



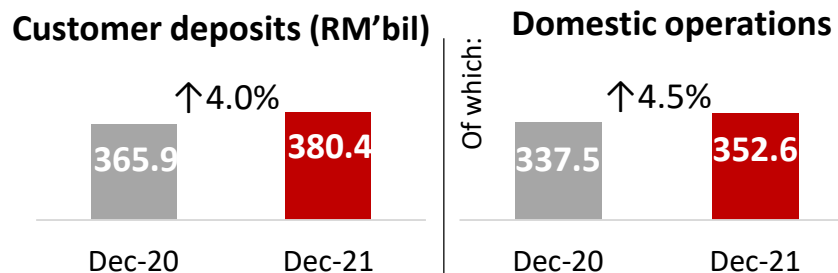
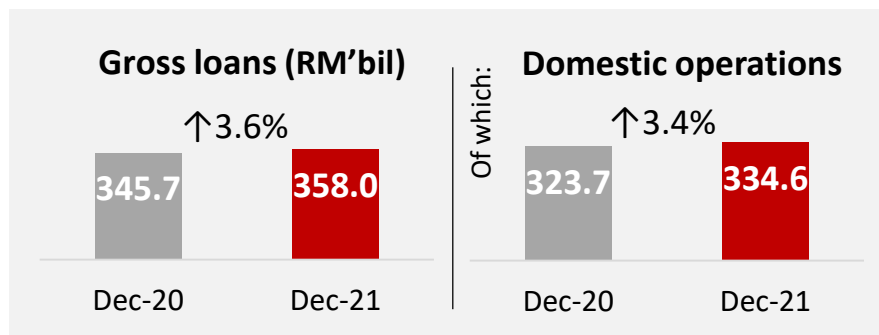
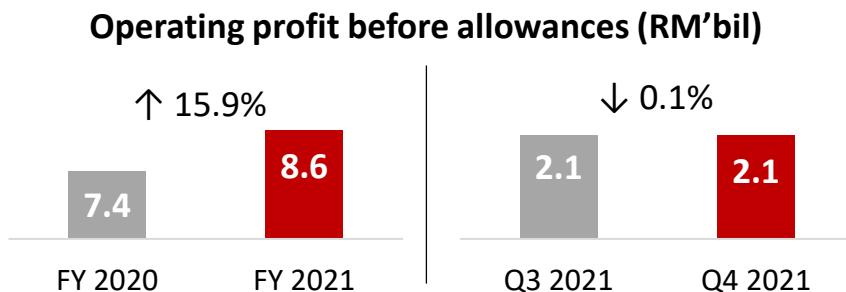
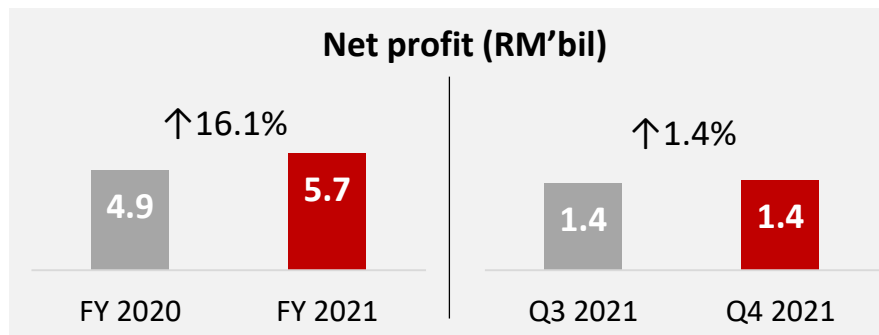
**PUBLIC BANK**

**Investor Presentation**  
**18<sup>th</sup> ANNUAL CITIC CLSA ASEAN**  
**FORUM 2022**



# FY 2021 Financial Highlights

*Resilient earnings well supported by continued expansion in loans and deposits businesses with improved NIM*



- Overall 2021 profitability improvement supported mainly by core business of lending and deposit-taking
- Strong provisioning build up; loan loss coverage ratio standing high at 360.7% or 383.2% after the inclusion of regulatory reserves
- Prudent preemptive provision with credit cost of 34 bps
- Resilient balance sheet supported by stable funding and liquidity position
- Capital ratio remained healthy

<b>Net ROE</b>	<b>12.4%</b>	<b>Cost-to-income ratio</b>	<b>31.6%</b>	<b>Gross impaired loans ratio</b>	<b>0.3%</b>	<b>NIM</b>	<b>2.22%</b>
Dec-20: 11.2%		Dec-20: 34.6%		Dec-20: 0.4%		Dec-20: 1.95%	
<b>Credit cost ratio</b>	<b>0.34%</b>	<b>Loan loss coverage ratio</b>	<b>360.7%</b>	<b>Liquidity coverage ratio</b>	<b>127.3%</b>	<b>Total capital ratio<sup>π</sup></b>	<b>17.7%</b>
Dec-20: 0.33%		Dec-20: 227.7%		Dec-20: 138.0%		Dec-20: 17.1%	

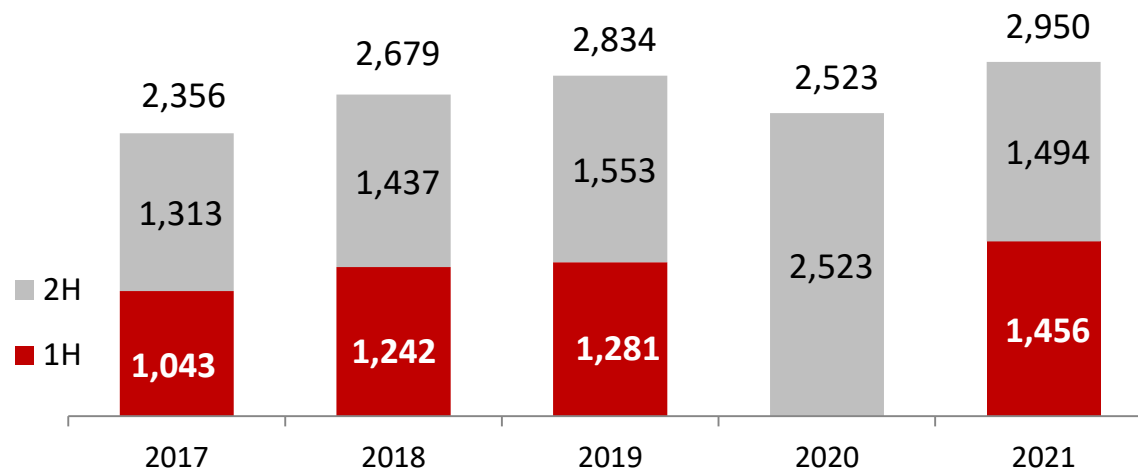
<sup>π</sup> After deducting interim dividends declared subsequent to end of period/year



# Dividend Payout

Higher dividend payout in 2021

Dividend Paid / Declared (RM'mil)



2021 Dividend	
1 <sup>st</sup> interim dividend	7.5 sen
2 <sup>nd</sup> interim dividend	7.7 sen
<b>Full year dividend</b>	<b>15.2 sen</b>

	2017	2018	2019	2020	2021
<b>Gross dividend per share</b>	12.2 sen	13.8 sen	14.6 sen	13.0 sen	15.2 sen
<b>Dividend payout ratio</b>	43.1%	47.9%	51.4%	51.8%	52.2%

*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

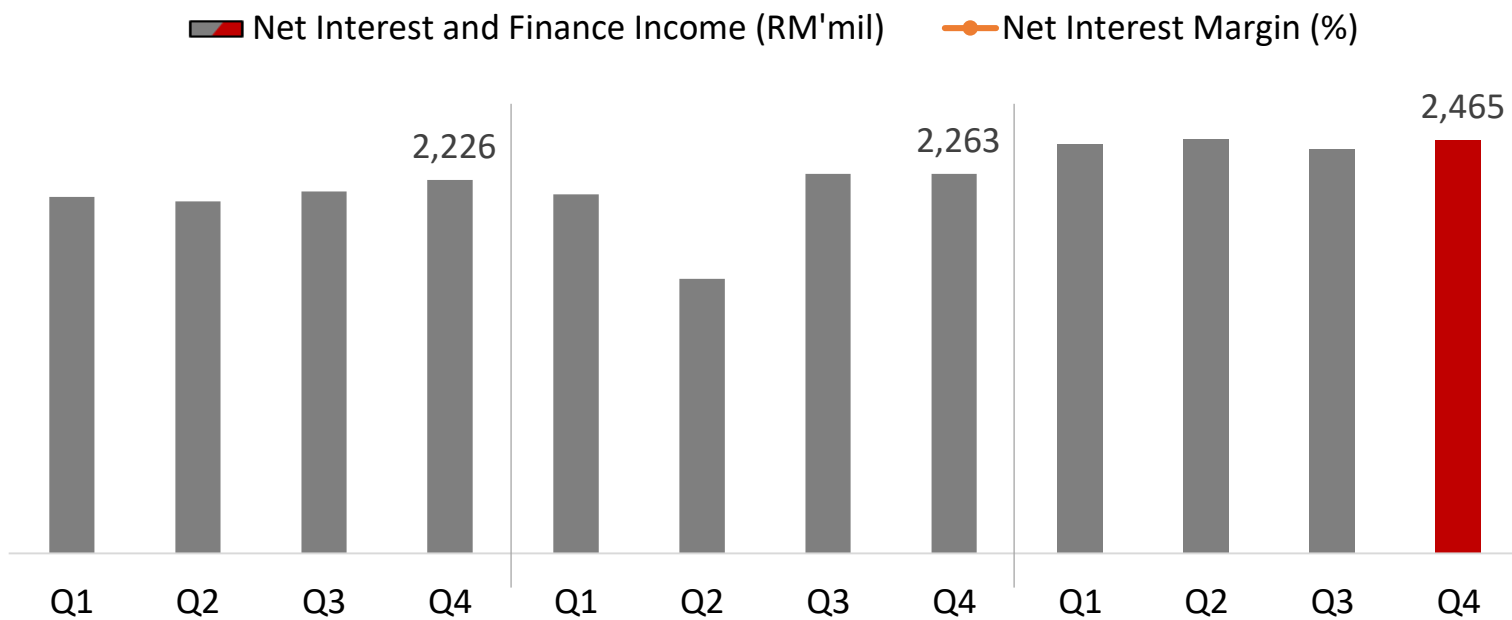
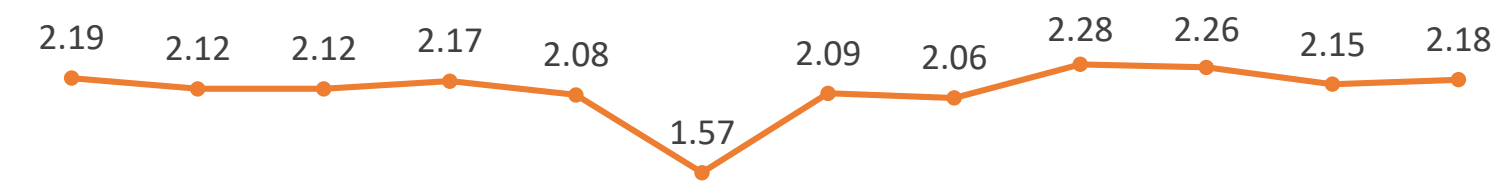
*Improved FY2021 earnings sustained by steady top-line growth and low base effect; Q42021 earnings supported by improved NIM and lower allowance*

<b>Income Statement</b>						
(RM'mil)	<b>FY 2020</b>	<b>FY 2021</b>	y-o-y	<b>Q3 2021</b>	<b>Q4 2021</b>	q-o-q
Net interest income	7,179.8	<b>8,315.0</b>	15.8%	<b>2,049.3</b>	<b>2,085.8</b>	1.8%
Net income from Islamic banking business	1,311.4	<b>1,613.7</b>	23.1%	<b>386.4</b>	<b>389.4</b>	0.8%
Non-interest income	2,821.2	<b>2,615.7</b>	-7.3%	<b>635.1</b>	<b>577.5</b>	-9.1%
<b>Net income</b>	<b>11,312.4</b>	<b>12,544.4</b>	<b>10.9%</b>	<b>3,070.8</b>	<b>3,052.7</b>	<b>-0.6%</b>
Other operating expenses	(3,909.5)	<b>(3,965.3)</b>	1.4%	<b>(976.1)</b>	<b>(960.9)</b>	-1.6%
<b>Operating profit</b>	<b>7,402.9</b>	<b>8,579.1</b>	<b>15.9%</b>	<b>2,094.7</b>	<b>2,091.8</b>	<b>-0.1%</b>
Loan loss allowance	(1,106.3)	<b>(1,201.2)</b>	8.6%	<b>(324.4)</b>	<b>(282.3)</b>	-13.0%
Other allowances	(13.6)	<b>(5.9)</b>	-56.6%	<b>(2.1)</b>	<b>(3.6)</b>	75.4%
Share of profit / (loss) after tax of equity accounted associated companies	2.1	<b>(5.4)</b>	>-100%	<b>(2.1)</b>	<b>0.3</b>	>100%
<b>Profit before tax</b>	<b>6,285.1</b>	<b>7,366.6</b>	<b>17.2%</b>	<b>1,766.1</b>	<b>1,806.2</b>	<b>2.3%</b>
<b>Net profit attrib. to shareholders</b>	<b>4,871.7</b>	<b>5,656.5</b>	<b>16.1%</b>	<b>1,361.4</b>	<b>1,380.8</b>	<b>1.4%</b>
<b>Earnings per share (sen)</b>	<b>25.10</b>	<b>29.14</b>	<b>16.1%</b>	<b>7.01</b>	<b>7.11</b>	<b>1.4%</b>



# Net Interest Income & Margin

*NIM rebounded to 2.22% due to lower funding cost and also low base effect due to the OPR reduction and modification loss in 2020.*









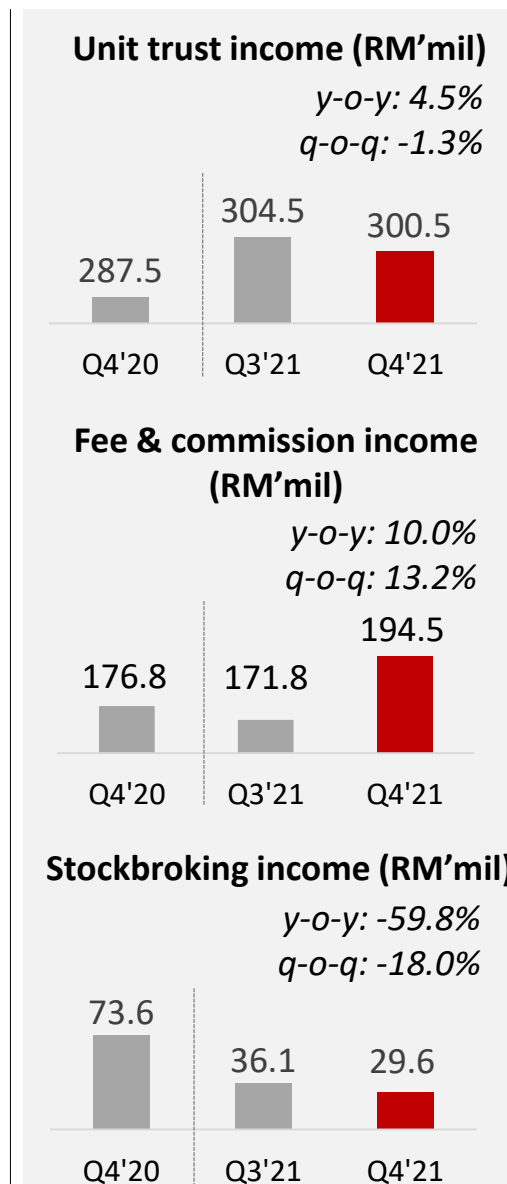
	2019	2020	2021
Year Average NIM	2.15%	1.95%	2.22%



## Non-Interest Income

Positive business momentum in core fees; offset by the reduction in investment income, stockbroking income and foreign exchange income

(RM'mil)	Composition	FY 2020	FY 2021	y-o-y
<b>Net fee and commission</b>		<b>1,929.4</b>	<b>2,146.8</b>	<b>11.3%</b>
Of which: - Unit trust income		1,051.4	1,241.7	18.1%
- Fee & commission income		631.4	714.9	13.2%
- Stockbroking income		246.6	190.2	-22.9%
<b>Net gains and losses on financial instruments</b>		<b>447.6</b>	<b>60.2</b>	<b>-86.6%</b>
<b>Other operating income</b>		<b>444.2</b>	<b>408.8</b>	<b>-8.0%</b>
Of which: - Foreign exchange income		302.5	255.3	-15.6%
- Others		141.7	153.5	8.3%
<b>Total non-interest income</b>	<b>100%</b>	<b>2,821.2</b>	<b>2,615.8</b>	<b>-7.3%</b>
<b>Non-interest income/Total income</b>		<b>24.9%</b>	<b>20.9%</b>	





## Segmental Profit

*Supported by retail operation, which accounted for >50% of the Group's profit; followed by the fund management business with a share of 12%*

### Profit before tax by Operating Segments

(RM'mil)	Composition	FY 2020	FY 2021	y-o-y	Q3 2021	Q4 2021	q-o-q
Retail operations	59%	3,666.5	<b>4,311.4</b>	17.6%	1,026.1	<b>1,317.0</b>	28.3%
Hire purchase	-2%	106.5	<b>-117.1</b>	>-100%	31.6	<b>-211.5</b>	>-100%
Corporate lending	6%	461.7	<b>444.8</b>	-3.7%	75.1	<b>127.4</b>	69.8%
Fund Management	12%	714.8	<b>878.1</b>	22.8%	218.6	<b>234.5</b>	7.3%
Treasury Operations	6%	567.8	<b>432.6</b>	-23.8%	73.6	<b>74.6</b>	1.3%
Investment Banking	1%	116.9	<b>80.7</b>	-31.0%	19.7	<b>4.9</b>	-75.3%
Others	10%	26.4	<b>713.5</b>	>100%	148.0	<b>131.8</b>	-10.9%
Overseas Operations	8%	624.5	<b>622.6</b>	-0.3%	173.4	<b>127.5</b>	-26.5%
<b>Profit before tax</b>	<b>100%</b>	<b>6,285.1</b>	<b>7,366.6</b>	<b>17.2%</b>	<b>1,766.1</b>	<b>1,806.2</b>	<b>2.3%</b>

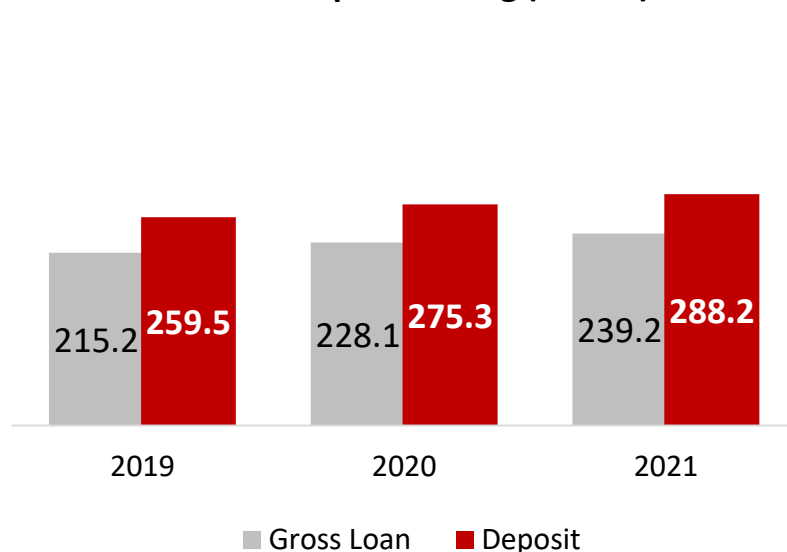


# Retail Operations

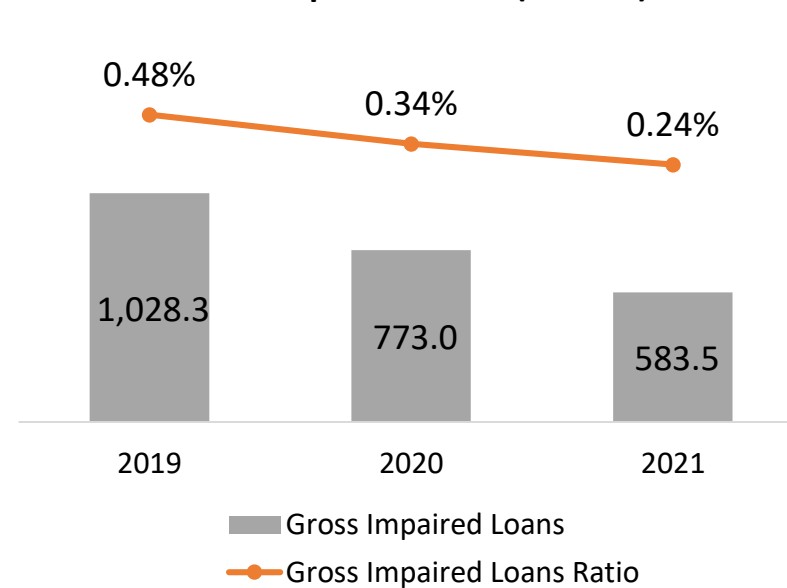
*Improved topline growth slightly offset by higher other operating expenses*

<b>Retail Operations</b>			
(RM'mil)	<b>FY 2020</b>	<b>FY 2021</b>	y-o-y
Net interest income	5,487.2	5,830.7	6.3%
Non-interest income	740.2	824.8	11.4%
<b>Net income</b>	<b>6,227.4</b>	<b>6,655.5</b>	<b>6.9%</b>
Other operating expenses	(1,988.3)	(2,076.0)	4.4%
Allowance for impairment on loans and other assets	(572.7)	(268.1)	-53.2%
<b>Profit before tax</b>	<b>3,666.4</b>	<b>4,311.4</b>	<b>17.6%</b>

**Loans & Deposit-taking (RM'bil)**



**Gross Impaired Loans (RM'mil)**



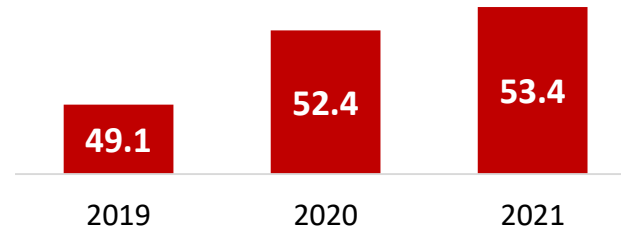


# Hire Purchase and Corporate Lending

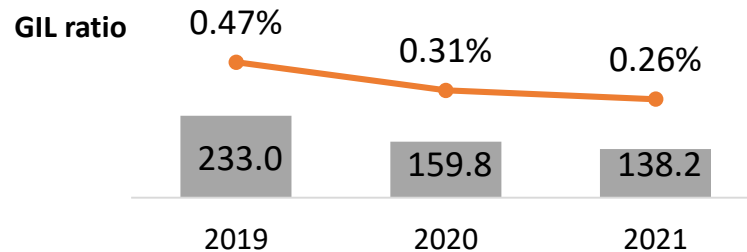
*Profit impacted by higher preemptive provisioning*

Hire Purchase			
(RM'mil)	FY 2020	FY 2021	y-o-y
Net interest income	615.7	799.6	29.9%
Non-interest income	2.3	1.5	-31.6%
<b>Net income</b>	<b>618.0</b>	<b>801.1</b>	<b>29.6%</b>
Other operating expenses	(254.4)	(247.4)	-2.7%
Allowance for impairment on loans and other assets	(257.1)	(670.8)	>100%
<b>Profit before tax</b>	<b>106.5</b>	<b>-117.1</b>	<b>&gt;-100%</b>

Gross Loans (RM'bil)

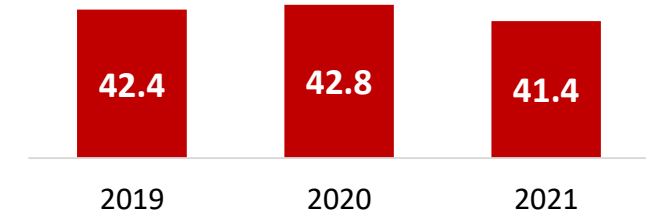


Gross Impaired Loans (RM'mil)

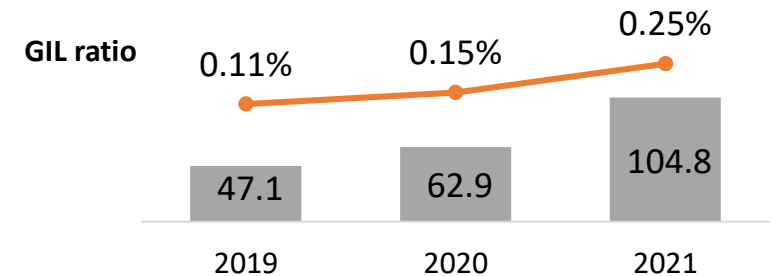


Corporate Lending			
(RM'mil)	FY 2020	FY 2021	y-o-y
Net interest income	624.0	634.1	1.6%
Non-interest income	26.8	31.2	16.6%
<b>Net income</b>	<b>650.8</b>	<b>665.3</b>	<b>2.2%</b>
Other operating expenses	(18.4)	(20.6)	11.7%
Allowance for impairment on loans and other assets	(170.7)	(199.9)	17.2%
<b>Profit before tax</b>	<b>461.7</b>	<b>444.8</b>	<b>-3.7%</b>

Gross Loans (RM'bil)



Gross Impaired Loans (RM'mil)

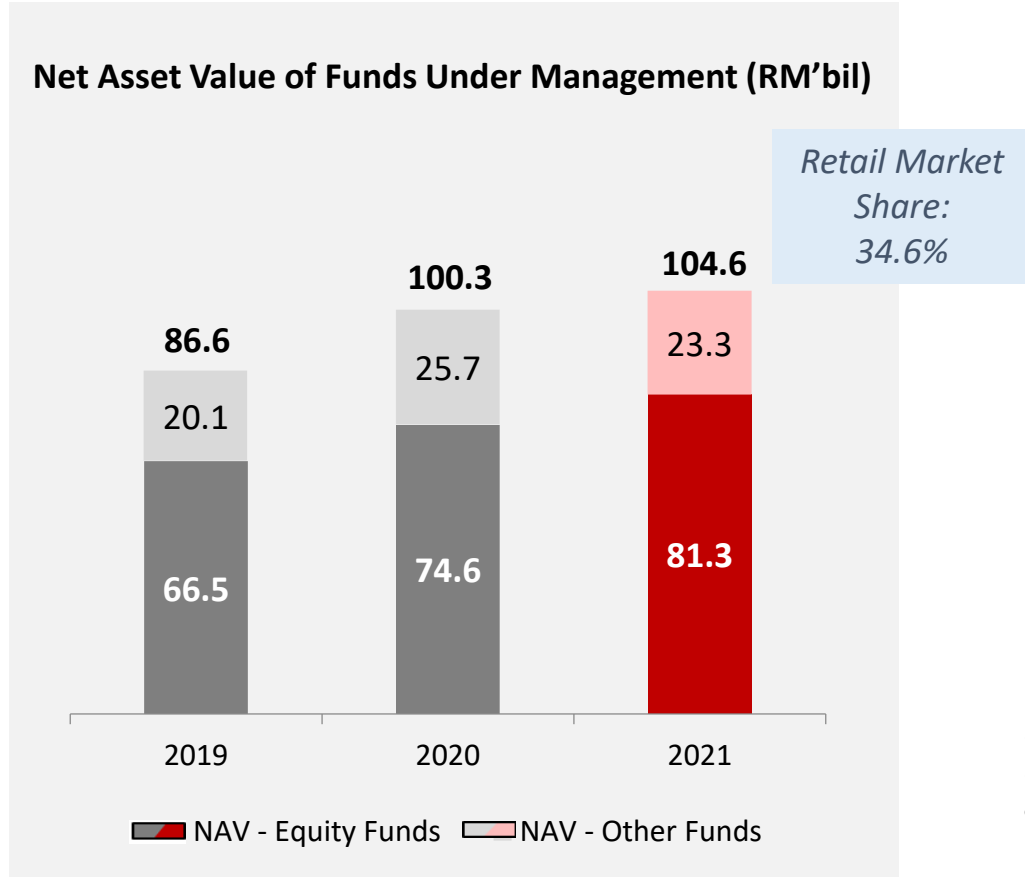




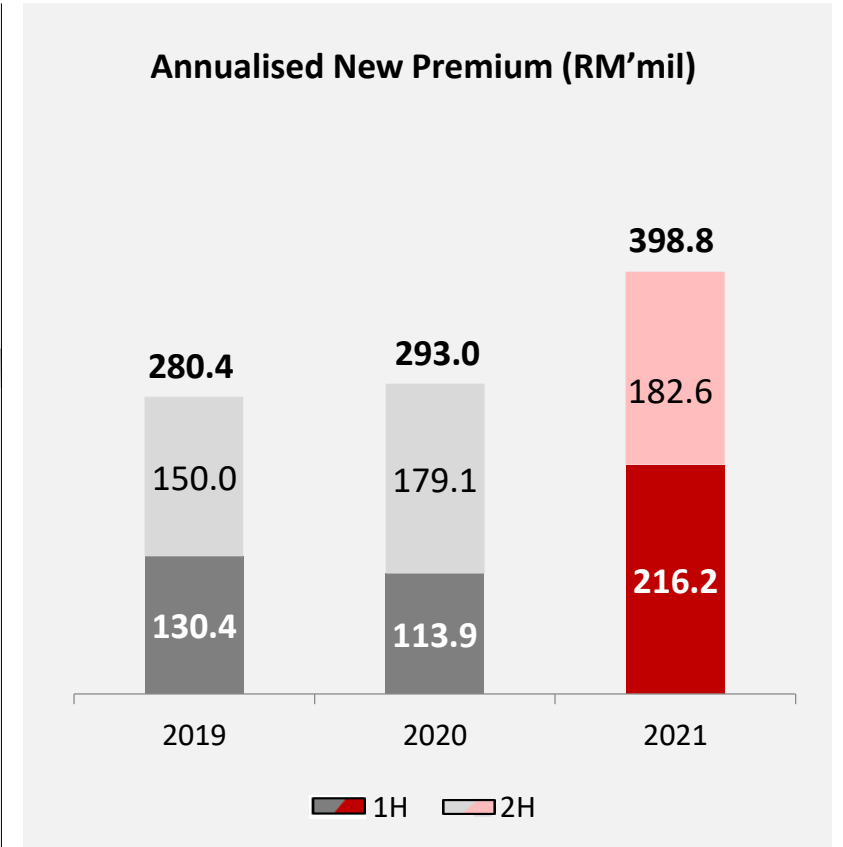
# Wealth Management

*Favourable growth in the unit trust and bancassurance businesses, despite challenging operating environment*

Of which: Unit Trust Business







Of which: Bancassurance Business

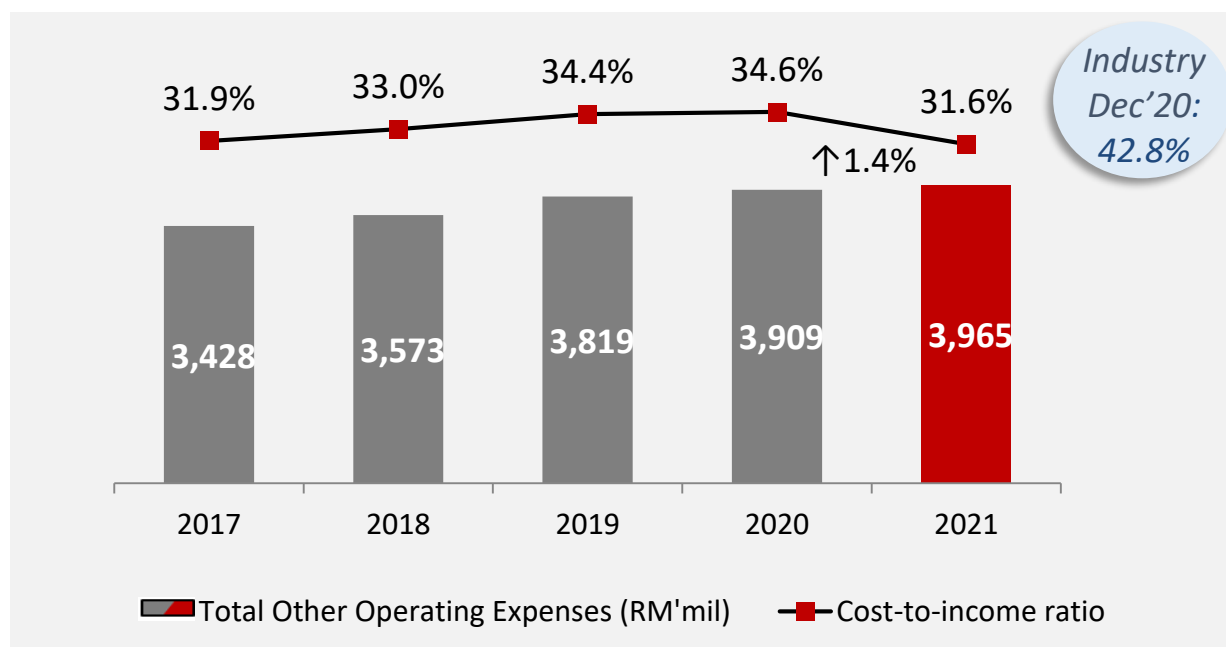




## Other Operating Expenses

Prudent cost management with efficient CIR of 31.6%

(RM'mil)	Composition	FY 2020	FY 2021	y-o-y	Q3 2021	Q4 2021	q-o-q
Personnel costs	 73%	2,866.5	2,896.2	1.0%	715.8	698.6	-2.4%
Establishment costs	 19%	715.4	738.8	3.3%	184.9	186.5	0.9%
Marketing expenses	 3%	118.7	117.6	-0.9%	24.6	21.5	-12.8%
Administration and general expenses	 5%	208.9	212.7	1.8%	50.7	54.3	7.1%
<b>Total other operating expenses</b>	<b>100%</b>	<b>3,909.5</b>	<b>3,965.3</b>	<b>1.4%</b>	<b>976.0</b>	<b>960.9</b>	<b>-1.6%</b>

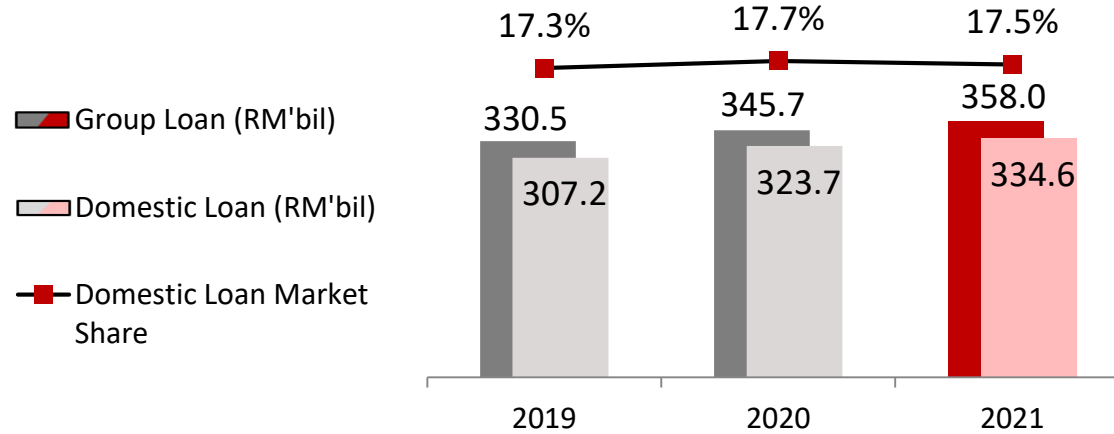




# Loan Growth

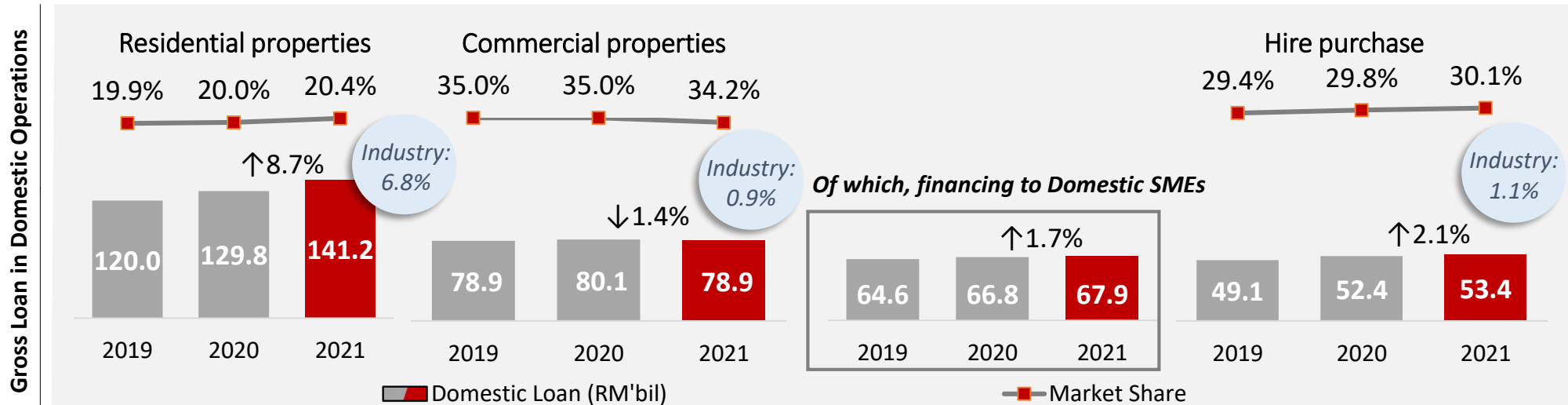
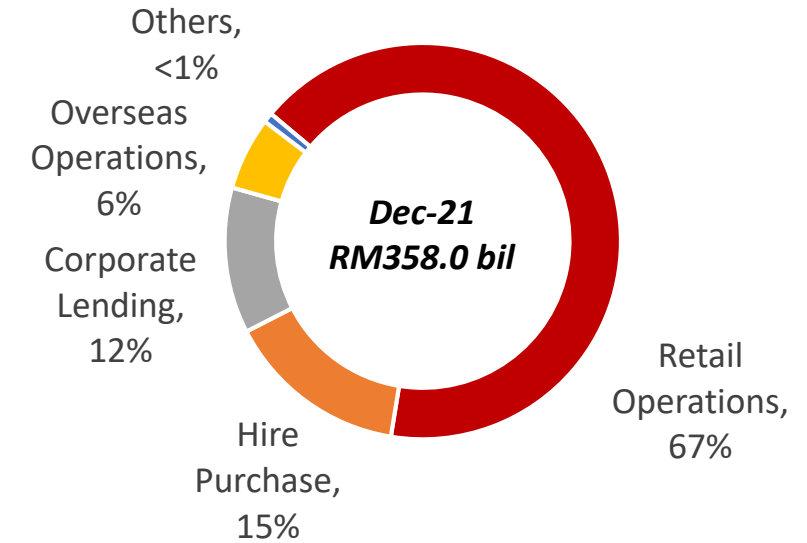
Expansion in lending portfolio mainly supported by residential property, hire purchase and SME financing

## Loans – Outstanding Balance and Market Share



Group Loan Growth	4.1%	4.6%	3.6%
Domestic Loan Growth	4.5%	5.4%	3.4%
Domestic Industry Average	3.9%	3.4%	4.5%

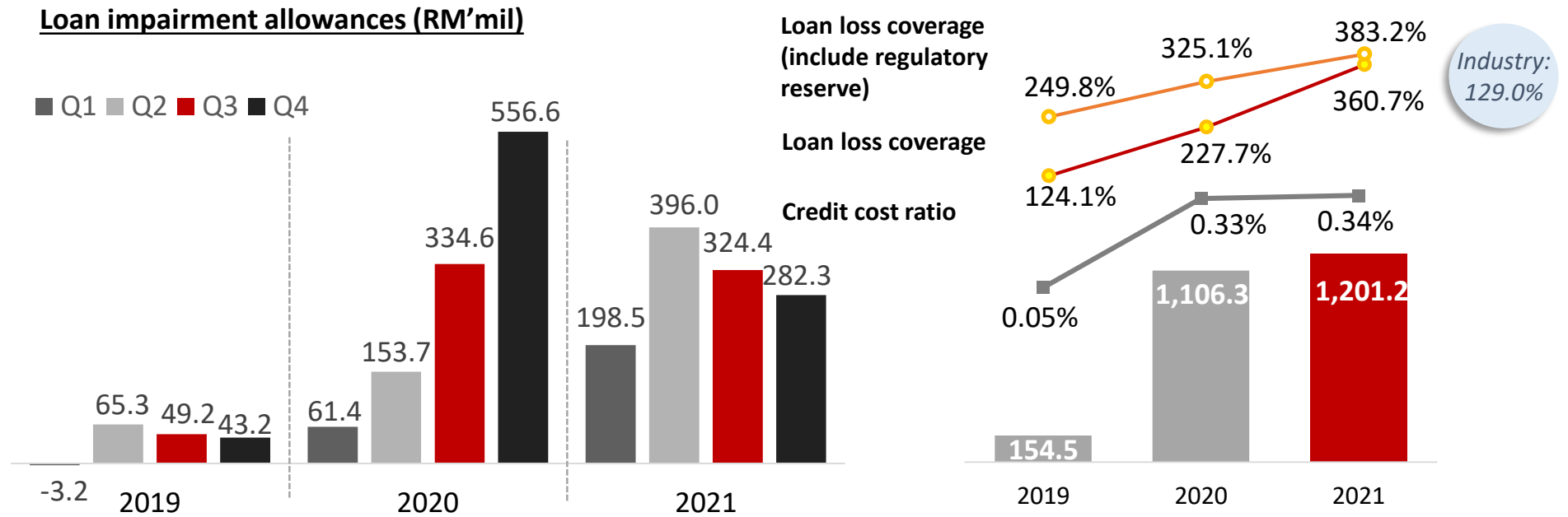
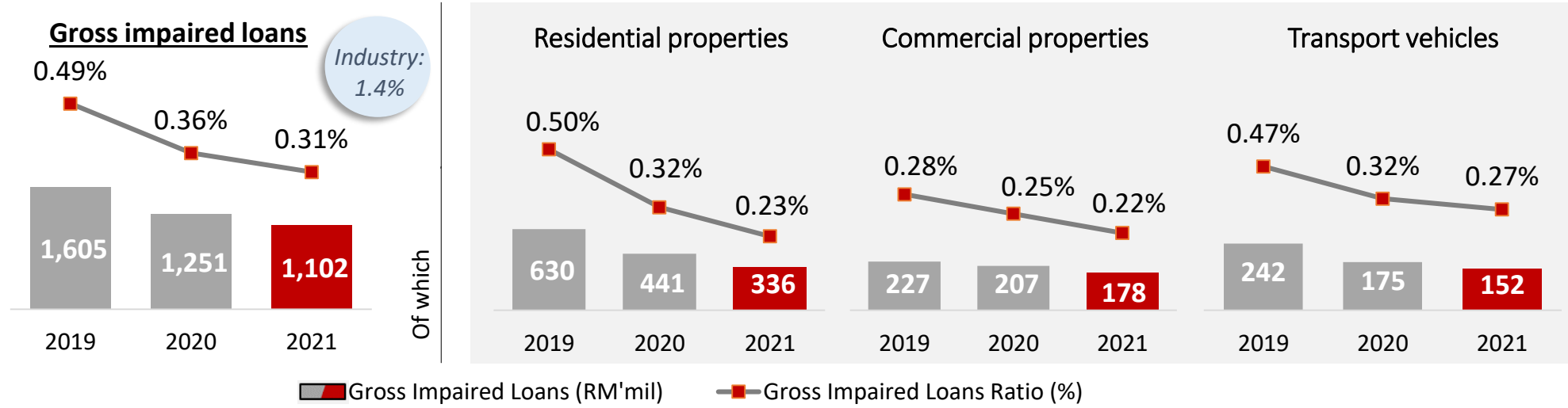
## Loans – By Segment





# Asset Quality

*Stable impaired loans ratio;  
Further bolstered loan loss provisions pre-emptively*





# Repayment & Funding Assistance Programme

Continuous support to COVID-19 affected customers

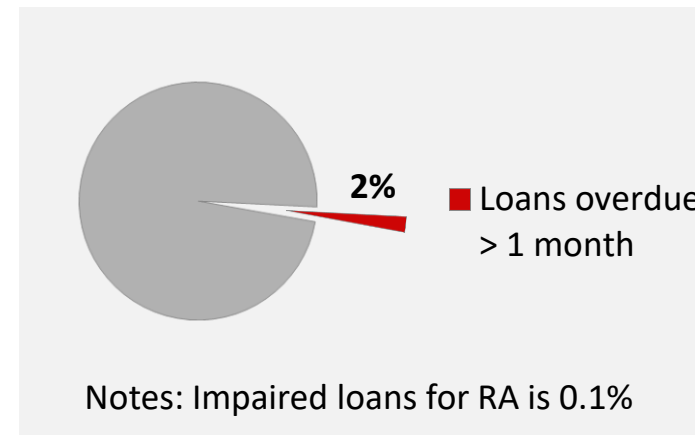
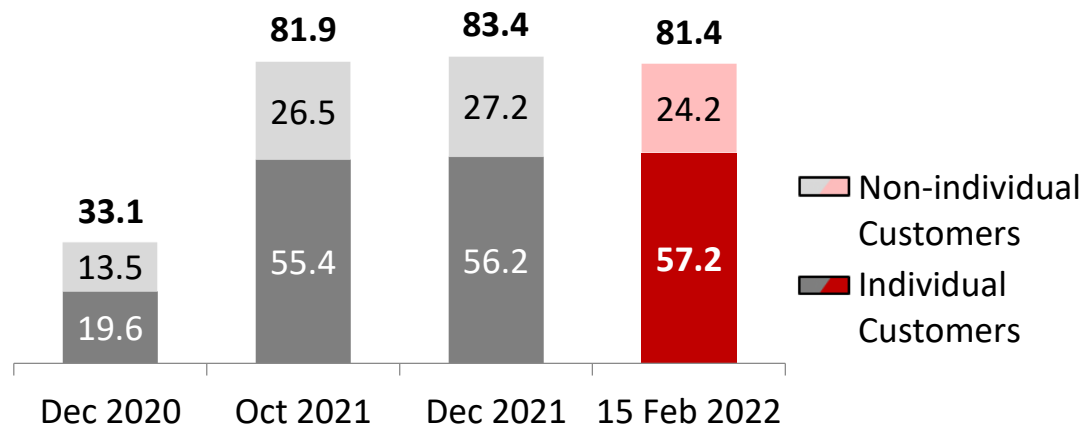
REPAYMENT ASSISTANCE (RA)	
<b>1 Automatic Loan Moratorium (Apr-20 to Sep-20)</b> 6 months auto-moratorium for retail and SMEs	<b>2 Targeted Repayment Assistance (TRA) (w.e.f. Oct-20)</b> Targeted Repayment Assistance for: <ul style="list-style-type: none"> <li>• Unemployed (3 months extension of loan moratorium)</li> <li>• Reduction of income (reduced repayment via R&amp;R)</li> </ul>
<b>3 Expanded Targeted Repayment Assistance (ETRA) (w.e.f. Dec-20)</b> Expanded Targeted Repayment Assistance for B40 & M40 individuals and Micro Enterprises: <ul style="list-style-type: none"> <li>• 3-month deferment of instalments; or</li> <li>• 6-month reduction in instalments up to 50%</li> </ul>	<b>4 Pakej Perlindungan Rakyat &amp; Pemulihan Ekonomi (PEMULIH) ETRA (w.e.f. Jul-21)</b> Six-month loan moratorium or 6-month 50% reduction in instalments for all individuals, Micro Enterprises and SMEs
<b>5 AKPK Financial Management and Resilience Programme (URUS) (w.e.f. Nov-21)</b> Comprehensive extended Financial Assistance Scheme for B50 income segment who have experienced: <ul style="list-style-type: none"> <li>• Reduction of income of at least 50%; or</li> <li>• Unemployed</li> </ul>	
<b>As at 15 February 2022 (Outstanding Loans)</b>	
Repayment Assistance (TRA/ETRA/PEMULIH)	About RM81.4 billion benefitting nearly 438,000 customers
FUNDING ASSISTANCE	
<b>As at 31 January 2022 (Approved &amp; Accepted)</b>	
Government and BNM scheme	Special Relief Facility and Others*
About RM3.4 billion benefitting more than 17,700 SMEs	
<small>* 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</small>	

LOAN MORATORIUM TO CUSTOMERS AFFECTED BY THE RECENT FLOOD (w.e.f. 21 December 2021)
As at 8 February 2022, about RM485.0 million loan moratorium has been granted for about 2,500 customers



# Repayment & Funding Assistance Programme

**Repayment Assistance (RA) Programme (RM'bil)**



As at 15 February 2022	Cumulative RA outstanding loans (RM'bil)	% Against Total Domestic Loans Outstanding of Respective Loan Segment	Active RA outstanding loans (RM'bil)	% Against Total Domestic Loans Outstanding of Respective Loan Segment
<b>Individual Customers</b> of which:	<b>57.2</b>	<b>24%</b>	<b>17.0</b>	<b>7%</b>
Housing Loan	34.1	25%	8.6	6%
Hire Purchase	11.8	21%	4.4	8%
<b>Non-individual Customers</b> of which:	<b>24.2</b>	<b>25%</b>	<b>9.9</b>	<b>10%</b>
Retail business	19.7	36%	5.4	10%
<b>Total</b>	<b>81.4</b>	<b>24%</b>	<b>26.9</b>	<b>8%</b>

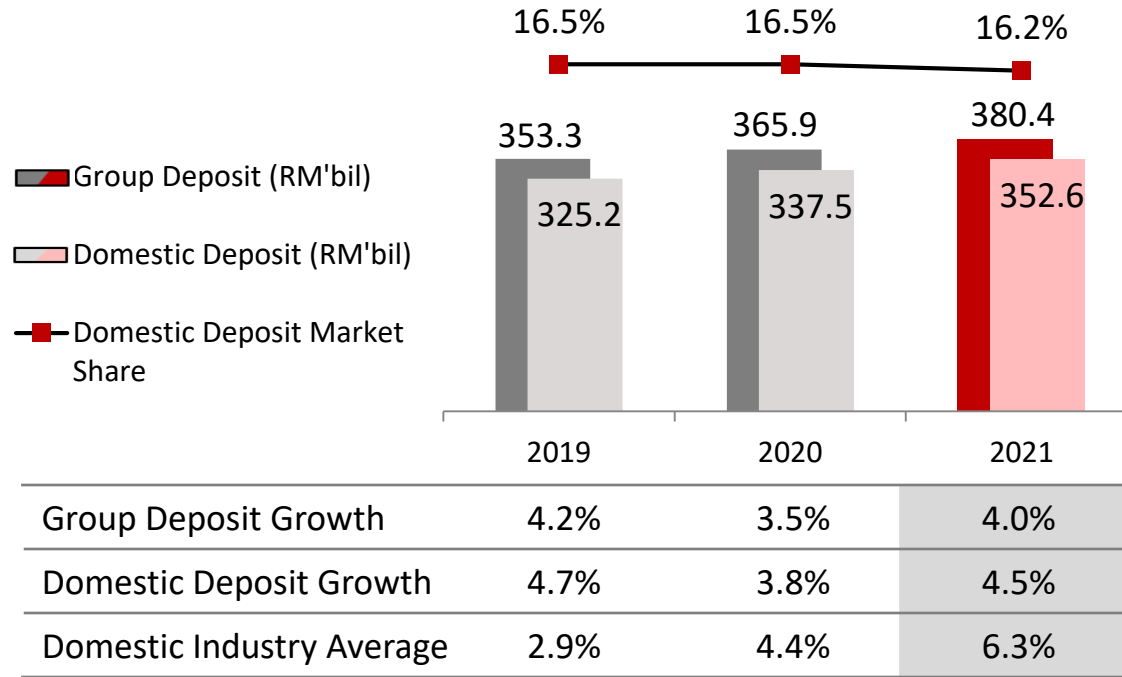
*Repayment trend remained stable*



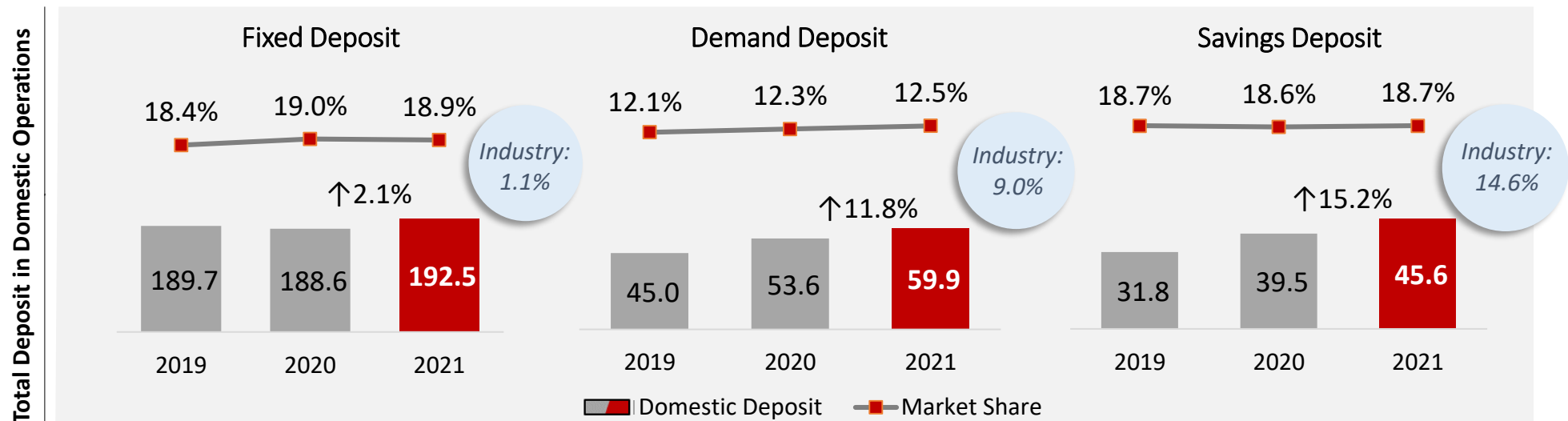
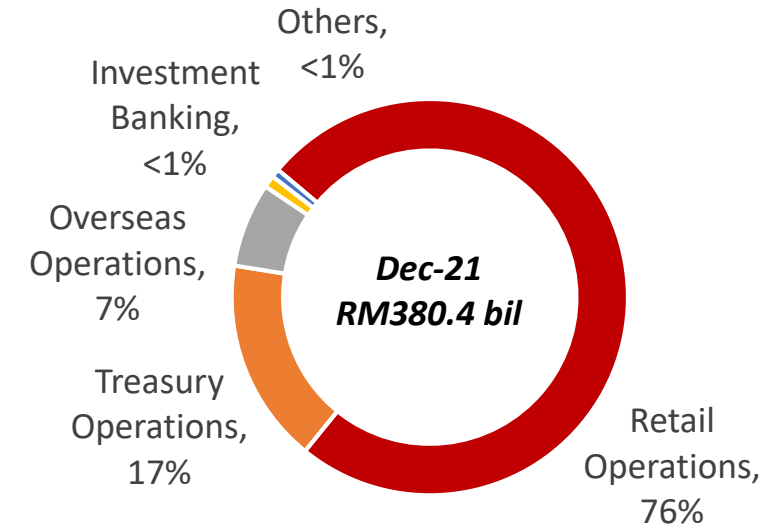
# Deposit Growth

Ample liquidity underpinned by positive growth in deposit business

## Deposit – Outstanding Balance and Market Share



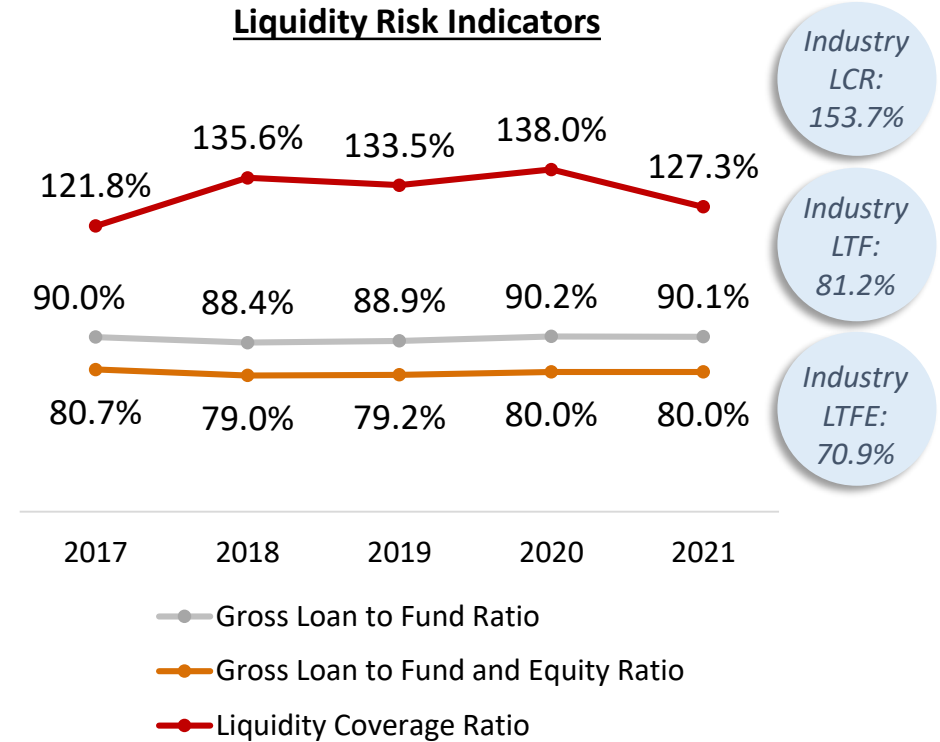
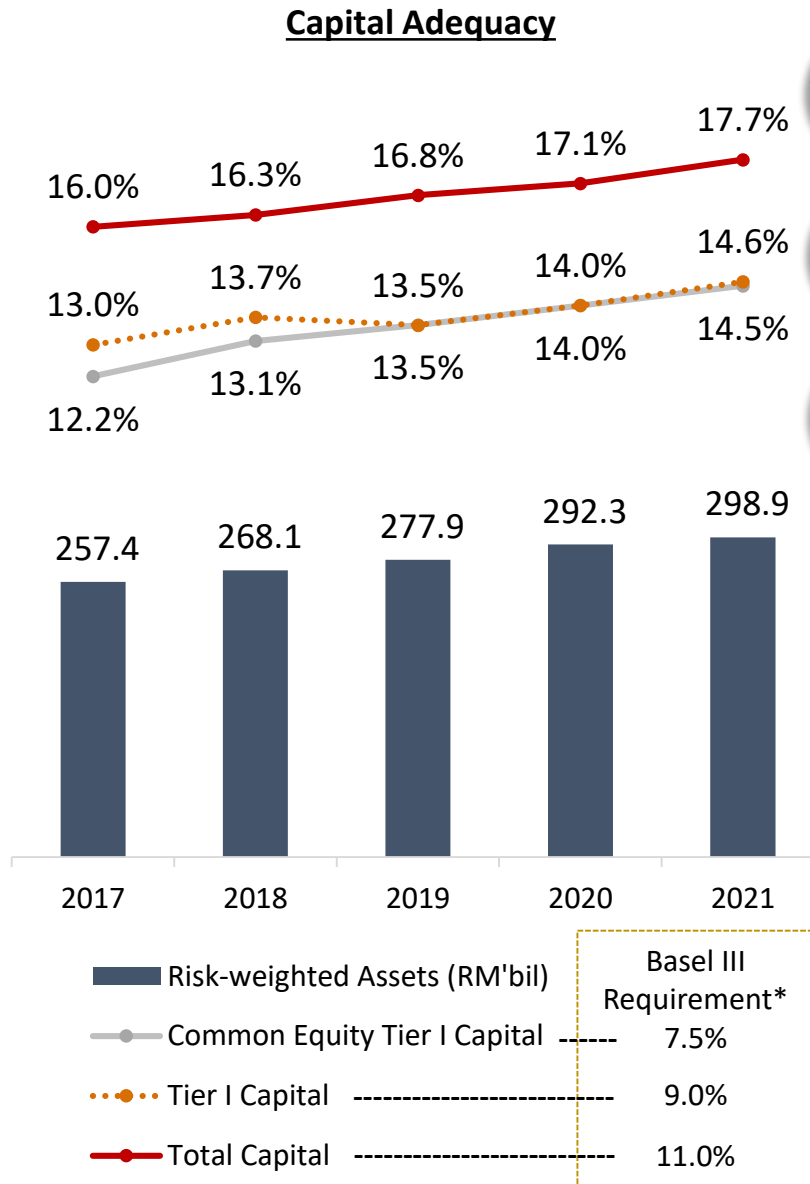
## Deposit – By Segment





# 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



# Business Delivery Channel

	2010	2020	2021
<b><u>Malaysian Operations</u></b>			
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
<b><u>Hong Kong &amp; China Operations</u></b>			
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
<b><u>Indo-China Operations</u></b>			
Cambodia Public Bank	21	31	31
Public Bank Vietnam	7	26	29
	<b>393</b>	<b>441</b>	<b>443</b>



**>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	2017	2018	2019	2020	2021
Profitability	Operating profit		7,319	7,270	7,283	7,403	8,579
	Profit before tax		7,118	7,101	7,134	6,285	7,367
	Net profit		5,470	5,591	5,512	4,872	5,657
Shareholder Value	Earnings per share (sen) <sup>x</sup>		28.33	28.87	28.39	25.10	29.14
	Net assets per share (RM) <sup>x</sup>		1.94	2.11	2.25	2.43	2.48
	Dividend per share (sen) <sup>x</sup>		12.2	13.8	14.6	13.0	15.2
	Dividend payout ratio (%)		43.1	47.9	51.4	51.8	52.2
Key Balance Sheet Data	Total assets		395,276	419,693	432,831	451,257	462,739
	Gross loan		304,453	317,302	330,468	345,651	358,027
	Domestic loan		282,326	294,074	307,164	323,728	334,646
	Deposit from customers		319,259	339,160	353,340	365,871	380,394
	Domestic deposit		293,178	310,585	325,199	337,458	352,615
	Core customer deposit		269,723	283,846	294,646	310,144	325,770
	Shareholders' equity		37,365	40,973	43,594	47,248	48,163
	Common equity Tier I capital <sup>π</sup>		31,521	35,104	37,406	40,778	43,428
	Tier I capital <sup>π</sup>		33,528	36,825	37,564	40,935	43,587
	Total capital <sup>π</sup>		41,134	43,716	46,571	50,119	52,878
Risk-weighted assets		257,352	268,125	277,906	292,284	298,890	

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

<sup>x</sup> 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	2021	Industry <sup>b</sup>
Profitability Ratios	Net interest margin on yielding assets		2.28	2.22	2.15	1.95	2.22	N/A
	Net return on equity <sup>+</sup>		15.8	14.8	13.6	11.2	12.4	N/A
	Pre-tax return on average assets		1.8	1.7	1.7	1.4	1.6	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	20.9	36.9
Liquidity	Gross loan to fund ratio <sup>~</sup>		90.0	88.4	88.9	90.2	90.1	81.2 <sup>^</sup>
	Gross loan to fund and equity ratio <sup>~</sup>		80.7	79.0	79.2	80.0	80.0	70.9 <sup>#</sup>
	Liquidity coverage ratio		121.8	135.6	133.5	138.0	127.3	153.7
Asset Quality	Gross impaired loans ratio		0.5	0.5	0.5	0.4	0.3	1.4
	Loan loss coverage ratio		95.5	126.0	124.1	227.7	360.7	129.0
	Credit cost ratio		0.07	0.05	0.05	0.33	0.34	0.79
Capital Adequacy	Common equity Tier I capital ratio <sup>π</sup>		12.2	13.1	13.5	14.0	14.5	14.6
	Tier I capital ratio <sup>π</sup>		13.0	13.7	13.5	14.0	14.6	15.1
	Total capital ratio <sup>π</sup>		16.0	16.3	16.8	17.1	17.7	18.2
Market Share	<u>Domestic market share</u>							
	Commercial property financing		35.5	35.1	35.0	35.0	34.2	N/A
	Residential property financing		19.6	19.6	19.9	20.0	20.4	N/A
	Passenger vehicle financing		28.5	28.4	29.4	29.8	30.1	N/A
	Domestic loans		17.8	17.2	17.3	17.7	17.5	N/A
	Domestic deposits		16.6	16.2	16.5	16.5	16.2	N/A

<sup>+</sup> Based on average equity adjusted with proposed dividend, if any

<sup>~</sup> Gross loans exclude loans/financing sold to Cagamas. Funds include deposits from customers and debt securities issued and other borrowed funds

<sup>^</sup> Loans exclude loans extended to banking institutions

<sup>#</sup> Equity comprises ordinary and preferred shares and retained earnings

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

<sup>b</sup> Based on latest available industry statistics



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