

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

**Table of Contents**

<b>Section</b>	<b>Page Number</b>
1. Overview	1
2. Capital Management	2
3. Credit Risk	6
3.1 Distribution of Credit Exposures	10
3.2 Off-Balance Sheet Exposures	14
3.3 Credit Risk Mitigation	20
3.4 Assignment of Risk Weights for Portfolios Under the Standardised Approach	22
3.5 Credit Quality of Gross Loans, Advances and Financing	31
4. Market Risk	36
4.1 Interest Rate/Rate of Return Risk in the Banking Book	37
5. Equity Exposures in the Banking Book	38
6. Operational Risk	39
7. Shariah Non-Compliance Risk	39

# PUBLIC BANK BERHAD

Company Registration No.: 196501000672 (6463-H)

## PILLAR 3 DISCLOSURE

As at 30 June 2022

### 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 2022		31 December 2021	
	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
<b>Group</b>				
Credit Risk	282,104,792	22,568,383	272,140,328	21,771,226
Market Risk	4,951,620	396,130	5,194,182	415,535
Operational Risk	21,522,881	1,721,830	20,990,969	1,679,278
Large Exposure Risk	601,297	48,104	564,253	45,140
<b>Total</b>	<b>309,180,590</b>	<b>24,734,447</b>	<b>298,889,732</b>	<b>23,911,179</b>
<b>Bank</b>				
Credit Risk	218,202,974	17,456,238	213,170,425	17,053,634
Market Risk	5,033,938	402,715	5,119,006	409,521
Operational Risk	14,368,841	1,149,507	14,177,493	1,134,199
Large Exposure Risk	579,115	46,329	543,334	43,467
<b>Total</b>	<b>238,184,868</b>	<b>19,054,789</b>	<b>233,010,258</b>	<b>18,640,821</b>

**PUBLIC BANK BERHAD**

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**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 2022	31 December 2021	30 June 2022	31 December 2021
<b>Before deducting interim dividends*:</b>				
Common Equity Tier I ("CET I") capital ratio	<b>14.624%</b>	15.030%	<b>13.578%</b>	13.954%
Tier I capital ratio	<b>14.676%</b>	15.083%	<b>13.620%</b>	13.997%
Total capital ratio	<b>17.723%</b>	18.192%	<b>16.864%</b>	17.287%
<b>After deducting interim dividends*:</b>				
CET I capital ratio	<b>14.122%</b>	14.530%	<b>12.926%</b>	13.313%
Tier I capital ratio	<b>14.174%</b>	14.583%	<b>12.968%</b>	13.356%
Total capital ratio	<b>17.221%</b>	17.692%	<b>16.212%</b>	16.645%

\* 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.

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.

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. The Group and the Bank have not applied the said transitional arrangements.

**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**

	<b>Public Islamic Bank Berhad<sup>1</sup></b>	<b>Public Investment Bank Berhad<sup>2</sup></b>	<b>Public Bank (L) Ltd.<sup>3</sup></b>	<b>Public Bank (Hong Kong) Limited<sup>4</sup></b>	<b>Public Finance Limited<sup>4</sup></b>	<b>Cambodian Public Bank Plc<sup>5</sup></b>	<b>Public Bank Vietnam Limited<sup>6</sup></b>
<b>30 June 2022</b>							
<b>Before deducting interim dividends*:</b>							
CET I capital ratio	11.942%	39.494%	23.468%	21.308%	29.203%	N/A	N/A
Tier I capital ratio	11.942%	39.494%	23.468%	21.308%	29.203%	N/A	N/A
Total capital ratio	15.167%	40.306%	23.500%	22.072%	30.241%	22.631%	22.602%
<b>After deducting interim dividends*:</b>							
CET I capital ratio	11.942%	39.494%	23.468%	21.240%	27.578%	N/A	N/A
Tier I capital ratio	11.942%	39.494%	23.468%	21.240%	27.578%	N/A	N/A
Total capital ratio	15.167%	40.306%	23.500%	22.003%	28.616%	22.631%	22.602%
<b>31 December 2021</b>							
<b>Before deducting interim dividends*:</b>							
CET I capital ratio	11.777%	52.512%	21.875%	20.664%	27.884%	N/A	N/A
Tier I capital ratio	11.777%	52.512%	21.875%	20.664%	27.884%	N/A	N/A
Total capital ratio	15.142%	53.404%	21.905%	21.435%	28.923%	19.940%	30.645%
<b>After deducting interim dividends*:</b>							
CET I capital ratio	11.777%	45.566%	21.875%	20.498%	25.883%	N/A	N/A
Tier I capital ratio	11.777%	45.566%	21.875%	20.498%	25.883%	N/A	N/A
Total capital ratio	15.142%	46.459%	21.905%	21.268%	26.923%	19.940%	30.645%

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

**PUBLIC BANK BERHAD**

**Company Registration No.: 196501000672 (6463-H)**

**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.)**

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> 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.
- <sup>4</sup> 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.
- <sup>5</sup> 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%.
- <sup>6</sup> 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%.

**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 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
<b>CET I/Tier I capital</b>				
Share capital	9,417,653	9,417,653	9,417,653	9,417,653
Other reserves	922,502	1,241,935	139,456	575,320
Retained profits	37,592,198	36,766,601	30,474,194	29,775,928
Qualifying non-controlling interests	728,500	702,435	-	-
Less: Goodwill and other intangible assets	(2,531,766)	(2,459,434)	(695,393)	(695,393)
Less: Deferred tax assets, net	(685,915)	(519,009)	(409,284)	(273,782)
Less: Defined benefit pension fund assets	(81,508)	(79,906)	(80,394)	(78,762)
Less: Investment in banking/insurance subsidiary companies and associated companies deducted from CET I capital	(146,205)	(147,349)	(6,505,741)	(6,205,741)
Total CET I capital	45,215,459	44,922,926	32,340,491	32,515,223
Additional Tier 1 capital securities	99,882	99,822	99,882	99,822
Qualifying CET I and additional Tier I capital instruments held by third parties	60,007	58,956	-	-
Total Tier I capital	45,375,348	45,081,704	32,440,373	32,615,045
<b>Tier II capital</b>				
Stage 1 and Stage 2 expected credit loss allowances <sup>#</sup>	3,526,310	3,401,754	2,727,537	2,664,630
Subordinated notes	4,998,989	4,999,998	4,998,989	4,999,998
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	761,541	756,381	-	-
Others	133,121	133,121	-	-
Total Tier II capital	9,419,961	9,291,254	7,726,526	7,664,628
<b>Total capital</b>	<b>54,795,309</b>	<b>54,372,958</b>	<b>40,166,899</b>	<b>40,279,673</b>

<sup>#</sup> Excludes expected credit loss allowances restricted from Tier II capital of the Group and of the Bank of RM475,112,000 (2021: RM423,592,000) and RM210,380,000 (2021: RM179,895,000) respectively.

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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.

<b>Group Exposure Class</b>	<b>Total Exposures before Credit Risk Mitigation RM'000</b>	<b>Total Exposures after Credit Risk Mitigation RM'000</b>	<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>
<b>30 June 2022</b>				
<b>On-Balance Sheet Exposures</b>				
Sovereigns/Central Banks	69,106,819	69,106,819	1,517,615	121,409
Public Sector Entities	1,687,057	1,687,057	64,295	5,144
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	18,176,233	18,176,233	6,817,669	545,413
Insurance Companies, Securities Firms and Fund Managers	504,050	503,809	426,354	34,108
Corporates	86,990,483	83,705,524	65,412,925	5,233,034
Regulatory Retail	146,791,072	145,565,009	111,496,127	8,919,690
Residential Mortgages	141,218,627	140,918,218	64,944,084	5,195,527
Higher Risk Assets	83,309	83,288	124,932	9,995
Other Assets	7,428,385	7,428,385	4,337,464	346,997
Equity Exposures	758,911	758,911	758,911	60,713
Defaulted Exposures	4,230,995	4,224,430	5,958,289	476,663
	<b>476,975,941</b>	<b>472,157,683</b>	<b>261,858,665</b>	<b>20,948,693</b>
<b>Off-Balance Sheet Exposures</b>				
Credit-related Exposures	24,949,083	24,270,870	19,627,801	1,570,224
Derivative Financial Instruments	1,294,761	1,294,761	449,176	35,934
Other Treasury-related Exposures	1,245,104	1,245,104	156,040	12,483
Defaulted Exposures	9,582	9,582	13,110	1,049
	<b>27,498,530</b>	<b>26,820,317</b>	<b>20,246,127</b>	<b>1,619,690</b>
<b>Total Credit Exposures</b>	<b>504,474,471</b>	<b>498,978,000</b>	<b>282,104,792</b>	<b>22,568,383</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

<b>Group Exposure Class</b>	<b>Total Exposures before Credit Risk Mitigation RM'000</b>	<b>Total Exposures after Credit Risk Mitigation RM'000</b>	<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>
<b>31 December 2021</b>				
<b>On-Balance Sheet Exposures</b>				
Sovereigns/Central Banks	60,090,045	60,090,045	1,293,851	103,508
Public Sector Entities	1,742,348	1,742,348	60,758	4,861
Banks, DFIs and MDBs	20,208,996	20,208,996	6,971,656	557,732
Insurance Companies, Securities Firms and Fund Managers	533,168	533,031	454,556	36,364
Corporates	89,205,674	85,999,072	66,494,139	5,319,531
Regulatory Retail	143,101,891	141,914,201	108,518,734	8,681,499
Residential Mortgages	137,825,276	137,548,856	63,054,001	5,044,320
Higher Risk Assets	79,759	79,739	119,608	9,569
Other Assets	7,956,639	7,956,639	4,347,105	347,768
Equity Exposures	720,651	720,651	720,651	57,652
Defaulted Exposures	861,604	861,418	1,107,469	88,598
	<b>462,326,051</b>	<b>457,654,996</b>	<b>253,142,528</b>	<b>20,251,402</b>
<b>Off-Balance Sheet Exposures</b>				
Credit-related Exposures	23,864,328	23,205,933	18,667,872	1,493,430
Derivative Financial Instruments	785,053	785,053	291,707	23,336
Other Treasury-related Exposures	153,293	153,293	30,659	2,453
Defaulted Exposures	5,642	5,642	7,562	605
	<b>24,808,316</b>	<b>24,149,921</b>	<b>18,997,800</b>	<b>1,519,824</b>
<b>Total Credit Exposures</b>	<b>487,134,367</b>	<b>481,804,917</b>	<b>272,140,328</b>	<b>21,771,226</b>



**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

<b>Bank Exposure Class</b>	<b>Total Exposures before Credit Risk Mitigation RM'000</b>	<b>Total Exposures after Credit Risk Mitigation RM'000</b>	<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>
<b>30 June 2022</b>				
<b>On-Balance Sheet Exposures</b>				
Sovereigns/Central Banks	46,088,175	46,088,175	81,207	6,497
Public Sector Entities	335,003	335,003	3,213	257
Banks, DFIs and MDBs	10,365,062	10,365,062	3,852,358	308,189
Insurance Companies, Securities Firms and Fund Managers	40,182	40,118	39,541	3,163
Corporates	69,154,177	66,327,952	51,524,866	4,121,989
Regulatory Retail	110,910,224	109,921,261	82,726,530	6,618,122
Residential Mortgages	107,119,928	106,881,600	48,292,938	3,863,435
Higher Risk Assets	71,680	71,680	107,521	8,602
Other Assets	5,859,423	5,859,423	4,189,070	335,126
Equity Exposures	6,901,013	6,901,013	6,901,013	552,081
Defaulted Exposures	3,216,936	3,211,386	4,552,439	364,195
	<b>360,061,803</b>	<b>356,002,673</b>	<b>202,270,696</b>	<b>16,181,656</b>
<b>Off-Balance Sheet Exposures</b>				
Credit-related Exposures	19,707,758	19,078,435	15,305,358	1,224,429
Derivative Financial Instruments	1,431,989	1,431,989	476,619	38,129
Other Treasury-related Exposures	1,166,452	1,166,452	140,310	11,225
Defaulted Exposures	7,174	7,174	9,991	799
	<b>22,313,373</b>	<b>21,684,050</b>	<b>15,932,278</b>	<b>1,274,582</b>
<b>Total Credit Exposures</b>	<b>382,375,176</b>	<b>377,686,723</b>	<b>218,202,974</b>	<b>17,456,238</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

<b>Bank Exposure Class</b>	<b>Total Exposures before Credit Risk Mitigation RM'000</b>	<b>Total Exposures after Credit Risk Mitigation RM'000</b>	<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>
<b>31 December 2021</b>				
<b>On-Balance Sheet Exposures</b>				
Sovereigns/Central Banks	39,565,020	39,565,020	170,171	13,614
Public Sector Entities	404,900	404,900	2,625	210
Banks, DFIs and MDBs	13,678,207	13,678,207	4,537,297	362,984
Insurance Companies, Securities Firms and Fund Managers	33,715	33,715	33,230	2,658
Corporates	71,738,771	68,944,777	52,862,404	4,228,992
Regulatory Retail	108,936,654	107,969,800	81,135,702	6,490,856
Residential Mortgages	105,503,597	105,281,522	47,361,206	3,788,897
Higher Risk Assets	68,102	68,102	102,152	8,172
Other Assets	6,678,726	6,678,726	4,575,841	366,067
Equity Exposures	6,785,194	6,785,194	6,785,194	542,816
Defaulted Exposures	611,451	611,296	788,110	63,049
	<b>354,004,337</b>	<b>350,021,259</b>	<b>198,353,932</b>	<b>15,868,315</b>
<b>Off-Balance Sheet Exposures</b>				
Credit-related Exposures	18,773,324	18,147,960	14,477,077	1,158,166
Derivative Financial Instruments	1,004,153	1,004,153	332,000	26,560
Other Treasury-related Exposures	7,333	7,333	1,467	117
Defaulted Exposures	4,295	4,295	5,949	476
	<b>19,789,105</b>	<b>19,163,741</b>	<b>14,816,493</b>	<b>1,185,319</b>
<b>Total Credit Exposures</b>	<b>373,793,442</b>	<b>369,185,000</b>	<b>213,170,425</b>	<b>17,053,634</b>

**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
<b>30 June 2022</b>									
<b>On-Balance Sheet Exposures</b>									
Cash and balances with banks	6,415,482	13,235,834	-	-	-	-	-	-	19,651,316
Financial assets at fair value through profit or loss*	1,475,158	-	-	-	99,902	-	-	-	1,575,060
Derivative financial assets	-	577,686	-	-	-	-	-	-	577,686
Financial investments at fair value through other comprehensive income*	48,402,707	5,460,958	161,097	780,194	148,071	-	-	-	54,953,027
Financial investments at amortised cost (Gross)	13,213,800	9,698,705	940,290	1,057,351	1,615,382	-	-	-	26,525,528
Gross loans, advances and financing	1,017,881	15,338,974	10,795,117	48,604,020	42,636,088	155,527,900	48,493,981	45,550,949	367,964,910
Statutory deposits with Central Banks	1,324,930	-	-	-	-	-	-	-	1,324,930
	<b>71,849,958</b>	<b>44,312,157</b>	<b>11,896,504</b>	<b>50,441,565</b>	<b>44,499,443</b>	<b>155,527,900</b>	<b>48,493,981</b>	<b>45,550,949</b>	<b>472,572,457</b>
<b>Commitments and Contingencies</b>									
Contingent liabilities	112	41,881	319,754	434,519	199,334	-	-	2,372,222	3,367,822
Commitments	978,600	2,477,235	3,456,635	13,376,950	8,177,513	21,055,937	20,385	18,088,326	67,631,581
	<b>978,712</b>	<b>2,519,116</b>	<b>3,776,389</b>	<b>13,811,469</b>	<b>8,376,847</b>	<b>21,055,937</b>	<b>20,385</b>	<b>20,460,548</b>	<b>70,999,403</b>
<b>Total Credit Exposures</b>	<b>72,828,670</b>	<b>46,831,273</b>	<b>15,672,893</b>	<b>64,253,034</b>	<b>52,876,290</b>	<b>176,583,837</b>	<b>48,514,366</b>	<b>66,011,497</b>	<b>543,571,860</b>

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

**3. Credit Risk (Cont'd.)**

**3.1 Distribution of Credit Exposures (Cont'd.)**

**(a) Industry Analysis (Cont'd.)**

<b>Group</b>	<b>Government and Central Banks RM'000</b>	<b>Financial Services RM'000</b>	<b>Transport &amp; Business Services RM'000</b>	<b>Agriculture, Manufacturing, Wholesale &amp; Retail Trade RM'000</b>	<b>Construction &amp; Real Estate RM'000</b>	<b>Residential Mortgages RM'000</b>	<b>Motor Vehicle Financing RM'000</b>	<b>Other Consumer Loans RM'000</b>	<b>Total RM'000</b>
<b>31 December 2021</b>									
<b>On-Balance Sheet Exposures</b>									
Cash and balances with banks	3,183,262	14,347,349	-	-	-	-	-	-	17,530,611
Financial assets at fair value through profit or loss*	650,436	-	-	-	-	-	-	-	650,436
Derivative financial assets	-	140,434	-	-	-	-	-	-	140,434
Financial investments at fair value through other comprehensive income*	44,951,546	7,004,647	153,822	618,679	146,183	-	-	-	52,874,877
Financial investments at amortised cost (Gross)	11,082,460	11,106,527	981,297	1,364,511	1,615,662	-	-	-	26,150,457
Gross loans, advances and financing	1,015,333	14,403,888	11,158,395	47,217,378	43,284,408	149,891,905	46,147,854	44,907,591	358,026,752
Statutory deposits with Central Banks	1,222,165	-	-	-	-	-	-	-	1,222,165
	<u>62,105,202</u>	<u>47,002,845</u>	<u>12,293,514</u>	<u>49,200,568</u>	<u>45,046,253</u>	<u>149,891,905</u>	<u>46,147,854</u>	<u>44,907,591</u>	<u>456,595,732</u>
<b>Commitments and Contingencies</b>									
Contingent liabilities	1,832	57,232	418,988	375,910	528,392	-	-	1,764,598	3,146,952
Commitments	517,718	1,925,902	3,861,753	12,743,730	8,193,624	19,778,392	16,033	17,255,109	64,292,261
	<u>519,550</u>	<u>1,983,134</u>	<u>4,280,741</u>	<u>13,119,640</u>	<u>8,722,016</u>	<u>19,778,392</u>	<u>16,033</u>	<u>19,019,707</u>	<u>67,439,213</u>
<b>Total Credit Exposures</b>	<u>62,624,752</u>	<u>48,985,979</u>	<u>16,574,255</u>	<u>62,320,208</u>	<u>53,768,269</u>	<u>169,670,297</u>	<u>46,163,887</u>	<u>63,927,298</u>	<u>524,034,945</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**

<b>Group</b>	<b>Malaysia RM'000</b>	<b>Hong Kong &amp; China RM'000</b>	<b>Cambodia RM'000</b>	<b>Other Countries RM'000</b>	<b>Total RM'000</b>
<b>30 June 2022</b>					
<b>On-Balance Sheet Exposures</b>					
Cash and balances with banks	8,798,803	3,899,090	3,555,138	3,398,285	19,651,316
Financial assets at fair value through profit or loss*	1,575,060	-	-	-	1,575,060
Derivative financial assets	502,923	1,827	-	72,936	577,686
Financial investments at fair value through other comprehensive income*	54,401,855	-	-	551,172	54,953,027
Financial investments at amortised cost (Gross)	21,580,788	2,536,042	1,190,025	1,218,673	26,525,528
Gross loans, advances and financing	343,067,633	14,148,136	5,222,367	5,526,774	367,964,910
Statutory deposits with Central Banks	572,031	3,569	613,965	135,365	1,324,930
	<b>430,499,093</b>	<b>20,588,664</b>	<b>10,581,495</b>	<b>10,903,205</b>	<b>472,572,457</b>
<b>Commitments and Contingencies</b>					
Contingent liabilities	2,386,396	195,512	28,587	757,327	3,367,822
Commitments	64,397,557	1,447,424	987,963	798,637	67,631,581
	<b>66,783,953</b>	<b>1,642,936</b>	<b>1,016,550</b>	<b>1,555,964</b>	<b>70,999,403</b>
<b>Total Credit Exposures</b>	<b>497,283,046</b>	<b>22,231,600</b>	<b>11,598,045</b>	<b>12,459,169</b>	<b>543,571,860</b>
<b>31 December 2021</b>					
<b>On-Balance Sheet Exposures</b>					
Cash and balances with banks	8,469,177	3,526,498	2,287,899	3,247,037	17,530,611
Financial assets at fair value through profit or loss*	650,436	-	-	-	650,436
Derivative financial assets	99,232	8,887	-	32,315	140,434
Financial investments at fair value through other comprehensive income*	52,391,048	-	-	483,829	52,874,877
Financial investments at amortised cost (Gross)	21,667,438	2,630,460	917,510	935,049	26,150,457
Gross loans, advances and financing	334,123,543	14,041,917	4,919,034	4,942,258	358,026,752
Statutory deposits with Central Banks	523,737	3,598	577,919	116,911	1,222,165
	<b>417,924,611</b>	<b>20,211,360</b>	<b>8,702,362</b>	<b>9,757,399</b>	<b>456,595,732</b>
<b>Commitments and Contingencies</b>					
Contingent liabilities	2,438,677	96,870	28,097	583,308	3,146,952
Commitments	61,168,947	1,396,255	995,474	731,585	64,292,261
	<b>63,607,624</b>	<b>1,493,125</b>	<b>1,023,571</b>	<b>1,314,893</b>	<b>67,439,213</b>
<b>Total Credit Exposures</b>	<b>481,532,235</b>	<b>21,704,485</b>	<b>9,725,933</b>	<b>11,072,292</b>	<b>524,034,945</b>

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

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**3. Credit Risk (Cont'd.)**

**3.1 Distribution of Credit Exposures (Cont'd.)**

**(c) Maturity Analysis**

<b>Group</b>	<b>Up to 1 Year RM'000</b>	<b>&gt;1 to 3 Years RM'000</b>	<b>&gt;3 to 5 Years RM'000</b>	<b>&gt;5 Years RM'000</b>	<b>Total RM'000</b>
<b>30 June 2022</b>					
<b>On-Balance Sheet Exposures</b>					
Cash and balances with banks	19,651,316	-	-	-	19,651,316
Financial assets at fair value through profit or loss*	1,575,060	-	-	-	1,575,060
Derivative financial assets	369,755	33,128	164,738	10,065	577,686
Financial investments at fair value through other comprehensive income*	7,750,759	22,110,542	17,482,660	7,609,066	54,953,027
Financial investments at amortised cost (Gross)	10,671,690	9,565,656	2,919,909	3,368,273	26,525,528
Gross loans, advances and financing	29,838,678	27,575,397	33,708,101	276,842,734	367,964,910
Statutory deposits with Central Banks	-	-	-	1,324,930	1,324,930
<b>Total On-Balance Sheet Exposures</b>	<b>69,857,258</b>	<b>59,284,723</b>	<b>54,275,408</b>	<b>289,155,068</b>	<b>472,572,457</b>
<b>31 December 2021</b>					
<b>On-Balance Sheet Exposures</b>					
Cash and balances with banks	17,530,611	-	-	-	17,530,611
Financial assets at fair value through profit or loss*	119,493	530,943	-	-	650,436
Derivative financial assets	93,556	6,140	34,738	6,000	140,434
Financial investments at fair value through other comprehensive income*	8,925,712	22,617,956	17,066,580	4,264,629	52,874,877
Financial investments at amortised cost (Gross)	13,061,677	10,265,068	2,390,001	433,711	26,150,457
Gross loans, advances and financing	29,747,301	25,422,156	34,016,248	268,841,047	358,026,752
Statutory deposits with Central Banks	-	-	-	1,222,165	1,222,165
<b>Total On-Balance Sheet Exposures</b>	<b>69,478,350</b>	<b>58,842,263</b>	<b>53,507,567</b>	<b>274,767,552</b>	<b>456,595,732</b>

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

Approximately 15% (31 December 2021: 15%) of the Group's exposures to customers and counterparties are short-term, having contractual maturity of one year or less. About 75% (31 December 2021: 75%) 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 56% (31 December 2021: 55%) 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.

## 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
<b>30 June 2022</b>				
<b>Contingent Liabilities</b>				
Direct credit substitutes	871,667		871,667	480,731
Transaction-related contingent items	1,650,656		825,328	455,485
Short-term self-liquidating trade-related contingencies	845,499		169,100	145,049
	<b>3,367,822</b>		<b>1,866,095</b>	<b>1,081,265</b>
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	32,717,922		16,358,858	13,162,692
- not exceeding one year	24,655,304		4,931,062	4,044,967
Unutilised credit card lines	9,013,251		1,802,650	1,351,987
Forward asset purchases	1,245,104		1,245,104	156,040
	<b>67,631,581</b>		<b>24,337,674</b>	<b>18,715,686</b>
<b>Derivative Financial Instruments</b>				
Foreign exchange related contracts:				
- up to one year	34,818,300	369,183	776,093	284,840
- more than one year to five years	1,896,811	-	131,858	65,929
Interest/profit rate related contracts:				
- up to one year	940,750	572	1,512	622
- more than one year to five years	4,677,523	197,866	354,944	85,706
- more than five years	302,745	10,065	30,344	12,069
Commodity related contracts:				
- up to one year	950	-	10	10
	<b>42,637,079</b>	<b>577,686</b>	<b>1,294,761</b>	<b>449,176</b>
<b>Total Off-Balance Sheet Exposures</b>	<b>113,636,482</b>	<b>577,686</b>	<b>27,498,530</b>	<b>20,246,127</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

<b>Group</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk- Weighted Assets RM'000</b>
<b>31 December 2021</b>				
<b>Contingent Liabilities</b>				
Direct credit substitutes	891,923		891,923	513,693
Transaction-related contingent items	1,664,588		832,294	444,934
Short-term self-liquidating trade-related contingencies	590,441		118,088	110,261
	<u>3,146,952</u>		<u>1,842,305</u>	<u>1,068,888</u>
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	30,666,767		15,333,224	12,253,352
- not exceeding one year	24,830,576		4,966,116	4,056,950
Unutilised credit card lines	8,641,625		1,728,325	1,296,244
Forward asset purchases	153,293		153,293	30,659
	<u>64,292,261</u>		<u>22,180,958</u>	<u>17,637,205</u>
<b>Derivative Financial Instruments</b>				
Foreign exchange related contracts:				
- up to one year	25,806,073	93,553	414,097	149,602
- more than one year to five years	3,095,975	7,836	205,968	102,984
Interest/profit rate related contracts:				
- up to one year	3,047,185	-	4,423	1,822
- more than one year to five years	2,479,447	33,042	113,550	25,637
- more than five years	775,115	6,000	47,007	11,654
Commodity related contracts:				
- up to one year	453	3	8	8
	<u>35,204,248</u>	<u>140,434</u>	<u>785,053</u>	<u>291,707</u>
<b>Total Off-Balance Sheet Exposures</b>	<u>102,643,461</u>	<u>140,434</u>	<u>24,808,316</u>	<u>18,997,800</u>



**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

<b>Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk- Weighted Assets RM'000</b>
<b>30 June 2022</b>				
<b>Bank (excluding Public Bank (L) Ltd.)</b>				
<b>Contingent Liabilities</b>				
Direct credit substitutes	825,365		825,365	446,451
Transaction-related contingent items	1,347,294		673,647	336,209
Short-term self-liquidating trade-related contingencies	239,372		47,874	44,686
	<b>2,412,031</b>		<b>1,546,886</b>	<b>827,346</b>
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	24,835,912		12,417,857	9,997,996
- not exceeding one year	19,835,600		3,967,120	3,145,130
Unutilised credit card lines	8,675,579		1,735,116	1,301,337
Forward asset purchases	1,166,452		1,166,452	140,310
	<b>54,513,543</b>		<b>19,286,545</b>	<b>14,584,773</b>
<b>Derivative Financial Instruments</b>				
Foreign exchange related contracts:				
- up to one year	34,136,696	368,251	772,647	284,151
- more than one year to five years	1,896,811	-	131,858	65,929
Interest rate related contracts:				
- up to one year	1,440,750	1,659	3,099	939
- more than one year to five years	7,455,775	213,036	470,018	103,316
- more than five years	200,000	4,344	16,343	3,269
Commodity related contracts:				
- up to one year	950	-	10	10
	<b>45,130,982</b>	<b>587,290</b>	<b>1,393,975</b>	<b>457,614</b>
<b>Total</b>	<b>102,056,556</b>	<b>587,290</b>	<b>22,227,406</b>	<b>15,869,733</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
<b>Bank</b>				
<b>30 June 2022</b>				
<b>Public Bank (L) Ltd.</b>				
<b>Contingent Liabilities</b>				
Direct credit substitutes	11,019		11,019	6,613
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	39,026		19,512	19,512
- not exceeding one year	87,109		17,422	17,415
	126,135		36,934	36,927
<b>Derivative Financial Instruments</b>				
Interest rate related contracts:				
- more than one year to five years	321,748	10,917	18,011	9,004
- more than five years	202,745	5,721	20,003	10,001
	524,493	16,638	38,014	19,005
<b>Total</b>	661,647	16,638	85,967	62,545
<b>Total Off-Balance Sheet Exposures of the Bank and Public Bank (L) Ltd.</b>	102,718,203	603,928	22,313,373	15,932,278

**3. Credit Risk (Cont'd.)**

**3.2 Off-Balance Sheet Exposures (Cont'd.)**

**Composition of Off-Balance Sheet Exposures (Cont'd.)**

<b>Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk- Weighted Assets RM'000</b>
<b>31 December 2021</b>				
<b>Bank (excluding Public Bank (L) Ltd.)</b>				
<b>Contingent Liabilities</b>				
Direct credit substitutes	848,101		848,101	481,080
Transaction-related contingent items	1,377,248		688,624	335,291
Short-term self-liquidating trade-related contingencies	122,482		24,496	21,595
	<u>2,347,831</u>		<u>1,561,221</u>	<u>837,966</u>
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	22,987,311		11,493,503	9,176,664
- not exceeding one year	20,108,246		4,021,649	3,188,051
Unutilised credit card lines	8,334,502		1,666,900	1,250,175
Forward asset purchases	7,333		7,333	1,467
	<u>51,437,392</u>		<u>17,189,385</u>	<u>13,616,357</u>
<b>Derivative Financial Instruments</b>				
Foreign exchange related contracts:				
- up to one year	24,699,330	89,873	405,370	144,329
- more than one year to five years	3,095,975	7,836	205,968	102,984
Interest rate related contracts:				
- up to one year	3,547,185	4,823	10,496	3,037
- more than one year to five years	4,775,000	106,125	268,875	53,775
- more than five years	1,250,000	31,670	96,170	19,235
Commodity related contracts:				
- up to one year	453	3	8	8
	<u>37,367,943</u>	<u>240,330</u>	<u>986,887</u>	<u>323,368</u>
<b>Total</b>	<u>91,153,166</u>	<u>240,330</u>	<u>19,737,493</u>	<u>14,777,691</u>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

<b>Bank</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk- Weighted Assets RM'000</b>
<b>31 December 2021</b>				
<b>Public Bank (L) Ltd.</b>				
<b>Contingent Liabilities</b>				
Direct credit substitutes	10,426		10,426	6,256
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	18,944		9,472	9,472
- not exceeding one year	72,240		14,448	14,442
	91,184		23,920	23,914
<b>Derivative Financial Instruments</b>				
Interest rate related contracts:				
- more than one year to five years	304,447	-	9,759	4,879
- more than five years	125,115	-	7,507	3,753
	429,562	-	17,266	8,632
<b>Total</b>	531,172	-	51,612	38,802
<b>Total Off-Balance Sheet Exposures of the Bank and Public Bank (L) Ltd.</b>	91,684,338	240,330	19,789,105	14,816,493

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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.

<b>Group Exposure Class</b>	<b>Total Exposures before Credit Risk Mitigation RM'000</b>	<b>Total Exposures Covered by Guarantees RM'000</b>	<b>Total Exposures Covered by Eligible Financial Collateral RM'000</b>	<b>Total Exposures Covered by Other Eligible Collateral RM'000</b>
<b>30 June 2022</b>				
<b>On-Balance Sheet Exposures</b>				
Sovereigns/Central Banks	69,106,819	-	-	-
Public Sector Entities	1,687,057	1,365,580	-	-
Banks, DFIs and MDBs	18,176,233	187,433	-	-
Insurance Companies, Securities Firms and Fund Managers	504,050	577	241	-
Corporates	86,990,483	10,519,018	3,284,959	-
Regulatory Retail	146,791,072	1,117,676	1,226,063	-
Residential Mortgages	141,218,627	-	300,409	-
Higher Risk Assets	83,309	-	21	-
Other Assets	7,428,385	-	-	-
Equity Exposures	758,911	-	-	-
Defaulted Exposures	4,230,995	-	6,565	-
	<b>476,975,941</b>	<b>13,190,284</b>	<b>4,818,258</b>	<b>-</b>
<b>Off-Balance Sheet Exposures</b>				
Credit-related Exposures	24,949,083	58,082	678,213	-
Derivative Financial Instruments	1,294,761	-	-	-
Other Treasury-related Exposures	1,245,104	-	-	-
Defaulted Exposures	9,582	-	-	-
	<b>27,498,530</b>	<b>58,082</b>	<b>678,213</b>	<b>-</b>
<b>Total Credit Exposures</b>	<b>504,474,471</b>	<b>13,248,366</b>	<b>5,496,471</b>	<b>-</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

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

<b>Group Exposure Class</b>	<b>Total Exposures before Credit Risk Mitigation RM'000</b>	<b>Total Exposures Covered by Guarantees RM'000</b>	<b>Total Exposures Covered by Eligible Financial Collateral RM'000</b>	<b>Total Exposures Covered by Other Eligible Collateral RM'000</b>
<b>31 December 2021</b>				
<b>On-Balance Sheet Exposures</b>				
Sovereigns/Central Banks	60,090,045	-	-	-
Public Sector Entities	1,742,348	1,438,560	-	-
Banks, DFIs and MDBs	20,208,996	187,604	-	-
Insurance Companies, Securities				
Firms and Fund Managers	533,168	485	137	-
Corporates	89,205,674	11,007,885	3,206,602	-
Regulatory Retail	143,101,891	1,246,031	1,187,690	-
Residential Mortgages	137,825,276	-	276,420	-
Higher Risk Assets	79,759	-	20	-
Other Assets	7,956,639	-	-	-
Equity Exposures	720,651	-	-	-
Defaulted Exposures	861,604	-	186	-
	<b>462,326,051</b>	<b>13,880,565</b>	<b>4,671,055</b>	<b>-</b>
<b>Off-Balance Sheet Exposures</b>				
Credit-related Exposures	23,864,328	69,442	658,395	-
Derivative Financial Instruments	785,053	-	-	-
Other Treasury-related Exposures	153,293	-	-	-
Defaulted Exposures	5,642	-	-	-
	<b>24,808,316</b>	<b>69,442</b>	<b>658,395</b>	<b>-</b>
<b>Total Credit Exposures</b>	<b>487,134,367</b>	<b>13,950,007</b>	<b>5,329,450</b>	<b>-</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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		
<b>30 June 2022</b>								
<b>On-Balance Sheet Exposures</b>								
(a) Rated Exposures								
(i) Exposures risk-weighted using ratings								
of Corporates								
- Corporates	15,352,201	1,496,740	194,538	-	-	-		17,043,479
- Regulatory Retail	40,202	-	-	-	-	-		40,202
	<b>15,392,403</b>	<b>1,496,740</b>	<b>194,538</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>17,083,681</b>
(ii) Exposures risk-weighted using ratings of								
Sovereigns and Central Banks <sup>#</sup>								
- Sovereigns and Central Banks	1,176,708	65,025,067	-	308,250	2,536,067	60,727		69,106,819
- Public Sector Entities	-	1,670,027	-	-	-	-		1,670,027
- Banks, DFIs and MDBs	-	187,434	-	-	-	-		187,434
- Insurance Companies, Securities Firms and Fund Managers	-	577	-	-	-	-		577
- Corporates	-	4,864,692	-	-	-	-		4,864,692
- Regulatory Retail	-	1,072,421	-	-	-	-		1,072,421
	<b>1,176,708</b>	<b>72,820,218</b>	<b>-</b>	<b>308,250</b>	<b>2,536,067</b>	<b>60,727</b>		<b>76,901,970</b>
(iii) Exposures risk-weighted using ratings of								
Banking Institutions								
- Banks, DFIs and MDBs	7,539,575	3,854,846	2,727,360	1,030,252	515,261	-		15,667,294
- Corporates	678,518	60,368	-	-	-	-		738,886
- Regulatory Retail	691	2,433	-	-	-	-		3,124
	<b>8,218,784</b>	<b>3,917,647</b>	<b>2,727,360</b>	<b>1,030,252</b>	<b>515,261</b>	<b>-</b>		<b>16,409,304</b>
(iv) Exposures risk-weighted using ratings of								
Insurance Companies, Securities Firms and Fund Managers								
- Insurance Companies, Securities Firms and Fund Managers	96,098	-	-	-	-	-		96,098
Total Rated Exposures	<b>24,883,993</b>	<b>78,234,605</b>	<b>2,921,898</b>	<b>1,338,502</b>	<b>3,051,328</b>	<b>60,727</b>		<b>110,491,053</b>
(b) Total Unrated Exposures							<b>366,484,888</b>	<b>366,484,888</b>
	<b>24,883,993</b>	<b>78,234,605</b>	<b>2,921,898</b>	<b>1,338,502</b>	<b>3,051,328</b>	<b>60,727</b>	<b>366,484,888</b>	<b>476,975,941</b>



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		
<b>30 June 2022</b>								
<b>Off-Balance Sheet Exposures</b>								
(a) Rated Exposures								
(i) Exposures risk-weighted using ratings of Corporates								
- Corporates	63,652	5,452	-	-	-	-		69,104
- Regulatory Retail	20	-	-	-	-	-		20
	<b>63,672</b>	<b>5,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>69,124</b>
(ii) Exposures risk-weighted using ratings of Sovereigns and Central Banks <sup>#</sup>								
- Sovereigns and Central Banks	-	494,591	-	-	-	-		494,591
(iii) Exposures risk-weighted using ratings of Banking Institutions								
- Banks, DFIs and MDBs	460,844	454,591	102,706	-	-	-		1,018,141
- Corporates	3,356	2,064	-	-	-	-		5,420
- Regulatory Retail	429	78	-	-	-	-		507
	<b>464,629</b>	<b>456,733</b>	<b>102,706</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,024,068</b>
Total Rated Exposures	<b>528,301</b>	<b>956,776</b>	<b>102,706</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>1,587,783</b>
(b) Total Unrated Exposures							<b>25,910,747</b>	<b>25,910,747</b>
	<b>528,301</b>	<b>956,776</b>	<b>102,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,910,747</b>	<b>27,498,530</b>
<b>Total Credit Exposures before Credit Risk Mitigation</b>	<b>25,412,294</b>	<b>79,191,381</b>	<b>3,024,604</b>	<b>1,338,502</b>	<b>3,051,328</b>	<b>60,727</b>	<b>392,395,635</b>	<b>504,474,471</b>

**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		
<b>31 December 2021</b>								
<b>On-Balance Sheet Exposures</b>								
<b>(a) Rated Exposures</b>								
<b>(i) Exposures risk-weighted using ratings of Corporates</b>								
- Corporates	15,979,900	1,547,876	145,421	-	-	-		17,673,197
- Regulatory Retail	44,150	-	-	-	-	-		44,150
	<u>16,024,050</u>	<u>1,547,876</u>	<u>145,421</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>17,717,347</u>
<b>(ii) Exposures risk-weighted using ratings of Sovereigns and Central Banks<sup>†</sup></b>								
- Sovereigns and Central Banks	998,714	56,466,833	-	254,190	2,251,499	118,808		60,090,044
- Public Sector Entities	-	1,728,166	-	-	-	-		1,728,166
- Banks, DFIs and MDBs	-	187,605	-	-	-	-		187,605
- Insurance Companies, Securities Firms and Fund Managers	-	485	-	-	-	-		485
- Corporates	-	5,562,363	-	-	-	-		5,562,363
- Regulatory Retail	-	1,192,044	-	-	-	-		1,192,044
	<u>998,714</u>	<u>65,137,496</u>	<u>-</u>	<u>254,190</u>	<u>2,251,499</u>	<u>118,808</u>		<u>68,760,707</u>
<b>(iii) Exposures risk-weighted using ratings of Banking Institutions</b>								
- Banks, DFIs and MDBs	7,677,103	5,724,996	3,568,759	610,708	338,900	-		17,920,466
- Corporates	668,079	56,477	-	-	-	-		724,556
- Regulatory Retail	4,280	3,226	-	-	-	-		7,506
	<u>8,349,462</u>	<u>5,784,699</u>	<u>3,568,759</u>	<u>610,708</u>	<u>338,900</u>	<u>-</u>		<u>18,652,528</u>
<b>(iv) Exposures risk-weighted using ratings of Insurance Companies, Securities Firms and Fund Managers</b>								
- Insurance Companies, Securities Firms and Fund Managers	97,488	-	-	-	-	-		97,488
Total Rated Exposures	25,469,714	72,470,071	3,714,180	864,898	2,590,399	118,808		105,228,070
<b>(b) Total Unrated Exposures</b>							357,097,981	357,097,981
	<u>25,469,714</u>	<u>72,470,071</u>	<u>3,714,180</u>	<u>864,898</u>	<u>2,590,399</u>	<u>118,808</u>	<u>357,097,981</u>	<u>462,326,051</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		
<b>31 December 2021</b>								
<b>Off-Balance Sheet Exposures</b>								
(a) Rated Exposures								
(i) Exposures risk-weighted using ratings of Corporates								
- Corporates	52,033	8,730	-	-	-	-		60,763
- Regulatory Retail	20	-	-	-	-	-		20
	<u>52,053</u>	<u>8,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>60,783</u>
(ii) Exposures risk-weighted using ratings of Sovereigns and Central Banks <sup>#</sup>								
- Sovereigns and Central Banks	-	20,644	-	-	-	-		20,644
(iii) Exposures risk-weighted using ratings of Banking Institutions								
- Banks, DFIs and MDBs	266,621	123,886	44,461	2,856	1,532	-		439,356
- Corporates	12,968	446	-	-	-	-		13,414
- Regulatory Retail	131	-	-	-	-	-		131
	<u>279,720</u>	<u>124,332</u>	<u>44,461</u>	<u>2,856</u>	<u>1,532</u>	<u>-</u>		<u>452,901</u>
Total Rated Exposures	331,773	153,706	44,461	2,856	1,532	-		534,328
(b) Total Unrated Exposures							24,273,988	24,273,988
	<u>331,773</u>	<u>153,706</u>	<u>44,461</u>	<u>2,856</u>	<u>1,532</u>	<u>-</u>	<u>24,273,988</u>	<u>24,808,316</u>
<b>Total Credit Exposures before Credit Risk Mitigation</b>	<u>25,801,487</u>	<u>72,623,777</u>	<u>3,758,641</u>	<u>867,754</u>	<u>2,591,931</u>	<u>118,808</u>	<u>381,371,969</u>	<u>487,134,367</u>

<sup>#</sup> 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		
<b>30 June 2022</b>												
0%	67,878,577	1,365,580	187,434	577	4,789,087	1,072,421	-	-	3,089,490	-	78,383,166	-
20%	399,208	325,128	11,387,535	96,098	16,097,726	41,342	-	-	1,789	-	28,348,826	5,669,765
35%	-	-	-	-	-	-	91,238,385	-	-	-	91,238,385	31,933,435
50%	2	-	7,550,977	-	1,641,324	25,313	35,790,191	-	-	-	45,007,807	22,503,904
75%	-	-	-	-	-	144,249,603	492,583	-	-	-	144,742,186	108,556,639
100%	1,383,490	-	706,989	447,031	66,081,599	15,459,291	17,716,375	-	4,337,106	758,911	106,890,792	106,890,792
150%	40,147	-	439,883	-	1,067,739	2,551,129	171,718	96,222	-	-	4,366,838	6,550,257
<b>Total</b>	<b>69,701,424</b>	<b>1,690,708</b>	<b>20,272,818</b>	<b>543,706</b>	<b>89,677,475</b>	<b>163,399,099</b>	<b>145,409,252</b>	<b>96,222</b>	<b>7,428,385</b>	<b>758,911</b>	<b>498,978,000</b>	<b>282,104,792</b>
Risk-Weighted Assets by Exposures	1,523,553	65,026	7,419,809	466,251	71,723,414	127,494,112	68,171,919	144,333	4,337,464	758,911	282,104,792	
Average Risk Weights	2.2%	3.8%	36.6%	85.8%	80.0%	78.0%	46.9%	150.0%	58.4%	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			
<b>31 December 2021</b>													
0%	58,663,968	1,438,560	187,605	485	5,545,426	1,192,044	-	-	3,594,218	-	-	70,622,306	-
20%	373,135	307,463	13,367,632	97,488	16,710,567	48,581	-	-	19,145	-	-	30,924,011	6,184,802
35%	-	-	-	-	-	-	90,751,498	-	-	-	-	90,751,498	31,763,024
50%	2	-	6,572,485	-	1,634,443	23,688	33,454,937	-	-	-	-	41,685,555	20,842,778
75%	-	-	-	-	-	140,531,695	558,777	-	-	-	-	141,090,472	105,817,854
100%	1,074,089	-	564,938	456,771	66,897,733	14,517,531	16,554,496	-	4,343,276	720,651	-	105,129,485	105,129,485
150%	99,509	-	524,033	-	577,859	283,360	23,342	93,487	-	-	-	1,601,590	2,402,385
<b>Total</b>	<b>60,210,703</b>	<b>1,746,023</b>	<b>21,216,693</b>	<b>554,744</b>	<b>91,366,028</b>	<b>156,596,899</b>	<b>141,343,050</b>	<b>93,487</b>	<b>7,956,639</b>	<b>720,651</b>	<b>-</b>	<b>481,804,917</b>	<b>272,140,328</b>
Risk-Weighted Assets by Exposures	1,297,981	61,493	7,310,756	476,269	71,923,856	120,362,902	65,499,085	140,230	4,347,105	720,651	-	272,140,328	-
Average Risk Weights	2.2%	3.5%	34.5%	85.9%	78.7%	76.9%	46.3%	150.0%	54.6%	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.)**

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		
<b>30 June 2022</b>												
0%	46,508,011	318,940	182,378	577	4,133,239	989,561	-	-	2,710,160	-	54,842,866	-
20%	134,620	19,714	8,838,872	-	12,925,179	41,342	-	-	-	-	21,959,727	4,391,945
35%	-	-	-	-	-	-	70,906,990	-	-	-	70,906,990	24,817,447
50%	2	-	2,177,785	-	1,049,769	13,762	26,714,093	-	-	-	29,955,411	14,977,706
75%	-	-	-	-	-	114,988,792	294,489	-	-	-	115,283,281	86,462,461
100%	-	-	1,043,855	83,886	51,743,844	6,411,652	11,854,614	-	3,058,845	6,901,013	81,097,709	81,097,709
150%	40,147	-	439,883	-	894,208	2,005,104	89,682	81,297	-	-	3,550,321	5,325,481
1250%	-	-	-	-	-	-	-	-	90,418	-	90,418	1,130,225
<b>Total</b>	<b>46,682,780</b>	<b>338,654</b>	<b>12,682,773</b>	<b>84,463</b>	<b>70,746,239</b>	<b>124,450,213</b>	<b>109,859,868</b>	<b>81,297</b>	<b>5,859,423</b>	<b>6,901,013</b>	<b>377,686,723</b>	<b>218,202,974</b>
Risk-Weighted Assets by Exposures	87,146	3,943	4,560,346	83,886	56,195,076	95,676,051	50,384,497	121,946	4,189,070	6,901,013	218,202,974	
Average Risk Weights	0.2%	1.2%	36.0%	99.3%	79.4%	76.9%	45.9%	150.0%	71.5%	100.0%	57.8%	
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.)**

<b>Bank Risk Weights</b>	<b>Credit Exposures after the Effect of Credit Risk Mitigation</b>										<b>Total Exposures after Credit Risk Mitigation RM'000</b>	<b>Total Risk-Weighted Assets RM'000</b>
	<b>Sovereigns/ Central Banks RM'000</b>	<b>Public Sector Entities RM'000</b>	<b>Banks, DFIs and MDBs RM'000</b>	<b>Insurance Companies, Securities Firms and Fund Managers RM'000</b>	<b>Corporates RM'000</b>	<b>Regulatory Retail RM'000</b>	<b>Residential Mortgages RM'000</b>	<b>Higher Risk Assets RM'000</b>	<b>Other Assets RM'000</b>	<b>Equity Exposures RM'000</b>		
<b>31 December 2021</b>												
0%	39,460,987	391,777	182,417	485	4,880,669	1,102,775	-	-	3,142,692	-	49,161,802	-
20%	125,180	16,798	11,235,368	-	13,602,521	48,581	-	-	-	-	25,028,448	5,005,690
35%	-	-	-	-	-	-	71,139,879	-	-	-	71,139,879	24,898,958
50%	2	-	2,055,663	-	1,091,413	12,093	25,056,666	-	-	-	28,215,837	14,107,919
75%	-	-	-	-	-	112,610,001	338,977	-	-	-	112,948,978	84,711,733
100%	-	-	893,555	59,310	52,783,336	5,967,718	11,232,384	-	3,445,616	6,785,194	81,167,113	81,167,113
150%	99,509	-	524,033	-	512,131	213,820	4,356	78,676	-	-	1,432,525	2,148,787
1250%	-	-	-	-	-	-	-	-	90,418	-	90,418	1,130,225
<b>Total</b>	<b>39,685,678</b>	<b>408,575</b>	<b>14,891,036</b>	<b>59,795</b>	<b>72,870,070</b>	<b>119,954,988</b>	<b>107,772,262</b>	<b>78,676</b>	<b>6,678,726</b>	<b>6,785,194</b>	<b>369,185,000</b>	<b>213,170,425</b>
Risk-Weighted Assets by Exposures	174,301	3,360	4,954,510	59,310	56,817,743	90,761,711	48,920,441	118,014	4,575,841	6,785,194	213,170,425	
Average Risk Weights	0.4%	0.8%	33.3%	99.2%	78.0%	75.7%	45.4%	150.0%	68.5%	100.0%	57.7%	
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**

<b>Group</b>	<b>30 June 2022</b> <b>RM'000</b>	<b>31 December 2021</b> <b>RM'000</b>
Purchase of securities	6,996	5,181
Purchase of transport vehicles	7,633,508	7,059,567
Purchase of landed properties	9,764,465	4,473,037
(Of which: - residential	7,450,016	3,460,853
- non-residential)	2,314,449	1,012,184
Purchase of fixed assets (excluding landed properties)	1,576	2,472
Personal use	512,699	342,667
Credit card	204,688	171,229
Construction	103,078	126,805
Working capital	549,722	545,861
Other purpose	13,925	56,582
	<b>18,790,657</b>	<b>12,783,401</b>
	<b>18,790,657</b>	<b>12,783,401</b>

**(ii) Geographical**

<b>Group</b>	<b>30 June 2022</b> <b>RM'000</b>	<b>31 December 2021</b> <b>RM'000</b>
Malaysia	18,023,394	11,969,610
Hong Kong & China	284,896	299,572
Cambodia	239,041	292,524
Other countries	243,326	221,695
	<b>18,790,657</b>	<b>12,783,401</b>
	<b>18,790,657</b>	<b>12,783,401</b>



**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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 2022 RM'000	Net Charge for the Period RM'000	Amounts Written Off/Other Movements RM'000	Individual Assessment Allowance at 30 June 2022 RM'000	Collective Assessment Allowance at 30 June 2022 RM'000	Total Impairment Allowances for Loans, Advances and Financing RM'000
<b>Group</b>							
<b>30 June 2022</b>							
Purchase of securities	34,850	8,040	1,083	-	9,123	1,807	10,930
Purchase of transport vehicles	137,132	13,752	2,899	799	17,450	1,271,894	1,289,344
Purchase of landed properties	448,186	11,358	1,728	(1,990)	11,096	1,373,678	1,384,774
(Of which: - residential	277,972	5,435	169	(1,194)	4,410	518,610	523,020
- non-residential)	170,214	5,923	1,559	(796)	6,686	855,068	861,754
Purchase of fixed assets (excluding landed properties)	11,477	4,239	(756)	223	3,706	3,448	7,154
Personal use	91,955	18,002	49,850	(44,875)	22,977	107,407	130,384
Credit card	11,246	-	-	-	-	46,673	46,673
Construction	14,587	30	(1)	2	31	126,859	126,890
Working capital	312,784	24,014	(72)	428	24,370	332,681	357,051
Other purpose	3,684	185	(58)	(5)	122	790,880	791,002
	<b>1,065,901</b>	<b>79,620</b>	<b>54,673</b>	<b>(45,418)</b>	<b>88,875</b>	<b>4,055,327</b>	<b>4,144,202</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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.)**

<b>Group</b>	<b>Credit-impaired Loans, Advances and Financing RM'000</b>	<b>Individual Assessment Allowance at 1 January 2021 RM'000</b>	<b>Net Charge for the Year RM'000</b>	<b>Amounts Written Off/Other Movements RM'000</b>	<b>Individual Assessment Allowance at 31 December 2021 RM'000</b>	<b>Collective Assessment Allowance at 31 December 2021 RM'000</b>	<b>Total Impairment Allowances for Loans, Advances and Financing RM'000</b>
<b>31 December 2021</b>							
Purchase of securities	33,996	-	8,040	-	8,040	1,900	9,940
Purchase of transport vehicles	151,752	6,359	7,356	37	13,752	1,287,144	1,300,896
Purchase of landed properties	514,620	5,564	10,390	(4,596)	11,358	1,233,319	1,244,677
(Of which: - residential	336,453	1,301	5,363	(1,229)	5,435	425,297	430,732
- non-residential)	178,167	4,263	5,027	(3,367)	5,923	808,022	813,945
Purchase of fixed assets (excluding landed properties)	10,655	2,176	2,467	(404)	4,239	3,273	7,512
Personal use	87,462	22,469	92,777	(97,244)	18,002	109,200	127,202
Credit card	8,048	-	-	-	-	47,039	47,039
Purchase of consumer durables	1	-	-	-	-	1	1
Construction	14,835	93	789	(852)	30	113,666	113,696
Working capital	275,638	16,632	9,033	(1,651)	24,014	304,752	328,766
Other purpose	4,916	30	1,011	(856)	185	794,375	794,560
	<b>1,101,923</b>	<b>53,323</b>	<b>131,863</b>	<b>(105,566)</b>	<b>79,620</b>	<b>3,894,669</b>	<b>3,974,289</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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**

<b>Group</b>	<b>Credit-impaired Loans, Advances and Financing RM'000</b>	<b>Individual Assessment Allowance at 1 January 2022 RM'000</b>	<b>Net Charge for the Period RM'000</b>	<b>Amounts Written Off/Other Movements RM'000</b>	<b>Individual Assessment Allowance at 30 June 2022 RM'000</b>	<b>Collective Assessment Allowance at 30 June 2022 RM'000</b>	<b>Total Impairment Allowances for Loans, Advances and Financing RM'000</b>
<b>30 June 2022</b>							
Malaysia	723,692	24,890	3,590	(2,411)	26,069	3,809,953	3,836,022
Hong Kong & China	161,987	35,171	50,235	(43,825)	41,581	118,283	159,864
Cambodia	70,211	-	-	-	-	86,175	86,175
Other countries	110,011	19,559	848	818	21,225	40,916	62,141
	<b>1,065,901</b>	<b>79,620</b>	<b>54,673</b>	<b>(45,418)</b>	<b>88,875</b>	<b>4,055,327</b>	<b>4,144,202</b>

<b>Group</b>	<b>Credit-impaired Loans, Advances and Financing RM'000</b>	<b>Individual Assessment Allowance at 1 January 2021 RM'000</b>	<b>Net Charge for the Year RM'000</b>	<b>Amounts Written Off/Other Movements RM'000</b>	<b>Individual Assessment Allowance at 31 December 2021 RM'000</b>	<b>Collective Assessment Allowance at 31 December 2021 RM'000</b>	<b>Total Impairment Allowances for Loans, Advances and Financing RM'000</b>
<b>31 December 2021</b>							
Malaysia	827,687	10,884	20,700	(6,694)	24,890	3,668,557	3,693,447
Hong Kong & China	132,655	31,103	100,812	(96,744)	35,171	114,321	149,492
Cambodia	28,751	-	-	-	-	73,672	73,672
Other countries	112,830	11,336	10,351	(2,128)	19,559	38,119	57,678
	<b>1,101,923</b>	<b>53,323</b>	<b>131,863</b>	<b>(105,566)</b>	<b>79,620</b>	<b>3,894,669</b>	<b>3,974,289</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- impaired (Stage 2) RM'000	Credit- impaired (Stage 3) RM'000	
<b>Group</b>				
At 1 January 2022	2,110,401	1,621,549	242,339	3,974,289
Changes due to loans, advances and financing recognised as at 1 January 2022:				-
- Transfer to Stage 1: 12-Month ECL	149,620	(148,997)	(623)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	175,760	(165,505)	(10,255)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(24,025)	36,239	(12,214)	-
	(2,115)	(19,731)	21,846	-
New loans, advances and financing originated	54,523	14,600	4,888	74,011
Net remeasurement due to changes in credit risk	(134,122)	137,459	118,584	121,921
Loans, advances and financing derecognised (other than write-off)	(31,264)	(25,833)	(13,291)	(70,388)
Modifications to contractual cash flows of loans, advances and financing	(5,431)	157,707	11,029	163,305
Amount written off	-	-	(131,068)	(131,068)
Exchange differences	4,796	2,367	4,969	12,132
<b>At 30 June 2022</b>	<b>2,148,523</b>	<b>1,758,852</b>	<b>236,827</b>	<b>4,144,202</b>
<b>Group</b>				
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	159,257	(138,993)	(20,264)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	193,750	(176,684)	(17,066)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(31,911)	56,458	(24,547)	-
	(2,582)	(18,767)	21,349	-
New loans, advances and financing originated	100,477	50,308	36,652	187,437
Net remeasurement due to changes in credit risk	534,960	170,268	223,540	928,768
Loans, advances and financing derecognised (other than write-off)	(56,765)	(109,868)	(26,679)	(193,312)
Modifications to contractual cash flows of loans, advances and financing	(6,292)	280,429	21,110	295,247
Changes in models / risk parameters	(149,787)	321,595	16	171,824
Amount written off	(3,667)	-	(267,038)	(270,705)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(93)	(93)
Exchange differences	3,322	976	2,379	6,677
<b>At 31 December 2021</b>	<b>2,110,401</b>	<b>1,621,549</b>	<b>242,339</b>	<b>3,974,289</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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.

<b>Group</b>	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>	<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>
<b>30 June 2022</b>				
Interest rate/rate of return risk	37,835,339	(36,626,916)	1,569,011	125,521
Foreign exchange risk	3,382,609	(625,892)	3,382,609	270,609
<b>Total</b>	<b>41,217,948</b>	<b>(37,252,808)</b>	<b>4,951,620</b>	<b>396,130</b>
<b>31 December 2021</b>				
Interest rate/rate of return risk	27,905,688	(27,574,102)	1,832,843	146,628
Foreign exchange risk	3,361,339	(778,669)	3,361,339	268,907
<b>Total</b>	<b>31,267,027</b>	<b>(28,352,771)</b>	<b>5,194,182</b>	<b>415,535</b>
<b>Bank</b>				
<b>30 June 2022</b>				
Interest rate risk	37,067,671	(35,859,246)	1,568,943	125,515
Foreign exchange risk	1,805,629	(3,464,995)	3,464,995	277,200
<b>Total</b>	<b>38,873,300</b>	<b>(39,324,241)</b>	<b>5,033,938</b>	<b>402,715</b>
<b>31 December 2021</b>				
Interest rate risk	26,931,238	(26,599,651)	1,830,721	146,458
Foreign exchange risk	1,860,746	(3,288,285)	3,288,285	263,063
<b>Total</b>	<b>28,791,984</b>	<b>(29,887,936)</b>	<b>5,119,006</b>	<b>409,521</b>

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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 2022		31 December 2021	
	-100 bps	+100 bps	-100 bps	+100 bps
	Increase/(Decrease)			
	←			→
	RM'000	RM'000	RM'000	RM'000
<b>Impact on Net Interest/ Profit Income ("NII/NPI")</b>				
Ringgit Malaysia	(1,052,746)	809,876	(979,708)	708,320
United States Dollars	(36,333)	24,105	(34,171)	20,789
Hong Kong Dollars	(48,001)	39,194	(50,607)	41,353
Other Currencies	(31,196)	27,557	(22,930)	19,613
<b>Total</b>	<b>(1,168,276)</b>	<b>900,732</b>	<b>(1,087,416)</b>	<b>790,075</b>

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

Ringgit Malaysia	2,759,765	(1,359,610)	2,547,455	(1,265,964)
United States Dollars	87,347	(17,896)	138,327	(51,392)
Hong Kong Dollars	(49,075)	102,791	(65,671)	116,125
Other Currencies	50,678	(31,732)	56,219	(36,684)
<b>Total</b>	<b>2,848,715</b>	<b>(1,306,447)</b>	<b>2,676,330</b>	<b>(1,237,915)</b>

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.

**PUBLIC BANK BERHAD**

Company Registration No.: 196501000672 (6463-H)

**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 2022		31 December 2021	
	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	1,657	1,657	1,614	1,614
<u>Privately held</u>				
For socio-economic purposes	757,254	757,254	719,036	719,036
Not for socio-economic purposes	41,205	61,808	39,333	59,000
	<b>798,459</b>	<b>819,062</b>	<b>758,369</b>	<b>778,036</b>
<b>Total</b>	<b>800,116</b>	<b>820,719</b>	<b>759,983</b>	<b>779,650</b>

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

Group	30 June 2022 RM'000	31 December 2021 RM'000
Realised gain recognised in other comprehensive income		
- Privately held equity investments	-	319
Unrealised revaluation gain/(loss) recognised in profit or loss		
- Privately held equity investments	22,083	(113,204)
Unrealised revaluation gain recognised in other comprehensive income		
- Privately held equity investments	15,888	12,974
- Publicly traded equity investments	43	232
	<b>15,931</b>	<b>13,206</b>

## **PUBLIC BANK BERHAD**

**Company Registration No.: 196501000672 (6463-H)**

### **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.

	<b>30 June 2022</b>		<b>31 December 2021</b>	
	<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>	<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirement at 8% RM'000</b>
Group	<b>21,522,881</b>	<b>1,721,830</b>	20,990,969	1,679,278
Bank	<b>14,368,841</b>	<b>1,149,507</b>	14,177,493	1,134,199

### **7. Shariah Non-Compliance Risk**

An amount of RM757 (31 December 2021: RM2,800) was recognised 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 of Public Islamic Bank Berhad 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 RM46,000 (31 December 2021: RM133,000) arising from the disposal of reclassified 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 RM44 (31 December 2021: RM106) was recognised as Shariah Non-Compliant income to be purified in accordance with the 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.