

**PUBLIC BANK BERHAD**  
**Company Registration No.: 196501000672 (6463-H)**  
**(Incorporated in Malaysia)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	Note	Group		Bank	
		31 March	31 December	31 March	31 December
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and balances with banks		14,292,207	14,075,699	9,270,160	8,485,285
Reverse repurchase agreements		3,981	8,208	3,981	8,208
Financial assets at fair value through profit or loss	A8	2,780,776	4,210,265	1,978,133	3,868,383
Derivative financial assets	A28	450,444	152,330	635,449	232,254
Financial investments at fair value through other comprehensive income	A9	46,786,700	40,153,493	32,913,099	25,996,097
Financial investments at amortised cost	A10	28,659,428	27,638,168	20,793,810	20,620,456
Loans, advances and financing	A11	330,870,511	328,476,494	257,057,425	256,270,074
Other assets	A12	2,549,076	2,147,400	2,410,176	2,200,892
Statutory deposits with Central Banks		5,874,809	10,044,185	3,218,616	6,953,274
Deferred tax assets		170,719	83,484	75,476	11,307
Collective investments		-	-	5,773,877	5,723,435
Investment in subsidiary companies		-	-	6,494,294	6,494,294
Investment in associated companies		71,858	75,080	45,000	45,000
Investment properties		765,136	753,095	-	-
Right-of-use assets		1,442,826	1,427,160	1,320,264	1,322,521
Property and equipment		1,149,737	1,142,575	605,869	618,579
Intangible assets		2,526,106	2,443,039	695,393	695,393
<b>TOTAL ASSETS</b>		<b>438,394,314</b>	<b>432,830,675</b>	<b>343,291,022</b>	<b>339,545,452</b>
<b>LIABILITIES</b>					
Deposits from customers	A13	355,089,592	353,340,475	269,088,492	268,259,690
Deposits from banks	A14	11,105,769	8,494,073	14,163,434	11,795,402
Obligations on securities sold under repurchase agreements		1,437,888	970,654	1,088,368	639,154
Bills and acceptances payable		197,536	234,786	197,219	234,409
Recourse obligations on loans sold to Cagamas		5,500,004	5,500,004	5,500,004	5,500,004
Derivative financial liabilities	A28	595,237	345,724	528,811	322,935
Debt securities issued and other borrowed funds	B9	12,475,890	12,317,450	10,348,108	10,223,214
Lease liabilities		1,090,395	1,087,808	1,350,013	1,344,637
Other liabilities	A15	5,806,929	5,196,397	4,430,675	3,734,769
Provision for tax expense and zakat		541,386	540,107	432,040	412,868
Deferred tax liabilities		59,640	56,993	-	-
<b>TOTAL LIABILITIES</b>		<b>393,900,266</b>	<b>388,084,471</b>	<b>307,127,164</b>	<b>302,467,082</b>

*The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the year ended 31 December 2019.*

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	Note	Group		Bank	
		31 March	31 December	31 March	31 December
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
<b>EQUITY</b>					
Share capital		9,417,653	9,417,653	9,417,653	9,417,653
Regulatory reserves		1,980,986	2,017,353	1,601,127	1,619,452
Other reserves		1,502,836	1,606,357	729,013	873,228
Retained profits		30,365,302	30,552,967	24,416,065	25,168,037
<b>Equity attributable to equity holders of the Bank</b>		<b>43,266,777</b>	<b>43,594,330</b>	<b>36,163,858</b>	<b>37,078,370</b>
Non-controlling interests		1,227,271	1,151,874	-	-
<b>TOTAL EQUITY</b>		<b>44,494,048</b>	<b>44,746,204</b>	<b>36,163,858</b>	<b>37,078,370</b>
<b>TOTAL LIABILITIES AND EQUITY</b>					
		<b>438,394,314</b>	<b>432,830,675</b>	<b>343,291,022</b>	<b>339,545,452</b>
<b>COMMITMENTS AND CONTINGENCIES</b>					
	A27	<b>97,848,665</b>	<b>94,315,048</b>	<b>86,877,497</b>	<b>84,291,554</b>
<b>CAPITAL ADEQUACY</b>					
	A30				
<b><u>Before deducting interim dividends</u> *</b>					
Common Equity Tier I Capital Ratio		13.260%	14.019%	11.943%	12.808%
Tier I Capital Ratio		13.317%	14.076%	11.988%	12.853%
Total Capital Ratio		16.540%	17.317%	15.367%	16.243%
<b><u>After deducting interim dividends</u> *</b>					
Common Equity Tier I Capital Ratio		13.260%	13.460%	11.943%	12.108%
Tier I Capital Ratio		13.317%	13.517%	11.988%	12.153%
Total Capital Ratio		16.540%	16.758%	15.367%	15.543%
<b>Net assets per share attributable to ordinary equity holders of the Bank (RM)</b>					
		<b>11.15</b>	<b>11.23</b>	<b>9.32</b>	<b>9.55</b>

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

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

<b>Group</b>	<b>Note</b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
		<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
Operating revenue		<b>5,515,180</b>	5,567,949	<b>5,515,180</b>	5,567,949
Interest income	A16	<b>3,957,289</b>	4,062,182	<b>3,957,289</b>	4,062,182
Interest expense	A17	<b>(2,120,873)</b>	(2,215,871)	<b>(2,120,873)</b>	(2,215,871)
Net interest income		<b>1,836,416</b>	1,846,311	<b>1,836,416</b>	1,846,311
Net income from Islamic banking business	A31 (b)	<b>341,343</b>	307,670	<b>341,343</b>	307,670
		<b>2,177,759</b>	2,153,981	<b>2,177,759</b>	2,153,981
Fee and commission income	A18 (a)	<b>640,139</b>	615,938	<b>640,139</b>	615,938
Fee and commission expense	A18 (b)	<b>(203,792)</b>	(196,695)	<b>(203,792)</b>	(196,695)
Net fee and commission income	A18	<b>436,347</b>	419,243	<b>436,347</b>	419,243
Net gains and losses on financial instruments	A19	<b>104,163</b>	57,913	<b>104,163</b>	57,913
Other operating income	A20	<b>77,782</b>	107,993	<b>77,782</b>	107,993
Net income		<b>2,796,051</b>	2,739,130	<b>2,796,051</b>	2,739,130
Other operating expenses	A21	<b>(999,549)</b>	(924,858)	<b>(999,549)</b>	(924,858)
Operating profit		<b>1,796,502</b>	1,814,272	<b>1,796,502</b>	1,814,272
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	A22	<b>(61,391)</b>	3,252	<b>(61,391)</b>	3,252
Allowance for impairment on other assets	A23	<b>(3,516)</b>	(366)	<b>(3,516)</b>	(366)
		<b>1,731,595</b>	1,817,158	<b>1,731,595</b>	1,817,158
Share of (loss) / profit after tax of equity accounted associated companies		<b>(4,448)</b>	2,102	<b>(4,448)</b>	2,102
Profit before tax expense and zakat		<b>1,727,147</b>	1,819,260	<b>1,727,147</b>	1,819,260
Tax expense and zakat	B5	<b>(385,213)</b>	(392,051)	<b>(385,213)</b>	(392,051)
Profit for the period		<b>1,341,934</b>	1,427,209	<b>1,341,934</b>	1,427,209
Profit for the period attributable to:					
- Equity holders of the Bank		<b>1,329,076</b>	1,410,093	<b>1,329,076</b>	1,410,093
- Non-controlling interests		<b>12,858</b>	17,116	<b>12,858</b>	17,116
		<b>1,341,934</b>	1,427,209	<b>1,341,934</b>	1,427,209
Earnings per share:					
- basic / diluted (sen)	B12	<b>34.2</b>	36.3	<b>34.2</b>	36.3

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

<b>Group</b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
Profit for the period	<b>1,341,934</b>	1,427,209	<b>1,341,934</b>	1,427,209
<b>Other comprehensive (loss) / income:</b>				
<u>Items that will not be reclassified to profit or loss:</u>				
Loss on remeasurements of defined benefit plans	<b>(210,536)</b>	-	<b>(210,536)</b>	-
Net change in revaluation of - Equity instruments	<b>42</b>	-	<b>42</b>	-
	<b>(210,494)</b>	-	<b>(210,494)</b>	-
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of:				
- Foreign operations	<b>461,158</b>	(100,753)	<b>461,158</b>	(100,753)
- Net investment hedge	<b>(233,545)</b>	61,294	<b>(233,545)</b>	61,294
Net change in revaluation of financial investments at fair value through other comprehensive income	<b>(18,867)</b>	154,677	<b>(18,867)</b>	154,677
Net change in cash flow hedges	<b>(110,356)</b>	(40,054)	<b>(110,356)</b>	(40,054)
	<b>98,390</b>	75,164	<b>98,390</b>	75,164
Income tax effect	<b>69,645</b>	(20,295)	<b>69,645</b>	(20,295)
Share of changes in associated companies' reserves	<b>1,224</b>	310	<b>1,224</b>	310
Other comprehensive (loss) / income for the period, net of tax	<b>(41,235)</b>	55,179	<b>(41,235)</b>	55,179
Total comprehensive income for the period	<b>1,300,699</b>	1,482,388	<b>1,300,699</b>	1,482,388
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	<b>1,225,302</b>	1,478,757	<b>1,225,302</b>	1,478,757
- Non-controlling interests	<b>75,397</b>	3,631	<b>75,397</b>	3,631
	<b>1,300,699</b>	1,482,388	<b>1,300,699</b>	1,482,388

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**FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

<b><u>Bank</u></b>	<b>Note</b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
		<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
Operating revenue		<b>3,762,070</b>	4,116,014	<b>3,762,070</b>	4,116,014
Interest income	A16	<b>3,524,658</b>	3,643,551	<b>3,524,658</b>	3,643,551
Interest expense	A17	<b>(2,029,450)</b>	(2,134,995)	<b>(2,029,450)</b>	(2,134,995)
Net interest income		<b>1,495,208</b>	1,508,556	<b>1,495,208</b>	1,508,556
Fee and commission income	A18 (a)	<b>249,226</b>	253,512	<b>249,226</b>	253,512
Fee and commission expense	A18 (b)	<b>(89,029)</b>	(93,922)	<b>(89,029)</b>	(93,922)
Net fee and commission income	A18	<b>160,197</b>	159,590	<b>160,197</b>	159,590
Net gains and losses on financial instruments	A19	<b>104,834</b>	55,028	<b>104,834</b>	55,028
Other operating (loss) / income	A20	<b>(88,324)</b>	272,345	<b>(88,324)</b>	272,345
Net income		<b>1,671,915</b>	1,995,519	<b>1,671,915</b>	1,995,519
Other operating expenses	A21	<b>(638,930)</b>	(591,830)	<b>(638,930)</b>	(591,830)
Operating profit		<b>1,032,985</b>	1,403,689	<b>1,032,985</b>	1,403,689
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	A22	<b>(20,584)</b>	33,969	<b>(20,584)</b>	33,969
Allowance for impairment on other assets	A23	<b>(2,825)</b>	(460)	<b>(2,825)</b>	(460)
Profit before tax expense and zakat		<b>1,009,576</b>	1,437,198	<b>1,009,576</b>	1,437,198
Tax expense and zakat	B5	<b>(226,765)</b>	(308,672)	<b>(226,765)</b>	(308,672)
Profit for the period		<b>782,811</b>	1,128,526	<b>782,811</b>	1,128,526

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**FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2020**

<b><u>Bank</u></b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
Profit for the period	<b>782,811</b>	1,128,526	<b>782,811</b>	1,128,526
<b>Other comprehensive (loss) / income:</b>				
<u>Items that will not be reclassified to profit or loss:</u>				
Loss on remeasurements of defined benefit plans	<b>(208,178)</b>	-	<b>(208,178)</b>	-
Net change in revaluation of - Equity instruments	<b>42</b>	-	<b>42</b>	-
	<b>(208,136)</b>	-	<b>(208,136)</b>	-
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of foreign operations	<b>13,996</b>	(2,898)	<b>13,996</b>	(2,898)
Net change in revaluation of financial investments at fair value through other comprehensive income	<b>7,714</b>	95,105	<b>7,714</b>	95,105
Net change in cash flow hedges	<b>(8,097)</b>	(12,118)	<b>(8,097)</b>	(12,118)
	<b>13,613</b>	80,089	<b>13,613</b>	80,089
Income tax effect	<b>50,055</b>	(19,821)	<b>50,055</b>	(19,821)
Other comprehensive (loss) / income for the period, net of tax	<b>(144,468)</b>	60,268	<b>(144,468)</b>	60,268
Total comprehensive income for the period	<b>638,343</b>	1,188,794	<b>638,343</b>	1,188,794

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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

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

<u>Group</u>	<u>Attributable to Equity Holders of the Bank</u>				Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Regulatory Reserves RM'000	Other Reserves RM'000	<u>Distributable</u> Reserves Retained Profits RM'000			
<b>At 1 January 2020</b>	9,417,653	2,017,353	1,606,357	30,552,967	43,594,330	1,151,874	44,746,204
Profit for the period	-	-	-	1,329,076	1,329,076	12,858	1,341,934
Other comprehensive (loss) / income for the period	-	-	(103,774)	-	(103,774)	62,539 *	(41,235)
Total comprehensive (loss) / income for the period	-	-	(103,774)	1,329,076	1,225,302	75,397	1,300,699
Transactions with owners / other equity movements:							
Transfer to statutory reserves	-	-	253	(253)	-	-	-
Transfer from regulatory reserves	-	(36,367)	-	36,367	-	-	-
Dividends paid	-	-	-	(1,552,855)	(1,552,855)	-	(1,552,855)
	-	(36,367)	253	(1,516,741)	(1,552,855)	-	(1,552,855)
<b>At 31 March 2020</b>	<b>9,417,653</b>	<b>1,980,986</b>	<b>1,502,836</b>	<b>30,365,302</b>	<b>43,266,777</b>	<b>1,227,271</b>	<b>44,494,048</b>

\* This represents non-controlling interests' share of currency translation differences in respect of foreign operations.

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**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

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

**Non-distributable Reserves**      **Distributable**  
**Reserves**

<b><u>Group</u></b>	<b>Share Capital RM'000</b>	<b>Regulatory Reserves RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Shareholders' Equity RM'000</b>	<b>Non- controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
At 1 January 2019	9,417,653	1,806,123	1,431,367	28,060,197	40,715,340	1,122,353	41,837,693
Profit for the period	-	-	-	1,410,093	1,410,093	17,116	1,427,209
Other comprehensive income / (loss) for the period	-	-	68,664	-	68,664	(13,485)	55,179
Total comprehensive income for the period	-	-	68,664	1,410,093	1,478,757	3,631	1,482,388
Transactions with owners / other equity movements:							
Transfer to regulatory reserves	-	93,372	-	(93,372)	-	-	-
Dividends paid	-	-	-	(1,436,391)	(1,436,391)	-	(1,436,391)
	-	93,372	-	(1,529,763)	(1,436,391)	-	(1,436,391)
At 31 March 2019	9,417,653	1,899,495	1,500,031	27,940,527	40,757,706	1,125,984	41,883,690

\* This represents non-controlling interests' share of currency translation differences in respect of foreign operations.

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**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	<----- Attributable to Equity Holders of the Bank ----->				
	<u>Non-distributable Reserves</u>			<u>Distributable Reserves</u>	
<u>Bank</u>	Share Capital RM'000	Regulatory Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2020</b>	9,417,653	1,619,452	873,228	25,168,037	37,078,370
Profit for the period	-	-	-	782,811	782,811
Other comprehensive loss for the period	-	-	(144,468)	-	(144,468)
Total comprehensive (loss) / income for the period	-	-	(144,468)	782,811	638,343
Transactions with owners / other equity movements:					
Transfer to statutory reserves	-	-	253	(253)	-
Transfer from regulatory reserves	-	(18,325)	-	18,325	-
Dividends paid	-	-	-	(1,552,855)	(1,552,855)
	-	(18,325)	253	(1,534,783)	(1,552,855)
<b>At 31 March 2020</b>	<b>9,417,653</b>	<b>1,601,127</b>	<b>729,013</b>	<b>24,416,065</b>	<b>36,163,858</b>

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**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	<----- Attributable to Equity Holders of the Bank ----->				Total Equity RM'000
	Share Capital RM'000	Regulatory Reserves RM'000	Other Reserves RM'000	Distributable Reserves Retained Profits RM'000	
<b>Bank</b>					
At 1 January 2019	9,417,653	1,461,892	849,167	23,298,266	35,026,978
Profit for the period	-	-	-	1,128,526	1,128,526
Other comprehensive income for the period	-	-	60,268	-	60,268
Total comprehensive income for the period	-	-	60,268	1,128,526	1,188,794
Transactions with owners / other equity movements:					
Transfer to regulatory reserves	-	86,956	-	(86,956)	-
Dividends paid	-	-	-	(1,436,391)	(1,436,391)
	-	86,956	-	(1,523,347)	(1,436,391)
At 31 March 2019	9,417,653	1,548,848	909,435	22,903,445	34,779,381

*The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the year ended 31 December 2019.*

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Cash Flows from Operating Activities</b>				
Profit before tax expense and zakat	1,727,147	1,819,260	1,009,576	1,437,198
Adjustments for non-cash items:				
Share of loss / (profit) after tax of equity accounted associated companies	4,448	(2,102)	-	-
Allowance for impairment on loans and financing	126,254	54,180	45,016	306
Depreciation of right-of-use assets and property and equipment	91,611	85,315	70,703	68,392
Net gain on financial instruments	(97,659)	(51,711)	(98,215)	(48,931)
Dividend income	(94)	(104)	(78,584)	(133,524)
Allowance for impairment on other assets	3,516	366	2,825	460
Other non-cash items	(637)	(22,119)	(1,588)	(1,445)
Operating profit before working capital changes	<u>1,854,586</u>	<u>1,883,085</u>	<u>949,733</u>	<u>1,322,456</u>
Changes in working capital:				
Decrease / (Increase) in operating assets	2,666,626	(5,396,258)	4,458,313	(3,099,982)
Increase / (Decrease) in operating liabilities	4,913,130	617,723	4,066,929	(3,070,700)
Cash generated from / (used in) operations	<u>9,434,342</u>	<u>(2,895,450)</u>	<u>9,474,975</u>	<u>(4,848,226)</u>
Tax expense and zakat paid	(398,700)	(338,387)	(221,889)	(212,334)
Net cash generated from / (used in) operating activities	<u>9,035,642</u>	<u>(3,233,837)</u>	<u>9,253,086</u>	<u>(5,060,560)</u>
<b>Cash Flows from Investing Activities</b>				
Purchase of property and equipment	(44,043)	(37,077)	(21,093)	(23,240)
Addition to investment properties	(164)	-	-	-
Proceeds from disposal of properties	2,627	11,310	2,171	11,308
Net (purchase) / sale of financial investments	(7,537,055)	4,352,545	(6,974,048)	4,229,859
Investment in collective investments	-	-	(50,442)	(51,192)
Dividends received	94	104	145,836	477,062
Net cash (used in) / generated from investing activities	<u>(7,578,541)</u>	<u>4,326,882</u>	<u>(6,897,576)</u>	<u>4,643,797</u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the year ended 31 December 2019.*

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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	Group		Bank	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Cash Flows from Financing Activities</b>				
Dividends paid	(1,552,855)	(1,436,391)	(1,552,855)	(1,436,391)
Net drawdown of borrowings	361	312	-	-
Repayment of lease liabilities	(34,441)	(31,436)	(26,495)	(24,689)
Net cash used in financing activities	<u>(1,586,935)</u>	<u>(1,467,515)</u>	<u>(1,579,350)</u>	<u>(1,461,080)</u>
Net change in cash and cash equivalents	(129,834)	(374,470)	776,160	(1,877,843)
Cash and cash equivalents at beginning of the year	12,191,838	13,320,248	7,922,755	9,416,853
Exchange differences on translation of opening balances	<u>385,398</u>	<u>(92,026)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the period	<u>12,447,402</u>	<u>12,853,752</u>	<u>8,698,915</u>	<u>7,539,010</u>
Note:				
Cash and balances with banks	14,292,207	14,299,109	9,270,160	7,639,010
Less: Balances with banks with original maturity more than three months	<u>(1,844,805)</u>	<u>(1,445,357)</u>	<u>(571,245)</u>	<u>(100,000)</u>
Cash and cash equivalents at end of the period	<u>12,447,402</u>	<u>12,853,752</u>	<u>8,698,915</u>	<u>7,539,010</u>

*The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the year ended 31 December 2019.*

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**Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting Issued by Bank Negara Malaysia**

**A1. Basis of Preparation**

The unaudited condensed interim financial statements for the 1st quarter ended 31 March 2020 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss ("FVTPL"), financial investments at fair value through other comprehensive income ("FVOCI"), derivative financial instruments and investment properties.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2019. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2019.

The unaudited condensed interim financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2019, except for the adoption of the following during the current financial period:

Effective for annual periods commencing on or after 1 January 2020

- Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)

**Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)** - These amendments provide relief on existing hedge accounting requirements from potential effects of the uncertainty caused by inter-bank offer rates. Companies would continue to apply those hedge accounting requirements assuming that the interest rate benchmark associated with the hedged item, hedged risk and/or hedging instruments are based is not altered as a result of the interest rate benchmark reform. In addition, companies are not required to apply the retrospective assessment under MFRS 139, but continue to apply hedge accounting to a hedging relationship for which effectiveness is outside of the 80% - 125% range during the period of uncertainty arising from the reform. The adoption of these amendments did not have any financial impact to the Group and the Bank.

Capital Adequacy Frameworks and Capital Adequacy Frameworks for Islamic Banks (Capital Components)

The Capital Adequacy Frameworks and Capital Adequacy Frameworks for Islamic Banks (Capital Components) were updated and reissued by Bank Negara Malaysia ("BNM") on 5 February 2020 for application with effect from 5 February 2020.

The updates focused mainly on the incorporation of Higher Loss Absorbency ("HLA") requirement that is applicable to financial institutions designated as domestic systemically important banks ("D-SIBs"). To meet the HLA requirement which is effective on 31 January 2021, financial institutions designated as D-SIBs by BNM are required to hold and maintain a capital buffer of between 0.5% to 1.0% of risk weighted assets at the consolidated level.

Arising from this, an additional capital buffer of 0.5% of risk-weighted assets (i.e. under Bucket 1) are required to be maintained by the Group above the minimum regulatory requirement with effect from 31 January 2021.

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**A1. Basis of Preparation (continued)**

Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Outbreak

On 25 March 2020, BNM implemented additional measures to assist borrowers/customers experiencing temporary financial constraints due to the COVID-19. The key measures affecting regulatory and accounting treatment and classifications are as follows:

- i) Moratorium on repayment/payment of loans/financing
  - a) Banking institutions will grant an automatic moratorium on all loan/financing repayments/payments, principal and interest (except for credit card balances) by individuals and small-medium enterprise ("SME") borrowers/customers for a period of 6 months from 1 April 2020. The automatic moratorium is applicable to loans/financing that are:
    - i) not in arrears exceeding 90 days as at 1 April 2020; and
    - ii) denominated in Malaysian Ringgit.
  - b) For credit card balances, banking institutions shall offer borrowers/customers the option to convert their credit card balances into a term loan.
  - c) For corporate borrowers/customers, banking institutions are strongly encouraged to facilitate requests for a moratorium on loan/financing repayment/payment, additional financing to support immediate cash flows and the rescheduling and restructuring ("R&R") of existing facilities in a way that will enable viable corporations to preserve jobs and swiftly resume economic activities when conditions stabilise and improve.

For loans/financing above with arrears not exceeding 90 days which are granted a moratorium, conversion to term loan/financing or R&R and received by banking institutions on or before 31 December 2020, and pursuant to section 47(1) of the Financial Services Act 2013 ("FSA") and section 57(1) of the Islamic Financial Services Act 2013 ("IFSA"), the following regulatory treatment shall apply:

- a) The moratorium period is excluded in the determination of the period in arrears for the purpose of regulatory and accounting classifications;
  - b) The loans/financing need not be reported as R&R in the Central Credit Reference Information System ("CCRIS"); and
  - c) The R&R loans/financing need not be classified as credit-impaired in CCRIS.
- ii) Drawdown of prudential buffers

Banking institutions are allowed with immediate effect to:

- a) Drawdown the capital conservation buffer of 2.5%;
- b) Operate below the minimum Liquidity Coverage Ratio ("LCR") of 100%;
- c) Reduce the regulatory reserves held against expected losses to 0%; and
- d) Minimum Net Stable Funding Ratio ("NSFR") which will be effective on 1 July 2020 is lowered to 80% from 100%.

However, banking institutions are required to rebuild the said buffers after 31 December 2020 and restore them to the minimum regulatory requirements by 30 September 2021. BNM will review this timeline if current expectations change materially. As at 31 March 2020, the Group and the Bank continued to maintain capital conservation buffer of 2.5%, LCR of above 100% and in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

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**A1. Basis of Preparation (continued)**

MFRS 9 Financial Instruments and financial reporting requirements

Whilst MFRS 9 requires the consideration of all reasonable and supportable information, including forward-looking information, in the measurement of expected credit losses, given the unprecedented circumstances and sudden onset of the COVID-19 pandemic, there is limited supportable information available at this juncture to forecast the full impact of the COVID-19 outbreak. Hence, in determining the expected credit losses of the Group and the Bank for this period, judgment has been exercised based on information available on-hand, which is believed to be still limited and will likely be still subject to high level of uncertainties. The following are the key factors which are still subject to high level of uncertainties and where judgement have been exercised in the determination of the Group's and Bank's expected credit losses:

i) Economic scenarios and probability-weights

In line with general consensus, the global and domestic economy are expected to experience significant shock in 2020, weighed by unprecedented measures taken, such as Movement Control Order, business closures and social distancing, to contain the COVID-19 outbreak. Nevertheless, the economic shock from the pandemic is expected to be temporary in nature mainly due to the expected positive impact of significant government measures to mitigate the effects of the expected challenges and there's a likelihood that economic activities would rebound after that. As such, the impact of COVID-19 is expected to mainly affect the 12-month expected credit losses. The Group and Bank will continue to review and monitor closely if current expectations change materially.

ii) Assessment of significant increase in credit risk

The Group and the Bank take cognisance that relief assistance available, i.e. automatic moratorium as well as rescheduling and restructuring for eligible borrowers, during this period are granted as part of an unprecedented government effort to support the economy amid the COVID-19 outbreak, rather than in response to the financial circumstances of individual borrowers. This is because eligibility criteria is broad and borrowers need not have exhibit any changes in ability to meet its debt obligations in order to access the relief. Hence, in the absence of other factors relevant to the assessment of whether there has been a significant increase in credit risk, the relief assistance provided do not automatically result in a stage transfer. Judgement is exercised, adapted and based on information on-hand, in the estimation of a general deterioration of credit risk for loans where relief assistance is provided for the purposes of the determination of expected credit losses.

The following Malaysian Financial Reporting Standard ("MFRS") and Amendments to MFRS have been issued by MASB but are not yet effective to the Group and the Bank:

Effective for annual periods commencing on or after 1 January 2021

- MFRS 17 Insurance Contracts

Effective for annual periods commencing on or after 1 January 2022

- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)

**MFRS 17 Insurance Contracts** - MFRS 17 introduces consistent accounting for all insurance contracts based on a current measurement model. Under MFRS 17, the general model requires entities to recognise and measure a group of insurance contracts at: (i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus (ii) an amount representing the unearned profit in the group of contracts. The adoption of MFRS 17 is not expected to have any material financial impact on the financial statements of the Group as the Group's insurance business is immaterial.

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**A1. Basis of Preparation (continued)**

**Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)** - The amendments provide clarification on the requirements for classifying liabilities as current or non-current, and specifically on the following:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.
- The amendments clarify the situations that are considered settlement of a liability.

The adoption of the amendments is not expected to have any financial impact on the financial statements of the Group.

**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2019 was not qualified.

**A3. Comments about Seasonal or Cyclical Factors**

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors in the current financial period.

**A4. Unusual Items Due to Their Nature, Size or Incidence**

Other than the impact of COVID-19 outbreak and the measures implemented by BNM to assist borrowers/customers affected by the outbreak, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank in the current financial period.

**A5. Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial year.

**A6. Debt and Equity Securities**

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Group and the Bank.

**A7. Dividends Paid and Distributed**

During the 1st quarter ended 31 March 2020, a second interim dividend of 40.0 sen per share for the financial year ended 31 December 2019, amounting to RM1,552,855,339 was paid on 20 March 2020.



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**A8. Financial Assets at Fair Value through Profit or Loss ("FVTPL")**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Treasury Bills	49,729	-	49,729	-
Malaysian Government Securities	1,285,442	2,166,786	1,285,442	2,166,786
Malaysian Government Investment Issues	223,022	1,313,536	223,022	1,281,657
	<u>1,558,193</u>	<u>3,480,322</u>	<u>1,558,193</u>	<u>3,448,443</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	747,176	249,541	-	-
<b>Non-money market instruments:</b>				
Equity securities:				
- Unquoted shares in Malaysia	445,428	445,428	419,940	419,940
Debt securities:				
- Unquoted corporate bonds / sukuk	29,979	34,974	-	-
	<u>475,407</u>	<u>480,402</u>	<u>419,940</u>	<u>419,940</u>
Total financial assets at FVTPL	<u>2,780,776</u>	<u>4,210,265</u>	<u>1,978,133</u>	<u>3,868,383</u>

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**A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI")**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>At fair value</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Securities	<b>16,623,024</b>	11,982,825	<b>16,452,986</b>	11,819,642
Malaysian Government Investment Issues	<b>21,304,604</b>	21,806,968	<b>11,383,592</b>	11,477,222
Other foreign government securities	<b>162,027</b>	160,557	-	-
	<b><u>38,089,655</u></b>	<u>33,950,350</u>	<b><u>27,836,578</u></b>	<u>23,296,864</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<b><u>2,798,634</u></b>	<u>426,813</u>	<b><u>2,798,634</u></b>	<u>426,813</u>
<b>Non-money market instruments:</b>				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	<b>1,276</b>	1,556	-	-
- Unquoted shares	<b>353,491</b>	351,538	<b>346,854</b>	345,113
Debt securities:				
- Cagamas bonds	<b>609,135</b>	610,409	<b>505,080</b>	507,554
- Unquoted corporate bonds / sukuk	<b>4,921,562</b>	4,799,974	<b>1,425,953</b>	1,419,753
Unit trust funds	<b>12,947</b>	12,853	-	-
	<b><u>5,898,411</u></b>	<u>5,776,330</u>	<b><u>2,277,887</u></b>	<u>2,272,420</u>
Total financial investments at FVOCI	<b><u><u>46,786,700</u></u></b>	<u><u>40,153,493</u></u>	<b><u><u>32,913,099</u></u></b>	<u><u>25,996,097</u></u>

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**A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI") (continued)**

The following expected credit losses ("ECL") for debt instruments are not recognised in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	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 2020	7,616	796	-	8,412
New financial investments purchased	2,516	270	-	2,786
Net allowance made	32	-	-	32
Amount derecognised	(1,408)	-	-	(1,408)
Exchange differences	19	47	-	66
At 31 March 2020	<u>8,775</u>	<u>1,113</u>	<u>-</u>	<u>9,888</u>
At 1 January 2019	7,371	1,225	-	8,596
New financial investments purchased	6,796	135	-	6,931
Net allowance made	210	-	-	210
Amount derecognised	(6,734)	(541)	-	(7,275)
Change in models / risk parameters	(23)	-	-	(23)
Exchange differences	(4)	(23)	-	(27)
At 31 December 2019	<u>7,616</u>	<u>796</u>	<u>-</u>	<u>8,412</u>
<b>Bank</b>				
At 1 January 2020	4,352	-	-	4,352
New financial investments purchased	2,227	-	-	2,227
Net allowance written back	(1)	-	-	(1)
Amount derecognised	(1,051)	-	-	(1,051)
At 31 March 2020	<u>5,527</u>	<u>-</u>	<u>-</u>	<u>5,527</u>
At 1 January 2019	4,860	-	-	4,860
New financial investments purchased	4,984	-	-	4,984
Net allowance written back	(493)	-	-	(493)
Amount derecognised	(4,998)	-	-	(4,998)
Change in models / risk parameters	(1)	-	-	(1)
At 31 December 2019	<u>4,352</u>	<u>-</u>	<u>-</u>	<u>4,352</u>

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**A10. Financial Investments at Amortised Cost**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>At amortised cost</b>				
<b>Government securities and treasury bills:</b>				
Malaysian Government Securities	1,161,082	1,016,394	1,161,082	1,016,394
Malaysian Government Investment Issues	7,454,669	7,098,076	4,027,851	4,030,824
Foreign Government Treasury Bills	1,110,605	1,118,597	36,752	34,236
Other foreign government securities	1,076,213	1,232,825	7,214	6,835
	<u>10,802,569</u>	<u>10,465,892</u>	<u>5,232,899</u>	<u>5,088,289</u>
<b>Money market instruments:</b>				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,598,486</u>	<u>1,163,001</u>	<u>1,322,552</u>	<u>1,310,142</u>
<b>Non-money market instruments:</b>				
Debt securities:				
- Cagamas bonds	5,601,247	5,605,977	5,601,247	5,605,977
- Unquoted corporate bonds / sukuk	10,661,889	10,407,844	8,640,946	8,619,793
	<u>16,263,136</u>	<u>16,013,821</u>	<u>14,242,193</u>	<u>14,225,770</u>
Allowance for impairment	(4,763)	(4,546)	(3,834)	(3,745)
Total financial investments at amortised cost	<u>28,659,428</u>	<u>27,638,168</u>	<u>20,793,810</u>	<u>20,620,456</u>

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**A10. Financial Investments at Amortised Cost (continued)**

Movements in allowances for impairment on debt instruments which reflect the 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 2020	4,527	-	19	4,546
New financial investments purchased	237	-	-	237
Net allowance made	3	-	-	3
Amount derecognised	(102)	-	-	(102)
Exchange differences	79	-	-	79
At 31 March 2020	<u>4,744</u>	<u>-</u>	<u>19</u>	<u>4,763</u>
At 1 January 2019	4,097	-	19	4,116
New financial investments purchased	556	-	-	556
Net allowance made	140	-	-	140
Amount derecognised	(341)	-	-	(341)
Change in models / risk parameters	(3)	-	-	(3)
Exchange differences	78	-	-	78
At 31 December 2019	<u>4,527</u>	<u>-</u>	<u>19</u>	<u>4,546</u>
<b>Bank</b>				
At 1 January 2020	3,726	-	19	3,745
New financial investments purchased	26	-	-	26
Net allowance made	3	-	-	3
Exchange differences	60	-	-	60
At 31 March 2020	<u>3,815</u>	<u>-</u>	<u>19</u>	<u>3,834</u>
At 1 January 2019	3,481	-	19	3,500
New financial investments purchased	179	-	-	179
Net allowance made	71	-	-	71
Amount derecognised	(80)	-	-	(80)
Change in models / risk parameters	(4)	-	-	(4)
Amount written off	79	-	-	79
At 31 December 2019	<u>3,726</u>	<u>-</u>	<u>19</u>	<u>3,745</u>

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**A11. Loans, Advances and Financing**

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<b>At amortised cost</b>				
Overdrafts	10,666,199	11,181,394	7,523,278	7,939,545
Term loans / financing				
- Housing loans / financing	123,961,104	121,626,130	96,603,645	95,310,475
- Syndicated term loans / financing	3,906,795	3,762,298	1,148,996	1,134,368
- Hire purchase receivables	51,828,186	51,552,787	40,909,997	40,583,747
- Other term loans / financing	124,490,899	124,159,645	96,656,653	96,806,613
Credit card receivables	1,952,977	2,161,229	1,912,227	2,113,070
Bills receivables	138,916	108,825	110,377	87,066
Trust receipts	210,596	254,153	138,332	152,614
Claims on customers under acceptance credits	3,208,946	3,551,070	2,965,657	3,254,785
Revolving credits	10,461,364	10,076,109	8,723,131	8,537,705
Staff loans *	2,058,081	2,034,801	1,795,829	1,784,760
Gross loans, advances and financing	<u>332,884,063</u>	<u>330,468,441</u>	<u>258,488,122</u>	<u>257,704,748</u>
Allowance for impairment on loans and financing:				
- Expected credit losses	(2,013,552)	(1,991,947)	(1,430,697)	(1,434,674)
- Stage 1: 12-Month ECL	(996,952)	(970,934)	(683,464)	(670,917)
- Stage 2: Lifetime ECL not credit-impaired	(669,529)	(649,912)	(535,206)	(535,186)
- Stage 3: Lifetime ECL credit-impaired	(347,071)	(371,101)	(212,027)	(228,571)
Net loans, advances and financing	<u>330,870,511</u>	<u>328,476,494</u>	<u>257,057,425</u>	<u>256,270,074</u>

\* Included in staff loans of the Group and of the Bank are loans to Directors of subsidiary companies amounting to RM7,473,000 (2019: RM7,613,000) and RM7,245,000 (2019 - RM7,370,000) respectively.

a) By class

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Retail loans / financing *				
- Housing loans / financing	123,961,121	121,626,147	96,603,645	95,310,475
- Hire purchase	51,602,333	51,347,164	40,909,997	40,583,747
- Credit cards	1,952,977	2,161,229	1,912,227	2,113,070
- Other loans / financing ^	107,925,939	108,217,642	81,445,732	82,218,399
	<u>285,442,370</u>	<u>283,352,182</u>	<u>220,871,601</u>	<u>220,225,691</u>
Corporate loans / financing	47,441,693	47,116,259	37,616,521	37,479,057
	<u>332,884,063</u>	<u>330,468,441</u>	<u>258,488,122</u>	<u>257,704,748</u>

\* Included in retail loans/financing are loans/financing granted to individual borrowers and mid-market commercial enterprises.

^ Included in other loans/financing are term loans, trade financing, overdrafts and revolving credits.

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**A11. Loans, Advances and Financing (continued)**

b) By type of customer

	Group		Bank	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Non-bank financial institutions				
- Stock-broking companies	5,676	1,210	5,676	1,210
- Others	13,537,891	12,995,158	11,926,394	11,407,279
Business enterprises				
- Small and medium enterprises	67,784,870	68,397,014	55,087,011	55,665,614
- Others	28,898,526	28,904,318	22,414,319	22,770,623
Government and statutory bodies	1,032,081	1,020,098	16,206	14,325
Individuals	217,801,410	215,333,895	167,231,416	166,003,229
Other entities	31,970	31,808	25,004	24,939
Foreign entities	3,791,639	3,784,940	1,782,096	1,817,529
	<b>332,884,063</b>	<b>330,468,441</b>	<b>258,488,122</b>	<b>257,704,748</b>

c) By interest/profit rate sensitivity

	Group		Bank	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans / financing	920,275	849,134	31,613	39,532
- Hire purchase receivables	49,130,153	48,956,560	40,742,627	40,412,009
- Other fixed rate loans / financing	21,194,667	21,679,909	9,990,174	10,572,924
Variable rate				
- Base rate / base lending rate plus	211,052,401	209,523,638	175,827,346	175,186,208
- Cost plus	35,852,645	35,281,822	31,524,132	31,130,503
- Other variable rates	14,733,922	14,177,378	372,230	363,572
	<b>332,884,063</b>	<b>330,468,441</b>	<b>258,488,122</b>	<b>257,704,748</b>

d) By residual contractual maturity

	Group		Bank	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	29,747,440	30,074,737	20,497,977	20,934,050
More than one year to three years	29,209,613	28,380,117	23,104,510	22,617,780
More than three years to five years	32,982,828	33,530,946	26,153,015	26,812,787
More than five years	240,944,182	238,482,641	188,732,620	187,340,131
	<b>332,884,063</b>	<b>330,468,441</b>	<b>258,488,122</b>	<b>257,704,748</b>

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**A11. Loans, Advances and Financing (continued)**

e) By geographical distribution

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Malaysia	<b>308,785,097</b>	307,164,075	<b>257,665,505</b>	256,906,982
Hong Kong SAR and the People's Republic of China	<b>15,670,811</b>	15,164,688	-	-
Cambodia	<b>4,772,268</b>	4,720,804	-	-
Other countries	<b>3,655,887</b>	3,418,874	<b>822,617</b>	797,766
	<b><u>332,884,063</u></b>	<u>330,468,441</u>	<b><u>258,488,122</u></b>	<u>257,704,748</u>

f) Gross loans, advances and financing by economic purpose

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Purchase of securities	<b>4,113,843</b>	4,215,419	<b>3,603,687</b>	3,686,897
Purchase of transport vehicles	<b>52,041,650</b>	51,770,061	<b>41,130,468</b>	40,810,981
Purchase of landed properties	<b>210,636,326</b>	207,792,100	<b>168,416,359</b>	167,126,742
(of which: - residential	<b>128,253,920</b>	125,850,883	<b>100,226,675</b>	98,888,486
- non-residential)	<b>82,382,406</b>	81,941,217	<b>68,189,684</b>	68,238,256
Purchase of fixed assets (excluding landed properties)	<b>436,524</b>	433,035	<b>83,578</b>	83,595
Personal use	<b>13,816,431</b>	13,648,878	<b>7,352,327</b>	7,316,469
Credit card	<b>1,952,977</b>	2,161,229	<b>1,912,227</b>	2,113,070
Purchase of consumer durables	<b>784</b>	801	<b>89</b>	101
Construction	<b>7,263,995</b>	7,401,779	<b>5,652,385</b>	5,808,391
Mergers and acquisitions	<b>9,729</b>	9,730	<b>9,729</b>	9,730
Working capital	<b>37,841,884</b>	38,576,599	<b>25,736,408</b>	26,456,630
Other purpose	<b>4,769,920</b>	4,458,810	<b>4,590,865</b>	4,292,142
	<b><u>332,884,063</u></b>	<u>330,468,441</u>	<b><u>258,488,122</u></b>	<u>257,704,748</u>



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**A11. Loans, Advances and Financing (continued)**

g) Gross loans, advances and financing by sectors

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Agriculture, hunting, forestry and fishing	3,509,724	3,545,062	2,476,257	2,524,728
Mining and quarrying	320,437	334,813	152,272	165,225
Manufacturing	10,868,978	11,004,846	8,197,220	8,345,617
Electricity, gas and water	166,554	162,295	48,133	47,363
Construction	12,933,972	12,903,477	9,917,635	9,878,302
Wholesale & retail trade and restaurants & hotels	27,122,431	27,306,914	22,233,911	22,475,527
Transport, storage and communication	4,202,755	4,153,801	3,045,026	3,033,476
Finance, insurance and business services	19,791,107	19,332,370	16,583,674	16,036,222
Real estate	32,069,563	32,182,576	25,320,498	25,915,549
Community, social and personal services	3,208,131	3,190,201	1,848,732	1,844,962
Households	217,289,360	214,862,347	168,607,627	167,387,862
Others	1,401,051	1,489,739	57,137	49,915
	<u>332,884,063</u>	<u>330,468,441</u>	<u>258,488,122</u>	<u>257,704,748</u>

h) Loans, advances and financing pledged as collateral are as follows:

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Bankers' acceptances rediscounted	<u>3,000</u>	<u>25,814</u>	<u>3,000</u>	<u>25,814</u>

i) Movements in credit-impaired ("impaired") loans, advances and financing are as follows:

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	1,604,919	1,620,733	1,144,133	1,143,782
Impaired during the period / year	577,407	3,066,488	378,458	2,106,495
Reclassified as non-impaired	(459,882)	(2,172,788)	(333,994)	(1,559,030)
Recoveries	(76,449)	(357,532)	(50,326)	(265,130)
Amount written off	(115,945)	(470,169)	(49,635)	(212,200)
Loans / financing converted to foreclosed properties	(19,050)	(78,196)	(17,926)	(68,007)
Exchange differences	15,348	(3,617)	5,233	(1,777)
Closing balance	<u>1,526,348</u>	<u>1,604,919</u>	<u>1,075,943</u>	<u>1,144,133</u>
Gross impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.46%</u>	<u>0.49%</u>	<u>0.42%</u>	<u>0.44%</u>

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**A11. Loans, Advances and Financing (continued)**

j) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Malaysia	1,208,719	1,310,329	962,003	1,031,067
Hong Kong SAR and the People's Republic of China	121,785	103,643	-	-
Cambodia	43,383	45,233	-	-
Other countries	152,461	145,714	113,940	113,066
	<u>1,526,348</u>	<u>1,604,919</u>	<u>1,075,943</u>	<u>1,144,133</u>

k) Impaired loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Purchase of securities	-	724	-	724
Purchase of transport vehicles	205,844	241,765	136,530	161,236
Purchase of landed properties	822,335	856,891	640,166	672,131
(of which: - residential	603,576	629,565	448,160	470,280
- non-residential)	218,759	227,326	192,006	201,851
Purchase of fixed assets (excluding landed properties)	15,431	8,523	657	992
Personal use	141,775	153,351	48,567	57,930
Credit card	19,803	17,983	18,646	17,035
Purchase of consumer durables	-	1	-	1
Construction	56,588	57,119	51,722	52,463
Working capital	253,672	256,412	168,792	169,509
Other purpose	10,900	12,150	10,863	12,112
	<u>1,526,348</u>	<u>1,604,919</u>	<u>1,075,943</u>	<u>1,144,133</u>

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**A11. Loans, Advances and Financing (continued)**

1) Impaired loans, advances and financing by sectors

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Agriculture, hunting, forestry and fishing	<b>20,816</b>	22,385	<b>20,789</b>	22,335
Mining and quarrying	<b>1,279</b>	1,579	<b>1,279</b>	1,577
Manufacturing	<b>65,161</b>	55,698	<b>41,034</b>	38,971
Electricity, gas and water	<b>5,085</b>	4,848	<b>12</b>	12
Construction	<b>104,244</b>	107,125	<b>88,694</b>	93,545
Wholesale & retail trade and restaurants & hotels	<b>150,347</b>	162,315	<b>117,341</b>	124,760
Transport, storage and communication	<b>16,644</b>	18,107	<b>10,636</b>	11,513
Finance, insurance and business services	<b>55,999</b>	55,947	<b>43,243</b>	44,343
Real estate	<b>43,464</b>	41,543	<b>40,716</b>	38,914
Community, social and personal services	<b>9,217</b>	9,367	<b>7,686</b>	7,789
Households	<b>1,026,481</b>	1,099,910	<b>703,239</b>	759,083
Others	<b>27,611</b>	26,095	<b>1,274</b>	1,291
	<b><u>1,526,348</u></b>	<u>1,604,919</u>	<b><u>1,075,943</u></b>	<u>1,144,133</u>

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**A11. Loans, Advances and Financing** (continued)

m) Movements in loss allowance for loans/financing which reflect the 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 2020	970,934	649,912	371,101	1,991,947
Changes due to loans, advances and financing recognised as at 1 January 2020:	83,042	(55,906)	(27,136)	-
- Transfer to Stage 1: 12-Month ECL	102,646	(90,261)	(12,385)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(18,760)	56,492	(37,732)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(844)	(22,137)	22,981	-
New loans, advances and financing originated	27,352	4,343	58	31,753
Net remeasurement due to changes in credit risk	(76,647)	94,713	122,281	140,347
Loans, advances and financing derecognised (other than write-off)	(12,492)	(24,835)	(8,984)	(46,311)
Modifications to contractual cash flows of loans, advances and financing	(1,041)	(715)	1,651	(105)
Amount written off	-	-	(115,945)	(115,945)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(179)	(179)
Exchange differences	5,804	2,017	4,224	12,045
At 31 March 2020	996,952	669,529	347,071	2,013,552

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**A11. Loans, Advances and Financing** (continued)

m) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	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 2019	1,086,325	546,221	409,867	2,042,413
Changes due to loans, advances and financing recognised as at 1 January 2019:	155,794	(75,640)	(80,154)	-
- Transfer to Stage 1: 12-Month ECL	190,971	(127,762)	(63,209)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(31,188)	78,567	(47,379)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(3,989)	(26,445)	30,434	-
New loans, advances and financing originated	114,040	123,702	63,838	301,580
Net remeasurement due to changes in credit risk	(199,150)	18,885	482,958	302,693
Loans, advances and financing derecognised (other than write-off)	(69,694)	(54,715)	(40,954)	(165,363)
Modifications to contractual cash flows of loans, advances and financing	(4,376)	5,162	7,942	8,728
Changes in models / risk parameters	(111,457)	86,480	2,068	(22,909)
Amount written off	-	-	(470,169)	(470,169)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(2,319)	(2,319)
Exchange differences	(548)	(183)	(1,976)	(2,707)
At 31 December 2019	970,934	649,912	371,101	1,991,947

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**A11. Loans, Advances and Financing** (continued)

m) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	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>Bank</b>				
At 1 January 2020	670,917	535,186	228,571	1,434,674
Changes due to loans and advances recognised as at 1 January 2020:	65,629	(37,605)	(28,024)	-
- Transfer to Stage 1: 12-Month ECL	78,259	(71,326)	(6,933)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(12,576)	38,574	(25,998)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(54)	(4,853)	4,907	-
New loans and advances originated	11,408	2,289	-	13,697
Net remeasurement due to changes in credit risk	(60,276)	58,883	66,364	64,971
Loans and advances derecognised (other than write-off)	(3,827)	(22,996)	(6,459)	(33,282)
Modifications to contractual cash flows of loans and advances	(916)	(551)	1,389	(78)
Amount written off	-	-	(49,635)	(49,635)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(179)	(179)
Exchange differences	529	-	-	529
At 31 March 2020	<u>683,464</u>	<u>535,206</u>	<u>212,027</u>	<u>1,430,697</u>

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**A11. Loans, Advances and Financing** (continued)

m) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	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>Bank</b>				
At 1 January 2019	775,726	452,091	239,052	1,466,869
Changes due to loans and advances recognised as at 1 January 2019:	90,850	(55,591)	(35,259)	-
- Transfer to Stage 1: 12-Month ECL	115,839	(101,354)	(14,485)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(24,185)	57,220	(33,035)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(804)	(11,457)	12,261	-
New loans and advances originated	63,975	103,929	3,791	171,695
Net remeasurement due to changes in credit risk	(119,939)	4,380	258,965	143,406
Loans and advances derecognised (other than write-off)	(35,988)	(50,624)	(31,937)	(118,549)
Modifications to contractual cash flows of loans and advances	(3,919)	5,199	7,189	8,469
Changes in models / risk parameters	(99,676)	75,802	1,134	(22,740)
Amount written off	-	-	(212,200)	(212,200)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(2,164)	(2,164)
Exchange differences	(112)	-	-	(112)
At 31 December 2019	<u>670,917</u>	<u>535,186</u>	<u>228,571</u>	<u>1,434,674</u>

**A12. Other Assets**

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Deferred handling fees	234,974	234,967	196,921	196,046
Interest / Income receivable	47,690	42,896	5,066	6,073
Other receivables, deposits and prepayments	1,170,012	1,005,633	820,012	767,756
Collateral pledged for derivative transactions	445,847	192,877	445,847	192,877
Employee benefits	-	48,430	-	47,633
Amount due from trust funds	290,422	230,324	-	-
Foreclosed properties	193,127	177,617	175,438	161,053
Outstanding contracts on clients' accounts	167,004	214,656	-	-
Amount due from subsidiary companies	-	-	52,401	47,711
Distribution receivable from collective investments	-	-	30,761	31,618
Dividend receivable from subsidiary companies	-	-	683,730	750,125
	<u>2,549,076</u>	<u>2,147,400</u>	<u>2,410,176</u>	<u>2,200,892</u>

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**A13. Deposits from Customers**

a) By type of deposit

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>At amortised cost</b>				
Core deposits:				
- Demand deposits	50,841,135	51,106,160	40,088,011	40,067,724
- Savings deposits	39,326,536	37,733,184	26,354,183	25,260,085
- Fixed deposits	207,309,320	205,806,430	150,885,227	149,042,566
	<u>297,476,991</u>	<u>294,645,774</u>	<u>217,327,421</u>	<u>214,370,375</u>
Negotiable instruments of deposit	-	22,979	-	-
Money market deposits	57,523,179	58,610,421	51,688,816	53,845,616
	<u>57,523,179</u>	<u>58,633,400</u>	<u>51,688,816</u>	<u>53,845,616</u>
Other deposits	89,422	61,301	72,255	43,699
	<u>355,089,592</u>	<u>353,340,475</u>	<u>269,088,492</u>	<u>268,259,690</u>

b) By type of customer

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Federal and state governments	8,350,848	7,510,524	5,103,693	5,155,389
Local government and statutory authorities	5,208,529	4,636,517	4,455,399	3,756,788
Business enterprises	93,287,935	93,749,815	73,882,510	74,933,430
Individuals	179,653,389	176,930,222	141,178,349	138,499,660
Foreign customers	9,804,287	9,821,754	4,566,918	4,382,060
Others	58,784,604	60,691,643	39,901,623	41,532,363
	<u>355,089,592</u>	<u>353,340,475</u>	<u>269,088,492</u>	<u>268,259,690</u>



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**A13. Deposits from Customers (continued)**

- c) The maturity structure of fixed deposits, negotiable instruments of deposit and money market deposits are as follows:

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Due within six months	223,893,190	224,301,309	170,252,312	168,700,151
More than six months to one year	40,741,476	39,961,843	32,155,994	34,046,661
More than one year to three years	194,307	173,570	163,525	139,173
More than three years to five years	3,526	3,108	2,212	2,197
	<u>264,832,499</u>	<u>264,439,830</u>	<u>202,574,043</u>	<u>202,888,182</u>

**A14. Deposits from Banks**

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<b>At amortised cost</b>				
Licensed banks	3,198,198	4,714,525	1,819,301	3,464,138
Licensed investment banks	479,454	458,211	361,616	206,023
Bank Negara Malaysia	295,832	349,466	279,425	332,098
Other financial institutions	7,132,285	2,971,871	11,703,092	7,793,143
	<u>11,105,769</u>	<u>8,494,073</u>	<u>14,163,434</u>	<u>11,795,402</u>

**A15. Other Liabilities**

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Interest / Income payable	2,294,932	2,085,618	1,805,621	1,599,710
Other payables and accruals	2,516,657	2,471,928	1,950,352	1,932,282
Collateral received for derivative transactions	312,271	47,566	312,271	47,566
Amount due to trust funds	144,116	91,313	-	-
Unprocessed sales and / or redemptions	56,847	144,024	-	-
Employee benefits	180,525	-	178,673	-
Accrued restoration costs	70,891	70,752	71,331	71,405
Allowance for impairment on loan / financing commitments and financial guarantees	53,675	52,944	43,438	43,730
Outstanding contracts on clients' accounts	153,748	206,265	-	-
Dividend payable to shareholders	23,267	25,987	23,267	2,814
Amount due to subsidiary companies	-	-	45,722	37,262
	<u>5,806,929</u>	<u>5,196,397</u>	<u>4,430,675</u>	<u>3,734,769</u>

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**A15. Other Liabilities (continued)**

Movements in the allowance for impairment on loan/financing commitments and financial guarantees are as follows:

Group	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	
At 1 January 2020	42,845	8,475	1,624	52,944
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2020:				
- Transfer to Stage 1: 12-Month ECL	1,933	(1,577)	(356)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	2,224	(2,205)	(19)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(290)	664	(374)	-
	(1)	(36)	37	-
New loan / financing commitments and financial guarantees originated	1,613	368	-	1,981
Net remeasurement due to changes in credit risk	(2,540)	1,897	175	(468)
Loan / financing commitments and financial guarantees derecognised	(554)	(367)	(13)	(934)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(1)	(6)	(2)	(9)
Exchange differences	160	1	-	161
At 31 March 2020	<b>43,456</b>	<b>8,791</b>	<b>1,428</b>	<b>53,675</b>
At 1 January 2019	53,063	8,273	1,147	62,483
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2019:				
- Transfer to Stage 1: 12-Month ECL	1,570	(1,255)	(315)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	2,233	(2,143)	(90)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(652)	979	(327)	-
	(11)	(91)	102	-
New loan / financing commitments and financial guarantees originated	4,353	2,212	110	6,675
Net remeasurement due to changes in credit risk	(15,434)	809	764	(13,861)
Loan / financing commitments and financial guarantees derecognised	(3,851)	(2,346)	(60)	(6,257)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(4)	(14)	(214)	(232)
Changes in models / risk parameters	3,162	797	192	4,151
Exchange differences	(14)	(1)	-	(15)
At 31 December 2019	<b>42,845</b>	<b>8,475</b>	<b>1,624</b>	<b>52,944</b>

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**A15. Other Liabilities (continued)**

Movements in the allowance for impairment on loan/financing commitments and financial guarantees are as follows (continued):

<b>Bank</b>	<b>Lifetime ECL</b>			<b>Total RM'000</b>
	<b>12-Month ECL (Stage 1) RM'000</b>	<b>Not Credit- Impaired (Stage 2) RM'000</b>	<b>Credit- Impaired (Stage 3) RM'000</b>	
At 1 January 2020	34,904	7,534	1,292	43,730
Changes due to loan commitments and and financial guarantees recognised as at 1 January 2020:	1,700	(1,476)	(224)	-
- Transfer to Stage 1: 12-Month ECL	1,941	(1,927)	(14)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(240)	483	(243)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1)	(32)	33	-
New loan commitments and financial guarantees originated	795	275	-	1,070
Net remeasurement due to changes in credit risk	(2,351)	1,631	149	(571)
Loan commitments and financial guarantees derecognised	(443)	(328)	(12)	(783)
Modifications to contractual cash flows of loan commitments and financial guarantees	(1)	(6)	(1)	(8)
At 31 March 2020	<b>34,604</b>	<b>7,630</b>	<b>1,204</b>	<b>43,438</b>
At 1 January 2019	34,345	7,065	1,012	42,422
Changes due to loan commitments and and financial guarantees recognised as at 1 January 2019:	1,142	(866)	(276)	-
- Transfer to Stage 1: 12-Month ECL	1,760	(1,698)	(62)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(608)	892	(284)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(10)	(60)	70	-
New loan commitments and financial guarantees originated	3,413	1,968	74	5,455
Net remeasurement due to changes in credit risk	(3,073)	968	602	(1,503)
Loan commitments and financial guarantees derecognised	(3,314)	(2,270)	(55)	(5,639)
Modifications to contractual cash flows of loan commitments and financial guarantees	(4)	(14)	(215)	(233)
Changes in models/risk parameters	2,395	683	150	3,228
At 31 December 2019	<b>34,904</b>	<b>7,534</b>	<b>1,292</b>	<b>43,730</b>

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**A16. Interest Income**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Group</u></b>				
Loans and advances	3,355,230	3,475,958	3,355,230	3,475,958
Balances with banks	66,114	46,581	66,114	46,581
Financial investments at fair value through other comprehensive income	277,929	290,315	277,929	290,315
Financial investments at amortised cost	221,676	216,120	221,676	216,120
Others	16,995	19,891	16,995	19,891
	<u>3,937,944</u>	<u>4,048,865</u>	<u>3,937,944</u>	<u>4,048,865</u>
Financial assets at fair value through profit or loss	19,345	13,317	19,345	13,317
	<u>3,957,289</u>	<u>4,062,182</u>	<u>3,957,289</u>	<u>4,062,182</u>
	<b>1st Quarter Ended</b>	<b>31 March</b>	<b>Three Months Ended</b>	<b>31 March</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Bank</u></b>				
Loans and advances	2,985,090	3,128,614	2,985,090	3,128,614
Balances with banks	59,260	30,317	59,260	30,317
Financial investments at fair value through other comprehensive income	229,634	241,201	229,634	241,201
Financial investments at amortised cost	210,575	208,222	210,575	208,222
Others	21,380	22,361	21,380	22,361
	<u>3,505,939</u>	<u>3,630,715</u>	<u>3,505,939</u>	<u>3,630,715</u>
Financial assets at fair value through profit or loss	18,719	12,836	18,719	12,836
	<u>3,524,658</u>	<u>3,643,551</u>	<u>3,524,658</u>	<u>3,643,551</u>

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**A17. Interest Expense**

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Deposits from banks	74,091	86,031	74,091	86,031
Deposits from customers	1,862,137	1,926,556	1,862,137	1,926,556
Loans sold to Cagamas	58,689	58,044	58,689	58,044
Debt securities issued and other borrowed funds	110,118	134,410	110,118	134,410
Others	15,838	10,830	15,838	10,830
	<u>2,120,873</u>	<u>2,215,871</u>	<u>2,120,873</u>	<u>2,215,871</u>
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Deposits from banks	81,646	93,519	81,646	93,519
Deposits from customers	1,767,956	1,838,578	1,767,956	1,838,578
Loans sold to Cagamas	58,689	58,044	58,689	58,044
Debt securities issued and other borrowed funds	104,683	130,337	104,683	130,337
Others	16,476	14,517	16,476	14,517
	<u>2,029,450</u>	<u>2,134,995</u>	<u>2,029,450</u>	<u>2,134,995</u>

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**A18. Net Fee and Commission Income**

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b><u>Group</u></b>				
(a) Fee and commission income:				
Commissions	139,032	146,080	139,032	146,080
Service charges and fees	75,090	83,237	75,090	83,237
Guarantee fees	6,911	9,304	6,911	9,304
Commitment fees	18,183	16,092	18,183	16,092
Unit trust management fees	264,749	256,824	264,749	256,824
Fee on sale of trust units	83,012	62,733	83,012	62,733
Brokerage and commissions from stockbroking activities	38,798	22,214	38,798	22,214
Other fee and commission income	14,364	19,454	14,364	19,454
	<u>640,139</u>	<u>615,938</u>	<u>640,139</u>	<u>615,938</u>
(b) Fee and commission expense:				
Unit trust agency fee	(109,501)	(99,827)	(109,501)	(99,827)
Debit / credit card related fee	(83,217)	(88,414)	(83,217)	(88,414)
Loan related fee	(3,610)	(3,537)	(3,610)	(3,537)
Other fee and commission expense	(7,464)	(4,917)	(7,464)	(4,917)
	<u>(203,792)</u>	<u>(196,695)</u>	<u>(203,792)</u>	<u>(196,695)</u>
Net fee and commission income	<u>436,347</u>	<u>419,243</u>	<u>436,347</u>	<u>419,243</u>
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b><u>Bank</u></b>				
(a) Fee and commission income:				
Commissions	164,305	158,034	164,305	158,034
Service charges and fees	53,323	57,407	53,323	57,407
Guarantee fees	6,440	8,287	6,440	8,287
Commitment fees	16,241	14,376	16,241	14,376
Other fee and commission income	8,917	15,408	8,917	15,408
	<u>249,226</u>	<u>253,512</u>	<u>249,226</u>	<u>253,512</u>
(b) Fee and commission expense:				
Debit / credit card related fee	(82,465)	(87,666)	(82,465)	(87,666)
Loan related fee	(3,209)	(2,905)	(3,209)	(2,905)
Other fee and commission expense	(3,355)	(3,351)	(3,355)	(3,351)
	<u>(89,029)</u>	<u>(93,922)</u>	<u>(89,029)</u>	<u>(93,922)</u>
Net fee and commission income	<u>160,197</u>	<u>159,590</u>	<u>160,197</u>	<u>159,590</u>

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**A19. Net Gains and Losses on Financial Instruments**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Group</u></b>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain on disposal	6,410	6,098	6,410	6,098
- unrealised revaluation (loss) / gain	<u>(2,012)</u>	<u>22,679</u>	<u>(2,012)</u>	<u>22,679</u>
	<u>4,398</u>	<u>28,777</u>	<u>4,398</u>	<u>28,777</u>
Net (loss) / gain arising on trading derivatives				
- unrealised revaluation (loss) / gain	<u>(450)</u>	<u>1</u>	<u>(450)</u>	<u>1</u>
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	106,171	30,842	106,171	30,842
- gross dividend income	94	104	94	104
	<u>106,265</u>	<u>30,946</u>	<u>106,265</u>	<u>30,946</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(1,298)	193	(1,298)	193
- cash flow hedge	<u>(4,752)</u>	<u>(2,004)</u>	<u>(4,752)</u>	<u>(2,004)</u>
	<u>(6,050)</u>	<u>(1,811)</u>	<u>(6,050)</u>	<u>(1,811)</u>
Net gains and losses on financial instruments	<u>104,163</u>	<u>57,913</u>	<u>104,163</u>	<u>57,913</u>

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**A19. Net Gains and Losses on Financial Instruments (continued)**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Bank</u></b>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain on disposal	6,619	6,097	6,619	6,097
- unrealised revaluation (loss) / gain	<u>(1,920)</u>	<u>21,451</u>	<u>(1,920)</u>	<u>21,451</u>
	<u>4,699</u>	<u>27,548</u>	<u>4,699</u>	<u>27,548</u>
Net (loss) / gain arising on trading derivatives				
- unrealised revaluation (loss) / gain	<u>(450)</u>	<u>1</u>	<u>(450)</u>	<u>1</u>
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	<u>105,360</u>	<u>29,450</u>	<u>105,360</u>	<u>29,450</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(23)	33	(23)	33
- cash flow hedge	<u>(4,752)</u>	<u>(2,004)</u>	<u>(4,752)</u>	<u>(2,004)</u>
	<u>(4,775)</u>	<u>(1,971)</u>	<u>(4,775)</u>	<u>(1,971)</u>
Net gains and losses on financial instruments	<u>104,834</u>	<u>55,028</u>	<u>104,834</u>	<u>55,028</u>



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**A20. Other Operating Income / (Loss)**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Group</u></b>				
Other income:				
Foreign exchange profit	50,713	61,509	50,713	61,509
Rental income from:				
- investment properties	3,834	3,910	3,834	3,910
- other properties	3,211	2,498	3,211	2,498
Net gain on disposal of property and equipment	534	44	534	44
Net gain on disposal of foreclosed properties	171	837	171	837
Net gain on revaluation of investment properties	-	21,946	-	21,946
Others	19,319	17,249	19,319	17,249
Total other operating income	<u>77,782</u>	<u>107,993</u>	<u>77,782</u>	<u>107,993</u>
	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Bank</u></b>				
Distribution income from collective investments	49,584	51,281	49,584	51,281
Dividend income from subsidiary companies - unquoted in Malaysia	29,000	82,243	29,000	82,243
	<u>78,584</u>	<u>133,524</u>	<u>78,584</u>	<u>133,524</u>
Other (loss) / income:				
Foreign exchange (loss) / gain	(188,174)	119,624	(188,174)	119,624
Rental income from other properties	3,805	3,097	3,805	3,097
Net gain on disposal of property and equipment	78	49	78	49
Net gain on disposal of foreclosed properties	171	837	171	837
Others	17,212	15,214	17,212	15,214
	<u>(166,908)</u>	<u>138,821</u>	<u>(166,908)</u>	<u>138,821</u>
Total other operating income	<u>(88,324)</u>	<u>272,345</u>	<u>(88,324)</u>	<u>272,345</u>

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**A21. Other Operating Expenses**

<u>Group</u>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel costs				
- Salaries, allowances and bonuses	<b>593,811</b>	543,557	<b>593,811</b>	543,557
- Pension costs	<b>86,222</b>	73,257	<b>86,222</b>	73,257
- Others	<b>47,823</b>	44,216	<b>47,823</b>	44,216
	<u><b>727,856</b></u>	<u>661,030</u>	<u><b>727,856</b></u>	<u>661,030</u>
Establishment costs				
- Depreciation	<b>91,611</b>	85,315	<b>91,611</b>	85,315
- Insurance	<b>5,903</b>	6,305	<b>5,903</b>	6,305
- Water and electricity	<b>12,397</b>	12,199	<b>12,397</b>	12,199
- General repairs and maintenance	<b>33,110</b>	30,014	<b>33,110</b>	30,014
- Information technology expenses	<b>14,951</b>	14,217	<b>14,951</b>	14,217
- Others	<b>22,331</b>	25,591	<b>22,331</b>	25,591
	<u><b>180,303</b></u>	<u>173,641</u>	<u><b>180,303</b></u>	<u>173,641</u>
Marketing expenses				
- Advertisement and publicity	<b>15,415</b>	14,075	<b>15,415</b>	14,075
- Others	<b>17,819</b>	20,144	<b>17,819</b>	20,144
	<u><b>33,234</b></u>	<u>34,219</u>	<u><b>33,234</b></u>	<u>34,219</u>
Administration and general expenses				
- Communication expenses	<b>13,594</b>	12,730	<b>13,594</b>	12,730
- Legal and professional fees	<b>8,829</b>	8,042	<b>8,829</b>	8,042
- Others	<b>35,733</b>	35,196	<b>35,733</b>	35,196
	<u><b>58,156</b></u>	<u>55,968</u>	<u><b>58,156</b></u>	<u>55,968</u>
Total other operating expenses	<u><b>999,549</b></u>	<u>924,858</u>	<u><b>999,549</b></u>	<u>924,858</u>

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**A21. Other Operating Expenses (continued)**

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	454,007	412,466	454,007	412,466
- Pension costs	74,415	63,028	74,415	63,028
- Others	39,558	36,426	39,558	36,426
	<u>567,980</u>	<u>511,920</u>	<u>567,980</u>	<u>511,920</u>
Establishment costs				
- Depreciation	70,703	68,392	70,703	68,392
- Insurance	4,845	5,298	4,845	5,298
- Water and electricity	8,584	8,679	8,584	8,679
- General repairs and maintenance	28,560	25,482	28,560	25,482
- Information technology expenses	6,681	6,820	6,681	6,820
- Others	11,240	13,298	11,240	13,298
	<u>130,613</u>	<u>127,969</u>	<u>130,613</u>	<u>127,969</u>
Marketing expenses				
- Advertisement and publicity	6,156	5,723	6,156	5,723
- Others	10,023	12,667	10,023	12,667
	<u>16,179</u>	<u>18,390</u>	<u>16,179</u>	<u>18,390</u>
Administration and general expenses				
- Communication expenses	9,937	9,178	9,937	9,178
- Legal and professional fees	5,431	5,557	5,431	5,557
- Others	18,543	19,141	18,543	19,141
	<u>33,911</u>	<u>33,876</u>	<u>33,911</u>	<u>33,876</u>
Cost of resource sharing charged to Public Islamic Bank Berhad *	(109,753)	(100,325)	(109,753)	(100,325)
Total other operating expenses	<u>638,930</u>	<u>591,830</u>	<u>638,930</u>	<u>591,830</u>

\* The type of resource sharing rendered by the Bank to Public Islamic Bank Berhad in Malaysia are as follows:

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Credit related	(48,488)	(44,378)	(48,488)	(44,378)
Non-credit branch support	(40,770)	(37,976)	(40,770)	(37,976)
Other administration function	(20,495)	(17,971)	(20,495)	(17,971)
	<u>(109,753)</u>	<u>(100,325)</u>	<u>(109,753)</u>	<u>(100,325)</u>

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**A22. Allowance / (Writeback of allowance) for Impairment on Loans, Advances and Financing**

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Group</b>				
Expected credit losses	126,254	54,180	126,254	54,180
Impaired loans and financing written off	16	7	16	7
Impaired loans and financing recovered	(64,879)	(57,439)	(64,879)	(57,439)
	<u>61,391</u>	<u>(3,252)</u>	<u>61,391</u>	<u>(3,252)</u>
	1st Quarter Ended	Three Months Ended		
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Bank</b>				
Expected credit losses	45,016	306	45,016	306
Impaired loans written off	16	7	16	7
Impaired loans recovered	(24,448)	(34,282)	(24,448)	(34,282)
	<u>20,584</u>	<u>(33,969)</u>	<u>20,584</u>	<u>(33,969)</u>

**A23. Allowance for Impairment on Other Assets**

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Group</b>				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	1,410	(842)	1,410	(842)
- Financial investments at amortised cost	138	126	138	126
- Deposits and placements with banks and other financial institutions	330	(5)	330	(5)
Allowance made / (written back) on:				
- Foreclosed properties	1,621	1,093	1,621	1,093
- Other receivables	17	(6)	17	(6)
	<u>3,516</u>	<u>366</u>	<u>3,516</u>	<u>366</u>
	1st Quarter Ended	Three Months Ended		
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Bank</b>				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	1,175	(719)	1,175	(719)
- Financial investments at amortised cost	29	86	29	86
Allowance made on :				
- Foreclosed properties	1,621	1,093	1,621	1,093
	<u>2,825</u>	<u>460</u>	<u>2,825</u>	<u>460</u>

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**A24. Segment Information**

	←----- Operating Segments -----→											Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	
<b>1st Quarter Ended 31 March 2020</b>												
External revenue	636,469	2,679,253	483,111	306,794	47,896	348,213	13,389	513,242	5,028,367	486,813	-	5,515,180
Revenue from other segments	312	491,445	8,414	402,727	201	12,572	334	115,906	1,031,911	22,278	(1,054,189)	-
	<b>636,781</b>	<b>3,170,698</b>	<b>491,525</b>	<b>709,521</b>	<b>48,097</b>	<b>360,785</b>	<b>13,723</b>	<b>629,148</b>	<b>6,060,278</b>	<b>509,091</b>	<b>(1,054,189)</b>	<b>5,515,180</b>
Net interest income / (expense) and Islamic banking income	170,368	1,283,593	146,643	(82,734)	6,954	2,595	(5,292)	348,700	1,870,827	306,940	(8)	2,177,759
Other income	635	170,095	7,905	84,926	19,770	221,481	1,906	68,640	575,358	55,789	(12,855)	618,292
Net income	171,003	1,453,688	154,548	2,192	26,724	224,076	(3,386)	417,340	2,446,185	362,729	(12,863)	2,796,051
Other operating expenses (Allowance) / Writeback of allowance for impairment on loans, advances and financing	(69,342)	(518,916)	(4,400)	(11,802)	(12,121)	(61,868)	(6,462)	(152,813)	(837,724)	(174,688)	12,863	(999,549)
Allowance for impairment on other assets	(23,055)	(33,394)	25,698	-	95	(4)	-	-	(30,660)	(30,731)	-	(61,391)
Profit / (Loss) by segments	-	(1,621)	-	(456)	(29)	-	(17)	(753)	(2,876)	(640)	-	(3,516)
	<b>78,606</b>	<b>899,757</b>	<b>175,846</b>	<b>(10,066)</b>	<b>14,669</b>	<b>162,204</b>	<b>(9,865)</b>	<b>263,774</b>	<b>1,574,925</b>	<b>156,670</b>	<b>-</b>	<b>1,731,595</b>
Reconciliation of segment profits to consolidated profits: Share of loss after tax of equity accounted associated companies									(4,448)	-		(4,448)
Profit before tax expense and zakat									<b>1,570,477</b>	<b>156,670</b>		<b>1,727,147</b>
Cost income ratio	40.6%	35.7%	2.8%	538.4%	45.4%	27.6%	-190.8%	36.6%	34.2%	48.2%		35.7%

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**A24. Segment Information (continued)**

	←----- Operating Segments -----→								Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000				
<b>1st Quarter Ended</b>												
<b>31 March 2020</b>												
Gross loans, advances and financing	49,265,638	216,366,085	42,677,706	-	362,144	111,990	1,534	-	308,785,097	24,098,966		332,884,063
Loans growth	0.3%	0.5%	0.8%	-	3.6%	7.2%	-0.8%	-	0.5%	3.4%		0.7%
Impaired loans, advances and financing	191,143	970,893	44,609	-	1,804	270	-	-	1,208,719	317,629		1,526,348
Impaired loan and financing ratio	0.4%	0.4%	0.1%	-	0.5%	0.2%	-	-	0.4%	1.3%		0.5%
Deposits from customers	-	261,131,238	189,814	63,545,313	668,151	-	-	-	325,534,516	29,555,076		355,089,592
Deposits growth	-	0.6%	-3.8%	-1.9%	-10.5%	-	-	-	0.1%	5.0%		0.5%
Segment assets	<u>49,128,940</u>	<u>266,536,155</u>	<u>42,190,255</u>	<u>78,231,694</u>	<u>1,960,101</u>	<u>606,307</u>	<u>838,628</u>	<u>50,941,164</u>	<u>490,433,244</u>	<u>41,202,187</u>	<u>(97,290,345)</u>	<u>434,345,086</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									71,841	17		71,858
Unallocated assets									1,451,264	-		1,451,264
Intangible assets									775,493	1,750,613		2,526,106
Total assets									<u>492,731,842</u>	<u>42,952,817</u>		<u>438,394,314</u>

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**A24. Segment Information (continued)**

1st Quarter Ended 31 March 2019	←----- Operating Segments -----→										Group Total RM'000	
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000		Inter- segment Elimination RM'000
External revenue	632,215	2,796,605	505,070	356,032	36,009	319,973	30,132	422,089	5,098,125	469,824	-	5,567,949
Revenue from other segments	354	343,468	8,815	536,793	217	12,518	329	135,529	1,038,023	21,088	(1,059,111)	-
	<u>632,569</u>	<u>3,140,073</u>	<u>513,885</u>	<u>892,825</u>	<u>36,226</u>	<u>332,491</u>	<u>30,461</u>	<u>557,618</u>	<u>6,136,148</u>	<u>490,912</u>	<u>(1,059,111)</u>	<u>5,567,949</u>
Net interest income / (expense) and Islamic banking income	167,876	1,196,432	130,439	41,791	5,891	2,915	(5,998)	308,949	1,848,295	305,686	-	2,153,981
Other income	609	164,193	12,619	87,153	13,886	211,886	30,232	18,169	538,747	57,451	(11,049)	585,149
Net income	168,485	1,360,625	143,058	128,944	19,777	214,801	24,234	327,118	2,387,042	363,137	(11,049)	2,739,130
Other operating expenses	(62,680)	(483,406)	(4,749)	(11,288)	(11,494)	(56,209)	(6,914)	(138,422)	(775,162)	(160,745)	11,049	(924,858)
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(17,618)	18,469	17,274	-	(313)	(2)	-	-	17,810	(14,558)	-	3,252
(Allowance) / Writeback of allowance for impairment on other assets	-	(1,093)	-	447	(11)	-	-	381	(276)	(90)	-	(366)
Profit by segments	<u>88,187</u>	<u>894,595</u>	<u>155,583</u>	<u>118,103</u>	<u>7,959</u>	<u>158,590</u>	<u>17,320</u>	<u>189,077</u>	<u>1,629,414</u>	<u>187,744</u>	<u>-</u>	<u>1,817,158</u>
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									2,102	-		2,102
Profit before tax expense and zakat									<u>1,631,516</u>	<u>187,744</u>		<u>1,819,260</u>
Cost income ratio	37.2%	35.5%	3.3%	8.8%	58.1%	26.2%	28.5%	42.3%	32.5%	44.3%		33.8%

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**A24. Segment Information (continued)**

1st Quarter Ended 31 March 2019	←----- Operating Segments -----→								Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000	Head Office RM'000				
Gross loans, advances and financing Loans growth	48,235,188 0.4%	207,342,571 1.3%	41,542,851 1.4%	- -	356,382 -5.0%	100,435 1.5%	1,624 -2.3%	- -	297,579,051 1.2%	22,842,808 -1.7%		320,421,859 1.0%
Impaired loans, advances and financing	267,302	977,769	38,849	-	1,674	356	-	-	1,285,950	305,347		1,591,297
Impaired loan and financing ratio	0.6%	0.5%	0.1%	-	0.5%	0.4%	-	-	0.4%	1.3%		0.5%
Deposits from customers	-	247,800,831	217,521	65,580,230	817,693	-	-	-	314,416,275	28,583,928		343,000,203
Deposits growth	-	-0.1%	-34.0%	7.0%	-19.0%	-	-	-	1.2%	0.0%		1.1%
Segment assets	<u>47,990,806</u>	<u>253,600,551</u>	<u>41,124,974</u>	<u>77,991,334</u>	<u>1,858,877</u>	<u>584,946</u>	<u>845,526</u>	<u>49,023,400</u>	<u>473,020,414</u>	<u>37,935,983</u>	<u>(92,864,900)</u>	<u>418,091,497</u>
Reconciliation of segment assets to consolidated assets:												
Investment in associated companies									72,811	16		72,827
Unallocated assets									673,340	-		673,340
Intangible assets									775,493	1,655,208		2,430,701
Total assets									<u>474,542,058</u>	<u>39,591,207</u>		<u>421,268,365</u>



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**A24. Segment Information (continued)**

The Group's overseas operations includes its operations in Hong Kong SAR, the People's Republic of China, Sri Lanka, the Socialist Republic of Vietnam, Cambodia and the Lao People's Democratic Republic.

**A25. Subsequent Events**

Other than the impact of the COVID-19 outbreak which remains uncertain as the outbreak continues to unfold, as disclosed in Note A1, there were no material events subsequent to the end of the reporting date that have not been reflected in the unaudited interim financial statements.

**A26. Changes in the Composition of the Group**

There were no changes in the composition of the Group in the current financial period.

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**A27. Commitments and Contingencies**

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's and the Bank's assets.

The notional amounts of the commitments and contingencies of the Group and of the Bank are as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>Contingent liabilities</b>				
Direct credit substitutes	931,859	949,669	888,192	912,117
Transaction-related contingent items	1,724,851	1,745,471	1,415,697	1,435,577
Short term self-liquidating trade-related contingencies	520,553	568,308	111,590	117,703
	<b>3,177,263</b>	<b>3,263,448</b>	<b>2,415,479</b>	<b>2,465,397</b>
<b>Commitments</b>				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	26,738,286	26,968,879	20,980,079	21,583,171
- not exceeding one year	25,744,503	24,753,060	20,867,979	20,165,155
Unutilised credit card lines	7,997,710	7,663,636	7,668,049	7,346,453
Forward asset purchases	221,360	65,652	189,747	44,405
	<b>60,701,859</b>	<b>59,451,227</b>	<b>49,705,854</b>	<b>49,139,184</b>
<b>Derivative financial instruments</b>				
Foreign exchange related contracts:				
- up to one year	24,058,325	22,157,757	22,875,168	21,117,858
- more than one year to five years	3,622,670	3,446,350	3,622,670	3,446,350
Interest / Profit rate related contracts:				
- up to one year	1,211,215	930,000	1,125,000	1,060,000
- more than one year to five years	4,344,430	4,494,515	4,633,203	4,912,645
- more than five years	732,780	571,631	2,500,000	2,150,000
Commodity related contracts:				
- up to one year	123	120	123	120
	<b>33,969,543</b>	<b>31,600,373</b>	<b>34,756,164</b>	<b>32,686,973</b>
	<b>97,848,665</b>	<b>94,315,048</b>	<b>86,877,497</b>	<b>84,291,554</b>

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**A28. Derivative Financial Instruments**

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows:

Group	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>As at 31 March 2020</b>												
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,219,977	-	-	1,219,977	11,828	-	-	11,828	7,270	-	-	7,270
- Swaps	22,819,491	-	-	22,819,491	438,615	-	-	438,615	206,131	-	-	206,131
- Options	18,857	-	-	18,857	-	-	-	-	-	-	-	-
Interest / Profit rate related contracts												
- Swaps	-	50,000	50,000	100,000	-	-	-	-	-	143	384	527
Precious metal contracts												
- Forwards	123	-	-	123	1	-	-	1	-	-	-	-
	<u>24,058,448</u>	<u>50,000</u>	<u>50,000</u>	<u>24,158,448</u>	<u>450,444</u>	<u>-</u>	<u>-</u>	<u>450,444</u>	<u>213,401</u>	<u>143</u>	<u>384</u>	<u>213,928</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	86,215	220,000	444,007	750,222	-	-	-	-	487	6,220	53,126	59,833
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,508,763	-	1,508,763	-	-	-	-	-	70,844	-	70,844
Interest / Profit rate related contracts												
- Swaps	1,125,000	3,688,203	625,000	5,438,203	-	-	-	-	6,897	90,315	19,016	116,228
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	2,113,907	2,113,907	-	-	-	-	-	-	134,404	134,404
	<u>1,211,215</u>	<u>5,416,966</u>	<u>3,182,914</u>	<u>9,811,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,384</u>	<u>167,379</u>	<u>206,546</u>	<u>381,309</u>
<b>Total</b>	<u>25,269,663</u>	<u>5,466,966</u>	<u>3,232,914</u>	<u>33,969,543</u>	<u>450,444</u>	<u>-</u>	<u>-</u>	<u>450,444</u>	<u>220,785</u>	<u>167,522</u>	<u>206,930</u>	<u>595,237</u>

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**A28. Derivative Financial Instruments (continued)**

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows (continued):

Group As at 31 December 2019	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	1,309,748	15,109	-	1,324,857	6,494	37	-	6,531	5,910	-	-	5,910
- Swaps	20,835,248	-	-	20,835,248	92,438	-	-	92,438	205,893	-	-	205,893
- Options	12,761	-	-	12,761	-	-	-	-	-	-	-	-
Interest / Profit rate related contracts												
- Swaps	430,000	-	-	430,000	-	-	-	-	95	-	-	95
Precious metal contracts												
- Forwards	120	-	-	120	-	-	-	-	1	-	-	1
	<u>22,587,877</u>	<u>15,109</u>	<u>-</u>	<u>22,602,986</u>	<u>98,932</u>	<u>37</u>	<u>-</u>	<u>98,969</u>	<u>211,899</u>	<u>-</u>	<u>-</u>	<u>211,899</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	-	301,870	421,631	723,501	-	393	-	393	-	1,801	20,341	22,142
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,432,725	-	1,432,725	-	39,253	-	39,253	-	22,309	-	22,309
Interest / Profit rate related contracts												
- Swaps	500,000	4,167,645	175,000	4,842,645	-	6,711	698	7,409	1,057	23,898	473	25,428
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	1,998,516	1,998,516	-	-	6,306	6,306	-	-	63,946	63,946
	<u>500,000</u>	<u>5,902,240</u>	<u>2,595,147</u>	<u>8,997,387</u>	<u>-</u>	<u>46,357</u>	<u>7,004</u>	<u>53,361</u>	<u>1,057</u>	<u>48,008</u>	<u>84,760</u>	<u>133,825</u>
<b>Total</b>	<u>23,087,877</u>	<u>5,917,349</u>	<u>2,595,147</u>	<u>31,600,373</u>	<u>98,932</u>	<u>46,394</u>	<u>7,004</u>	<u>152,330</u>	<u>212,956</u>	<u>48,008</u>	<u>84,760</u>	<u>345,724</u>

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**A28. Derivative Financial Instruments (continued)**

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows (continued):

Bank As at 31 March 2020	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	880,850	-	-	880,850	11,560	-	-	11,560	6,989	-	-	6,989
- Swaps	21,975,461	-	-	21,975,461	436,667	-	-	436,667	193,599	-	-	193,599
- Options	18,857	-	-	18,857	-	-	-	-	-	-	-	-
Interest rate related contracts												
- Swaps	-	50,000	50,000	100,000	-	-	-	-	-	143	384	527
Precious metal contracts												
- Forwards	123	-	-	123	1	-	-	1	-	-	-	-
	<u>22,875,291</u>	<u>50,000</u>	<u>50,000</u>	<u>22,975,291</u>	<u>448,228</u>	<u>-</u>	<u>-</u>	<u>448,228</u>	<u>200,588</u>	<u>143</u>	<u>384</u>	<u>201,115</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	-	220,000	-	220,000	-	-	-	-	-	6,220	-	6,220
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,508,763	-	1,508,763	-	-	-	-	-	70,844	-	70,844
Interest rate related contracts												
- Swaps	1,125,000	4,188,203	2,625,000	7,938,203	-	14,436	172,785	187,221	6,897	90,315	19,016	116,228
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	2,113,907	2,113,907	-	-	-	-	-	-	134,404	134,404
	<u>1,125,000</u>	<u>5,916,966</u>	<u>4,738,907</u>	<u>11,780,873</u>	<u>-</u>	<u>14,436</u>	<u>172,785</u>	<u>187,221</u>	<u>6,897</u>	<u>167,379</u>	<u>153,420</u>	<u>327,696</u>
<b>Total</b>	<u>24,000,291</u>	<u>5,966,966</u>	<u>4,788,907</u>	<u>34,756,164</u>	<u>448,228</u>	<u>14,436</u>	<u>172,785</u>	<u>635,449</u>	<u>207,485</u>	<u>167,522</u>	<u>153,804</u>	<u>528,811</u>

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**A28. Derivative Financial Instruments (continued)**

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows (continued):

Bank As at 31 December 2019	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
<b>Trading derivatives:</b>												
Foreign exchange contracts												
- Forwards	997,769	15,109	-	1,012,878	4,170	37	-	4,207	3,637	-	-	3,637
- Swaps	20,107,328	-	-	20,107,328	84,949	-	-	84,949	205,718	-	-	205,718
- Options	12,761	-	-	12,761	-	-	-	-	-	-	-	-
Interest rate related contracts												
- Swaps	560,000	-	-	560,000	19	-	-	19	95	-	-	95
Precious metal contracts												
- Forwards	120	-	-	120	-	-	-	-	1	-	-	1
	<u>21,677,978</u>	<u>15,109</u>	<u>-</u>	<u>21,693,087</u>	<u>89,138</u>	<u>37</u>	<u>-</u>	<u>89,175</u>	<u>209,451</u>	<u>-</u>	<u>-</u>	<u>209,451</u>
<b>Hedging Derivatives:</b>												
<b>Fair Value Hedge</b>												
Interest rate related contracts												
- Swaps	-	220,000	-	220,000	-	-	-	-	-	1,801	-	1,801
<b>Cash Flow Hedge</b>												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,432,725	-	1,432,725	-	39,253	-	39,253	-	22,309	-	22,309
Interest rate related contracts												
- Swaps	500,000	4,667,645	2,175,000	7,342,645	-	10,975	86,545	97,520	1,057	23,898	473	25,428
<b>Net Investment Hedge</b>												
Foreign exchange contracts												
- Forwards	-	-	1,998,516	1,998,516	-	-	6,306	6,306	-	-	63,946	63,946
	<u>500,000</u>	<u>6,320,370</u>	<u>4,173,516</u>	<u>10,993,886</u>	<u>-</u>	<u>50,228</u>	<u>92,851</u>	<u>143,079</u>	<u>1,057</u>	<u>48,008</u>	<u>64,419</u>	<u>113,484</u>
<b>Total</b>	<u>22,177,978</u>	<u>6,335,479</u>	<u>4,173,516</u>	<u>32,686,973</u>	<u>89,138</u>	<u>50,265</u>	<u>92,851</u>	<u>232,254</u>	<u>210,508</u>	<u>48,008</u>	<u>64,419</u>	<u>322,935</u>

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**A28. Derivative Financial Instruments (continued)**

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

**Market Risk**

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amounts at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

**Credit Risk**

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group and the Bank have a gain in a contract. As at the reporting date, the amounts of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM450,444,000 (2019: RM152,330,000) and RM635,449,000 (2019: RM232,254,000) respectively. These amounts will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

**Liquidity Risk**

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

- iii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, the Group and the Bank had posted cash collateral of RM445,847,000 (2019: RM192,877,000) on their derivative contracts.

- iv) There have been no changes since the end of the previous financial year in respect of the following:
- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
  - b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
  - c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and of the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2019 and Pillar 3 Disclosures section of the 2019 Annual Report.

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**A29. a) Fair Value Measurements**

Determination of Fair Value and Fair Value Hierarchy

The Group and the Bank classify financial instruments and non-financial assets which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1 - Quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;

Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,558,193	-	1,558,193
- Money market instruments	-	747,176	-	747,176
- Non-money market instruments	-	29,979	445,428	475,407
	-	2,335,348	445,428	2,780,776
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	38,089,655	-	38,089,655
- Money market instruments	-	2,798,634	-	2,798,634
- Non-money market instruments	1,276	5,543,644	353,491	5,898,411
	1,276	46,431,933	353,491	46,786,700
Derivative financial assets	-	450,444	-	450,444
Total financial assets measured at fair value	1,276	49,217,725	798,919	50,017,920
<b>Non-financial assets</b>				
Investment properties	-	-	765,136	765,136
<b>Financial liabilities</b>				
Derivative financial liabilities	-	595,237	-	595,237
Total financial liabilities measured at fair value	-	595,237	-	595,237



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**A29. a) Fair Value Measurements (continued)**

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

<b>Group</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	3,480,322	-	3,480,322
- Money market instruments	-	249,541	-	249,541
- Non-money market instruments	-	34,974	445,428	480,402
	-	3,764,837	445,428	4,210,265
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	33,950,350	-	33,950,350
- Money market instruments	-	426,813	-	426,813
- Non-money market instruments	1,556	5,423,236	351,538	5,776,330
	1,556	39,800,399	351,538	40,153,493
Derivative financial assets	-	152,330	-	152,330
Total financial assets measured at fair value	1,556	43,717,566	796,966	44,516,088
<b>Non-financial assets</b>				
Investment properties	-	-	753,095	753,095
<b>Financial liabilities</b>				
Derivative financial liabilities	-	345,724	-	345,724
Total financial liabilities measured at fair value	-	345,724	-	345,724

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**A29. a) Fair Value Measurements (continued)**

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,558,193	-	1,558,193
- Non-money market instruments	-	-	419,940	419,940
	-	1,558,193	419,940	1,978,133
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	27,836,578	-	27,836,578
- Money market instruments	-	2,798,634	-	2,798,634
- Non-money market instruments	-	1,931,033	346,854	2,277,887
	-	32,566,245	346,854	32,913,099
Derivative financial assets	-	635,449	-	635,449
Total financial assets measured at fair value	-	34,759,887	766,794	35,526,681
<b>Financial liabilities</b>				
Derivative financial liabilities	-	528,811	-	528,811
Total financial liabilities measured at fair value	-	528,811	-	528,811

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**A29. a) Fair Value Measurements (continued)**

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

<b>Bank</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	3,448,443	-	3,448,443
- Non-money market instruments	-	-	419,940	419,940
	-	3,448,443	419,940	3,868,383
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	23,296,864	-	23,296,864
- Money market instruments	-	426,813	-	426,813
- Non-money market instruments	-	1,927,307	345,113	2,272,420
	-	25,650,984	345,113	25,996,097
Derivative financial assets	-	232,254	-	232,254
Total financial assets measured at fair value	-	29,331,681	765,053	30,096,734
<b>Financial liabilities</b>				
Derivative financial liabilities	-	322,935	-	322,935
Total financial liabilities measured at fair value	-	322,935	-	322,935

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2019: None).

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**A29. a) Fair Value Measurements (continued)**

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments and non-financial assets:

Group	<- Unquoted Equity Securities ->			
	Financial Assets at Fair Value Through Profit or Loss RM'000	Financial Investments at Fair Value Through Other Comprehensive Income RM'000	Investment Properties RM'000	Total RM'000
At 1 January 2020	445,428	351,538	753,095	1,550,061
Recognised in other comprehensive income				
- unrealised revaluation gain	-	42	-	42
Addition	-	-	164	164
Exchange differences	-	1,911	11,877	13,788
At 31 March 2020	<u>445,428</u>	<u>353,491</u>	<u>765,136</u>	<u>1,564,055</u>
At 1 January 2019	423,949	344,996	719,207	1,488,152
Recognised in profit or loss				
- unrealised revaluation gain	21,479	-	50,387	71,866
Recognised in other comprehensive income				
- unrealised revaluation gain	-	6,993	-	6,993
- realised gain on disposal	-	5	-	5
Disposal	-	(383)	(2,200)	(2,583)
Fair valuation gain recognised in property revaluation reserve	-	-	2,093	2,093
Transfer to owner occupied property	-	-	(11,008)	(11,008)
Reversal of over-provision	-	-	(4,320)	(4,320)
Exchange differences	-	(73)	(1,064)	(1,137)
At 31 December 2019	<u>445,428</u>	<u>351,538</u>	<u>753,095</u>	<u>1,550,061</u>

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**A29. a) Fair Value Measurements (continued)**

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments and non-financial assets:

<b>Bank</b>	<b>&lt;- Unquoted Equity Securities -&gt;</b>		
	<b>Financial Assets at Fair Value Through Profit or Loss RM'000</b>	<b>Financial Investments at Fair Value Through Other Comprehensive Income RM'000</b>	<b>Total RM'000</b>
At 1 January 2020	419,940	345,113	765,053
Recognised in other comprehensive income			
- unrealised revaluation gain	-	42	42
Exchange differences	-	1,699	1,699
At 31 March 2020	<u>419,940</u>	<u>346,854</u>	<u>766,794</u>
At 1 January 2019	399,690	338,498	738,188
Recognised in profit or loss			
- unrealised revaluation gain	20,250	-	20,250
Recognised in other comprehensive income			
- unrealised revaluation gain	-	7,048	7,048
- realised gain on disposal	-	5	5
Disposal	-	(383)	(383)
Exchange differences	-	(55)	(55)
At 31 December 2019	<u>419,940</u>	<u>345,113</u>	<u>765,053</u>

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**A29. a) Fair Value Measurements (continued)**

Determination of Fair Value and Fair Value Hierarchy (continued)

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, price quotations from Bond Pricing Agency Malaysia and broker quotes on Bloomberg/Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived. The Group and the Bank generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial instruments held.

The fair values of investment properties located in Malaysia are determined using comparison method by reference to the recent sales prices of comparable properties, adjustments are made where dissimilarities exist. The fair values of investment properties located in Hong Kong are determined using comparison method by reference to recent sales prices of comparable properties on a price per square meter basis. A significant change in the price per square meter will result in a significant change in the fair value of the investment properties in Hong Kong.

**b) Gains/Losses Arising from Fair Value Changes of Financial Liabilities**

Other than derivative financial instruments where the fair value changes are recognised as derivative financial assets or liabilities, as disclosed in Note A28, there were no gains or losses arising from fair value changes of other financial liabilities.

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**A30. Capital Adequacy**

- a) The capital adequacy ratios of the Group and of the Bank below are disclosed pursuant to the requirements of Bank Negara Malaysia ("BNM")'s Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3):

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020</b>	<b>31 December 2019</b>	<b>31 March 2020</b>	<b>31 December 2019</b>
<u>Before deducting interim dividends *</u>				
Common Equity Tier I ("CET I") capital ratio	<b>13.260%</b>	14.019%	<b>11.943%</b>	12.808%
Tier I capital ratio	<b>13.317%</b>	14.076%	<b>11.988%</b>	12.853%
Total capital ratio	<b>16.540%</b>	17.317%	<b>15.367%</b>	16.243%
<u>After deducting interim dividends *</u>				
CET I capital ratio	<b>13.260%</b>	13.460%	<b>11.943%</b>	12.108%
Tier I capital ratio	<b>13.317%</b>	13.517%	<b>11.988%</b>	12.153%
Total capital ratio	<b>16.540%</b>	16.758%	<b>15.367%</b>	15.543%

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Components of CET I, Tier I and Tier II capital:				
<u>CET I / Tier I capital:</u>				
Share capital	<b>9,417,653</b>	9,417,653	<b>9,417,653</b>	9,417,653
Other reserves	<b>1,267,597</b>	1,273,513	<b>520,609</b>	671,090
Retained profits	<b>28,641,272</b>	30,245,351	<b>23,667,885</b>	25,267,007
Qualifying non-controlling interests	<b>736,970</b>	696,901	-	-
Less: Goodwill and other intangible assets	<b>(2,526,106)</b>	(2,443,039)	<b>(695,393)</b>	(695,393)
Less: Deferred tax assets, net	<b>(170,719)</b>	(83,484)	<b>(75,476)</b>	(11,307)
Less: Defined benefit pension fund assets	-	(48,430)	-	(47,736)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	<b>(99,313)</b>	(99,419)	<b>(6,183,241)</b>	(6,183,241)
Total CET I capital	<b>37,267,354</b>	38,959,046	<b>26,652,037</b>	28,418,073
Additional Tier I capital securities	<b>99,612</b>	99,582	<b>99,612</b>	99,582
Qualifying CET I and additional Tier I capital instruments held by third parties	<b>61,967</b>	58,619	-	-
Total Tier I capital	<b>37,428,933</b>	39,117,247	<b>26,751,649</b>	28,517,655

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**A30. Capital Adequacy (continued)**

a) The capital adequacy ratios of the Group and of the Bank (continued):

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
<u>Tier II capital</u>				
Stage 1 and Stage 2 expected credit loss allowances	1,734,160	1,685,918	1,270,641	1,256,999
Qualifying regulatory reserves	1,454,164	1,465,493	1,269,292	1,265,234
Subordinated notes	4,999,987	4,999,986	4,999,987	4,999,986
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	731,590	716,141	-	-
Others	139,117	139,117	-	-
Total Tier II capital	<u>9,059,018</u>	<u>9,006,655</u>	<u>7,539,920</u>	<u>7,522,219</u>
Total capital	<u>46,487,951</u>	<u>48,123,902</u>	<u>34,291,569</u>	<u>36,039,874</u>

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.



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**A30. Capital Adequacy (continued)**

- a) The capital adequacy ratios of the Group and of the Bank (continued):

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") and countercyclical capital buffer ("CCyB") for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

Banking institutions are also required to maintain a CCB of 2.5% and a CCyB above the minimum regulatory capital adequacy ratios. 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. Where the prevailing CCyB rate applied in jurisdiction outside Malaysia is more than 2.5%, the CCyB rate for that jurisdiction is capped at 2.5% for the purpose of calculating the Group's and the Bank's CCyB, unless specified otherwise by BNM.

The Group's and the Bank's CCyB which are determined based on the weighted average of prevailing CCyB rates of their private sector credit exposures outside Malaysia are insignificant due to their immaterial exposures. The CCyB is not a requirement for exposures in Malaysia yet but may be applied by regulators in the future.

Effective from 25 March 2020, the Group and the Bank are allowed to drawdown the CCB of 2.5% to manage the impact of the COVID-19 outbreak. However, BNM expects the Group and the Bank to rebuild this buffer after 31 December 2020 and to meet the minimum regulatory requirements by 30 September 2021. As at 31 March 2020, the Group and the Bank continued to maintain CCB of 2.5%.

- b) The breakdown of risk-weighted assets by each major risk category of the Group and of the Bank is as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Credit risk	<b>255,065,945</b>	252,112,870	<b>203,194,621</b>	201,778,618
Market risk	<b>5,200,894</b>	5,040,545	<b>5,559,925</b>	5,473,692
Operational risk	<b>20,176,256</b>	20,139,900	<b>13,814,742</b>	14,036,638
Large exposure risk	<b>612,902</b>	612,893	<b>587,414</b>	587,405
	<b><u>281,055,997</u></b>	<u>277,906,208</u>	<b><u>223,156,702</u></b>	<u>221,876,353</u>

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**A30. Capital Adequacy (continued)**

c) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows:

	<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>31 March 2020</b>							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.100%	49.391%	15.892%	18.255%	22.134%	N/A	N/A
Tier I capital ratio	12.100%	49.391%	15.892%	18.255%	22.134%	N/A	N/A
Total capital ratio	15.882%	49.902%	15.899%	19.517%	23.193%	19.831%	37.349%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	12.100%	49.391%	15.892%	18.255%	22.134%	N/A	N/A
Tier I capital ratio	12.100%	49.391%	15.892%	18.255%	22.134%	N/A	N/A
Total capital ratio	15.882%	49.902%	15.899%	19.517%	23.193%	19.831%	37.349%
<b>31 December 2019</b>							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.362%	53.270%	18.741%	18.335%	22.348%	N/A	N/A
Tier I capital ratio	12.362%	53.270%	18.741%	18.335%	22.348%	N/A	N/A
Total capital ratio	16.192%	53.794%	18.748%	19.596%	23.411%	18.411%	43.588%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	12.362%	49.503%	18.741%	18.335%	20.930%	N/A	N/A
Tier I capital ratio	12.362%	49.503%	18.741%	18.335%	20.930%	N/A	N/A
Total capital ratio	16.192%	50.027%	18.748%	19.596%	21.993%	18.441%	43.588%

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

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**A30. Capital Adequacy (continued)**

c) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows (continued):

- <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 (Amendment) Ordinance 2012 relating to Basel III capital standards and the amended Banking Capital Rules. These two subsidiaries are required to maintain a CCB of 2.5% and a CCyB of 1.0% (2019: 2.0%) as imposed by Hong Kong Monetary Authority to their private sector exposures in Hong Kong.

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**A30. Capital Adequacy (continued)**

c) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows (continued):

- <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. Effective from 1 January 2020, this ratio is computed in accordance with State Bank of Vietnam ("SBV") Circular No.41/2016/TT-NHNN. This ratio is derived as PBVN's capital divided by its credit risk weighted assets and capital charge for market risk and operational risk. The minimum regulatory capital adequacy ratio requirement is 8.0%. Prior to 1 January 2020, the ratio was computed in accordance with SBV Circular No.19/2017/TT-NHNN being amendment of and supplement to Circular No.36/2014/TT-NHNN on safety ratios, limits in operations of credit institutions, which was derived as PBVN's capital divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory capital adequacy ratio requirement was 9.0%.

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**A31. Operations of Islamic Banking**

**a) Statement of Financial Position As At 31 March 2020**

	Note	Group	
		31 March 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>			
Cash and balances with banks		1,660,745	3,139,455
Financial assets at fair value through profit or loss		747,176	249,541
Financial investments at fair value through other comprehensive income		9,054,609	9,528,034
Financial investments at amortised cost		4,104,085	3,743,715
Financing and advances	A31(d)	50,515,543	49,728,576
Other assets		73,469	71,437
Statutory deposits with Bank Negara Malaysia		1,348,950	1,800,450
Deferred tax assets		21,426	-
Collective investment		553,498	549,042
Investment in an associated company		45,000	45,000
Right-of-use assets		18,385	18,707
Property and equipment		3,754	4,005
<b>Total Assets</b>		<b>68,146,640</b>	<b>68,877,962</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	A31(e)	59,012,044	59,374,011
Deposits from banks		1,865,745	2,453,316
Bills and acceptances payable		317	377
Derivative financial liabilities		187,221	90,130
Senior Sukuk Murabahah		519,884	519,862
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		19,202	19,385
Other liabilities		435,093	396,753
Provision for zakat and taxation		33,436	19,888
Deferred tax liabilities		-	264
<b>Total Liabilities</b>		<b>63,072,942</b>	<b>63,873,986</b>
Islamic Banking Funds		5,073,698	5,003,976
<b>Total Liabilities and Islamic Banking Funds</b>		<b>68,146,640</b>	<b>68,877,962</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>10,561,334</b>	<b>10,168,972</b>

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**A31. Operations of Islamic Banking (continued)**

**b) Statement of Profit or Loss for the 1st Quarter Ended 31 March 2020**

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds and others	683,534	674,412	683,534	674,412
Income derived from investment of Islamic Banking Funds	57,879	54,763	57,879	54,763
Allowance for impairment on financing and advances	(12,027)	(6,389)	(12,027)	(6,389)
Writeback of allowance for impairment on other assets	23	89	23	89
<b>Total distributable income</b>	<b>729,409</b>	<b>722,875</b>	<b>729,409</b>	<b>722,875</b>
Income attributable to depositors and others	(432,421)	(449,699)	(432,421)	(449,699)
<b>Total net income</b>	<b>296,988</b>	<b>273,176</b>	<b>296,988</b>	<b>273,176</b>
Other operating expenses	(121,878)	(112,232)	(121,878)	(112,232)
<b>Profit before zakat and taxation</b>	<b>175,110</b>	<b>160,944</b>	<b>175,110</b>	<b>160,944</b>
Zakat	(81)	(75)	(81)	(75)
Taxation	(41,028)	(37,725)	(41,028)	(37,725)
<b>Profit for the period</b>	<b>134,001</b>	<b>123,144</b>	<b>134,001</b>	<b>123,144</b>

Net income from Islamic banking business as reported in the statement of profit or loss of the Group is derived as follows:

	1st Quarter Ended		Three Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Income derived from investment of depositors' funds and others	683,534	674,412	683,534	674,412
Income derived from investment of Islamic Banking Funds	57,879	54,763	57,879	54,763
Income attributable to depositors and others	(432,421)	(449,699)	(432,421)	(449,699)
	<b>308,992</b>	<b>279,476</b>	<b>308,992</b>	<b>279,476</b>
Elimination of inter-company income and expenses	32,351	28,194	32,351	28,194
<b>Net income from Islamic banking business</b>	<b>341,343</b>	<b>307,670</b>	<b>341,343</b>	<b>307,670</b>

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**A31. Operations of Islamic Banking (continued)**

**c) Statement of Comprehensive Income for the 1st Quarter Ended 31 March 2020**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
<b><u>Group</u></b>				
Profit for the period	<u>134,001</u>	123,144	<u>134,001</u>	123,144
Other comprehensive (loss) / income:				
<u>Items that will not be reclassified to profit or loss:</u>				
Loss on remeasurements of defined benefit plans	<u>(2,358)</u>	-	<u>(2,358)</u>	-
<u>Items that may be reclassified to profit or loss:</u>				
Net change in revaluation of financial investments at fair value through other comprehensive income	<u>20,040</u>	26,175	<u>20,040</u>	26,175
Net change in cash flow hedges	<u>(102,259)</u>	(27,936)	<u>(102,259)</u>	(27,936)
	<u>(82,219)</u>	(1,761)	<u>(82,219)</u>	(1,761)
Income tax effect	<u>20,298</u>	423	<u>20,298</u>	423
Other comprehensive loss for the period, net of tax	<u>(64,279)</u>	(1,338)	<u>(64,279)</u>	(1,338)
Total comprehensive income for the period	<u><u>69,722</u></u>	<u>121,806</u>	<u><u>69,722</u></u>	<u>121,806</u>

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**A31. Operations of Islamic Banking (continued)**

**d) Financing and Advances**

By type and contract

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
<b>31 March 2020</b>							
<b>At amortised cost</b>							
Cash line	1,725,679	-	-	-	-	-	1,725,679
Term financing							
- House financing	5,235,106	-	-	15,967,035	-	-	21,202,141
- Syndicated financing	1,311,613	-	-	-	-	-	1,311,613
- Hire purchase receivables	-	8,147,631	-	-	-	-	8,147,631
- Other term financing	4,979,051	-	1,519,781	11,196,456	-	206,964	17,902,252
Credit card receivables	-	-	-	-	-	29,131	29,131
Bills receivables	-	-	-	-	5,299	-	5,299
Trust receipts	-	-	-	-	2,397	-	2,397
Claims on customers under acceptance credits	-	-	-	-	181,135	-	181,135
Revolving credits	215,749	-	-	-	-	-	215,749
Staff financing	-	9,089	-	86,533	-	-	95,622
Gross financing and advances	13,467,198	8,156,720	1,519,781	27,250,024	188,831	236,095	50,818,649
Allowance for impairment on financing and advances:							
- Expected credit losses							(303,106)
- Stage 1: 12-Month ECL							(130,194)
- Stage 2: Lifetime ECL not credit-impaired							(100,396)
- Stage 3: Lifetime ECL credit-impaired							(72,516)
Net financing and advances							<u>50,515,543</u>



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**A31. Operations of Islamic Banking (continued)**

**d) Financing and Advances (continued)**

By type and contract (continued)

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
<b>31 December 2019</b>							
<b>At amortised cost</b>							
Cash line	1,732,493	-	-	-	-	-	1,732,493
Term financing							
- House financing	5,105,404	-	-	15,488,932	-	-	20,594,336
- Syndicated financing	1,266,197	-	-	-	-	-	1,266,197
- Hire purchase receivables	-	8,310,016	-	-	-	-	8,310,016
- Other term financing	4,941,919	-	1,550,596	10,923,096	-	208,138	17,623,749
Credit card receivables	-	-	-	-	-	30,375	30,375
Bill receivables	-	-	-	-	2,110	-	2,110
Trust receipts	-	-	-	-	3,415	-	3,415
Claims on customers under acceptance credits	-	-	-	-	195,437	-	195,437
Revolving credits	181,477	-	-	-	-	-	181,477
Staff financing	-	8,870	-	85,664	-	-	94,534
Gross financing and advances	13,227,490	8,318,886	1,550,596	26,497,692	200,962	238,513	50,034,139
Allowance for impairment on financing and advances:							
- Expected credit losses							(305,563)
- Stage 1: 12-Month ECL							(129,065)
- Stage 2: Lifetime ECL not credit-impaired							(90,576)
- Stage 3: Lifetime ECL credit-impaired							(85,922)
Net financing and advances							<u>49,728,576</u>

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**A31. Operations of Islamic Banking (continued)**

**d) Financing and Advances (continued)**

Movements in credit-impaired ("impaired") financing and advances are as follows:

	<b>Group</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
At 1 January	275,050	277,731
Impaired during the period / year	117,771	673,499
Reclassified as non-impaired	(115,303)	(533,038)
Recoveries	(13,434)	(56,730)
Amount written off	(20,603)	(76,223)
Financing converted to foreclosed properties	(1,124)	(10,189)
Closing balance	<u>242,357</u>	<u>275,050</u>
Gross impaired financing and advances as a percentage of gross financing and advances	<u>0.48%</u>	<u>0.55%</u>

**e) Deposits from Customers**

	<b>Group</b>	
	<b>31 March 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>By type of deposit and contract</b>		
<b>At amortised cost</b>		
Savings deposit		
- Qard	7,074,797	6,716,978
Demand deposit		
- Qard	4,627,063	4,816,878
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai' Bithaman Ajil	-	22,959
- Commodity Murabahah	39,574,741	41,363,757
- Special term deposit account		
- Qard	7,735,443	6,453,439
	<u>59,012,044</u>	<u>59,374,011</u>

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

**B1. Performance Review**

**Current Year-to-date vs. Previous Year-to-date**

<b>Key Profit or Loss Items:</b>	<b>Group</b>			
	<b>Three Months Ended</b>			
	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>Variance RM'000</b>	<b>%</b>
Profit before tax expense and zakat	1,727,147	1,819,260	(92,113)	(5.1)
Net profit attributable to equity holders of the Bank	1,329,076	1,410,093	(81,017)	(5.7)
Other comprehensive (loss) / income (net)	(41,235)	55,179	(96,414)	(174.7)

<b>Key Balance Sheet Items:</b>	<b>Group</b>			
	<b>As At</b>			
	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>Variance RM'000</b>	<b>%</b>
Gross loans, advances and financing	332,884,063	320,421,859	12,462,204	3.9
Gross impaired loan and financing (%)	0.46%	0.50%	n/a	(0.04)
Deposits from customers	355,089,592	343,000,203	12,089,389	3.5

The Group's pre-tax profit for the 1st quarter ended 31 March 2020 decreased by RM92.1 million or 5.1% to RM1,727.1 million as compared to the pre-tax profit in the previous year corresponding quarter of RM1,819.3 million. Net profit attributable to equity holders decreased by RM81.0 million or 5.7% to RM1,329.1 million over the same period. For the quarter under review, the Group had recorded a lower net interest income by RM9.9 million (-0.5%) as a result of the negative effect of Overnight Policy Rate ("OPR") reductions during the period, despite positive loans growth of 3.9% achieved over the last 12 months. Loan impairment allowance during the period was higher by RM64.6 million as compared to the previous year corresponding quarter, partly due to the allowance made in anticipation of the effect of COVID-19 pandemic. Other operating expenses increased by RM74.7 million (-8.1%), partially offset by higher investment income of RM46.3 million (+79.9%), higher income from Islamic banking business of RM33.7 million (+10.9%) and higher fee and commission income of RM17.1 million (+4.1%) from higher unit trust related fee income and higher stock-broking income.

The Group had also reported other comprehensive loss (net) of RM41.2 million in the current quarter as compared to other comprehensive income (net) of RM55.2 million in the previous year corresponding quarter, mainly due to loss on remeasurement of defined benefit plans, loss on revaluation of financial investments as compared to a gain in the previous year corresponding quarter and higher loss on cash flow hedges. These were partially offset by gain on foreign currency translation in respect of foreign operations during the current quarter.

The Group's profit continued to be supported by loans and customer deposits growth coupled with stable asset quality. Gross loans grew by RM12.5 billion or 3.9% to RM332.9 billion as at 31 March 2020 as compared to RM320.4 billion as at 31 March 2019, mainly driven by growth in mortgage financing, hire purchase financing and corporate lending. Total deposits from customers increased by 3.5% or RM12.1 billion to RM355.1 billion as at 31 March 2020. The Group's gross impaired loan ratio continued to remain stable at 0.5% as at 31 March 2020. This was attributed to the Group's consistent adoption of stringent credit underwriting and proactive recovery processes.

The Group's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at a healthy level of 13.3%, 13.3% and 16.5% respectively. The Group's liquidity position also remained stable and healthy with gross loans to fund and equity ratio maintained at 79.5% as at 31 March 2020.

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**B1. Performance Review (continued)**

**Current Year-to date vs. Previous Year-to-date (continued)**

The performance of the respective operating segments for the financial period ended 31 March 2020 as compared to the previous year corresponding quarter is analysed as follows:-

	Group			
	Three Months Ended			
Profit Before Tax by Segments:	31 March 2020 RM'000	31 March 2019 RM'000	Variance RM'000	%
Retail operations	899,757	894,595	5,162	0.6
Hire purchase	78,606	88,187	(9,581)	(10.9)
Corporate lending	175,846	155,583	20,263	13.0
Treasury and capital market operations	(10,066)	118,103	(128,169)	(108.5)
Investment banking	14,669	7,959	6,710	84.3
Fund management	162,204	158,590	3,614	2.3
Head office and others	249,461	208,499	40,962	19.6
Total domestic operations	<u>1,570,477</u>	<u>1,631,516</u>	<u>(61,039)</u>	<u>(3.7)</u>
Overseas operations	156,670	187,744	(31,074)	(16.6)
	<u>1,727,147</u>	<u>1,819,260</u>	<u>(92,113)</u>	<u>(5.1)</u>

- 1) Retail operations – Pre-tax profit increased marginally by RM5.2 million (+0.6%) to RM899.8 million mainly due to higher net interest income arising from higher average loan balances and higher fee income. These were partially offset by loan impairment allowance made in the current period as compared to a net writeback in the previous year corresponding period and higher other operating expenses.
- 2) Hire purchase – Pre-tax profit decreased by RM9.6 million (-10.9%) to RM78.6 million mainly due to higher other operating expenses and higher loan impairment allowance partially offset by higher net interest income.
- 3) Corporate lending – Pre-tax profit increased by RM20.3 million (+13.0%) to RM175.8 million mainly due to higher net interest income and higher net writeback of loan impairment allowance.
- 4) Treasury and capital market operations (including funding center) – Pre-tax loss of RM10.1 million in the current period as compared to pre-tax profit of RM118.1 million in the previous year corresponding period, which was mainly due to the negative effect on net interest income of the funding center operations as a result of the 0.50% OPR reductions in the current period. Excluding the funding center operations, the pre-tax profit of treasury and capital market operations grew by 8.8%.
- 5) Investment banking – The increase in pre-tax profit of RM6.7 million (+84.3%) to RM14.7 million was mainly due to higher stock-broking income and higher net interest income.
- 6) Fund management – Pre-tax profit increased by RM3.6 million (+2.3%) to RM162.2 million mainly due to higher management fee from higher average net asset value of funds under management and higher fee on sale of trust units. These were partially offset by higher other operating expenses.
- 7) Head office and others – Pre-tax profit increased by RM41.0 million (19.6%) to RM249.5 million mainly due to higher net interest income and higher investment income partially offset by higher other operating expenses.
- 8) Overseas operations – Pre-tax profit decreased by RM31.1 million (-16.6%) to RM156.7 million mainly due to higher loan impairment allowance and higher other operating expenses.

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**B2. Variation of Results Against Preceding Quarter**

Key Profit or Loss Items:	Group		Variance	
	Quarter Ended			
	31 March 2020 RM'000	31 December 2019 RM'000	RM'000	%
Profit before tax expense and zakat	1,727,147	1,822,493	(95,346)	(5.2)
Net profit attributable to equity holders of the Bank	1,329,076	1,405,867	(76,791)	(5.5)
Other comprehensive loss (net)	(41,235)	(213,789)	172,554	80.7

For the 1st quarter ended 31 March 2020, the Group registered a pre-tax profit of RM1,727.1 million, a decrease of RM95.3 million or 5.2% as compared to the pre-tax profit of RM1,822.5 million for the preceding quarter ended 31 December 2019. Net profit attributable to equity holders decreased by RM76.8 million or 5.5% to RM1,329.1 million over the same period. The decrease was mainly due to lower net interest income arising from OPR reductions in the current quarter, lower foreign exchange income, higher impairment allowance for loans/financing and other assets and higher other operating expenses. These were partially offset by higher investment income, higher net fee and commission income and higher income from Islamic banking business.

Other comprehensive loss (net) of the Group for the current quarter decreased by RM172.6 million or 80.7% to RM41.2 million, mainly due to gain on foreign currency translation in respect of foreign operations as compared to a loss recorded in the preceding quarter and lower loss on remeasurement of defined benefit plans. These were partially offset by loss on cash flow hedges and revaluation of financial investments.

**B3. Prospects for 2020**

The global economy could experience a contraction in 2020. Globally, efforts to contain the spread of the COVID-19 outbreak will have a pronounced impact across economic sectors, owing to acute shocks and extensive disruption in global supply chains. Central banks will continue to ease policies while Governments have been responding through fiscal measures to support economic activities.

The advanced economies including the US, Europe and Japan are expected to contract as containment measures are deployed. Asia is also expected to experience a downturn as the health crisis affects various sectors regionally.

The Malaysian economy will not be spared from the global weaknesses, particularly due to the economic impact from containment efforts to prevent the spread of the COVID-19 outbreak, uncertainties in global economic and financial conditions as well as weaknesses in commodity-related sectors, including the lacklustre global crude oil price.

Malaysia's GDP will be undermined by weak economic activities in 2020. However, fiscal stimulus measures coupled with monetary and financial accommodation, will provide some support to the economy. The Overnight Policy Rate was reduced further by 50 basis points ("bps") to 2.00% in May 2020, following rate cuts of 25bps in January and March 2020 respectively, a total reduction of 1.00%. Meanwhile, Malaysia's inflation is expected to be subdued in 2020, in the absence of both cost and demand pressures.

Notwithstanding the challenging macro environment, Malaysia's banking system remains resilient, underpinned by ample liquidity and strong capital buffers. Monetary and financial conditions continue to be accommodative and supportive of economic activities.

The unprecedented COVID-19 pandemic raises significant challenges for many businesses and individuals. BNM has implemented various financial relief measures to assist customers to overcome their financial difficulties. These include six-month loan moratorium, reschedule and restructure ("R&R") of loans as well as allocation of financing to small and medium enterprises ("SME") through the Special Relief Facility.

Amid the challenging and uncertain times, the Public Bank Group will continue to operate efficiently, maintain prudence in management of credit risk and asset quality, manage liquidity and capital proactively to ensure liquidity and capital positions are maintained at healthy levels at all times, while preserving strong corporate governance and sound risk management practices.

Given the extremely challenging economic environment, loans growth is expected to be moderate in 2020.

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**B3. Prospects for 2020 (continued)**

However, the Public Bank Group is expected to sustain its market position in the domestic residential property financing and vehicle hire purchase financing by leveraging on its established market presence. In tandem with the Government's initiatives, the Group will continue to promote sales of affordable housing backed by competitive pricing and flexible loan product packages. The Group will also leverage on its strong franchise in the SME segment and seize opportunities when they arise, through the offering of innovative products and services. The Group will continue to expand its corporate lending business and further strengthen its relationship with customers.

In line with BNM's financial relief measures, the Public Bank Group is actively engaging and assisting customers to overcome financial constraints by granting a six-month loan moratorium, R&R of loans/financing and financing through the SME Special Relief Facility. With these measures coupled with the Group's prudent lending policy and strong credit risk profile, the asset quality of the Group is expected to be well managed.

In the face of heightened market uncertainties, the Public Bank Group's treasury operations will remain vigilant in its business approach and continue to maintain a prudent risk profile, while further strengthening its risk management capabilities to weather market stress.

Given the elevated risk and volatile market conditions, the private retail unit trust industry is expected to be impacted as investors stay cautious. Nevertheless, the Public Bank Group will continue to offer a comprehensive range of unit trust funds, embrace new technology and enhance service delivery to cater to the needs of investors.

The Public Bank Group remains committed to strengthen its regional presence, leveraging on its strong PB brand and prudent management practices.

For long-term sustainability, the Public Bank Group will continue to improve its service delivery standards and infrastructure through the advancement of technology, in order to provide seamless banking experiences across multi-delivery channels and customer touch points.

**B4. Profit Forecast or Profit Guarantee**

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

**B5. Tax Expense and Zakat**

The analysis of the tax expense for the 1st quarter ended 31 March 2020 are as follows:

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020</b>	<b>31 March 2019</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b><u>Group</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>366,096</b>	355,152	<b>366,096</b>	355,152
Overseas income tax	<b>34,944</b>	37,825	<b>34,944</b>	37,825
	<b>401,040</b>	392,977	<b>401,040</b>	392,977
Over provision in prior years				
- Malaysian income tax	<b>(2)</b>	-	<b>(2)</b>	-
- Overseas income tax	<b>(1,140)</b>	(3,493)	<b>(1,140)</b>	(3,493)
	<b>399,898</b>	389,484	<b>399,898</b>	389,484
Deferred tax (income) / expense				
- Relating to origination and reversal of temporary differences	<b>(14,766)</b>	2,492	<b>(14,766)</b>	2,492
Tax expense	<b>385,132</b>	391,976	<b>385,132</b>	391,976
Zakat	<b>81</b>	75	<b>81</b>	75
	<b>385,213</b>	392,051	<b>385,213</b>	392,051

The Group's effective tax rate for the 1st quarter ended 31 March 2020 and 31 March 2019 were lower than the statutory tax rate mainly due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

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**B5. Tax Expense and Zakat (continued)**

<b>Bank</b>	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>	<b>31 March 2020 RM'000</b>	<b>31 March 2019 RM'000</b>
Malaysian income tax	239,675	311,371	239,675	311,371
Overseas income tax	2,526	3,439	2,526	3,439
	<u>242,201</u>	<u>314,810</u>	<u>242,201</u>	<u>314,810</u>
Over provision in prior years				
- Overseas income tax	(1,140)	(3,509)	(1,140)	(3,509)
	<u>241,061</u>	<u>311,301</u>	<u>241,061</u>	<u>311,301</u>
Deferred tax income				
- Relating to origination and reversal of temporary differences	(14,296)	(2,629)	(14,296)	(2,629)
	<u>226,765</u>	<u>308,672</u>	<u>226,765</u>	<u>308,672</u>

The Bank's effective tax rate for the 1st quarter ended 31 March 2020 and 31 March 2019 were lower than the statutory tax rate mainly due to certain income not subject to tax.

**B6. Status of Corporate Proposals Announced but Not Completed**

There were no corporate proposals announced but not completed as at 31 March 2020.

**B7. Status of Utilisation of Proceeds Raised from Corporate Proposals**

The proceeds raised from the issuances of all debt securities and borrowings have been used for working capital, general banking and other corporate purposes, as intended.

**B8. Financial Risk Management**

There have been no significant changes since the end of the previous financial year in respect of the following:

- i) risk management policies in place for mitigating and controlling the risks associated with foreign exchange, interest/profit rate, liquidity and funding.
- ii) the hedging policies in respect of foreign exchange and interest/profit rate exposures.

The above information are discussed in the Financial Risk Management section of the audited annual financial statements for the financial year ended 31 December 2019 and Pillar 3 Disclosures section of the 2019 Annual Report.

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**B9. Debt Securities Issued and Other Borrowed Funds**

Group	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
<b>Unsecured</b>							
<b>As At 31 March 2020</b>							
Hong Kong Dollar ("HKD") term loan	607,898	-	-	-	607,898	-	607,898
United States Dollar ("USD") term loan	861,116	-	-	-	861,116	-	861,116
USD syndicated term loan	1,588,077	-	-	-	1,588,077	-	1,588,077
RM Senior Medium Term notes / sukuk murabahah	-	2,319,290	-	999,910	-	3,319,200	3,319,200
RM Subordinated notes / sukuk murabahah	-	5,999,987	-	-	-	5,999,987	5,999,987
RM Additional Tier I capital securities	-	99,612	-	-	-	99,612	99,612
	<u>3,057,091</u>	<u>8,418,889</u>	<u>-</u>	<u>999,910</u>	<u>3,057,091</u>	<u>9,418,799</u>	<u>12,475,890</u>
<b>As At 31 December 2019</b>							
HKD term loan	574,374	-	-	-	574,374	-	574,374
USD term loan	817,562	-	-	-	817,562	-	817,562
USD syndicated term loan	1,506,832	-	-	-	1,506,832	-	1,506,832
RM Senior Medium Term notes / sukuk murabahah	-	3,319,114	-	-	-	3,319,114	3,319,114
RM Subordinated notes / sukuk murabahah	-	5,999,986	-	-	-	5,999,986	5,999,986
RM Additional Tier I capital securities	-	99,582	-	-	-	99,582	99,582
	<u>2,898,768</u>	<u>9,418,682</u>	<u>-</u>	<u>-</u>	<u>2,898,768</u>	<u>9,418,682</u>	<u>12,317,450</u>
<b>As At 31 March 2019</b>							
HKD term loan	566,857	-	-	-	566,857	-	566,857
USD term loan	-	-	815,973	-	815,973	-	815,973
USD syndicated term loan	1,499,692	-	-	-	1,499,692	-	1,499,692
RM Senior Medium Term notes / sukuk murabahah	-	3,318,857	-	1,000,173	-	4,319,030	4,319,030
RM Subordinated notes / sukuk murabahah	-	3,499,981	-	499,951	-	3,999,932	3,999,932
RM Additional Tier I capital securities	-	99,491	-	-	-	99,491	99,491
RM Non-innovative Tier I stapled securities	-	-	-	2,093,103	-	2,093,103	2,093,103
	<u>2,066,549</u>	<u>6,918,329</u>	<u>815,973</u>	<u>3,593,227</u>	<u>2,882,522</u>	<u>10,511,556</u>	<u>13,394,078</u>



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**B9. Debt Securities Issued and Other Borrowed Funds (continued)**

Bank	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
<b>Unsecured</b>							
<b>As At 31 March 2020</b>							
USD term loan	861,116	-	-	-	861,116	-	861,116
USD syndicated term loan	1,588,077	-	-	-	1,588,077	-	1,588,077
RM Senior Medium Term notes	-	1,799,406	-	999,910	-	2,799,316	2,799,316
RM Subordinated notes	-	4,999,987	-	-	-	4,999,987	4,999,987
RM Additional Tier I capital securities	-	99,612	-	-	-	99,612	99,612
	<u>2,449,193</u>	<u>6,899,005</u>	<u>-</u>	<u>999,910</u>	<u>2,449,193</u>	<u>7,898,915</u>	<u>10,348,108</u>
<b>As At 31 December 2019</b>							
USD term loan	817,562	-	-	-	817,562	-	817,562
USD syndicated term loan	1,506,832	-	-	-	1,506,832	-	1,506,832
RM Senior Medium Term notes	-	2,799,252	-	-	-	2,799,252	2,799,252
RM Subordinated notes	-	4,999,986	-	-	-	4,999,986	4,999,986
RM Additional Tier I capital securities	-	99,582	-	-	-	99,582	99,582
	<u>2,324,394</u>	<u>7,898,820</u>	<u>-</u>	<u>-</u>	<u>2,324,394</u>	<u>7,898,820</u>	<u>10,223,214</u>
<b>As At 31 March 2019</b>							
USD term loan	-	-	815,973	-	815,973	-	815,973
USD syndicated term loan	1,499,692	-	-	-	1,499,692	-	1,499,692
RM Senior Medium Term notes	-	2,799,061	-	1,000,173	-	3,799,234	3,799,234
RM Subordinated notes	-	2,999,981	-	-	-	2,999,981	2,999,981
RM Additional Tier I capital securities	-	99,491	-	-	-	99,491	99,491
RM Non-innovative Tier I stapled securities	-	-	-	2,093,103	-	2,093,103	2,093,103
	<u>1,499,692</u>	<u>5,898,533</u>	<u>815,973</u>	<u>3,093,276</u>	<u>2,315,665</u>	<u>8,991,809</u>	<u>11,307,474</u>
Exchange rates used:	HKD	USD					
As at 31 March 2020	0.55600	4.31075					
As at 31 December 2019	0.52565	4.09350					
As at 31 March 2019	0.51995	4.08125					

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**B10. Changes in Material Litigation**

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and of the Bank.

**B11. Dividends**

No dividend has been proposed for the 1st quarter ended 31 March 2020.

**B12. Earnings Per Share**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net profit attributable to equity holders (RM'000)	<u><b>1,329,076</b></u>	<u>1,410,093</u>	<u><b>1,329,076</b></u>	<u>1,410,093</u>
Weighted average number of Public Bank Berhad Shares ('000)	<u><b>3,882,138</b></u>	<u>3,882,138</u>	<u><b>3,882,138</b></u>	<u>3,882,138</u>
Basic earnings per share (sen)	<u><b>34.2</b></u>	<u>36.3</u>	<u><b>34.2</b></u>	<u>36.3</u>

**Diluted**

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial period as there are no dilutive potential ordinary shares.