

**Investor Presentation
CGS-CIMB Regional Financials
Virtual Conference
6 - 7 December 2023**



PUBLIC BANK

THE WAY FORWARD

www.publicbankgroup.com





One of the Largest Premier Banks in Malaysia

Public Bank was founded in 1966 by the late Tan Sri Dato' Sri Dr. Teh Hong Piow. On 6 August 1966, Public Bank started its business at its first branch, which was located at Jalan Gereja, Kuala Lumpur. With its vision as 'a bank for the people', Public Bank started providing banking services to ordinary people in Malaysia.

Diverse Range of Products and Services

The Public Bank Group has expanded its banking business to include a comprehensive suite of financial products and services, which comprises personal banking, commercial banking, Islamic banking, investment banking, share broking, trustee services, nominee services, sale and management of unit trust funds as well as bancassurance and general insurance products.

Digital Transformation

In addition to conventional banking, the Group has advanced its services on the digital banking front, while continually strengthening its digital capabilities to meet the evolving needs of customers. Amongst others, PBe internet banking, PB engage mobile banking app and the cashless payment services provide customers a seamless and convenient banking experience.

Regional Network

The Public Bank Group has a wide network of 293 domestic branches and 157 overseas branches, with a combined staff force of over 19,000 people in Malaysia and across the region, including Hong Kong, China, Cambodia, Vietnam, Laos and Sri Lanka.

Leading Market Shares

The Public Bank Group continues to maintain market leading positions in several major business segments, including consumer banking, retail commercial banking for small and medium enterprises as well as private unit trust.



Strong Credit Ratings

The Public Bank Group's long term credit and financial ratings are rated highly by local and foreign rating agencies.

Moody's Investors Service	
Long-Term	A3
Short-Term	P-2
Outlook	Stable

Standard & Poor's Ratings Services	
Long-Term	A-
Short-Term	A-2
Outlook	Stable

RAM Rating Services Berhad	
Long-Term	AAA
Short-Term	P1
Outlook	Stable

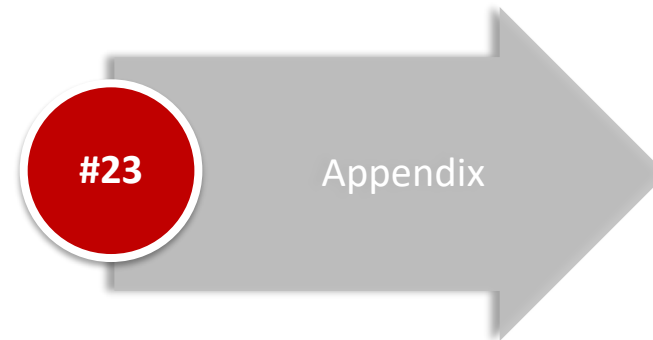
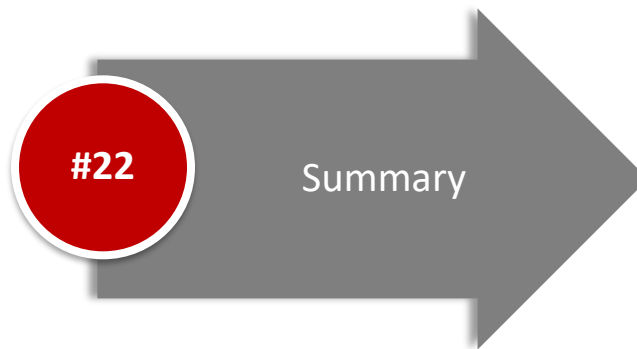
Award-winning bank

Public Bank has consistently garnered accolades and recognition for its sustainable financial strength and prudent management throughout its 56 years of journey. In 2022, the Public Bank Group was honoured with multiple best bank awards and excellence in corporate governance by national and international publications. Not letting complacency set in, the Group will continue to strive for wider recognition and public trust.

Mobilising Synergies Towards Sustainability

In striving towards its Corporate Mission, the Public Bank Group is committed to deliver long term value through its core retail and commercial banking business, and making sustainability an important element.

Building around its Corporate Philosophy, the Public Bank Group aligns its strategic business directions along with four ESG themes – **Protecting the Environment, Proficient Employees, Prosperous Customers and Communities, and Principled Conduct** – to drive towards creating shared value and contributing to the best interest of its stakeholders and its business.



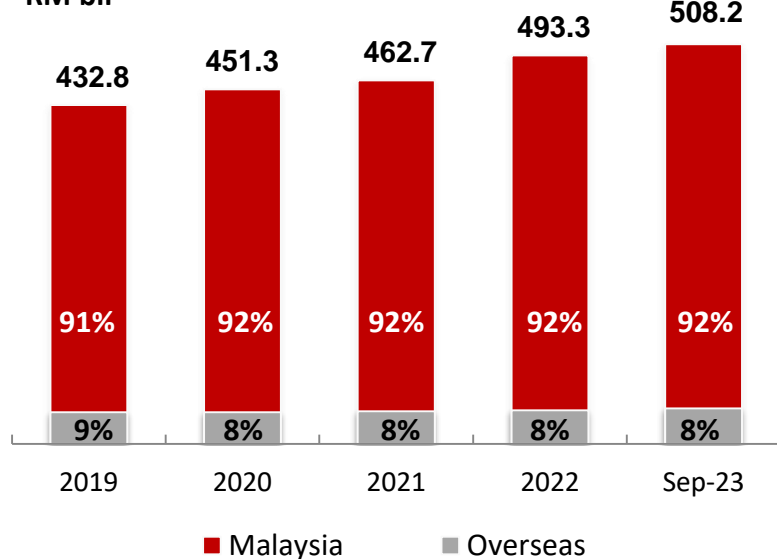
Introduction to Public Bank Group



- Commenced operations in 1966
- Listed in April 1967 on Bursa Malaysia Securities Berhad (*then known as Kuala Lumpur Stock Exchange*)
- A retail bank with domestic operations in Malaysia contributing over 90% of the Group's assets and profits
- Unbroken profit track record since inception

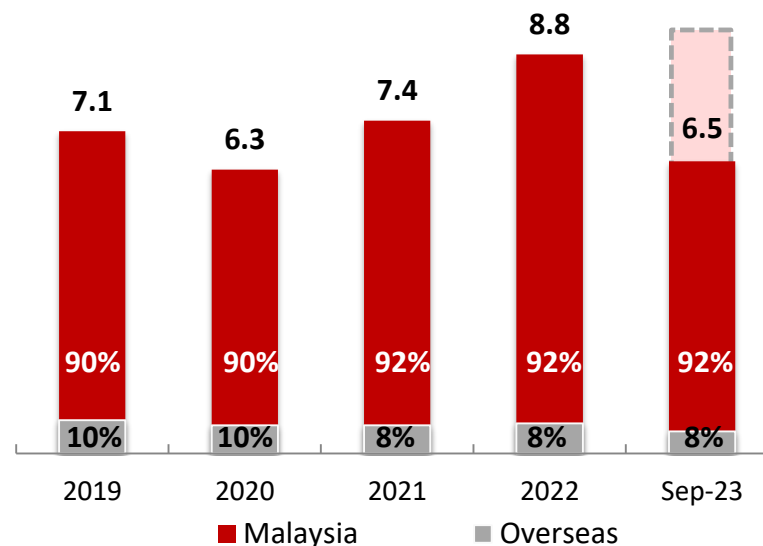
Total Assets

RM'bil



Pre-tax Profit

RM'bil



Overview of PBB Group



PBB Group is a full financial services group providing a wide range of services in Malaysia and in five countries/locations


	Malaysia	Hong Kong & China	Cambodia	Vietnam	Laos	Sri Lanka
Banking, financing and related services	Public Bank (Hldg Co) Public Islamic Bank (100%) Public Bank Labuan (100%) (Offshore)	Public Bank (HK) (73.2%) Public Finance (73.2%) Winton Financial (73.2%)	Cambodian Public Bank (100%)	Public Bank Vietnam (100%)	Public Bank Branches	Public Bank Branches
Investment banking/ stockbroking	Public Investment Bank (100%)	Public Securities (73.2%)	Campu Securities (100%)			
Wealth Management	Public Mutual (100%)					
Insurance/ Takaful business	AIA PUBLIC Takaful (30%)		Campu Lonpac Insurance (55%)			
Property holding	Public Holdings (100%)					


Business Delivery Channel



	2021	2022	Nov-23
<u>Malaysian Operations</u>			
Public Bank - Domestic	262	260	260
- Overseas	7	7	7
Public Islamic Bank	2	4	4
Public Mutual	28	28	28
Public Investment Bank	1	1	1
<u>Hong Kong & China Operations</u>			
Public Finance	43	42	40
Public Bank (HK) - Hong Kong	32	32	30
- China	5	5	5
Winton (B.V.I) Group	3	3	3
<u>Indo-China Operations</u>			
Cambodia Public Bank	31	31	32
Public Bank Vietnam	29	32	40
	443	445	450




>19,000
 Staff


>2,000
 Self Service
 Terminals



PBe Internet Banking
PB enterprise Internet Banking
PB engage Mobile Banking



STRATEGIC PRIORITIES

Delivering sustainable returns to shareholders	Enhancing customer experience	Developing employees	Increased focus on sustainability
<ul style="list-style-type: none"> ❖ Increase profitability by focusing on areas of strength <ul style="list-style-type: none"> ▪ Focus on synergistic growth ▪ Preserve asset quality ▪ Maintain cost discipline ▪ Uphold strong corporate governance ❖ Enhance capital strength and risk management <ul style="list-style-type: none"> ▪ Maintain an appropriate balance between optimising returns to shareholders and upholding prudent capital management ▪ Compliance with regulatory requirements ▪ Maintenance of strong external credit ratings by domestic and international rating agencies 	<ul style="list-style-type: none"> ❖ Solidify customer loyalty and trust <ul style="list-style-type: none"> ▪ Uphold service quality ▪ Ethical banking ▪ Enhance data security ❖ Digital transformation <ul style="list-style-type: none"> ▪ Embrace digital transformation to meet customers' evolving needs 	<ul style="list-style-type: none"> ❖ Build capabilities for the future <ul style="list-style-type: none"> ▪ Nurture talents ▪ Employee health and safety, and well-being ▪ Diversity and inclusion 	<ul style="list-style-type: none"> ❖ Financial inclusion and accessibility <ul style="list-style-type: none"> ▪ Expand financial inclusion and support the community's financial needs ❖ Community contribution <ul style="list-style-type: none"> ▪ Contribute to nation building and nurture future generations ▪ Strengthen communities through volunteerism and charitable donations ❖ Transition to a sustainable future <ul style="list-style-type: none"> ▪ Support the transition to a climate resilient future

Key Value Drivers

Key innovative initiatives are benchmarked not only on creating value and growth opportunities but also in line with ESG, focusing on the Bank's areas of strength while leveraging on the latest technology to gain long term competitive advantages.

Business Pillars

- Lending Business
- Non-interest Income
- Treasury Operations
- Investment Banking
- Deposit-Taking Business
- Corporate Banking
- Islamic Banking Business
- Overseas Operations

Sustainability Strategies

The Bank is committed to deliver sustainable growth through responsible ESG practices to maximise stakeholders' value.

ESG Focus Areas

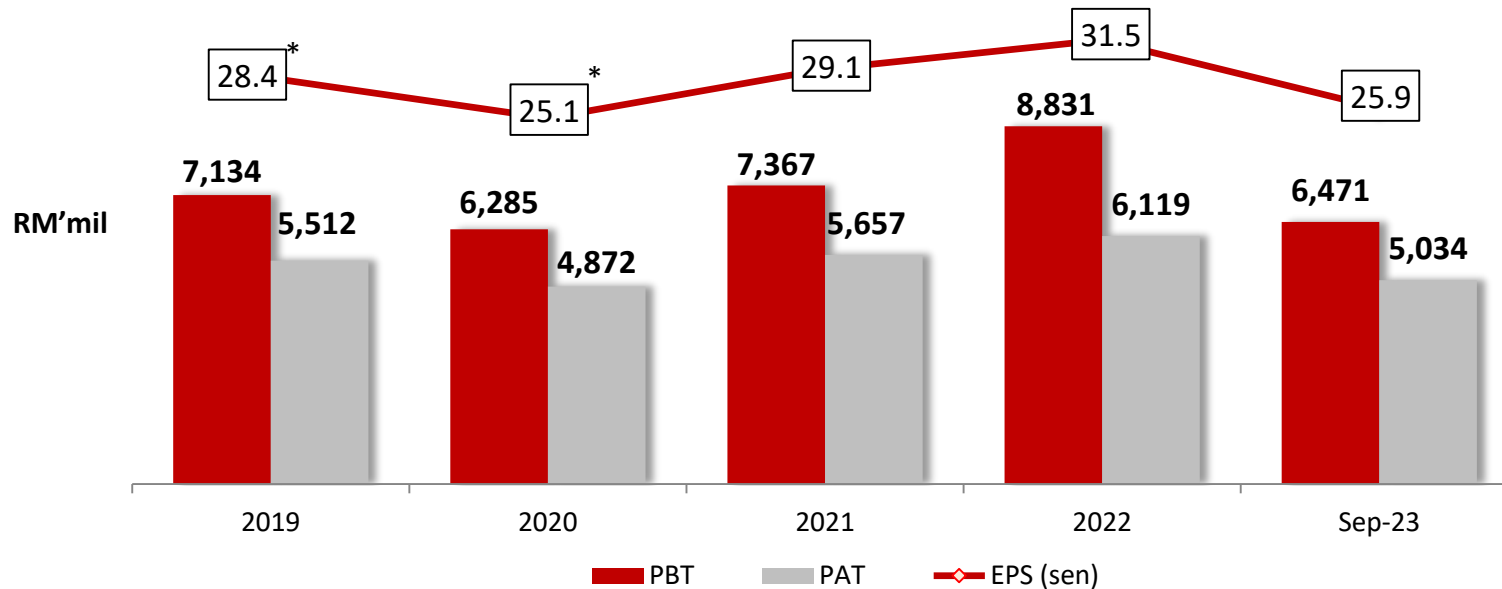
- Protecting the Environment
- Proficient Employees
- Prosperous Customers and Communities
- Principled Conduct

Resilient Profitability



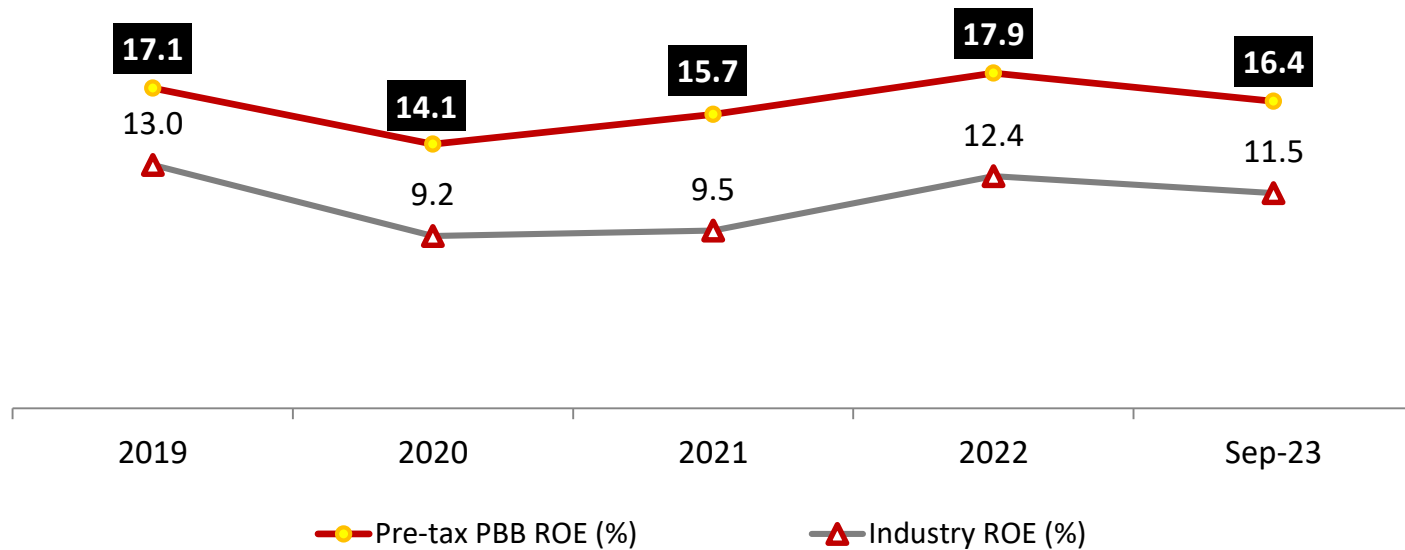
- 56 years of unbroken profitability

	RM'mil						y-o-y growth (%)				
	2018	2019	2020	2021	2022	9M Q3 2023	2019	2020	2021	2022	9M Q3 2023
Pre-tax profit	7,101	7,134	6,285	7,367	8,831	6,471	0.5	-11.9	17.2	19.9	2.6
Net profit	5,591	5,512	4,872	5,657	6,119	5,034	-1.4	-11.6	16.1	8.2	14.3



* For comparative purpose, the earnings per share for the quarter and year ended 31 December 2019 and 2020 had been adjusted to reflect the bonus issue of 4 bonus shares for every 1 existing ordinary share which was completed on 29 January 2021.

Above-industry Return on Equity (ROE)



9M Q3 2023 Key Highlights



Income Statement

	9M Q3 2023	9M Q3 2022	Change
Pre-tax profit	RM6,471 mil	RM6,310 mil	2.6%
Net profit attributable to shareholders	RM5,034 mil	RM4,406 mil	14.3%
Earnings per share	25.9 sen	22.7 sen	14.2%

Balance Sheet

	Sep 2023	Dec 2022	Change
Total asset	RM508.2 bil	RM493.3 bil	4.0%*
Loan:			
- Group	RM393.6 bil	RM376.9 bil	5.9%*
- Domestic	RM367.2 bil	RM352.1 bil	5.7%*
Deposit:			
- Group	RM408.6 bil	RM394.7 bil	4.7%*
- Domestic	RM379.7 bil	RM367.1 bil	4.6%*

Financial Indicators (%)

	Sep 2023	Dec 2022
Net return on equity ⁺	13.1	12.8
Cost to income ratio	33.7	31.5
Gross impaired loans ratio	0.58	0.42
Gross loan to fund ratio [~]	92.5	91.4
Gross loan to fund and equity ratio [~]	81.9	81.1
Loan loss coverage	186.9	272.0
Common equity Tier I capital ratio ^π	14.5	14.6
Tier I capital ratio ^π	14.5	14.6
Total capital ratio ^π	17.4	17.6

⁺ Based on average equity adjusted with proposed dividend, if any

* Annualised growth








^π After deducting interim dividends declared subsequent to end of period/year

[~] Gross loans exclude loans/financing sold to Cagamas. Funds include deposits from customers and debt securities issued and other borrowed funds

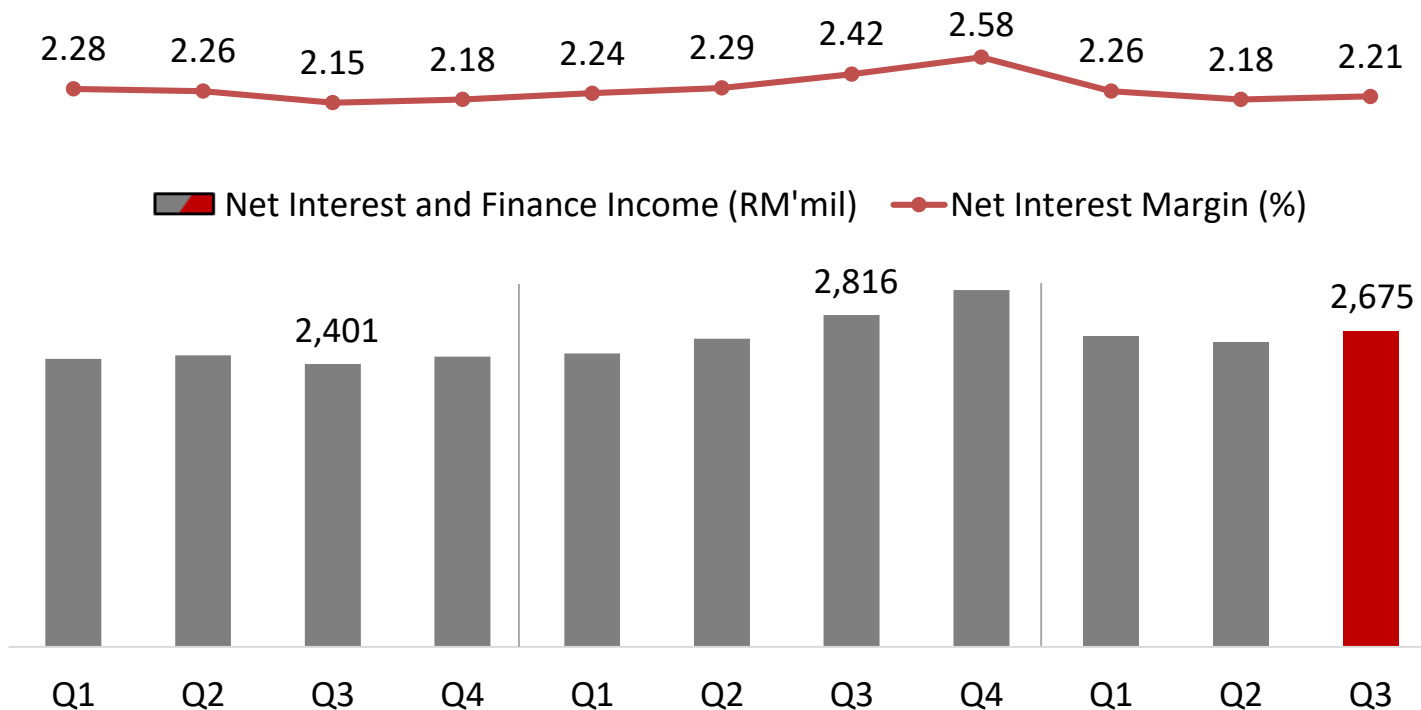
Segmental Profit – Retail Centric



Profit before tax by Operating Segments

(RM'mil)	Composition	9M Q3 2022	9M Q3 2023	y-o-y	Q2 2023	Q3 2023	q-o-q
Retail operations	 46%	3,149.7	2,993.8	-4.9%	947.8	1,004.1	5.9%
Hire purchase	 9%	544.5	593.8	9.1%	241.4	185.7	-23.1%
Corporate lending	 7%	289.9	441.6	52.3%	147.1	149.3	1.5%
Fund Management	 9%	580.4	592.8	2.1%	195.0	205.2	5.3%
Treasury Operations	 1%	260.3	101.1	-61.2%	19.7	54.2	>100%
Investment Banking	<1% gauge chart" data-bbox="231 610 276 670"/> <1%	43.2	28.9	-33.2%	5.4	10.0	85.9%
Others	 19%	962.8	1,232.2	28.0%	383.7	406.3	5.9%
Overseas Operations	 8%	479.3	487.0	1.6%	155.4	151.9	-2.3%
Profit before tax	100%	6,310.1	6,471.2	2.6%	2,095.5	2,166.7	3.4%







Net Interest Margin



	2021	2022	9M Q3 2023
Year Average NIM	2.22%	2.39%	2.22%

Non-Interest Income

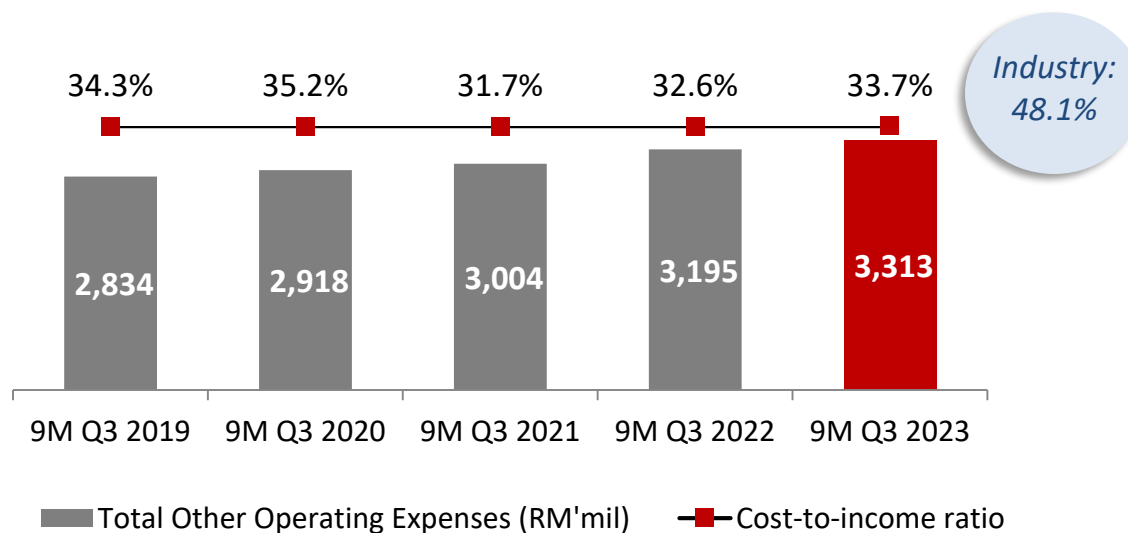


(RM'mil)	Composition	9M Q3 2023	9M Q3 2022	y-o-y
Net fee and commission		1,462.4	1,442.2	1.4%
Of which: - Unit trust income		810.5	812.9	-0.3%
- Fee & commission income		552.3	548.0	0.8%
- Stockbroking income		99.6	81.3	22.5%
Net gains and losses on financial instruments		36.8	68.6	-46.3%
Other operating income		374.6	302.2	23.9%
Of which: - Foreign exchange income		281.0	216.9	29.5%
- Others		93.6	85.3	9.8%
Total non-interest income	100%	1,873.8	1,813.0	3.4%
Non-interest income/Total income		19.1%	18.5%	

Efficient Cost Management & Lowest CIR



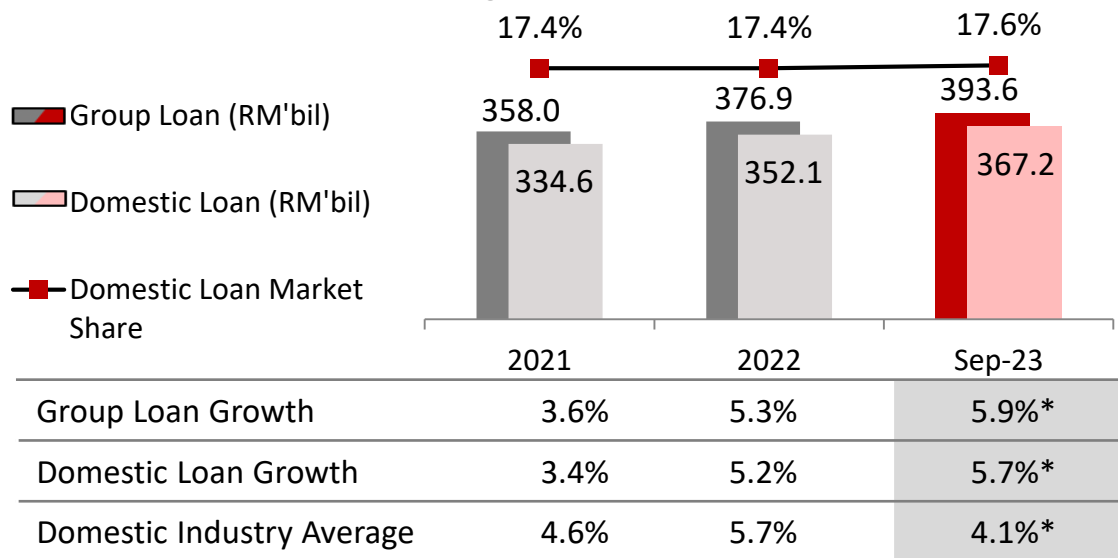
(RM'mil)	Composition	9M Q3 2023	9M Q3 2022	y-o-y
Personnel costs	72%	2,392.9	2,295.0	4.3%
Establishment costs	18%	614.7	574.7	6.9%
Marketing expenses	3%	86.4	88.8	-2.7%
Administration and general expenses	7%	219.2	236.6	-7.3%
Total other operating expenses	100%	3,313.2	3,195.1	3.7%



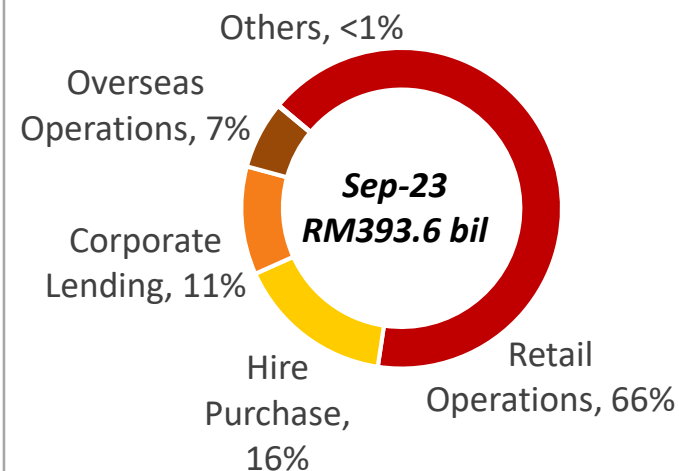
Steady Loan Growth



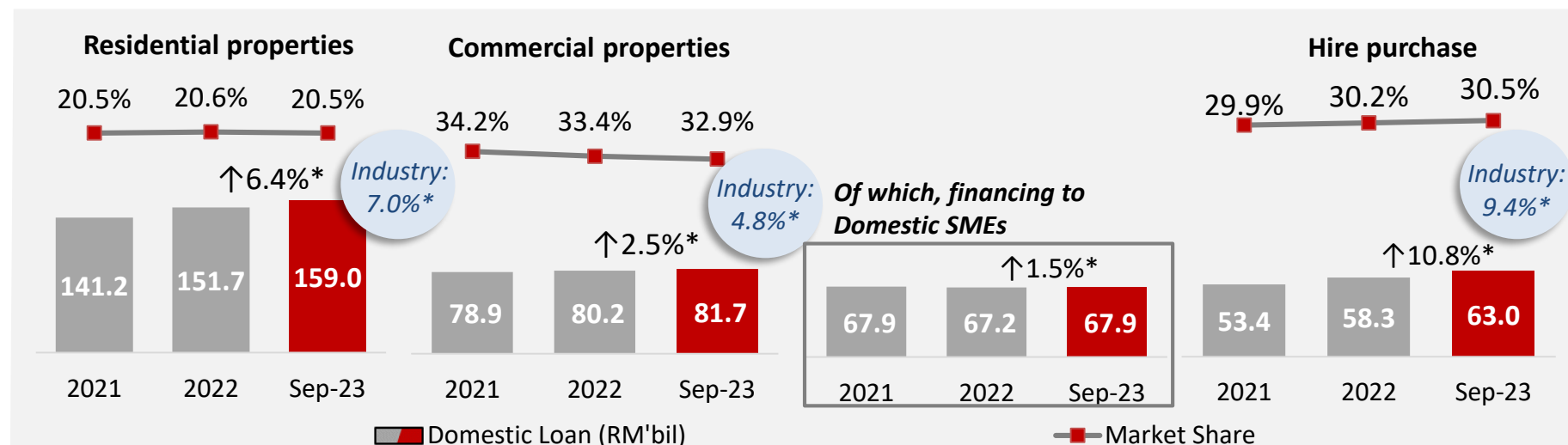
Loans – Outstanding Balance and Market Share



Loans – By Segment



Gross Loan in Domestic Operations

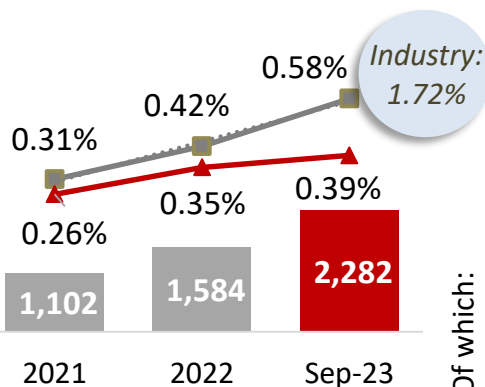


* Annualised growth

Upholding Strong Asset Quality



Group gross impaired loans



Of which:

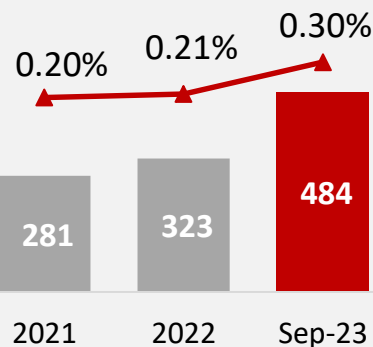
■ Gross Impaired Loans (RM'mil)

■ Group Gross Impaired Loans Ratio (%)

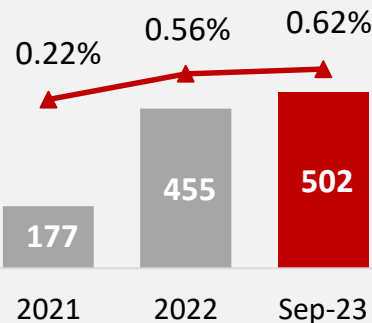
▲ Domestic Impaired Loans Ratio (%)

Domestic Operations

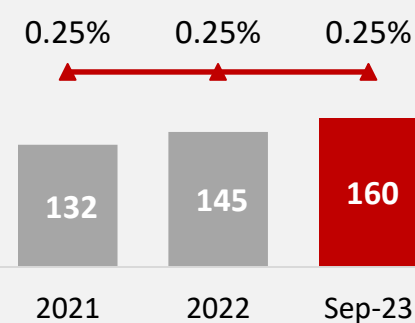
Residential properties



Commercial properties



Transport vehicles

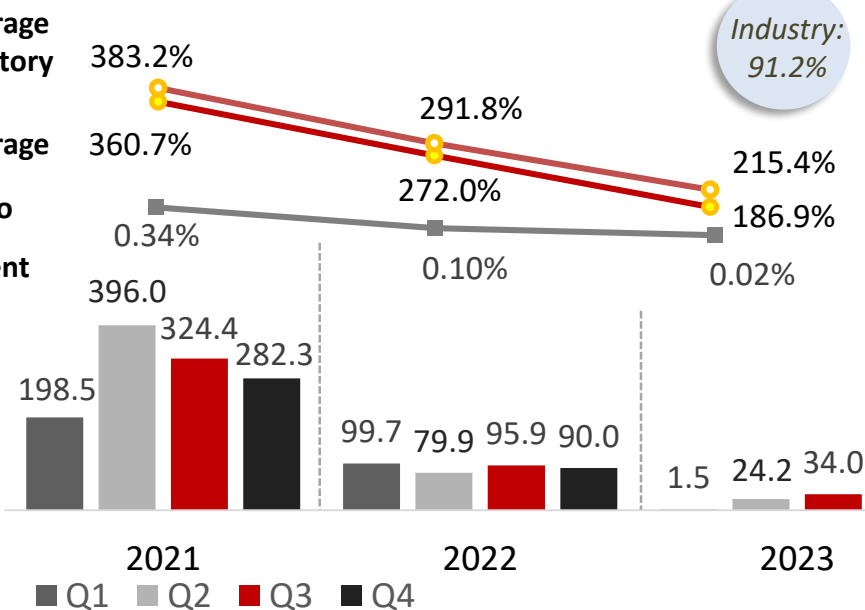


Loan loss coverage (include regulatory reserve)

Loan loss coverage

Credit cost ratio

Loan impairment allowances (RM'mil)



Ageing analysis of total domestic loans

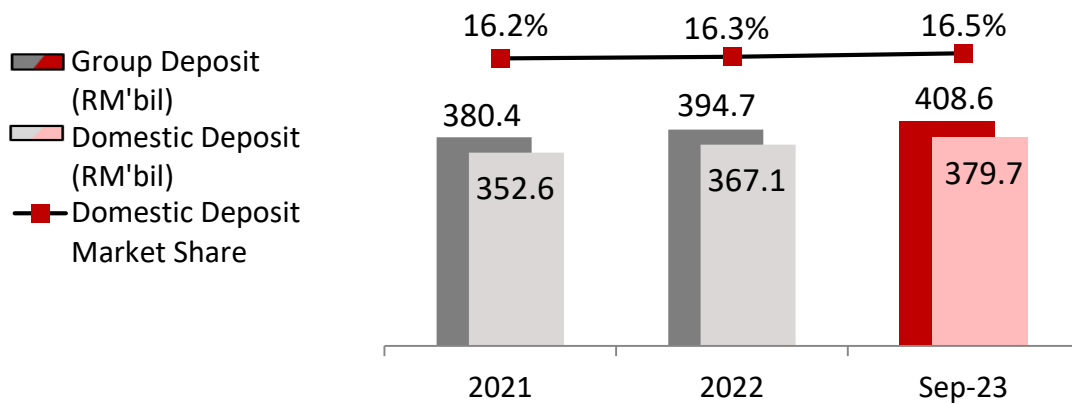
% Ageing Profile of Past Due Loan / Financing

	Pre-pandemic		At present	
	2018	2019	2022	Sep-23
1 mth to <2 mths	2.6%	2.2%	1.2%	1.2%
2 mths to <3 mths	1.0%	1.0%	0.6%	0.3%
Impaired Loans	0.4%	0.4%	0.3%	0.4%
Total >1 mth	4.0%	3.6%	2.1%	1.9%

Healthy Deposit Growth in Support of Liquidity

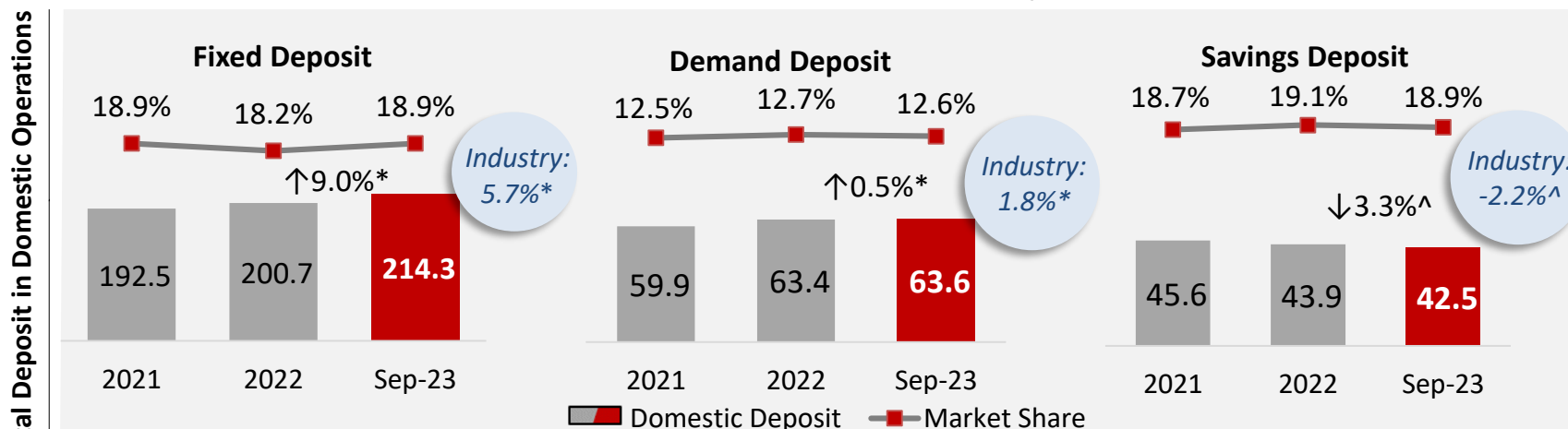
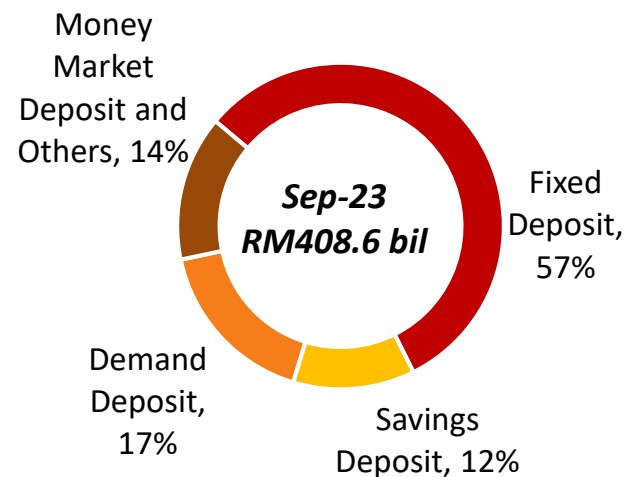


Deposit – Outstanding Balance and Market Share



Group Deposit Growth	4.0%	3.8%	4.7%*
Domestic Deposit Growth	4.5%	4.1%	4.6%*
Domestic Industry Average	6.3%	5.9%	4.5%*

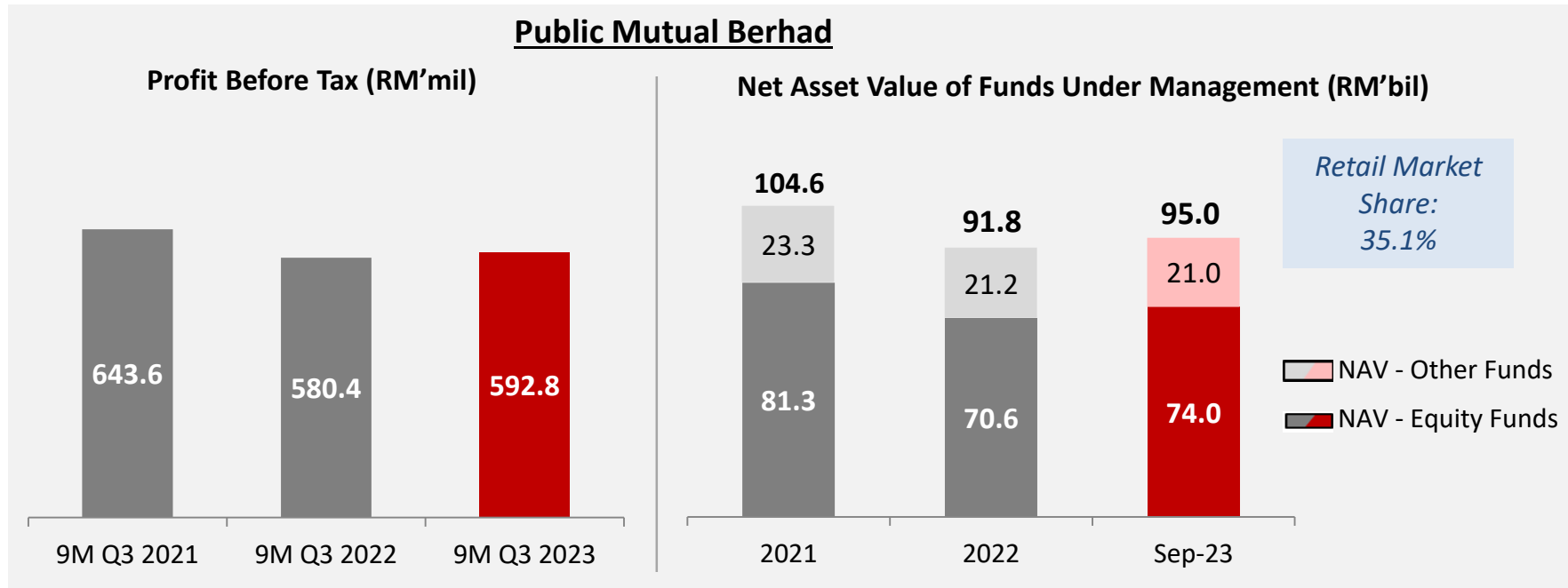
Deposit – By Type



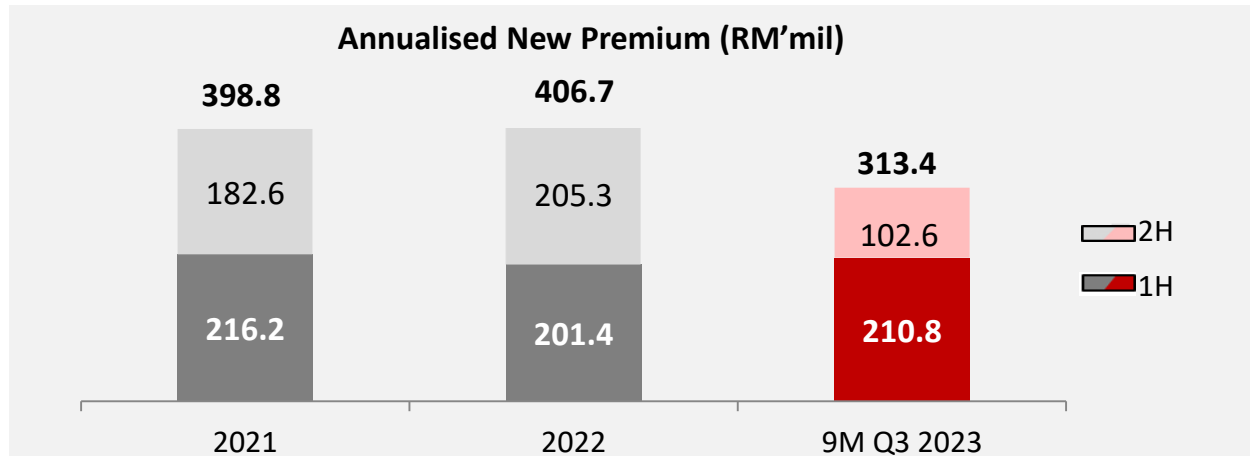
* Annualised growth ^ Negative growth as at 30 September 2023



Of which: Unit Trust Business



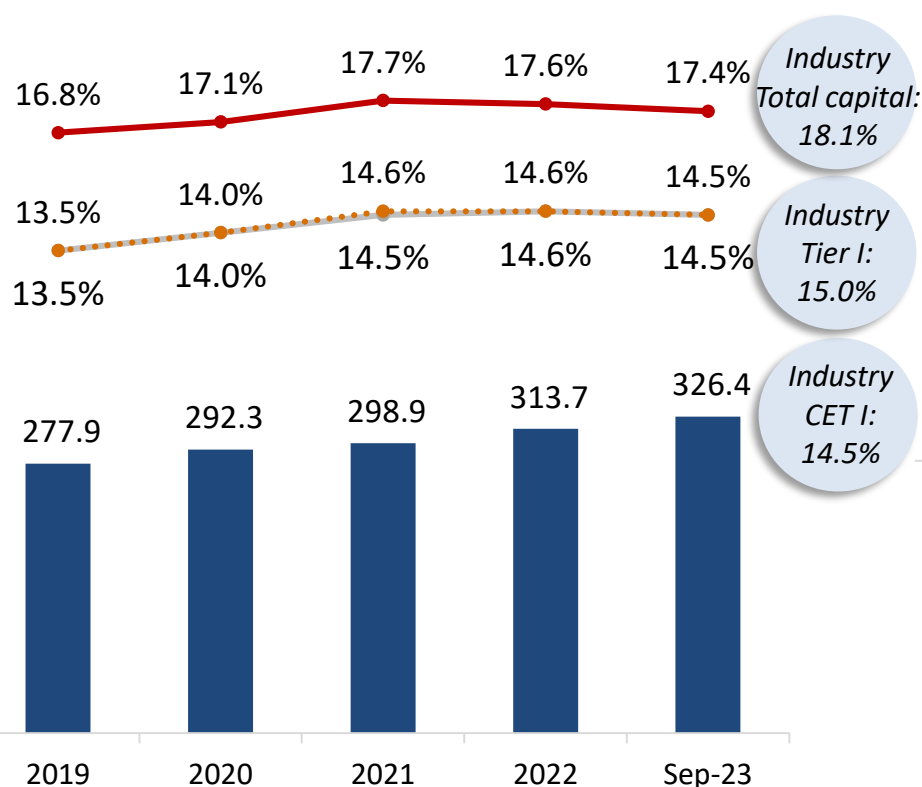
Of which: Bancassurance Business



Stable Capital & Liquidity Position



Capital Adequacy

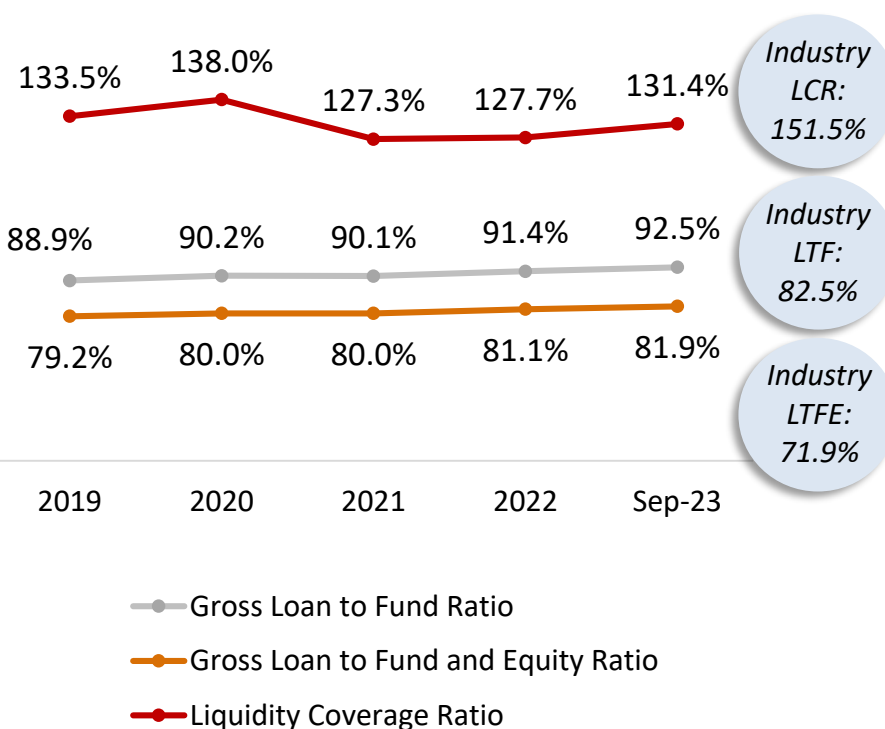


Industry
Total capital:
18.1%

Industry
Tier I:
15.0%

Industry
CET I:
14.5%

Liquidity Risk Indicators



Industry
LCR:
151.5%

Industry
LTF:
82.5%

Industry
LTFE:
71.9%

— Gross Loan to Fund Ratio
— Gross Loan to Fund and Equity Ratio
— Liquidity Coverage Ratio

Indicator	Basel III Requirement*
Risk-weighted Assets (RM'bil)	
Common Equity Tier I Capital	7.5%
Tier I Capital	9.0%
Total Capital	11.0%

* The Basel III capital ratio requirements are inclusive of:

- (i) 2.5% capital conservation buffer
- (ii) Domestic Systemically Important Bank (DSIB) buffer of 0.5% imposed on PBB as announced by BNM, which was effective on 31 Jan 2021

Note: PBB did not opt for the BNM transitional arrangement on capital relief

Targets & Achievements



The Public Bank Group's achievement vs key performance targets are as follows:

Key Performance Benchmarks		
	2023 Targets	Sep-23 Achievement
Net Return on Equity	12-13%	13.1%
Cost to Income Ratio	<35%	33.7%
Gross Impaired Loan Ratio	<1%	0.58%
Loan Growth – Group	~5%	5.9%*
– Domestic		5.7%*
Deposit Growth – Group	~5%	4.7%*
– Domestic		4.6%*

* Annualised growth



- ❖ Profitable retail franchise
 - Domestic and Indo-China markets
 - Strong market share standing
 - Affluent and quality retail customer base for lending and wealth management business
- ❖ Unbroken profit track record and sustained strong asset quality
- ❖ Valuable PB Brand and retail franchise
- ❖ Proactive capital management
- ❖ Large market capitalisation
 - High liquidity and high free-float
- ❖ Proven management record in execution
- ❖ Strong working commitment and excellent career environment

Appendix



		RM'mil	2019	2020	2021	2022	Sep-23
Profitability	Operating profit		7,283	7,403	8,579	9,203	6,519
	Profit before tax		7,134	6,285	7,367	8,831	6,471
	Net profit		5,512	4,872	5,657	6,119	5,034
Shareholder Value	Earnings per share (sen) ^x		28.39	25.10	29.14	31.53	25.93
	Net assets per share (RM) ^x		2.25	2.43	2.48	2.59	2.74
	Dividend per share (sen) ^x		14.6	13.0	15.2	17.0	N/A
	Dividend payout ratio (%)		51.4	51.8	52.2	53.9	N/A
Key Balance Sheet Data	Total assets		432,831	451,257	462,739	493,263	508,203
	Gross loan		330,468	345,651	358,027	376,892	393,580
	Domestic loan		307,164	323,728	334,646	352,065	367,170
	Deposit from customers		353,340	365,871	380,394	394,719	408,627
	Domestic deposit		325,199	337,458	352,615	367,144	379,748
	Core customer deposit		294,646	310,144	325,770	335,570	349,240
	Shareholders' equity		43,594	47,248	48,163	50,179	53,211
	Common equity Tier I capital ^π		37,406	40,778	43,428	45,648	47,285
	Tier I capital ^π		37,564	40,935	43,587	45,806	47,346
	Total capital ^π		46,571	50,119	52,878	55,256	56,947
Risk-weighted assets		277,906	292,284	298,890	313,678	326,387	

^π After deducting interim dividends declared subsequent to end of period/year

^x The comparatives had been adjusted to reflect the bonus issue of 4 bonus shares for every 1 existing ordinary share which was completed on 29 January 2021

Appendix (cont'd)



		%	2019	2020	2021	2022	Sep-23	Industry ^b
Profitability Ratios	Net interest margin on yielding assets		2.15	1.95	2.22	2.39	2.22	N/A
	Net return on equity ⁺		13.6	11.2	12.4	12.8	13.1	N/A
	Pre-tax return on average assets		1.7	1.4	1.6	1.8	1.7	1.3
	Cost to income ratio		34.4	34.6	31.6	31.5	33.7	48.1
	Non interest income/Total income		21.6	24.9	20.9	18.0	19.1	33.1
Liquidity	Gross loan to fund ratio [~]		88.9	90.2	90.1	91.4	92.5	82.5 [^]
	Gross loan to fund and equity ratio [~]		79.2	80.0	80.0	81.1	81.9	71.9 [#]
	Liquidity coverage ratio		133.5	138.0	127.3	127.7	131.4	151.5
Asset Quality	Gross impaired loans ratio		0.49	0.36	0.31	0.42	0.58	1.72
	Loan loss coverage ratio		124.1	227.7	360.7	272.0	186.9	91.2
	Credit cost ratio		0.05	0.33	0.34	0.10	0.02	0.14
Capital Adequacy	Common equity Tier I capital ratio ^π		13.5	14.0	14.5	14.6	14.5	14.5
	Tier I capital ratio ^π		13.5	14.0	14.6	14.6	14.5	15.0
	Total capital ratio ^π		16.8	17.1	17.7	17.6	17.4	18.1
Market Share	<u>Domestic market share</u>							
	Commercial property financing		35.0	35.0	34.2	33.4	32.9	N/A
	Residential property financing		19.9	20.0	20.5	20.6	20.5	N/A
	Passenger vehicle financing		29.4	29.8	29.9	30.2	30.5	N/A
	Domestic loans		17.3	17.7	17.4	17.4	17.6	N/A
	Domestic deposits		16.5	16.5	16.2	16.3	16.5	N/A

⁺ Based on average equity adjusted with proposed dividend, if any

[~] Gross loans exclude loans/financing sold to Cagamas. Funds include deposits from customers and debt securities issued and other borrowed funds

[^] Loans exclude loans extended to banking institutions

[#] Equity comprises ordinary and preferred shares and retained earnings

^π After deducting interim dividends declared subsequent to end of period/year

^b Based on latest available industry statistics



Investor Relations Contact

Ms. Chang Siew Yen

Senior Chief Operating Officer

+(603) 2176 7461

changsiewyen@publicbank.com.my

Ms. Yik Sook Ling

Chief Financial Officer

+(603) 2176 6186

yiksookling@publicbank.com.my



Disclaimer. The materials and information in the presentations and other documents are a summary only, do not purport to contain all of the material information regarding Public Bank and are qualified in their entirety by reference to our public disclosure. You may not rely on these materials as providing a complete or comprehensive analysis of Public Bank. Certain statements in this presentation constitute forward-looking statements. These forward-looking statements are based on management's current views concerning future events, and necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements, and you should not place undue reliance on these forward-looking statements. Public Bank does not assume any liability for any loss that may result from the reliance by any person upon any such information or opinions.

This presentation and the information it contains are for informational purposes only, and are not an offer or solicitation for the purchase or sale of any securities or financial instruments or to provide any investment service or investment advice in any jurisdiction whatsoever. Nothing contained herein shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever, nor does it constitute a recommendation regarding any of Public Bank's securities or financial instruments. Public Bank's securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under any U.S. state securities laws and, subject to certain exceptions, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.