

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
ASSETS					
Cash and balances with banks		19,911,688	19,698,132	13,083,499	12,970,667
Reverse repurchase agreements		-	202,833	-	202,833
Financial assets at fair value through profit or loss	A8	1,938,058	1,583,506	1,870,523	1,556,110
Derivative financial assets	A28	176,886	287,010	315,455	469,253
Financial investments at fair value through other comprehensive income	A9	48,019,115	48,547,403	32,408,364	33,053,569
Financial investments at amortised cost	A10	27,456,150	27,604,020	18,778,192	18,845,261
Loans, advances and financing	A11	348,652,985	342,802,781	270,202,009	267,438,974
Other assets	A12	2,826,052	3,408,304	2,559,803	3,167,793
Statutory deposits with Central Banks		1,196,009	1,134,924	385,003	298,089
Deferred tax assets		112,662	81,637	-	-
Collective investments		-	-	6,007,740	5,923,401
Investment in subsidiary companies		-	-	6,494,293	6,494,293
Investment in associated companies		118,182	78,421	67,500	45,000
Investment properties		720,814	712,885	-	-
Right-of-use assets		1,381,847	1,379,534	1,251,049	1,289,661
Property and equipment		1,272,056	1,317,750	723,815	770,206
Intangible assets		2,461,892	2,417,727	695,393	695,393
TOTAL ASSETS		456,244,396	451,256,867	354,842,638	353,220,503
LIABILITIES					
Deposits from customers	A13	375,152,261	365,870,751	285,783,889	278,078,713
Deposits from banks	A14	8,304,927	10,742,228	9,161,239	13,176,335
Obligations on securities sold under repurchase agreements		679,118	914,108	583,328	590,285
Bills and acceptances payable		293,183	209,347	292,230	208,866
Recourse obligations on loans sold to Cagamas		4,500,003	4,500,003	4,500,003	4,500,003
Derivative financial liabilities	A28	260,278	626,056	226,146	580,371
Debt securities issued and other borrowed funds	B9	11,370,397	12,272,354	9,263,192	10,184,448
Lease liabilities		1,075,495	1,072,120	1,314,808	1,342,940
Other liabilities	A15	4,794,199	5,628,779	3,342,412	3,898,526
Provision for tax expense and zakat		803,820	210,142	626,336	109,527
Deferred tax liabilities		477,603	784,349	359,929	610,701
TOTAL LIABILITIES		407,711,284	402,830,237	315,453,512	313,280,715

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Group		Bank	
		30 June	31 December	30 June	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital		9,417,653	9,417,653	9,417,653	9,417,653
Regulatory reserves		700,749	1,219,881	604,234	1,031,389
Other reserves		1,835,319	2,030,742	855,710	1,162,643
Retained profits		35,332,315	34,579,995	28,511,529	28,328,103
Equity attributable to equity holders of the Bank		47,286,036	47,248,271	39,389,126	39,939,788
Non-controlling interests		1,247,076	1,178,359	-	-
TOTAL EQUITY		48,533,112	48,426,630	39,389,126	39,939,788
TOTAL LIABILITIES AND EQUITY					
		456,244,396	451,256,867	354,842,638	353,220,503
COMMITMENTS AND CONTINGENCIES					
	A27	99,701,677	106,934,447	87,423,550	95,936,229
CAPITAL ADEQUACY					
	A30				
Before deducting interim dividends *					
Common Equity Tier I Capital Ratio		14.772%	14.815%	13.761%	13.702%
Tier I Capital Ratio		14.826%	14.869%	13.804%	13.745%
Total Capital Ratio		17.951%	18.011%	17.117%	17.053%
After deducting interim dividends *					
Common Equity Tier I Capital Ratio		14.278%	13.951%	13.130%	12.611%
Tier I Capital Ratio		14.331%	14.005%	13.173%	12.654%
Total Capital Ratio		17.457%	17.147%	16.486%	15.962%
Net assets per share attributable to ordinary equity holders of the Bank (RM)					
		2.44	2.43	2.03	2.06

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

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

Group	Note	2nd Quarter Ended		Half Year Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Operating revenue		4,921,477	4,739,165	9,951,791	10,254,345
Interest income	A16	3,380,959	3,385,457	6,756,835	7,342,746
Interest expense	A17	(1,274,440)	(1,886,910)	(2,576,802)	(4,007,783)
Net interest income		2,106,519	1,498,547	4,180,033	3,334,963
Net income from Islamic banking business	A32 (b)	405,015	200,122	837,876	541,465
		2,511,534	1,698,669	5,017,909	3,876,428
Fee and commission income	A18 (a)	733,267	573,434	1,557,122	1,213,573
Fee and commission expense	A18 (b)	(214,287)	(151,579)	(447,325)	(355,371)
Net fee and commission income	A18	518,980	421,855	1,109,797	858,202
Net gains and losses on financial instruments	A19	50,336	184,742	110,099	288,905
Other operating income	A20	113,158	94,276	183,254	172,058
Net income		3,194,008	2,399,542	6,421,059	5,195,593
Other operating expenses	A21	(1,000,667)	(970,046)	(2,028,398)	(1,969,595)
Operating profit		2,193,341	1,429,496	4,392,661	3,225,998
Allowance for impairment on loans, advances and financing	A22	(395,996)	(153,734)	(594,491)	(215,125)
Writeback of allowance / (Allowance) for impairment on other assets	A23	1,315	(1,328)	(221)	(4,844)
		1,798,660	1,274,434	3,797,949	3,006,029
Share of (loss) / profit after tax of equity accounted associated companies		(3,259)	5,937	(3,601)	1,489
Profit before tax expense and zakat		1,795,401	1,280,371	3,794,348	3,007,518
Tax expense and zakat	B5	(393,842)	(268,763)	(843,553)	(653,976)
Profit for the period		1,401,559	1,011,608	2,950,795	2,353,542
Profit for the period attributable to:					
- Equity holders of the Bank		1,384,380	1,001,835	2,914,348	2,330,911
- Non-controlling interests		17,179	9,773	36,447	22,631
		1,401,559	1,011,608	2,950,795	2,353,542
Earnings per share:					
- basic / diluted (sen)	B12	7.13	5.16 #	15.01	12.01 #

For comparative purpose, the earnings per share for the quarter and year-to-date ended 30 June 2020 have been adjusted to reflect the bonus issue of 4 bonus shares for every 1 existing ordinary share which was completed on 29 January 2021.

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

Group	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit for the period	1,401,559	1,011,608	2,950,795	2,353,542
Other comprehensive income / (loss):				
<u>Items that will not be reclassified to profit or loss:</u>				
Gain / (Loss) on remeasurements of defined benefit plans	-	84,169	-	(126,367)
Net change in revaluation of equity instruments	11,548	7,139	11,723	7,181
Gain on disposal of equity instruments	319	-	319	-
	11,867	91,308	12,042	(119,186)
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of:				
- Foreign operations	33,431	(57,279)	294,533	403,879
- Net investment hedge	(8,968)	29,755	(131,517)	(203,790)
Net change in revaluation of financial investments at fair value through other comprehensive income	85,123	491,615	(697,504)	472,748
Net change in cash flow hedges	(1,722)	(17,043)	69,668	(127,399)
	107,864	447,048	(464,820)	545,438
Income tax effect	(12,560)	(115,092)	141,355	(45,447)
Share of changes in associated companies' reserves	(834)	(96)	(1,639)	1,128
Other comprehensive income / (loss) for the period, net of tax	106,337	423,168	(313,062)	381,933
Total comprehensive income for the period	1,507,896	1,434,776	2,637,733	2,735,475
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	1,484,825	1,431,781	2,561,155	2,657,083
- Non-controlling interests	23,071	2,995	76,578	78,392
	1,507,896	1,434,776	2,637,733	2,735,475

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<u>Bank</u>	Note	2nd Quarter Ended		Half Year Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Operating revenue		3,418,279	3,465,637	6,754,192	7,227,707
Interest income	A16	3,006,771	2,970,228	6,012,410	6,494,886
Interest expense	A17	(1,219,242)	(1,801,104)	(2,461,693)	(3,830,554)
Net interest income		1,787,529	1,169,124	3,550,717	2,664,332
Fee and commission income	A18 (a)	247,269	193,710	546,759	442,936
Fee and commission expense	A18 (b)	(67,195)	(54,814)	(138,736)	(143,843)
Net fee and commission income	A18	180,074	138,896	408,023	299,093
Net gains and losses on financial instruments	A19	49,803	176,645	108,298	281,479
Other operating income	A20	484,420	417,516	514,954	329,192
Net income		2,501,826	1,902,181	4,581,992	3,574,096
Other operating expenses	A21	(626,830)	(610,906)	(1,280,269)	(1,249,836)
Operating profit		1,874,996	1,291,275	3,301,723	2,324,260
Allowance for impairment on loans, advances and financing	A22	(343,751)	(61,692)	(451,053)	(82,276)
Writeback of allowance / (Allowance) for impairment on other assets	A23	1,475	(566)	1,084	(3,391)
Profit before tax expense and zakat		1,532,720	1,229,017	2,851,754	2,238,593
Tax expense and zakat	B5	(273,525)	(220,811)	(572,217)	(447,576)
Profit for the period		1,259,195	1,008,206	2,279,537	1,791,017

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<u>Bank</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit for the period	<u>1,259,195</u>	<u>1,008,206</u>	<u>2,279,537</u>	<u>1,791,017</u>
Other comprehensive income / (loss):				
<u>Items that will not be reclassified to profit or loss:</u>				
Gain / (Loss) on remeasurements of defined benefit plans	-	83,226	-	(124,952)
Net change in revaluation of equity instruments	11,180	7,075	11,232	7,117
Gain on disposal of equity instruments	319	-	319	-
	<u>11,499</u>	<u>90,301</u>	<u>11,551</u>	<u>(117,835)</u>
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of foreign operations	(861)	(3,347)	4,517	10,649
Net change in revaluation of financial investments at fair value through other comprehensive income	46,030	275,284	(436,815)	282,998
Net change in cash flow hedges	5,334	(9,395)	11,976	(17,492)
	<u>50,503</u>	<u>262,542</u>	<u>(420,322)</u>	<u>276,155</u>
Income tax effect	(12,327)	(83,788)	101,962	(33,733)
Other comprehensive income / (loss) for the period, net of tax	<u>49,675</u>	<u>269,055</u>	<u>(306,809)</u>	<u>124,587</u>
Total comprehensive income for the period	<u>1,308,870</u>	<u>1,277,261</u>	<u>1,972,728</u>	<u>1,915,604</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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

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

<u>Group</u>	<u>Non-distributable</u>			<u>Distributable</u>		<u>Total Shareholders' Equity</u>	<u>Non-controlling Interests</u>	<u>Total Equity</u>
	<u>Share Capital</u>	<u>Regulatory Reserves</u>	<u>Other Reserves</u>	<u>Retained Profits</u>	<u>Shareholders' Equity</u>			
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2021	9,417,653	1,219,881	2,030,742	34,579,995	47,248,271	1,178,359	48,426,630	
Profit for the period	-	-	-	2,914,348	2,914,348	36,447	2,950,795	
Other comprehensive (loss) / income for the period	-	-	(353,512)	319	(353,193)	40,131 *	(313,062)	
Total comprehensive (loss) / income for the period	-	-	(353,512)	2,914,667	2,561,155	76,578	2,637,733	
Transactions with owners / other equity movements:								
Transfer to statutory reserves	-	-	204	(204)	-	-	-	
Transfer from regulatory reserves	-	(519,132)	-	519,132	-	-	-	
Transfer to general reserves	-	-	157,885	(157,885)	-	-	-	
Dividends paid	-	-	-	(2,523,390)	(2,523,390)	(7,861)	(2,531,251)	
	-	(519,132)	158,089	(2,162,347)	(2,523,390)	(7,861)	(2,531,251)	
At 30 June 2021	9,417,653	700,749	1,835,319	35,332,315	47,286,036	1,247,076	48,533,112	

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

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

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

<u>Group</u>	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total Shareholders' Equity</u> RM'000	<u>Non-controlling Interests</u> RM'000	<u>Total Equity</u> RM'000
	<u>Share Capital</u> RM'000	<u>Regulatory Reserves</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Profits</u> RM'000			
At 1 January 2020	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	-	-	-	2,330,911	2,330,911	22,631	2,353,542
Other comprehensive income for the period	-	-	326,172	-	326,172	55,761 *	381,933
Total comprehensive income for the period	-	-	326,172	2,330,911	2,657,083	78,392	2,735,475
Transactions with owners / other equity movements:							
Transfer to statutory reserves	-	-	252	(252)	-	-	-
Transfer from regulatory reserves	-	(119,940)	-	119,940	-	-	-
Transfer to general reserves	-	-	85,630	(85,630)	-	-	-
Dividends paid	-	-	-	(1,552,855)	(1,552,855)	(4,871)	(1,557,726)
	-	(119,940)	85,882	(1,518,797)	(1,552,855)	(4,871)	(1,557,726)
At 30 June 2020	9,417,653	1,897,413	2,018,411	31,365,081	44,698,558	1,225,395	45,923,953

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

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

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

<u>Bank</u>	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total</u> <u>Equity</u> <u>RM'000</u>
	<u>Share</u> <u>Capital</u> <u>RM'000</u>	<u>Regulatory</u> <u>Reserves</u> <u>RM'000</u>	<u>Other</u> <u>Reserves</u> <u>RM'000</u>	<u>Retained</u> <u>Profits</u> <u>RM'000</u>	
At 1 January 2021	9,417,653	1,031,389	1,162,643	28,328,103	39,939,788
Profit for the period	-	-	-	2,279,537	2,279,537
Other comprehensive (loss) / income for the period	-	-	(307,128)	319	(306,809)
Total comprehensive (loss) / income for the period	-	-	(307,128)	2,279,856	1,972,728
Transactions with owners / other equity movements:					
Transfer to statutory reserves	-	-	195	(195)	-
Transfer from regulatory reserves	-	(427,155)	-	427,155	-
Dividends paid	-	-	-	(2,523,390)	(2,523,390)
	-	(427,155)	195	(2,096,430)	(2,523,390)
At 30 June 2021	9,417,653	604,234	855,710	28,511,529	39,389,126

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

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

<u>Bank</u>	<u>Non-distributable</u>			<u>Distributable</u>	Total Equity RM'000
	Share Capital RM'000	Regulatory Reserves RM'000	Other Reserves RM'000	Retained Profits RM'000	
At 1 January 2020	9,417,653	1,619,452	873,228	25,168,037	37,078,370
Profit for the period	-	-	-	1,791,017	1,791,017
Other comprehensive income for the period	-	-	124,587	-	124,587
Total comprehensive income for the period	-	-	124,587	1,791,017	1,915,604
Transactions with owners / other equity movements:					
Transfer to statutory reserves	-	-	252	(252)	-
Transfer from regulatory reserves	-	(47,017)	-	47,017	-
Dividends paid	-	-	-	(1,552,855)	(1,552,855)
	-	(47,017)	252	(1,506,090)	(1,552,855)
At 30 June 2020	9,417,653	1,572,435	998,067	25,452,964	37,441,119

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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	Group		Bank	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Cash Flows from Operating Activities				
Profit before tax expense and zakat	3,794,348	3,007,518	2,851,754	2,238,593
Adjustments for non-cash items:				
Share of loss / (profit) after tax of equity accounted associated companies	3,601	(1,489)	-	-
Allowance for impairment on loans and financing	687,351	328,065	498,040	137,619
Depreciation of right-of-use assets and property and equipment	186,889	182,438	145,404	140,471
Net gain on financial instruments	(110,969)	(265,999)	(109,500)	(258,807)
Dividend income	(1,001)	(350)	(525,263)	(384,315)
Allowance / (Writeback of allowance) for impairment on other assets	221	4,844	(1,084)	3,391
Other non-cash items	(2,557)	6,561	(7,917)	(2,922)
Operating profit before working capital changes	<u>4,557,883</u>	<u>3,261,588</u>	<u>2,851,434</u>	<u>1,874,030</u>
Changes in working capital:				
(Increase) / Decrease in operating assets	(6,318,941)	4,624,206	(2,957,034)	4,730,852
Increase in operating liabilities	5,604,337	6,013,639	3,108,816	5,094,949
Cash generated from operations	<u>3,843,279</u>	<u>13,899,433</u>	<u>3,003,216</u>	<u>11,699,831</u>
Tax expense and zakat paid	(404,784)	(614,001)	(204,218)	(348,154)
Net cash generated from operating activities	<u>3,438,495</u>	<u>13,285,432</u>	<u>2,798,998</u>	<u>11,351,677</u>
Cash Flows from Investing Activities				
Purchase of property and equipment	(76,740)	(78,418)	(53,098)	(47,016)
Addition to investment properties	(20)	(219)	-	-
Proceeds from disposal of properties	7,698	5,599	7,682	4,986
Net sale / (purchase) of financial investments	118,967	(5,566,105)	425,008	(4,168,589)
Investment in collective investments	-	-	(84,339)	(101,359)
Additional investment in an associated company	(45,000)	-	(22,500)	-
Dividends received	1,001	350	755,283	496,964
Net cash generated from / (used in) investing activities	<u>5,906</u>	<u>(5,638,793)</u>	<u>1,028,036</u>	<u>(3,815,014)</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 2020.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	Group		Bank	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Cash Flows from Financing Activities				
Dividends paid	(2,531,251)	(1,557,726)	(2,523,390)	(1,552,855)
Repayment of lease liabilities	(38,770)	(67,793)	(25,053)	(52,065)
Redemption of debt securities	(1,000,000)	-	(1,000,000)	-
Net cash used in financing activities	<u>(3,570,021)</u>	<u>(1,625,519)</u>	<u>(3,548,443)</u>	<u>(1,604,920)</u>
Net change in cash and cash equivalents	(125,620)	6,021,120	278,591	5,931,743
Cash and cash equivalents at beginning of the year	17,328,281	12,191,838	12,320,333	7,922,755
Exchange differences on translation of opening balances	<u>271,857</u>	<u>335,447</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the period	<u>17,474,518</u>	<u>18,548,405</u>	<u>12,598,924</u>	<u>13,854,498</u>
Note:				
Cash and balances with banks	19,911,688	20,866,339	13,083,499	14,372,445
Less: Balances with banks with original maturity more than three months	<u>(2,437,170)</u>	<u>(2,317,934)</u>	<u>(484,575)</u>	<u>(517,947)</u>
Cash and cash equivalents at end of the period	<u>17,474,518</u>	<u>18,548,405</u>	<u>12,598,924</u>	<u>13,854,498</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 2020.

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

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 2nd quarter and financial half year ended 30 June 2021 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 2020. 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 2020.

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 2020, except for the adoption of the following during the current financial period:

Effective for annual periods commencing on or after 1 January 2021

- Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)

Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) - Amendments were made on some specific requirements of those standards with respect to issues affecting financial reporting during the reform of an interest rate benchmark. The amendments provide a practical expedient whereby a company would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

The adoption of these amendments did not have any financial impact to the Group and the Bank.

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

Following Bank Negara Malaysia ("BNM")'s letters dated 24 March 2020, 24 July 2020 and 17 August 2020 on measures to assist borrowers/customers affected by the COVID-19 pandemic, BNM had on 31 May 2021 extended the eligibility period of various repayment assistance from 30 June 2021 to on or before 31 December 2021.

- i) Definition of defaulted exposures under the policy documents on Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks

In applying the definition of defaulted exposures under the above policies to loans/financing for which repayment assistance is extended:

- a) The determination of "days past due" should be based on the new repayment terms of a loan/financing that has been rescheduled and restructured. Where the repayment terms include a repayment deferral, the determination of days past due should exclude the deferred repayment period;

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

A1. Basis of Preparation (continued)

Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Pandemic (continued)

- b) For loans/financing to individuals or SMEs, a borrower/customer should not be considered to be in default based on "unlikeliness to repay" at the time the repayment assistance is granted, except where the loan/financing is sold by the banking institution at a material loss or the borrower/customer is subjected to bankruptcy actions. Banking institutions are also expected to consider whether the financial difficulties faced by the borrowers/customers are unlikely to be temporary; and
- c) For loans/financing to corporates, the assessment of "unlikeliness to repay" should not be based solely on the borrower/customer taking up an offer of repayment assistance extended by the banking institution but based on a more holistic assessment of all relevant indicators and information available on the corporate borrower/customer.

Regulatory Capital Treatment

The regulatory capital treatment above shall apply to loans/financing denominated in Malaysian Ringgit or foreign currency that meet the following criteria:

- a) The principal or interest/profit, or both, is not in arrears exceeding 90 days as at the date of application for repayment assistance; and
- b) The application for repayment assistance by a borrower/customer is received on or before 31 December 2021.

The regulatory capital treatment would also be applicable to rescheduled and restructured loans/financing that are facilitated by Agensi Kaunseling dan Pengurusan Kredit, the Small Debt Resolution Scheme and the Corporate Debt Restructuring Committee.

ii) Classification in the Central Credit Reference Information System ("CCRIS")

For rescheduled and restructured ("R&R") individual, SME and corporate loans/financing with arrears not exceeding 90 days as at the date of application for repayment assistance and where application for repayment assistance is received on or before 31 December 2021, including a loan/financing that is restructured and rescheduled more than once, the loan/financing need not be reported as R&R in CCRIS.

iii) Drawdown of prudential buffers

Banking institutions are allowed 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") is lowered to 80% from 100%.

However, banking institutions are required to rebuild the said buffers and restore them to the minimum regulatory requirements by 30 September 2021. BNM will review this timeline if current expectations change materially.

As at the reporting date, the Group and the Bank have not drawn down any of the prudential buffers.

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

A1. Basis of Preparation (continued)

Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Pandemic (continued)

In line with the announcement made by the Prime Minister of Malaysia on the *Pakej Perlindungan Rakyat dan Pemulihan Ekonomi* (PEMULIH package), the Association of Banks in Malaysia and Association of Islamic Banking and Financial Institutions Malaysia had on 29 June 2021 announced that from 7 July 2021, banks will be offering a 6-month moratorium on the instalment of all credit facilities (excluding credit cards) for the following borrowers/customers on an opt in basis:-

- i) All individuals (including all B40, M40 and T20 borrowers/customers);
- ii) All microenterprises; and
- iii) All small and medium enterprises ("SMEs") that have been affected by the COVID-19 pandemic.

For credit card facilities, the banks will offer conversion of a borrower's/customer's outstanding balances into a 3-year term loan/financing with reduced interest/profit rates.

This moratorium is applicable for loans/financing approved before 1 July 2021 and are not in arrears for more than 90 days on the date the request is submitted. In addition, CCRIS records will also be unaffected by opting in this moratorium.

MFRS 9 Financial Instruments and financial reporting requirements

The Group and the Bank had incorporated management overlays to cater for the impact of the COVID-19 pandemic and the associated relief measures in the measurement of expected credit losses ("ECL").

These management overlays are made to reflect the macroeconomic outlook and potential deterioration in credit risk of loans/financing under relief assistance. The management overlays involved significant level of judgment and reflect management's views of possible severities of the pandemic and paths of recovery in the forward looking assessment for ECL estimation purposes.

The borrowers or customers who had received relief assistance remain in their existing stages unless they have been individually identified as not viable or with subsequent indicators of significant increase in credit risk from each of their pre-COVID-19 status. 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 migration from Stage 1 (12-month ECL) to Stage 2 (lifetime ECL).

- i) Forward looking macro-economic information and assumptions

The economic outlook from BNM and various research houses, forward looking information and assumptions relating to COVID-19 have been considered in the Group's and the Bank's forward looking models.

The following are values of the key domestic macro-economic variables and forward looking assumptions for year 2021 which are used in the models:

	2021
	%
Gross domestic product	4.0 - 5.0
Consumer price index	2.5 - 4.0
Housing price index	182 - 227
Unemployment rate	4.1 - 5.2

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

A1. Basis of Preparation (continued)

MFRS 9 Financial Instruments and financial reporting requirements (continued)

ii) Management overlay for loans/financing under relief assistance

The Group and the Bank exercised judgment, adapted and estimated based on the information on-hand in the provision of management overlays.

a) Large corporate borrowers/customers

Management overlay was provided for certain large corporate borrowers/customers who were and continue to be affected by the economic environment and have applied for rescheduling and restructuring arrangements.

b) Retail and SME borrowers/customers

Borrowers/customers who are eligible for the targeted repayment assistance or have applied for extended relief and/or other forms of relief assistance were identified and assessed. Based on the data available, management overlay was provided to cater for potential deterioration in credit risk of this group of borrowers/customers.

As the circumstances surrounding the COVID-19 pandemic remain fluid, the Group and the Bank will continue to review and monitor closely the abovementioned assumptions and management overlay if current expectations change materially.

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

Effective for annual periods commencing on or after 1 April 2021

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)

Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"
- Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations)
- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)
- Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
- Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases) - The original amendment issued in 2020 allows lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions. It applies to rent concessions that reduce the lease payments due on or before 30 June 2021. This amendment extends the availability of the practical expedient for another 12 months, i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

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

A1. Basis of Preparation (continued)

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

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020" - The Annual Improvements cover the following amendments that are applicable to the Group and the Bank:

- i) **MFRS 9 Financial Instruments** - It clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- ii) **Illustrative Examples accompanying MFRS 16 Leases** - It deletes the Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.

Reference to the Conceptual Framework (Amendments to MFRS 3 Business Combinations) - The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by MASB in April 2018.

Property, Plant and Equipment - Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment) - The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company shall recognise such sales proceeds and related cost in profit or loss.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets) - The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

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.

Amendments to MFRS 17 Insurance Contracts - The amendments are designed to minimise the risk of disruption to implementation already underway and do not change the fundamental principles of the standard or reduce the usefulness of information for investors. In addition, the amendments also defer the effective date of MFRS 17 by two years to annual reporting periods beginning on or after 1 January 2023.

Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts) - The amendments extend the expiry date for the temporary exemption from applying MFRS 9 Financial Instruments by two years to annual periods beginning on or after 1 January 2023, to be aligned with the effective date of MFRS 17, which replaces MFRS 4.

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.

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

A1. Basis of Preparation (continued)

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

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements) - The amendments require entities to disclose their material accounting policy information rather than significant accounting policies and include examples of what is considered to be material to their financial statements. To support the amendments, MFRS Practice Statement 2 Making Materiality Judgments was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosure.

Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors) - The amendments revise the definition of accounting estimates to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes) - The amendments clarifies how companies should account for deferred tax on transactions such as leases and decommissioning obligation. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The adoption of MFRS 17 Insurance Contracts is not expected to have any material financial impact on the financial statements of the Group as the Group's insurance business is immaterial.

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

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2020 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 as disclosed in Note A1, 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 period.

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

A6. Debt and Equity Securities

Saved as disclosed below, there were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Group and the Bank.

a) **Bonus Issues of up to 15,528,553,388 Bonus Shares on the Basis of 4 Bonus Shares for Every 1 Existing Public Bank Berhad Share**

Subsequent to the approvals obtained from BNM and Bursa Malaysia Securities Berhad on 18 December 2020, and shareholders' approval via an Extraordinary General Meeting held on 12 January 2021, the Bank had on 29 January 2021 announced the listing and quotation of 15,528,553,388 bonus shares.

b) **RM20.0 Billion Senior Medium Term Notes ("Senior MTNs") Programme**

The Bank had redeemed the fifth tranche of Senior MTNs amounting to RM1,000 million in nominal value on the maturity date.

A7. Dividends Paid and Distributed

An interim dividend of 13.0 sen per share for the financial year ended 31 December 2020 amounting to RM2,523,389,926 was paid on 22 March 2021.

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	-	109,517	-	109,517
Malaysian Government Securities	1,389,131	464,553	1,389,131	464,553
Malaysian Government Investment Issues	103,708	330,325	61,649	330,325
	<u>1,492,839</u>	<u>904,395</u>	<u>1,450,780</u>	<u>904,395</u>
Non-money market instruments:				
Equity securities:				
- Unquoted shares in Malaysia	445,219	478,772	419,743	451,376
Debt securities:				
- Cagamas bonds	-	200,339	-	200,339
	<u>445,219</u>	<u>679,111</u>	<u>419,743</u>	<u>651,715</u>
Total financial assets at FVTPL	<u>1,938,058</u>	<u>1,583,506</u>	<u>1,870,523</u>	<u>1,556,110</u>

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	466,934	700,094	466,934	700,094
Malaysian Government Securities	16,874,548	17,302,295	16,511,048	16,966,318
Malaysian Government Investment Issues	23,448,777	23,398,381	12,734,588	12,865,030
Other foreign government securities	139,591	156,877	-	-
	<u>40,929,850</u>	<u>41,557,647</u>	<u>29,712,570</u>	<u>30,531,442</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,309,780</u>	938,442	<u>1,309,780</u>	938,442
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	1,856	1,382	-	-
- Unquoted shares	390,961	379,025	384,275	372,474
Debt securities:				
- Cagamas bonds	302,856	503,931	200,341	400,484
- Unquoted corporate bonds / sukuk	5,083,812	5,166,976	801,398	810,727
	<u>5,779,485</u>	<u>6,051,314</u>	<u>1,386,014</u>	<u>1,583,685</u>
Total financial investments at FVOCI	<u>48,019,115</u>	<u>48,547,403</u>	<u>32,408,364</u>	<u>33,053,569</u>

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

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	
Group				
At 1 January 2021	11,111	1,919	-	13,030
New financial investments purchased	2,779	209	-	2,988
Net allowance made	1,353	-	-	1,353
Amount derecognised	(2,788)	(531)	-	(3,319)
Exchange differences	9	56	-	65
At 30 June 2021	<u>12,464</u>	<u>1,653</u>	<u>-</u>	<u>14,117</u>
At 1 January 2020	7,616	796	-	8,412
New financial investments purchased	7,962	1,183	-	9,145
Net allowance made	2,692	-	-	2,692
Amount derecognised	(7,219)	-	-	(7,219)
Change in models / risk parameters	63	-	-	63
Exchange differences	(3)	(60)	-	(63)
At 31 December 2020	<u>11,111</u>	<u>1,919</u>	<u>-</u>	<u>13,030</u>
Bank				
At 1 January 2021	5,484	-	-	5,484
New financial investments purchased	2,201	-	-	2,201
Net allowance made	16	-	-	16
Amount derecognised	(2,254)	-	-	(2,254)
At 30 June 2021	<u>5,447</u>	<u>-</u>	<u>-</u>	<u>5,447</u>
At 1 January 2020	4,352	-	-	4,352
New financial investments purchased	6,770	-	-	6,770
Net allowance made	255	-	-	255
Amount derecognised	(5,859)	-	-	(5,859)
Change in models / risk parameters	(34)	-	-	(34)
At 31 December 2020	<u>5,484</u>	<u>-</u>	<u>-</u>	<u>5,484</u>

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

A10. Financial Investments at Amortised Cost

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Securities	1,094,079	1,071,562	1,094,079	1,071,562
Malaysian Government Investment Issues	7,893,214	7,750,118	3,895,181	3,870,625
Foreign Government Treasury Bills	1,177,322	1,039,673	59,454	60,911
Other foreign government securities	1,269,724	1,528,131	5,072	5,762
	<u>11,434,339</u>	<u>11,389,484</u>	<u>5,053,786</u>	<u>5,008,860</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,922,656</u>	<u>1,832,725</u>	<u>1,080,420</u>	<u>1,060,142</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds	4,780,273	4,780,804	4,780,273	4,780,804
- Unquoted corporate bonds / sukuk	9,323,619	9,606,182	7,867,428	7,999,629
	<u>14,103,892</u>	<u>14,386,986</u>	<u>12,647,701</u>	<u>12,780,433</u>
Allowance for impairment	(4,737)	(5,175)	(3,715)	(4,174)
Total financial investments at amortised cost	<u>27,456,150</u>	<u>27,604,020</u>	<u>18,778,192</u>	<u>18,845,261</u>

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

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	
Group				
At 1 January 2021	5,156	-	19	5,175
New financial investments purchased	262	-	-	262
Net allowance made	6	-	-	6
Amount derecognised	(291)	-	-	(291)
Exchange differences	(415)	-	-	(415)
At 30 June 2021	<u>4,718</u>	<u>-</u>	<u>19</u>	<u>4,737</u>
At 1 January 2020	4,527	-	19	4,546
New financial investments purchased	622	-	-	622
Net allowance made	278	-	-	278
Amount derecognised	(754)	-	-	(754)
Exchange differences	483	-	-	483
At 31 December 2020	<u>5,156</u>	<u>-</u>	<u>19</u>	<u>5,175</u>
Bank				
At 1 January 2021	4,155	-	19	4,174
Net allowance made	11	-	-	11
Amount derecognised	(44)	-	-	(44)
Exchange differences	(426)	-	-	(426)
At 30 June 2021	<u>3,696</u>	<u>-</u>	<u>19</u>	<u>3,715</u>
At 1 January 2020	3,726	-	19	3,745
New financial investments purchased	65	-	-	65
Net allowance made	236	-	-	236
Amount derecognised	(362)	-	-	(362)
Exchange differences	490	-	-	490
At 31 December 2020	<u>4,155</u>	<u>-</u>	<u>19</u>	<u>4,174</u>

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

A11. Loans, Advances and Financing

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost				
Overdrafts	9,694,037	9,464,586	6,868,572	6,667,586
Term loans / financing				
- Housing loans / financing	136,870,468	131,511,581	105,185,539	101,898,138
- Syndicated term loans / financing	4,030,477	3,842,179	1,153,085	1,160,411
- Hire purchase receivables	55,726,858	54,760,909	43,686,408	43,331,042
- Other term loans / financing	127,824,626	128,504,129	100,685,066	101,330,530
Credit card receivables	1,819,543	1,996,528	1,776,460	1,954,379
Bills receivables	71,567	64,900	50,171	51,758
Trust receipts	182,671	194,102	115,240	103,974
Claims on customers under acceptance credits	2,907,791	2,691,792	2,734,231	2,517,347
Revolving credits	10,790,895	10,499,096	8,608,553	8,651,661
Staff loans *	2,152,047	2,121,425	1,860,972	1,845,539
Gross loans, advances and financing	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</u>
Allowance for impairment on loans and financing:				
- Expected credit losses	(3,417,995)	(2,848,446)	(2,522,288)	(2,073,391)
- Stage 1: 12-Month ECL	(1,655,219)	(1,528,896)	(1,170,922)	(1,054,961)
- Stage 2: Lifetime ECL not credit-impaired	(1,486,449)	(1,046,834)	(1,180,202)	(845,848)
- Stage 3: Lifetime ECL credit-impaired	(276,327)	(272,716)	(171,164)	(172,582)
Net loans, advances and financing	<u>348,652,985</u>	<u>342,802,781</u>	<u>270,202,009</u>	<u>267,438,974</u>

* Included in staff loans of the Group and of the Bank are loans to Directors of subsidiary companies amounting to RM6,818,000 (2020: RM7,232,000) and RM6,818,000 (2020 - RM7,050,000) respectively.

a) By class

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Retail loans / financing *				
- Housing loans / financing	136,870,480	131,511,594	105,185,539	101,898,138
- Hire purchase	55,471,927	54,512,804	43,686,408	43,331,042
- Credit cards	1,819,543	1,996,528	1,776,460	1,954,379
- Other loans / financing ^	112,152,977	111,116,862	84,477,529	84,296,422
	<u>306,314,927</u>	<u>299,137,788</u>	<u>235,125,936</u>	<u>231,479,981</u>
Corporate loans / financing	45,756,053	46,513,439	37,598,361	38,032,384
	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</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.

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

A11. Loans, Advances and Financing (continued)

b) By type of customer

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Non-bank financial institutions				
- Stock-broking companies	5,054	969	5,054	969
- Others	14,057,427	13,973,772	12,697,009	12,685,217
Business enterprises				
- Small and medium enterprises	72,329,959	70,742,571	58,557,865	57,359,814
- Others	26,318,810	27,969,048	20,524,231	22,017,281
Government and statutory bodies	1,014,639	1,018,079	12,932	15,843
Individuals	234,944,917	228,442,845	179,013,312	175,512,155
Other entities	26,743	29,121	20,505	22,698
Foreign entities	3,373,431	3,474,822	1,893,389	1,898,388
	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</u>

c) By interest/profit rate sensitivity

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Fixed rate				
- Housing loans / financing	990,450	786,457	23,255	23,381
- Hire purchase receivables	53,083,071	52,260,020	43,527,015	43,163,759
- Other fixed rate loans / financing	22,779,089	22,659,120	11,818,272	11,910,692
Variable rate				
- Base rate / base lending rate plus	225,951,388	219,697,158	185,084,154	181,127,943
- Cost plus	35,736,506	37,001,413	31,972,401	32,966,166
- Other variable rates	13,530,476	13,247,059	299,200	320,424
	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</u>

d) By residual contractual maturity

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Maturity within one year	28,839,127	29,828,393	20,182,385	21,712,839
More than one year to three years	26,467,381	27,587,328	21,805,784	22,453,205
More than three years to five years	34,182,925	31,575,192	27,130,939	24,315,669
More than five years	262,581,547	256,660,314	203,605,189	201,030,652
	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</u>

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

A11. Loans, Advances and Financing (continued)

e) By geographical distribution

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Malaysia	329,473,620	323,728,119	272,014,121	268,793,402
Hong Kong SAR and the People's Republic of China	13,820,149	13,607,461	-	-
Cambodia	4,570,997	4,606,971	-	-
Other countries	4,206,214	3,708,676	710,176	718,963
	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</u>

f) Gross loans, advances and financing by economic purpose

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Purchase of securities	4,560,718	4,359,446	4,068,074	3,937,183
Purchase of transport vehicles	55,967,633	54,982,651	43,928,526	43,552,949
Purchase of landed properties	223,065,368	218,890,201	176,254,396	174,208,388
(of which: - residential	141,428,472	135,970,426	109,009,672	105,640,480
- non-residential)	81,636,896	82,919,775	67,244,724	68,567,908
Purchase of fixed assets (excluding landed properties)	478,695	443,942	89,218	87,120
Personal use	13,915,912	13,742,077	7,668,292	7,653,250
Credit card	1,819,543	1,996,528	1,776,460	1,954,379
Purchase of consumer durables	865	798	180	103
Construction	7,626,953	7,396,048	5,757,517	5,718,835
Working capital	40,297,218	38,874,027	29,007,690	27,605,664
Other purpose	4,338,075	4,965,509	4,173,944	4,794,494
	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</u>

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

A11. Loans, Advances and Financing (continued)

g) Gross loans, advances and financing by sectors

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	3,214,009	3,280,896	2,605,457	2,282,306
Mining and quarrying	304,104	314,277	166,699	164,594
Manufacturing	11,341,895	11,111,565	8,523,703	8,407,467
Electricity, gas and water	125,270	129,803	54,368	55,895
Construction	17,703,483	16,032,004	14,005,499	12,702,933
Wholesale & retail trade and restaurants & hotels	29,963,465	28,914,864	24,653,477	23,847,726
Transport, storage and communication	4,523,727	4,450,488	3,251,140	3,236,937
Finance, insurance and business services	18,739,200	19,724,670	16,374,868	17,314,287
Real estate	26,728,292	28,710,902	20,527,045	22,360,371
Community, social and personal services	3,445,116	3,495,524	2,083,709	2,140,910
Households	234,782,782	228,317,274	180,425,436	176,945,619
Others	1,199,637	1,168,960	52,896	53,320
	<u>352,070,980</u>	<u>345,651,227</u>	<u>272,724,297</u>	<u>269,512,365</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Bankers' acceptances rediscounted	-	3,000	-	3,000

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At 1 January	1,251,218	1,604,919	885,514	1,144,133
Impaired during the period / year	631,124	1,223,521	399,035	735,365
Reclassified as non-impaired	(396,353)	(814,904)	(274,351)	(571,151)
Recoveries	(104,065)	(272,687)	(66,586)	(202,723)
Amount written off	(127,788)	(443,016)	(54,029)	(181,090)
Loans / financing converted to foreclosed properties	(19,175)	(40,569)	(16,308)	(35,885)
Exchange differences	7,387	(6,046)	1,058	(3,135)
Closing balance	<u>1,242,348</u>	<u>1,251,218</u>	<u>874,333</u>	<u>885,514</u>
Gross impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.35%</u>	<u>0.36%</u>	<u>0.32%</u>	<u>0.33%</u>

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

A11. Loans, Advances and Financing (continued)

j) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Malaysia	979,869	995,962	814,145	824,162
Hong Kong SAR and the People's Republic of China	119,896	120,136	-	-
Cambodia	28,328	28,801	-	-
Other countries	114,255	106,319	60,188	61,352
	<u>1,242,348</u>	<u>1,251,218</u>	<u>874,333</u>	<u>885,514</u>

k) Impaired loans, advances and financing by economic purpose

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Purchase of transport vehicles	233,877	175,309	172,917	122,349
Purchase of landed properties	582,660	647,802	446,159	505,315
(of which: - residential	402,942	440,544	284,672	327,157
- non-residential)	179,718	207,258	161,487	178,158
Purchase of fixed assets (excluding landed properties)	10,642	12,779	680	660
Personal use	106,404	106,756	41,452	40,292
Credit card	14,244	13,812	13,740	13,221
Purchase of consumer durables	1	1	1	1
Construction	16,019	15,077	12,410	10,484
Working capital	273,134	274,330	181,636	187,869
Other purpose	5,367	5,352	5,338	5,323
	<u>1,242,348</u>	<u>1,251,218</u>	<u>874,333</u>	<u>885,514</u>

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

A11. Loans, Advances and Financing (continued)

1) Impaired loans, advances and financing by sectors

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Agriculture, hunting, forestry and fishing	21,296	19,093	20,422	19,038
Mining and quarrying	11,732	11,398	11,495	11,167
Manufacturing	70,319	70,438	40,975	43,123
Electricity, gas and water	5,232	5,041	-	-
Construction	105,482	101,758	97,710	88,572
Wholesale & retail trade and restaurants & hotels	135,816	143,872	104,423	111,171
Transport, storage and communication	19,109	16,723	15,093	12,391
Finance, insurance and business services	47,899	58,637	31,161	38,587
Real estate	15,357	19,658	13,559	15,012
Community, social and personal services	7,469	7,363	6,247	5,808
Households	782,666	777,078	531,637	539,288
Others	19,971	20,159	1,611	1,357
	<u>1,242,348</u>	<u>1,251,218</u>	<u>874,333</u>	<u>885,514</u>

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

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	
Group				
At 1 January 2021	1,528,896	1,046,834	272,716	2,848,446
Changes due to loans, advances and financing recognised as at 1 January 2021:	129,533	(113,390)	(16,143)	-
- Transfer to Stage 1: 12-Month ECL	162,414	(151,245)	(11,169)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(31,125)	54,301	(23,176)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1,756)	(16,446)	18,202	-
New loans, advances and financing originated	50,638	22,990	5,451	79,079
Net remeasurement due to changes in credit risk	175,949	246,588	140,886	563,423
Loans, advances and financing derecognised (other than write-off)	(29,606)	(78,110)	(12,335)	(120,051)
Modifications to contractual cash flows of loans, advances and financing	(9,851)	149,049	11,223	150,421
Changes in models / risk parameters	(193,367)	211,443	-	18,076
Amount written off	-	-	(127,788)	(127,788)
Exchange differences	3,027	1,045	2,317	6,389
At 30 June 2021	<u>1,655,219</u>	<u>1,486,449</u>	<u>276,327</u>	<u>3,417,995</u>

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

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	
Group				
At 1 January 2020	970,934	649,912	371,101	1,991,947
Changes due to loans, advances and financing recognised as at 1 January 2020:	151,935	(112,251)	(39,684)	-
- Transfer to Stage 1: 12-Month ECL	177,300	(156,613)	(20,687)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(21,736)	68,918	(47,182)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(3,629)	(24,556)	28,185	-
New loans, advances and financing originated	110,881	34,662	42,105	187,648
Net remeasurement due to changes in credit risk	204,467	94,965	374,733	674,165
Loans, advances and financing derecognised (other than write-off)	(59,557)	(48,010)	(24,364)	(131,931)
Modifications to contractual cash flows of loans, advances and financing	(24,201)	241,484	(308)	216,975
Changes in models / risk parameters	176,112	187,105	903	364,120
Amount written off	-	-	(443,016)	(443,016)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(241)	(241)
Exchange differences	(1,675)	(1,033)	(8,513)	(11,221)
At 31 December 2020	1,528,896	1,046,834	272,716	2,848,446

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

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	
Bank				
At 1 January 2021	1,054,961	845,848	172,582	2,073,391
Changes due to loans and advances recognised as at 1 January 2021:	102,491	(84,506)	(17,985)	-
- Transfer to Stage 1: 12-Month ECL	126,722	(119,897)	(6,825)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(23,900)	41,520	(17,620)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(331)	(6,129)	6,460	-
New loans and advances originated	23,508	7,719	359	31,586
Net remeasurement due to changes in credit risk	162,475	190,152	69,817	422,444
Loans and advances derecognised (other than write-off)	(13,432)	(54,215)	(7,667)	(75,314)
Modifications to contractual cash flows of loans and advances	(8,068)	111,357	8,087	111,376
Changes in models / risk parameters	(151,233)	163,847	-	12,614
Amount written off	-	-	(54,029)	(54,029)
Exchange differences	220	-	-	220
At 30 June 2021	<u>1,170,922</u>	<u>1,180,202</u>	<u>171,164</u>	<u>2,522,288</u>

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

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	
Bank				
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:	120,559	(83,463)	(37,096)	-
- Transfer to Stage 1: 12-Month ECL	137,132	(125,123)	(12,009)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(16,195)	50,121	(33,926)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(378)	(8,461)	8,839	-
New loans and advances originated	66,627	17,714	889	85,230
Net remeasurement due to changes in credit risk	95,730	53,720	178,570	328,020
Loans and advances derecognised (other than write-off)	(26,583)	(38,864)	(16,324)	(81,771)
Modifications to contractual cash flows of loans and advances	(16,802)	201,468	(1,379)	183,287
Changes in models / risk parameters	144,801	160,087	682	305,570
Amount written off	-	-	(181,090)	(181,090)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(241)	(241)
Exchange differences	(288)	-	-	(288)
At 31 December 2020	<u>1,054,961</u>	<u>845,848</u>	<u>172,582</u>	<u>2,073,391</u>

A12. Other Assets

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Deferred handling fees	233,162	230,011	188,521	189,988
Interest / Income receivable	29,477	22,706	2,765	484
Other receivables, deposits and prepayments	1,693,360	2,003,908	1,332,838	1,518,677
Collateral pledged for derivative transactions	187,960	386,994	187,960	386,994
Employee benefits	-	2,748	-	2,703
Amount due from trust funds	224,191	259,116	-	-
Foreclosed properties	203,774	191,162	180,275	170,327
Outstanding contracts on clients' accounts	254,128	311,659	-	-
Amount due from subsidiary companies	-	-	45,810	46,967
Distribution receivable from collective investments	-	-	26,829	28,176
Dividend receivable from subsidiary companies	-	-	594,805	823,477
	<u>2,826,052</u>	<u>3,408,304</u>	<u>2,559,803</u>	<u>3,167,793</u>

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

A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	61,219,411	59,355,197	49,162,715	47,669,930
- Savings deposits	50,285,730	46,244,527	33,796,211	31,119,195
- Fixed deposits	207,137,931	204,543,978	152,612,219	149,670,726
	<u>318,643,072</u>	<u>310,143,702</u>	<u>235,571,145</u>	<u>228,459,851</u>
Money market deposits	56,471,327	55,669,218	50,186,029	49,576,393
Other deposits	37,862	57,831	26,715	42,469
	<u>375,152,261</u>	<u>365,870,751</u>	<u>285,783,889</u>	<u>278,078,713</u>

b) By type of customer

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Federal and state governments	8,607,578	8,369,668	3,063,152	4,291,436
Local government and statutory authorities	3,463,675	4,062,758	2,746,319	3,210,402
Business enterprises	102,162,824	100,540,241	80,846,424	80,071,334
Individuals	196,324,959	186,738,461	156,510,703	148,149,825
Foreign customers	9,484,123	9,484,501	4,605,573	4,499,011
Others	55,109,102	56,675,122	38,011,718	37,856,705
	<u>375,152,261</u>	<u>365,870,751</u>	<u>285,783,889</u>	<u>278,078,713</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Due within six months	207,974,040	218,744,626	157,643,198	164,809,471
More than six months to one year	55,387,391	41,230,618	45,021,978	34,317,332
More than one year to three years	241,456	232,592	127,692	115,979
More than three years to five years	6,085	5,360	5,094	4,337
More than five years	286	-	286	-
	<u>263,609,258</u>	<u>260,213,196</u>	<u>202,798,248</u>	<u>199,247,119</u>

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

A14. Deposits from Banks

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At amortised cost				
Licensed banks	2,206,640	2,948,196	724,886	1,948,884
Licensed investment banks	642,670	428,612	500,597	416,091
Bank Negara Malaysia	2,125,344	1,883,775	2,046,219	1,809,409
Other financial institutions	3,330,273	5,481,645	5,889,537	9,001,951
	<u>8,304,927</u>	<u>10,742,228</u>	<u>9,161,239</u>	<u>13,176,335</u>

A15. Other Liabilities

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Interest / Income payable	1,366,511	1,784,522	1,040,823	1,357,913
Other payables and accruals	2,776,625	2,977,882	2,118,864	2,292,787
Collateral received for derivative transactions	38,068	95,359	38,068	95,359
Amount due to trust funds	130,776	126,832	-	-
Unprocessed sales and / or redemptions	98,735	221,849	-	-
Employee benefits	2,136	-	2,053	-
Accrued restoration costs	71,949	70,846	72,219	71,581
Allowance for impairment on loan / financing commitments and financial guarantees	66,686	70,176	51,706	56,372
Outstanding contracts on clients' accounts	230,408	260,299	-	-
Dividend payable to shareholders	12,305	21,014	4,444	2,738
Amount due to subsidiary companies	-	-	14,235	21,776
	<u>4,794,199</u>	<u>5,628,779</u>	<u>3,342,412</u>	<u>3,898,526</u>

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

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 2021	56,000	13,663	513	70,176
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2021:	2,974	(2,765)	(209)	-
- Transfer to Stage 1: 12-Month ECL	3,655	(3,605)	(50)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(679)	867	(188)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(2)	(27)	29	-
New loan / financing commitments and financial guarantees originated	2,170	1,019	32	3,221
Net remeasurement due to changes in credit risk	(5,556)	2,490	520	(2,546)
Loan / financing commitments and financial guarantees derecognised	(1,413)	(1,418)	(88)	(2,919)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(69)	1,077	48	1,056
Changes in models / risk parameters	(4,635)	2,226	-	(2,409)
Exchange differences	106	1	-	107
At 30 June 2021	49,577	16,293	816	66,686
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:	1,857	(1,315)	(542)	-
- Transfer to Stage 1: 12-Month ECL	2,924	(2,851)	(73)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(1,062)	1,584	(522)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(5)	(48)	53	-
New loan / financing commitments and financial guarantees originated	4,817	1,729	42	6,588
Net remeasurement due to changes in credit risk	15	684	(580)	119
Loan / financing commitments and financial guarantees derecognised	(3,285)	(1,308)	(27)	(4,620)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(235)	1,415	(5)	1,175
Changes in models / risk parameters	10,061	3,983	1	14,045
Exchange differences	(75)	-	-	(75)
At 31 December 2020	56,000	13,663	513	70,176

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

A15. Other Liabilities (continued)

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

Bank	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 2021	44,815	11,134	423	56,372
Changes due to loan commitments and financial guarantees recognised as at 1 January 2021:	2,472	(2,317)	(155)	-
- Transfer to Stage 1: 12-Month ECL	3,039	(3,010)	(29)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(566)	707	(141)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(1)	(14)	15	-
New loan commitments and financial guarantees originated	1,587	715	32	2,334
Net remeasurement due to changes in credit risk	(4,390)	1,132	305	(2,953)
Loan commitments and financial guarantees derecognised	(1,158)	(1,379)	(87)	(2,624)
Modifications to contractual cash flows of loan commitments and financial guarantees	(59)	689	41	671
Changes in models / risk parameters	(3,795)	1,701	-	(2,094)
At 30 June 2021	39,472	11,675	559	51,706
At 1 January 2020	34,904	7,534	1,292	43,730
Changes due to loan commitments and financial guarantees recognised as at 1 January 2020:	1,554	(1,208)	(346)	-
- Transfer to Stage 1: 12-Month ECL	2,546	(2,493)	(53)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(987)	1,325	(338)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(5)	(40)	45	-
New loan commitments and financial guarantees originated	3,102	1,348	24	4,474
Net remeasurement due to changes in credit risk	(278)	86	(524)	(716)
Loan commitments and financial guarantees derecognised	(2,914)	(1,222)	(23)	(4,159)
Modifications to contractual cash flows of loan commitments and financial guarantees	(221)	1,016	(1)	794
Changes in models/risk parameters	8,668	3,580	1	12,249
At 31 December 2020	44,815	11,134	423	56,372

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

A16. Interest Income

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Group</u>				
Loans and advances *	2,887,057	2,801,772	5,759,552	6,157,002
Balances with banks	33,083	47,659	64,742	113,773
Financial investments at fair value through other comprehensive income	255,608	288,111	513,833	566,040
Financial investments at amortised cost	192,099	222,803	385,064	444,479
Others	9,434	14,301	21,003	31,296
	<u>3,377,281</u>	<u>3,374,646</u>	<u>6,744,194</u>	<u>7,312,590</u>
Financial assets at fair value through profit or loss	3,678	10,811	12,641	30,156
	<u>3,380,959</u>	<u>3,385,457</u>	<u>6,756,835</u>	<u>7,342,746</u>
	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Bank</u>				
Loans and advances	2,556,446	2,443,785	5,105,156	5,428,875
Balances with banks	25,996	39,213	49,853	98,473
Financial investments at fair value through other comprehensive income	205,182	241,043	413,482	470,677
Financial investments at amortised cost	192,613	213,786	383,941	424,361
Others	22,928	21,823	47,414	43,203
	<u>3,003,165</u>	<u>2,959,650</u>	<u>5,999,846</u>	<u>6,465,589</u>
Financial assets at fair value through profit or loss	3,606	10,578	12,564	29,297
	<u>3,006,771</u>	<u>2,970,228</u>	<u>6,012,410</u>	<u>6,494,886</u>

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

A17. Interest Expense

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits from banks	54,077	69,421	110,802	143,512
Deposits from customers	1,063,133	1,631,258	2,145,475	3,493,395
Loans sold to Cagamas	48,392	58,689	96,252	117,378
Debt securities issued and other borrowed funds	95,612	110,455	196,601	220,573
Others	13,226	17,087	27,672	32,925
	<u>1,274,440</u>	<u>1,886,910</u>	<u>2,576,802</u>	<u>4,007,783</u>
	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits from banks	52,553	76,690	109,241	158,336
Deposits from customers	1,009,823	1,542,186	2,034,044	3,310,142
Loans sold to Cagamas	48,392	58,689	96,252	117,378
Debt securities issued and other borrowed funds	93,349	106,147	192,015	210,830
Others	15,125	17,392	30,141	33,868
	<u>1,219,242</u>	<u>1,801,104</u>	<u>2,461,693</u>	<u>3,830,554</u>

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

A18. Net Fee and Commission Income

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Group</u>				
(a) Fee and commission income:				
Commissions	148,588	82,679	270,840	221,711
Service charges and fees	57,095	73,457	148,121	148,547
Guarantee fees	8,836	6,334	16,440	13,245
Commitment fees	16,844	18,370	34,787	36,553
Unit trust management fees	333,687	264,735	658,313	529,484
Fee on sale of trust units	104,847	63,917	271,465	146,929
Brokerage and commissions from stockbroking activities	50,639	51,641	124,481	90,439
Other fee and commission income	12,731	12,301	32,675	26,665
	<u>733,267</u>	<u>573,434</u>	<u>1,557,122</u>	<u>1,213,573</u>
(b) Fee and commission expense:				
Unit trust agency fee	(141,150)	(91,461)	(293,077)	(200,962)
Debit / credit card related fee	(61,140)	(49,581)	(125,609)	(132,798)
Loan related fee	(4,061)	(3,981)	(8,868)	(7,591)
Other fee and commission expense	(7,936)	(6,556)	(19,771)	(14,020)
	<u>(214,287)</u>	<u>(151,579)</u>	<u>(447,325)</u>	<u>(355,371)</u>
Net fee and commission income	<u>518,980</u>	<u>421,855</u>	<u>1,109,797</u>	<u>858,202</u>
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Bank</u>				
(a) Fee and commission income:				
Commissions	149,909	112,363	342,663	276,668
Service charges and fees	66,448	51,444	135,135	104,767
Guarantee fees	8,265	5,912	15,486	12,352
Commitment fees	14,926	16,170	30,832	32,411
Other fee and commission income	7,721	7,821	22,643	16,738
	<u>247,269</u>	<u>193,710</u>	<u>546,759</u>	<u>442,936</u>
(b) Fee and commission expense:				
Debit / credit card related fee	(61,185)	(48,837)	(125,529)	(131,302)
Loan related fee	(3,512)	(3,458)	(7,743)	(6,667)
Other fee and commission expense	(2,498)	(2,519)	(5,464)	(5,874)
	<u>(67,195)</u>	<u>(54,814)</u>	<u>(138,736)</u>	<u>(143,843)</u>
Net fee and commission income	<u>180,074</u>	<u>138,896</u>	<u>408,023</u>	<u>299,093</u>

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

A19. Net Gains and Losses on Financial Instruments

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Group				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain / (loss) on disposal	1,608	14,573	(3,443)	20,983
- gross dividend income	1,572	1,573	1,572	1,573
- unrealised revaluation gain / (loss)	1,189	32,465	(32,035)	30,453
	<u>4,369</u>	<u>48,611</u>	<u>(33,906)</u>	<u>53,009</u>
Net gain / (loss) arising on trading derivatives				
- unrealised revaluation gain / (loss)	<u>1</u>	<u>527</u>	<u>(3)</u>	<u>77</u>
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	44,605	132,513	141,640	238,684
- gross dividend income	1,001	256	1,001	350
	<u>45,606</u>	<u>132,769</u>	<u>142,641</u>	<u>239,034</u>
Net gain arising on financial investments at amortised cost				
- net gain on disposal	<u>1,755</u>	<u>-</u>	<u>1,755</u>	<u>-</u>
Net (loss) / gain representing ineffective portions of hedging derivatives:				
- fair value hedge	(1,412)	435	(228)	(863)
- cash flow hedge	17	2,400	(160)	(2,352)
	<u>(1,395)</u>	<u>2,835</u>	<u>(388)</u>	<u>(3,215)</u>
Net gains and losses on financial instruments	<u>50,336</u>	<u>184,742</u>	<u>110,099</u>	<u>288,905</u>

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

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

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Bank</u>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain / (loss) on disposal	1,608	14,570	(3,451)	21,189
- gross dividend income	1,483	1,483	1,483	1,483
- unrealised revaluation gain / (loss)	1,172	30,543	(30,167)	28,623
	<u>4,263</u>	<u>46,596</u>	<u>(32,135)</u>	<u>51,295</u>
Net gain / (loss) arising on trading derivatives				
- unrealised revaluation gain / (loss)	<u>1</u>	<u>527</u>	<u>(3)</u>	<u>77</u>
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	42,992	127,106	138,053	232,466
- gross dividend income	766	-	766	-
	<u>43,758</u>	<u>127,106</u>	<u>138,819</u>	<u>232,466</u>
Net gain arising on financial investments at amortised cost				
- net gain on disposal	<u>1,755</u>	<u>-</u>	<u>1,755</u>	<u>-</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	9	16	22	(7)
- cash flow hedge	17	2,400	(160)	(2,352)
	<u>26</u>	<u>2,416</u>	<u>(138)</u>	<u>(2,359)</u>
Net gains and losses on financial instruments	<u>49,803</u>	<u>176,645</u>	<u>108,298</u>	<u>281,479</u>

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

A20. Other Operating Income

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Group</u>				
Other income:				
Foreign exchange profit	81,875	67,053	124,013	117,766
Rental income from:				
- investment properties	3,789	3,578	7,408	7,412
- other properties	2,699	2,582	5,365	5,793
Net gain on disposal of property and equipment	240	40	318	574
Net (loss) / gain on disposal of foreclosed properties	(191)	31	(3)	202
Net gain / (loss) on revaluation of investment properties	1,887	(6,400)	1,887	(6,400)
Others	22,859	27,392	44,266	46,711
Total other operating income	<u>113,158</u>	<u>94,276</u>	<u>183,254</u>	<u>172,058</u>
	2nd Quarter Ended	2nd Quarter Ended	Half Year Ended	Half Year Ended
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Bank</u>				
Distribution income from collective investments	39,178	52,407	82,992	101,991
Dividend income from subsidiary companies				
- quoted outside Malaysia	21,505	13,324	21,505	13,324
- unquoted in Malaysia	340,000	240,000	420,000	269,000
	<u>400,683</u>	<u>305,731</u>	<u>524,497</u>	<u>384,315</u>
Other income / (loss):				
Foreign exchange profit / (loss)	61,199	90,696	(57,843)	(97,478)
Rental income from other properties	3,079	3,169	6,337	6,974
Net gain on disposal of property and equipment	229	33	302	111
Net (loss) / gain on disposal of foreclosed properties	(191)	31	(3)	202
Others	19,421	17,856	41,664	35,068
	<u>83,737</u>	<u>111,785</u>	<u>(9,543)</u>	<u>(55,123)</u>
Total other operating income	<u>484,420</u>	<u>417,516</u>	<u>514,954</u>	<u>329,192</u>

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

A21. Other Operating Expenses

<u>Group</u>	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	602,510	575,958	1,221,502	1,169,769
- Pension costs	90,782	84,055	181,930	170,277
- Others	37,238	37,351	78,357	85,174
	<u>730,530</u>	<u>697,364</u>	<u>1,481,789</u>	<u>1,425,220</u>
Establishment costs				
- Depreciation	93,164	90,827	186,889	182,438
- Insurance	5,972	6,185	12,566	12,088
- Water and electricity	10,986	11,675	21,339	24,072
- General repairs and maintenance	33,794	33,207	69,763	66,317
- Information technology expenses	16,409	18,039	31,487	32,990
- Others	22,784	21,796	45,284	44,127
	<u>183,109</u>	<u>181,729</u>	<u>367,328</u>	<u>362,032</u>
Marketing expenses				
- Advertisement and publicity	11,458	12,780	33,706	28,195
- Others	18,466	17,801	37,826	35,620
	<u>29,924</u>	<u>30,581</u>	<u>71,532</u>	<u>63,815</u>
Administration and general expenses				
- Communication expenses	22,476	18,780	37,517	32,374
- Legal and professional fees	9,535	8,043	19,751	16,872
- Others	25,093	33,549	50,481	69,282
	<u>57,104</u>	<u>60,372</u>	<u>107,749</u>	<u>118,528</u>
Total other operating expenses	<u>1,000,667</u>	<u>970,046</u>	<u>2,028,398</u>	<u>1,969,595</u>

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

A21. Other Operating Expenses (continued)

<u>Bank</u>	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	449,248	430,048	918,895	884,055
- Pension costs	79,368	72,950	159,108	147,365
- Others	29,040	28,008	61,330	67,566
	<u>557,656</u>	<u>531,006</u>	<u>1,139,333</u>	<u>1,098,986</u>
Establishment costs				
- Depreciation	72,051	69,768	145,404	140,471
- Insurance	4,778	5,016	10,218	9,861
- Water and electricity	7,408	8,082	14,546	16,666
- General repairs and maintenance	29,438	29,179	60,231	57,739
- Information technology expenses	7,596	8,894	13,792	15,575
- Others	11,267	10,689	21,945	21,929
	<u>132,538</u>	<u>131,628</u>	<u>266,136</u>	<u>262,241</u>
Marketing expenses				
- Advertisement and publicity	4,305	4,969	19,020	11,125
- Others	8,929	9,941	16,864	19,964
	<u>13,234</u>	<u>14,910</u>	<u>35,884</u>	<u>31,089</u>
Administration and general expenses				
- Communication expenses	18,694	14,340	31,651	24,277
- Legal and professional fees	6,158	5,032	12,453	10,463
- Others	9,720	18,120	19,313	36,663
	<u>34,572</u>	<u>37,492</u>	<u>63,417</u>	<u>71,403</u>
Cost of resource sharing charged to Public Islamic Bank Berhad *	(111,170)	(104,130)	(224,501)	(213,883)
Total other operating expenses	<u>626,830</u>	<u>610,906</u>	<u>1,280,269</u>	<u>1,249,836</u>

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

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Credit related	(48,600)	(45,440)	(97,288)	(93,928)
Non-credit branch support	(42,648)	(38,480)	(83,226)	(79,250)
Other administration function	(19,922)	(20,210)	(43,987)	(40,705)
	<u>(111,170)</u>	<u>(104,130)</u>	<u>(224,501)</u>	<u>(213,883)</u>

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

A22. Allowance for Impairment on Loans, Advances and Financing

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Expected credit losses	438,923	201,811	687,351	328,065
Impaired loans and financing written off	8	16	17	32
Impaired loans and financing recovered	(42,935)	(48,093)	(92,877)	(112,972)
	<u>395,996</u>	<u>153,734</u>	<u>594,491</u>	<u>215,125</u>

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Expected credit losses	365,967	92,603	498,040	137,619
Impaired loans written off	8	16	17	32
Impaired loans recovered	(22,224)	(30,927)	(47,004)	(55,375)
	<u>343,751</u>	<u>61,692</u>	<u>451,053</u>	<u>82,276</u>

A23. (Writeback of Allowance) / Allowance for Impairment on Other Assets

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	(156)	136	1,022	1,546
- Financial investments at amortised cost	(1)	72	(22)	210
- Deposits and placements with banks and other financial institutions	(79)	96	11	426
Allowance (written back) / made on:				
- Foreclosed properties	(1,100)	1,024	(811)	2,645
- Other receivables	21	-	21	17
	<u>(1,315)</u>	<u>1,328</u>	<u>221</u>	<u>4,844</u>

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	(229)	(484)	(37)	691
- Financial investments at amortised cost	(38)	26	(33)	55
Allowance (written back) / made on:				
- Foreclosed properties	(1,208)	1,024	(1,014)	2,645
	<u>(1,475)</u>	<u>566</u>	<u>(1,084)</u>	<u>3,391</u>

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

A24. Segment Information

	←----- Operating Segments -----→							Head Office and Funding Center RM'000	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					
2nd Quarter Ended 30 June 2021												
External revenue	636,462	2,235,801	373,111	203,638	62,351	439,040	14,504	537,455	4,502,362	419,115	-	4,921,477
Revenue from other segments	486	426,573	5,733	323,298	147	11,745	370	94,606	862,958	4,439	(867,397)	-
	636,948	2,662,374	378,844	526,936	62,498	450,785	14,874	632,061	5,365,320	423,554	(867,397)	4,921,477
Net interest income / (expense) and												
Islamic banking income	203,063	1,450,073	158,322	39,613	9,199	1,735	(3,367)	356,975	2,215,613	295,928	(7)	2,511,534
Other income	578	190,250	6,034	85,537	28,317	279,310	2,145	45,969	638,140	54,422	(10,088)	682,474
Net income / (expense)	203,641	1,640,323	164,356	125,150	37,516	281,045	(1,222)	402,944	2,853,753	350,350	(10,095)	3,194,008
Other operating expenses	(67,112)	(526,848)	(5,011)	(12,833)	(13,177)	(72,647)	(6,242)	(135,578)	(839,448)	(171,314)	10,095	(1,000,667)
(Allowance) / Writeback of												
allowance for impairment on												
loans, advances and financing	(141,559)	(135,205)	(94,961)	-	81	(1)	-	-	(371,645)	(24,351)	-	(395,996)
Writeback of Allowance / (Allowance)												
for impairment on other assets	-	1,100	-	(79)	(17)	-	-	307	1,311	4	-	1,315
(Loss) / Profit by segments	(5,030)	979,370	64,384	112,238	24,403	208,397	(7,464)	267,673	1,643,971	154,689	-	1,798,660
Reconciliation of segment profits												
to consolidated profits:												
Share of loss after tax												
of equity accounted associated												
companies									(3,259)	-		(3,259)
Profit before tax expense and zakat									1,640,712	154,689		1,795,401

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

A24. Segment Information (continued)

	←----- Operating Segments -----→								Head Office and Funding Center RM'000	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						
2nd Quarter Ended 30 June 2020													
External revenue	610,839	2,365,168	439,950	311,737	63,721	328,988	13,833	137,039	4,271,275	467,890	-	4,739,165	
Revenue from other segments	637	604,699	7,970	633,883	177	10,791	217	183,454	1,441,828	15,868	(1,457,696)	-	
	<u>611,476</u>	<u>2,969,867</u>	<u>447,920</u>	<u>945,620</u>	<u>63,898</u>	<u>339,779</u>	<u>14,050</u>	<u>320,493</u>	<u>5,713,103</u>	<u>483,758</u>	<u>(1,457,696)</u>	<u>4,739,165</u>	
Net interest income / (expense) and													
Islamic banking income	157,027	1,352,858	148,685	55,370	7,958	649	(4,481)	(317,166)	1,400,900	297,776	(7)	1,698,669	
Other income	246	149,088	7,832	125,398	29,908	223,511	1,844	120,370	658,197	52,331	(9,655)	700,873	
Net income / (expense)	<u>157,273</u>	<u>1,501,946</u>	<u>156,517</u>	<u>180,768</u>	<u>37,866</u>	<u>224,160</u>	<u>(2,637)</u>	<u>(196,796)</u>	<u>2,059,097</u>	<u>350,107</u>	<u>(9,662)</u>	<u>2,399,542</u>	
Other operating expenses	(66,792)	(498,131)	(4,917)	(12,071)	(11,767)	(64,601)	(5,927)	(141,312)	(805,518)	(174,190)	9,662	(970,046)	
(Allowance) / Writeback of													
allowance for impairment on													
loans, advances and financing	(64,788)	(52,839)	(14,448)	-	1,063	(224)	-	-	(131,236)	(22,498)	-	(153,734)	
(Allowance) / Writeback of allowance													
for impairment on other assets	-	(1,041)	-	495	13	-	17	(221)	(737)	(591)	-	(1,328)	
Profit / (Loss) by segments	<u>25,693</u>	<u>949,935</u>	<u>137,152</u>	<u>169,192</u>	<u>27,175</u>	<u>159,335</u>	<u>(8,547)</u>	<u>(338,329)</u>	<u>1,121,606</u>	<u>152,828</u>	<u>-</u>	<u>1,274,434</u>	
Reconciliation of segment profits													
to consolidated profits:													
Share of profit after tax													
of equity accounted associated													
companies									5,937	-		5,937	
Profit before tax expense and zakat									<u>1,127,543</u>	<u>152,828</u>		<u>1,280,371</u>	

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

A24. Segment Information (continued)

Half Year Ended 30 June 2021	←----- Operating Segments -----→							Head Office and Funding Center RM'000	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					
External revenue	1,267,726	4,488,558	754,418	425,919	138,694	930,780	28,213	1,073,924	9,108,232	843,559	-	9,951,791
Revenue from other segments	584	871,641	10,743	682,394	364	23,079	596	184,509	1,773,910	10,235	(1,784,145)	-
	1,268,310	5,360,199	765,161	1,108,313	139,058	953,859	28,809	1,258,433	10,882,142	853,794	(1,784,145)	9,951,791
Net interest income / (expense) and												
Islamic banking income	400,128	2,873,200	318,578	114,767	18,345	3,108	(6,717)	715,197	4,436,606	581,320	(17)	5,017,909
Other income	1,104	423,979	17,945	197,282	64,293	565,017	4,081	35,467	1,309,168	114,918	(20,936)	1,403,150
Net income / (expense)	401,232	3,297,179	336,523	312,049	82,638	568,125	(2,636)	750,664	5,745,774	696,238	(20,953)	6,421,059
Other operating expenses	(128,926)	(1,059,558)	(10,476)	(27,537)	(26,860)	(143,101)	(12,723)	(296,885)	(1,706,066)	(343,285)	20,953	(2,028,398)
(Allowance) / Writeback of												
allowance for impairment on												
loans, advances and financing	(209,371)	(270,176)	(83,765)	-	356	(2)	-	-	(562,958)	(31,533)	-	(594,491)
Writeback of allowance / (Allowance)												
for impairment on other assets	-	811	-	(97)	(48)	-	-	(1,192)	(526)	305	-	(221)
Profit / (Loss) by segments	62,935	1,968,256	242,282	284,415	56,086	425,022	(15,359)	452,587	3,476,224	321,725	-	3,797,949
Reconciliation of segment profits												
to consolidated profits:												
Share of loss after tax												
of equity accounted associated												
companies									(3,601)	-		(3,601)
Profit before tax expense and zakat									3,472,623	321,725		3,794,348
Cost income ratio	32.1%	32.1%	3.1%	8.8%	32.5%	25.2%	n/a	39.5%	29.7%	49.3%		31.6%

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

A24. Segment Information (continued)

Half Year Ended	←----- Operating Segments -----→								Head Office and Funding Center RM'000	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						
30 June 2021													
Gross loans, advances and financing	53,203,906	233,691,073	42,082,771	-	374,936	119,434	1,500	-	329,473,620	22,597,360			352,070,980
Loans growth	1.6%	2.5%	-1.7%	-	0.2%	2.8%	4.9%	-	1.8%	3.1%			1.9%
Impaired loans, advances and financing	222,330	691,959	65,331	-	-	249	-	-	979,869	262,479			1,242,348
Impaired loan and financing ratio	0.4%	0.3%	0.2%	-	-	0.2%	-	-	0.3%	1.2%			0.4%
Deposits from customers	-	281,624,142	212,014	63,588,192	1,195,645	-	-	-	346,619,993	28,532,268			375,152,261
Deposits growth	-	2.3%	-2.3%	4.4%	16.8%	-	-	-	2.7%	0.4%			2.5%
Segment assets	<u>52,608,545</u>	<u>288,010,608</u>	<u>41,323,931</u>	<u>72,486,876</u>	<u>2,261,538</u>	<u>462,705</u>	<u>829,922</u>	<u>53,412,322</u>	<u>511,396,447</u>	<u>40,415,971</u>	<u>(99,875,522)</u>		<u>451,936,896</u>
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									118,165	17			118,182
Unallocated assets									1,727,426	-			1,727,426
Intangible assets									775,493	1,686,399			2,461,892
Total assets									<u>514,017,531</u>	<u>42,102,387</u>			<u>456,244,396</u>

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

A24. Segment Information (continued)

Half Year Ended 30 June 2020	←----- Operating Segments -----→							Head Office and Funding Center RM'000	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					
External revenue	1,247,308	5,044,421	923,061	618,531	111,617	677,201	27,222	650,281	9,299,642	954,703	-	10,254,345
Revenue from other segments	949	1,096,144	16,384	1,036,610	378	23,363	551	299,360	2,473,739	38,146	(2,511,885)	-
	<u>1,248,257</u>	<u>6,140,565</u>	<u>939,445</u>	<u>1,655,141</u>	<u>111,995</u>	<u>700,564</u>	<u>27,773</u>	<u>949,641</u>	<u>11,773,381</u>	<u>992,849</u>	<u>(2,511,885)</u>	<u>10,254,345</u>
Net interest income / (expense) and												
Islamic banking income	327,395	2,636,451	295,328	72,662	14,912	3,244	(9,773)	(68,492)	3,271,727	604,716	(15)	3,876,428
Other income	881	319,183	15,737	210,324	49,678	444,992	3,750	189,010	1,233,555	108,120	(22,510)	1,319,165
Net income / (expense)	<u>328,276</u>	<u>2,955,634</u>	<u>311,065</u>	<u>282,986</u>	<u>64,590</u>	<u>448,236</u>	<u>(6,023)</u>	<u>120,518</u>	<u>4,505,282</u>	<u>712,836</u>	<u>(22,525)</u>	<u>5,195,593</u>
Other operating expenses	(136,134)	(1,017,047)	(9,317)	(23,873)	(23,888)	(126,469)	(12,389)	(294,125)	(1,643,242)	(348,878)	22,525	(1,969,595)
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(87,843)	(86,233)	11,250	-	1,158	(228)	-	-	(161,896)	(53,229)	-	(215,125)
(Allowance) / Writeback of allowance for impairment on other assets	-	(2,662)	-	39	(16)	-	-	(974)	(3,613)	(1,231)	-	(4,844)
Profit / (Loss) by segments	<u>104,299</u>	<u>1,849,692</u>	<u>312,998</u>	<u>259,152</u>	<u>41,844</u>	<u>321,539</u>	<u>(18,412)</u>	<u>(174,581)</u>	<u>2,696,531</u>	<u>309,498</u>	<u>-</u>	<u>3,006,029</u>
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									1,489	-		1,489
Profit before tax expense and zakat									<u>2,698,020</u>	<u>309,498</u>		<u>3,007,518</u>
Cost income ratio	41.5%	34.4%	3.0%	8.4%	37.0%	28.2%	n/a	244.1%	36.5%	48.9%		37.9%

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

A24. Segment Information (continued)

Half Year Ended 30 June 2020	←----- Operating Segments -----→								Head Office and Funding Center RM'000	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						
Gross loans, advances and financing	48,235,286	218,961,942	43,492,914	-	322,391	111,818	1,513	-	311,125,864	23,496,672		334,622,536	
Loans growth	-1.8%	1.7%	2.7%	-	-7.8%	7.1%	-2.1%	-	1.3%	0.8%		1.3%	
Impaired loans, advances and financing	145,104	875,343	35,204	-	-	520	-	-	1,056,171	270,831		1,327,002	
Impaired loan and financing ratio	0.3%	0.4%	0.1%	-	-	0.5%	-	-	0.3%	1.2%		0.4%	
Deposits from customers	-	264,167,288	160,415	65,525,171	633,513	-	-	-	330,486,387	29,475,214		359,961,601	
Deposits growth	-	1.8%	-18.7%	1.2%	-15.2%	-	-	-	1.6%	4.7%		1.9%	
Segment assets	<u>48,118,905</u>	<u>271,091,442</u>	<u>42,986,981</u>	<u>76,434,380</u>	<u>1,901,393</u>	<u>563,425</u>	<u>835,014</u>	<u>51,992,202</u>	<u>493,923,742</u>	<u>40,556,445</u>	<u>(98,330,294)</u>	<u>436,149,893</u>	
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									77,681	17		77,698	
Unallocated assets									1,892,700	-		1,892,700	
Intangible assets									775,493	1,739,462		2,514,955	
Total assets									<u>496,669,616</u>	<u>42,295,924</u>		<u>440,635,246</u>	

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

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

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to 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.

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

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:

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Contingent liabilities				
Direct credit substitutes	922,175	914,667	873,751	870,920
Transaction-related contingent items	1,677,832	1,668,612	1,403,033	1,390,714
Short term self-liquidating trade-related contingencies	655,565	401,318	91,351	208,040
	3,255,572	2,984,597	2,368,135	2,469,674
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	31,725,982	31,342,568	24,152,292	24,724,600
- not exceeding one year	25,155,752	26,297,443	20,473,767	21,594,955
Unutilised credit card lines	8,686,057	8,161,401	8,396,071	7,910,938
Forward asset purchases	355,668	42,424	355,668	42,424
	65,923,459	65,843,836	53,377,798	54,272,917
Derivative financial instruments				
Foreign exchange related contracts:				
- up to one year	21,119,693	28,020,406	19,502,372	26,902,244
- more than one year to five years	3,463,015	2,978,728	3,463,015	2,978,728
Interest / Profit rate related contracts:				
- up to one year	2,271,675	1,507,160	2,271,675	1,426,800
- more than one year to five years	2,843,383	4,718,304	4,740,250	6,185,260
- more than five years	824,575	880,810	1,700,000	1,700,000
Commodity related contracts:				
- up to one year	305	606	305	606
	30,522,646	38,106,014	31,677,617	39,193,638
	99,701,677	106,934,447	87,423,550	95,936,229

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

A28. Derivative Financial Instruments

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

Group As at 30 June 2021	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
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,153,451	-	-	1,153,451	4,975	-	-	4,975	1,958	-	-	1,958
- Swaps	19,897,885	-	-	19,897,885	135,291	-	-	135,291	77,852	-	-	77,852
- Options	68,357	-	-	68,357	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	305	-	-	305	-	-	-	-	1	-	-	1
	<u>21,119,998</u>	<u>-</u>	<u>-</u>	<u>21,119,998</u>	<u>140,266</u>	<u>-</u>	<u>-</u>	<u>140,266</u>	<u>79,811</u>	<u>-</u>	<u>-</u>	<u>79,811</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	120,000	100,000	427,708	647,708	-	-	-	-	1,877	1,896	33,295	37,068
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,038,125	-	1,038,125	-	12,580	-	12,580	-	-	-	-
Interest / Profit rate related contracts												
- Swaps	2,151,675	840,250	2,300,000	5,291,925	-	-	21,648	21,648	26,551	16,146	13,130	55,827
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	-	2,033,875	391,015	2,424,890	-	2,392	-	2,392	-	84,789	2,783	87,572
	<u>2,271,675</u>	<u>4,012,250</u>	<u>3,118,723</u>	<u>9,402,648</u>	<u>-</u>	<u>14,972</u>	<u>21,648</u>	<u>36,620</u>	<u>28,428</u>	<u>102,831</u>	<u>49,208</u>	<u>180,467</u>
Total	<u>23,391,673</u>	<u>4,012,250</u>	<u>3,118,723</u>	<u>30,522,646</u>	<u>140,266</u>	<u>14,972</u>	<u>21,648</u>	<u>176,886</u>	<u>108,239</u>	<u>102,831</u>	<u>49,208</u>	<u>260,278</u>

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

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 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
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,566,305	4,036	-	1,570,341	7,973	22	-	7,995	9,149	-	-	9,149
- Swaps	26,020,528	-	-	26,020,528	221,548	-	-	221,548	409,212	-	-	409,212
- Options	31,773	-	-	31,773	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	606	-	-	606	3	-	-	3	-	-	-	-
	<u>27,619,212</u>	<u>4,036</u>	<u>-</u>	<u>27,623,248</u>	<u>229,524</u>	<u>22</u>	<u>-</u>	<u>229,546</u>	<u>418,361</u>	<u>-</u>	<u>-</u>	<u>418,361</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	80,360	220,000	413,854	714,214	-	-	-	-	152	5,676	45,460	51,288
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	401,800	1,004,500	-	1,406,300	-	37,784	-	37,784	13,172	-	-	13,172
Interest / Profit rate related contracts												
- Swaps	1,426,800	2,765,260	2,200,000	6,392,060	-	-	2,428	2,428	4,363	62,966	29,667	96,996
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	-	1,767,866	202,326	1,970,192	-	9,610	7,642	17,252	-	46,239	-	46,239
	<u>1,908,960</u>	<u>5,757,626</u>	<u>2,816,180</u>	<u>10,482,766</u>	<u>-</u>	<u>47,394</u>	<u>10,070</u>	<u>57,464</u>	<u>17,687</u>	<u>114,881</u>	<u>75,127</u>	<u>207,695</u>
Total	<u>29,528,172</u>	<u>5,761,662</u>	<u>2,816,180</u>	<u>38,106,014</u>	<u>229,524</u>	<u>47,416</u>	<u>10,070</u>	<u>287,010</u>	<u>436,048</u>	<u>114,881</u>	<u>75,127</u>	<u>626,056</u>

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

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 30 June 2021	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
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,029,024	-	-	1,029,024	4,922	-	-	4,922	1,855	-	-	1,855
- Swaps	18,404,991	-	-	18,404,991	130,697	-	-	130,697	71,254	-	-	71,254
- Options	68,357	-	-	68,357	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	305	-	-	305	-	-	-	-	1	-	-	1
	<u>19,502,677</u>	<u>-</u>	<u>-</u>	<u>19,502,677</u>	<u>135,619</u>	<u>-</u>	<u>-</u>	<u>135,619</u>	<u>73,110</u>	<u>-</u>	<u>-</u>	<u>73,110</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	120,000	100,000	-	220,000	-	-	-	-	1,877	1,896	-	3,773
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	-	1,038,125	-	1,038,125	-	12,580	-	12,580	-	-	-	-
Interest rate related contracts												
- Swaps	2,151,675	1,340,250	5,000,000	8,491,925	-	9,237	155,627	164,864	26,551	16,146	18,994	61,691
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	-	2,033,875	391,015	2,424,890	-	2,392	-	2,392	-	84,789	2,783	87,572
	<u>2,271,675</u>	<u>4,512,250</u>	<u>5,391,015</u>	<u>12,174,940</u>	<u>-</u>	<u>24,209</u>	<u>155,627</u>	<u>179,836</u>	<u>28,428</u>	<u>102,831</u>	<u>21,777</u>	<u>153,036</u>
Total	<u>21,774,352</u>	<u>4,512,250</u>	<u>5,391,015</u>	<u>31,677,617</u>	<u>135,619</u>	<u>24,209</u>	<u>155,627</u>	<u>315,455</u>	<u>101,538</u>	<u>102,831</u>	<u>21,777</u>	<u>226,146</u>

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

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 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
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,513,465	4,036	-	1,517,501	7,917	22	-	7,939	9,112	-	-	9,112
- Swaps	24,955,206	-	-	24,955,206	207,812	-	-	207,812	407,859	-	-	407,859
- Options	31,773	-	-	31,773	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	606	-	-	606	3	-	-	3	-	-	-	-
	<u>26,501,050</u>	<u>4,036</u>	<u>-</u>	<u>26,505,086</u>	<u>215,732</u>	<u>22</u>	<u>-</u>	<u>215,754</u>	<u>416,971</u>	<u>-</u>	<u>-</u>	<u>416,971</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	-	220,000	-	220,000	-	-	-	-	-	5,676	-	5,676
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	401,800	1,004,500	-	1,406,300	-	37,784	-	37,784	13,172	-	-	13,172
Interest rate related contracts												
- Swaps	1,426,800	3,265,260	4,400,000	9,092,060	-	13,634	184,829	198,463	4,363	62,966	30,984	98,313
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	-	1,767,866	202,326	1,970,192	-	9,610	7,642	17,252	-	46,239	-	46,239
	<u>1,828,600</u>	<u>6,257,626</u>	<u>4,602,326</u>	<u>12,688,552</u>	<u>-</u>	<u>61,028</u>	<u>192,471</u>	<u>253,499</u>	<u>17,535</u>	<u>114,881</u>	<u>30,984</u>	<u>163,400</u>
Total	<u>28,329,650</u>	<u>6,261,662</u>	<u>4,602,326</u>	<u>39,193,638</u>	<u>215,732</u>	<u>61,050</u>	<u>192,471</u>	<u>469,253</u>	<u>434,506</u>	<u>114,881</u>	<u>30,984</u>	<u>580,371</u>

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

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 RM176,886,000 (2020: RM287,010,000) and RM315,455,000 (2020: RM469,253,000) 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 RM187,960,000 (2020: RM386,994,000) 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 2020 and Pillar 3 Disclosures section of the 2020 Annual Report.

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

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:

Group	Level 1	Level 2	Level 3	Total
30 June 2021	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,492,839	-	1,492,839
- Non-money market instruments	-	-	445,219	445,219
	-	1,492,839	445,219	1,938,058
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	40,929,850	-	40,929,850
- Money market instruments	-	1,309,780	-	1,309,780
- Non-money market instruments	1,856	5,386,668	390,961	5,779,485
	1,856	47,626,298	390,961	48,019,115
Derivative financial assets	-	176,886	-	176,886
Total financial assets measured at fair value	1,856	49,296,023	836,180	50,134,059
Non-financial assets				
Investment properties	-	-	720,814	720,814
Financial liabilities				
Derivative financial liabilities	-	260,278	-	260,278
Total financial liabilities measured at fair value	-	260,278	-	260,278

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

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):

Group	Level 1	Level 2	Level 3	Total
31 December 2020	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	904,395	-	904,395
- Non-money market instruments	-	200,339	478,772	679,111
	-	1,104,734	478,772	1,583,506
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	41,557,647	-	41,557,647
- Money market instruments	-	938,442	-	938,442
- Non-money market instruments	1,382	5,670,907	379,025	6,051,314
	1,382	48,166,996	379,025	48,547,403
Derivative financial assets	-	287,010	-	287,010
Total financial assets measured at fair value	1,382	49,558,740	857,797	50,417,919
Non-financial assets				
Investment properties	-	-	712,885	712,885
Financial liabilities				
Derivative financial liabilities	-	626,056	-	626,056
Total financial liabilities measured at fair value	-	626,056	-	626,056

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

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):

Bank	Level 1	Level 2	Level 3	Total
30 June 2021	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	1,450,780	-	1,450,780
- Non-money market instruments	-	-	419,743	419,743
	-	1,450,780	419,743	1,870,523
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	29,712,570	-	29,712,570
- Money market instruments	-	1,309,780	-	1,309,780
- Non-money market instruments	-	1,001,739	384,275	1,386,014
	-	32,024,089	384,275	32,408,364
Derivative financial assets	-	315,455	-	315,455
Total financial assets measured at fair value	-	33,790,324	804,018	34,594,342
Financial liabilities				
Derivative financial liabilities	-	226,146	-	226,146
Total financial liabilities measured at fair value	-	226,146	-	226,146

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

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):

Bank	Level 1	Level 2	Level 3	Total
31 December 2020	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	904,395	-	904,395
- Non-money market instruments	-	200,339	451,376	651,715
	-	1,104,734	451,376	1,556,110
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	30,531,442	-	30,531,442
- Money market instruments	-	938,442	-	938,442
- Non-money market instruments	-	1,211,211	372,474	1,583,685
	-	32,681,095	372,474	33,053,569
Derivative financial assets	-	469,253	-	469,253
Total financial assets measured at fair value	-	34,255,082	823,850	35,078,932
Financial liabilities				
Derivative financial liabilities	-	580,371	-	580,371
Total financial liabilities measured at fair value	-	580,371	-	580,371

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2020: None).

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

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 2021	478,772	379,025	712,885	1,570,682
Recognised in profit or loss				
- unrealised revaluation (loss) / gain	(33,553)	-	1,887	(31,666)
Recognised in other comprehensive income				
- unrealised revaluation gain	-	11,249	-	11,249
- realised gain on disposal	-	319	-	319
Addition	-	-	20	20
Disposal	-	(55)	-	(55)
Exchange differences	-	423	6,022	6,445
At 30 June 2021	<u>445,219</u>	<u>390,961</u>	<u>720,814</u>	<u>1,556,994</u>
At 1 January 2020	445,428	351,538	753,095	1,550,061
Recognised in profit or loss				
- unrealised revaluation gain / (loss)	33,344	-	(18,124)	15,220
Recognised in other comprehensive income				
- unrealised revaluation gain	-	28,150	-	28,150
Addition	-	-	99	99
Transfer to owner occupied property	-	-	(20,000)	(20,000)
Exchange differences	-	(663)	(2,185)	(2,848)
At 31 December 2020	<u>478,772</u>	<u>379,025</u>	<u>712,885</u>	<u>1,570,682</u>

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

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 (continued):

Bank	<- 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	Total RM'000
At 1 January 2021	451,376	372,474	823,850
Recognised in profit or loss			
- unrealised revaluation loss	(31,633)	-	(31,633)
Recognised in other comprehensive income			
- unrealised revaluation gain	-	11,232	11,232
- realised gain on disposal	-	319	319
Disposal	-	(55)	(55)
Exchange differences	-	305	305
At 30 June 2021	419,743	384,275	804,018
At 1 January 2020	419,940	345,113	765,053
Recognised in profit or loss			
- unrealised revaluation gain	31,436	-	31,436
Recognised in other comprehensive income			
- unrealised revaluation gain	-	27,971	27,971
Exchange differences	-	(610)	(610)
At 31 December 2020	451,376	372,474	823,850

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

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.

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

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):

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Components of CET I, Tier I and Tier II capital:				
<u>CET I / Tier I capital:</u>				
Share capital	9,417,653	9,417,653	9,417,653	9,417,653
Other reserves	1,403,708	1,518,824	669,238	793,110
Retained profits	34,707,885	34,290,480	28,556,936	28,373,510
Qualifying non-controlling interests	700,572	682,379	-	-
Less: Goodwill and other intangible assets	(2,461,892)	(2,417,727)	(695,393)	(695,393)
Less: Deferred tax assets, net	(112,662)	(81,637)	-	-
Less: Defined benefit pension fund assets	-	(2,748)	-	(2,059)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	<u>(148,772)</u>	<u>(105,998)</u>	<u>(6,205,741)</u>	<u>(6,183,241)</u>
Total CET I capital	43,506,492	43,301,226	31,742,693	31,703,580
Additional Tier I capital securities	99,762	99,702	99,762	99,702
Qualifying CET I and additional Tier I capital instruments held by third parties	<u>58,715</u>	<u>57,785</u>	<u>-</u>	<u>-</u>
Total Tier I capital	<u>43,664,969</u>	<u>43,458,713</u>	<u>31,842,455</u>	<u>31,803,282</u>

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

A30. Capital Adequacy (continued)

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
<u>Tier II capital</u>				
Stage 1 and Stage 2 expected credit loss allowances	3,227,384	2,664,293	2,411,983	1,966,983
Qualifying regulatory reserves	125,970	670,140	230,134	686,899
Subordinated notes	4,999,995	4,999,992	4,999,995	4,999,992
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	719,707	718,503	-	-
Others	130,972	130,972	-	-
Total Tier II capital	<u>9,204,028</u>	<u>9,183,900</u>	<u>7,642,112</u>	<u>7,653,874</u>
Total capital	<u>52,868,997</u>	<u>52,642,613</u>	<u>39,484,567</u>	<u>39,457,156</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.

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

A30. Capital Adequacy (continued)

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

Regulatory capital requirements

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

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

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

Prudential buffers and transitional arrangements

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

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Credit risk	268,268,324	266,754,650	211,369,386	212,310,530
Market risk	5,003,811	4,719,681	4,812,690	4,741,815
Operational risk	20,604,516	20,141,735	13,868,191	13,689,994
Large exposure risk	643,875	668,423	618,399	641,027
	<u>294,520,526</u>	<u>292,284,489</u>	<u>230,668,666</u>	<u>231,383,366</u>

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

A30. Capital Adequacy (continued)

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

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

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

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

A30. Capital Adequacy (continued)

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

- ¹ The risk-weighted assets of Public Islamic Bank Berhad ("PIBB") are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Frameworks for Islamic Banks on Capital Components and Risk-Weighted Assets. The minimum regulatory capital adequacy requirements before including CCB and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIBB is required to maintain a CCB of 2.5% and a CCyB if this buffer is applied by regulators in countries which PIBB has exposures to.
- ² The risk-weighted assets of Public Investment Bank Berhad ("PIVB") are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Frameworks on Capital Components and Basel II - Risk-Weighted Assets. The minimum regulatory capital adequacy requirements before including CCB and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIVB is required to maintain a CCB of 2.5% and a CCyB if this buffer is applied by regulators in countries which PIVB has exposures to.
- ³ The risk-weighted assets of Public Bank (L) Ltd are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with the Banking Capital Adequacy Framework - Guidelines on Capital Components and Risk Weighted Assets issued by the Labuan Financial Services Authority. The minimum regulatory capital adequacy requirements for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.
- ⁴ These two subsidiary companies have adopted the Standardised Approach for Credit and Market Risk. Public Bank (Hong Kong) Limited has adopted the Basic Indicator Approach for Operational Risk and Public Finance Limited has adopted the Standardised Approach for Operational Risk. The capital adequacy ratios of these two subsidiary companies are computed in accordance with the provisions of the Banking Ordinance relating to Basel III capital standards and the Banking (Capital) Rules. These two subsidiaries are required to maintain a CCB of 2.5% and a CCyB of 1.0% as imposed by Hong Kong Monetary Authority to their private sector exposures in Hong Kong.

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

A30. Capital Adequacy (continued)

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

- ⁵ The amount presented here is the solvency ratio of Cambodian Public Bank Plc ("Campu Bank"), which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with National Bank of Cambodia Prakas B7-010-182 and B7-00-46 (amended by Prakas No. B7-04-206 and Prakas No. B7-07-135). This ratio is derived as Campu Bank's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement is 15.0%.
- ⁶ The amount presented here is the capital adequacy ratio of Public Bank Vietnam Limited ("PBVN"), which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with the State Bank of Vietnam ("SBV") Circular No.41/2016/TT-NHNN and is derived as PBVN's capital divided by its risk-weighted assets for credit risk, market risk and operational risk. The minimum regulatory capital adequacy ratio requirement is 8.0%.

A31. Credit Exposures Arising From Credit Transactions With Connected Parties

	Group		Bank	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Outstanding credit exposures with connected parties (RM'000)	2,329,811	2,990,942	3,098,575	3,885,165
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	0.59%	0.77%	1.02%	1.29%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.02%	0.01%	0.01%	0.00%

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

A32. Operations of Islamic Banking

a) Statement of Financial Position As At 30 June 2021

	Note	Group	
		30 June 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and balances with banks		484,658	2,112,828
Financial assets at fair value through profit or loss		31,494	-
Derivative financial assets		5,864	1,317
Financial investments at fair value through other comprehensive income		9,822,752	9,717,771
Financial investments at amortised cost		4,568,797	4,520,961
Financing and advances	A32(d)	56,560,678	54,176,355
Other assets		195,566	232,231
Statutory deposits with Bank Negara Malaysia		118,000	168,200
Deferred tax assets		27,518	-
Collective investment		571,691	565,504
Investment in an associated company		67,500	45,000
Right-of-use assets		16,505	17,137
Property and equipment		3,343	3,525
Total Assets		72,474,366	71,560,829
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	A32(e)	63,144,438	61,817,897
Deposits from banks		1,535,753	2,067,854
Bills and acceptances payable		953	481
Derivative financial liabilities		143,216	196,035
Senior Sukuk Murabahah		519,994	519,950
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		17,831	18,227
Other liabilities		361,773	412,542
Provision for zakat and taxation		82,734	318
Deferred tax liabilities		49,858	104,135
Total Liabilities		66,856,550	66,137,439
Islamic Banking Funds		5,617,816	5,423,390
Total Liabilities and Islamic Banking Funds		72,474,366	71,560,829
COMMITMENTS AND CONTINGENCIES		13,372,971	11,946,719

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

A32. Operations of Islamic Banking (continued)

b) Statement of Profit or Loss for the 2nd Quarter and Financial Half Year Ended 30 June 2021

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	609,160	501,698	1,239,320	1,185,232
Income derived from investment of Islamic Banking Funds	49,906	44,179	104,023	102,058
Allowance for impairment on financing and advances	(93,606)	(25,271)	(124,214)	(37,298)
Allowance for impairment on other assets	(178)	(172)	(264)	(149)
Total distributable income	565,282	520,434	1,218,865	1,249,843
Income attributable to depositors and others	(284,407)	(377,137)	(565,161)	(809,558)
Total net income	280,875	143,297	653,704	440,285
Other operating expenses	(124,582)	(116,757)	(251,020)	(238,635)
Profit before zakat and taxation	156,293	26,540	402,684	201,650
Zakat	(525)	(81)	(1,050)	(162)
Taxation	(36,896)	(5,402)	(95,320)	(46,430)
Profit for the period	118,872	21,057	306,314	155,058

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

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income derived from investment of depositors' funds and others	609,160	501,698	1,239,320	1,185,232
Income derived from investment of Islamic Banking Funds	49,906	44,179	104,023	102,058
Income attributable to depositors and others	(284,407)	(377,137)	(565,161)	(809,558)
	374,659	168,740	778,182	477,732
Elimination of inter-company income and expenses	30,356	31,382	59,694	63,733
Net income from Islamic banking business	405,015	200,122	837,876	541,465

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

A32. Operations of Islamic Banking (continued)

c) Statement of Comprehensive Income for the 2nd Quarter and Financial Half Year Ended 30 June 2021

	2nd Quarter Ended		Half Year Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<u>Group</u>				
Profit for the period	118,872	21,057	306,314	155,058
Other comprehensive income / (loss):				
<u>Items that will not be reclassified to profit or loss:</u>				
Gain / (Loss) on remeasurements of defined benefit plan	-	943	-	(1,415)
<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	6,616	123,827	(204,913)	143,867
Net change in cash flow hedges	(7,056)	(7,648)	57,692	(109,907)
	(440)	116,179	(147,221)	33,960
Income tax effect	105	(28,109)	35,333	(7,811)
Other comprehensive (loss) / gain for the period, net of tax	(335)	89,013	(111,888)	24,734
Total comprehensive income for the period	118,537	110,070	194,426	179,792

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

A32. 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
30 June 2021							
At amortised cost							
Cash line	1,649,148	-	-	-	-	-	1,649,148
Term financing							
- House financing	5,488,117	-	-	19,864,249	-	-	25,352,366
- Syndicated financing	1,359,381	-	-	-	-	-	1,359,381
- Hire purchase receivables	-	9,319,319	-	-	-	-	9,319,319
- Other term financing	4,311,954	-	1,718,749	12,655,697	-	159,291	18,845,691
Credit card receivables	-	-	-	-	-	37,535	37,535
Bills receivables	-	-	-	-	2,354	-	2,354
Trust receipts	-	-	-	-	4,332	-	4,332
Claims on customers under acceptance credits	-	-	-	-	168,872	-	168,872
Revolving credits	303,971	-	-	-	-	-	303,971
Staff financing	-	11,823	-	103,034	-	-	114,857
Gross financing and advances	13,112,571	9,331,142	1,718,749	32,622,980	175,558	196,826	57,157,826
Allowance for impairment on financing and advances:							
- Expected credit losses							(597,148)
- Stage 1: 12-Month ECL							(270,961)
- Stage 2: Lifetime ECL not credit-impaired							(269,762)
- Stage 3: Lifetime ECL credit-impaired							(56,425)
Net financing and advances							56,560,678

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

A32. 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
31 December 2020							
At amortised cost							
Cash line	1,515,623	-	-	-	-	-	1,515,623
Term financing							
- House financing	5,470,603	-	-	18,168,232	-	-	23,638,835
- Syndicated financing	1,341,516	-	-	-	-	-	1,341,516
- Hire purchase receivables	-	8,798,205	-	-	-	-	8,798,205
- Other term financing	4,680,794	-	1,702,074	12,205,232	-	211,199	18,799,299
Credit card receivables	-	-	-	-	-	34,699	34,699
Bill receivables	-	-	-	-	1,114	-	1,114
Trust receipts	-	-	-	-	4,155	-	4,155
Claims on customers under acceptance credits	-	-	-	-	162,079	-	162,079
Revolving credits	248,884	-	-	-	-	-	248,884
Staff financing	-	11,002	-	94,943	-	-	105,945
Gross financing and advances	13,257,420	8,809,207	1,702,074	30,468,407	167,348	245,898	54,650,354
Allowance for impairment on financing and advances:							
- Expected credit losses							(473,999)
- Stage 1: 12-Month ECL							(249,018)
- Stage 2: Lifetime ECL not credit-impaired							(175,333)
- Stage 3: Lifetime ECL credit-impaired							(49,648)
Net financing and advances							54,176,355

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

A32. Operations of Islamic Banking (continued)

d) Financing and Advances (continued)

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

	Group	
	30 June 2021 RM'000	31 December 2020 RM'000
At 1 January	169,421	275,050
Impaired during the period / year	113,527	190,044
Reclassified as non-impaired	(84,374)	(191,093)
Recoveries	(19,131)	(39,279)
Amount written off	(13,302)	(60,617)
Financing converted to foreclosed properties	(2,867)	(4,684)
Closing balance	<u>163,274</u>	<u>169,421</u>
Gross impaired financing and advances as a percentage of gross financing and advances	<u>0.29%</u>	<u>0.31%</u>

e) Deposits from Customers

	Group	
	30 June 2021 RM'000	31 December 2020 RM'000
By type of deposit and contract		
At amortised cost		
Savings deposit		
- Qard	9,679,991	8,561,432
Demand deposit		
- Qard	6,113,410	5,815,770
Term deposit		
- Commodity Murabahah	40,057,286	40,003,712
- Special term deposit account		
- Commodity Murabahah	7,293,751	7,436,983
	<u>63,144,438</u>	<u>61,817,897</u>

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

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

	Group			
	Half Year Ended			
	30 June	30 June		
	2021	2020	Variance	
Key Profit or Loss Items:	RM'000	RM'000	RM'000	%
Profit before tax expense and zakat	3,794,348	3,007,518	786,830	26.2
Net profit attributable to equity holders of the Bank	2,914,348	2,330,911	583,437	25.0
Other comprehensive (loss) / income (net)	(313,062)	381,933	(694,995)	(182.0)

	Group			
	As At			
	30 June	30 June		
	2021	2020	Variance	
Key Balance Sheet Items:	RM'000	RM'000	RM'000	%
Gross loans, advances and financing	352,070,980	334,622,536	17,448,444	5.2
Gross impaired loan and financing (%)	0.35%	0.40%	n/a	(0.05)
Deposits from customers	375,152,261	359,961,601	15,190,660	4.2

The Group's pre-tax profit for the financial half year ended 30 June 2021 increased by RM786.8 million or 26.2% to RM3,794.3 million as compared to the pre-tax profit in the previous corresponding period of RM3,007.5 million. Net profit attributable to equity holders increased by RM583.4 million or 25.0% to RM2,914.3 million over the same period. Included in the previous corresponding period were one-off day 1 net modification loss on COVID-19 relief measures of RM498.4 million and the negative effect of Overnight Policy Rate ("OPR") reduction of 100 basis points. Due to this low base effect coupled with positive loans and deposits growth achieved in the current period, net interest income and net income from Islamic banking business grew by RM845.1 million (+25.3%) and RM296.4 million (+54.7%) respectively. Net fee and commission income increased by RM251.6 million (+29.3%) mainly due to higher fee income from fund management and stock-broking businesses as well as from banking related services. These were partially offset by higher loan impairment allowance of RM379.4 million (-176.3%), lower investment income of RM178.8 million (-61.9%) which was in tandem with current market condition, and higher other operating expenses of RM58.8 million (-3.0%). The higher loan impairment allowance was mainly arising from pre-emptive allowance made in anticipation of the potential effect of COVID-19 pandemic.

Other comprehensive loss (net) of the Group for the current period was RM313.1 million as compared to other comprehensive income (net) of RM381.9 million in the previous corresponding period, mainly due to fluctuation from revaluation of financial investments in the current period on unfavourable market condition. These were partially offset by loss on remeasurements of defined benefit plans recognised in the previous corresponding period, and gain on cash flow hedges in the current period as compared to a loss recorded in the previous corresponding period.

The Group's profit continued to be supported by positive loans and customer deposits growth. Gross loans grew by RM17.4 billion or 5.2% to RM352.1 billion as at 30 June 2021 as compared to RM334.6 billion as at 30 June 2020, mainly driven by growth in mortgage financing, hire purchase financing and lending to SMEs. Total deposits from customers increased by 4.2% or RM15.2 billion to RM375.2 billion as at 30 June 2021. The Group's gross impaired loan ratio continued to remain low and stable at 0.4% as at 30 June 2021.

The Group's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at a healthy level of 14.3%, 14.3% and 17.5% respectively. The Group's liquidity position also remained stable and healthy with liquidity coverage ratio stood at 137.0% as at 30 June 2021.

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

B1. Performance Review (continued)

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

The performance of the respective operating segments for the financial half year ended 30 June 2021 as compared to the previous corresponding period is analysed as follows:-

Profit / (Loss) Before Tax by Segments:	Group		Variance	
	Half Year Ended			
	30 June 2021 RM'000	30 June 2020 RM'000	RM'000	%
Retail operations	1,968,256	1,849,692	118,564	6.4
Hire purchase	62,935	104,299	(41,364)	(39.7)
Corporate lending	242,282	312,998	(70,716)	(22.6)
Treasury and capital market operations	284,415	259,152	25,263	9.7
Investment banking	56,086	41,844	14,242	34.0
Fund management	425,022	321,539	103,483	32.2
Head office, funding center and others	433,627	(191,504)	625,131	326.4
Total domestic operations	<u>3,472,623</u>	<u>2,698,020</u>	<u>774,603</u>	28.7
Overseas operations	321,725	309,498	12,227	4.0
	<u><u>3,794,348</u></u>	<u><u>3,007,518</u></u>	<u><u>786,830</u></u>	26.2

- 1) Retail operations – Pre-tax profit increased by RM118.6 million (+6.4%) to RM1,968.3 million mainly due to higher net interest income on higher average loan balances and higher fee and other income. These were partially offset by higher loan impairment allowance made in anticipation of potential effect of COVID-19 pandemic, and higher other operating expenses.
- 2) Hire purchase – Pre-tax profit decreased by RM41.4 million (-39.7%) to RM62.9 million mainly due to higher loan impairment allowance made in anticipation of potential effect of COVID-19 pandemic, partially offset by higher net interest income and lower other operating expenses.
- 3) Corporate lending – Pre-tax profit decreased by RM70.7 million (-22.6%) to RM242.3 million mainly due to higher loan impairment allowance made in anticipation of potential effect of COVID-19 pandemic, partially offset by higher net interest and fee income.
- 4) Treasury and capital market operations – Pre-tax profit increased by RM25.3 million (+9.7%) to RM284.4 million mainly due to higher net interest income partially offset by lower investment income.
- 5) Investment banking – The increase in pre-tax profit by RM14.2 million (+34.0%) to RM56.1 million was mainly due to higher stock-broking income arising from higher business volume in the equity market.
- 6) Fund management – Pre-tax profit increased by RM103.5 million (+32.2%) to RM425.0 million mainly due to higher management fee from higher average net asset value of funds and higher fee income on sale of trust units arising from higher equity sales achieved. These were partially offset by higher other operating expenses.
- 7) Head office, funding center and others – Pre-tax profit of RM433.6 million was recorded during the current period as compared to pre-tax loss of RM191.5 million in the previous corresponding period. The loss incurred in the previous corresponding period was mainly due to the one-off day 1 net modification loss on COVID-19 relief measures of RM498.4 million and the negative effect of OPR reduction of 100 bps.
- 8) Overseas operations – Pre-tax profit increased by RM12.2 million (+4.0%) to RM321.7 million mainly due to lower loan impairment allowance, higher other income and lower other operating expenses. These were partially offset by lower net interest income.

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

B1. Performance Review (continued)

Current Quarter vs. Previous Year Corresponding Quarter

Key Profit or Loss Items:	Group			
	2nd Quarter Ended			
	30 June 2021 RM'000	30 June 2020 RM'000	Variance RM'000	%
Profit before tax expense and zakat	1,795,401	1,280,371	515,030	40.2
Net profit attributable to equity holders of the Bank	1,384,380	1,001,835	382,545	38.2
Other comprehensive income (net)	106,337	423,168	(316,831)	(74.9)

For the 2nd quarter ended 30 June 2021, the Group registered a pre-tax profit of RM1,795.4 million, an increase of RM515.0 million or 40.2% as compared to the pre-tax profit of RM1,280.4 million in the previous year corresponding quarter. Net profit attributable to equity holders increased by RM382.5 million or 38.2% to RM1,384.4 million over the same period. The increase was mainly due to the lower base effect in the previous corresponding quarter arising from one-off day 1 net modification loss on COVID-19 relief measures of RM498.4 million and the negative effect of OPR reduction. These have resulted in higher net interest income and net income from Islamic banking business of RM608.0 million (+40.6%) and RM204.9 million (+102.4%) respectively in the current quarter. Net fee and commission income increased by RM97.1 million (+23.0%) mainly due to higher fee income from fund management business and banking related services. These were partially offset by higher loan impairment allowance made of RM242.3 million (-157.6%) in anticipation of the potential effect of COVID-19 pandemic, lower investment income of RM134.4 million (-72.8%) and higher other operating expenses of RM30.6 million (-3.2%).

Other comprehensive income (net) of the Group for the current quarter decreased by RM316.8 million (-74.9%) to RM106.3 million, mainly due to fluctuation from revaluation of financial investments for the quarter under review and gain on remeasurements of defined benefit plans in the previous corresponding quarter, partially offset by gain on foreign currency translation in respect of foreign operations and lower loss on cash flow hedges in the current quarter.

Performance of the respective operating segments for the 2nd quarter ended 30 June 2021 as compared to the previous year corresponding quarter is analysed as follows:-

Profit / (Loss) Before Tax by Segments:	2nd Quarter Ended			
	30 June			
	2021 RM'000	2020 RM'000	Variance RM'000	%
Retail operations	979,370	949,935	29,435	3.1
Hire purchase	(5,030)	25,693	(30,723)	(119.6)
Corporate lending	64,384	137,152	(72,768)	(53.1)
Treasury and capital market operations	112,238	169,192	(56,954)	(33.7)
Investment banking	24,403	27,175	(2,772)	(10.2)
Fund management	208,397	159,335	49,062	30.8
Head office, funding center and others	256,950	(340,939)	597,889	175.4
Total domestic operations	1,640,712	1,127,543	513,169	45.5
Overseas operations	154,689	152,828	1,861	1.2
	<u>1,795,401</u>	<u>1,280,371</u>	<u>515,030</u>	40.2

1) Retail operations – The increase in pre-tax profit by RM29.4 million (+3.1%) to RM979.4 million was mainly due to higher net interest income and higher fee and other income. These were partially offset by higher loan impairment allowance made in anticipation of the potential effect of COVID-19 pandemic and higher other operating expenses.

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

B1. Performance Review (continued)

Current Quarter vs. Previous Year Corresponding Quarter (continued)

- 2) Hire purchase – Pre-tax loss of RM5.0 million in the current quarter as compared to pre-tax profit of RM25.7 million in the previous corresponding quarter, a decrease of RM30.7 million (-119.6%). The decrease was mainly due to higher loan impairment allowance made of RM76.8 million in anticipation of the potential effect of COVID-19 pandemic, partially offset by higher net interest income.
- 3) Corporate lending – Pre-tax profit decreased by RM72.8 million (-53.1%) to RM64.4 million mainly due to higher loan impairment allowance made in anticipation of potential effect of COVID-19 pandemic, partially offset by higher net interest income.
- 4) Treasury and capital market operations – Pre-tax profit decreased by RM57.0 million (-33.7%) to RM112.2 million mainly due to lower investment income and lower net interest income.
- 5) Investment banking – Pre-tax profit decreased by RM2.8 million (-10.2%) to RM24.4 million mainly due to lower investment income and higher other operating expenses, partially offset by higher net interest income.
- 6) Fund management business – Pre-tax profit increased by RM49.1 million (+30.8%) to RM208.4 million mainly due to higher management fee from higher average net asset value of funds partially offset by higher other operating expenses.
- 7) Head office, funding center and others – Pre-tax profit of RM257.0 million was recorded during the current quarter as compared to a loss of RM340.9 million in the previous corresponding quarter. The loss incurred in the previous corresponding quarter was mainly due to the one-off day 1 net modification loss on COVID-19 relief measures of RM498.4 million and the negative effect of OPR reduction of 100 bps.
- 8) Overseas Operations – Pre-tax profit increased by RM1.9 million (+1.2%) to RM154.7 million, mainly due to higher fee and other income and lower other operating expenses, partially offset by lower net interest income and higher loan impairment allowance.

B2. Variation of Results Against Preceding Quarter

	Group		Variance	
	30 June	31 March	RM'000	%
Key Profit or Loss Items:	2021	2021		
	RM'000	RM'000	RM'000	
Profit before tax expense and zakat	1,795,401	1,998,947	(203,546)	(10.2)
Net profit attributable to equity holders of the Bank	1,384,380	1,529,968	(145,588)	(9.5)
Other comprehensive income / (loss) (net)	106,337	(419,399)	525,736	125.4

For the 2nd quarter ended 30 June 2021, the Group registered a pre-tax profit of RM1,795.4 million, a decrease of RM203.5 million or 10.2% as compared to the pre-tax profit of RM1,998.9 million for the preceding quarter ended 31 March 2021. Net profit attributable to equity holders decreased by RM145.6 million or 9.5% to RM1,384.4 million over the same period. The lower earnings were mainly due to higher loan impairment allowance made of RM197.5 million (-99.5%) in anticipation of the potential effect of COVID-19 pandemic and lower net fee and commission income of RM71.8 million (-12.2%) arising from lower fee income from fund management and stock-broking businesses. These were partially offset by higher foreign exchange income of RM39.7 million and lower other operating expenses of RM27.1 million.

Other comprehensive income (net) of the Group for the current quarter was RM106.3 million as compared to other comprehensive loss (net) of RM419.4 million in the immediate preceding quarter, mainly due to fluctuation from revaluation of financial investments, partially offset by lower gain on foreign currency translation in respect of foreign operations and loss on cash flow hedges in the current quarter.

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

B3. Prospects for 2021

The world continues to adapt and adjust to the new normal macro environment as the COVID-19 pandemic persists in 2021. Both fiscal and monetary policies remain accommodative in support of the global recovery, although the pace of recovery may vary across countries. Mainly, the outlook is dependent on the developments related to the pandemic and potential challenges that might affect the roll-out of vaccines globally.

Advanced economies, including the United States of America, Europe and Japan are expected to gradually recover in 2021, following downturns in 2020. Asia's economic growth is also expected to improve, in tandem with the global recovery ahead.

Policy accommodation will continue to provide support to the gradual economic recovery and growth trajectory of the Malaysian economy in 2021. However, the re-imposition of nationwide containment measures in June 2021 to curb the resurgence and spread of the COVID-19 pandemic will affect the pace of recovery. Ongoing initiatives by the Government and Bank Negara Malaysia, including the various stimulus packages, financing schemes and funding assistance are expected to provide the much needed financial and fiscal support to the economy. Vaccine driven improvements and external demand growth will contribute towards the recovery in economic activities. The Malaysian banking system is also underpinned by ample liquidity and healthy capital buffers.

The Public Bank Group continues to proactively provide repayment assistance through flexible repayment packages, including loan moratorium, to extend the much needed financial relief to customers during these difficult times. In line with the Economic Recovery Package (PEMULIH) recently announced by the Government, Public Bank is offering a six-month moratorium to all individuals and SMEs/microenterprises affected by the pandemic while managing any potential stress in asset quality.

The Public Bank Group continues to operate efficiently, maintain prudence in management of credit risk and asset quality while preserving strong corporate governance and sound risk management practices.

The Public Bank Group will continue to support financing in residential properties, in tandem with the Government's initiative to promote home ownership, especially for first time home buyers. The Group will also continue to support financing for purchase of passenger vehicles and lending to SMEs.

The Public Bank Group will continue to adapt to the new normal business environment and intensify digitalisation efforts to provide greater convenience to customers. The Group will continue to deliver efficient customer service through its extensive network of physical and digital channels, while sustaining as a market leader in both the domestic retail and consumer segments. The Group will remain supportive of its corporate lending business by leveraging on its strong franchise and relationship with customers.

Amid 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 potential market stresses.

The private retail unit trust industry continues to grow in tandem with market conditions. The Public Bank Group offers a comprehensive range of unit trust products, as it continues to embrace technology to cater to the needs of investors.

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

The Public Bank Group continues to ensure that it remains well-capitalised and well-funded to support its business, while safeguarding the interests of its stakeholders. The Group's healthy capital and liquidity position coupled with its resilient asset quality and prudent loan loss reserves will enable the Group to navigate through the challenges ahead.

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

B3. Prospects for 2021 (continued)

For long term sustainability, the Public Bank Group will continue to enhance its service delivery standards and infrastructure leveraging on the advancement of technology, to provide seamless delivery of banking services across its multi-delivery channels.

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 2nd quarter and financial half year ended 30 June 2021 are as follows:

	2nd Quarter Ended		Half Year Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	482,003	231,226	975,758	597,322
Overseas income tax	30,260	31,011	62,993	65,955
	512,263	262,237	1,038,751	663,277
(Over) / Under provision in prior years				
- Malaysian income tax	-	-	-	(2)
- Overseas income tax	(98)	2,639	(52)	1,499
	512,165	264,876	1,038,699	664,774
Deferred tax (income) / expense				
- Relating to origination and reversal of temporary differences	(118,848)	3,806	(196,196)	(10,960)
Tax expense	393,317	268,682	842,503	653,814
Zakat	525	81	1,050	162
	393,842	268,763	843,553	653,976

The Group's effective tax rate for the 2nd quarter and financial half year ended 30 June 2021 and 30 June 2020 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.

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

B5. Tax Expense and Zakat (continued)

	2nd Quarter Ended		Half Year Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	359,225	206,263	717,789	445,938
Overseas income tax	577	5,009	2,620	7,535
	<u>359,802</u>	<u>211,272</u>	<u>720,409</u>	<u>453,473</u>
Under / (Over) provision in prior years				
- Overseas income tax	1	-	618	(1,140)
	<u>359,803</u>	<u>211,272</u>	<u>721,027</u>	<u>452,333</u>
Deferred tax (income) / expense				
- Relating to origination and reversal of temporary differences	(86,278)	9,539	(148,810)	(4,757)
	<u>273,525</u>	<u>220,811</u>	<u>572,217</u>	<u>447,576</u>

The Bank's effective tax rate for the 2nd quarter and financial half year ended 30 June 2021 and 30 June 2020 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 30 June 2021.

B7. Status of Utilisation of Proceeds Raised from Corporate Proposals

The proceeds raised from the issuance 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 2020 and Pillar 3 Disclosures section of the 2020 Annual Report.

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

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	
Unsecured							
As At 30 June 2021							
Hong Kong Dollar ("HKD") term loan	587,211	-	-	-	587,211	-	587,211
United States Dollar ("USD") term loan	829,989	-	-	-	829,989	-	829,989
USD syndicated term loan	-	-	1,533,847	-	1,533,847	-	1,533,847
RM Senior Medium Term notes / sukuk murabahah	-	1,799,599	-	519,994	-	2,319,593	2,319,593
RM Subordinated notes / sukuk murabahah	-	4,000,000	-	1,999,995	-	5,999,995	5,999,995
RM Additional Tier I capital securities	-	99,762	-	-	-	99,762	99,762
	1,417,200	5,899,361	1,533,847	2,519,989	2,951,047	8,419,350	11,370,397
As At 31 December 2020							
HKD term loan	567,956	-	-	-	567,956	-	567,956
USD term loan	802,881	-	-	-	802,881	-	802,881
USD syndicated term loan	1,482,366	-	-	-	1,482,366	-	1,482,366
RM Senior Medium Term notes / sukuk murabahah	-	1,799,522	-	1,519,935	-	3,319,457	3,319,457
RM Subordinated notes / sukuk murabahah	-	5,999,992	-	-	-	5,999,992	5,999,992
RM Additional Tier I capital securities	-	99,702	-	-	-	99,702	99,702
	2,853,203	7,899,216	-	1,519,935	2,853,203	9,419,151	12,272,354
As At 30 June 2020							
HKD term loan	604,444	-	-	-	604,444	-	604,444
USD term loan	855,371	-	-	-	855,371	-	855,371
USD syndicated term loan	1,578,116	-	-	-	1,578,116	-	1,578,116
RM Senior Medium Term notes / sukuk murabahah	-	2,319,351	-	999,934	-	3,319,285	3,319,285
RM Subordinated notes / sukuk murabahah	-	5,999,989	-	-	-	5,999,989	5,999,989
RM Additional Tier I capital securities	-	99,642	-	-	-	99,642	99,642
	3,037,931	8,418,982	-	999,934	3,037,931	9,418,916	12,456,847

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

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

Bank	More Than 1 Year		Less Than 1 Year		Sub-total		Total
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
Unsecured							
As At 30 June 2021							
USD term loan	829,989	-	-	-	829,989	-	829,989
USD syndicated term loan	-	-	1,533,847	-	1,533,847	-	1,533,847
RM Senior Medium Term notes	-	1,799,599	-	-	-	1,799,599	1,799,599
RM Subordinated notes	-	3,000,000	-	1,999,995	-	4,999,995	4,999,995
RM Additional Tier I capital securities	-	99,762	-	-	-	99,762	99,762
	829,989	4,899,361	1,533,847	1,999,995	2,363,836	6,899,356	9,263,192
As At 31 December 2020							
USD term loan	802,881	-	-	-	802,881	-	802,881
USD syndicated term loan	1,482,366	-	-	-	1,482,366	-	1,482,366
RM Senior Medium Term notes	-	1,799,522	-	999,985	-	2,799,507	2,799,507
RM Subordinated notes	-	4,999,992	-	-	-	4,999,992	4,999,992
RM Additional Tier I capital securities	-	99,702	-	-	-	99,702	99,702
	2,285,247	6,899,216	-	999,985	2,285,247	7,899,201	10,184,448
As At 30 June 2020							
USD term loan	855,371	-	-	-	855,371	-	855,371
USD syndicated term loan	1,578,116	-	-	-	1,578,116	-	1,578,116
RM Senior Medium Term notes	-	1,799,445	-	999,934	-	2,799,379	2,799,379
RM Subordinated notes	-	4,999,989	-	-	-	4,999,989	4,999,989
RM Additional Tier I capital securities	-	99,642	-	-	-	99,642	99,642
	2,433,487	6,899,076	-	999,934	2,433,487	7,899,010	10,332,497
Exchange rates used:	HKD	USD					
As at 30 June 2021	0.53495	4.15250					
As at 31 December 2020	0.51820	4.01800					
As at 30 June 2020	0.55240	4.28150					

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

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

(a) (i) A first interim dividend of 7.5 sen per share for the financial year ending 31 December 2021, amounting to RM1,455,801,880 computed based on 19,410,691,735 ordinary shares as at 30 June 2021, has been declared by the directors.

(ii) Amount per share: 7.5 sen.

(iii) Entitlement date: 14 September 2021.

(iv) Payment date: 23 September 2021.

(b) No dividend was declared for the previous financial half year ended 30 June 2020.

B12. Earnings Per Share

	2nd Quarter Ended		Half Year Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net profit attributable to equity holders (RM'000)	1,384,380	1,001,835	2,914,348	2,330,911
Weighted average number of ordinary shares in issue ('000)	19,410,692	3,882,138	19,410,692	3,882,138
Bonus issue subsequent to year end ('000)	-	15,528,554	-	15,528,554
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	19,410,692	19,410,692 [#]	19,410,692	19,410,692 [#]
Basic earnings per share (sen)				
- Before issuance of bonus shares	7.13	25.81	15.01	60.04
- After issuance of bonus shares	7.13	5.16 [#]	15.01	12.01 [#]

[#] For comparative purpose, the earnings per share for the quarter and year-to-date ended 30 June 2020 have been adjusted to reflect the bonus issue of 4 bonus shares for every 1 existing ordinary share which was completed on 29 January 2021.

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.