

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2020

PUBLIC BANK BERHAD

Financial Year End 31 Dec 2020
 Quarter 2 Qtr
 Quarterly report for the financial period ended 30 Jun 2020
 The figures have not been audited

Attachments

[2nd Qtr and Half Year 30 June 2020 Results.pdf](#)
 619.1 kB

Default Currency Other Currency Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	4,739,165	5,598,364	10,254,345	11,166,313
2 Profit/(loss) before tax	1,280,371	1,730,574	3,007,518	3,549,834
3 Profit/(loss) for the period	1,011,608	1,353,196	2,353,542	2,780,405
4 Profit/(loss) attributable to ordinary equity holders of the parent	1,001,835	1,332,946	2,330,911	2,743,039
5 Basic earnings/(loss) per share (Subunit)	25.81	34.34	60.04	70.66
6 Proposed/Declared dividend per share (Subunit)	0.00	33.00	0.00	33.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity holders of the parent (\$\$)	11.5139		11.2295	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info

Company Name PUBLIC BANK BERHAD

Stock Name PBBANK

Date Announced 28 Aug 2020

Category Financial Results

Reference Number FRA-28082020-00003

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 2020

	Note	Group		Bank	
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and balances with banks		20,866,339	14,075,699	14,372,445	8,485,285
Reverse repurchase agreements		479,462	8,208	479,462	8,208
Financial assets at fair value through profit or loss	A8	2,063,288	4,210,265	1,968,697	3,868,383
Derivative financial assets	A28	192,511	152,330	386,756	232,254
Financial investments at fair value through other comprehensive income	A9	45,085,771	40,153,493	30,353,268	25,996,097
Financial investments at amortised cost	A10	29,027,301	27,638,168	20,958,745	20,620,456
Loans, advances and financing	A11	332,516,076	328,476,494	258,762,525	256,270,074
Other assets	A12	3,128,562	2,147,400	2,845,804	2,200,892
Statutory deposits with Central Banks		1,292,630	10,044,185	285,535	6,953,274
Deferred tax assets		73,203	83,484	-	11,307
Collective investments		-	-	5,824,794	5,723,435
Investment in subsidiary companies		-	-	6,494,294	6,494,294
Investment in associated companies		77,698	75,080	45,000	45,000
Investment properties		757,302	753,095	-	-
Right-of-use assets		1,426,214	1,427,160	1,312,120	1,322,521
Property and equipment		1,133,934	1,142,575	597,736	618,579
Intangible assets		2,514,955	2,443,039	695,393	695,393
TOTAL ASSETS		440,635,246	432,830,675	345,382,574	339,545,452
LIABILITIES					
Deposits from customers	A13	359,961,601	353,340,475	273,721,756	268,259,690
Deposits from banks	A14	8,450,930	8,494,073	11,902,821	11,795,402
Obligations on securities sold under repurchase agreements		554,211	970,654	156,708	639,154
Bills and acceptances payable		211,426	234,786	211,109	234,409
Recourse obligations on loans sold to Cagamas		5,500,005	5,500,004	5,500,005	5,500,004
Derivative financial liabilities	A28	493,898	345,724	433,705	322,935
Debt securities issued and other borrowed funds	B9	12,456,847	12,317,450	10,332,497	10,223,214
Lease liabilities		1,082,742	1,087,808	1,349,844	1,344,637
Other liabilities	A15	5,327,493	5,196,397	3,798,113	3,734,769
Provision for tax expense and zakat		591,042	540,107	517,047	412,868
Deferred tax liabilities		81,098	56,993	17,850	-
TOTAL LIABILITIES		394,711,293	388,084,471	307,941,455	302,467,082

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

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 2020

	Note	Group		Bank	
		30 June	31 December	30 June	31 December
		2020	2019	2020	2019
		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		1,897,413	2,017,353	1,572,435	1,619,452
Other reserves		2,018,411	1,606,357	998,067	873,228
Retained profits		31,365,081	30,552,967	25,452,964	25,168,037
Equity attributable to equity holders of the Bank		44,698,558	43,594,330	37,441,119	37,078,370
Non-controlling interests		1,225,395	1,151,874	-	-
TOTAL EQUITY		45,923,953	44,746,204	37,441,119	37,078,370
TOTAL LIABILITIES AND EQUITY					
		440,635,246	432,830,675	345,382,574	339,545,452
COMMITMENTS AND CONTINGENCIES					
	A27	101,674,809	94,315,048	89,986,505	84,291,554
CAPITAL ADEQUACY					
<u>Before deducting interim dividends</u> *					
Common Equity Tier I Capital Ratio	A30	13.972%	14.019%	12.776%	12.808%
Tier I Capital Ratio		14.029%	14.076%	12.820%	12.853%
Total Capital Ratio		17.228%	17.317%	16.183%	16.243%
<u>After deducting interim dividends</u> *					
Common Equity Tier I Capital Ratio		13.972%	13.460%	12.776%	12.108%
Tier I Capital Ratio		14.029%	13.517%	12.820%	12.153%
Total Capital Ratio		17.228%	16.758%	16.183%	15.543%
Net assets per share attributable to ordinary equity holders of the Bank (RM)					
		11.51	11.23	9.64	9.55

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

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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 2020

Group	Note	2nd Quarter Ended		Half Year Ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Operating revenue		4,739,165	5,598,364	10,254,345	11,166,313
Interest income	A16	3,385,457	4,058,576	7,342,746	8,120,758
Interest expense	A17	(1,886,910)	(2,240,829)	(4,007,783)	(4,456,700)
Net interest income		1,498,547	1,817,747	3,334,963	3,664,058
Net income from Islamic banking business	A32 (b)	200,122	302,052	541,465	609,722
		1,698,669	2,119,799	3,876,428	4,273,780
Fee and commission income	A18 (a)	573,434	644,275	1,213,573	1,260,213
Fee and commission expense	A18 (b)	(151,579)	(183,530)	(355,371)	(380,225)
Net fee and commission income	A18	421,855	460,745	858,202	879,988
Net gains and losses on financial instruments	A19	184,742	55,410	288,905	113,323
Other operating income	A20	94,276	118,388	172,058	226,381
Net income		2,399,542	2,754,342	5,195,593	5,493,472
Other operating expenses	A21	(970,046)	(956,525)	(1,969,595)	(1,881,383)
Operating profit		1,429,496	1,797,817	3,225,998	3,612,089
Allowance for impairment on loans, advances and financing	A22	(153,734)	(65,256)	(215,125)	(62,004)
Allowance for impairment on other assets	A23	(1,328)	(836)	(4,844)	(1,202)
		1,274,434	1,731,725	3,006,029	3,548,883
Share of profit / (loss) after tax of equity accounted associated companies		5,937	(1,151)	1,489	951
Profit before tax expense and zakat		1,280,371	1,730,574	3,007,518	3,549,834
Tax expense and zakat	B5	(268,763)	(377,378)	(653,976)	(769,429)
Profit for the period		1,011,608	1,353,196	2,353,542	2,780,405
Profit for the period attributable to:					
- Equity holders of the Bank		1,001,835	1,332,946	2,330,911	2,743,039
- Non-controlling interests		9,773	20,250	22,631	37,366
		1,011,608	1,353,196	2,353,542	2,780,405
Earnings per share:					
- basic / diluted (sen)	B12	25.8	34.3	60.0	70.7

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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 2020

Group	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Profit for the period	1,011,608	1,353,196	2,353,542	2,780,405
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	7,139	251	7,181	251
- Property and equipment	-	2,110	-	2,110
Gain on disposal of equity instruments	-	5	-	5
	91,308	2,366	(119,186)	2,366
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of:				
- Foreign operations	(57,279)	102,526	403,879	1,773
- Net investment hedge	29,755	(67,916)	(203,790)	(6,622)
Net change in revaluation of financial investments at fair value through other comprehensive income	491,615	147,889	472,748	302,566
Net change in cash flow hedges	(17,043)	(50,888)	(127,399)	(90,942)
	447,048	131,611	545,438	206,775
Income tax effect	(115,092)	(18,361)	(45,447)	(38,656)
Share of changes in associated companies' reserves	(96)	777	1,128	1,087
Other comprehensive income for the period, net of tax	423,168	116,393	381,933	171,572
Total comprehensive income for the period	1,434,776	1,469,589	2,735,475	2,951,977
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	1,431,781	1,431,757	2,657,083	2,910,514
- Non-controlling interests	2,995	37,832	78,392	41,463
	1,434,776	1,469,589	2,735,475	2,951,977

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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 2020

<u>Bank</u>	Note	2nd Quarter Ended		Half Year Ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Operating revenue		3,465,637	4,010,848	7,227,707	8,126,862
Interest income	A16	2,970,228	3,622,784	6,494,886	7,266,335
Interest expense	A17	(1,801,104)	(2,159,509)	(3,830,554)	(4,294,504)
Net interest income		1,169,124	1,463,275	2,664,332	2,971,831
Fee and commission income	A18 (a)	193,710	269,406	442,936	522,918
Fee and commission expense	A18 (b)	(54,814)	(77,980)	(143,843)	(171,902)
Net fee and commission income	A18	138,896	191,426	299,093	351,016
Net gains and losses on financial instruments	A19	176,645	52,542	281,479	107,570
Other operating income	A20	417,516	345,562	329,192	617,907
Net income		1,902,181	2,052,805	3,574,096	4,048,324
Other operating expenses	A21	(610,906)	(607,028)	(1,249,836)	(1,198,858)
Operating profit		1,291,275	1,445,777	2,324,260	2,849,466
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	A22	(61,692)	(23,940)	(82,276)	10,029
Allowance for impairment on other assets	A23	(566)	(641)	(3,391)	(1,101)
Profit before tax expense and zakat		1,229,017	1,421,196	2,238,593	2,858,394
Tax expense and zakat	B5	(220,811)	(268,927)	(447,576)	(577,599)
Profit for the period		1,008,206	1,152,269	1,791,017	2,280,795

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PUBLIC BANK BERHAD
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(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020

<u>Bank</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Profit for the period	1,008,206	1,152,269	1,791,017	2,280,795
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	7,075	251	7,117	251
Gain on disposal of equity instruments	-	5	-	5
	90,301	256	(117,835)	256
<u>Items that may be reclassified to profit or loss:</u>				
Currency translation differences in respect of foreign operations	(3,347)	4,224	10,649	1,326
Net change in revaluation of financial investments at fair value through other comprehensive income	275,284	87,641	282,998	182,746
Net change in cash flow hedges	(9,395)	(23,833)	(17,492)	(35,951)
	262,542	68,032	276,155	148,121
Income tax effect	(83,788)	(15,411)	(33,733)	(35,232)
Other comprehensive income for the period, net of tax	269,055	52,877	124,587	113,145
Total comprehensive income for the period	1,277,261	1,205,146	1,915,604	2,393,940

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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 2020

<----- 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 2019.

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 2020

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

<u>Group</u>	<u>Non-distributable</u>			<u>Distributable</u>		<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	<u>Total Shareholders' Equity</u> RM'000		
At 1 January 2019	9,417,653	1,806,123	1,431,367	28,060,197	40,715,340	1,122,353	41,837,693
Profit for the period	-	-	-	2,743,039	2,743,039	37,366	2,780,405
Other comprehensive income for the period	-	-	167,470	5	167,475	4,097	171,572
Total comprehensive income for the period	-	-	167,470	2,743,044	2,910,514	41,463	2,951,977
Transactions with owners / other equity movements:							
Transfer to regulatory reserves	-	92,484	-	(92,484)	-	-	-
Transfer to general reserves	-	-	82,725	(82,725)	-	-	-
Dividends paid	-	-	-	(1,436,391)	(1,436,391)	(7,786)	(1,444,177)
	-	92,484	82,725	(1,611,600)	(1,436,391)	(7,786)	(1,444,177)
At 30 June 2019	9,417,653	1,898,607	1,681,562	29,191,641	42,189,463	1,156,030	43,345,493

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

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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 2020

<----- 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

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PUBLIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020

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

<u>Bank</u>	Share Capital RM'000	<u>Non-distributable</u> Regulatory Reserves RM'000	Other Reserves RM'000	<u>Distributable</u> Retained Profits RM'000	Total Equity RM'000
At 1 January 2019	9,417,653	1,461,892	849,167	23,298,266	35,026,978
Profit for the period	-	-	-	2,280,795	2,280,795
Other comprehensive income for the period	-	-	113,140	5	113,145
Total comprehensive income for the period	-	-	113,140	2,280,800	2,393,940
Transactions with owners / other equity movements:					
Transfer to regulatory reserves	-	98,817	-	(98,817)	-
Dividends paid	-	-	-	(1,436,391)	(1,436,391)
	-	98,817	-	(1,535,208)	(1,436,391)
At 30 June 2019	9,417,653	1,560,709	962,307	24,043,858	35,984,527

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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 2020

	Group		Bank	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Cash Flows from Operating Activities				
Profit before tax expense and zakat	3,007,518	3,549,834	2,238,593	2,858,394
Adjustments for non-cash items:				
Share of profit after tax of equity				
accounted associated companies	(1,489)	(951)	-	-
Allowance for impairment on loans and financing	328,065	175,607	137,619	59,087
Depreciation of right-of-use assets and				
property and equipment	182,438	170,275	140,471	135,730
Net gain on financial instruments	(265,999)	(97,211)	(258,807)	(91,874)
Dividend income	(350)	(1,125)	(384,315)	(456,952)
Allowance for impairment on other assets	4,844	1,202	3,391	1,101
Other non-cash items	5,721	(37,439)	(2,922)	(4,526)
Operating profit before working capital changes	<u>3,260,748</u>	<u>3,760,192</u>	<u>1,874,030</u>	<u>2,500,960</u>
Changes in working capital:				
Decrease / (Increase) in operating assets	4,624,206	(9,418,194)	4,730,852	(6,675,207)
Increase in operating liabilities	6,013,639	5,968,373	5,094,949	2,210,355
Cash generated from / (used in) operations	<u>13,898,593</u>	<u>310,371</u>	<u>11,699,831</u>	<u>(1,963,892)</u>
Tax expense and zakat paid	(614,001)	(610,384)	(348,154)	(405,506)
Net cash generated from / (used in)				
operating activities	<u>13,284,592</u>	<u>(300,013)</u>	<u>11,351,677</u>	<u>(2,369,398)</u>
Cash Flows from Investing Activities				
Purchase of property and equipment	(78,418)	(87,640)	(47,016)	(58,087)
Addition to investment properties	(219)	-	-	-
Proceeds from disposal of properties	5,599	16,367	4,986	14,012
Net (purchase) / sale of financial investments	(5,566,105)	4,536,134	(4,168,589)	5,785,425
Investment in collective investments	-	-	(101,359)	(103,329)
Additional investment in a subsidiary company	-	-	-	(543,900)
Dividends received	350	1,125	496,964	529,999
Net cash (used in) / generated from				
investing activities	<u>(5,638,793)</u>	<u>4,465,986</u>	<u>(3,815,014)</u>	<u>5,624,120</u>

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

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020

	Group		Bank	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Cash Flows from Financing Activities				
Dividends paid	(1,557,726)	(1,444,177)	(1,552,855)	(1,436,391)
Net drawdown of borrowings	840	749	-	-
Repayment of lease liabilities	(67,793)	(62,798)	(52,065)	(49,449)
Redemption of debt securities	-	(2,700,000)	-	(2,200,000)
Net cash used in financing activities	<u>(1,624,679)</u>	<u>(4,206,226)</u>	<u>(1,604,920)</u>	<u>(3,685,840)</u>
Net change in cash and cash equivalents	6,021,120	(40,253)	5,931,743	(431,118)
Cash and cash equivalents at beginning of the year	12,191,838	13,320,248	7,922,755	9,416,853
Exchange differences on translation of opening balances	<u>335,447</u>	<u>(3,792)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the period	<u>18,548,405</u>	<u>13,276,203</u>	<u>13,854,498</u>	<u>8,985,735</u>
Note:				
Cash and balances with banks	20,866,339	15,283,466	14,372,445	9,439,416
Less: Balances with banks with original maturity more than three months	<u>(2,317,934)</u>	<u>(2,007,263)</u>	<u>(517,947)</u>	<u>(453,681)</u>
Cash and cash equivalents at end of the period	<u>18,548,405</u>	<u>13,276,203</u>	<u>13,854,498</u>	<u>8,985,735</u>

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

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

A1. Basis of Preparation

The unaudited condensed interim financial statements for the 2nd quarter and financial half year ended 30 June 2020 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss ("FVTPL"), financial investments at fair value through other comprehensive income ("FVOCI"), derivative financial instruments and investment properties.

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

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

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

Effective for annual periods commencing on or after 1 January 2020

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

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

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

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

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

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

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A1. Basis of Preparation (continued)

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

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

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

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

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

Banking institutions are allowed with immediate effect to:

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

However, banking institutions are required to rebuild the said buffers after 31 December 2020 and restore them to the minimum regulatory requirements by 30 September 2021. BNM will review this timeline if current expectations change materially. As at the reporting date, the Group and the Bank have not drawn down any of the prudential buffers.

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A1. Basis of Preparation (continued)

MFRS 9 Financial Instruments and financial reporting requirements

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

i) Economic scenarios and probability-weights

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

ii) Assessment of significant increase in credit risk

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

The financial impact of the moratorium to interest income and profit income of the Group and the Bank is further disclosed in Note A16 and Note A32(b) respectively.

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 June 2020

- Covid-19-Related Rent Concessions (Amendment to MFRS 16 Leases)

Effective for annual periods commencing on or after 1 January 2021

- MFRS 17 Insurance Contracts

Effective for annual periods commencing on or after 1 January 2022

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

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A1. Basis of Preparation (continued)

Covid-19-Related Rent Concessions (Amendment to MFRS 16 Leases) - The amendment 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.

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.

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.

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.

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 2019 was not qualified.

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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 Notes A1, A14, A16 and A32(b), 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.

A6. Debt and Equity Securities

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

A7. Dividends Paid and Distributed

During the financial period ended 30 June 2020, a second interim dividend of 40.0 sen per share for the financial year ended 31 December 2019, amounting to RM1,552,855,339 was paid on 20 March 2020.

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	599,627	-	599,627	-
Malaysian Government Securities	723,971	2,166,786	723,971	2,166,786
Malaysian Government Investment Issues	<u>176,126</u>	<u>1,313,536</u>	<u>143,825</u>	<u>1,281,657</u>
	<u>1,499,724</u>	<u>3,480,322</u>	<u>1,467,423</u>	<u>3,448,443</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>-</u>	<u>249,541</u>	<u>-</u>	<u>-</u>
Non-money market instruments:				
Equity securities:				
- Unquoted shares in Malaysia	478,772	445,428	451,376	419,940
Debt securities:				
- Unquoted corporate bonds / sukuk	<u>84,792</u>	<u>34,974</u>	<u>49,898</u>	<u>-</u>
	<u>563,564</u>	<u>480,402</u>	<u>501,274</u>	<u>419,940</u>
Total financial assets at FVTPL	<u>2,063,288</u>	<u>4,210,265</u>	<u>1,968,697</u>	<u>3,868,383</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	859,239	-	859,239	-
Malaysian Government Securities	15,928,855	11,982,825	15,753,829	11,819,642
Malaysian Government Investment Issues	21,183,668	21,806,968	10,678,851	11,477,222
Other foreign government securities	166,094	160,557	-	-
	38,137,856	33,950,350	27,291,919	23,296,864
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	749,218	426,813	749,218	426,813
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	1,464	1,556	-	-
- Unquoted shares	360,376	351,538	353,701	345,113
Debt securities:				
- Cagamas bonds	605,548	610,409	501,923	507,554
- Unquoted corporate bonds / sukuk	5,231,309	4,799,974	1,456,507	1,419,753
Unit trust funds	-	12,853	-	-
	6,198,697	5,776,330	2,312,131	2,272,420
Total financial investments at FVOCI	45,085,771	40,153,493	30,353,268	25,996,097

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

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Group				
At 1 January 2020	7,616	796	-	8,412
New financial investments purchased	4,253	784	-	5,037
Net allowance made	68	-	-	68
Amount derecognised	(3,559)	-	-	(3,559)
Exchange differences	17	41	-	58
At 30 June 2020	<u>8,395</u>	<u>1,621</u>	<u>-</u>	<u>10,016</u>
At 1 January 2019	7,371	1,225	-	8,596
New financial investments purchased	6,796	135	-	6,931
Net allowance made	210	-	-	210
Amount derecognised	(6,734)	(541)	-	(7,275)
Change in models / risk parameters	(23)	-	-	(23)
Exchange differences	(4)	(23)	-	(27)
At 31 December 2019	<u>7,616</u>	<u>796</u>	<u>-</u>	<u>8,412</u>
Bank				
At 1 January 2020	4,352	-	-	4,352
New financial investments purchased	3,513	-	-	3,513
Net allowance made	11	-	-	11
Amount derecognised	(2,833)	-	-	(2,833)
At 30 June 2020	<u>5,043</u>	<u>-</u>	<u>-</u>	<u>5,043</u>
At 1 January 2019	4,860	-	-	4,860
New financial investments purchased	4,984	-	-	4,984
Net allowance written back	(493)	-	-	(493)
Amount derecognised	(4,998)	-	-	(4,998)
Change in models / risk parameters	(1)	-	-	(1)
At 31 December 2019	<u>4,352</u>	<u>-</u>	<u>-</u>	<u>4,352</u>

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A10. Financial Investments at Amortised Cost

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Securities	1,172,286	1,016,394	1,172,286	1,016,394
Malaysian Government Investment Issues	7,892,523	7,098,076	4,026,470	4,030,824
Foreign Government Treasury Bills	1,150,333	1,118,597	46,331	34,236
Other foreign government securities	1,016,040	1,232,825	6,926	6,835
	<u>11,231,182</u>	<u>10,465,892</u>	<u>5,252,013</u>	<u>5,088,289</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,661,104</u>	<u>1,163,001</u>	<u>1,335,075</u>	<u>1,310,142</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds	5,837,062	5,605,977	5,837,062	5,605,977
- Unquoted corporate bonds / sukuk	10,302,788	10,407,844	8,538,458	8,619,793
	<u>16,139,850</u>	<u>16,013,821</u>	<u>14,375,520</u>	<u>14,225,770</u>
Allowance for impairment	(4,835)	(4,546)	(3,863)	(3,745)
Total financial investments at amortised cost	<u>29,027,301</u>	<u>27,638,168</u>	<u>20,958,745</u>	<u>20,620,456</u>

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A10. Financial Investments at Amortised Cost (continued)

Movements in allowances for impairment on debt instruments which reflect the ECL model on impairment are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Group				
At 1 January 2020	4,527	-	19	4,546
New financial investments purchased	457	-	-	457
Net allowance made	2	-	-	2
Amount derecognised	(249)	-	-	(249)
Exchange differences	79	-	-	79
At 30 June 2020	<u>4,816</u>	<u>-</u>	<u>19</u>	<u>4,835</u>
At 1 January 2019	4,097	-	19	4,116
New financial investments purchased	556	-	-	556
Net allowance made	140	-	-	140
Amount derecognised	(341)	-	-	(341)
Change in models / risk parameters	(3)	-	-	(3)
Exchange differences	78	-	-	78
At 31 December 2019	<u>4,527</u>	<u>-</u>	<u>19</u>	<u>4,546</u>
Bank				
At 1 January 2020	3,726	-	19	3,745
New financial investments purchased	65	-	-	65
Net allowance made	4	-	-	4
Amount derecognised	(14)	-	-	(14)
Exchange differences	63	-	-	63
At 30 June 2020	<u>3,844</u>	<u>-</u>	<u>19</u>	<u>3,863</u>
At 1 January 2019	3,481	-	19	3,500
New financial investments purchased	179	-	-	179
Net allowance made	71	-	-	71
Amount derecognised	(80)	-	-	(80)
Change in models / risk parameters	(4)	-	-	(4)
Amount written off	79	-	-	79
At 31 December 2019	<u>3,726</u>	<u>-</u>	<u>19</u>	<u>3,745</u>

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A11. Loans, Advances and Financing

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At amortised cost				
Overdrafts	10,127,489	11,181,394	7,160,741	7,939,545
Term loans / financing				
- Housing loans / financing	125,747,722	121,626,130	97,911,137	95,310,475
- Syndicated term loans / financing	3,882,614	3,762,298	1,154,703	1,134,368
- Hire purchase receivables	50,785,600	51,552,787	40,076,988	40,583,747
- Other term loans / financing	127,058,118	124,159,645	99,223,441	96,806,613
Credit card receivables	1,872,648	2,161,229	1,832,112	2,113,070
Bills receivables	66,013	108,825	52,227	87,066
Trust receipts	170,442	254,153	141,566	152,614
Claims on customers under acceptance credits	2,163,158	3,551,070	2,018,348	3,254,785
Revolving credits	10,685,024	10,076,109	8,873,164	8,537,705
Staff loans *	2,063,708	2,034,801	1,800,739	1,784,760
Gross loans, advances and financing	<u>334,622,536</u>	<u>330,468,441</u>	<u>260,245,166</u>	<u>257,704,748</u>
Allowance for impairment on loans and financing:				
- Expected credit losses	(2,106,460)	(1,991,947)	(1,482,641)	(1,434,674)
- Stage 1: 12-Month ECL	(1,135,750)	(970,934)	(776,944)	(670,917)
- Stage 2: Lifetime ECL not credit-impaired	(641,256)	(649,912)	(506,601)	(535,186)
- Stage 3: Lifetime ECL credit-impaired	(329,454)	(371,101)	(199,096)	(228,571)
Net loans, advances and financing	<u><u>332,516,076</u></u>	<u><u>328,476,494</u></u>	<u><u>258,762,525</u></u>	<u><u>256,270,074</u></u>

* Included in staff loans of the Group and of the Bank are loans to Directors of subsidiary companies amounting to RM7,390,000 (2019: RM7,613,000) and RM7,177,000 (2019 - RM7,370,000) respectively.

a) By class

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Retail loans / financing *				
- Housing loans / financing	125,747,737	121,626,147	97,911,137	95,310,475
- Hire purchase	50,567,347	51,347,164	40,076,988	40,583,747
- Credit cards	1,872,648	2,161,229	1,832,112	2,113,070
- Other loans / financing ^	108,551,311	108,217,642	82,111,382	82,218,399
	<u>286,739,043</u>	<u>283,352,182</u>	<u>221,931,619</u>	<u>220,225,691</u>
Corporate loans / financing	47,883,493	47,116,259	38,313,547	37,479,057
	<u><u>334,622,536</u></u>	<u><u>330,468,441</u></u>	<u><u>260,245,166</u></u>	<u><u>257,704,748</u></u>

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

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

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A11. Loans, Advances and Financing (continued)

b) By type of customer

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Non-bank financial institutions				
- Stock-broking companies	4,596	1,210	4,596	1,210
- Others	14,252,207	12,995,158	12,572,333	11,407,279
Business enterprises				
- Small and medium enterprises	68,590,248	68,397,014	55,614,708	55,665,614
- Others	28,117,237	28,904,318	21,924,144	22,770,623
Government and statutory bodies	1,023,810	1,020,098	19,112	14,325
Individuals	218,910,110	215,333,895	168,222,698	166,003,229
Other entities	31,605	31,808	24,529	24,939
Foreign entities	3,692,723	3,784,940	1,863,046	1,817,529
	<u>334,622,536</u>	<u>330,468,441</u>	<u>260,245,166</u>	<u>257,704,748</u>

c) By interest/profit rate sensitivity

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Fixed rate				
- Housing loans / financing	932,667	849,134	25,962	39,532
- Hire purchase receivables	48,093,940	48,956,560	39,911,132	40,412,009
- Other fixed rate loans / financing	20,608,298	21,679,909	9,773,206	10,572,924
Variable rate				
- Base rate / base lending rate plus	213,681,667	209,523,638	177,704,953	175,186,208
- Cost plus	36,838,579	35,281,822	32,458,145	31,130,503
- Other variable rates	14,467,385	14,177,378	371,768	363,572
	<u>334,622,536</u>	<u>330,468,441</u>	<u>260,245,166</u>	<u>257,704,748</u>

d) By residual contractual maturity

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Maturity within one year	29,417,713	30,074,737	21,018,413	20,934,050
More than one year to three years	28,558,673	28,380,117	22,310,403	22,617,780
More than three years to five years	31,676,907	33,530,946	24,929,507	26,812,787
More than five years	244,969,243	238,482,641	191,986,843	187,340,131
	<u>334,622,536</u>	<u>330,468,441</u>	<u>260,245,166</u>	<u>257,704,748</u>

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A11. Loans, Advances and Financing (continued)

e) By geographical distribution

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Malaysia	311,125,864	307,164,075	259,455,957	256,906,982
Hong Kong SAR and the People's Republic of China	15,111,510	15,164,688	-	-
Cambodia	4,691,453	4,720,804	-	-
Other countries	3,693,709	3,418,874	789,209	797,766
	<u>334,622,536</u>	<u>330,468,441</u>	<u>260,245,166</u>	<u>257,704,748</u>

f) Gross loans, advances and financing by economic purpose

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Purchase of securities	4,268,964	4,215,419	3,799,397	3,686,897
Purchase of transport vehicles	51,000,882	51,770,061	40,294,743	40,810,981
Purchase of landed properties	212,700,228	207,792,100	169,877,372	167,126,742
(of which: - residential	130,065,442	125,850,883	101,548,701	98,888,486
- non-residential)	82,634,786	81,941,217	68,328,671	68,238,256
Purchase of fixed assets (excluding landed properties)	439,463	433,035	84,518	83,595
Personal use	13,751,864	13,648,878	7,448,730	7,316,469
Credit card	1,872,648	2,161,229	1,832,112	2,113,070
Purchase of consumer durables	775	801	81	101
Construction	7,569,314	7,401,779	5,848,420	5,808,391
Mergers and acquisitions	6,477	9,730	6,477	9,730
Working capital	38,000,272	38,576,599	26,219,700	26,456,630
Other purpose	5,011,649	4,458,810	4,833,616	4,292,142
	<u>334,622,536</u>	<u>330,468,441</u>	<u>260,245,166</u>	<u>257,704,748</u>

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A11. Loans, Advances and Financing (continued)

g) Gross loans, advances and financing by sectors

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Agriculture, hunting, forestry and fishing	3,333,397	3,545,062	2,305,945	2,524,728
Mining and quarrying	318,873	334,813	152,038	165,225
Manufacturing	10,831,570	11,004,846	8,244,443	8,345,617
Electricity, gas and water	151,921	162,295	52,953	47,363
Construction	13,079,562	12,903,477	9,943,251	9,878,302
Wholesale & retail trade and restaurants & hotels	27,415,215	27,306,914	22,501,998	22,475,527
Transport, storage and communication	4,212,489	4,153,801	3,062,923	3,033,476
Finance, insurance and business services	20,295,200	19,332,370	17,097,974	16,036,222
Real estate	32,056,731	32,182,576	25,369,376	25,915,549
Community, social and personal services	3,186,157	3,190,201	1,834,521	1,844,962
Households	218,492,402	214,862,347	169,614,732	167,387,862
Others	1,249,019	1,489,739	65,012	49,915
	<u>334,622,536</u>	<u>330,468,441</u>	<u>260,245,166</u>	<u>257,704,748</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Bankers' acceptances rediscounted	<u>3,000</u>	<u>25,814</u>	<u>3,000</u>	<u>25,814</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At 1 January	1,604,919	1,620,733	1,144,133	1,143,782
Impaired during the period / year	705,957	3,066,488	420,506	2,106,495
Reclassified as non-impaired	(587,551)	(2,172,788)	(408,556)	(1,559,030)
Recoveries	(172,609)	(357,532)	(132,234)	(265,130)
Amount written off	(217,994)	(470,169)	(86,104)	(212,200)
Loans / financing converted to foreclosed properties	(19,384)	(78,196)	(17,939)	(68,007)
Exchange differences	13,664	(3,617)	4,820	(1,777)
Closing balance	<u>1,327,002</u>	<u>1,604,919</u>	<u>924,626</u>	<u>1,144,133</u>
Gross impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.40%</u>	<u>0.49%</u>	<u>0.36%</u>	<u>0.44%</u>

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A11. Loans, Advances and Financing (continued)

j) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Malaysia	1,056,171	1,310,329	850,588	1,031,067
Hong Kong SAR and the People's Republic of China	116,833	103,643	-	-
Cambodia	46,450	45,233	-	-
Other countries	107,548	145,714	74,038	113,066
	<u>1,327,002</u>	<u>1,604,919</u>	<u>924,626</u>	<u>1,144,133</u>

k) Impaired loans, advances and financing by economic purpose

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Purchase of securities	-	724	-	724
Purchase of transport vehicles	159,592	241,765	102,949	161,236
Purchase of landed properties	734,220	856,891	580,818	672,131
(of which: - residential	524,383	629,565	396,842	470,280
- non-residential)	209,837	227,326	183,976	201,851
Purchase of fixed assets (excluding landed properties)	10,162	8,523	655	992
Personal use	134,320	153,351	43,065	57,930
Credit card	14,530	17,983	13,219	17,035
Purchase of consumer durables	1	1	1	1
Construction	17,952	57,119	12,331	52,463
Working capital	247,295	256,412	162,703	169,509
Other purpose	8,930	12,150	8,885	12,112
	<u>1,327,002</u>	<u>1,604,919</u>	<u>924,626</u>	<u>1,144,133</u>

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A11. Loans, Advances and Financing (continued)

1) Impaired loans, advances and financing by sectors

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Agriculture, hunting, forestry and fishing	20,813	22,385	19,878	22,335
Mining and quarrying	1,040	1,579	1,040	1,577
Manufacturing	60,588	55,698	40,622	38,971
Electricity, gas and water	5,107	4,848	13	12
Construction	65,853	107,125	52,016	93,545
Wholesale & retail trade and restaurants & hotels	141,125	162,315	110,096	124,760
Transport, storage and communication	12,892	18,107	8,882	11,513
Finance, insurance and business services	61,776	55,947	44,844	44,343
Real estate	32,423	41,543	29,562	38,914
Community, social and personal services	7,067	9,367	5,687	7,789
Households	891,768	1,099,910	611,016	759,083
Others	26,550	26,095	970	1,291
	<u>1,327,002</u>	<u>1,604,919</u>	<u>924,626</u>	<u>1,144,133</u>

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A11. Loans, Advances and Financing (continued)

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
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:	154,756	(118,818)	(35,938)	-
- Transfer to Stage 1: 12-Month ECL	169,429	(151,748)	(17,681)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(11,983)	54,280	(42,297)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(2,690)	(21,350)	24,040	-
New loans, advances and financing originated	46,112	9,961	6,930	63,003
Net remeasurement due to changes in credit risk	(15,320)	131,374	212,779	328,833
Loans, advances and financing derecognised (other than write-off)	(23,937)	(30,656)	(13,362)	(67,955)
Modifications to contractual cash flows of loans, advances and financing	(1,713)	(1,881)	2,280	(1,314)
Amount written off	-	-	(217,994)	(217,994)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(179)	(179)
Exchange differences	4,918	1,364	3,837	10,119
At 30 June 2020	<u>1,135,750</u>	<u>641,256</u>	<u>329,454</u>	<u>2,106,460</u>

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A11. Loans, Advances and Financing (continued)

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Group				
At 1 January 2019	1,086,325	546,221	409,867	2,042,413
Changes due to loans, advances and financing recognised as at 1 January 2019:	155,794	(75,640)	(80,154)	-
- Transfer to Stage 1: 12-Month ECL	190,971	(127,762)	(63,209)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(31,188)	78,567	(47,379)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(3,989)	(26,445)	30,434	-
New loans, advances and financing originated	114,040	123,702	63,838	301,580
Net remeasurement due to changes in credit risk	(199,150)	18,885	482,958	302,693
Loans, advances and financing derecognised (other than write-off)	(69,694)	(54,715)	(40,954)	(165,363)
Modifications to contractual cash flows of loans, advances and financing	(4,376)	5,162	7,942	8,728
Changes in models / risk parameters	(111,457)	86,480	2,068	(22,909)
Amount written off	-	-	(470,169)	(470,169)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(2,319)	(2,319)
Exchange differences	(548)	(183)	(1,976)	(2,707)
At 31 December 2019	970,934	649,912	371,101	1,991,947

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A11. Loans, Advances and Financing (continued)

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
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:	119,914	(85,961)	(33,953)	-
- Transfer to Stage 1: 12-Month ECL	127,709	(118,140)	(9,569)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(7,712)	36,446	(28,734)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(83)	(4,267)	4,350	-
New loans and advances originated	20,094	3,501	1	23,596
Net remeasurement due to changes in credit risk	(25,937)	81,599	97,817	153,479
Loans and advances derecognised (other than write-off)	(7,056)	(26,001)	(9,177)	(42,234)
Modifications to contractual cash flows of loans and advances	(1,476)	(1,723)	2,120	(1,079)
Amount written off	-	-	(86,104)	(86,104)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(179)	(179)
Exchange differences	488	-	-	488
At 30 June 2020	776,944	506,601	199,096	1,482,641

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A11. Loans, Advances and Financing (continued)

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

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Bank				
At 1 January 2019	775,726	452,091	239,052	1,466,869
Changes due to loans and advances recognised as at 1 January 2019:	90,850	(55,591)	(35,259)	-
- Transfer to Stage 1: 12-Month ECL	115,839	(101,354)	(14,485)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(24,185)	57,220	(33,035)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(804)	(11,457)	12,261	-
New loans and advances originated	63,975	103,929	3,791	171,695
Net remeasurement due to changes in credit risk	(119,939)	4,380	258,965	143,406
Loans and advances derecognised (other than write-off)	(35,988)	(50,624)	(31,937)	(118,549)
Modifications to contractual cash flows of loans and advances	(3,919)	5,199	7,189	8,469
Changes in models / risk parameters	(99,676)	75,802	1,134	(22,740)
Amount written off	-	-	(212,200)	(212,200)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(2,164)	(2,164)
Exchange differences	(112)	-	-	(112)
At 31 December 2019	<u>670,917</u>	<u>535,186</u>	<u>228,571</u>	<u>1,434,674</u>

A12. Other Assets

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Deferred handling fees	219,509	234,967	183,764	196,046
Interest / Income receivable	42,901	42,896	8,728	6,073
Other receivables, deposits and prepayments	1,750,455	1,005,633	1,329,370	767,756
Collateral pledged for derivative transactions	441,794	192,877	441,794	192,877
Employee benefits	-	48,430	-	47,633
Amount due from trust funds	225,531	230,324	-	-
Foreclosed properties	189,607	177,617	171,693	161,053
Outstanding contracts on clients' accounts	258,765	214,656	-	-
Amount due from subsidiary companies	-	-	41,361	47,711
Distribution receivable from collective investments	-	-	32,250	31,618
Dividend receivable from subsidiary companies	-	-	636,844	750,125
	<u>3,128,562</u>	<u>2,147,400</u>	<u>2,845,804</u>	<u>2,200,892</u>

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A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	54,067,622	51,106,160	42,811,224	40,067,724
- Savings deposits	42,674,410	37,733,184	28,556,395	25,260,085
- Fixed deposits	204,765,828	205,806,430	149,370,544	149,042,566
	<u>301,507,860</u>	<u>294,645,774</u>	<u>220,738,163</u>	<u>214,370,375</u>
Negotiable instruments of deposit	-	22,979	-	-
Money market deposits	58,416,322	58,610,421	52,958,023	53,845,616
	<u>58,416,322</u>	<u>58,633,400</u>	<u>52,958,023</u>	<u>53,845,616</u>
Other deposits	37,419	61,301	25,570	43,699
	<u>359,961,601</u>	<u>353,340,475</u>	<u>273,721,756</u>	<u>268,259,690</u>

b) By type of customer

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Federal and state governments	6,323,744	7,510,524	4,258,341	5,155,389
Local government and statutory authorities	5,114,159	4,636,517	3,993,714	3,756,788
Business enterprises	94,639,677	93,749,815	74,754,202	74,933,430
Individuals	182,851,652	176,930,222	144,298,182	138,499,660
Foreign customers	10,316,395	9,821,754	4,728,633	4,382,060
Others	60,715,974	60,691,643	41,688,684	41,532,363
	<u>359,961,601</u>	<u>353,340,475</u>	<u>273,721,756</u>	<u>268,259,690</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Due within six months	210,043,531	224,301,309	159,817,123	168,700,151
More than six months to one year	52,950,394	39,961,843	42,380,409	34,046,661
More than one year to three years	183,944	173,570	128,068	139,173
More than three years to five years	4,281	3,108	2,967	2,197
	<u>263,182,150</u>	<u>264,439,830</u>	<u>202,328,567</u>	<u>202,888,182</u>

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A14. Deposits from Banks

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At amortised cost				
Licensed banks	1,850,805	4,714,525	922,535	3,464,138
Licensed Islamic banks	220,000	-	-	-
Licensed investment banks	390,620	458,211	349,225	206,023
Bank Negara Malaysia *	1,837,570	349,466	1,770,106	332,098
Other financial institutions	4,151,935	2,971,871	8,860,955	7,793,143
	<u>8,450,930</u>	<u>8,494,073</u>	<u>11,902,821</u>	<u>11,795,402</u>

* Included Government financing scheme (unsecured):

More than one year denominated in RM:

- Amount received net of fair value gain	1,590,946	-	1,539,873	-
- Accretion of fair value gain	1,989	-	1,925	-
	<u>1,592,935</u>	<u>-</u>	<u>1,541,798</u>	<u>-</u>

As part of the government support measures in response to Covid-19 pandemic, the Group and the Bank received amounts under a Government financing scheme for the purpose of SME lending at a below market and concession rate with a six-year maturity to be repaid in June 2026.

A15. Other Liabilities

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Interest / Income payable	2,100,398	2,085,618	1,627,109	1,599,710
Other payables and accruals	2,392,669	2,471,928	1,800,473	1,932,282
Collateral received for derivative transactions	89,225	47,566	89,225	47,566
Amount due to trust funds	170,556	91,313	-	-
Unprocessed sales and / or redemptions	97,545	144,024	-	-
Employee benefits	114,782	-	113,576	-
Accrued restoration costs	70,829	70,752	71,331	71,405
Allowance for impairment on loan / financing commitments and financial guarantees	58,574	52,944	47,587	43,730
Outstanding contracts on clients' accounts	227,957	206,265	-	-
Dividend payable to shareholders	4,958	25,987	4,958	2,814
Amount due to subsidiary companies	-	-	43,854	37,262
	<u>5,327,493</u>	<u>5,196,397</u>	<u>3,798,113</u>	<u>3,734,769</u>

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A15. Other Liabilities (continued)

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

Group	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2020	42,845	8,475	1,624	52,944
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2020:	2,108	(1,689)	(419)	-
- Transfer to Stage 1: 12-Month ECL	2,462	(2,446)	(16)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(350)	781	(431)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(4)	(24)	28	-
New loan / financing commitments and financial guarantees originated	2,072	237	-	2,309
Net remeasurement due to changes in credit risk	2,752	2,433	(173)	5,012
Loan / financing commitments and financial guarantees derecognised	(1,133)	(670)	(17)	(1,820)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	-	(3)	-	(3)
Exchange differences	130	2	-	132
At 30 June 2020	48,774	8,785	1,015	58,574
At 1 January 2019	53,063	8,273	1,147	62,483
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2019:	1,570	(1,255)	(315)	-
- Transfer to Stage 1: 12-Month ECL	2,233	(2,143)	(90)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(652)	979	(327)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(11)	(91)	102	-
New loan / financing commitments and financial guarantees originated	4,353	2,212	110	6,675
Net remeasurement due to changes in credit risk	(15,434)	809	764	(13,861)
Loan / financing commitments and financial guarantees derecognised	(3,851)	(2,346)	(60)	(6,257)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(4)	(14)	(214)	(232)
Changes in models / risk parameters	3,162	797	192	4,151
Exchange differences	(14)	(1)	-	(15)
At 31 December 2019	42,845	8,475	1,624	52,944

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A15. Other Liabilities (continued)

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

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 2020	34,904	7,534	1,292	43,730
Changes due to loan commitments and and financial guarantees recognised as at 1 January 2020:	1,796	(1,532)	(264)	-
- Transfer to Stage 1: 12-Month ECL	2,106	(2,093)	(13)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(306)	581	(275)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(4)	(20)	24	-
New loan commitments and financial guarantees originated	1,169	193	-	1,362
Net remeasurement due to changes in credit risk	2,253	2,020	(182)	4,091
Loan commitments and financial guarantees derecognised	(955)	(623)	(16)	(1,594)
Modifications to contractual cash flows of loan commitments and financial guarantees	-	(4)	2	(2)
At 30 June 2020	39,167	7,588	832	47,587
At 1 January 2019	34,345	7,065	1,012	42,422
Changes due to loan commitments and and financial guarantees recognised as at 1 January 2019:	1,142	(866)	(276)	-
- Transfer to Stage 1: 12-Month ECL	1,760	(1,698)	(62)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(608)	892	(284)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(10)	(60)	70	-
New loan commitments and financial guarantees originated	3,413	1,968	74	5,455
Net remeasurement due to changes in credit risk	(3,073)	968	602	(1,503)
Loan commitments and financial guarantees derecognised	(3,314)	(2,270)	(55)	(5,639)
Modifications to contractual cash flows of loan commitments and financial guarantees	(4)	(14)	(215)	(233)
Changes in models/risk parameters	2,395	683	150	3,228
At 31 December 2019	34,904	7,534	1,292	43,730

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A16. Interest Income

	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Group</u>				
Loans and advances *	2,801,772	3,455,933	6,157,002	6,931,891
Balances with banks	47,659	74,314	113,773	120,895
Financial investments at fair value through other comprehensive income	288,111	267,395	566,040	557,710
Financial investments at amortised cost	222,803	221,716	444,479	437,836
Others	14,301	18,356	31,296	38,247
	<u>3,374,646</u>	<u>4,037,714</u>	<u>7,312,590</u>	<u>8,086,579</u>
Financial assets at fair value through profit or loss	10,811	20,862	30,156	34,179
	<u>3,385,457</u>	<u>4,058,576</u>	<u>7,342,746</u>	<u>8,120,758</u>
	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Bank</u>				
Loans and advances *	2,443,785	3,094,774	5,428,875	6,223,388
Balances with banks	39,213	57,546	98,473	87,863
Financial investments at fair value through other comprehensive income	241,043	217,453	470,677	458,654
Financial investments at amortised cost	213,786	211,335	424,361	419,557
Others	21,823	21,034	43,203	43,395
	<u>2,959,650</u>	<u>3,602,142</u>	<u>6,465,589</u>	<u>7,232,857</u>
Financial assets at fair value through profit or loss	10,578	20,642	29,297	33,478
	<u>2,970,228</u>	<u>3,622,784</u>	<u>6,494,886</u>	<u>7,266,335</u>

* Included Day 1 net modification loss relating to Covid-19 relief measures of the Group and of the Bank of RM323,792,000 in the current financial period.

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A19. Net Gains and Losses on Financial Instruments

	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Group</u>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain on disposal	14,573	7,316	20,983	13,414
- gross dividend income	1,573	1,573	1,573	1,573
- unrealised revaluation gain / (loss)	32,465	(670)	30,453	22,009
	<u>48,611</u>	<u>8,219</u>	<u>53,009</u>	<u>36,996</u>
Net gain / (loss) arising on trading derivatives				
- unrealised revaluation gain / (loss)	527	(18)	77	(17)
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	132,513	45,333	238,684	76,175
- gross dividend income	256	1,021	350	1,125
	<u>132,769</u>	<u>46,354</u>	<u>239,034</u>	<u>77,300</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	435	959	(863)	1,152
- cash flow hedge	2,400	(104)	(2,352)	(2,108)
	<u>2,835</u>	<u>855</u>	<u>(3,215)</u>	<u>(956)</u>
Net gains and losses on financial instruments	<u>184,742</u>	<u>55,410</u>	<u>288,905</u>	<u>113,323</u>

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

	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Bank</u>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain on disposal	14,570	7,316	21,189	13,413
- gross dividend income	1,483	1,483	1,483	1,483
- unrealised revaluation gain / (loss)	30,543	(792)	28,623	20,659
	<u>46,596</u>	<u>8,007</u>	<u>51,295</u>	<u>35,555</u>
Net gain / (loss) arising on trading derivatives				
- unrealised revaluation gain / (loss)	527	(18)	77	(17)
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	127,106	43,710	232,466	73,160
- gross dividend income	-	800	-	800
	<u>127,106</u>	<u>44,510</u>	<u>232,466</u>	<u>73,960</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	16	147	(7)	180
- cash flow hedge	2,400	(104)	(2,352)	(2,108)
	<u>2,416</u>	<u>43</u>	<u>(2,359)</u>	<u>(1,928)</u>
Net gains and losses on financial instruments	<u>176,645</u>	<u>52,542</u>	<u>281,479</u>	<u>107,570</u>

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A20. Other Operating Income

	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Group</u>				
Other income:				
Foreign exchange profit	67,053	76,525	117,766	138,034
Rental income from:				
- investment properties	3,578	3,772	7,412	7,682
- other properties	2,582	2,870	5,793	5,368
Net gain on disposal of property and equipment	40	345	574	389
Net gain on disposal of foreclosed properties	31	314	202	1,151
Net (loss) / gain on revaluation of investment properties	(6,400)	13,903	(6,400)	35,849
Others	27,392	20,659	46,711	37,908
Total other operating income	<u>94,276</u>	<u>118,388</u>	<u>172,058</u>	<u>226,381</u>
	2nd Quarter Ended	30 June	Half Year Ended	30 June
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<u>Bank</u>				
Distribution income from collective investments	52,407	51,328	101,991	102,609
Dividend income from subsidiary companies				
- quoted outside Malaysia	13,324	21,300	13,324	21,300
- unquoted in Malaysia	240,000	250,000	269,000	332,243
	<u>305,731</u>	<u>322,628</u>	<u>384,315</u>	<u>456,152</u>
Other income / (loss):				
Foreign exchange profit / (loss)	90,696	1,130	(97,478)	120,754
Rental income from other properties	3,169	3,469	6,974	6,566
Net gain on disposal of property and equipment	33	263	111	312
Net gain on disposal of foreclosed properties	31	314	202	1,151
Others	17,856	17,758	35,068	32,972
	<u>111,785</u>	<u>22,934</u>	<u>(55,123)</u>	<u>161,755</u>
Total other operating income	<u>417,516</u>	<u>345,562</u>	<u>329,192</u>	<u>617,907</u>

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A21. Other Operating Expenses

<u>Group</u>	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	575,958	572,048	1,169,769	1,115,605
- Pension costs	84,055	74,780	170,277	148,037
- Others	37,351	44,061	85,174	88,277
	<u>697,364</u>	<u>690,889</u>	<u>1,425,220</u>	<u>1,351,919</u>
Establishment costs				
- Depreciation	90,827	84,960	182,438	170,275
- Insurance	6,185	6,460	12,088	12,765
- Water and electricity	11,675	13,088	24,072	25,287
- General repairs and maintenance	33,207	27,670	66,317	57,684
- Information technology expenses	18,039	16,215	32,990	30,432
- Others	21,796	25,223	44,127	50,814
	<u>181,729</u>	<u>173,616</u>	<u>362,032</u>	<u>347,257</u>
Marketing expenses				
- Advertisement and publicity	12,780	15,551	28,195	29,626
- Others	17,801	20,235	35,620	40,379
	<u>30,581</u>	<u>35,786</u>	<u>63,815</u>	<u>70,005</u>
Administration and general expenses				
- Communication expenses	18,780	14,199	32,374	26,929
- Legal and professional fees	8,043	9,330	16,872	17,372
- Others	33,549	32,705	69,282	67,901
	<u>60,372</u>	<u>56,234</u>	<u>118,528</u>	<u>112,202</u>
Total other operating expenses	<u>970,046</u>	<u>956,525</u>	<u>1,969,595</u>	<u>1,881,383</u>

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A21. Other Operating Expenses (continued)

<u>Bank</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Personnel costs				
- Salaries, allowances and bonuses	430,048	430,166	884,055	842,632
- Pension costs	72,950	64,785	147,365	127,813
- Others	28,008	35,024	67,566	71,450
	531,006	529,975	1,098,986	1,041,895
Establishment costs				
- Depreciation	69,768	67,338	140,471	135,730
- Insurance	5,016	5,525	9,861	10,823
- Water and electricity	8,082	9,149	16,666	17,828
- General repairs and maintenance	29,179	23,616	57,739	49,098
- Information technology expenses	8,894	8,067	15,575	14,887
- Others	10,689	12,640	21,929	25,938
	131,628	126,335	262,241	254,304
Marketing expenses				
- Advertisement and publicity	4,969	6,585	11,125	12,308
- Others	9,941	13,544	19,964	26,211
	14,910	20,129	31,089	38,519
Administration and general expenses				
- Communication expenses	14,340	10,283	24,277	19,461
- Legal and professional fees	5,032	6,742	10,463	12,299
- Others	18,120	17,136	36,663	36,277
	37,492	34,161	71,403	68,037
Cost of resource sharing charged to Public Islamic Bank Berhad *	(104,130)	(103,572)	(213,883)	(203,897)
Total other operating expenses	610,906	607,028	1,249,836	1,198,858

* 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 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Credit related	(45,440)	(47,538)	(93,928)	(91,916)
Non-credit branch support	(38,480)	(39,810)	(79,250)	(77,786)
Other administration function	(20,210)	(16,224)	(40,705)	(34,195)
	(104,130)	(103,572)	(213,883)	(203,897)

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

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Group				
Expected credit losses	201,811	121,427	328,065	175,607
Impaired loans and financing written off	16	9	32	16
Impaired loans and financing recovered	(48,093)	(56,180)	(112,972)	(113,619)
	<u>153,734</u>	<u>65,256</u>	<u>215,125</u>	<u>62,004</u>

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Expected credit losses	92,603	58,781	137,619	59,087
Impaired loans written off	16	9	32	16
Impaired loans recovered	(30,927)	(34,850)	(55,375)	(69,132)
	<u>61,692</u>	<u>23,940</u>	<u>82,276</u>	<u>(10,029)</u>

A23. Allowance for Impairment on Other Assets

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Group				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	136	(75)	1,546	(917)
- Financial investments at amortised cost	72	29	210	155
- Deposits and placements with banks and other financial institutions	96	33	426	28
Allowance made / (written back) on:				
- Foreclosed properties	1,024	896	2,645	1,989
- Other receivables	-	(47)	17	(53)
	<u>1,328</u>	<u>836</u>	<u>4,844</u>	<u>1,202</u>

	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Bank				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	(484)	(269)	691	(988)
- Financial investments at amortised cost	26	14	55	100
Allowance made on :				
- Foreclosed properties	1,024	896	2,645	1,989
	<u>566</u>	<u>641</u>	<u>3,391</u>	<u>1,101</u>

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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 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	270,445	177	10,791	217	79,367	974,303	15,868	(990,171)	-
	<u>611,476</u>	<u>2,969,867</u>	<u>447,920</u>	<u>582,182</u>	<u>63,898</u>	<u>339,779</u>	<u>14,050</u>	<u>216,406</u>	<u>5,245,578</u>	<u>483,758</u>	<u>(990,171)</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	<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>

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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 2019												
External revenue	633,558	2,776,076	506,331	364,266	36,405	330,901	13,520	446,513	5,107,570	490,794	-	5,598,364
Revenue from other segments	1,113	390,032	10,410	494,101	209	11,463	447	123,353	1,031,128	21,499	(1,052,627)	-
	<u>634,671</u>	<u>3,166,108</u>	<u>516,741</u>	<u>858,367</u>	<u>36,614</u>	<u>342,364</u>	<u>13,967</u>	<u>569,866</u>	<u>6,138,698</u>	<u>512,293</u>	<u>(1,052,627)</u>	<u>5,598,364</u>
Net interest income / (expense) and												
Islamic banking income	163,003	1,222,052	136,128	(2,019)	6,325	1,642	(5,874)	277,474	1,798,731	321,068	-	2,119,799
Other income	744	186,369	21,654	94,840	14,013	219,146	13,701	26,166	576,633	67,658	(9,748)	634,543
Net income	<u>163,747</u>	<u>1,408,421</u>	<u>157,782</u>	<u>92,821</u>	<u>20,338</u>	<u>220,788</u>	<u>7,827</u>	<u>303,640</u>	<u>2,375,364</u>	<u>388,726</u>	<u>(9,748)</u>	<u>2,754,342</u>
Other operating expenses	(61,901)	(496,198)	(4,344)	(10,826)	(11,131)	(60,549)	(6,555)	(145,721)	(797,225)	(169,048)	9,748	(956,525)
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(22,737)	(1,307)	(4,755)	-	(1,230)	36	-	-	(29,993)	(35,263)	-	(65,256)
(Allowance) / Writeback of allowance for impairment on other assets	-	(896)	-	182	45	-	-	(127)	(796)	(40)	-	(836)
Profit by segments	<u>79,109</u>	<u>910,020</u>	<u>148,683</u>	<u>82,177</u>	<u>8,022</u>	<u>160,275</u>	<u>1,272</u>	<u>157,792</u>	<u>1,547,350</u>	<u>184,375</u>	<u>-</u>	<u>1,731,725</u>
Reconciliation of segment profits to consolidated profits:												
Share of loss after tax of equity accounted associated companies									(1,151)	-		(1,151)
Profit before tax expense and zakat									<u>1,546,199</u>	<u>184,375</u>		<u>1,730,574</u>

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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	673,172	378	23,363	551	195,273	2,006,214	38,146	(2,044,360)	-
	<u>1,248,257</u>	<u>6,140,565</u>	<u>939,445</u>	<u>1,291,703</u>	<u>111,995</u>	<u>700,564</u>	<u>27,773</u>	<u>845,554</u>	<u>11,305,856</u>	<u>992,849</u>	<u>(2,044,360)</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	<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%

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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						
Half Year Ended													
30 June 2020													
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>

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A24. Segment Information (continued)

Half Year Ended 30 June 2019	←----- 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	RM'000					
External revenue	1,265,773	5,572,681	1,011,401	720,298	72,414	650,874	43,652	868,602	10,205,695	960,618	-	11,166,313	
Revenue from other segments	1,467	733,500	19,225	1,030,894	426	23,981	776	258,882	2,069,151	42,587	(2,111,738)	-	
	<u>1,267,240</u>	<u>6,306,181</u>	<u>1,030,626</u>	<u>1,751,192</u>	<u>72,840</u>	<u>674,855</u>	<u>44,428</u>	<u>1,127,484</u>	<u>12,274,846</u>	<u>1,003,205</u>	<u>(2,111,738)</u>	<u>11,166,313</u>	
Net interest income / (expense) and Islamic banking income	330,879	2,418,484	266,567	4,365	12,216	4,557	(11,872)	621,830	3,647,026	626,754	-	4,273,780	
Other income	1,353	350,562	34,273	181,993	27,899	431,032	43,933	44,335	1,115,380	125,109	(20,797)	1,219,692	
Net income	332,232	2,769,046	300,840	186,358	40,115	435,589	32,061	666,165	4,762,406	751,863	(20,797)	5,493,472	
Other operating expenses	(124,581)	(979,604)	(9,093)	(22,114)	(22,625)	(116,758)	(13,469)	(284,143)	(1,572,387)	(329,793)	20,797	(1,881,383)	
(Allowance) / Writeback of allowance for impairment on loans, advances and financing	(40,355)	17,162	12,519	-	(1,543)	34	-	-	(12,183)	(49,821)	-	(62,004)	
(Allowance) / Writeback of allowance for impairment on other assets	-	(1,989)	-	629	34	-	-	254	(1,072)	(130)	-	(1,202)	
Profit by segments	<u>167,296</u>	<u>1,804,615</u>	<u>304,266</u>	<u>164,873</u>	<u>15,981</u>	<u>318,865</u>	<u>18,592</u>	<u>382,276</u>	<u>3,176,764</u>	<u>372,119</u>	<u>-</u>	<u>3,548,883</u>	
Reconciliation of segment profits to consolidated profits: Share of profit after tax of equity accounted associated companies									951	-		951	
Profit before tax expense and zakat									<u>3,177,715</u>	<u>372,119</u>		<u>3,549,834</u>	
Cost income ratio	37.5%	35.4%	3.0%	11.9%	56.4%	26.8%	42.0%	42.7%	33.0%	43.9%		34.2%	

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A24. Segment Information (continued)

Half Year Ended 30 June 2019	←----- 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 Loans growth	48,593,690 1.2%	209,488,583 2.4%	41,890,155 2.3%	- -	362,426 -3.4%	101,899 3.0%	1,586 -4.6%	- -	300,438,339 2.2%	23,254,541 0.1%		323,692,880 2.0%	
Impaired loans, advances and financing	264,574	1,104,415	39,480	-	1,706	552	-	-	1,410,727	307,285		1,718,012	
Impaired loan and financing ratio	0.5%	0.5%	0.1%	-	0.5%	0.5%	-	-	0.5%	1.3%		0.5%	
Deposits from customers	-	248,193,925	245,747	70,218,631	781,520	-	-	-	319,439,823	29,659,622		349,099,445	
Deposits growth	-	0.1%	-25.4%	14.5%	-22.6%	-	-	-	2.9%	3.8%		2.9%	
Segment assets	<u>48,355,633</u>	<u>254,974,928</u>	<u>41,468,798</u>	<u>81,915,832</u>	<u>1,846,757</u>	<u>538,784</u>	<u>841,029</u>	<u>46,143,783</u>	<u>476,085,544</u>	<u>40,249,343</u>	<u>(94,173,230)</u>	<u>422,161,657</u>	
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									72,438	16		72,454	
Unallocated assets									986,987	-		986,987	
Intangible assets									775,493	1,681,522		2,457,015	
Total assets									<u>477,920,462</u>	<u>41,930,881</u>		<u>425,678,113</u>	

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A24. Segment Information (continued)

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

A25. Subsequent Events

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

A26. Changes in the Composition of the Group

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

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A27. Commitments and Contingencies

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

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Contingent liabilities				
Direct credit substitutes	910,623	949,669	868,343	912,117
Transaction-related contingent items	1,680,358	1,745,471	1,388,886	1,435,577
Short term self-liquidating trade-related contingencies	438,443	568,308	78,139	117,703
	3,029,424	3,263,448	2,335,368	2,465,397
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	30,838,442	26,968,879	24,865,103	21,583,171
- not exceeding one year	26,302,732	24,753,060	20,914,163	20,165,155
Unutilised credit card lines	8,077,487	7,663,636	7,752,436	7,346,453
Forward asset purchases	965,329	65,652	694,606	44,405
	66,183,990	59,451,227	54,226,308	49,139,184
Derivative financial instruments				
Foreign exchange related contracts:				
- up to one year	22,724,917	22,157,757	21,714,976	21,117,858
- more than one year to five years	3,170,594	3,446,350	3,170,594	3,446,350
Interest / Profit rate related contracts:				
- up to one year	1,388,780	930,000	1,303,150	1,060,000
- more than one year to five years	4,283,782	4,494,515	5,035,455	4,912,645
- more than five years	892,668	571,631	2,200,000	2,150,000
Commodity related contracts:				
- up to one year	654	120	654	120
	32,461,395	31,600,373	33,424,829	32,686,973
	101,674,809	94,315,048	89,986,505	84,291,554

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A28. Derivative Financial Instruments

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

Group As at 30 June 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	1,149,482	-	-	1,149,482	6,125	-	-	6,125	3,182	-	-	3,182
- Swaps	21,094,647	-	-	21,094,647	184,680	-	-	184,680	96,763	-	-	96,763
- Options	52,638	-	-	52,638	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	654	-	-	654	-	-	-	-	1	-	-	1
	<u>22,297,421</u>	<u>-</u>	<u>-</u>	<u>22,297,421</u>	<u>190,805</u>	<u>-</u>	<u>-</u>	<u>190,805</u>	<u>99,946</u>	<u>-</u>	<u>-</u>	<u>99,946</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	85,630	220,000	440,995	746,625	-	-	-	-	595	6,843	56,019	63,457
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	428,150	1,070,375	-	1,498,525	-	-	-	-	39,746	33,149	-	72,895
Interest / Profit rate related contracts												
- Swaps	1,303,150	3,040,455	1,475,000	5,818,605	-	-	1,706	1,706	10,052	88,852	24,156	123,060
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	-	1,246,051	854,168	2,100,219	-	-	-	-	-	108,585	25,955	134,540
	<u>1,816,930</u>	<u>5,576,881</u>	<u>2,770,163</u>	<u>10,163,974</u>	<u>-</u>	<u>-</u>	<u>1,706</u>	<u>1,706</u>	<u>50,393</u>	<u>237,429</u>	<u>106,130</u>	<u>393,952</u>
Total	<u>24,114,351</u>	<u>5,576,881</u>	<u>2,770,163</u>	<u>32,461,395</u>	<u>190,805</u>	<u>-</u>	<u>1,706</u>	<u>192,511</u>	<u>150,339</u>	<u>237,429</u>	<u>106,130</u>	<u>493,898</u>

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A28. Derivative Financial Instruments (continued)

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

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

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A28. Derivative Financial Instruments (continued)

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

Bank As at 30 June 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	1,051,044	-	-	1,051,044	5,914	-	-	5,914	3,053	-	-	3,053
- Swaps	20,183,144	-	-	20,183,144	181,494	-	-	181,494	93,313	-	-	93,313
- Options	52,638	-	-	52,638	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	654	-	-	654	-	-	-	-	1	-	-	1
	<u>21,287,480</u>	<u>-</u>	<u>-</u>	<u>21,287,480</u>	<u>187,408</u>	<u>-</u>	<u>-</u>	<u>187,408</u>	<u>96,367</u>	<u>-</u>	<u>-</u>	<u>96,367</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	-	220,000	-	220,000	-	-	-	-	-	6,843	-	6,843
Cash Flow Hedge												
Foreign exchange contracts												
- Cross currency interest rate swaps	428,150	1,070,375	-	1,498,525	-	-	-	-	39,746	33,149	-	72,895
Interest rate related contracts												
- Swaps	1,303,150	3,540,455	3,475,000	8,318,605	-	16,229	183,119	199,348	10,052	88,852	24,156	123,060
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	-	1,246,051	854,168	2,100,219	-	-	-	-	-	108,585	25,955	134,540
	<u>1,731,300</u>	<u>6,076,881</u>	<u>4,329,168</u>	<u>12,137,349</u>	<u>-</u>	<u>16,229</u>	<u>183,119</u>	<u>199,348</u>	<u>49,798</u>	<u>237,429</u>	<u>50,111</u>	<u>337,338</u>
Total	<u>23,018,780</u>	<u>6,076,881</u>	<u>4,329,168</u>	<u>33,424,829</u>	<u>187,408</u>	<u>16,229</u>	<u>183,119</u>	<u>386,756</u>	<u>146,165</u>	<u>237,429</u>	<u>50,111</u>	<u>433,705</u>

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A28. Derivative Financial Instruments (continued)

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

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

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A28. Derivative Financial Instruments (continued)

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group and the Bank have a gain in a contract. As at the reporting date, the amounts of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM192,511,000 (2019: RM152,330,000) and RM386,756,000 (2019: RM232,254,000) respectively. These amounts will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

- iii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, the Group and the Bank had posted cash collateral of RM441,794,000 (2019: RM192,877,000) on their derivative contracts.

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

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

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A29. a) Fair Value Measurements

Determination of Fair Value and Fair Value Hierarchy

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

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

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

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

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

Group	Level 1	Level 2	Level 3	Total
30 June 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	-	1,499,724	-	1,499,724
- Non-money market instruments	-	84,792	478,772	563,564
	-	1,584,516	478,772	2,063,288
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	38,137,856	-	38,137,856
- Money market instruments	-	749,218	-	749,218
- Non-money market instruments	1,464	5,836,857	360,376	6,198,697
	1,464	44,723,931	360,376	45,085,771
Derivative financial assets	-	192,511	-	192,511
Total financial assets measured at fair value	1,464	46,500,958	839,148	47,341,570
Non-financial assets				
Investment properties	-	-	757,302	757,302
Financial liabilities				
Derivative financial liabilities	-	493,898	-	493,898
Total financial liabilities measured at fair value	-	493,898	-	493,898

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A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

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

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A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

Bank	Level 1	Level 2	Level 3	Total
30 June 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	-	1,467,423	-	1,467,423
- Non-money market instruments	-	49,898	451,376	501,274
	-	1,517,321	451,376	1,968,697
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	27,291,919	-	27,291,919
- Money market instruments	-	749,218	-	749,218
- Non-money market instruments	-	1,958,430	353,701	2,312,131
	-	29,999,567	353,701	30,353,268
Derivative financial assets	-	386,756	-	386,756
Total financial assets measured at fair value	-	31,903,644	805,077	32,708,721
Financial liabilities				
Derivative financial liabilities	-	433,705	-	433,705
Total financial liabilities measured at fair value	-	433,705	-	433,705

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A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

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

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

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A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

Group	<- Unquoted Equity Securities ->			Total RM'000
	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	
At 1 January 2020	445,428	351,538	753,095	1,550,061
Recognised in profit or loss				
- unrealised revaluation gain / (loss)	33,344	-	(6,400)	26,944
Recognised in other comprehensive income				
- unrealised revaluation gain	-	7,180	-	7,180
Addition	-	-	219	219
Exchange differences	-	1,658	10,388	12,046
At 30 June 2020	<u>478,772</u>	<u>360,376</u>	<u>757,302</u>	<u>1,596,450</u>
At 1 January 2019	423,949	344,996	719,207	1,488,152
Recognised in profit or loss				
- unrealised revaluation gain	21,479	-	50,387	71,866
Recognised in other comprehensive income				
- unrealised revaluation gain	-	6,993	-	6,993
- realised gain on disposal	-	5	-	5
Disposal	-	(383)	(2,200)	(2,583)
Fair valuation gain recognised in				
property revaluation reserve	-	-	2,093	2,093
Transfer to owner occupied property	-	-	(11,008)	(11,008)
Reversal of over-provision	-	-	(4,320)	(4,320)
Exchange differences	-	(73)	(1,064)	(1,137)
At 31 December 2019	<u>445,428</u>	<u>351,538</u>	<u>753,095</u>	<u>1,550,061</u>

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A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

Bank	<- Unquoted Equity Securities ->		Total RM'000
	Financial Assets at Fair Value Through Profit or Loss RM'000	Financial Investments at Fair Value Through Other Comprehensive Income RM'000	
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	-	7,117	7,117
Exchange differences	-	1,471	1,471
At 30 June 2020	451,376	353,701	805,077
At 1 January 2019	399,690	338,498	738,188
Recognised in profit or loss			
- unrealised revaluation gain	20,250	-	20,250
Recognised in other comprehensive income			
- unrealised revaluation gain	-	7,048	7,048
- realised gain on disposal	-	5	5
Disposal	-	(383)	(383)
Exchange differences	-	(55)	(55)
At 31 December 2019	419,940	345,113	765,053

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A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

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

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

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

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

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

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A30. Capital Adequacy

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

	Group		Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Before deducting interim dividends *</u>				
Common Equity Tier I ("CET I") capital ratio	13.972%	14.019%	12.776%	12.808%
Tier I capital ratio	14.029%	14.076%	12.820%	12.853%
Total capital ratio	<u>17.228%</u>	<u>17.317%</u>	<u>16.183%</u>	<u>16.243%</u>
<u>After deducting interim dividends *</u>				
CET I capital ratio	13.972%	13.460%	12.776%	12.108%
Tier I capital ratio	14.029%	13.517%	12.820%	12.153%
Total capital ratio	<u>17.228%</u>	<u>16.758%</u>	<u>16.183%</u>	<u>15.543%</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 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	1,576,301	1,273,513	696,946	671,090
Retained profits	30,671,062	30,245,351	25,521,001	25,267,007
Qualifying non-controlling interests	730,913	696,901	-	-
Less: Goodwill and other intangible assets	(2,514,955)	(2,443,039)	(695,393)	(695,393)
Less: Deferred tax assets, net	(73,203)	(83,484)	-	(11,307)
Less: Defined benefit pension fund assets	-	(48,430)	-	(47,736)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	<u>(105,695)</u>	<u>(99,419)</u>	<u>(6,183,241)</u>	<u>(6,183,241)</u>
Total CET I capital	39,702,076	38,959,046	28,756,966	28,418,073
Additional Tier I capital securities	99,642	99,582	99,642	99,582
Qualifying CET I and additional Tier I capital instruments held by third parties	<u>61,662</u>	<u>58,619</u>	<u>-</u>	<u>-</u>
Total Tier I capital	<u>39,863,380</u>	<u>39,117,247</u>	<u>28,856,608</u>	<u>28,517,655</u>

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A30. Capital Adequacy (continued)

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<u>Tier II capital</u>				
Stage 1 and Stage 2 expected credit loss allowances	1,850,133	1,685,918	1,339,590	1,256,999
Qualifying regulatory reserves	1,381,897	1,465,493	1,230,376	1,265,234
Subordinated notes	4,999,989	4,999,986	4,999,989	4,999,986
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	718,377	716,141	-	-
Others	139,117	139,117	-	-
Total Tier II capital	<u>9,089,513</u>	<u>9,006,655</u>	<u>7,569,955</u>	<u>7,522,219</u>
Total capital	<u>48,952,893</u>	<u>48,123,902</u>	<u>36,426,563</u>	<u>36,039,874</u>

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

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

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

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A30. Capital Adequacy (continued)

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

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

Banking institutions are also required to maintain a CCB of 2.5% and a CCyB above the minimum regulatory capital adequacy ratios. A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Group and the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions. The Group and the Bank have applied CCyB on their private sector credit exposures outside Malaysia in line with the respective jurisdictions' requirement to maintain their CCyB. Where the prevailing CCyB rate applied in jurisdiction outside Malaysia is more than 2.5%, the CCyB rate for that jurisdiction is capped at 2.5% for the purpose of calculating the Group's and the Bank's CCyB, unless specified otherwise by BNM.

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

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

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Credit risk	258,562,397	252,112,870	205,597,267	201,778,618
Market risk	5,044,389	5,040,545	5,323,480	5,473,692
Operational risk	19,898,557	20,139,900	13,544,246	14,036,638
Large exposure risk	648,033	612,893	620,637	587,405
	<u>284,153,376</u>	<u>277,906,208</u>	<u>225,085,630</u>	<u>221,876,353</u>

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A30. Capital Adequacy (continued)

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

	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 2020							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.481%	44.162%	19.077%	18.845%	23.381%	N/A	N/A
Tier I capital ratio	12.481%	44.162%	19.077%	18.845%	23.381%	N/A	N/A
Total capital ratio	16.220%	44.540%	19.084%	19.650%	24.426%	20.801%	38.191%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	12.481%	44.162%	19.077%	18.761%	22.512%	N/A	N/A
Tier I capital ratio	12.481%	44.162%	19.077%	18.761%	22.512%	N/A	N/A
Total capital ratio	16.220%	44.540%	19.084%	19.566%	23.558%	20.801%	38.191%
31 December 2019							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.362%	53.270%	18.741%	18.335%	22.348%	N/A	N/A
Tier I capital ratio	12.362%	53.270%	18.741%	18.335%	22.348%	N/A	N/A
Total capital ratio	16.192%	53.794%	18.748%	19.596%	23.411%	18.441%	43.588%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	12.362%	49.503%	18.741%	18.295%	20.930%	N/A	N/A
Tier I capital ratio	12.362%	49.503%	18.741%	18.295%	20.930%	N/A	N/A
Total capital ratio	16.192%	50.027%	18.748%	19.556%	21.993%	18.441%	43.588%

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

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A30. Capital Adequacy (continued)

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

- 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% (2019: 2.0%) as imposed by Hong Kong Monetary Authority to their private sector exposures in Hong Kong.

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A30. Capital Adequacy (continued)

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

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

A31. Credit Exposures Arising From Credit Transactions With Connected Parties

	Group		Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Outstanding credit exposures with connected parties (RM'000)	2,221,598	2,188,164	3,320,140	3,221,173
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	0.59%	0.59%	1.14%	1.12%
Percentage of outstanding credit exposures with connected parties which is impaired or in default	0.05%	0.05%	0.03%	0.03%

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A32. Operations of Islamic Banking

a) Statement of Financial Position As At 30 June 2020

	Note	Group	
		30 June 2020 RM'000	31 December 2019 RM'000
ASSETS			
Cash and balances with banks		2,567,267	3,139,455
Financial assets at fair value through profit or loss		32,301	249,541
Derivative financial assets		1	-
Financial investments at fair value through other comprehensive income		9,762,712	9,528,034
Financial investments at amortised cost		4,527,324	3,743,715
Financing and advances	A32(d)	51,085,762	49,728,576
Other assets		179,230	71,437
Statutory deposits with Bank Negara Malaysia		198,650	1,800,450
Collective investment		557,879	549,042
Investment in an associated company		45,000	45,000
Right-of-use assets		18,063	18,707
Property and equipment		3,805	4,005
Total Assets		68,977,994	68,877,962
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	A32(e)	59,269,512	59,374,011
Deposits from banks		2,347,305	2,453,316
Bills and acceptances payable		317	377
Derivative financial liabilities		197,642	90,130
Senior Sukuk Murabahah		519,906	519,862
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		19,017	19,385
Other liabilities		413,155	396,753
Provision for zakat and taxation		26,534	19,888
Deferred tax liabilities		838	264
Total Liabilities		63,794,226	63,873,986
Islamic Banking Funds		5,183,768	5,003,976
Total Liabilities and Islamic Banking Funds		68,977,994	68,877,962
COMMITMENTS AND CONTINGENCIES		10,896,272	10,168,972

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A32. Operations of Islamic Banking (continued)

b) Statement of Profit or Loss for the 2nd Quarter and Financial Half Year Ended 30 June 2020

	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Group				
Income derived from investment of depositors' funds and others *	501,698	660,965	1,185,232	1,335,377
Income derived from investment of Islamic Banking Funds *	44,179	55,240	102,058	110,003
Allowance for impairment on financing and advances	(25,271)	(17,326)	(37,298)	(23,715)
Allowance for impairment on other assets	(172)	(173)	(149)	(84)
Total distributable income	520,434	698,706	1,249,843	1,421,581
Income attributable to depositors and others	(377,137)	(443,149)	(809,558)	(892,848)
Total net income	143,297	255,557	440,285	528,733
Other operating expenses	(116,757)	(115,306)	(238,635)	(227,538)
Profit before zakat and taxation	26,540	140,251	201,650	301,195
Zakat	(81)	(75)	(162)	(150)
Taxation	(5,402)	(32,724)	(46,430)	(70,449)
Profit for the period	21,057	107,452	155,058	230,596

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 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Income derived from investment of depositors' funds and others *	501,698	660,965	1,185,232	1,335,377
Income derived from investment of Islamic Banking Funds *	44,179	55,240	102,058	110,003
Income attributable to depositors and others	(377,137)	(443,149)	(809,558)	(892,848)
	168,740	273,056	477,732	552,532
Elimination of inter-company income and expenses	31,382	28,996	63,733	57,190
Net income from Islamic banking business	200,122	302,052	541,465	609,722

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A32. Operations of Islamic Banking (continued)

b) Statement of Profit or Loss for the 2nd Quarter and Financial Half Year Ended 30 June 2020
(continued)

* Included Day 1 net modification loss relating to Covid-19 relief measures of the Group of RM174,624,000 in the current financial period.

c) Statement of Comprehensive Income for the 2nd Quarter and Financial Half Year Ended 30 June 2020

	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Group</u>				
Profit for the period	<u>21,057</u>	<u>107,452</u>	<u>155,058</u>	<u>230,596</u>
Other comprehensive income / (loss):				
<u>Items that will not be reclassified to profit or loss:</u>				
Gain / (Loss) on remeasurements of defined benefit plan	<u>943</u>	<u>-</u>	<u>(1,415)</u>	<u>-</u>
<u>Items that may be reclassified to profit or loss:</u>				
Net change in revaluation of financial investments at fair value through other comprehensive income	<u>123,827</u>	<u>35,550</u>	<u>143,867</u>	<u>61,725</u>
Net change in cash flow hedges	<u>(7,648)</u>	<u>(27,055)</u>	<u>(109,907)</u>	<u>(54,991)</u>
	<u>116,179</u>	<u>8,495</u>	<u>33,960</u>	<u>6,734</u>
Income tax effect	<u>(28,109)</u>	<u>(2,039)</u>	<u>(7,811)</u>	<u>(1,616)</u>
Other comprehensive income for the period, net of tax	<u>89,013</u>	<u>6,456</u>	<u>24,734</u>	<u>5,118</u>
Total comprehensive income for the period	<u><u>110,070</u></u>	<u><u>113,908</u></u>	<u><u>179,792</u></u>	<u><u>235,714</u></u>

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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 2020							
At amortised cost							
Cash line	1,606,449	-	-	-	-	-	1,606,449
Term financing							
- House financing	5,315,356	-	-	16,364,154	-	-	21,679,510
- Syndicated financing	1,310,050	-	-	-	-	-	1,310,050
- Hire purchase receivables	-	7,952,950	-	-	-	-	7,952,950
- Other term financing	5,076,276	-	1,583,820	11,489,405	-	207,079	18,356,580
Credit card receivables	-	-	-	-	-	29,031	29,031
Bills receivables	-	-	-	-	1,402	-	1,402
Trust receipts	-	-	-	-	3,030	-	3,030
Claims on customers under acceptance credits	-	-	-	-	123,047	-	123,047
Revolving credits	248,216	-	-	-	-	-	248,216
Staff financing	-	9,125	-	87,357	-	-	96,482
Gross financing and advances	13,556,347	7,962,075	1,583,820	27,940,916	127,479	236,110	51,406,747
Allowance for impairment on financing and advances:							
- Expected credit losses							(320,985)
- Stage 1: 12-Month ECL							(154,248)
- Stage 2: Lifetime ECL not credit-impaired							(100,565)
- Stage 3: Lifetime ECL credit-impaired							(66,172)
Net financing and advances							<u>51,085,762</u>

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

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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 2020 RM'000	31 December 2019 RM'000
At 1 January	275,050	277,731
Impaired during the period / year	127,533	673,499
Reclassified as non-impaired	(145,535)	(533,038)
Recoveries	(21,329)	(56,730)
Amount written off	(31,480)	(76,223)
Financing converted to foreclosed properties	(1,445)	(10,189)
Closing balance	<u>202,794</u>	<u>275,050</u>
Gross impaired financing and advances as a percentage of gross financing and advances	<u>0.39%</u>	<u>0.55%</u>

e) Deposits from Customers

	Group	
	30 June 2020 RM'000	31 December 2019 RM'000
By type of deposit and contract		
At amortised cost		
Savings deposit		
- Qard	7,837,570	6,716,978
Demand deposit		
- Qard	5,286,085	4,816,878
Term deposit		
- Negotiable Islamic Debt Certificate		
- Bai' Bithaman Ajil	-	22,959
- Commodity Murabahah	38,721,008	41,363,757
- Special term deposit account		
- Qard	7,424,849	6,453,439
	<u>59,269,512</u>	<u>59,374,011</u>

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

B1. Performance Review

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

Key Profit or Loss Items:	Group			
	Half Year Ended			
	30 June	30 June	Variance	
	2020	2019	RM'000	%
	RM'000	RM'000		
Profit before tax expense and zakat	3,007,518	3,549,834	(542,316)	(15.3)
Net profit attributable to equity holders of the Bank	2,330,911	2,743,039	(412,128)	(15.0)
Other comprehensive income (net)	381,933	171,572	210,361	122.6

Key Balance Sheet Items:	Group			
	As At			
	30 June	30 June	Variance	
	2020	2019	RM'000	%
	RM'000	RM'000		
Gross loans, advances and financing	334,622,536	323,692,880	10,929,656	3.4
Gross impaired loan and financing (%)	0.40%	0.53%	n/a	(0.13)
Deposits from customers	359,961,601	349,099,445	10,862,156	3.1

The Group's pre-tax profit for the financial half year ended 30 June 2020 decreased by RM542.3 million or 15.3% to RM3,007.5 million as compared to the pre-tax profit in the previous year corresponding half year of RM3,549.8 million. Net profit attributable to equity holders decreased by RM412.1 million or 15.0% to RM2,330.9 million over the same period. The lower earnings was mainly due to the one-off day 1 net modification loss related to Covid-19 relief measures amounting to RM498.4 million, coupled with the negative effect of Overnight Policy Rate ("OPR") reduction of 100 basis points ("bps") during the period. As a result, overall net interest income and Islamic banking income of the Group declined by RM329.1 million (-9.0%) and RM68.3 million (-11.2%) respectively, with loan impairment allowance increased by RM153.1 million in anticipation of the effect of Covid-19 pandemic. In addition, other operating expenses increased by RM88.2 million (-4.7%) and other operating income decreased by RM54.3 million (-24.0%). These were partially offset by higher investment income of RM175.6 million (+154.9%).

Other comprehensive income (net) of the Group for the current period increased by RM210.4 million or 122.6%, mainly due to gain on foreign currency translation in respect of foreign operations in the current period as compared to a loss reported in the previous year corresponding period, and higher gain on revaluation of financial investments. These were partially offset by loss on remeasurements of defined benefit plans and higher loss on cash flow hedges.

The Group's profit continued to be supported by loans and customer deposits growth. Gross loans grew by RM10.9 billion or 3.4% to RM334.6 billion as at 30 June 2020 as compared to RM323.7 billion as at 30 June 2019, mainly driven by growth in mortgage financing and corporate lending. Total deposits from customers increased by 3.1% or RM10.9 billion to RM360.0 billion as at 30 June 2020. The Group's gross impaired loan ratio continued to remain stable at 0.4% as at 30 June 2020.

The Group's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at a healthy level of 14.0%, 14.0% and 17.2% respectively. The Group's liquidity position also remained stable and healthy with liquidity coverage ratio maintained at 145.7% as at 30 June 2020.

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B1. Performance Review (continued)

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

The performance of the respective operating segments for the financial half year ended 30 June 2020 as compared to the previous year corresponding period is analysed as follows:-

	Group		Variance	%
	Half Year Ended			
Profit Before Tax by Segments:	30 June	30 June		
	2020	2019	RM'000	
	RM'000	RM'000		
Retail operations	1,849,692	1,804,615	45,077	2.5
Hire purchase	104,299	167,296	(62,997)	(37.7)
Corporate lending	312,998	304,266	8,732	2.9
Treasury and capital market operations	259,152	164,873	94,279	57.2
Investment banking	41,844	15,981	25,863	161.8
Fund management	321,539	318,865	2,674	0.8
Head office, funding center and others	(191,504)	401,819	(593,323)	(147.7)
Total domestic operations	2,698,020	3,177,715	(479,695)	(15.1)
Overseas operations	309,498	372,119	(62,621)	(16.8)
	3,007,518	3,549,834	(542,316)	(15.3)

- 1) Retail operations – Pre-tax profit increased by RM45.1 million (+2.5%) to RM1,849.7 million mainly due to higher net interest income on higher average loan balances. These were partially offset by higher loan impairment allowance made in anticipation of the potential effect of Covid-19 pandemic, lower fee income and higher other operating expenses.
- 2) Hire purchase – Pre-tax profit decreased by RM63.0 million (-37.7%) to RM104.3 million mainly due to higher loan impairment allowance made in anticipation of the potential effect of Covid-19 pandemic and higher other operating expenses.
- 3) Corporate lending – Pre-tax profit increased by RM8.7 million (+2.9%) to RM313.0 million mainly due to higher net interest income on higher average loan balances partially offset by lower fee income.
- 4) Treasury and capital market operations – Pre-tax profit increased by RM94.3 million (+57.2%) to RM259.2 million mainly due to higher net interest income and higher investment income.
- 5) Investment banking – The increase in pre-tax profit of RM25.9 million (+161.8%) to RM41.8 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 marginally by RM2.7 million (+0.8%) to RM321.5 million mainly due to higher management fee from higher average net asset value of funds under management and higher fee on sale of trust units arising from higher equity sales achieved. These were partially offset by higher other operating expenses.
- 7) Head office, funding center and others – Pre-tax loss of RM191.5 million in the current period as compared pre-tax profit of RM401.8 million in the previous year corresponding period, a decrease of RM593.3 million, which were mainly due to the one-off day 1 net modification loss related to Covid-19 relief measures amounting to RM498.4 million, coupled with the negative effect of OPR reduction of 100 basis points ("bps") during the period. These were partially offset by higher investment income.
- 8) Overseas operations – Pre-tax profit decreased by RM62.6 million (-16.8%) to RM309.5 million mainly due to lower net interest income, higher other operating expenses and lower fee and other income.

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B1. Performance Review (continued)

Current Quarter vs. Previous Year Corresponding Quarter

Key Profit or Loss Items:	Group			
	2nd Quarter Ended			
	30 June 2020 RM'000	30 June 2019 RM'000	Variance RM'000	%
Profit before tax expense and zakat	1,280,371	1,730,574	(450,203)	(26.0)
Net profit attributable to equity holders of the Bank	1,001,835	1,332,946	(331,111)	(24.8)
Other comprehensive income (net)	423,168	116,393	306,775	263.6

For the 2nd quarter ended 30 June 2020, the Group registered a pre-tax profit of RM1,280.4 million, a decrease of RM450.2 million or 26.0% as compared to the pre-tax profit of RM1,730.6 million in the previous year corresponding quarter. Net profit attributable to equity holders decreased by RM331.1 million or 24.8% to RM1,001.8 million over the same period. The decrease was mainly due to the one-off day 1 net modification loss related to Covid-19 relief measures amounting to RM498.4 million, coupled with the negative effect of OPR reductions during the period. These had resulted in lower overall net interest income and net income from Islamic banking business of RM319.2 million and RM101.9 million respectively. Loan impairment allowance was higher by RM88.5 million in anticipation of the potential effect of Covid-19 pandemic, whereas net fee and commission income was lower by RM38.9 million which is in tandem with decrease in banking related business activities in the current quarter arising from Movement Control Order ("MCO"). These were partially offset by higher investment income of RM129.3 million.

Other comprehensive income (net) of the Group for the current quarter increased by RM306.8 million or 263.6% to RM423.2 million, mainly due to higher gain on revaluation of financial investments, gain on remeasurements of defined benefit plans and lower loss on cash flow hedges. These were partially offset by loss on foreign currency translation in respect of foreign operations in the current quarter as compared to a gain recorded in the previous year corresponding quarter.

Performance of the respective operating segments for the 2nd quarter ended 30 June 2020 as compared to the previous year corresponding quarter is analysed as follows:-

Profit Before Tax by Segments:	2nd Quarter Ended			
	30 June			
	2020 RM'000	2019 RM'000	Variance RM'000	%
Retail operations	949,935	910,020	39,915	4.4
Hire purchase	25,693	79,109	(53,416)	(67.5)
Corporate lending	137,152	148,683	(11,531)	(7.8)
Treasury and capital market operations	169,192	82,177	87,015	105.9
Investment banking	27,175	8,022	19,153	238.8
Fund management	159,335	160,275	(940)	(0.6)
Head office, funding center and others	(340,939)	157,913	(498,852)	(315.9)
Total domestic operations	<u>1,127,543</u>	<u>1,546,199</u>	<u>(418,656)</u>	<u>(27.1)</u>
Overseas operations	152,828	184,375	(31,547)	(17.1)
	<u>1,280,371</u>	<u>1,730,574</u>	<u>(450,203)</u>	<u>(26.0)</u>

1) Retail operations – The increase in pre-tax profit of RM39.9 million (+4.4%) to RM949.9 million was mainly due to higher net interest income, partially offset by higher loan impairment allowance in anticipation of the potential effect of Covid-19 pandemic and lower other operating income which is in tandem with lower business activities arising from MCO.

2) Hire purchase – Pre-tax profit decreased by RM53.4 million (-67.5%) to RM25.7 million mainly due to higher loan impairment allowance made in anticipation of the potential effect of Covid-19 pandemic, lower net interest income and higher other operating expenses.

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B1. Performance Review (continued)

Current Quarter vs. Previous Year Corresponding Quarter (continued)

- 3) Corporate lending – Pre-tax profit decreased by RM11.5 million (-7.8%) to RM137.2 million mainly due to lower fee income and higher loan impairment allowance, partially offset by higher net interest income.
- 4) Treasury and capital market operations – Pre-tax profit increased by RM87.0 million (+105.9%) to RM169.2 million mainly due to higher net interest income and investment income.
- 5) Investment banking – Pre-tax profit increased by RM19.2 million (+238.8%) to RM27.2 million mainly due to higher stock-broking income arising from higher business volume in the equity market.
- 6) Fund management business – Pre-tax profit decreased marginally by RM0.9 million (-0.6%) to RM159.3 million.
- 7) Head office, funding center and others – Pre-tax loss of RM340.9 million in the current quarter as compared to pre-tax profit of RM157.9 million in the previous year corresponding quarter, a decrease of RM498.9 million. The lower earnings were mainly due to the one-off day 1 net modification loss related to Covid-19 relief measures amounting to RM498.4 million, coupled with the negative effect of OPR reduction of 100 basis points ("bps") during the period. These were partially offset by higher investment income.
- 8) Overseas Operations – Pre-tax profit decreased by RM31.5 million (-17.1%) to RM152.8 million, mainly due to lower net interest income on lower net interest margin, lower fee income and lower other income, partially offset by lower loan impairment allowance.

B2. Variation of Results Against Preceding Quarter

	Group			
	Quarter Ended			
	30 June	31 March	Variance	%
Key Profit or Loss Items:	2020	2020	RM'000	
	RM'000	RM'000		
Profit before tax expense and zakat	1,280,371	1,727,147	(446,776)	(25.9)
Net profit attributable to equity holders of the Bank	1,001,835	1,329,076	(327,241)	(24.6)
Other comprehensive income / (loss) (net)	423,168	(41,235)	464,403	1,126.2

For the 2nd quarter ended 30 June 2020, the Group registered a pre-tax profit of RM1,280.4 million, a decrease of RM446.8 million or 25.9% as compared to the pre-tax profit of RM1,727.1 million for the preceding quarter ended 31 March 2020. Net profit attributable to equity holders decreased by RM327.2 million or 24.6% to RM1,001.8 million over the same period. The decrease was mainly due to the one-off day 1 net modification loss related to Covid-19 relief measures amounting to RM498.4 million, coupled with the negative effect of further OPR reductions during the current quarter. These had resulted in lower overall net interest income and net income from Islamic banking business. In addition, loan impairment allowance was higher by RM92.3 million in anticipation of the potential effect of Covid-19 pandemic, and net fee and commission income was lower by RM14.5 million mainly due to lower banking related business activities arising from MCO. These were partially offset by higher investment income, higher foreign exchange income and lower other operating expenses.

Other comprehensive income (net) of the Group for the current quarter was RM423.2 million as compared to other comprehensive loss (net) of RM41.2 million in the immediate preceding quarter, mainly due to gain on revaluation of financial investments, gain on remeasurements of defined benefit plans in the current quarter as compared to a loss in the preceding quarter and lower loss on cash flow hedges. These were partially offset by loss on foreign currency translation in respect of foreign operations.

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B3. Prospects for 2020

Global economic activities are expected to record unprecedented declines in 2020, markedly impacted by efforts to contain the spread of the COVID-19 outbreak during the first half of 2020. The economic fallout seems to be more severe than previously anticipated, despite many countries reopening in the second quarter of 2020. Central banks continue to maintain easy policies while Governments' responses through fiscal measures will provide some support to economic activities.

The advanced economies including the US, Europe and Japan are expected to contract as containment measures are deployed. Asia is also expected to experience a downturn as the health crisis affects various sectors regionally, owing to acute shocks and extensive disruption in global supply chains.

The Malaysian economy is undermined by weak economic activities in 2020, particularly due to the economic impact of the containment efforts to prevent the spread of the COVID-19 outbreak, production constraints across key economic sectors as well as uncertainties in global economic and financial conditions.

However, fiscal stimulus measures coupled with monetary and financial accommodation, will provide some support to the Malaysian economy. The Overnight Policy Rate stood at 1.75% in July 2020 after a cumulative rate reduction of 125 bps as of year to date 2020, owing to rate cuts of 25 bps in January, March and July 2020 respectively, as well as 50 bps cut in May 2020. Meanwhile, Malaysia's inflation is expected to be subdued in 2020, in the absence of both cost and demand pressures.

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

Many businesses and individuals had been significantly impacted as the economy was almost at a standstill in some parts of second quarter of 2020, due to the containment efforts to prevent the spread of the unprecedented COVID-19 pandemic. The Government announced several economic stimulus packages worth RM295 billion in the first half of 2020, with focus on economic recovery efforts and growth plans ahead. Also, BNM's financial relief measures will help to ease customers in their financial difficulties, which include the loan moratorium and financing to small and medium enterprises ("SME") through the Special Relief Facility.

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

Given the extremely challenging economic environment, loans growth is expected to be modest in 2020. However, the Public Bank Group is expected to sustain its market position in the domestic residential and commercial property financing by leveraging on its established market presence. In tandem with the Government's initiative on home ownership, the Group will continue to provide competitive pricing and flexible loan product packages. The Group will also leverage on its strong franchise in the SME segment and seize opportunities by offering innovative products and services. The Group is actively participating in the various government's financial relief schemes to provide funding to SME businesses. The Group will continue to expand its corporate lending business and strengthen further its relationship with customers.

The Public Bank Group is actively engaging and assisting customers to overcome financial constraints by granting loan moratoriums and rescheduling/restructuring of loans/financing. With these measures coupled with the Group's prudent lending policy and strong credit risk profile, the asset quality of the Group is expected to be well-managed.

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 market stress.

Given the elevated risk and market volatility, the private retail unit trust industry is expected to grow in tandem with market conditions. Nevertheless, the Public Bank Group will continue to offer a comprehensive range of unit trust funds, embrace new technology and enhance service delivery to cater to the needs of investors.

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B3. Prospects for 2020 (continued)

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

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

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 2nd quarter and financial half year ended 30 June 2020 are as follows:

	2nd Quarter Ended		Half Year Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	231,226	343,016	597,322	698,168
Overseas income tax	31,011	36,379	65,955	74,204
	<u>262,237</u>	<u>379,395</u>	<u>663,277</u>	<u>772,372</u>
Under / (Over) provision in prior years				
- Malaysian income tax	-	-	(2)	-
- Overseas income tax	2,639	-	1,499	(3,493)
	<u>264,876</u>	<u>379,395</u>	<u>664,774</u>	<u>768,879</u>
Deferred tax expense / (income)				
- Relating to origination and reversal of temporary differences	3,806	(2,092)	(10,960)	400
Tax expense	<u>268,682</u>	<u>377,303</u>	<u>653,814</u>	<u>769,279</u>
Zakat	81	75	162	150
	<u><u>268,763</u></u>	<u><u>377,378</u></u>	<u><u>653,976</u></u>	<u><u>769,429</u></u>

The Group's effective tax rate for the 2nd quarter and financial half year ended 30 June 2020 and 30 June 2019 were lower than the statutory tax rate mainly due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

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B5. Tax Expense and Zakat (continued)

Bank	2nd Quarter Ended		Half Year Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Malaysian income tax	206,263	267,097	445,938	578,468
Overseas income tax	5,009	4,576	7,535	8,015
	<u>211,272</u>	<u>271,673</u>	<u>453,473</u>	<u>586,483</u>
Over provision in prior years				
- Overseas income tax	-	-	(1,140)	(3,509)
	<u>211,272</u>	<u>271,673</u>	<u>452,333</u>	<u>582,974</u>
Deferred tax expense / (income)				
- Relating to origination and reversal of temporary differences	9,539	(2,746)	(4,757)	(5,375)
	<u>220,811</u>	<u>268,927</u>	<u>447,576</u>	<u>577,599</u>

The Bank's effective tax rate for the 2nd quarter and financial half year ended 30 June 2020 and 30 June 2019 were lower than the statutory tax rate mainly due to certain income not subject to tax.

B6. Status of Corporate Proposals Announced but Not Completed

There were no corporate proposals announced but not completed as at 30 June 2020.

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 2019 and Pillar 3 Disclosures section of the 2019 Annual Report.

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B9. Debt Securities Issued and Other Borrowed Funds

Group	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
Unsecured							
As At 30 June 2020							
Hong Kong Dollar ("HKD") term loan	604,444	-	-	-	604,444	-	604,444
United States Dollar ("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
	<u>3,037,931</u>	<u>8,418,982</u>	<u>-</u>	<u>999,934</u>	<u>3,037,931</u>	<u>9,418,916</u>	<u>12,456,847</u>
As At 31 December 2019							
HKD term loan	574,374	-	-	-	574,374	-	574,374
USD term loan	817,562	-	-	-	817,562	-	817,562
USD syndicated term loan	1,506,832	-	-	-	1,506,832	-	1,506,832
RM Senior Medium Term notes / sukuk murabahah	-	3,319,114	-	-	-	3,319,114	3,319,114
RM Subordinated notes / sukuk murabahah	-	5,999,986	-	-	-	5,999,986	5,999,986
RM Additional Tier I capital securities	-	99,582	-	-	-	99,582	99,582
	<u>2,898,768</u>	<u>9,418,682</u>	<u>-</u>	<u>-</u>	<u>2,898,768</u>	<u>9,418,682</u>	<u>12,317,450</u>
As At 30 June 2019							
HKD term loan	578,081	-	-	-	578,081	-	578,081
USD term loan	-	-	827,117	-	827,117	-	827,117
USD syndicated term loan	1,520,905	-	-	-	1,520,905	-	1,520,905
RM Senior Medium Term notes / sukuk murabahah	-	3,318,942	-	-	-	3,318,942	3,318,942
RM Subordinated notes / sukuk murabahah	-	3,499,983	-	-	-	3,499,983	3,499,983
RM Additional Tier I capital securities	-	99,521	-	-	-	99,521	99,521
RM Non-innovative Tier I stapled securities	-	-	-	890,826	-	890,826	890,826
	<u>2,098,986</u>	<u>6,918,446</u>	<u>827,117</u>	<u>890,826</u>	<u>2,926,103</u>	<u>7,809,272</u>	<u>10,735,375</u>

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

Bank	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
Unsecured							
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
	<u>2,433,487</u>	<u>6,899,076</u>	<u>-</u>	<u>999,934</u>	<u>2,433,487</u>	<u>7,899,010</u>	<u>10,332,497</u>
As At 31 December 2019							
USD term loan	817,562	-	-	-	817,562	-	817,562
USD syndicated term loan	1,506,832	-	-	-	1,506,832	-	1,506,832
RM Senior Medium Term notes	-	2,799,252	-	-	-	2,799,252	2,799,252
RM Subordinated notes	-	4,999,986	-	-	-	4,999,986	4,999,986
RM Additional Tier I capital securities	-	99,582	-	-	-	99,582	99,582
	<u>2,324,394</u>	<u>7,898,820</u>	<u>-</u>	<u>-</u>	<u>2,324,394</u>	<u>7,898,820</u>	<u>10,223,214</u>
As At 30 June 2019							
USD term loan	-	-	827,117	-	827,117	-	827,117
USD syndicated term loan	1,520,905	-	-	-	1,520,905	-	1,520,905
RM Senior Medium Term notes	-	2,799,124	-	-	-	2,799,124	2,799,124
RM Subordinated notes	-	2,999,983	-	-	-	2,999,983	2,999,983
RM Additional Tier I capital securities	-	99,521	-	-	-	99,521	99,521
RM Non-innovative Tier I stapled securities	-	-	-	890,826	-	890,826	890,826
	<u>1,520,905</u>	<u>5,898,628</u>	<u>827,117</u>	<u>890,826</u>	<u>2,348,022</u>	<u>6,789,454</u>	<u>9,137,476</u>
Exchange rates used:	HKD	USD					
As at 30 June 2020	0.55240	4.28150					
As at 31 December 2019	0.52565	4.09350					
As at 30 June 2019	0.52985	4.13625					

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B10. Changes in Material Litigation

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

B11. Dividends

- a) No dividend has been proposed for the financial half year ended 30 June 2020.
- b) Dividend declared for the previous financial half year ended 30 June 2019:
 - First interim dividend of 33.0 sen

B12. Earnings Per Share

	2nd Quarter Ended		Half Year Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Net profit attributable to equity holders (RM'000)	<u>1,001,835</u>	<u>1,332,946</u>	<u>2,330,911</u>	<u>2,743,039</u>
Weighted average number of Public Bank Berhad Shares ('000)	<u>3,882,138</u>	<u>3,882,138</u>	<u>3,882,138</u>	<u>3,882,138</u>
Basic earnings per share (sen)	<u>25.8</u>	<u>34.3</u>	<u>60.0</u>	<u>70.7</u>

Diluted

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