



PUBLIC BANK BERHAD

PROPOSED ACQUISITION & PROPOSED MGO

Extraordinary General Meeting

Presented By:
Independent Adviser



AmInvestment Bank

(Company No. 197501002220 (23742-V))
(A Participating Organization of Bursa Malaysia Securities Berhad)

28 November 2024

AmInvestment Bank's Recommendation

We, AmInvestment Bank as the Independent Adviser, have evaluated the Proposed Acquisition and Proposed MGO (“**Proposals**”).

Our basis and evaluation are detailed in our Independent Advice Letter included in Part B of the Circular dated 13 November 2024.

We are of the opinion that the Proposals are **fair and reasonable** and not detrimental to the interests of the Non-Interested Shareholders of Public Bank Berhad (“**PBB**”).

Accordingly, we recommend you **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposals tabled at this EGM.

Evaluation of the Purchase Consideration

Based on the purchase price of RM9.80 per Sale Share, we have ascribed a Purchase Price Value of RM3,904,150,979 for 100% equity in LPI, allocated as follows:-

FYE 31 December 2023	PAT (RM'000)	Net asset (RM'000)	Purchase Price Value allocation (RM'000)	Valuation methods
212,603,520 PBB Shares held by LPI (company level) @ 31 December 2023	29,764	912,069	912,069	Market value
General insurance business	283,962	1,371,445	2,992,082	Price-to-book ratio (PBR) Price-to-earnings ratio (PER)
Total	313,726	2,283,514	3,904,151	

Shareholdings in PBB

**Allocated Purchase Price
based on carrying value in LPI's
audited financial statements for
FYE 31 December 2023**

RM4.29 per PBB Share
(Total value = RM912 mil)



**Closing Market Price
@ 8 October 2024 (Cut-Off Date)**

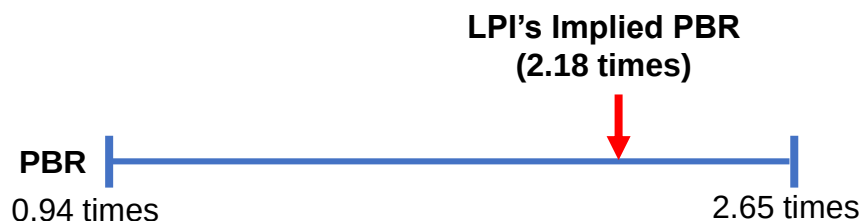
RM4.57 per PBB Share
(Total value = RM972 million)

The closing market price of PBB Share is higher than the allocated Purchase Price Value for PBB Share. We are of the view that the allocated Purchase Price Value for PBB Shares is fair and reasonable.

Evaluation of the Purchase Consideration (cont'd)

General Insurance Business

1 Comparable companies' traded PBR



2 Comparable companies' traded PER



The Implied PBR and PER for the General Insurance Business (computed based on the allocated Purchase Price Value) are within the range of PBR and PER of comparable companies. The allocated Purchase Price for the General Insurance Business is fair and reasonable.

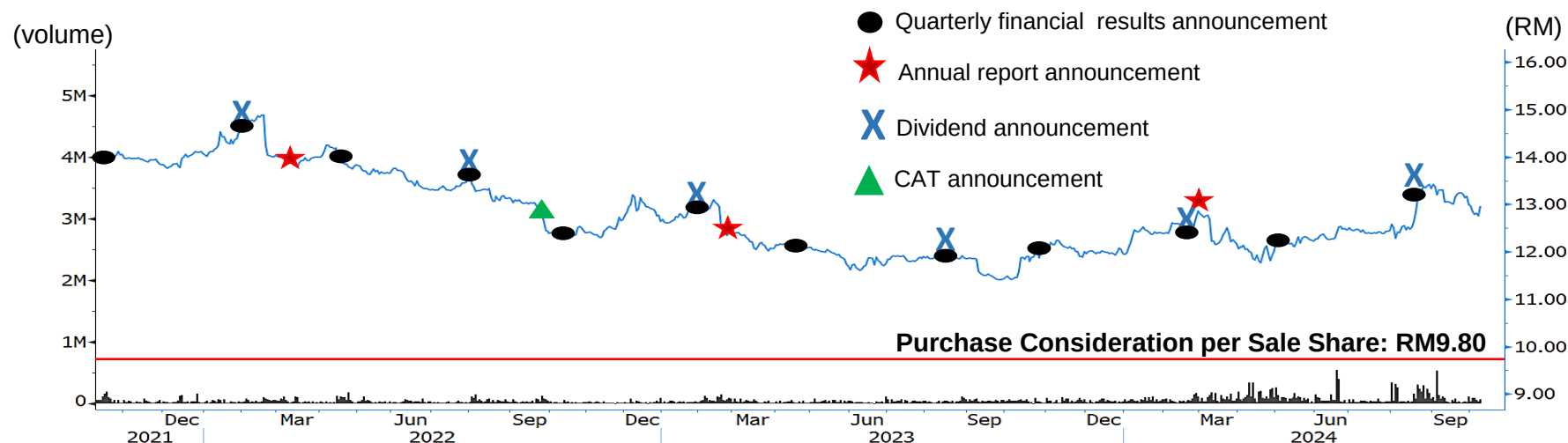
Comparable companies		Country listed	PBR (times)	PER (times)
1.	QBE Insurance Group Ltd	Australia	1.60	9.24
2.	Insurance Australia Group	Australia	2.65	19.64
3.	United Overseas Insurance	Singapore	0.97	13.70
4.	BKI Holdings Pcl	Thailand	0.94	11.37
5.	Dhipaya Group Holdings Pcl	Thailand	1.97	10.40
6.	Allianz Ayudhya Capital Pcl	Thailand	1.02	12.25
7.	Tower Ltd	New Zealand	1.55	14.93
Low			0.94	9.24
High			2.65	19.64
LPI (as traded on Bursa Securities, i.e. closing price @ Cut-Off Date (RM13.00))			2.27	16.51
LPI (based on Purchase Price Value i.e. RM9.80 per Sale Share)			1.71	12.44
LPI General Insurance business' Implied PBR / PER			2.18	10.54

Based on the abovementioned, we are of the view that the Purchase Consideration is fair and reasonable.

Evaluation of the Purchase Consideration (cont'd)

Historical Market Price Analysis (daily VWAP) of LPI

We note that LPI Shares had consistently traded above RM9.80 for the past 3 years up to and including 8 October 2024.



	Price	Discount (based on Purchase Consideration of RM9.80 per Sale Share)	
	RM	RM	%
Last transacted price @ 8 October 2024 (Cut-Off Date)	13.0000	3.2000	24.6
Up to and including the Cut-Off Date as follows:			
5-day VWAP of LPI Shares	12.8404	3.0404	23.7
1-month VWAP of LPI Shares	13.0249	3.2249	24.8
3-month VWAP of LPI Shares	12.9362	3.1362	24.2
6-month VWAP of LPI Shares	12.5404	2.7404	21.9
1-year VWAP of LPI Shares	12.4286	2.6286	21.1

(Source: Bloomberg)

Based on the abovementioned, we are of the view that the Purchase Consideration of RM9.80 per Sale Share is reasonable.

Other Considerations

Rationale *(Section 3, Part A of Circular)*

Our view: Rationale of the Proposals are reasonable taking into consideration the expansion opportunities and synergies between PBB Group and LPI Group. The Proposals are also in line with PBB's vision to have a "Universal Banking Model".

Outlook and Prospects of LPI Group *(Section 4, Part A of Circular)*

Our view: Prospects of LPI Group should be positive with the encouraging outlook of the general insurance industry in Malaysia and the proven performance track record of LPI Group.

Effects of the Proposals *(Section 6, Part A of Circular)*

Our view: No material impact to the financials of PBB Group. Effects of the Proposals are not detrimental to the interests of the Non-Interested Shareholders of PBB.

Salient Terms of the SPA *(Section 2.1.4, Part A of Circular)*

Our view: No unusual salient terms. Salient terms of the SPA are reasonable and not detrimental to the interests of the Non-Interested Shareholders of PBB.

Risk Factors *(Section 5, Part A of Circular)*

Our view: Risks identified are consistent with the usual risk factors related to acquisition i.e. non completion risk, integration risk, goodwill and impairment risk as well as competition risk.

Conclusion

AmInvestment Bank is of the opinion that the Proposals are **fair and reasonable** and not detrimental to the interests of the Non-Interested Shareholders.

We recommend you **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposals tabled at this EGM.

THANK YOU

