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**Public Bank Group Achieved Pre-Tax Profit Of RM4.41 Billion For The First Half Of 2024 And Declared 10.0 Sen First Interim Dividend**

**Highlights of Results for the First Half of 2024**

- Pre-tax profit and net profit at RM4.41 billion and RM3.44 billion respectively
- Total loans and deposits recorded annualised growth rates of 6.0% and 5.8% respectively
- Net return on equity at 12.8%
- Cost-to-income ratio at 35.3%
- Gross impaired loans ratio at 0.6%
- Liquidity coverage ratio at 138.5%
- Common Equity Tier 1 capital ratio of 14.5% and total capital ratio of 17.4%

For the first half of 2024, the Public Bank Group reported a pre-tax profit of RM4.41 billion, 2.5% higher as compared with the corresponding period in 2023. Net profit attributable to shareholders rose 3.1% to RM3.44 billion.

Notwithstanding the competitive operating environment, the Group continued to sustain healthy business momentum, driven mainly by its resilient growth in loans and deposits businesses, and further supported by a growth in its non-interest income.

Coupled with its prudent cost management and sound asset quality, the Group achieved a net return on equity of 12.8% for the first half of 2024.

Tan Sri Dato' Sri Dr. Tay Ah Lek, Managing Director and Chief Executive Officer of Public Bank is pleased to announce, ***“Given the good performance in the first half of 2024, the Board of Directors of Public Bank has declared an interim dividend of 10.0 sen per share, representing 56.5% of the Group’s net profit for the six months ended 30 June 2024.”***

The Group’s profit performance was mainly supported by its top-line growth. As compared with the corresponding period ended 30 June 2023, net interest and financing income rose by 3.9% to RM5.42 billion, with its net interest margin/financing margin staying stable at 2.20%. Meanwhile, non-interest income recorded a 5.8% growth to RM1.32 billion, largely from higher income in the unit trust and stock-broking businesses.

With the ongoing initiatives to enhance operational efficiency, operating expenses continued to be prudently managed, as reflected by the Group’s efficient cost-to-income ratio of 35.3%.

In terms of asset quality, the Group’s impaired loans ratio was steady at 0.6%, while loan loss coverage was sustained at a prudent level of 154.2%.

### **Loans and Deposits Businesses**

The Public Bank Group’s total loan portfolio for the first half of 2024 sustained upward momentum and rose by an annualised rate of 6.0% to RM411.0 billion. In particular, the domestic loan portfolio expanded by 5.9% on an annualised basis to RM383.7 billion, outperforming the Malaysian banking industry’s annualised loan growth of 5.0%.

Domestic loan growth was mainly supported by the Group’s core financing segments. These include domestic residential properties financing, hire purchase financing and SME financing, which grew by an annualised rate of 5.0%, 14.8% and 4.1%, with a leading market share of 20.3%, 31.3% and 17.5% respectively. Total newly approved domestic loans increased by 8.9% for the first half of 2024 as compared with the same period last year, supporting a healthy loans pipeline going forward.

Total customer deposits posted an annualised growth rate of 5.8% to RM424.9 billion, while domestic customer deposits expanded by an annualised growth rate of 5.3% to RM395.1 billion, led mainly by steady core deposit inflows.

The Public Bank Group continued to maintain a healthy liquidity position, with a gross loan to fund and equity ratio of 82.1% as of June 2024.

### **Asset Quality**

The Public Bank Group's gross impaired loans ratio stood at 0.6% as at the end of June 2024. The Group's domestic operations which accounted for over 93% of its total loans, attained an even lower gross impaired loans ratio of 0.4%. This was significantly lower than the domestic banking industry's average gross impaired loans ratio of 1.6%.

Notwithstanding the resilient asset quality, the Group continued to maintain a prudent level of provisioning with a loan loss coverage ratio of 154.2%, which stood comfortably above the banking industry's loan loss coverage ratio of 91.7%. Including regulatory reserves, the Group's loan loss coverage ratio was higher at 192.7%.

### **Non-interest Income**

Non-interest income increased 5.8% to RM1.32 billion in the first half of 2024, compared with the corresponding period last year. This was mainly supported by strong growth in unit trust and stockbroking income of 16.3% and 44.6%, respectively.

Public Mutual, a wholly owned subsidiary of the Public Bank Group that manages its unit trust business, remained a significant contributor to the Group's non-interest income. As compared with the corresponding period in 2023, Public Mutual registered a healthy growth of 10.5% in pre-tax profit to RM428.3 million in the first half of 2024, accounting for 9.7% of the Group's overall pre-tax profit.

As at the end of June 2024, Public Mutual retained its leading retail market share of 35.7%, with a total of 184 unit trust funds and a net asset value of funds under management of RM102.8 billion.

### **Capital and Liquidity Position**

In the first half of 2024, the Group continued to uphold a strong capital position, with the Common Equity Tier 1 capital ratio, Tier 1 capital ratio, and total capital ratio standing at 14.5%, 14.5%, and 17.4%, respectively.

The liquidity coverage ratio remained well above the regulatory requirement and recorded at a healthy level of 138.5%.

## **Dividend**

For the half year ended 30 June 2024, the Board of Directors declared a first interim dividend of 10.0 sen per share. This amounts to a total dividend payout of RM1.94 billion, which represents 56.5% of the Group's net profit for the period. The first interim dividend will be distributed on 23 September 2024, based on the dividend entitlement date set for 11 September 2024.

## **Group's Prospects**

The global economic growth in 2024 is expected to be supported by the positive labour market conditions, moderating inflation and a turnaround in global trade. However, the growth outlook remains to be subjected to downside risks stemming from protracted geopolitical tensions, volatility in global financial markets and higher-than-expected inflation.

While Malaysia is likely to continue to be affected by these global headwinds, the economy will remain supported by its firm fundamentals, stable employment market and a diversified economic structure. Steady domestic demand, exports recovery, improvement in the tourism sector, as well as further progress of investment and infrastructure projects will remain supportive of growth.

Tan Sri Tay said, *“Underpinned by resilient private expenditure and investment activities, the operating environment in Malaysia will remain conducive to banking business growth. The Public Bank Group will continue to strengthen its core competency in the retail banking segment, while remaining agile in seizing new opportunities in sustainability and digital transformation in driving business growth.”*

Tan Sri Tay concluded, *“As the Group proactively moves forward, it will continue to ensure a solid foundation with healthy capital and liquidity position, as well as sound asset quality to safeguard its bottom line and sustainable stakeholder value.”*



Tan Sri Dato' Sri Dr. Tay Ah Lek  
Managing Director and Chief Executive Officer  
Public Bank

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