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Public Bank Group

**Presentation to
Investors**

**J.P. Morgan Asia
Financials Conference**

Hong Kong

10 -11 March 2011

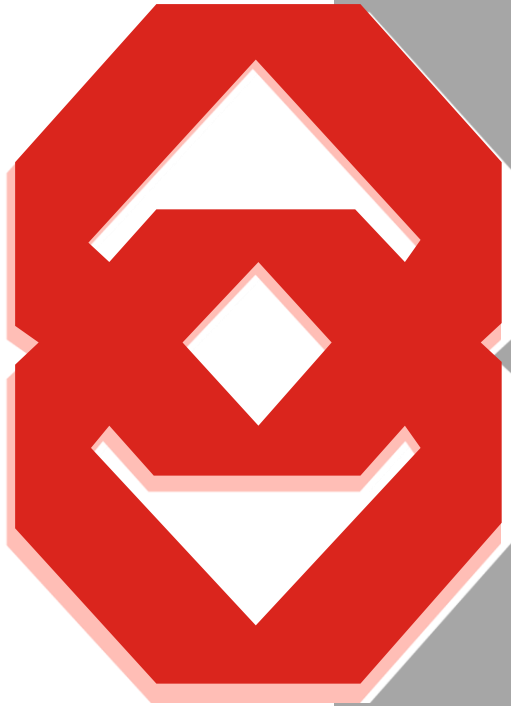




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Quick Facts

- ▶ Top-tier bank in Malaysia
- ▶ Top 5 largest listed[^] corporation by market capitalisation
- ▶ Most award-winning bank in Malaysia*
- ▶ Highly experienced management
- ▶ Unbroken profit track record since incorporation in 1966
- ▶ Strong financial ratings & corporate governance
- ▶ Valuable PB Brand & retail franchise

[^] Reference to listing on Bursa Malaysia

* Certified by the Malaysia Book of Records



Presentation to Investors

INTRODUCTION TO PUBLIC
BANK GROUP

GROUP PERFORMANCE

MARKET CAPITALISATION
AND ANALYSTS' POLL

SUMMARY

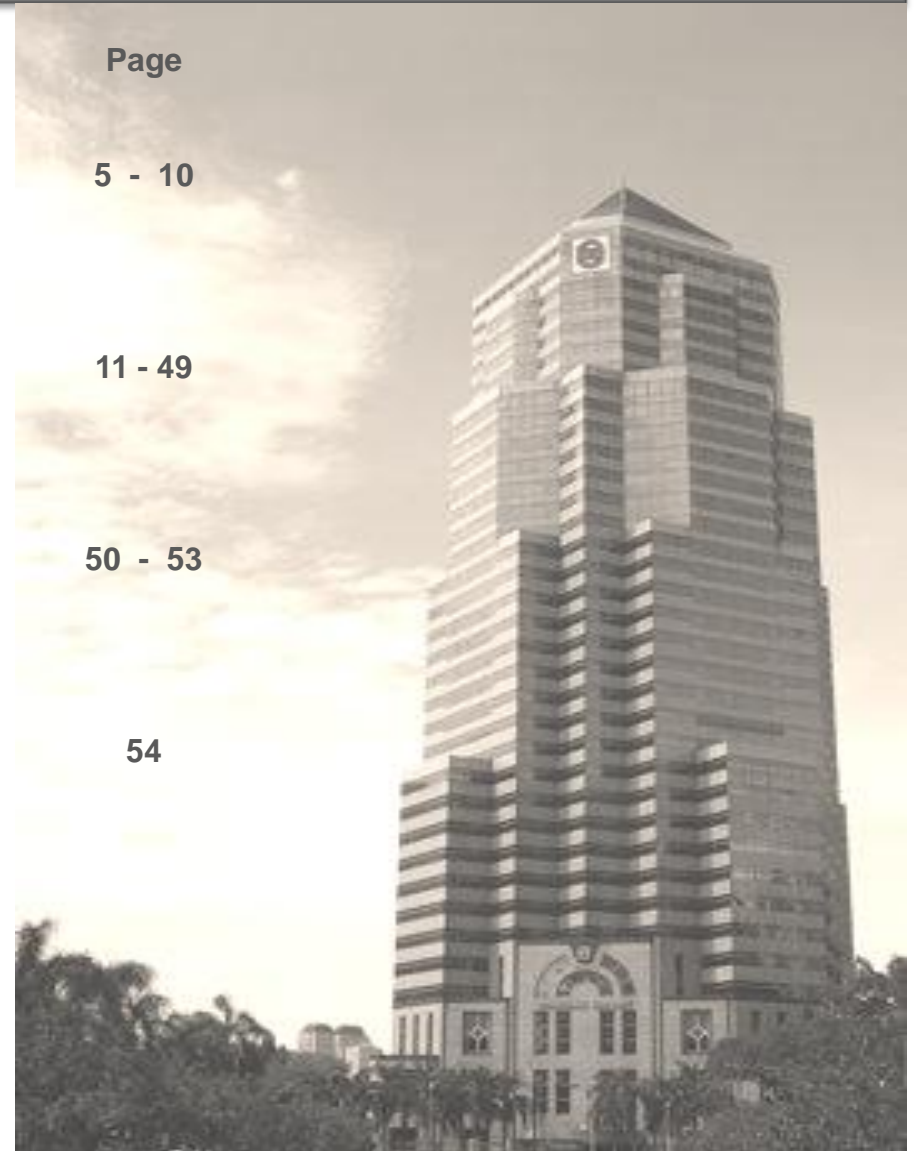
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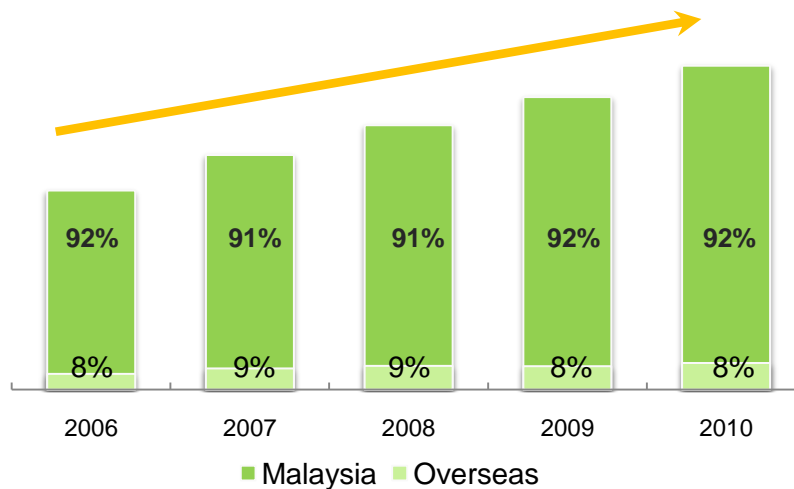


Introduction to Public Bank Group

- Commenced operations in 1966 with one branch
- Listed in April 1967 on Bursa Malaysia Securities Berhad (*then known as Kuala Lumpur Stock Exchange*)
- Geographical Contribution

Total Assets

Consistent & stable investment strategy



Pre-tax Profit

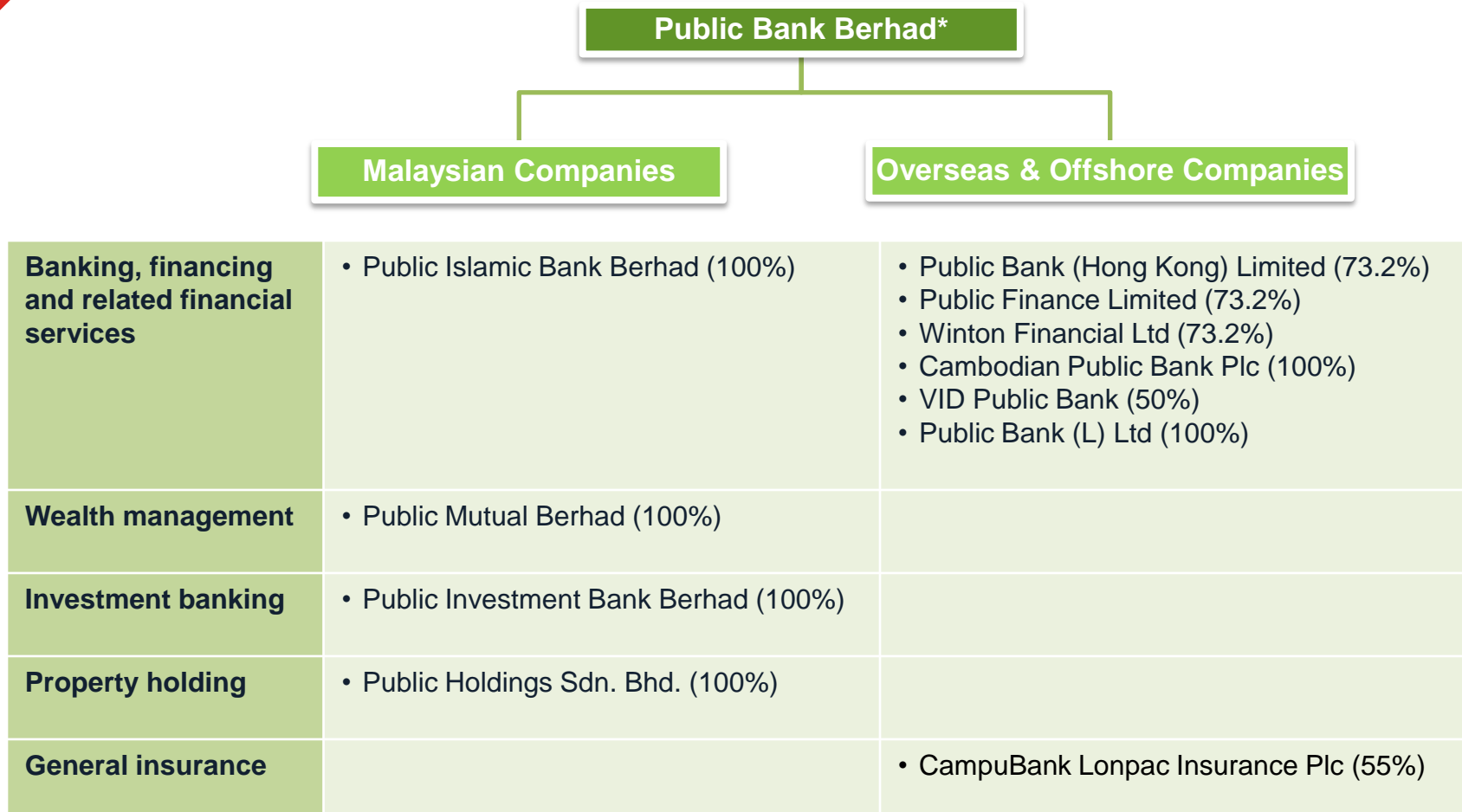
Strong domestic returns





Group Corporate Structure

Key Subsidiaries & Associates



* Holding company principally engaged in all aspects of banking and finance company businesses and the provision of related services.



Growth Strategy and Retail Business Focus

- **Growth strategy**
 - Sustainable Organic Growth
- **Retail *business* focus**

- **Lending:**
 - Consumer Financing: home mortgages, vehicle financing, credit cards, personal financing
 - Lending to SMEs: working capital, purchase of business premises, trade finance & microfinance

- **Deposits:**
 - Retail deposits: Fixed, savings and demand deposits
 - Wholesale deposits
 - Foreign currency deposits
 - Structured deposit products

- **Fee Based Business:**
Unit trusts, bancassurance and structured investment products



Expansion in Business Delivery Channel

Branch Network - Group

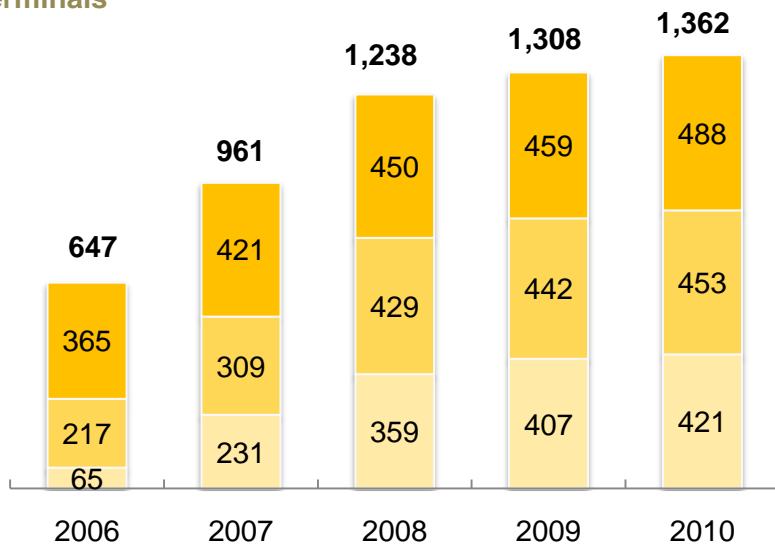
	2010	2009	2006
Malaysian Operations			
Public Bank - Domestic	249	248	240
- Overseas	4	5	3
Public Islamic Bank	1	-	-
Public Mutual	26	26	25
Public Investment Bank	1	1	1
Hong Kong Operations			
Public Finance Ltd	42	42	40
Public Bank (HK) Ltd - Hong Kong	30	30	15
- China	3	3	1
Winton (B.V.I) Ltd Group	9	8	2
Indo-China Operations			
Cambodia Public Bank	21	15	5
VID Public Bank (Vietnam)	7	7	6



Expansion in Business Delivery Channel (cont'd)

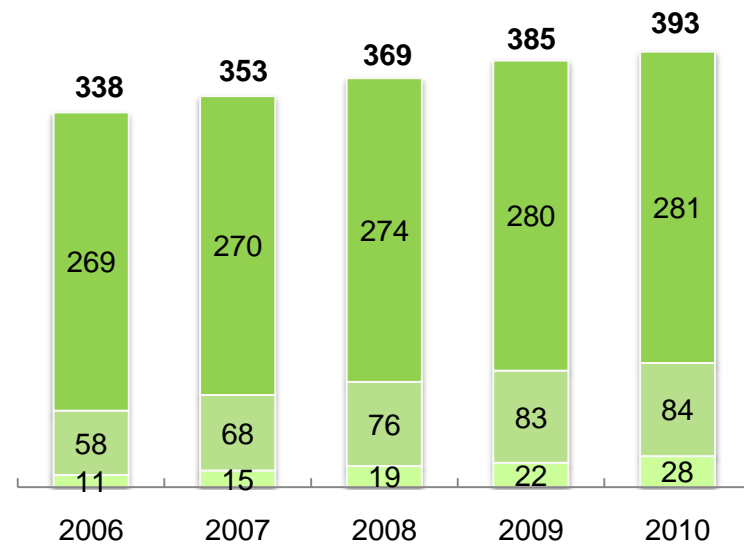
Business Delivery Channel

Continuous investments in domestic self service terminals



- Cash Deposit Terminals
- Cheque Deposit Machines
- ATMs

Continuous investments in branch networks



- Indo-China Operations
- Msia Operations
- HK Operations



Reaffirmed High Credit Ratings

	Long term	Short term	Latest update
RAM	AAA	P1	June 2010
Moody's	A3	P-1	July 2010
Standard & Poor's	A-	A-2	December 2010
Standard & Poor's ASEAN Scale Rating	axAA	axA-1	December 2010

RAM rating on Subordinated Notes and Capital Securities

	Long term	Latest update
Subordinated Medium Term Notes Programme of up to RM5.0 billion	AA1	June 2010
RM1.2 billion Innovative Tier 1 capital Securities	AA2	June 2010
Non-Cumulative Perpetual Capital Securities Programme of up to RM5.0 billion	AA2	June 2010



Overview of Performance- Another Strong Set of Results

Pre-tax Profit
Growth

+23%

to RM4,086.2 mil
(2009: RM3,321.4 mil)

Net Profit

+21%

to RM3,048.2 mil
(2009: RM2,517.3 mil)

Cost Income
Ratio

-1.9%

to 30.7%
(2009: 32.6%)

Net Return on
Equity

+1.0%

to 27.1%
(2009: 26.1%)

Earning per
Share

+19%

to 87.2 sen
(2009: 73.3 sen)

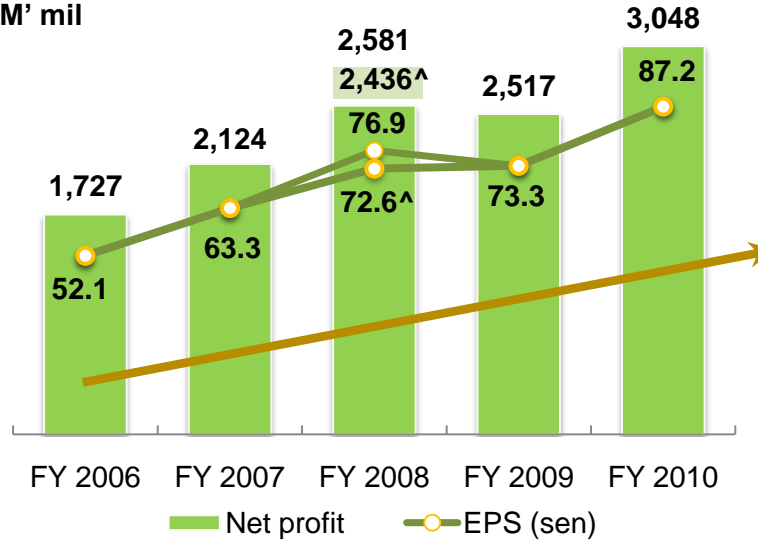


Overview of Performance (cont'd)

Performance

Annual Profit Growth

RM' mil



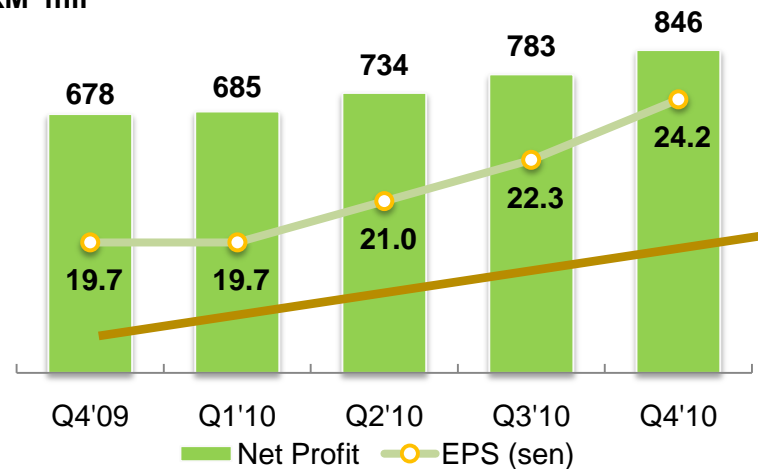
- Net profit average annual growth 15.8%
- EPS average annual growth 14.3%

[^] Exclude one-off goodwill income from ING

Performance

Quarter Profit Growth

RM' mil



- Net profit average quarter growth 5.7%
- EPS average quarter growth 5.3%



Overview of Performance (cont'd)

Loans Growth

+14%

to RM156.5 bil
(2009: RM137.6 bil)

Domestic Core
Deposits Growth

+15%

to RM129.4 bil
(2009: RM112.5 bil)

RWCR

13.7%

(2009: 14.0%)

Gross Impaired
Loans Ratio

1.1%

(2009: 1.4%)

Shareholders'
Equity

+18%

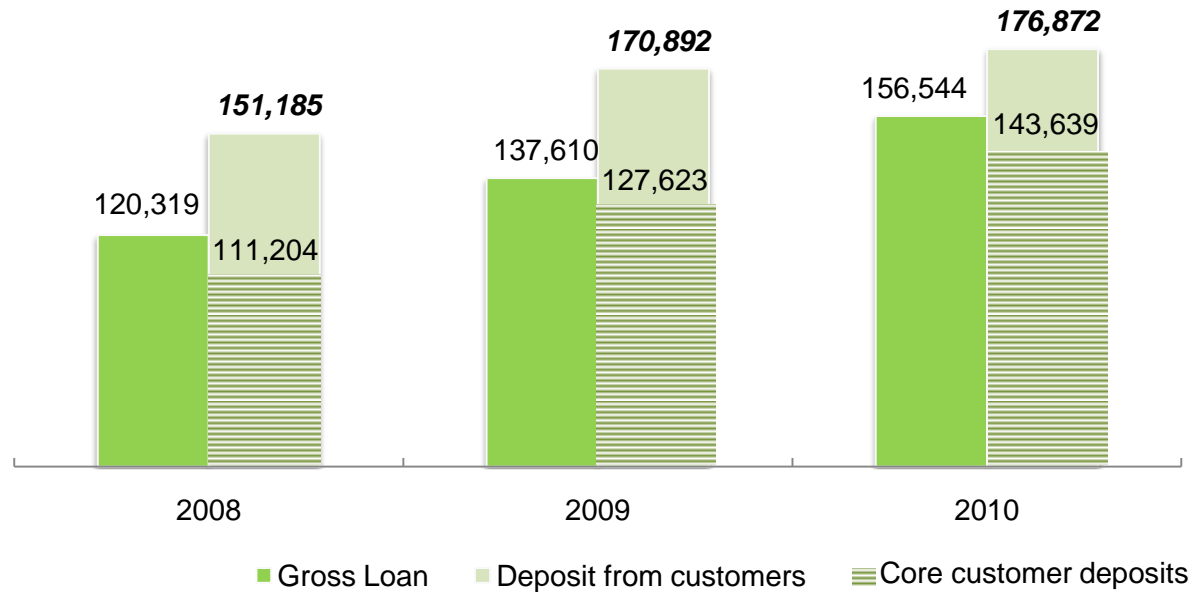
to RM13.0 bil
(2009: RM 11.0 bil)



Overview of Performance (cont'd)

Healthy loan & deposit growth

RM' mil



	2008	2009	2010
Gross loan growth	19.0%	14.4%	13.8%
Customer deposit growth	20.0%	13.0%	3.5%
Core customer deposit growth	16.8%	14.8%	12.5%

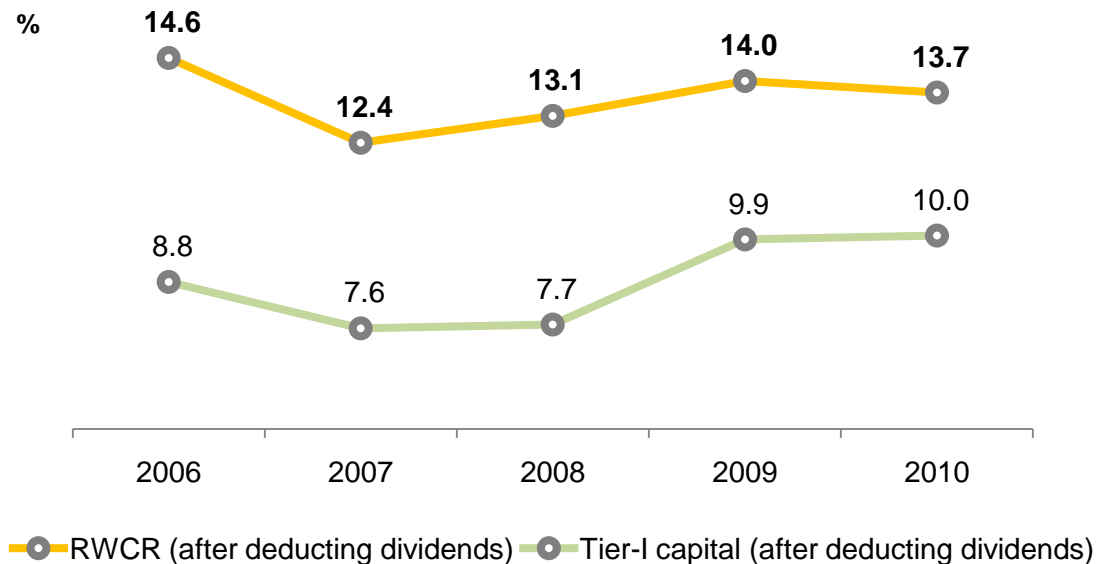


Overview of Performance (cont'd)

		2010	2009	Change
Capital / Liquidity	Risk weighted capital ratio (RWCR)*	13.7%	14.0%	↓ 0.3%
	Tier-I capital ratio*	10.0%	9.9%	↑ 0.1%
	Net loan deposit ratio	87.1%	79.2%	↑ 7.9%

* After deducting second interim dividends

Stable and healthy capital ratios



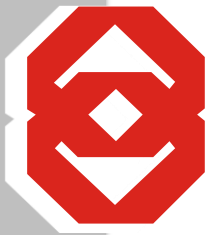


Key Financials

RM'mil	2005	2006	2007	2008	2009	2010
Total assets	111,689	147,790	174,155	196,163	217,136	226,329
Gross loans and advances	68,102	84,365	101,005	120,319	137,610	156,544
Deposits from customers	75,153	98,213	126,028	151,185	170,892	176,872
Net profit attributable to shareholders	1,459	1,727	2,124	2,581*	2,517	3,048
Net ROE (%)	19.1	21.9	26.3	30.4*	26.1	27.1
Gross impaired loans ratio (%)						
- FRS 139	n/a	n/a	n/a	n/a	1.3	1.1
- Old GP3 (for reference)	2.1	1.9	1.4	1.0	1.0	0.9
Risk weighted capital ratio** (%)	16.1	14.6	12.4	13.1	14.0	13.7**
Net loan deposit ratio (%)	88.9	84.3	78.8	78.3	79.2	87.1

* Figures for 2008 include RM200 million one-off goodwill income from ING

** After deducting interim/final dividends



Key Earnings Indicators

	Q4 2010	Q3 2010	Change	2010	2009	Change
Earnings per share (sen)	24.2	22.3	↑ 8.5%	87.2	73.3	↑ 19.0%
Net return on equity*	27.9%	26.6%	↑ 1.3%	27.1%	26.1%	↑ 1.0%
Pre-tax return on average assets	2.0%	1.9%	↑ 0.1%	1.8%	1.6%	↑ 0.2%
Net interest margin on yielding assets**	3.3%	3.4%	↓ 0.1%	3.4%	3.2%	↑ 0.2%
Non interest income/Total net income	21.8%	21.6%	↑ 0.2%	21.3%	20.6%	↑ 0.7%
Cost to income ratio	29.3%	28.5%	↑ 0.8%	30.7%	32.6%	↓ 1.9%
Overheads over average assets	0.9%	0.9%	→ -	0.9%	0.9%	→ -

* Based on average equity after deducting proposed dividend, if any.

** Excluding Negotiable Instrument of Deposits and Money Market Deposits which are on-lent to banks.

Note: For quarterly key earning indicators, other than EPS, have been annualised for comparison purposes

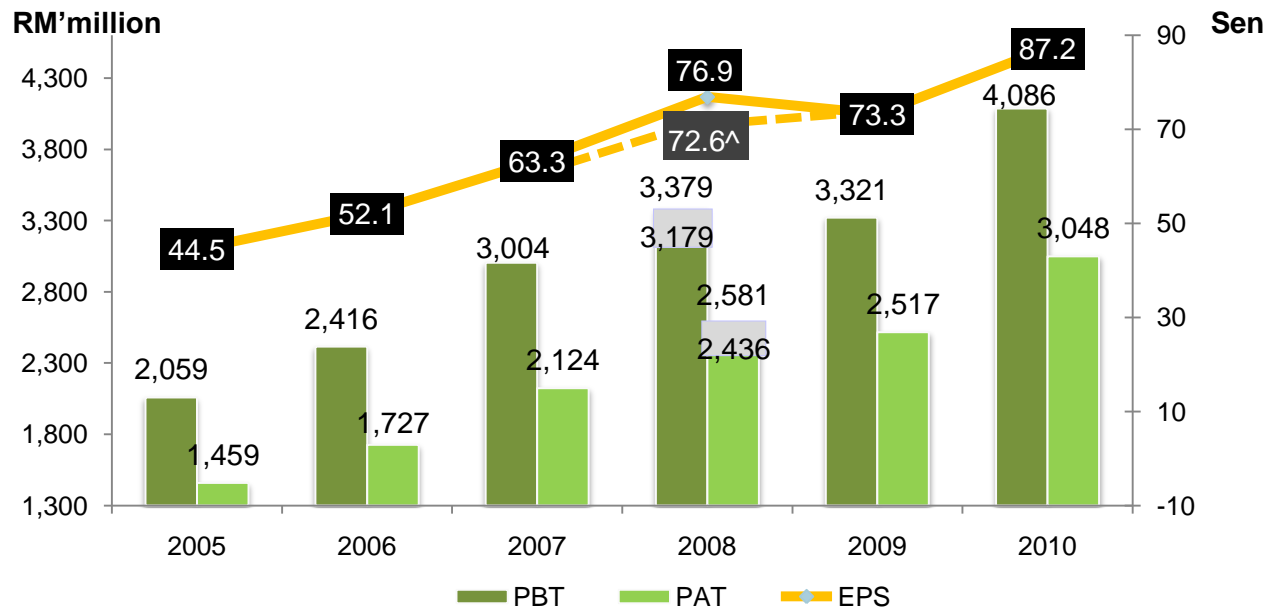


Unbroken Profit Track Record

- 44 years of unbroken profitability
- Strong profit growth in past 5 years

	RM'million						y-o-y growth (%)					
	2005	2006	2007	2008*	2009	2010	2005	2006	2007	2008*	2009	2010
Pre-tax profit	2,059	2,416	3,004	3,179	3,321	4,086	9.3	17.3	24.3	5.8	4.5	23.0%
Net profit	1,459	1,727	2,124	2,436	2,517	3,048	12.8	18.4	23.0	14.7	3.3	21.1%

* Figures for 2008 exclude RM200 million one-off goodwill income from ING

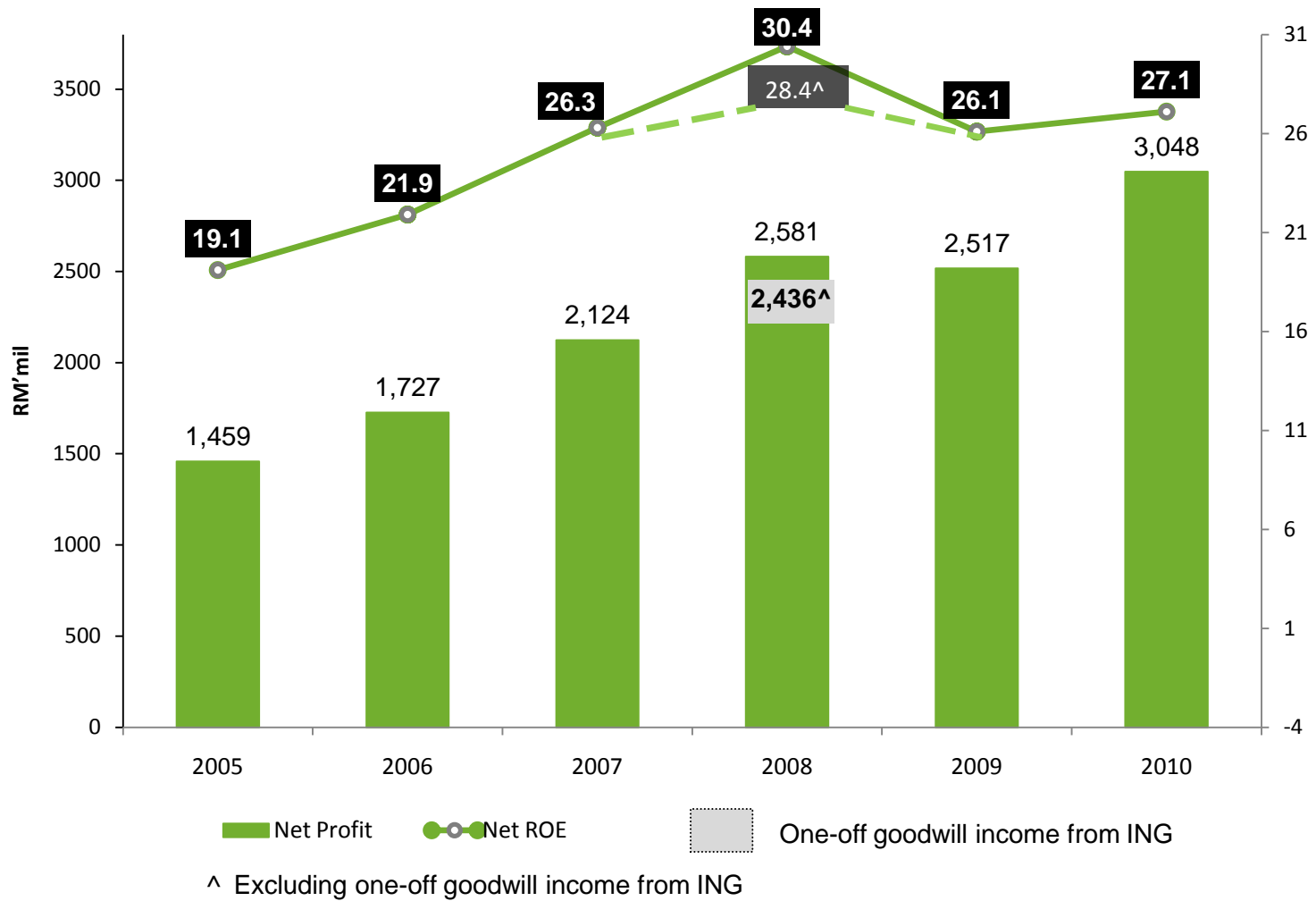


One-off goodwill income from ING

[^] Adjusted EPS excluded one off goodwill income from ING



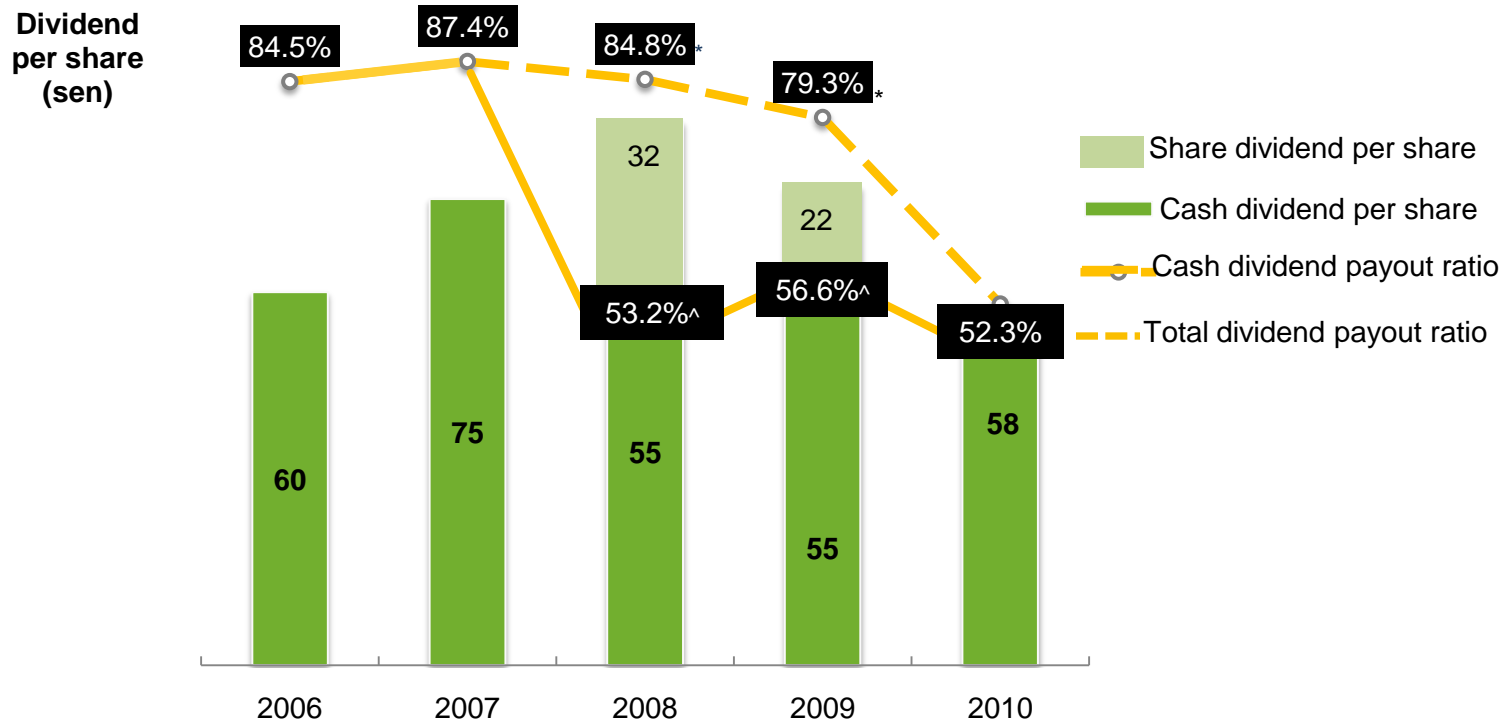
Return on Equity





Dividend Track Record

- Paid dividends annually since 1970



Dividend yield	7.7%	6.8%	10.0%*	6.8%*	4.5%
- Cash Dividend	7.7%	6.8%	6.2%	4.9%	4.5%
- Share Dividend	-	-	3.8%	1.9%	-

^ Dividend payout based on cash dividends

* Including share dividend



Dividend (cont'd)

Dividend for the financial year ended 31 December 2010:

(RM sen)	Gross cash dividend per share	Net cash dividend per share
1st Interim Dividend -franked	25.00	18.75
2 nd Interim Dividend - franked - single tier	25.00 8.00	18.75 8.00
Total	58.00	45.50

Total dividend payout :

- **RM1.59 billion**
- **52.3% of the Group's net profit**



Earnings Performance

RM'mil	Q4 2010	Q3 2010	Change	2010	2009	Change
Net interest & Islamic banking income	1,404.5	1,371.7	2.4%	5,378.7	4,728.1	13.8%
Non-interest income	391.1	378.4	3.4%	1,459.8	1,229.7	18.7%
Operating expenses	(525.8)	(497.9)	5.6%	(2,100.2)	(1,942.6)	8.1%
Operating profit	1,269.7	1,252.1	1.4%	4,738.3	4,015.1	18.0%
Loan impairment allowances	(142.8)	(202.3)	29.4%	(659.6)	(690.9)	4.5%
Pre-tax profit	1,130.3	1,051.4	7.5%	4,086.2	3,321.4	23.0%
Net profit	846.2	782.7	8.1%	3,048.2	2,517.3	21.1%

Income:

- Strong growth in net interest and finance income and non-interest income

Expenses:

- Higher operating expenses in 2010 vs 2009 were incidental to business expansion and growing loan base

Allowance:

- Decrease in loan impairment allowances in Q4 2010 was due to the absence of certain non-recurring provisions incurred in Q3 2010.
- The total loan allowances in 2010 has decreased as compared to 2009 despite strong loan growth of 13.8% during the year, indicating strengthened asset quality.



Pre-tax Profit Contribution by Entities of the Group

RM'mil	2010	2009	Change
Public Bank & Public Islamic Bank	3,371.6	2,805.9	20.2%
Public Mutual	273.8	212.8	28.7%
Public Investment Bank	50.1	40.4	24.1%
Public Bank (L)	84.3	79.7	5.8%
Overseas Operations	311.5	239.9	29.8%
<i>Of which:</i>			
<i>Public Financial Holding Group (in Hong Kong)</i>	222.5	141.6	57.2%
<i>Cambodian Public Bank Plc</i>	60.6	57.9	4.7%
Others	(5.1)	(57.3)	N/A
Total	4,086.2	3,321.4	23.0%

- Higher interest and finance income and non-interest income largely contributed to the increase in Public Bank's and Public Islamic Bank's profits
- Public Mutual's improved earnings was due to higher management fee income in tandem with the higher net asset value of funds under management
- Higher brokerage income earned contributed to improved results of Public Investment Bank
- Pre-tax profit of overseas operations improved with decline in credit charges

Note: Pre-tax profit contribution by entities were taken excluding intercompany dividend and all other inter-company profit/loss which are eliminated at Group level.



Pre-tax Profit Contribution by Business Segment

	RM'mil	2010	2009	Change
Retail operations		2,294.5	1,764.1	30.1%
Hire purchase		665.6	621.7	7.1%
Corporate lending		244.5	182.2	34.2%
Treasury & capital market operations		177.8	250.7	29.1%
Fund management		273.8	212.8	28.7%
Overseas operations		311.5	239.9	29.8%
Investment banking		50.2	40.4	24.3%
Others*		68.3	9.6	>100.0%
Total		4,086.2	3,321.4	23.0%

- Double digit growth across most of the business segments
- Supported by favourable 14.8% rise in total net income earned and 18.7% improvement in non-interest income for the year, coupled with stable credit charge

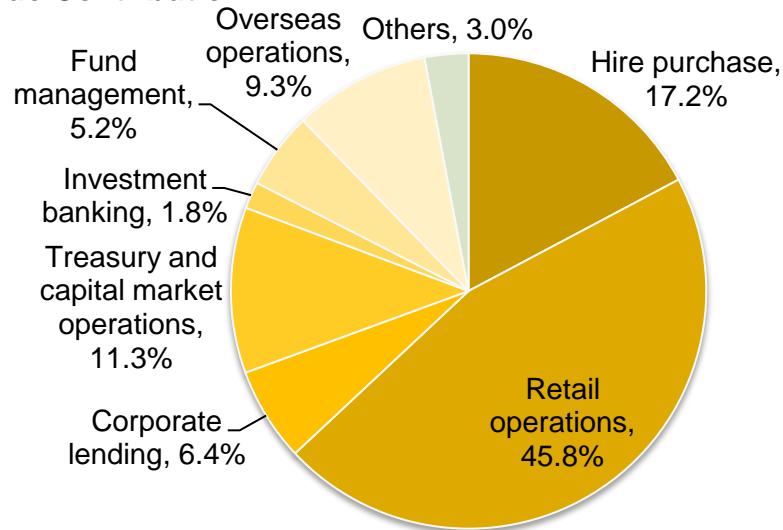
• *Others comprise mainly of domestic head office, other miscellaneous domestic segment and domestic share of profit after tax of equity accounted associated companies.*

Note: Profit contribution by segments are based on pre-tax profit including share of results of associated companies.



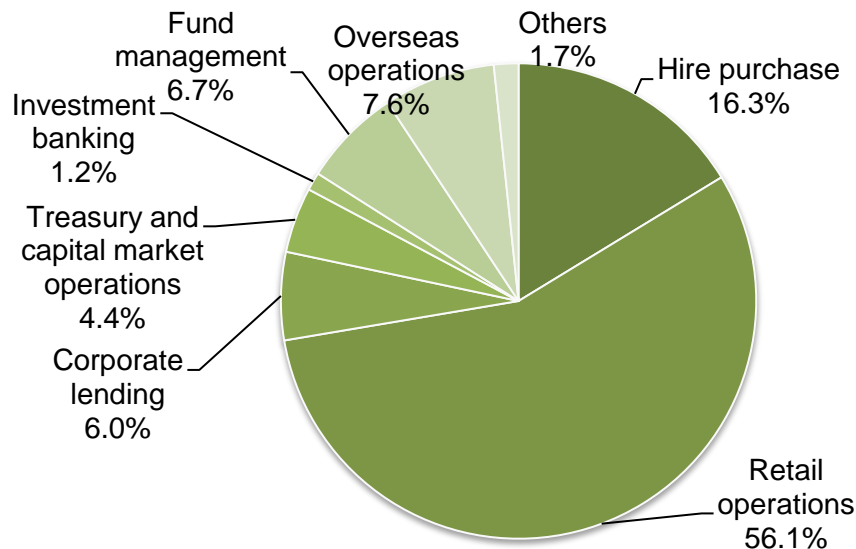
Contribution to Revenue & Pre-tax Profit – by Business

Revenue Contribution



- Retail operations and hire purchase segment continue to be the major contributor to revenue and profits of the Group

Pre-tax Profit Contribution

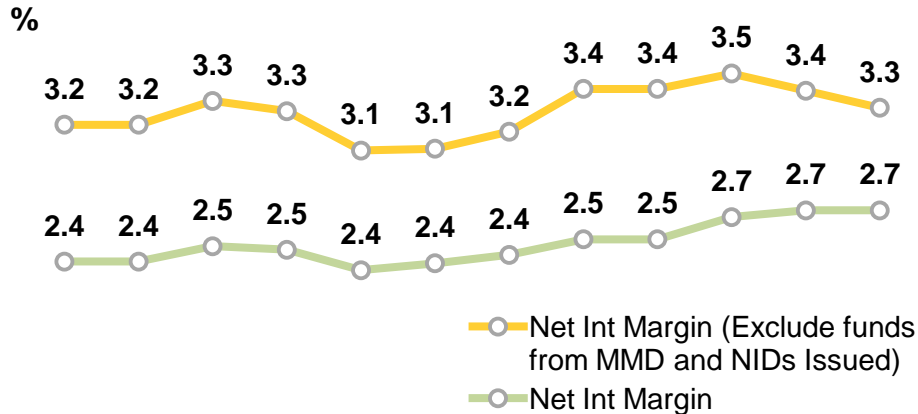


Based on financial results as at 31 December 2010

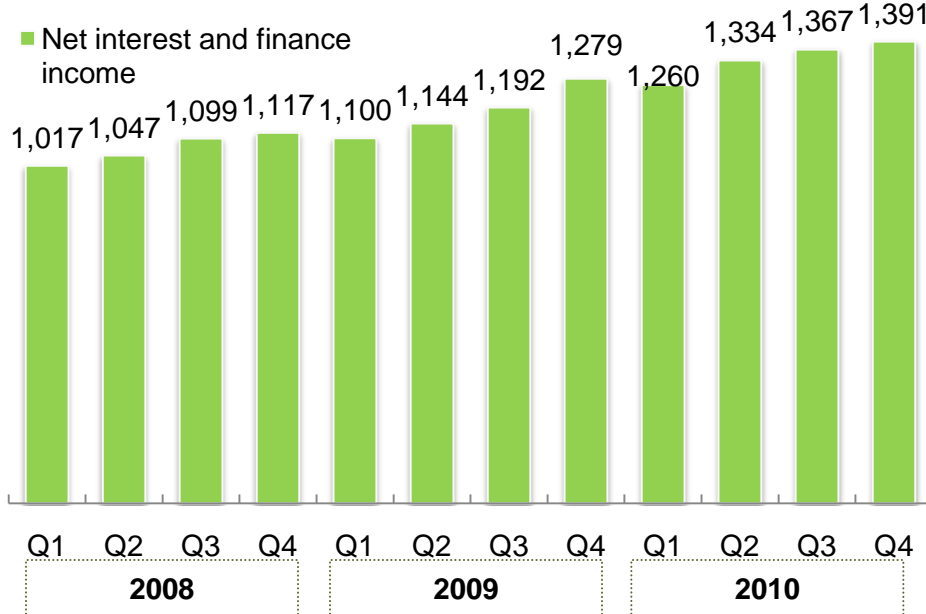


Stable and Sustainable Growth in Interest & Margins

Net Interest Income and margin



RM' mil

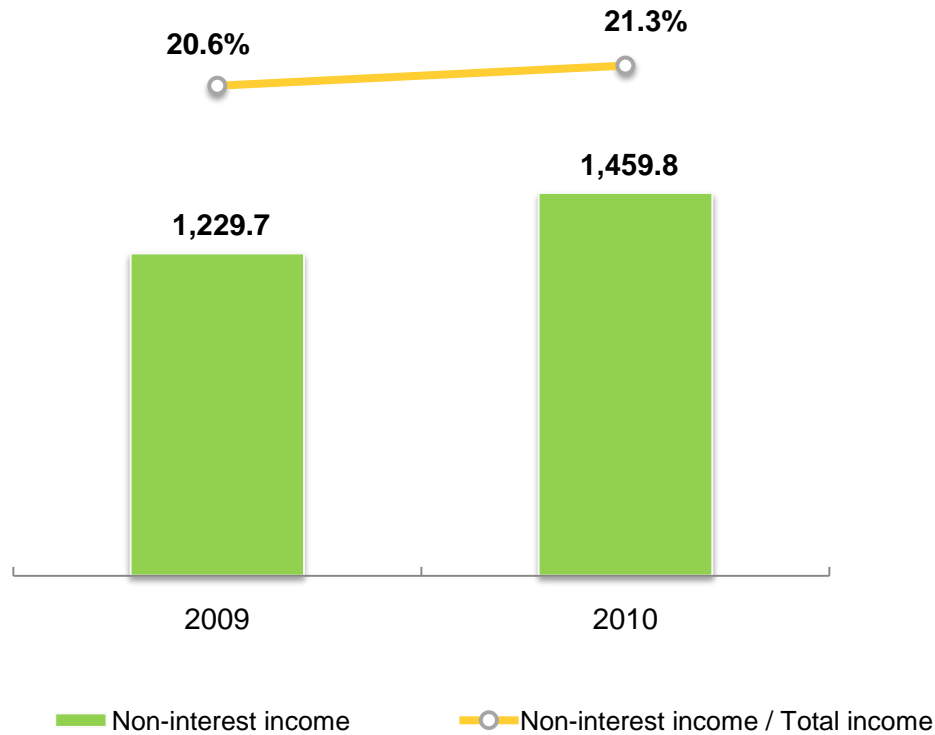


- Overall NIM for 2010 has improved from 2009
- Sterling growth in net interest and finance income was driven by the Group's strong fundamentals and commitment in expanding its loan and deposit base
- Net interest and finance income is expected to continue to grow in coming quarters due to expanding loan and deposit base

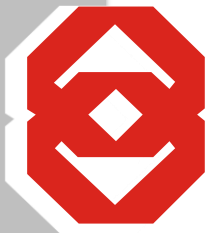


Steady Non-Interest Income Contribution

RM' mil

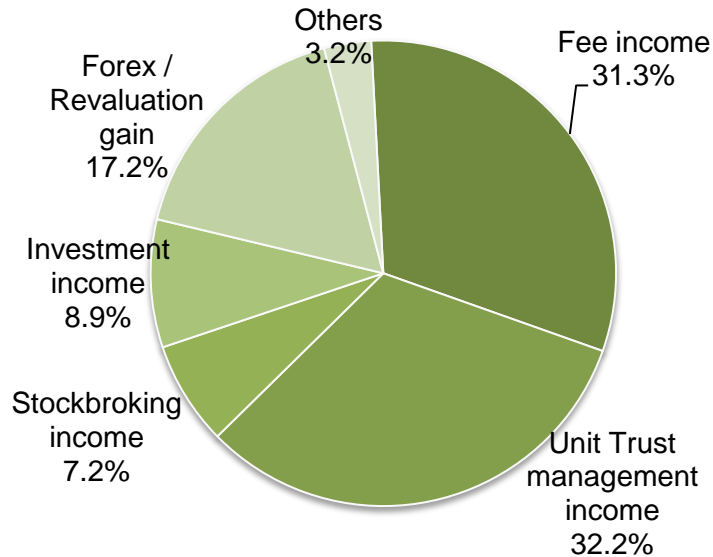


- Non-interest income of the Group see an increase from 2009, as it is the Group's initiative to grow its fee-based businesses going forward.



Steady Non-Interest Income Contribution (Cont'd)

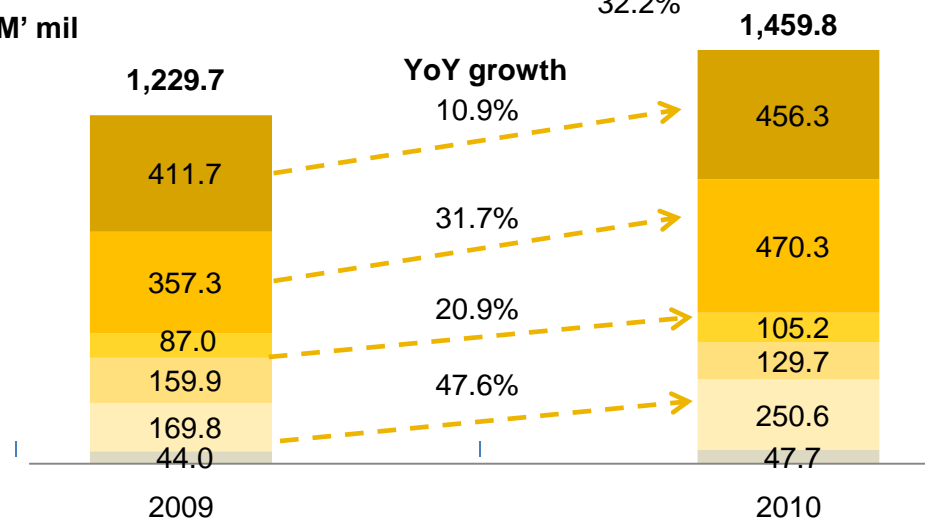
Non-Interest Income Contribution



- Strong contribution of non-interest income in 2010 was mainly contributed by the Group's unit trust and foreign exchange businesses

Based on financial results as at 31 December 2010

RM' mil



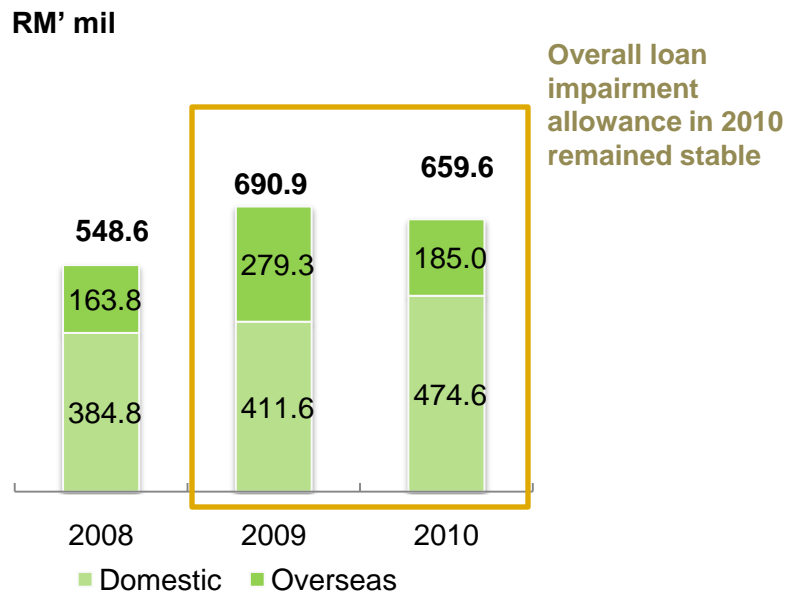
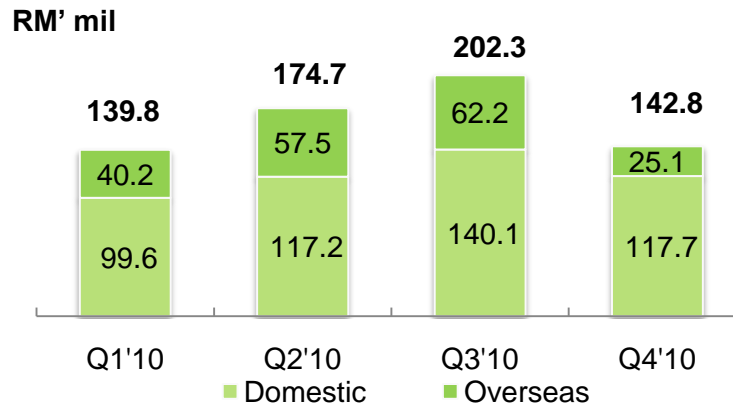
Growth in non-interest income

- Fee income
- Unit Trust income
- Stockbroking income
- Investment income
- Forex / Revaluation gain
- Others



Improving Loan Loss Allowances

Quarterly & Yearly Loan Impairment Allowances (including general/collective allowance)



Quarter-on-quarter comparison

- Lower Q4 2010 loan impairment allowances compared to Q3 2010 due to
 - Absence of certain non-recurring provision charges in Q3 2010; and
 - Further improved asset quality

12-month comparison

- Compared to 2009, overall loan impairment allowance for 2010 reduced despite strong loan growth, and significant improvement in the credit charge for overseas operation by 33.8% as compared to 2009.
- For the domestic operation, loan impairment allowance increased by 15.3% mainly due to certain non-recurring provision charges and higher collective assessment allowance driven by strong loan expansion.



Robust Financial Position

RM' bil	2010	2009	Change
Total assets	226.3	217.1	4.2%
Gross loans and advances	156.5	137.6	13.8%
<i>Of which:</i>			
Domestic loans and advances	143.8	124.4	15.6%
Overseas loans and advances	12.7	13.2	3.8%
Deposits from customers	176.9	170.9	3.5%
<i>Of which:</i>			
Domestic core customer deposits	129.4	112.5	15.0%
Shareholders' funds	13.0	11.0	18.2%
Net assets per share (RM)	3.72	3.19	16.6%
Net loans to deposits (LD) ratio (%)	87.1	79.2	7.9%

Assets:

- Assets expansion driven by strong loan and core deposit growth

Loan:

- Domestic loan growth is strong at 15.6% for 2010
- The contraction of overseas loan growth was mainly due to the impact of exchange rate i.e. strengthening of RM against USD by 10% during the year

Deposit:

- Deposit growth of 3.5%, supported by the stronger domestic core customer deposit growth of 15.0% in line with the Group's strategy to grow its retail deposit base, partially offset by lower wholesale deposits and the negative impact of the forex translation of overseas deposits

Equity:

- Shareholders' fund grew in tandem with the strong underlying profits recorded for the year

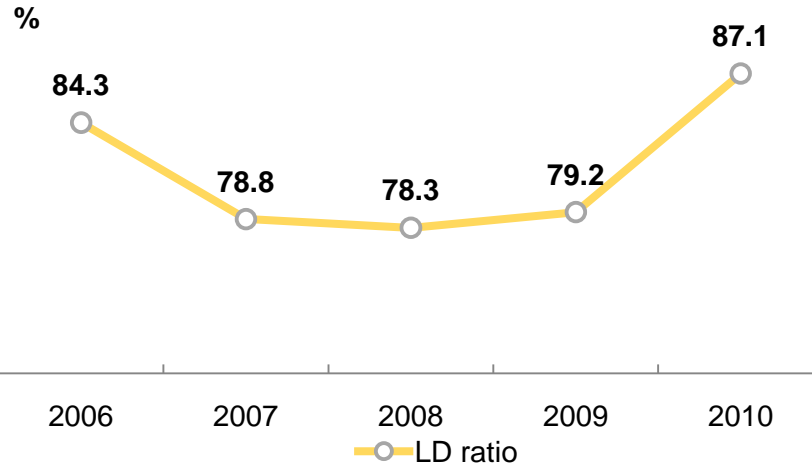
Liquidity:

- Remained at healthy level



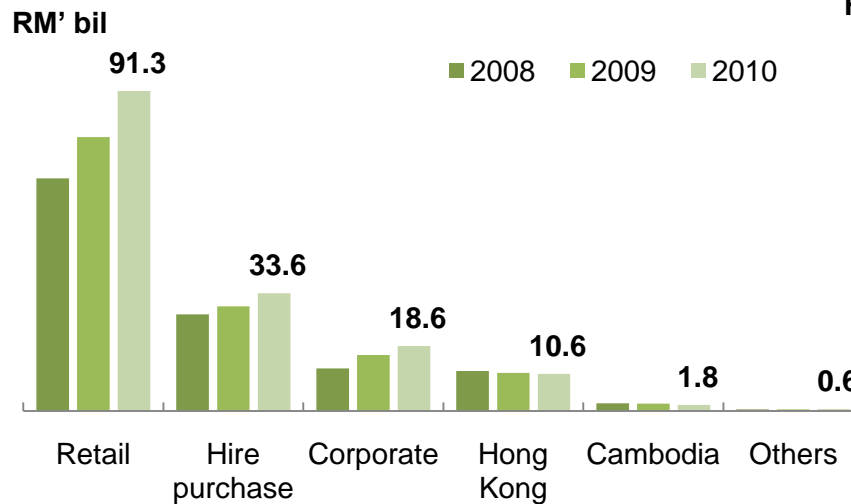
Strong Liquidity With Healthy Loan & Deposit Growth

Net Loan Deposit Ratio

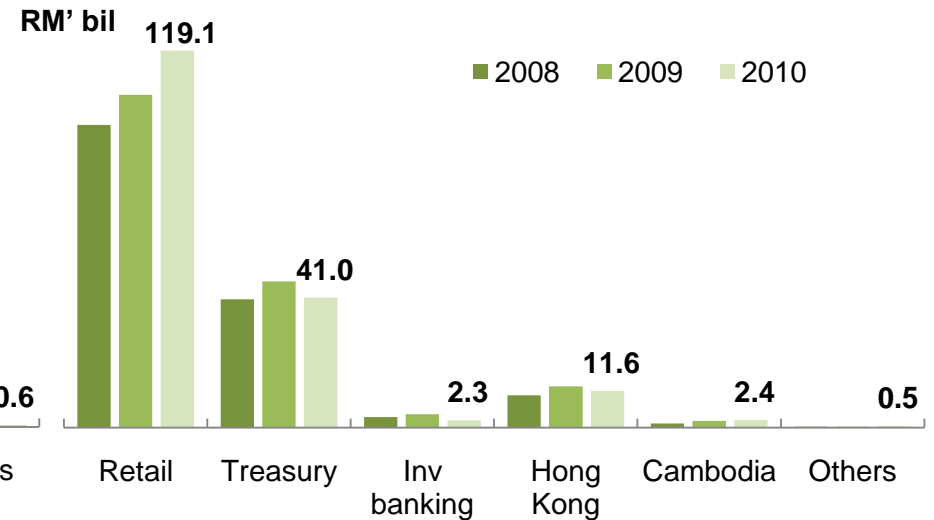


- Net loan deposit ratio increased during 2010 but remained healthy
- Increase in the net LD ratio was due to lower wholesale deposits outstanding as at 31 December 2010, in line with the Group's strategy to focus on the growth of core deposits
- Loan growth continues to be supported through the Group's retail and hire purchase segment whilst retail deposits remain the main contributor to the deposit growth of the Group

Gross Loan Composition by Segment



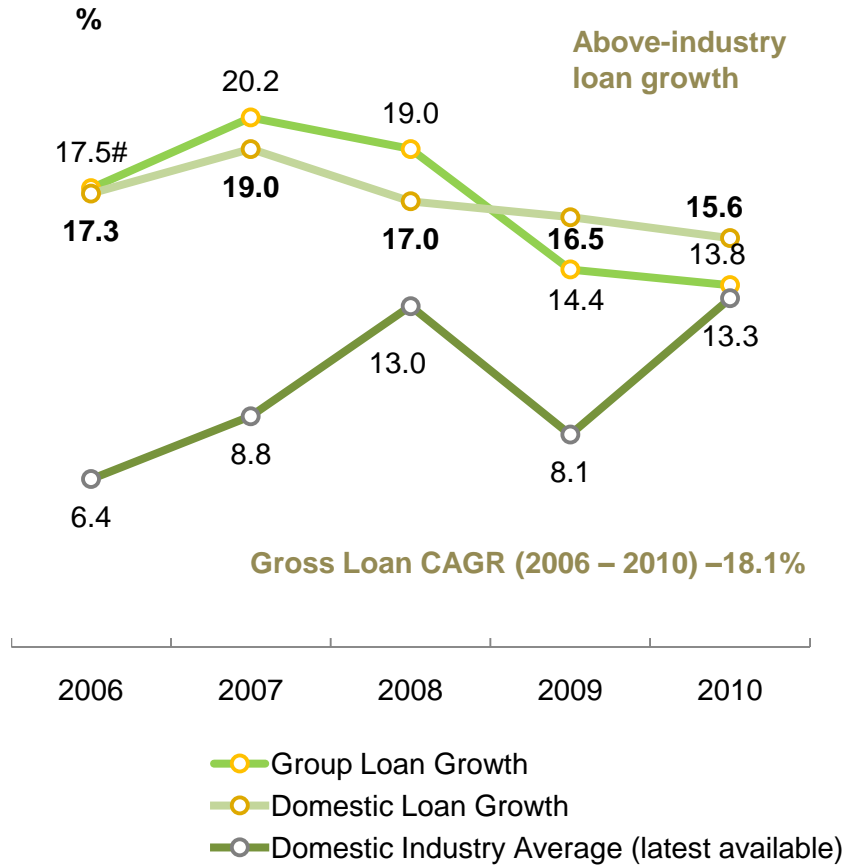
Deposit Composition by Segment





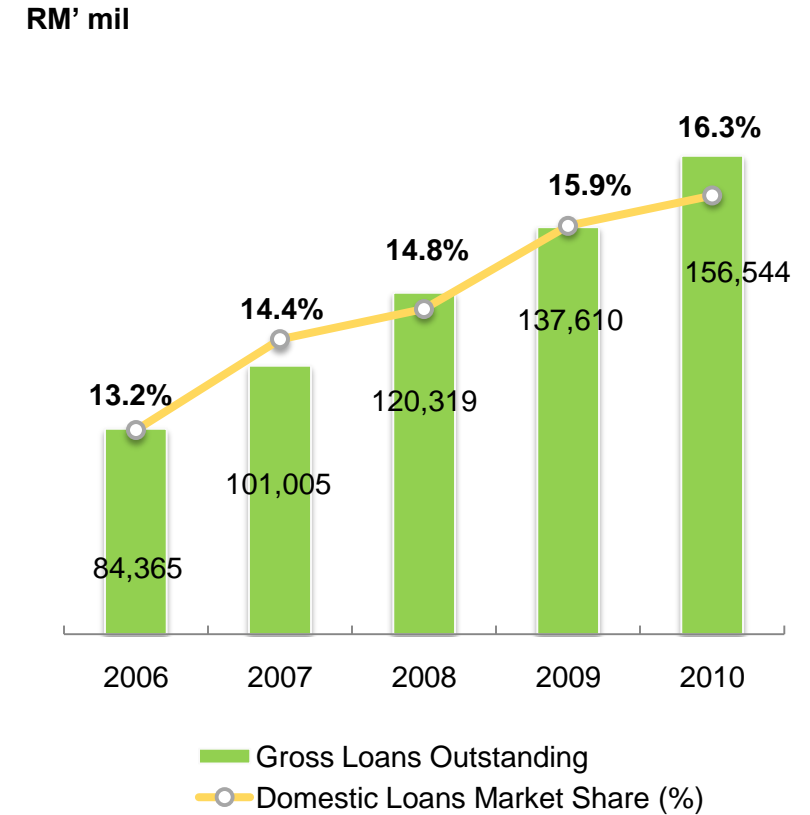
Consistently Above-industry Loan Growth

Loan Growth vs Industry



Excluding acquisition of Public Bank (Hong Kong)

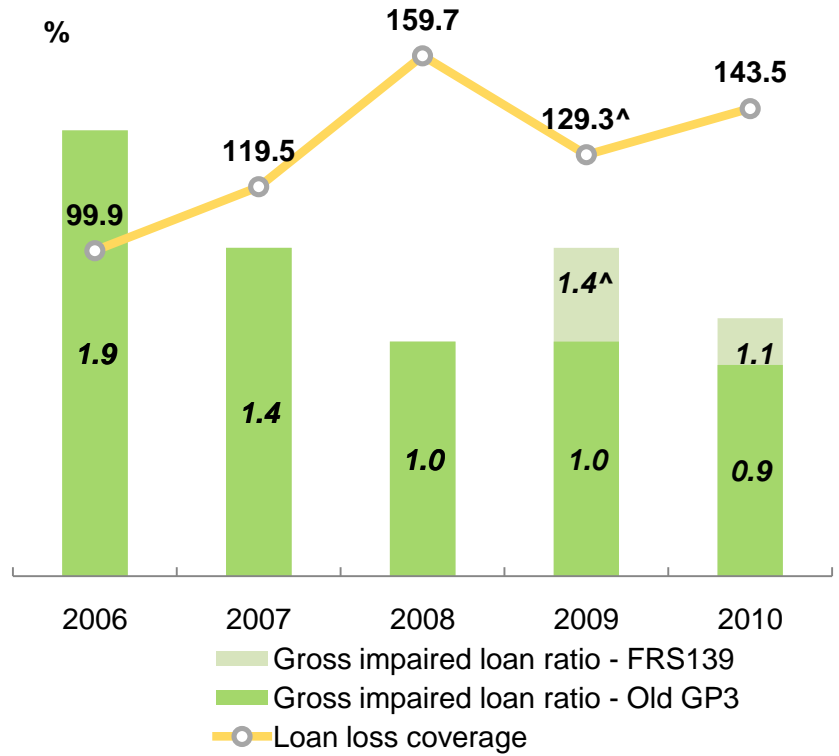
Gross Loans and Domestic Loan Market Share





Asset Quality Remained Strong

Improving gross impaired loans ratios with high loan loss reserves



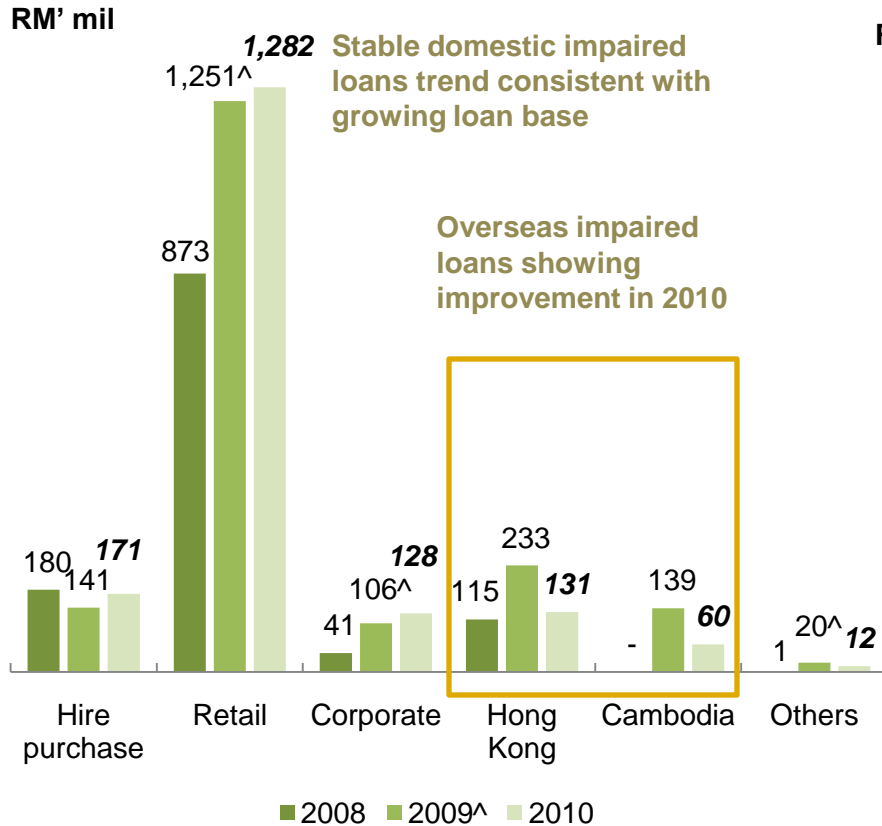
[^] Restated due to the adoption of FRS 139

- Despite more stringent criteria on classification of impaired loans due to FRS 139 adoption with effect from 2010, the gross impaired loans ratio remained low at 1.1% with an improved loan loss reserve of 143.5%
- Based on old GP3 classification of 3 months NPL, NPL ratio improved further to 0.9% from 1.0% as at December 2009



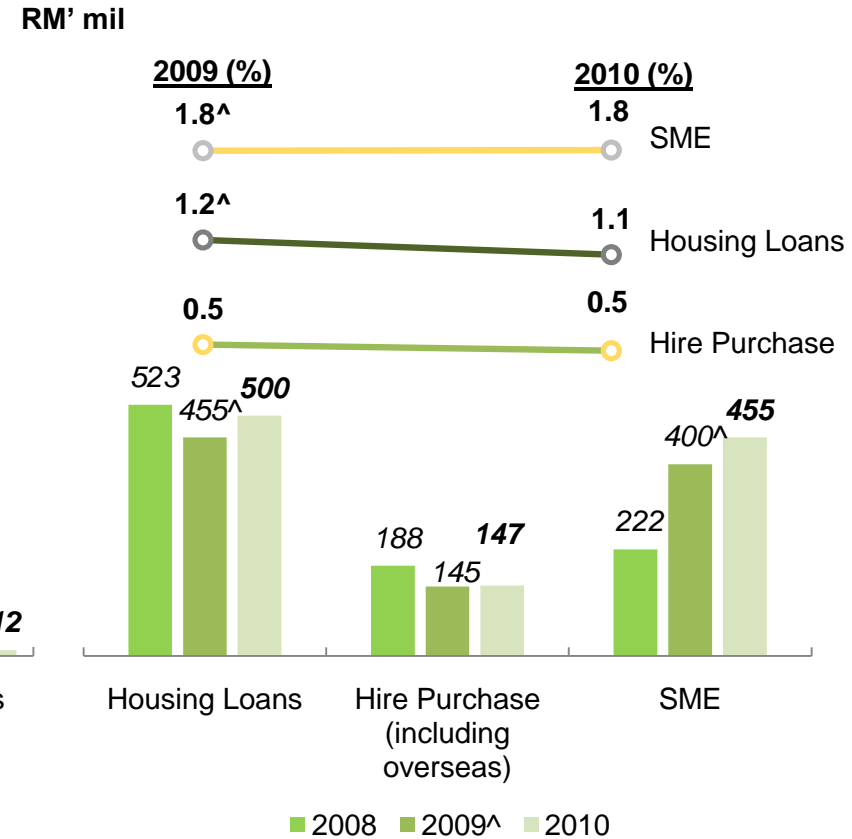
Asset Quality Remained Strong (cont'd)

Gross Impaired Loans by Segment



[^] Restated due to the adoption of FRS 139

Gross Impaired Loans & Gross Impaired Loans Ratio by Key Sectors



[^] Restated due to the adoption of FRS 139



Sustaining Strong Asset Quality

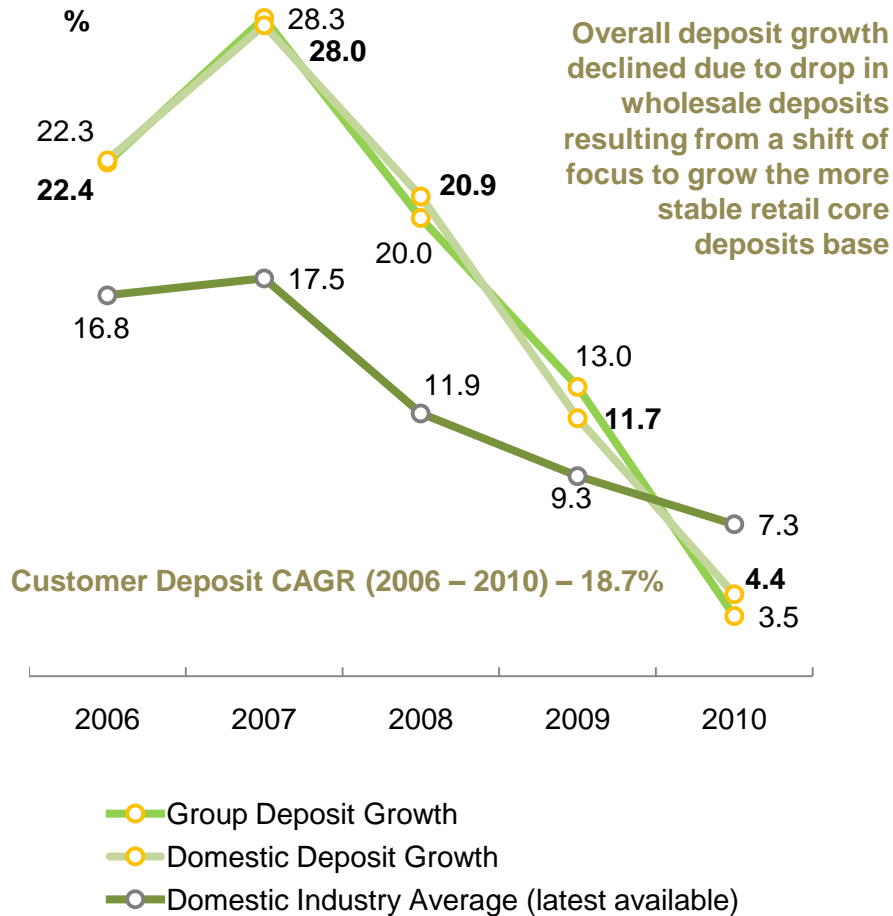
- Focus on lower risk customer segments
 - Traditional urban/ suburban mortgages
 - Passenger vehicle hire purchase
 - Middle market business enterprises
- Sound credit appraisal and approval process
- Strong credit risk culture
- Proactive loan restructuring and rescheduling



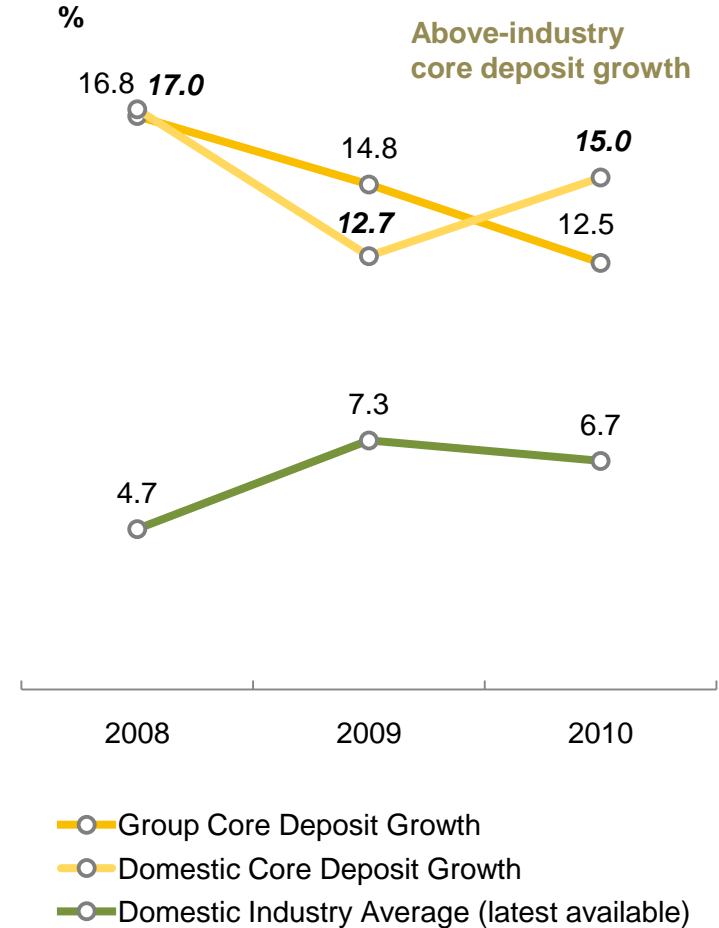


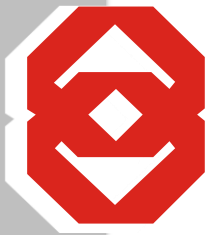
Healthy Deposit Growth in Support of Liquidity

Deposit Growth vs Industry



Core Deposit Growth

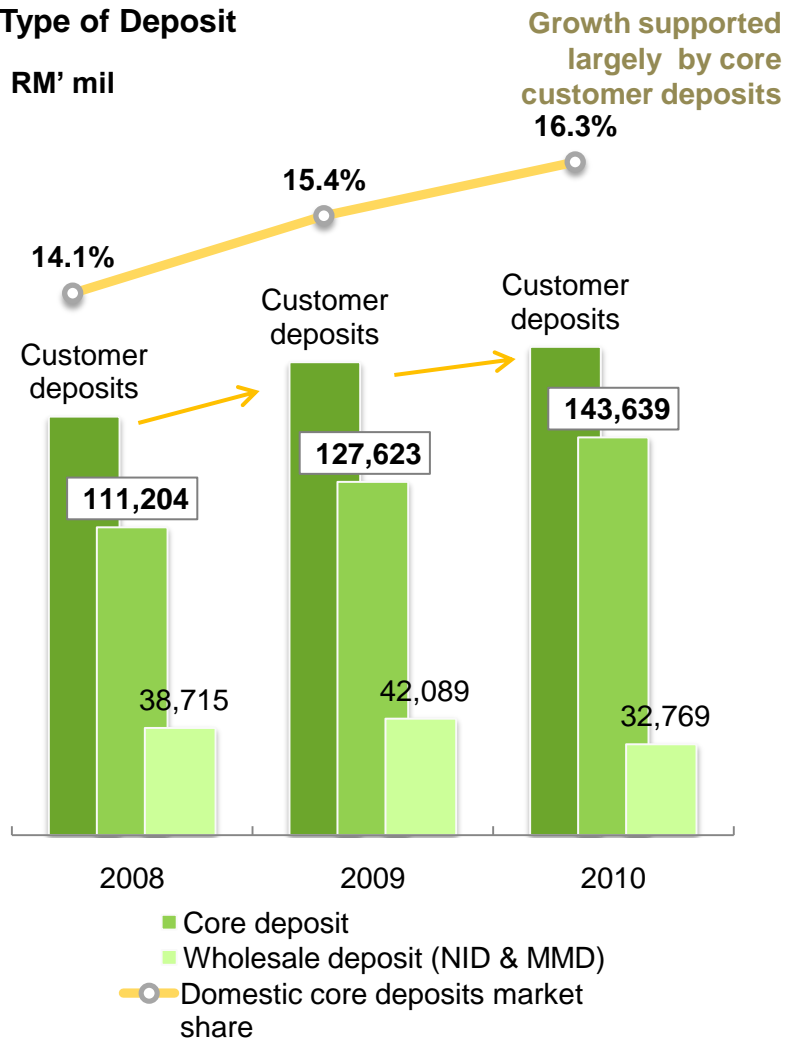




Diversified Source of Customer Deposit

Type of Deposit

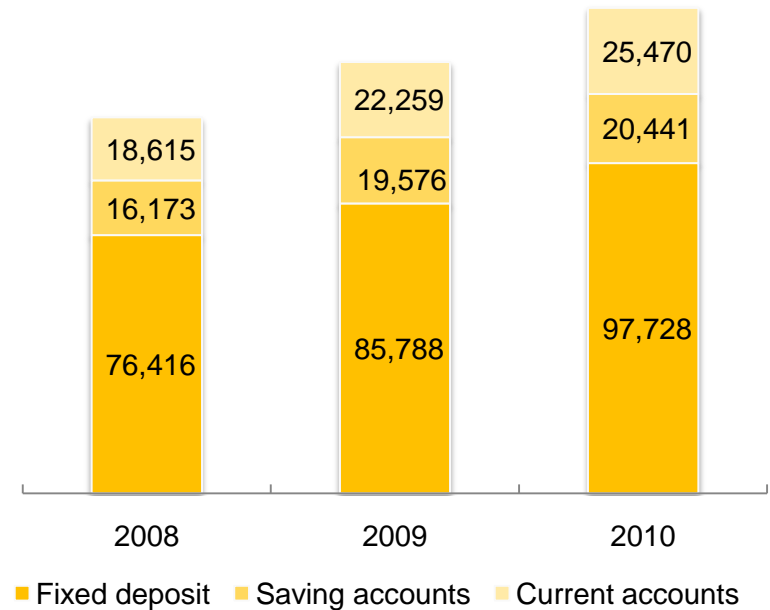
RM' mil



Source of Core Deposit

RM' mil

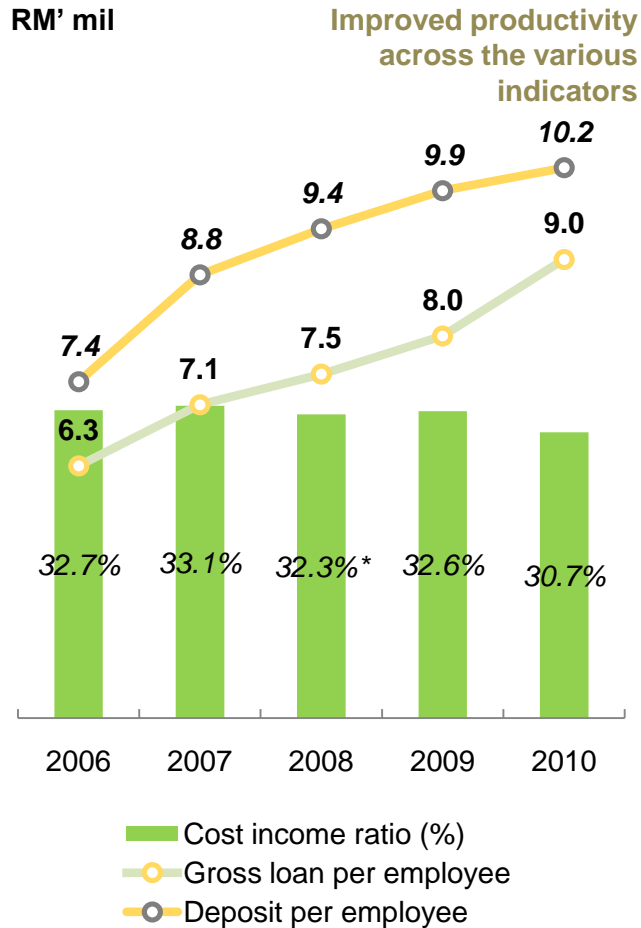
Core deposit mainly comprise of fixed deposits, with steady improved contributions from saving and current accounts





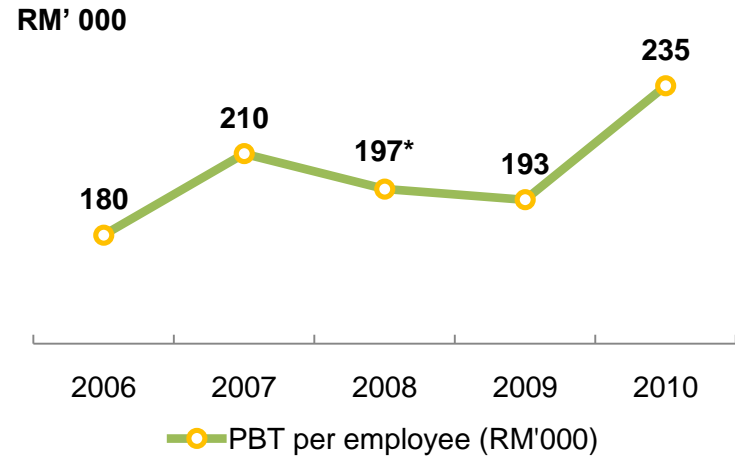
Continued High Productivity & Cost Efficiency

Productivity and Cost Efficiency



* Exclude one-off goodwill income from ING

PBT per employee



* Exclude one-off goodwill income from ING

	2010	2009	Industry Average
Gross loan per employee (RM mil)	9.0	8.0	7.3
Deposit per employee (RM mil)	10.2	9.9	9.4
PBT per employee (RM'000)	235	193	141
Cost Income Ratio (%)	30.7	32.6	48.4

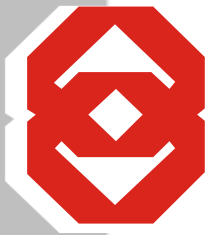


Retail Operations

RM'mil	2010	2009	Change
Net Income	3,796.0	3,131.5	21.2%
Operating Expenses	(1,181.8)	(1,097.2)	7.7%
Allowances for impairment of loans and other assets	(319.7)	(270.2)	18.3%
Profit by segment	2,294.5	1,764.1	30.1%
Gross Loans and Advances (RM' bil)	91.3	78.2	16.8%
Customer Deposits (RM' bil)	119.1	105.1	13.3%
Gross Impaired Loans (RM' bil)	1.3	1.3 [^]	2.5%
Gross Impaired Loans Ratio	1.4%	1.6% [^]	0.2%

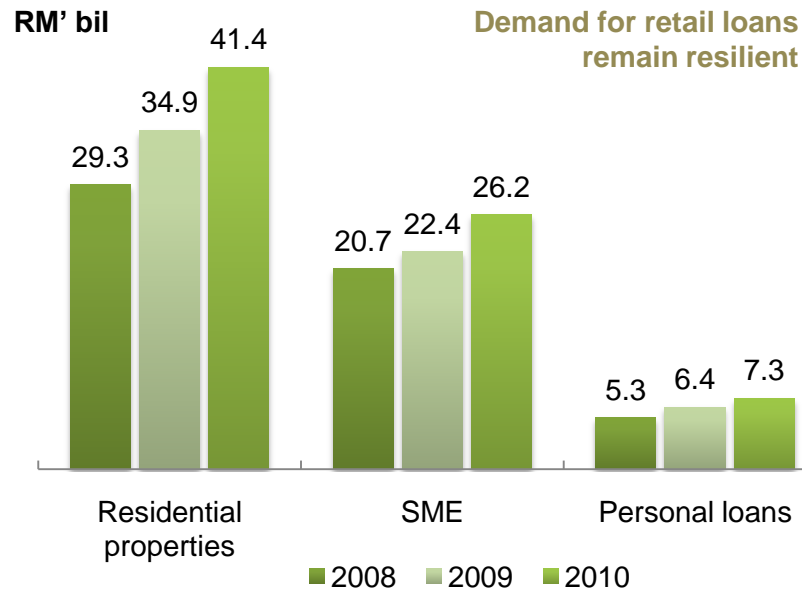
- Improved profit and business performance of the retail operations segment were mainly driven by strong growth in the lending and deposit-taking businesses coupled with higher sales volume from the retail financial services
- Asset quality further improved with gross impaired loans ratio declining to 1.4%

[^] Restated due to the adoption of FRS 139

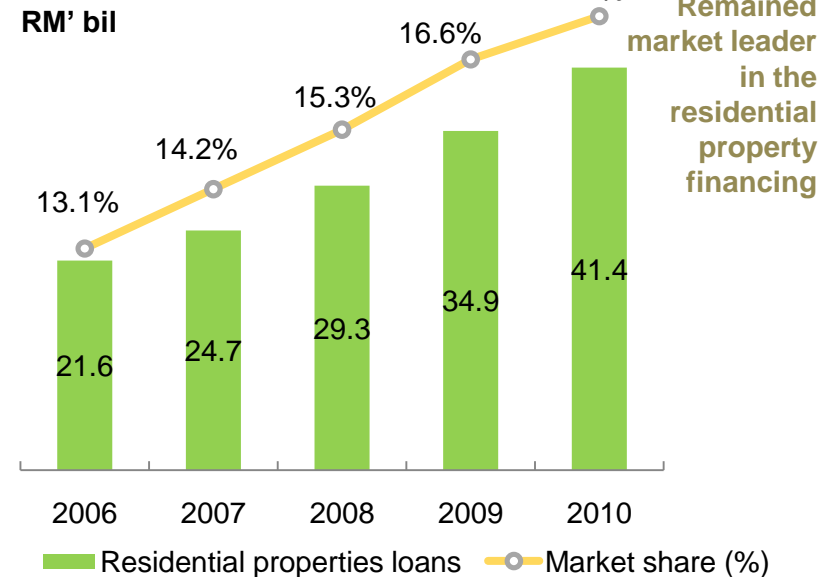


Retail Operations (cont'd)

Gross loan & financing in Domestic Operations



Market Share in Residential Properties



Key Drivers in Domestic Retail Banking & Financing Operations

Residential properties financing:

- Attractive loan package under the HOME and MORE plans
- Strong sales force and marketing network

SME:

- Comprehensive SWIFT loan plans and full range of trade financing facilities offered
- Support government initiated financing schemes

Personal loans:

- Mainly driven by Public Islamic Bank with its Bai'-Al-Einah (BAE) Personal Financing-i offered to staff of government agencies, quasi government corporations, institutions of higher learning and GLCs



Hire Purchase

RM'mil	2010	2009	Change
Net Income	934.2	839.6	11.3%
Operating Expenses	(157.1)	(126.8)	23.9%
Allowances for impairment of loans and other assets	(111.5)	(91.1)	22.3%
Profit by segment	665.6	621.7	7.1%
Gross Loans and Advances (RM' bil)	33.6	29.9	12.3%
Gross Impaired Loans (RM' bil)	0.2	0.1	20.6%
Gross Impaired Loans Ratio	0.5%	0.5%	-

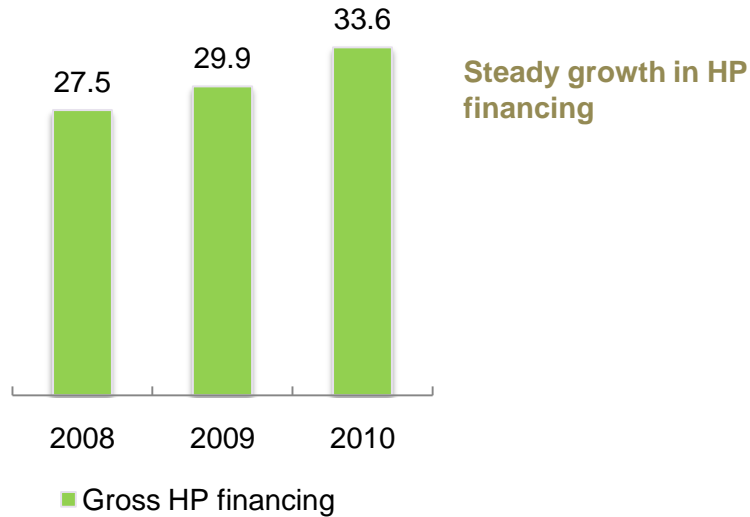
- Despite escalated funding costs due to OPR hikes, net income from hire purchase continues to register double-digit growth due to strong new business generation
- Asset quality remained stable



Hire Purchase (cont'd)

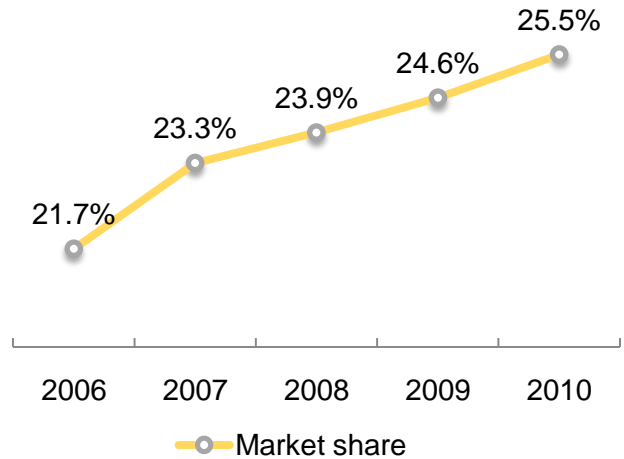
HP Financing in Domestic Operations

RM' bil



Market Share in Passenger Vehicle Financing

Remained market leader in the passenger vehicle financing



Key Drivers in Domestic Hire Purchase Financing

- Improvement in overall vehicle sales
- Better customer service delivery through the 27 Hire Purchase centres in key locations nationwide and continuous improvement in credit processing turnaround time
- Experienced and dedicated HP centre staff force

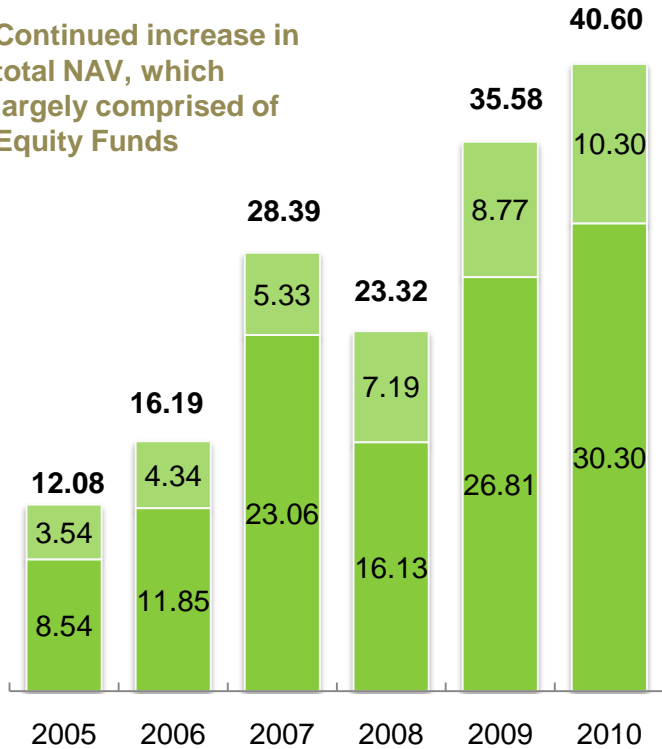


Wealth Management

Net Asset Value of Funds under management

RM' bil

Continued increase in total NAV, which largely comprised of Equity Funds

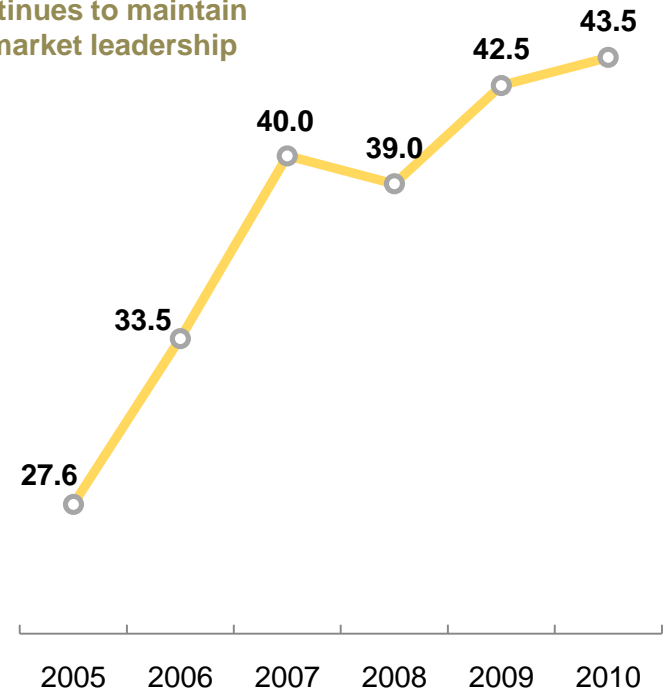


- Net Asset Value - Equity Funds
- Net Asset Value - Other Funds

Market Share in Private Unit Trust Industry

%

Public Mutual continues to maintain its market leadership

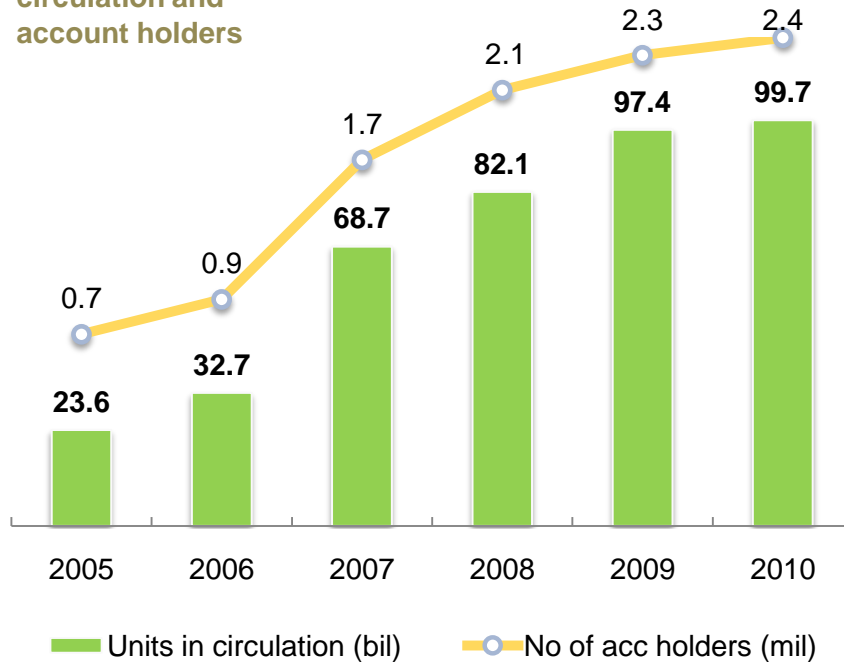




Wealth Management (cont'd)

Number of Units in Circulation and Account Holders

Expansion in units in circulation and account holders



- Outstanding fund performance with robust returns with numerous funds outperforming benchmarked indices
- Innovative range of funds under management with a total of 84 funds being offered.
- Large agency force with value-added financial planning services
- Public Mutual online e-commerce portal with full-fledged transactions and customer service platform



Wealth Management (cont'd)

Bancassurance 2010 Product Launches

	Launched
Bancassurance	
Single premium	2
Regular premium	1
Others (telemarketing)	1
Total	4

Bancassurance

- 2010 - 3rd year of the 10-year exclusive distribution agreement with the ING Group
- Continue to focus on building infrastructures and business volumes
- Driven by both single premium investment linked insurance, regular premium unit linked insurance and credit-related insurance products

Staff Force

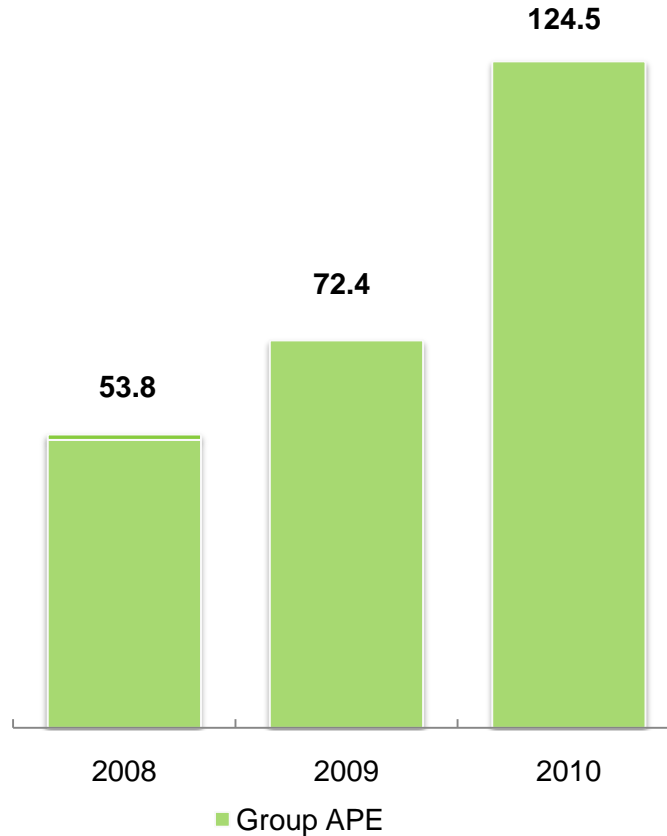
	2010	2009
Bancassurance Sales Executives	250	265
Personal Financial Executives	272	213
Total	522	478



Wealth Management (cont'd)

Bancassurance Business Performance

RM' mil



- Consistent growth in sales of bancassurance products as measured by Annual Premium Equivalent (APE)
- For 2010 (3rd year of operations):-
 - Group APE increased by 72% as compared to 2009, and 131% higher as compared to 2008
 - The Group was entitled to an additional bancassurance income of €4.6 million (RM19 million equivalent) from ING, for exceeding the minimum business target set for the 1st 3 years of operations.

Family Takaful joint venture

- Public Bank and Public Islamic Bank, together with ING Management Holdings (Malaysia) Sdn Bhd. were jointly granted a Family Takaful license on 1 September 2010. The joint venture is expected to commence operations by first half of 2011.



Capital Management

RM'mil	Group*			Bank*		
	2010	2009	Change	2010	2009	Change
Tier I Capital	14,118.5	12,464.7	13.3%	14,385.2	12,799.7	12.4%
Tier II Capital	5,266.8	5,283.0	0.3%	4,921.3	4,892.0	0.6%
Deduct: Inv in subs/asso and other deductions	(48.4)	(174.3)	72.2%	(3,834.7)	(3,766.8)	1.8%
<i>Total Capital Base</i>	19,336.9	17,573.4	10.0%	15,471.8	13,924.9	11.1%
<i>Risk-Weighted Assets</i>	141,096.5	125,196.5	12.7%	116,319.3	103,251.7	12.7%
RWCR (%)	13.7	14.0	0.3%	13.3	13.5	0.2%
Tier-I Capital Ratio (%)	10.0	9.9	0.1%	12.4	12.4	-

* After deducting second interim dividends

Enhancement to Group's Core Equity Capital to be achieved by:

- Strong profit generation capacity
- Strong asset quality
- Continuous enhancement of efficient capital usage, in particular emphasis on less capital-intensive fee based and non-interest income business



Capital Management (cont'd)

Impact of Basel III

	<u>Basel III Requirements[#]</u>		Public Bank Group Proforma at 31/12/2010
	Jan 2013	Jan 2019	
%			
Core equity ratio	3.5	7.0	7.2
Tier I capital ratio	4.5	8.5	10.0
<i>Total capital ratio</i>	8.0	10.5	13.7

* Proforma is prepared based on immediate full implementation of Basel III requirements, except that all existing debt capital assumed to be qualified.

The Basel III capital ratio requirements are inclusive of the 2.5% capital conservation buffer, but excluding any counter-cyclical buffer which is subject to regulator's discretion.



Promising Prospect for 2011

Continue in Achieving Organic Growth While Sustaining Our Premier Status in the Local Banking Industry

Core business focus: Consumer Lending & Lending to SMEs

Lending Business

- Consumer lending to focus on purchases of properties and passenger vehicles
- Penetrate mid-market SMEs & micro enterprises in encourage sectors
- Expanding credit card financing & corporate lending

Deposit-Taking Business

- Securing higher retail and low cost deposits
- Sustaining existing pool of deposits

Maintain earning growth momentum

- Continued quality loans growth at above industry growth rate
- Further expand depositor base
- Further improve productivity and operational efficiency
- Continued organic expansion of overseas business

Build on existing strength

- Strong brand & market position
- Healthy capital and asset quality
- Proactive capital management to ensure healthy level of capital while maintaining high returns to shareholders

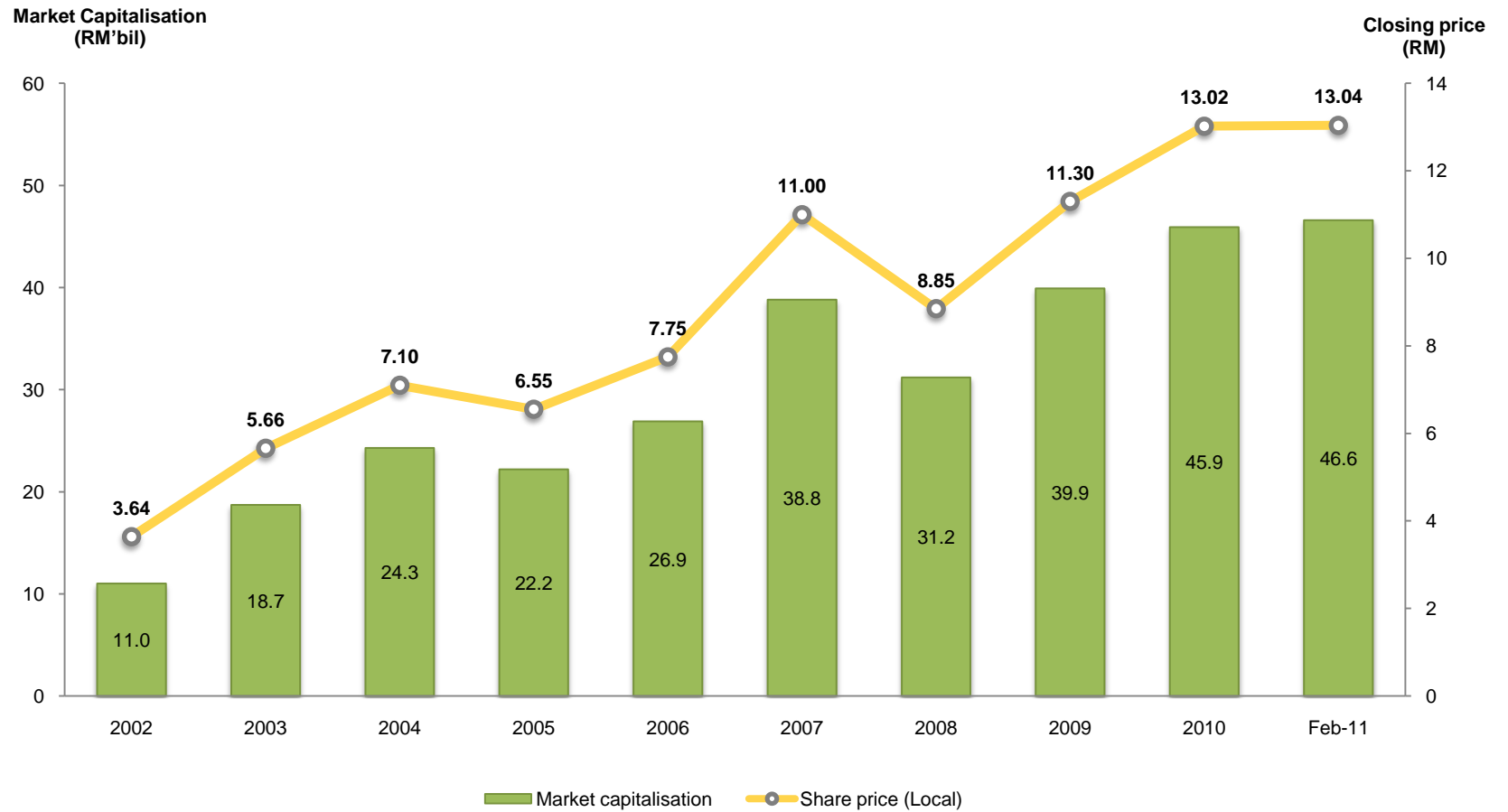
Prudence

- Continue to remain prudent and uphold its strong corporate governance and risk management policies
- Sustainable low impaired loans leveraging on PBB's prudent lending policy
- Maintain strong liquidity



Market Capitalisation and Analysts' Poll

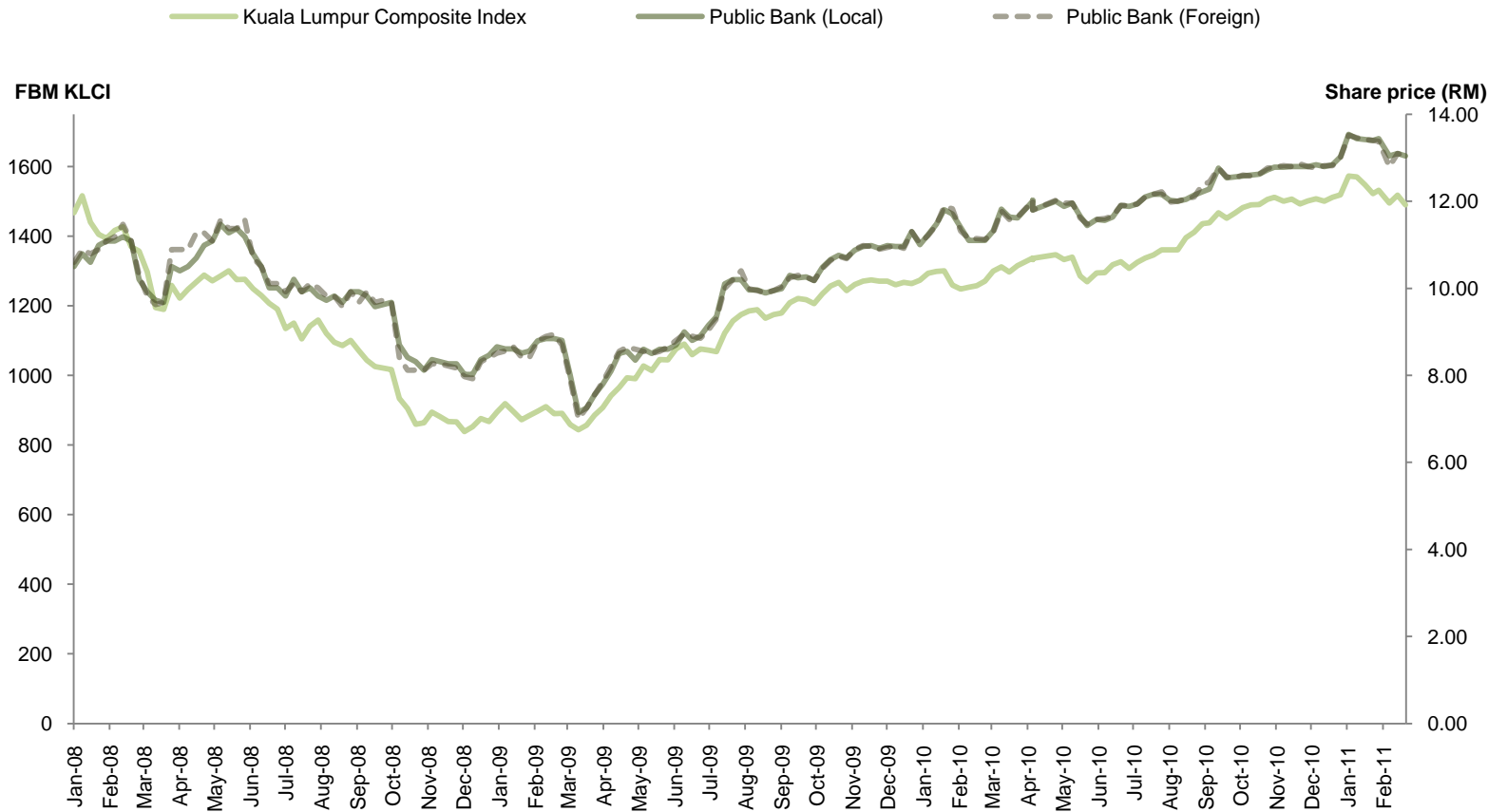
Strong market capitalisation





Market Capitalisation and Analysts' Poll (cont'd)

Resilient share price performance





Market Capitalisation and Analysts' Poll (cont'd)

- Superior investment returns

Illustration on investment returns – assume held until 31 December 2010

	Shares acquired since	Total returns (capital appreciation [^] + dividends)	Compounded annual rate of return
Short term - 1 year	1 January 2010	+27.2%	+27.2%
Medium term - 5 years	1 January 2006	+159.5%	+24.3%
Long term - since listing	1967	+4,973.9%	+19.7%

[^] Capital appreciation is calculated based on the PBB local share value at closing price as of 31/12/2010 less initial investment cost at the illustrated acquisition dates, assuming shareholders had subscribed for all rights issues to date and had not sold any Public Bank shares.

- Other share information

	2006	2007	2008	2009	2010
Price to earnings multiple (times)	14.9	17.4	11.5	15.4	14.9
Price to book multiple (times)	2.9	3.9	3.1	3.5	3.5



Market Capitalisation and Analysts' Poll (cont'd)

- Average daily volume/ value traded:

	Average Daily Volume (million)	Average Daily Value (RM'million)
2010	4.3	52.0
YTD 23 February 2011	6.1	80.8

- Consensus net profit estimates (RM'mil):

2011	2012	2013
3,369.3	3,838.6	4,481.7

- Poll of analysts Buy/ Hold/ Sell recommendations on PBB Shares as at 23 February 2011

	<u>Buy</u>	<u>Hold</u>	<u>Sell</u>	<u>No. of Analysts</u>
PBB	13	16	2	31

Source: Bloomberg, Reuters and Analyst Reports



Summary

- **Profitable retail franchise**
 - Domestic and Indo-China markets
 - Growing market share
 - Affluent and quality retail customer base for lending and wealth management business
- **Unbroken profit track record and sustained strong asset quality**
- **Strong brand**
- **Proactive capital management**
- **Large market capitalisation**
 - High liquidity and high free-float
- **Proven management record** in execution
- **Strong working commitment and excellent career environment**

Thank You



PUBLIC BANK BERHAD

Menara Public Bank
146 Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2176 6000 / 2176 6666

For more information, please contact:

Mr Leong Kwok Nyem

Chief Operating Officer

Tel: (603) 2176 6270

Fax: (603) 2163 9925

Email: leongkn@publicbank.com.my

Ms Chang Siew Yen

Chief Financial Officer

Tel: (603) 2176 7460

Fax: (603) 2164 5742

Email: changsiweyen@publicbank.com.my