

Kuala Lumpur, 15 October 2009

PUBLIC BANK ACHIEVES 3% GROWTH IN OPERATING NET PROFIT AND 10.7% LOAN GROWTH IN THE FIRST NINE MONTHS OF 2009

The Public Bank Group today announced a net profit attributable to shareholders of RM1.84 billion for the first nine months of 2009, on the back of a strong 9% growth in net interest and financing income. For the corresponding period in 2008, the Group's net profit of RM1.93 billion included a significant one-off goodwill income in respect of the bancassurance distribution alliance with ING Asia/Pacific Limited ("ING"). Excluding this one-off income, the Group's underlying operating net profit improved by 3% over the same period in 2008.

The higher net interest and financing income, despite the negative impact arising from the reduction in Overnight Policy Rate ("OPR") on three occasions since November 2008, was attributable to the sustained high rate of growth in both quality loans as well as customer deposits whilst asset quality remained stable. Other operating income increased by 10% to stand at RM1.03 billion in the first nine months of 2009 after excluding the RM200 million one-off goodwill income from ING in 2008. The growth was mainly due to higher investment income from securities held, as well as higher foreign exchange profit during the nine months ended 30 September 2009.

The Public Bank Group's quarterly net profit in the first nine months of 2009 has shown a consistently upward trend with net profit of RM589 million in the first quarter, growing by 3.6% to RM611 million in the second quarter, and increasing further by 4.6% to RM639 million in the third quarter.

The Public Bank Group achieved a strong annualized loans growth and core deposit growth of 14.3% and 19.5% respectively, significantly exceeding the banking

system's annualized growth of 6.8% for loans and 6.3% for core customer deposits. The Group's non-performing loans ("NPL") ratio remained stable at below 1.0%.

Highlights of the Public Bank Group's Performance

- Net profit attributable to shareholders was RM1.84 billion for the nine months ended 30 September 2009 as compared to RM1.93 billion in the previous corresponding period. Excluding the one-off goodwill income from ING in 2008, the Group's underlying operating net profit increased by 3% as compared to the corresponding period last year.
- Annualised net return on equity ("ROE") stood at 25.5%.
- Cost to income ratio remains efficient at 34.6%.
- Earnings per share ("EPS") was 53.7 sen, showing an uptrend on a quarter-to-quarter comparison of 17.5 sen in the first quarter, 17.7 sen in the second quarter, and 18.5 sen in the third quarter of 2009.
- Net profit of RM639 million for the third quarter of 2009 represents a strong growth of 4.6% as compared to RM611 million achieved in the second quarter of 2009.
- Total assets expanded by RM12.9 billion or 6.6% during the current period to stand at RM209 billion as at the end of September 2009.
- Total loans and advances increased to RM133.6 billion as at the end of September 2009, representing a growth of 10.7% for the nine-month period to 30 September 2009, with the Group's domestic market share for loans and advances rising to 15.8% as at August 2009, from 14.8% as at the end of 2008.

- Total customer deposits grew by 12.6% during the first nine months of 2009 to stand at RM182.7 billion as at the end of September 2009.
- Core customer deposits achieved a strong growth of 14.6% for the first nine months of 2009 to stand at RM128.8 billion as at the end of September 2009, leading to an increase in the Group's market share of core deposits to 15.6% as at August 2009 from 14.7% eight months earlier.
- Net NPL ratio of the Group remains below 1.0% as at the end of September 2009, significantly lower than the banking industry's net NPL ratio of 2.1% as at August 2009. Loan loss coverage stood at 171% which is almost two times of the banking industry loan loss coverage ratio of 90%.
- Risk-weighted capital ratio ("RWCR") of the Group remains healthy at 12.7% as at the end of September 2009, despite the early redemption of USD350 million Subordinated Notes in September 2009.

Continued Strong Organic Loan Growth and Increasing Market Share

The Public Bank Group's total loans, advances and financing increased by RM12.9 billion or 10.7% in the nine-month period to RM133.6 billion as at the end of September 2009. This translates to an annualized loan growth rate of 14.3%, which was well above the banking industry's annualized loan growth rate of 6.8%. Consequently, the Group's market share of loans and advances increased further to 15.8% as at the end of August 2009, from 14.8% as at the end of 2008.

"We are on track to achieve the targeted 14% to 15% loan growth for 2009, supported by demand from small- and medium-sized business enterprises and increases in housing loans and motor vehicle hire purchase financing.", said Tan Sri Dato' Sri Tay Ah Lek, Managing Director / Chief Executive Officer.

The growth in loans and advances was well distributed, with strong growth in the retail consumer banking sectors for the financing of residential properties and passenger vehicles and commercial lending to small- and medium-sized enterprises (“SMEs”), which collectively accounted for 78% of the Group’s loan portfolio as at the end of September 2009. Public Bank’s domestic loan approvals and loan applications rose by 17% and 20% respectively in the first nine months of 2009 as compared to the previous corresponding period. Housing loan approvals was particularly strong, recording an increase of 28% during the same period.

In support of the Government’s fiscal stimulus efforts and the banking industry’s commitment in meeting the needs of SMEs in the more challenging economic environment, particularly in respect of working capital financing, the Public Bank Group actively promoted the Government’s Working Capital Guarantee Scheme for its SMEs customers. As a result of these initiatives, a total of RM7.7 billion of new domestic SMEs loans were approved, which accounted for 21% of the Group’s total new domestic loans approved of RM36.1 billion for the first nine months of 2009.

Sustained Strong Asset Quality

Public Bank Group’s asset quality continued to remain strong. The Group’s gross and net NPL ratios stood at below 1% as at the end of September 2009, as compared to the banking industry’s gross and net NPL ratio of 3.8% and 2.1% respectively as at August 2009. The Group’s annualized credit charge-off rate remained low and stable at 0.29% for the first nine months of 2009.

Public Bank Group’s strong asset quality was further complemented by its healthy loan loss coverage ratio of 171% as at the end of September 2009, which was almost twice the coverage ratio of 90% for the banking industry as at the end of August 2009. The increase in the Group’s loan loss coverage from 160% as at the end of 2008 was primarily due to additional general allowance set aside for the strong loan growth. The Group’s general allowance of RM1.99 billion as at the end of

September 2009 was about 2 times of the entire net NPL amount of RM1.09 billion, despite that more than 90% of the NPLs outstanding are secured.

Strong Growth in Customer Deposits

Total customer deposits of Public Bank Group rose by RM20.4 billion or 12.6% to stand at RM182.7 billion as at the end of September 2009, which was mainly supported by growth in its core customer deposits funding base.

Total core customer deposits of the Public Bank Group increased by RM16.4 billion or 14.6% to RM128.8 billion in the nine-month period to 30 September 2009, which was more than 3 times that of the pace of growth of the banking industry's core customer deposits of 4.2% for the first eight months of 2009. Fixed deposits, savings deposits and demand deposits grew by 14.7%, 14.5% and 14.4% respectively in the first nine months of 2009, which boosted the Group's market share of core customer deposits to 15.6% as at end of August 2009 as compared to 14.7% as at the end of December 2008.

Tan Sri Dato' Sri Tay Ah Lek said that, "the strong core deposits growth reflects the strength of the Public Bank Group's domestic franchise and underscores a stable base for funding the Group's strong loan growth. The stability of our core deposit base is being sustained even in times of economic and financial distress."

The Public Bank Group's overseas operations also contributed to the deposits growth, in particular Public Financial Holdings Group ("PFHG") in Hong Kong and Cambodian Public Bank Plc ("CAMPU Bank"). PFHG and CAMPU Bank registered deposits growth of 15.6% and 53.6% respectively in the first nine months of 2009 as a result of their extensive efforts in growing their respective deposit bases.

Expansion of Wealth Management Products and Services

Public Mutual, Public Bank Berhad's wholly-owned unit trust and fund management subsidiary, delivered strong performance in the first nine months of 2009. Public Mutual's net asset value ("NAV") of funds under management stood at RM33.8 billion as at the end of September 2009, 45% higher than the NAV of RM23.3 billion as at the end of 2008. Consequently, Public Mutual's overall market share of the private sector unit trust management business rose to 44% as at the end of September 2009 from 39% as at the end of 2008. Public Mutual's total unit trust sales of RM6.1 billion during the period showed a rising trend, with sales achievement of RM3.7 billion in the third quarter of 2009, as compared to RM0.7 billion and RM1.7 billion in the first and second quarters of 2009 respectively. The number of account holders in Public Mutual has grown to 2.2 million. Public Mutual's large agency force of over 40,000 unit trust consultants represents a highly potent distribution channel to drive the business of Public Mutual when the market for unit trusts improves further.

The Public Bank Group continued to develop its bancassurance business through significant investment in the infrastructure and continued offerings of new products. The sales of bancassurance products increased by 64% in the nine months to 30 September 2009 as compared to the previous corresponding period. In particular, the sales of the Group's flagship regular premium product, namely the "One Solution Plan", grew by 12 folds during the period. The bancassurance and wealth management sales force currently number 589. In order to provide wider investment options to its customers, Public Bank launched 3 principal protected structured investment products, namely the "PB USA Recovery", the "PB Templeton Global Asian Focus" and the "PB Templeton BRIC" funds in the first nine months of 2009. Despite the difficult market condition, all these new products generated good customer response.

Capital Position Remains Strong

On 22 September 2009, Public Bank fully redeemed its issue of USD350 million 5.625% Subordinated Notes. After the redemption, the Public Bank Group's risk-weighted capital ratio continued to remain strong at 12.7% as at the end of September 2009. At the parent Bank level, the risk-weighted capital ratio and core capital ratio stood at 11.0% and 12.1% respectively.

The adoption of FRS 139 with effect from 1 January 2010 and the adoption of the Basel II Internal Rating Based approach will further strengthen the parent Bank's and the Group's capital ratios going forward.

Group Prospects

Tan Sri Dato' Sri Tay Ah Lek also said that, "as the global recession begins to recede and with recovery on the horizon, the outlook for the banking industry is expected to improve. However, margins continue to be under pressure due to continued intense competition."

The Public Bank Group will continue to pursue its strategy of strong organic business growth, as well as maintain its superior quality loan portfolio and improved productivity. At the same time, the Group will enhance its risk management capabilities and continue to uphold its strong corporate governance culture and practices.

Barring unforeseen circumstances, the Public Bank Group is expected to maintain its earnings momentum and continue to record satisfactory performance for the rest of 2009.

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

Mr Wong Jee Seng

Chief Operating Officer

Tel: (603) 2176 6320

Fax: (603) 2163 9925

Email: wongjs@publicbank.com.my

Ms Chang Siew Yen

Chief Financial Officer

Tel: (603) 2176 7460

Fax: (603) 2164 9002

Email: changsiewyen@publicbank.com.my