

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)

A30. Capital Adequacy

- a) The capital adequacy ratios of the Group and of the Bank below are disclosed pursuant to the requirements of Bank Negara Malaysia ("BNM")'s Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3):

	Group		Bank	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
<u>Before deducting dividends</u> *				
Common Equity Tier I ("CET I") capital ratio	14.039%	14.867%	12.000%	13.046%
Tier I capital ratio	14.055%	14.884%	12.000%	13.046%
Total capital ratio	16.819%	17.682%	14.962%	16.065%
<u>After deducting dividends</u> *				
CET I capital ratio	14.039%	14.256%	12.000%	12.245%
Tier I capital ratio	14.055%	14.273%	12.000%	12.245%
Total capital ratio	16.819%	17.071%	14.962%	15.264%

* Refer to dividends declared subsequent to the financial period / year end.

	Group		Bank	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Components of CET I, Tier I and Tier II capital:				
<u>CET I / Tier I capital:</u>				
Share capital	9,417,653	9,417,653	9,417,653	9,417,653
Other reserves	1,637,827	1,665,389	600,140	585,100
Retained profits	42,429,687	44,554,530	32,431,319	34,566,495
Treasury shares	(434,752)	(434,752)	-	-
Qualifying non-controlling interests	603,002	617,318	-	-
Less: Goodwill and other intangible assets	(2,786,352)	(2,799,350)	(695,393)	(695,393)
Less: Deferred tax assets, net	(449,415)	(540,530)	(261,869)	(344,672)
Less: Defined benefit pension fund assets	(31,191)	(52,642)	(30,760)	(51,915)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	(457,339)	(457,302)	(8,693,261)	(8,693,261)
Total CET I capital	49,929,120	51,970,314	32,767,829	34,784,007
Qualifying CET I and additional Tier I capital instruments held by third parties	57,101	59,462	-	-
Total Tier I capital	49,986,221	52,029,776	32,767,829	34,784,007

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A30. Capital Adequacy (continued)

a) The capital adequacy ratios of the Group and of the Bank (continued):

	Group		Bank	
	31 March 2025 RM'000	31 December 2024 RM'000	31 March 2025 RM'000	31 December 2024 RM'000
<u>Tier II capital:</u>				
Stage 1 and Stage 2 expected credit loss allowances	3,124,621	3,169,049	2,243,660	2,275,175
Qualifying regulatory reserves [#]	879,182	788,356	849,748	776,999
Subordinated notes	4,961,843	4,962,162	4,996,843	4,997,162
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	715,855	714,379	-	-
Others	148,401	148,401	-	-
Total Tier II capital	<u>9,829,902</u>	<u>9,782,347</u>	<u>8,090,251</u>	<u>8,049,336</u>
Total capital	<u><u>59,816,123</u></u>	<u><u>61,812,123</u></u>	<u><u>40,858,080</u></u>	<u><u>42,833,343</u></u>

[#] Excludes regulatory reserves restricted from Tier II capital of the Group of RM712,253,000 (2024 : RM803,079,000) and of the Bank of RM413,265,000 (2024 : RM486,014,000) respectively.

In arriving at the total capital of the Group and of the Bank above, the dividends declared subsequent to the financial period / year end were not deducted.

The capital adequacy ratios of the Group consist of total capital and risk-weighted assets derived from consolidated balances of the Bank and its subsidiary companies. The capital adequacy ratios of the Bank consist of total capital and risk-weighted assets derived from the Bank and from its wholly-owned offshore banking subsidiary company, Public Bank (L) Ltd.

BNM's Capital Adequacy Framework ("CAF") on Operational Risk and Exposures to Central Counterparties Policy Documents came into effect on 1 January 2025. CAF on Operational Risk sets out the capital requirements based on a single risk-sensitive Standardised Approach, superseded previously adopted Basic Indicator Approach. In addition, the CAF on Exposures to Central Counterparties provides guidelines on capital requirements to manage the risks arising from exposures to central counterparties.

The total risk-weighted assets of the Group and of the Bank are computed based on the following approaches:

- (i) Credit Risk: Standardised Approach;
- (ii) Market Risk: Standardised Approach; and
- (iii) Operational Risk: Standardised Approach (2024: Basic Indicator Approach).

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A30. Capital Adequacy (continued)

- a) The capital adequacy ratios of the Group and of the Bank (continued):

Regulatory capital requirements

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's CAF on Capital Components, Basel II - Risk-Weighted Assets, Operational Risk and Exposures to Central Counterparties.

The minimum regulatory capital adequacy ratios before including capital conservation buffer ("CCB"), countercyclical capital buffer ("CCyB") and higher loss absorbency ("HLA") requirement for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.

Banking institutions are also required to maintain a CCB of 2.5% and a CCyB above the minimum regulatory capital adequacy ratios. A CCyB is required to be maintained if this buffer is applied by regulators in countries which the Group and the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions. The Group and the Bank have applied CCyB on their private sector credit exposures outside Malaysia in line with the respective jurisdictions' requirement to maintain their CCyB. The CCyB is not a requirement for exposures in Malaysia yet but may be applied by regulators in the future.

HLA requirement is applicable to financial institutions designated as domestic systemically important banks ("D-SIBs"). Arising from this, the Group which is designated as a D-SIB by BNM is required to maintain an additional capital buffer of 0.5% to the regulatory capital requirements in line with the BNM's D-SIB Framework.

- b) The breakdown of risk-weighted assets by each major risk category of the Group and of the Bank is as follows:

	Group		Bank	
	31 March 2025 RM'000	31 December 2024 RM'000	31 March 2025 RM'000	31 December 2024 RM'000
Credit risk	320,304,201	316,592,370	247,472,669	244,173,925
Market risk	7,678,599	7,408,514	4,842,557	4,859,390
Operational risk	26,986,436	24,890,459	20,102,789	16,934,756
Large exposure risk	679,970	679,977	655,071	655,078
	<u>355,649,206</u>	<u>349,571,320</u>	<u>273,073,086</u>	<u>266,623,149</u>

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A30. Capital Adequacy (continued)

c) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows:

	Public Islamic Bank Berhad¹	Public Investment Bank Berhad²	Public Bank (L) Ltd.³	Public Bank (Hong Kong) Limited⁴	Public Finance Limited⁴	Cambodian Public Bank Plc⁵	Public Bank Vietnam Limited⁶
31 March 2025							
<u>Before deducting dividends: *</u>							
CET I capital ratio	13.299%	31.240%	24.933%	22.718%	29.876%	37.480%	N/A
Tier I capital ratio	13.299%	31.240%	24.933%	22.718%	29.876%	37.480%	N/A
Total capital ratio	16.180%	31.843%	25.150%	23.495%	30.897%	37.857%	20.441%
<u>After deducting dividends: *</u>							
CET I capital ratio	13.299%	31.240%	24.933%	22.718%	29.876%	37.480%	N/A
Tier I capital ratio	13.299%	31.240%	24.933%	22.718%	29.876%	37.480%	N/A
Total capital ratio	16.180%	31.843%	25.150%	23.495%	30.897%	37.857%	20.441%
31 December 2024							
<u>Before deducting dividends: *</u>							
CET I capital ratio	13.419%	39.031%	26.101%	21.845%	29.899%	N/A	N/A
Tier I capital ratio	13.419%	39.031%	26.101%	21.845%	29.899%	26.403%	N/A
Total capital ratio	16.312%	39.678%	26.324%	22.590%	30.917%	26.749%	22.670%
<u>After deducting dividends: *</u>							
CET I capital ratio	13.419%	33.563%	26.101%	21.845%	29.899%	N/A	N/A
Tier I capital ratio	13.419%	33.563%	26.101%	21.845%	29.899%	26.403%	N/A
Total capital ratio	16.312%	34.210%	26.324%	22.590%	30.917%	26.749%	22.670%

* Refer to dividends declared subsequent to the financial period / year end.

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A30. Capital Adequacy (continued)

c) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows (continued):

- ¹ The risk-weighted assets of Public Islamic Bank Berhad ("PIBB") are computed based on Standardised Approach for Credit Risk, Market Risk and Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Frameworks ("CAF") for Islamic Banks on Capital Components and Risk-Weighted Assets and CAF on Operational Risk and Exposures to Central Counterparties. With effect from 1 January 2025, the Standardised Approach has replaced the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirements before including CCB and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIBB is required to maintain a CCB of 2.5% and a CCyB if this buffer is applied by regulators in countries which PIBB has exposures to.
- ² The risk-weighted assets of Public Investment Bank Berhad ("PIVB") are computed based on Standardised Approach for Credit Risk, Market Risk and Operational Risk. The capital adequacy ratios are computed in accordance with BNM's Capital Adequacy Frameworks which cover Capital Components, Risk-Weighted Assets, Operational Risk and Exposures to Central Counterparties. With effect from 1 January 2025, the Standardised Approach has replaced the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirements before including CCB and CCyB for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively. PIVB is required to maintain a CCB of 2.5% and a CCyB if this buffer is applied by regulators in countries which PIVB has exposures to.
- ³ The risk-weighted assets of Public Bank (L) Ltd are computed based on the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The capital adequacy ratios are computed in accordance with the Banking Capital Adequacy Framework - Guidelines on Capital Components and Risk Weighted Assets issued by the Labuan Financial Services Authority. The minimum regulatory capital adequacy requirements for CET I capital ratio, Tier I capital ratio and total capital ratio are 4.5%, 6.0% and 8.0% respectively.
- ⁴ These two subsidiary companies have adopted the Standardised Approach for Credit Risk, Market Risk and Operational Risk. With effect from 1 January 2025, the Standardised Approach has replaced the Basic Indicator Approach for Operational Risk for Public Bank (Hong Kong) Limited. The capital adequacy ratios of these two subsidiary companies are computed in accordance with the provisions of the Banking Ordinance relating to Basel III capital standards and the Banking (Capital) Rules. These two subsidiaries are required to maintain a CCB of 2.5% and a CCyB of 0.5% as imposed by Hong Kong Monetary Authority to their private sector exposures in Hong Kong.

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A30. Capital Adequacy (continued)

c) The capital adequacy ratios of the banking subsidiary companies of the Bank are as follows (continued):

- ⁵ With effect from 1 January 2025, the capital adequacy ratio of Cambodian Public Bank Plc ("Campu Bank") are calculated in accordance with its local regulatory requirements which determined by dividing regulatory capital by its total risk-weighted assets (comprise of credit risk, market risk and operational risk). The minimum regulatory capital adequacy requirements for CET I capital ratio, Tier I capital ratio and total capital ratio are 8.0%, 11.0% and 15.0% respectively. Campu Bank is required to maintain a CCB of 1.25% as imposed by National Bank of Cambodia. Prior to 1 January 2025, Campu Bank maintained a solvency ratio which is derived by dividing Campu Bank's net worth by its risk-weighted assets and off-balance sheet items. The minimum regulatory Tier 1 capital ratio and solvency ratio requirements were 7.5% and 15.0% respectively.
- ⁶ The amount presented here is the capital adequacy ratio of Public Bank Vietnam Limited ("PBVN") and is computed in accordance with local regulatory requirements. The ratio is derived as PBVN's capital divided by its risk-weighted assets for credit risk, market risk and operational risk. The minimum regulatory capital adequacy ratio requirement is 8.0%.