



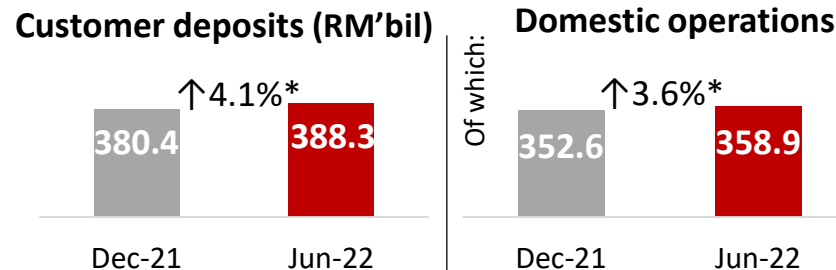
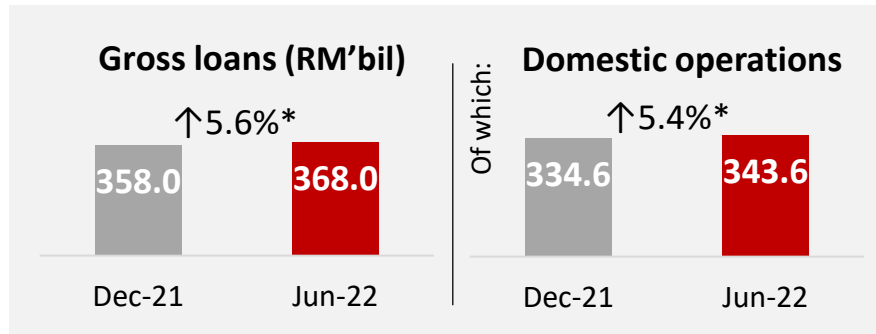
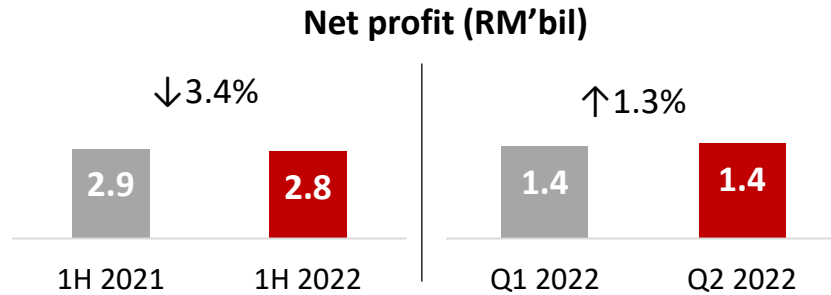
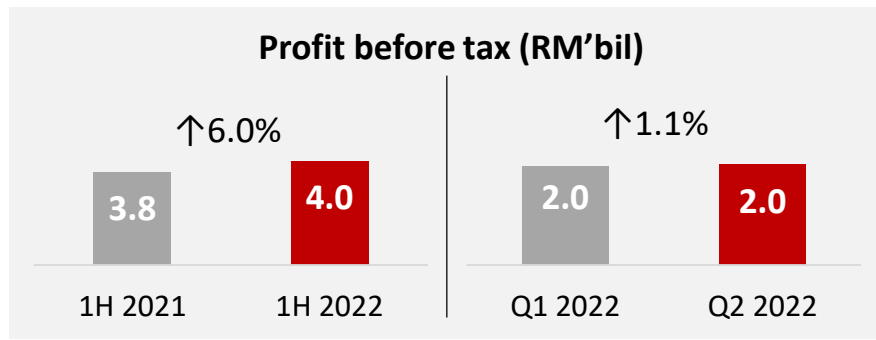
PUBLIC BANK

Investor Presentation
29th Annual CITIC CLSA Flagship Investors' Forum
September 2022



1H 2022 Financial Highlights

Pre-tax profit grew by 6.0% y-o-y; Net profit declined by 3.4% y-o-y due to the impact of one-off prosperity tax



- 1H2022 profitability improved, supported by healthy loans and deposits growth of 5.6% and 4.1% respectively, improved net interest margin as well as lower loan loss allowances
- Net profit declined 3.4% y-o-y mainly due to the imposition of the one-off prosperity tax
- Loan loss coverage ratio maintained at a prudent level of 388.8% or 407.2% after the inclusion of regulatory reserves
- Credit cost improved to 10 bps
- Stable capital and liquidity position

Net ROE	Cost-to-income ratio	Gross impaired loans ratio	NIM
12.0%	33.5%	0.3%	2.26%
Dec-21: 12.4%	Dec-21: 31.6%	Dec-21: 0.3%	Dec-21: 2.22%
Credit cost ratio	Loan loss coverage ratio	Liquidity coverage ratio	Total capital ratio^π
0.10%	388.8%	113.7%	17.2%
Dec-21: 0.34%	Dec-21: 360.7%	Dec-21: 127.3%	Dec-21: 17.7%

* Annualised growth

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

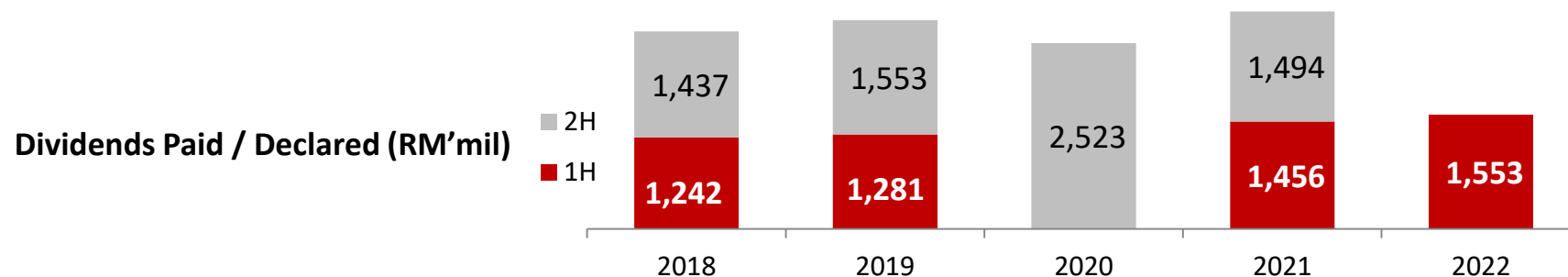


Dividend Payout

First interim dividend of 8 sen per share with dividend payout ratio of 55%

Dividend Payout

Gross dividend per share -----	13.8 sen	14.6 sen	13.0 sen	15.2 sen	8.0 sen
Dividend payout ratio -----	47.9%	51.4%	51.8%	52.2%	55.2%



	1H 2018	1H 2019	1H 2020	1H 2021	1H 2022
Gross dividend per share	6.4 sen	6.6 sen	-	7.5 sen	8.0 sen
Dividend payout ratio	44.3%	46.7%	-	50.0%	55.2%

Note: For comparative purpose, the gross dividend per share 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.



Profitability

PBT growth supported by higher net interest income and lower loan loss allowance

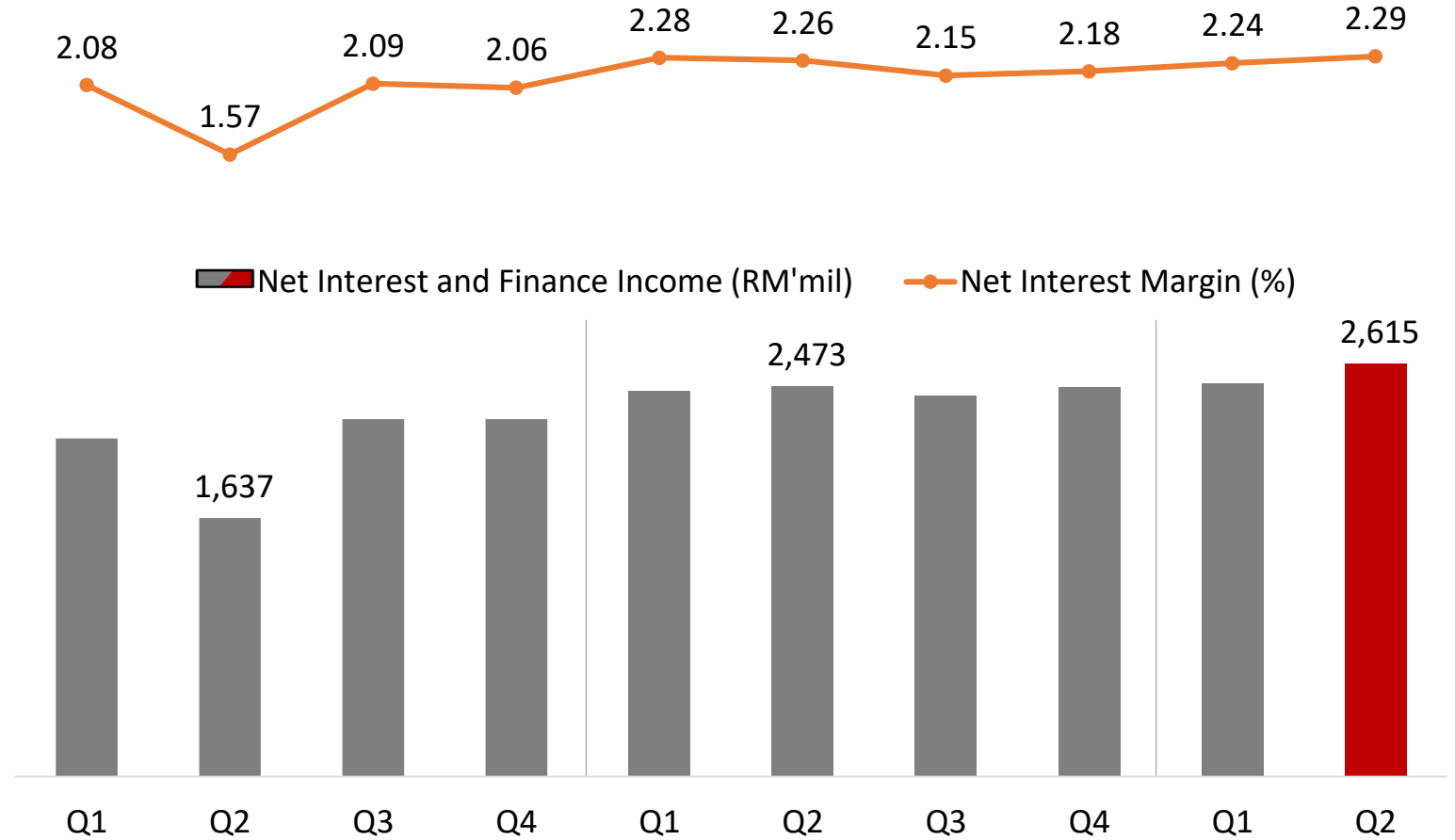
Income Statement

(RM'mil)	1H 2021	1H 2022	y-o-y	Q1 2022	Q2 2022	q-o-q
Net interest income	4,180.0	4,322.0	3.4%	2,104.3	2,217.6	5.4%
Net income from Islamic banking business	837.9	817.0	-2.5%	402.3	414.8	3.1%
Non-interest income	1,403.2	1,187.4	-15.4%	642.3	545.1	-15.1%
Net income	6,421.1	6,326.4	-1.5%	3,148.9	3,177.5	0.9%
Other operating expenses	(2,028.4)	(2,117.6)	4.4%	(1,044.9)	(1,072.6)	2.7%
Operating profit	4,392.7	4,208.8	-4.2%	2,104.0	2,104.9	0.04%
Loan loss allowance	(594.5)	(179.6)	-69.8%	(99.7)	(79.9)	-19.9%
Other allowances	(0.2)	(4.8)	>100%	(2.3)	(2.6)	13.6%
Share of profit / (loss) after tax of equity accounted associated companies	(3.6)	(1.5)	59.2%	(1.7)	0.2	>100%
Profit before tax	3,794.3	4,022.9	6.0%	2,000.3	2,022.6	1.1%
Net profit attrib. to shareholders	2,914.3	2,815.5	-3.4%	1,398.6	1,417.0	1.3%
Earnings per share (sen)	15.01	14.50	-3.4%	7.21	7.30	1.2%



Net Interest Income & Margin

NIM improved further during the quarter on the back of regained business momentum and rising interest rate









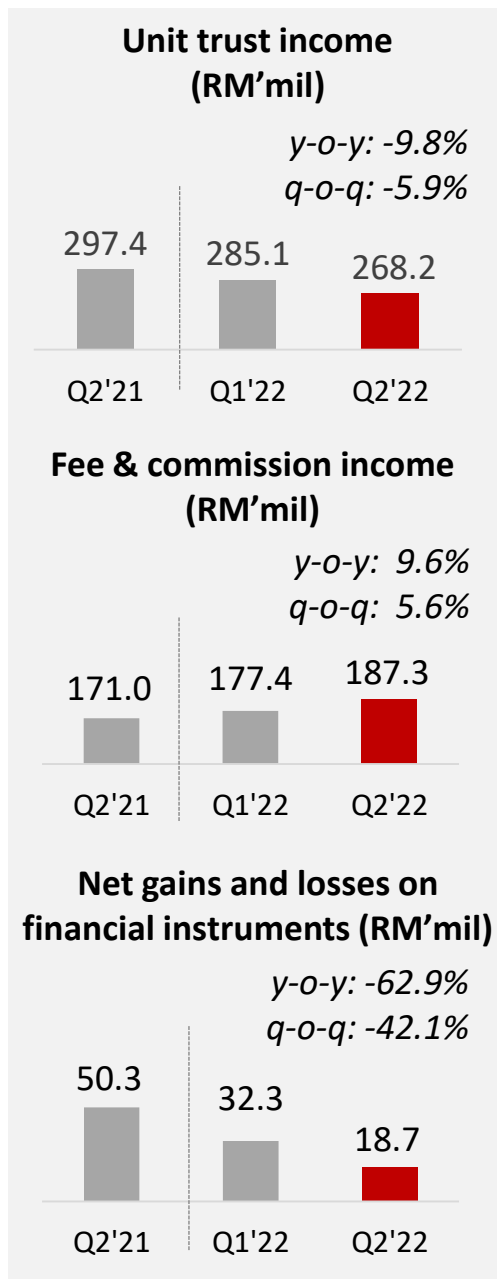
	2020	2021	1H 2022
Year Average NIM	1.95%	2.22%	2.26%



Non-Interest Income

Lower income from investment, unit trust, stockbroking, and foreign exchange business impacted by the volatile market

(RM'mil)	Composition	1H 2021	1H 2022	y-o-y
Net fee and commission		1,109.8	979.0	-11.8%
Of which: - Unit trust income		636.7	553.3	-13.1%
- Fee & commission income		348.6	364.8	4.6%
- Stockbroking income		124.5	60.9	-51.0%
Net gains and losses on financial instruments		110.1	51.0	-53.7%
Other operating income		183.3	157.4	-14.1%
Of which: - Foreign exchange income		124.0	102.0	-17.7%
- Others		59.3	55.4	-6.5%
Total non-interest income	100%	1,403.2	1,187.4	-15.4%
Non-interest income/Total income		21.9%	18.8%	













Segmental Profit

Supported by domestic retail operations, hire purchase and corporate lending business

Profit before tax by Operating Segments

(RM'mil)	Composition	1H 2021	1H 2022	y-o-y	Q1 2022	Q2 2022	q-o-q
Retail operations	 50%	1,968.3	2,018.3	2.5%	1,044.0	974.3	-6.7%
Hire purchase	 8%	62.9	326.9	>100%	100.6	226.3	>100%
Corporate lending	 7%	242.3	292.5	20.7%	153.5	138.9	-9.5%
Fund Management	 10%	425.0	392.2	-7.7%	202.0	190.2	-5.8%
Treasury Operations	 4%	284.4	177.3	-37.6%	79.4	98.0	23.5%
Investment Banking	 1%	56.1	34.4	-38.8%	18.4	15.9	-13.5%
Others	 13%	433.6	519.2	19.7%	252.8	266.4	5.4%
Overseas Operations	 7%	321.7	262.1	-18.5%	149.6	112.6	-24.7%
Profit before tax	100%	3,794.3	4,022.9	6.0%	2,000.3	2,022.6	1.1%

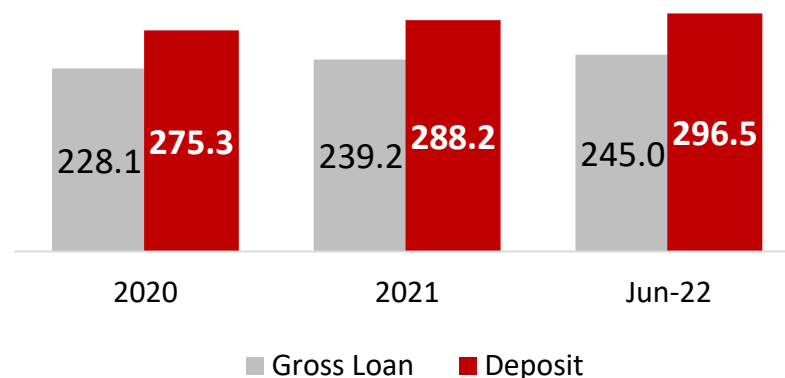


Retail Operations

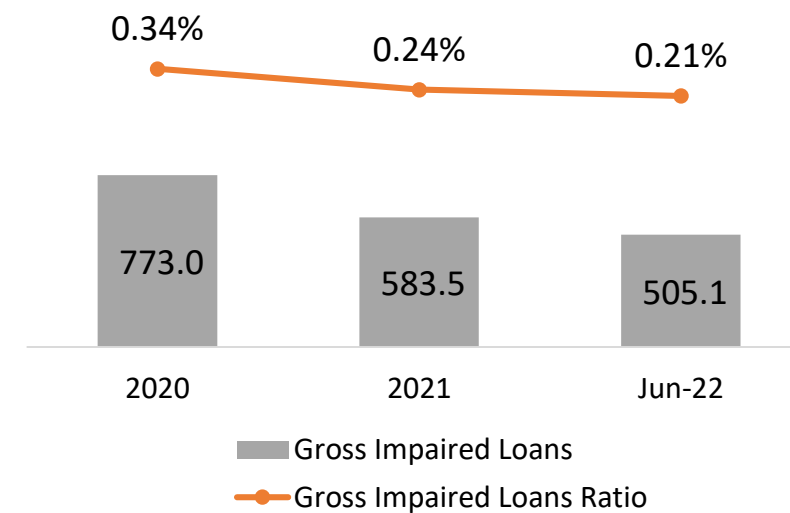
Retail PBT growth led by higher net interest income and lower loan loss provisions

Retail Operations			
(RM'mil)	1H 2021	1H 2022	y-o-y
Net interest income	2,873.2	2,925.1	1.8%
Non-interest income	424.0	378.2	-10.8%
Net income	3,297.2	3,303.3	0.2%
Other operating expenses	(1,059.5)	(1,127.5)	6.4%
Allowance for impairment on loans and other assets	(269.4)	(157.5)	-41.5%
Profit before tax	1,968.3	2,018.3	2.5%

Loans & Deposit-taking (RM'bil)



Gross Impaired Loans (RM'mil)



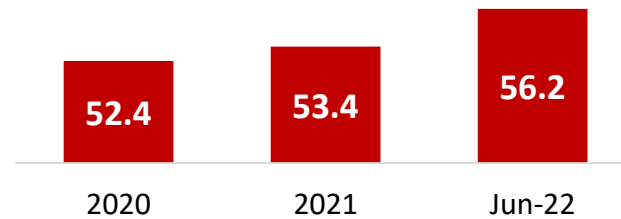


Hire Purchase and Corporate Lending

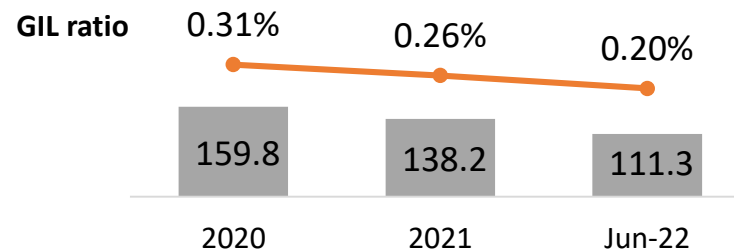
Hire purchase and corporate lending growth led mainly by lower loan impairment allowances

Hire Purchase			
(RM'mil)	1H 2021	1H 2022	y-o-y
Net interest income	400.1	433.5	8.3%
Non-interest income	1.1	0.7	-32.1%
Net income	401.2	434.2	8.2%
Other operating expenses	(128.9)	(125.8)	-2.4%
(Allowance)/Writeback of allowance for impairment on loans and other assets	(209.4)	18.5	>-100%
Profit before tax	62.9	326.9	>100%

Gross Loans (RM'bil)

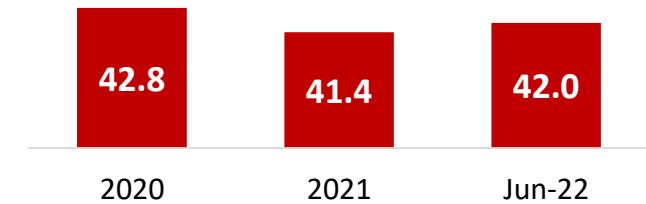


Gross Impaired Loans (RM'mil)

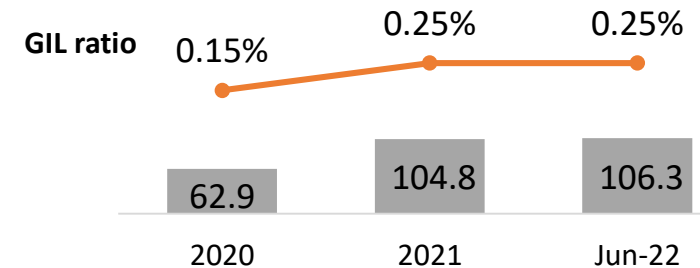


Corporate Lending			
(RM'mil)	1H 2021	1H 2022	y-o-y
Net interest income	318.6	294.8	-7.5%
Non-interest income	17.9	9.9	-44.7%
Net income	336.5	304.7	-9.5%
Other operating expenses	(10.5)	(9.5)	-9.2%
(Allowance)/Writeback of allowance for impairment on loans and other assets	(83.7)	(2.7)	-96.8%
Profit before tax	242.3	292.5	20.7%

Gross Loans (RM'bil)



Gross Impaired Loans (RM'mil)

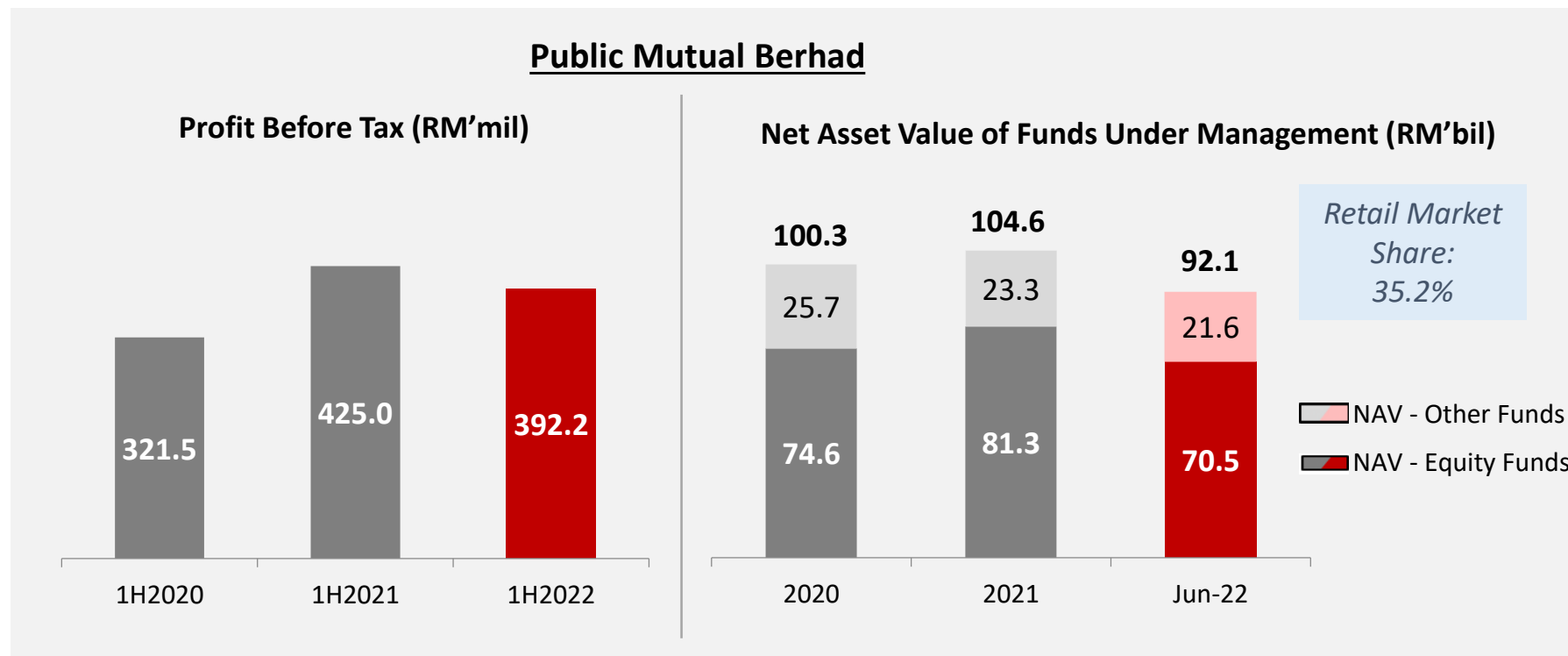




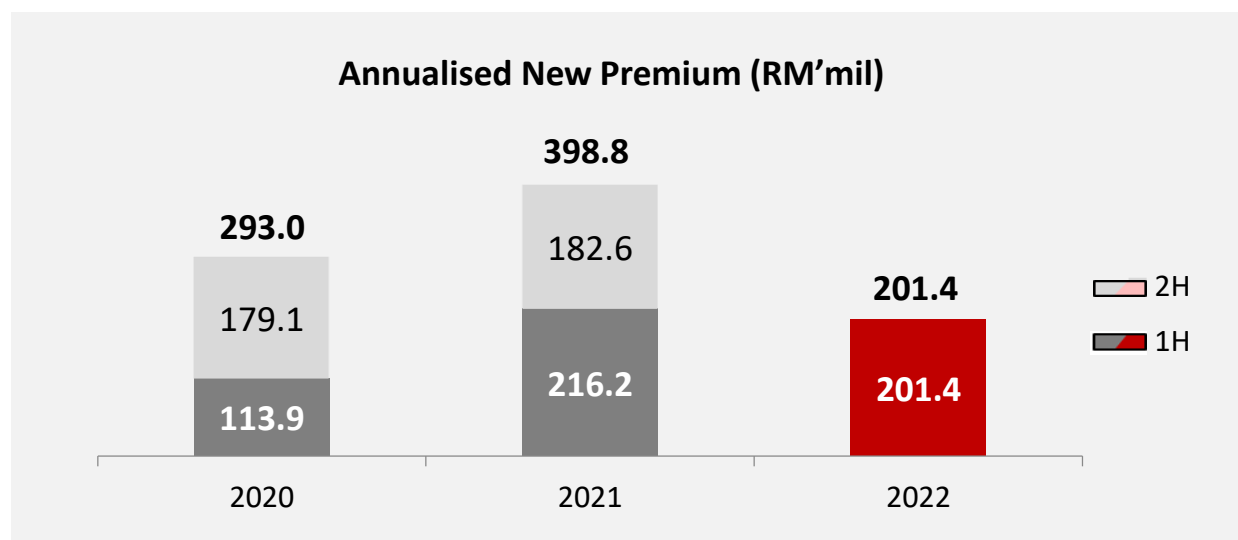
Wealth Management

Softer wealth momentum; Unit trust business continued to capture retail market share of 35.2%

Of which: Unit Trust Business



Of which: Bancassurance Business

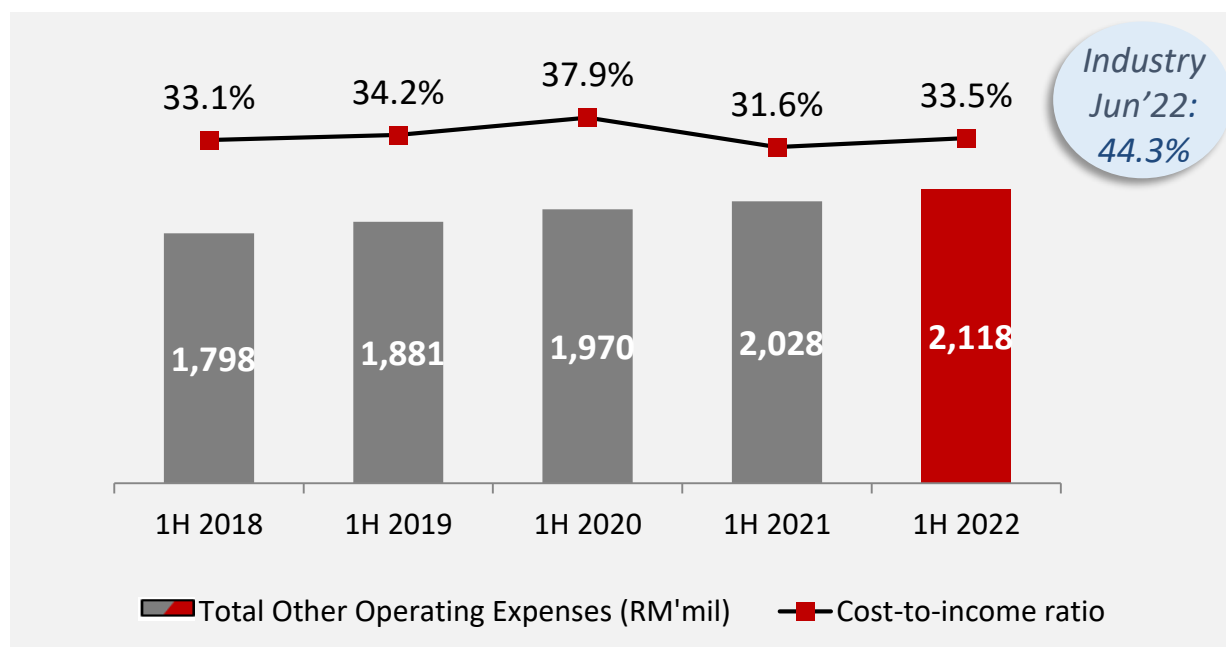




Other Operating Expenses

Prudent cost management, sustained efficient CIR of 33.5%, significantly lower than the banking industry CIR

(RM'mil)	Composition	1H 2021	1H 2022	y-o-y	Q1 2022	Q2 2022	q-o-q
Personnel costs	72%	1,481.8	1,524.9	2.9%	758.6	766.3	1.0%
Establishment costs	18%	367.3	381.3	3.8%	189.9	191.4	0.8%
Marketing expenses	3%	71.5	57.4	-19.8%	27.9	29.5	5.8%
Administration and general expenses	7%	107.8	154.0	42.9%	68.5	85.4	24.7%
Total other operating expenses	100%	2,028.4	2,117.6	4.4%	1,044.9	1,072.6	2.7%

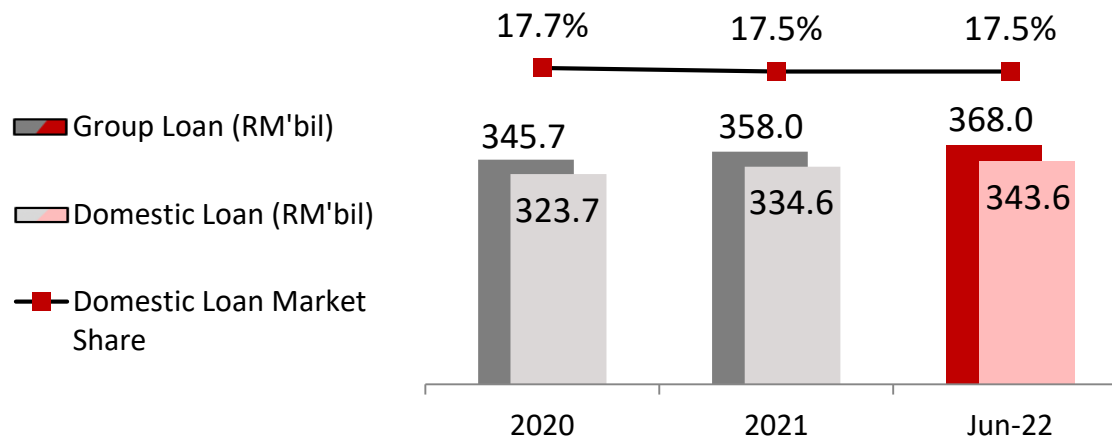




Loan Growth

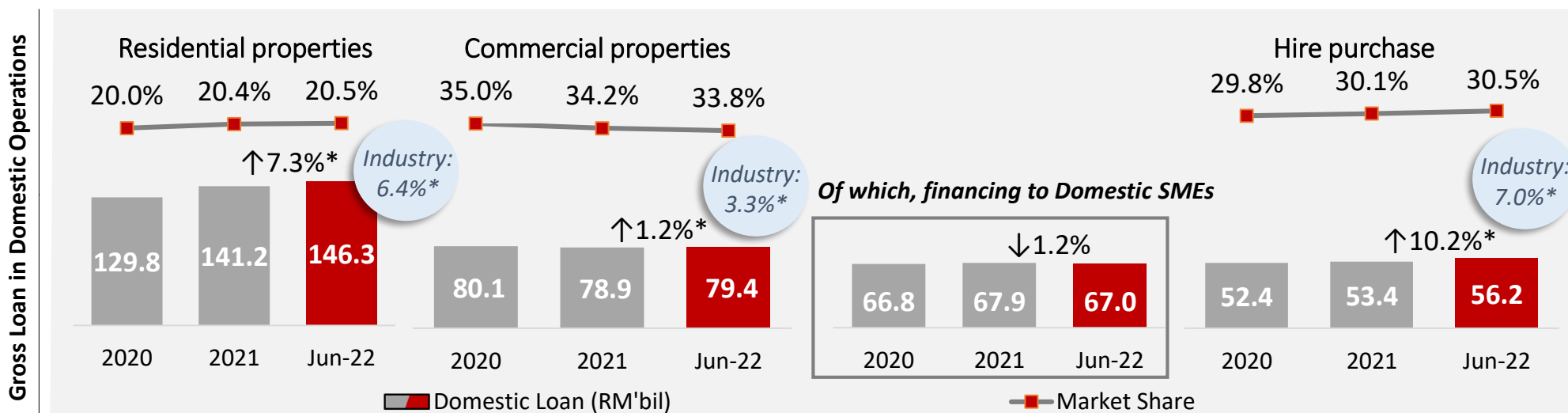
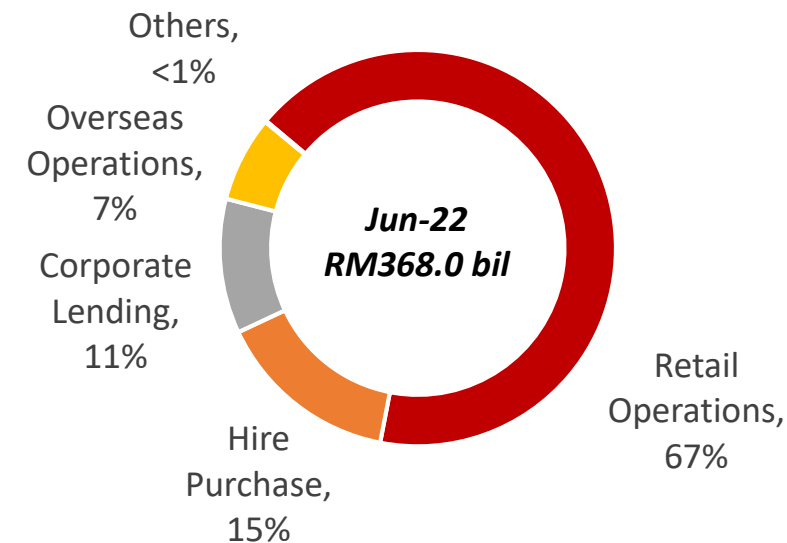
Expansion in lending portfolio driven by residential properties and hire purchase

Loans – Outstanding Balance and Market Share



Group Loan Growth	4.6%	3.6%	5.6%*
Domestic Loan Growth	5.4%	3.4%	5.4%*
Domestic Industry Average	3.4%	4.5%	5.4%*

Loans – By Segment

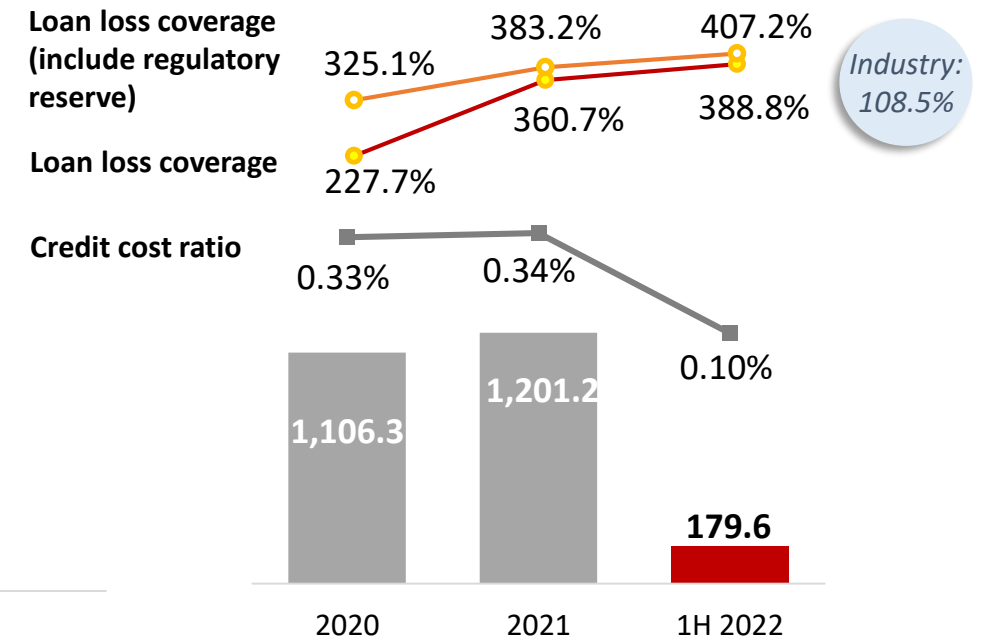
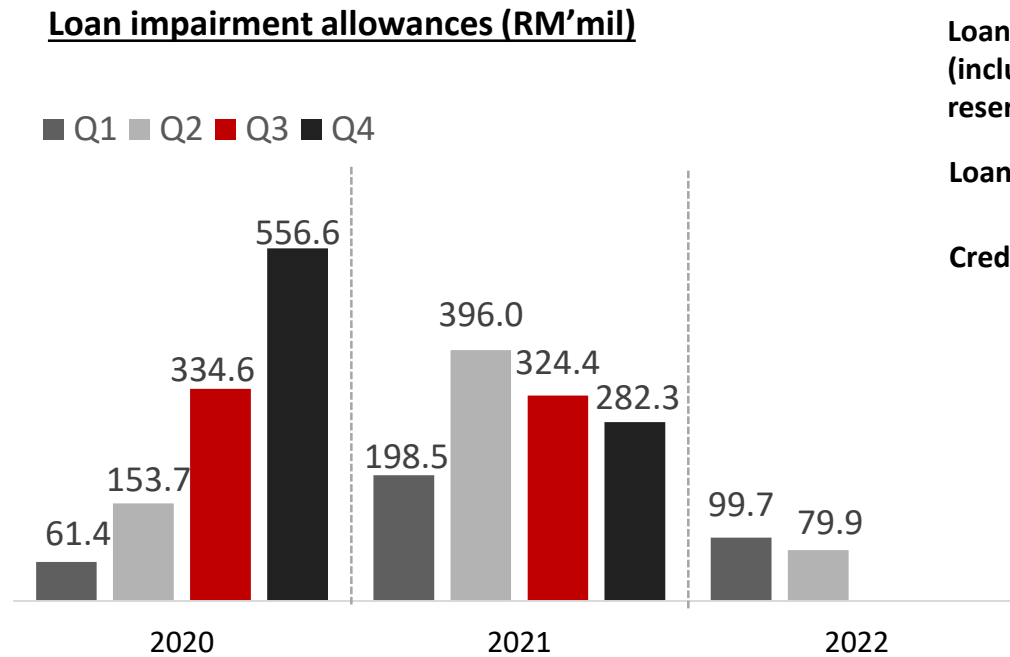
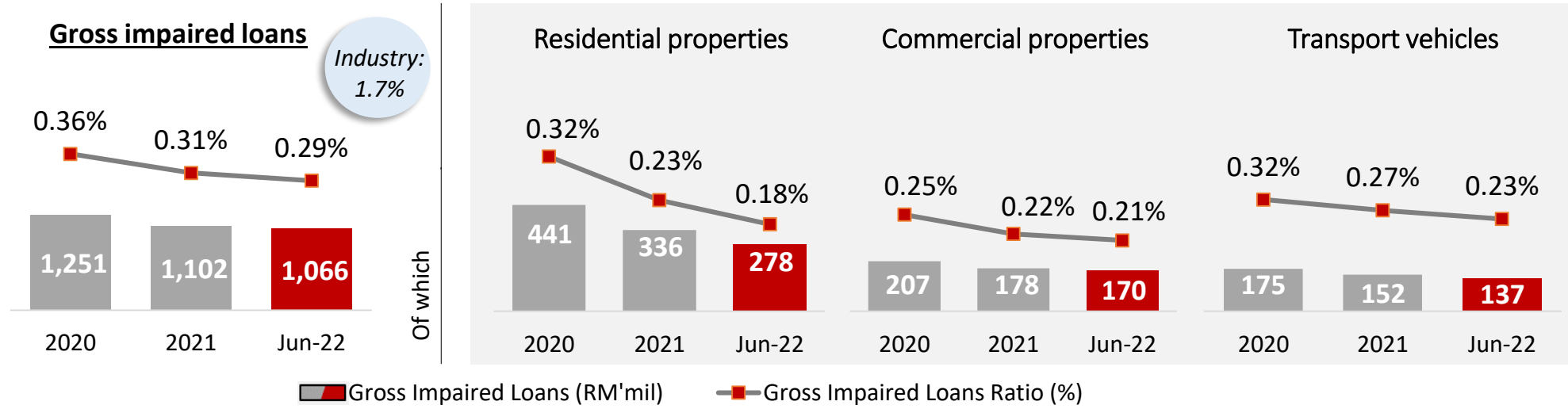


* Annualised growth



Asset Quality

Asset quality remained sound; Loan loss coverage ratio further increased to 388.8%





Repayment Assistance Programme

About 6% of domestic loans portfolio are still under the RA programme

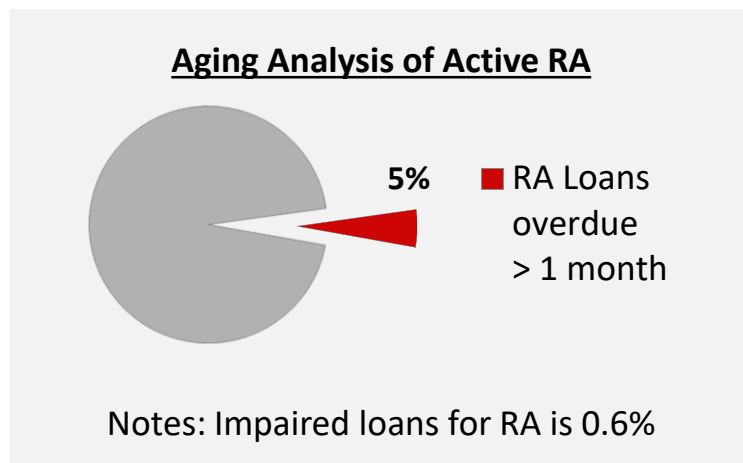
REPAYMENT ASSISTANCE (RA)

As at 31 July 2022	Active RA outstanding loans (RM'bil)	% Against Total Domestic Loans Outstanding of Respective Loan Segment
Individual Customers of which:	11.2	5%
Housing Loan	6.3	4%
Hire Purchase	1.8	4%
Non-individual Customers of which:	9.6	9%
Retail business	4.6	8%
Total	20.8	6%

Expiry and Reapplication of RA

After the expiry of PEMULIH RA

- About 9% applied for further RA
- >90% resumed original instalment (of which 96% in Stage 1)

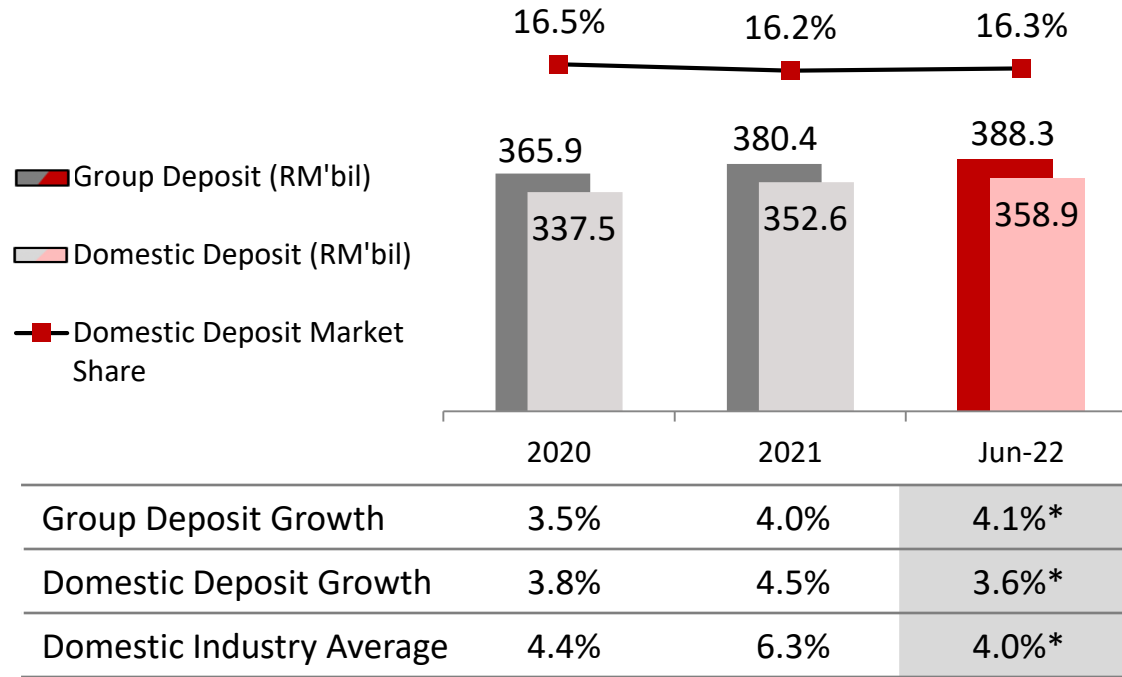




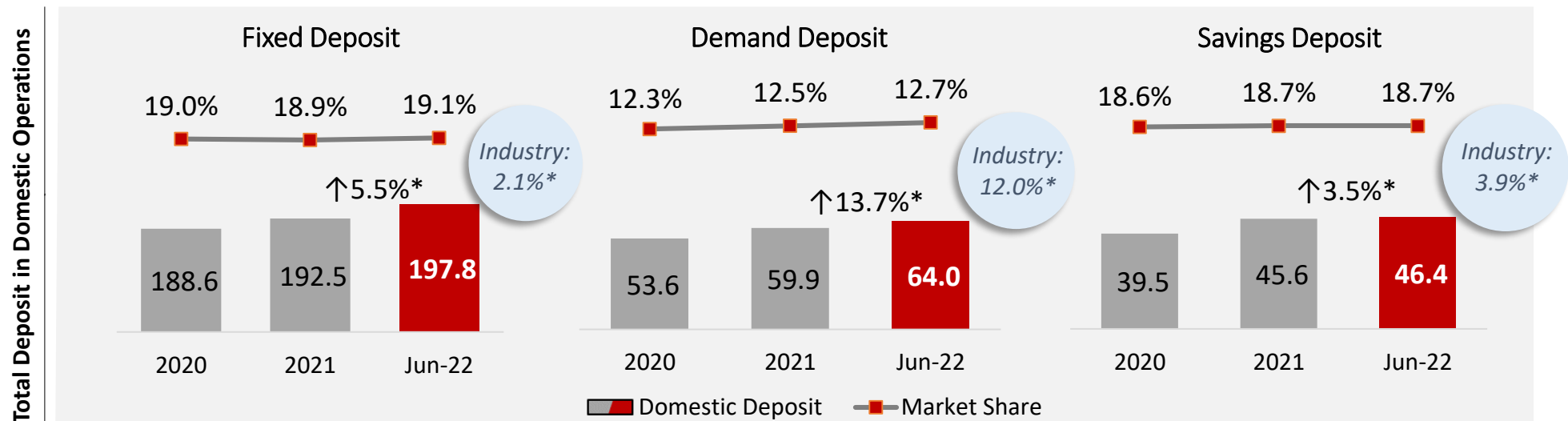
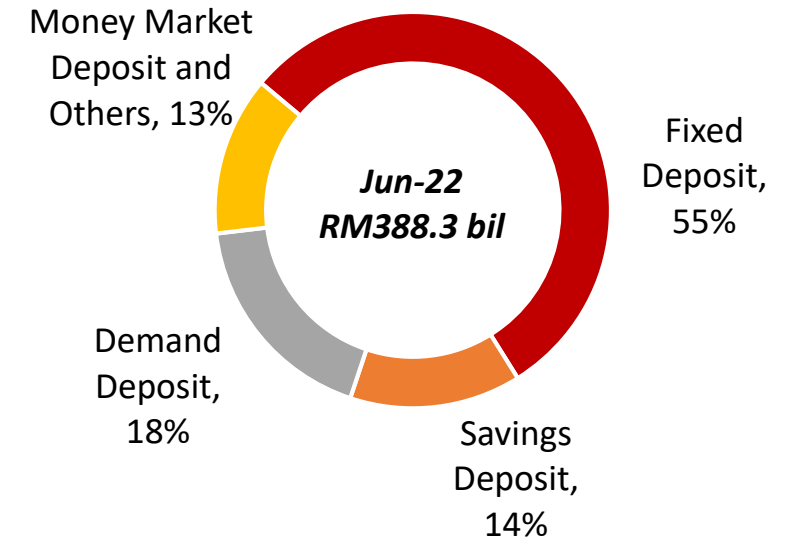
Deposit Growth

Solid funding base, attributed to stable core deposits growth

Deposit – Outstanding Balance and Market Share



Deposit – By Type

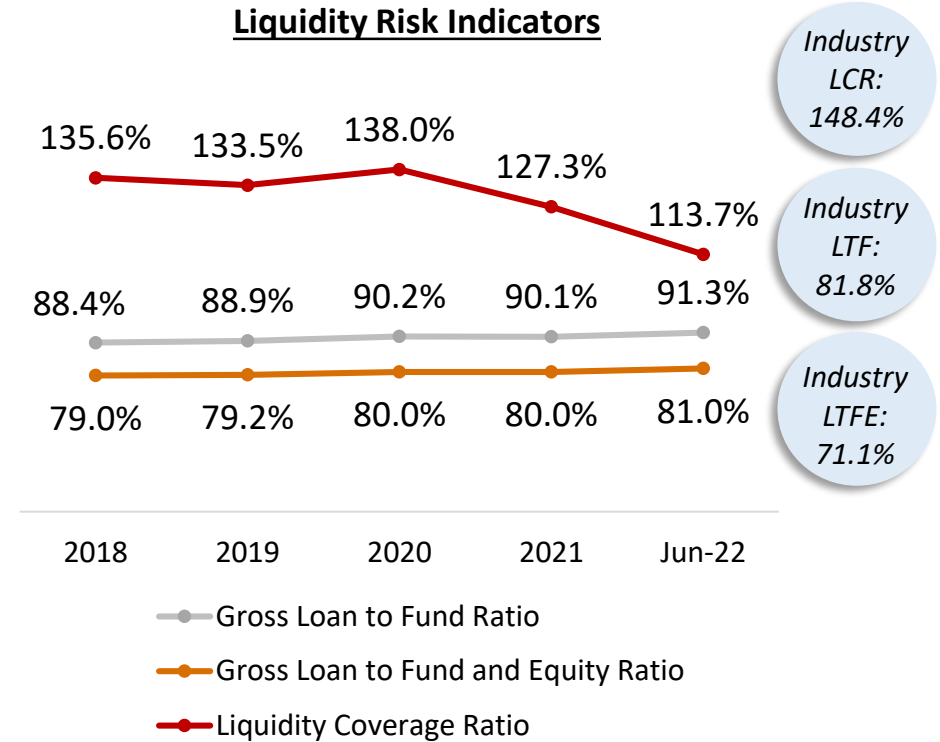
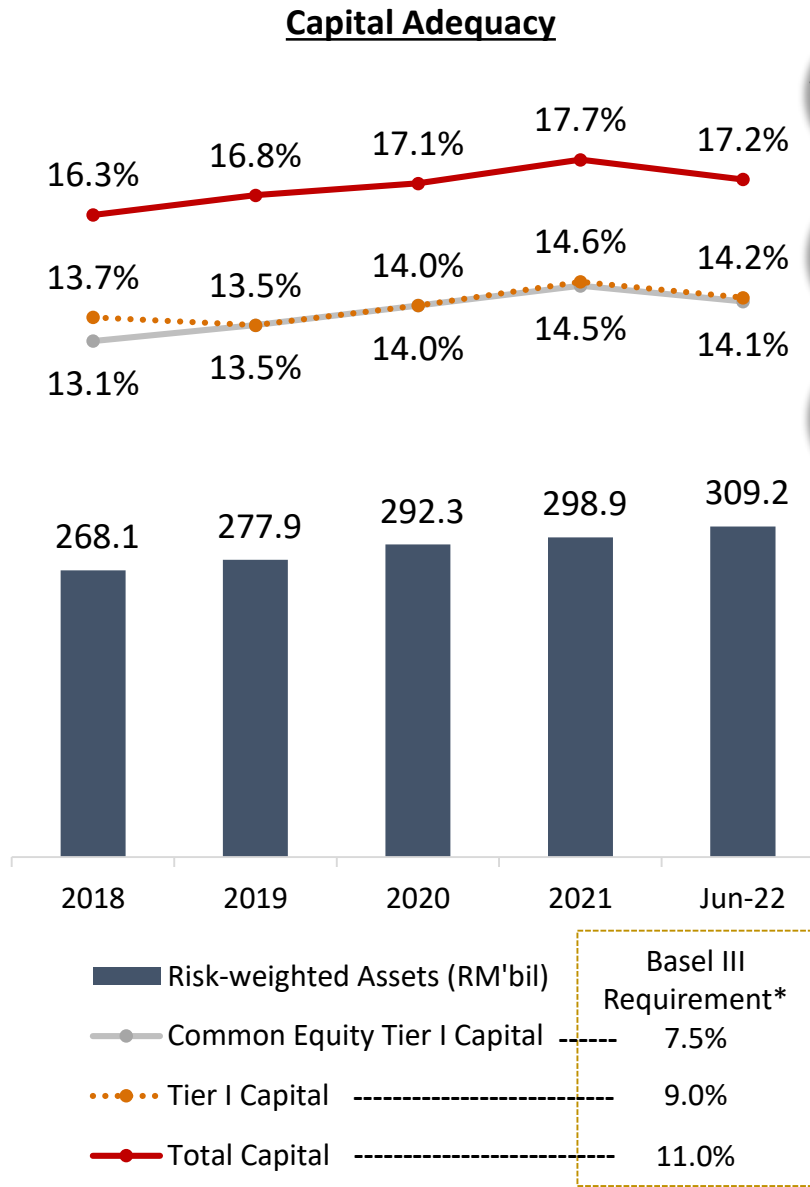


* Annualised growth



Capital & Liquidity Position

Resilient balance sheet supported by stable capital and liquidity position



- * 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



Driving Sustainable Practices

Recognitions



FTSE4Good

MSCI ESG RATINGS



CCC B BB BBB A AA AAA

1H2022 Key ESG Initiatives

Identified **72 ESG-friendly sectors** and **12 social agenda loan purposes** to encourage branches to promote ESG lending

Mobilised about **RM20 billion** in energy efficient vehicles financing *(as at end-Jun 2022)*



Approved more than **RM1 billion** in affordable home financing

Further enhanced the Bank's **Internal Credit System** to classify newly on-boarded loans based on **Bank Negara Malaysia's Climate Change and Principle-based Taxonomy**

First Bank in Malaysia to extend **DuitNow QR** for efficient **cross border payments** between **Malaysia and Indonesia**

First Bank to launch **DuitNow Online Banking/Wallets**

Launched **Green Financing Facilities** to offer preferential rates for loan purpose with green and environmental-friendly objectives

Offering **Bank Negara Malaysia's Low Carbon Transition Facility** to encourage SMEs to adopt sustainable and low carbon practices

Launched **Sustainable Financing for staff** offering lower interest rates for financing of electric vehicle/hybrid electric vehicle and solar panels

Set targets for branches on ESG and green lending

Developed the Public Bank Group's **Diversity, Equity and Inclusion Policy** to build and foster a fair and inclusive workplace

Public Mutual launched a sustainable and responsible investment fund – the **Public e-Wholesale Sustainable 20 Fund**



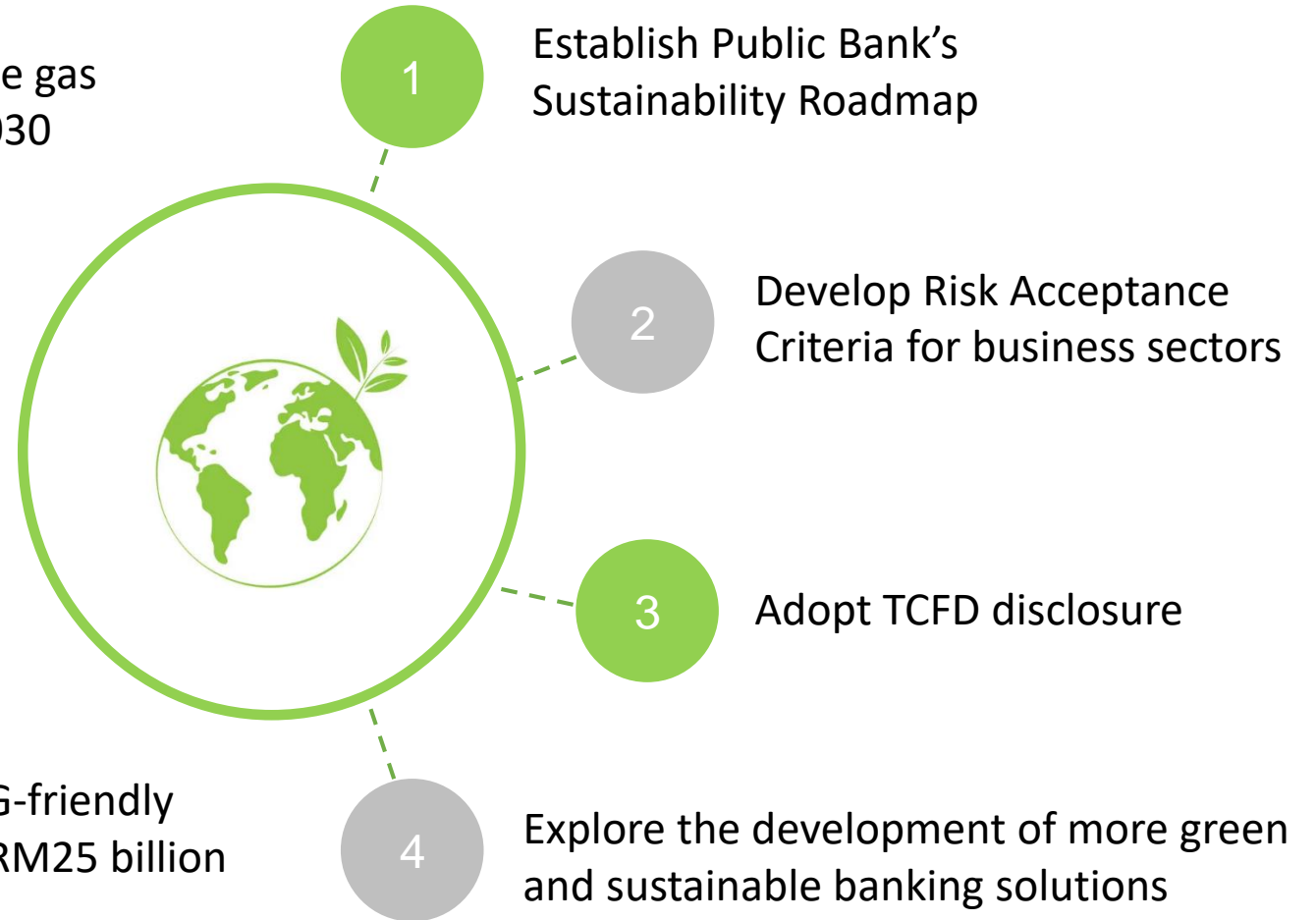
Driving Sustainable Practices (cont'd)

Key ESG Commitments and Near Term Plans

Key Commitments

- Carbon neutral in greenhouse gas emission (Scope 1 & 2) by 2030
- Net zero greenhouse gas emission by 2050
- Mobilise RM40 billion in ESG-friendly financing by 2025, in which RM25 billion for energy efficient vehicles

Near Term Plans





Business Delivery Channel

	2010	2021	Jun-22
<u>Malaysian Operations</u>			
Public Bank - Domestic	249	262	262
- Overseas	4	7	7
Public Islamic Bank	1	2	2
Public Mutual	26	28	28
Public Investment Bank	1	1	1
<u>Hong Kong & China Operations</u>			
Public Finance	42	43	42
Public Bank (HK) - Hong Kong	30	32	32
- China	3	5	5
Winton (B.V.I) Group	9	3	3
<u>Indo-China Operations</u>			
Cambodia Public Bank	21	31	31
Public Bank Vietnam	7	29	31
	393	443	444




>19,000
 Staff


>2,000
 Self Service
 Terminals



PBe Internet Banking
PB enterprise Internet Banking
PB engage Mobile Banking



Strategic Direction

Delivering sustainable returns to shareholders

1

Increase profitability by focusing on areas of strength

- Focusing on synergistic growth
- Maintaining cost discipline
- Preserving asset quality
- Upholding corporate governance

2

Enhance capital strength and risk management

- 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

Enhancing customer experience

3

Solidify customer loyalty and trust

- Enhance data security
- Ethical banking
- Uphold service quality

4

Digital transformation

- Embrace digital transformation to meet customer's evolving needs

Developing employees

5

Building capabilities for the future

- Nurture talents
- Diversity and inclusion
- Employee health and safety, and well-being

Supporting the communities

6

Financial inclusion and accessibility

- Expanding financial inclusion and supporting the community's financial needs

7

Community contribution

- Contribute to nation building and nurture future generations
- Strengthen communities through volunteerism and charitable donations

8

Transition to a sustainable future

- Support the transition to a climate resilient future

Focus area

- Domestic consumer banking and SME lending
- Wealth management
- Transactional services
- Capital market operations
- International operations

Key strategy in response to COVID-19 challenges

- Close monitoring and proactive management of asset quality
- Intensify digitalisation initiatives and cyber security in all aspects of the Bank's operations



Appendix

		RM'mil	2018	2019	2020	2021	Jun-22
Profitability	Operating profit		7,270	7,283	7,403	8,579	4,209
	Profit before tax		7,101	7,134	6,285	7,367	4,023
	Net profit		5,591	5,512	4,872	5,657	2,816
Shareholder Value	Earnings per share (sen) ^x		28.87	28.39	25.10	29.14	14.50
	Net assets per share (RM) ^x		2.11	2.25	2.43	2.48	2.53
	Dividend per share (sen) ^x		13.8	14.6	13.0	15.2	8.0
	Dividend payout ratio (%)		47.9	51.4	51.8	52.2	55.2
Key Balance Sheet Data	Total assets		419,693	432,831	451,257	462,739	478,813
	Gross loan		317,302	330,468	345,651	358,027	367,965
	Domestic loan		294,074	307,164	323,728	334,646	343,604
	Deposit from customers		339,160	353,340	365,871	380,394	388,252
	Domestic deposit		310,585	325,199	337,458	352,615	358,927
	Core customer deposit		283,846	294,646	310,144	325,770	337,494
	Shareholders' equity		40,973	43,594	47,248	48,163	49,098
	Common equity Tier I capital ^π		35,104	37,406	40,778	43,428	43,663
	Tier I capital ^π		36,825	37,564	40,935	43,587	43,822
	Total capital ^π		43,716	46,571	50,119	52,878	53,242
Risk-weighted assets		268,125	277,906	292,284	298,890	309,181	

^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

		%	2018	2019	2020	2021	Jun-22	Industry ^b
Profitability Ratios	Net interest margin on yielding assets		2.22	2.15	1.95	2.22	2.26	N/A
	Net return on equity ⁺		14.8	13.6	11.2	12.4	12.0	N/A
	Pre-tax return on average assets		1.7	1.7	1.4	1.6	1.7	1.3
	Cost to income ratio		33.0	34.4	34.6	31.6	33.5	44.3
	Non interest income/Total income		20.4	21.6	24.9	20.9	18.8	26.4
Liquidity	Gross loan to fund ratio [~]		88.4	88.9	90.2	90.1	91.3	81.8 [^]
	Gross loan to fund and equity ratio [~]		79.0	79.2	80.0	80.0	81.0	71.1 ^{^#}
	Liquidity coverage ratio		135.6	133.5	138.0	127.3	113.7	148.4
Asset Quality	Gross impaired loans ratio		0.5	0.5	0.4	0.3	0.3	1.7
	Loan loss coverage ratio		126.0	124.1	227.7	360.7	388.8	108.5
	Credit cost ratio		0.05	0.05	0.33	0.34	0.10	0.21
Capital Adequacy	Common equity Tier I capital ratio ^π		13.1	13.5	14.0	14.5	14.1	14.0
	Tier I capital ratio ^π		13.7	13.5	14.0	14.6	14.2	14.6
	Total capital ratio ^π		16.3	16.8	17.1	17.7	17.2	17.7
Market Share	<u>Domestic market share</u>							
	Commercial property financing		35.1	35.0	35.0	34.2	33.8	N/A
	Residential property financing		19.6	19.9	20.0	20.4	20.5	N/A
	Passenger vehicle financing		28.4	29.4	29.8	30.1	30.5	N/A
	Domestic loans		17.2	17.3	17.7	17.5	17.5	N/A
	Domestic deposits		16.2	16.5	16.5	16.2	16.3	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

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