



**PUBLIC BANK**

# Investor Presentation

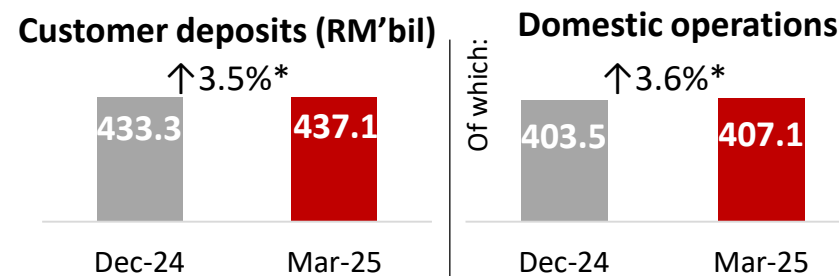
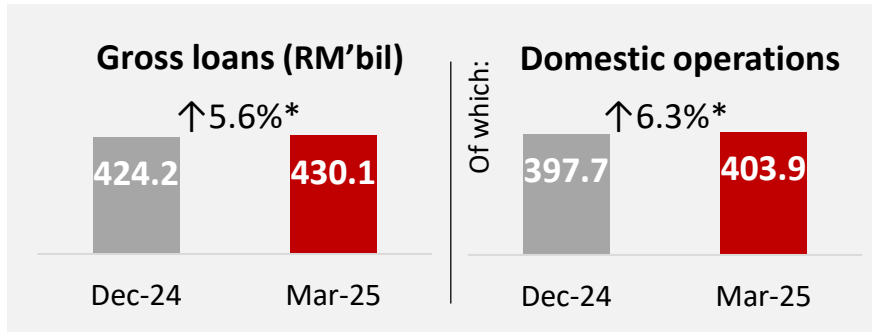
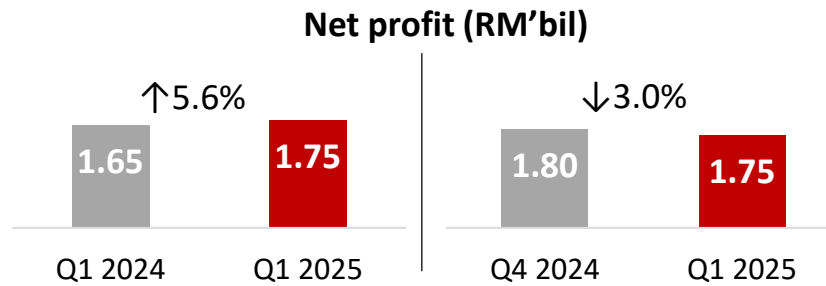
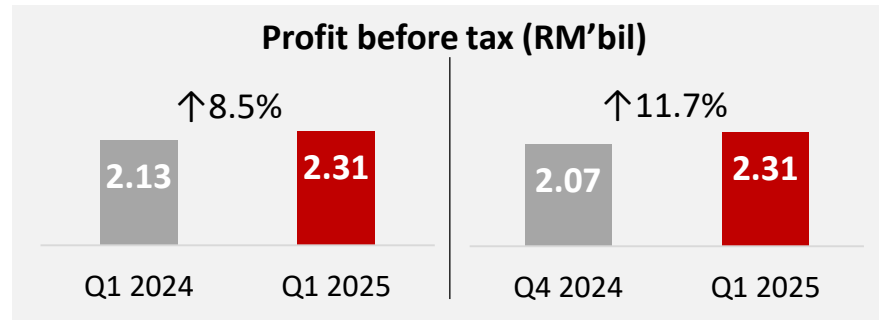
## March 2025 Financial Results

[www.publicbankgroup.com](http://www.publicbankgroup.com)



# Q1 2025 Financial Highlights

Pre-tax profit and net profit recorded 8.5% and 5.6% y-o-y growth respectively, sustaining a resilient net ROE of 12.4%



- An uplift in 1Q2025 earnings, contributed by favourable net interest and non-interest income, higher net income from Islamic banking business, as well as lower loan loss allowances
- Loans and deposits increased by annualised rates of 5.6% and 3.5% respectively
- Resilient net return on equity of 12.4%
- Low credit cost at 0.04%
- Stable gross impaired loans ratio of 0.5% continued to underscore the Group's sound asset quality
- Maintained solid capital and ample liquidity positions

<b>Net ROE</b>	<b>Cost-to-income ratio</b>	<b>Gross impaired loans ratio</b>	<b>NIM</b>
<b>12.4%</b>	<b>35.0%</b>	<b>0.53%</b>	<b>2.19%</b>
Dec-24: 13.2%	Dec-24: 34.5%	Dec-24: 0.52%	Dec-24: 2.21%
<b>Credit cost ratio</b>	<b>Loan loss coverage ratio</b>	<b>Gross loan to fund and equity ratio</b>	<b>Total capital ratio<sup>π</sup></b>
<b>0.04%</b>	<b>159.9%</b>	<b>83.9%</b>	<b>16.8%</b>
Dec-24: 0.0001%	Dec-24: 166.2%	Dec-24: 83.2%	Dec-24: 17.1%

\* Annualised growth

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



## Profitability

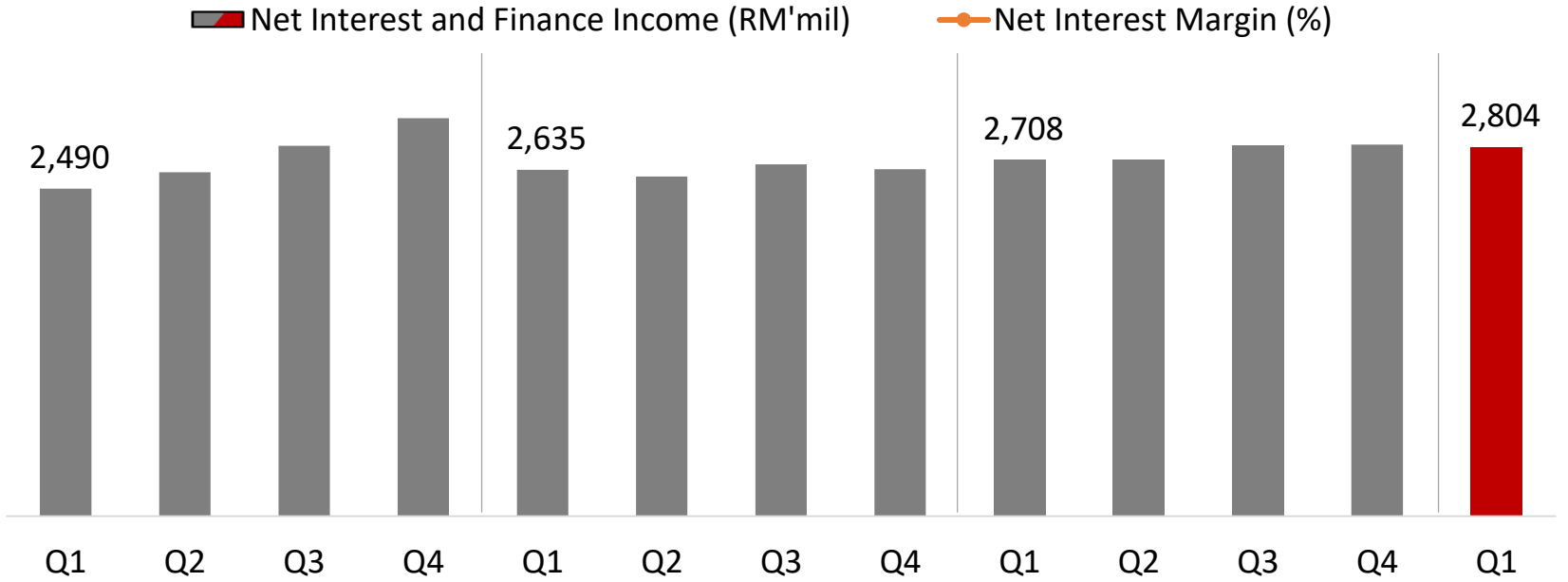
Q1 profitability underpinned by strong non-interest income (+18.9 y-o-y), steady increase in net interest income (+2.7% y-o-y), as well as favourable growth in net income from Islamic banking business (+8.4% y-o-y)

<b>Income Statement</b>					
(RM'mil)	<b>Q1 2024</b>	<b>Q1 2025</b>	y-o-y	<b>Q4 2024</b>	q-o-q
Net interest income	2,317.5	2,380.4	2.7%	2,409.3	-1.2%
Net income from Islamic banking business	413.3	448.1	8.4%	439.2	2.0%
<i>Of which: Net financing income</i>	390.8	423.6	8.4%	417.3	1.5%
<i>Non-financing income</i>	22.5	24.5	8.9%	21.9	11.8%
Non-interest income	649.6	772.1	18.9%	794.3	-2.8%
<b>Net income</b>	<b>3,380.4</b>	<b>3,600.6</b>	<b>6.5%</b>	<b>3,642.8</b>	<b>-1.2%</b>
Other operating expenses	(1,198.1)	(1,259.5)	5.1%	(1,206.6)	4.4%
<b>Operating profit</b>	<b>2,182.3</b>	<b>2,341.1</b>	<b>7.3%</b>	<b>2,436.2</b>	<b>-3.9%</b>
Loan loss allowance	(63.4)	(39.0)	-38.4%	41.1	>100%
Other allowances	(1.4)	(4.3)	>100%	(480.2)	-99.1%
Share of profit after tax of equity accounted associated companies	14.2	14.8	4.2%	73.9	-80.0%
<b>Profit before tax</b>	<b>2,131.7</b>	<b>2,312.6</b>	<b>8.5%</b>	<b>2,071.0</b>	<b>11.7%</b>
<b>Net profit attrib. to shareholders</b>	<b>1,653.3</b>	<b>1,745.3</b>	<b>5.6%</b>	<b>1,799.5</b>	<b>-3.0%</b>
<b>Earnings per share (sen)</b>	<b>8.52</b>	<b>9.04</b>	<b>6.1%</b>	<b>9.29</b>	<b>-2.7%</b>



# Net Interest Income & Margin

*Marginal decline in NIM to 2.19%*










	2022	2023	2024	Q1 2025
Year Average NIM	2.39%	2.20%	2.21%	2.19



## Non-Interest Income

*Favourable 18.9% growth in non-interest income, with contribution to total income expanding to 22.1%*

(RM'mil)	Composition	Q1 2024	Q1 2025	y-o-y	Q4 2024	q-o-q
<b>Net fee and commission</b>		<b>534.5</b>	<b>543.0</b>	<b>1.6%</b>	<b>538.7</b>	<b>0.8%</b>
Of which: - Unit trust income		310.8	310.9	0.0%	301.5	3.0%
- Fee & commission income		182.0	185.9	2.1%	194.6	-4.5%
- Stockbroking income		41.7	46.2	10.7%	42.6	8.5%
<b>Net gains and losses on financial instruments</b>		<b>15.1</b>	<b>34.0</b>	<b>&gt;100.0%</b>	<b>54.1</b>	<b>-37.1%</b>
<b>Other operating income</b>		<b>100.0</b>	<b>126.4</b>	<b>26.4%</b>	<b>172.3</b>	<b>-26.6%</b>
Of which: - Foreign exchange income		72.2	95.0	31.6%	130.5	-27.2%
- Others		27.8	31.4	12.9%	41.8	-24.9%
Income from general insurance business		-	68.7	-	29.2	>100.0%
<b>Non-interest income</b>	<b>100%</b>	<b>649.6</b>	<b>772.1</b>	<b>18.9%</b>	<b>794.3</b>	<b>-2.8%</b>
<b>Islamic non-financing income</b>		<b>22.5</b>	<b>24.5</b>	<b>8.9%</b>	<b>21.9</b>	<b>11.8%</b>
<b>Total non-interest / non-financing income</b>		<b>672.1</b>	<b>796.6</b>	<b>18.5%</b>	<b>816.2</b>	<b>-2.4%</b>
<b>Total non-interest income/Total income*</b>		<b>19.9%</b>	<b>22.1%</b>		<b>22.4%</b>	










\* These ratios include non-financing income from Islamic banking business



## Segmental Profit

*Domestic operations' PBT up 9.3% y-o-y, accounting for 94% of Group's PBT*

### Profit before tax by Operating Segments

(RM'mil)	Composition	Q1 2024	Q1 2025	y-o-y	Q4 2024	q-o-q
Retail operations	 47%	1,064.3	<b>1,085.2</b>	2.0%	984.7	10.2%
Hire purchase	 8%	191.5	<b>197.1</b>	2.9%	477.3	-58.7%
Fund management	 9%	214.6	<b>208.0</b>	-3.1%	219.6	-5.3%
Corporate lending	 8%	181.7	<b>193.4</b>	6.4%	288.7	-33.0%
Treasury operations	 2%	(5.8)	<b>44.3</b>	>100.0%	57.7	-23.2%
General Insurance	 4%	-	<b>91.8</b>	n/a	33.3	>100.0%
Investment banking	 1%	18.3	<b>18.0</b>	-1.8%	16.8	7.1%
Others	 15%	333.6	<b>347.0</b>	4.0%	448.7	-22.7%
Overseas operations	 6%	133.5	<b>127.8</b>	-4.3%	-455.8	>100.0%
<b>Profit before tax</b>	<b>100%</b>	2,131.7	<b>2,312.6</b>	<b>8.5%</b>	<b>2,071.0</b>	<b>11.7%</b>



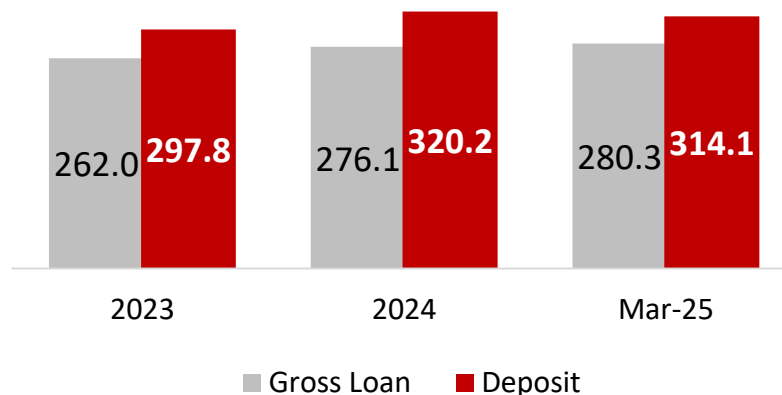
# Retail Operations

*Backed by higher net interest income, as well as better asset quality*

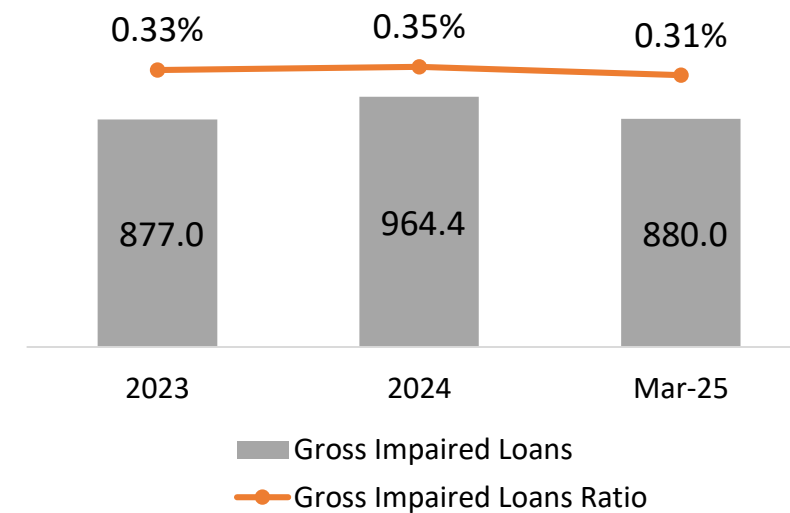
## Retail Operations

(RM'mil)	Q1 2024	Q1 2025	y-o-y
Net interest income	1,530.9	1,551.0	1.3%
Non-interest income	215.6	216.3	0.3%
<b>Net income</b>	<b>1,746.5</b>	<b>1,767.3</b>	<b>1.2%</b>
Other operating expenses	(647.8)	(668.0)	3.1%
Allowance for impairment on loans and other assets	(34.4)	(14.1)	-59.0%
<b>Profit before tax</b>	<b>1,064.3</b>	<b>1,085.2</b>	<b>2.0%</b>

Loans & Deposit-taking (RM'bil)



Gross Impaired Loans (RM'mil)





# Hire Purchase and Corporate Lending

Higher net interest income fueled hire purchase PBT;

Corporate lending PBT jumped 6.4% on increased net writeback of loan loss provisioning

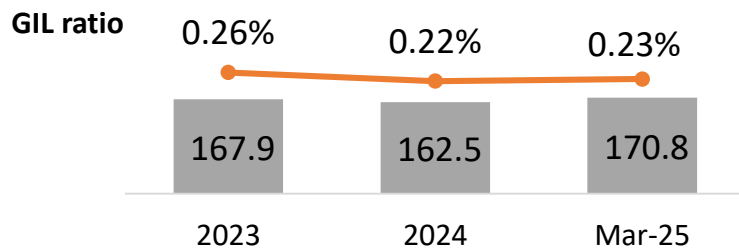
## Hire Purchase

(RM'mil)	Q1 2024	Q1 2025	y-o-y
Net interest income	279.8	299.2	6.9%
Non-interest income	0.2	(0.1)	>-100.0%
<b>Net income</b>	<b>280.0</b>	<b>299.1</b>	<b>6.8%</b>
Other operating expenses	(75.1)	(79.5)	5.9%
Allowance for impairment on loans and other assets	(13.4)	(22.5)	68.0%
<b>Profit before tax</b>	<b>191.5</b>	<b>197.1</b>	<b>2.9%</b>

Gross Loans (RM'bil)



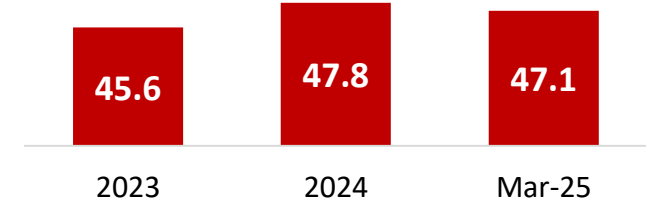
Gross Impaired Loans (RM'mil)



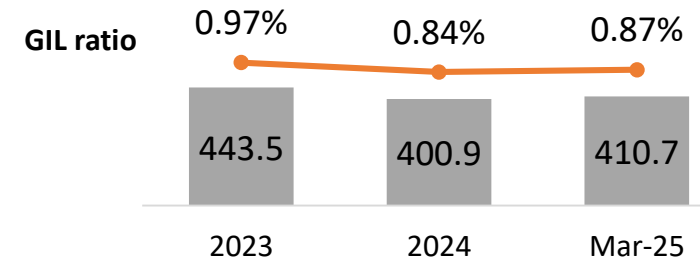
## Corporate Lending

(RM'mil)	Q1 2024	Q1 2025	y-o-y
Net interest income	148.7	146.2	-1.7%
Non-interest income	6.9	6.7	-2.4%
<b>Net income</b>	<b>155.6</b>	<b>152.9</b>	<b>-1.7%</b>
Other operating expenses	(5.8)	(6.1)	4.8%
Writeback of allowance for impairment on loans and other assets	31.9	46.6	46.1%
<b>Profit before tax</b>	<b>181.7</b>	<b>193.4</b>	<b>6.4%</b>

Gross Loans (RM'bil)



Gross Impaired Loans (RM'mil)



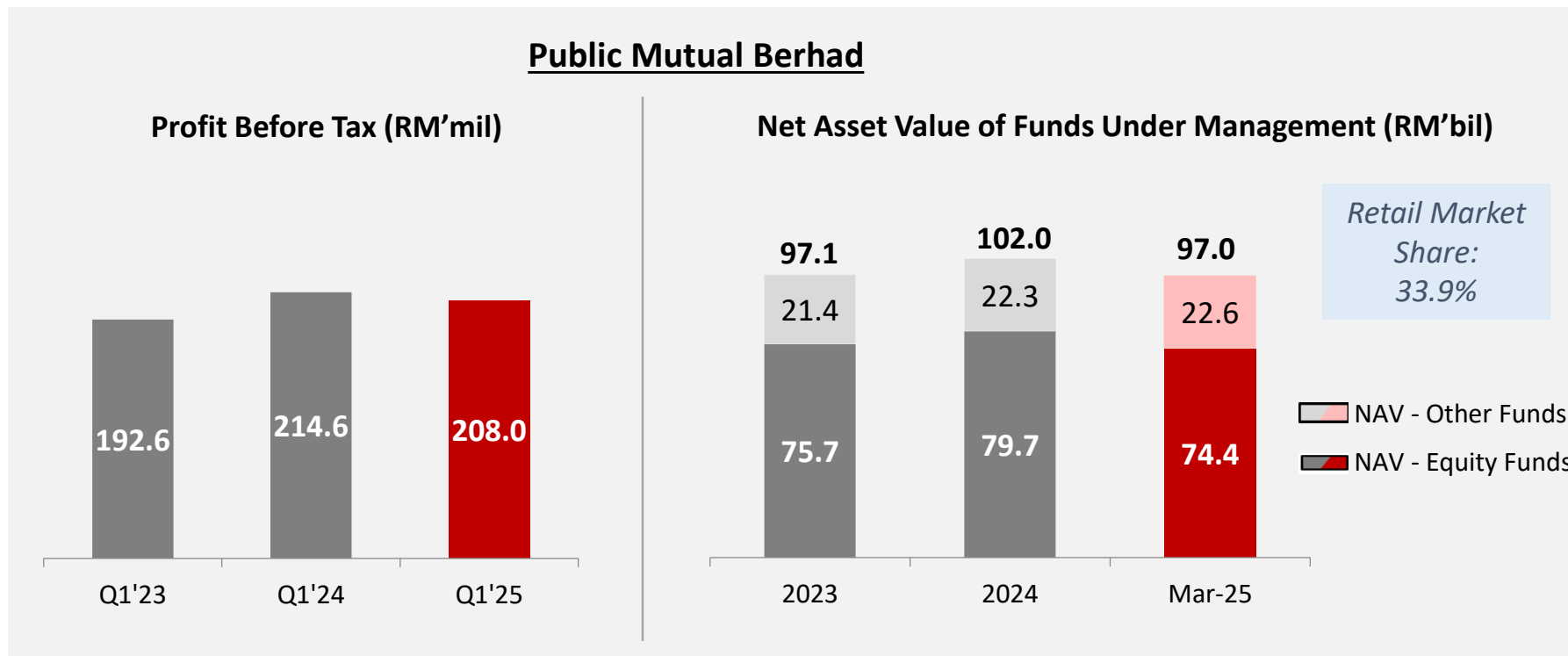


## Wealth Management

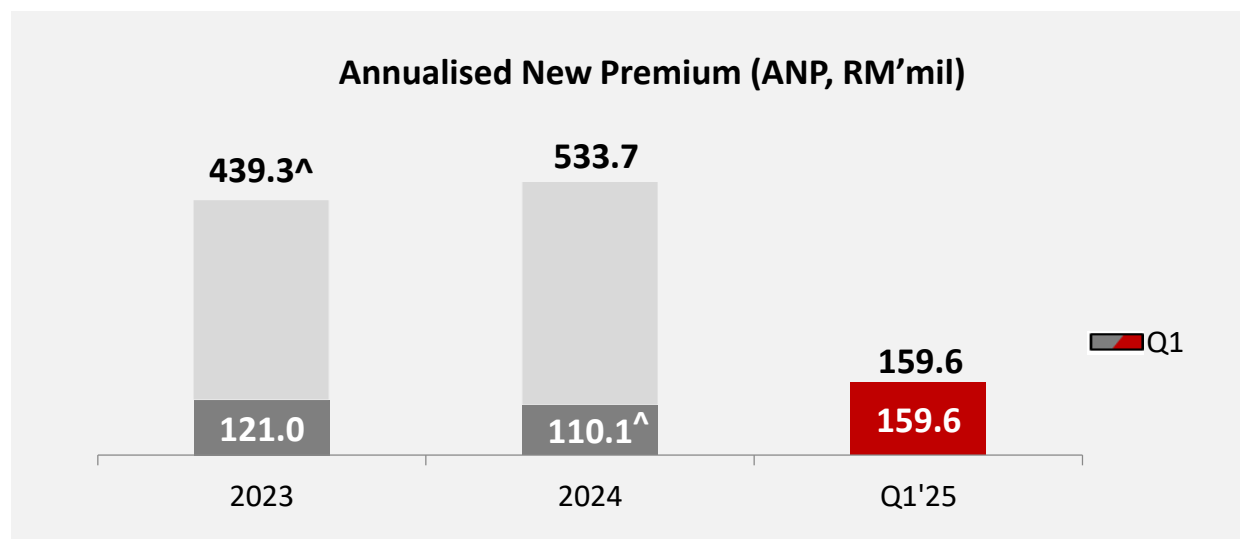
*Unit trust income softened, but remained at a commendable level;*

*Bancassurance business generated about RM160 million in ANP, jumped 45% y-o-y*

Of which: Unit Trust Business



Of which: Bancassurance Business



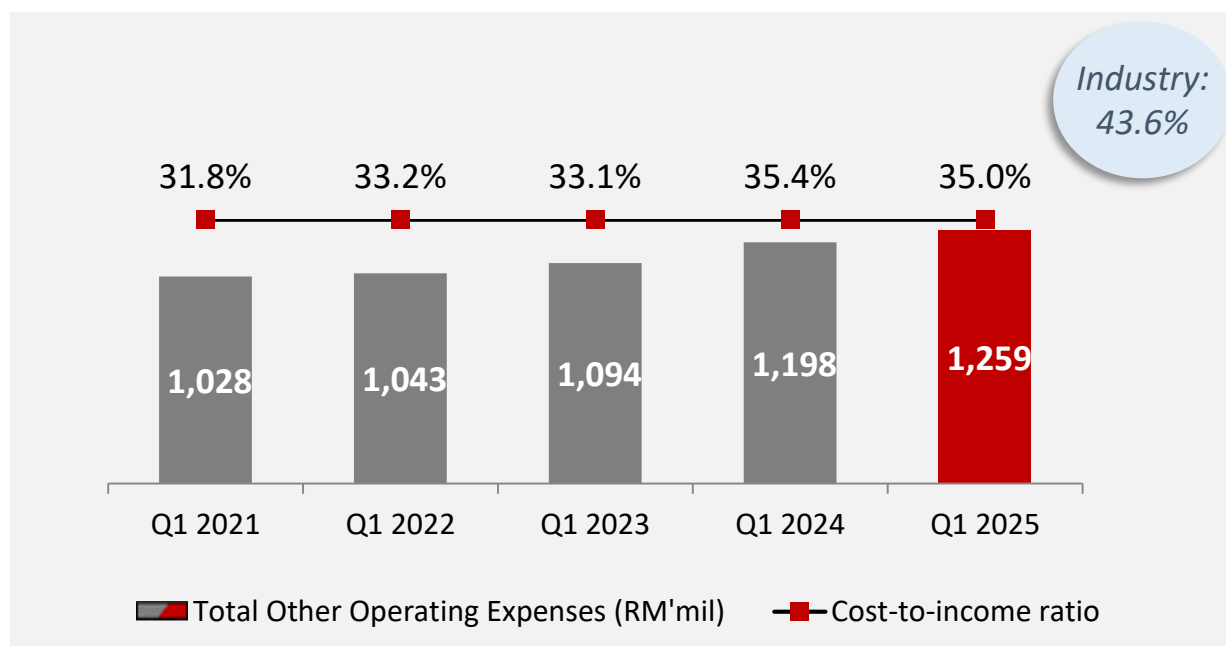
^ Restated



## Other Operating Expenses

*Prudent cost management led to 35.0% cost-to-income ratio, more efficient than industry average*

(RM'mil)	Composition	Q1 2024	Q1 2025	y-o-y	Q4 2024	q-o-q
Personnel costs	74%	885.8	932.4	5.3%	892.3	4.5%
Establishment costs	17%	209.2	208.8	-0.2%	208.8	0.0%
Marketing expenses	2%	28.9	29.6	2.3%	32.2	-8.2%
Administration and general expenses	7%	74.2	88.7	19.5%	73.3	21.1%
<b>Total other operating expenses</b>	<b>100%</b>	<b>1,198.1</b>	<b>1,259.5</b>	<b>5.1%</b>	<b>1,206.6</b>	<b>4.4%</b>

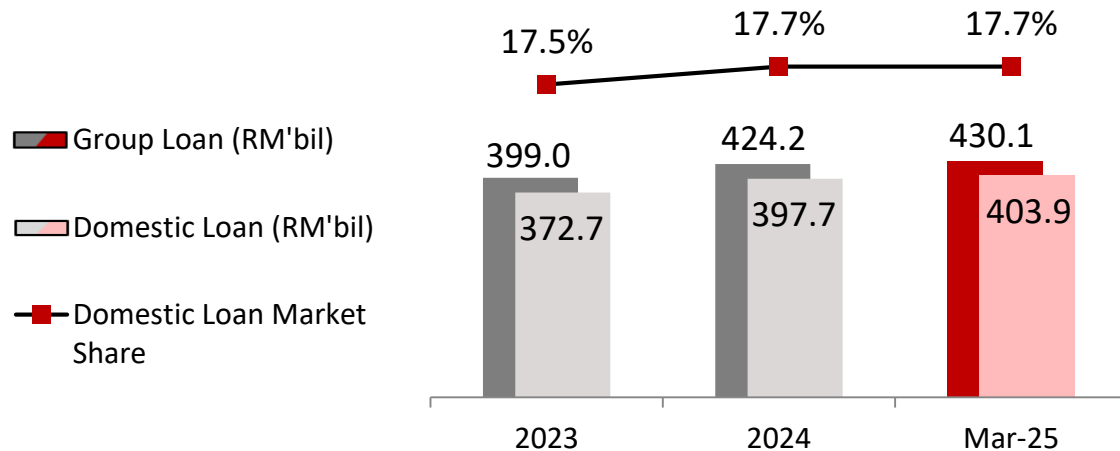




# Loan Growth

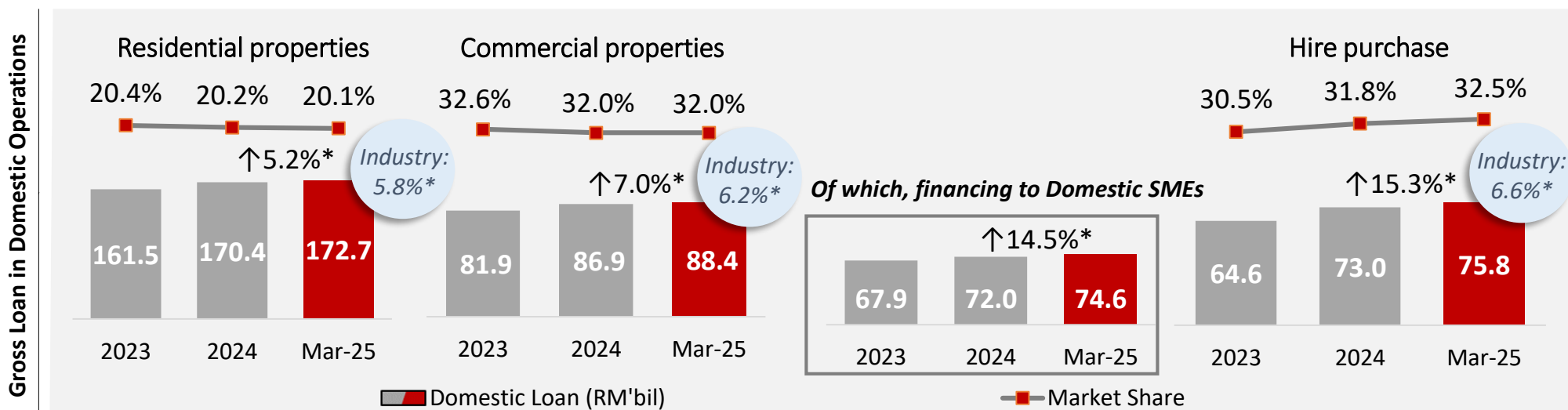
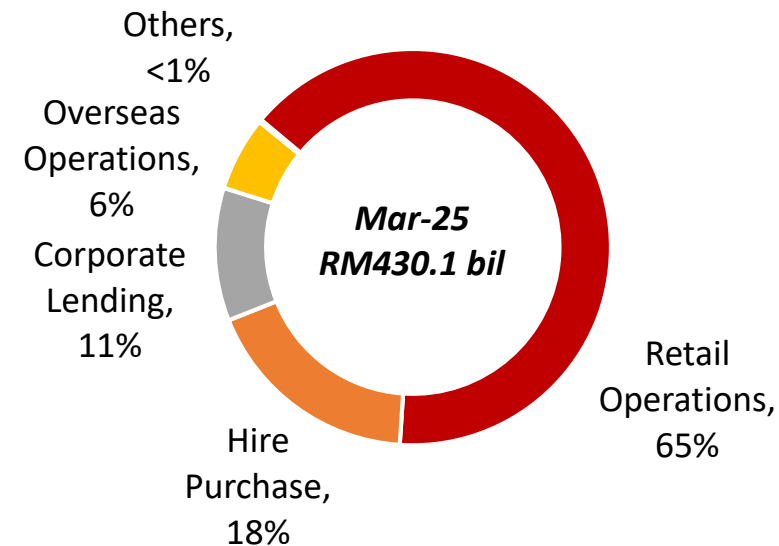
Commendable growth across core financing segments bolstered annualised domestic loan growth of 6.3%

## Loans – Outstanding Balance and Market Share



Group Loan Growth	5.9%	6.3%	5.6%*
Domestic Loan Growth	5.9%	6.7%	6.3%*
Domestic Industry Average	5.3%	5.5%	4.3%*

## Loans – By Segment

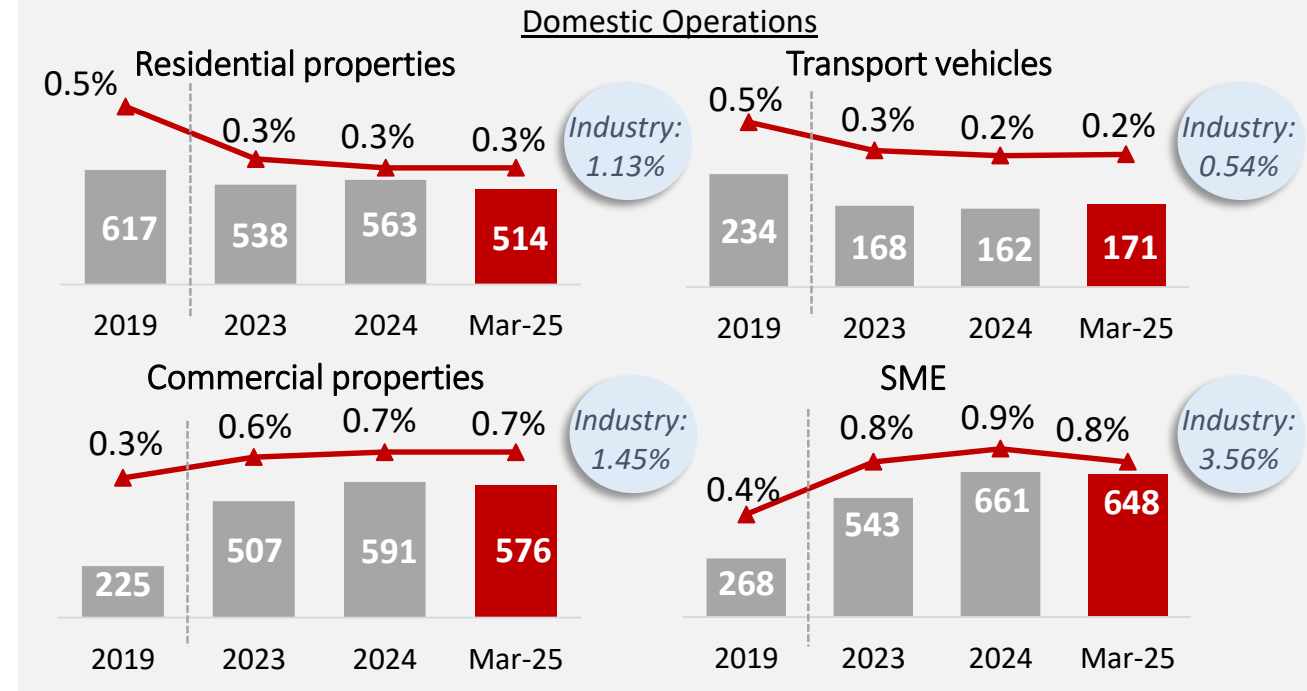
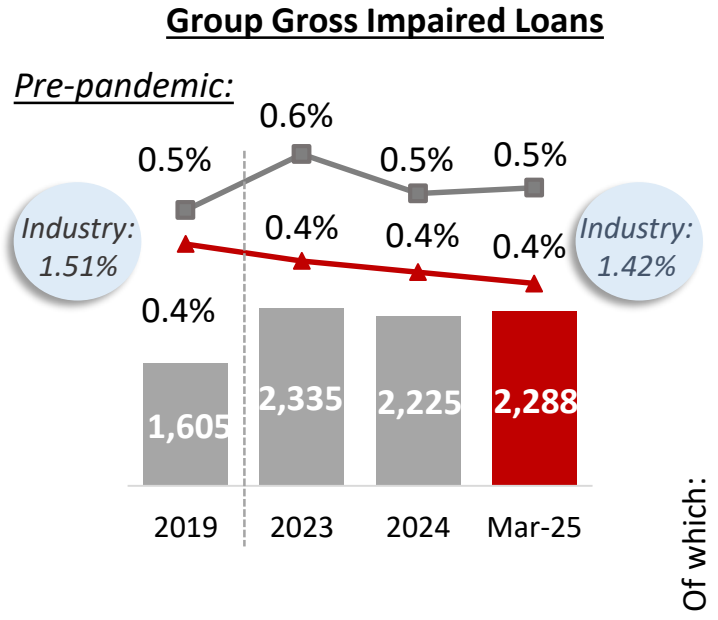


\* Annualised growth

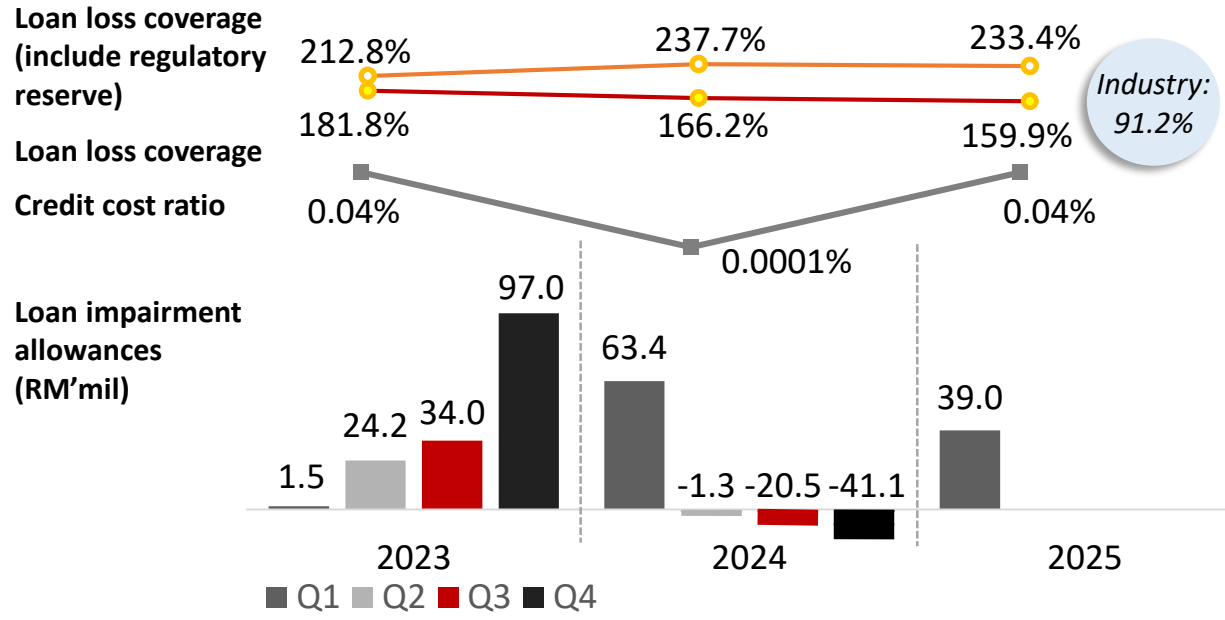


# Asset Quality

Sound asset quality, with a domestic IL ratio of 0.4%;  
 Loan loss coverage ratio at 159.9% reflecting prudent provisions buffer



■ Gross Impaired Loans (RM'mil)     
 ■ Group Gross Impaired Loans Ratio (%)     
 ▲ Domestic Impaired Loans Ratio (%)



### Ageing analysis of total domestic loans

% Ageing Profile of Past Due Loan / Financing

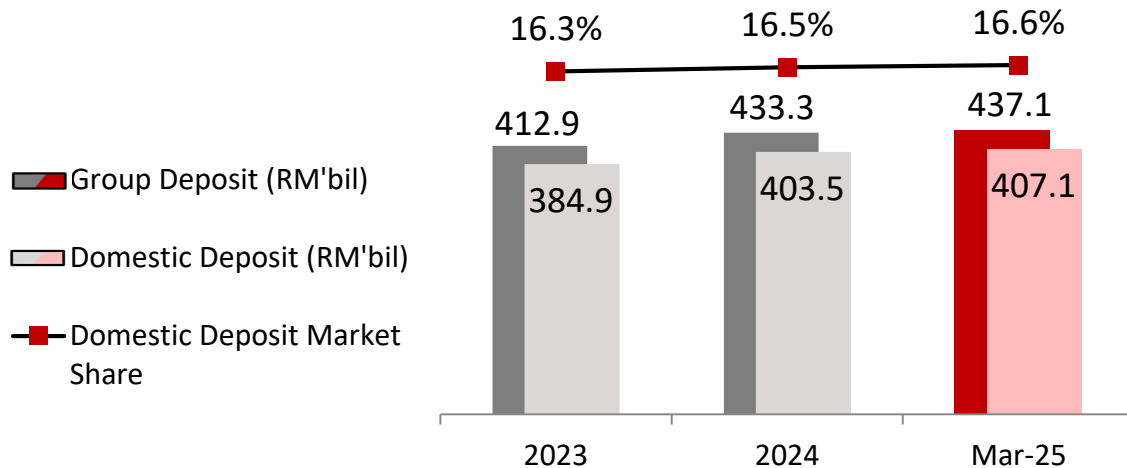
	Pre-pandemic		At present	
	2018	2019	2024	Mar-25
1 mth to <2 mths	2.6%	2.2%	1.3%	1.4%
2 mths to <3 mths	1.0%	1.0%	0.2%	0.1%
>3 mths	0.4%	0.4%	0.4%	0.4%
<b>Total &gt;1 mth</b>	<b>4.0%</b>	<b>3.6%</b>	<b>1.9%</b>	<b>1.9%</b>



# Deposit Growth

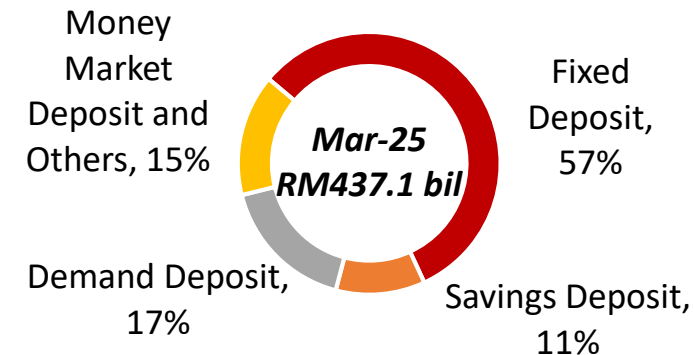
Well-diversified funding base facilitated continuous deposit growth

## Deposit – Outstanding Balance and Market Share

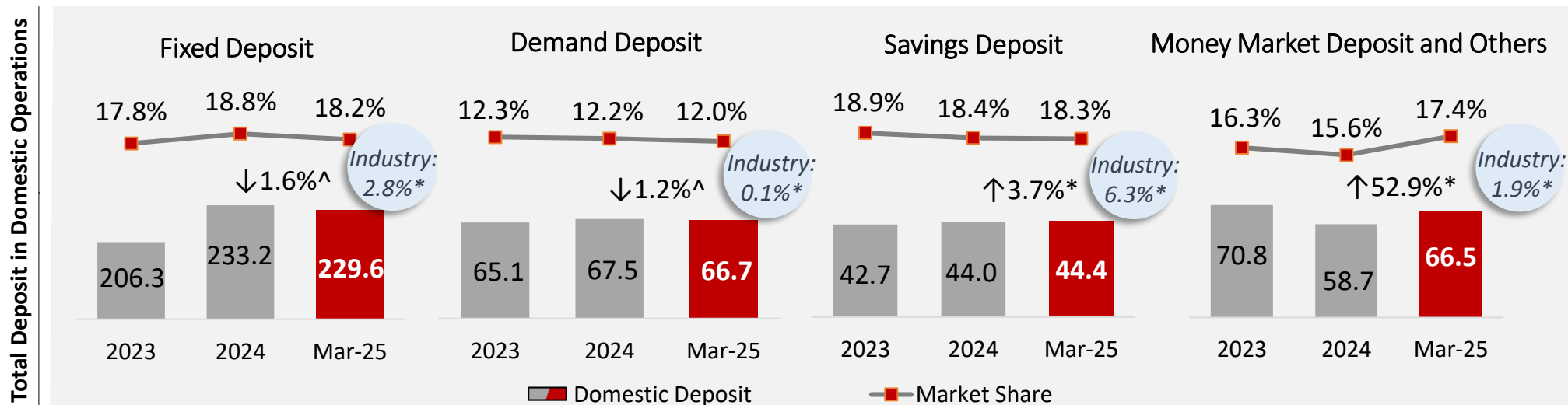
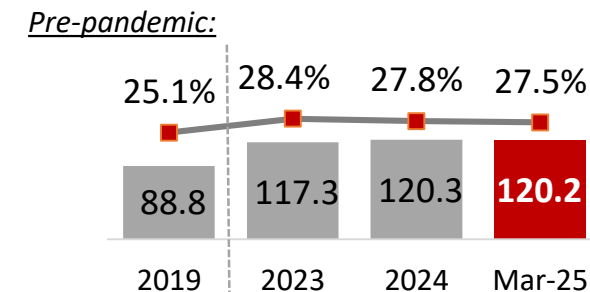


Group Deposit Growth	4.6%	4.9%	3.5%*
Domestic Deposit Growth	4.8%	4.8%	3.6%*
Domestic Industry Average	5.6%	3.0%	5.1%*

## Deposit – By Type



## Group CASA ratio



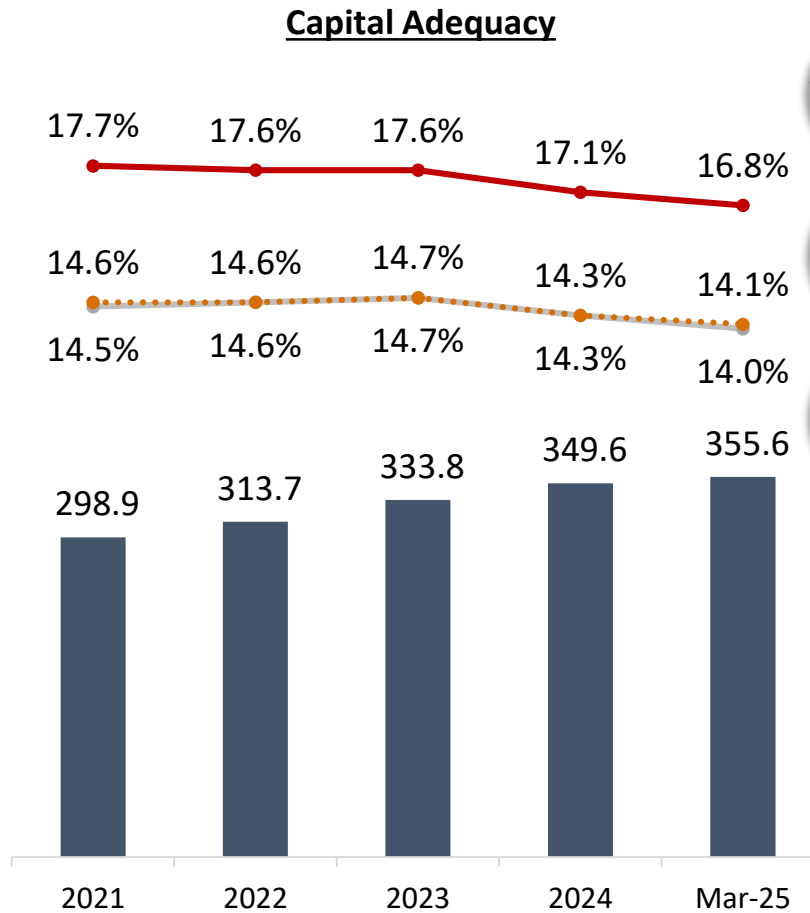
\* Annualised growth

^ Negative growth as at March 2025



# Capital & Liquidity Position

*Resilient balance sheet, supported by healthy capital and liquidity position*

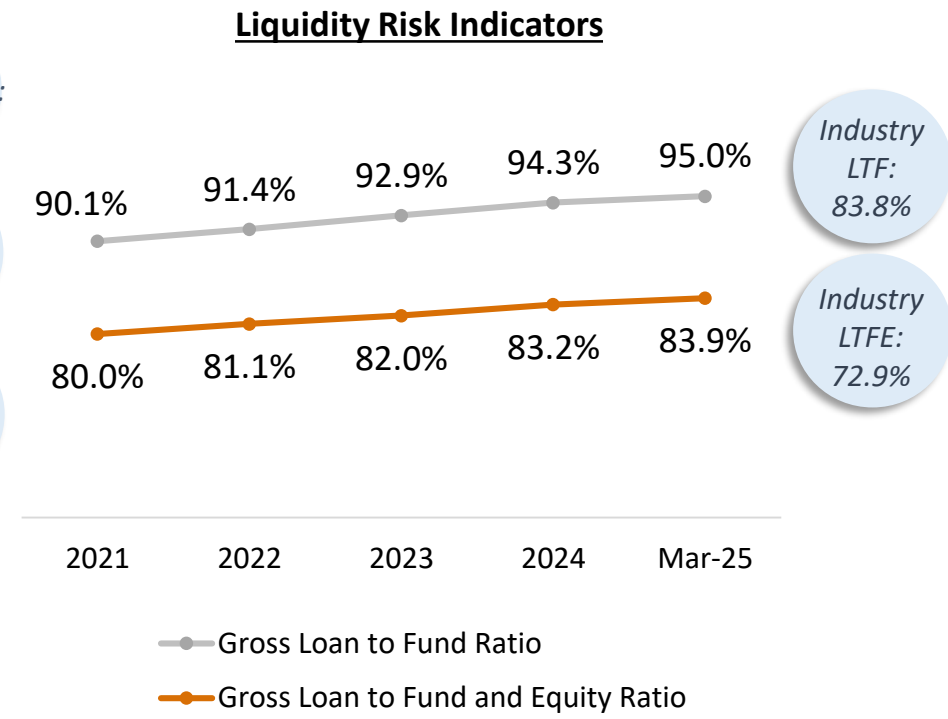


Industry Total capital: 17.7%

Industry Tier I: 14.7%

Industry CET I: 14.2%

Category	Value
Risk-weighted Assets (RM'bil)	355.6
Common Equity Tier I Capital	14.1%
Tier I Capital	14.0%
Total Capital	16.8%
Basel III Requirement*	7.5%
	9.0%
	11.0%



Industry LTF: 83.8%

Industry LTFE: 72.9%

- \* 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

	2023	2024	Mar-25
<b>Malaysian Operations</b>			
Public Bank - Domestic	260	260	260
- Overseas	7	3*	3*
Public Islamic Bank	4	4	4
Public Mutual	28	28	28
Public Investment Bank	1	1	1
Lonpac Insurance	-	22^	22^
<b>Hong Kong &amp; China Operations</b>			
Public Finance	40	40	40
Public Bank (HK) - Hong Kong	30	30	29
- China	5	5	5
Winton (B.V.I) Group	3	3	3
<b>Indo-China Operations</b>			
Cambodia Public Bank	32	32	32
Public Bank Vietnam	40	40	40
Public Bank Lao	-	4*	4*
	<b>450</b>	<b>472</b>	<b>471</b>



**>21,000**  
Staff



**>2,000**  
Self Service Terminals

**Pbe / MyPB** Internet Banking  
**PB engage / MyPB** Mobile Banking  
**PB enterprise** Internet / Mobile Banking

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

^ LPI Capital Berhad's physical distribution channel includes 21 Lonpac branches across Malaysia and 1 in Singapore



# Strategic Direction

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

## Key Value Driver

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

## Strategic Direction

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



Notes: \* PBB continues to commit to its key subsidiary by supporting PIBB in its pursuit of its corporate vision and provide on-going shared-services to PIBB



## Appendix

		RM'mil	2019	2021	2022	2023	2024	Mar-25
Profitability	Operating profit		7,283	8,579	9,203	8,678	9,183	2,341
	Profit before tax		7,134	7,367	8,831	8,539	8,932	2,313
	Net profit		5,512	5,657	6,119	6,649	7,147	1,745
Shareholder Value	Earnings per share (sen)		28.39	29.14	31.53	34.26	36.84	9.04
	Net assets per share (RM)		2.25	2.48	2.59	2.82	2.97	2.95
	Dividend per share (sen)		14.6	15.2	17.0	19.0	21.0	N/A
	Dividend payout ratio (%)		51.4	52.2	53.9	55.5	57.0	N/A
Key Balance Sheet Data	Total assets		432,831	462,739	493,263	510,598	542,863	549,714
	Gross loan		330,468	358,027	376,892	398,997	424,171	430,065
	Domestic loan		307,164	334,646	352,065	372,697	397,656	403,900
	Deposit from customers		353,340	380,394	394,719	412,897	433,264	437,056
	Domestic deposit		325,199	352,615	367,144	384,918	403,481	407,142
	Core customer deposit		294,646	325,770	335,570	342,033	374,500	370,523
	Shareholders' equity		43,594	48,163	50,179	54,674	57,335	56,951
	Common equity Tier I capital <sup>π</sup>		37,406	43,428	45,648	48,911	49,835	49,929
	Tier I capital <sup>π</sup>		37,564	43,587	45,806	48,971	49,895	49,986
	Total capital <sup>π</sup>		46,571	52,878	55,256	58,624	59,677	59,816
Risk-weighted assets		277,906	298,890	313,678	333,774	349,571	355,649	

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



## Appendix

	%	2019	2021	2022	2023	2024	Mar-25	Industry <sup>b</sup>
Profitability Ratios	Net interest margin on yielding assets	2.15	2.22	2.39	2.20	2.21	2.19	N/A
	Net return on equity <sup>+</sup>	13.6	12.4	12.8	13.0	13.2	12.4	N/A
	Pre-tax return on average assets	1.7	1.6	1.8	1.7	1.7	1.7	1.6
	Cost to income ratio	34.4	31.6	31.5	33.7	34.5	35.0	43.6
	Non interest income/Total income	21.6	20.9	18.0	18.9	20.4	21.4	39.3
Liquidity	Gross loan to fund ratio <sup>~</sup>	88.9	90.1	91.4	92.9	94.3	95.0	83.8 <sup>^</sup>
	Gross loan to fund and equity ratio <sup>~</sup>	79.2	80.0	81.1	82.0	83.2	83.9	72.9 <sup>#</sup>
Asset Quality	Gross impaired loans ratio	0.49	0.31	0.42	0.59	0.52	0.53	1.42
	Loan loss coverage ratio	124.1	360.7	272.0	181.8	166.2	159.9	91.2
	Credit cost ratio	0.05	0.34	0.10	0.04	0.00	0.04	0.14 <sup>~</sup>
Capital Adequacy	Common equity Tier I capital ratio <sup>π</sup>	13.5	14.5	14.6	14.7	14.3	14.0	14.2
	Tier I capital ratio <sup>π</sup>	13.5	14.6	14.6	14.7	14.3	14.1	14.7
	Total capital ratio <sup>π</sup>	16.8	17.7	17.6	17.6	17.1	16.8	17.7
Market Share	<u>Domestic market share</u>							
	Commercial property financing	35.0	34.2	33.4	32.6	32.0	32.0	N/A
	Residential property financing	19.9	20.5	20.6	20.4	20.2	20.1	N/A
	Passenger vehicle financing	29.4	29.9	30.2	30.5	31.8	32.5	N/A
	Domestic loans	17.3	17.4	17.4	17.5	17.7	17.7	N/A
	Domestic deposits	16.5	16.2	16.3	16.3	16.5	16.6	N/A
	Retail private unit trust	35.0	34.6	35.4	35.9	34.7	33.9	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 dividends declared subsequent to end of year / period

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

<sup>~</sup> Average of the top 8 local banks as at Dec'24



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