,211,078
(iv) Exposures risk-weighted using ratings of Public Sector Entities								
- Public Sector Entities	19,785	-	-	-	-	-		19,785
(v) Exposures risk-weighted using ratings of Insurance Companies, Securities Firms and Fund Managers								
- Insurance Companies, Securities Firms and Fund Managers	98,893	-	-	-	-	-		98,893
Total Rated Exposures	25,238,199	72,789,334	1,515,877	764,809	2,998,687	91,703		103,398,609
(b) Total Unrated Exposures							351,455,050	351,455,050
	25,238,199	72,789,334	1,515,877	764,809	2,998,687	91,703	351,455,050	454,853,659

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures before the Effect of Credit Risk Mitigation by Credit Quality Rating Categories (Cont'd.)

Group Exposure Class	Rating Categories						Unrated RM'000	Total RM'000
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	6 RM'000		
30 June 2021								
Off-Balance Sheet Exposures								
(a) Rated Exposures								
(i) Exposures risk-weighted using ratings of Corporates								
- Corporates	127,260	-	-	-	-	-		127,260
- Regulatory Retail	20	-	-	-	-	-		20
	<u>127,280</u>	-	-	-	-	-		<u>127,280</u>
(ii) Exposures risk-weighted using ratings of Sovereigns and Central Banks [#]								
- Sovereigns and Central Banks	-	359,608	-	-	-	-		359,608
(iii) Exposures risk-weighted using ratings of Banking Institutions								
- Banks, DFIs and MDBs	221,145	138,102	48,000	96	10	-		407,353
- Corporates	3,658	3,175	-	-	-	-		6,833
- Regulatory Retail	-	78	-	-	-	-		78
	<u>224,803</u>	<u>141,355</u>	<u>48,000</u>	<u>96</u>	<u>10</u>	-		<u>414,264</u>
Total Rated Exposures	<u>352,083</u>	<u>500,963</u>	<u>48,000</u>	<u>96</u>	<u>10</u>	-		<u>901,152</u>
(b) Total Unrated Exposures							24,740,828	24,740,828
	<u>352,083</u>	<u>500,963</u>	<u>48,000</u>	<u>96</u>	<u>10</u>	-	<u>24,740,828</u>	<u>25,641,980</u>
Total Credit Exposures before Credit Risk Mitigation	<u>25,590,282</u>	<u>73,290,297</u>	<u>1,563,877</u>	<u>764,905</u>	<u>2,998,697</u>	<u>91,703</u>	<u>376,195,878</u>	<u>480,495,639</u>

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures before the Effect of Credit Risk Mitigation by Credit Quality Rating Categories (Cont'd.)

Group Exposure Class	Rating Categories						Unrated RM'000	Total RM'000
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	6 RM'000		
31 December 2020								
On-Balance Sheet Exposures								
(a) Rated Exposures								
(i) Exposures risk-weighted using ratings of Corporates								
- Corporates	15,087,741	874,813	144,837	-	-	-		16,107,391
- Regulatory Retail	49,504	-	-	-	-	-		49,504
	<u>15,137,245</u>	<u>874,813</u>	<u>144,837</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>16,156,895</u>
(ii) Exposures risk-weighted using ratings of Sovereigns and Central Banks[#]								
- Sovereigns and Central Banks	1,029,376	60,037,565	-	252,038	2,554,785	99,606		63,973,370
- Public Sector Entities	-	1,844,746	-	-	-	-		1,844,746
- Banks, DFIs and MDBs	-	380,297	-	-	-	-		380,297
- Corporates	-	5,922,092	-	-	-	-		5,922,092
- Regulatory Retail	-	147,049	-	-	-	-		147,049
	<u>1,029,376</u>	<u>68,331,749</u>	<u>-</u>	<u>252,038</u>	<u>2,554,785</u>	<u>99,606</u>		<u>72,267,554</u>
(iii) Exposures risk-weighted using ratings of Banking Institutions								
- Banks, DFIs and MDBs	7,597,625	4,579,970	929,232	547,569	216,676	-		13,871,072
- Corporates	719,820	205,427	-	-	-	-		925,247
	<u>8,317,445</u>	<u>4,785,397</u>	<u>929,232</u>	<u>547,569</u>	<u>216,676</u>	<u>-</u>		<u>14,796,319</u>
(iv) Exposures risk-weighted using ratings of Insurance Companies, Securities Firms and Fund Managers								
- Insurance Companies, Securities Firms and Fund Managers	100,083	-	-	-	-	-		100,083
Total Rated Exposures	24,584,149	73,991,959	1,074,069	799,607	2,771,461	99,606		103,320,851
(b) Total Unrated Exposures							346,346,753	346,346,753
	<u>24,584,149</u>	<u>73,991,959</u>	<u>1,074,069</u>	<u>799,607</u>	<u>2,771,461</u>	<u>99,606</u>	<u>346,346,753</u>	<u>449,667,604</u>

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures before the Effect of Credit Risk Mitigation by Credit Quality Rating Categories (Cont'd.)

Group Exposure Class	Rating Categories						Unrated RM'000	Total RM'000
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	6 RM'000		
31 December 2020								
Off-Balance Sheet Exposures								
(a) Rated Exposures								
(i) Exposures risk-weighted using ratings of Corporates								
- Corporates	132,734	-	9,908	-	-	-		142,642
- Regulatory Retail	20	-	-	-	-	-		20
	<u>132,754</u>	<u>-</u>	<u>9,908</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>142,662</u>
(ii) Exposures risk-weighted using ratings of Sovereigns and Central Banks [#]								
- Sovereigns and Central Banks	-	22,415	-	-	-	-		22,415
(iii) Exposures risk-weighted using ratings of Banking Institutions								
- Banks, DFIs and MDBs	309,122	102,862	94,414	4,572	57	-		511,027
- Corporates	4,566	863	-	-	-	-		5,429
	<u>313,688</u>	<u>103,725</u>	<u>94,414</u>	<u>4,572</u>	<u>57</u>	<u>-</u>		<u>516,456</u>
Total Rated Exposures	446,442	126,140	104,322	4,572	57	-		681,533
(b) Total Unrated Exposures							24,691,467	24,691,467
	<u>446,442</u>	<u>126,140</u>	<u>104,322</u>	<u>4,572</u>	<u>57</u>	<u>-</u>	<u>24,691,467</u>	<u>25,373,000</u>
Total Credit Exposures before Credit Risk Mitigation	<u>25,030,591</u>	<u>74,118,099</u>	<u>1,178,391</u>	<u>804,179</u>	<u>2,771,518</u>	<u>99,606</u>	<u>371,038,220</u>	<u>475,040,604</u>

[#] Under the RWCAF, exposures denominated and funded in Ringgit Malaysia and guaranteed by the Federal Government of Malaysia or BNM are accorded a preferential sovereign risk weight of 0%.

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures after the Effect of Credit Risk Mitigation by Risk Weights

The following tables present the credit exposures of the Group and of the Bank after the effect of credit risk mitigation by risk weights.

Group Risk Weights	Credit Exposures after the Effect of Credit Risk Mitigation											Total Exposures after Credit Risk Mitigation RM'000	Total Risk- Weighted Assets RM'000
	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity Exposures RM'000			
30 June 2021													
0%	61,654,482	1,557,661	380,097	523	6,025,506	1,206,982	-	-	2,870,429	-	-	73,695,680	-
20%	392,956	275,737	11,375,074	98,893	15,564,834	46,430	-	-	6,347	-	-	27,760,271	5,552,054
35%	-	-	-	-	-	-	88,245,778	-	-	-	-	88,245,778	30,886,022
50%	7	-	5,312,430	-	938,489	27,889	33,002,821	-	-	-	-	39,281,636	19,640,818
75%	-	-	-	-	-	138,227,861	611,993	-	-	-	-	138,839,854	104,129,891
100%	1,302,291	-	483,709	498,211	68,897,814	14,142,630	15,095,588	-	4,342,747	800,538	-	105,563,528	105,563,528
150%	64,526	-	529,526	-	599,422	360,779	19,402	90,352	-	-	-	1,664,007	2,496,011
Total	63,414,262	1,833,398	18,080,836	597,627	92,026,065	154,012,571	136,975,582	90,352	7,219,523	800,538	-	475,050,754	268,268,324
Risk-Weighted Assets by Exposures	1,477,675	55,147	6,209,228	517,990	73,379,158	118,377,925	62,971,119	135,528	4,344,016	800,538	-	268,268,324	-
Average Risk Weights	2.3%	3.0%	34.3%	86.7%	79.7%	76.9%	46.0%	150.0%	60.2%	100.0%	-	56.5%	-
Deduction from Total Capital													

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures after the Effect of Credit Risk Mitigation by Risk Weights (Cont'd.)

Group Risk Weights	Credit Exposures after the Effect of Credit Risk Mitigation										Total Exposures after Credit Risk Mitigation RM'000	Total Risk- Weighted Assets RM'000
	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity Exposures RM'000		
31 December 2020												
0%	61,893,314	1,561,084	380,297	-	5,922,092	147,049	-	-	3,004,535	-	72,908,371	-
20%	335,972	303,989	11,325,616	100,083	15,944,860	49,524	-	-	6,431	-	28,066,475	5,613,295
35%	-	-	-	-	-	-	86,319,595	-	-	-	86,319,595	30,211,858
50%	7	-	5,008,450	-	1,083,430	24,133	29,692,552	-	-	-	35,808,572	17,904,286
75%	-	-	-	-	-	137,121,517	646,319	-	-	-	137,767,836	103,325,877
100%	1,597,005	-	340,760	465,005	71,361,761	13,890,715	14,181,319	-	4,504,379	822,877	107,163,821	107,163,821
150%	69,361	-	474,205	-	636,024	395,491	24,450	90,811	-	-	1,690,342	2,535,513
Total	63,895,659	1,865,073	17,529,328	565,088	94,948,167	151,628,429	130,864,235	90,811	7,515,345	822,877	469,725,012	266,754,650
Risk-Weighted Assets by Exposures	1,768,244	60,798	5,821,415	485,022	76,046,484	117,347,061	59,760,867	136,217	4,505,665	822,877	266,754,650	
Average Risk Weights	2.8%	3.3%	33.2%	85.8%	80.1%	77.4%	45.7%	150.0%	60.0%	100.0%	56.8%	
Deduction from Total Capital												

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures after the Effect of Credit Risk Mitigation by Risk Weights (Cont'd.)

Bank Risk Weights	Credit Exposures after the Effect of Credit Risk Mitigation										Total Exposures after Credit Risk Mitigation RM'000	Total Risk- Weighted Assets RM'000
	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity Exposures RM'000		
30 June 2021												
0%	43,174,372	444,825	288,705	523	5,147,092	1,124,126	-	-	2,302,096	-	52,481,739	-
20%	198,573	16,616	7,438,120	-	13,630,697	46,430	-	-	-	-	21,330,436	4,266,087
35%	-	-	-	-	-	-	69,453,183	-	-	-	69,453,183	24,308,614
50%	7	-	926,314	-	409,604	20,388	24,869,806	-	-	-	26,226,119	13,113,059
75%	-	-	-	-	-	111,216,110	368,614	-	-	-	111,584,724	83,688,543
100%	-	-	688,471	50,020	55,484,335	5,877,260	10,453,152	-	3,277,537	6,781,413	82,612,188	82,612,188
150%	64,526	-	529,526	-	552,037	279,986	2,382	75,514	-	-	1,503,971	2,255,957
1250%	-	-	-	-	-	-	-	-	89,995	-	89,995	1,124,938
Total	43,437,478	461,441	9,871,136	50,543	75,223,765	118,564,300	105,147,137	75,514	5,669,628	6,781,413	365,282,355	211,369,386
Risk-Weighted Assets by Exposures	136,507	3,323	3,433,541	50,020	59,243,332	89,728,801	47,476,703	113,271	4,402,475	6,781,413	211,369,386	
Average Risk Weights	0.3%	0.7%	34.8%	99.0%	78.8%	75.7%	45.2%	150.0%	77.7%	100.0%	57.9%	
Deduction from Total Capital			-							-	-	

3. Credit Risk (Cont'd.)

3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach (Cont'd.)

Credit Exposures after the Effect of Credit Risk Mitigation by Risk Weights (Cont'd.)

Bank Risk Weights	Credit Exposures after the Effect of Credit Risk Mitigation										Total Exposures after Credit Risk Mitigation RM'000	Total Risk- Weighted Assets RM'000
	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities Firms and Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity Exposures RM'000		
31 December 2020												
0%	42,620,095	448,074	288,766	-	4,978,453	144,278	-	-	2,589,580	-	51,069,246	-
20%	119,438	18,946	7,843,893	-	14,050,887	49,524	-	-	-	-	22,082,688	4,416,538
35%	-	-	-	-	-	-	68,455,732	-	-	-	68,455,732	23,959,506
50%	7	-	1,260,592	-	549,642	16,280	22,522,322	-	-	-	24,348,843	12,174,421
75%	-	-	-	-	-	111,229,500	392,893	-	-	-	111,622,393	83,716,795
100%	-	-	594,679	46,021	57,751,753	5,886,167	9,985,949	-	3,622,303	6,717,506	84,604,378	84,604,378
150%	69,361	-	474,206	-	586,275	326,481	10,493	75,820	-	-	1,542,636	2,313,954
1250%	-	-	-	-	-	-	-	-	89,995	-	89,995	1,124,938
Total	42,808,901	467,020	10,462,136	46,021	77,917,010	117,652,230	101,367,389	75,820	6,301,878	6,717,506	363,815,911	212,310,530
Risk-Weighted Assets by Exposures	127,933	3,789	3,505,063	46,021	61,716,164	89,816,058	45,517,025	113,730	4,747,241	6,717,506	212,310,530	
Average Risk Weights	0.3%	0.8%	33.5%	100.0%	79.2%	76.3%	44.9%	150.0%	75.3%	100.0%	58.4%	
Deduction from Total Capital												

3. Credit Risk (Cont'd.)

3.5 Credit Quality of Gross Loans, Advances and Financing

(a) Past Due But Not Credit-impaired

Tables (i)-(ii) present the analyses of past due but not credit-impaired loans, advances and financing of the Group by the following:

- (i) Economic purpose
- (ii) Geographical

(i) Economic Purpose

Group	30 June 2021 RM'000	31 December 2020 RM'000
Purchase of securities	15,417	22,898
Purchase of transport vehicles	8,218,784	7,319,975
Purchase of landed properties	9,370,980	8,784,735
(Of which: - residential	6,843,292	6,611,930
- non-residential)	2,527,688	2,172,805
Purchase of fixed assets (excluding landed properties)	9,231	1,594
Personal use	615,991	577,225
Credit card	211,686	225,606
Purchase of consumer durables	-	211
Construction	133,917	52,637
Working capital	794,629	687,758
Other purpose	137,959	22,975
	19,508,594	17,695,614

(ii) Geographical

Group	30 June 2021 RM'000	31 December 2020 RM'000
Malaysia	18,633,484	16,944,899
Hong Kong & China	247,802	286,005
Cambodia	334,874	216,454
Other countries	292,434	248,256
	19,508,594	17,695,614

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3. Credit Risk (Cont'd.)

3.5 Credit Quality of Gross Loans, Advances and Financing (Cont'd.)

(b) Credit-impaired Loans, Advances and Financing

Tables (i)-(iii) present the analyses of credit-impaired loans, advances and financing of the Group and the impairment allowances of the Group by the following:

- (i) Economic purpose
- (ii) Geographical
- (iii) Reconciliation of loss allowance for loans, advances and financing

(i) Economic Purpose

	Credit-impaired Loans, Advances and Financing RM'000	Individual Assessment Allowance at 1 January 2021 RM'000	Net Charge for the Period RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 30 June 2021 RM'000	Collective Assessment Allowance at 30 June 2021 RM'000	Total Impairment Allowances for Loans, Advances and Financing RM'000
Group							
30 June 2021							
Purchase of securities	-	-	-	-	-	6,245	6,245
Purchase of transport vehicles	233,877	6,359	(219)	(18)	6,122	860,363	866,485
Purchase of landed properties	582,660	5,564	4,502	(2,278)	7,788	1,052,680	1,060,468
(Of which: - residential	402,942	1,301	2,234	(152)	3,383	402,996	406,379
- non-residential)	179,718	4,263	2,268	(2,126)	4,405	649,684	654,089
Purchase of fixed assets							
(excluding landed properties)	10,642	2,176	14	29	2,219	3,194	5,413
Personal use	106,404	22,469	45,414	(48,294)	19,589	112,936	132,525
Credit card	14,244	-	-	-	-	37,928	37,928
Purchase of consumer durables	1	-	-	-	-	3	3
Construction	16,019	93	(1)	(92)	-	73,890	73,890
Working capital	273,134	16,632	1,228	(1,366)	16,494	263,756	280,250
Other purpose	5,367	30	903	(825)	108	954,680	954,788
	1,242,348	53,323	51,841	(52,844)	52,320	3,365,675	3,417,995

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3. Credit Risk (Cont'd.)

3.5 Credit Quality of Gross Loans, Advances and Financing (Cont'd.)

(b) Credit-impaired Loans, Advances and Financing (Cont'd.)

(i) Economic Purpose (Cont'd.)

Group	Credit-impaired Loans, Advances and Financing RM'000	Individual Assessment Allowance at 1 January 2020 RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December 2020 RM'000	Collective Assessment Allowance at 31 December 2020 RM'000	Total Impairment Allowances for Loans, Advances and Financing RM'000
31 December 2020							
Purchase of securities	-	-	-	-	-	6,052	6,052
Purchase of transport vehicles	175,309	4,304	2,296	(241)	6,359	646,269	652,628
Purchase of landed properties	647,802	10,220	6,400	(11,056)	5,564	1,059,339	1,064,903
(Of which: - residential	440,544	284	1,246	(229)	1,301	413,315	414,616
- non-residential)	207,258	9,936	5,154	(10,827)	4,263	646,024	650,287
Purchase of fixed assets (excluding landed properties)	12,779	1,091	1,395	(310)	2,176	3,110	5,286
Personal use	106,756	32,948	150,465	(160,944)	22,469	102,947	125,416
Credit card	13,812	-	-	-	-	36,007	36,007
Purchase of consumer durables	1	-	-	-	-	3	3
Construction	15,077	8,884	(200)	(8,591)	93	61,566	61,659
Working capital	274,330	8,670	13,400	(5,438)	16,632	273,681	290,313
Other purpose	5,352	3,072	1,948	(4,990)	30	606,149	606,179
	<u>1,251,218</u>	<u>69,189</u>	<u>175,704</u>	<u>(191,570)</u>	<u>53,323</u>	<u>2,795,123</u>	<u>2,848,446</u>

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3. Credit Risk (Cont'd.)

3.5 Credit Quality of Gross Loans, Advances and Financing (Cont'd.)

(b) Credit-impaired Loans, Advances and Financing (Cont'd.)

(ii) Geographical

Group	Credit-impaired Loans, Advances and Financing RM'000	Individual Assessment Allowance at 1 January 2021 RM'000	Net Charge for the Period RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 30 June 2021 RM'000	Collective Assessment Allowance at 30 June 2021 RM'000	Total Impairment Allowances for Loans, Advances and Financing RM'000
30 June 2021							
Malaysia	979,869	10,884	5,859	(4,094)	12,649	3,143,975	3,156,624
Hong Kong & China	119,896	31,103	44,338	(47,528)	27,913	118,640	146,553
Cambodia	28,328	-	-	-	-	66,880	66,880
Other countries	114,255	11,336	1,644	(1,222)	11,758	36,180	47,938
	1,242,348	53,323	51,841	(52,844)	52,320	3,365,675	3,417,995

Group	Credit-impaired Loans, Advances and Financing RM'000	Individual Assessment Allowance at 1 January 2020 RM'000	Net Charge for the Year RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 31 December 2020 RM'000	Collective Assessment Allowance at 31 December 2020 RM'000	Total Impairment Allowances for Loans, Advances and Financing RM'000
31 December 2020							
Malaysia	995,962	24,625	10,166	(23,907)	10,884	2,585,180	2,596,064
Hong Kong & China	120,136	36,313	156,176	(161,386)	31,103	113,280	144,383
Cambodia	28,801	-	-	-	-	64,266	64,266
Other countries	106,319	8,251	9,362	(6,277)	11,336	32,397	43,733
	1,251,218	69,189	175,704	(191,570)	53,323	2,795,123	2,848,446

3. Credit Risk (Cont'd.)

3.5 Credit Quality of Gross Loans, Advances and Financing (Cont'd.)

(b) Credit-impaired Loans, Advances and Financing (Cont'd.)

(iii) Reconciliation of Loss Allowance for Loans, Advances and Financing

Movements in loss allowances for loans/financing which reflect the expected credit losses ("ECL") model on impairment are as follows:

	Lifetime ECL		Credit-impaired (Stage 3) RM'000	Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- impaired (Stage 2) RM'000		
Group				
At 1 January 2021	1,528,896	1,046,834	272,716	2,848,446
Changes due to loans, advances and financing recognised as at 1 January 2021:				
- Transfer to Stage 1: 12-Month ECL	129,533	(113,390)	(16,143)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	162,414	(151,245)	(11,169)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(31,125)	54,301	(23,176)	-
	(1,756)	(16,446)	18,202	-
New loans, advances and financing originated	50,638	22,990	5,451	79,079
Net remeasurement due to changes in credit risk	175,949	246,588	140,886	563,423
Loans, advances and financing derecognised (other than write-off)	(29,606)	(78,110)	(12,335)	(120,051)
Modifications to contractual cash flows of loans, advances and financing	(9,851)	149,049	11,223	150,421
Changes in models / risk parameters	(193,367)	211,443	-	18,076
Amount written off	-	-	(127,788)	(127,788)
Exchange differences	3,027	1,045	2,317	6,389
At 30 June 2021	1,655,219	1,486,449	276,327	3,417,995
Group				
At 1 January 2020	970,934	649,912	371,101	1,991,947
Changes due to loans, advances and financing recognised as at 1 January 2020:				
- Transfer to Stage 1: 12-Month ECL	151,935	(112,251)	(39,684)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	177,300	(156,613)	(20,687)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(21,736)	68,918	(47,182)	-
	(3,629)	(24,556)	28,185	-
New loans, advances and financing originated	110,881	34,662	42,105	187,648
Net remeasurement due to changes in credit risk	204,467	94,965	374,733	674,165
Loans, advances and financing derecognised (other than write-off)	(59,557)	(48,010)	(24,364)	(131,931)
Modifications to contractual cash flows of loans, advances and financing	(24,201)	241,484	(308)	216,975
Changes in models / risk parameters	176,112	187,105	903	364,120
Amount written off	-	-	(443,016)	(443,016)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(241)	(241)
Exchange differences	(1,675)	(1,033)	(8,513)	(11,221)
At 31 December 2020	1,528,896	1,046,834	272,716	2,848,446

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4. Market Risk**Minimum Regulatory Capital Requirements for Market Risk**

The following tables present the minimum regulatory capital requirements for market risk of the Group and of the Bank.

Group	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
30 June 2021				
Interest rate/rate of return risk	24,400,099	(23,214,053)	1,465,434	117,235
Foreign exchange risk	3,538,377	(1,164,445)	3,538,377	283,070
Total	27,938,476	(24,378,498)	5,003,811	400,305
31 December 2020				
Interest rate/rate of return risk	30,363,238	(29,426,279)	1,268,088	101,447
Foreign exchange risk	3,451,593	(1,399,130)	3,451,593	276,127
Total	33,814,831	(30,825,409)	4,719,681	377,574
Bank				
30 June 2021				
Interest rate risk	23,004,133	(21,860,144)	1,451,348	116,108
Foreign exchange risk	1,899,810	(3,361,342)	3,361,342	268,907
Total	24,903,943	(25,221,486)	4,812,690	385,015
31 December 2020				
Interest rate risk	29,380,457	(28,443,503)	1,270,253	101,620
Foreign exchange risk	2,015,199	(3,471,562)	3,471,562	277,725
Total	31,395,656	(31,915,065)	4,741,815	379,345

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4. Market Risk (Cont'd.)**4.1 Interest Rate/Rate of Return Risk in the Banking Book****Interest Rate/Rate of Return Risk Sensitivity Analysis**

The following table presents the projected Group's sensitivity to a 100 basis point parallel rate movement across all maturities applied on the Group's interest rate/rate of return sensitivity gap as at the reporting date, taking into consideration the behavioural pattern of certain indeterminate maturity of deposits such as demand and savings deposits to reflect the actual sensitivity behavioural of these deposits. Where the current interest rate/rate of return is lower than 1%, the downward rate shock applied is restricted to the prevailing interest rate/rate of return.

Group	30 June 2021		31 December 2020	
	-100 bps ← RM'000	+100 bps Increase/(Decrease) RM'000	-100 bps RM'000	+100 bps → RM'000
Impact on Net Interest/ Profit Income ("NII/NPI")				
Ringgit Malaysia	(839,958)	738,822	(735,005)	638,697
United States Dollars	(30,080)	17,896	(40,301)	27,642
Hong Kong Dollars	(43,335)	33,484	(44,286)	35,508
Other Currencies	(23,341)	21,069	(19,832)	17,446
Total	(936,714)	811,271	(839,424)	719,293

**Impact on Economic Value
of Equity ("EVE")**

Ringgit Malaysia	2,424,020	(1,263,494)	2,478,753	(1,360,419)
United States Dollars	159,505	(71,221)	119,981	(29,303)
Hong Kong Dollars	(48,359)	97,898	(46,381)	91,880
Other Currencies	14,644	533	16,486	(3,794)
Total	2,549,810	(1,236,284)	2,568,839	(1,301,636)

The reported amounts do not capture the impact of business growth or of management actions and are based on the balance sheet as at reporting date. In reality, the Assets & Liabilities Management Committee ("ALCO") seeks to proactively change the interest rate/rate of return risk profile to minimise losses and maximise net revenue. The projection assumes a constant statements of financial position and that all positions run to maturity.

The repricing profile of loans/financing that does not have maturity is based on the earliest possible repricing dates. Actual dates may differ from contractual dates owing to prepayments. Where possible and material, loans/financing prepayments are generally estimated based on past statistics and trends. The impact on the NII/NPI and EVE are measured on a monthly basis for the Bank and quarterly basis for the Group, both of which are reported to the ALCO and the Risk Management Committee.

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5. Equity Exposures in the Banking Book

The following tables present the equity exposures in the banking book and the gains and losses on equity exposures in the banking book of the Group.

(a) Equity Exposures in the Banking Book

Group	30 June 2021		31 December 2020	
	Gross Credit Exposure RM'000	Risk-Weighted Assets RM'000	Gross Credit Exposure RM'000	Risk-Weighted Assets RM'000
<u>Publicly traded</u>				
Holdings of equity investments	1,856	1,856	1,382	1,382
<u>Privately held</u>				
For socio-economic purposes	798,682	798,682	821,495	821,495
Not for socio-economic purposes	37,498	56,247	36,302	54,453
	836,180	854,929	857,797	875,948
Total	838,036	856,785	859,179	877,330

(b) Gains and Losses on Equity Exposures in the Banking Book

Group	30 June 2021 RM'000	31 December 2020 RM'000
Realised loss recognised in profit or loss		
- Investments in unit trust funds	-	(17)
Realised gain recognised in other comprehensive income		
- Privately held equity investments	319	-
Unrealised revaluation (loss)/gain recognised in profit or loss		
- Privately held equity investments	(33,553)	33,344
Unrealised revaluation gain/(loss) recognised in other comprehensive income		
- Privately held equity investments	11,249	28,150
- Publicly traded equity investments	474	(174)
	11,723	27,976

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6. Operational Risk

Minimum Regulatory Capital Requirements for Operational Risk

The following table presents the minimum regulatory capital requirements for operational risk of the Group and of the Bank, computed using the Basic Indicator Approach.

	30 June 2021		31 December 2020	
	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
Group	20,604,516	1,648,361	20,141,735	1,611,339
Bank	13,868,191	1,109,455	13,689,994	1,095,200

7. Shariah Non-Compliance Risk

An amount of RM2,799 (31 December 2020: RM4,434) was recognized as Shariah non-compliant income arising from Shariah non-compliant incidents which have occurred within the Islamic banking operations of Public Islamic Bank. The Shariah non-compliant incidents were deliberated and confirmed by Shariah Committee during the financial period under review. Appropriate rectification actions as endorsed by Shariah Committee and approved by the Board were taken to remediate the incidents. The Shariah non-compliant income will be purified in accordance with the method as determined by Shariah Committee.

Under the Shariah-based funds managed by Public Mutual Berhad, a tainted income of RM71,009 (31 December 2020: RM393,000) arising from the disposal of Shariah non-compliant securities has been distributed to investors as advised by the Shariah Adviser.

Under the Islamic capital market activities by Public Investment Bank Berhad, an amount of RM35 (31 December 2020: RM82) was recognised as Shariah non-compliant income to be purified in accordance with method as determined by the Shariah Adviser. The Securities Trading Division works closely with the Shariah Adviser to ensure all Islamic capital market transactions comply with the Shariah requirements under the relevant guidelines or best practices issued by Bursa Malaysia and Securities Commission.