

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	Group		Bank	
		31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
ASSETS					
Cash and balances with banks		19,327,488	21,766,900	14,587,610	16,045,318
Reverse repurchase agreements		-	4,193	-	53,618
Financial assets at fair value through profit or loss	A8	2,899,296	949,325	1,276,946	926,938
Derivative financial assets	A28	424,642	446,564	426,700	439,742
Financial investments at fair value through other comprehensive income	A9	55,874,503	54,867,289	36,692,535	37,154,286
Financial investments at amortised cost	A10	26,176,957	25,570,231	16,693,886	15,561,016
Loans, advances and financing	A11	377,304,388	372,583,116	285,942,834	282,577,665
Other assets	A12	3,391,285	3,749,865	2,807,426	3,500,877
Statutory deposits with Central Banks		7,180,439	6,882,404	4,767,748	4,395,985
Deferred tax assets		492,422	630,201	279,008	392,775
Collective investments		-	-	6,298,139	6,245,825
Investment in subsidiary companies		-	-	6,794,603	6,794,166
Investment in associated companies		121,892	120,164	67,500	67,500
Investment properties		668,693	669,570	-	-
Right-of-use assets		1,278,584	1,287,639	1,041,918	1,051,072
Property and equipment		1,159,814	1,196,283	532,524	562,076
Intangible assets		2,530,090	2,539,021	695,393	695,393
TOTAL ASSETS		498,830,493	493,262,765	378,904,770	376,464,252
LIABILITIES					
Deposits from customers	A13	403,660,439	394,718,757	300,573,326	293,505,435
Deposits from banks and other financial institutions	A14	14,188,552	13,774,842	14,184,467	14,511,266
Obligations on securities sold under repurchase agreements		2,749,213	6,776,410	2,749,213	6,630,718
Bills and acceptances payable		205,035	314,168	203,448	311,068
Recourse obligations on loans and financing sold to Cagamas		5,100,015	5,100,015	4,000,015	4,000,015
Derivative financial liabilities	A28	249,108	496,045	284,290	535,790
Debt securities issued and other borrowed funds	B9	12,025,570	12,023,484	9,408,320	9,403,356
Lease liabilities		910,787	912,967	1,084,870	1,090,367
Other liabilities	A15	6,231,535	6,608,224	4,482,836	5,019,205
Provision for tax expense and zakat		766,034	928,858	621,455	729,118
Deferred tax liabilities		83,224	83,187	-	-
TOTAL LIABILITIES		446,169,512	441,736,957	337,592,240	335,736,338

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	Note	Group		Bank	
		31 March	31 December	31 March	31 December
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
EQUITY					
Share capital		9,417,653	9,417,653	9,417,653	9,417,653
Regulatory reserves		428,934	314,153	364,473	257,054
Other reserves		1,574,815	1,188,430	508,444	269,926
Retained profits		39,887,391	39,258,985	31,021,960	30,783,281
Equity attributable to equity holders of the Bank		51,308,793	50,179,221	41,312,530	40,727,914
Non-controlling interests		1,352,188	1,346,587	-	-
TOTAL EQUITY		52,660,981	51,525,808	41,312,530	40,727,914
TOTAL LIABILITIES AND EQUITY					
		498,830,493	493,262,765	378,904,770	376,464,252
COMMITMENTS AND CONTINGENCIES					
	A27	100,844,687	104,721,984	89,114,547	93,564,059
CAPITAL ADEQUACY					
	A30				
<u>Before deducting interim dividends</u> *					
Common Equity Tier I Capital Ratio		14.621%	14.862%	13.193%	13.472%
Tier I Capital Ratio		14.671%	14.912%	13.234%	13.513%
Total Capital Ratio		17.669%	17.925%	16.438%	16.722%
<u>After deducting interim dividends</u> *					
Common Equity Tier I Capital Ratio		14.621%	14.552%	13.193%	13.072%
Tier I Capital Ratio		14.671%	14.603%	13.234%	13.113%
Total Capital Ratio		17.669%	17.616%	16.438%	16.322%
Net assets per share attributable to ordinary equity holders of the Bank (RM)					
		2.64	2.59	2.13	2.10

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

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PUBLIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

<u>Group</u>	Note	1st Quarter Ended		Three Months Ended	
		31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Operating revenue		<u>6,123,237</u>	<u>4,887,224</u>	<u>6,123,237</u>	<u>4,887,224</u>
Interest income	A16	<u>4,329,222</u>	3,361,120	<u>4,329,222</u>	3,361,120
Interest expense	A17	<u>(2,069,801)</u>	(1,256,774)	<u>(2,069,801)</u>	(1,256,774)
Net interest income		<u>2,259,421</u>	2,104,346	<u>2,259,421</u>	2,104,346
Net income from Islamic banking business	A31 (b)	<u>397,115</u>	402,289	<u>397,115</u>	402,289
		<u>2,656,536</u>	<u>2,506,635</u>	<u>2,656,536</u>	<u>2,506,635</u>
Fee and commission income	A18 (a)	<u>724,565</u>	720,560	<u>724,565</u>	720,560
Fee and commission expense	A18 (b)	<u>(242,234)</u>	(223,253)	<u>(242,234)</u>	(223,253)
Net fee and commission income	A18	<u>482,331</u>	<u>497,307</u>	<u>482,331</u>	<u>497,307</u>
Net gains and losses on financial instruments	A19	<u>44,894</u>	32,277	<u>44,894</u>	32,277
Other operating income	A20	<u>119,361</u>	112,698	<u>119,361</u>	112,698
Net income		<u>3,303,122</u>	3,148,917	<u>3,303,122</u>	3,148,917
Other operating expenses	A21	<u>(1,094,154)</u>	(1,044,938)	<u>(1,094,154)</u>	(1,044,938)
Operating profit before impairment losses		<u>2,208,968</u>	2,103,979	<u>2,208,968</u>	2,103,979
Allowance for impairment on loans, advances and financing	A22	<u>(1,544)</u>	(99,728)	<u>(1,544)</u>	(99,728)
Writeback of allowance / (Allowance) for impairment on other assets	A23	<u>1,719</u>	(2,263)	<u>1,719</u>	(2,263)
		<u>2,209,143</u>	<u>2,001,988</u>	<u>2,209,143</u>	<u>2,001,988</u>
Share of loss after tax of equity accounted associated companies		<u>(160)</u>	(1,714)	<u>(160)</u>	(1,714)
Profit before tax expense and zakat		<u>2,208,983</u>	2,000,274	<u>2,208,983</u>	2,000,274
Tax expense and zakat	B5	<u>(485,978)</u>	(587,458)	<u>(485,978)</u>	(587,458)
Profit for the period		<u>1,723,005</u>	<u>1,412,816</u>	<u>1,723,005</u>	<u>1,412,816</u>
Profit for the period attributable to:					
- Equity holders of the Bank		<u>1,713,963</u>	1,398,555	<u>1,713,963</u>	1,398,555
- Non-controlling interests		<u>9,042</u>	14,261	<u>9,042</u>	14,261
		<u>1,723,005</u>	<u>1,412,816</u>	<u>1,723,005</u>	<u>1,412,816</u>
Earnings per share:					
- basic / diluted (sen)	B12	<u>8.83</u>	7.21	<u>8.83</u>	7.21

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

Group	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Profit for the period	1,723,005	1,412,816	1,723,005	1,412,816
Other comprehensive income / (loss):				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Net change in revaluation of				
- Equity instruments	27	(66)	27	(66)
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences in respect of:				
- Foreign operations	8,865	50,865	8,865	50,865
- Net investment hedge	8,516	(26,296)	8,516	(26,296)
Net change in revaluation of financial investments at fair value through other comprehensive income	503,966	(215,217)	503,966	(215,217)
Net change in cash flow hedges	(41,901)	95,585	(41,901)	95,585
	479,446	(95,063)	479,446	(95,063)
Income tax effect	(98,658)	26,428	(98,658)	26,428
Share of changes in associated companies' reserves	1,888	(199)	1,888	(199)
Other comprehensive income / (loss) for the period, net of tax	382,703	(68,900)	382,703	(68,900)
Total comprehensive income for the period	2,105,708	1,343,916	2,105,708	1,343,916
Total comprehensive income for the period attributable to:				
- Equity holders of the Bank	2,100,107	1,323,233	2,100,107	1,323,233
- Non-controlling interests	5,601	20,683	5,601	20,683
	2,105,708	1,343,916	2,105,708	1,343,916

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

<u>Bank</u>	Note	1st Quarter Ended		Three Months Ended	
		31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Operating revenue		4,293,618	3,359,423	4,293,618	3,359,423
Interest income	A16	3,804,124	2,972,273	3,804,124	2,972,273
Interest expense	A17	(1,887,623)	(1,190,261)	(1,887,623)	(1,190,261)
Net interest income		1,916,501	1,782,012	1,916,501	1,782,012
Fee and commission income	A18 (a)	303,782	263,663	303,782	263,663
Fee and commission expense	A18 (b)	(132,162)	(86,697)	(132,162)	(86,697)
Net fee and commission income	A18	171,620	176,966	171,620	176,966
Net gains and losses on financial instruments	A19	42,379	31,763	42,379	31,763
Other operating income	A20	189,250	157,018	189,250	157,018
Net income		2,319,750	2,147,759	2,319,750	2,147,759
Other operating expenses	A21	(687,984)	(661,711)	(687,984)	(661,711)
Operating profit before impairment losses		1,631,766	1,486,048	1,631,766	1,486,048
Writeback of allowance / (Allowance) for impairment on loans, advances and financing	A22	69,153	(36,431)	69,153	(36,431)
Writeback of allowance / (Allowance) for impairment on other assets	A23	3,337	(1,683)	3,337	(1,683)
Profit before tax expense and zakat		1,704,256	1,447,934	1,704,256	1,447,934
Tax expense and zakat	B5	(387,382)	(429,362)	(387,382)	(429,362)
Profit for the period		1,316,874	1,018,572	1,316,874	1,018,572

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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Bank				
Profit for the period	<u>1,316,874</u>	<u>1,018,572</u>	<u>1,316,874</u>	<u>1,018,572</u>
Other comprehensive income / (loss):				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Net change in revaluation of equity instruments	<u>7</u>	<u>(143)</u>	<u>7</u>	<u>(143)</u>
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Currency translation differences in respect of foreign operations	11,414	(16,514)	11,414	(16,514)
Net change in revaluation of financial investments at fair value through other comprehensive income	329,412	(176,755)	329,412	(176,755)
Net change in cash flow hedges	<u>(30,917)</u>	<u>44,030</u>	<u>(30,917)</u>	<u>44,030</u>
	<u>309,909</u>	<u>(149,239)</u>	<u>309,909</u>	<u>(149,239)</u>
Income tax effect	(71,639)	31,854	(71,639)	31,854
Other comprehensive income / (loss) for the period, net of tax	<u>238,277</u>	<u>(117,528)</u>	<u>238,277</u>	<u>(117,528)</u>
Total comprehensive income for the period	<u>1,555,151</u>	<u>901,044</u>	<u>1,555,151</u>	<u>901,044</u>

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PUBLIC BANK BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

<----- Attributable to Equity Holders of the Bank ----->

<u>Group</u>	<u>Non-distributable</u>			<u>Distributable</u>		<u>Total Shareholders' Equity</u> RM'000	<u>Non-controlling Interests</u> RM'000	<u>Total Equity</u> RM'000
	<u>Share Capital</u> RM'000	<u>Regulatory Reserves</u> RM'000	<u>Other Reserves</u> RM'000	<u>Retained Profits</u> RM'000	<u>Total</u> RM'000			
At 1 January 2023	9,417,653	314,153	1,188,430	39,258,985	50,179,221	1,346,587	51,525,808	
Profit for the period	-	-	-	1,713,963	1,713,963	9,042	1,723,005	
Other comprehensive income / (loss) for the period	-	-	386,144	-	386,144	(3,441) *	382,703	
Total comprehensive income for the period	-	-	386,144	1,713,963	2,100,107	5,601	2,105,708	
Transactions with owners / other equity movements:								
Transfer to statutory reserves	-	-	241	(241)	-	-	-	
Transfer to regulatory reserves	-	114,781	-	(114,781)	-	-	-	
Dividends paid	-	-	-	(970,535)	(970,535)	-	(970,535)	
	-	114,781	241	(1,085,557)	(970,535)	-	(970,535)	
At 31 March 2023	9,417,653	428,934	1,574,815	39,887,391	51,308,793	1,352,188	52,660,981	

* This represents non-controlling interests' share of currency translation differences in respect of foreign operations.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

<----- Attributable to Equity Holders of the Bank ----->

Group	<u>Non-distributable</u>			<u>Distributable</u>		Non-controlling Interests	Total Equity
	Share Capital	Regulatory Reserves	Other Reserves	Retained Profits	Shareholders' Equity		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	9,417,653	248,231	1,435,886	37,060,892	48,162,662	1,262,745	49,425,407
Profit for the period	-	-	-	1,398,555	1,398,555	14,261	1,412,816
Other comprehensive (loss) / income for the period	-	-	(75,322)	-	(75,322)	6,422 *	(68,900)
Total comprehensive (loss) / income for the period	-	-	(75,322)	1,398,555	1,323,233	20,683	1,343,916
Transactions with owners / other equity movements:							
Transfer to statutory reserves	-	-	157	(157)	-	-	-
Transfer from regulatory reserves	-	(33,845)	-	33,845	-	-	-
Transfer to general reserves	-	-	168,290	(168,290)	-	-	-
Dividends paid	-	-	-	(1,494,623)	(1,494,623)	-	(1,494,623)
	-	(33,845)	168,447	(1,629,225)	(1,494,623)	-	(1,494,623)
At 31 March 2022	<u>9,417,653</u>	<u>214,386</u>	<u>1,529,011</u>	<u>36,830,222</u>	<u>47,991,272</u>	<u>1,283,428</u>	<u>49,274,700</u>

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

<----- Attributable to Equity Holders of the Bank ----->

<u>Bank</u>	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total Equity RM'000</u>
	<u>Share Capital RM'000</u>	<u>Regulatory Reserves RM'000</u>	<u>Other Reserves RM'000</u>	<u>Retained Profits RM'000</u>	
At 1 January 2023	9,417,653	257,054	269,926	30,783,281	40,727,914
Profit for the period	-	-	-	1,316,874	1,316,874
Other comprehensive income for the period	-	-	238,277	-	238,277
Total comprehensive income for the period	-	-	238,277	1,316,874	1,555,151
Transactions with owners / other equity movements:					
Transfer to statutory reserves	-	-	241	(241)	-
Transfer to regulatory reserves	-	107,419	-	(107,419)	-
Dividends paid	-	-	-	(970,535)	(970,535)
	-	107,419	241	(1,078,195)	(970,535)
At 31 March 2023	9,417,653	364,473	508,444	31,021,960	41,312,530

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

<----- Attributable to Equity Holders of the Bank ----->

<u>Bank</u>	<u>Non-distributable</u>			<u>Distributable</u>	<u>Total Equity RM'000</u>
	<u>Share Capital RM'000</u>	<u>Regulatory Reserves RM'000</u>	<u>Other Reserves RM'000</u>	<u>Retained Profits RM'000</u>	
At 1 January 2022	9,417,653	211,063	605,282	29,804,266	40,038,264
Profit for the period	-	-	-	1,018,572	1,018,572
Other comprehensive loss for the period	-	-	(117,528)	-	(117,528)
Total comprehensive (loss) / income for the period	<u>-</u>	<u>-</u>	<u>(117,528)</u>	<u>1,018,572</u>	<u>901,044</u>
Transactions with owners / other equity movements:					
Transfer to statutory reserves	-	-	157	(157)	-
Transfer from regulatory reserves	-	(33,604)	-	33,604	-
Dividends paid	-	-	-	(1,494,623)	(1,494,623)
	<u>-</u>	<u>(33,604)</u>	<u>157</u>	<u>(1,461,176)</u>	<u>(1,494,623)</u>
At 31 March 2022	<u>9,417,653</u>	<u>177,459</u>	<u>487,911</u>	<u>29,361,662</u>	<u>39,444,685</u>

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(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Group		Bank	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Cash Flows from Operating Activities				
Profit before tax expense and zakat	2,208,983	2,000,274	1,704,256	1,447,934
Adjustments for non-cash items:				
Share of loss after tax of equity accounted associated companies	160	1,714	-	-
Allowance / (Writeback of allowance) for impairment on loans, advances and financing	52,648	149,839	(37,498)	66,339
Depreciation of right-of-use assets and property and equipment	91,387	91,667	67,700	68,463
Net gain on financial instruments	(39,046)	(32,574)	(37,041)	(32,156)
Dividend income	(2,270)	(592)	(93,087)	(97,773)
(Writeback of allowance) / Allowance for impairment on other assets	(1,719)	2,263	(3,337)	1,683
Other non-cash items	(600)	(526)	(2,371)	570
Operating profit before working capital changes	<u>2,309,543</u>	<u>2,212,065</u>	<u>1,598,622</u>	<u>1,455,060</u>
Changes in working capital:				
Increase in operating assets	(6,705,117)	(5,980,916)	(3,361,627)	(3,914,473)
Increase in operating liabilities	4,603,372	7,925,852	1,963,209	4,154,754
Cash generated from operations	<u>207,798</u>	<u>4,157,001</u>	<u>200,204</u>	<u>1,695,341</u>
Tax expense and zakat paid	(609,570)	(535,364)	(452,918)	(370,649)
Net cash (used in) / generated from operating activities	<u>(401,772)</u>	<u>3,621,637</u>	<u>(252,714)</u>	<u>1,324,692</u>
Cash Flows from Investing Activities				
Purchase of property and equipment	(28,158)	(27,860)	(17,927)	(18,918)
Addition to investment properties	(325)	-	-	-
Proceeds from disposal of properties	13,421	12,287	12,261	7,645
Net (purchase) / sale of financial investments	(1,065,959)	1,979,207	(304,795)	2,987,211
Investment in collective investments	-	-	(52,314)	(39,192)
Additional investment in a subsidiary company	-	-	(437)	-
Dividends received	2,270	592	142,404	162,202
Net cash (used in) / generated from investing activities	<u>(1,078,751)</u>	<u>1,964,226</u>	<u>(220,808)</u>	<u>3,098,948</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the year ended 31 December 2022.

PUBLIC BANK BERHAD
Company Registration No.: 196501000672 (6463-H)
(Incorporated in Malaysia)
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

	Group		Bank	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Cash Flows from Financing Activities				
Dividends paid	(970,535)	(1,494,623)	(970,535)	(1,494,623)
Net proceeds from term loan facilities	-	2,139,649	-	1,551,659
Repayment of term loan facilities	-	(2,147,680)	-	(1,557,145)
Repayment of lease liabilities	(21,506)	(20,939)	(15,356)	(15,137)
Net cash used in financing activities	<u>(992,041)</u>	<u>(1,523,593)</u>	<u>(985,891)</u>	<u>(1,515,246)</u>
Net change in cash and cash equivalents	(2,472,564)	4,062,270	(1,459,413)	2,908,394
Cash and cash equivalents at beginning of the year	18,795,171	14,048,205	15,075,723	11,378,216
Exchange differences on translation of opening balances	(1,177)	60,330	-	-
Cash and cash equivalents at end of the period	<u>16,321,430</u>	<u>18,170,805</u>	<u>13,616,310</u>	<u>14,286,610</u>
Note:				
Cash and balances with banks	19,327,488	21,864,601	14,587,610	16,712,828
Less: Balances with banks with original maturity more than three months	(3,006,058)	(3,693,796)	(971,300)	(2,426,218)
Cash and cash equivalents at end of the period	<u>16,321,430</u>	<u>18,170,805</u>	<u>13,616,310</u>	<u>14,286,610</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the year ended 31 December 2022.

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

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134 and Policy Document on Financial Reporting Issued by Bank Negara Malaysia

A1. Basis of Preparation

The unaudited condensed interim financial statements for the 1st quarter ended 31 March 2023 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through profit or loss ("FVTPL"), financial investments at fair value through other comprehensive income ("FVOCI"), derivative financial instruments and investment properties.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2022. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2022.

The unaudited condensed interim financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2022, except for the adoption of the following during the current financial period:

Effective for annual periods commencing on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)
- Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)
- Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contracts)

MFRS 17 Insurance Contracts - MFRS 17 introduces consistent accounting for all insurance contracts based on a current measurement model. Under MFRS 17, the general model requires entities to recognise and measure a group of insurance contracts at: (i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus (ii) an amount representing the unearned profit in the group of contracts.

Amendments to MFRS 17 Insurance Contracts - The amendments are designed to minimise the risk of disruption to implementation already underway and do not change the fundamental principles of the standard or reduce the usefulness of information for investors. In addition, the amendments also defer the effective date of MFRS 17 by two years to annual reporting periods beginning on or after 1 January 2023.

Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts) - The amendments extend the expiry date for the temporary exemption from applying MFRS 9 Financial Instruments by two years to annual periods beginning on or after 1 January 2023, to be aligned with the effective date of MFRS 17, which replaces MFRS 4.

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements) - The amendments require entities to disclose their material accounting policy information rather than significant accounting policies and include examples of what is considered to be material to their financial statements. To support the amendments, MFRS Practice Statement 2 Making Materiality Judgments was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosure.

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

A1. Basis of Preparation (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes) - The amendments clarify how companies should account for deferred tax on transactions such as leases and decommissioning obligation. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 Insurance Contracts) - In order to avoid the temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of MFRS 17 and MFRS 9, the amendment provides an option for the presentation of comparative information about financial assets as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset.

The adoption of MFRS 17 Insurance Contracts and its related Amendments did not have any material financial impact on the financial statements of the Group other than the general insurance subsidiary company with its business and operations immaterial to the Group at this juncture.

The adoption of other amendments to MFRSs did not have any financial impact on the financial statements of the Group and of the Bank.

The following Amendments to MFRSs have been issued by MASB that are applicable to the Group and the Bank but are not yet effective:

Effective for annual periods commencing on or after 1 January 2024

- Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)

Effective date of these Amendments to Standards has been deferred, pending further announcement

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements) - The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - The amendments clarify that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The adoption of the above amendments to MFRSs is not expected to have any financial impact on the financial statements of the Group and of the Bank.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2022 was not qualified.

A3. Comments about Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors in the current financial period.

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

A4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank in the current financial period.

A5. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial period.

A6. Debt and Equity Securities

Saved as disclosed below, there were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Group and the Bank.

Subsequent to financial period ended 31 March 2023 which have not been reflected in the financial statements for the current period:

RM20.0 Billion Senior Medium Term Notes ("Senior MTNs") Programme

On 7 April 2023, the Bank had redeemed the sixth tranche of Senior MTNs amounting to RM910 million in nominal value together with accrued interest.

A7. Dividends Paid and Distributed

A third interim dividend of 5.0 sen per share for the financial year ended 31 December 2022 amounting to RM970,534,587 was paid on 22 March 2023.

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

A8. Financial Assets at Fair Value through Profit or Loss ("FVTPL")

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	784,771	214,801	784,771	214,801
Malaysian Government Securities	92,671	302,620	92,671	302,620
Malaysian Government Investment Issues	<u>40,887</u>	<u>40,662</u>	<u>30,649</u>	<u>40,662</u>
	<u>918,329</u>	<u>558,083</u>	<u>908,091</u>	<u>558,083</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,589,725</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-money market instruments:				
Equity securities:				
- Unquoted shares in Malaysia	391,242	391,242	368,855	368,855
Total financial assets at FVTPL	<u>2,899,296</u>	<u>949,325</u>	<u>1,276,946</u>	<u>926,938</u>

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

A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI")

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At fair value				
Government securities and treasury bills:				
Malaysian Government Treasury Bills	-	618,797	-	349,765
Malaysian Government Securities	18,763,951	20,562,422	17,975,307	19,815,634
Malaysian Government Investment Issues	29,608,637	26,923,746	15,304,544	14,121,212
Bank Negara Malaysia Monetary Notes	149,050	-	149,050	-
Other foreign government securities	173,685	167,201	-	-
	<u>48,695,323</u>	<u>48,272,166</u>	<u>33,428,901</u>	<u>34,286,611</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>1,300,760</u>	<u>842,032</u>	<u>2,191,356</u>	<u>1,722,871</u>
Non-money market instruments:				
Equity securities:				
- Quoted shares and convertible loan stocks outside Malaysia	1,695	1,675	-	-
- Unquoted shares	413,344	413,287	406,460	406,384
Debt securities:				
- Cagamas bonds	441,745	443,938	301,346	301,389
- Unquoted corporate bonds / sukuk	5,021,636	4,894,191	364,472	437,031
	<u>5,878,420</u>	<u>5,753,091</u>	<u>1,072,278</u>	<u>1,144,804</u>
Total financial investments at FVOCI	<u><u>55,874,503</u></u>	<u><u>54,867,289</u></u>	<u><u>36,692,535</u></u>	<u><u>37,154,286</u></u>

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

A9. Financial Investments at Fair Value through Other Comprehensive Income ("FVOCI") (continued)

The following expected credit losses ("ECL") for debt instruments are not recognised in the statement of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Group				
At 1 January 2023	16,369	-	-	16,369
New financial investments purchased	1,512	-	-	1,512
Net allowance made	44	-	-	44
Amount derecognised	(1,442)	-	-	(1,442)
Exchange differences	1	-	-	1
At 31 March 2023	<u>16,484</u>	<u>-</u>	<u>-</u>	<u>16,484</u>
At 1 January 2022	13,585	-	-	13,585
New financial investments purchased	4,174	-	-	4,174
Net allowance made	987	-	-	987
Amount derecognised	(3,568)	-	-	(3,568)
Change in models / risk parameters	1,169	-	-	1,169
Exchange differences	22	-	-	22
At 31 December 2022	<u>16,369</u>	<u>-</u>	<u>-</u>	<u>16,369</u>
Bank				
At 1 January 2023	6,400	-	-	6,400
New financial investments purchased	1,109	-	-	1,109
Net allowance made	5	-	-	5
Amount derecognised	(1,248)	-	-	(1,248)
At 31 March 2023	<u>6,266</u>	<u>-</u>	<u>-</u>	<u>6,266</u>
At 1 January 2022	6,304	-	-	6,304
New financial investments purchased	3,599	-	-	3,599
Net allowance written back	(6)	-	-	(6)
Amount derecognised	(3,497)	-	-	(3,497)
At 31 December 2022	<u>6,400</u>	<u>-</u>	<u>-</u>	<u>6,400</u>

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

A10. Financial Investments at Amortised Cost

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At amortised cost				
Government securities and treasury bills:				
Malaysian Government Securities	1,098,067	1,099,289	1,058,412	1,059,635
Malaysian Government Investment Issues	8,548,917	8,075,557	3,663,732	3,654,151
Foreign Government Treasury Bills	1,517,730	1,485,035	48,216	32,313
Other foreign government securities	304,958	608,130	2,309	2,636
	<u>11,469,672</u>	<u>11,268,011</u>	<u>4,772,669</u>	<u>4,748,735</u>
Money market instruments:				
Negotiable instruments of deposit and negotiable Islamic debt certificates	<u>2,202,337</u>	<u>1,827,367</u>	<u>1,713,180</u>	<u>708,670</u>
Non-money market instruments:				
Debt securities:				
- Cagamas bonds	5,362,957	5,146,601	4,251,322	4,043,212
- Unquoted corporate bonds / sukuk	7,146,441	7,332,574	5,959,885	6,063,380
	<u>12,509,398</u>	<u>12,479,175</u>	<u>10,211,207</u>	<u>10,106,592</u>
Allowance for impairment	(4,450)	(4,322)	(3,170)	(2,981)
Total financial investments at amortised cost	<u><u>26,176,957</u></u>	<u><u>25,570,231</u></u>	<u><u>16,693,886</u></u>	<u><u>15,561,016</u></u>

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

A10. Financial Investments at Amortised Cost (continued)

Movements in allowances for impairment on debt instruments which reflect the ECL model on impairment are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Group				
At 1 January 2023	4,303	-	19	4,322
New financial investments purchased	467	-	-	467
Net allowance written back	(166)	-	-	(166)
Amount derecognised	(170)	-	-	(170)
Exchange differences	(3)	-	-	(3)
At 31 March 2023	<u>4,431</u>	<u>-</u>	<u>19</u>	<u>4,450</u>
At 1 January 2022	4,336	-	19	4,355
New financial investments purchased	1,912	-	-	1,912
Net allowance written back	(6)	-	-	(6)
Amount derecognised	(1,887)	-	-	(1,887)
Exchange differences	(52)	-	-	(52)
At 31 December 2022	<u>4,303</u>	<u>-</u>	<u>19</u>	<u>4,322</u>
Bank				
At 1 January 2023	2,962	-	19	2,981
New financial investments purchased	217	-	-	217
Net allowance made	2	-	-	2
Amount derecognised	(30)	-	-	(30)
At 31 March 2023	<u>3,151</u>	<u>-</u>	<u>19</u>	<u>3,170</u>
At 1 January 2022	3,008	-	19	3,027
New financial investments purchased	1,370	-	-	1,370
Net allowance made	117	-	-	117
Amount derecognised	(1,460)	-	-	(1,460)
Exchange differences	(73)	-	-	(73)
At 31 December 2022	<u>2,962</u>	<u>-</u>	<u>19</u>	<u>2,981</u>

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

A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At amortised cost				
Overdrafts	9,237,381	9,116,969	6,162,339	6,025,328
Term loans / financing				
- Housing loans / financing	155,186,106	152,915,174	116,111,395	114,661,406
- Syndicated term loans / financing	4,217,029	4,238,211	1,116,881	1,153,793
- Hire purchase receivables	62,588,468	60,933,018	48,749,894	47,420,073
- Other term loans / financing	130,055,135	129,578,837	100,695,175	100,395,985
Credit card receivables	2,473,957	2,528,424	2,378,278	2,438,998
Bills receivables	193,294	141,162	185,296	134,422
Trust receipts	150,972	174,668	93,075	101,184
Claims on customers under acceptance credits	2,987,546	3,093,295	2,765,764	2,882,387
Revolving credits	12,294,973	11,976,772	8,808,381	8,560,112
Staff loans *	2,206,600	2,195,407	1,878,283	1,876,822
Gross loans, advances and financing	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>
Allowance for impairment on loans, advances and financing:				
- Expected credit losses	(4,287,073)	(4,308,821)	(3,001,927)	(3,072,845)
- Stage 1: 12-Month ECL	(2,145,021)	(2,074,558)	(1,405,037)	(1,392,936)
- Stage 2: Lifetime ECL not credit-impaired	(1,748,006)	(1,858,411)	(1,347,808)	(1,443,023)
- Stage 3: Lifetime ECL credit-impaired	(394,046)	(375,852)	(249,082)	(236,886)
Net loans, advances and financing	<u>377,304,388</u>	<u>372,583,116</u>	<u>285,942,834</u>	<u>282,577,665</u>

* Included in staff loans of the Group and of the Bank are loans to Directors of subsidiary companies amounting to RM14,430,000 (2022: RM8,480,000) and RM7,631,000 (2022 - RM7,791,000) respectively.

a) By class

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Retail loans / financing *				
- Housing loans / financing	155,186,112	152,915,181	116,111,395	114,661,406
- Hire purchase	62,320,194	60,672,636	48,749,894	47,420,073
- Credit cards	2,473,957	2,528,424	2,378,278	2,438,998
- Other loans / financing ^	115,684,929	114,931,108	84,555,736	84,173,303
	<u>335,665,192</u>	<u>331,047,349</u>	<u>251,795,303</u>	<u>248,693,780</u>
Corporate loans / financing	45,926,269	45,844,588	37,149,458	36,956,730
	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>

* Included in retail loans/financing are loans/financing granted to individual borrowers and mid-market commercial enterprises.

^ Included in other loans/financing are term loans, trade financing, overdrafts and revolving credits.

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

A11. Loans, Advances and Financing (continued)

b) By type of customer

	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Non-bank financial institutions				
- Stock-broking companies	5,037	5,115	5,037	5,115
- Others	15,896,874	15,584,596	14,663,222	14,393,888
Business enterprises				
- Small and medium enterprises	72,212,892	71,764,392	57,484,588	57,053,743
- Others	26,529,959	26,598,868	19,542,259	19,583,288
Government and statutory bodies	1,030,617	1,017,220	18,639	15,604
Individuals	262,134,534	258,144,587	195,042,062	192,439,610
Other entities	20,867	20,272	15,134	15,343
Foreign entities	3,760,681	3,756,887	2,173,820	2,143,919
	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>

c) By interest/profit rate sensitivity

	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Housing loans / financing	1,300,494	1,145,645	54,099	35,408
- Hire purchase receivables	59,775,658	58,111,038	48,618,816	47,292,216
- Other fixed rate loans / financing	22,947,908	23,221,035	12,090,745	12,406,183
Variable rate				
- Base rate / base lending rate plus	246,144,233	242,732,800	196,565,173	194,321,075
- Cost plus	37,954,953	37,822,072	31,454,452	31,428,956
- Other variable rates	13,468,215	13,859,347	161,476	166,672
	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>

d) By residual contractual maturity

	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	32,289,488	32,003,265	21,377,873	21,747,532
More than one year to three years	30,266,983	28,799,158	23,120,033	21,667,013
More than three years to five years	32,508,975	32,868,993	27,383,780	27,409,810
More than five years	286,526,015	283,220,521	217,063,075	214,826,155
	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>

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

A11. Loans, Advances and Financing (continued)

e) By geographical distribution

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Malaysia	356,832,376	352,065,239	288,419,559	285,141,923
Hong Kong SAR and the People's Republic of China	13,794,687	14,064,723	-	-
Cambodia	5,713,787	5,605,533	-	-
Other countries	5,250,611	5,156,442	525,202	508,587
	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>

f) Gross loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Purchase of securities	4,316,006	4,151,491	3,804,921	3,690,597
Purchase of transport vehicles	62,826,729	61,165,783	48,992,541	47,657,702
Purchase of properties	243,935,602	241,152,228	188,995,660	187,135,065
(of which: - residential	160,738,052	158,506,338	120,793,985	119,386,908
- non-residential)	83,197,550	82,645,890	68,201,675	67,748,157
Purchase of fixed assets (excluding landed properties)	435,247	434,072	71,656	74,061
Personal use	13,896,721	13,793,372	6,903,041	6,884,049
Credit card	2,473,957	2,528,424	2,378,278	2,438,998
Purchase of consumer durables	752	785	278	308
Construction	7,354,304	7,396,488	5,053,216	5,151,885
Working capital	42,351,894	42,173,138	29,607,412	29,383,925
Other purpose	4,000,249	4,096,156	3,137,758	3,233,920
	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>

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

A11. Loans, Advances and Financing (continued)

g) Gross loans, advances and financing by sector

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	3,033,044	3,036,518	2,464,451	2,468,206
Mining and quarrying	251,246	236,131	139,249	128,535
Manufacturing	11,703,204	11,664,437	8,261,335	8,179,013
Electricity, gas and water	82,621	83,294	41,384	39,268
Construction	17,707,525	17,835,469	13,628,382	13,738,521
Wholesale & retail trade and restaurants & hotels	33,465,228	33,251,044	26,989,615	26,851,993
Transport, storage and communication	4,731,431	4,655,463	2,598,479	2,515,932
Finance, insurance and business services	20,084,589	19,736,990	17,886,365	17,567,542
Real estate	24,217,699	24,075,734	18,542,493	18,393,218
Community, social and personal services	3,327,936	3,308,015	1,915,299	1,925,417
Households	261,689,537	257,708,575	196,472,065	193,835,806
Others	1,297,401	1,300,267	5,644	7,059
	<u>381,591,461</u>	<u>376,891,937</u>	<u>288,944,761</u>	<u>285,650,510</u>

h) Movements in credit-impaired ("impaired") loans, advances and financing are as follows:

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	1,584,096	1,101,923	1,063,774	741,668
Impaired during the period / year	751,899	1,563,157	262,563	992,022
Reclassified as non-impaired	(214,552)	(453,297)	(141,780)	(308,069)
Recoveries	(56,531)	(316,789)	(32,823)	(211,222)
Amount written off	(76,236)	(270,376)	(34,699)	(105,953)
Loans / financing converted to foreclosed properties	(20,183)	(46,886)	(19,274)	(39,485)
Exchange differences	(79)	6,364	457	(5,187)
Closing balance	<u>1,968,414</u>	<u>1,584,096</u>	<u>1,098,218</u>	<u>1,063,774</u>
Gross impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.52%</u>	<u>0.42%</u>	<u>0.38%</u>	<u>0.37%</u>

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

A11. Loans, Advances and Financing (continued)

i) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Malaysia	1,235,342	1,186,647	1,060,829	1,028,531
Hong Kong SAR and the People's Republic of China	488,757	181,644	-	-
Cambodia	101,448	95,034	-	-
Other countries	142,867	120,771	37,389	35,243
	<u>1,968,414</u>	<u>1,584,096</u>	<u>1,098,218</u>	<u>1,063,774</u>

j) Impaired loans, advances and financing by economic purpose

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Purchase of securities	37,460	36,545	37,460	36,545
Purchase of transport vehicles	175,217	172,580	109,275	112,553
Purchase of properties	1,237,143	878,840	717,673	684,006
(of which: - residential	442,910	398,837	286,074	259,800
- non-residential)	794,233	480,003	431,599	424,206
Purchase of fixed assets (excluding landed properties)	11,517	8,702	285	285
Personal use	107,735	114,555	21,411	22,209
Credit card	17,264	17,364	15,967	16,414
Purchase of consumer durables	5	9	5	9
Construction	12,348	13,810	7,777	7,747
Working capital	367,639	339,279	186,310	181,622
Other purpose	2,086	2,412	2,055	2,384
	<u>1,968,414</u>	<u>1,584,096</u>	<u>1,098,218</u>	<u>1,063,774</u>

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

A11. Loans, Advances and Financing (continued)

k) Impaired loans, advances and financing by sector

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Agriculture, hunting, forestry and fishing	12,715	13,084	12,659	13,026
Mining and quarrying	11,322	11,044	11,322	11,044
Manufacturing	91,311	88,494	38,640	41,573
Electricity, gas and water	5,617	5,362	191	5
Construction	100,760	96,278	89,382	86,948
Wholesale & retail trade and restaurants & hotels	159,805	142,330	114,832	113,292
Transport, storage and communication	14,254	14,679	8,478	8,770
Finance, insurance and business services	111,531	106,364	27,120	25,253
Real estate	661,175	355,283	335,772	331,503
Community, social and personal services	1,875	1,446	1,796	1,368
Households	775,217	731,229	458,026	430,991
Others	22,832	18,503	-	1
	<u>1,968,414</u>	<u>1,584,096</u>	<u>1,098,218</u>	<u>1,063,774</u>

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

A11. Loans, Advances and Financing (continued)

1) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows:

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Group				
At 1 January 2023	2,074,558	1,858,411	375,852	4,308,821
Changes due to loans, advances and financing recognised as at 1 January 2023:	167,135	(169,101)	1,966	-
- Transfer to Stage 1: 12-Month ECL	176,272	(168,013)	(8,259)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(8,692)	24,638	(15,946)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(445)	(25,726)	26,171	-
New loans, advances and financing originated	29,300	9,011	561	38,872
Net remeasurement due to changes in credit risk	(110,879)	59,537	79,316	27,974
Loans, advances and financing derecognised (other than write-off)	(13,925)	(10,159)	(5,111)	(29,195)
Modifications to contractual cash flows of loans, advances and financing	(1,133)	294	17,770	16,931
Amount written off	-	-	(76,236)	(76,236)
Exchange differences	(35)	13	(72)	(94)
At 31 March 2023	2,145,021	1,748,006	394,046	4,287,073

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

A11. Loans, Advances and Financing (continued)

- 1) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Group				
At 1 January 2022	2,110,401	1,621,549	242,339	3,974,289
Changes due to loans, advances and financing recognised as at 1 January 2022:	238,319	(294,845)	56,526	-
- Transfer to Stage 1: 12-Month ECL	280,882	(268,975)	(11,907)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(36,450)	50,887	(14,437)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(6,113)	(76,757)	82,870	-
New loans, advances and financing originated	108,654	51,567	43,349	203,570
Net remeasurement due to changes in credit risk	(282,834)	397,888	293,645	408,699
Loans, advances and financing derecognised (other than write-off)	(58,904)	(56,393)	(25,490)	(140,787)
Modifications to contractual cash flows of loans, advances and financing	(6,369)	301,157	35,251	330,039
Changes in models / risk parameters	(38,599)	(164,548)	(2,512)	(205,659)
Amount written off	(418)	-	(270,376)	(270,794)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(1,120)	(1,120)
Exchange differences	4,308	2,036	4,240	10,584
At 31 December 2022	<u>2,074,558</u>	<u>1,858,411</u>	<u>375,852</u>	<u>4,308,821</u>

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

A11. Loans, Advances and Financing (continued)

1) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Bank				
At 1 January 2023	1,392,936	1,443,023	236,886	3,072,845
Changes due to loans and advances recognised as at 1 January 2023:	123,367	(116,106)	(7,261)	-
- Transfer to Stage 1: 12-Month ECL	128,816	(123,640)	(5,176)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(5,411)	16,683	(11,272)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(38)	(9,149)	9,187	-
New loans and advances originated	13,481	6,402	59	19,942
Net remeasurement due to changes in credit risk	(118,186)	24,870	42,453	(50,863)
Loans and advances derecognised (other than write-off)	(6,128)	(8,563)	(3,775)	(18,466)
Modifications to contractual cash flows of loans and advances	(582)	(1,818)	15,419	13,019
Amount written off	-	-	(34,699)	(34,699)
Exchange differences	149	-	-	149
At 31 March 2023	<u>1,405,037</u>	<u>1,347,808</u>	<u>249,082</u>	<u>3,001,927</u>

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

A11. Loans, Advances and Financing (continued)

- 1) Movements in loss allowance for loans/financing which reflect the ECL model on impairment are as follows (continued):

	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
Bank				
At 1 January 2022	1,472,405	1,302,102	136,414	2,910,921
Changes due to loans and advances recognised as at 1 January 2022:	193,128	(230,404)	37,276	-
- Transfer to Stage 1: 12-Month ECL	215,539	(207,137)	(8,402)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(21,971)	33,064	(11,093)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(440)	(56,331)	56,771	-
New loans and advances originated	63,156	26,359	1,998	91,513
Net remeasurement due to changes in credit risk	(270,569)	307,387	156,800	193,618
Loans and advances derecognised (other than write-off)	(27,338)	(44,603)	(18,511)	(90,452)
Modifications to contractual cash flows of loans and advances	(6,296)	209,739	29,982	233,425
Changes in models / risk parameters	(30,731)	(127,557)	-	(158,288)
Amount written off	(366)	-	(105,953)	(106,319)
Amount transferred to allowance for impairment loss on foreclosed properties	-	-	(1,120)	(1,120)
Exchange differences	(453)	-	-	(453)
At 31 December 2022	<u>1,392,936</u>	<u>1,443,023</u>	<u>236,886</u>	<u>3,072,845</u>

A12. Other Assets

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Deferred handling fees	268,208	258,491	210,418	203,529
Interest / Income receivable	98,111	82,242	39,376	30,448
Other receivables, deposits and prepayments	2,021,386	2,399,026	1,505,529	2,059,811
Collateral pledged for derivative transactions	96,224	198,436	96,224	198,436
Employee benefits	143,491	158,128	141,010	155,393
Amount due from trust funds	170,516	176,012	-	-
Foreclosed properties	221,061	209,247	193,079	180,978
Outstanding contracts on clients' accounts	372,288	268,283	-	-
Amount due from subsidiary companies	-	-	41,520	42,695
Distribution receivable from collective investments	-	-	32,970	32,295
Dividend receivable from subsidiary companies	-	-	547,300	597,292
	<u>3,391,285</u>	<u>3,749,865</u>	<u>2,807,426</u>	<u>3,500,877</u>

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

A13. Deposits from Customers

a) By type of deposit

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
At amortised cost				
Core deposits:				
- Demand deposits	67,889,587	68,676,154	54,376,615	55,820,713
- Savings deposits	48,839,472	49,356,557	33,960,738	34,258,061
- Fixed deposits	225,152,329	217,537,372	161,621,752	160,124,646
	<u>341,881,388</u>	<u>335,570,083</u>	<u>249,959,105</u>	<u>250,203,420</u>
Money market deposits	61,739,447	59,081,617	50,584,185	43,251,118
Other deposits	39,604	67,057	30,036	50,897
	<u>403,660,439</u>	<u>394,718,757</u>	<u>300,573,326</u>	<u>293,505,435</u>

b) By type of customer

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Federal and state governments	6,522,845	7,995,307	1,677,052	953,927
Local government and statutory authorities	4,305,045	3,417,572	3,048,597	2,288,005
Business enterprises	110,786,766	113,813,691	90,046,350	91,223,265
Individuals	206,747,259	209,056,024	153,828,957	161,180,717
Foreign customers	20,263,414	12,957,849	14,907,728	8,126,545
Others	55,035,110	47,478,314	37,064,642	29,732,976
	<u>403,660,439</u>	<u>394,718,757</u>	<u>300,573,326</u>	<u>293,505,435</u>

c) The maturity structure of fixed deposits, negotiable instruments of deposit and money market deposits are as follows:

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Due within six months	219,544,976	233,910,652	165,497,735	173,842,926
More than six months to one year	63,771,456	38,342,917	46,578,727	29,418,128
More than one year to three years	3,570,105	4,360,349	124,709	109,984
More than three years to five years	4,593	5,071	4,120	4,726
More than five years	646	-	646	-
	<u>286,891,776</u>	<u>276,618,989</u>	<u>212,205,937</u>	<u>203,375,764</u>

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

A14. Deposits from Banks and Other Financial Institutions

	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Licensed banks	6,928,573	4,456,035	4,023,313	2,864,790
Licensed Islamic banks	-	400,000	-	-
Licensed investment banks	404,820	705,894	359,173	357,416
Bank Negara Malaysia	2,272,345	2,269,606	2,207,890	2,204,920
Other financial institutions	4,582,814	5,943,307	7,594,091	9,084,140
	<u>14,188,552</u>	<u>13,774,842</u>	<u>14,184,467</u>	<u>14,511,266</u>

A15. Other Liabilities

	Group		Bank	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Interest / Income payable	2,030,052	1,896,870	1,447,520	1,354,424
Other payables and accruals	3,292,331	3,814,228	2,660,554	3,208,513
Collateral received for derivative transactions	214,428	295,771	214,428	295,771
Amount due to trust funds	63,254	75,703	-	-
Unprocessed sales and / or redemptions	93,285	92,660	-	-
Accrued restoration costs	72,523	72,711	70,742	70,957
Allowance for impairment on loan / financing commitments and financial guarantees	74,023	75,953	61,321	62,451
Outstanding contracts on clients' accounts	380,145	251,610	-	-
Dividend payable to shareholders	11,494	32,718	11,494	14,444
Amount due to subsidiary companies	-	-	16,777	12,645
	<u>6,231,535</u>	<u>6,608,224</u>	<u>4,482,836</u>	<u>5,019,205</u>

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

A15. Other Liabilities (continued)

Movements in the allowance for impairment on loan/financing commitments and financial guarantees are as follows:

Group	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2023	49,857	24,799	1,297	75,953
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2023:	4,540	(4,474)	(66)	-
- Transfer to Stage 1: 12-Month ECL	5,156	(5,081)	(75)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(616)	741	(125)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	-	(134)	134	-
New loan / financing commitments and financial guarantees originated	1,602	1,229	-	2,831
Net remeasurement due to changes in credit risk	(5,533)	777	81	(4,675)
Loan / financing commitments and financial guarantees derecognised	(480)	(200)	(4)	(684)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(30)	648	(24)	594
Exchange differences	3	1	-	4
At 31 March 2023	<u>49,959</u>	<u>22,780</u>	<u>1,284</u>	<u>74,023</u>
At 1 January 2022	51,361	23,175	328	74,864
Changes due to loan / financing commitments and financial guarantees recognised as at 1 January 2022:	3,747	(3,850)	103	-
- Transfer to Stage 1: 12-Month ECL	4,759	(4,737)	(22)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(1,004)	1,061	(57)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(8)	(174)	182	-
New loan / financing commitments and financial guarantees originated	4,491	4,611	50	9,152
Net remeasurement due to changes in credit risk	(3,079)	3,796	460	1,177
Loan / financing commitments and financial guarantees derecognised	(2,721)	(2,194)	(91)	(5,006)
Modifications to contractual cash flows of loan / financing commitments and financial guarantees	(30)	2,211	447	2,628
Changes in models / risk parameters	(4,050)	(2,951)	-	(7,001)
Exchange differences	138	1	-	139
At 31 December 2022	<u>49,857</u>	<u>24,799</u>	<u>1,297</u>	<u>75,953</u>

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

A15. Other Liabilities (continued)

Movements in the allowance for impairment on loan/financing commitments and financial guarantees are as follows (continued):

Bank	Lifetime ECL			Total RM'000
	12-Month ECL (Stage 1) RM'000	Not Credit- Impaired (Stage 2) RM'000	Credit- Impaired (Stage 3) RM'000	
At 1 January 2023	41,804	19,522	1,125	62,451
Changes due to loan commitments and financial guarantees recognised as at 1 January 2023:	3,219	(3,148)	(71)	-
- Transfer to Stage 1: 12-Month ECL	3,674	(3,616)	(58)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(455)	558	(103)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	-	(90)	90	-
New loan commitments and financial guarantees originated	1,210	1,042	-	2,252
Net remeasurement due to changes in credit risk	(3,769)	397	54	(3,318)
Loan commitments and financial guarantees derecognised	(409)	(184)	(4)	(597)
Modifications to contractual cash flows of loan commitments and financial guarantees	(18)	601	(50)	533
At 31 March 2023	42,037	18,230	1,054	61,321
At 1 January 2022	41,515	18,236	310	60,061
Changes due to loan commitments and financial guarantees recognised as at 1 January 2022:	2,859	(2,937)	78	-
- Transfer to Stage 1: 12-Month ECL	3,671	(3,649)	(22)	-
- Transfer to Stage 2: Lifetime ECL not credit-impaired	(806)	853	(47)	-
- Transfer to Stage 3: Lifetime ECL credit-impaired	(6)	(141)	147	-
New loan commitments and financial guarantees originated	3,299	3,150	11	6,460
Net remeasurement due to changes in credit risk	(2,014)	3,671	403	2,060
Loan commitments and financial guarantees derecognised	(1,857)	(1,825)	(89)	(3,771)
Modifications to contractual cash flows of loan commitments and financial guarantees	(28)	1,616	412	2,000
Changes in models/risk parameters	(1,970)	(2,389)	-	(4,359)
At 31 December 2022	41,804	19,522	1,125	62,451

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

A16. Interest Income

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>				
Loans and advances	3,672,319	2,847,037	3,672,319	2,847,037
Balances with banks	114,538	46,883	114,538	46,883
Financial investments at fair value through other comprehensive income	326,902	282,964	326,902	282,964
Financial investments at amortised cost	193,287	167,910	193,287	167,910
Others	15,503	9,424	15,503	9,424
	<u>4,322,549</u>	<u>3,354,218</u>	<u>4,322,549</u>	<u>3,354,218</u>
Financial assets at fair value through profit or loss	6,673	6,902	6,673	6,902
	<u>4,329,222</u>	<u>3,361,120</u>	<u>4,329,222</u>	<u>3,361,120</u>
Of which:				
Interest income earned on impaired loans and advances	<u>22,578</u>	<u>13,478</u>	<u>22,578</u>	<u>13,478</u>
	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Bank</u>				
Loans and advances	3,251,680	2,510,965	3,251,680	2,510,965
Balances with banks	89,934	42,684	89,934	42,684
Financial investments at fair value through other comprehensive income	273,743	228,487	273,743	228,487
Financial investments at amortised cost	170,558	159,708	170,558	159,708
Others	11,798	23,527	11,798	23,527
	<u>3,797,713</u>	<u>2,965,371</u>	<u>3,797,713</u>	<u>2,965,371</u>
Financial assets at fair value through profit or loss	6,411	6,902	6,411	6,902
	<u>3,804,124</u>	<u>2,972,273</u>	<u>3,804,124</u>	<u>2,972,273</u>
Of which:				
Interest income earned on impaired loans and advances	<u>11,310</u>	<u>5,506</u>	<u>11,310</u>	<u>5,506</u>

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

A17. Interest Expense

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Deposits from banks and other financial institutions	103,472	62,988	103,472	62,988
Deposits from customers	1,805,425	1,044,684	1,805,425	1,044,684
Loans sold to Cagamas	45,370	42,454	45,370	42,454
Debt securities issued and other borrowed funds	101,062	94,966	101,062	94,966
Others	14,472	11,682	14,472	11,682
	<u>2,069,801</u>	<u>1,256,774</u>	<u>2,069,801</u>	<u>1,256,774</u>
	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Deposits from banks and other financial institutions	111,878	57,895	111,878	57,895
Deposits from customers	1,620,621	985,282	1,620,621	985,282
Loans sold to Cagamas	45,370	42,454	45,370	42,454
Debt securities issued and other borrowed funds	93,816	92,889	93,816	92,889
Others	15,938	11,741	15,938	11,741
	<u>1,887,623</u>	<u>1,190,261</u>	<u>1,887,623</u>	<u>1,190,261</u>

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

A18. Net Fee and Commission Income

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>				
(a) Fee and commission income:				
Commissions	203,945	160,967	203,945	160,967
Service charges and fees	76,779	70,959	76,779	70,959
Guarantee fees	8,510	7,055	8,510	7,055
Commitment fees	14,208	16,763	14,208	16,763
Unit trust management fees	305,767	325,463	305,767	325,463
Fee on sale of trust units	58,131	92,677	58,131	92,677
Brokerage and commissions from stockbroking activities	44,220	34,765	44,220	34,765
Other fee and commission income	13,005	11,911	13,005	11,911
	<u>724,565</u>	<u>720,560</u>	<u>724,565</u>	<u>720,560</u>
(b) Fee and commission expense:				
Unit trust agency fee	(103,338)	(133,027)	(103,338)	(133,027)
Debit / credit card related fee	(126,345)	(81,790)	(126,345)	(81,790)
Loan related fee	(6,521)	(2,261)	(6,521)	(2,261)
Other fee and commission expense	(6,030)	(6,175)	(6,030)	(6,175)
	<u>(242,234)</u>	<u>(223,253)</u>	<u>(242,234)</u>	<u>(223,253)</u>
Net fee and commission income	<u>482,331</u>	<u>497,307</u>	<u>482,331</u>	<u>497,307</u>
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Bank</u>				
(a) Fee and commission income:				
Commissions	217,245	179,268	217,245	179,268
Service charges and fees	59,426	56,606	59,426	56,606
Guarantee fees	8,044	6,680	8,044	6,680
Commitment fees	13,225	15,176	13,225	15,176
Other fee and commission income	5,842	5,933	5,842	5,933
	<u>303,782</u>	<u>263,663</u>	<u>303,782</u>	<u>263,663</u>
(b) Fee and commission expense:				
Debit / credit card related fee	(126,310)	(81,790)	(126,310)	(81,790)
Loan related fee	(3,480)	(1,664)	(3,480)	(1,664)
Other fee and commission expense	(2,372)	(3,243)	(2,372)	(3,243)
	<u>(132,162)</u>	<u>(86,697)</u>	<u>(132,162)</u>	<u>(86,697)</u>
Net fee and commission income	<u>171,620</u>	<u>176,966</u>	<u>171,620</u>	<u>176,966</u>

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

A19. Net Gains and Losses on Financial Instruments

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Group				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain / (loss) on disposal	3,578	(889)	3,578	(889)
- unrealised revaluation gain	60	910	60	910
	<u>3,638</u>	<u>21</u>	<u>3,638</u>	<u>21</u>
Net gain / (loss) arising on trading derivatives				
- unrealised revaluation gain / (loss)	<u>1</u>	<u>(3)</u>	<u>1</u>	<u>(3)</u>
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	38,079	30,604	38,079	30,604
- gross dividend income	2,270	592	2,270	592
	<u>40,349</u>	<u>31,196</u>	<u>40,349</u>	<u>31,196</u>
Net gain arising on financial investments at amortised cost				
- net gain on disposal	<u>-</u>	<u>1,456</u>	<u>-</u>	<u>1,456</u>
Net gain / (loss) representing ineffective portions of hedging derivatives:				
- fair value hedge	896	(545)	896	(545)
- cash flow hedge	10	152	10	152
	<u>906</u>	<u>(393)</u>	<u>906</u>	<u>(393)</u>
Net gains and losses on financial instruments	<u><u>44,894</u></u>	<u><u>32,277</u></u>	<u><u>44,894</u></u>	<u><u>32,277</u></u>

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

A19. Net Gains and Losses on Financial Instruments (continued)

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Bank</u>				
Net gain / (loss) arising on financial assets at fair value through profit or loss:				
- net gain / (loss) on disposal	3,240	(893)	3,240	(893)
- unrealised revaluation gain	71	910	71	910
	<u>3,311</u>	<u>17</u>	<u>3,311</u>	<u>17</u>
Net gain / (loss) arising on trading derivatives				
- unrealised revaluation gain / (loss)	<u>1</u>	<u>(3)</u>	<u>1</u>	<u>(3)</u>
Net gain arising on financial investments at fair value through other comprehensive income:				
- net gain on disposal	36,959	29,641	36,959	29,641
- gross dividend income	2,098	500	2,098	500
	<u>39,057</u>	<u>30,141</u>	<u>39,057</u>	<u>30,141</u>
Net gain arising on financial investments at amortised cost				
- net gain on disposal	<u>-</u>	<u>1,456</u>	<u>-</u>	<u>1,456</u>
Net gain representing ineffective portions of hedging derivatives:				
- cash flow hedge	<u>10</u>	<u>152</u>	<u>10</u>	<u>152</u>
Net gains and losses on financial instruments	<u><u>42,379</u></u>	<u><u>31,763</u></u>	<u><u>42,379</u></u>	<u><u>31,763</u></u>

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

A20. Other Operating Income

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Group				
Other income:				
Foreign exchange profit	89,674	84,024	89,674	84,024
Rental income from:				
- investment properties	5,371	4,433	5,371	4,433
- other properties	2,737	2,706	2,737	2,706
Net gain on disposal of property and equipment	61	2,697	61	2,697
Net gain on disposal of foreclosed properties	1,634	183	1,634	183
Others	19,884	18,655	19,884	18,655
Total other operating income	<u>119,361</u>	<u>112,698</u>	<u>119,361</u>	<u>112,698</u>
	1st Quarter Ended	31 March	Three Months Ended	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank				
Distribution income from collective investments	52,989	39,273	52,989	39,273
Dividend income from subsidiary companies - unquoted in Malaysia	38,000	58,000	38,000	58,000
	<u>90,989</u>	<u>97,273</u>	<u>90,989</u>	<u>97,273</u>
Other income:				
Foreign exchange profit	74,880	39,604	74,880	39,604
Rental income from other properties	3,130	3,029	3,130	3,029
Net gain on disposal of property and equipment	61	30	61	30
Net gain on disposal of foreclosed properties	1,634	183	1,634	183
Others	18,556	16,899	18,556	16,899
	<u>98,261</u>	<u>59,745</u>	<u>98,261</u>	<u>59,745</u>
Total other operating income	<u>189,250</u>	<u>157,018</u>	<u>189,250</u>	<u>157,018</u>

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

A21. Other Operating Expenses

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	653,928	625,761	653,928	625,761
- Pension costs	89,546	88,421	89,546	88,421
- Others	44,109	44,433	44,109	44,433
	787,583	758,615	787,583	758,615
Establishment costs				
- Depreciation	91,387	91,667	91,387	91,667
- Insurance	6,551	7,233	6,551	7,233
- Water and electricity	12,506	10,656	12,506	10,656
- General repairs and maintenance	16,725	15,377	16,725	15,377
- Information technology expenses	47,865	40,815	47,865	40,815
- Others	26,500	24,132	26,500	24,132
	201,534	189,880	201,534	189,880
Marketing expenses				
- Advertisement and publicity	10,479	11,865	10,479	11,865
- Others	17,397	16,026	17,397	16,026
	27,876	27,891	27,876	27,891
Administration and general expenses				
- Communication expenses	20,831	19,235	20,831	19,235
- Legal and professional fees	10,932	9,475	10,932	9,475
- Others	45,398	39,842	45,398	39,842
	77,161	68,552	77,161	68,552
Total other operating expenses	1,094,154	1,044,938	1,094,154	1,044,938

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

A21. Other Operating Expenses (continued)

Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	496,697	475,833	496,697	475,833
- Pension costs	76,494	76,615	76,494	76,615
- Others	33,451	35,299	33,451	35,299
	<u>606,642</u>	<u>587,747</u>	<u>606,642</u>	<u>587,747</u>
Establishment costs				
- Depreciation	67,700	68,463	67,700	68,463
- Insurance	5,307	5,911	5,307	5,911
- Water and electricity	8,166	7,453	8,166	7,453
- General repairs and maintenance	11,673	10,595	11,673	10,595
- Information technology expenses	36,761	31,236	36,761	31,236
- Others	13,801	11,564	13,801	11,564
	<u>143,408</u>	<u>135,222</u>	<u>143,408</u>	<u>135,222</u>
Marketing expenses				
- Advertisement and publicity	4,283	4,439	4,283	4,439
- Others	10,192	7,757	10,192	7,757
	<u>14,475</u>	<u>12,196</u>	<u>14,475</u>	<u>12,196</u>
Administration and general expenses				
- Communication expenses	16,454	15,741	16,454	15,741
- Legal and professional fees	6,691	5,545	6,691	5,545
- Others	23,885	19,788	23,885	19,788
	<u>47,030</u>	<u>41,074</u>	<u>47,030</u>	<u>41,074</u>
Cost of resource sharing charged to Public Islamic Bank Berhad *	(123,571)	(114,528)	(123,571)	(114,528)
Total other operating expenses	<u>687,984</u>	<u>661,711</u>	<u>687,984</u>	<u>661,711</u>

* The type of resource sharing rendered by the Bank to Public Islamic Bank Berhad in Malaysia are as follows:

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Credit related	(54,281)	(49,216)	(54,281)	(49,216)
Non-credit branch support	(46,692)	(41,798)	(46,692)	(41,798)
Other administration function	(22,598)	(23,514)	(22,598)	(23,514)
	<u>(123,571)</u>	<u>(114,528)</u>	<u>(123,571)</u>	<u>(114,528)</u>

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

A22. Allowance / (Writeback of Allowance) for Impairment on Loans, Advances and Financing

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>				
Expected credit losses	52,648	149,839	52,648	149,839
Impaired loans and financing written off	20	2	20	2
Impaired loans and financing recovered	<u>(51,124)</u>	<u>(50,113)</u>	<u>(51,124)</u>	<u>(50,113)</u>
	<u>1,544</u>	<u>99,728</u>	<u>1,544</u>	<u>99,728</u>
	1st Quarter Ended	31 March	Three Months Ended	31 March
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Bank</u>				
Expected credit losses	(37,498)	66,339	(37,498)	66,339
Impaired loans written off	20	2	20	2
Impaired loans recovered	<u>(31,675)</u>	<u>(29,910)</u>	<u>(31,675)</u>	<u>(29,910)</u>
	<u>(69,153)</u>	<u>36,431</u>	<u>(69,153)</u>	<u>36,431</u>

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

A23. (Writeback of allowance) / Allowance for Impairment on Other Assets

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	114	(103)	114	(103)
- Financial investments at amortised cost	131	(100)	131	(100)
- Deposits and placements with banks and other financial institutions	1,340	220	1,340	220
Allowance (written back) / made on:				
- Foreclosed properties	(3,304)	2,193	(3,304)	2,193
- Other receivables	-	53	-	53
	<u>(1,719)</u>	<u>2,263</u>	<u>(1,719)</u>	<u>2,263</u>

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Bank</u>				
Expected credit losses on:				
- Financial investments at fair value through other comprehensive income	(134)	(397)	(134)	(397)
- Financial investments at amortised cost	189	(113)	189	(113)
Allowance (written back) / made on:				
- Foreclosed properties	(3,392)	2,193	(3,392)	2,193
	<u>(3,337)</u>	<u>1,683</u>	<u>(3,337)</u>	<u>1,683</u>

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

A24. Segment Information

	←----- Operating Segments -----→							Head Office and Funding Center RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
1st Quarter Ended 31 March 2023												
External revenue	708,870	2,964,002	481,845	350,145	50,830	364,424	2,671	603,558	5,526,345	596,892	-	6,123,237
Revenue from other segments	666	324,938	8,608	489,656	197	14,616	12,696	155,174	1,006,551	32,522	(1,039,073)	-
	<u>709,536</u>	<u>3,288,940</u>	<u>490,453</u>	<u>839,801</u>	<u>51,027</u>	<u>379,040</u>	<u>15,367</u>	<u>758,732</u>	<u>6,532,896</u>	<u>629,414</u>	<u>(1,039,073)</u>	<u>6,123,237</u>
Net interest income / (expense) and												
Islamic banking income	227,474	1,427,496	144,366	(49,662)	6,250	4,998	(4,751)	587,705	2,343,876	313,532	(872)	2,656,536
Other income	250	191,004	1,877	91,723	20,447	247,670	2,790	14,341	570,102	77,746	(1,262)	646,586
Net income / (expense)	<u>227,724</u>	<u>1,618,500</u>	<u>146,243</u>	<u>42,061</u>	<u>26,697</u>	<u>252,668</u>	<u>(1,961)</u>	<u>602,046</u>	<u>2,913,978</u>	<u>391,278</u>	<u>(2,134)</u>	<u>3,303,122</u>
Other operating expenses	(69,169)	(585,354)	(5,278)	(14,762)	(13,462)	(60,041)	(7,972)	(149,701)	(905,739)	(190,549)	2,134	(1,094,154)
Writeback of allowance /												
(Allowance) for impairment on loans, advances and financing	8,245	5,540	4,209	-	119	(10)	-	-	18,103	(19,647)	-	(1,544)
Writeback of allowance / (Allowance)												
for impairment on other assets	-	3,304	-	(113)	42	-	-	(139)	3,094	(1,375)	-	1,719
Profit / (Loss) by segments	<u>166,800</u>	<u>1,041,990</u>	<u>145,174</u>	<u>27,186</u>	<u>13,396</u>	<u>192,617</u>	<u>(9,933)</u>	<u>452,206</u>	<u>2,029,436</u>	<u>179,707</u>	<u>-</u>	<u>2,209,143</u>
Reconciliation of segment profits to consolidated profits:												
Share of loss after tax of equity accounted associated companies									(160)	-		(160)
Profit before tax expense and zakat									<u>2,029,276</u>	<u>179,707</u>		<u>2,208,983</u>
Cost income ratio	30.4%	36.2%	3.6%	35.1%	50.4%	23.8%	n/a	24.9%	31.1%	48.7%		33.1%

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

A24. Segment Information (continued)

	←----- Operating Segments ----->								Head Office and Funding Center RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000						
1st Quarter Ended 31 March 2023													
Gross loans, advances and financing	59,927,515	253,907,871	42,446,297	-	428,840	120,303	1,550	-	356,832,376	24,759,085			381,591,461
Loans growth	2.9%	1.1%	0.5%	-	-0.5%	0.6%	4.6%	-	1.4%	-0.3%			1.2%
Impaired loans, advances and financing	141,387	670,204	422,465	-	-	1,286	-	-	1,235,342	733,072			1,968,414
Impaired loan and financing ratio	0.2%	0.3%	1.0%	-	-	1.1%	-	-	0.3%	3.0%			0.5%
Deposits from customers	-	305,721,970	240,565	69,546,343	1,024,667	-	-	-	376,533,545	27,126,894			403,660,439
Deposits growth	-	4.0%	-8.0%	-3.1%	-2.7%	-	-	-	2.6%	-1.6%			2.3%
Segment assets	<u>59,259,350</u>	<u>312,081,557</u>	<u>41,406,771</u>	<u>82,400,174</u>	<u>2,839,692</u>	<u>433,902</u>	<u>827,753</u>	<u>59,060,496</u>	<u>558,309,695</u>	<u>40,999,777</u>	<u>(105,545,080)</u>		<u>493,764,392</u>
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									121,875	17			121,892
Unallocated assets									2,414,119	-			2,414,119
Intangible assets									775,493	1,754,597			2,530,090
Total assets									<u>561,621,182</u>	<u>42,754,391</u>			<u>498,830,493</u>

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

A24. Segment Information (continued)

	←----- Operating Segments -----→							Head Office and Funding Center RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000					
1st Quarter Ended 31 March 2022												
External revenue	637,706	2,250,627	358,415	219,247	47,197	418,658	2,280	523,656	4,457,786	429,438	-	4,887,224
Revenue from other segments	216	405,821	5,102	301,218	149	11,832	12,366	100,131	836,835	3,813	(840,648)	-
	<u>637,922</u>	<u>2,656,448</u>	<u>363,517</u>	<u>520,465</u>	<u>47,346</u>	<u>430,490</u>	<u>14,646</u>	<u>623,787</u>	<u>5,294,621</u>	<u>433,251</u>	<u>(840,648)</u>	<u>4,887,224</u>
Net interest income / (expense) and Islamic banking income	217,544	1,432,969	147,682	23,992	9,420	2,316	(3,286)	380,302	2,210,939	296,745	(1,049)	2,506,635
Other income	388	193,802	3,083	69,737	21,106	266,488	5,035	35,825	595,464	56,249	(9,431)	642,282
Net income	<u>217,932</u>	<u>1,626,771</u>	<u>150,765</u>	<u>93,729</u>	<u>30,526</u>	<u>268,804</u>	<u>1,749</u>	<u>416,127</u>	<u>2,806,403</u>	<u>352,994</u>	<u>(10,480)</u>	<u>3,148,917</u>
Other operating expenses (Allowance) / Writeback of allowance for impairment on loans, advances and financing	(62,705)	(554,298)	(4,641)	(14,670)	(12,148)	(66,837)	(7,091)	(156,182)	(878,572)	(176,846)	10,480	(1,044,938)
(Allowance) / Writeback of allowance for impairment on other assets	-	(2,193)	-	306	(46)	-	-	(87)	(2,020)	(243)	-	(2,263)
Profit / (Loss) by segments	<u>100,607</u>	<u>1,044,035</u>	<u>153,518</u>	<u>79,365</u>	<u>18,422</u>	<u>201,967</u>	<u>(5,342)</u>	<u>259,858</u>	<u>1,852,430</u>	<u>149,558</u>	<u>-</u>	<u>2,001,988</u>
Reconciliation of segment profits to consolidated profits: Share of loss after tax of equity accounted associated companies									(1,714)	-		(1,714)
Profit before tax expense and zakat									<u>1,850,716</u>	<u>149,558</u>		<u>2,000,274</u>
Cost income ratio	28.8%	34.1%	3.1%	15.7%	39.8%	24.9%	405.4%	37.5%	31.3%	50.1%		33.2%

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

A24. Segment Information (continued)

	←----- Operating Segments -----→								Head Office and Funding Center RM'000	Total Domestic Operations RM'000	Total Overseas Operations RM'000	Inter- segment Elimination RM'000	Group Total RM'000
	Hire Purchase RM'000	Retail Operations RM'000	Corporate Lending RM'000	Treasury and Capital Market Operations RM'000	Investment Banking RM'000	Fund Management RM'000	Others RM'000						
1st Quarter Ended													
31 March 2022													
Gross loans, advances and financing	54,849,813	242,516,410	41,727,827	-	361,777	120,148	1,604	-	339,577,579	23,154,037			362,731,616
Loans growth	2.6%	1.4%	0.7%	-	-7.3%	-0.6%	10.5%	-	1.5%	-1.0%			1.3%
Impaired loans, advances and financing	123,788	531,199	111,240	-	-	1,910	-	-	768,137	292,872			1,061,009
Impaired loan and financing ratio	0.2%	0.2%	0.3%	-	-	1.6%	-	-	0.2%	1.3%			0.3%
Deposits from customers	-	290,674,631	312,636	64,661,640	1,034,137	-	-	-	356,683,044	28,069,074			384,752,118
Deposits growth	-	0.9%	69.7%	2.2%	7.0%	-	-	-	1.2%	1.0%			1.1%
Segment assets	<u>53,798,765</u>	<u>296,600,126</u>	<u>40,855,616</u>	<u>78,408,435</u>	<u>2,363,459</u>	<u>526,786</u>	<u>825,666</u>	<u>52,345,366</u>	<u>525,724,219</u>	<u>39,979,642</u>	<u>(99,863,558)</u>		<u>465,840,303</u>
Reconciliation of segment assets to consolidated assets:													
Investment in associated companies									113,514	16			113,530
Unallocated assets									2,160,513	-			2,160,513
Intangible assets									775,493	1,689,164			2,464,657
Total assets									<u>528,773,739</u>	<u>41,668,822</u>			<u>470,579,003</u>

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

A24. Segment Information (continued)

The Group's overseas operations includes its operations in Hong Kong SAR, the People's Republic of China, Sri Lanka, the Socialist Republic of Vietnam, Cambodia and the Lao People's Democratic Republic.

A25. Subsequent Events

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

A26. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current financial period.

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

A27. Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's and the Bank's assets.

The notional amounts of the commitments and contingencies of the Group and of the Bank are as follows:

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Contingent liabilities				
Direct credit substitutes	905,539	904,534	854,528	853,422
Transaction-related contingent items	1,741,558	1,736,851	1,426,018	1,395,517
Short term self-liquidating trade-related contingencies	602,470	593,742	186,775	157,871
	3,249,567	3,235,127	2,467,321	2,406,810
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	33,408,530	33,021,059	25,653,458	25,634,872
- not exceeding one year	24,186,190	24,727,099	19,518,468	19,887,896
Unutilised credit card lines	9,406,889	9,152,427	8,981,105	8,766,415
Forward asset purchases	136,564	114,875	96,492	114,875
	67,138,173	67,015,460	54,249,523	54,404,058
Derivative financial instruments				
Foreign exchange related contracts:				
- up to one year	24,223,282	28,235,903	23,489,423	27,842,160
- more than one year to five years	1,248,901	1,255,118	1,248,901	1,255,118
Interest / Profit rate related contracts:				
- up to one year	25,000	25,000	25,000	25,000
- more than one year to five years	4,655,845	4,652,413	7,433,550	7,430,683
- more than five years	303,090	302,733	200,000	200,000
Commodity related contracts:				
- up to one year	829	230	829	230
	30,456,947	34,471,397	32,397,703	36,753,191
	100,844,687	104,721,984	89,114,547	93,564,059

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

A28. Derivative Financial Instruments

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows:

Group	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
As at 31 March 2023												
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,545,454	-	-	1,545,454	7,412	-	-	7,412	6,896	-	-	6,896
- Swaps	20,556,256	-	-	20,556,256	185,415	-	-	185,415	116,471	-	-	116,471
- Options	202,745	-	-	202,745	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	829	-	-	829	1	-	-	1	-	-	-	-
	<u>22,305,284</u>	<u>-</u>	<u>-</u>	<u>22,305,284</u>	<u>192,828</u>	<u>-</u>	<u>-</u>	<u>192,828</u>	<u>123,367</u>	<u>-</u>	<u>-</u>	<u>123,367</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	-	256,070	269,315	525,385	-	11,170	14,057	25,227	-	-	-	-
Cash Flow Hedge												
Interest / Profit rate related contracts												
- Swaps	25,000	1,600,000	2,833,550	4,458,550	-	46,834	138,743	185,577	24	-	-	24
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	1,918,827	219,603	1,029,298	3,167,728	-	2,149	18,861	21,010	125,717	-	-	125,717
	<u>1,943,827</u>	<u>2,075,673</u>	<u>4,132,163</u>	<u>8,151,663</u>	<u>-</u>	<u>60,153</u>	<u>171,661</u>	<u>231,814</u>	<u>125,741</u>	<u>-</u>	<u>-</u>	<u>125,741</u>
Total	<u>24,249,111</u>	<u>2,075,673</u>	<u>4,132,163</u>	<u>30,456,947</u>	<u>192,828</u>	<u>60,153</u>	<u>171,661</u>	<u>424,642</u>	<u>249,108</u>	<u>-</u>	<u>-</u>	<u>249,108</u>

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

A28. Derivative Financial Instruments (continued)

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows (continued):

Group As at 31 December 2022	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,752,724	-	-	1,752,724	9,504	-	-	9,504	12,612	-	-	12,612
- Swaps	24,451,793	-	-	24,451,793	158,437	-	-	158,437	357,249	-	-	357,249
- Options	103,007	-	-	103,007	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	230	-	-	230	-	-	-	-	-	-	-	-
	<u>26,307,754</u>	<u>-</u>	<u>-</u>	<u>26,307,754</u>	<u>167,941</u>	<u>-</u>	<u>-</u>	<u>167,941</u>	<u>369,861</u>	<u>-</u>	<u>-</u>	<u>369,861</u>
Hedging Derivatives:												
Fair Value Hedge												
Interest rate related contracts												
- Swaps	-	255,621	268,842	524,463	-	13,032	17,510	30,542	-	-	-	-
Cash Flow Hedge												
Interest / Profit rate related contracts												
- Swaps	25,000	1,500,000	2,930,683	4,455,683	-	50,080	177,331	227,411	25	-	-	25
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	1,928,379	220,696	1,034,422	3,183,497	-	2,463	18,207	20,670	126,159	-	-	126,159
	<u>1,953,379</u>	<u>1,976,317</u>	<u>4,233,947</u>	<u>8,163,643</u>	<u>-</u>	<u>65,575</u>	<u>213,048</u>	<u>278,623</u>	<u>126,184</u>	<u>-</u>	<u>-</u>	<u>126,184</u>
Total	<u>28,261,133</u>	<u>1,976,317</u>	<u>4,233,947</u>	<u>34,471,397</u>	<u>167,941</u>	<u>65,575</u>	<u>213,048</u>	<u>446,564</u>	<u>496,045</u>	<u>-</u>	<u>-</u>	<u>496,045</u>

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

A28. Derivative Financial Instruments (continued)

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows (continued):

Bank	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
As at 31 March 2023												
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,499,743	-	-	1,499,743	7,282	-	-	7,282	6,764	-	-	6,764
- Swaps	19,868,108	-	-	19,868,108	184,859	-	-	184,859	115,732	-	-	115,732
- Options	202,745	-	-	202,745	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	829	-	-	829	1	-	-	1	-	-	-	-
	<u>21,571,425</u>	<u>-</u>	<u>-</u>	<u>21,571,425</u>	<u>192,142</u>	<u>-</u>	<u>-</u>	<u>192,142</u>	<u>122,496</u>	<u>-</u>	<u>-</u>	<u>122,496</u>
Hedging Derivatives:												
Cash Flow Hedge												
Interest rate related contracts												
- Swaps	25,000	2,900,000	4,733,550	7,658,550	-	62,368	151,180	213,548	24	11,059	24,994	36,077
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	1,918,827	219,603	1,029,298	3,167,728	-	2,149	18,861	21,010	125,717	-	-	125,717
	<u>1,943,827</u>	<u>3,119,603</u>	<u>5,762,848</u>	<u>10,826,278</u>	<u>-</u>	<u>64,517</u>	<u>170,041</u>	<u>234,558</u>	<u>125,741</u>	<u>11,059</u>	<u>24,994</u>	<u>161,794</u>
Total	<u>23,515,252</u>	<u>3,119,603</u>	<u>5,762,848</u>	<u>32,397,703</u>	<u>192,142</u>	<u>64,517</u>	<u>170,041</u>	<u>426,700</u>	<u>248,237</u>	<u>11,059</u>	<u>24,994</u>	<u>284,290</u>

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

A28. Derivative Financial Instruments (continued)

i) Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows (continued):

Bank As at 31 December 2022	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	1,731,904	-	-	1,731,904	9,494	-	-	9,494	12,598	-	-	12,598
- Swaps	24,078,870	-	-	24,078,870	158,253	-	-	158,253	354,086	-	-	354,086
- Options	103,007	-	-	103,007	-	-	-	-	-	-	-	-
Precious metal contracts												
- Forwards	230	-	-	230	-	-	-	-	-	-	-	-
	<u>25,914,011</u>	<u>-</u>	<u>-</u>	<u>25,914,011</u>	<u>167,747</u>	<u>-</u>	<u>-</u>	<u>167,747</u>	<u>366,684</u>	<u>-</u>	<u>-</u>	<u>366,684</u>
Hedging Derivatives:												
Cash Flow Hedge												
Interest rate related contracts												
- Swaps	25,000	2,700,000	4,930,683	7,655,683	-	65,001	186,324	251,325	25	8,259	34,663	42,947
Net Investment Hedge												
Foreign exchange contracts												
- Forwards	1,928,379	220,696	1,034,422	3,183,497	-	2,463	18,207	20,670	126,159	-	-	126,159
	<u>1,953,379</u>	<u>2,920,696</u>	<u>5,965,105</u>	<u>10,839,180</u>	<u>-</u>	<u>67,464</u>	<u>204,531</u>	<u>271,995</u>	<u>126,184</u>	<u>8,259</u>	<u>34,663</u>	<u>169,106</u>
Total	<u>27,867,390</u>	<u>2,920,696</u>	<u>5,965,105</u>	<u>36,753,191</u>	<u>167,747</u>	<u>67,464</u>	<u>204,531</u>	<u>439,742</u>	<u>492,868</u>	<u>8,259</u>	<u>34,663</u>	<u>535,790</u>

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

A28. Derivative Financial Instruments (continued)

- ii) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amounts at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group and the Bank have a gain in a contract. As at the reporting date, the amounts of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, were RM424,642,000 (2022: RM446,564,000) and RM426,700,000 (2022: RM439,742,000) respectively. These amounts will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

- iii) Cash Requirements of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, the Group and the Bank had posted cash collateral of RM96,224,000 (2022: RM198,436,000) on their derivative contracts.

- iv) There have been no changes since the end of the previous financial year in respect of the following:
- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
 - b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
 - c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and of the Bank are discussed in the audited annual financial statements for the financial year ended 31 December 2022 and Pillar 3 Disclosures section of the 2022 Annual Report.

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

A29. a) Fair Value Measurements

Determination of Fair Value and Fair Value Hierarchy

The Group and the Bank classify financial instruments and non-financial assets which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1 - Quoted market prices: quoted prices (unadjusted) in active markets for identical instruments;

Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
31 March 2023	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	918,329	-	918,329
- Money market instruments	-	1,589,725	-	1,589,725
- Non-money market instruments	-	-	391,242	391,242
	-	2,508,054	391,242	2,899,296
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	48,695,323	-	48,695,323
- Money market instruments	-	1,300,760	-	1,300,760
- Non-money market instruments	1,695	5,463,381	413,344	5,878,420
	1,695	55,459,464	413,344	55,874,503
Derivative financial assets	-	424,642	-	424,642
Total financial assets measured at fair value	1,695	58,392,160	804,586	59,198,441
Non-financial assets				
Investment properties	-	-	668,693	668,693
Financial liabilities				
Derivative financial liabilities	-	249,108	-	249,108
Total financial liabilities measured at fair value	-	249,108	-	249,108

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

A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Group	Level 1	Level 2	Level 3	Total
31 December 2022	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	558,083	-	558,083
- Non-money market instruments	-	-	391,242	391,242
	-	558,083	391,242	949,325
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	48,272,166	-	48,272,166
- Money market instruments	-	842,032	-	842,032
- Non-money market instruments	1,675	5,338,129	413,287	5,753,091
	1,675	54,452,327	413,287	54,867,289
Derivative financial assets	-	446,564	-	446,564
Total financial assets measured at fair value	1,675	55,456,974	804,529	56,263,178
Non-financial assets				
Investment properties	-	-	669,570	669,570
Financial liabilities				
Derivative financial liabilities	-	496,045	-	496,045
Total financial liabilities measured at fair value	-	496,045	-	496,045

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

A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Bank	Level 1	Level 2	Level 3	Total
31 March 2023	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	908,091	-	908,091
- Non-money market instruments	-	-	368,855	368,855
	-	908,091	368,855	1,276,946
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	33,428,901	-	33,428,901
- Money market instruments	-	2,191,356	-	2,191,356
- Non-money market instruments	-	665,818	406,460	1,072,278
	-	36,286,075	406,460	36,692,535
Derivative financial assets	-	426,700	-	426,700
Total financial assets measured at fair value	-	37,620,866	775,315	38,396,181
Financial liabilities				
Derivative financial liabilities	-	284,290	-	284,290
Total financial liabilities measured at fair value	-	284,290	-	284,290

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

A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy (continued):

Bank	Level 1	Level 2	Level 3	Total
31 December 2022	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at fair value through profit or loss				
- Government securities and treasury bills	-	558,083	-	558,083
- Non-money market instruments	-	-	368,855	368,855
	-	558,083	368,855	926,938
Financial investments at fair value through other comprehensive income				
- Government securities and treasury bills	-	34,286,611	-	34,286,611
- Money market instruments	-	1,722,871	-	1,722,871
- Non-money market instruments	-	738,420	406,384	1,144,804
	-	36,747,902	406,384	37,154,286
Derivative financial assets	-	439,742	-	439,742
Total financial assets measured at fair value	-	37,745,727	775,239	38,520,966
Financial liabilities				
Derivative financial liabilities	-	535,790	-	535,790
Total financial liabilities measured at fair value	-	535,790	-	535,790

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial period (2022: None).

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

A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments and non-financial assets:

Group	<- Unquoted Equity Securities ->			
	Financial Assets at Fair Value Through Profit or Loss RM'000	Financial Investments at Fair Value Through Other Comprehensive Income RM'000	Investment Properties RM'000	Total RM'000
At 1 January 2023	391,242	413,287	669,570	1,474,099
Recognised in other comprehensive income				
- unrealised revaluation gain	-	7	-	7
Addition	-	-	325	325
Exchange differences	-	50	(1,202)	(1,152)
At 31 March 2023	<u>391,242</u>	<u>413,344</u>	<u>668,693</u>	<u>1,473,279</u>
At 1 January 2022	365,568	392,801	606,074	1,364,443
Recognised in profit or loss				
- unrealised revaluation gain	25,674	-	5,110	30,784
Recognised in other comprehensive income				
- unrealised revaluation gain	-	18,347	15,046	33,393
Addition	-	-	43,361	43,361
Transfer from owner occupied property	-	-	2,054	2,054
Reversal of over-provision	-	-	(13,149)	(13,149)
Exchange differences	-	2,139	11,074	13,213
At 31 December 2022	<u>391,242</u>	<u>413,287</u>	<u>669,570</u>	<u>1,474,099</u>

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

A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

Reconciliation of movements in Level 3 financial instruments and non-financial assets (continued):

Bank	<- Unquoted Equity Securities ->		
	Financial Assets at Fair Value Through Profit or Loss RM'000	Financial Investments at Fair Value Through Other Comprehensive Income RM'000	Total RM'000
At 1 January 2023	368,855	406,384	775,239
Recognised in other comprehensive income			
- unrealised revaluation gain	-	7	7
Exchange differences	-	69	69
At 31 March 2023	<u>368,855</u>	<u>406,460</u>	<u>775,315</u>
At 1 January 2022	344,650	386,070	730,720
Recognised in profit or loss			
- unrealised revaluation gain	24,205	-	24,205
Recognised in other comprehensive income			
- unrealised revaluation gain	-	18,388	18,388
Exchange differences	-	1,926	1,926
At 31 December 2022	<u>368,855</u>	<u>406,384</u>	<u>775,239</u>

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

A29. a) Fair Value Measurements (continued)

Determination of Fair Value and Fair Value Hierarchy (continued)

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities, price quotations from Bond Pricing Agency Malaysia and broker quotes on Bloomberg/Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived. The Group and the Bank generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial instruments held.

The fair values of investment properties located in Malaysia are determined using comparison method by reference to the recent sales prices of comparable properties, adjustments are made where dissimilarities exist. The fair values of investment properties located in Hong Kong are determined using comparison method by reference to recent sales prices of comparable properties on a price per square meter basis. A significant change in the price per square meter will result in a significant change in the fair value of the investment properties in Hong Kong.

b) Gains/Losses Arising from Fair Value Changes of Financial Liabilities

Other than derivative financial instruments where the fair value changes are recognised as derivative financial assets or liabilities, as disclosed in Note A28, there were no gains or losses arising from fair value changes of other financial liabilities.

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 2023	31 December 2022	31 March 2023	31 December 2022
<u>Before deducting interim dividends *</u>				
Common Equity Tier I ("CET I") capital ratio	14.621%	14.862%	13.193%	13.472%
Tier I capital ratio	14.671%	14.912%	13.234%	13.513%
Total capital ratio	<u>17.669%</u>	<u>17.925%</u>	<u>16.438%</u>	<u>16.722%</u>
<u>After deducting interim dividends *</u>				
CET I capital ratio	14.621%	14.552%	13.193%	13.072%
Tier I capital ratio	14.671%	14.603%	13.234%	13.113%
Total capital ratio	<u>17.669%</u>	<u>17.616%</u>	<u>16.438%</u>	<u>16.322%</u>

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

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 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	1,417,125	998,895	468,620	235,063
Retained profits	37,991,821	38,962,590	29,791,882	30,762,417
Qualifying non-controlling interests	718,691	721,467	-	-
Less: Goodwill and other intangible assets	(2,530,090)	(2,539,021)	(695,393)	(695,393)
Less: Deferred tax assets, net	(492,422)	(630,201)	(279,008)	(392,775)
Less: Defined benefit pension fund assets	(143,491)	(158,128)	(141,209)	(155,613)
Less: Investment in banking / insurance subsidiary companies and associated companies deducted from CET I capital	<u>(157,427)</u>	<u>(154,918)</u>	<u>(6,505,741)</u>	<u>(6,505,741)</u>
Total CET I capital	46,221,860	46,618,337	32,056,804	32,665,611
Additional Tier I capital securities	99,972	99,942	99,972	99,942
Qualifying CET I and additional Tier I capital instruments held by third parties	<u>58,150</u>	<u>58,268</u>	<u>-</u>	<u>-</u>
Total Tier I capital	<u>46,379,982</u>	<u>46,776,547</u>	<u>32,156,776</u>	<u>32,765,553</u>

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

A30. Capital Adequacy (continued)

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

	Group		Bank	
	31 March 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
<u>Tier II capital</u>				
Stage 1 and Stage 2 expected credit loss allowances #	3,600,138	3,575,757	2,785,650	2,782,854
Subordinated notes	4,999,148	4,999,096	4,999,148	4,999,096
Qualifying CET I and additional Tier I and Tier II capital instruments held by third parties	735,661	734,353	-	-
Others	140,839	140,839	-	-
Total Tier II capital	<u>9,475,786</u>	<u>9,450,045</u>	<u>7,784,798</u>	<u>7,781,950</u>
Total capital	<u>55,855,768</u>	<u>56,226,592</u>	<u>39,941,574</u>	<u>40,547,503</u>

Excludes expected credit loss allowances restricted from Tier II capital of the Group and of the Bank of RM389,011,000 (2022: RM453,732,000) and RM38,712,000 (2022: RM125,217,000) respectively.

In arriving at the total capital of the Group and of the Bank above, the interim 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.

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

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

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

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 Capital Adequacy Frameworks on Capital Components and Basel II - Risk-Weighted Assets. 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 capital conservation buffer 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 2023 RM'000	31 December 2022 RM'000	31 March 2023 RM'000	31 December 2022 RM'000
Credit risk	288,011,030	286,060,596	222,852,013	222,628,352
Market risk	4,688,923	4,552,498	4,028,231	4,218,024
Operational risk	22,820,460	22,457,709	15,519,626	15,042,201
Large exposure risk	607,439	607,456	585,051	585,069
	<u>316,127,852</u>	<u>313,678,259</u>	<u>242,984,921</u>	<u>242,473,646</u>

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

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 2023							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.820%	36.419%	24.847%	22.381%	28.570%	N/A	N/A
Tier I capital ratio	12.820%	36.419%	24.847%	22.381%	28.570%	N/A	N/A
Total capital ratio	15.941%	37.163%	24.934%	23.144%	29.620%	22.501%	22.511%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	12.820%	36.419%	24.847%	22.381%	28.570%	N/A	N/A
Tier I capital ratio	12.820%	36.419%	24.847%	22.381%	28.570%	N/A	N/A
Total capital ratio	15.941%	37.163%	24.934%	23.144%	29.620%	22.501%	22.511%
31 December 2022							
<u>Before deducting interim dividends: *</u>							
CET I capital ratio	12.863%	38.729%	24.821%	22.470%	28.855%	N/A	N/A
Tier I capital ratio	12.863%	38.729%	24.821%	22.470%	28.855%	N/A	N/A
Total capital ratio	16.025%	39.489%	24.888%	23.251%	29.902%	23.110%	23.140%
<u>After deducting interim dividends: *</u>							
CET I capital ratio	12.863%	35.078%	24.821%	22.348%	27.805%	N/A	N/A
Tier I capital ratio	12.863%	35.078%	24.821%	22.348%	27.805%	N/A	N/A
Total capital ratio	16.025%	35.837%	24.888%	23.129%	28.852%	23.110%	23.140%

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

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

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 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 BNM's Capital Adequacy Frameworks for Islamic Banks on Capital Components and Risk-Weighted Assets. 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 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 BNM's Capital Adequacy Frameworks on Capital Components and Basel II - Risk-Weighted Assets. 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 and Market Risk. Public Bank (Hong Kong) Limited has adopted the Basic Indicator Approach for Operational Risk and Public Finance Limited has adopted the Standardised Approach for Operational Risk. 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 1.0% as imposed by Hong Kong Monetary Authority to their private sector exposures in Hong Kong.

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

A30. Capital Adequacy (continued)

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

- ⁵ The amount presented here is the solvency ratio of Cambodian Public Bank Plc ("Campu Bank"), which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with National Bank of Cambodia Prakas B7-010-182 and B7-00-46 (amended by Prakas No. B7-04-206 and Prakas No. B7-07-135). This ratio is derived as Campu Bank's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement is 16.0%.
- ⁶ The amount presented here is the capital adequacy ratio of Public Bank Vietnam Limited ("PBVN"), which is the nearest equivalent regulatory compliance ratio. This ratio is computed in accordance with the State Bank of Vietnam ("SBV") Circular No.41/2016/TT-NHNN and 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%.

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

A31. Operations of Islamic Banking

a) Statement of Financial Position As At 31 March 2023

	Note	Group	
		31 March 2023 RM'000	31 December 2022 RM'000
ASSETS			
Cash and balances with banks		858,477	3,065,329
Financial assets at fair value through profit or loss		1,589,725	-
Derivative financial assets		36,053	42,922
Financial investments at fair value through other comprehensive income		13,624,969	12,076,612
Financial investments at amortised cost		6,067,988	5,635,686
Financing and advances	A31(d)	67,155,622	65,637,072
Other assets		222,739	217,946
Statutory deposits with Bank Negara Malaysia		1,623,700	1,746,100
Deferred tax assets		124,221	148,606
Collective investment		594,388	589,838
Investment in an associated company		67,500	67,500
Right-of-use assets		19,425	19,846
Property and equipment		3,573	3,492
Total Assets		91,988,380	89,250,949
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	A31(e)	78,573,907	76,088,570
Deposits from banks and other financial institutions		2,722,230	2,715,451
Bills and acceptances payable		1,587	3,100
Recourse obligations on financing sold to Cagamas		1,100,000	1,100,000
Derivative financial liabilities		27,971	23,914
Senior Sukuk Murabahah		1,000,000	1,000,000
Subordinated Sukuk Murabahah		1,000,000	1,000,000
Lease liabilities		19,763	20,101
Other liabilities		484,766	463,445
Provision for zakat and taxation		71,058	92,947
Total Liabilities		85,001,282	82,507,528
Islamic Banking Funds		6,987,098	6,743,421
Total Liabilities and Islamic Banking Funds		91,988,380	89,250,949
COMMITMENTS AND CONTINGENCIES		13,613,222	13,328,439

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

A31. Operations of Islamic Banking (continued)

b) Statement of Profit or Loss for the 1st Quarter Ended 31 March 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>				
Income derived from investment of depositors' funds and others	845,125	624,412	845,125	624,412
Income derived from investment of Islamic Banking Funds	73,452	51,459	73,452	51,459
Writeback of allowance / (Allowance) for impairment on financing and advances	12,551	(25,242)	12,551	(25,242)
Allowance for impairment on other assets	(406)	(126)	(406)	(126)
Total distributable income	930,722	650,503	930,722	650,503
Income attributable to depositors and others	(564,144)	(302,310)	(564,144)	(302,310)
Total net income	366,578	348,193	366,578	348,193
Other operating expenses	(146,693)	(132,385)	(146,693)	(132,385)
Profit before zakat and taxation	219,885	215,808	219,885	215,808
Zakat	(518)	(705)	(518)	(705)
Taxation	(51,950)	(63,884)	(51,950)	(63,884)
Profit for the period	167,417	151,219	167,417	151,219

Net income from Islamic banking business as reported in the statement of profit or loss of the Group is derived as follows:

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Income derived from investment of depositors' funds and others	845,125	624,412	845,125	624,412
Income derived from investment of Islamic Banking Funds	73,452	51,459	73,452	51,459
Income attributable to depositors and others	(564,144)	(302,310)	(564,144)	(302,310)
	354,433	373,561	354,433	373,561
Elimination of inter-company income and expenses	42,682	28,728	42,682	28,728
Net income from Islamic banking business	397,115	402,289	397,115	402,289
Of which:				
Financing income earned on impaired financing	1,645	972	1,645	972

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

A31. Operations of Islamic Banking (continued)

c) Statement of Comprehensive Income for the 1st Quarter Ended 31 March 2023

	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
<u>Group</u>				
Profit for the period	<u>167,417</u>	<u>151,219</u>	<u>167,417</u>	<u>151,219</u>
Other comprehensive income / (loss):				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Net change in revaluation of financial investments at fair value through other comprehensive income	<u>111,326</u>	<u>(22,548)</u>	<u>111,326</u>	<u>(22,548)</u>
Net change in cash flow hedges	<u>(10,984)</u>	<u>51,555</u>	<u>(10,984)</u>	<u>51,555</u>
	<u>100,342</u>	<u>29,007</u>	<u>100,342</u>	<u>29,007</u>
Income tax effect	<u>(24,082)</u>	<u>(6,962)</u>	<u>(24,082)</u>	<u>(6,962)</u>
Other comprehensive income for the period, net of tax	<u>76,260</u>	<u>22,045</u>	<u>76,260</u>	<u>22,045</u>
Total comprehensive income for the period	<u>243,677</u>	<u>173,264</u>	<u>243,677</u>	<u>173,264</u>

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

A31. Operations of Islamic Banking (continued)

d) Financing and Advances

By type and contract

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
31 March 2023							
At amortised cost							
Cash line	1,657,997	-	38,395	-	-	-	1,696,392
Term financing							
- House financing	5,086,269	-	-	27,348,832	-	-	32,435,101
- Syndicated financing	1,371,263	-	-	-	-	-	1,371,263
- Hire purchase receivables	-	10,841,818	-	-	-	-	10,841,818
- Other term financing	4,499,206	-	1,492,849	14,455,765	-	140,304	20,588,124
Credit card receivables	-	-	-	-	-	79,601	79,601
Bills receivables	-	-	-	-	1,527	-	1,527
Trust receipts	-	-	-	-	2,279	-	2,279
Claims on customers under acceptance credits	-	-	-	-	216,200	-	216,200
Revolving credits	665,589	-	-	-	-	-	665,589
Staff financing	-	14,696	-	111,697	-	-	126,393
Gross financing and advances	13,280,324	10,856,514	1,531,244	41,916,294	220,006	219,905	68,024,287
Allowance for impairment on financing and advances:							
- Expected credit losses							(868,665)
- Stage 1: 12-Month ECL							(457,069)
- Stage 2: Lifetime ECL not credit-impaired							(357,232)
- Stage 3: Lifetime ECL credit-impaired							(54,364)
Net financing and advances							67,155,622

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

A31. Operations of Islamic Banking (continued)

d) Financing and Advances (continued)

By type and contract (continued)

Group	Bai' Bithaman Ajil RM'000	Ijarah Thumma Al-Bai' RM'000	Bai' Inah RM'000	Musharakah Mutanaqisah RM'000	Murabahah RM'000	Others RM'000	Total Financing and Advances RM'000
31 December 2022							
At amortised cost							
Cash line	1,582,097	-	27,635	-	-	-	1,609,732
Term financing							
- House financing	5,159,217	-	-	26,408,385	-	-	31,567,602
- Syndicated financing	1,360,085	-	-	-	-	-	1,360,085
- Hire purchase receivables	-	10,507,358	-	-	-	-	10,507,358
- Other term financing	4,504,667	-	1,538,824	14,214,875	-	149,016	20,407,382
Credit card receivables	-	-	-	-	-	74,392	74,392
Bill receivables	-	-	-	-	2,636	-	2,636
Trust receipts	-	-	-	-	3,709	-	3,709
Claims on customers under acceptance credits	-	-	-	-	205,354	-	205,354
Revolving credits	656,246	-	-	-	-	-	656,246
Staff financing	-	14,154	-	110,870	-	-	125,024
Gross financing and advances	13,262,312	10,521,512	1,566,459	40,734,130	211,699	223,408	66,519,520
Allowance for impairment on financing and advances:							
- Expected credit losses							(882,448)
- Stage 1: 12-Month ECL							(455,527)
- Stage 2: Lifetime ECL not credit-impaired							(376,749)
- Stage 3: Lifetime ECL credit-impaired							(50,172)
Net financing and advances							65,637,072

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

A31. Operations of Islamic Banking (continued)

d) Financing and Advances (continued)

Movements in credit-impaired ("impaired") financing and advances are as follows:

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
At 1 January	154,367	132,260
Impaired during the period / year	91,476	183,719
Reclassified as non-impaired	(60,218)	(89,625)
Recoveries	(6,603)	(35,025)
Amount written off	(7,226)	(29,561)
Financing converted to foreclosed properties	(909)	(7,401)
Closing balance	<u>170,887</u>	<u>154,367</u>
Gross impaired financing and advances as a percentage of gross financing and advances	<u>0.25%</u>	<u>0.23%</u>

e) Deposits from Customers

	Group	
	31 March 2023 RM'000	31 December 2022 RM'000
By type of deposit and contract		
At amortised cost		
Savings deposit		
- Qard	9,763,974	9,797,611
Demand deposit		
- Qard	7,949,757	7,653,155
Term deposit		
- Commodity Murabahah	48,994,101	42,025,215
- Special term deposit account		
- Commodity Murabahah	11,866,075	16,612,589
	<u>78,573,907</u>	<u>76,088,570</u>

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

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance Review

Current Year-to-date vs. Previous Year-to-date

Key Profit or Loss Items:	Group		Variance	
	Three Months Ended			
	31 March 2023	31 March 2022	RM'000	%
	RM'000	RM'000		
Profit before tax expense and zakat	2,208,983	2,000,274	208,709	10.4
Net profit attributable to equity holders of the Bank	1,713,963	1,398,555	315,408	22.6
Other comprehensive income / (loss) (net)	382,703	(68,900)	451,603	> 100.0

Key Balance Sheet Items:	Group		Variance	
	As At			
	31 March 2023	31 March 2022	RM'000	%
	RM'000	RM'000		
Gross loans, advances and financing	381,591,461	362,731,616	18,859,845	5.2
Gross impaired loan and financing (%)	0.52%	0.29%	n/a	0.23
Deposits from customers	403,660,439	384,752,118	18,908,321	4.9

The Group's pre-tax profit for the 1st quarter ended 31 March 2023 increased by RM208.7 million or 10.4% to RM2,209.0 million as compared to RM2,000.3 million in the previous year corresponding period. In the current period, net interest income and income from Islamic banking business increased by RM149.9 million (+6.0%) which were attributable to the positive effect of Overnight Policy Rate ("OPR") hikes and loans growth achieved over the last 12 months. Loan impairment allowance decreased by RM98.2 million (+98.5%) as adequate pre-emptive allowance has been made in prior years. These were partially offset by higher other operating expenses (RM49.2 million or -4.7%) and lower net fee and commission income (RM15.0 million or -3.0%). The lower net fee and commission income were mainly due to lower fund management related fee income, in tandem with weaker market sentiment.

Net profit attributable to equity holders registered a higher increase of RM315.4 million or 22.6% over the same period mainly due to the effect of prosperity tax in the previous year.

Other comprehensive income (net) of the Group for the current period was RM382.7 million as compared to other comprehensive loss (net) of RM68.9 million in the previous year corresponding period, an increase of RM451.6 million. This was mainly attributable to the gain on revaluation of financial investments in the current period as compared to a loss in the previous year corresponding period, partially offset by loss on cash flow hedges in the current period.

The Group's profit continued to be supported by healthy loans and customer deposits growth. Gross loans grew by RM18.9 billion or 5.2% to RM381.6 billion as at 31 March 2023 as compared to RM362.7 billion a year ago, mainly driven by growth in mortgage financing, hire purchase financing and lending to SMEs. Total deposits from customers increased by 4.9% or RM18.9 billion to RM403.7 billion as at 31 March 2023. The Group's gross impaired loan ratio remained low at 0.5% as at 31 March 2023.

The Group's Common Equity Tier I capital ratio, Tier I capital ratio and total capital ratio stood at a healthy level of 14.6%, 14.7% and 17.7% respectively. The Group's liquidity position also remained stable and healthy with liquidity coverage ratio standing at 137.1% as at 31 March 2023.

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

B1. Performance Review (continued)

Current Year-to date vs. Previous Year-to-date (continued)

The performance of the respective operating segments for the financial period ended 31 March 2023 as compared to the previous year corresponding period is analysed as follows:-

	Group		Variance	
	Three Months Ended			
Profit Before Tax by Segments:	31 March 2023	31 March 2022	RM'000	%
	RM'000	RM'000		
Retail operations	1,041,990	1,044,035	(2,045)	(0.2)
Hire purchase	166,800	100,607	66,193	65.8
Corporate lending	145,174	153,518	(8,344)	(5.4)
Treasury and capital market operations	27,186	79,365	(52,179)	(65.7)
Investment banking	13,396	18,422	(5,026)	(27.3)
Fund management	192,617	201,967	(9,350)	(4.6)
Head office, funding center and others	442,113	252,802	189,311	74.9
Total domestic operations	2,029,276	1,850,716	178,560	9.6
Overseas operations	179,707	149,558	30,149	20.2
	2,208,983	2,000,274	208,709	10.4

- 1) Retail operations – Pre-tax profit decreased marginally by RM2.0 million (-0.2%) to RM1,042.0.
- 2) Hire purchase – Pre-tax profit increased by RM66.2 million (+65.8%) to RM166.8 million. The higher profit was attributed to the net writeback of loan impairment allowance in the current period as compared to allowance made in the previous year corresponding period.
- 3) Corporate lending – Pre-tax profit decreased by RM8.3 million (-5.4%) to RM145.2 million mainly due to lower net interest income, lower net writeback of loan impairment allowance and lower fee income.
- 4) Treasury and capital market operations – Pre-tax profit decreased by RM52.2 million (-65.7%) to RM27.2 million which was mainly due to unfavourable interest gapping activities, partially offset by higher investment income.
- 5) Investment banking – Pre-tax profit decreased by RM5.0 million (-27.3%) to RM13.4 million, due to lower net interest income and higher other operating expenses.
- 6) Fund management – Pre-tax profit decreased by RM9.4 million (-4.6%) to RM192.6 million mainly due to lower management fee from lower average net asset value of funds and lower fee income on sale of trust units arising from lower equity sales achieved, in tandem with the weaker market conditions. These were partially offset by lower other operating expenses.
- 7) Head office, funding center and others – Pre-tax profit increased by RM189.3 million (+74.9%) to RM442.1 million, mainly due to higher net interest income arising from the positive effect of OPR hikes since last year.
- 8) Overseas operations – Pre-tax profit increased by RM30.1 million (+20.2%) to RM179.7 million which was due to higher fee and other income, higher net interest income and lower loan impairment allowance, partially offset by higher other operating expenses.

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

B2. Variation of Results Against Preceding Quarter

Key Profit or Loss Items:	Group Quarter Ended		Variance	
	31 March 2023	31 December 2022		
	RM'000	RM'000		
Profit before tax expense and zakat	2,208,983	2,520,942	(311,959)	(12.4)
Net profit attributable to equity holders of the Bank	1,713,963	1,713,677	286	0.02
Other comprehensive income / (loss) (net)	382,703	(27,822)	410,525	> 100.0

For the 1st quarter ended 31 March 2023, the Group registered a pre-tax profit of RM2,209.0 million, a decrease of RM312.0 million or 12.4% as compared to the pre-tax profit of RM2,520.9 million for the immediate preceding quarter ended 31 December 2022. Net interest and Islamic banking income decreased by RM392.5 million (-12.9%) whereas other operating expenses increased by RM53.9 million (-5.2%). These were mitigated by lower loan impairment allowance (RM88.5 million or +98.3%) and higher investment income (RM42.6 million). Lower net interest and Islamic banking income was mainly due to tapering of the positive effect of Overnight Policy Rate ("OPR") hikes whereas loan impairment allowance was lower as sufficient pre-emptive allowance has been made in prior years.

Without the effect of additional tax charge arising from prosperity tax in the immediate preceding quarter, net profit attributable to equity holders remained flat at RM1,714.0 million.

Other comprehensive income (net) of the Group for the current quarter was RM382.7 million as compared to other comprehensive loss (net) of RM27.8 million in the immediate preceding quarter, an increase of RM410.5 million. This was mainly due to gains on foreign currency translation and revaluation of financial investments in the current quarter, partially offset by gain on remeasurements of defined benefit plans in the immediate preceding quarter.

B3. Prospects for 2023

Bouts of heightened financial market volatility amid negative vibes which ignited across banking industry in the United States of America ("US") and Europe, raise questions on the global outlook and potential risk of contagion effects amid global market routs and banking fears. The global economy is projected to grow albeit moderately dragged by economic uncertainties and geopolitical tensions which are expected to impact the overall global outlook. Advanced economies are expected to moderate further due to weak private consumption, high inflation and banking sector fears. For many emerging economies, macro challenges mainly stem from the unprecedented financial conditions and elevated cost pressures.

The Malaysian economy is expected to grow moderately backed by stable fundamentals and its diversified economic structure. Ongoing policy support will help cushion the impact of rising inflation and mitigate downside risks amid economic and geopolitical challenges as well as heightened volatility in global financial markets. As for the Malaysian banking system, it remains resilient underpinned by ample liquidity and healthy capital buffers.

The Public Bank Group is fully committed to further strengthen its role as a financial intermediary as well as contributing to national development. The Group continues to operate efficiently, maintain prudence in its management of credit risk as well as preserve its sound corporate governance and risk management practices. The Group strives to proactively manage any potential stress in asset quality and provide further assistance to customers who may continue to face financial constraints, including the necessary financial support for small and medium enterprises ("SME").

The Public Bank Group is committed in embracing sustainability in its business approaches. The Group's efforts encompass a wide array of initiatives in the areas of environmental, social and governance. In addressing climate change risk, the Group continues to promote the national transition to a low carbon economy by supporting green financing and embedding environmental considerations into its business strategies. The Group's offerings of attractive financing packages for the purchase of solar panel and energy efficient vehicles, among others, continue to support a green and lower carbon emission environment. The Group and several property developers have signed Memorandum of Understanding to collaborate on property financing of green and sustainable development projects in Malaysia.

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

B3. Prospects for 2023 (continued)

On digitalisation and technological innovation, the Public Bank Group continues to apply relevant roadmap and strategies for the development of digital initiatives amid the new normal business environment. This includes ongoing upgrades and enhancement of information and communication technology infrastructure as well as exploration and adoption of new technologies to cater to the evolving customers' needs.

For long term sustainability, the Public Bank Group will enhance its service delivery standards and infrastructure by leveraging on the advancement of technology. The Group will continue to provide seamless banking services across its multi-delivery channels. The Group will also strive to deliver efficient customer service through its extensive network of physical and digital channels, while sustaining its position as a market leader in both the domestic retail and consumer segments.

The Public Bank Group will continue to support financing in residential properties, in tandem with the Government's initiative to promote home ownership, especially for first time home buyers. The Group will also continue to support financing for purchase of passenger vehicles. Similarly, the Group will remain supportive of its corporate and SME lending businesses by leveraging on its strong franchise and relationship with customers.

Amid uncertainties in financial markets, the Public Bank Group's treasury operations will remain vigilant in its business approach and will continue to maintain a prudent risk profile, while further strengthening its risk management capabilities to weather ongoing market risk.

The private retail unit trust industry would perform in tandem with financial market conditions that is expected to experience heightened volatility. However, the Public Bank Group is committed to offer a comprehensive range of unit trust products, as it continues to embrace technology to cater to the needs of investors.

The Public Bank Group remains committed to strengthen its regional presence particularly in Indochina, while leveraging on its strong branding and prudent management practices.

The Public Bank Group continues to ensure that it remains well-capitalised and well-funded at all times to support its business, while safeguarding the interests of its stakeholders. The Group's healthy capital and liquidity position coupled with its resilient asset quality and prudent loan loss reserves will enable the Group to generate sustainable growth through challenging times and business cycles.

B4. Profit Forecast or Profit Guarantee

There were no profit forecast or profit guarantee issued by the Group and the Bank.

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 1st quarter ended 31 March 2023 are as follows:

<u>Group</u>	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Malaysian income tax	409,547	520,488	409,547	520,488
Overseas income tax	39,634	29,074	39,634	29,074
	449,181	549,562	449,181	549,562
(Over) / Under provision in prior years				
- Malaysian income tax	(59)	3,888	(59)	3,888
- Overseas income tax	(2,894)	3,024	(2,894)	3,024
	446,228	556,474	446,228	556,474
Deferred tax expense / (income)				
- Relating to origination and reversal of temporary differences	39,232	34,261	39,232	34,261
- Over provision	-	(3,982)	-	(3,982)
Tax expense	485,460	586,753	485,460	586,753
Zakat	518	705	518	705
	485,978	587,458	485,978	587,458

The Group's effective tax rate for the 1st quarter ended 31 March 2023 was lower than the statutory tax rate mainly due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

The Group's effective tax rate for the 1st quarter ended 31 March 2022 was higher mainly due to one-off "Cukai Makmur" of 33% for Malaysian companies with chargeable income exceeding RM100 million in Year of Assessment 2022.

<u>Bank</u>	1st Quarter Ended		Three Months Ended	
	31 March 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Malaysian income tax	344,116	388,002	344,116	388,002
Overseas income tax	3,194	1,129	3,194	1,129
	347,310	389,131	347,310	389,131
(Over) / Under provision in prior years				
- Malaysian income tax	-	3,982	-	3,982
- Overseas income tax	(2,055)	3,024	(2,055)	3,024
	345,255	396,137	345,255	396,137
Deferred tax expense / (income)				
- Relating to origination and reversal of temporary differences	42,127	37,207	42,127	37,207
- Over provision	-	(3,982)	-	(3,982)
	387,382	429,362	387,382	429,362

The Bank's effective tax rate for the 1st quarter ended 31 March 2023 was lower than the statutory tax rate mainly due to certain income not subject to tax.

The Bank's effective tax rate for the 1st quarter ended 31 March 2022 was higher mainly due to one-off "Cukai Makmur" of 33% with chargeable income exceeding RM100 million in Year of Assessment 2022.

B6. Status of Corporate Proposals Announced but Not Completed

There were no corporate proposals announced but not completed as at end of the current period.

B7. Status of Utilisation of Proceeds Raised from Corporate Proposals

The proceeds raised from the issuance of all debt securities and borrowings have been used for working capital, general banking and other corporate purposes, as intended.

B8. Financial Risk Management

There have been no significant changes since the end of the previous financial year in respect of the following:

- i) risk management policies in place for mitigating and controlling the risks associated with foreign exchange, interest/profit rate, liquidity and funding.
- ii) the hedging policies in respect of foreign exchange and interest/profit rate exposures.

The above information are discussed in the Financial Risk Management section of the audited annual financial statements for the financial year ended 31 December 2022 and Pillar 3 Disclosures section of the 2022 Annual Report.

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

B9. Debt Securities Issued and Other Borrowed Funds

Group	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
Unsecured							
As At 31 March 2023							
Hong Kong Dollar ("HKD") term loan	617,250	-	-	-	617,250	-	617,250
United States Dollar ("USD") term loan	880,163	-	-	-	880,163	-	880,163
USD syndicated term loan	1,629,167	-	-	-	1,629,167	-	1,629,167
RM Senior Medium Term notes / sukuk murabahah	-	1,889,871	-	909,999	-	2,799,870	2,799,870
RM Subordinated notes / sukuk murabahah	-	4,999,148	-	1,000,000	-	5,999,148	5,999,148
RM Additional Tier I capital securities	-	-	-	99,972	-	99,972	99,972
	3,126,580	6,889,019	-	2,009,971	3,126,580	8,898,990	12,025,570
As At 31 December 2022							
HKD term loan	620,128	-	-	-	620,128	-	620,128
USD term loan	878,457	-	-	-	878,457	-	878,457
USD syndicated term loan	1,626,029	-	-	-	1,626,029	-	1,626,029
RM Senior Medium Term notes / sukuk murabahah	-	1,889,856	-	909,976	-	2,799,832	2,799,832
RM Subordinated notes / sukuk murabahah	-	4,999,096	-	1,000,000	-	5,999,096	5,999,096
RM Additional Tier I capital securities	-	-	-	99,942	-	99,942	99,942
	3,124,614	6,888,952	-	2,009,918	3,124,614	8,898,870	12,023,484
As At 31 March 2022							
HKD term loan	588,723	-	-	-	588,723	-	588,723
USD term loan	-	-	841,253	-	841,253	-	841,253
USD syndicated term loan	1,551,203	-	-	-	1,551,203	-	1,551,203
RM Senior Medium Term notes / sukuk murabahah	-	1,799,715	-	-	-	1,799,715	1,799,715
RM Subordinated notes / sukuk murabahah	-	3,500,000	-	2,500,000	-	6,000,000	6,000,000
RM Additional Tier I capital securities	-	99,852	-	-	-	99,852	99,852
	2,139,926	5,399,567	841,253	2,500,000	2,981,179	7,899,567	10,880,746

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

B9. Debt Securities Issued and Other Borrowed Funds (continued)

Bank	More Than 1 Year		Less Than 1 Year		Sub-total		Total RM'000
	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	Foreign Currency RM'000	Local Currency RM'000	
Unsecured							
As At 31 March 2023							
USD term loan	880,163	-	-	-	880,163	-	880,163
USD syndicated term loan	1,629,167	-	-	-	1,629,167	-	1,629,167
RM Senior Medium Term notes	-	889,871	-	909,999	-	1,799,870	1,799,870
RM Subordinated notes	-	3,999,148	-	1,000,000	-	4,999,148	4,999,148
RM Additional Tier I capital securities	-	-	-	99,972	-	99,972	99,972
	2,509,330	4,889,019	-	2,009,971	2,509,330	6,898,990	9,408,320
As At 31 December 2022							
USD term loan	878,457	-	-	-	878,457	-	878,457
USD syndicated term loan	1,626,029	-	-	-	1,626,029	-	1,626,029
RM Senior Medium Term notes	-	889,856	-	909,976	-	1,799,832	1,799,832
RM Subordinated notes	-	3,999,096	-	1,000,000	-	4,999,096	4,999,096
RM Additional Tier I capital securities	-	-	-	99,942	-	99,942	99,942
	2,504,486	4,888,952	-	2,009,918	2,504,486	6,898,870	9,403,356
As At 31 March 2022							
USD term loan	-	-	841,253	-	841,253	-	841,253
USD syndicated term loan	1,551,203	-	-	-	1,551,203	-	1,551,203
RM Senior Medium Term notes	-	1,799,715	-	-	-	1,799,715	1,799,715
RM Subordinated notes	-	3,000,000	-	2,000,000	-	5,000,000	5,000,000
RM Additional Tier I capital securities	-	99,852	-	-	-	99,852	99,852
	1,551,203	4,899,567	841,253	2,000,000	2,392,456	6,899,567	9,292,023
Exchange rates used:	HKD	USD					
As at 31 March 2023	0.56245	4.41500					
As at 31 December 2022	0.56525	4.40725					
As at 31 March 2022	0.53720	4.20725					

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

B10. Changes in Material Litigation

The Group and the Bank do not have any material litigation which would materially and adversely affect the financial position of the Group and of the Bank.

B11. Dividends

No dividend has been proposed for the 1st quarter ended 31 March 2023.

B12. Earnings Per Share

	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
Net profit attributable to equity holders (RM'000)	<u>1,713,963</u>	<u>1,398,555</u>	<u>1,713,963</u>	<u>1,398,555</u>
Weighted average number of ordinary shares in issue ('000)	<u>19,410,692</u>	<u>19,410,692</u>	<u>19,410,692</u>	<u>19,410,692</u>
Basic earnings per share (sen)	<u>8.83</u>	<u>7.21</u>	<u>8.83</u>	<u>7.21</u>

Diluted

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial period as there are no dilutive potential ordinary shares.