



PUBLIC BANK

**Investor Presentation
Nomura ASEAN Conference 2025
13 - 15 January 2025**



Quick Facts

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 people from all walks of life 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

The Public Bank Group continues to remain agile and responsive to customers' needs in the age of digitalisation through digital offerings such as the MyPB / PBe online banking, MyPB App / PB engage mobile banking and PB enterprise internet / mobile banking, as well as various cashless payment services, amongst others, which continue to ensure customers of 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.



Quick Facts

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 58 years of journey. The Public Bank Group was honoured with multiple best bank awards and excellence in corporate governance by national and international publications.

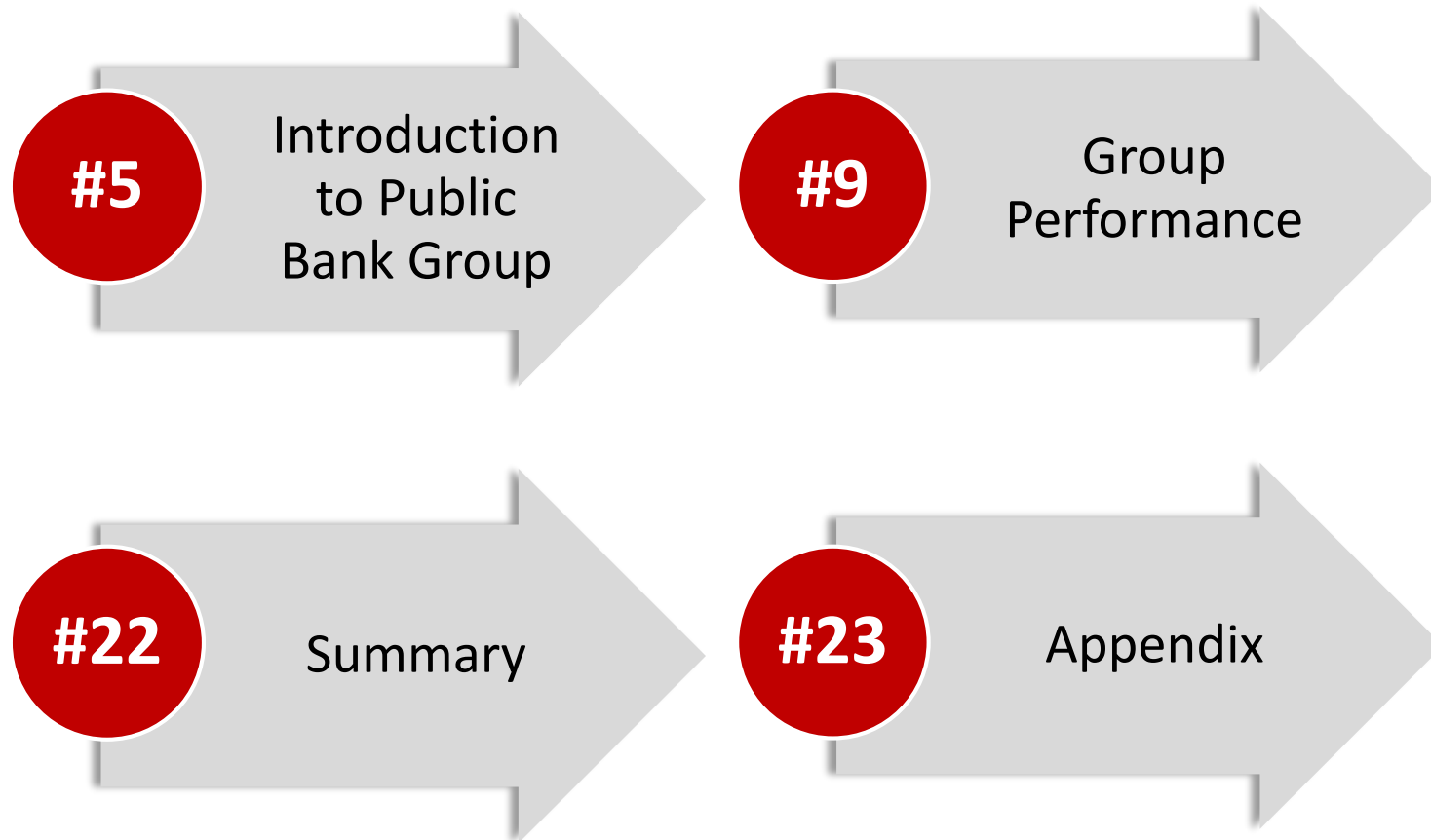
Mobilising Synergies Towards Sustainability

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.



Contents

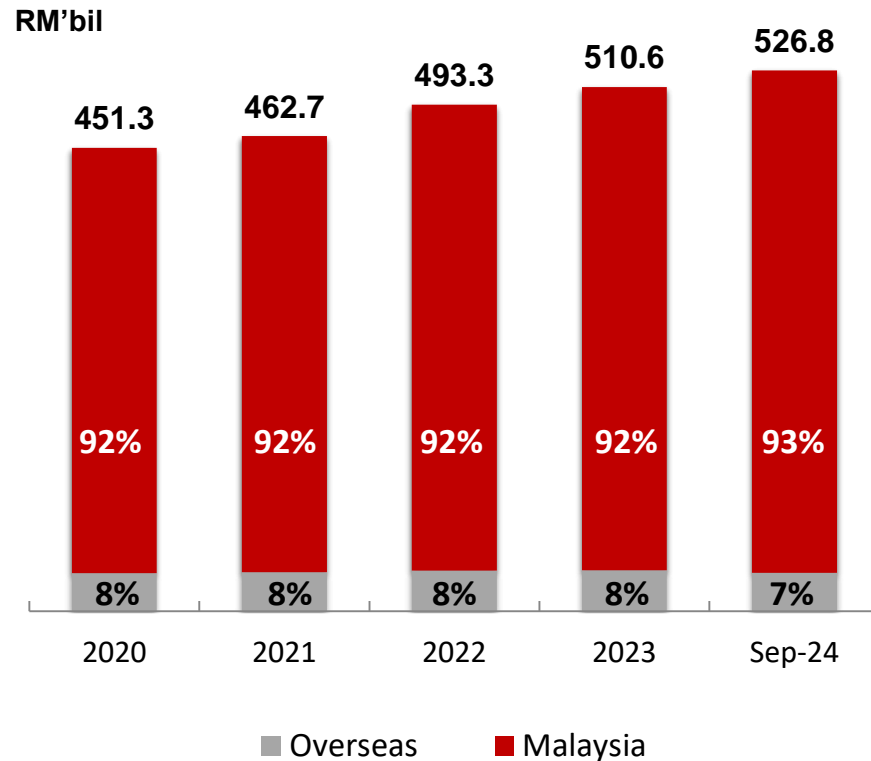




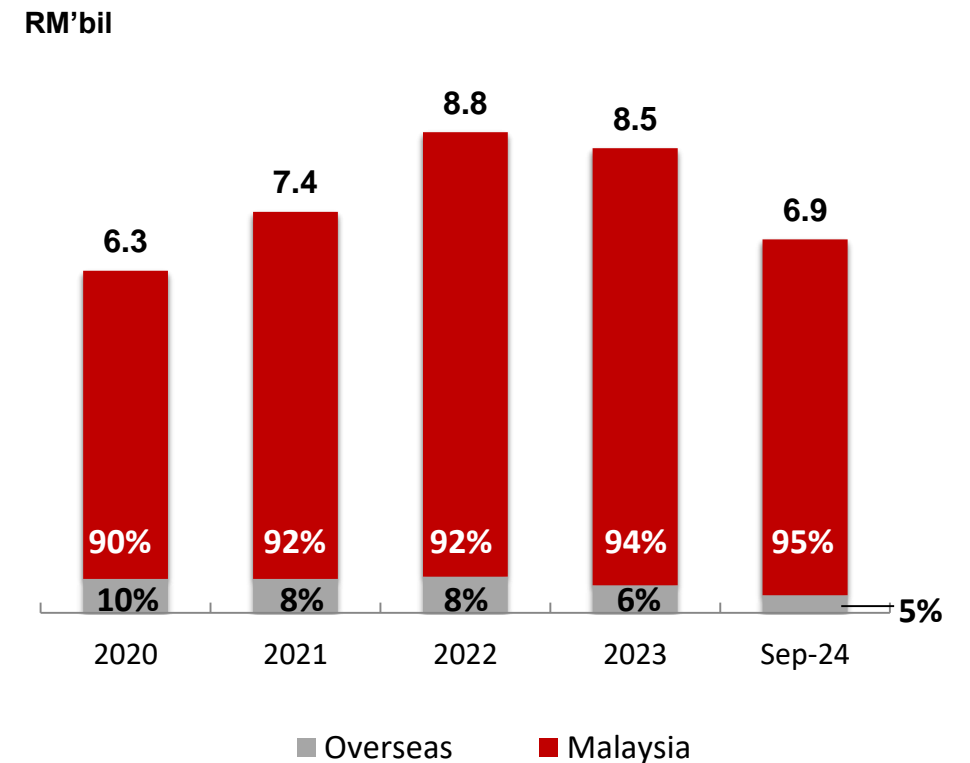
Introduction to Public Bank Group

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

Total Assets



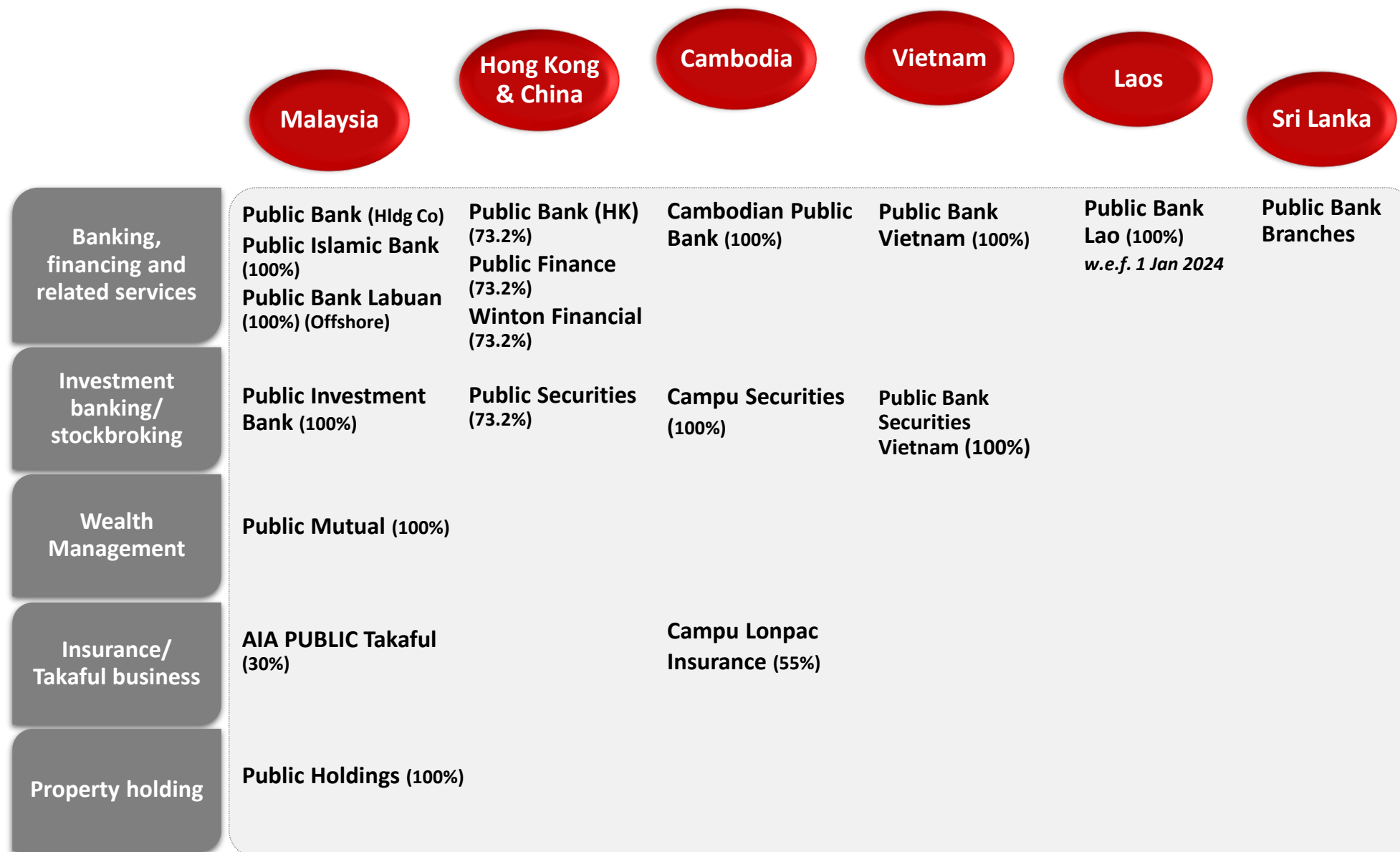
Pre-tax Profit





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

Overview of PBB Group





Business Delivery Channel

	2022	2023	Sep-24
<u>Malaysian Operations</u>			
Public Bank - Domestic	260	260	260
- Overseas	7	7	3*
Public Islamic Bank	4	4	4
Public Mutual	28	28	28
Public Investment Bank	1	1	1
<u>Hong Kong & China Operations</u>			
Public Finance	42	40	40
Public Bank (HK) - Hong Kong	32	30	30
- China	5	5	5
Winton (B.V.I) Group	3	3	3
<u>Indo-China Operations</u>			
Cambodia Public Bank	31	32	32
Public Bank Vietnam	32	40	40
Public Bank Lao	-	-	4*
	445	450	450



>19,000
Staff

>2,000
Self Service Terminals



MyPB / PBe Internet Banking

MyPB App / PB engage Mobile Banking

PB enterprise Internet / Mobile Banking

* Public Bank Lao officially commenced business operations on 1 January 2024 as a full fledged banking subsidiary, with the opening of 4 domestic branches converted from Public Bank Berhad's 4 overseas branches



Strategic Direction

Corporate Mission	To sustain the position of being the most efficient, profitable and respected premier financial institution in Malaysia
Strategic Focus	To pursue synergistic growth in the retail banking business , focusing on domestic consumer banking and SME lending

Key Value Driver

<u>Business Pillars</u>			
➤ Lending Business	➤ Non-interest Income	➤ Treasury Operations	➤ Investment Banking
➤ Deposit-Taking Business	➤ Corporate Banking	➤ Islamic Banking Business*	➤ Overseas Operations

Strategic Direction

<u>Delivering sustainable returns to shareholders</u>	<u>Enhancing customer experience</u>	<u>Increased focus on sustainability</u>
<p>Increase profitability by focusing on areas of strength</p> <ul style="list-style-type: none"> ▪ Focus on synergistic growth ▪ Preserve asset quality ▪ Maintain cost discipline ▪ Uphold strong corporate governance <p>Enhance capital strength and risk management</p> <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 ▪ Sustain healthy liquidity position 	<p>Solidify customer loyalty and trust</p> <ul style="list-style-type: none"> ▪ Uphold service quality ▪ Ethical banking ▪ Enhance data security <p>Digital transformation</p> <ul style="list-style-type: none"> ▪ Embrace digital transformation to meet customers' evolving needs <p><u>Developing employees</u></p> <p>Build capabilities for the future</p> <ul style="list-style-type: none"> ▪ Nurture talents ▪ Employee health and safety, and well-being ▪ Diversity and inclusion 	<p>Transition to a sustainable future</p> <ul style="list-style-type: none"> ▪ Support the transition to a climate resilient future <p>Financial inclusion and accessibility</p> <ul style="list-style-type: none"> ▪ Expand financial inclusion and support the community's financial needs <p>Community contribution</p> <ul style="list-style-type: none"> ▪ Contribute to nation building ▪ Nurture future generations ▪ Strengthen communities through volunteerism and charitable donations

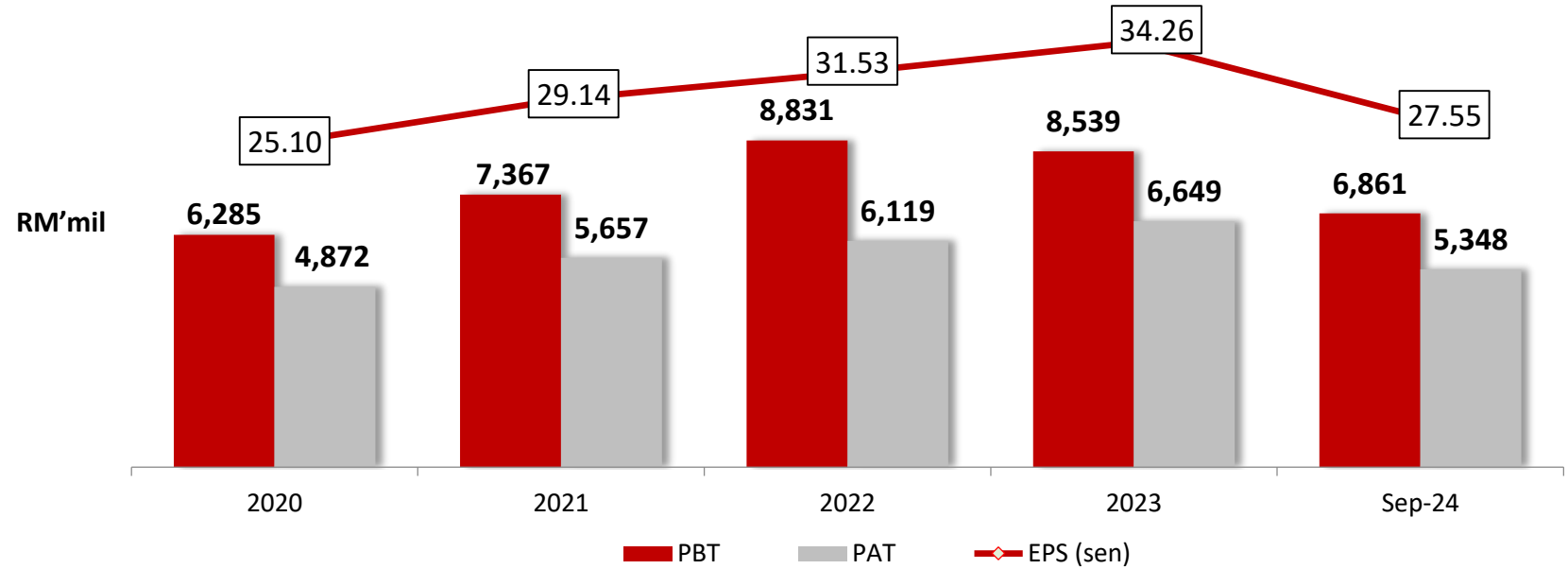


Improve IT Application	Enhance Human Capital Development	Uphold Service Quality	Strengthen Compliance	Prudent Risk Management
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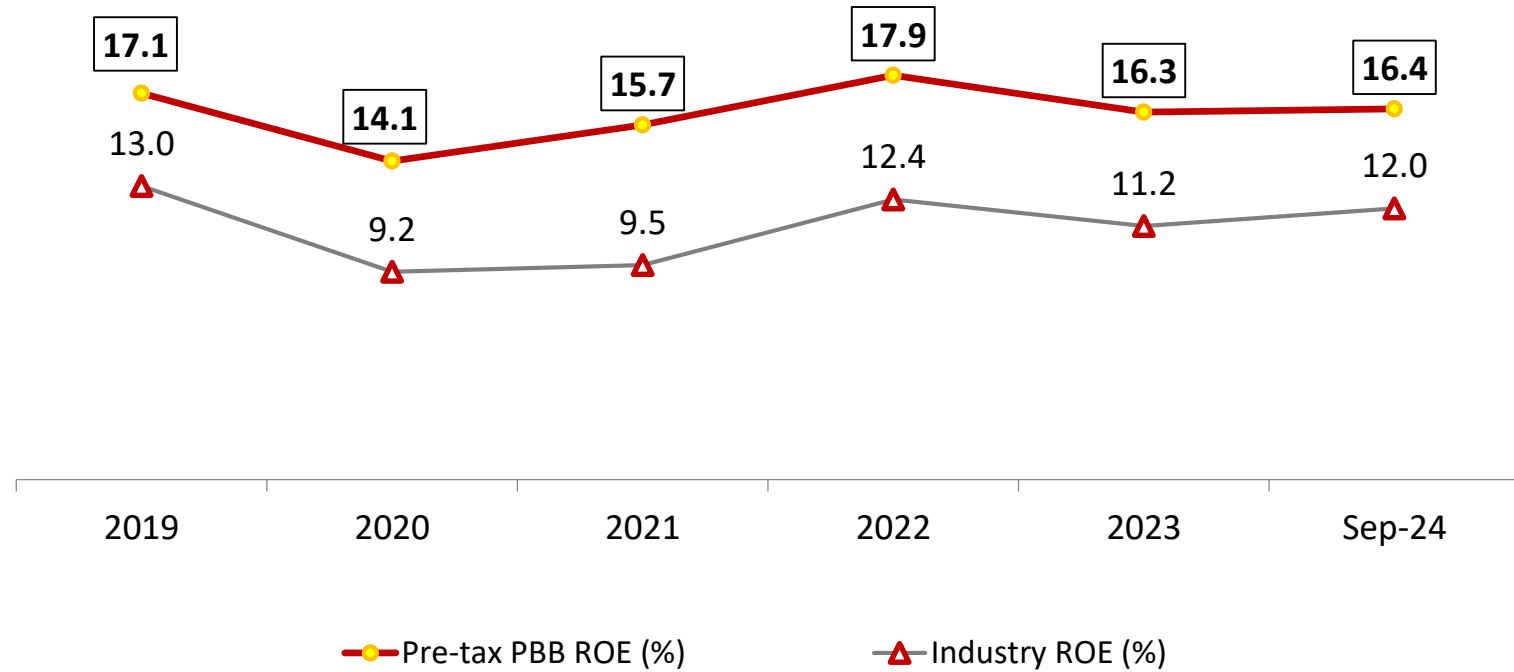
Resilient Profitability

	RM'mil						y-o-y growth (%)				
	2019	2020	2021	2022	2023	9M Q3 2024	2020	2021	2022	2023	9M Q3 2024
Pre-tax profit	7,134	6,285	7,367	8,831	8,539	6,861	-11.9	17.2	19.9	-3.3	6.0
Net profit	5,512	4,872	5,657	6,119	6,649	5,348	-11.6	16.1	8.2	8.7	6.2





Above- industry Return on Equity (ROE)





9M Q3 2024 Key Highlights

Income Statement

	9M Q3 2024	9M Q3 2023	Change
Profit before tax	RM6,861 mil	RM6,471 mil	6.0%
Net profit attributable to shareholders	RM5,348 mil	RM5,034 mil	6.2%
Earnings per share	27.55 sen	25.93 sen	6.2%

Balance Sheet

	September 2024	December 2023	Change
Total asset	RM526.8 bil	RM510.6 bil	4.2%*
Loan:			
- Group	RM414.5 bil	RM399.0 bil	5.2%*
- Domestic	RM390.1 bil	RM372.7 bil	6.2%*
Deposit:			
- Group	RM425.1 bil	RM412.9 bil	3.9%*
- Domestic	RM398.5 bil	RM384.9 bil	4.7%*

*Annualised growth

Financial Indicators (%)









	September 2024	December 2023
Net return on equity	13.2	13.0
Cost to income ratio	34.9	33.7
Gross impaired loans ratio	0.62	0.59
Gross loan to fund ratio	93.9	92.9
Gross loan to fund and equity ratio	83.0	82.0
Loan loss coverage	153.6	181.8
Common equity Tier I capital ratio ^π	14.3	14.7
Tier I capital ratio ^π	14.3	14.7
Total capital ratio ^π	17.2	17.6

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



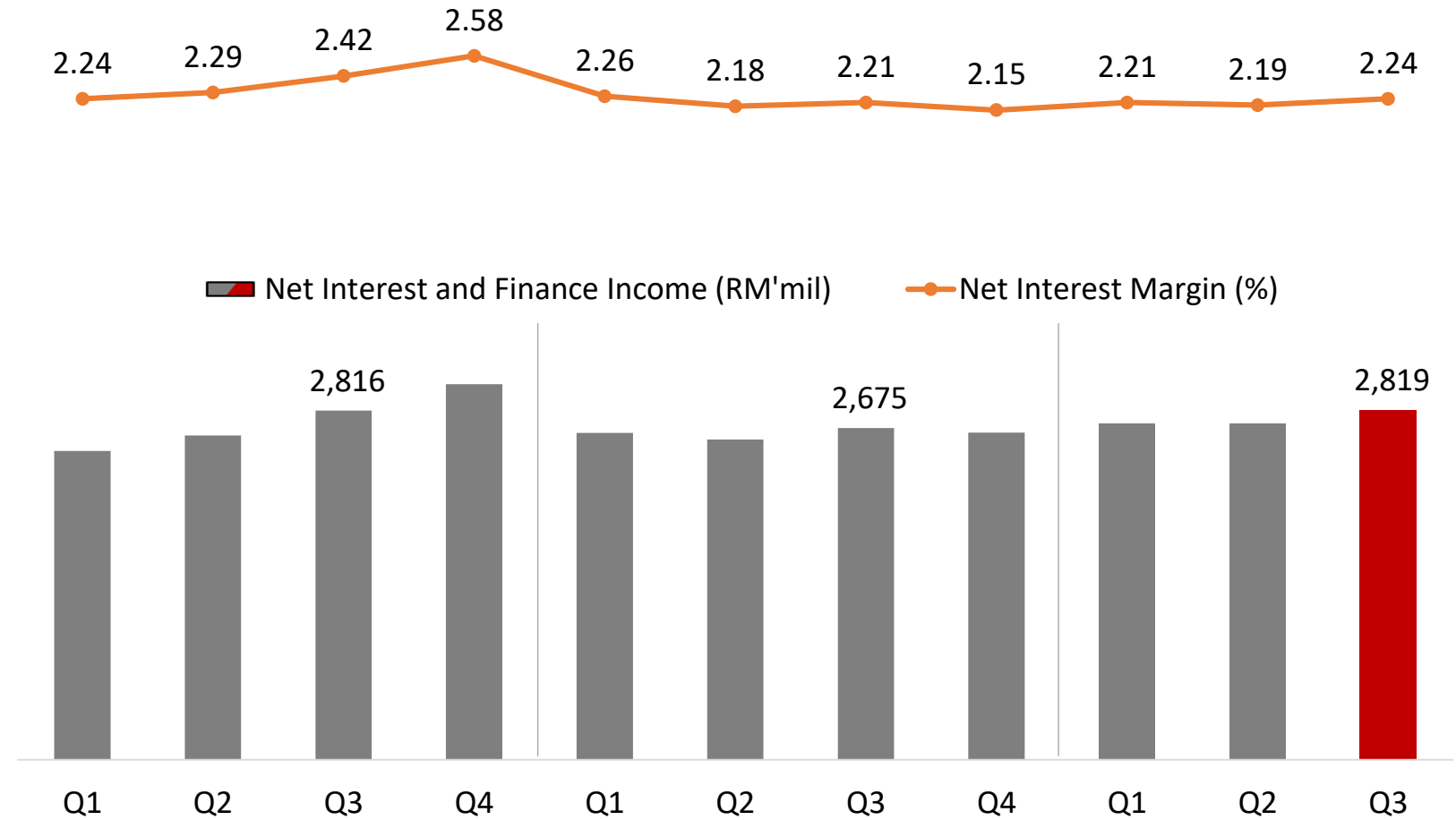
Segmental Profit

Profit before tax by Operating Segments

(RM'mil)	Composition	9M Q3 2023	9M Q3 2024	y-o-y	Q2 2024	Q3 2024	q-o-q
Retail operations	 51%	2,993.8	3,461.4	15.6%	1,224.2	1,172.9	-4.2%
Hire purchase	 8%	593.8	570.4	-3.9%	186.1	192.8	3.6%
Fund management	 9%	592.8	640.5	8.0%	213.7	212.2	-0.7%
Corporate lending	 8%	441.6	554.1	25.5%	155.3	217.1	39.8%
Treasury operations	 3%	101.1	232.1	>100.0%	129.2	108.7	-15.9%
Investment banking	 1%	28.9	75.7	>100.0%	25.2	32.2	27.8%
Others	 15%	1,232.2	1,001.5	-18.7%	289.5	378.3	30.6%
Overseas operations	 5%	487.0	325.0	-33.3%	56.8	134.7	>100.0%
Profit before tax	100%	6,471.2	6,860.7	6.0%	2,280.0	2,448.9	7.4%









Net Interest Income & Margin



	2022	2023	9M Q3 2024
Year Average NIM	2.39%	2.20%	2.21%







Non-Interest Income

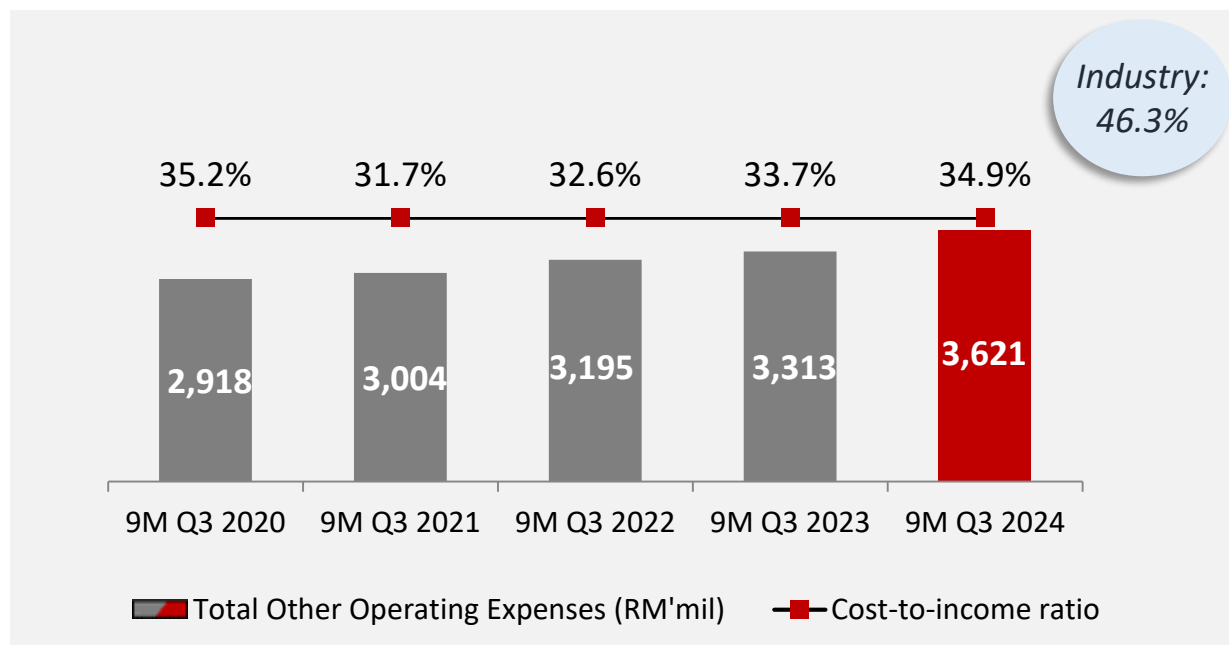
(RM'mil)	Composition	9M Q3 2023	9M Q3 2024	y-o-y	Q2 2024	Q3 2024	q-o-q
Net fee and commission		1,462.4	1,648.3	12.7%	541.2	572.6	5.8%
Of which: - Unit trust income		810.5	920.9	13.6%	306.2	303.9	-0.7%
- Fee & commission income		552.3	566.3	2.5%	173.7	210.6	21.2%
- Stockbroking income		99.6	161.1	61.6%	61.3	58.1	-5.2%
Net gains and losses on financial instruments		36.8	73.8	>100%	43.1	15.6	-63.9%
Other operating income		374.6	336.2	-10.3%	90.4	145.7	61.2%
Of which: - Foreign exchange income		281.0	261.7	-6.9%	74.2	115.2	55.2%
- Others		93.6	74.5	-20.4%	16.2	30.5	89.0%
Non-interest income	100%	1,873.8	2,058.3	9.8%	674.7	733.9	8.8%
Total non-interest income/Total income*		19.7%	20.5%		20.4%	21.2%	

* Total non-interest income includes non-financing income from Islamic banking business



Other Operating Expenses

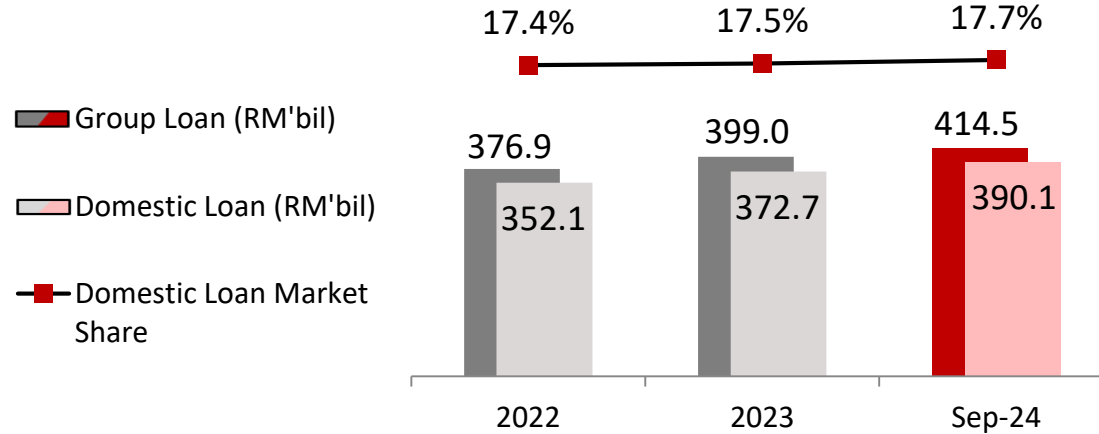
(RM'mil)	Composition	9M Q3 2023	9M Q3 2024	y-o-y	Q2 2024	Q3 2024	q-o-q
Personnel costs	 73%	2,392.9	2,658.8	11.1%	871.6	901.4	3.4%
Establishment costs	 18%	614.7	650.6	5.9%	227.3	214.1	-5.8%
Marketing expenses	 3%	86.4	90.8	5.1%	29.1	32.8	12.5%
Administration and general expenses	 6%	219.2	221.3	1.0%	71.4	75.7	6.1%
Total other operating expenses	100%	3,313.2	3,621.5	9.3%	1,199.4	1,224.0	2.1%





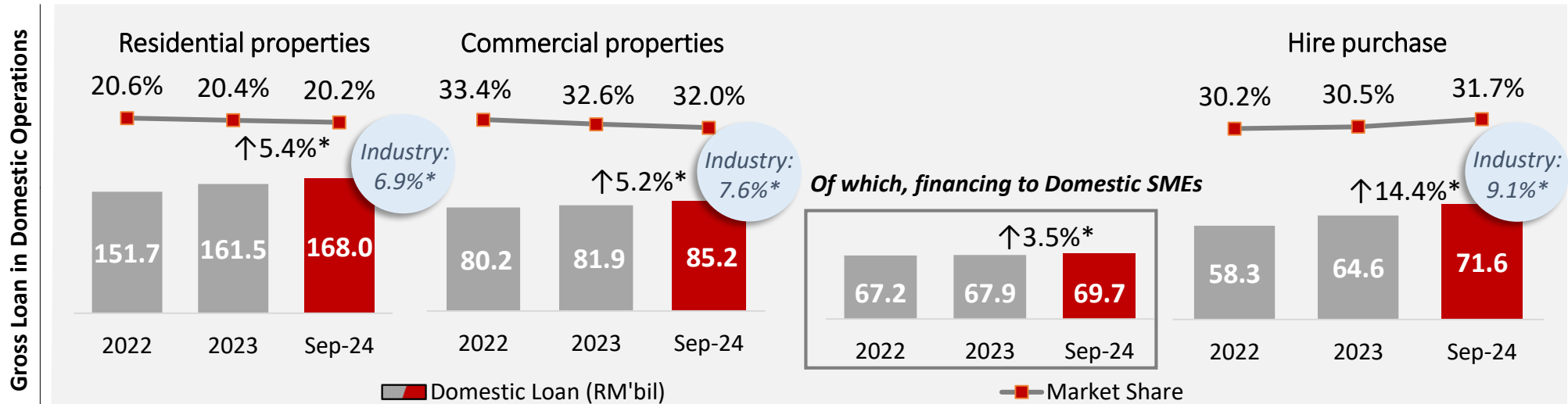
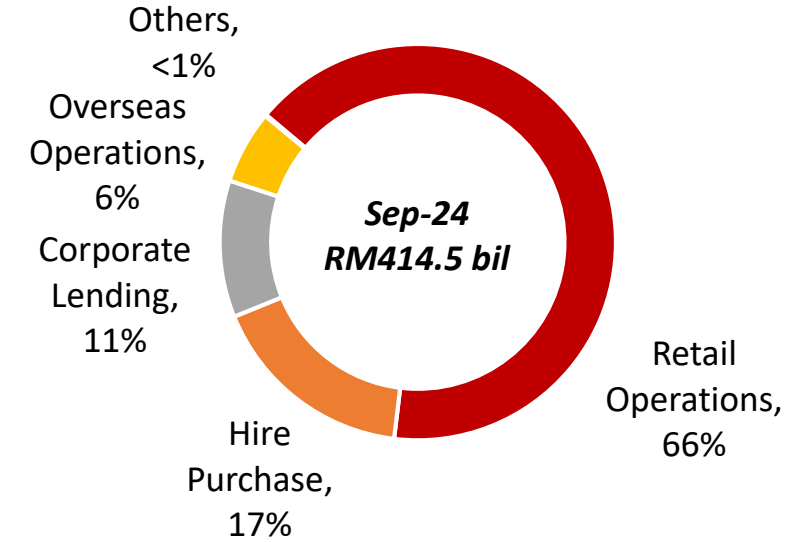
Loan Growth

Loans – Outstanding Balance and Market Share



Group Loan Growth	5.3%	5.9%	5.2%*
Domestic Loan Growth	5.2%	5.9%	6.2%*
Domestic Industry Average	5.7%	5.3%	4.5%*

Loans – By Segment

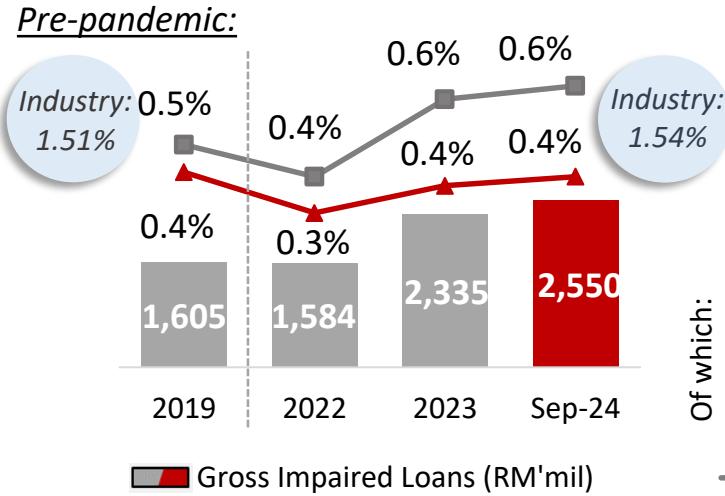


* Annualised growth



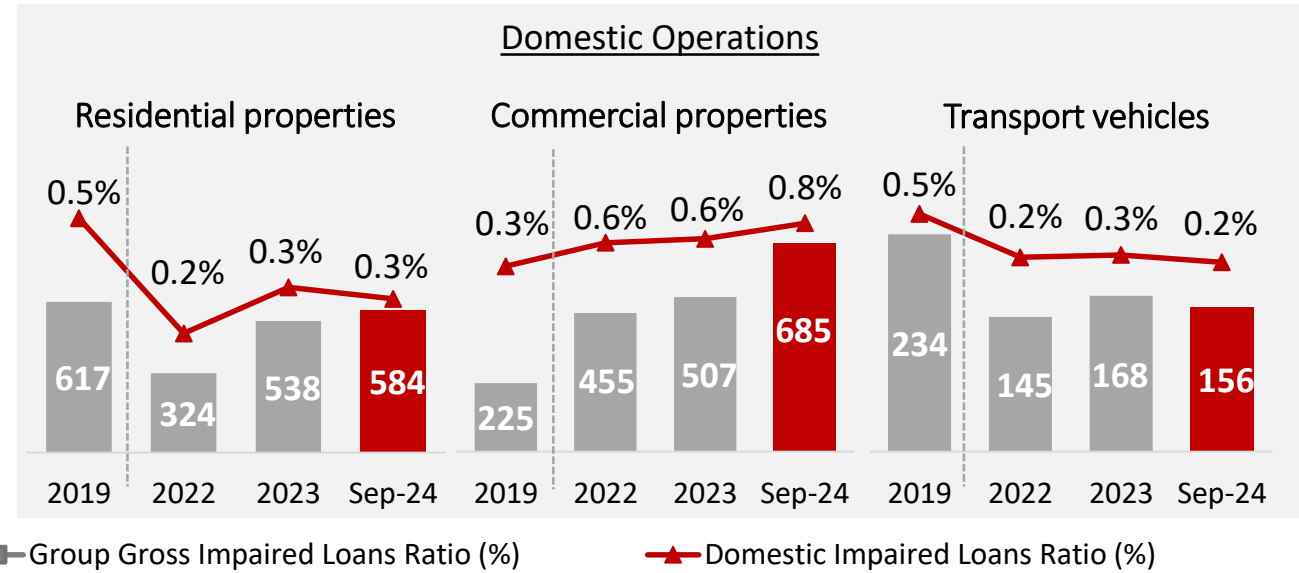
Asset Quality

Group Gross Impaired Loans



■ Gross Impaired Loans (RM'mil)

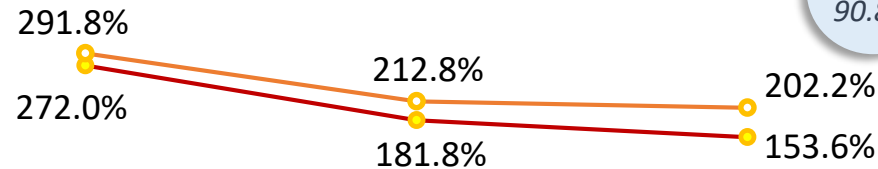
Of which:



■ Group Gross Impaired Loans Ratio (%)

▲ Domestic Impaired Loans Ratio (%)

Loan loss coverage (include regulatory reserve)

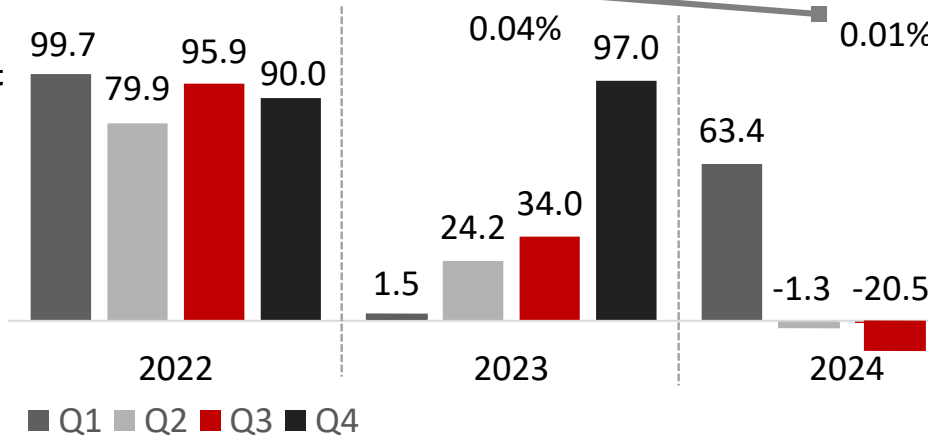


Loan loss coverage

Credit cost ratio



Loan impairment allowances (RM'mil)



Ageing analysis of total domestic loans

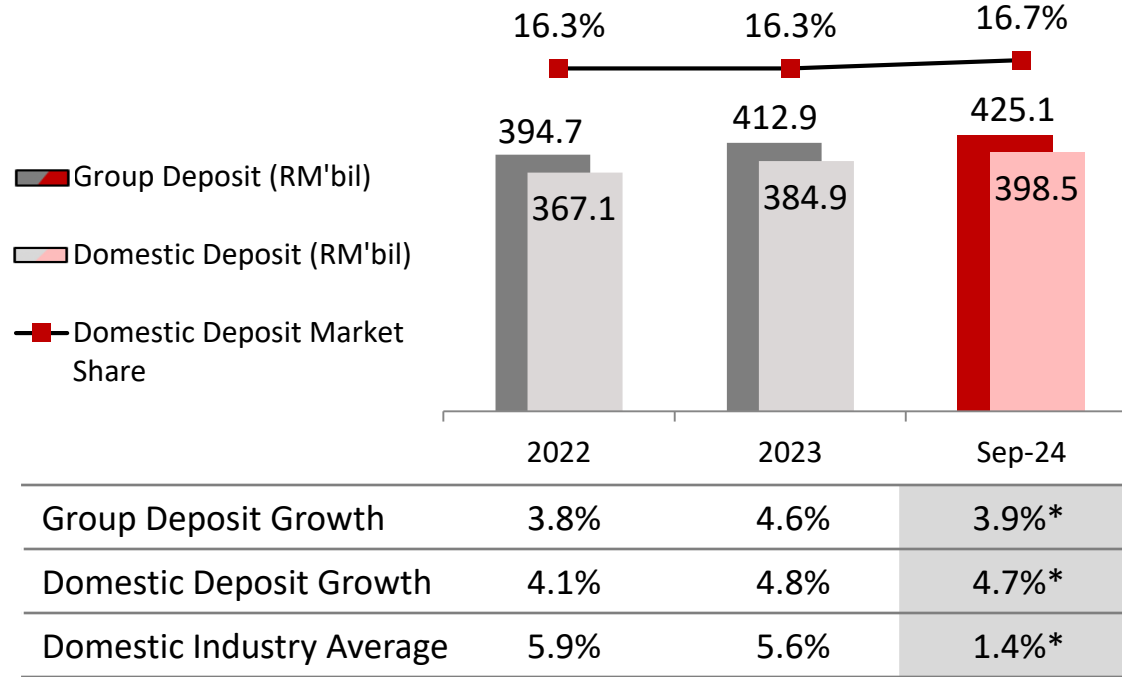
% Ageing Profile of Past Due Loan / Financing

	Pre-pandemic		At present	
	2018	2019	2023	Sep-24
1 mth to <2 mths	2.6%	2.2%	1.5%	1.0%
2 mths to <3 mths	1.0%	1.0%	0.3%	0.2%
>3 mths	0.4%	0.4%	0.4%	0.4%
Total >1 mth	4.0%	3.6%	2.2%	1.6%

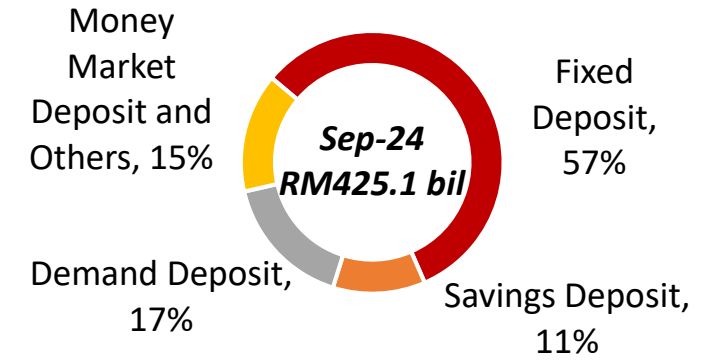


Deposit Growth

Deposit – Outstanding Balance and Market Share

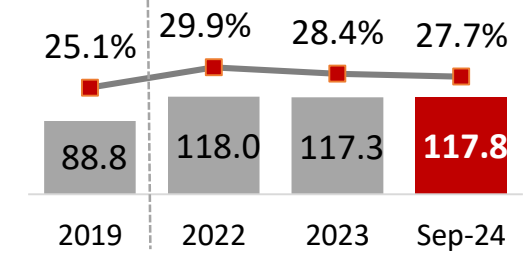


Deposit – By Type

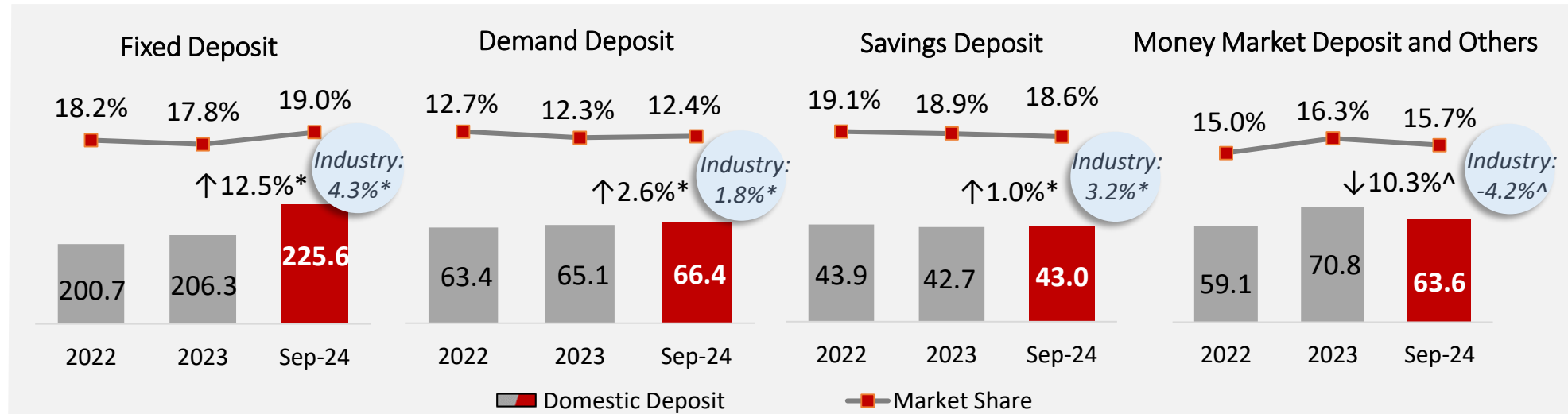


Group CASA ratio

Pre-pandemic:



Total Deposit in Domestic Operations



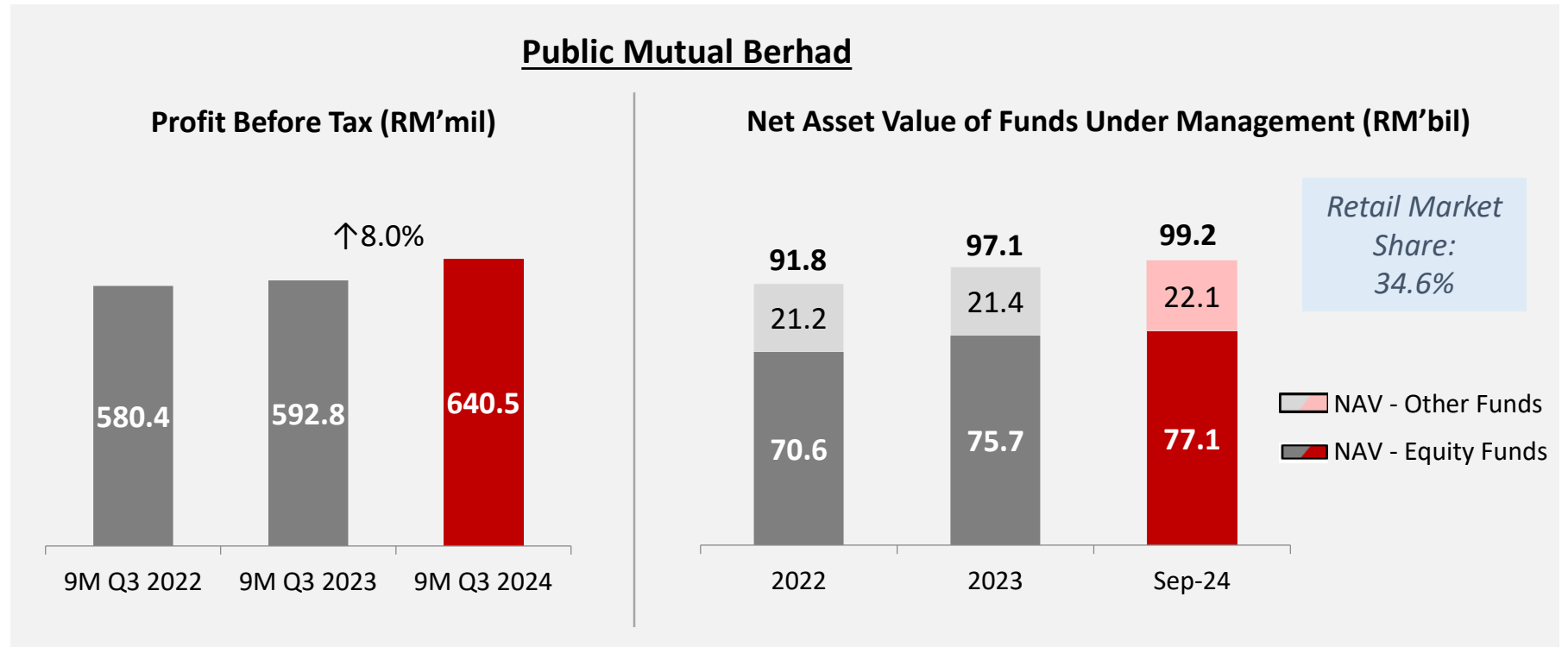
* Annualised growth

^ Negative growth as at September 2024

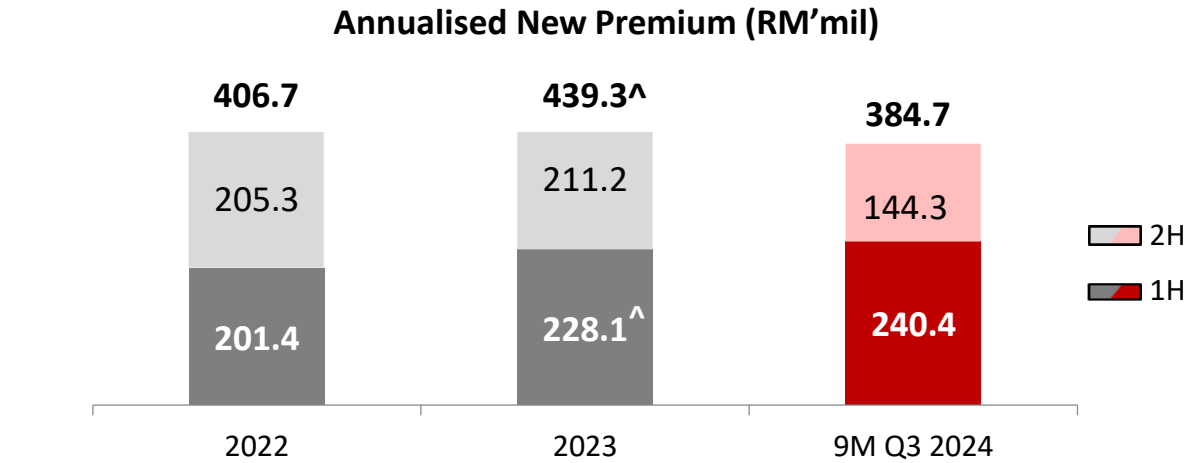


Wealth Management

Of which: Unit Trust Business



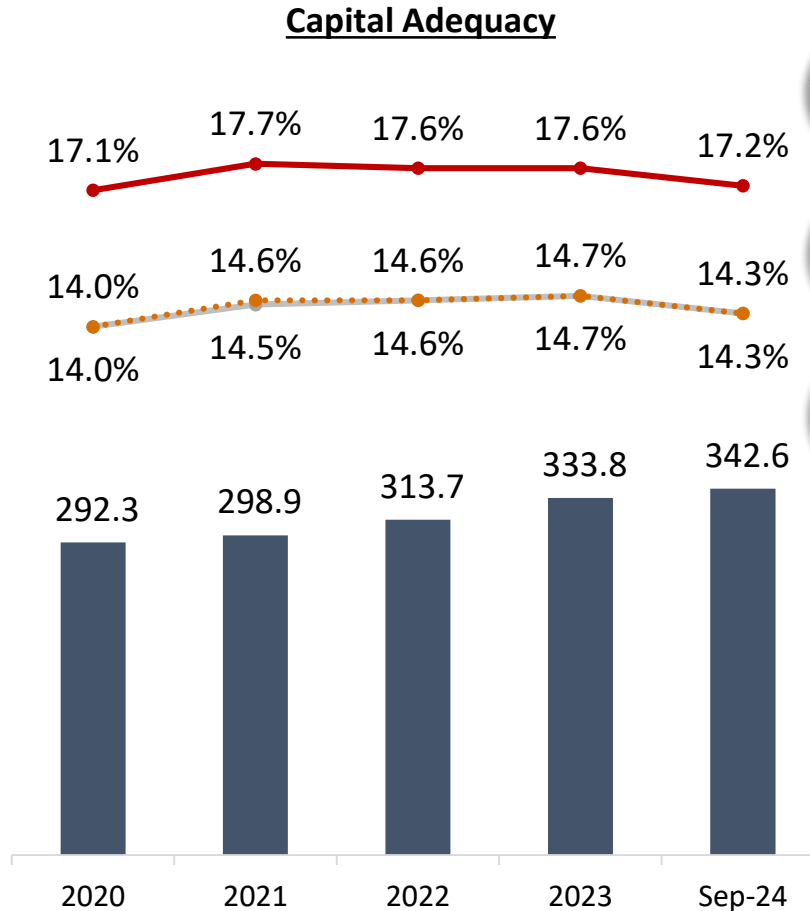
Of which: Bancassurance Business



[^] Restated



Capital & Liquidity Position



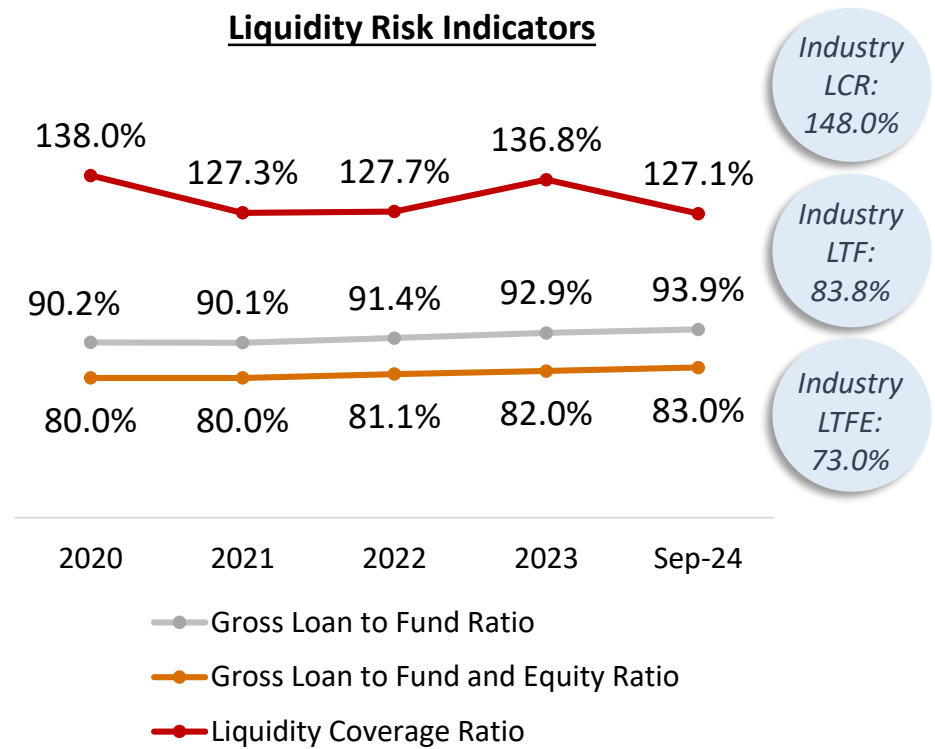
Industry Total capital: 18.2%

Industry Tier I: 15.0%

Industry CET I: 14.5%

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

Basel III Requirement*



Industry LCR: 148.0%

Industry LTF: 83.8%

Industry LTFE: 73.0%

* 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



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

Key Performance Benchmarks		
	2024 Targets	September 2024 Achievement
Net Return on Equity	~13.0%	13.2%
Cost to Income Ratio	~35%	34.9%
Gross Impaired Loan Ratio	<1%	0.62%
Loan Growth – Group	5% - 6%	5.2%*
– Domestic		6.2%*
Deposit Growth – Group	5% - 6%	3.9%*
– Domestic		4.7%*

* Annualised growth

Targets & Achievements



Summary

- 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	2020	2021	2022	2023	Sep-24
Profitability	Operating profit		7,403	8,579	9,203	8,678	6,746
	Profit before tax		6,285	7,367	8,831	8,539	6,861
	Net profit		4,872	5,657	6,119	6,649	5,348
Shareholder Value	Earnings per share (sen)		25.10	29.14	31.53	34.26	27.55
	Net assets per share (RM)		2.43	2.48	2.59	2.82	2.86
	Dividend per share (sen)		13.0	15.2	17.0	19.0	N/A
	Dividend payout ratio (%)		51.8	52.2	53.9	55.5	N/A
Key Balance Sheet Data	Total assets		451,257	462,739	493,263	510,598	526,814
	Gross loan		345,651	358,027	376,892	398,997	414,482
	Domestic loan		323,728	334,646	352,065	372,697	390,110
	Deposit from customers		365,871	380,394	394,719	412,897	425,095
	Domestic deposit		337,458	352,615	367,144	384,918	398,523
	Core customer deposit		310,144	325,770	335,570	342,033	361,511
	Shareholders' equity		47,248	48,163	50,179	54,674	55,481
	Common equity Tier I capital ^π		40,778	43,428	45,648	48,911	49,101
	Tier I capital ^π		40,935	43,587	45,806	48,971	49,158
	Total capital ^π		50,119	52,878	55,256	58,624	58,915
Risk-weighted assets		292,284	298,890	313,678	333,774	342,624	

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



Appendix

		%	2020	2021	2022	2023	Sep-24	Industry ^b
Profitability Ratios	Net interest margin on yielding assets		1.95	2.22	2.39	2.20	2.21	N/A
	Net return on equity ⁺		11.2	12.4	12.8	13.0	13.2	N/A
	Pre-tax return on average assets		1.4	1.6	1.8	1.7	1.8	1.4
	Cost to income ratio		34.6	31.6	31.5	33.7	34.9	46.3
	Non interest income/Total income		24.9	20.9	18.0	18.9	19.9	35.6
Liquidity	Gross loan to fund ratio [~]		90.2	90.1	91.4	92.9	93.9	83.8 [^]
	Gross loan to fund and equity ratio [~]		80.0	80.0	81.1	82.0	83.0	73.0 [#]
	Liquidity coverage ratio		138.0	127.3	127.7	136.8	127.1	148.0
Asset Quality	Gross impaired loans ratio		0.36	0.31	0.42	0.59	0.62	1.54
	Loan loss coverage ratio		227.7	360.7	272.0	181.8	153.6	90.8
	Credit cost ratio		0.33	0.34	0.10	0.04	0.01	0.13
Capital Adequacy	Common equity Tier I capital ratio ^π		14.0	14.5	14.6	14.7	14.3	14.5
	Tier I capital ratio ^π		14.0	14.6	14.6	14.7	14.3	15.0
	Total capital ratio ^π		17.1	17.7	17.6	17.6	17.2	18.2
Market Share	<u>Domestic market share</u>							
	Commercial property financing		35.0	34.2	33.4	32.6	32.0	N/A
	Residential property financing		20.0	20.5	20.6	20.4	20.2	N/A
	Passenger vehicle financing		29.8	29.9	30.2	30.5	31.7	N/A
	Domestic loans		17.7	17.4	17.4	17.5	17.7	N/A
	Domestic deposits		16.5	16.2	16.3	16.3	16.7	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 dividends declared subsequent to end of period/year

^b Based on latest available industry statistics



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