



PUBLIC BANK

Investor Presentation

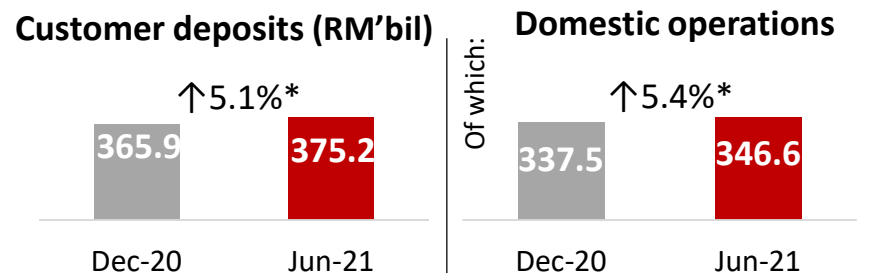
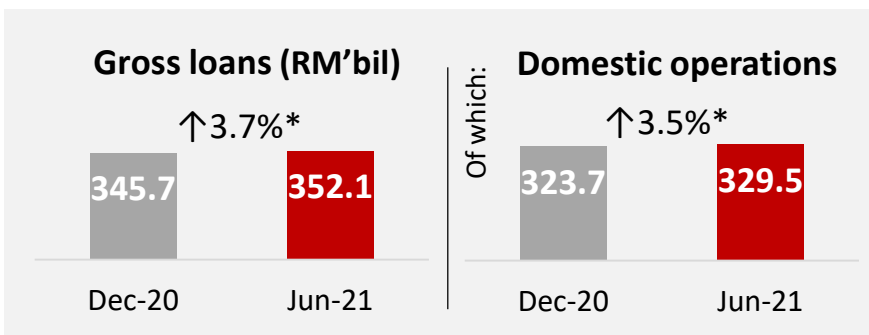
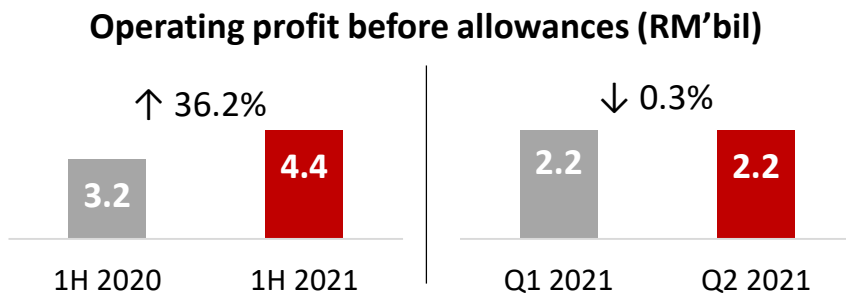
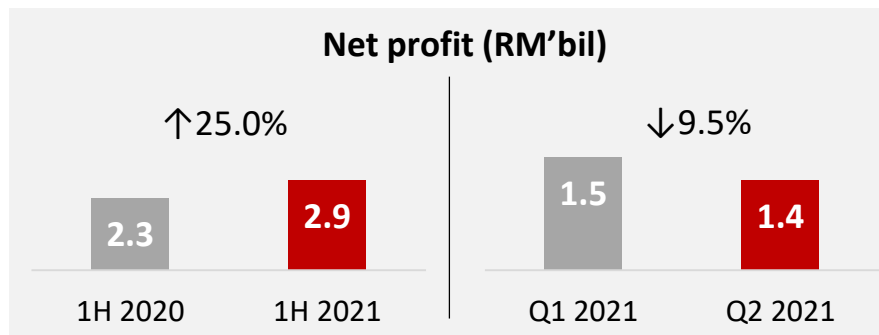
UBS APAC Financials & Fintech Virtual Conference

September 2021



1H 2021 Financial Highlights

Resilient performance supported by core business of lending and deposit taking and continued balance sheet strength



* Annualised growth

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

- 1H 2021 profitability improved due to the continued expansion in loans and deposit business as well as non-interest income. The low base effect from a year ago also contributed to the profit performance
- Q2 2021 net profit declined by 9.5% q-o-q due to higher pre-emptive provisions set aside for loan impairment
- Strong provisioning build up, prudent loan loss coverage ratio of 275.1%
- Improved profitability translated to higher net ROE of 12.9% and efficient CIR of 31.6%
- Balance sheet remained sound; supported by stable capital and liquidity position
- Credit cost remained elevated at 34bps

Net ROE 12.9% Dec-20: 11.2%	Cost-to-income ratio 31.6% Dec-20: 34.6%	Gross impaired loans ratio 0.4% Dec-20: 0.4%	NIM 2.27% Dec-20: 1.95%
Credit cost ratio 0.34% Dec-20: 0.33%	Loan loss coverage ratio 275.1% Dec-20: 227.7%	Liquidity coverage ratio 137.0% Dec-20: 138.0%	Total capital ratio^π 17.5% Dec-20: 17.1%

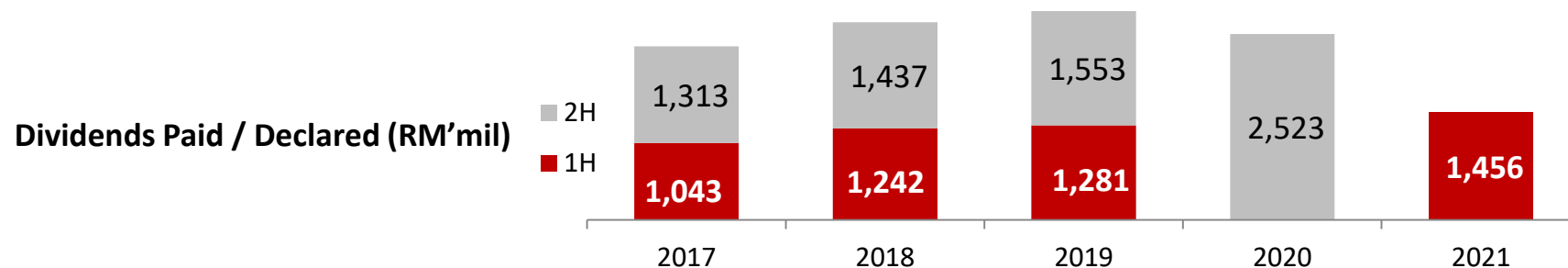


Dividend Payout

Consistent dividend payout reflecting the appreciation of shareholders' continued support

Dividend Payout

Gross dividend per share -----	12.2 sen	13.8 sen	14.6 sen	13.0 sen	7.5 sen
Dividend payout ratio -----	43.1%	47.9%	51.4%	51.8%	50.0%



	1H 2017	1H 2018	1H 2019	1H 2020	1H 2021
Gross dividend per share	5.4 sen	6.4 sen	6.6 sen	-	7.5 sen
Dividend payout ratio	40.4%	44.3%	46.7%	-	50.0%

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

Profitability improvement from solid top-line growth and low base effect

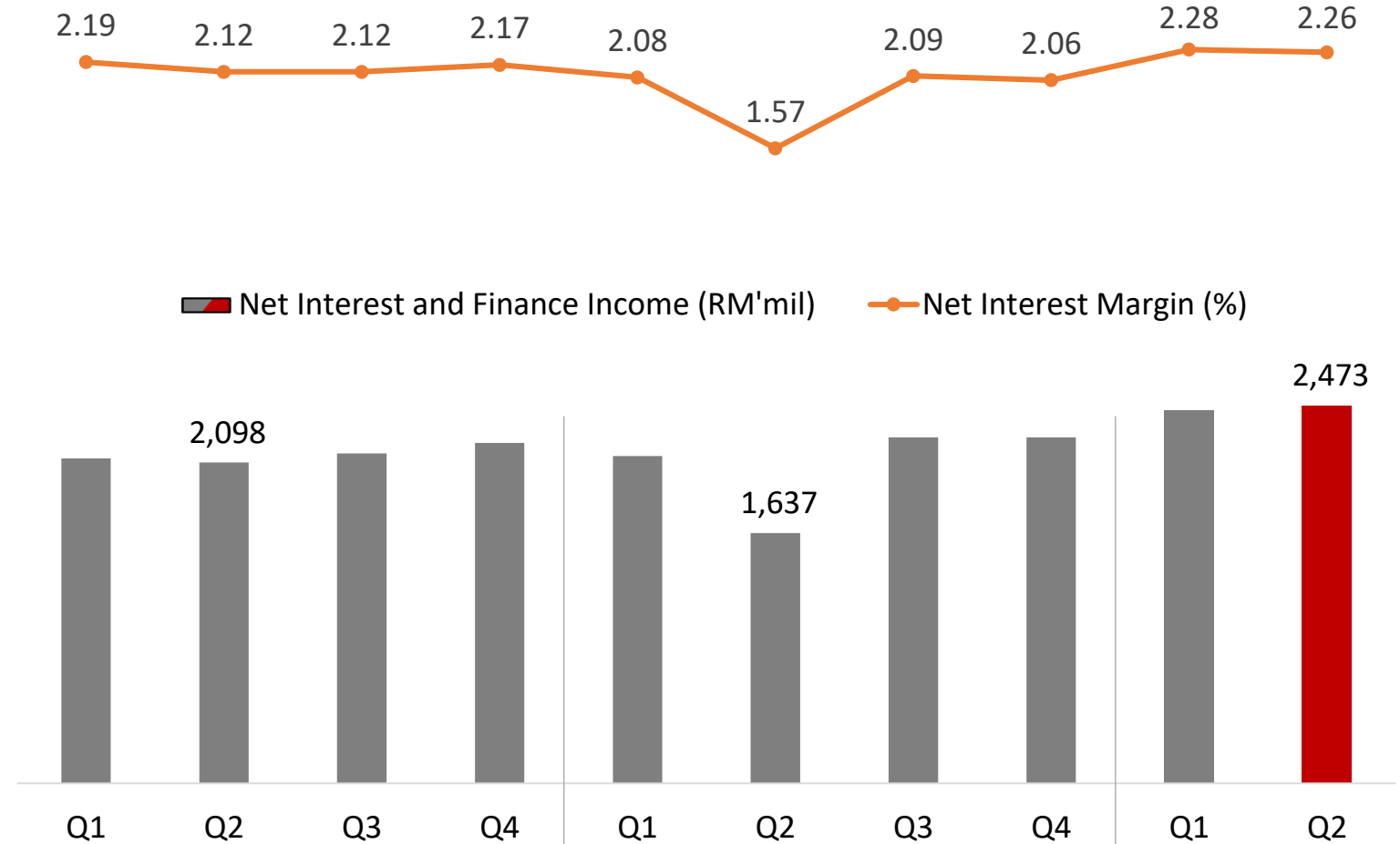
Income Statement						
(RM'mil)	1H 2020	1H 2021	y-o-y	Q1 2021	Q2 2021	q-o-q
Net interest income	3,335.0	4,180.0	25.3%	2,073.5	2,106.5	1.6%
Net income from Islamic banking business	541.4	837.9	54.7%	432.8	405.0	-6.4%
Non-interest income	1,319.2	1,403.2	6.4%	720.7	682.5	-5.3%
Net income	5,195.6	6,421.1	23.6%	3,227.0	3,194.0	-1.0%
Other operating expenses	(1,969.6)	(2,028.4)	3.0%	(1,027.7)	(1,000.7)	-2.6%
Operating profit	3,226.0	4,392.7	36.2%	2,199.3	2,193.3	-0.3%
Loan loss allowance	(215.1)	(594.5)	>100%	(198.5)	(396.0)	99.5%
Other allowances	(4.8)	(0.2)	-95.4%	(1.5)	1.3	->100%
Share of profit / (loss) after tax of equity accounted associated companies	1.4	(3.6)	->100%	(0.4)	(3.2)	>100%
Profit before tax	3,007.5	3,794.3	26.2%	1,998.9	1,795.4	-10.2%
Net profit attrib. to shareholders	2,330.9	2,914.3	25.0%	1,530.0	1,384.4	-9.5%
Earnings per share (sen)^x	12.01	15.01	25.0%	7.88	7.13	-9.5%

^x For comparative purpose, the earnings 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



Net Interest Income & Margin

NIM rebounded to 2.27% due to lower funding cost and also low base effect due to the OPR reduction and modification loss in 2020









	2019	2020	1H 2021
Year Average NIM	2.15%	1.95%	2.27%



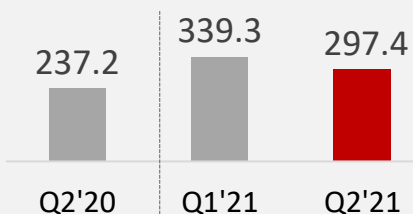
Non-Interest Income

Strong growth achieved in unit trust business, fee and commission income and stockbroking income

(RM'mil)	Composition	1H 2020	1H 2021	y-o-y
Net fee and commission		858.2	1,109.8	29.3%
Of which: - Unit trust income		475.5	636.7	33.9%
- Fee & commission income		292.3	348.6	19.3%
- Stockbroking income		90.4	124.5	37.6%
Net gains and losses on financial instruments		288.9	110.1	-61.9%
Other operating income		172.1	183.3	6.5%
Of which: - Foreign exchange income		117.8	124.0	5.3%
- Others		54.3	59.3	9.1%
Total non-interest income	100%	1,319.2	1,403.2	6.4%
Non-interest income/Total income		25.4%	21.9%	

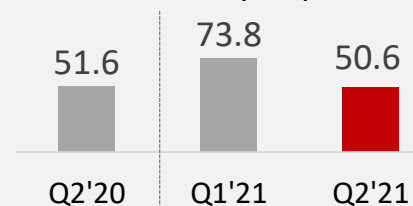
Unit trust income (RM'mil)

y-o-y: +25.4%
q-o-q: -12.4%



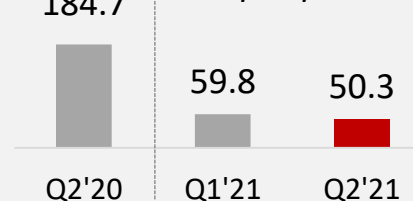
Stockbroking income (RM'mil)

y-o-y: -1.9%
q-o-q: -31.4%



Net gains and losses on financial instruments (RM'mil)

y-o-y: -72.8%
q-o-q: -15.8%













Segmental Profit

Retail centric; accounted for >50% of the Group's profit

Profit before tax by Operating Segments

(RM'mil)	Composition	1H 2020	1H 2021	y-o-y	Q1 2021	Q2 2021	q-o-q
Retail operations	 52%	1,849.7	1,968.3	6.4%	988.9	979.4	-1.0%
Hire purchase	 2%	104.3	62.9	-39.7%	67.9	-5.0	->100%
Corporate lending	 6%	313.0	242.3	-22.6%	177.9	64.4	-63.8%
Fund Management	 11%	321.5	425.0	32.2%	216.6	208.4	-3.8%
Treasury Operations	 8%	259.2	284.4	9.7%	172.2	112.2	-34.8%
Investment Banking	 1%	41.8	56.1	34.0%	31.7	24.4	-23.0%
Others	 12%	-191.5	433.6	>100%	176.7	256.9	45.4%
Overseas Operations	 8%	309.5	321.7	4.0%	167.0	154.7	-7.4%
Profit before tax	100%	3,007.5	3,794.3	26.2%	1,998.9	1,795.4	-10.2%

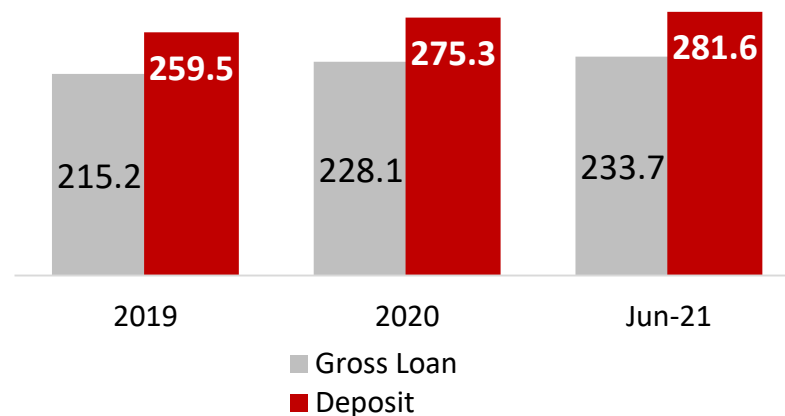


Retail Operations

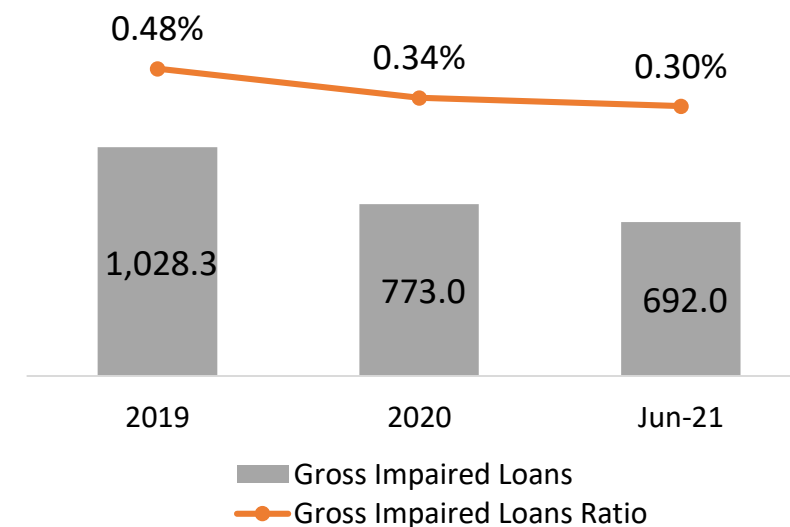
Mainly supported by the continued expansion in loans and deposit businesses

Retail Operations			
(RM'mil)	1H 2020	1H 2021	y-o-y
Net interest income	2,636.4	2,873.2	9.0%
Non-interest income	319.2	424.0	32.8%
Net income	2,955.6	3,297.2	11.6%
Other operating expenses	(1,017.0)	(1,059.5)	4.2%
Allowance for impairment on loans and other assets	(88.9)	(269.4)	>100%
Profit before tax	1,849.7	1,968.3	6.4%

Loans & Deposit-taking (RM'bil)



Gross Impaired Loans (RM'mil)



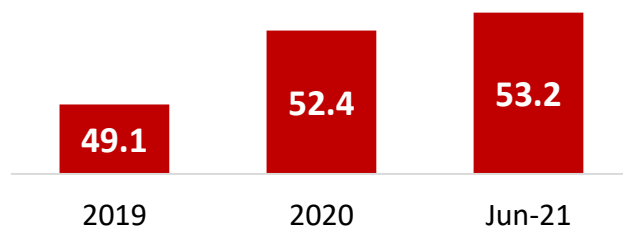


Hire Purchase and Corporate Lending

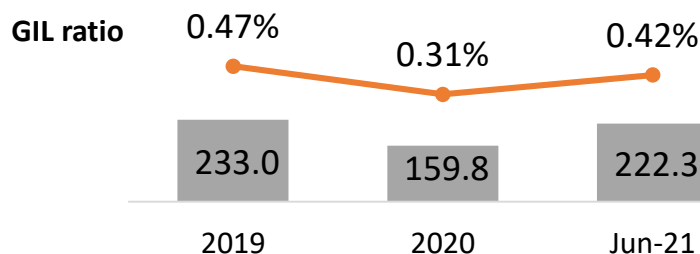
Profit decline y-o-y mainly due to higher provisioning

Hire Purchase			
(RM'mil)	1H 2020	1H 2021	y-o-y
Net interest income	327.4	400.1	22.2%
Non-interest income	0.9	1.1	25.3%
Net income	328.3	401.2	22.2%
Other operating expenses	(136.1)	(128.9)	-5.3%
Allowance for impairment on loans and other assets	(87.9)	(209.4)	>100%
Profit before tax	104.3	62.9	-39.7%

Gross Loans (RM'bil)

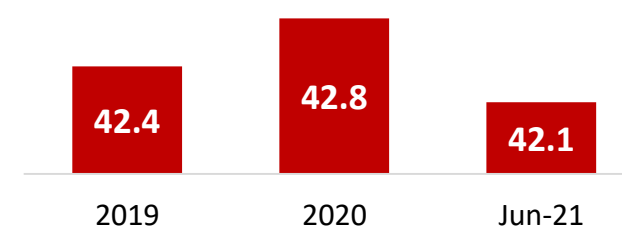


Gross Impaired Loans (RM'mil)

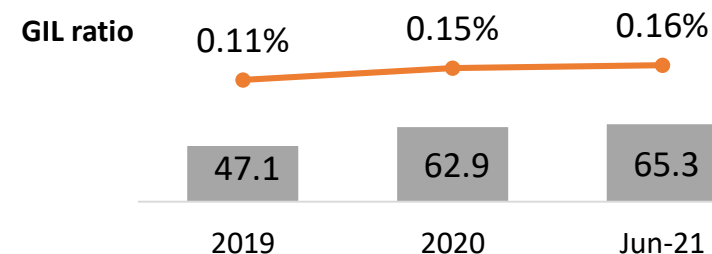


Corporate Lending			
(RM'mil)	1H 2020	1H 2021	y-o-y
Net interest income	295.3	318.6	7.9%
Non-interest income	15.8	17.9	14.0%
Net income	311.1	336.5	8.2%
Other operating expenses	(9.3)	(10.5)	12.4%
Allowance for impairment on loans and other assets	11.2	(83.7)	>-100%
Profit before tax	313.0	242.3	-22.6%

Gross Loans (RM'bil)



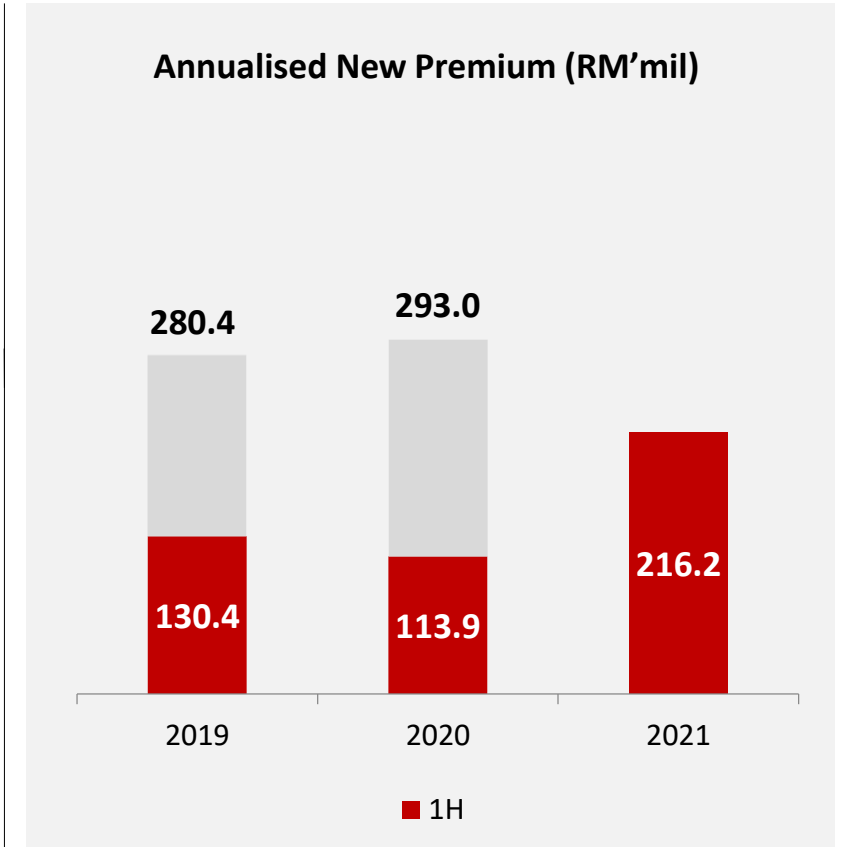
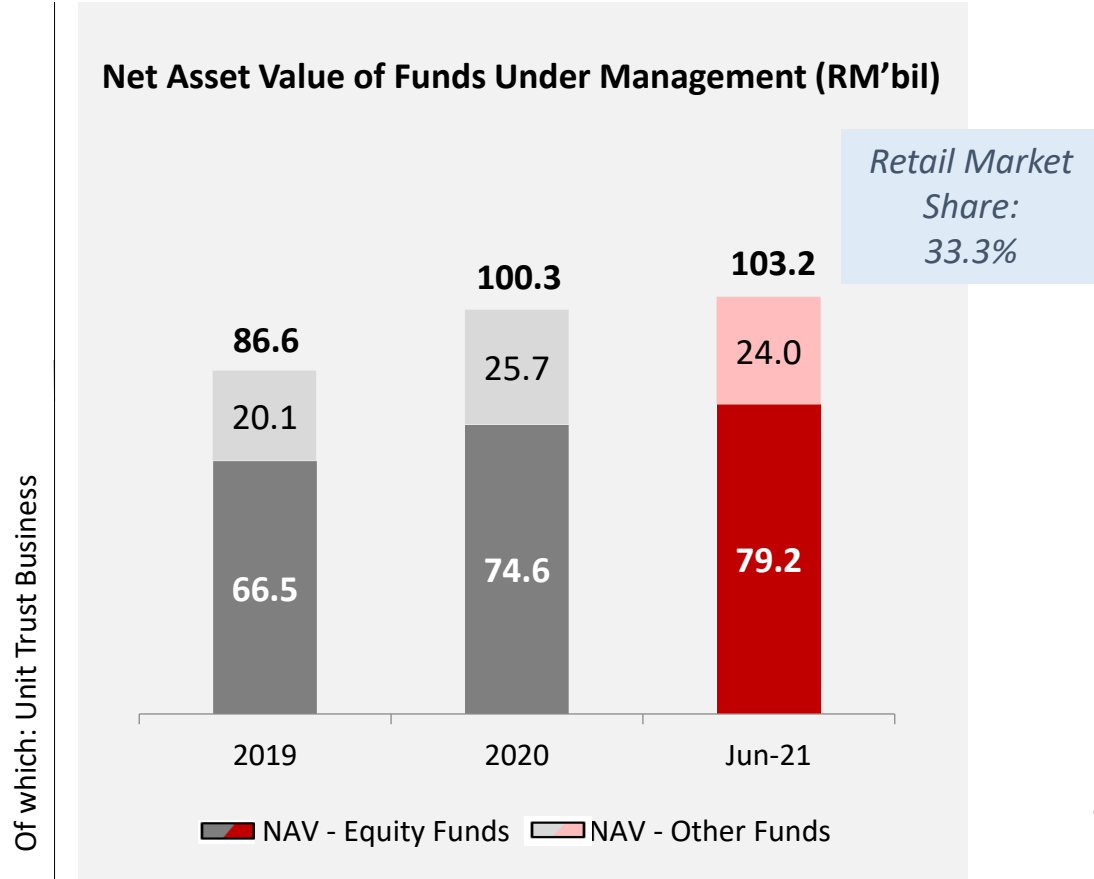
Gross Impaired Loans (RM'mil)





Wealth Management

Strong business momentum in both the unit trust and bancassurance businesses

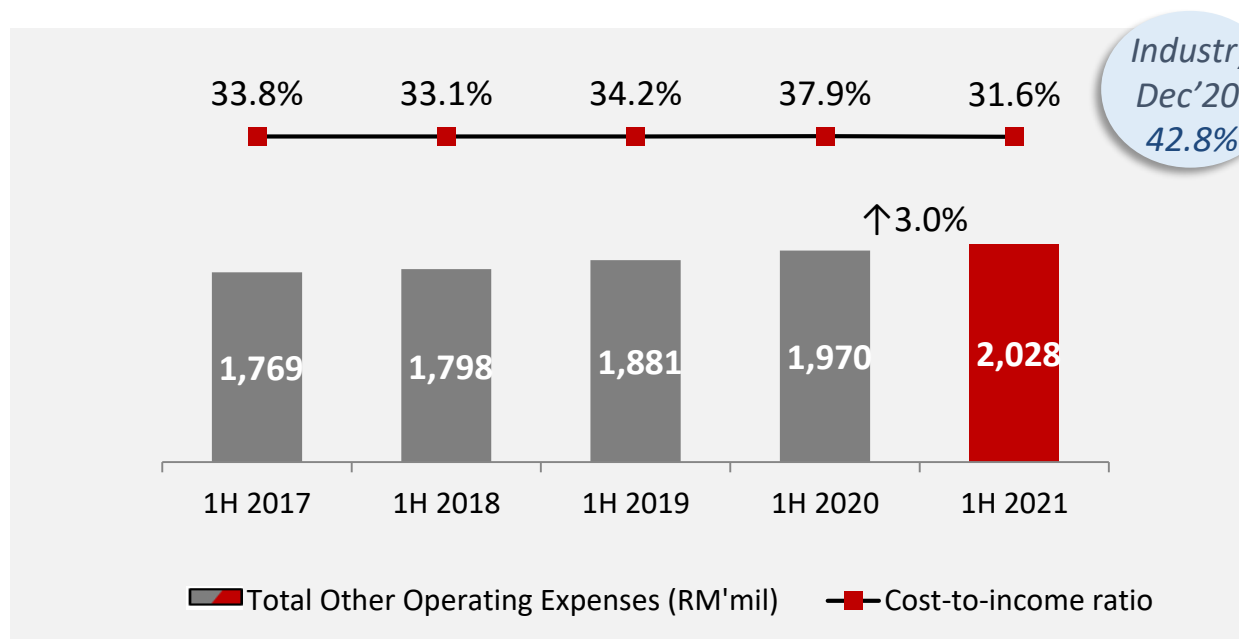




Other Operating Expenses

Efficient cost management;
Stable CIR of 31.6%

(RM'mil)	Composition	1H 2020	1H 2021	y-o-y	Q1 2021	Q2 2021	q-o-q
Personnel costs	73%	1,425.2	1,481.8	4.0%	751.3	730.5	-2.8%
Establishment costs	18%	362.1	367.3	1.5%	184.2	183.1	-0.6%
Marketing expenses	4%	63.8	71.5	12.1%	41.6	29.9	-28.1%
Administration and general expenses	5%	118.5	107.8	-9.1%	50.6	57.1	12.8%
Total other operating expenses	100%	1,969.6	2,028.4	3.0%	1,027.7	1,000.6	-2.6%

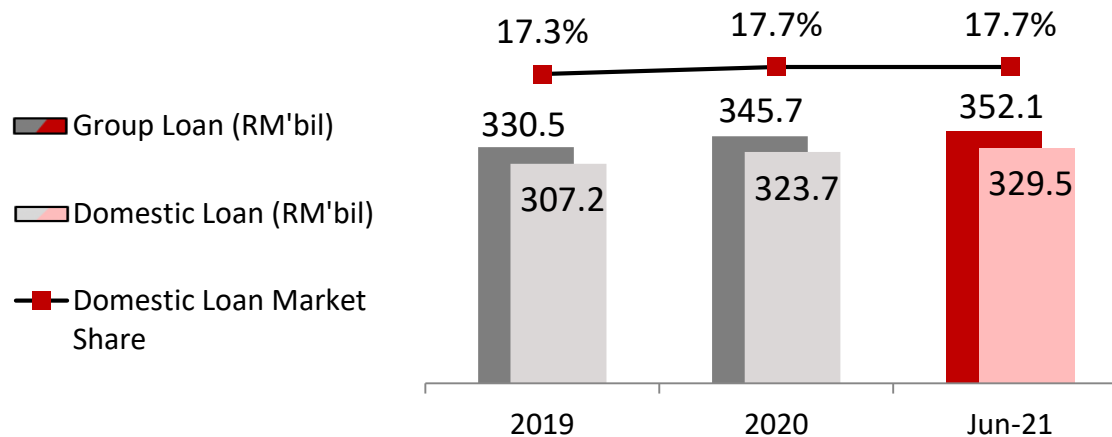




Loan Growth

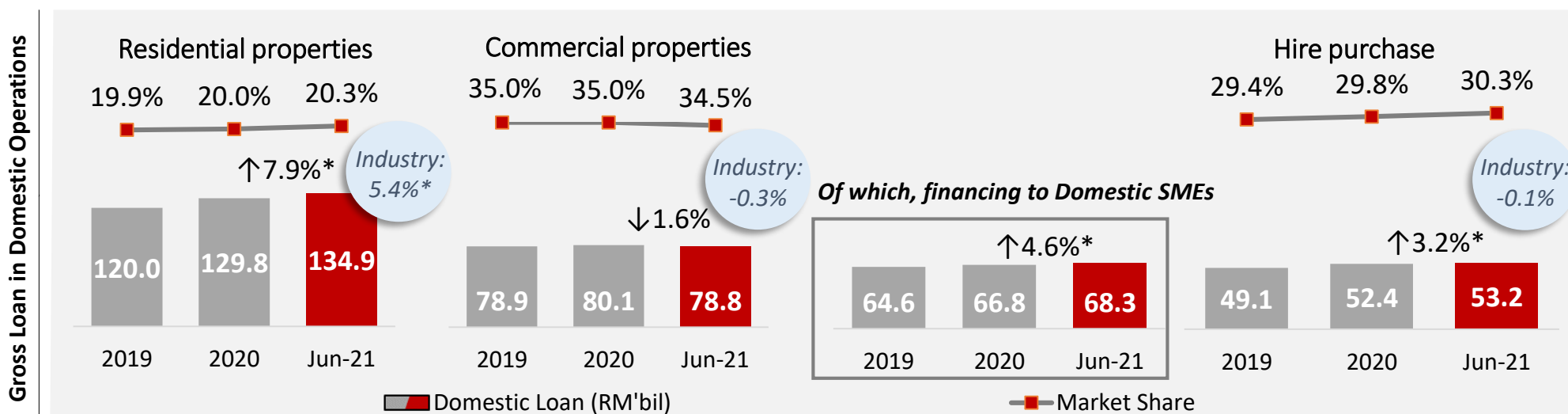
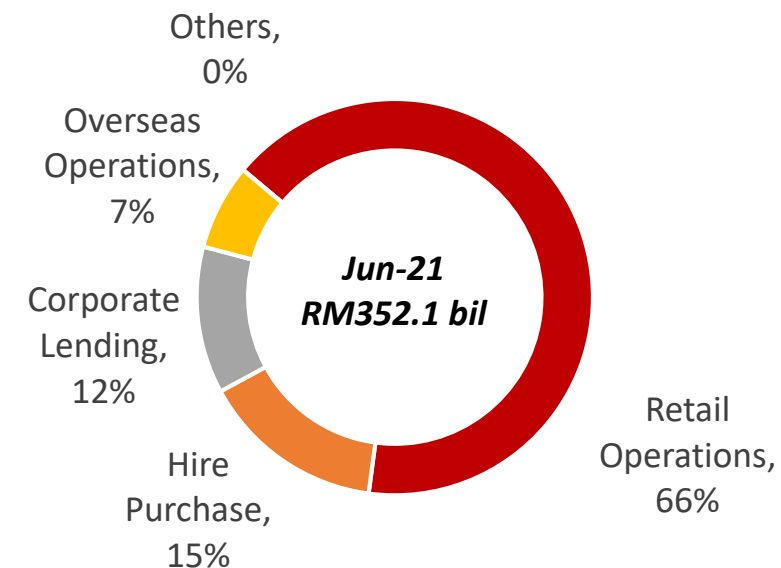
Expansion in lending portfolio driven by residential properties loans, hire purchase and SME financing

Loans – Outstanding Balance and Market Share



Group Loan Growth	4.1%	4.6%	3.7%*
Domestic Loan Growth	4.5%	5.4%	3.5%*
Domestic Industry Average	3.9%	3.4%	3.2%*

Loans – By Segment

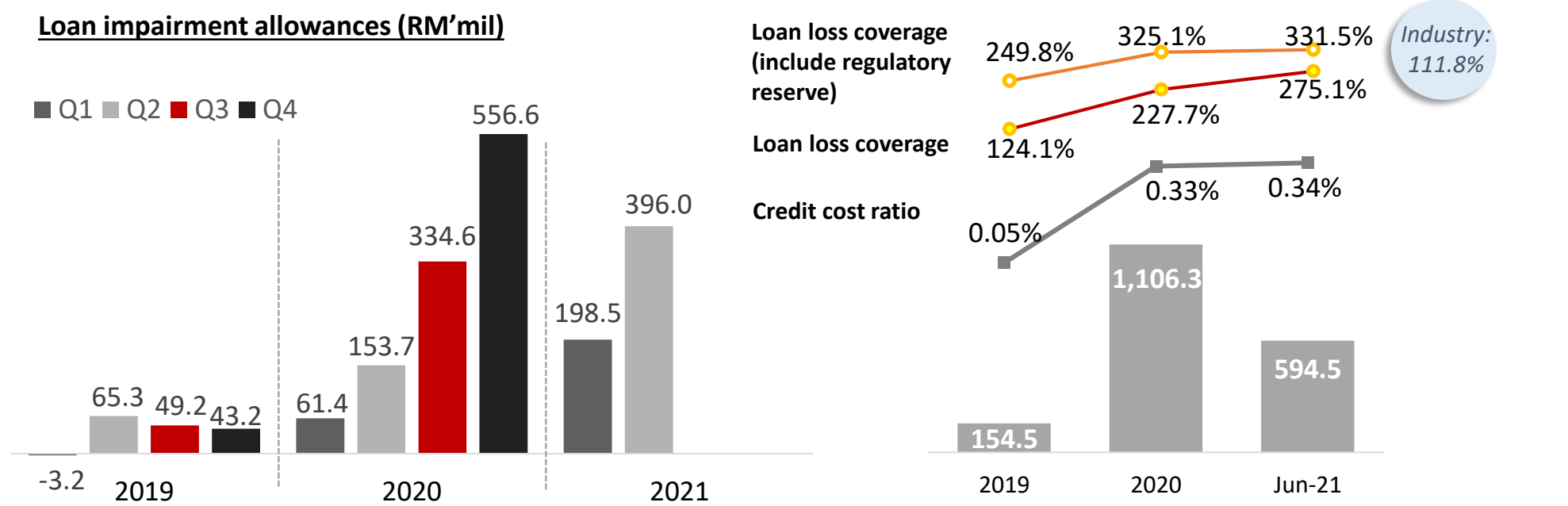
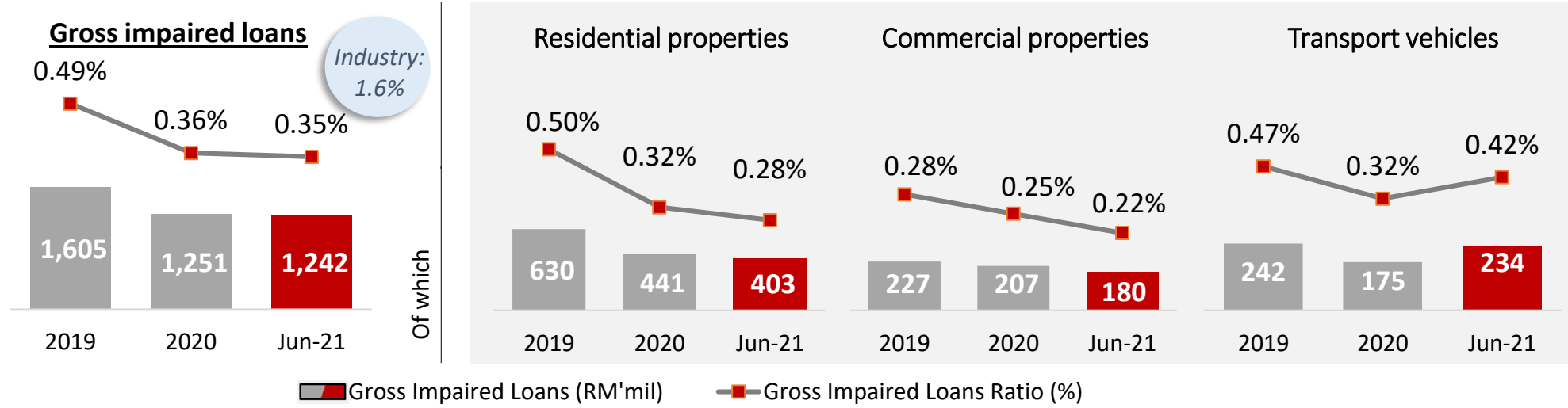


* Annualised growth



Asset Quality

Impaired loans ratio remained stable; Higher loan loss coverage to absorb potential losses





COVID-19 Repayment & Funding Assistance Programme

*Continuous
support to
COVID-19
affected
customers*

REPAYMENT ASSISTANCE	
<p>1 Automatic Loan Moratorium</p> <p>April 2020 – September 2020</p> <p>6 months auto-moratorium for retail and SMEs</p>	<p>2 Targeted Repayment Assistance (TRA)</p> <p>w.e.f. October 2020</p> <p>Targeted Repayment Assistance for:</p> <ul style="list-style-type: none"> • Unemployed (3 months extension of loan moratorium) • Reduction of income (reduced repayment via R&R)
<p>3 Expanded Targeted Repayment Assistance (ETRA)</p> <p>w.e.f. December 2020</p> <p>Expanded Targeted Repayment Assistance for B40 & M40 individuals and Micro Enterprises:</p> <ul style="list-style-type: none"> • 3-month deferment of instalments; or • 6-month reduction in instalments up to 50% 	<p>4 Pakej Perlindungan Rakyat & Pemulihan Ekonomi (PEMULIH) ETRA</p> <p>w.e.f. July 2021</p> <p>Six-month loan moratorium for all individuals (B40, M40, T20), Micro Enterprises and SMEs</p>
	As at 31 July 2021 - Approved
Repayment Assistance (TRA/ETRA/PEMULIH)	About RM73.6 billion benefitting about 360,000 customers
FUNDING ASSISTANCE	
	As at 31 July 2021 - Approved
Government and BNM scheme	More than RM3.3 billion benefitting about 16,800 SMEs
Special Relief Facility and Others*	
<p>* Others include PENJANA SME Financing, PENJANA Tourism Financing, Government Guarantee Scheme, All Economic Sectors Facility, Agrofood Facility, Automation and Digitalisation Facility, Micro Enterprises Facility and Targeted Relief and Recovery Facility</p>	



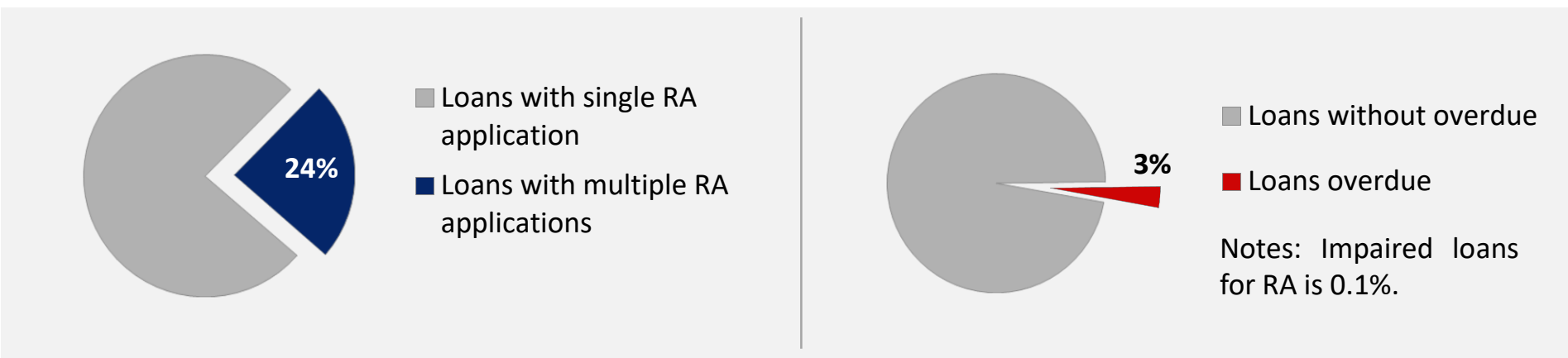
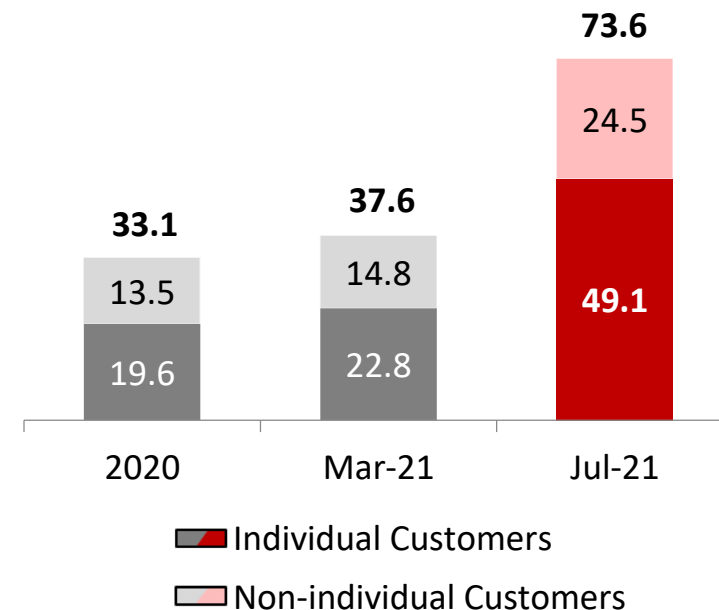
COVID-19 Repayment & Funding Assistance Programme

Repayment trend remained healthy

Breakdown of COVID-19 Repayment Assistance (RA) Programme

As at 31 July 2021	RA (RM'bil)	% Against Total Outstanding Domestic Loans of Respective Loan Segment
Individual Customers of which:	49.1	22%
Housing Loan	29.1	22%
Hire Purchase	8.5	19%
Others	11.5	26%
Non-individual Customers of which:	24.5	23%
Retail business	17.8	32%
Hire Purchase	1.6	17%
Corporate Banking	5.1	12%
Total	73.6	23%

Repayment Assistance Programme (RM'bil)

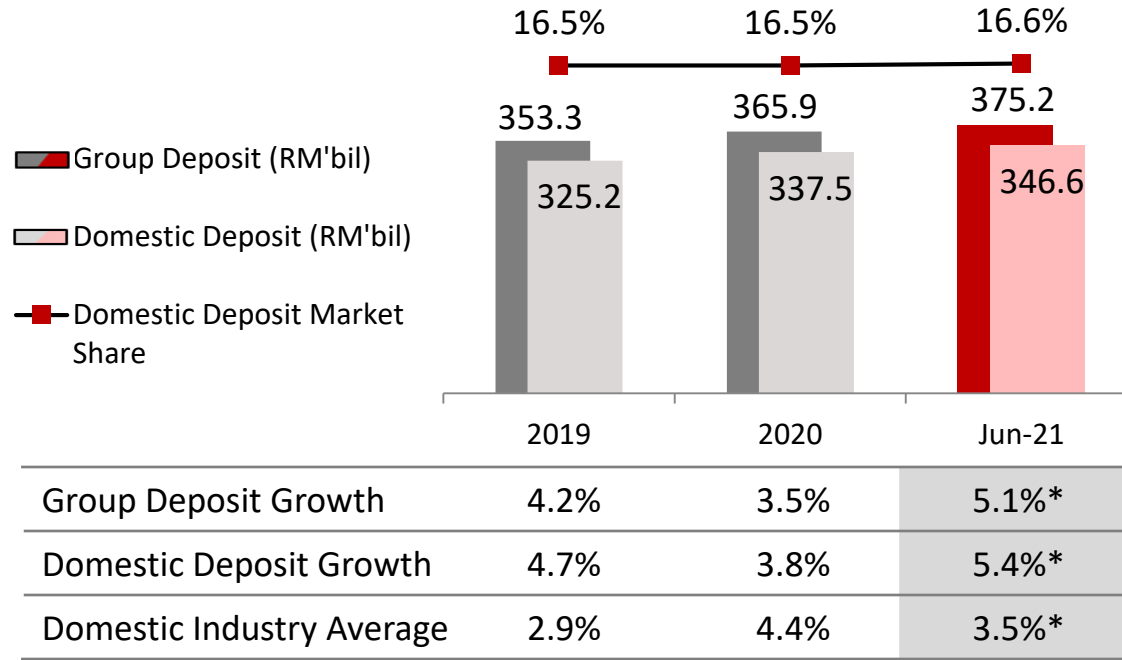




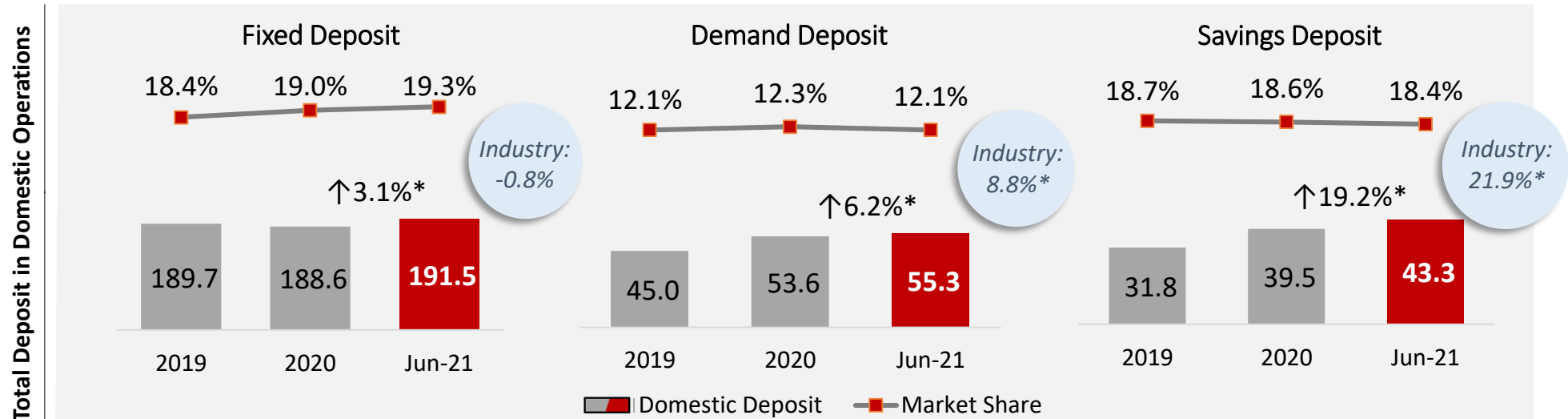
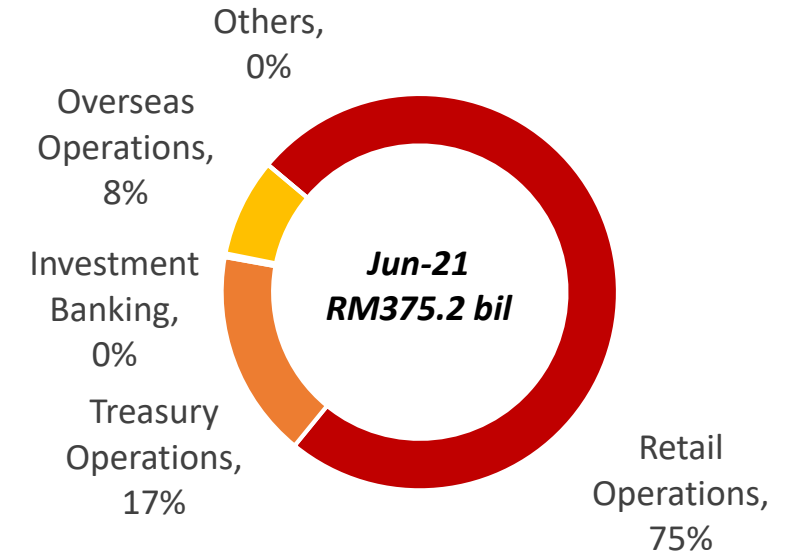
Deposit Growth

Solid funding base, attributed to stable core deposits growth

Deposit – Outstanding Balance and Market Share



Deposit – By Segment

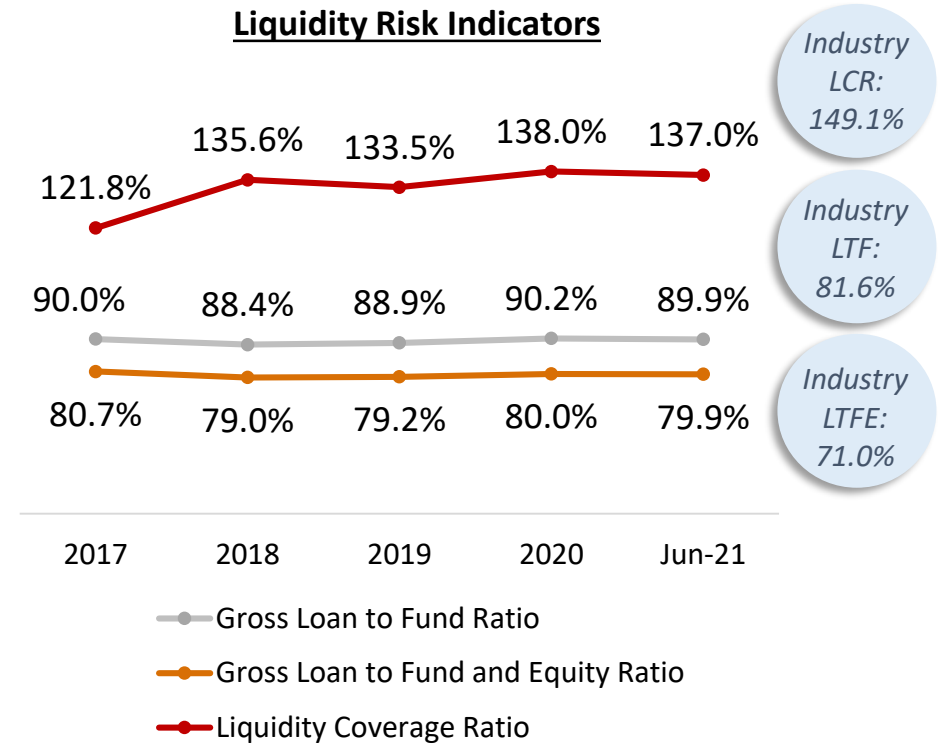
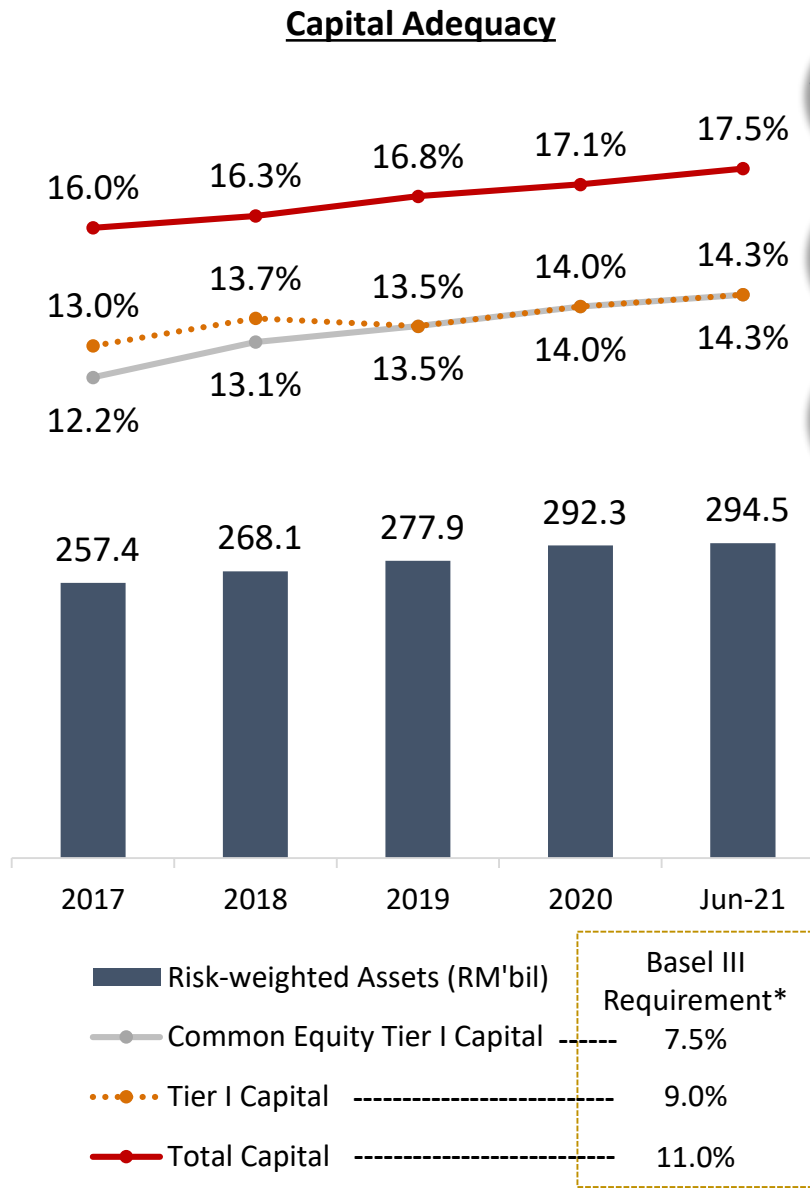


* Annualised growth



Capital & Liquidity Position

Balance sheet remained sound 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



Business Delivery Channel

	2010	2020	Jun-21
<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	44	43
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	26	26
	393	441	440



>19,000
Staff

>2,000
Self Service
Terminals



PBe Internet Banking
PB enterprise Internet Banking
PB engage Mobile Banking



Strategic Direction

<i>Delivering sustainable returns to shareholders</i>	1	Increase profitability by focusing on areas of strength	<ul style="list-style-type: none"> Focusing on organic growth Maintaining cost discipline Preserving asset quality Upholding corporate governance
	2	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
<i>Enhancing customer experience</i>	3	Solidify customer loyalty and trust	<ul style="list-style-type: none"> Enhance data security Ethical banking Uphold service quality
	4	Digital transformation	<ul style="list-style-type: none"> Embrace digital transformation to meet customer complex and evolving needs
<i>Developing employees</i>	5	Building capabilities for the future	<ul style="list-style-type: none"> Employee education and development Talent attraction and retention Employment practices Employee health and safety, and well-being
<i>Supporting the communities</i>	6	Financial inclusion and accessibility	<ul style="list-style-type: none"> Expanding financial inclusion and supporting the community's financial needs
	7	Community contribution	<ul style="list-style-type: none"> Nurture future generation for nation development Strengthen communities through volunteerism and charitable donations

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	2017	2018	2019	2020	Jun-21
Profitability	Operating profit		7,319	7,270	7,283	7,403	4,393
	Profit before tax		7,118	7,101	7,134	6,285	3,794
	Net profit		5,470	5,591	5,512	4,872	2,914
Shareholder Value	Earnings per share (sen) ^x		28.3	28.9	28.4	25.1	15.01
	Net assets per share (RM) ^x		1.94	2.11	2.25	2.43	2.44
	Dividend per share (sen) ^x		12.2	13.8	14.6	13.0	7.5
	Dividend payout ratio (%)		43.1	47.9	51.4	51.8	50.0
Key Balance Sheet Data	Total assets		395,276	419,693	432,831	451,257	456,244
	Gross loan		304,453	317,302	330,468	345,651	352,071
	Domestic loan		282,326	294,074	307,164	323,728	329,474
	Deposit from customers		319,259	339,160	353,340	365,871	375,152
	Domestic deposit		293,178	310,585	325,199	337,458	346,620
	Core customer deposit		269,723	283,846	294,646	310,144	318,643
	Shareholders' equity		37,365	40,973	43,594	47,248	47,286
	Common equity Tier I capital ^π		31,521	35,104	37,406	40,778	42,051
	Tier I capital ^π		33,528	36,825	37,564	40,935	42,209
	Total capital ^π		41,134	43,716	46,571	50,119	51,413
Risk-weighted assets		257,352	268,125	277,906	292,284	294,521	

^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

		%	2017	2018	2019	2020	Jun-21	Industry ^b
Profitability Ratios	Net interest margin on yielding assets		2.28	2.22	2.15	1.95	2.27	N/A
	Net return on equity ⁺		15.8	14.8	13.6	11.2	12.9	N/A
	Pre-tax return on average assets		1.8	1.7	1.7	1.4	1.7	1.1
	Cost to income ratio		31.9	33.0	34.4	34.6	31.6	42.8
	Non interest income/Total income		21.7	20.4	21.6	24.9	21.9	36.9
Liquidity	Gross loan to fund ratio [~]		90.0	88.4	88.9	90.2	89.9	81.6 [^]
	Gross loan to fund and equity ratio [~]		80.7	79.0	79.2	80.0	79.9	71.0 ^{^#}
	Liquidity coverage ratio		121.8	135.6	133.5	138.0	137.0	149.1
Asset Quality	Gross impaired loans ratio		0.5	0.5	0.5	0.4	0.4	1.6
	Loan loss coverage ratio		95.5	126.0	124.1	227.7	275.1	111.8
	Credit cost ratio		0.07	0.05	0.05	0.33	0.34	0.79
Capital Adequacy	Common equity Tier I capital ratio ^π		12.2	13.1	13.5	14.0	14.3	14.2
	Tier I capital ratio ^π		13.0	13.7	13.5	14.0	14.3	14.7
	Total capital ratio ^π		16.0	16.3	16.8	17.1	17.5	17.9
Market Share	<u>Domestic market share</u>							
	Commercial property financing		35.5	35.1	35.0	35.0	34.5	N/A
	Residential property financing		19.6	19.6	19.9	20.0	20.3	N/A
	Passenger vehicle financing		28.5	28.4	29.4	29.8	30.3	N/A
	Domestic loans		17.8	17.2	17.3	17.7	17.7	N/A
	Domestic deposits		16.6	16.2	16.5	16.5	16.6	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



Head Office

Menara Public Bank
146, Jalan Ampang
50450 Kuala Lumpur
Malaysia

Website: www.publicbankgroup.com

Investor Relations Contact

Ms. Chang Siew Yen
Senior Chief Operating Officer
+(603) 2176 7461
changsiweyen@publicbank.com.my

Ms. Yik Sook Ling
Chief Financial Officer
+(603) 2177 3310
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.